



## Indonesia Tax Info November 2021

### Implementing regulation for luxury-goods sales tax on vehicles issued

On 7 October 2021, the Indonesian Minister of Finance (MoF) issued Regulation Number 141/PMK.010/2021 (PMK-141) as the implementing regulation to update the luxury-goods sales tax (LST) rates for vehicles. The new rates have been applicable as from 16 October 2021.

The rates were initially updated by Government Regulation Number 73 of 2019 (PP-73), which was subsequently updated in July 2021 through the issuance of Government Regulation Number 74 of 2021 (please refer to [Tax Info July 2021](#)). PMK-141 provides a detailed list of vehicles subject to the new LST rates.

#### In this issue:

1. [Implementing regulation for luxury-goods sales tax on vehicles issued](#)

#### Customs Focus:

2. [Amendment on administrative sanctions for violation of provisions on foreign exchange export proceeds from natural resource business](#)

The LST rates for vehicles range from 10% to 70%, and discounts on LST imposition bases are available for certain vehicles (i.e., low emission, hybrid, and electronic vehicles).

PMK-141 clarifies that the applicable LST rate is determined by the following factors:

- Vehicle's cylinder capacity;
- Type of fuel consumed by the vehicle or the level of carbon dioxide (CO<sub>2</sub>) emissions; and
- Type of technology used by the vehicle.

The following vehicles are not subject to LST:

- Completely knocked down vehicles;
- Chassis vehicles;
- Vehicles used for goods transportation;
- Two-wheeled vehicles with a cylinder capacity of up to 250cc; and
- Vehicles with a minimum capacity of 16 people (including the driver).

An LST exemption facility is available for the import or delivery of the following vehicles:

- Vehicles used as ambulances, hearses, or firetrucks, or for the transport of prisoners, or for public transport;
- Vehicles used for certain state purposes; and
- Certain vehicles used by the army or police force.

To be eligible for the LST exemption facility, the importer or purchaser of the vehicles must first obtain an LST exemption letter (*Surat Keterangan Bebas Pajak Penjualan atas Barang Mewah* (SKB PPnBM)). PMK-141 sets out detailed application procedures for the SKB PPnBM. PMK-141 also provides that LST that has been exempted would have to be repaid if, within four years the vehicle is not used for its initial intended purpose or is transferred to another party.

An importer or purchaser of vehicles that has settled the LST may be entitled to a refund of the LST under the following circumstances:

- Following a carbon emissions test, it is found that a lowered rate of LST should have been applicable; or
- LST exemption facility should have been applied to the vehicle imported or delivered (however the LST has already been settled).

PMK-141 provides that an SKB PPnBM issued prior to 16 October 2021 remains valid until the importation or delivery is carried out. SKB PPnBM requests and LST refund proceedings that are still ongoing by 16 October 2021 are subject to the provisions of PMK-141.

PMK-141 revokes the following regulations:

- MoF Regulation Number 64/PMK.011/2014 (as amended by MoF Regulation Number 33/PMK.011/2014) regarding the types of vehicles subject to LST and the procedures to provide LST exemption;
- Directorate General of Taxation (DGT) Decision Letter Number KEP-199/PJ./2000 regarding the reporting or collection of VAT and LST for delivery of vehicles;
- DGT Decision Letter Number KEP-540/PJ./2000 regarding VAT and LST for vehicles;

PMK-141 compiles all relevant implementing regulations related to LST for vehicles.

- Article 12(3) of DGT Decision Letter Number 214/PJ./2001 regarding information and/or documents required to be submitted with tax returns; and
- DGT Decision Letter Number KEP-229/PJ./2003 regarding procedures and administration related to the issuance of SKB PPnBM as well as LST refund for importation or delivery of vehicles.

## Customs Focus

### Amendment on administrative sanctions for violation of provisions on foreign exchange export proceeds from natural resource business

To improve legal certainty in the implementation of customs treatment and supervision, as well as to harmonize the provisions concerning the supervision of foreign exchange export proceeds (*devisa hasil ekspor* (DHE)) of natural resources with the respective non-tax state revenue (*penerimaan negara bukan pajak* (PNBP)) regulation, the MoF issued Regulation Number 135/PMK.04/2021 (PMK-135) on 29 September 2021 to amend MoF Regulation Number 98/PMK.04/20219 (PMK-98).

