



Indonesia Tax Info August 2024

Anti-tax avoidance provisions on automatic exchange of information updated

On 6 August 2024, Indonesia's Minister of Finance (MoF) issued Regulation Number 47 of 2024 (PMK-47) to provide technical guidance on access to financial information for tax purposes (please refer to Tax Info [July 2017](#) and [March 2018](#)). PMK-47, which serves as third amendment to MoF Regulation Number 70/PMK.03/2017 (PMK-70), comes into effect on its date of issuance. It aims to consolidate and improve the existing provisions in PMK-70 in combatting tax avoidance, based on the OECD automatic exchange of information (AEOI) standard.

The Directorate General of Taxes (DGT) is authorized to gain access to financial information for tax purposes from financial service institutions (*lembaga jasa keuangan* (LJK)) supervised by the Indonesian Financial Services Authority (*Otoritas Jasa Keuangan*) and certain other entities categorized as LJK, according to the exchange of information standards in place under Indonesia's international agreements. The information is obtained either through an automatic reporting mechanism for reporting financial institutions or on request.

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PMK-47 amends the anti-tax avoidance provisions on AEOI by updating the restrictions on entering into agreements and/or practices for the purpose of tax avoidance, making false statements, as well as concealing information. These restrictions are applicable to:

- LJK (financial institutions engaging in banking, capital market, and insurance sectors);
- Other LJK (other than those engaging in banking, capital market, and insurance sectors);
- Head of management and/or employees of LJK, other LJK, and other entities;
- Individual and corporate financial account holders;
- Service providers;
- Intermediaries; and
- Other parties.

If agreements or practices carried out for the purposes of avoiding tax are identified, they are treated as void.

The DGT will monitor the implementation of the provisions in PMK-47. If any potential violations are detected, the DGT may take action against the relevant parties in the form of seeking further information, issuing a written reprimand, or conducting a tax audit or audit on preliminary evidence for tax crime (*pemeriksaan bukti permulaan*).

If agreements or practices carried out for the purposes of avoiding tax are identified, they are treated as void.

Income tax treatment of income earned from export proceeds of natural resources updated

On 20 May 2024, the Indonesian government issued Government Regulation Number 22 of 2024 (PP-22) regarding income tax treatment of income arising from the placement of proceeds from exports of natural resources (*devisa hasil ekspor sumber daya alam* (DHE SDA)) in certain monetary/financial instruments in Indonesia. DHE SDA is defined as proceeds derived from export activities of goods originating from the exploitation, management, and/or processing of natural resources. PP-22 revokes Article 2 of Government Regulation Number 131 of 2000 (as amended by Government Regulation Number 123 of 2015 (PP-131)) regarding final income tax on time deposits and Bank Indonesia (BI) certificates. PP-22 applies as from its date of issuance.

Prior to PP-22, exporters earning DHE SDA could only place the DHE SDA in time and saving deposits and discount on BI certificates provided by banks. To provide flexibility for exporters, PP-22 updates the list of eligible monetary/financial instruments in which DHE SDA may be placed, as follows:

- Deposits funded from an account specifically for DHE SDA held at the same bank that issues the deposits;
- Term deposits for conventional open market operations in a foreign currency at BI funded from an account specifically for DHE SDA held at the same open market operation participant where they are placed;
- Promissory notes funded from an account specifically for DHE SDA at the Indonesian Export Financing Institution (*Lembaga Pembiayaan Ekspor Indonesia* (LPEI)) where the promissory notes are issued; and

PP-22 updates the list of eligible monetary/financial instruments in which DHE SDA may be placed.

- Other monetary/financial instruments determined by the MoF, after coordinating with the BI governor.

Furthermore, the monetary/financial instruments above must fulfill the following criteria:

- They must be banking instruments in Indonesia, financial instruments issued by the LPEI, and/or monetary instruments issued by BI;
- The funds are sourced from DHE SDA;
- The placement period is at least one month; and
- They are not traded in the secondary market.

