Tax Newsletter

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Indonesia Pillar 2 Compliance

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What is new?

The Indonesian Director General of Tax recently released DGT Regulation No. PER-6/ PJ/ 2026 (“DGTR 6/2026”) concerning Pillar 2 compliance as a follow up to the enactment of Minister of Finance Regulation No. 136 Year 2024 concerning Global Anti Base Erosion (GloBE) rules.

DGTR 6/2026 introduces Pillar 2 compliance requirements applicable to Indonesian GloBE taxpayers including GLoBE registration, GloBE annual tax return, GloBe Information Return (GIR) and notification, top-up tax payment, post-filing adjustments, compliance monitoring, tax disputes resolutions and transitional simplified reporting framework.

First year Pillar 2 implementation, in-scope Indonesian entities are expected to be registered as GloBE taxpayers under the Indonesian Tax Authorities (ITA) at the latest of nine months after the end of the first GloBE imposition year. This implies registrations will be due by 30 September 2026 for first year Pillar 2 implementation ending 31 December 2025. Top-up tax payment will be due by 31 December 2026. Extension of GloBE annual tax return filing must be notified to the ITA by 30 April 2027 together with the applicable top-up tax payment slip. GIR and Notification filings will be due by 31 March 2027 and is extendable to 30 June 2027, and proof of the filing must be attached to the GloBE annual tax return.

GloBE fiscal year refers to the year stated in the GloBE annual tax return which is one year after the GloBE imposition year. In the event of multiple currencies, GloBE taxpayers need to undertake five-year election in determining the currency for GloBE annual tax return.

Key highlights of Pillar 2 compliance rule

DGTR 6/2026 applies to Indonesian constituent entities (CEs) and member of joint venture group that are part of in-scope multinational companies group with a consolidated revenue of Ultimate Parent Entity (UPE) amounted to at least EUR 750 million p.a. for at least two of the four preceding fiscal years.

The regulation highlights on Pillar 2 compliance requirements, post-filing adjustments, compliance monitoring, tax disputes resolutions and transitional simplified reporting framework.

Key steps in implementing Pillar 2 compliance are GloBE registration, top-up tax payment, filing of Global Information Return (GIR) or Notification whichever is applicable, filing of GloBE annual tax return.

GloBE registration

First year Pillar 2 implementation, all the in-scope GloBE taxpayers are expected to submit application electronically through the taxpayer’s portal to be registered as GloBE taxpayer at the latest of nine months after the end of the first GloBE imposition year. This implies registrations will be due by 30 September 2026 for first year Pillar 2 implementation ending 31 December 2025. In return, taxpayers will be given an electronic receipt and a notification letter confirming the GloBE taxpayer status by the respective Indonesian Tax Office (ITO) automatically through the Coretax.

Any updates to taxpayer data and request for revocation of GloBE taxpayer status are conducted electronically through the Coretax.

Whilst Indonesian tax office is authorized to determine an entity as a GloBE taxpayer on an ex-officio basis including updates to taxpayers data and revocation of GloBE taxpayer status upon administrative review. The respective taxpayer will be notified by the ITO accordingly.

GloBE annual tax return

GloBE annual tax return is prepared in Bahasa Indonesia and filed to ITA electronically through the Coretax within four months after the end of GloBE fiscal year. For first year Pillar 2 implementation, the tax filing due date is extendable for another two months provided that the extension is notified to the ITO together with the applicable top-up tax payment slip through the Coretax before the said four-month ends.

GloBE annual tax return mainly comprises Main Form and Attachments, with the key informations including GloBE imposition year and GloBE fiscal year, tax ID number and name of taxpayer, filing status of GloBE tax return, types of filing (IIR/UTPR/DMTT), currency and signatories.

GloBE fiscal year refers to the year stated in the GloBE annual tax return which is one year after the GloBE imposition year.

In the event of different accounting period between GloBE taxpayer and non-Indonesian UPE, the GloBE imposition year of UPE will be applied for GloBE annual tax return.

GloBE taxpayers need to undertake five-year election in determining the currency for GloBE annual tax return either in Rupiah or the currency used in the consolidated financial statements in computing the top-up tax.

The Main Form of GloBE annual tax return comprises the following:

- GloBE tax return – filled by UPE
  Contains top-up tax data of IIR and UTPR by jurisdiction and DMTT for Indonesia.
- UTPR tax return – filled by non-UPE
  Contains top-up tax data of UTPR allocated to Indonesia.
- DMTT tax return – filled by each CE
  Contains data of the de minimis exclusion, Indonesia effective tax rate (ETR), ETR by the CE, Indonesia DMTT top-up tax, DMTT for the CE.

