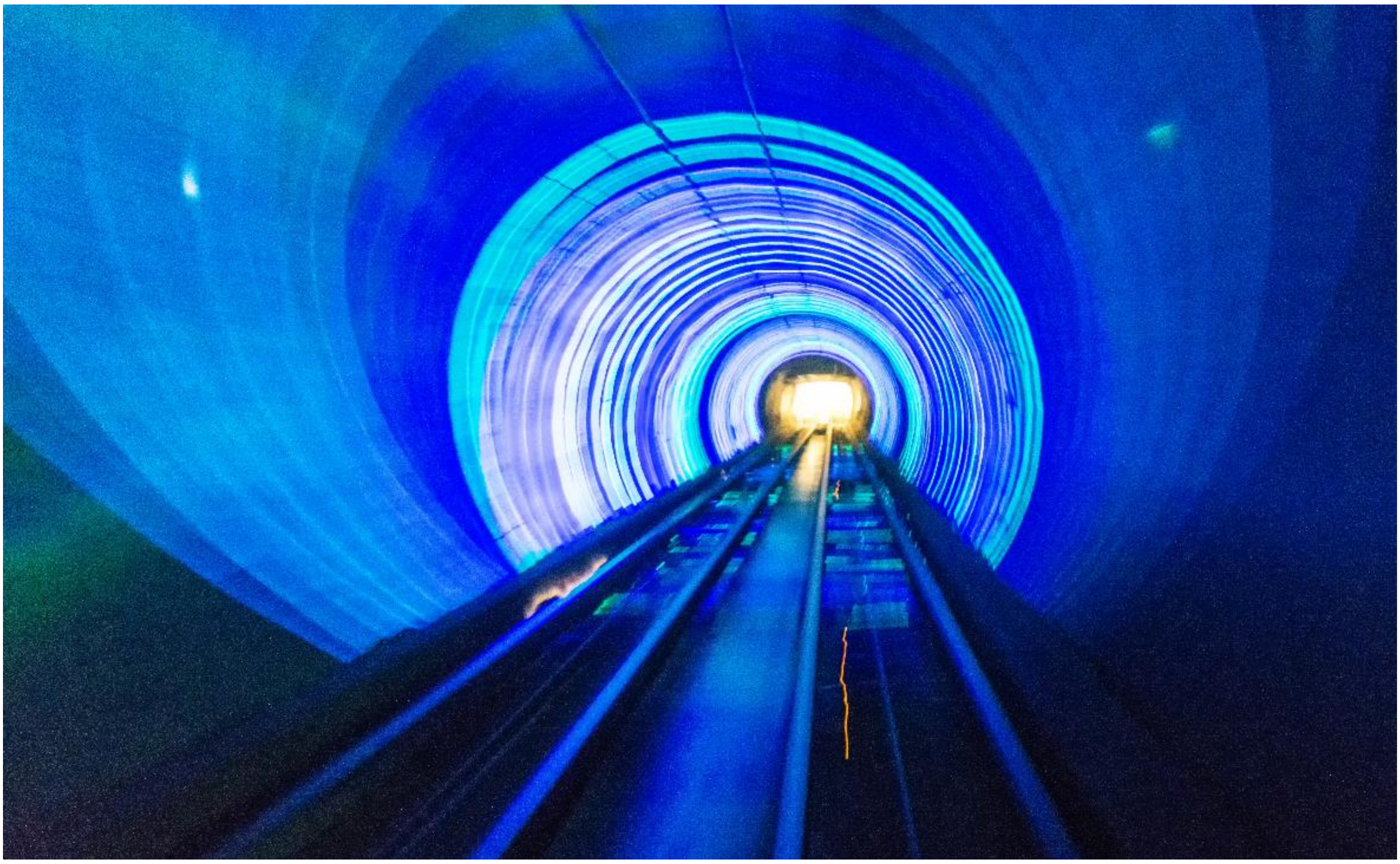

Indonesia Tax Info March 2025

In this issue:

VAT and LST facilities for certain electric vehicles and residential properties extended

To expedite the conversion to the use of electric vehicles and support economic growth in the residential property sector, Indonesia's Minister of Finance (MoF) has been providing government-borne VAT and/or luxury-sales tax (LST) facilities for deliveries in these sectors (please refer to Tax Info March 2024). However, as the relevant regulations expired on 31 December 2024, and with the view that continuous support in these sectors is necessary, the MoF has extended the facilities through 2025 by issuing Regulation Number 135 of 2024 (PMK-135) on 31 December 2024, and Regulation Number 12 of 2025 (PMK-12) and Regulation Number 13 of 2025 (PMK-13) on 4 February 2025.

LST facility for qualifying battery-based electric vehicles

PMK-135 extends the government-borne LST facility granted for the import and/or delivery of certain qualifying electric four-wheeled vehicles by certain VAT-able entrepreneurs (*pengusaha kena pajak* (PKP)) between January and December 2025. This facility was previously granted under MoF Regulation Number 9 of 2024, which expired on 31 December 2024. In general, the facility, and the criteria and requirements to use the facility, are the same as in the previous regulations.

