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YEAR END TAX REMINDERS

RSM INDONESIA CLIENT ALERT – 23 December 2025

As we approach the end of 2025, it is appropriate to undertake a review of tax compliance and administration to ensure all digital records and transactions are accurately captured within Coretax, commercial records reconcile with all periodic and annual tax filings, necessary elections and applications are made, and documentation is maintained that aligns with Indonesia's increasingly data-driven and transparent tax administration.

To assist this process, we have summarized some of the "house-keeping" actions that taxpayers should take prior to 31 December or early next year.

Provision	Explanation
Income Tax (corporate)	<p>CITR deadline:</p> <ul style="list-style-type: none">▪ The deadline for submission of the Annual CITR is no later than 4 months after the end of the tax year – and any tax must be paid prior to lodgement. <p>Monitoring communications: Coretax is intended to digitise and simplify communications between the Indonesian Tax Authority (ITA) and the taxpayer. In general, this means communications from the ITA will potentially no longer be sent to the taxpayer address but will be uploaded to that taxpayer's Coretax account. This includes tax assessments, notification of SP2DK, reminders if requested data is not yet provided, etc. Failure to act can result in penalties or other consequences depending on what action did not occur due to the failure to check for ITA communications.</p> <ul style="list-style-type: none">▪ Taxpayers should create a schedule to regularly review Coretax for any notifications.

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Income Tax (corporate)	<p>Currency & language of book-keeping:</p> <ul style="list-style-type: none"> Book-keeping is generally performed using Rupiah and Indonesian language. If a taxpayer wishes to revise this (to use English and/or USD, or to revert back to Rupiah and/or Indonesian language) then: <ol style="list-style-type: none"> A notification to use English (or to return to Indonesian language) must be lodged <u>no later than 3 months after</u> the start of the tax year when the new language shall be used An application (with supporting documents) for use of USD (with English) must be lodged <u>no later than 3 months</u> before the start of the tax year when the new currency/language will be used <p>Final Tax (PP-55):</p> <ul style="list-style-type: none"> If currently subject to Final Tax the taxpayer should ensure all revenue subject to Final Tax is reconciled to WHT evidence (<i>bukti potong</i>) provided by customers or self-assessed monthly tax payments. This information is required to be included in the CITR. In addition, determine: <ol style="list-style-type: none"> if the Final Tax no longer applies for 2026 (due to either the end of the 3rd tax year or if revenue for 2025 will exceed IDR 4.8 billion), or if still eligible for Final Tax, whether you still wish to be subject to Final Tax (e.g. if large fiscal losses are expected for 2026 then Final Tax might not be appropriate). If you do not wish to be subject to Final Tax then an election to select profit-based tax must be made before 31 December 2025, and if still subject to Final Tax, apply for a statement letter (<i>surat keterangan</i>) from the ITA that can be provided to customers so they deduct Final Tax and not normal withholding tax. <p>Employee Benefits:</p> <p>Taxpayers must submit in the CITR a schedule of Benefits in Kind provided to employees and other individuals. Therefore you should prepare a reconciliation now to ensure:</p> <ol style="list-style-type: none"> all BIK have been identified, taxed and included in the monthly Article 21 tax returns, the required data is available to be input to the schedule (Attachment 11A Part IV of the CITR), and if not already done, the Chart of Accounts/Ledger and other records should be adjusted to facilitate the capture and reconciliation of this data. <p>Promotional and/or Entertainment costs:</p> <p>Taxpayers wishing to claim deductions for promotional and/or entertainment costs must complete a “nominative” list in the CITR that provides details of the expense (e.g. type of costs, reference number for WHT slip payment, details of the recipient).</p> <ul style="list-style-type: none"> Taxpayers intending to claim deductions for promotional and/or entertainment costs should: <ol style="list-style-type: none"> Ensure the ledger (or expense claims) captures the necessary data and identifies WHT objects. Commence preparation of the nominative list.

