



FINANCE MINISTER  
THE REPUBLIC OF INDONESIA

**COPY**  
**REGULATION OF THE FINANCE MINISTER**  
**NUMBER 105/PMK.03/2009**

ON

**EVIDENTLY UNCOLLECTIBLE RECEIVABLES WHICH MAY BE DEDUCTED  
FROM GROSS INCOME**

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

**FINANCE MINISTER**

Having considered : that to implement the provision of Article 6 paragraph (1) letter h of Law No. 7 of 1983 on Income Tax which has been amended several times and last by the Law Number 36 of 2008, it is necessary to enact the Regulation of Finance Minister on Evidently Uncollectible Receivables which may be Deducted 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 of Indonesia Number 3262) as amended several times and last by the 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 amended several times and last by 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 FINANCE MINISTER ON EVIDENTLY UNCOLLECTIBLE RECEIVABLES WHICH MAY BE DEDUCTED FROM GROSS INCOME**

**Article 1**

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

1. Taxpayer means an individual or entity, including tax payer, tax withholder, and tax collector, that have tax rights and obligations according to the provisions of tax laws and regulations.



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2. Evidently uncollectible receivables are receivables as a result of a fair business transaction according to its field of business, which are evidently uncollectible despite of maximum or utmost efforts for the collection have been made by the Tax Payer.
3. General or special publications are publication which covers :
  - a. General publication is an announcement published in the newspaper/magazine or other usual printed mass media which are of national-scale or
  - b. Special publication is announcement in the State Owned Bank Association (HIMBARA)/Association of National Private Banks (PERBANAS) and/or Bank Indonesia special publication/announcement.

#### Article 2

- (1) Evidently uncollectible receivables occurring in banking business, financing institution, industry, trading and other services may be charged as costs in the computation of taxable income.
- (2) Evidently uncollectible receivables as referred to in paragraph (1) do not include receivables originating from business transaction with the parties who have special relationship with the Tax Payer.

#### Article 3

- (1) Evidently uncollectible receivables as referred to in Article 2 may be charged as deduction from gross income, to the extent it meets the following requirements :
  - a. The evidently uncollectible receivables have been booked as income by the concerned debtor in the relevant year;
  - b. Tax Payer shall deliver a list of uncollectible receivables to the Directorate General of Tax ; and
  - c. The case of evidently uncollectible receivables has been brought to the District Court or government institution handling state receivables or there is a written agreement between creditor and debtor for the evidently uncollectible receivables, or it has been published in general or special publication, or there is an acknowledgement from the debtor that a particular amount of its debt has been written off .



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- (2) The requirements as referred to in paragraph (1) letter c shall not be applicable for evidently uncollectible receivables to small debtors or other small debtors.
- (3) The evidently uncollectible receivables to small debtor referred to in paragraph (2) is the small debtor's receivables which amount does not exceed Rp 100,000,000.00 (one hundred million rupiah), which is an aggregate of receivables from several credits extended by bank institution/local financing institution in the country from the provision of :
  - a. Prosperous Family Business Credit (*Kukesra*) is a soft loan for productive economy business extended to Prosperous Family and Prosperous Family I who are members of Prosperous Family Saving (*Takesra*) and have participated in the activities of Family Welfare Program, Effort to Enhance Prosperous Family Income (*Prokesra-UPPKS*) group;
  - b. Farmers' Credit Scheme (KUT, *Kredit Usaha Tani*) is working capital loan given by the bank to primary cooperatives as an executing or channelling bank or to an Non Government Organization (NGO) which executes loan for the farmers who belong to the farmers group to finance their business for the intensification of rice, non-staple food crops and horticulture;
  - c. Credit for Simple House Ownership (KPRSS, *Kredit Pemilikan Rumah Sangat Sederhana*) is credit given by the bank to the society for ownership of simple houses;
  - d. Small Business Loan (KUK, *Kredit Usaha Kecil*) is loan extended to clients with small business
  - e. People's Business Credit (KUR, *Kredit Usaha Rakyat*) is credit extended for a need of small business capital other than KUK; and/or
  - f. Other small credits within the Bank Indonesia credit policy in developing small businesses and cooperatives;
- (4) Uncollectible receivables from other small debtors as referred to in paragraph (2) are other small debtor receivables which amount does not exceed Rp 5.000.000,00 (five million rupiah).

Article 4

- (1) List of uncollectible receivables submitted to the Directorate General of Tax as referred to in Article 3 paragraph (1) letter b shall stipulate the identity of debtor such as name, Tax Registration Number (NPWP, *Nomor Pokok Wajib Pajak*), address and the amount of evidently uncollectible receivables.



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- (2) Fulfillment of the provisions as referred to in Article 3 paragraph (1) letter c shall be made by enclosing :
- a. Photocopy of evidence of filing the case of collection to a District Court or a government institution that handle state receivables; or
  - b. Photocopy of written agreement regarding the write-off of receivables that has been validated by a notary or
  - c. Photocopy of evidence of publication in general or special publication or
  - d. Letter containing acknowledgement from debtor that a certain amount of debt has been written off which has been approved by the creditor that approve that the receivables have been written off.
- (3) List of uncollectible receivables and evidence/documents as referred to in paragraphs (1) and (2) shall be submitted together with the submission of Annual Tax Return (SPT, *Surat Pajak Tahunan*).

#### Article 5

Uncollectible receivables from small debtors or other small debtors as referred to in Article 3 shall be enclosed with a nominative list containing the identity of debtor such as name, Tax Registration Number (NPWP, *Nomor Pokok Wajib Pajak*), address and amount of evidently uncollectible receivables.

#### Article 6

At the time this Regulation of the Finance Minister takes effect, the Ministerial Decree Number 130/KMK.04/1998 on Uncollectible Receivable Write off which may be deducted as Cost, shall be revoked and declared no longer applicable.



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This Regulation of Finance Minister shall be effective as from 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 10th June 2009

MINISTER OF JUSTICE AND HUMAN RIGHTS

(signed)

ANDI MATTALATTA

STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 133 OF 2009

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

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

Antonius Suharto  
NIP06041107