VAT facility on sale of certain qualifying battery-based electric vehicles and introduction of LST facility for qualifying low carbon emission vehicles

PMK-12 extends the existing VAT facility under which the government bears a portion of the VAT due on the sale of qualifying battery-based electric vehicles (*kendaraan bermotor listrik berbasis baterai* (BEVs)). The qualifying BEVs are those that are newly registered and meet the domestic requirements.

PMK-12 extends this government-borne VAT facility, which otherwise would have ended on 31 December 2024, through 31 December 2025. Consequently, as from 1 January 2025, the government continues to bear a portion of the VAT due on the sale of certain qualifying electric four-wheeled vehicles and electric buses. Since the standard VAT rate has increased to 12% (from 11%) as from 1 January 2025, the portion of the VAT on the selling price that is not borne by the government also has increased.

PMK-12 also introduces a new facility whereby LST on the sale of certain low carbon emission vehicles (LCEVs) would be borne by the government between January and December 2025. The following four-wheeled LCEVs that fulfill certain requirements under Government Regulation Number 73 of 2019 (as amended by Government Regulation Number 74 of 2021) (please refer to Tax Info July 2021) are eligible for the facility under which the government bears LST of 3% of the sales price:

- Full hybrid;
- Mild hybrid; and
- Plug-in hybrid.

VAT facility on the sale of certain residential properties

PMK-13 extends the government-borne VAT facility for the sale of landed houses and residential units by a PKP to an individual homeowner (buyer) that was previously introduced by MoF Regulation Number 7 of 2024.

PMK-13 extends the facility, which otherwise would have ended on 31 December 2024, through 31 December 2025. Consequently, as from 1 January 2025, the government bears 100% of the VAT if the transfer of the rights to the property occurs between 1 January and 30 June 2025 (50% of the VAT if the transfer occurs between 1 July and 31 December 2025), provided that the VAT base does not exceed IDR 2 billion and the selling price does not exceed IDR 5 billion.

The facility is available for the delivery of landed houses and residential units between 1 January and 31 December 2025 evidenced by the issuance of minutes of handover (*berita acara serah terima*). PMK-13 stipulates that an individual who has used the government-borne VAT facility on housing deliveries prior to PMK-13 can use the VAT facility as stipulated in this regulation. However, an individual who bought a property before 1 January 2025 but cancels the purchase will not be eligible for the facility under PMK-13 for the same property.

It is important to note that, although the VAT rate has been increased to 12% as from 1 January 2025, there is an adjustment to the VAT imposition base to 11/12 x the selling price (previously, the VAT imposition base was the selling price). This would result in the use of transaction code 04 in the VAT invoice for the portion of VAT not borne by the government, as opposed to transaction code 01.

Customs Focus

Further updates on customs, excise, and tax on import and export of consignment goods regulations

To improve Indonesian government's services in monitoring the activities of import and export of consignment goods, on 3 February 2025, the MoF issued Regulation Number 4 of 2025 (PMK-4). PMK-4 serves as the second amendment to Regulation Number 96 of 2023 (PMK-96) regarding customs, excise, and tax on import and export of consignment goods (please refer to Customs Focus October 2023), which had been amended by Regulation Number 111 of 2023 (PMK-111) (please refer to Customs Focus December 2023).

Salient changes in PMK-4 are as follows:

Topic	**Previous position under PMK-96 (as amended by PMK-111)**	**Revised position under PMK-4**
Definition of consignment goods from trading	Consignment goods are defined as goods that meet, but are not limited to, the following criteria: • The goods are derived from a trade through an electronic system provider (*penyelenggara perdagangan melalui sistem elektronik* (PPMSE)); • The consignee and/or the consignor of the goods is a business entity; and/or • Transaction proof in the form of an invoice or similar document is available.	Consignment goods are derived from a trade between a seller and a buyer.
Party acting as the importer	Individual as an importer is the PPMSE, comprising goods recipient or marketplace/its representative domiciled within the customs area.	Similar to previous regulation, the individual as an importer is the PPMSE; however, if its representative has not been appointed, the consignee acts as the importer.
Consignment goods notified through a consignment note (CN) that are exempt from additional import duties	Consignment goods having the customs value of up to free-on-board (FOB) USD 1,500.	• Consignment goods having the customs value of up to FOB USD 1,500; • Consignment goods of hajj pilgrims (with certain requirements); or • Consignment goods of prizes for competitions or awards (with certain requirements).
Self-assessment of import duty, excise, and/or import tax payable	Implemented to consignment goods from trading.	Implemented by the consignee that is a business entity.
Postal organizer (*penyelenggara pos*) serving as a customs services management entrepreneur (*pengusaha pengurusan jasa kepabeanan* (PPJK))	N/A	PMK-4 emphasizes that a postal organizer serving as PPJK in the import and/or export management of consignment goods should deliver the CN in a complete and correct manner.

