

INDONESIAN TAX UPDATES

Preview of Indonesian tax regulations updates

The New 16-Digit Tax ID Format

Content:

The Implementation of the New 16-Digit Tax ID Format for Individuals and Taxable Entities in Indonesia

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The Implementation of the New 16-Digit Tax ID Format for Individuals and Taxable Entities in Indonesia

Regulatory Code : Directorate General of Taxes Regulation No. PER-6/PJ/2024
Title : The Use of National Identification Number as Tax Identification Number, 16-Digit Tax Identification Number, and Business Location Identification Number in Tax Administrative Services
Issuance Date : 28th of June 2024



- The regulation is effective as of the 1st of July 2024.
- This Directorate General of Taxes (**DGT**) Regulation is the implementing regulation of the Ministry of Finance (**MoF**) Regulation No. 112/PMK.03/2022 regarding the Tax Identification Number for Individuals, Taxable Entity, and Taxable Government Institutions, as amended by the Ministry of Finance Regulation No. 136 of 2023 (MoF Regulation 136/2023). The intention is to develop a more effective and efficient tax administration in Indonesia as mandated under Law No. 7 of 2021 regarding the Harmonization of Tax Regulations (Law 7/2021).
- The issuance of DGT Regulation No. PER-6/PJ/2024 provides a binding regulation and legal certainty that the use of a National Identification Number (*Nomor Induk Kependudukan* or **NIK**), 16-digit Tax Identification Number (*Nomor Pokok Wajib Pajak* or **NPWP**) and Business Location Identification Number as a single standardized identification within the taxation sector – effective as of the 1st of July 2024.
- Based on this regulation, taxable Indonesian individuals, taxable foreign individuals, taxable entities, and taxable Government institutions shall use the NIK, 16-digit NPWP and/or Business Location Identification Number (as applicable) as their new NPWP format. Further details on the applicability of the NIK, 16-digit NPWP and/or Business Location Identification Number for each tax subject are as described and illustrated in the DGT regulation and its attachment.
- The new NPWP format can be utilized by each tax subject to access certain tax administrative services in Indonesia, among others:
 - Tax e-Registration
 - Accessing the tax subject's account in DGT Online
 - Information on tax subject confirmation status (KSWP)
 - Issuance of withholding tax (**WHT**) slip and periodic tax return (**SPT**) for WHT Article 21/26 (*e-Bupot 21/26*)
 - Issuance of WHT slip and SPT for Unified WHT (*e-Bupot Unifikasi*)
 - Submission of objection (*e-Objection*)

Note: Law 7/2021 initially regulated that the NIK serves as the NPWP for Indonesian individuals. However, all NPWP formats must be standardized and unified with the 16-digit NIK in order to properly develop the integrated Indonesian tax administrative services. Thus, MoF Regulation 136/2023 and DGT Regulation No. PER-6/PJ/2024 provides that taxable foreign individuals, Taxable Entities, and Taxable Government Institutions can use the 16-digit NPWP format for uniformity.

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