

GOVERNMENT REGULATION OF THE REPUBLIC OF INDONESIA
NUMBER 100 OF 2013
ON
AMENDMENT TO GOVERNMENT REGULATION NUMBER 16 OF 2009
ON INCOME TAX ON INCOME IN THE FORM OF BOND INTEREST

BY THE BLESSINGS OF ALMIGHTY GOD,

PRESIDENT OF THE REPUBLIC OF INDONESIA,

- Considering : a. that in order to encourage the development of mutual fund in Indonesia, as well as to increase the role of mutual fund to absorb bond and increase the liquidity of bond market in Indonesia, it is necessary to amend Government Regulation Number 16 of 2009 on Income Tax on Income in the Form of Bond Interest;
- b. that based on the considerations as referred to in point a, it is necessary to issue a Government Regulation on Amendment to Government Regulation Number 16 of 2009 on Income Tax on Income in the Form of Bond Interest.
- Observing : 1. Article 5 section (2) of the 1945 Constitution of the Republic of Indonesia ;
2. Law Number 36 of 2008 on Fourth Amendment to Law Number 7 of 1983 on Income Tax (State Gazette of the Republic of Indonesia of 2008 Number 133, Supplement to the State Gazette of the Republic of Indonesia Number 4893);

3. Government Regulation Number 16 of 2009 on Income Tax on Income in the Form of Bond Interest (State Gazette of the Republic of Indonesia of 2009 Number 33, Supplement to the State Gazette of the Republic of Indonesia Number 4982).

HAS DECIDED:

To enact : GOVERNMENT REGULATION ON AMENDMENT TO GOVERNMENT REGULATION NUMBER 16 OF 2009 ON INCOME TAX ON INCOME IN THE FORM OF BOND INTEREST

Article I

Some provisions in Government Regulation Number 16 of 2009 on Income Tax on Income in the Form of Bond Interest (State Gazette of the Republic of Indonesia of 2009 Number 33, Supplement to the State Gazette of the Republic of Indonesia Number 4982) are amended as follows:

1. Provisions of Article 2 section (2) are amended and 1 (one) section is added, namely section (3), so Article 2 to be read as follow:

Article 2

- (1) Income received and/or earned by a Taxpayer in the form of Bond Interest is subject to final Income Tax withholding.
- (2) The provisions as referred to in section (1) do not apply if the recipient of the income in the form of Bond Interest are:
 - a. Taxpayer of Pension fund whose its establishment has been authorized by Minister of Finance and fulfills the requirements as regulated in Article 4 section (3) point h of Law Number 7 of 1983 on Income Tax as amended several times, last by Law Number 36 of 2008 on The Fourth Amendment to Law Number 7 1983 on Income Tax; and

- b. Taxpayer of bank established in Indonesia or foreign bank branches in Indonesia.
 - (3) Income in the form of Bond Interest received and/or earned by a Taxpayer as referred to in section (2) point b, subject to Income Tax based on general tariff according to Law Number 7 on 1983 on Income Tax as amended several times by Law Number 36 of 2008 on the Fourth Amendment of Law Number 7 of 1983 on Income Tax.
2. Provisions of Article 3 point d number 1) are deleted, number 2) and number 3) are amended, so Article 3 to be read as follows:

Article 3

The amount of the Income Tax as referred to in Article 2 section (1) is:

- a. interest from Bond with coupons in the amount of:
 - 1) 15% (fifteen percent) for domestic Taxpayer and permanent establishment; and
 - 2) 20% (twenty percent) or in accordance with the tariff based on double tax treaty for foreign Taxpayer other than permanent establishment, of the gross amount of interest in accordance with the tenure of the Bond;
- b. discount from Bond with a coupon of in the amount of:
 - 1) 15% (fifteen percent) for domestic Taxpayer and permanent establishment; and
 - 2) 20% (twenty percent) or in accordance with the tariff based on double tax treaty for foreign Taxpayer other than permanent establishment, from the difference in selling price or nominal value above the acquisition price of the Bond, excluding current interest;
- c. discount from interest-free Bond in the amount of:
 - 1) 15% (fifteen percent) for domestic Taxpayer and permanent establishment; and

- 2) 20% (twenty percent) or in accordance with the tariff based on double tax treaty for foreign Taxpayer other than permanent establishment, from the difference in selling price or nominal value above the acquisition price of the Bond; and
- d. interest and/or discount of Bond received and/or obtained by mutual fund Taxpayer registered at the Financial Services Authority in the amount of:
- 1) Deleted;
 - 2) 5% (five percent) from 2014 to 2020; and
 - 3) 10% (ten percent) from 2021 and so on.

Article II

This Government Regulation comes into force on the date of promulgation.

In order that every person may know hereof, it is ordered to promulgate this Government Regulation placing it in the State Gazette of the Republic of Indonesia.

Issued in Jakarta,
on 31 December 2013

PRESIDENT OF THE REPUBLIC OF INDONESIA,

signed

DR. H. SUSILO BAMBANG YUDHOYONO

Promulgated in Jakarta,
on 31 December 2013

MINISTER OF LAW AND HUMAN RIGHTS
OF THE REPUBLIC OF INDONESIA,

signed

AMIR SYAMSUDIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2013 NUMBER 259

Jakarta, 27 November 2019

Has been translated as an Official Translation
on behalf of Minister of Law and Human Rights
of the Republic of Indonesia

DIRECTOR GENERAL OF LEGISLATION,



WIDODO EKATJAHJANA

ELUCIDATION
OF
GOVERNMENT REGULATION OF THE REPUBLIC OF INDONESIA
NUMBER 100 OF 2013
ON
AMENDMENT TO GOVERNMENT REGULATION NUMBER 16 OF 2009
ON INCOME TAX ON INCOME IN THE FORM OF BOND INTEREST

I. GENERAL

To encourage the development of mutual fund in Indonesia, as well as to increase the role of mutual fund to absorb bond and increase the liquidity of the bond market, it is necessary to amend to Government Regulation Number 16 of 2009 on Income Tax on Income in the Form of Bond Interest.

The main points of the amendment or refinement are adjusting the rates and the period of imposition of Income Tax on Bond Interest received and/or obtained by mutual fund Taxpayer registered at the Financial Services Authority.

II. ARTICLE BY ARTICLE

Article I

Article 2

Section (1)

Sufficiently Clear.

Section (2)

Point a.

Income from capital invested by pension fund is excluded from the tax object in accordance with the provisions of the legislation.

Point b.

Sufficiently Clear

Section (3)

Even though income in the form of Bond Interest received or obtained by a bank Taxpayer in Indonesia and a foreign bank branch in Indonesia is not withheld by Income Tax under this Government Regulation, the income is subject to Income Tax based on tariffs according to Law Number 7 of 1983 on Income Tax as amended several times, last by Law Number 36 of 2008.

Article 3

Point a

The term "Bonds with coupons" is known as interest bearing debt securities.

The term "tenure" is known as holding period.

Point b

The term "walking interest" is known as accrued interest.

Point c

The term " interest-free Bond " is known as the term non-interest bearing debt securities.

Point d

Sufficiently Clear.

Article II

Sufficiently Clear.