Topic	Previous position under PMK-96 (as amended by PMK-111)	Revised position under PMK-4
Provisions applied to consignment goods having the customs value ranging from FOB USD 3 up to USD 1,500	• Classification of goods is determined in accordance with the applicable regulations regarding determination of goods classification systems; • Import duty is levied at 7.5%; • Customs value is determined based on the total customs value of the consigned goods using the customs value method as stipulated in applicable regulations regarding customs value for calculating import duties; • VAT or luxury-sales tax is levied in accordance with the rates stipulated in the applicable regulations regarding VAT and LST; and • Exemption from income tax collection is applicable.	In addition to the existing provisions under PMK-96, PMK-4 provides an exemption from the imposition of anti-dumping duties, safeguard duties, retaliatory duties, and/or countervailing duties to the provision.
Import duty rate of certain consignment goods (includes books, wristwatches, cosmetics, iron/steel, bags, textile products, footwear, bicycles)	• Import duty is levied at the Most Favored Nation (MFN) rate; • Additional import duty is levied; • VAT and/or LST is levied in accordance with the rates stipulated in the applicable regulations and • Income tax is imposed in accordance with the applicable provisions on income tax.	• Import duty is levied at the rate of 0%, 15%, or 25%, depending on the type of certain consignment goods; • Exemption from the imposition of anti-dumping duties, safeguard duties, retaliatory duties, and/or countervailing duties is applicable; • VAT and/or LST is levied in accordance with the rates stipulated in the applicable regulations; and • Income tax is levied at the rate of 5%.
CN for export of consignment goods	A CN shall at least contain the following data: • Identity number and date of the consignment goods; • Name of means of transport; • Voyage/flight number; • Destination country; • Area of origin of the consignment goods; • Gross weight; • Transportation cost; • Insurance (if any); • Price of goods in the delivery method (incoterm) of FOB; • Goods delivery method (incoterm); • Currency; • Export duty to be paid (if any); • Description of quantity and type of goods; • Tariff post/HS code; • Number and date of invoice, if the consignment goods are derived from a trade; • Type, number, and date of permit document (if any); • Name and address of the consignor; • Telephone number of the consignor (if any);	In addition to the existing provisions under PMK-96, PMK-4 requires the following data to be included in a CN: • Type of exported consignment goods; • Number of packages; • Category of exported consignment goods; and • TPS code, in the case of entry of consignment goods using an automatic door system (autogate).

Topic	Previous position under PMK-96 (as amended by PMK-111)	Revised position under PMK-4
	• Taxpayer identification number of the consignor or other identity numbers, i.e., national identity number for Indonesian citizens, passport number for foreigners, or others; • Name and address of the consignee/buyer; • Name and identity number of the PPMSE; and • Customs office for the loading of the exported consignment goods.	
Reimportation of exported consignment goods	N/A	Reimportation of exported consignment goods applies to the following goods: • Unsaleable; • Not fulfilling the purchase contract; • Not fulfilling quality standards; • Not fulfilling import requirements in the destination country of export; or • Other reasons. The reimportation may be exempt from import duty provided that there are relevant supporting documents/evidence and the export notification has been submitted using an export declaration (*Pemberitahuan Ekspor Barang* (PEB)) or a CN.

PMK-4 takes effect as from 5 March 2025.

Regulation on voluntary declaration is updated

To provide guidance for customs and excise officials to conduct monitoring and evaluation of voluntary declarations and voluntary payments on customs valuation, on 26 July 2023, the Director General of Customs and Excise (DGCE) issued Regulation Number PER-12/BC/2023 (PER-12). Following the issuance of PER-12, on 28 February 2025, the DGCE issued Notification Letter Number S-312/KBC.1101/2025 (S-312) to address a provision that has not been implemented through PER-12, i.e., provision related to rejection responses to the submission of subsequent import customs declaration—voluntary declaration (*Pemberitahuan Pabean Impor—Deklarasi Inisiatif* (PPI—VD)) in the event that the overdue reporting obligation has not been carried out.

The salient points are summarized below:

- The validation feature of the rejection response has been added to CEISA 4.0 for the subsequent PPI—VD submission, applicable to the PPI—VD that has been overdue but not yet reported or get paid accordingly.
- The rejection response to the PPI—VD submission is in the form of a rejection notice (*nota pemberitahuan penolakan*).

- The data that will be used as the calculation basis in providing the rejection response are the PPI data starting from 1 January 2023.
- Service users are required to complete and report the implementation of the overdue voluntary declaration for the PPI date starting from 1 January 2023.
- If the overdue voluntary declaration through the voluntary payment process has not been completed by the service users, their import permit will be temporarily suspended and they will not be able to carry out customs clearance for goods that are already at the port.

The effective date for the rejection response to the PPI—VD submission takes effect as from 1 March 2025 for the PPI—VD data starting from 1 January 2023.

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