

# INDONESIAN TAX UPDATES

Preview of Indonesian tax regulations updates

## ***12% Value Added Tax Tariff (Update #1)***

*Content:*

### **Value Added Tax Tariff of 12% in 2025 (Update #1)**

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**Value Added Tax Tariff of 12% in 2025 (Update #1)**

**Regulatory Code** : [Minister of Finance Regulation No. 131 of 2024](#)  
**Title** : Treatment of Value Added Tax on Importation of Taxable Goods, Delivery of Taxable Goods, Delivery of Taxable Services, Utilization of Intangible Taxable Goods from Outside of Customs Area, and Utilization of Taxable Services from Outside of Customs Area within the Customs Area  
**Issuance Date** : 31<sup>st</sup> of December 2024



- The effective date of this regulation is 1 January 2025.
- The 12% VAT tariff that will be applicable for luxury goods and non luxury goods and/or services are as summarized below:

Goods and/or Services	Tariff	Tax Base
Import and/or Delivery of LUXURIOUS Taxable Goods (as determined under the tax laws and regulations) within Indonesian territory	12%	Sales price or import value
Import and/or Delivery of LUXURIOUS Taxable Goods (as determined under the tax laws and regulations) within Indonesian territory to <b>END CUSTOMERS</b> only from 1-31 January 2025	12%	Other Tax Base ( <i>DPP Nilai Lain</i> ), i.e. 11/12 of the import value, sales price or reimbursement
Import and/or Delivery of other goods not determined as LUXURIOUS Taxable Goods	12%	
Delivery of Taxable Services within Indonesian territory	12%	
Utilization of Intangible Taxable Goods from outside of Indonesian territory in Indonesian territory	12%	
Utilization of Taxable Services from outside of Indonesian territory in Indonesian territory	12%	

- The effective rate for the Other Tax Base of 11/12 is as follows:

$$\text{Effective Rate} = \text{Tariff} \times \text{Tax Base}$$

$$\text{Effective Rate} = 12\% \times (11/12) = 0,11 = 11\%$$

- The VAT Input of such goods and/or services may be credited in accordance with the prevailing tax laws and regulations.
- The tax base under this regulation do not apply for Taxable Goods and/or Services which has already been governed under the previous regulations to have certain other rate of tax base.

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