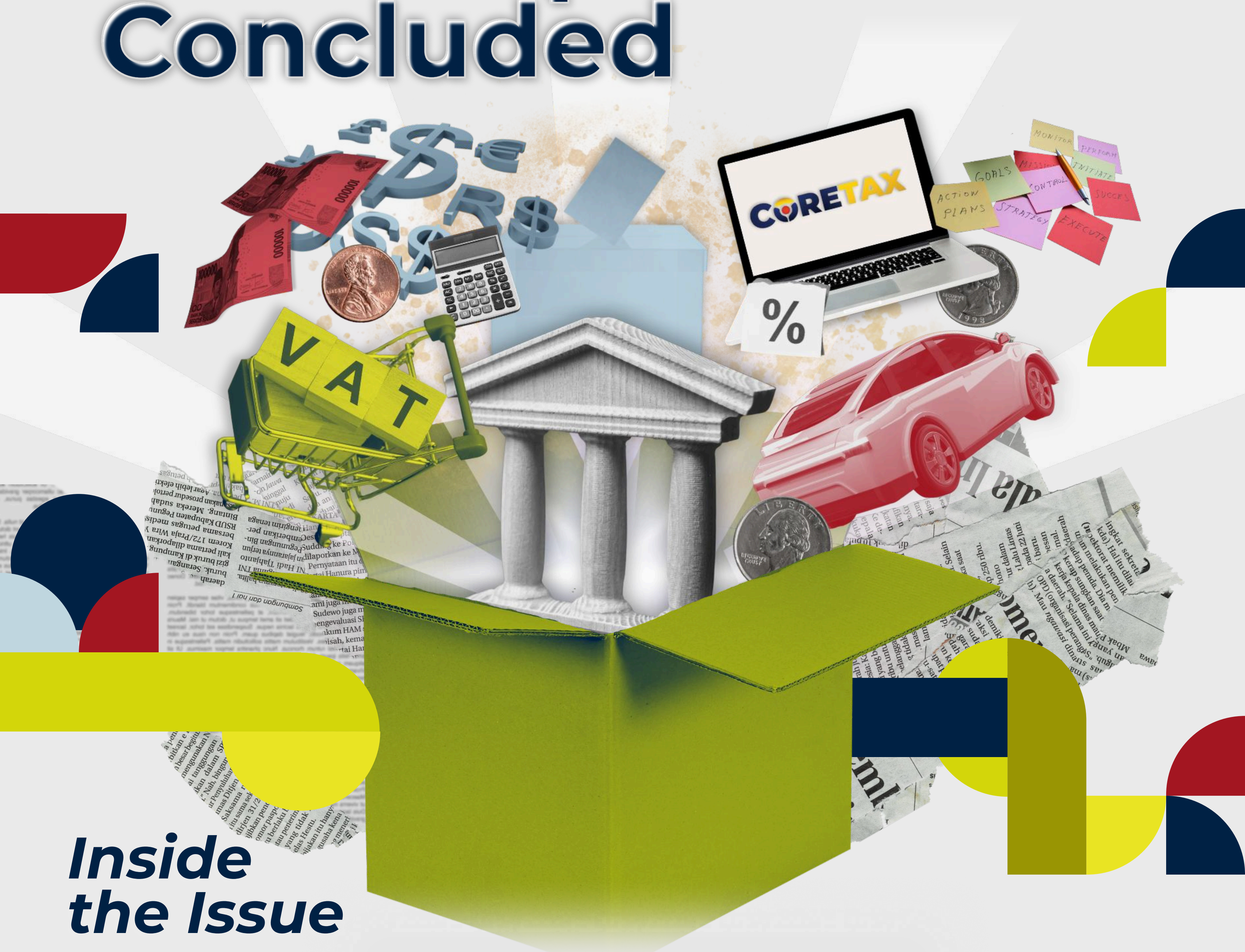




MIB Monthly Newsletter | December 2024



# The 2024 Indonesian Tax Landscape Concluded



## Inside the Issue

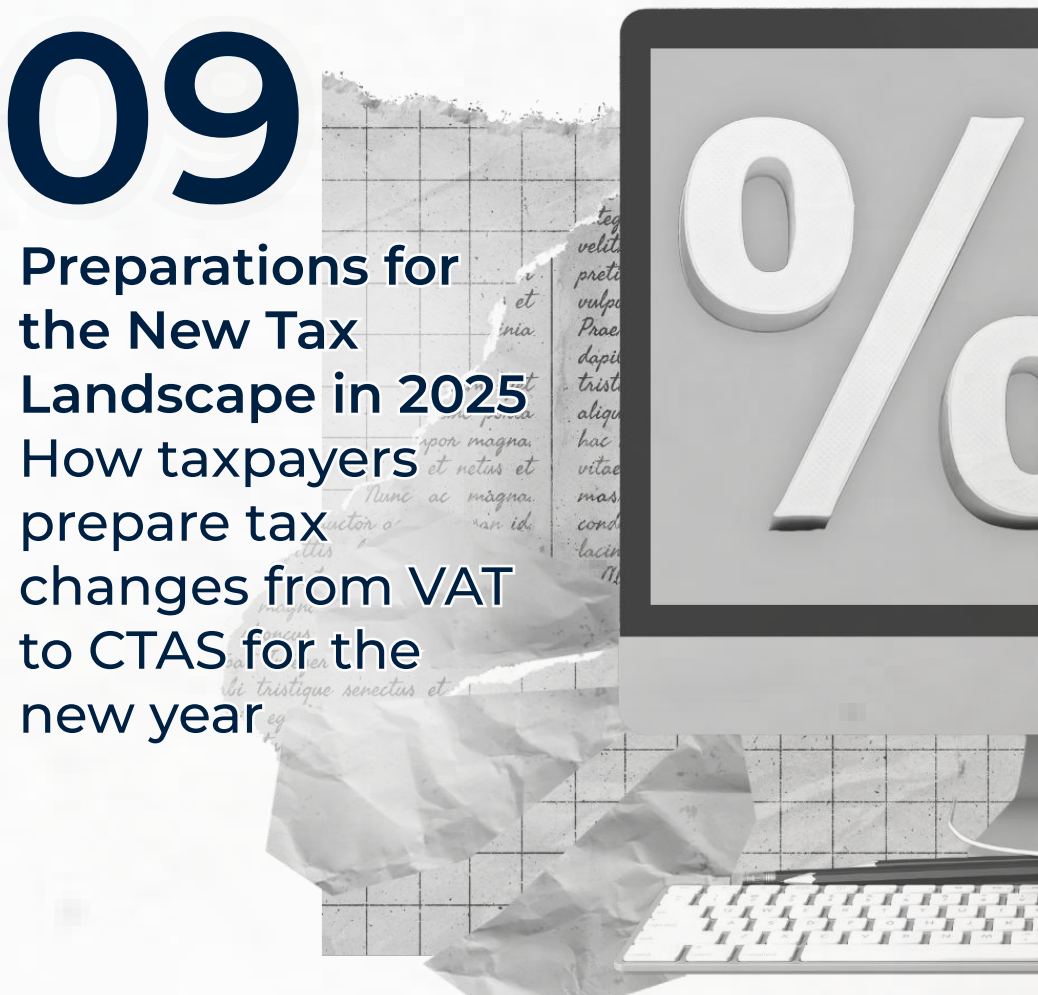
Summarizing the 2024 Taxation Policies and Changes • Preparations for the New Tax Landscape in 2025 • Monthly National and International Tax Highlights • November 2024 Tax Revenue



