



Indonesia Tax Info August 2021

Update on consolidated list of documents equivalent to VAT invoices

As a consequence of recent development in Indonesian VAT regulations, a number of new types of document are regarded now as equivalent to VAT invoices. Since these documents have been mentioned in several regulations, the Directorate General of Taxation (DGT) on 27 July 2021 issued Regulation Number PER-16/PJ/2021 (PER-16) providing a consolidated list of all documents equivalent to VAT invoices. PER-16 replaces PER-13/PJ/2019 (please refer to [Tax Info July 2019](#)).

Under PER-16, as from 1 August 2021, the following documents are treated as equivalent to VAT invoices:

- a. Goods delivery order (*Surat Perintah Penyerahan Barang*) from the Indonesian Bureau of Logistics (*Badan Usaha Logistik* (BULOG))/Indonesian Logistics Depot (*Depot Logistik* (DOLOG)) for the delivery of wheat;
- b. Invoice issued by a telecommunication company;
- c. Payment receipt for the sale of phone credits and/or a commission or fee related to the distribution of tokens and/or vouchers (**New**);
- d. Invoice issued by an electricity company;

In this issue:

1. [Update on consolidated list of documents equivalent to VAT invoices](#)
2. [VAT incentive on sales of certain properties extended](#)
3. [Government to bear VAT payable on rental costs of retail tenants](#)

Customs Focus:

4. [Import duty borne by the government on import of goods and raw materials for industries affected by COVID-19](#)

- e. Invoice issued by a drinking water company for the delivery of taxable goods and/or taxable services;
- f. Ticket, airway bill, or delivery bill issued for domestic air transport services;
- g. Invoice issued in relation to the delivery of port services;
- h. Trading confirmation for the delivery of taxable services from a stock brokerage company;
- i. Invoice issued by a bank for the delivery of taxable services;
- j. Document used for ordering tobacco products excise tape (CK-1 document);
- k. Tax payment slip (*surat setoran pajak* (SSP)) for the payment of VAT on the delivery of taxable goods through an auctioneer (accompanied by the minutes of auction);
- l. Export Declaration on Goods (*Pemberitahuan Ekspor Barang*) (accompanied by certain supporting documents);
- m. Export Declaration on Intangible Goods and/or Export Declaration on Services (*Pemberitahuan Ekspor Jasa* (PEJ)) (accompanied by the invoice);
- n. Import Declaration on Goods (*Pemberitahuan Impor Barang* (PIB)) (accompanied by certain supporting documents);
- o. PIB to collect underpaid import VAT by the Directorate General of Customs and Excise (DGCE) (accompanied by certain supporting documents);
- p. Assessment letter issued by the DGCE to collect import duty, excise duty, and/or tax on parcels (accompanied by certain supporting documents) **(New)**;
- q. SSP for the payment of self-assessed VAT on the utilization of offshore taxable intangible goods and/or offshore taxable services;
- r. Proof of VAT collection on transactions via the electronic system (*penyerahan melalui saluran elektronik* (PMSE)) related to the utilization of offshore taxable intangible goods and/or offshore services **(New)**;
- s. Documents for the release of goods from a bonded zone by a VAT-able entrepreneur (*Pengusaha Kena Pajak* (PKP)) in connection with the delivery of taxable goods and/or taxable services **(New)**;
- t. SSP for the payment of VAT on the release of taxable goods owned by a non-tax resident from a bonded zone to other places within the customs area (*Tempat Lain Dalam Daerah Pabean* (TLDDP)) (accompanied by certain supporting documents) **(New)**;
- u. SSP for the payment of VAT on the release and/or delivery of taxable goods and/or taxable services from a free trade zone and free port to the TLDDP (accompanied by certain supporting documents);
- v. Special Economic Zone (SEZ) Customs Declaration (*Pemberitahuan Pabean Kawasan Ekonomi Khusus* (PPKEK)) for the import of taxable goods into an SEZ (accompanied by certain supporting documents) **(New)**;
- w. SSP related to certain deliveries of taxable goods and/or taxable services by a business player (*pelaku usaha*) in an SEZ to a customer within the TLDDP (accompanied by certain supporting documents) **(New)**;
- x. SSP related to certain releases of nontaxable goods by a business player in an SEZ to a customer within the TLDDP **(New)**; and
- y. Tax assessment letter to collect input VAT (accompanied by certain supporting documents) **(New)**.

