

REGULATION OF THE MINISTER OF FINANCE OF THE REPUBLIC OF INDONESIA
NUMBER 48/PMK.03/2020

ON

THE PROCEDURES FOR THE APPOINTMENT OF THE COLLECTORS,
COLLECTION, REMITTANCE, AND FILING OF VALUE ADDED TAX ON THE
UTILIZATION OF INTANGIBLE TAXABLE GOODS AND/OR TAXABLE
SERVICES FROM OUTSIDE OF THE CUSTOMS AND EXCISES TERRITORY
WITHIN THE CUSTOMS AND EXCISES TERRITORY THROUGH ELECTRONIC
COMMERCE

BY THE GRACE OF ALMIGHTY GOD

MINISTER OF FINANCE OF THE REPUBLIC OF INDONESIA,

Considering : that to implement the provision of Article 6 section (13) subsection a of Government Regulation in lieu of Law Number 1 of 2020 on Policies of State Finance and Financial System Stability for Dealing with the Corona Virus Disease 2019 (COVID-19) Pandemic and/or Threats that Imperil National Economy and/or Financial System Stability, it is necessary to issue a Regulation of the Minister of Finance on the Procedures for the Appointment of the Collectors, Collection, Remittance, and Filing of Value Added Tax on the Utilization of Intangible Taxable Goods and/or Taxable Services from Outside of the Customs and Excises Territory within the Customs and Excises Territory through Electronic Commerce;

Observing : 1. Article 17 section (3) of the 1945 Constitution of the Republic of Indonesia;

2. Law Number 6 of 1983 on General Provisions and Tax Procedures (State Gazette of the Republic of Indonesia of 1983 Number 49, Supplement to the State Gazette of the Republic of Indonesia Number 3262) as amended several times, the last by Law Number 16 of 2009 on Enactment of Government Regulation in lieu of Law Number 5 of 2008 on Fourth Amendment to Law Number 6 of 1983 on General Provisions and Tax Procedures into Law (State Gazette of the Republic of Indonesia of 2009 Number 62, Supplement to the State Gazette of the Republic of Indonesia Number 4999);

3. Law Number 8 of 1983 on Value Added Tax on Goods and Services and Sales Tax on Luxury Goods (State Gazette of the Republic of Indonesia of 1983 Number 51, Supplement to the State Gazette of the Republic of Indonesia Number 3264) as amended several times, the last by Law Number 42 of 2009 on Third Amendment to Law Number 8 of 1983 on Value Added Tax on Goods and Services and Sales Tax on Luxury Goods (State Gazette of the Republic of Indonesia of 2009 Number 150, Supplement to the State Gazette of the Republic of Indonesia Number 5069);

4. Law Number 39 of 2008 on State Ministries (State Gazette of the Republic of Indonesia of 2008 Number 166,

Supplement to the State Gazette of the Republic of Indonesia Number 4916);

5. Government Regulation in lieu of Law Number 1 of 2020 on Policies of State Finance and Financial System Stability for Dealing with the Corona Virus Disease 2019 (COVID-19) Pandemic and/or Threats that Imperil National Economy and/or Financial System Stability (State Gazette of the Republic of Indonesia of 2020 Number 87, Supplement to the State Gazette of the Republic of Indonesia Number 6485);
6. Presidential Regulation Number 57 of 2020 on Ministry of Finance (State Gazette of the Republic of Indonesia of 2020 Number 98);

Has Decided:

to Issue : REGULATION OF THE MINISTER OF FINANCE ON THE PROCEDURES FOR THE APPOINTMENT OF THE COLLECTORS, COLLECTION, REMITTANCE, AND FILING OF VALUE ADDED TAX ON THE UTILIZATION OF INTANGIBLE TAXABLE GOODS AND/OR TAXABLE SERVICES FROM OUTSIDE OF THE CUSTOMS AND EXCISES TERRITORY WITHIN THE CUSTOMS AND EXCISES TERRITORY THROUGH ELECTRONIC COMMERCE.

