

Tax Incentives in Special Economic Zones (SEZ/KEK)

Corporate Income Tax Facilities:

1 Tax Holiday

Duration: 10–20 years

Requirement: Investment in primary activities within the Special Economic Zone (KEK) that are aligned with the SEZ theme.

Investment Amount & Facilities:

- Rp100 billion (~USD 6.9 million) → **10 years**
- Rp500 billion (~USD 34.5 million) → **15 years**
- Rp1 trillion (~USD 67 million) → **20 years**

Applicable to 18 pioneer industries (energy, petrochemicals, etc.)

2 Tax Allowance

(for companies not opting for the Tax Holiday)

Granted to sectors beyond the primary activities, in the form of:

- **Net income reduction:** 30% of investment value (5% per year for 6 years)
- **Loss compensation for up to 10 years**
- **Accelerated depreciation & amortization**
- **Dividend tax rate:** 10% or lower (subject to tax treaties)



Other Incentives:

- ✓ **Exemption from VAT, Luxury Tax (PPnBM), and Article 22 Income Tax**
- ✓ **Exemption from Import Duties, PDRI, and Excise**
- ✓ **Local Tax Reduction 50–100%**

Assistance in Utilizing Tax Holiday Incentives

We help companies ensure a smooth application and utilization of Tax Holiday facilities, from planning to reporting.

Scope of Services:

- ✓ **Business & Investment Process Analysis:**
Assess company readiness for Tax Holiday eligibility.
- ✓ **Sustainable Tax Planning:**
Align tax strategy with long-term expansion plans.
- ✓ **Application via BKPM & Tax Authority (DJP):**
Assistance in the administrative submission process.
- ✓ **Implementation & Technical Monitoring:**
Ensure proper use of facilities in accordance with regulations.
- ✓ **Government Reporting:**
Assist in preparing periodic facility usage reports.

Why Us:

- ✓ Experienced consultants in various investment tax cases
- ✓ More efficient processes with minimal administrative risk
- ✓ Strategic approach focused on business sustainability

Ensure you are assisted by experienced experts to optimize the use of investment and tax facilities. *Optional assistance is available in Mandarin for foreign investors.*

👉 **Contact FlazzTax Team:**



+62 821-1192-5036 (Hanin)