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Tax and Advocate

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Tax and Legal Insight

Global Minimum Tax in Indonesia

Pillar Two Readiness, Compliance
Architecture, and Business Implications

A general overview of Indonesia's Global Minimum Tax framework under the OECD/G20 Pillar Two approach, including scope, charging mechanisms, safe harbour considerations, and key compliance obligations for in-scope multinational groups.

TAX | INTERNATIONAL TAX | GLOBAL MINIMUM TAX | BUSINESS GOVERNANCE



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Key Regulatory Developments



Advisory Note

Indonesia has adopted the Global Minimum Tax framework under the OECD/G20 Pillar Two approach through Minister of Finance Regulation No. 136 of 2024, effective from 1 January 2025.

Key Developments

01

In-Scope Groups

Applies to multinational enterprise groups with consolidated revenue of at least EUR 750 million, tested in at least 2 of the 4 fiscal years preceding the relevant year.

02

Jurisdictional ETR

The Effective Tax Rate is assessed on a jurisdictional basis, supporting the calculation of any Top-Up Tax where the rate falls below 15%.

03

Charging Order

Indonesia's Qualified Domestic Minimum Top-Up Tax (QDMTT) takes priority, followed by the Income Inclusion Rule (IIR) and then the Undertaxed Profits Rule (UTPR).

04

Safe Harbour Reliefs

Transitional and permanent safe harbour mechanisms may simplify compliance for qualifying groups, subject to specific tests and conditions.

05

Reporting Framework

Core reporting obligations include the GloBE Information Return, notifications, and annual income tax returns for relevant mechanisms.

06

Deadlines

GIR and notifications generally follow a 15-month deadline after fiscal year end, while annual returns generally follow a 16-month deadline; first-year relief extends certain deadlines to 18 months.



Why This Matters

- GMT introduces a new layer of international tax governance.
- Data quality and group-level coordination are increasingly important.
- Compliance readiness now extends beyond traditional tax reporting.



RDJ Advisory Perspective

For multinational groups connected to Indonesia, Global Minimum Tax is not merely a technical tax topic. It is increasingly part of governance, compliance architecture, and strategic business readiness.

Sources: Minister of Finance Regulation No. 136 of 2024; reference material; Global Minimum Tax Implementation in Indonesia – A Practical Guide for Multinational Groups (2026).



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Closing

The Global Minimum Tax framework marks an important development in Indonesia's international tax landscape. For in-scope multinational groups, readiness is increasingly shaped by governance, data discipline, and coordinated compliance across jurisdictions.

Governance Questions

- ✓ Has the group confirmed whether it falls within the Pillar Two scope threshold?
- ✓ Are finance, tax, and legal teams aligned on data and reporting readiness?
- ✓ Has the group assessed potential QDMTT, IIR, or UTPR exposure?
- ✓ Have safe harbour eligibility and reporting deadlines been reviewed early?

Key Takeaway

Global Minimum Tax is no longer only an international policy discussion. It is becoming part of practical compliance planning, tax governance, and cross-border business readiness.

This publication is provided for general information purposes only and does not constitute legal, tax, regulatory, or other professional advice. Readers should seek appropriate professional advice based on their specific facts and circumstances.

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