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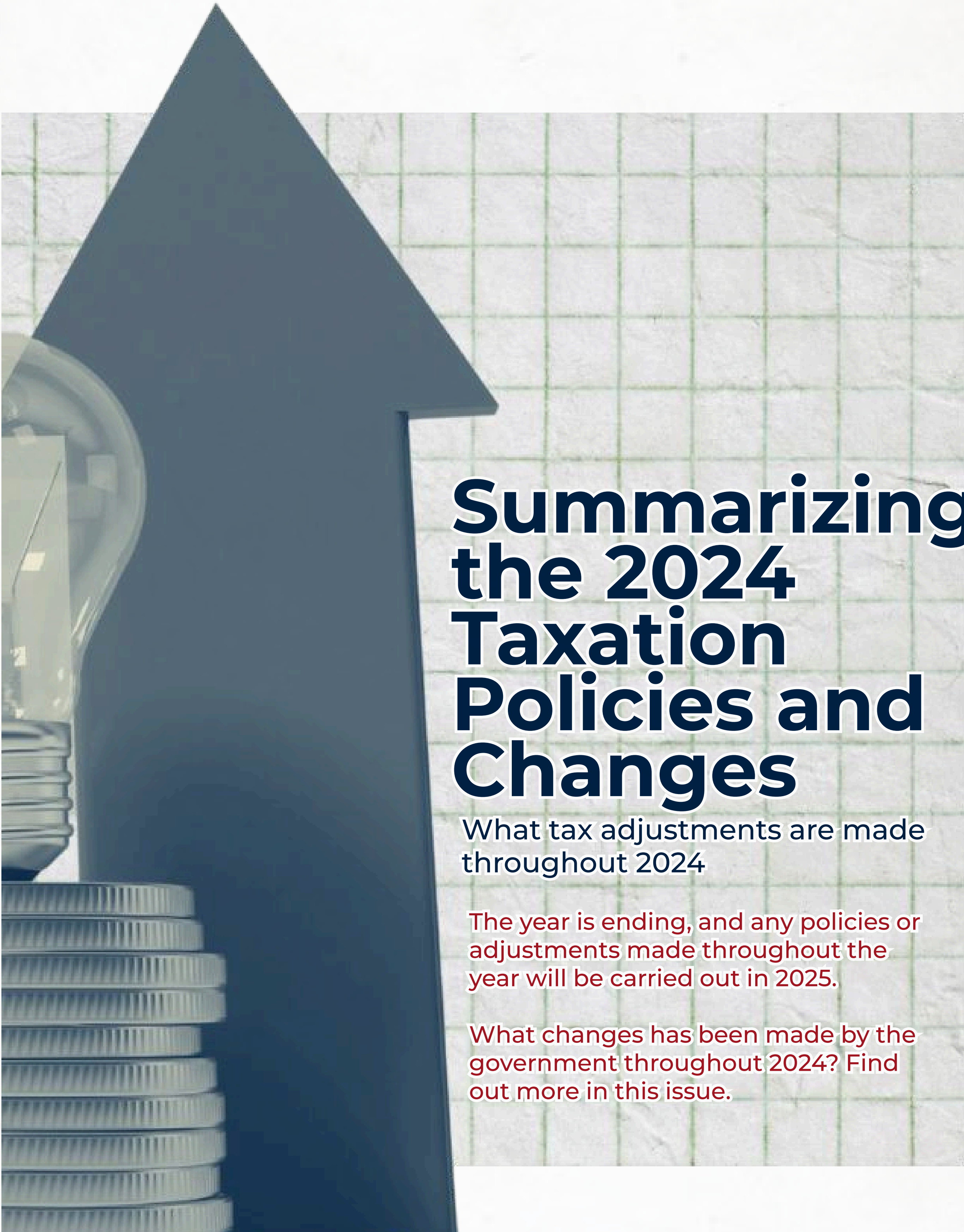
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# Insight Article



## Summarizing the 2024 Taxation Policies and Changes

What tax adjustments are made throughout 2024

The year is ending, and any policies or adjustments made throughout the year will be carried out in 2025.

What changes has been made by the government throughout 2024? Find out more in this issue.



# Summarizing the 2024 Taxation Policies and Changes

What tax adjustments are made throughout 2024



The year has now come to an end. In 2024, the Indonesian tax landscape went through a variety of changes and uncertainties. This is especially apparent in 2024 due to the fact that the national presidential election was held earlier in the year, and with a new president in the next year, there are bound to be adjustments in the landscape.

Not only does the new government have to carry out the remaining policies from the previous government, but they also have to implement the promises mentioned during the presidential campaigns. This calls for an overhaul of the budget plans and policies.

However, there is still much to be imposed in 2025. How will the government make sure that all programs and goals are met in 2025? How many of these changes happen throughout 2024? Find out in our annual tax summary.

January

The 2023 Collected Tax Revenue Amounted to IDR1,869.23 T

The 2023 tax revenue fulfilled around 102.8% of the target mentioned in the Presidential Decree with a yearly growth rate of 8.9%.

Full Implementation of the HKPD Law Starting from 5 January 2024

The Government Implements New Tax Calculation Method Named Effective Tax Rate (*Tarif Efektif Rata-rata/TER*)

The previously planned new tax calculation scheme is now fully implemented. The change is met with questions as taxpayers commandeer their way in calculating their taxes.





February

### Indonesia Imposed the First Tourist Tax in Bali

Bali is set to impose a tourist levy with an amount of IDR150,000 starting from 14 February 2024. International tourists must pay the levy in advance prior to entering the island through the Love Bali app.

### VAT Incentives for Electric Vehicles and Houses in 2024

The government is offering incentives for citizens interested in purchasing houses or electric vehicles in 2024. Buying electric vehicles will be exempted from the imposition of Sales Tax on Luxury Goods and will be imposed with a 1% VAT.

