# GOVERNMENT REGULATION OF THE REPUBLIC OF INDONESIA NUMBER 15 OF 2022

**ABOUT**

**TREATMENT OF TAXES AND/OR NON-TAX STATE REVENUE IN COAL MINING BUSINESS SECTOR**

**BY THE GRACE OF ALMIGHTY GOD**
**PRESIDENT OF THE REPUBLIC OF INDONESIA,**

## Weigh

a. that to provide legal certainty and business certainty for mining business license holders, special mining business license holders, special mining business license holders as a continuation of contract/agreement operations, and coal mining concession holders in carrying out tax obligations and/or non-tax state revenues taking into account the increase in state revenues, it is necessary to regulate the treatment of taxation and/or non-tax state revenues in the coal mining business sector;

b. that based on the considerations as referred to in letter a and to implement the provisions of Article 31D of Law Number 7 of 1983 concerning Income Tax as amended several times, most recently by Law Number 7 of 2021 concerning Harmonization of Tax Regulations, as well as Article 4 paragraph (3) , Article 7 paragraph (3), and Article 10 paragraph (2) of Law Number 9 of 2018 concerning Non Tax State Revenue, it is necessary to stipulate a Government Regulation concerning Tax Treatment and/or Non-Tax State Revenue in the Coal Mining Business Sector;

## Remember

1. Article 5 paragraph (2) of the 1945 Constitution of the Republic of Indonesia; 2. Law Number 7 of 1983 concerning Income Tax (State Gazette of the Republic of Indonesia of 1983 Number 50, Supplement to the State Gazette of the Republic of Indonesia Number 3263) as amended several times, most recently by Law Number 7 of 2021 concerning Harmonization of Tax Regulations (State Gazette of the Republic of Indonesia) Indonesia Year 2021 Number 246, Supplement to the State Gazette of the Republic of Indonesia Number 6736);

3. Law Number 9 of 2018 concerning Non-Tax State Revenue (State Gazette of the Republic of Indonesia of 2018 Number 147, Supplement to the State Gazette of the Republic of Indonesia Number 6245);

4. Law Number 4 of 2009 concerning Mineral and Coal Mining (State Gazette of the Republic of Indonesia of 2009 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 4959) as amended by Law Number 3 of 2020 concerning Amendments to Law Number 4 of 2009 concerning Mineral and Coal Mining (State Gazette of the Republic of Indonesia of 2020 Number 147, Supplement to the State Gazette of the Republic of Indonesia Number 6525);

**DECIDE:**

## Set

GOVERNMENT REGULATION CONCERNING TREATMENT OF TAXES AND/OR NON-TAX STATE REVENUE IN COAL MINING BUSINESS SECTOR.

### CHAPTER I
### GENERAL REQUIREMENTS

### article 1

In this Government Regulation what is meant by:

1. Coal is a naturally occurring carbonaceous organic compound deposit from plant residues.

2. Coal Mining is the mining of carbon deposits found in the earth, including solid bitumen, peat, and asphalt rock.

3. Coal Mining Business, hereinafter referred to as Mining Business, is an activity within the framework of Coal exploitation which includes the stages of general investigation, exploration, feasibility study,

construction, mining, development and/or utilization, transportation and sales, as well as post-mining activities.

4. Production Operation is the stage of Mining Business activity which includes construction, mining, processing and/or refining or development and/or utilization, including transportation and sales, as well as means of controlling environmental impacts in accordance with the results of a feasibility study.

5. Mining Business Permit, hereinafter referred to as IUP, is a permit to carry out Mining Business. 6. Special Mining Business Permit, hereinafter referred to as IUPK, is a permit to carry out Mining Business in the area of a special mining business permit.

7. IUPK as Continuation of Contract/Agreement Operation is a business license granted as an extension after the completion of the Contract of Work or Coal Mining Concession Work Agreement. 8. Coal Mining Concession Work Agreement, hereinafter referred to as PKP2B, is an agreement between the government and an Indonesian legal entity company to conduct Mining Business activities.

9. Corporate Income Tax is income tax paid by corporate taxpayers in accordance with the provisions of laws and regulations in the field of Income Tax.

10. Non-Tax State Revenue is a levy paid by an individual or entity by obtaining direct or indirect benefits for services or utilization of resources and rights obtained by the state, based on laws and regulations, which become central government revenues apart from tax and grant receipts and managed in the mechanism of the state revenue and expenditure budget.

11. Reference Coal Price, hereinafter abbreviated as HBA, is the price obtained from the average Coal price index in the previous month.

## Section 2

The regulations in this Government Regulation apply to:

a. IUP holders;

b. IUPK holders;

c. IUPK holders as Continuation of Contract/Agreement Operations;

d. PKP2B holders whose contracts are regulated in terms of Income Tax obligations based on the said PKP2B; and

e. PKP2B holders whose contracts are regulated by the provisions of Income Tax obligations in accordance with the provisions of laws and regulations in the field of Income Tax, in the field of Mining Business.

### CHAPTER II
### INCOME TAX TREATMENT

### Part One
### Income Tax Subject

## Article 3

Income Tax provisions as regulated in this Government Regulation apply to taxpayers holding IUP, IUPK, IUPK as Continuation of Contract/Agreement Operations, or PKP2B as referred to in Article 2 letter a, letter b, letter c, and letter e.

### The second part
### Tax Object and Income Calculation

## Article 4

(1) The object of tax in the field of Mining Business is income received or earned by taxpayers in the field of Mining Business in connection with:

a. income from business; and

b. income from outside

by name and in any form.

(2) Income from business as referred to in paragraph (1) letter a is income received or obtained from the sale/transfer of its production results.

(3) The income from business as referred to in paragraph (2) must be calculated using the higher price between:

a. the lower price between the Coal benchmark price or the Coal price index at the time of the transaction; and

b. the actual or supposed price received or obtained by the seller.

(4) In certain cases, the income from the business as referred to in paragraph (2), the calculation of the income must use the price in accordance with the provisions of the laws and regulations in the Mineral and Coal sector.

(5) The benchmark price of Coal at the time of the transaction as referred to in paragraph (3) is the benchmark price of Coal in accordance with the provisions of the laws and regulations in the Mineral and Coal sector.

(6) In the event that Coal does not have a Coal benchmark price or Coal price index as referred to in paragraph (3) letter a, the income from the business as referred to in paragraph (2) shall be calculated using the actual or supposed price received or obtained by the seller as referred to in paragraph (3 ) letter b.

(7) The treatment of income from outside the business as referred to in paragraph (1) letter b is carried out in accordance with the provisions of the legislation in the field of Income Tax.

**Part Three**
**Calculation of Taxable Income**

## Article 5

(1) The amount of taxable income for the taxpayer as referred to in Article 3 is determined based on the gross income that is the object of tax as referred to in Article 4, less costs for obtaining, collecting, and maintaining income in accordance with the provisions of laws and regulations in the field of Income Tax.

