



Tax Alert 05.2021

IMPOSITION OF INCOME TAX ONLY ON INCOME RECEIVED OR OBTAINED FROM INDONESIA FOR FOREIGN NATIONALS WHO HAVE BEEN A RESIDENT TAX SUBJECT

(PMK Nomor 18/PMK.03/2021, Article 7 – 13,
effective on February 17, 2021)

❖ Implementation of Law No. 11 Year 2020

Glossary

- SPDN = Indonesian Tax Resident
- P3B = Tax Treaty
- TKA = Foreign Worker

Foreigner who has become an SPDN shall be subject to Income Tax only on income received or obtained from Indonesia as long as:

- a. Has certain expertise; and**
- b. Is only valid for 4 (four) Tax Years, which is calculated since he/she becomes an SPDN.

Income received or obtained by Foreigner includes the one connected with work, services, or activities in Indonesia in any name and form, **which is paid outside** Indonesia.

The provisions of (a) and (b) above **shall not be applicable to Foreigner who utilizes P3B between Indonesia** and Treaty Partner Country where the Foreigner obtains income from outside Indonesia.

Certain Expertise

Foreigner with certain expertise shall include a TKA occupying a certain post of office and a foreign researcher, who is required to meet the requirements regarding the use of TKA as stipulated by the Ministry of Manpower or foreign researcher as stipulated by the Ministry of Research and Technology.

The criteria for certain expertise must be proven with certificate of expertise, education diploma, and/or work experience min. 5 (five) years

Having expertise in certain fields such as science, technology, and/or mathematics

Having the obligation to perform transfer of knowledge.

No.	ISCO / KBJI Code	Post of Office
1	2113	Chemist
2	2114	Geologist and Geophysicist
3	2131	Biologist, Botanist, Zoologist, and others related
4	2133	Environmental Protection Expert
5	2141	Industrial and Production Engineer
6	2142	Civil Engineer
7	2143	Environmental Engineer
8	2144	Mechanical Engineer
9	2145	Chemical Engineer
10	2146	Mining, Metallurgical Engineer, and others related
11	2149	Technical Experts (which cannot be classified in others)
12	2151	Electrical Engineer
13	2152	Electronics Engineer
14	2153	Telecommunication Engineer
15	2163	Product and Apparel Designer
16	2164	Urban Planning and Traffic
17	2166	Graphic and Multimedia Designer
18	2310	Lecturer in University
19	2511	System Analyst
20	2512	Software Developer
21	2513	Web and Multimedia Developer
22	2514	Application Programming
23	3121	Mining Supervisor
24	3139	Control Process Technician (which cannot be classified in others)
25	3155	Air Traffic Safety Electronic Device Technician

The ISCO / KBJI code which is stated in the relevant foreign visa / work permit must be in accordance to the list on the left, according to Attachment 2 of PMK 18 Year 2021.

