

Stamp duty payment, validity of stamp, and postdated stamp duty

On 20 January 2021, the Minister of Finance ("MoF") issued regulation No 4/PMK.03/2021 ("PMK-4") regarding stamp duty payment, general and specific characteristics of adhesive stamp, stamp in other forms, determination on the validity of stamp, and postdated stamp duty.

PMK-4 is the implementing regulation of the new Stamp Duty Law (i.e. Law No 10/2020) and it came into effect at the date of issue.

The key aspects of PMK-4 are:

A. Stamp duty payment

The Liable Party¹ shall pay the stamp duty payable on a document subject to stamp duty at the rate of IDR 10,000 per document by using either stamp or tax payment slip. Payment in the form of stamp can be in the form of adhesive stamp or stamp in other forms. Stamp in other forms can be in the form of:

- a) Digitalized stamp;
- b) Computerized stamp; and
- c) Printing stamp.

Payment with adhesive stamp shall be carried out by affixing the valid stamp that has never been used on the document that is subject to stamp duty, while for payment with stamp in other forms, stamp duty is paid by affixing stamp that is made by using digital stamp machine, computerized system or printing technology on the document subject to stamp duty. For payment with stamp duty in other forms, the use of digital stamp machine, computerized system or printing technology must obtain a written approval from the Directorate General of Tax ("DGT").

Payment of stamp duty by using printing technology is only used to pay stamp duty payable on cheque and clearing cheque ("bilyet giro").

¹ Liable Party is a party that is subject to stamp duty and the one who shall pay the stamp duty payable.

Payment of stamp duty by using tax payment slip is only used to pay stamp duty payable on documents that will be used as evidence in court with total of more than 50 documents; or if payment by using adhesive stamp is impossible to be done or the adhesive stamps are not available or cannot be used. If payment by using adhesive stamp is impossible to be done, the Liable Party must pay the stamp duty within 30 days since the stamp duty become payable.

B. Determination on the validity of stamp

Payment of stamp duty by using adhesive stamp is valid if the stamp used has never been used before on the document subject to stamp duty, while payment by using stamp in other forms is valid if the stamp is made based on the written approval from the DGT. Both methods of payment must also meet certain conditions on how the stamp must be affixed on the documents subject to stamp duty. Otherwise, the payment of stamp duty is deemed not valid and the stamp duty is still deemed payable on such documents.

C. Postdated stamp duty

Postdated stamp duty is carried out on documents, where the stamp duty is not paid or underpaid; and/or for documents that are to be used as evidence in court.

Stamp duty that must be paid by using postdated stamp shall be in the amount of the stamp duty payable in accordance to the prevailing laws at the time when the stamp duty is payable plus 100% penalty of the stamp duty payable, for document where the stamp is not or underpaid since 1 January 2021. While for document where the stamp is not paid or underpaid before 1 January 2021, the penalty is 200%.

For postdated stamp duty on documents that are used as evidence in court, the stamp duty payable is in accordance with the prevailing laws at the time when the postdated stamp duty on the document is carried out.

Postdated stamp duty shall be certified by an officer of a post office or another officer appointed by the DGT by affixing postdated stamp duty imprint on the document that the stamp duty has been paid and/ or on the tax payment slip that has received State Revenue Transaction Number ("NTPN").

The Liable Party can ask for certification from the officer as stated above on a document where the stamp duty has been collected by the Stamp Duty Collector², but the document has not yet been affixed with the stamp duty. The officer shall certify the document if the Liable Party can prove that the stamp duty collector has paid the stamp duty payable on the document.

² Stamp Duty Collector is a party that must collect the stamp duty payable on certain documents from the Liable Party, paid the stamp duty to the State Revenue, and report the stamp duty collection and payment to the DGT.

D. Transitional provisions

- 1) Adhesive stamp that has been printed based on MoF Regulation No 65/PMK.03/2014 can still be used up to 31 December 2021 and cannot be exchanged with cash or any other form.
- 2) Payment of stamp duty by using stamp as stated in D(1) shall use valid adhesive stamps with an amount of at least IDR 9,000 by affixing the stamps on the document subject to stamp duty.
- 3) Approval from the DGT to use digital, printing or computerized stamp based on MoF Decree No 133b/KMK.04/2000 is still valid up to the expiration of the approval or the revocation of the approval.
- 4) The Stamp Duty Paid mark that has been affixed to a document based on MoF Decree No 133b/KMK.04/2000 can still be used to pay the stamp duty payable.
- 5) The difference between the stamp duty payable and the amount that is stated in the Stamp Duty Paid mark must be paid by using digital stamp duty machine or tax payment slip before the document is used.
- 6) At the time PMK-4 is enacted, MoF Decree No 133b/KMK.04/2000, MoF Regulation No 65/PMK.03/2014, and MoF Regulation No 70/PMK.03/2014 regarding postdated stamp duty are revoked and no longer valid.

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At EY, everything starts with our people:

- ▶ People who demonstrate integrity, respect and teaming.
- ▶ People with energy, enthusiasm and the courage to lead.
- ▶ People who build relationships based on doing the right thing.

Our Purpose

At EY, our purpose is **Building a better working world.**

We believe a better working world is one where economic growth is sustainable and inclusive. We work continuously to improve the quality of all of our services, investing in our people and innovation - to use our knowledge, skills and experience to fulfill our purpose and create positive change.

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- ▶ Banking & Capital Market
- ▶ Insurance
- ▶ Wealth & Asset Management
- ▶ Government & Public Sector
- ▶ Health Science & Wellness
- ▶ Mining & Metals
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- ▶ Real Estate, Construction & Hospitality
- ▶ Technology, Media & Entertainment, Telecommunication (TMT)
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