(2) Costs to obtain, collect, and maintain income as referred to in paragraph (1), including: a.
the cost of general investigation activities;

b. cost of exploration activities;

c. cost of feasibility study activities;

d. cost of production operation activities;

e. post-mining activity costs;

f. depreciation and/or amortization of expenses to acquire tangible assets and/or intangible assets that are owned and used to earn, collect and maintain income and amortization of expenses to obtain rights and other costs that have a useful life of more than 1 (one) years in accordance with the provisions of laws and regulations in the field of Income Tax;

g. replacement or remuneration in connection with work or services provided in kind and enjoyment in accordance with the provisions of laws and regulations in the field of Income Tax; h. costs incurred in the context of the obligation of Non-Tax State Revenue in accordance with the provisions of the legislation in the field of Non-Tax State Revenue;

i. reserve for reclamation costs in accordance with the provisions of the legislation in the field of Income Tax;

j. flower;

k. donations in the context of national disaster management;

l. donations in the context of research and development;

m. donation of educational facilities;

n. contribution in the framework of athletics construction; and

o. social infrastructure development costs.

## Article 6

Expenditures and/or costs that may not be deducted in determining the amount of taxable income for the taxpayer as referred to in Article 3 in accordance with the provisions of the legislation in the field of Income Tax.

## Article 7

Provisions regarding the procedure for calculating net income, compensation for losses, taxable income, and

tariffs for taxpayers as referred to in Article 3 shall be implemented in accordance with the provisions of laws and regulations in the field of Income Tax.

## Part Four
## Calculation of Depreciation and Amortization and Recognition of the Book Value of Tangible and Intangible Assets

### Article 8

(1) In the event that the taxpayer as referred to in Article 3 undertakes the exploration activity stage, the expenditure which has a useful life of more than 1 (one) year is capitalized and then amortized. (2) The amortization as referred to in paragraph (1) is carried out since the month of the Production Operation stage of activity is approved by the minister in charge of government affairs in the energy and mineral resources sector or the governor in accordance with his/her competence, the calculation is carried out during the period of the permit or contract and calculated on a pro-rata basis or using the unit of production method.

(3) In the event that the taxpayer as referred to in Article 3 carries out further exploration activities at the Production Operation stage, the expenditure for such activities shall be charged as expenses with the following provisions:

a. has a useful life of more than 1 (one) year charged through depreciation or amortization; or b. have a useful life of less than 1 (one) year are charged at the time the expenditure is incurred. (4) In the case of the taxpayer as referred to in Article 3:

a. have more than one license for Mining Business; and

b. carry out the stages of activities prior to the Production Operation and the stages of the Production Operation activities,

expenditures for the activity stages prior to Production Operation are capitalized and amortized in accordance with the provisions as referred to in paragraph (2) and expenditures for the stages of Production Operation activities are charged as costs under the provisions as referred to in paragraph (3).

### Article 9

(1) Expenditures to acquire tangible assets:

a. which is still owned; or

b. which have become state property in accordance with PKP2B,

by the IUPK holder as a Continuation of Contract/Agreement Operation as referred to in Article 2 letter c and used to obtain, collect, and maintain income which has a useful life of more than 1 (one) year prior to the issuance of the IUPK as a Continuation of Contract/Agreement Operation and has been depreciated in accordance with provisions in the PKP2B, are depreciated at the same time in the tax year the IUPK is issued as a Continuation of Contract/Agreement Operations.

(2) Expenditures to acquire tangible assets by IUPK holders as Continuation of Contract/Agreement Operations as referred to in Article 2 letter c which are owned and used to obtain, collect and maintain income which have a useful life of more than 1 (one) year after the issuance of the IUPK as Continuation of Contract Operations / Agreement, is depreciated in accordance with the provisions of the legislation in the field of Income Tax.

(3) Expenditures to acquire intangible assets that are still owned by IUPK holders as Continuation of Contract/Agreement Operations as referred to in Article 2 letter c, and are used to obtain, collect, and maintain income which has a useful life of more than 1 (one) year prior to the issuance of the IUPK as Continuation of Contract/Agreement Operations and has been amortized in accordance with the provisions in the PKP2B, will continue to be amortized in accordance with the provisions in the PKP2B in the tax year the IUPK is issued as Continuation of Contract/Agreement Operations.

(4) If the expenditure to obtain intangible assets, which is owned by the IUPK holder as a Continuation of Contract/Agreement Operation as referred to in Article 2 letter c, and is used to obtain, collect and maintain income before the issuance of the IUPK as a Continuation of Contract/Agreement Operation still has a remaining useful life of the assets. in the following year after the issuance of the IUPK as a Continuing Operation of the Contract/Agreement, the remaining value of the benefits of the assets is amortized in accordance with the provisions of the laws and regulations in the field of Income Tax by taking into account the remaining useful life.

(5) The amortization as referred to in paragraph (4) is carried out based on the remaining book value of the intangible assets concerned at the beginning of the tax year after the issuance of the IUPK as Continuation of Contract/Agreement Operations.

(6) If the remaining useful life of the intangible asset as referred to in paragraph (4) ends in the following year after the issuance of the IUPK as a Continuation of Contract/Agreement Operation, the remaining book value of the intangible asset is amortized in its entirety in the following tax year after the issuance of the IUPK as a Continuation of Contract/Agreement Operation. .

(7) Expenditures to acquire intangible assets by IUPK holders as Continuation of Contract/Agreement Operations as referred to in Article 2 letter c, and are used to obtain, collect and maintain income which has a useful life of more than 1 (one) year after the issuance of the IUPK as Continuation of Contract Operations / Agreement, amortized in accordance with the provisions of laws and regulations in the field of Income Tax.

## Part Five
## Contributions and/or Costs in the Mining Business

### Article 10

(1) Donations and/or fees as referred to in Article 5 paragraph (2) letter k, letter l, letter m, letter n, and letter o, issued by taxpayers in the field of Mining Business are:

a. donations in the context of national disaster management, which are donations for victims of national disasters submitted through disaster management agencies or institutions/parties that have obtained permission from the competent agencies/institutions;

b. donations in the context of research and development, which are contributions to research and development carried out in the territory of the Republic of Indonesia, which are submitted through research and development institutions;

c. donation of educational facilities, which are donations in the form of educational facilities delivered through educational institutions;

d. donation in the context of sports development, which is a contribution to fostering, developing, and coordinating an organization or a combination of sports branches/types of achievement delivered through a sports coaching institution; and

e. social infrastructure development costs are costs incurred for the purpose of providing facilities and infrastructure for the public interest including in the health sector and are non-profit through institutions engaged in community development and development.

(2) The institution that receives the submission of donations and/or fees as referred to in paragraph (1) letter b, letter c, letter d, and/or letter e must involve the Government and/or Regional Government.