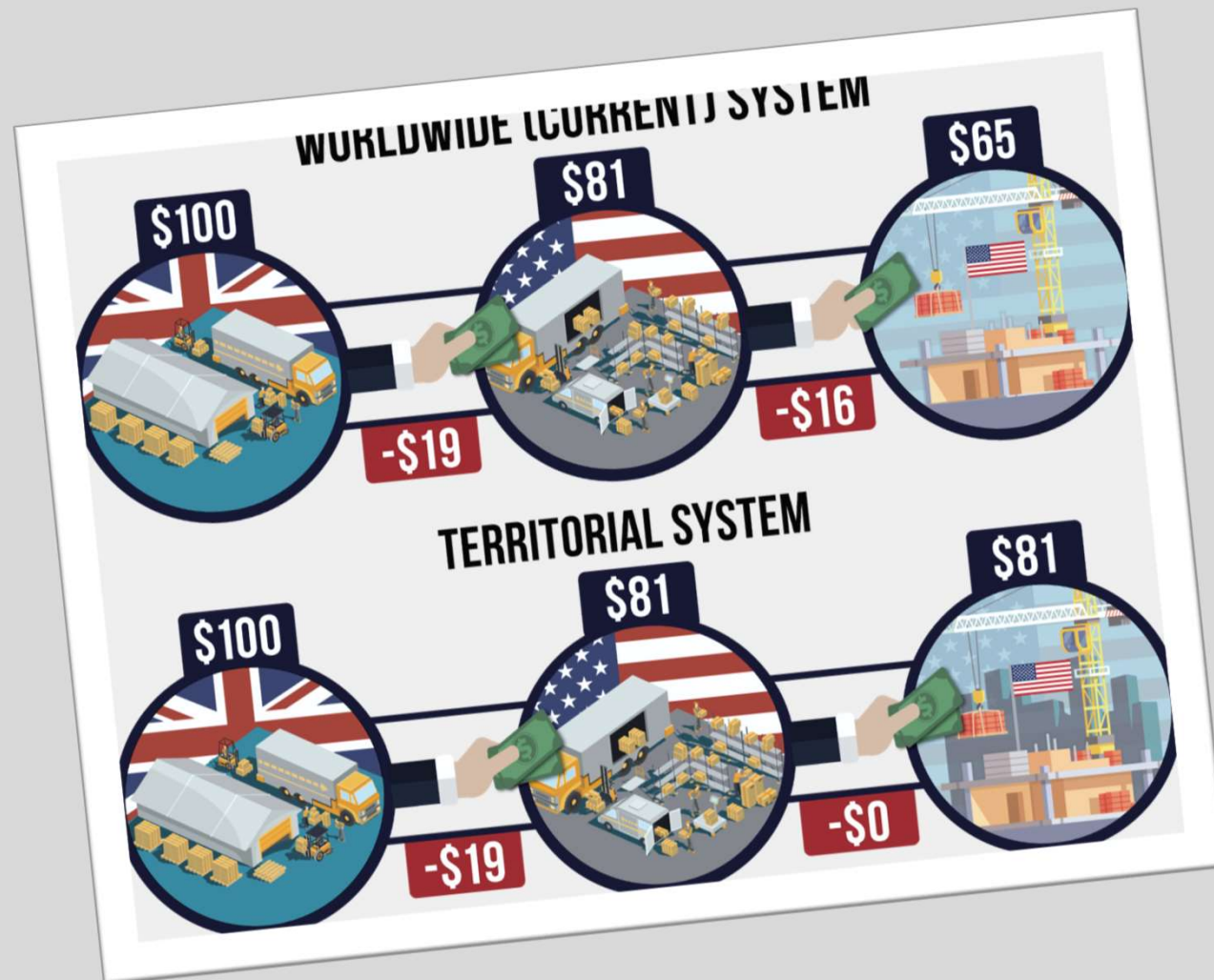
**)ISCO (International Standards*

Classification of Occupation)

**) KBJI (Klasifikasi Baku Jenis Pekerjaan Indonesia)*

Only valid for 4 (four) Tax Years, which is calculated since he/she becomes an SPDN

- The period of 4 (four) Tax Years shall be calculated since Foreigner becomes an SPDN for the first time.
- In the event that within the period of the 4 (four) Tax Years the Foreigner left / leaves Indonesia, the deadline of the period **still to be calculated since Foreigner becomes an SPDN for the first time.**



**PROCEDURES for IMPOSITION of INCOME TAX
ONLY on INCOME which is RECEIVED or
OBTAINED from INDONESIA**

Foreigner who chooses to be subject to Income Tax only on income received or obtained from Indonesia must file an application (Attachment 3 PMK 18) electronically through a certain channel as stipulated by the Director General of Taxes.

In the event that the certain channels are not yet available, application can be done in writing by submitting it:

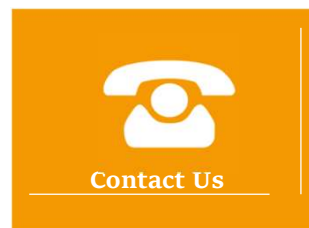
- Directly; or
- by post or forwarder company or courier services with proof of letter delivery,

to the tax office where the Taxpayer is registered.

Foreigner having certain expertise who has become an SPDN before the effective date of this PMK 18 can be subject to Income Tax only on income received or obtained from Indonesia insofar:


- the period of 4 (four) Tax Years has not yet elapsed; and
- filing an application (Attachment 3 PMK 18).

In the event that application is approved, imposition of Income Tax only on income received or obtained from Indonesia shall be calculated since the Omnibus Law comes into effect until the expiration of the period of 4 (four) Tax Years.



If you have **any questions** or want to know more about
PMK No. 18/PMK.03/2021, Article 7 – 13,
please contact us on :

 info@salaki-salaki.com

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