



MINISTER OF FINANCE  
OF THE REPUBLIC OF INDONESIA

COPY OF

REGULATION OF THE MINISTER OF FINANCE OF THE REPUBLIC OF  
INDONESIA NUMBER 144/PMK.011/2012

CONCERNING

FACILITATION OF INCOME TAX FOR INVESTMENT IN SPECIFIC BUSINESS  
SECTOR AND / OR IN SPECIFIC REGIONS

BY THE GRACE OF GOD ALMIGHTY

MINISTER OF FINANCE OF THE REPUBLIC OF INDONESIA,

Considering : that in order to implement the provisions of Article 7 of Government Regulation Number 1 Year 2007 concerning Facilitation of Income Tax for Investment in Specific Business Sector and / or in Specific Region as already amended by Government Regulation Number 52 Year 2011, it is necessary stipulate Regulation of the Minister of Finance concerning Facilities of Income Tax for Investment in Specific Business Sector and / or in Specific Region;

In View of : 1. Act Number 6 Year 1983 concerning General Provisions and Tax Procedures (State Gazette of the Republic of Indonesia Year 1983 Number 49, Supplement to State Gazette of the Republic of Indonesia Number 3262) as amended by Act Number 16 Year 2009 (State Gazette of the Republic Indonesia Year 2009 Number 62, Supplement to State Gazette of the Republic of Indonesia Number 4999);

2. Act Number 7 Year 1983 concerning Income Tax (State Gazette of the Republic of Indonesia Year 1983 Number 50, Supplement to State Gazette of the Republic of Indonesia Number 3263) as amended by Act Number 36 Year 2008 (State Gazette of the Republic of Indonesia Year 2008 Number 133, Supplement to State Gazette of the Republic of Indonesia Number 4893);

3. Government Regulation Number 1 Year 2007 concerning Facilities of Income Tax for Investment in Specific Business Sector and / or in Specific Regional (State Gazette of the Republic of Indonesia Year 2007 Number 1, Supplement to State Gazette of the Republic of Indonesia Number 4675) as amended several times latest by Government Regulation Number 52 Year 2011 (State Gazette of the Republic of Indonesia Year 2011 Number 133, Supplement to State Gazette of the Republic of Indonesia Number 5264);

4. The Presidential Decree Number 56 / P Year 2010;



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DECIDES:

To stipulate : REGULATION OF THE MINISTER OF FINANCE CONCERNING FACILITATION OF INCOME TAX FOR INVESTMENT IN THE SPECIFIC BUSINESS SECTOR AND / OR IN SPECIFIC REGION.

#### Article 1

In this Regulation of the Minister referred to as:

1. Investment is the investment in the form of tangible fixed assets, including land used for primary activities of the business, both for new investments and expansion of existing businesses.
2. Tangible Fixed Assets are tangible assets with a useful life of more than 1 (one) year in the form of ready-made acquired or constructed in advance, which is used in the operation of the company, are not intended to be sold or transferred.
3. Specific Business Sector is the business sector of economic activity getting a high priority on a national scale.
4. Specific Regions are areas that have the potential to be economically feasible.

#### Article 2

- (1) To Taxpayers Agency of domestic limited liability companies and cooperatives, which performs Investment in:
  - a. Specific Business Sector as set out in Appendix I to Government Regulation Number 1 Year 2007 concerning Facilities of Income Tax for Investment in Specific Business Sector and / or Specific Regions as already amended by Government Regulation Number 52 Year 2011 ; or
  - b. Specific Business Sector and Specific Regions as set out in Appendix II of Government Regulation Number 1 Year 2007 concerning Facilities of Income Tax for Investment in Specific Business Sector and / or in Specific Regions as amended by Government Regulation Number 52 Year 2011,

Income Tax can be given facilities.



