



INFORMATION

Updates on the Extension of Sales Tax on Luxury Goods (PPnBM) discount for the vehicles according to the Minister of Finance Regulation (PMK) No. 120/PMK 010/2021

On September 18th 2021 PT Angkasa Pura II (Persero) released the Press Conference No. 09-PST/18/09/2021 regarding the officially new procedure for the arrival of international passengers at Soekarno-Hatta International Airport effective start from **19 September 2021**. Several checkpoints were set to carry out the new procedures for the arrival of international passengers at Soekarno-Hatta Airport. Below are the checkpoints should have followed:

According to the official statement by the Head of the Fiscal Policy Agency of the Ministry of Finance, Febrio Kacaribu on September 17th, 2021, the government has officially extended the 100% sales tax discount on luxury goods (PPnBM) until December 2021 as regulated on the Minister of Finance Regulation (PMK) No. 120/PMK 010/2021. Extended incentives include;

- 100% PPnBM DTP for the passenger motor vehicle segment with an engine capacity of up to 1,500 cc,
- 50% PPnBM DTP for 4x2 passenger motor vehicles with an engine capacity of > 1,500 cc up to 2,500 cc, and
- 25% PPnBM DTP for 4x4 passenger motor vehicles with engine capacities > 1,500 cc up to 2.500 cc.

The excess of PPnBM and/or PPN on the purchase of motorized vehicles in September 2021 will be returned or refunded by the Taxable Entrepreneur who performs the collection. Initially, this tax discount incentive was issued through Minister of Finance Regulation (PMK) No. 20 Year 2021 which stipulates the provision of incentives for cars with engines less than 1,500 cc in the sedan and 4x2 categories with a local purchase component of at least 70 percent.

Then on the PMK No. 31 Year 2021 expanded the PPnBM (DTP) incentive by increasing the coverage of motorized vehicles, namely the 4x2 and 4x4 segments for the 1,500 cc to 2,500 cc segment and local purchases of at least 60%. Because of the positive impact in the automotive market of the policies that have been given, therefore the 100% PPnBM incentive period for vehicles < 1,500 cc is extended until August 2021 through PMK No. 77 Year 2021.

Reference:

- Delivery of Taxable Goods classified as Luxury in the form of Certain Motorized Vehicles Borne by the Government for the Fiscal Year 2021

If you require a copy of the reference document above, please do not hesitate to contact research@ibai.or.id. Thank you for your attention and hope this information would be valuable for you.

Italian Business Association in Indonesia (IBAI)

c/o Istituto Italiano di Cultura Jakarta

Jl. HOS Cokroaminoto No. 117 Menteng Jakarta 10310 INDONESIA

P: +6281 1979 4262 E: ibai@ibai.or.id