



Indonesia Tax Info February 2025

Update on special VAT imposition base and final VAT mechanism

When Indonesia's Minister of Finance (MoF) issued Regulation Number 131 of 2024 (PMK-131) on 31 December 2024 confirming the increase in the VAT rate to 12% (from 11%) as from 1 January 2025, an adjustment to the VAT imposition base was also made that results in an effective VAT rate of 11%. This adjustment was made to ease the financial burden on end consumers. However, VAT-able entrepreneurs (*pengusaha kena pajak* (PKP)) that, under existing tax regulations, deliver taxable goods and/or taxable services and calculate the VAT payable by using the special VAT imposition base or under the final VAT mechanism (*menggunakan besaran tertentu untuk memungut and menyetorkan* (PPN)) were unable to benefit from this adjustment. This has resulted in an unfair treatment for deliveries on which the VAT is calculated using these VAT mechanisms (please refer to [Tax Alert January 2025](#)). To rectify the issue, on 4 February 2025, the MoF issued Regulation Number 11 of 2025 (PMK-11) providing for the special VAT imposition base or final VAT mechanism to be adjusted accordingly so that the effective VAT rate would remain the same as in 2024. Following the issuance of PMK-11, several existing regulations are amended.

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The types of deliveries affected by PMK-11 are summarized in the following tables.

Special VAT imposition base

Type of delivery	Previous MoF regulation being amended	Special VAT imposition base	
		Under the previous MoF regulations	Under PMK-11
Taxable goods and/or taxable services for self-use or free gifts	75/PMK.03/2010 as amended several times, lastly by 121/PMK.03/2015	Selling price or compensation after deduction of gross profit (i.e., cost of sales)	11/12 x selling price or compensation after deduction of gross profit (i.e., cost of sales)
Movies		Estimated average proceeds per movie	11/12 x estimated average proceeds per movie
Taxable goods in the form of inventories and/or assets that are not for sale, according to their initial purpose, and remain at the time a company is dissolved		Fair market value of the goods	11/12 x fair market value of the goods
Taxable goods delivered from a headquarters to a branch, or vice versa, and/or between branches		Cost of sales or acquisition price of the goods	[deleted]
Taxable goods delivered through a broker or agent		Price agreed between the broker or agent and the purchaser	11/12 x price agreed between the broker or agent and the purchaser
Taxable goods sold through an auctioneer		Auction price	11/12 x auction price
Free gifts in the form of taxable goods that are initially not for sale		No provision included	11/12 x fair market value of the goods
Manpower services: <ul style="list-style-type: none"> • That do not fulfill the criteria of manpower services that are exempted from VAT; and • Where the amount of the manpower service fee and the salary fee are stated separately in the VAT invoice 		No provision included	11/12 x manpower service fee, excluding the employees' salary, wage, honorarium, compensation, and others
Advertising services related to nonadvertising broadcasts by an advertising agency, production house, or other party, where: <ul style="list-style-type: none"> • The broadcast is delivered to the person commissioning the broadcast, which may be either the government or the government and a business entity; and • The invoice includes a detailed breakdown between the advertising service fee and the nonadvertising broadcasting service fee 		No provision included	11/12 x advertising service fee, excluding the nonadvertising broadcasting service fee
Imported intangible goods in the form of movies and the subsequent		102/PMK.011/2011	IDR 12 million per copy of the imported movie

