

INDONESIAN TAX UPDATES

Preview of Indonesian tax regulations updates

January – April 2024

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Requirements, Guidelines and Procedures for the Withholding Tax Slip and Periodic Tax Return for Withholding Tax Article 21 and/or Article 26

Regulatory Code : Directorate General of Taxes Regulation No. PER-2/PJ/2024
Title : Guidelines and Procedures of Drafting Withholding Tax Slip for Withholding Tax Article 21 and/or Article 26, as well as the Form, Content, Drafting Guidelines, and Procedures of Periodic Tax Return of Withholding Tax Article 21 and/or Article 26
Issuance Date : 19th of January 2024



- This regulation is effective as of the Tax Period of January 2024.
- This regulation is the implementing regulation of the new Ministry of Finance Regulation No. 168 of 2023 on the Technical Guidelines for the Income Tax Deduction Relating to Works, Services or Individual Activities — replacing the guidelines and procedures of Withholding Tax Slip and Tax Return for Withholding Tax Article 21 and Article 26 under Directorate General of Taxes Regulation No. PER-14/PJ/2013 dated 18 April 2013.
- This new regulation accommodates the use of electronic platform within the Directorate General of Taxes framework, such as: (i) presenting the term “Electronic Document” and the validity of “Electronic Signature”, and (ii) introducing a new software “e-Bupot 21/26” — for documentations on the Withholding Tax Slip and Tax Return of Withholding Tax Article 21 and Article 26.
- The regulation provides certain conditions where electronic documentation through e-Bupot 21/26 and/or manual submission by physical hard copies are applicable. Electronic submission through e-Bupot 21/26 is mandatory for submitting documents with certain criteria, which criteria are determined based on the quantity of the submitted documents in order to increase efficiency. Please refer to Article 6 of the regulation for further details on the criteria.
- The regulation also stipulates that once the Taxpayers have utilized the e-Bupot 21/26 for documents submission, they can no longer conduct the submissions manually by physical hard copies.
- This regulation is the latest prevailing guidelines for documenting the Withholding Tax Slip and Tax Return, including the required documents and/or information, standard forms from the Directorate General of Taxes, as well as guidelines and procedures of documenting the Withholding Tax Slip and Tax Return for Withholding Tax Article 21 and/or Article 26.

Latest List of Entities or Institutions Determined as Receiver of Alms (Zakat) or Mandatory Religious Donations Deductible from the Gross Income

Regulatory Code : Directorate General of Taxes Regulation No. PER-3/PJ/2024
Title : Third Amendment to the Directorate General of Taxes Regulation No. PER-04/PJ/2022 on Entity or Institutions Established or Legalized by the Government Determined as Receiver of Alms (*Zakat*) or Mandatory Religious Donations Deductible from the Gross Income
Issuance Date : 19th of April 2024



- This regulation is effective as of the 19th of April 2024.
- This regulation revised the Directorate General of Taxes Regulation No. PER-04/PJ/2022 dated 22 April 2022.
- The regulation provides updates of the list of entities and institutions which are established or legalized by the government as recipients of Alms (*Zakat*) or Mandatory Religious Donations, where the income can be deducted from the gross income. Kindly refer to the attachment to the regulation for further details.

Tax and Customs Facilities in Nusantara Capital City

Regulatory Code : Minister of Finance Regulation No. 28 of 2024
Title : Tax and Customs Facilities in Nusantara Capital City
Issuance Date : 29th of April 2024



- This regulation is effective as of the 29th of April 2024.
- This is the implementing regulation for the Government Regulations No. 12 of 2023 on the Granting of Business Licensing, Ease of Business, and Investment Facilities for Business Actors in Nusantara Capital City (*Ibu Kota Nusantara — IKN*).
- Under this regulation, taxable entity located or doing business in IKN may be granted facilities in the form of income tax, Value Added Tax (VAT) and Sales Tax on Luxury Goods (PPnBM) and customs facilities, as briefly summarized below.

Income Tax Facilities

- Significant reduction and/or exemption of Corporate Income Tax (CIT) for entities operating/domiciled in or relocated to the IKN (including special treatment for financial sector activities within the IKN's Financial Center).
- Deduction allowance (additional amount of deduction that can be used against the taxable income) for certain items of expenses, including: (i) on-the-job training, internship, and/or education activities for the training and development of human resources with certain competency, (ii) certain Research & Development activities, and (iii) donations and/or construction cost of public facilities, social facilities and/or other non-profit facilities.
- Income Tax Article 21 (employee tax) is borne by the government and is a final tax.
- Final Income Tax of 0% of the income of gross distribution for certain business classified as Micro, Small and Medium businesses.
- Significant reduction of Income Tax for the transfer of rights of land and/or building.

VAT and PPnBM Facilities

- Exemption of VAT for certain taxable goods and/or services which are deemed strategic based on the regulation.
- Exemption of PPnBM for certain luxury goods within the IKN.

Customs Facilities

- Customs exemption and Import Tax facility for importation of: (i) goods by the central or regional government for Public Interest, and (ii) capital goods for industrial constructions and development.
- Customs exemption for the importation of goods and materials for industrial constructions and development.

Some tax and customs facilities may also be applicable for businesses located within certain areas surrounding the IKN — which area(s) are determined by the IKN Authority as the 'Partner Areas' (*Daerah Mitra*).

- Further details on the eligible parties and applicability of tax and customs facilities, as well as the requirements, detailed period, guidelines and procedures to apply for and revocation of the abovementioned tax and customs facilities (including the relevant forms), obligations and prohibitions for parties granted with the facilities, as well as authorities of the Directorate General of Tax, are provided in the articles and attachments of this regulation.