The DGT issued PER-16 to consolidate and update the list of all documents equivalent to VAT invoices.

PER-16 also updates the detailed list of minimum information that must be included in such documents in order to qualify as equivalent to a VAT invoice and for the VAT to be creditable.

VAT incentive on sales of certain properties extended

On 30 July 2021, the Minister of Finance (MoF) issued a new regulation extending the duration and scope of a VAT incentive on the purchase of certain residential properties.

Background

To expedite the economic recovery process during the COVID-19 pandemic, on 1 March 2021, the MoF issued Regulation Number 21/PMK.010/2021 (PMK-21) providing that the government would bear all or part of the 10% VAT payable on the sale of certain residential properties (landed houses and residential units) by a PKP to an individual homeowner, as opposed to the VAT being borne by the purchaser (please refer to [Tax Info April 2021](#)). The incentive under PMK-21 expires on 31 August 2021. The MoF is of the opinion that the incentive is still necessary to maintain the purchasing power in the property sector and, therefore, issued Regulation Number 103/PMK.010/2021 (PMK-103) on 30 July 2021 to replace PMK-21.

Overview of PMK-103

The incentive provided under PMK-103 is the same as PMK-21, i.e., the government will bear 100% of the VAT if the selling price of the property does not exceed IDR 2 billion, and 50% of the VAT if the selling price is between IDR 2 billion and IDR 5 billion. PMK-103 not only extends the incentive provided by PMK-21 until 31 December 2021, it also provides additional details related to the eligibility for the incentive, such as:

- Clarification that landed houses include houses used as shops and offices;
- The date of delivery, which is determined based on the date of signing of sales and purchase deed (*akta jual beli*) or signing of paid-up sale and purchase commitment agreement (*perjanjian pengikatan jual beli lunas*);
- If the delivery of the property takes place between 1 August and 31 December 2021, the property's minutes of handover (*Berita Acara Serah Terima* (BAST)) must be submitted via the Ministry of Agrarian Affairs and Spatial Layout's (MAASL) online system;
- The property must have a housing identification code obtained from the MAASL;
- Clarification that the incentive applies to Indonesian residents who have registered for Indonesian tax identification numbers (*Nomor Pokok Wajib Pajak* (NPWP)) or national identification number (*Nomor Identitas Kependudukan* (NIK)) and certain qualified foreign citizens who have obtained NPWPs; and
- For the delivery of properties on which 50% of the VAT payable is borne by the government, the PKP must issue two VAT invoices; one using the transaction code "01" for the portion of VAT that is not borne by the government and the other using the transaction code "07" for the portion of VAT that is borne by the government.

PMK-103 extends the VAT incentive on the purchase of certain residential properties to December 2021.

PMK-103 contains the following transitional provisions:

- If a property is eligible for the incentive under PMK-21 and the delivery of the property takes place before the issuance of PMK-103, the delivery still qualifies for this incentive but the PKP must submit the relevant BAST to the MAASL via the online system by 31 August 2021;
- If a qualifying property has not been delivered up to 30 July 2021 but the payment has already been received by the PKP, the provision of the incentive must be adjusted to follow PMK-103. However, VAT invoices that have already been issued before 31 July 2021 are not required to be amended.

Government to bear VAT payable on rental costs of retail tenants

During the COVID-19 pandemic, the Indonesian retail sector has been severely affected by restrictions on public activities imposed several times by the government. To ease the burden for retailers, the MoF on 30 July 2021 issued Regulation Number 102/PMK.010/2021 (PMK-102) introducing a government-borne VAT incentive for the sector.

Under PMK-102, the government will fully bear the 10% VAT payable by retail tenants (lessees) on rental of rooms and buildings. A retail tenant is defined as an entrepreneur with business activities of delivering (either wholly or partially) goods and/or service to end consumers. Meanwhile, the rooms and buildings may be stand-alone shops or outlets, or those located in malls, shopping complexes, apartment facilities, hotels, hospitals, education facilities, public transport facilities, office facilities, or traditional markets.

The incentive covers the rental period from August to October 2021 with an invoice issued between 1 August and 30 November 2021. The service charge also qualifies for the incentive, regardless of whether it is charged together with or separately from the rental fee.

To utilize the incentive, the lessor must issue a VAT invoice using the transaction code "07" with the description "*PPN Ditanggung Pemerintah Eksekusi PMK No. 102/PMK.010/2021*", the phrase "room or building rental", and the information on the location and rental period.

