



Final Income Tax on investment return from certain financial instruments for exporters
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On 20 May 2024, the government issued GR-22¹ regarding the Final Income Tax on investment return from certain monetary/financial instruments. The funds are sourced from the Foreign Exchange Proceeds from Natural Resources Exports (*Devisa Hasil Ekspor dari Barang Ekspor Sumber Daya Alam/DHE SDA*).

Previously, a concession on an investment return, sourced from DHE SDA, was regulated under the general rules on final withholding tax for time deposits and Bank Indonesia Certificates, which was regulated under Article 2 of GR-131 as amended by GR-123². However, the scope of eligible investment type is limited to time deposits. Please refer to [TaxFlash No.03/2016](#) for more details on GR-123.

GR-22 revokes the Article 2 of GR-131 as amended by GR-123 and provide a separate legal basis for income received/obtained by exporters from placing DHE SDA in certain monetary/financial instruments in Indonesia. The criteria and scope of the eligible monetary/financial instruments has been expanded, whilst all the relevant income is subject to Final Income Tax.

The highlights of GR-22 are as follows:

Eligible monetary/financial instruments

Criteria

GR-22 stipulates that the criteria of the eligible monetary/financial instruments in Indonesia are as follows:

- banking instruments in Indonesia, financial instruments issued by the Indonesian Export Financing Agency (*Lembaga Pembiayaan Ekspor Indonesia/LPEI*), and/or monetary instruments issued by Bank Indonesia;
- the funds are sourced from DHE SDA;
- having a placement period of at least one month; and
- not being traded on the secondary market.

¹ Government Regulation No.22 Year 2024 (GR-22) dated and effective from 20 May 2024

² Government Regulation No.131 Year 2000 (GR-131) as amended by Government Regulation No.123 Year 2015 (GR-123)

Scope

The scope of eligible monetary/financial instruments in Indonesia are:

- a) deposits issued by a bank whose source of funds comes from the DHE SDA Special Account at the same bank;
- b) term deposits for conventional open market operations in a foreign currency at Bank Indonesia, which is placed through an open market operation participant and the source of funds comes from the DHE SDA Special Account at the same open market operation participant;
- c) promissory notes issued by LPEI whose source of funds comes from the DHE SDA Special Account at LPEI; and
- d) other monetary/financial instruments determined by the Minister of Finance, after coordinating with the Governor of Bank Indonesia.

Final Income Tax rates and tax bases

Final Income Tax is calculated by multiplying the Final Income Tax rate by the tax base. The tax base is the gross amount of income received by the exporter from placing the DHE SDA in eligible monetary/financial instruments.

The Final Income Tax rates along with the placement period apply on income from eligible monetary/financial instruments are as follows:

Funds denominated in foreign currency		Funds converted from foreign currency to Rupiah	
Rates (in percentage)	Placement period	Rates (in percentage)	Placement period
0	> 6 months	0	≥ 6 months
2.5	6 months	2.5	3 months up to < 6 months
7.5	3 months up to < 6 months	5	1 month up to < 3 months
10	1 month up to < 3 months		

The rates above also apply to the rollover of DHE SDA funds in eligible monetary/financial instruments, after the initial maturity date ends.

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