

# TaxFlash

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tax refund

## Stricter rule for preliminary tax refund

On 30 April 2026, the Minister of Finance (MoF) issued PMK-28<sup>1</sup> to revoke previous PMKs<sup>2</sup> relating to the procedures for preliminary refund of tax overpayment.

A preliminary tax refund is available for the following taxpayers:

1. Certain Criteria Taxpayers (also known as Golden Taxpayers),
2. Taxpayers with low refund values (also known as Low Refund-Value Taxpayers),  
and
3. Low-Risk Value Added Tax (VAT)-able Entrepreneurs (also known as Low-Risk Taxpayers).

For a discussion of each of these categories, please refer to our [TaxFlash No. 05/2018](#), [TaxFlash No. 14/2019](#), [TaxFlash No. 04/2022](#), and [TaxFlash No. 06/2025](#).

PMK-28 sets stricter rules on the eligibility as well as provides further elaboration on the administrative procedures. We set out below the noteworthy changes.

### 1. Golden Taxpayers

Taxpayers classified as Golden Taxpayers may be granted a preliminary refund of overpaid Income Tax and/or VAT. This status is determined by the Director General of Taxes (DGT) and applies to taxpayers that:

- a. Consistently file tax returns on time,
- b. Have no outstanding tax liabilities, except those officially approved for instalment or deferral,

1. MoF Regulation No. 28 Year 2026 (PMK-28) dated 30 April 2026 and effective from 1 May 2026

2. MoF Regulation No. 39/PMK.03/2018 as lastly amended by MoF Regulation No. 119 Year 2024 (previous PMKs)

- c. Maintain audited financial statements with an unqualified opinion for three consecutive years and satisfy the following conditions:
- The financial statements must be attached to the Annual Income Tax Return (AITR) submitted prior to the taxpayer's designation as a Golden Taxpayer (*penetapan Wajib Pajak dengan kriteria tertentu*),
  - Receive a pure unqualified opinion (i.e. excluding an unqualified opinion with an explanatory paragraph), – *new*
  - Not constitute restated financial statements arising from accounting errors or data manipulation, supported by a taxpayer declaration confirming compliance with these financial statement criteria (*Surat Pernyataan Pemenuhan Kriteria Laporan Keuangan dari Wajib Pajak/SPPKLKWP*), – *new*
  - Any requests from the tax authority for clarification of fiscal profit or loss data issued within three months prior to the designation must have been adequately addressed in accordance with tax regulations, – *new*
  - Tax audits adjustments for the three preceding fiscal years must not exceed 5% and must have been agreed by the taxpayer or become final and binding, and – *new*
  - The public accountant conducting the audit must comply with the five-year audit engagement limitation under prevailing regulations, supported by an SPPKLKWP, and – *new*
- d. Have not been convicted of any tax crime under a final and binding court verdict and have been registered for tax purposes during the five years preceding their designation as a Golden Taxpayer.

Any breach of the above requirements will result in the revocation of the Golden Taxpayer designation.

To be designated as a Golden Taxpayer, an application must be submitted to the DGT electronically via the Taxpayer Portal no later than 10 January. Upon receipt of the application, the DGT will assess compliance with the applicable criteria and issue either an approval decree or a written rejection notice, which must be issued within 30 working days (i.e. approximately one and a half months, extended from the previous one-month timeframe) from the date of receipt of the application.

## 2. Taxpayers with low refund values

PMK-28 updates the criteria for taxpayers eligible for taxpayers with low refund value as follows:

- a. Individual taxpayers that do not have any business or freelance activities who file an AITR indicating a tax overpayment;
- b. Individual taxpayers that have business or freelance activities who file an AITR indicating a tax overpayment of up to IDR100 million for a part of a tax year or a full tax year;
- c. Corporate taxpayers with annual gross turnover exceeding IDR0 up to IDR50 billion, who file an AITR indicating a tax overpayment of up to IDR1 billion for a part of a tax year or a full tax year; or
- d. VAT-able Entrepreneur (*Pengusaha Kena Pajak/PKP*) who file a Monthly VAT Return indicating an overpayment, with VAT-able delivery exceeding IDR0 up to IDR4.2 billion and indicating a tax overpayment of up to IDR1 billion (previously IDR5 billion) for a tax period.

This PMK clarifies that PKPs that have not made any VAT-able delivery (i.e. still in the pre-production phase) are not eligible to utilise this facility, even if they file a Monthly VAT Return with a tax overpayment amount not exceeding the VAT-able delivery and tax overpayment thresholds specified under point d) above.

