

PMK 136 Year 2024 - Effective 1 January 2025

Assessment is required whether your group meets the applicability of GMT threshold and whether there is potential top-up tax exposure.



Dear Precious Clients,

We would like to inform you that the Government of Indonesia has introduced the Global Minimum Tax (GMT)/Pillar Two framework through Ministry of Finance Regulation (PMK) No. 136/2024, effective starting fiscal year 2025. This regulation aligns Indonesia with the OECD BEPS Pillar Two initiative and introduces a minimum effective tax rate of 15% for large multinational enterprise (MNE) groups. This has been earlier communicated to you through our breakfast briefing in June 2025.

Now, the 2025 has passed, and you may wonder whether this new adopted tax regulation will impact your business. In this regard, we would share the important points to consider as described below.

Key Points

- The rules apply to MNE groups with consolidated global revenue of EUR 750 million or more in at least two of the four preceding fiscal years (2021-2024).
- Indonesia has adopted the following mechanisms:
 - Income Inclusion Rule (IIR) – effective 2025
 - Qualified Domestic Minimum Top-Up Tax (QDMTT) – effective 2025
 - Undertaxed Payment Rule (UTPR) – effective 2026
- Companies whose jurisdictional effective tax rate falls below 15% may be subject to a top-up tax, which in many cases will be collected domestically through the QDMTT mechanism.
- Affected groups will be required to prepare GloBE Information Returns (GIR) and supporting jurisdictional calculations, generally within 15 months after fiscal year end (18 months for the first year).

Recommended Immediate Actions

1. Assess whether your group meets the GMT applicability threshold.
2. Perform a preliminary jurisdictional effective tax rate (ETR) analysis to identify potential top-up exposure.
3. Review the impact of existing tax incentives, tax holidays, and group structures under the new GMT regime.
4. Prepare internal systems and data processes required for GloBE reporting and compliance beginning FY 2025.

Kindly advise if you need our assistance with assessments regarding GMT readiness diagnostics, including potential top-up tax exposure, and compliance preparation under PMK 136/2024.

Please feel free to contact us should you require further discussion regarding the potential implications for your group.

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