Houses will have a VAT borne by the government incentives for 100% and 50% following different time periods.

### The Presidential Election

The nation must move forward. Thus, the presidential election is conducted in February 2024, where prior to this the presidential candidates are offering vision and mission for the nation, including the ones in relation to tax and the developments of tax policies in Indonesia if chosen.

### Changes in Excise and Import Goods Limit

The government decided to change the limit for certain goods in order to tighten the supervision on goods that are brought into the country. Failure to comply with the limit will result in additional fee to be paid based on the goods' prices.

April

### Labuan Bajo to Impose Additional Hotel and Restaurant Tax

Hotel and restaurants on recreational ships in the Labuan Bajo sea zone is imposed with a 10% tax rate in order to push and increase the regional income amount.

### The Release of New Withholding Tax Application for Income Tax 21/26

Taxpayers can now access additional features, such as new certificates options when filing for their monthly tax returns with the update.

March

### Indonesia and Australia's Cooperation for Crypto Tax

Both countries signed an MoU to collaborate for crypto assets information under each countries. The collaboration is done to strengthen economic cooperation and growth.

May

### Tax Incentives Provided by the Government for Economic Stability

Housing and electronic vehicles are provided by the government in order to promote economic stability in the country.

### Oil and Gas Tax Incentives for Investors

To increase the amount of oil and gas investors in the country, the government is planning on providing incentives with the Ministry of Energy and Mineral Resources as the leading agent.



Indonesian Government Entities Must Develop Monthly Withholding Slip

The Regulation of the Director General of Taxation Number PER-5/PJ/2024 regulates that now government entities must create a monthly withholding tax slip using Form 1721-A3.

June

Another Postponement of the CTAS Deployment

After the initial deployment date for the CTAS is postponed, the implementation of CTAS is then postponed again. The new plan is to fully implement CTAS by the end of the year or starting in 2025.

Plans of HWI Supervision to Increase Tax Revenue

The government is planning to increase supervision on High Wealth Individuals, their income and their transactions, in order to increase the collected tax revenue and national income.

Public Tax Services Accessible with NIK/ NPWP

Several public tax services are now accessible by using the National Identification Number or NIK following the deadline for the integration.

July

Deadline to Integrate NIK with NPWP

On 30 June 2024, the government sets the deadline for taxpayers to integrate their NIK with their NPWP. However, around 0.9% of taxpayers has yet to do so during this time period.

Indonesian Cyber Attack Affects the Tax System: Taxpayers Cannot Create Tax Identification Numbers (NPWP)

Indonesian Tax Revenue Growth Contracted in Growth Until the Middle of 2024

Based on the data owned by the Ministry of Finance, the collected tax revenue is showing contraction for yearly growth, with the amount of 7.9%.

August

Cooperation between World Bank and IMF to Develop Tax Plans for Developing Countries

The two international organizations collaborated and published a report on how developing countries can expand their taxes. One of the ways is to increase the VAT basis and find ways to increase the effectiveness of offered tax incentives.

Indonesia Wins Medallions in the Olympics: Government Says Medallions Not Imposed with Excise and Taxes



September

Issuance of the Financial Information Access Regulation by the DJP

The issuance of PMK Number 47 Year 2024 is meant to act as a basis for the enactment of common reporting standard's anti avoidance. This regulation entails provision in relation to taxes and international treaty.

Foreign Countries' Representatives Free from VAT and Sales Tax on Luxury Goods as Regulated in PMK 59/2024

The Government Ratified the 2025 State Budget

The 2025 State Budget under the new government showcased details such as the targeted tax revenue and the projected inflation level and economic growth. The tax revenue target is set at IDR2,189 trillion.

October

The Government Adds 2 Special Economic Zones for Education and Health in Banten and Batam

High Tax Refund Affects Collected National Tax Revenue

The collected tax revenue until August 2024 reached IDR1,196.54 trillion. This number, however, is lower than previous year's revenue due to the high amount of tax refund for income tax and domestic VAT.

National Taxpayers Data Hacked & DJP Clarified on the Matter: There is no hacking done based on the log access

November

Sri Mulyani Reappointed as the Ministry of Finance of Indonesia

Shadow Economy Tax Imposition for Additional Income

The government is learning in detail on how to impose taxes on 'underground' or 'shadow' activities, such as online gambling and other online games that produced fiscal benefits for its users.

The Issuance of PMK 81/2024 for CTAS Implementation

In preparation for the implementation of the new tax administration system, the government issued PMK 81/2024, which will act as the legal basis for the implementation of CTAS. This regulation also details several changes in currently applicable tax policies.



**Tax Holiday Incentives Extended Until 2025**

Tax holiday incentives developed and offered in order to push the numbers of investors in Indonesia is extended to be applicable until 31 December 2025. However, adjustments are to be made following the imposition of Global Minimum Tax in 2025.

