

REGULATION OF THE GOVERNMENT OF THE REPUBLIC OF INDONESIA
NUMBER 78 OF 2019
ON
INCOME-TAX ALLOWANCES FOR INVESTMENTS WITHIN CERTAIN BUSINESS
SECTORS AND/OR IN CERTAIN REGIONS¹

BY THE GRACE OF GOD ALMIGHTY

PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering:

- a. that in order to further encourage and increase direct investment activities, both from the aspects of economic growth, the development of business sectors, legal certainty in the event of improvement toward a more conducive business climate for direct investment activities within certain business sectors and/or in certain regions which are classified as top priority on national scale, as well as equal distribution and acceleration of development within certain business sectors and/or in certain regions, it is deemed necessary to replace Regulation of the Government [Number 18 of 2015](#) on Income-Tax Allowances for Investments within Certain Business Sectors and/or in Certain Regions, as amended by Regulation of the Government [Number 9 of 2016](#) on Amendment to Regulation of the Government Number 18 of 2015 on Income-Tax Allowances for Investments within Certain Business Sectors and/or in Certain Regions;
- b. that in order to fulfill the implementation of electronically-integrated business licensing services and acceleration on business operation, it is deemed necessary to address deregulation of procedures for the granting of taxation allowances;

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- c. that based on considerations as referred to in letter a and letter b, as well as to implement provisions under Article 31A paragraph (2) of Law [Number 7 of 1983](#) on Income Tax, as amended several times and most recently by Law [Number 36 of 2008](#) on Fourth Amendment to Law Number 7 of 1983 on Income Tax, it is deemed necessary to establish Regulation of the Government on Income-Tax Allowances for Investments within Certain Business Sectors and/or in Certain Regions;

In view of:

1. Article 5 paragraph (2) of 1945 Constitution of the Republic of Indonesia;
2. Law [Number 7 of 1983](#) on Income Tax (State Gazette of the Republic of Indonesia of 1983 Number 50, Supplement to the State Gazette of the Republic of Indonesia Number 3263), as amended several times and most recently by Law [Number 36 of 2008](#) on Fourth Amendment to Law Number 7 of 1983 on Income Tax (State Gazette of the Republic of Indonesia of 2008 Number 133, Supplement to the State Gazette of the Republic of Indonesia Number 4893);

HAS DECIDED:

To establish:

REGULATION OF THE GOVERNMENT ON INCOME-TAX ALLOWANCES FOR INVESTMENTS WITHIN CERTAIN BUSINESS SECTORS AND/OR CERTAIN REGIONS.

CHAPTER 1 GENERAL PROVISIONS

Article 1

Under this Regulation of the Government, the following definitions are employed:

1. Investment is any forms of investing activities, either by domestic investors or foreign investors, to operate business within the territories of the Republic of Indonesia.

2. Certain Business Sectors are business sectors within the economic-activity sectors which are classified as top priority on national scale.
3. Certain Business Sectors and in Certain Regions are business sectors within the economic-activity sectors and regions which economically have potentials that are appropriate to be developed, which are classified as top priority on national scale.
4. Managing and Organizing Agency of Online Single Submission, hereinafter referred to as OSS Agency, is non-ministerial governmental agency who organizes governmental affairs within the investment coordinating sector.
5. Electronically-Integrated Business Licensing or Online Single Submission, hereinafter abbreviated as OSS, is business licensing that is issued by OSS Agency for and on behalf of the minister, head of agency, governor, or regent/mayor to businesses through integrated electronic systems.
6. Core Business Activity is business sector and type of production/service on the time of the submission of Income-Tax facility application by Taxpayers, as contained in the principle license, investment license, Investment registration, which has been issued by Investment Coordinating Board/Provincial Investment Unit and One-Stop Integrated Services/Regency/City Investment Unit and One-Stop Integrated Services or business license as issued by OSS Agency as obtained by Taxpayers.

Article 2

- (1) Against domestic corporate Taxpayers who perform Investment on Core Business Activity, either new Investment or expansion of existing business, within:
 - a. Certain Business Sectors as included in the Appendix I, which is an integral part to this Regulation of the Government; and/or
 - b. Certain Business Sectors and in Certain Regions as included in the Appendix II, which is an integral part to this Regulation of the Government, and fulfills certain criteria and requirements, may be granted with Income-Tax allowances.
- (2) Expansion of existing business as referred to in paragraph (1) does not encompass replacement and/or addition of machines and/or equipment which are performed within production lines which have been in commercial production.

- (3) Criteria as referred to in paragraph (1) encompass:
 - a. having high investment values or export-oriented;
 - b. having high recruitment rate of workforces; or
 - c. having high rate of local contents.
- (4) Requirements as referred to in paragraph (1) are included in the Appendix I or Appendix II, which are integral part to this Regulation of the Government.
- (5) Further provisions on criteria as referred to in paragraph (3) and requirements as referred to in paragraph (4) are addressed under regulation of the minister/agency in charge of the sector in accordance with its authorities.

