



Transitional guidelines on new VAT rule for 2025 ^{P1}

LST incentives for battery-powered electric vehicles ^{P2}

Transitional guidelines on new VAT rule for 2025

Following the issuance of PMK-131¹, the Director General of Taxes (“DGT”) issued Regulation No.PER-01² which regulates the transitional guidelines on the issuance of Value-Added Tax (“VAT”) invoices for 2025. The highlights of PER-01 are set out below.

1. VAT Invoice for the period of 1 January – 31 March 2025

In principle, the VAT Invoice and certain documents that are equivalent to the VAT Invoice (hereinafter collectively referred to as “VAT Invoice”) must be created by the VATable Entrepreneur (*Pengusaha Kena Pajak/ PKP*) correctly, completely and clearly.

Under PMK-131, for most goods and services, the 12% VAT rate is applied on a Tax base in the form of the Other Value (*Dasar Pengenaan Pajak/ DPP Nilai Lain*), which is set at 11/12 of the import value, selling price, or compensation, which renders the “effective” VAT rate to be 11%. However, due to the sudden implementation of the new rule, the DGT provides grace periods for VAT Invoices under this category that are issued between 1 January – 31 March 2025, where:

- a. VAT invoice using a 12% rate on a full/normal tax base; or
 - b. VAT invoice using an 11% rate on a full/normal tax base,
- are considered valid as long as long as it includes all other information that are required under the VAT Law. Certain documents that are equivalent to the VAT Invoice that have not stated the *DPP Nilai Lain* amount are also considered valid.

In the event VAT has been collected using a 12% rate as per point a above, the collected party (buyer) may request a refund from the seller on the excess VAT collected, and based on this request, the seller makes an amendment or replacement to the relevant VAT Invoice.

¹ Minister of Finance (“MoF”) Regulation No.131 Year 2024 (“PMK-131”) dated 31 December 2024 and effective from 1 January 2025. Please refer to our [TaxFlash No.01/2025](#) for discussion on PMK-131

² DGT Regulation No.PER-01/PJ/2025 (“PER-01”) dated and effective from 3 January 2025

2. VAT Invoice issued by retailers to end consumers for luxury goods

Under PMK-131, luxury taxable goods which are currently subject to Luxury-goods Sales Tax (“LST”) are subject to 12% VAT rate, with a transitional rule for domestic delivery to end consumers in January 2025 whereby the 12% rate is applied on a *DPP Nilai Lain*, which is set at 11/12 of the selling price rendering the “effective” VAT rate to be 11%.

However, PER-01 stipulates that the above transitional rule **does not apply** on deliveries by retailers for:

- land transportation in the form of motor vehicles;
- water transportation in the form of cruise ships, excursion ships, ferries, and/or yachts;
- air transportation in the form of airplanes, helicopters, and/or hot air balloons;
- land and/or buildings; and
- firearms and/or firearm bullets.

Considering that the above list of goods covers all of the luxury goods which are currently subject to LST, the transitional rule which allows certain delivery of luxury goods to still be subject to an “effective” VAT rate of 11% is effectively no longer applicable. This is unless there is an expansion on the type of luxury goods which are subject to LST beyond the above list of goods within the month of January 2025.

3. Others

Administrative provisions regarding the application of transaction codes in VAT invoices, VAT calculations, etc. can be seen in the examples provided in the attachment to this PER-01.

LST incentives for battery-powered electric vehicles

On 31 December 2024, the MoF extended the LST incentive for the import or delivery of certain luxury electric vehicles (“EVs”) through the issuance of PMK-135³. This incentive was previously stipulated under PMK-9⁴. For a detailed discussion on PMK-9, please refer to our [TaxFlash No.05/2024](#).

From January to December 2025, 100% of the LST payable on the import or delivery of certain luxury EVs will be borne by the government. A PKP who imports or delivers such EVs is required to prepare a monthly realisation report and import declaration (*Pemberitahuan Impor Barang*) documents or VAT invoices. The reporting and amendment of the monthly VAT return for the import or delivery of certain luxury EVs for the January to December 2025 period can be treated as a realisation report, provided it is submitted by 31 January 2026 at the latest.