**Talks of Another Tax Amnesty Program in 2025**

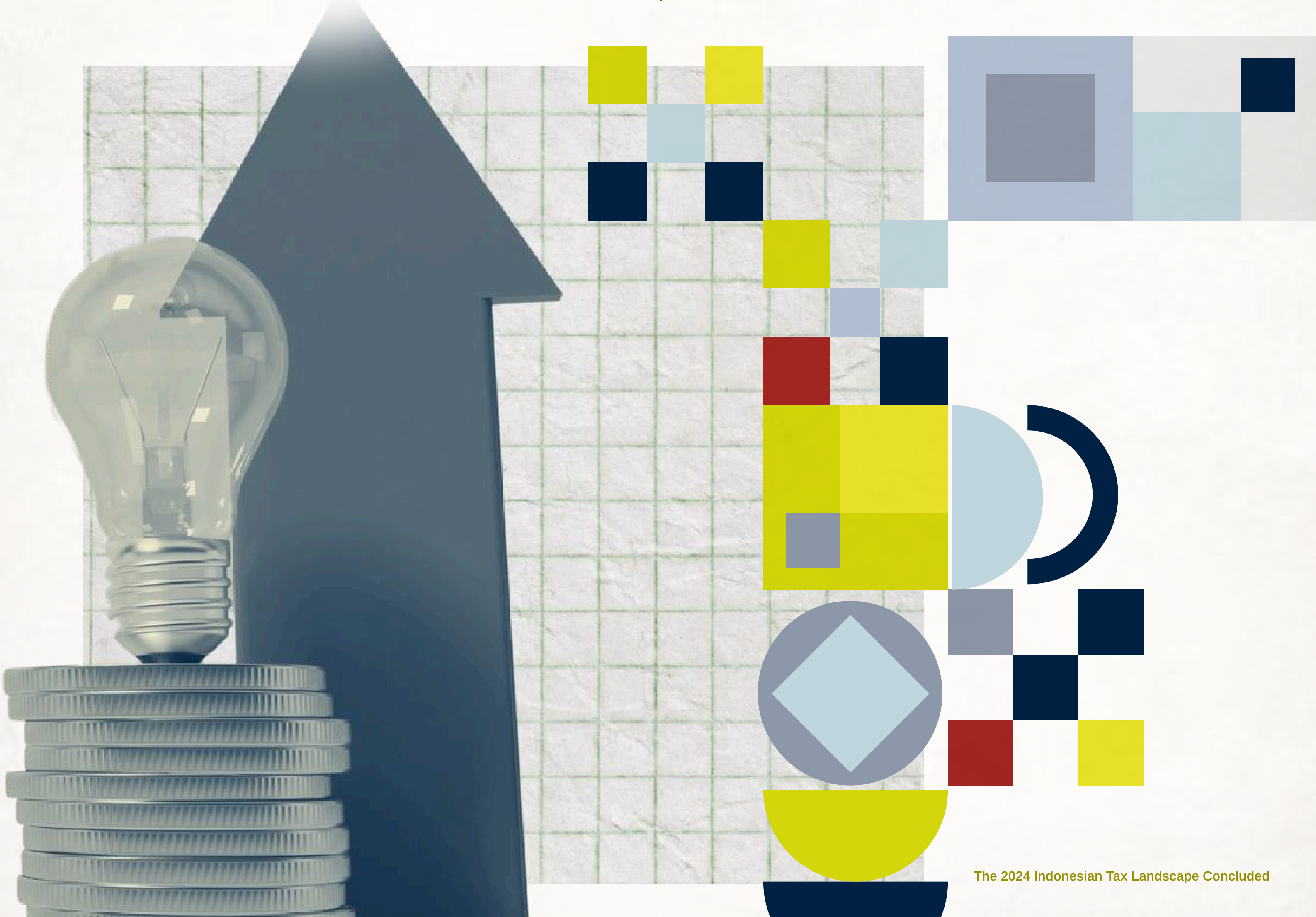
There are plans on doing another Tax Amnesty program in 2025. However, not much details is known about this matter. However, the government is reviewing and looking into how the 2016 Tax Amnesty program is held and its results.

December

**12% VAT Rate Imposition in 2025 Alongside Economic Policy Packages**

After a lot of back and forth, the government has decided to move forward with the initial plan of imposing a 12% VAT rate starting in 2025. Economic policies are also being introduced in order to prepare citizens on increasing goods and services prices.

**What's next for Indonesian tax in 2025?**





# Preparations for the New Tax Landscape in 2025

## How taxpayers prepare tax changes from VAT to CTAS for the new year



To 'celebrate' the new year, the government, being under a new leadership, has decided to impose several changes in the taxation landscape that taxpayers should take note of. These changes will be present since the start of the new year, and will have implications on how taxpayers can fulfill their tax obligations and get their daily essentials.

One of the changes we can regard as the 'most important' is the implementation of the new tax administration system, the **Core Tax Administration System** or **CTAS**, and the **increase of Value Added Tax (VAT) rate into 12%** from the previous 11% rate.

How should taxpayers navigate around these changes? What should they learn about in welcoming these changes?

### Core Tax Administration System and PMK 81/2024

The government will finally implement the new tax administration system known as the **Core Tax Administration System (CTAS)**, otherwise known as **Coretax** as the name is shown on the system.

The Coretax is developed in hopes of easing any taxation-related matters.

The new system is developed to ease any fulfillment regarding taxation matters. This includes both tax obligations and tax rights. Taxpayers can also access several public tax services through the new system, and communicate with tax authorities if needed.

PMK 81/2024 regulates how CTAS is implemented starting from 2025. In general, the regulations discuss 7 main topics concerning the implementation of CTAS. This includes procedures for exercising rights and fulfilling tax obligations as well as issuing, signing, and sending decisions and electronic documents, how to register taxpayers, Taxable Entrepreneurs (PKP) confirmation, and also Land and Building Tax Objects registration procedures, and procedures for paying and remitting tax, returning tax overpayments that should not be owed, interest compensation, and regulating the return of tax overpayments.

The regulation also discusses procedures for submitting and processing Notification Letters, procedures for providing tax administration services as well as technical provisions for implementing the core tax administration system. The regulation also showcases examples of document format and also examples of calculations, collection and/or reporting.

### Imposition of 12% VAT Rate

The government has decided to move forward with the plan on imposing a 12% VAT rate starting from 1 January 2025, following the provision mentioned in the Law on Harmonization of Tax Regulations. However, this meant that taxpayers should be ready to 'embrace' a new and higher prices on everything.

Prior to its imposition, the 12% rate is said to only be applicable for Luxury Goods. This plan is then renounced with the government finally informing that the rate is imposed on all goods and services previously imposed with an 11% VAT rate.

To develop a "shock absorber", the government also provides several economic policy packages that will hopefully be of some help for the nation. These packages include tax incentives for electronic vehicles and houses purchases, continuation of the Final Income Tax for MSMEs, and borne by the government VAT for select goods.

Prepare your budget for the new year with extreme caution and care. Although the government shows that the increase will only be of minuscule effect, it does impact all sectors of the economy.



# MIB Events Highlights & Coverage

18.12.2024

Wednesday

## MIB Provides Summary on 2025 Tax Changes for Taxpayers



*We are committed to taking part in expanding taxation knowledge in Indonesia. To do so, MIB partakes in organizing events meant to inform taxpayers on the latest tax updates for the new year.*

*From the implemented CTAS to the 12% VAT rate, participants learn more on how to prepare for these tax changes.*

As a way to end the year, MIB held one last event. In the middle of December, MIB held a webinar entitled “Update Kebijakan Perpajakan 2025” (in English: Tax Policies Update 2025), specifically on 18 December 2024.

The event is joined by participants from different backgrounds, some a new face and some from our previous webinars, but all eager to know more about the changes and adjustments made in the tax landscape for 2025.

Held online via Zoom, the event was attended by participants with interests in tax, or from those working within the industry. Like previous events, this event has Maulana Ibrahim, the Tax Director at MIB, as its speaker.

Prior to starting the webinar, the participants are firstly asked to join a small opening procession. Next, MIB introduced itself as the company and the goals behind holding this webinar, and what participants can hopefully gain during the process and the explanation of materials on this webinar.

Due to the amount of materials that needs to be explained, the introduction session is made shorter and there are no questions and answer session. However, the amount of materials that participants are gonna leave with is hopefully going to help them with navigating through the changes.