Type of delivery	Previous MoF regulation being amended	Special VAT imposition base	
		Under the previous MoF regulations	Under PMK-11
delivery from the importer to a movie theater			
Delivery of taxable tangible goods from free trade zones and freeport zones (FTZs) to another area within the Indonesian customs area excluding an FTZ, a bonded stockpile area (<i>tempat penimbunan berikat</i> (TPB)), and a special economic zone (SEZ) (<i>tempat lain dalam daerah pabean</i> (TLDDP))	173/PMK.03/2021	Amount used as the base for calculating import duty and other customs and excise calculations, excluding VAT and/or luxury goods sales tax (LST)	<ul style="list-style-type: none"> Luxury taxable tangible goods: Amount used as the base for calculating import duty and other customs and excise calculations, excluding VAT and/or LST Nonluxury taxable tangible goods: 11/12 x amount used as the base for calculating import duty and other customs and excise calculations, excluding VAT and/or LST
Discharge of taxable tangible goods from an FTZ: <ul style="list-style-type: none"> Discharge of offshore taxable tangible goods from an FTZ to a TLDDP for a specified purpose and for a certain period; Discharge of offshore taxable tangible goods from an FTZ to another FTZ, TPB, or SEZ for a specified purpose and for a certain period; Discharge of nonoffshore taxable tangible goods from an FTZ to another FTZ, TPB, SEZ, or TLDDP for a certain period; and Discharge of taxable goods from an FTZ exceeding the expected length of time to be held in the FTZ 		Fair market value of the goods	<ul style="list-style-type: none"> Luxury taxable tangible goods: Fair market value of the goods Non-luxury taxable tangible goods: 11/12 x fair market value of the goods
Certain nonsubsidized liquid petroleum gas (LPG) by companies appointed by the government to provide and distribute LPG	62/PMK.03/2022 (please refer to Tax Info May 2022)	$100/(100 + \text{applicable standard VAT rate}) \times \text{retail selling price}$	$11/12 \times 100/(100 + 11/12 \times \text{applicable standard VAT rate}) \times \text{retail selling price}$
Tobacco products	63/PMK.03/2022 (please refer to Tax Info May 2022)	Retail selling price, with an effective VAT rate of 10.7%	Retail selling price, with an effective VAT rate of 9.9%
Subsidized fertilizer for the agricultural sector	66/PMK.03/2022 (please refer to Tax Info May 2022)	<ul style="list-style-type: none"> Subsidized portion: $100/(100 + \text{standard VAT rate}) \times \text{subsidized amount that already includes VAT}$ Nonsubsidized portion: $100/(100 + \text{standard VAT rate}) \times \text{highest retail sales price (harga eceran tertinggi)}$ 	<ul style="list-style-type: none"> Subsidized portion: $11/12 \times 100/(100 + 11/12 \times \text{standard VAT rate}) \times \text{subsidized amount that already includes VAT}$ Nonsubsidized portion: $11/12 \times 100/(100 + 11/12 \times \text{standard VAT rate}) \times \text{highest retail sales price (harga eceran tertinggi)}$
Delivery of taxable goods and/or taxable services by members to the contractor of a joint operation (JO)	79 of 2024	Contribution amount agreed by each of the JO members as stated in the cooperation contract and/or agreement documents	$11/12 \times \text{contribution amount agreed by each of the JO members as stated in the cooperation contract and/or agreement documents}$