³ MoF Regulation No.135 Year 2024 (“PMK-135”) dated and effective from 31 December 2024

⁴ MoF Regulation No.9 Year 2024 (“PMK-9”) dated and effective from 15 February 2024

Your PwC Indonesia Contacts:

Abdullah Azis
abdullah.azis@pwc.com

Gerardus Mahendra
gerardus.mahendra@pwc.com

Peter Hohtoulas
peter.hohtoulas@pwc.com

Adi Poernomo
adi.poernomo-c@pwc.com

Hasan Chandra
hasan.chandra@pwc.com

Raemon Utama
raemon.utama@pwc.com

Adi Pratikto
adi.pratikto@pwc.com

Hendra Lie
hendra.lie@pwc.com

Riyadi
riyadi.riyadi-c@pwc.com

Adrian Hanif
adrian.hanif@pwc.com

Hisni Jesica
hisni.i.jesica@pwc.com

Runi Tusita
runi.tusita@pwc.com

Alexander Lukito
alexander.lukito@pwc.com

Hyang Augustiana
hyang.augustiana@pwc.com

Ryuji Sugawara
ryuji.sugawara@pwc.com

Ali Widodo
ali.widodo@pwc.com

Irene Satyanagara
irene.satyanagara@pwc.com

Sukma Alam
sukma.alam-c@pwc.com

Aman Santosa
aman.santosa-c@pwc.com

Kianwei Chong
kianwei.chong@pwc.com

Surendro Supriyadi
surendro.supriyadi-c@pwc.com

Andrias Hendrik
andrias.hendrik@pwc.com

Lukman Budiman
lukman.budiman@pwc.com

Susetiyo Putranto
susetiyo.putranto@pwc.com

Angeline
angeline.angeline@pwc.com

Made Natawidnyana
made.natawidnyana@pwc.com

Sutrisno Ali
sutrisno.ali-c@pwc.com

Anton Manik
anton.a.manik@pwc.com

Mardianto
mardianto.mardianto-c@pwc.com

Suyanti Halim
suyanti.halim@pwc.com

Antonius Sanyojaya
antonius.sanyojaya@pwc.com

Margie Margaret
margie.margaret@pwc.com

Tjen She Siung
tjen.she.siung@pwc.com

Avinash Rao
a.rao@pwc.com

Marlina Kamal
marlina.kamal@pwc.com

Turino Suyatman
turino.suyatman@pwc.com

Ay Tjhing Phan
ay.tjhing.phan@pwc.com

Nicholas Sugito
nicholas.sugito@pwc.com

William Christopher
william.christopher@pwc.com

Brian Arnold
brian.arnold@pwc.com

Nikolas Handradjid
nikolas.handradjid@pwc.com

Yessy Anggraini
yessy.anggraini@pwc.com

Dexter Pagayonan
dexter.pagayonan@pwc.com

Novie Mulyono
novie.mulyono@pwc.com

Yuliana Kurniadjaja
yuliana.kurniadjaja@pwc.com

Enna Budiman
enna.budiman@pwc.com

Oki Octabiyanto
oki.octabiyanto@pwc.com

Yunita Wahadaniah
yunita.wahadaniah@pwc.com

Esa Perdana
esa.perdana@pwc.com


Omar Abdulkadir
omar.abdulkadir@pwc.com

Gadis Nurhidayah
gadis.nurhidayah@pwc.com

Otto Sumaryoto
otto.sumaryoto@pwc.com

www.pwc.com/id

 PwC Indonesia

 @PwC_Indonesia

If you would like to be removed from this mailing list, please reply and write UNSUBSCRIBE in the subject line, or send an email to id_contactus@pwc.com.

DISCLAIMER: This content is for general information purposes only and should not be used as a substitute for consultation with professional advisors.

© 2025 PwC Tax Indonesia. All rights reserved. PwC refers to the Indonesian member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

