



# Tax Newsletter

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New tax rule for preliminary tax refunds

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## What is new?

The Indonesian Minister of Finance recently released MoF Regulation No. 28 Year 2026 (“MoFR 28/2026”) enacted on 1 May 2026 concerning Procedures for Preliminary Tax Refunds. It essentially revokes MoFR 39/2018 and its amendments concerning the same subject.

MoFR 28/2026 introduces new stricter requirements on the qualifications of taxpayers eligible for accelerated tax refunds, new thresholds on revenues and tax overpayments are set under the low-limit refunds taxpayers, rigorous analysis undertaken by the DGT in granting the tax refunds as well as considerations that trigger revocation of the golden taxpayer and the low risk VATable entrepreneur status by the DGT.

All golden taxpayers status granted under the old regulation are revoked by the enactment of MoFR 28/2026. The respective taxpayers can reapply for the same status starting from 1 June 2026 to 10 June 2026 or alternatively using the timeline set for new application.

Any outstanding request for accelerated tax refunds filed by golden taxpayers will be processed under the new regulation, whilst outstanding request for accelerated tax refunds filed by low-limit refund taxpayers and low-risk VATable entrepreneurs will be processed under the old regulation.

## Key highlights of the new tax rule for preliminary tax refunds

MoFR 28/2026 outlines number of new requirements on the qualifications for golden taxpayers which are essentially stricter than those under past regulations and fail to comply would result in a revocation of the status. This includes types of opinion by public accountant, no restatement of audited financial figure due to error adjustment or financial data fraud, and the respective public accountant shall comply with the five-year limitation of audit service as well as supported by taxpayer’s statement letter confirming compliance with financial statements criteria. In addition, no more than 5% of tax adjustments incurred for the last 3 years of final tax disputes and there is no late of tax settlement for the last 5 years. These qualifications needs to be maintained prior to and upon the grant of golden taxpayer status and fail to comply would result in a revocation of the respective status by the DGT.

New thresholds on revenues and tax overpayments are set for the low-limit refunds taxpayers. Those who have not generated revenues despite the VAT refund value is below the said threshold, are not entitled for accelerated VAT refunds. In the event of monthly VAT refund request, the DGT will examine the activities that trigger VAT overpayment which comprise exports, sales to VAT collectors and transactions with VAT not-collected.

VAT overpayment up to IDR 5 billion is no more included as Low-risk VATable entrepreneur. Late VAT filing for the last 12 months would result in a revocation of low-risk VATable entrepreneur status by the DGT. The regulation also stipulates that the activities that trigger VAT overpayment must represent at least 80% of total value of sales of VATable goods/services (other than VAT exempted and not VATable transactions) and exports.

The DGT can annul a preliminary tax refund decision letter in the event of indication of tax crime or tax crime investigation.

### New qualifications required for Golden taxpayers

Golden taxpayer status is granted to those qualify the requirements below:

- Timely tax filings.
- No tax arrears including (*newly added*) no any late of tax settlement for the last 5 years unless officially granted an installment or postponement permit.
- Financial statements are audited by a public accountant with clean opinion for the last 3 consecutive years.
- No tax crime record for the last 5 years.

The financial statements are audited by a public accountant with clean opinion for the last 3 consecutive years and shall satisfy the following requirements:

- the audit report is attached to the corporate income tax return.
- unqualified audit opinion, (*newly added*) not including modified unqualified opinion.
- no restatement of audited financial figure derive from error adjustment or financial data fraud, supported by taxpayer's statement letter confirming compliance with financial statements criteria – *newly added*
- no any unattended request of tax clarification which has been issued within a minimum of 3 months prior to the grant of golden taxpayers status – *newly added*
- no more than 5% of tax adjustments incurred for the last 3 years of final tax disputes – *newly added*
- the respective public accountant shall comply with the five-year limitation of audit service as well as supported by taxpayer's statement letter confirming compliance with financial statements criteria – *newly added*

The qualifications mentioned above need to be maintained prior to and upon the grant of the golden taxpayer status and fail to comply would result in a revocation of the respective status by the DGT.

