The Administration of Tax Treaty Benefits in Indonesia

Minister of Finance Regulation No. 112 of 2025

30 July 2026

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03

The Current The Implementation of Treaty Benefits
Minister of Finance Reg. No. 112 of 2025

Part 02

Administrative Procedure

Administrative Procedure

01

CERTIFY

The non-resident completes Form DGT, certified by the CA of the treaty partner or a certificate of residence. The form covers a period of up to twelve months.

02

VERIFY

The withholding agent verifies the form, submits it through the Taxpayer Portal, and receives an e-receipt, which it then be provided to the non-resident.

03

RELY

The e-receipt establishes entitlement for each subsequent payment within the covered period. Each subsequent withholding agent verifies before applying the treaty rate.

DGT Form: Taxpayer's Statement

Tax Subject

Not a Domestic Tax Subject

Resident

Resident of the DTA Partner

No Treaty Abuse

Is a Beneficial Ownership; has economic substance; legal and economic alignment; adequate management, assets, employee; has active business; No main objective obtaining tax benefits

Part 03

Anti Avoidance Rules

Rules Based on DTA and MLI

Anti Avoidance Rules

Beneficial Owner
Not an Agent, Nominee, or Conduit
Has control over the income

Dividend Transfer Transaction
Owns certain %
365-day ownership.

Indirect Transfer of Immovable Property
Immovable Property Threshold
365 days period.

Avoidance of PE status
Construction, Agent, Preparatory Auxiliary.

Limitation on Benefits
Resident, Income ownership, shares ownership.

Principal Purpose Test/Main Purpose Test
10 considerations.

In Any Avoidance Case, DGT determines the tax owed in accordance with the Income Tax

Part 04

Observations for Consideration

Observations for Consideration

Continuous alignment to best practices and global standards

Streamlining the procedure upon the certainty for taxpayers

Anti avoidance measures that reflects matching responses to evolving risks on tax treaties

THANK YOU