TAX POLICY / SOE TRANSFORMATION / CORPORATE GOVERNANCE

Beyond the Restructuring.

Danantara's New Tax Framework and Indonesia's SOE Transformation

GOVERNMENT REGULATION NO. 41 / 2026 | IN FORCE

THE CENTRAL DISTINCTION

Targeted tax treatment is not a blanket exemption. Eligibility, transaction structure, fiscal basis and reporting obligations remain critical to understanding Indonesia's SOE transformation.

EFFECTIVE 19 OCTOBER 2026 | INDONESIA

GENERAL INFORMATION ONLY. NOT TAX, LEGAL OR OTHER PROFESSIONAL ADVICE.

THE REGULATORY ARCHITECTURE

A different structure.
A connected tax framework.

PP No. 41/2026 establishes targeted treatment for transactions involving Danantara, its investment and operational holdings, and specified related entities.

IN FORCE	FOUR REGULATED DOMAINS
19 OCTOBER 2026	Articles 2 - 3, 8 - 35

01

OWNERSHIP REORGANISATION

Transfer and administration of shareholdings involving Danantara and designated SOE structures.

ARTICLES 3 - 7

02

SOE & SUBSIDIARY RESTRUCTURING

Tax bases and selected transaction rules for business combinations, asset transfers and recapitalisation.

ARTICLES 8 - 33

03

TRANSFER PRICING

Special documentation and reporting arrangements, within a continued arm's-length framework.

ARTICLE 34

04

GLOBAL MINIMUM TAX

Defined treatment of qualifying entities and allocation of specified GloBE reporting responsibilities.

ARTICLE 35

RDJ perspective. This is a defined SOE-related framework, not a general restructuring incentive for all Indonesian companies.

SELECTED FISCAL TREATMENT

Zero percent.
Not zero obligations.

The regulation distinguishes specified ownership transfers from wider restructuring arrangements. Transaction classification remains decisive.

01 SELECTED SHARE TRANSFERS

0%

FINAL INCOME TAX

Qualifying transfers of shares by way of gift within the specified ownership reorganisation are subject to a 0% final income-tax rate. The fiscal book-value basis and related rules apply.

ARTICLES 3 - 5

02 RESTRUCTURING & ASSET BASES

Fiscal book value can be available for specified restructuring transfers. The general market-value starting point, transaction categories and procedural conditions still matter. Treatment of liabilities and other transaction types varies by provision.

ARTICLES 8 - 28

SPECIAL TREATMENT IS TRANSACTION-SPECIFIC - NOT UNIVERSAL.

TRANSACTION AND TAX INTERFACE

When value moves, tax treatment follows.

SOE transformation can involve different forms of consideration and distinct tax consequences. PP No. 41/2026 addresses several of these interfaces.

01 TAX BASIS

Book-value treatment can apply to specified transfers and reorganisations. Fiscal continuity, asset classification and transaction conditions remain relevant.

02 RECAPITALISATION

Non-cash dividends, share buybacks, capital adjustments and debt arrangements have defined rules rather than one universal tax result.

03 VAT / SALES TAX

Specified supplies of taxable assets among restructuring entities may receive VAT or VAT and luxury-sales-tax not-collected treatment, subject to scope.

04 TRANSITION RULES

Selected 2026 restructuring transactions are addressed by transition provisions; eligibility, notices and prior tax positions require distinction.

SOURCE NOTES: PP 41/2026, ARTICLES 9 - 31 AND 38

INTERNATIONAL TAX AND REPORTING

Relief is selective.
Governance remains.

Tax treatment for ownership restructuring sits alongside ongoing international-tax responsibilities. The regulation draws important distinctions across entities.

01 TRANSFER PRICING - ARM'S LENGTH STILL APPLIES

Article 34. Related-party transactions remain subject to the arm's-length principle. The regulation provides special arrangements for preparing, retaining and submitting transfer-pricing documentation by Danantara and its key holdings through tax year 2029. Other entities' obligations should not be assumed to disappear.

02 GLOBAL MINIMUM TAX - ENTITY STATUS MATTERS

Article 35. Qualifying government bodies or investment-fund entities can fall outside specified GloBE filing requirements. The regulation assigns prescribed GIR and GloBE annual return reporting to directly held constituent entities, where the conditions are met. This is not a blanket group-wide exemption.

KEY DISTINCTION: THE BENEFICIARY OF RELIEF AND THE REPORTING ENTITY MAY DIFFER.

CLOSING PERSPECTIVE

Tax treatment enables transformation.

Governance sustains value.

PP No. 41/2026 aligns selected tax rules with SOE transformation. Its practical significance lies in distinguishing qualifying structures, documenting fiscal outcomes and maintaining transparent reporting.

FOUR QUESTIONS FOR BOARDS AND FINANCE LEADERS

01 **ENTITY PERIMETER**

Which organisations and transactions fall within the regulation?

02 **FISCAL BASIS**

Which transfers qualify for defined tax bases and facilities?

03 **DOCUMENTATION**

Which records, notices, conditions and tax filings remain applicable?

04 **INTERNATIONAL REPORTING**

Which entity carries transfer-pricing and GloBE obligations?

PRIMARY SOURCE: Government Regulation No. 41 of 2026 (LNRI 2026 No. 157), especially Articles 2-7, 8-31, 34-35 and 38-39.

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