

Jurisdiction's name:	INDONESIA
Date:	1 December 2022

Information on Residency for tax purposes
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Section I – Criteria for Individuals to be considered a tax resident

Individual Tax Resident for Indonesia:

□ **Article 2 paragraph (3) letter a of Income Tax Law:**

“(3) Resident tax subjects are:

a. individual persons, either Indonesian citizens or foreign citizens who:

- 1. reside in Indonesia;*
- 2. are staying in Indonesia for more than 183 (one hundred and eighty-three) days within 12 (twelve) months period; or*
- 3. within a fiscal year, are staying in Indonesia and having the intention to reside in Indonesia;*

Elucidation:

a. In principle, individuals who are subject to the resident taxes are individuals who reside or stay in Indonesia. Included in the definition of individuals who reside in Indonesia are those who intend to reside in Indonesia. Whether a person has the intention to reside in Indonesia is considered according to the circumstance. The presence of an individual in Indonesia for more than 183 (one hundred and eighty-three) days is not necessarily have to be consecutive, but is determined by the number of days such a person is staying in Indonesia within 12 (twelve) months period since his/her arrival in Indonesia.”

□ **Article 2A paragraph (1) of Income Tax Law:**

“(1) The subjective tax obligation of an individual as referred to in Article 2 paragraph (3) letter a begins when the individual is born, is staying, or is intending to reside in Indonesia and ends when he/she dies or leaves Indonesia forever.

Elucidation:

The subjective tax obligation of an individual who resides in Indonesia begins when he/she is born in Indonesia. For an individual who stays in Indonesia for more than 183 (one hundred and eighty-three) days within 12 (twelve) months period, his/her subjective tax obligation begins since the first day he/she is staying Indonesia.

The subjective tax obligation of an individual ends when he/she dies or leaves Indonesia forever.

The definition of leaving Indonesia forever must be related to real things when such an individual is leaving Indonesia. If, at the time he/she is leaving Indonesia, there is real evidence of his/her intention to leave Indonesia forever, then, at that time he/she is no longer a resident Tax Subject.”

References:

- ❑ Income Tax Law (Law Number 7 Year 1983 as lastly amended by Law Number 7 Year 2021)
< <https://pajak.go.id/sites/default/files/2021-12/SDSN%20UU%20HPP%204.0.pdf> >
- ❑ Minister of Finance Regulation Number 18/PMK.03/2021
< <https://www.pajak.go.id/id/peraturan/pelaksanaan-undang-undang-nomor-11-tahun-2020-tentang-cipta-kerja-di-bidang-pajak> >

Section II – Criteria for Entities to be considered a tax resident

Entity Tax Resident for Indonesia:

❑ **Article 2 paragraph (3) letter b of Income Tax Law:**

“(3) Resident tax subjects are:

a. ...

b. corporate established or having their domicile in Indonesia, except for certain units of government agencies that meet the following criteria:

- 1. their establishment is based on the provisions of statutory regulations;*
- 2. their financing derived from the State Budget or the Regional Budget;*
- 3. their revenues are included in the Central Government budget or Regional Government budget; and*
- 4. their bookkeeping are audited by the state functional supervisory apparatus;”*

❑ **Article 2A paragraph (2) of Income Tax Law:**

“(2) The subjective tax obligation of a corporate as referred to in Article 2 paragraph (3) letter b begins when the corporate is established or having their domicile in Indonesia and ends when it is dissolved or ceasing from having their domicile in Indonesia.”

References:

- ❑ Income Tax Law (Law Number 7 Year 1983 as lastly amended by Law Number 7 Year 2021)
< <https://pajak.go.id/sites/default/files/2021-12/SDSN%20UU%20HPP%204.0.pdf> >
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Section III – Entity types that are as a rule not considered tax residents

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Section IV – Contact point for further information

Competent Authority for Exchange of Information:

Name & Position:

Mr. Mekar Satria Utama

Director of International Taxation

Directorate General of Taxes

Ministry of Finance of the Republic of Indonesia

Address:

Directorate General of Taxes Headquarters

Mar'ie Muhammad Building, 26th Floor

Jalan Gatot Subroto Kav. 40-42, Jakarta Selatan 12190

Contact:

Ph: +6221 5250208 ext. 52645

Ph/Fax: +6221 52920663

Email: eoipajak.go.id