Final VAT mechanism

Type of supply	Previous MoF regulation being amended	Final VAT mechanism	
		Under the previous MoF regulations	Under PMK-11
Postal package delivery services	71/PMK.03/2022 (please refer to Tax Info May 2022)	10% x standard VAT rate x compensation amount	10% x 11/12 x standard VAT rate x compensation amount
Certain travel agency services and/or provision of travel packages		10% x standard VAT rate x selling price of the travel package, transport, and accommodation	10% x 11/12 x standard VAT rate x selling price of the travel package, transport, and accommodation
Freight forwarding services (including freight charges)		10% x standard VAT rate x amount billed	10% x 11/12 x standard VAT rate x amount billed
Combined religious and nonreligious tour package services		<ul style="list-style-type: none"> 10% x standard VAT rate x tour package price for nonreligious tour (if the tour package price can be separated between the religious tour portion (which is not subject to VAT) and nonreligious tour portion (which is subject to VAT)); or 5% x standard VAT rate x entire tour package price (if the tour package price cannot be separated between the religious tour portion and the nonreligious tour portion) 	<ul style="list-style-type: none"> 10% x 11/12 x standard VAT rate x tour package price for nonreligious tour (if the tour package price can be separated between the religious tour portion (which is not subject to VAT) and nonreligious tour portion (which is subject to VAT)); or 5% x 11/12 x standard VAT rate x entire tour package price (if the tour package price cannot be separated between the religious tour portion and the nonreligious tour portion)
Marketing services using vouchers, transaction payment services in relation to voucher distribution, and services related to consumer loyalty or reward programs	6/PMK.03/2021 as amended by 71/PMK.03/2022	10% x standard VAT rate x voucher sales price, commission, or difference between the amount billed and the voucher amount	10% x 11/12 x standard VAT rate x voucher sales price, commission, or difference between the amount billed and the voucher amount
Phone credit or starter packs		10% x standard VAT rate x sales price or amount billed	10% x 11/12 x standard VAT rate x sales price or amount billed
Electricity tokens		10% x standard VAT rate x commission, administrative fee, or difference between the nominal token value and the amount billed, excluding regional tax on street lighting and stamp duty	10% x 11/12 x standard VAT rate x commission, administrative fee, or difference between the nominal token value and the amount billed, excluding regional tax on street lighting and stamp duty
Certain nonsubsidized LPG by distribution agents and subagents	62/PMK.03/2022 (please refer to Tax Info May 2022)	<ul style="list-style-type: none"> Distribution agents: 1.2/101.2 x excess of distribution agent's selling price over retail selling price Subagents: 1.2/101.2 x excess of distribution subagent's selling price over distribution agent's selling price 	<ul style="list-style-type: none"> Distribution agents: 1.1/101.1 x excess of distribution agent's selling price over retail selling price Subagents: 1.1/101.1 x excess of distribution subagent's selling price over distribution agent's selling price
Certain agricultural products	64/PMK.03/2022 (please refer to Tax Info May 2022)	1.2% x sales price	1.1% x sales price
Used motor vehicles	65/PMK.03/2022	1.2% x sales price	1.1% x sales price
Taxable goods held as collateral	41 of 2023 (please refer to Tax Info April 2023)	10% x standard VAT rate x sales price	10% x 11/12 x standard VAT rate x sales price

Type of supply	Previous MoF regulation being amended	Final VAT mechanism	
		Under the previous MoF regulations	Under PMK-11
<p>Gold and nongold jewelry, and jewelry services:</p> <ul style="list-style-type: none"> • Self-produced gold jewelry by manufacturers to other manufacturers and/or traders; • Self-produced gold jewelry by manufacturers to end consumers; • Nongold jewelry by manufacturers and traders; • Jewelry services by manufacturers and traders; • Gold jewelry by traders to other traders and/or end consumers if the deliverer has a VAT invoice on the acquisition/import of the jewelry being delivered; • Gold jewelry by traders to other traders and/or end consumers if the deliverer does not have a VAT invoice on the acquisition/import of the jewelry being delivered; or • Gold jewelry by traders to manufacturers 	48 of 2023 (please refer to Tax Info May 2023)	<ul style="list-style-type: none"> • 10% x standard VAT rate x sales price • 15% x standard VAT rate x sales price • 10% x standard VAT rate x sales price • 10% x standard VAT rate x remuneration received • 10% x standard VAT rate x sales price • 15% x standard VAT rate x sales price • 0% 	<ul style="list-style-type: none"> • 10% x 11/12 x standard VAT rate x sales price • 15% x 11/12 x standard VAT rate x sales price • 10% x 11/12 x standard VAT rate x sales price • 10% x 11/12 x standard VAT rate x remuneration received • 10% x 11/12 x standard VAT rate x sales price • 15% x 11/12 x standard VAT rate x sales price • 0%
Insurance commissions received by agents and brokers	81 of 2024 (please refer to Tax Info November and December 2024)	<ul style="list-style-type: none"> • Agents: 10% x standard VAT rate x gross commission amount, in any form and name, excluding income tax and other taxes • Brokers: 20% x standard VAT rate x gross commission amount, in any form and name, excluding income tax and other taxes 	<ul style="list-style-type: none"> • Agents: 10% x 11/12 x standard VAT rate x gross commission amount, in any form and name, excluding income tax and other taxes • Brokers: 20% x 11/12 x standard VAT rate x gross commission amount, in any form and name, excluding income tax and other taxes
Self-construction activities		20% x standard VAT rate x amount paid, excluding land price	20% x 11/12 x standard VAT rate x amount paid, excluding land price
Trade of cryptoassets by cryptoasset exchangers		<ul style="list-style-type: none"> • Physical cryptoasset traders: 1% x standard VAT rate x cryptoasset transaction value • Nonphysical cryptoasset traders: 2% x standard VAT rate x cryptoasset transaction value 	<ul style="list-style-type: none"> • Physical cryptoasset traders: 1% x 11/12 x standard VAT rate x cryptoasset transaction value • Nonphysical cryptoasset traders: 2% x 11/12 x standard VAT rate x cryptoasset transaction value
Cryptoasset mining services		10% x standard VAT rate x cryptoasset conversion value	10% x 11/12 x standard VAT rate x cryptoasset conversion value

