



MINISTER OF FINANCE  
OF THE REPUBLIC OF INDONESIA

COPY OF  
REGULATION OF THE MINISTER OF FINANCE  
NUMBER 130 / PMK.011 / 2011  
CONCERNING

PROVISION OF CORPORATE INCOME TAX RELIEF OR REDUCTION FACILITY

BY THE GRACE OF THE ONE ALMIGHTY GOD  
THE MINISTER OF FINANCE,

- Considering
- a. whereas based on the provision of Article 18 paragraph (7) of Law Number 25 Year 2007 regarding Capital Investment, the Minister of Finance shall be granted with the authority to govern the provision of corporate Income Tax relief or reduction facility in the context of capital investment;
  - b. whereas based on the consideration as referred to in point a, and in order to implement the provision of Article 30 of Government Regulation Number 94 Year 2010 regarding the Calculation of Taxable Income and Income Tax Repayment in the Current Year, it is necessary to stipulate a Regulation of the Minister of Finance regarding the Provision of Corporate Income Tax Relief or Reduction Facility;
- In view of
- 1. Law Number 6 Year 1983 regarding General Taxation Provisions and Procedures (State Gazette of the Republic of Indonesia Year 1983 Number 49, Supplement to the State Gazette of the Republic of Indonesia Number 3262) as amended several times, most recently with Law Number 16 Year 2009 (State Gazette of the Republic of Indonesia Year 2009 Number 62, Supplement to the State Gazette of the Republic of Indonesia Number 4999);
  - 2. Law Number 7 Year 1983 regarding Income Tax (State Gazette of the Republic of Indonesia Year 1983 Number 50, Supplement to the State Gazette of the Republic of Indonesia Number 3263) as amended several times, most recently with Law Number 36 Year 2008 (State Gazette of the Republic of Indonesia Year 2008 Number 133, Supplement to the State Gazette of the Republic of Indonesia Number 4993);
  - 3. Law Number 25 Year 2007 regarding Capital Investment (State Gazette of the Republic of Indonesia Year 2007 Number 67,



MINISTER OF FINANCE  
OF THE REPUBLIC OF INDONESIA

Supplement to the State Gazette of the Republic of Indonesia  
Number 4724);

4. Government Regulation Number 94 Year 2010 regarding Calculation of Taxable Income and Income Tax Repayment in the Current Year (State Gazette of the Republic of Indonesia Year 2010 Number 161, Supplement to the State Gazette of the Republic of Indonesia Number 5183);
5. Presidential Decree Number 56/P Year 2010;

HAS DECIDED:

To stipulate : REGULATION OF THE MINISTER OF FINANCE REGARDING  
THE PROVISION OF CORPORATE INCOME TAX RELIEF OR  
REDUCTION FACILITY.

Article 1

Referred to herein as:

1. The Income Tax Law shall be Law Number 7 Year 1983 regarding Income Tax as amended several times, most recently with Law Number 36 Year 2008.
2. The Capital Investment Law shall be Law Number 25 Year 2007 regarding Capital Investment.
3. Pioneer Industries shall be industries having extensive linkages, providing an added value and high externality, introducing new technology and holding a strategic value to the national economy,

Article 2

- (1) Corporate Taxpayers may be provided with corporate Income Tax relief or reduction facility as referred to in Article 18 paragraph (5) of the Capital Investment Law and Article 29 of Government Regulation Number 94 Year 2010 regarding Calculation of Taxable Income and Income Tax Repayment in the Current Year.
- (2) Corporate Income Tax Relief as referred to in paragraph (1) may be provided for a period of no more than 10 (ten) Tax Years and no less than 5 (five) Tax Years, as from the Tax Year in which commercial production commences.
- (3) At the end of the provision of corporate Income Tax relief facility as referred to in paragraph (2), Taxpayers shall be



MINISTER OF FINANCE  
OF THE REPUBLIC OF INDONESIA

provided with corporate Income Tax reduction as referred to in paragraph (1) at 50% (fifty percent) of the outstanding Income Tax for 2 (two) Tax Years.

- (4) By taking into account the interest of maintaining the competitiveness of the national industries and the strategic value of certain business activities, the Minister of Finance may provide corporate Income Tax relief or reduction facility for a period exceeding the period referred to in paragraphs (2) and (3).