Article 1

In this Ministerial Regulation:

1. Law on Value Added Tax on Goods and Services and Sales Tax on Luxury Goods, hereinafter referred to as VAT Law, shall be Law Number 8 of 1983 on Value Added Tax on Goods and Services and Sales Tax on Luxury Goods as amended several times, the last by Law Number 42 of 2009.
2. Value Added Tax, hereinafter abbreviated as VAT, shall be the tax as stipulated in the VAT Law.
3. Electronic Commerce, hereinafter referred to as E-Commerce, shall be commerce whose transaction is made through a set of electronic devices and procedures.

4. Taxable Good shall be any good that is subject to tax pursuant to the VAT Law.
5. Taxable Service shall be any service that is subject to tax pursuant to the VAT Law.
6. Digital Good shall be any intangible good in the form of electronic or digital information, covering all goods that have been converted or transformed or those that are electronic in its origin, including but not limited to software, multimedia, and/or electronic data.
7. Digital Service shall be any service delivered through the internet or electronic network, whose nature is automatic or with little human interference, and impossible to be confirmed without information technology, including but not limited to software-based services.
8. Goods Customer shall be any individual or entity that receives or should receive the Intangible Taxable Good and pays or should pay for the Intangible Taxable Good in consideration of the utilization of such Intangible Taxable Good from outside of the Customs and Excises Territory within the Customs and Excises Territory through Electronic System.
9. Service Recipient shall be any individual or entity that receives or should receive the Taxable Service and pays or should pay for the Taxable Service in consideration of the utilization of such Taxable Service from outside of the Customs and Excises Territory within the Customs and Excises Territory through Electronic System.
10. Foreign Merchant shall be any individual or entity whose place of residence or domicile is in the outside of the Customs and Excises Territory that enters into a transaction with Goods Customer within the Customs and Excises Territory through Electronic System.
11. Foreign Service Provider shall be any individual or entity whose place of residence or domicile is in the outside of the Customs and Excises Territory that enters into a transaction with Service Recipient within the Customs and Excises Territory through Electronic System.

12. E-Commerce Operator shall be any enterprise that provides electronic communication platform used for commercial transactions.
13. Foreign E-Commerce Operator shall be E-Commerce Operator whose place of residence or domicile is in the outside of the Customs and Excises Territory.
14. Domestic E-Commerce Operator shall be E-Commerce Operator whose place of residence or domicile is within the Customs and Excises Territory.
15. Person Conducting E-Commerce shall be any individual or entity that carries on E-Commerce business activities, which consists of Seller, Foreign E-Commerce Operator, and/or Domestic E-Commerce Operator.
16. E-Commerce VAT Collector shall be Person Conducting E-Commerce appointed by the minister who administers governmental affairs in state finance to collect, remit, and file the VAT on the utilization of Intangible Taxable Good and/or Taxable Service from outside of the Customs and Excises Territory within the Customs and Excises Territory through E-Commerce.
17. Minister shall be the minister who administers governmental affairs in state finance.
18. Tax Period shall be a period for the E-Commerce VAT Collector to calculate, remit, and file the VAT due on the utilization of Intangible Taxable Good and/or Taxable Service from outside of the Customs and Excises Territory within the Customs and Excises Territory through E-Commerce in 1 (one) calendar month.

Article 2

- (1) VAT shall be imposed on the utilization of Intangible Taxable Good and/or Taxable Service from outside of the Customs and Excises Territory within the Customs and Excises Territory through E-Commerce.
- (2) VAT as referred to in section (1) shall be collected, remitted, and filed by Person Conducting E-Commerce after having been appointed by the Minister.