(3) The provisions regarding the procedures for the involvement of the Government and/or Regional Government as referred to in paragraph (2) shall be regulated by a Regulation of the Minister of Finance.

### Article 11

Provisions regarding the requirements for the amount of contribution and/or deductible costs, recording and reporting of donations and/or costs as referred to in Article 10 which can be deducted from gross income in accordance with the provisions of laws and regulations concerning contributions to national disaster management, research and development contributions , donations of educational facilities, donations of sports coaching, and costs of social infrastructure development which can be deducted from gross income.

## Part Six
## The Comparison between the Company's Debt and Equity for the Purpose of Calculation of Income Tax

### Article 12

For the purposes of calculating Income Tax, the determination of the amount of the ratio between debt and capital as well as borrowing costs that can be taken into account in calculating taxable income for taxpayers in the Mining Business sector is carried out in accordance with the provisions of laws and regulations in the field of Income Tax.

## BAB III
## LIABILITY WITH INCOME TAX WITHHOLDING AND/OR COLLECTION

### Article 13

The taxpayer as referred to in Article 2 is obliged to fulfill the obligation to withhold and/or collect Income Tax in accordance with the provisions of the legislation in the field of Income Tax.

## CHAPTER IV
## TREATMENT OF TAXATION AND/OR NON-TAX STATE REVENUE FOR IUP, IUPK, AND PKP2B HOLDERS

### Article 14

(1) For holders of IUP as referred to in Article 2 letter a and IUPK as referred to in Article 2 letter b, the following applies:

a. tax provisions, excluding Income Tax; and

b. Non-tax revenue,

in accordance with the provisions of the legislation.

(2) For PKP2B holders, the provisions of taxation and Non-Tax State Revenue shall apply in accordance with the provisions of the PKP2B until the end of the PKP2B period.

## BAB V
## TREATMENT OF TAXATION AND/OR NON-TAX STATE REVENUE FOR IUPK HOLDERS AS CONTINUATION OF CONTRACT/AGREEMENT OPERATIONS

### Article 15

IUPK holders as Continuation of Contract/Agreement Operations whose contracts expire no later than 2025 consist of:

a. IUPK holders as Continuation of Contract/Agreement Operations originating from PKP2B holders as referred to in Article 2 letter d;

b. IUPK holders as Continuation of Contract/Agreement Operations originating from PKP2B holders as referred to in Article 2 letter e.

### Article 16

(1) For IUPK holders as Continuation of Contract/Agreement Operations as referred to in Article 15 letter a, the following provisions on taxation, Non-Tax State Revenue and regional income apply: a. fixed fee rate in accordance with the provisions of the legislation in the field of Non-Tax State Revenue at the Ministry of Energy and Mineral Resources in force at the time the IUPK as Continuation of Operation Contract/Agreement is issued;

b. production fee or royalty rates in accordance with the provisions of the legislation in the field of Non-Tax State Revenue at the Ministry of Energy and Mineral Resources;

c. tariff for utilization of ex-PKP2B state-owned goods from production per tonne is calculated based on the formula 0, 2 1 % multiplied by the selling price;

d. the rate of Non-Tax State Revenue in the form of sales of mining products per ton is calculated based on the following provisions/formulas:

1. for the sale of Coal as referred to in Article 4 paragraph (3):

a) HBA < USD 70 (seventy) per tonne, (14% (fourteen percent) multiplied by the selling price) minus the tariff for production fees or royalties minus the tariff for the utilization of state-owned goods ex-PKP2B from the production per ton;

b) HBA USD 70 (seventy) per ton up to < USD 80 (eighty) per tonne, (17% (seventeen percent) multiplied by selling price) minus tariffs on production fees or royalties less tariffs on utilization of state property ex-PKP2B from production yield per tonne;

c) HBA USD 80 (eighty) per ton up to < USD 90 (ninety) per ton, (23% (twenty three percent) multiplied by the selling price) minus the tariff for production fees or royalties minus the tariff for the use of state property ex-PKP2B of production per tonne;

d) HBA USD 90 (ninety) per ton up to < USD 100 (one hundred) per ton, (25% (twenty five

percent) rate multiplied by the selling price) minus the production fee or royalty rate minus the tariff for the utilization of state property ex-PKP2B from production per tonne;

e) HBA USD 100 (one hundred) per tonne, (tariff of 28% (twenty eight percent) multiplied by the selling price) minus the rate of production fees or royalties minus the tariff for utilization of state-owned goods ex-PKP2B from production per ton;

2. for the sale of Coal as referred to in Article 4 paragraph (4):

(14% (fourteen percent) multiplied by the selling price) minus the tariff for production fees or royalties minus the tariff for the utilization of state-owned goods ex-PKP2B from the production per tonne.

e. Non-Tax State Revenue in the form of the central government's share of 4% (four percent) of the net profit of IUPK holders as Continuation of Contract/Agreement Operations in accordance with the provisions of laws and regulations in the field of Mineral and Coal Mining at the time the IUPK as Continuation of Contract/Agreement Operations is issued;

f. Non-Tax State Revenue in the environment and forestry sector in accordance with the provisions of the laws and regulations in the field of Non-Tax State Revenue in force at the time the IUPK as Continuation of Operation Contract/Agreement is issued;

g. Corporate Income Tax rate of 22% (twenty two percent);

h. land and building tax in accordance with the provisions of laws and regulations in the field of Land and Building Tax in force at the time the IUPK as Continuation of Operation Contract/Agreement is issued; and

i. the regional government's share of 6% (six percent) of the net profit of the IUPK holder as a Continuation of Operation Contract/Agreement in accordance with the provisions of the legislation in the field of Mineral and Coal Mining at the time the IUPK as Continuation of Operation Contract/Agreement is issued,

until the IUPK period as a Continuation of Contract/Agreement Operation ends.

(2) For IUPK holders as Continuation of Contract/Agreement Operations as referred to in Article 15 letter b, the following provisions on taxation, Non-Tax State Revenue and regional income apply: a. fixed fee rate in accordance with the provisions of the legislation in the field of Non-Tax State Revenue at the Ministry of Energy and Mineral Resources in force at the time the IUPK as Continuation of Operation Contract/Agreement is issued;

b. production fee or royalty rates in accordance with the provisions of the legislation in the field of Non-Tax State Revenue at the Ministry of Energy and Mineral Resources;

c. tariffs on utilization of state-owned goods ex-PKP2B from production per tonne are calculated based on the formula of 0.21% multiplied by the selling price;

d. the rate of Non-Tax State Revenue in the form of sales of mining products per ton is calculated based on the following provisions/formulas:

