



FINANCE MINISTER  
THE REPUBLIC OF INDONESIA

**COPY**  
**REGULATION OF FINANCE MINISTER**  
**NUMBER 104/PMK.03/2009**

ON

**SALES AND PROMOTIONAL COSTS WHICH ARE DEDUCTIBLE FROM GROSS  
INCOME**

**BY THE GRACE OF THE ONE ALMIGHTY GOD**

**THE FINANCE MINISTER,**

Having considered: That to implement the provisions of Article 6 paragraph (1) letter (a) number 7 of Law Number 7 of 1983 on Income Tax as has been several times amended last by Law Number 36 of 2008, it is necessary to enact a Regulation of Finance Minister on Sales and Promotional Costs which are deductible from Gross Income.

Having observed :

1. Law Number 6 of 1983 on General Provisions and Tax Procedures (State Gazette of the Republic of Indonesia Number 49 of 1983, Supplement to the State Gazette of the Republic Indonesia Number 3262) as has been amended several times last by Law Number 16 of 2009 (State Gazette of the Republic of Indonesia Number 62 of 2009, Supplement to the State Gazette of the Republic of Indonesia Number 4999);
2. Law Number 7 of 1983 on Income Tax (State Gazette of the Republic of Indonesia Number 50 of 1983, Supplement to the State Gazette of the Republic of Indonesia Number 3263) as has been amended several times last with the Law Number 36 of 2008 (State Gazette of the Republic of Indonesia Number 133 of 2008, Supplement to the State Gazette of the Republic of Indonesia Number 4893)
3. Presidential Decree Number 20/P of 2005 ;

**HAS DECIDED:**

To enact **REGULATION OF THE FINANCE MINISTER ON SALES AND  
PROMOTIONAL COSTS WHICH ARE DEDUCTIBLE FROM GROSS  
INCOME**

For the purpose of this regulation, the following words have the following meanings :

1. Promotional cost means cost incurred by Taxpayer to introduce, promote, and/or recommend to use a product either directly or indirectly to maintain and/or increase the sales.
2. Sales cost means cost incurred by Taxpayer to distribute the goods and/or services to the buyers and/or customers either directly or indirectly, including packing cost, warehouse cost, security cost and insurance cost and other required costs until the goods are received by the buyer and/or customer.



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3. Main distributor means mediator either an individual or a business entity which acts on its behalf, appointed directly by manufacturer or producer to store, distribute, market as well as sell goods which are obtained directly from manufacturer or producer either in bulk to the retailer or to the end user.

#### Article 2

Promotional costs and/or Sales costs as referred to in Article 1 which are deductible from gross income shall meet the following criteria :

- a. To maintain and increase sales;
- b. Spent reasonably;
- c. In compliance of the customs of good traders;
- d. In the form of goods, money, services or facilities; and
- e. Accepted by other parties

#### Article 3

(1) For cigarette industry, Promotional Cost may only be financed by :

- a. Producer;
- b. Main Distributor; or
- c. Sole importer

(2) The amount of promotional cost as referred to in paragraph (1) is as follows :

- a. For cigarette industry that has turnover up to Rp 500.000.000.000,00 (five hundred billion rupiah), the amount of Promotional Cost shall not exceed 3% (three percent) of turnover and at the most Rp 10.000.000.000,00 (ten billion rupiah);
- b. For cigarette industry that has turnover above Rp 500.000.000.000,00 (five hundred billion rupiah) up to Rp 500.000.000.000.000,00 (five trillion rupiah), the Promotional Cost shall not exceed 2% (two percent) of turnover and at the most Rp 30.000.000.000,00 (thirty billion rupiah);
- c. For cigarette industry that has turnover above Rp 500.000.000.000,00 (five hundred billion rupiah) up to Rp 5.000.000.000.000.000,00 (five trillion rupiah), the Promotional Cost shall not exceed 1% (one percent) of turnover and at the most Rp 100.000.000.000,00 (one hundred billion rupiah);

(3) Promotional Cost as referred to in paragraph (2) may only be financed 1 (one)time only by :

- a. Producer
- b. Main Distributor or
- c. Sole importer

(4) In the event Promotional Cost as referred to in paragraph (2) already incurred by either producer or Main Distributor, the party entitled to charge Promotional Cost shall be the producer

(5) In the event cigarettes are not produced in Indonesia, the party entitled to charge Promotional Cost as referred to in paragraph (2) shall be the sole importer.



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#### Article 4

- (1) For pharmaceutical industry, Promotional Cost may only be financed by :
  - a. Producer
  - b. Main Distributor or
  - c. Sole importer
- (2) Amount of Promotional Cost as referred to in paragraph (1) which is deductible from gross income shall not exceed 2% (two percent) of the turnover and at the most Rp 25.000.000.000,00 (twenty five billion rupiah).
- (3) Promotional Cost as referred to in paragraph (2) may only be financed 1 (one) time only by :
  - a. Producer
  - b. Main Distributor or
  - c. Sole importer
- (4) In the event Promotional Cost referred to in paragraph (2) has been incurred either by producer as well as Main Distributor, the party entitled to charge the Promotional Cost shall be the producer.
- (5) In the event pharmaceutical products are not produced in Indonesia, the party entitled to charge Promotional Cost as referred to in paragraph (2) shall be the sole importer.

#### Article 5

In the event promotion given is the form of product sample, the amount of cost deductible from gross income is in the amount of the value of basic price.

#### Article 6

- (1) Cigarette industry and pharmaceutical industry shall prepare a nominative list on expenses of Promotional Cost and/or Sales Cost incurred for other parties.
- (2) Nominative list as referred to in paragraph (1) shall at least contain data of the recipient consisting of name, address Tax Registration Number (NPWP) and the amount of cost incurred.
- (3) In the event the promotion to make a nominative list as referred to in paragraph (1) is not fulfilled, the Promotional Cost and/or Sales Cost may be not deducted from gross income.

#### Article 7

Procedure for charging and reporting of Promotional Cost and/or Sales Cost shall further be governed by the Regulation of the Director General of Tax.



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### Article 8

This Regulation of Finance Minister shall be effective as of 1 January 2009.

In order that this Regulation is known to the general public, it is hereby ordered that this Regulation of Finance Minister be promulgated in the Official Gazette of the Republic of Indonesia.

Enacted in Jakarta  
On 10 June 2009  
FINANCE MINISTER

(signed )

SRI MULYANI INDRAWATI

Promulgated in Jakarta

On 10 June 2009

MINISTER OF JUSTICE AND HUMAN RIGHTS

(signed)

ANDI MATTALATTA

OFFICIAL GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 132 OF 2009

Copy is in conformity with the original  
Head of General Affairs  
for  
Head of Administration, Ministry of Finance

(signed and sealed with the seal of the  
General Affairs Bureau)

Antonius Suharto  
NIP06041107