

## VAT Standard rate

VAT standard rate in Indonesia in 2024 is 11%, which applies to digital goods sales provided by overseas businesses to Indonesian customers with some exemptions like supplies of services to the Free Trade Zone area (Batam Island, Sabang Island, Bintan and Karimun Islands). Export in Indonesia is zero-rated.

## VAT registration threshold

Businesses have to register for VAT in Indonesia if their revenue exceeded IDR 600,000,000 (approx. EUR 35,000) in the previous 12 months, or IDR 50,000,000 (approx. EUR 3,000) per month.

### **Businesses have to register if they are:**

- online retailers of digital goods;
- non-resident online marketplace operators;
- indonesian online marketplace operators.

that provide B2B and B2C services to the customers from Indonesia.

Voluntary registration is allowed.

## Pieces of evidence

VAT is payable at the place of supply. The territory of Indonesia is deemed to be the single place of supply of services. The time of supply is the earliest event among the following: at the moment the service occurs, at the moment of billing, or at the moment the price is paid (in whole or in part). A service customer in Indonesia is a

natural or legal person, which is defined by location in Indonesia according to the following criteria:

- Billing address;
- Postal address for their account with the seller;
- Credit or debit cards;
- IP address;
- Telephone code.

## E-services list

- Books, magazines, newspapers;
- Apps, games, computer software;
- Movies, music;
- Subscriptions on digital services;
- Design, marketing, advertising services.

## Registration procedure

Businesses must submit the application using the hard copy form prescribed by the DGT to the Indonesian tax office. Also, the incorporation document and the owner identification documents are required. Following approval of the VAT application, an electronic certificate must be obtained and the company's VAT account activated within 3 months.

## Keeping records

The period of keeping records in Indonesia must be at least ten years.

## VAT returns filing and payment date

The VAT returns in Indonesia are submitted on monthly or quarterly basis to the Indonesian Directorate General of Taxes (DGT). VAT payments should be done in Indonesian rupiah on monthly basis.