The Attachments of GloBE annual tax return comprise the following:

- Attachment I:
  Part A – IIR top-up tax
  Part B – Indonesia DMTT
- Attachment II – UTPR top-up tax allocated to the entity.
- Attachment III:
  Part A – GloBE income or loss
  Part B – adjusted covered tax
  Part C – international shipping income exclusion
  Part D – substance-based income exclusion (SBIE) computation, if applicable

Part E – additional current top-up tax
Part F – DMTT top-up tax for the entity

The Main Form and Attachments enumerated above form an integral part of a GloBE annual tax return therefore the multiple sections in the tax return are filled where applicable to each taxpayer accordingly. Proof of GIR or Notification filing must be attached to the GloBE annual tax return. Upon qualified submission of GloBE annual tax return, taxpayer will be provided with an electronic receipt.

Taxpayers can amend GloBE annual tax return on self-assessment basis except for certain post-filing adjustments outlined by DGTR 6/2026.

GloBE Information Return and Notification

An Indonesian UPE is required to prepare and file GloBE Information Return (GIR) electronically through taxpayer's portal, in addition to the GloBE annual tax return filing discussed above.

The GIR must be prepared in softcopy in an extensible markup language (XML) format, with key informations below:

- CE identity – including tax identification number, jurisdiction where CEs are located, and CE status.
- Group structure
- Computations – ETR and top-up tax by jurisdiction, top-up tax by JV group member, and the allocation of top-up tax under the IIR and UTPR across jurisdictions.
- GloBE elections

Nonetheless, in the event of non-Indonesian UPE, one of Indonesian CEs is required to submit GIR to the DGT in either one of the conditions below:

- the Indonesian entity is appointed as the filing CE by the group, or
- the filing CE is domiciled in a jurisdiction which does not apply a qualifying competent authority agreement (QCAA) with Indonesia for the GloBE imposition year.

GIR is automatically exchanged within the countries of QCAA.

Taxpayer can amend GIR by self-assessment or upon being notified by the DGT.

Indonesian entities who do not file GIR are required to submit a Notification to the DGT electronically. In a condition where an Indonesian entity is a member to more than one MNE group that are subject to Pillar 2 in a GloBE imposition year, the CE is required to file a separate notification for each MNE group.

GIR and Notification filings will be due within 15 months after the end of the GloBE imposition year and is extendable for another three months due to first year Pillar 2 implementation. Proof of the filing must be attached to the GloBE annual tax return.

Top-up tax payment

Top-up tax of IIR, UTPR and DMTT are to be settled by end of a GloBE fiscal year.

The tax payment slip shall indicate the GloBE fiscal year as the payment year and use the tax account code 411618 with the payment codes below:

- 610 for IIR top-up tax
- 620 for UTPR top-up tax
- 630 for DMTT top-up tax.

Post-filing adjustments

Adjustments to covered tax is booked in the GloBE imposition year in which the adjustment is made.

Nevertheless, a decreased covered tax adjustment would result in a recalculation of ETR and the top-up tax in a GloBE imposition year when the decrease incurs, in accordance with the Additional Current Top-Up Tax rule, unless of immaterial decrease below EUR 1 million per one jurisdiction in one GloBE imposition year, which taxpayer may elect to recognize the immaterial adjustment against the covered tax in the GloBe imposition year in which the adjustment is made.

Compliance monitoring and tax disputes

The DGT shall conduct compliance monitoring to both registered and not registered GloBE taxpayers based on an examination to the available data and/or information, including the following activities:

- request for explanation on data and/or remarks from GloBE taxpayers
- discussion with GloBE taxpayers
- invite GloBE taxpayers for meeting at the DGT office through onsite or online
- site visit
- suggestion
- warnings
- request for transfer pricing documentation
- request for a consolidated financial statement
- request for documents used as the basis in computing the top-up tax.
- issue monitoring letters, and/or
- undertake monitoring support activities in accordance with the prevailing tax regulations.

The DGT is authorized to perform tax audits in view of compliance and other purposes with regards to the implementation of Pillar 2. Whilst GloBE taxpayers may file tax objection, appeals and lawsuits against tax assessment and tax collection letters with procedures as outlined by the KUP Law.

Transitional simplified reporting framework

A filing CE may submit GIR using a simplified jurisdictional reporting framework for jurisdictions where there is no top-up tax, or there is top-up tax however none being allocated to CE. Under this mechanism, adjustments to the financial accounting net income or loss are conducted on an aggregate basis by jurisdiction.

This mechanism is applicable to the GloBE imposition years commencing on or prior to 31 December 2028 however is not applicable to GloBE imposition years ending after 30 June 2030.

The mechanism does not restrict the DGT from requesting additional data including information of each CE.

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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