The material is opened by the explanation of the new tax administration system, the Core Tax Administration System and its preceding provision, the Ministry of Finance Regulation (PMK) No. 81 Year 2024.

Next, Maulana also explained a few other tax provisions that are already imposed and will affect 2025 tax landscape, namely the PMK No. 74 Year 2024 and PMK No. 79 Year 2024. The last materials that are explained are the usage of Effective Tax Rate for Income Tax Calculation in December and the 12% VAT Rate in 2025.

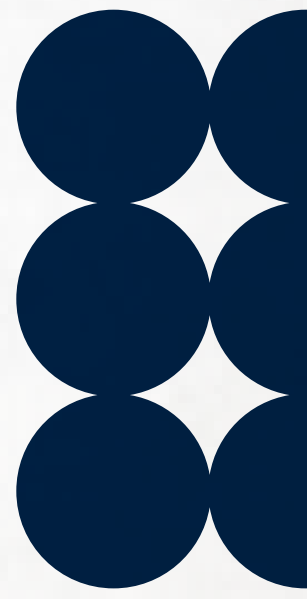
MIB encouraged participants to reach out for support if they encounter tax audit issues or need assistance from tax consultants.



December 2024

# Monthly Highlights

*The end of 2024 is near! The government is ensuring that all the policies and provisions that should be imposed in the new year is ready to be deployed. Additionally, the government is preparing for new tax administration system and the plans that are previously delayed due to new leadership.*



## Ministry of Finance Releases Provision on Management of Regional Incentive Funds

The government has released the Ministry of Finance Regulations Number 91 Year 2024 that entails information on the Management of Regional Fiscal Incentive Funds. Through this regulation, the government can provide incentive for regions if they fulfill certain criteria in terms of management or regional achievements.

[> Read more here](#)



## Multi-Factor Authentication Imposed on Taxpayer Accounts in DJP Online

In order to increase the security of taxpayers' account in the DJP online, the Directorate General of Taxes added another layer of security before taxpayers can log into their account.

With the Multi Factor Authentication or MFA, taxpayers will have to input a login token when they are logging into their account, which can be received either by email or by text message. This new system is applicable since 3 December 2024.

[> Read more here](#)

Next read

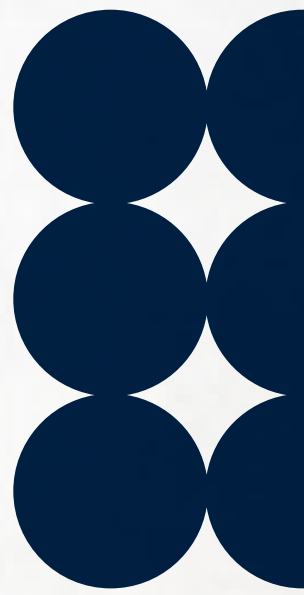
12 The 2025 Tax Revenue is Set at IDR2,996.9 T with the Following Revenue Details

& The Government Approved the Continuation of 12% VAT Rate Starting in 2025



# Monthly Highlights

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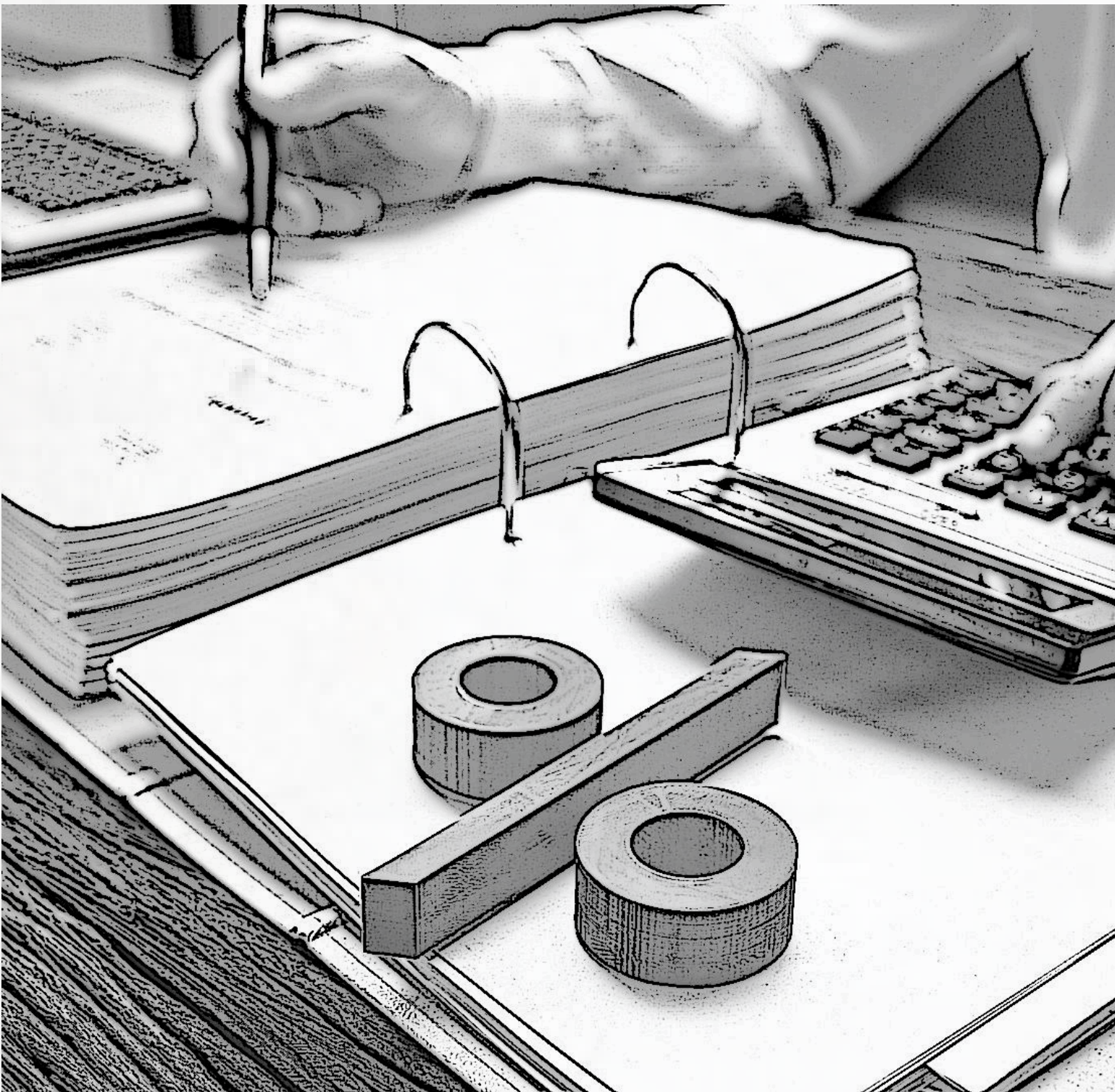


## The 2025 Tax Revenue is Set at IDR2,189.3 T with the Following Revenue Details

Through the issuance of the Presidential Decree No. 201 Year 2024, the government plans out the details of the targeted tax revenue in 2025. Previously, the amount of the tax revenue in 2025 is mentioned to reach IDR2,189.3 trillion in the State Budget document.

