



## Indonesia Customs Alert August 2021

### Regulation Update on Bonded Zones

On 8 June 2021, the Ministry of Finance (MoF) issued Regulation Number 65/PMK.04/2021 (PMK-65) concerning Bonded Zones (*Kawasan Berikat*) to amend the MoF Regulation Number 131/PMK.04/2018 (PMK-131), as part of its effort to increase the domestic market competitiveness and boost the recovery of national economy.

The highlights of the amendment and additional provisions under PMK-65 are as follows:

- Highlight the inbound and outbound treatments of goods owned by foreign tax subjects within Bonded Zones;
- Emphasize the utilization of corporate guarantee for low-risk Bonded Zone Entrepreneurs and Entrepreneurs in Bonded Zones; and
- Emphasize the Value Added Tax (VAT) not-collected treatment in Bonded Zones for the entry of taxable goods into Bonded Zones.

The salient amendments in PMK-65 are as follows:

Item	PMK-131 Previous Regulation	PMK-65 New Regulation
<p>The obligations of Bonded Zone Entrepreneurs (<i>Pengusaha Kawasan Berikat</i> (PKB)) and Entrepreneurs in Bonded Zones (<i>Pengusaha dalam Kawasan Berikat</i> (PDKB))</p>	<p>PKB and PDKB must empower Information Technology Inventory (“IT Inventory”) that will generate financial reports accessible by the Directorate General of Customs and Excise (DGCE) and the Directorate General of Taxation (DGT) for inspection purposes.</p>	<p>PKB and PDKB must empower IT Inventory for management of entry and release of goods, constituting the subsystem of accounting information system that will generate financial reports accessible by the DGCE and the DGT for inspection purposes <b>and/or supervision of fulfillment of taxation obligations.</b></p>
	<p>To perform inventory-checking at least once a year.</p>	<p>To perform inventory-checking at least once a year <b>and submit the reports in no later than two months after the inventory-checking to the Head of Tax Office where the Periodic VAT Return is reported.</b></p>
	<p>The entry of goods into Bonded Zones, which is not a delivery of taxable goods, shall not be subjected to VAT or VAT and Luxury Sales Tax (LST).</p>	<p>The entry of goods into Bonded Zones, which is not a delivery of taxable goods, shall not be subjected to VAT or VAT and LST; <b>therefore, it is not required to issue tax invoices.</b></p>
<p>The requirements for entry of goods into Bonded Zones, where the goods originate from:</p> <ol style="list-style-type: none"> <li>Outside the Customs Area</li> <li>Other Bonded Stockpiling Zones;</li> <li>Free Zones;</li> <li>Other Places within the Customs Area (<i>Tempat Lain di Dalam Daerah Pabean</i> (TLDDP));</li> <li>Special Economic Zones; and/or</li> <li>Other Economic Zones designated by the government</li> </ol>	<p>The entry of goods originating from TLDDP requires the issuance of a tax invoice, and <b>a customs declaration document must be provided as supporting evidence.</b></p> <p>Tax invoice as mentioned above must be marked with <b>“VAT not-collected pursuant to GR (Government Regulation) concerning Bonded Stockpiling Zones”.</b></p>	<p>The entry of goods originating from TLDDP requires the issuance of a tax invoice, where <b>documents on approval for goods entry into Bonded Zones owned by PKB or PDKB must have been obtained prior to the issuance of tax invoice.</b></p> <p>Tax invoice as mentioned above must be marked with <b>“VAT or VAT and LST not-collected pursuant to GR concerning Bonded Stockpiling Zones”.</b></p>
<p>The entry of goods into Bonded Zones originating from TLDDP, from:</p> <ol style="list-style-type: none"> <li>Other places within the Customs Area;</li> <li>Other Bonded Stockpiling Zones;</li> <li>Free Zones;</li> <li>Special Economic Zones; and/or</li> <li>Other Economic Zones designated by the government</li> </ol>	<p>Tax in the context of import, which had been paid and attached with customs documents, may be credited.</p> <p><b>The release of goods from Bonded Zones, other than the delivery of goods,</b> for the purpose of utilization shall not be subjected to VAT or VAT and LST.</p>	<p>Tax in the context of import, which had been paid and attached with customs documents, may be credited <b>in the fiscal period at the time of the release of goods from Bonded Zones.</b></p> <p><b>The release of goods from Bonded Zones into TLDDP, which is not a delivery of taxable goods,</b> for the purpose of utilization shall not be subjected to VAT or VAT and LST <b>and not required to issue tax invoices.</b></p>
<p>The release of goods originating from outside the Customs Area, from Bonded Zones to TLDDP for the purpose of import for use</p>	<p>The release of goods <b>other than</b>, e.g., raw materials, auxiliary materials, and/or packaging from Bonded Zones shall not be subjected to VAT or VAT and LST.</p>	<p>The release of goods, including raw materials, auxiliary materials, and/or packaging from Bonded Zones, <b>which is not a delivery of taxable goods</b>, shall not be subjected to VAT or VAT and LST and not required to issue tax invoices.</p>