Application for golden taxpayer status is submitted to the DGT electronically through taxpayer portal, alternatively by other means including direct submission, postage, courier, etc to the tax office no later than 10 January. The DGT will examine the fulfilment of the criteria and shall issue decision whether to grant or reject the request for golden taxpayer status within 30 working days upon the receipt of complete application.

In the event there is gap between the preliminary tax refund decision letter by the DGT against the requested amount, taxpayers can re-apply for preliminary tax refunds for the gap amount, to the extent of the following:

- there is no on-going tax audit or indication of tax crime investigation related to the accelerated tax refunds, and
- the re-application is submitted at the maximum of 2 years prior to expiration.

The requirements to re-apply for accelerated tax refunds enumerated above are applied similarly to low limit refunds taxpayers and low-risk VATable entrepreneurs.

## New thresholds on revenues and tax overpayments are set for the Low-limit refunds taxpayers.

Low-limit refunds taxpayers comprise the following conditions:

- individuals that do not run business or activities.
- individuals that run business or activities with annual tax overpayment capped at Rp 100 million.
- A maximum of Rp 1 billion CIT overpayment with annual revenues capped at Rp 50 billion.
- A maximum of Rp 1 billion (was Rp 5 billion in the past) VAT overpayment with delivery value capped at Rp 4.2 billion.

Those who have not generated revenues despite the VAT refund value is below the said threshold, are not entitled for accelerated VAT refunds.

In the event of a request for monthly VAT refund, the DGT will examine the activities that trigger the VAT overpayment which comprise exports, sales to VAT collectors and transactions with VAT not collected.

## Low risk VATable entrepreneur

Low-risk VATable entrepreneur status is granted to those who conduct certain activities and qualify the requirements below.

- companies listed in the Indonesia Stock Exchange
- state-owned enterprise and regional-owned enterprise
- VATable entrepreneur appointed as the customs main partner
- VATable entrepreneur appointed as the authorized economic operator in accordance with the Ministry of Finance regulation concerning authorized economic operator.
- manufacturer or producer other than the above mentioned, who possess plant where it conducts its production activities.
- licensed pharmaceutical wholesaler
- licensed medical distributor, or
- companies whose more than 50% shares are directly owned by state-owned enterprise (SoE) with financial statement being consolidated to the respective SoE.

Certain activities are defined as the following:

- export of VATable tangible goods
- delivery of VATable goods and/or services to VAT collector
- delivery of VATable goods and/or services which VAT is exempted
- export of VATable intangible goods, and/or
- export of VATable services.

VAT overpayment up to IDR 5 billion is no more included as Low-risk VATable entrepreneur. Late VAT filing for the last 12 months would result in revocation of low-risk VATable entrepreneur status by the DGT. The regulation also stipulates that the activities that trigger VAT overpayment must represent at least 80% of total value of sales of VATable goods/services (other than VAT exempted and not VATable transactions) and exports.

Application for low-risk VATable entrepreneur status is submitted to the DGT electronically through taxpayer portal alternatively by other means including direct submission, postage, courier, etc to the tax office. The DGT will examine the satisfaction of the criteria and shall issue decision whether to grant or reject the request for VATable entrepreneur status within 15 working days upon the receipt of complete application.

### Transition rule

All golden taxpayers status granted under the old regulation are revoked by the enactment of MoFR 28/2026 and the respective taxpayers can reapply for the same status starting from 1 June 2026 to 10 June 2026 or alternatively using the timeline set for new application.

Any outstanding request for accelerated tax refunds filed by golden taxpayers will be processed under the new regulation, whilst outstanding request for accelerated tax refunds filed by low-limit refund taxpayers and low-risk VATable entrepreneurs will be processed under the old regulation.

*The content of this newsletter is for the purpose of general guidance on matters of interest and is not meant as advice. The implementation and impact of laws/regulations can vary widely based on the specific facts involved. Readers are advised to consult their tax advisors before making any business decisions.*

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