- (3) VAT due on the utilization of Intangible Taxable Good and/or Taxable Service from outside of the Customs and Excises Territory within the Customs and Excises Territory from direct transaction between Foreign Merchant or Foreign Service Provider and Goods Customer or Service Recipient shall be collected, remitted, and filed by such Foreign Merchant or Foreign Service Provider after having been appointed as E-Commerce VAT Collector.
- (4) In case Foreign Merchant or Foreign Service Provider enters into a transaction with Goods Customer or Service Recipient through Foreign E-Commerce Operator or Domestic E-Commerce Operator, VAT due on the utilization of Intangible Taxable Good and/or Taxable Service from outside of the Customs and Excises Territory within the Customs and Excises Territory may be collected, remitted, and filed by such Foreign Merchant, Foreign Service Provider, Foreign E-Commerce Operator, or Domestic E-Commerce Operator after having been appointed as E-Commerce VAT Collector.
- (5) Utilization of Intangible Taxable Good and/or Taxable Service from outside of the Customs and Excises Territory within the Customs and Excises Territory other than that that is subject to VAT as referred to in section (3) and section (4) shall remain subject to VAT and such VAT shall be collected, remitted, and filed by Goods Customer and/or Service Recipient as stipulated in the provision of Article 3A of the VAT Law.

Article 3

- (1) Utilization of Intangible Taxable Good as referred to in Article 2 section (1) shall include:
 - a. the use of or the right to use any copyright of literary, artistic, or scientific work, patent, design or model, plan, secret formula or process, trademark, or any intellectual/industrial property or any other similar rights;

- b. the use of or the right to use industrial, commercial, or scientific equipment/supply;
 - c. the use of scientific, technical, industrial, or commercial knowledge or information;
 - d. the use of any subsidiary or ancillary assistance in connection with the use of or the right to use rights in sub-section a, the use of or the right to use equipment/supply in sub-section b, or the supply of knowledge or information in sub-section c in the forms of:
 - 1. the reception of or the right to receive recorded image or recorded sound or both transmitted to the public by satellite, cable, optic fibre, or similar technologies;
 - 2. the use of or the right to use recorded image or recorded sound or both for television or radio broadcast transmitted by satellite, cable, optic fibre, or similar technologies; and
 - 3. the use of or the right to use some or all of part of radio frequency spectrum;
 - e. the use of or the right to use motion picture films, films or video for television broadcast, or tapes for radio broadcast; and
 - f. total or partial forbearance of the right with respect to the use of or supply of intellectual/industrial property or other rights as mentioned above.
- (2) Utilization of Intangible Taxable Good as referred to in Article 2 section (1) shall also include the utilization of Digital Good.
- (3) Utilization of Taxable Service as referred to in Article 2 section (1) shall also include the utilization of Digital Service.

Article 4

- (1) Person Conducting E-Commerce appointed as E-Commerce VAT Collector as referred to in Article 2 section

- (2) shall be Person Conducting E-Commerce that has met certain thresholds.
- (2) Thresholds as referred to in section (1) shall be:
 - a. amount of transactions amount with Goods Customer and/or Service Recipient in Indonesia exceeding certain amount in 12 (twelve) months; and/or
 - b. number of traffics or users in Indonesia exceeding certain number in 12 (twelve) months.
 - (3) Amount of transactions and number of traffics or users as referred to in section (2) shall be stipulated by the Director General of Taxes.
 - (4) Minister's authority of appointing as E-Commerce VAT Collector as referred to in Article 2 section (2) shall be delegated to the Director General of Taxes.
 - (5) Appointment as E-Commerce VAT Collector as referred to in section (4) shall be stipulated by the Director General of Taxes.
 - (6) Appointment as E-Commerce VAT Collector as referred to in section (4) shall become effective on the first day of the following month after the date of issuance of the decree of appointment.
 - (7) E-Commerce VAT Collector as referred to in section (4) shall be given an identity number as a means used in tax administration for self-identification or identity of such E-Commerce VAT Collector in exercising its tax rights and fulfilling its tax obligations.
 - (8) Person Conducting E-Commerce that has met the thresholds as referred to in section (1), yet has not been appointed as E-Commerce VAT Collector, may submit a notification to the Director General of Taxes to be appointed as such.