1. for the sale of Coal as referred to in Article 4 paragraph (3):

a) HBA < USD 70 (seventy) per tonne, (20% (twenty percent) multiplied by the selling price) minus the tariff for production fees or royalties minus the tariff for the utilization of state-owned goods ex-PKP2B from the production per ton;

b) HBA USD 70 (seventy) per ton up to < USD 80 (eighty) per ton, (21% (twenty one percent) multiplied by the selling price) minus the tariff for production fees or royalties minus the tariff for the use of state property ex-PKP2B of production per tonne;

c) HBA USD 80 (eighty) per ton to < USD 90 (ninety) per ton, (22% (twenty two percent) multiplied by the selling price) minus the production fee or royalty rate minus the tariff for the utilization of state property ex-PKP2B of production per tonne;

d) HBA USD 90 (ninety) per ton to < USD 100 (one hundred) per ton, (24% (twenty four percent) multiplied by the selling price) minus the production fee or royalty rate minus the tariff for the utilization of state property ex-PKP2B from production yield per tonne;

e) HBA USD 100 (one hundred) per tonne, (27% (twenty seven percent) multiplied by the selling price) minus the tariff for production fees or royalties minus the tariff for utilization of state-owned goods ex-PKP2B from the production per ton;

2. for the sale of Coal as referred to in Article 4 paragraph (4):

(14% (fourteen percent) multiplied by the selling price) minus the tariff for production fees or royalties minus the tariff for the utilization of state-owned goods ex-PKP2B from the production per tonne.

e. Non-Tax State Revenue in the form of the central government's share of 4% (four percent) of the net profit of IUPK holders as Continuation of Contract/Agreement Operations in accordance with the provisions of laws and regulations in the field of Mineral and Coal Mining at the time the IUPK as Continuation of Contract/Agreement Operations is issued;

f. Non-Tax State Revenue in the environment and forestry sector in accordance with the provisions of the laws and regulations in the field of Non-Tax State Revenue in force at the time the IUPK as Continuation of Operation Contract/Agreement is issued;

g. Corporate Income Tax rate of 22% (twenty two percent);

h. land and building tax in accordance with the provisions of laws and regulations in the field of Land and Building Tax in force at the time the IUPK as Continuation of Operation Contract/Agreement is issued; and

i. the regional government's share of 6% (six percent) of the net profit of the IUPK holder as a Continuation of Operation Contract/Agreement in accordance with the provisions of the legislation in the field of Mineral and Coal Mining at the time the IUPK as Continuation of Operation Contract/Agreement is issued,

until the IUPK period as a Continuation of Contract/Agreement Operation ends.

(3) The selling price as referred to in paragraph (1) letter c and letter d and paragraph (2) letter c and letter d is in accordance with the provisions of the legislation in the field of Non-Tax State Revenue at the Ministry of Energy and Mineral Resources;

(4) The regional government's share of 6% (six percent) as referred to in paragraph (1) letter i and paragraph (2) letter i is regulated with the following details:

a. the provincial government gets a share of 1.5% (one point five percent);

b. the government of the producing regency/city gets a share of 2.5% (two point five percent); and c. other district/city governments within the same province receive a share of 2% (two percent). (5) The net profit of the IUPK holder as Continuation of Contract/Agreement Operation as referred to in paragraph (1) letter e and letter i and paragraph (2) letter e and letter i, is net profit after deducting Corporate Income Tax for IUPK holder as Continuation of Contract/Agreement Operation every year since production based on financial statements that have been audited by an independent auditor or a registered public accounting firm.

(6) When the provisions of taxation, Non-Tax State Revenue, and regional income as referred to in paragraph (1) and paragraph (2) take effect, are as follows:

a. the provision of fixed fee rates as referred to in paragraph (1) letter a and paragraph (2) letter a starting at the beginning of the following calendar year after the year the IUPK is issued as Continuation of Contract/Agreement Operations;

b. provisions on tariffs for utilization of state property ex-PKP2B as referred to in paragraph (1) letter c and paragraph (2) letter c starting at the beginning of the following calendar year after the year the IUPK is issued as Continuation of Contract/Agreement Operations;

c. provisions on the selling rate of mining products per ton as referred to in paragraph (1) letter d and paragraph (2) letter d starting at the beginning of the following calendar year after the year the IUPK is issued as Continuation of Contract/Agreement Operations;

d. provisions on Non-Tax State Revenue in the form of the central government's share as referred to in paragraph (1) letter e and paragraph (2) letter e starting at the beginning of the following calendar year after the year the IUPK is issued as Continuation of Contract/Agreement Operations;

e. the provisions on the Corporate Income Tax rate as referred to in paragraph (1) letter g and paragraph (2) letter g shall come into force from the beginning of the next tax year following the year the IUPK is issued as Continuation of Contract/Agreement Operations;

f. the provisions on land and building tax as referred to in paragraph (1) letter h and paragraph (2) letter h shall come into effect from the next tax year after the year the IUPK is issued as Continuation of Contract/Agreement Operations; and

g. the provisions of the regional government share as referred to in paragraph (1) letter i and paragraph (2) letter i starting at the beginning of the following calendar year after the year the IUPK is issued as Continuation of Contract/Agreement Operations.

(7) In addition to those referred to in paragraphs (1) and (2), provisions on taxation, Non-Tax State Revenue, and regional income for IUPK holders as Continuation of Contract/Agreement Operations, apply as follows:

a. Other Non-Tax State Revenues other than those referred to in paragraph (1) letter a, letter c, letter d, letter e and letter f and paragraph (2) letter a, letter c, letter d, letter e and letter f, in accordance

with provisions of laws and regulations in the field of Non-Tax State Revenue;

b. withholding and collection income tax in accordance with the provisions of laws and regulations in the field of Income Tax;

c. value added tax and/or sales tax on luxury goods in accordance with the provisions of laws and regulations in the field of Value Added Tax on Goods and Services and Sales Tax on Luxury Goods;

d. carbon tax in accordance with the provisions of the legislation in the field of Carbon Tax; e. stamp duty in accordance with the provisions of the legislation in the field of Stamp Duty; f. import duty and export duty in accordance with the provisions of the legislation in the field of Customs;

g. excise duty in accordance with the provisions of the legislation in the field of Excise; and h. regional taxes and regional levies in accordance with the provisions of laws and regulations in the field of Regional Taxes and Regional Levies,

until the IUPK period as a Continuation of Contract/Agreement Operation ends.

(8) When the provisions of taxation, Non-Tax State Revenue, and regional income as referred to in paragraph (7) come into effect as follows:

a. the provisions on value added tax and/or sales tax on luxury goods as referred to in paragraph (7) letter c shall come into force from the beginning of the next tax year after the year the IUPK is issued as Continuation of Contract/Agreement Operations;

b. the provisions on regional taxes and regional levies as referred to in paragraph (7) letter h shall come into force as of the following calendar year after the year the IUPK is issued as Continuation of Contract/Agreement Operations.

## Article 17

(1) For IUPK holders as Continuation of Contract/Agreement Operations as referred to in Article 15, they can maintain bookkeeping using the language and currency in accordance with the provisions stipulated in the PKP2B until the end of the next tax year after the tax year the issuance of the IUPK as Continuation of Contract/Agreement Operations.