Article 3

- (1) Taxpayers eligible for the corporate Income Tax relief or reduction facility as referred to in Article 2 shall be new corporate Taxpayers meeting the following criteria:
- a. constituting a Pioneer Industry;
  - b. having a new investment plan having obtained the approval of competent authorities in a minimum amount of Rp1,000,000,000,000.00 (one trillion rupiah);
  - c. placing funds in Indonesian banks at least 10% (ten percent) of the total capital investment plan as referred to in sub-paragraph b, and does not withdraw such funds prior to the commencement of capital investment realization; and
  - d. must hold the status of an Indonesian legal entity the legalization of which is stipulated no longer than 12 (twelve) months prior to the coming into effect of this Regulation of the Minister of Finance or the legalization of which is stipulated as from or following the coming into effect of this Regulation of the Minister of Finance.
- (2) Pioneer Industries as referred to in paragraph (1) sub-paragraph a shall include:
- a. Basic metal industries;
  - b. Oil refinery industries and/or basic organic chemicals originating from oil and natural gas;
  - c. Machinery industries;
  - d. Industries in the field of renewable resources; and/or
  - e. Communication devices industries.
- (3) By taking into account the interest of maintaining the competitiveness of the national industries and the strategic value of certain business activities, the Minister of Finance may



MINISTER OF FINANCE  
OF THE REPUBLIC OF INDONESIA

determine the Pioneer Industry to be provided with corporate Income Tax relief or reduction facility, in addition to the scope of Pioneer Industries as referred to in paragraph (2).

- (4) The corporate Income Tax relief or reduction facility as referred to in Article 2 may be utilized by Taxpayers as referred to in paragraph (1), insofar as they fulfill the following requirements:
  - a. having realized their entire capital investment as referred to in paragraph (1) sub-paragraph b; and
  - b. having undergone commercial production.
- (5) The commencement of commercial production as referred to in paragraph (4) sub-paragraph b shall be determined by the Directorate General of Taxes, the procedure for which shall be governed by a Regulation of the Directorate General of Taxes.

Article 4

- (1) In order to obtain corporate Income Tax relief or reduction facility, Taxpayers shall submit an application to the Minister of Industry or the Head of the Capital Investment Coordinating Board.
- (2) In the context of providing corporate Income Tax relief or reduction facility as referred to in paragraph (1), the Minister of Industry or the Head of the Capital Investment Coordinating Board following coordination with relevant ministers, shall submit the proposal to the Minister of Finance, by attaching photocopies of the following:
  - a. Taxpayer Identification Number card;
  - b. letter of approval on new capital investment issued by the Head of the Capital Investment Coordinating Board, completed with details thereof; and
  - c. evidence of funds placed in Indonesian banks as referred to in Article 3 paragraph (1) sub-paragraph c.
- (3) The submission of proposal as referred to in paragraph (2) must be accompanied with a description of research on the following:
  - a. infrastructure availability in the investment location;
  - b. domestic manpower absorption;
  - c. study on the fulfillment of criteria as a pioneer industry;
  - d. clear and concrete plan on the phases of the transfer of technology; and



MINISTER OF FINANCE  
OF THE REPUBLIC OF INDONESIA

- e. the existence of provision on tax sparing in the country of domicile.
- (4) Tax sparing as referred to in paragraph (3) sub-paragraph e shall be an acknowledgment of provision of relief and reduction facility from Indonesia in the calculation of Income Tax in the country of domicile the amount of which equals the facility provided.

Article 5

- (1) With regard to the proposal to provide corporate Income Tax relief or reduction facility submitted by the Minister of Industry or the Head of the Capital Investment Coordinating Board as referred to in Article 4 paragraph (2), the Minister of Finance shall assign a verification committee for the provision of corporate Income Tax relief or reduction to assist the research and verification by taking into account strategic impacts of the Taxpayer on the national economy.
- (2) The verification committee for the provision of corporate Income Tax relief or reduction as referred to in paragraph (1) shall be established by the Minister of Finance.
- (3) In carrying out research and verification as referred to in paragraph (1), the verification committee for the provision of corporate Income Tax relief or reduction shall consult with the Coordinating Minister of Economic Affairs.
- (4) The verification committee for the provision of corporate Income Tax relief or reduction shall submit the research and verification results as referred to in paragraphs (1) and (3) to the Minister of Finance along with considerations and recommendations, including recommendations on the period for providing the facility as referred to in Article 2 paragraphs (2), (3) and/or (4).
- (5) The provision of corporate Income Tax relief or reduction facility shall be decided upon by the Minister of Finance based on the considerations and recommendations of the verification committee for the provision of corporate Income Tax relief or reduction as referred to in paragraph (4), and following consultation with the President of the Republic of Indonesia.
- (6) In the event that the Minister of Finance approves the proposal of providing corporate Income Tax relief or reduction facility, a



MINISTER OF FINANCE  
OF THE REPUBLIC OF INDONESIA

Decree of the Minister of Finance shall be issued on the provision of such corporate Income Tax relief or reduction facility.