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(2) Income Tax Facilities as referred to in paragraph (1) are as follows:

a. Reduction of net income of 30% (thirty percent) of the Investment, charged for 6 (six) years respectively at 5% (five percent) each year.

b. Accelerated depreciation and amortization, as follows:

Group Tangible Fixed Assets		Future Benefit Becoming	Rates Depreciation and Amortization Based On Methods	
			Line Straight	Balance Decline
I.	Not Building			
	Group I	2	50%	100% (Charged once)
	Group II	4	25%	50%
	Group III	8	12,5%	25%
	Group IV	10	10%	20%%
II.	Building			
	Permanent	10	10%	-
	Non-Permanent	5	20%	-

c. imposition of Income Tax on dividends which paid to foreign Tax Subject of 10% (ten percent), or a lower rate according to the Avoidance of Double Taxation Agreement, and

d. compensation losses longer than 5 (five) years but not more than 10 (ten) years with the following conditions:

1) Additional : when new capital investment in the field of 1 year business that has been set in paragraph (1) letter a done in industrial zones and bonded areas;

2) Additional : when employing at least 500 (five 1 year: hundred) Indonesian labor for 5 (five)



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years in a row;

- 3) Additional : when new investment requires investment  
1 year: / expenditure for economic and social infrastructure at the business location not less than Rp.10,000,000,000, 00 (ten billion rupiah);
- 4) Additional : if spending the cost for research and  
1 year: development in the country in order to develop products or production efficiency of at least 5% (five percent) of the investment in the long 5 (five) years and / or
- 5) Additional : When using raw materials and / or  
1 year: components 1 year domestic production at least 70% (seven twenty percent) since the year to 4 (four).

Article 3

- (1) Investment as referred to in Article 2 paragraph (1) an investment of Tangible Fixed Assets including land used for major business activities as follows:
  - a. Tangible Fixed Assets for all new capital investment;
  - b. Tangible Fixed Assets addition for the expansion of existing businesses.
- (2) Expansion of existing businesses as referred in paragraph (1) letter b is an activity in order to increase the quantity / quality of the product, product diversification, or expansion of the area of operations in order to develop activities and production company.
- (3) To Taxpayer conducting business expansion, the amount of dividends and losses that received facilities of Income Tax as referred to in Article 2 paragraph (2) letter c and letter d are comparable to the percentage of Tangible Fixed Assets realization value expansion of the fiscal book value of total Tangible Fixed Assets which obtained before the expansion of the business coupled with a realization value of Tangible Fixed Assets expansion at the completion of the expansion effort.

Article 4

To Taxpayers who have investment permits before the enactment of Government Regulation Number 52 Year 2011



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concerning the Second Amendment of Government Regulation Number 1 Year 2007 concerning Facilities of Income Tax for Investment in Specific Business Sector and / or Specific Regions, can be facilitated Income Tax as referred to in Article 2 paragraph (2) as long as:

- a. Investment has plans for at least Rp1.000.000.000.000, 00 (one trillion rupiah), and
- b. yet in commercial operation at the time of Government Regulation Number 52 Year 2011 concerning the Second Amendment of Government Regulation Number 1 Year 2007 concerning Facilities of Income Tax for Investment in Specific Business Sector and / or Specific Regions in the applicable.

Article 5

Application for facilities of Income Tax as referred to in Article 2 paragraph (2) shall be filed by the Taxpayer with the following conditions:

- a. longer than 1 (one) year from the investment license or permit investment issued by the Head of Investment Coordinating Board or other authorized by the legislation in force, the Taxpayer in which the investment permits or licenses investment expansion issued after enactment of this Regulation of the Minister;
- b. longer than 1 (one) year from this Regulation of the Minister applies to Taxpayers whose investment permits or licenses investment expansion issued in the period since the enactment of Government Regulation Number 52 Year 2011 concerning the Second Amendment of Government Regulation Number 1 Year 2007 concerning Facilities of Income Tax for Investment in Specific Business Sector up to enactment of this Regulation of the Minister, or
- c. Longer than 1 (one) year from this Regulation of the Minister applies to Taxpayers who comply with the provisions of Article 4.