Item	PMK-131 Previous Regulation	PMK-65 New Regulation
The requirements for settlement of goods that remain in Bonded Zone of which the permit has been revoked	Within a maximum period of 30 (thirty) days from the date of revocation of Bonded Zone permit, the settlement of goods, which originate from TLDDP and remain in the Bonded Zones of which the permit has been revoked, is regulated as follows: a. The goods shall be exported; b. The goods shall be transferred to other Bonded Stockpiling Zones; and/or c. <b>The goods shall be released to TLDDP.</b>	Within a maximum period of 30 (thirty) days from the date of revocation of Bonded Zone permit, the settlement of goods, which originate from TLDDP and remain in the Bonded Zones of which the permit has been revoked, is regulated as follows: a. The goods shall be exported; b. The goods shall be transferred to other Bonded Stockpiling Zones; and/or c. <b>The VAT or VAT and LST, which at the time of the entry of goods are not collected, must be settled.</b>
Provision regarding corporate guarantee	PKB or PDKB may use a corporate guarantee as a guarantee to fulfil this PMK-131 requirement <b>by observing its service risk profile.</b>	PKB or PDKB <b>with a low-risk profile</b> may use a corporate guarantee <b>by submitting an application to the Head of Customs Regional Office or Head of Customs Main Office.</b>

The salient additional provisions in PMK-65 are as follows:

Item	PMK-65 New Regulation
Type of goods covered in Bonded Zone facilities	Raw materials, auxiliary materials, and/or packaging and packaging aids owned by foreign tax subjects will be covered in Bonded Zone facilities, insofar as such goods remain in Bonded Zones.
The requirements for entry of goods into Bonded Zones originating from: a. TLDDP; b. Other Bonded Stockpiling Zones; c. Free Zones; d. Special Economic Zones; and/or e. Other Economic Zones designated by the government	Provisions regarding the facility of VAT not-collected or VAT and LST not-collected for the entry of goods from TLDDP must be fulfilled and performed by PKB and/or PDKB using a tax invoice that is marked with VAT not-collected or VAT and LST not-collected statement. If PKB and/or PDKB fails to fulfill the provisions, the tax cannot be credited.
The requirements for release of goods from Bonded Zones originating from outside the Customs Area	<ul style="list-style-type: none"> <li>• Goods, such as raw materials, auxiliary materials, and/or packaging owned by foreign tax subjects, including the results of their processing and combining, which have obtained Bonded Zone facilities upon its entry into Bonded Zones and will be released into TLDDP, must pay the Import Duty, Excise, Tax in the context of Import (<i>Pajak Dalam Rangka Impor</i> (PDRI)), and/or VAT or VAT and LST.</li> <li>• PDRI and/or VAT or VAT and LST are payable upon the release of goods.</li> <li>• Import Duty, Excise, PDRI, and/or VAT or VAT and LST must be paid upon the registration of customs declaration documents on goods release.</li> <li>• If the settlement of PDRI and/or VAT or VAT and LST is made after they become payable, there will be a sanction of late deposit pursuant to the provisions of the laws and regulations.</li> <li>• PDRI and/or VAT or VAT and LST that has been settled for goods, such as raw materials, auxiliary materials, and/or packaging owned by foreign tax subjects, cannot be credited.</li> </ul>

