



STIPULATION OF BUSINESS SECTORS ELIGIBLE FOR INVESTMENT BY PARTICIPANTS OF THE VOLUNTARY DISCLOSURE PROGRAM

RSM INDONESIA CLIENT ALERT – 28 APRIL 2022

Participants of the Voluntary Disclosure Program (VDP) can reduce the rate of final tax due for the assets being declared if those assets will be invested in Government Debt Securities or as an equity investment in Natural Resource Processing businesses and/or Renewable Energy businesses. Please refer our Client Alert dated [31 January 2022](#).

Article 16 of Minister of Finance (MoF) Regulation No. 196/PMK.03/2021 (PMK-196) further states:

- The investment into Natural Resource Processing businesses and/or Renewable Energy businesses shall be carried out in the form of new business establishment and/or equity participation in companies conducting IPO and/or right issues.
- The activities for the Natural Resources Processing sector refers to the processing of natural sourced raw materials into semi-finished goods or finished goods that add value to those raw materials.
- The activities for the renewable energy sector refer to exploitation (generation) of energy from renewable materials.

In accordance with Article 16(4) of PMK-196, the MoF has issued Decision No. 52/KMK.010/2022 on 24 February 2022 (KMK-52) to list the business sectors that a participant of the VDP may invest in to access the lower rate of final tax.



WHAT DOES IT COVER?

The business sectors eligible for equity investment are based on the KBLI (Indonesia's code for the Standard Classification of Businesses). The attachment to KMK-52 lists 332 KBLI. For details, please use [this link](#) to the attachment of KMK-52.

It is important to note KMK-52 also provides that the eligible businesses include businesses that support the natural resource processing business and/or renewable energy businesses. Therefore, the list also includes business sectors that are not directly related to the processing of raw materials from natural resources or renewal energy, such as web portals & digital platforms, software development, animated film production and development of video games. The inclusion of these has been explained by the MoF as reflecting an "ecosystem" approach for the eligible investments.

Interestingly, the only renewable energy sector included is geothermal energy (KBLI 06202).

Therefore, a taxpayer should review the attachment to KMK-52 carefully before assuming a proposed investment does meet, or does not meet, the requirements for investment of assets declared in the VDP.

WHEN IS IT EFFECTIVE?

The provisions (and business sectors) of KMK-52 apply from the commencement of the VDP. That is, from 1 January 2022.

For further information please contact:

RSM INDONESIA

Plaza ASIA Level 10
Jl. Jend. Sudirman Kav.59
Jakarta 12190
P: +62 21 5140 1340
E: inquiry@rsm.id

www.rsm.id