Article 6

- (1) The decision to Facilities of Income Tax as referred to in Article 2 paragraph (2) shall be determined by the Minister of Finance after considering the proposal of the Head of the Investment Coordinating Board.



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- (2) The proposal of the Head of the Investment Coordinating Board as referred to in paragraph (1) shall be submitted to the Minister of Finance through the Director General of Taxes by enclosing the document include:
  - a. Photocopy cards Tax Identification Number;
  - b. Photocopy of letter of Taxpayer request to the Head of Investment Coordinating Board;
  - c. investment permits or licenses of investment expansion issued by the Head of Investment Coordinating Board or any other authorized agency by the legislation in force, and
  - d. Details of the type and value of Investment.
- (3) In order to Facilities of Income Tax for Taxpayers who comply with the provisions of Article 4, the proposal of the Head of Investment Coordinating Board besides enclosed the documents as referred to in paragraph (2), shall be accompanied by a certificate which has not been in commercial operation which issued by the Head of the Investment Coordinating Board.
- (4) the Director General of Taxes on behalf of the Minister of Finance shall issue a decision of the approval or rejection of all Income Tax as referred to in Article 2 paragraph (2) within the period of 10 (ten) labor days since the proposal of the Head of the Investment Coordinating Board as referred in paragraph (1) be accepted completely.
- (5) The decision of approval or rejection to the facility as referred in paragraph (4) published based on the results of research conducted by the Directorate General of Taxes on the fulfillment of the criteria and requirements of the Taxpayer, including the suitability of the request to the business sector, business sector classification of Indonesia, product scope, requirements, and / or Regional / Provincial with Appendix I or Appendix II Government Regulation Number 1 Year 2007 concerning Facilities of Income Tax for Investment in specific Business Sector as already amended by Government Regulation Number 52 Year 2011.

Article 7

- (1) In regard to the proposal from the Head of the Investment Coordinating Board as referred to in Article 6



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is issued a decision of approval the facilitation of Income Tax, Income Tax facilities as referred to in Article 2 paragraph (2) can be used since the Taxpayer realizing Investment by 80% ( eighty percent) of the capital investment plan.

- (2) In order to exploit the facilities of Income Tax as referred to in paragraph (1), the Taxpayer filed a petition to the Director General of Taxes to obtain a decision on the realization of capital investment by 80% (eighty percent) of the capital investment plan.
- (3) Upon the request as referred to in paragraph (2), the Director General of Taxes performs field inspections.

Article 8

- (1) Facilities of Income Tax form of reducing net income by 30% (thirty percent) of the Investment as referred to in Article 2 paragraph (2) letter a, may be deducted since the establishment of the Fiscal Year Investment realization by the Director General of Taxes as referred to in Article 7.
- (2) Utilization facilities of income tax as referred to in paragraph (1), with the following conditions:
  - a. Deduction from net income for the first year until the fifth year respectively by 5% (five percent) multiplied by Investment plans.
  - b. deduction from net income for the six-year rate of 30% (thirty percent) multiplied by the realization of capital Investment until the sixth year a deduction is reduced by the amount of net income from the first year until the fifth year, as referred to in letter a.
  - c. in terms of a reduction of net income from the first year until the fifth year, as referred to in letter a is greater than realization Investment multiplied up to the sixth year of 30% (thirty percent), the excess deduction is calculated as net income earnings in the sixth .

Article 9

- (1) Calculation of depreciation and amortization of Tangible Fixed Assets for Taxpayer Investment realization is not determined by the Director General of Taxes as referred to in Article 7 in accordance with the depreciation and amortization as provided for in Article 11 of Act Number



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7 Year 1983 concerning Income Tax and its changes.