(2) For IUPK holders as Continuation of Contract/Agreement Operations as referred to in Article 15, they are required to maintain bookkeeping using the Indonesian language and Rupiah currency starting from the next tax year after the tax year as referred to in paragraph (1), unless they have submitted written notification to maintain books using foreign languages and currencies other than rupiah in accordance with the provisions of laws and regulations in the field of taxation.

(3) Taxpayers are required to keep books, records, and documents that form the basis for bookkeeping or recording and other documents, including the results of data processing from electronically managed books or online application programs in accordance with the provisions of laws and regulations.

(4) In the event that the taxpayer as referred to in Article 3 conducts exploration activities beyond the storage period as referred to in paragraph (3), all books, records, and documents that form the basis for bookkeeping or recording and other documents including the results of data processing from electronically managed bookkeeping or by online application program during the exploration activity stage, must be kept until the Production Operation stage is approved by the minister who administers government affairs in the energy and mineral resources sector or the governor in accordance with his authority or the mining business permit is returned to the Government.

# BAB VI
# RIGHTS AND OBLIGATIONS OF TAXATION AND/OR NON-TAX STATE REVENUE FOR HOLDERS OF IUP, IUPK, IUPK AS CONTINUATION OF CONTRACT/AGREEMENT OPERATIONS, OR PKP2B

## Article 18

(1) In the context of Mining Business activities, holders of IUP, IUPK, IUPK as Continuation of Contract/Agreement Operations, or PKP2B holders may cooperate with:

a. holders of IUP, IUPK, IUPK as Continuation of Contract/Agreement Operations, and/or other PKP2B; and/or

b. parties other than the holders of IUP, IUPK, IUPK as Continuation of Contract/Agreement Operations, and/or PKP2B.

(2) Tax rights and obligations for holders of IUP, IUPK, IUPK as Continuation of Contract/Agreement Operations, or PKP2B conducting cooperation as referred to in paragraph (1), are attached to the

holders of the IUP, IUPK, IUPK as Continuation of the Contract/Agreement Operation, or PKP2B in question. .

(3) Provisions regarding the procedure for imposing, collecting, and paying/depositing Non-Tax State Revenue for holders of IUP, IUPK, IUPK as Continuation of Contract/Agreement Operations, or PKP2B on the rights and obligations of Non-Tax State Revenues are implemented in accordance with the provisions of laws and regulations.

(4) Further provisions regarding tax rights and obligations for holders of IUP, IUPK, IUPK as Continuation of Contract/Agreement Operations, or PKP2B in the framework of cooperation in the field of Mining Business, shall be regulated by or based on a Regulation of the Minister of Finance.

## BAB VII
## TRANSITIONAL TERMS

### Article 19

At the time this Government Regulation comes into force, the provisions on Income Tax for PKP2B holders in which the contract stipulates the provisions for Income Tax obligations based on the PKP2B as referred to in Article 2 letter d shall be implemented based on the provisions in the said PKP2B until the end of the said contract.

### Article 20

At the time this Government Regulation comes into force:

a. for IUPK holders as Continuation of Contract/Agreement Operations as referred to in Article 15, whose licenses are issued:

1. before the coming into force of this Government Regulation but the issuance of the permit was still in the same year as the year of this Government Regulation coming into force; or 2. after the enactment of this Government Regulation,

on tax obligations, Non-Tax State Revenue obligations, import duty exemption or relief facilities and/or value added tax exemptions, and treatment of state property and goods purchased, in the year the IUPK is issued as Continuation of Contract/Agreement Operations, is carried out in accordance with the provisions as referred to in the IUPK as Continuation of Contract/Agreement Operations until the end of the tax year or calendar year.

b. holders of IUPK as Continuation of Contract/Agreement Operations as referred to in letter a who have not completed their rights and obligations of taxation and/or Non-Tax State Revenue before the IUPK as Continuation of Contract/Agreement Operations are issued, must settle their rights and obligations of taxation and/or Non-Tax State Revenues in accordance with the provisions contained in the PKP2B.

### Article 21

At the time this Government Regulation comes into force:

a. for IUPK holders as Continuation of Contract Operations/Agreements whose permits have been issued before the year this Government Regulation comes into effect, to:

1. tax obligations, excluding sales tax on the acquisition of services;

2. obligation of Non-Tax State Revenue;

3. import duty exemption or relief facility and/or value added tax exemption; and 4.

the treatment of state-owned goods and purchased goods,

starting from the issuance of the permit until the end of the tax year or the end of the calendar year prior to the enactment of this Government Regulation, it is carried out in accordance with the provisions as referred to in the IUPK as Continuation of Contract/Agreement Operations.

b. the sales tax obligation on the acquisition of services as referred to in letter a number 1 for IUPK holders as Continuation of Contract/Agreement Operations whose licenses have been issued before the year this Government Regulation comes into force, the following provisions apply: 1. starting from the issuance of the permit until prior to the entry into force of this Government Regulation, it is carried out in accordance with the provisions as referred to in the IUPK as Continuation of Contract/Agreement Operations; and

2. as of the enactment of this Government Regulation, value added tax is imposed in accordance with the provisions as referred to in Article 16 paragraph (7) letter c.

c. for IUPK holders as Continuation of Contract/Agreement Operations whose permits have been issued before the year this Government Regulation comes into effect, the treatment of obligations:

1. Contributions remain valid in accordance with the provisions as referred to in Article 16 paragraph (1) letter a;
2. production fees or royalties apply in accordance with the provisions as referred to in Article 16 paragraph (1) letter b;
3. utilization of state property ex-PKP2B applies in accordance with the provisions as referred to in Article 16 paragraph (1) letter c;
4. Non-Tax State Revenue in the form of sales of mining products applies in accordance with the provisions as referred to in Article 16 paragraph (1) letter d;
5. Non-Tax State Revenue in the form of the central government's share of 4% (four percent) of the net profit applies in accordance with the provisions as referred to in Article 16 paragraph (1) letter e;
6. Non-Tax State Revenue in the environmental and forestry sector shall apply in accordance with the provisions as referred to in Article 16 paragraph (1) letter f;
7. Corporate Income Tax applies in accordance with the provisions as referred to in Article 16 paragraph (1) letter g;
8. land and building tax applies in accordance with the provisions as referred to in Article 16 paragraph (1) letter h;
9. the regional government's share of 6% (six percent) of the net profit applies according to the provisions as referred to in Article 16 paragraph (1) letter i;
10. Other Non-Tax State Revenues other than those referred to in number 1 to number 6 shall apply in accordance with the provisions as referred to in Article 16 paragraph (7) letter a; 11. withholding and collection income tax applies in accordance with the provisions as referred to in Article 16 paragraph (7) letter b;
12. the carbon tax applies in accordance with the provisions as referred to in Article 16 paragraph (7) letter d;
13. stamp duty applies in accordance with the provisions as referred to in Article 16 paragraph (7) letter e;
14. import duties and export duties apply in accordance with the provisions as referred to in Article 16 paragraph (7) letter f;
15. tax applies in accordance with the provisions as referred to in Article 16 paragraph (7) letter g; 16. regional taxes and regional levies apply in accordance with the provisions as referred to in Article 16 paragraph (7) letter h,

starting from the beginning of the tax year or the beginning of the calendar year of the issuance of this Government Regulation until the expiration of the IUPK period as Continuation of Contract/Agreement Operations.