Item	PMK-65 New Regulation
	<ul style="list-style-type: none"> <li>• The delivery of taxable goods from Bonded Zones into TLDDP for imported goods for the purpose of utilization shall be subjected to VAT or VAT and LST upon the release of goods from Bonded Zones.</li> <li>• The release of goods, such as raw materials, auxiliary materials, and/or packaging owned by foreign tax subjects, including the results of their processing and combining, to a person located in TLDDP will be subjected to VAT or VAT and LST upon the release of goods from Bonded Zones.</li> <li>• VAT or VAT and LST for the release of goods, such as raw materials, auxiliary materials, and/or packaging owned by foreign tax subjects, including the results of their processing and combining, must be collected and paid by the person receiving the goods before the registration of customs declaration documents on goods release by using a Tax Payment Slip (<i>Surat Setoran Pajak</i> (SSP)). SSP that has been paid and attached with customs declaration documents may be credited.</li> </ul>
The release of goods from Bonded Zone to TLDDP which the goods is owned by foreign tax subject originating from TLDDP	<ul style="list-style-type: none"> <li>• In the case of goods owned by foreign tax subject, for the release of goods to TLDDP, PKB and PDKB must repay duty, excise, and VAT or VAT and LST which on the entry of goods from TLDDP into bonded zone is granted facilities.</li> <li>• PKB and PDKB must pay VAT or VAT and LST on goods released from bonded zone to TLDDP. The said VAT or VAT and LST must be paid before the registration of customs documents by using tax payment slip (SSP). The tax payment slip that is attached to the customs documents can be credited by taxpayer who receive the goods.</li> </ul>
The release of goods from Bonded Zone to TLDDP which the goods is originating from TLDDP	<ul style="list-style-type: none"> <li>• PKB and PDKB do not need to issue tax invoice for delivery of non-taxable goods from bonded zone to TLDDP.</li> <li>• In the case of goods released from Bonded zone to TLDDP are residue and waste, PKB and PDKB are excluded from paying VAT or VAT and LST.</li> </ul>
VAT exemption for capital goods originating from TLDDP	<ul style="list-style-type: none"> <li>• PKB and PDKB must pay VAT or VAT and LST on goods, such as raw materials, auxiliary materials, and/or packaging, capital goods that upon entry into Bonded Zone facilities such as, import duty exemption, VAT or VAT and LST not collected, had been obtained.</li> <li>• The above VAT or VAT and LST must be paid by using an SSP. The SSP that is attached to the customs documents can be credited at the tax period that relates to the time when goods are released from Bonded Zone.</li> </ul>
	<ul style="list-style-type: none"> <li>• PKB and PDKB must issue tax invoice to collect VAT or VAT and LST on delivery of goods, such as raw materials, auxiliary materials, packaging, capital goods from Bonded Zone to TLDDP.</li> </ul>
	The release of capital goods originating from TLDDP shall be exempted from VAT or VAT and LST, if the Capital Goods have remained in Bonded Zones for more than four years.

The issuance of PMK-65 has amended and introduced several provisions. As such, companies should pay attention to the amendment and additional provisions made in PMK-65 to maintain the business activities in Bonded Zones and to prevent violations against the prevailing regulations.

Our team will be pleased to provide socialization and seminar to the companies concerning Bonded Zones, provide advisory and review for companies located in Bonded Zones, as well as assisting the companies in obtaining Bonded Zone Permit.

PMK-65 came into force on 8 August 2021.

\*\*\*\*\*

## Our Global Trade Advisory (Customs) Team

Questions concerning any of the subjects or issues contained in this **Customs Alert** should be directed to any of the following individuals:



**Business Tax, Indirect Tax and Global Trade Advisory (Customs)**

**Turmanto**

**Partner**

tturmanto@deloitte.com



**Aldes Islamy**

**Senior Manager**

aislamy@deloitte.com



**Budi Herdiyanto**

**Manager**

bherdiyanto@deloitte.com



**Manuel Muson**

**Manager**

mmuson@deloitte.com

You may also get in touch with your usual contact in our firm, or any of the following Tax Partners:

**Business Tax**

**Melisa Himawan**

**Tax Managing Partner**

mehimawan@deloitte.com

**Business Tax and M&A**

**John Lauwrenz**

jlauwrenz@deloitte.com

**Transfer Pricing**

**Roy David Kiantiong**

rkiantiong@deloitte.com

**Business Tax**

**Ali Mardi Djohardi**

alimardi@deloitte.com

**Business Tax and  
Business Process Solutions**

**Ratna Lie**

ratnalie@deloitte.com

**Transfer Pricing**

**Balim**

bbalim@deloitte.com

**Business Tax and International Tax**

**Cindy Sukiman**

csukiman@deloitte.com

**Business Tax, Business Process Solutions  
and Gi3**

**Roy Sidharta Tedja**

roytedja@deloitte.com

**Transfer Pricing**

**Sandra Suhenda**

ssuhenda@deloitte.com

**Business Tax**

**Dionisius Damijanto**

ddamijanto@deloitte.com

**Business Tax and  
Tax Management Consulting**

**Yan Hardyana**

yhardyana@deloitte.com

**Transfer Pricing**

**Shivaji Das**

shivdas@deloitte.com

**Business Tax**

**Heru Supriyanto**

hsupriyanto@deloitte.com

**Global Employer Services and Business  
Process Solutions**

**Irene Atmawijaya**

iatmawijaya@deloitte.com

**Business Tax**

**Reggy Widodo**

rwidodo@deloitte.com

**Global Employer Services**

**Sri Juliarti Hariani**

shariani@deloitte.com



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.

Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of DTTL. Members of Deloitte Asia Pacific Limited and their related entities, each of which are separate and independent legal entities, provide services from more than 100 cities across the region, including Auckland, Bangkok, Beijing, Hanoi, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Osaka, Seoul, Shanghai, Singapore, Sydney, Taipei and Tokyo.

#### **About Deloitte Indonesia**

In Indonesia, services are provided by Deloitte Touche Solutions.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms or their related entities (collectively, the “Deloitte organization”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.