- (2) The use of facilities of Tax Income in the form of accelerated depreciation and amortization upon Tangible Fixed Assets as referred to in Article 2 paragraph (2) letter b, with the following conditions:
  - a. Calculation of accelerated depreciation and amortization began in the enactment of the capital Investment realization by the Director General of Taxes as referred to in Article 7.
  - b. Accelerated depreciation and amortization basis are:
    - 1) Tangible Fixed Assets cost for Taxpayers using the straight-line depreciation method;
    - 2) The book value Tangible Fixed Assets for Taxpayers using the declining balance depreciation method.
  - c. Accelerated depreciation and amortization are as referred in Article 2 paragraph (2) letter b.
  - d. Accelerated Future Benefits of Tangible Fixed Assets is half of the remaining Future Benefits of Tangible Fixed Assets as referred to in Article 11 of Act Number 7 Year 1983 concerning Income Tax and its amendment to the provisions of section months counted as 1 (one) month.
- (3) The Tangible Fixed Assets acquired after the enactment of capital Investment realization by the Director General of Taxes as referred to in Article 7, the provisions of the accelerated depreciation and amortization as referred in Article 2 paragraph (2) letter b.

#### Article 10

Facilities of Income Tax as referred to in Article 2 paragraph (2) letter c can be utilized since the enactment of the Fiscal Year Investment realization by the Director General of Taxes as referred to in Article 7.

#### Article 11

- (1) Facilities of Income Tax in the form of additional compensation of longer losses as referred to in Article 2 paragraph (2) letter d can be utilized since the enactment of the Tax Year Investment realization by the Director General of Taxes as referred to in Article 7.
- (2) For getting Facilities of Income Tax in the form of additional compensation of longer losses as referred to in



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paragraph (1), the Taxpayer should submit a written application to the Director General of Taxes.

- (3) Based on the application as referred to in paragraph (2), the Director General of Taxes issued decisions about additional period of time loss compensation facility after conducting a field inspection.
- (4) Additional Provision 1 (one) year as referred to in Article 2 paragraph (2) letter d point 1) applies for the entire losses of all Tax Year along the new Investment made in the industrial and bonded.
- (5) Additional Provision 1 (one) year as referred to in Article 2 paragraph (2) letter d point 2) applies to the loss in Tax Year after the Taxpayer employs at least 500 (five hundred) Indonesian labor for 5 (five ) consecutive years.
- (6) Additional Provision 1 (one) year as referred to in Article 2 paragraph (2) letter d point 3) applies to the loss of all Tax Year if new capital Investment requires investment / expenditure on economic and social infrastructure at the business location of at least Rp.10 .000.000.000,00 (ten billion rupiah).
- (7) Additional Provision 1 (one) year as referred to in Article 2 paragraph (2) letter d point 4) applies to the loss of Tax Year performing research and development expenses in the country in the framework of product development or production efficiency of at least 5% ( five percent) of the investment within 5 (five) years.
- (8) Additional Provisions 1 (one) year as referred to in Article 2 paragraph (2) letter d point 5) applies:
  - a. as of the Tax Year to 4 (four) after Taxpayer obtaining investment license or permit expansion of investment and concerned Taxpayers using raw materials and / or components of domestic production at least 70% (seventy percent), and
  - b. The relevant Tax Year, Taxpayers using raw materials and / or components of domestic production at least 70% (seventy percent).

Article 12

Application and calculation facilities of Income Tax as referred in Article 2 paragraph (2) as per the example as set out in Appendix this Regulation of the Minister, which is an integral



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part of the Regulation of the Minister.