The salient amendments in PMK-135 are as follows:

Amendment	PMK-98 (Previous regulation)	PMK-135 (Current regulation)
Imposition of fines to an exporter	<ul style="list-style-type: none"> <li>• An exporter will be subject to <b>finer</b> of 0.5% of the value of natural resources export proceeds that has not been placed in a designated account, if the exporter has not placed such proceeds in the designated account in no later than the end of the third month after the month the export customs is registered.</li> <li>• An exporter will be subject to <b>finer</b> of 0.25% of the value of natural resources export proceeds used as a payment of other than as specified in the provisions, if the exporter uses a designated account for such proceeds for payment other than as specified (e.g., export duty and any collections in exportation, loans, importation, dividend, and/or any capital investment purposes).</li> </ul>	<ul style="list-style-type: none"> <li>• An exporter will be subject to a <b>collection in the form of fines</b> at 0.5% of the value of natural resources export proceeds that has not been settled in a designated account for such proceeds, if the exporter has not placed such proceeds in the designated account in no later than the end of the third month after the month the export customs is registered.</li> <li>• An exporter will be subject to a <b>collection in the form of fines</b> at 0.25% of the value of natural resources export proceeds used as a payment of other than as specified in the provisions, if the exporter uses a designated account for such proceeds for payment other than as specified (e.g., export duty and any collections in exportation, loans, importation, dividend, and/or any capital investment purposes).</li> </ul>
Settlement of fines to the State Treasury	Not regulated.	The settlement of fines will be performed based on the provisions of laws and regulations concerning PNBP and the electronic state revenue system.

Amendment	PMK-98 (Previous regulation)	PMK-135 (Current regulation)
Results of supervision by Bank Indonesia and the Financial Services Authority ( <i>Otoritas Jasa Keuangan</i> (OJK))	Not regulated.	The exporter will be subject to administrative sanctions if there is a discrepancy occurring in terms of placement of export proceeds, placement of payment of export proceeds, and violation of provisions on the use of escrow account based on the results of supervision.
Calculation of fines and monitoring of fines settlement	Not regulated.	<ul style="list-style-type: none"> <li>• Fines will be calculated based on the transactional average rate of Bank Indonesia;</li> <li>• The Head of Customs Office shall monitor the settlement of fines made by the exporter through the information system.</li> </ul>
Issuance of notification letter of collection stipulation and collection letter	<p>The issuance of notification letter of collection stipulation has not been regulated.</p> <p>The issuance of collection letter is as follows:</p> <ul style="list-style-type: none"> <li>• The first collection letter is issued based on the calculation of fines by the Head of Customs Office;</li> <li>• If the exporter does not settle its obligation based on the first collection letter, the second collection letter is issued within 30 days since the issuance date of the first collection letter; and</li> <li>• If the exporter does not settle its obligation based on the second collection letter, the third collection letter will be issued within thirty days since the issuance date of the second collection letter.</li> </ul>	<p>The issuance of notification letter of collection stipulation shall be as follows:</p> <ul style="list-style-type: none"> <li>• The notification letter of collection stipulation shall be issued no later than one working day after receiving the supervision results;</li> <li>• The exporter is obligated to settle the collection in the form of fines no later than 10 days since the date of the notification letter of collection stipulation.</li> </ul> <p>The provisions on collection letter issuance shall be as follows:</p> <ul style="list-style-type: none"> <li>• If the results of supervision show that the exporter does not make any settlements, the first collection letter shall be issued;</li> <li>• If the exporter still does not make any settlements based on the first collection letter, the second collection letter shall be issued within a month since the issuance date of the first collection letter;</li> <li>• If the exporter still does not make any settlements based on the second collection letter, the third collection letter shall be issued within two months since the issuance date of the second collection letter.</li> </ul>
Further provision if the exporter does not settle the fines	<ul style="list-style-type: none"> <li>• If the exporter does not settle its obligation within <b>30 days</b> since the issuance date of the first collection letter, the subsequent Export Declaration of Goods (<i>Pemberitahuan Ekspor Barang</i> (PEB)) shall not be accommodated until the settlement is carried out.</li> <li>• If the exporter does not settle its obligation within <b>30 days</b> since the issuance date of the third collection letter, the <b>Directorate General of Customs and Excise (DGCE)</b> shall: <ul style="list-style-type: none"> <li>– Issue a collection submission letter to the agency authorized to manage the state’s receivables for further settlement process;</li> <li>– Impose an administrative sanction in the form of postponement of provision of customs services for export; and</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• If the exporter does not settle its obligation within <b>one month</b> since the issuance date of the first collection letter, the subsequent PEB shall not be accommodated until the settlement is carried out.</li> <li>• If the exporter does not settle its obligation within <b>three months</b> since the issuance date of the third collection letter, the <b>Head of Customs Office</b> shall: <ul style="list-style-type: none"> <li>– Handover the management of state’s receivable to the representative office of State Asset and Auctions Services/Representative office of State Receivables Management Committee for further process;</li> <li>– Impose postponement of provision of customs services for export; and</li> <li>– Inform Bank Indonesia and/or OJK.</li> </ul> </li> </ul>