- (7) In the event that the Minister of Finance rejects the proposal of providing corporate Income Tax relief or reduction facility, a written notification to that effect shall be delivered to the Taxpayer, with carbon copies delivered to the Minister of Industry or the Head of the Capital Investment Coordinating Board.

Article 6

- (1) Taxpayers having obtained the Decree of the Minister of Finance concerning the provision of corporate Income Tax relief or reduction facility must submit a report on a periodical basis to the Director General of Taxes and the verification committee for the provision of corporate Income Tax relief or reduction with regard to the following matters:
  - a. report on the appropriation of funds placed in Indonesian banks as referred to in Article 3 paragraph (1) sub-paragraph c; and
  - b. audited report on the realization of capital investment,
- (2) The procedure for reporting as referred to in paragraph (1) shall be governed in a Regulation of the Director General of Taxes.

Article 7

- (1) The corporate Income Tax relief or reduction facility as referred to in Article 2 shall be revoked in the event that the Taxpayer:
  - a. fails to fulfill the criteria as referred to in Article 3 paragraph (1) and the requirements as referred to in Article 3 paragraph (4) sub-paragraph a; and/or
  - b. fails to fulfill the provision of report submission as referred to in Article 6 paragraph (1).
- (2) The revocation of facility as referred to in paragraph (1) shall be carried out by the Minister of Finance upon the recommendation of the verification committee for the provision of corporate Income Tax relief or reduction.
- (3) The Director General of Taxes may propose to the verification committee for the provision of corporate Income Tax relief or reduction to submit a recommendation to the Minister of Finance



MINISTER OF FINANCE  
OF THE REPUBLIC OF INDONESIA

for the revocation of corporate Income Tax relief or reduction facility in the following events:

- a. the capital investment realization of the Taxpayer fails to comply with the capital investment plan set forth in the letter of approval on capital investment as referred to in Article 4 paragraph (2) sub-paragraph b; and/or
- b. the Taxpayer provided with corporate Income Tax relief or reduction facility:
  - 1) fails to fulfill the criteria as referred to in Article 3 paragraph (1) and the requirements as referred to in Article 3 paragraph (4) sub-paragraph a; and/or
  - 2) fails to fulfill the provision of report submission as referred to in Article 6 paragraph (1).

Article 8

- (1) With regard to the income received or obtained by the Taxpayer provided with corporate Income Tax relief or reduction facility as referred to in Article 2; the following provisions shall apply:
  - a. With regard to the income received or obtained by the Taxpayer from business activities provided with corporate Income Tax relief or reduction facility, no tax deduction and collection shall be applied during the period of corporate Income Tax relief facility in accordance with the period as referred to in Article 2 paragraph (2) or Article 2 paragraph(4);
  - b. With regard to the income received or obtained by the Taxpayer from business activities in addition to those referred to in sub-paragraph a, tax deduction and collection shall still be applied according to the provisions of the applicable laws and regulations.
- (2) Taxpayers obtaining the corporate Income Tax relief or reduction facility as referred to in Article 2 shall still be subject to performing the obligation of tax deduction or collection to other parties in accordance with the laws and regulations in the field of taxation.

Article 9

- (1) Taxpayers obtaining the Income Tax facility under Article 31A of the Income Tax Law shall not be eligible to obtain the



MINISTER OF FINANCE  
OF THE REPUBLIC OF INDONESIA

corporate Income Tax relief or reduction facility hereunder.

- (2) Taxpayers obtaining the corporate Income Tax relief or reduction facility hereunder shall not be eligible to obtain the Income Tax facility under Article 31A of the Income Tax Law.

Article 10

The proposal to provide the corporate Income Tax relief or reduction facility hereunder must be submitted by the Minister of Industry or the Head of the Capital Investment Coordinating Board pursuant to the provision as referred to in Article 4 within a period of 3 (three) years from the promulgation of this Regulation of the Minister of Finance.

Article 11

This Regulation of the Minister of Finance shall come into effect as of its promulgation date.

For public cognizance, ordering the promulgation of this Regulation of the Minister of Finance by including it in the Official Gazette of the Republic of Indonesia.

Stipulated in Jakarta

On 15 August 2011

MINISTER OF FINANCE,

Signed

AGUS D.W. MARTOWARDOJO

Promulgated in Jakarta

On 15 August 2011

MINISTER OF LAW AND HUMAN RIGHTS,

Signed

PATRIALIS AKBAR

OFFICIAL GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2011 NUMBER 503

Issued as True Certified Copy

HEAD OF THE GENERAL AFFAIRS BUREAU

represented by

HEAD OF THE MINISTERIAL ADMINISTRATIVE DIVISION

GIARTO

NIP. 195904201984021001





MINISTER OF FINANCE  
OF THE REPUBLIC OF INDONESIA