d. for the underpayment of Non-Tax State Revenue as the implementation of the provisions as referred to in letter c number 2 to number 4, the IUPK holder as a Continuation of Contract/Agreement Operation whose license has been issued before the year this Government Regulation comes into force is obligated to deposit all obligations of Non-Tax State Revenue to the Treasury. the State no later than 30 (thirty) calendar days from the date of issuance of the underpayment of non-tax state revenue.

e. in the event that the IUPK holder as a Continuation of Contract/Agreement Operation whose license has been issued before the year this Government Regulation comes into force does not meet the provisions as referred to in letter d, it is subject to administrative sanctions in accordance with the provisions of the legislation in the field of Non-Tax State Revenue.

f. In the event that the holder of an IUPK as Continuation of Operation Contract/Agreement whose permit has been issued before the year this Government Regulation comes into force does not meet the provisions on land and building tax obligations as referred to in letter c number 8, an assessment letter of land and building tax shall be issued in the amount of the tax principal excluding administrative fines. except for administrative fines in the tax bill which are implemented in accordance with the provisions of the legislation in the field of Land and Building Tax.

g. IUPK holders as Continuing Operations of Contracts/Agreements whose licenses have been issued before the year this Government Regulation comes into force, who have not completed their taxation rights and obligations and/or Non-Tax State Revenues, are required to settle their rights and obligations of taxation and/or Non-Tax State Revenues up to the year before the year this Government Regulation comes into effect in accordance with the provisions contained in the PKP2B and/or IUPK as Continuation of Contract/Agreement Operations.

## BAB VIII
## CLOSING

### Article 22

Provisions on the treatment of Income Tax for taxpayers as referred to in Article 2 letter a, letter b, and letter e shall come into force from the beginning of the next tax year after the year this Government Regulation comes into effect.

### Article 23

This Government Regulation comes into force after 7 (seven) days from the date of promulgation.

For public cognizance, it is ordered that this Government Regulation be promulgated by placing it in the State Gazette of the Republic of Indonesia.

Set in Jakarta
on April 11, 2022
PRESIDENT OF THE REPUBLIC OF INDONESIA,
ttd.
JOKO WIDODO

Promulgated in Jakarta
on April 11, 2022
MINISTER OF LAW AND HUMAN RIGHTS
REPUBLIC OF INDONESIA,
ttd.
YASONNA H. LAOLY

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2022 NUMBER 90

## EXPLANATION
## ABOVE

## GOVERNMENT REGULATION OF THE REPUBLIC OF INDONESIA
## NUMBER 15 YEAR 2022

## ABOUT

## TREATMENT OF TAXES AND/OR NON-TAX STATE REVENUE IN COAL MINING BUSINESS SECTOR

### I. GENERAL

In accordance with the provisions of Article 33 paragraph (3) of the 1945 Constitution of the Republic of Indonesia, the earth, water and natural resources contained therein are controlled by the state and used for the greatest prosperity of the people. Considering that Coal as a natural wealth contained in the earth is a non-renewable natural resource, its management needs to be carried out as optimally as possible, efficient, transparent, sustainable and environmentally sound, as well as fair in order to obtain the greatest benefit for the prosperity of the people in a sustainable manner.

The fiscal regime of state revenues for IUP and IUPK holders in the Coal Mining Business sector is regulated in Article 128 of Law Number 4 of 2009 concerning Mineral and Coal Mining as amended by Law Number 3 of 2020 concerning Amendments to Law Number 4 of 2009 concerning Mineral and Coal Mining, that the obligations of state revenues and regional revenues are carried out in accordance with the provisions of laws and regulations. However, related to the IUPK as a Continuation of Contract/Agreement Operation as an extension of the PKP2B, in accordance with the provisions in Article 169A of Law Number 4 of 2009 concerning Mineral and Coal Mining as amended by Law Number 3 of 2020 concerning Amendments to Law Number 4 of 2009 concerning Mineral and Coal Mining, the permit is granted taking into account efforts to increase state revenue. Based on the foregoing, this Government Regulation is intended to re-regulate the imposition of tax revenues and non-tax state

revenues in an effort to increase state revenues.

The main points of regulation in this Government Regulation include general provisions; Income Tax treatment, withholding and/or collection of Income Tax obligations; tax treatment and/or Non-Tax State Revenue for IUP, IUPK, and PKP2B holders; tax treatment and/or Non-Tax State Revenue for IUPK Holders as Continuation of Contract/Agreement Operations; rights and obligations of taxation and/or Non-Tax State Revenue for holders of IUP, IUPK, IUPK as Continuation of Contract/Agreement Operations, or PKP2B; transitional provisions; and closing conditions.

## II. CHAPTER BY ARTICLE

article 1

Quite clear,

Section 2

Quite clear.

Article 3

Quite clear.

Article 4

Sentence (1)

Income which is the object of tax for Mining Business, includes income from the main business and all income from outside the business received or earned by the taxpayer, as long as it is not excluded in accordance with the provisions of laws and regulations in the field of Income Tax. Income received or earned by taxpayers in the field of Mining Business may be in the form of income subject to final and non-final Income Tax in accordance with the provisions of laws and regulations in the field of Income Tax.

Income from outside the business includes, among others, income received or earned from port services.

Sentence (2)

Quite clear.

Sentence (3)

Coal price index refers to:

a. *Indonesian Coal Index/Argus Coalindo;*

b. *New Castle Export Index;*

c. *Globalcoal New Castle Index;*

d. *Platts Inder,*

e. *Energy Publishing Coking Coal Index;*

f. *IHS Markit Index,* and/or

g. Another price index used by the ministry in charge of energy and mineral resources in determining HBA.

Example:
*Based on the Coal sale and purchase agreement at the vessel* selling point agreed between the seller and the domestic buyer, PT A will sell the Coal with the calorific value criteria of 4800 kcal/kg GAR at the following prices:

a. to PT B worth US$60/ton; and

b. to PT C worth US$42.3/ton.

If in the month of sale, Coal with these conditions and criteria:

a. coal benchmark price of US$48.78/ton; and

b. *Indonesian Coal Index* (ICI) price :

- ICI 1 (6500 GAR) of US$104.26/ton.
- ICI 2 (5800 GAR) of US$76.65/tonne.
- ICI 3 (5000 GAR) of US$61.02/ton.
- ICI 4 (4200 GAR) at US$42.00/ton.
- ICI 5 (3400 GAR) of US$26.72/tonne.