The VAT invoice must be reported in the VAT return for the period in which the VAT invoice is created.

The VAT that has been borne by the government must be repaid if the tax authorities discover that:

- The leased property does not qualify for the incentive;
- The rental period does not fall within the incentive period; and/or
- The requirements related to VAT invoicing and VAT reporting for rental of rooms and buildings are not met.

The government will fully bear the 10% VAT payable by retail tenants on rental of rooms and buildings for the period from August to October 2021.

Customs Focus

Import duty borne by the government on import of goods and raw materials for industries affected by COVID-19

To accelerate economic recovery due to the COVID-19 pandemic impact, the MoF has issued Regulation Number 68/PMK.010/21 (PMK-68) stipulating the provision of a fiscal incentive in the form of government-borne import duties (BM DTP) to certain industrial sectors affected by the pandemic.

The salient points in PMK-68 are as follows:

Provisions for government-borne import duties

1. BM DTP can be granted for the importation of goods and materials by companies engaged in certain industrial sectors (the list of such certain industrial sectors is attached to PMK-68).
2. Goods and materials imported from certain industrial sectors that are entitled to receive BM DTP incentive are:
 - a. Goods and materials that have not been produced locally;
 - b. Goods and materials that have been produced locally but have not met the required specifications; or
 - c. Goods and materials that have been produced locally but cannot meet the quantity required for industrial needs, as referred to in the relevant ministries' note of recommendation.
3. Goods and materials that are excluded from the category of goods and materials imported from certain industrial sectors are as follows:
 - a. Goods and materials subject to imposition of 0% import duty;
 - b. Goods and materials subject to imposition of 0% import duty based on international agreements;
 - c. Goods and materials subject to anti-dumping import duty, temporary anti-dumping import duty, safeguard import duty, temporary safeguard import duty, countervailing import duty, or retaliatory import duty; or
 - d. Goods and materials intended to be stored in a bonded stockpiling.
4. The goods and materials referred to in point 3(b) above are excluded if they originate from certain industrial companies as appointed by the Minister of Industry, and a Certificate of Origin is not required to support their importation.
5. BM DTP can be granted to companies of certain industrial sectors for the release of goods and materials from outside the customs area to TLDDP from:
 - a. Bonded logistics centers (*Pusat Logistik Berikat* or PLB);
 - b. Bonded warehouses (*Gudang Berikat* or GB);
 - c. Bonded zones (*Kawasan Berikat* or KB); or
 - d. SEZs.The said companies are specifically those engaged in the aircraft repair, overhaul and/or maintenance sector for service-producing activities.
6. The release of goods to TLDDP for the aircraft repair and/or maintenance (repair, overhaul, and maintenance) industrial sector from PLB, GB, KB, and SEZ that receive BM DTP includes:
 - a. Goods that have become part of the goods repaired or maintained; or
 - b. Goods that are used to perform aircraft repair or maintenance services.

PMK-68 regulates government-borne import duties as fiscal incentive for certain industrial sectors affected by COVID-19.

Procedures for applying for BM DTP

1. To obtain BM DTP, importers must meet the following requirements:
 - a. Have never made a mistake in making a declaration on the customs declaration form (PIB) for goods and materials that are entitled to receive BM DTP, where the mistake can result in an underpayment in the last one year; and/or
 - b. Do not have import taxes, duties, and excise payables.The application is submitted to the MoF through the Director of Financial Facilities, DGCE.
2. Companies can apply for BM DTP to the DGCE in writing or electronically via the DGCE portal, namely the Indonesia National Single Window (INSW) System.

Administration and documentation

The realization of BM DTP by a company is executed based on the amount and type of goods as well as the total value of BM DTP stipulated in an MoF decree. In the event of a discrepancy between the amount of goods and materials or the value of BM DTP in the PIB and such decree, BM DTP cannot be granted and the importer is obliged to settle the import duty payables imposed on the discrepancies.

Sanctions

1. Goods and materials to which the relevant MoF decree regarding the grant of BM DTP have been obtained shall be further subject to the following requirements:
 - a. Must be used to produce goods and/services for domestic consumption purposes;
 - b. Must be used in accordance with their designation by the company concerned; and
 - c. Cannot be transferred to another party.
2. If the importer fails to meet these requirements, the MoF decree shall be revoked and the company is required to settle the import duty payables.

PMK-68 takes effect as from 22 June 2021 to 31 December 2021.

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