Amendment	PMK-98 (Previous regulation)	PMK-135 (Current regulation)
	<ul style="list-style-type: none"> <li>- Inform Bank Indonesia and/or OJK.</li> </ul>	<ul style="list-style-type: none"> <li>• If the date of issuance of collection letter and handover of the management of state's receivable to the representative office of State Asset and Auctions Services/Representative office of State Receivables Management Committee falls on a date that is not included in the previous month, the letter shall be issued on the last date of the respective month.</li> </ul>
Penalties for late settlement of fines	Not regulated.	<ul style="list-style-type: none"> <li>• An exporter that does not settle the collection in the form of fines until past due date of, at most, 10 days since the date of notification letter of collection stipulation shall be subject to monthly fines of 2% of the total payable amount, and part of a month shall be counted as one whole month.</li> <li>• Fines for late settlement are stipulated one day after the due date.</li> <li>• Fines for late settlement shall be imposed for a maximum of 24 months.</li> </ul>
Provisions on revision to the collection letter	If the exporter disagrees with the collection letter, the exporter may file a request for collection letter revision to the <b>Head of Customs Office</b> in writing.	<ul style="list-style-type: none"> <li>• The collection letter can be revised for: <ul style="list-style-type: none"> <li>- The amount of fines; and/or</li> <li>- Typo in writing.</li> </ul> </li> <li>• The exporter may file a request for collection letter revision to the <b>MoF through the Head of Customs Office</b> in writing.</li> <li>• PMK-135 provides the prescribed format of MoF's decision letter to the exporter's request for revising the collection letter.</li> </ul>
Additional provisions	N/A	For collection letters that have been issued in the previous period but the settlement process has not been completed until the issuance of PMK-135, such collection letter will be settled under the provisions stipulated in PMK-98.

PMK-135 came into force on 30 October 2021.

\*\*\*\*\*

## Contact Persons

Questions concerning any of the subjects or issues contained in this newsletter should be directed to your usual contact in our firm, or any of the following individuals:

### Business Tax

**Melisa Himawan**

**Tax & Legal Leader**

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

**Shivaji Das**

shivdas@deloitte.com

### Business Tax

**Dionisius Damijanto**

ddamijanto@deloitte.com

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

**Turmanto**

tturmanto@deloitte.com

### Global Employer Services and Business Process Solutions

**Irene Atmawijaya**

iatmawijaya@deloitte.com

### Business Tax

**Heru Supriyanto**

hsupriyanto@deloitte.com

### Business Tax and Tax Management Consulting

**Yan Hardyana**

yhardyana@deloitte.com

### Global Employer Services

**Sri Juliarti Hariani**

shariani@deloitte.com

### Business Tax

**Reggy Widodo**

rwidodo@deloitte.com

### Transfer Pricing

**Sandra Suhenda**

ssuhenda@deloitte.com

### Deloitte Touche Solutions

The Plaza Office Tower, 32nd Floor

Jl. M.H. Thamrin Kav 28-30

Jakarta 10350, Indonesia

Tel: +62 21 5081 8000

Fax: +62 21 2992 8303

Email: [iddttl@deloitte.com](mailto:iddttl@deloitte.com)

[www.deloitte.com/id](http://www.deloitte.com/id)

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.