The first step to take is to adjust the specifications for the type of Coal starting from calories, total sulfur, ash and total moisture compared to the ICI standard specifications.

Adjusted calorific value 4800 kcal/kg GAR: (4800/5000) x 61.02.

*Indonesian Coal Index* (ICI) calorie price of 4800 kcal/kg GAR: US$58.58/ton.

for:

a. The price used to calculate the income of the taxpayer for IUP PT A from the sale to PT B is US$60/ton with the details of the calculation as follows:

The lowest price between the coal benchmark price and the *Indonesian Coal Index* price (4800 kcal/kg GAR) is the coal benchmark price of US$48.78/ton. The calculation of the income of the taxpayer for IUP PT A from the sale to PT B must use the highest price, namely the actual selling price of US$60/ton compared to the benchmark price of Coal of US$48.78lton.

b. The price used to calculate the income of the taxpayer for IUP PT A from the sale to PT C is US$48.78/ton with the details of the calculation as follows:

The lowest price between the coal benchmark price and the *Indonesian Coal Index* price (4800 kcal/kg GAR) is the coal benchmark price of US$48.78/ton. The calculation of the income of the taxpayer for IUP PT A from the sale to PT C must use the highest price, namely the benchmark price for Coal of US$48.78/ton compared to the selling price to PT C of US$42.3/ton.

Sentence (4)

What is meant by "in certain cases" are among others the sale of Coal:

a. in 1 (one) island in accordance with the provisions of the legislation in the field of Mineral and Coal;

b. certain types and certain needs as regulated in the provisions of laws and regulations in the field of Mineral and Coal;

c. for the fulfillment of domestic needs for which the price of Coal or its formula is determined by the minister who administers government affairs in the field of mineral and coal mining; or

d. for certain other transactions regulated in the provisions of laws and regulations in the Mineral and Coal sector.

Coal "certain types" as referred to in letter b can be in the form of:

a. *fine coal;*

b. *reject coal;*

c. Coal with certain impurities.

Coal for "certain purposes" as referred to in letter b can be in the form of: a. Coal used by the company for its own purposes in the coal mining process; b. Coal used by the company in order to increase the added value of Coal carried out at the mine mouth; and

c. Coal for the development of underdeveloped areas around the mine.

Sentence (5)

Quite clear.

Sentence (6)

Quite clear.

Sentence (7)

Quite clear.

Article 5

Sentence (1)

The costs of obtaining, collecting, and maintaining income are called day-to-day expenses that may be charged in the year of expenditure. In order to be charged as expenses, these expenses must have a direct or indirect relationship with business activities or activities to obtain, collect, and maintain income related to the Mining Business sector.

Thus, expenses to obtain, collect, and maintain income that is not a tax object in accordance with the provisions of the legislation in the field of Income Tax, and/or for income subject to Income Tax, which is final, may not be charged as an expense. Sentence (2)

Letter A

General investigation is the stage of mining activities to determine regional geological conditions and indications of mineralization.

Letter b

Exploration is a stage of Mining Business activities to obtain detailed and accurate information about the location, shape, dimensions, distribution, quality and measurable resources of excavated materials, as well as information on the social and environmental environment.

The letter c

Feasibility studies are the stages of mining business activities to obtain detailed information on all aspects related to determining the economic and technical feasibility of mining businesses, including analysis of environmental impacts and post-mining planning.

The letter d

Production operating costs include repair and maintenance costs, rental payments, transportation and shipping costs, production fees (royals), Non-Tax State Revenue for utilization of state property ex-PKP2B, Non-Tax State Revenue in the form of sales of mining products, processing fees, and Coal development and/or utilization costs.

Huruf e

Post-mining activities are planned, systematic, and continuing activities after the end of part or all of the Mining Business activities to restore the functions of the natural environment and social functions according to local conditions throughout the mining area.

The costs of post-mining activities include the costs of reclamation activities.

The letter f

The scope of the types of tangible assets that can be depreciated is in accordance with generally accepted accounting principles in Indonesia as long as it is not specifically regulated in the provisions of laws and regulations in the field of Income Tax.

The letter g

Reimbursement or remuneration in connection with work or services provided in kind and in kind is basically not an object of taxation and the said replacement or remuneration is not considered an expense that can be deducted from gross income for the employer. However, with the consideration that there is a taxpayer's mining location located in an area where the condition of the facilities and infrastructure is economically inadequate and difficult to reach by public transportation, either by land, sea, or air, so that investors bear a fairly high risk and payback period. relatively long,

The letter h

What is meant by "non-tax state revenue obligations" include but are not limited to:

a. fixed fee;

b. provision of forest resources and reforestation funds; and/or

c. use of forest areas.

The letter i

Reclamation is an activity carried out throughout the stages of the Mining Business to organize, restore, and improve the quality of the environment and ecosystem so that it can function again according to its designation.

Reserves for reclamation costs in this provision include reserves for mine closure which are kept in Indonesian Government commercial bank accounts residing in Indonesia in accordance with the provisions of laws and regulations.

The letter j

Quite clear.

The letter k

Quite clear.

The letter l

Quite clear.

The letter m

Quite clear.

The letter n

Quite clear.

Letters of

Quite clear.

Article 6

What is meant by "expenditures and/or expenses that may not be deducted in determining the amount of taxable income for the taxpayer, including the distribution of profits by name and in any form such as dividends.

For IUPK taxpayers and IUPK taxpayers as Continuation of Contract/Agreement Operations, profit sharing in any name and in any form including payments to the central government and local governments from net profits from production by IUPK and IUPK as Continuation of Contract/Agreement Operations in accordance with the provisions of the regulations legislation in the field of Mineral and Coal cannot be deducted from gross income.

Article 7

Quite clear.

Article 8

Sentence (1)

Quite clear.

Sentence (2)

Quite clear.

Sentence (3)

What is meant by "continued exploration" is an activity to increase the confidence status of geological data and information in the form of resources and/or reserves at the production operation stage.

Sentence (4)

Quite clear.

Article 9

Quite clear.

Article 10

Sentence (1)

Letter A

What is meant by "national disaster" is an event or series of events that threaten and disrupt people's lives and livelihoods caused, either by natural factors and/or non-natural factors as well as human factors, resulting in human casualties,

environmental damage, loss of property. , and psychological impact, which is determined by the Central Government.

What is meant by "disaster management agency" is an agency designated by the government to accommodate, distribute and/or manage donations related to national disasters in accordance with the provisions of legislation in the field of disaster management.

Letter b

What is meant by "research" is an activity carried out according to scientific principles and methods in a systematic way to obtain information, data and information relating to understanding and proving the truth or untruth of an assumption and/or hypothesis in the field of science and technology as well as drawing scientific conclusions for the need for scientific and technological progress, including research in the arts and culture.