#### Article 13

- (1) Taxpayers who have obtained the approval of the Facilities of Income Tax shall submit to the Director General of Taxes report on the following matters:
  - a. Amount of Investment Realization until the completion of all the entire investment;
  - b. The amount of actual production;
  - c. details of fixed assets that used for purposes besides those given facility of Income Tax;
  - d. details of the transfer of part or all of the fixed assets that get all Income Tax, and
  - e. Details of fixed assets which transferred that were replaced with new fixed assets.
- (2) The report as referred to in paragraph (1) letter a submitted to the Director General of Taxes of each semester as of the commencement of the capital investment realization until the completion of the entire investment no later than 10 (ten) labor days after the end of the semester.
- (3) The report as referred to in paragraph (1) letter b, letter c, letter d, and letter e, submitted to the Director General of Taxes each semester later than 10 (ten) labor days after the end of the semester for 6 (six) years since the enactment of the capital Investment realization by the Director General of Taxes as referred to in Article 7.

#### Article 14

Taxpayers who have obtained the approval of the Facilities of Income Tax as referred to in Article 6 paragraph (4) shall:

- a. attached annual financial statements audited by a public accountant at the time of submitting an Annual Tax Return of Income Tax, and
- b. implementation of accounting separately upon the fixed assets which obtained facilities and which do not obtain facilities of Income Tax as referred to in Article 2 paragraph (2).

#### Article 15



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Against abuse facilities of Income Tax based on Government Regulation Number 1 Year 2007 concerning Facilities of Income Tax for Investment in Specific Business Sector and / or in Specific Regions as amended by Government Regulation Number 52 Year 2011 and this Regulation of the Minister, shall be liable in accordance with the Acts and regulations in the field of taxation and made the revocation of the consent decree Facilities of Income Tax.

#### Article 16

Further provisions on the procedure for the provision of facilitation of Income Tax and the determination of the Capital Investment realization, procedures for submission of reporting requirements, and procedures for the revocation of the approval of Facilities of Income Tax, organized by the Director General of Taxes.

#### Article 17

- (1) Against The proposal of facilitation of Income Tax provision based on Government Regulation Number 1 Year 2007 concerning Facilities of Income Tax for Investment in Specific Business Sector and / or in Specific Regions, as amended by Government Regulation Number 62 Year 2008, which was submitted by the Head of the Investment Coordinating Board to the Minister of Finance through the Director General of Taxes before the entry into force of this Regulation of the Minister, further processing done by the Regulation of the Minister of Finance Number 16/PMK.03/2007.
- (2) To the Taxpayers who have received a decision on Facilitation of Income Tax based on Government Regulation Number 1 Year 2007 concerning Facilities of Income Tax for Investment in Specific Business Sector and / or in Specific Regions, as amended by Government Regulation Number 62 Year 2008, do not apply the provisions regarding the use of facilities by the Taxpayer after Taxpayer realizing Investment by 80% (eighty percent) of the Investment plan as referred to in Article 7 paragraph (1).
- (3) Against the request to obtain facilities of Income Tax filed after enactment of Government Regulation Number 52 Year 2011 concerning the Second Amendment of Government Regulation Number 1 Year 2007 concerning Facilities of Income Tax for Investment in Specific Business Sector and / or Specific Regions before to entry



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into force of this Regulation of the Minister, it is processed by the Regulation of the Minister.

Article 18

At the time of this Regulation of the Minister comes into force, the Minister of Finance Number 16/PMK.03/2007 concerning Facilitation of Income Tax for Investment in Specific Business Sector and / or Specific Regions, revoked and declared void.

Article 19

This Regulation of the Minister of Finance shall come into force on the date of its promulgation.

For public cognizance, this Regulation of the Minister of Finance shall be promulgated by placing it in State Gazette of the Republic of Indonesia.

Stipulated in Jakarta

on September 3, 2012

MINISTER OF FINANCE OF  
THE REPUBLIC OF  
INDONESIA,

Signed.

AGUS D.W. MARTOWARDOJO

Promulgated in Jakarta

on September 3, 2012

MINISTER OF JUSTICE AND HUMAN RIGHTS  
OF THE REPUBLIC OF INDONESIA,

Signed.

AMIR SYAMSUDIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 888 YEAR 2012

Appendix ..