PRECIOUS CONSULTING

PMK 44/2026 Officially Issued!
Government Expands VAT Collection Network for Cross-Border Digital Transactions

Indonesia Tax News
Highlight
No. 09/2026 | 2 September 2026

The Government has further expanded the Value Added Tax (VAT) collection network for cross-border digital transactions through Minister of Finance Regulation (PMK) Number 49 of 2026 concerning the Tax Collection System for Foreign Digital Transactions (SPP-TDLN). The regulation was enacted on 14 July 2026 and came into effect on 20 July 2026, serving as an implementing regulation of Presidential Regulation Number 68 of 2025 and Article 32A of the General Provisions and Tax Procedures Law (KUP Law).

This enhancement is intended to expand the VAT collection network for the utilization of digital goods and services from overseas, which has so far primarily relied on the appointment of Electronic System-Based Trading (PMSE) providers, by involving payment channel providers (banks and payment institutions) as VAT collectors. In addition to addressing transactions that have previously remained outside the scope of VAT collection, this PMK also aligns tax administration governance with the implementation of the DGT's Coretax system.

Three VAT Collection Channels for Services from Overseas

In principle, the utilization of Intangible Taxable Goods (BKPTB) and/or Taxable Services (JKP) from outside the Customs Territory remains subject to VAT at an effective rate of 11%. Following the issuance of PMK Number 49 of 2026, there are now three collection channels operating in layers, namely:

- **Collection by PMSE Collectors** — foreign businesses/platforms that have been appointed to collect VAT directly at the time of the transaction (PMK 48/2020 as amended by PMK 60/2022 and PMK 81/2024).
- **Collection through the payment channel (SPP-TDLN)** — appointed banks or payment institutions collect VAT on transactions for which VAT has not been collected by the PMSE Collector (PMK 49/2026).

- **Self-assessment / self-payment (PPN JLN)** — taxpayers calculate and pay the VAT themselves when there is no party collecting the VAT (PMK 40/PMK.03/2010)

All three mechanisms target the same taxable objects and apply the same tax rate. The introduction of SPP-TDLN is intended to capture cross-border digital transactions that have previously escaped VAT collection.

Parties Involved and Objects Subject to SPP-TDLN

One of the key aspects to understand under PMK Number 49 of 2026 is the parties involved and the objects subject to collection. In summary, the provisions are as follows:

- SPP-TDLN Operator, namely PT Jalin Pembayaran Nusantara, which has been designated as the system operator pursuant to Article 3 of Presidential Regulation 68/2025.
- Other Party (Issuer), namely banks and non-bank institutions that process buyers' payments, appointed by the Minister of Finance with delegated authority granted to the Director General of Taxes.
- Object of collection, namely the utilization of digital goods and digital services from outside the Customs Territory for which VAT has not been collected by the PMSE Collector.
- The appointment of Issuers does not apply automatically but is carried out through stages of system development and stabilization connected to SPP-TDLN (Article 4). As of August 2026, implementation remains at the pilot stage involving several banks and payment service providers.

Collection Mechanism and Time VAT Becomes Due

- No later than the time of payment authorization, the Issuer submits transaction data to the Operator.
- The Operator provides confirmation no later than 1 (one) business day. VAT becomes due when the confirmation is provided (Article 6).
- The amount of VAT is calculated using the formula 11/111 of the payment amount. The amount is treated as a VAT-inclusive price, resulting in an effective rate of approximately 11% of the amount before VAT (Article 7). For transactions in foreign currencies, conversion uses the Minister of Finance Decree (KMK) exchange rate applicable on the confirmation date.
- Payment is carried out in stages: the Issuer pays the VAT no later than 7 (seven) days from the confirmation date, and the Operator subsequently transfers the payment to the State Treasury.
- The collection evidence, in the form of a VAT collection document issued by the Issuer, including the billing statement (Article 10), constitutes a specific document whose status is equivalent to a Tax Invoice and may therefore be credited, provided that the requirements for input VAT crediting are fulfilled.

- If a transaction is cancelled or it is subsequently determined that VAT should not have been collected, a refund application may be submitted to the Operator through the Issuer (Article 16).

