

TaxFlash

July 2025 / No. 10



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New tax collection obligation for e-Commerce marketplaces on domestic seller transactions

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On 14 July 2025, the Minister of Finance (“MoF”) issued PMK-37¹, regarding the Appointment of Other Parties as the Collector of Article 22 Income Tax (*Pajak Penghasilan Pasal 22* / “PPh 22”) on domestic seller’s transactions conducted through electronic trading systems.

Income Tax Object

Under PMK-37, a 0.5% PPh 22 collection is imposed on the gross turnover (excluding Value Added Tax and Luxury-goods Sales Tax, and prior to deducting sales discounts, cash discounts, and/or similar deductions) of domestic seller’s transactions that are received or earned through an appointed e-commerce marketplace.

The PPh 22 is payable and collected by the appointed e-Commerce marketplace when the payment is received by the marketplace. Income that has been subject to this PPh 22 is not subject to further tax withholding or collection by other tax withholders or collectors.

PPh 22 under PMK-37 is not collected on the following domestic seller’s transactions:

- a. Sales of goods/services by individual taxpayers with gross turnover not exceeding IDR 500 million in the current fiscal year, who have submitted a declaration letter;

1. MoF Regulation No.37 Year 2025 (“PMK-37”) dated and effective from 14 July 2025

- b. Sales of delivery services by individual taxpayers who are partners of application-based transportation companies;
- c. Sales of goods/services by domestic sellers who have submitted a Tax Exemption Letter (*Surat Keterangan Bebas*/"SKB");
- d. Sales of prepaid phone credit (*pulsa*) and SIM card starter packs (*kartu perdana*);
- e. Sales of gold jewellery, gold bars, jewellery made entirely of non-gold materials, gemstones, and/or similar types of stones, conducted by gold jewellery manufacturers, gold jewellery traders, and/or gold bar entrepreneurs; and/or
- f. Transfer of rights of land and/or buildings ("L&Bs") or binding sale and purchase agreements for L&Bs, including any amendments.

The transactions in points a to f above are subject to prevailing normal tax treatment.

Domestic sellers as Income Tax subjects

Definition and criteria

PMK-37 defines domestic sellers as business players residing or domiciled in Indonesia who conduct e-commerce using facilities created and managed directly by themselves, or through facilities owned by an e-commerce marketplace or other electronic systems that provide facilities for e-commerce.

The "domestic" criteria are considered met for individuals/entities that:

- a. receive income using a bank account or similar financial account; and
- b. conduct transactions using an internet protocol address located in Indonesia or a telephone number with an Indonesian country code.

Domestic sellers subject to this PPh 22 include delivery companies, insurance companies, and other parties conducting transactions with buyers of goods/services via e-Commerce marketplaces.

Tax compliance requirements

Domestic sellers must submit the following information to the appointed e-commerce marketplace before income is received:

- 1. Main information
 - a. Taxpayer Identification Number (*Nomor Pokok Wajib Pajak*/"NPWP") or National Identity Number (*Nomor Induk Kependudukan*); and
 - b. Correspondence address.



2. Additional information (if applicable)
 - a. Statement letter for individual domestic sellers whose gross turnover is up to IDR 500 million in the current tax year. This letter must be resubmitted at the beginning of each subsequent tax year, as long as gross turnover does not exceed IDR 4.8 billion in a tax year. Once gross turnover exceeds IDR 500 million, the domestic seller must submit a statement letter containing this information to the appointed e-Commerce marketplace by the end of the relevant month.
 - b. SKB for domestic sellers who possess one.

The PPh 22 collected can be used as a tax credit by the domestic seller. For those under the final tax regime, PPh 22 is treated as part of the final tax payment. If there is a shortfall between the final tax due and the PPh 22 collected under PMK-37, the domestic sellers under final tax regime must self-remit the additional final tax and report it in the Unified Monthly Income Tax Return (*Surat Pemberitahuan Masa Pajak Penghasilan Unifikasi*/"*SPT Masa PPh Unifikasi*"). Failure to do so may result in sanctions under applicable tax regulations.

e-Commerce marketplaces as Tax Collectors

The Other Party appointed to collect PPh 22 is an e-Commerce marketplace, whether residing or domiciled within or outside Indonesia, that uses escrow accounts to hold domestic sellers' income and:

- a. has transaction value with customers in Indonesia exceeding a certain threshold within 12 months; and/or
- b. has traffic or user access exceeding a certain threshold within 12 months.

The Director General of Taxes has been delegated by the MoF to:

- appoint e-Commerce marketplaces as PPh 22 collectors; and
- determine the thresholds mentioned in point a and b above.

The appointed e-commerce marketplace is obligated to collect, remit, and report the tax. Based on the example given, an e-commerce platform appointed as tax collector on 15 August 2025 must begin collecting PPh 22 from 1 September 2025. Whilst on transactions under domestic sellers who submit a statement letter affirming that their current year gross turnover has exceeded IDR 500 million, the tax collection obligation begins at the start of the following month.

e-Commerce marketplaces are still required to collect PPh 22 even if the domestic seller does not submit the required main information.

Tax reporting is carried out under the *SPT Masa PPh Unifikasi*, along with attachments containing:

- a. Main and additional information submitted by domestic sellers as set out in the tax compliance requirement for domestic sellers;

- b. Other details, such as:
 - Name, account name, and/or selected country of the domestic seller;
 - NPWP/Tax Identification Number and/or correspondence address of the appointed e-commerce marketplace;
 - Email address or phone number of the buyer of goods/services;
- c. Invoice information serving as PPh 22 collection tax slip and/or their amendments or cancellations;
- d. PPh 22 amounts collected and remitted.

Tax collection documents

Invoices (including amendments or cancellations, if any) are considered equivalent to PPh 22 collection tax slips for domestic sellers. The invoice must be issued by the domestic seller and generated in the name of the domestic seller through electronic systems provided by the e-Commerce marketplace. It must include at least the following:

- a. invoice number and date;
- b. name of the appointed e-Commerce marketplace;
- c. account name of the domestic seller;
- d. identity of the buyer of goods/services, including name and address;
- e. type of goods/services, total selling price, and discount; and
- f. amount of PPh 22 for each domestic seller.



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