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Income Tax (corporate)	<p>Recap of key financial data: The CITR now requires the taxpayer to recap key financial data based on the business sector (KLU per the taxpayer profile).</p> <ul style="list-style-type: none"> The taxpayer should review the requirement in advance and map this to trial balance / financial statements.
Income Tax (individuals)	<p>Coretax Registration:</p> <ul style="list-style-type: none"> Ensure you have activated your Coretax account by using link https://coretaxdj.pajak.go.id to facilitate payment of income tax and submission of the annual tax return and/or periodic tax return. <p>Personal Tax Return deadline:</p> <ul style="list-style-type: none"> The deadline for submission of tax return: <ol style="list-style-type: none"> Periodic tax returns, no later than 20th day after the end of tax period. Annual income tax returns, no later than 3 months after the end of the tax year. <p>Final tax or Reporting of Investment of Income from Domestic Dividends: Individuals are subject to 10% Final Tax on dividend income from domestic companies unless that income is invested in Indonesia for a period of at least 3 tax years.</p> <ul style="list-style-type: none"> The Final Tax shall be paid no later than the 15th of the month after the month of receipt/earning and then reported in the relevant monthly WHT Return. Any Investment must be realized no later than the end of the third month following the tax year in which the income is received or earned. The Investment must then be reported in the Personal Tax Return, with an update provided for the next 3 tax years.
CbCR	<p>CbCR notifications (or submissions if required) must be made no later than 12 months after the end of the fiscal year.</p> <ul style="list-style-type: none"> For taxpayers whose year-end is 31 December 2024, the 2024 CbCR shall be submitted no later than 31 December 2025. The CbCR notification or submission is made under the menu "Tax Information Exchange → Country-by-Country Report".
Value Added Tax (VAT)	<p>Obligation to register:</p> <ul style="list-style-type: none"> If the taxpayer is not currently VAT registered but delivered VATable goods/services which exceeded IDR4.8 billion for 2025 in the current tax period, the taxpayer must register as a VAT-able entrepreneur no later than the end of the tax year. For example, if the deliveries exceeded IDR4.8 billion in October 2025, then it must register no later than the end of December 2025. <p>Potential VAT refund:</p> <ul style="list-style-type: none"> Taxpayers can request a refund of overpaid VAT at year-end. A VAT refund might be appropriate if there were large purchases (Input VAT) with low expectation of timely recovery against Output VAT in future months/years.

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Value Added Tax (VAT)	<p>Routine reconciliations:</p> <ul style="list-style-type: none"> ▪ Routine reconciliations are recommended to reduce the risk of errors that might result in penalties, SP2DK, or tax adjustments: <ul style="list-style-type: none"> a) Matching Output and Input VAT with the general ledger, monthly VAT returns, and e-invoicing records. b) Identifying and correcting discrepancies before year-end reporting. c) Ensuring all VAT invoices are issued, dated correctly, reported and matched in the Coretax system, checking for missing, late, duplicated or incorrect invoices. <p>Year-end adjustment of Input VAT if VATable and non-VATable deliveries: Taxpayers that have both VATable and non-VATable deliveries can only claim Input VAT that directly relates to VATable deliveries. Where it is not possible to directly connect the Input VAT with a VATable delivery (e.g. for overhead cost) then a proportional allocation is required no later than March of the following year (assuming a December tax year).</p> <ul style="list-style-type: none"> ▪ Prepare calculation to determine the proportion of Input VAT that can be claimed as a credit in the monthly VAT return (reducing the Input VAT that was claimed during the year).
Tax Audit and SP2DK	<p>Tax audits and SP2DK (Request for Data/Information) are running to tighter deadlines:</p> <ul style="list-style-type: none"> ▪ Data must be provided for tax audits within 1 month from the date of the request letter. If not, the missing data is not required to be considered during the tax audit or subsequent objection or appeal. ▪ For SP2DK, a response must be provided within 14 days of the date of issue of the SP2DK. <p>Therefore:</p> <ul style="list-style-type: none"> ▪ If a refund will be requested then the necessary documentation should be prepared now. ▪ Routine reconciliations of VAT and WHT objects should occur every month.
Tax Incentives	<p>Reporting obligations:</p> <ul style="list-style-type: none"> ▪ Ensure the required reporting occurs on time to avoid review and/or revocation of the incentive. ▪ Ensure other eligibility criteria are being met. ▪ Review the Chart of Accounts/ledger to ensure the required data can be quickly identified.

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