The details show that the highest tax revenue target is set for Income Tax, which consists of Oil and gas income tax and Non-oil and gas income tax, set at IDR1,209.27 trillion. Next, the Value Added Tax (VAT) and Sales Tax on Luxury Goods is set at IDR945.12 trillion.

[> Read more here](#)



## The Government Approved the Continuation of 12% VAT Rate Starting in 2025

After many debates on when to impose or is it better to not impose at all, the government has finally set its foot down on implementing the 12% VAT rate starting from January 2025. This plan has previously been mentioned in the Law on Harmonization of Tax Regulations or UU HPP.

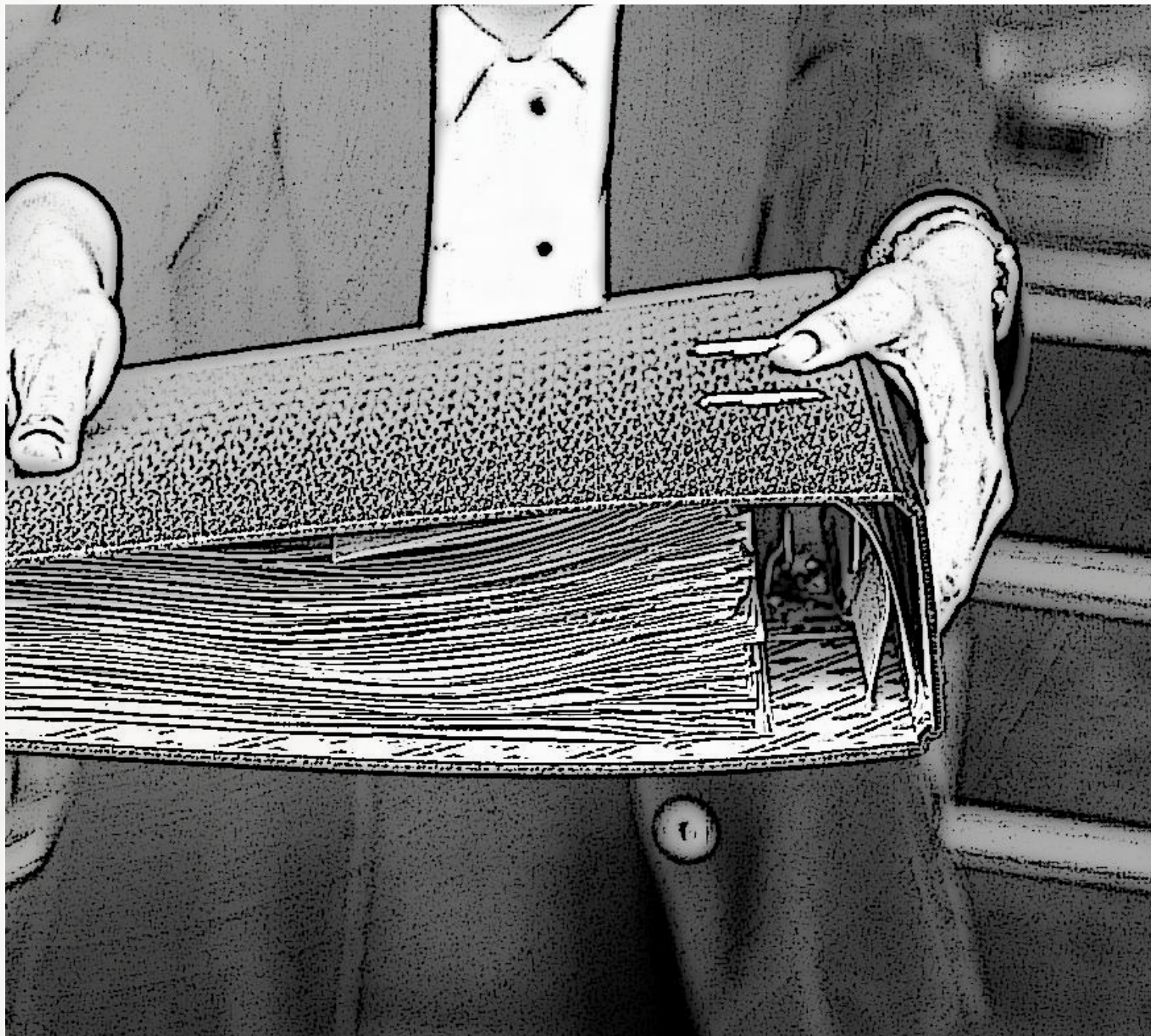
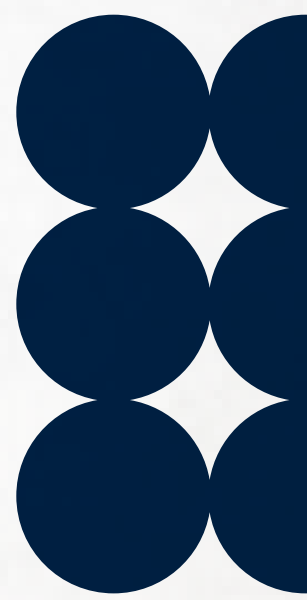
To ensure that the increase in rate does not affect the economic and consumer purchasing power, the government also provides several economic policy packages targeted for certain kinds of citizen.

[> Read more here & here](#)



# Monthly Highlights

*The end of 2024 is near! The government is ensuring that all the policies and provisions that should be imposed in the new year is ready to be deployed. Additionally, the government is preparing for new tax administration system and the plans that are previously delayed due to new leadership.*



## Taxpayers Open to Try Out the CTAS During Prior to Its Full Implementation

The Directorate General of Taxes invites taxpayers to try out and log into their account using the new tax administration system, the Core Tax Administration System (CTAS) prior to its implementation in January 2025.

Taxpayers can use this opportunity from 24 until 31 December 2024, but must ensure that they have a taxpayer account to begin with. The features that taxpayers can access during this period is also limited.