#### *Additional requirements for PKP*

PMK-28 now adds a requirement to be examined by the DGT for the preliminary tax refund requested by a PKP with low refund value similar with the requirement for PKP under the Golden Taxpayer and Low-risk PKP category.

The additional requirement, which is applicable for refund requested for tax periods of January to November, is that the PKP must undertake the following activities:

- a. Export activities;
- b. Delivering VAT-able goods and/or services to a VAT Collector; and/or
- c. Delivering VAT-able goods and/or services for which VAT is not collected.

### **3. Low-risk VAT-able Entrepreneurs**

The third category of taxpayers discussed in this TaxFlash is Low-risk VAT-able Entrepreneurs (Low-risk PKP). Low-risk PKP referred to here are those engaged in certain activities that are eligible for preliminary refund for each tax period.

Low-risk PKP include:

- a. Companies whose shares are traded on the stock exchanges in Indonesia;
- b. State-Owned Enterprise (SOE) and Regional-Owned Enterprise;
- c. PKP that have been designated as primary customs partners;
- d. PKP with Authorised Economic Operator status;
- e. Manufacturers or producers other than the VAT-able Entrepreneur referred to in point a-d above that have a place to conduct production activities;
- f. Certain pharmaceutical wholesalers;
- g. Certain distributors of medical equipment; or
- h. Companies more than 50% directly owned by SOE and whose financial statements are consolidated with the parent.

PMK-28 now clearly stipulates that the preliminary refund request by PKPs with low refund value will be processed under the low refund value category, and exclude it from the list of low risk PKP.

As with previous regulations, the Low-risk PKP must undertake the following activities:

- a. Export activities;
- b. Delivering VAT-able goods and/or services to a VAT Collector; and/or
- c. Delivering VAT-able goods and/or services for which VAT is not collected.

During the tax period requested for preliminary refund (including at the end of the book year), the above activities must at least represent 80% of the total value of:

- a. Delivery of VAT-able goods/services, excluding delivery of exempted VAT-able goods/services and/or non-VAT-able goods/services; and
- b. Export activities.

PMK-28 also adds that if a Low-risk PKP is late to file its Monthly VAT Return within the last 12 months, the Low-risk PKP status will be revoked.

#### 4. Other provisions

- a. Where a Golden Taxpayer is also classified as a Low-Risk Taxpayer and files a VAT Return with a preliminary refund request, the applicable procedures depend on the tax period:
  - For the January to November periods, the rules for Low-Risk Taxpayers apply, and
  - For the December period, the rules for Golden Taxpayers apply.
  
- b. An AITR for individuals indicating a tax overpayment does not qualify as a request for a preliminary tax refund where the overpayment does not represent a genuine tax overpayment. Such non-refundable overpayments include those arising from:
  - Rounding differences in the DGT administration system,
  - Income tax borne by the Government, or
  - Reporting errors, such as incorrect inclusion of Article 21 tax, improper tax credit claims (including final tax credits offset against non-final income), or inconsistencies between reported income and tax credits.

For such AITRs:

- No refund claim may be submitted,
  - The tax authority will not conduct a review or audit for refund purposes, and
  - The taxpayer will instead receive a notification confirming that no tax overpayment exists.
- c. The DGT may revoke a preliminary tax refund approval (*Surat Keputusan Pengembalian Pendahuluan Kelebihan Pajak/SKPPKP*) where there is information that the taxpayer is subject to a preliminary evidence examination (*Pemeriksaan Bukti Permulaan*) or a tax crime investigation (*Penyidikan tindak pidana di bidang perpajakan*), provided that the refund payment order (*Surat Perintah Membayar Kelebihan Pajak/SPMKP*) has not yet been issued. If an SKPPKP has already been followed by a tax refund payment decree (*Surat Keputusan Pengembalian Kelebihan Pembayaran Pajak/SKPKPP*), the revocation of the SKPPKP must be accompanied by the cancellation of the SKPKPP.

#### 5. Transitional provisions

Upon the entry into force of PMK-28 (i.e. 1 May 2026):

- All prior Golden Taxpayer designations issued under previous regulations are revoked,
- Affected taxpayers may reapply between 1 and 10 June 2026 (or by the standard deadline) and will be reassessed within 30 working days (approximately one and a half months) from the date of application submission, provided they meet the new requirements under PMK-28,
- Pending preliminary refund applications submitted by Golden Taxpayers prior to 1 May 2026 for which no SPMKP has been issued will be processed under PMK-28, and
- Pending applications from Low Refund-Value Taxpayers and Low-Risk Taxpayers submitted prior to 1 May 2026 will continue to be processed under the previous regulations.

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