Although the amount of VAT to be collected does not differ before and after 1 January 2025, these changes may affect the disclosure of the VAT imposition base and/or VAT rate in the VAT invoice. The changes above apply to deliveries made as from 1 January 2025; therefore, amendments will be required in respect of relevant deliveries between 1 January and 4 February 2025 on which VAT has already been collected under previous MoF regulations.

Customs Focus

Regulation on safeguard duties for certain wool products is issued

To recover or prevent serious losses suffered by domestic industries due to a surge of imported goods that directly compete with domestic products, the MoF imposes several additional import duties, among others, safeguard duties (*bea masuk tindakan pengamanan* (BMTP)) on certain imported goods. The findings of the Indonesian Safeguards Committee (*Komite Pengamanan Perdagangan Indonesia* (KPPi)) show that the domestic industry faces a significant threat of severe losses due to the influx of imported goods and requires additional time for necessary structural adjustments to address the issue. Therefore, the MoF issued Regulation Number 8 of 2025 (PMK-8), which stipulates the imposition of BMTP on import of slag wool and rock wool products in bulk and in the form of sheets (sheet, slab, and board) or rolls (roll, blanket, and wired blanket).

The BMTP rates are as follows:

- First year: IDR 20,284/kg;
- Second year: IDR 18,256/kg; and
- Third year: IDR 16,430/kg.

There are 122 countries exempted from BMTP as listed in Appendix B to PMK-8.

Importers exempted from BMTP are required to submit a certificate of origin (COO), as follows (please refer to [Customs Focus July 2024](#)):

- Preferential COO, which is verified based on the provisions of laws and regulations regarding COO verification for the imposition of import duty under an international agreement; or
- Nonpreferential COO, which is verified based on the rules of origin and the nonpreferential COO on imported goods stipulated in Regulation of Minister of Trade Number 16 of 2024.

PMK-8 comes into effect as from 20 February 2025 and the BMTP provision is valid for three years since the effective date.

Regulation on anti-dumping import duties for hot rolled plates imported from China, Singapore, and Ukraine is issued

To protect the domestic industry from dumping practices in import of hot rolled plate products, the MoF imposes anti-dumping import duty in addition to import duty. Since 2012, the MoF has been issuing regulations on the imposition of anti-dumping import duties on import of hot rolled plate products; however, the anti-dumping import duty provisions under the existing regulations are no longer applicable due to the end of the validity periods. Nonetheless, the findings of the KPPI show that dumping practices in import of hot rolled plate products are still ongoing. Therefore, the MoF issued Regulation Number 9 of 2025 (PMK-9) stipulating the imposition of anti-dumping import duties on hot rolled plate products imported from China, Singapore, and Ukraine.

The anti-dumping import duty rates are as follows:

- China: 10.47%;
- Singapore: 12.50%; and
- Ukraine: 12.33%.

The imposition of anti-dumping import duty is based on the respective HS codes of the products, country of origin, and import product. As such, companies that import the relevant products from China, Singapore, or Ukraine should review PMK-9, especially on whether their imported products are subject to this additional import duty, and anticipate any duty imposition accordingly. For domestic companies manufacturing the relevant products, the imposition of this additional import duty is expected to drive their competitiveness.

PMK-9 comes into effect as from 3 February 2025 and is valid for five years since the effective date.

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