Income received or earned by exporters arising from the placement of DHE SDA in certain monetary/financial instruments fulfilling the above criteria is subject to final income tax. PP-22 updates the final income tax rates (which would also apply to income derived from additional DHE SDA funds placed in the instruments after the initial maturity date), as follows:

DHE SDA placement period	Final income tax rate	
	Funds denominated in foreign currency	Funds converted from foreign currency to IDR
At least one month but less than three months	10%	5%
At least three months but less than six months	7.5%	2.5%
Six months	2.5%	0%
More than six months	0%	0%

Customs Focus

Regulations of safeguard duties on textiles, carpets, and other textile floor coverings issued

To recover or prevent serious losses suffered by domestic industries due to a surge of imported goods that directly compete with domestic products, the MoF imposes several additional import duties, among others, safeguard duties (*bea masuk tindakan pengamanan* (BMTP)) on certain imported goods. Since 2020, the MoF had been issuing regulations on the imposition of BMTP on imports of textiles, carpets, and other textile floor coverings; however, the BMTP provisions under the existing regulations were no longer applicable due to the end of the validity periods. Nonetheless, the findings of the Indonesian Safeguards Committee (*Komite Pengamanan Perdagangan Indonesia*) show that the domestic industry continues to face a significant threat of severe losses due to the influx of imported goods and requires additional time for necessary structural adjustments to address the issue. Therefore, the MoF issued Regulation Number 48 of 2024 (PMK-48) and Regulation Number 49 of 2024 (PMK-49), both of which stipulate the imposition of BMTP on imports of textiles and on imports of carpets and other textile floor coverings, respectively.

The salient points of PMK-48 and PMK-49 are summarized below:

Subject	PMK-48	PMK-49
Previous regulations	MoF Regulation Number 55/PMK.010/2020 (as lastly amended by MoF Regulation Number 34/PMK.010/2022) regarding the imposition of BMTP on import of textiles. The regulation above was valid until 8 November 2022.	MoF Regulation Number 10/PMK.010/2021 (as lastly amended by MoF Regulation Number 74 of 2023) regarding the imposition of BMTP on import of carpets and other textile floor coverings. The provisions regarding BMTP was valid until 16 February 2024.
Imported goods subject to BMTP	Textiles, which comprise: <ul style="list-style-type: none"> Woven fabric from cotton, synthetic and artificial filament yarn, and synthetic and artificial staple fibers; Tulle and other net fabrics, lace, embroidered fabrics; and Knitted or crocheted fabrics. 	Carpets and other textile floor coverings
BMTP rates	Woven fabric from cotton, synthetic and artificial filament yarn, and synthetic and artificial staple fibers: <ul style="list-style-type: none"> First year: from IDR 1,382/m to IDR 10,261/m; Second year: from IDR 1,333/m to IDR 9,899/m; and Third year: from IDR 1,286/m to IDR 9,551/m. Tulle and other net fabrics, lace, embroidered fabrics, and knitted or crocheted fabrics: <ul style="list-style-type: none"> First year: from IDR 8,285/kg to 25,655/kg; Second year: from IDR 7,995/kg to IDR 24,752/kg; and Third year: from IDR 7,710/kg to IDR 23,881/kg. (For further details, please refer to Appendix A to PMK-48)	<ul style="list-style-type: none"> First year: IDR 74,461/sqm; Second year: IDR 71,058/sqm; and Third year: IDR 67,811/sqm
Countries exempted from BMTP	124 countries based on the type of textiles as listed in Appendix B to PMK-48	121 countries as listed in the Appendix to PMK-49

Importers exempted from BMTP are required to submit a certificate of origin (COO), as follows (please refer to [Customs Focus July 2024](#)):

- Preferential COO, which is verified based on the provisions of laws and regulations on COO verification for the imposition of import duty under an international agreement; or
- Non-preferential COO, which is verified based on the rules of origin and the non-preferential COO on imported goods stipulated in Minister of Trade Regulation Number 16 of 2024.

The effective dates for PMK-48 and PMK-49 are 9 August 2024 and 20 August 2024, respectively. The BMTP provisions for both regulations are valid for three years from the effective date.

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