What is meant by "development" is the activity of science and technology aimed at utilizing scientific principles and theories that have been proven correct to improve the functions, benefits, and applications of existing science and technology, or to produce technology.

What is meant by "research and development institute" is an institution established with the aim of conducting research and development activities in Indonesia including accredited tertiary institutions in accordance with the provisions of the legislation.

The letter c

What is meant by "educational facilities" are facilities and infrastructure used for educational activities including scouting education, sports, and educational programs in the field of national arts and culture.

What is meant by "educational institution" is an institution engaged in education, including sports, arts, and/or culture education, both primary and secondary education registered with the education office or accredited tertiary institutions in accordance with the provisions of the legislation.

The letter d

What is meant by "sports development institution" is a sports organization that fosters, develops, and coordinates one or a combination of sports organization branches/types of achievement.

What is meant by "achievement sport" is a sport that fosters and develops athletes in a planned, tiered, and sustainable way through competition to achieve achievement with the support of sports science and technology.

Letter e

Quite clear.

Sentence (2)

Quite clear.

Sentence (3)

Quite clear.

Article 11

Quite clear.

Article 12

Quite clear.

Article 13

Quite clear.

Article 14

Quite clear.

Article 15

Quite clear.

Article 16

Sentence (1)

Based on the laws and regulations in the field of Mineral and Coal Mining, provisions regarding state revenues related to IUPK holders as Continuation of Contract/Agreement Operations for PKP2B which expire no later than 2025 are carried out in an effort to increase state revenues.

Example: tax obligations and Non-Tax State Revenue that apply at the time the IUPK as Continuation of Operation Contract/Agreement is issued:

PT A signed a PKP2B in which the contract stipulates the provisions for Income Tax obligations based on the said PKP2B on December 30, 1983, carried out Production Operations on March 2, 1993 and the term of the PKP2B period ended on March 1, 2025. Based on the provisions of the laws and regulations in the Mineral sector and Coal, the Minister of Energy and Mineral Resources approved the IUPK as a Continuation of Operation Contract/agreement in which the Production Operation permit of PT A was stipulated on March 2, 2023 and granted an extension for a period of 10 (ten) years until March 1, 2033 and can be extended in accordance with the provisions of the legislation. Tax provisions, Non-Tax State Revenue,

Sentence (2)

Quite clear.

Sentence (3)

Quite clear.

Sentence (4)

Quite clear.

Sentence (5)

What is meant by "independent auditor or registered public accounting firm" is an independent auditor or public accounting firm registered with the office of the Financial Audit Board or the Financial Services Authority.

Sentence (6)

Quite clear.

Sentence (7)

Quite clear.

Sentence (8)

Quite clear.

Article 17

Sentence (1)

Example:

PT A signed a PKP2B in which the contract stipulates the provisions for Income Tax obligations based on the said PKP2B on December 30, 1983, carried out Production Operations on March 2, 1993 and the period of the PKP2B ended on March 1, 2023. In accordance with the PKP2B, PT A kept the books of account using English and United States Dollar currency. Based on the provisions of the laws and regulations in the Mineral and Coal sector, the Minister of Energy and Mineral Resources grants IUPK approval as a Continuation of Contract/Agreement Operation where the Production Operation permit of PT A is stipulated on March 2, 2023 and is granted an extension for a period of 10 (ten) years. until March 1, 2033 and can be extended in accordance with the provisions of the legislation.

Sentence (2)

Example:

PT A signed a PKP2B in which the contract stipulates the provisions for Income Tax obligations based on the said PKP2B on December 30, 1983, carried out Production Operations on March 2, 1993 and the period of the PKP2B ended on March I, 2023. In accordance with the PKP2B, PT A kept the books of account using English and United States Dollar currency. Based on the provisions of the laws and regulations in the Mineral and Coal sector, the Minister of Energy and Mineral Resources grants IUPK approval as a Continuation of Contract/Agreement Operation where the Production Operation permit of PT A is stipulated on March 2, 2023 and is granted an extension for a period of 10

(ten) years. until March 1, 2033 and can be extended in accordance with the provisions of the legislation.

In the fiscal year 2022 and tax year 2023, PT A can maintain books of account using English and the United States Dollar currency in accordance with the provisions stipulated in the PKP2B. Since the fiscal year 2024, PT A is required to keep books of account using the Indonesian language and Rupiah currency unless PT A has submitted a written notification to maintain books in English and in the United States Dollar currency in accordance with the provisions of the laws and regulations in the field of taxation.

Sentence (3)

Quite clear.

Sentence (4)

Example:

PT B carried out the exploration stage from 2023 and obtained approval to carry out Production Operations in 2032. Based on the provisions for storing documents, books, records, and documents including those organized by online application programs and the results of electronic data processing which are the basis for bookkeeping or recording must kept for 10 (ten) years in Indonesia by PT B. However, because PT B carries out exploration activities beyond the required period of document storage, the document storage obligations for PT B are as follows:

a. Bookkeeping for 2023, 2024 and 2025 must be kept until 2035.

b. bookkeeping for 2026, must be kept until 2036;

c. bookkeeping for 2035, must be kept until 2045; etc

Article 18

Quite clear.

Article 19

Quite clear.

Article 20

Letter A

Goods purchased by IUPK holders as Continuation of Contract/Agreement Operations for the year when the IUPK was issued as Continuation of Contract/Agreement Operations, become state property and are subject to tariffs on utilization of ex-PKP2B state-owned goods in accordance with the provisions of Article 16.

What is meant by "implemented in accordance with the provisions as referred to in the IUPK as Continuation of Contract/Agreement Operation" is state revenue and regional income during the validity period of the PKP2B as well as the obligation to pay 4% (four percent) to the central government and 6% (six percent) to the government. area of net profit as referred

to in the IUPK as Continuation of Contract/Agreement Operations.

Letter b

Quite clear.

Article 21

Letter A

What is meant by "implemented in accordance with the provisions as referred to in the IUPK as Continuation of Contract/Agreement Operation" is state revenue and regional income during the validity period of the PKP2B as well as the obligation to pay 4% (four percent) to the central government and 6% (six percent) to the government. area of net profit as referred to in the IUPK as Continuation of Contract/Agreement Operations.

Letter b

Quite clear.

The letter c

Quite clear.

The letter d

Quite clear.

Letter e

Quite clear.

The letter f

What is meant by "administrative fine in the letter of assessment of land and building tax" is an administrative fine of 25% (twenty five percent).

What is meant by "administrative fine in the letter of claim for land and building tax" is an administrative fine of 2% (two percent) per month for a maximum of 24 (twenty four) months.

The letter g

Quite clear.

Article 22

Quite clear.

Article 23

Quite clear.

SUPPLEMENT TO STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 6786