[> Read more here](#)



## Combating Overtourism: Countries and cities across the globe plan to increase or add another tax on top of current tourist tax rates

The effort to maintain local environment and manage tourism numbers seem to be a theme across different countries and cities around the globe. From Maldives to Mexico, more and more cities are planning to increase their tax tourist rates, or to imposed another tourist levy on top of the current ones imposed on tourists.

[> Read more here, here, & here](#)



## Plans to Impose Taxes on the Indian Online Gaming Industry

The Indian online gaming industry is currently faced with government plans of GST imposition. The plan must first be approved by the Supreme Court for it to apply in 2025.

[> Read more here](#)



# Monthly Tax Revenue

The government have only a month to ensure that the targeted tax revenue in 2024 is achieved, especially in regards to the national tax revenue. Although the information showed that it will be harder, the government is deploying several strategies to ensure that it is fulfilled by the end of the year.

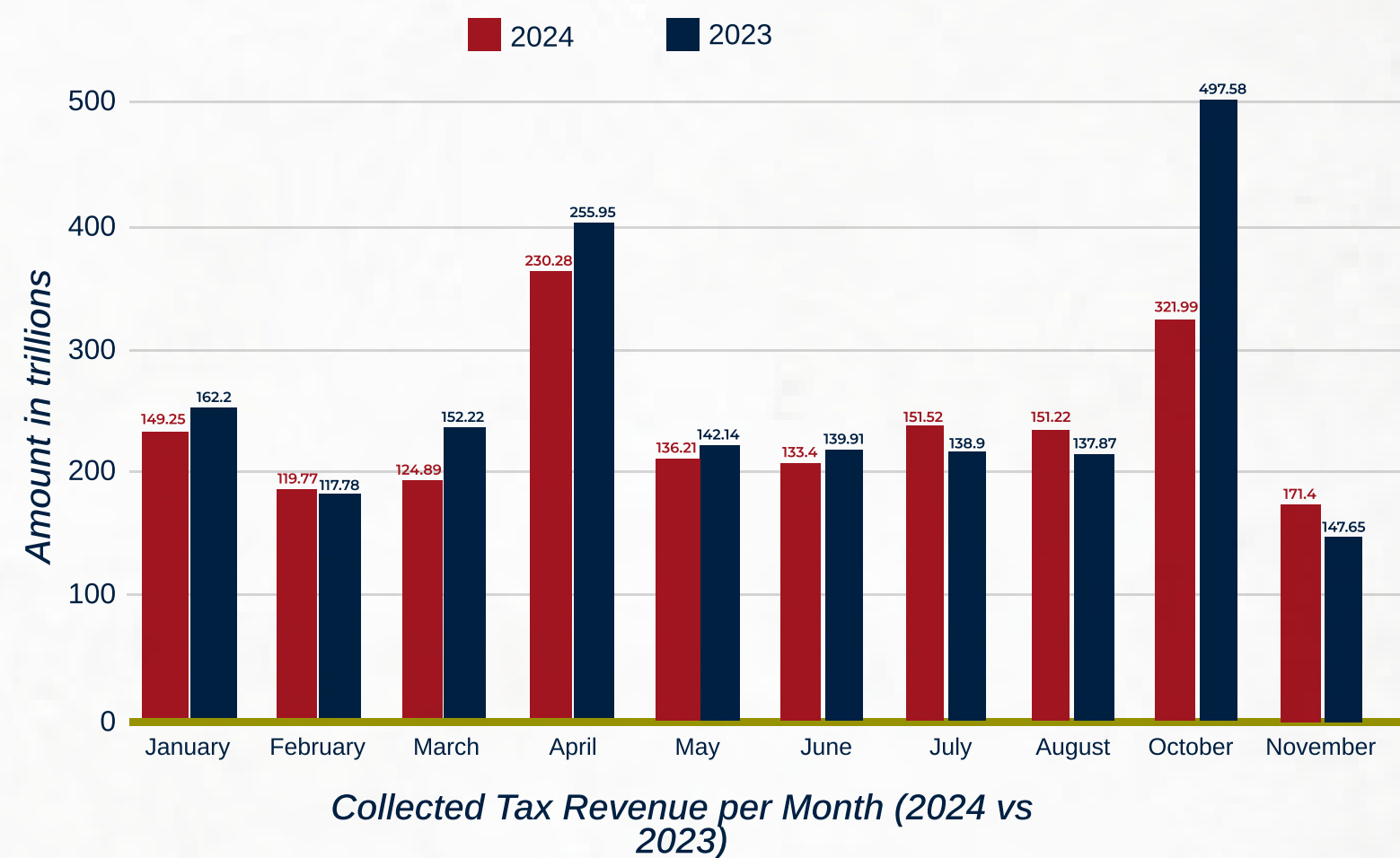
## Collected Tax Revenue Until November 2024 Reached IDR1,688 T



According to the collected tax revenue report in November 2024, the tax revenue has now reached IDR1,688.93 trillion. This number is heavily affected by the collected Non-oil and gas income tax, which is the biggest contributor of the total revenue.

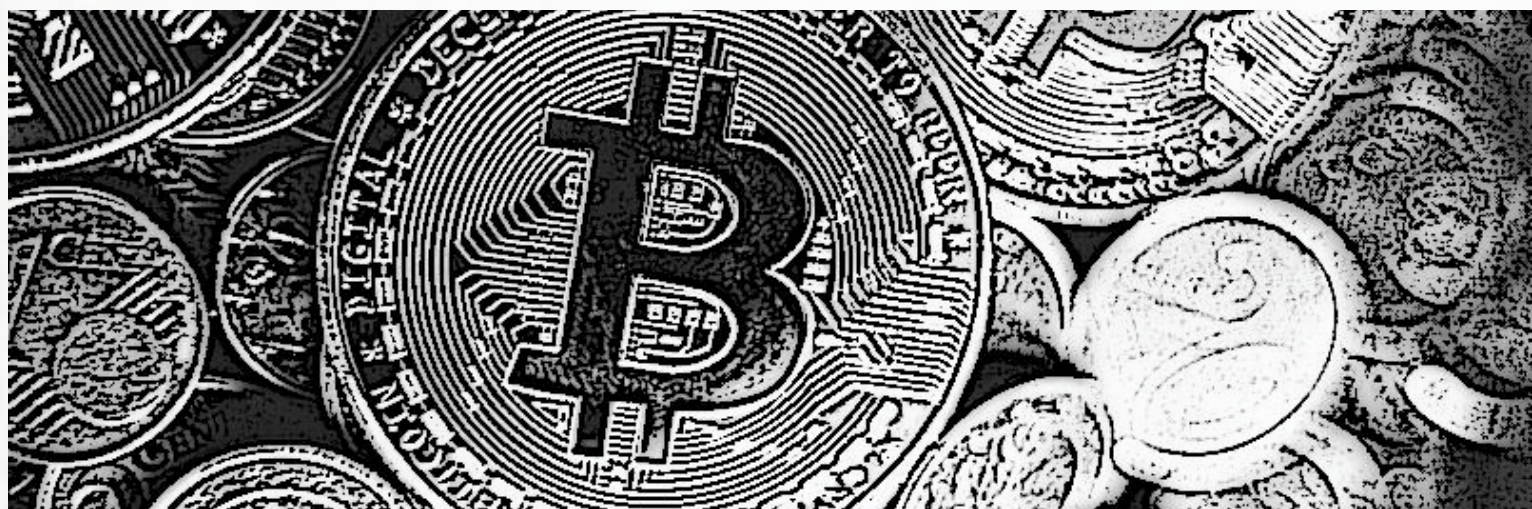
This amount is 84.9% of the targeted tax revenue set at IDR1,988.9 trillion. The government has time throughout December 2024 to ensure that the targeted tax revenue is fulfilled.

