PRESS RELEASE

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Tax Allowance is Finally Issued by BKPM’s OSS

Beginning 11 August, the Income-tax (PPh) incentives for certain business fields and regions, profoundly known as Tax Allowances, can be applied through the Online Single Submission (OSS) system. The provision is contained in the Minister of Finance Regulation (PMK) Number 96/PMK.010/2020 concerning Amendments to Amendments to PMK Number 11/PMK.011/2020 concerning the Implementation of Government Regulation Number 78 of 2019 concerning Income Tax Facilities for Investment in Certain Fields and/or Certain Regions.

Press Secretary of BKPM, Tina Talisa, said that the new regulation does not change the requirements and criteria for granting Tax Allowance facilities. The focus of modification lies in the authority delegation. Previously, the authority was carried out by the Director-General of Taxes (Dirjen Pajak) of the Ministry of Finance. Now, it is implemented by the Chairman of BKPM for and on behalf of the Minister of Finance.

"In this PMK, Tax Allowance applications are filed through the OSS (Online Single Submission) system. The process starts from submitting applications through OSS, verifying documents to issuing Facility Granting Decrees, all by BKPM," said Tina.

Tax Allowance is a form of incentive offered to investors who make a new investment or business expansion in certain fields or certain regions. The licensing process and the provision of investment facilities, which are carried out through one-door service at BKPM, are expected to enhance certainty and accelerate investment execution in the field.

"What investors need to keep in mind is that the submission is made before commercial production is being implemented. Don't miss it. This new procedure is an innovation in the investment licensing bureaucracy. It should be fast and easy. Following the President’s message, a fast country will beat the slow," said Tina.

PMK Number 96/PMK.010/2020 which officially revised PMK Number 11/PMK.010/2020 was promulgated on 27 July 2020 and came into force 15 days after the date of promulgation. Tax Allowance facilities are available for 166 business fields listed in the Indonesia Standard Industrial Classification (KBLI) and for 17 KBLIs in various regions according to Attachment I and Attachment II to Government Regulation Number 78 of 2019. (*)

For further information please contact:
Tina Talisa
Press Secretary of BKPM
Jl. Jend. Gatot Subroto No.44 Jakarta 12190
Telp : 021-5269874
E-mail : tina.talisa@bkpm.go.id
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