Article 5

- (1) Goods Customer and/or Service Recipient as referred to in Article 2 section (3) and section (4) shall be any individual or entity that meets the following criteria:
 - a. having a place of residence or domicile in Indonesia;

- b. making payment using debit, credit, and/or other payment facility provided by an institution in Indonesia; and/or
 - c. making transaction using internet protocol address in Indonesia or telephone number with Indonesia's country code.
- (2) Criteria as referred to in section (1) sub-section a shall be met if:
- a. correspondence or billing address of the Goods Customer and/or Service Recipient is located in Indonesia; and/or
 - b. the country chosen when registering in the page and/or system provided and/or determined by Person Conducting E-Commerce is Indonesia.

Article 6

- (1) The amount of VAT that is obliged to be collected by E-Commerce VAT Collector shall be 10% (ten percent) of the tax base.
- (2) Tax base as referred to in section (1) shall be the amount of money paid by Goods Customer and/or Service Recipient not including the VAT collected.
- (3) VAT collection as referred to in section (1) shall take place at the time of payment by Goods Customer and/or Service Recipient.

Article 7

- (1) E-Commerce VAT Collector shall make VAT receipt for every VAT collected as referred to in Article 2 section (3) and section (4).
- (2) VAT receipt as referred to in section (1) may be in the form of commercial invoice, billing, order receipt, or any similar document, asserting therein VAT collected and paid.
- (3) VAT receipt as referred to in section (1) being a document equivalent to VAT invoice shall be made in accordance with the guidelines issued by the Director General of Taxes.

Article 8

- (1) E-Commerce VAT Collector shall be obliged to remit the VAT collected as referred to in Article 2 section (3) and section (4) for every Tax Period not later than the end of the following month after Tax Period ends.
- (2) VAT remittance as referred to in section (1) shall be made by electronic means to the state treasury account in accordance with the provisions on electronic remittance of tax.
- (1) E-Commerce VAT Collector shall remit the VAT collected as referred to in section (1) in:
 - a. Indonesian rupiah using the exchange rate of Decree of the Minister of Finance applicable at the date of remittance;
 - b. United States dollar; or
 - c. other foreign currencies specified by the Director General of Taxes.

Article 9

- (1) E-Commerce VAT Collector shall be obliged to file quarterly the VAT collected as referred to in Article 2 section (3) and section (4) and remitted as referred to in Article 8 section (1) for every 3 (three) Tax Periods not later than the end of the following month after the quarterly period ends.
- (1) Filing as referred to in section (1) shall at least contain:
 - a. number of Goods Customer and/or Service Recipient;
 - b. the amount of payment;
 - c. the amount of VAT collected; and
 - d. the amount of VAT remitted,for every Tax Period.
- (2) Filing as referred to in section (1) shall be in electronic form and submitted through application or system determined and/or provided by the Directorate General of Taxes.

Article 10

- (1) Directorate General of Taxes may request that E-Commerce VAT Collector file transaction details of VAT collected as

referred to in Article 2 section (3) and section (4) for every 1 (one) calendar-year period.

- (2) Filing of transaction details as referred to in section (1) shall at least contain:
 - a. number and date of the VAT receipt as referred to in Article 7 section (2);
 - b. the amount of payment;
 - c. the amount of VAT collected; and
 - d. Goods Customer's and/or Service Recipient's name and tax identification number, in case the VAT receipt asserts such tax identification number.
- (2) Filing of transaction details as referred to in section (1) shall be in electronic form and submitted through application or system determined and/or provided by the Directorate General of Taxes.

Article 11

This Ministerial Regulation shall become effective on 1 July 2020.

In order that every person may know hereof, it is ordered to promulgate this Ministerial Regulation by its placement in the State Bulletin of the Republic of Indonesia.

Issued in Jakarta
on 5 May 2020

MINISTER OF FINANCE OF
THE REPUBLIC OF INDONESIA,

(sgd.)

SRI MULYANI INDRAWATI

Promulgated in Jakarta
on 5 May 2020

DIRECTOR GENERAL OF LEGISLATION
OF THE MINISTRY OF LAW AND HUMAN RIGHTS
OF THE REPUBLIC OF INDONESIA,

(sgd.)

WIDODO EKATJAHJANA

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