Collected Amount of Tax Revenue Until November 2024



[> Read more here](#)

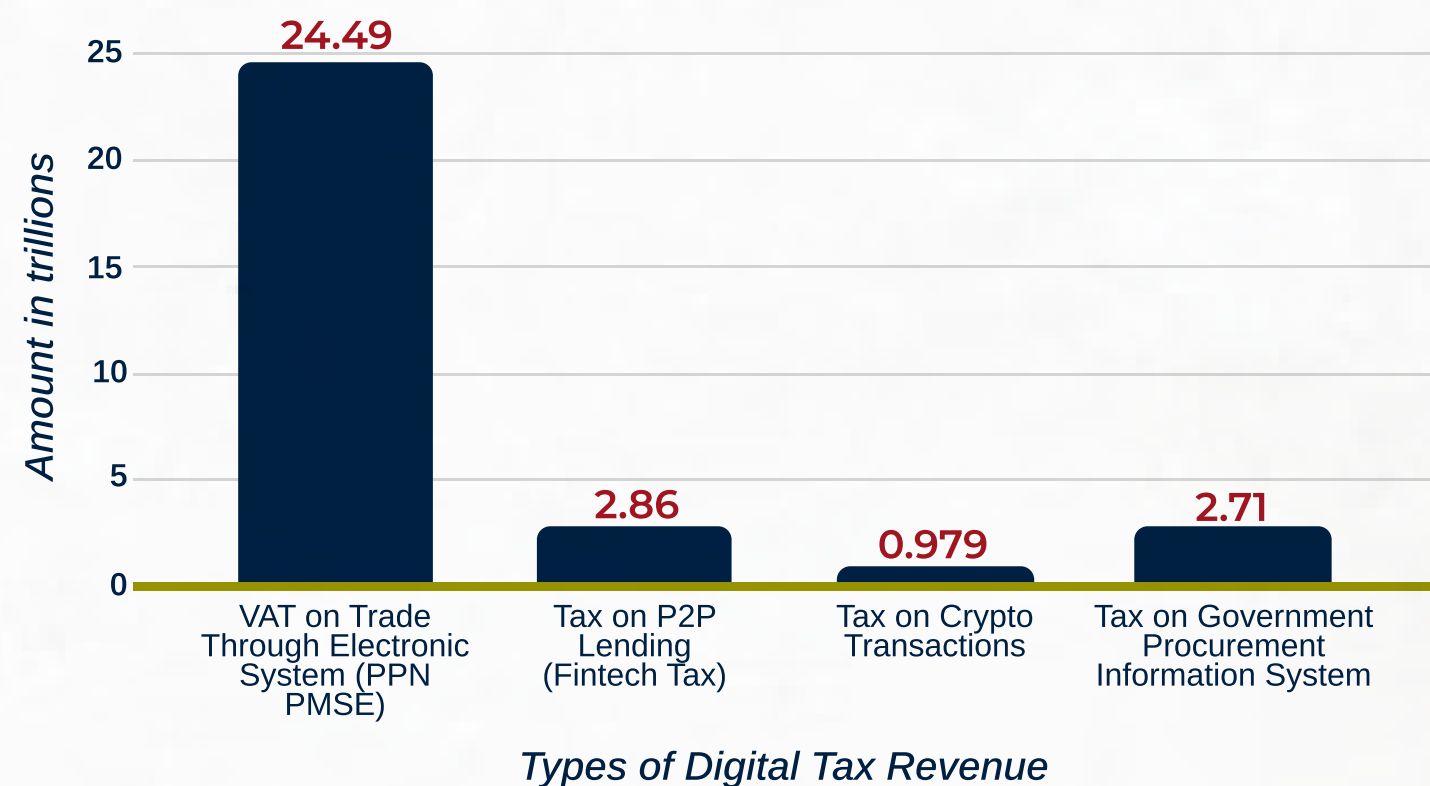
## Digital Tax Revenue Until November 2024 Results In IDR31.05 T



The collected digital revenue is highly contributed by the collected amount of VAT on appointed Trade Through Electronic Systems companies. The total collection of IDR31.05 trillion until November 2024 is also contributed by the imposition of taxes on P2P lending or fintech companies.

A variety of digital tax has been imposed by the government since 2020, where its collected amount today is an accumulation of the imposed taxes since its collection year.

Collected Amount of Digital Tax Revenue Until November 2024



[> Read more here](#)



Tax Calendar

# January 2025



Tax Calendar

## January 2025

MON	TUE	WED	THU	FRI	SAT	SUN
30	31	1 New Year 2025	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27 Isra Mi'raj 1446 H	28	29 Lunar New Year	30	31	1	2
3	4	5	6	7	8	9

- Reminders**
- 1 January 2025 New Year 2025
  - 10 January 2025 Payment Deadline : December 2024 Art. 4(2), 15, 21/26, 22, & 23/26 Income Tax
  - 15 January 2025 Payment Deadline : December 2024 Art. 25 Income Tax, SME Final Income Tax, & Self-Assessed VAT
  - 20 January 2025 Filing Deadline : December 2024 Art. 4(2), 15, 21/26, 22, 23/26, & 25 Income Tax
  - 27 January 2025 Isra Mi'raj Prophet Muhammad PBUH
  - 29 January 2025 Lunar New Year
  - 31 January 2025 Payment and Filing Deadline : December 2024 VAT



# Contact Us

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**PT MIB Global Grup**  
Treasury Tower, 31st Floor, Jl. Jend. Sudirman Kav. 52-53  
DKI Jakarta, Indonesia - 12190

[www.mib.group](http://www.mib.group)