Effective VAT Rate Remains at 11%

Since 1 January 2025, the applicable VAT rate has been 12%. However, for non-luxury goods and services, VAT is imposed on a deemed tax base equal to 11/12 of the transaction value (PMK 131/2024), resulting in an effective VAT rate of 11%. SPP-TDLN achieves an equivalent result through the 11/111 formula applied to the payment amount, which is deemed to include VAT:

Collection Channel	VAT Formula	Illustration
Self-assessment / PPN JLN	12% × (11/12 × amount paid)	Payment of Rp100 million → VAT of Rp11,000,000
PMSE Collection	12% × DPP (11/12 × value, excluding VAT)	Value of Rp100 million → VAT of Rp11,000,000
SPP-TDLN (PMK 49/2026)	11/111 × payment (amount deemed to include VAT)	Payment of Rp111 million → VAT of Rp11,000,000 (equivalent to a net value of Rp100 million)

Luxury goods subject to Luxury Goods Sales Tax (PPnBM) are not relevant in the context of digital services.

Implications for Corporate Taxpayers

PMK Number 49 of 2026 does not provide a specific exemption for business-to-business (B2B) transactions. PMSE Collectors and appointed Issuers will continue to collect VAT from companies. Therefore, the obligation to self-assess and pay VAT only arises when there is no party collecting the VAT, and not merely because the buyer is registered as a Taxable Entrepreneur (PKP). For corporate taxpayers, several matters should be taken into consideration:

- Input VAT may only be credited based on valid collection evidence containing data registered in the DGT's tax administration system.
- Pay attention to the source of the VAT collection evidence: an invoice/billing issued by a platform indicates PMSE collection, whereas a document issued by an Issuer indicates SPP-TDLN collection.
- Avoid duplicate VAT collection or payment on the same transaction.

Matters to Anticipate

- Implementation is being carried out gradually. As of August 2026, the system remains in the testing phase; automatic collection by Issuers will only commence after official appointment and system activation.

- The potential for duplicate PMSE × SPP-TDLN collection on the same transaction has not been explicitly regulated. Therefore, reconciliation and proper documentation are critical.
- Self-assessment (PMK 40/2010) remains a safeguard for transactions for which VAT is not collected by any party.

Steps Companies Can Take

1. **Map All Digital Vendors.** Inventory all overseas digital vendors and subscriptions, including cloud services, SaaS, software licenses, digital advertising, and cross-border services.
2. **Identify the Applicable Collection Channel.** Determine the applicable VAT collection channel for each transaction: PMSE, SPP-TDLN, or self-assessment.
3. **Ensure Collection Evidence Is Properly Archived.** Ensure that valid VAT collection evidence is received and properly archived in accordance with the applicable regulations.
4. **Align Procedures with Coretax.** Adjust Input VAT crediting procedures and VAT Periodic Return (SPT Masa PPN) reporting procedures to the Coretax system.
5. **Establish a Reconciliation Mechanism.** Develop a reconciliation mechanism to prevent duplicate VAT collection.

Conclusion

PMK Number 49 of 2026 does not merely add another VAT collection point for cross-border digital transactions; it also complements the collection architecture previously established through the PMSE regime and self-assessment mechanism. Through a more comprehensive framework, the Government seeks to broaden the tax revenue base without creating additional administrative burdens for consumers.

For corporate taxpayers and tax practitioners, understanding the changes introduced by this PMK is important to ensure that Input VAT crediting and the prevention of duplicate VAT collection remain compliant with the applicable regulations, particularly as implementation continues to take place gradually.

Your PreciousNine Contacts

Ananda Chandra
ananda.chandra@preciousnine.com

Anindita Hayuningtyas
anindita.hayuningtyas@preciousnine.com

Inge Jahja
inge.jahja@preciousnine.com

Lina Rosmiana
lina.rosmiana@preciousnine.com

Michael Husni
michael.husni@preciousnine.com

Noviana Tan
noviana.tan@preciousnine.com

Robertus Winarto
robertus.winarto@preciousnine.com

Dian Kusuma
dian.kusuma@preciousnine.com

Lili Tjitadewi
lili.tjitadewi@preciousnine.com

Martias
martias@preciousnine.com

Nandha
nandha@preciousnine.com

Randy Adirosa
m.adirosa@preciousnine.com

The information in this publication is intended as a general update on particular issues for our partners, staff, and selected clients. Though every care has been taken in the preparation of this publication, no warranty is given regarding the correctness of the information covered herein and no liability is accepted for any misstatement, error, or omission. When a problem arises in practice, specific advice may need to be sought and reference to the relevant regulations may be required.

PreciousNine Consulting

Cyber 2 Tower, 5th Floor
Jl. HR Rasuna Said Blok X-5 Kav. 13,
Jakarta, Indonesia 12950
Phone : +62 21 5799 8778, +62 21 2935 2500
Fax : +62 21 2935 2501
www.preciousnine.com