Article 3

- (1) Income-Tax allowances as referred to under Article 2 paragraph (1), taking form as:
 - a. deduction of net revenue in sum of 30% (thirty percent) of the total Investment values in the form of tangible fixed assets, including land, which are used for Core Business Activity, as imposed for 6 (six) years, each in sum of 5% (five percent) annually;
 - b. accelerated depreciation on tangible fixed assets and accelerated amortization of intangible assets as obtained in the event of Investment, with utilization periods and depreciation tariffs, as well as amortization tariffs, determined as follows:
 1. for accelerated depreciation of tangible fixed assets which are:
 - a) not building as classified in Group I, the utilization period becomes 2 (two) years, with depreciation tariff using straight line method in sum of 50% (fifty percent) or depreciation tariff using declining balance method in sum of 100% (one hundred percent) as imposed concurrently;
 - b) not building as classified in Group II, the utilization period becomes 4 (four) years, with depreciation tariff using straight line method in sum of 25% (twenty five percent) or depreciation tariff using declining balance method in sum of 50% (fifty percent);

- c) not building as classified in Group III, the utilization period becomes 8 (eight years), with depreciation tariff using straight line method in sum of 12.5% (twelve point five percent) or depreciation tariff using declining balance method in sum of 25% (twenty five percent);
 - d) not building as classified in Group IV, the utilization period becomes 10 (ten) years, with depreciation tariff using straight line method in sum of 10% (ten percent) or depreciation tariff using declining balance method in sum of 20% (twenty percent);
 - e) permanent building, the utilization period becomes 10 (ten) years, with depreciation tariff using straight line method in sum of 10% (ten percent);
 - f) non-permanent building, the utilization period becomes 5 (five) years, with depreciation tariff using straight line method in sum of 20% (twenty percent).
2. for accelerated amortization of intangible assets which are:
- a) Group I, the utilization period becomes 2 (two) years, with amortization tariff using straight line method in sum of 50% (fifty percent) or amortization tariff using declining balance method in sum of 100% (one hundred percent) as imposed concurrently;
 - b) Group II, the utilization period becomes 4 (four) years, with amortization tariff using straight line method in sum of 25% (twenty five percent) or amortization tariff using declining balance method in sum of 50% (fifty percent);
 - c) Group III, the utilization period becomes 8 (eight) years, with amortization tariff using straight line method in sum of 12.5% (twelve point five percent) or amortization tariff using declining balance method in sum of 25% (twenty five percent);
 - d) Group IV, the utilization period becomes 10 (ten) years, with amortization tariff using straight line method in sum of 10% (ten percent) or amortization tariff using declining balance method in sum of 20% (twenty percent).

- c. the imposition of Income Tax for dividends as paid toward foreign Taxpayers other than permanent establishments in Indonesia in sum of 10% (ten percent), or using lower tariff according to prevailing avoidance of double taxation agreement; and
- d. compensation for losses which is longer than 5 (five) years but not longer than 10 (ten) years, with the following provisions prevail:
 - 1. addition of 1 (one) year for Investments as addressed under Article 2 paragraph (1) as performed by Taxpayers;
 - 2. addition of 1 (one) year, if Investments as addressed under Article 2 paragraph (1) are performed in industrial zones and/or bonded zones;
 - 3. addition of 1 (one) year, if Investments as addressed under Article 2 paragraph (1) are performed within the sector of new and renewable energy;
 - 4. addition of 1 (one) year, if expending costs for economical and/or social infrastructures within business locations in sum of no lower than IDR 10,000,000,000 (ten billion rupiahs);
 - 5. addition of 1 (one) year, if using raw materials and/or components as produced domestically for at least 70% (seventy percent), no later than the 2nd (second) tax year;
 - 6. addition of 1 (one) year or 2 (two) years:
 - a) addition of 1 (one) year, if adding at least 300 (three hundred) Indonesian manpower and maintaining such figure for 4 (four) consecutive years; or
 - b) addition of 2 (two) years, if adding at least 600 (six hundred) Indonesian manpower and maintaining such figure for 4 (four) consecutive years;
 - 7. addition of 2 (two) years, if expending domestic research and development costs in the event of product development or production efficiency for at least 5% (five percent) of total Investments within the period of 5 (five) years; and/or

8. addition of 2 (two) years, if performing exports for at least 30% (thirty percent) of total sales figure within a tax year, for Investment within business sectors as addressed under Article 2 paragraph (1) letter a as performed outside of bonded zones.
- (2) Additional compensation for losses as referred to in paragraph (1) letter d point 1 and point 2 is granted for losses in the first tax year, second tax year, and/or third tax year, since the commencement of commercial production.
 - (3) Addition of compensation for losses as referred to in paragraph (1) letter d point 3, point 4, point 5, point 6, point 7, and point 8 is granted for losses up to the period for the utilization allowances as referred to in paragraph (1) letter a elapses.
 - (4) Income-Tax allowances as referred to in paragraph (1) may be utilized since:
 - a. the commencement of commercial production, for the deduction of net revenue in sum of 30% (thirty percent) of total Investment values as referred to in paragraph (1) letter a;
 - b. the issuance of decree on approval for the granting of Income-Tax allowances, for:
 - 1) accelerated depreciation of tangible fixed assets and accelerated amortization of intangible assets as referred to in paragraph (1) letter b;
 - 2) the imposition of Income Tax for dividends as paid toward foreign Taxpayers other than permanent establishments in Indonesia in sum of 10% (ten percent), or using lower tariff according to prevailing avoidance of double taxation agreement as referred to in paragraph (1) letter c;
 - 3) addition of compensation for losses as referred in paragraph (1) letter d point 1 and point 2;
 - c. decree on the addition of time period for compensation allowances for losses, for the addition of compensation for losses as referred to in paragraph (1) letter d point 3, point 4, point 5, point 6, point 7, and point 8.
 - (5) Further provisions on requirements and procedures on the:
 - a. determination of value of tangible fixed assets as referred to in paragraph (1) letter a; and
 - b. utilization of Income-Tax allowances as referred to in paragraph (4),

as addressed under Regulation of the Minister of Finance.

Article 4

- (1) Income-Tax allowances as referred to under Article 3 paragraph (1) letter a is granted for tangible fixed assets, including land, with the following provisions prevailing:
 - a. obtained by Taxpayers in new condition, unless they are originated [*sic*] from overall relocation as a single Investment package from other state;
 - b. included in principle license, investment license, Investment registration, as issued by Investment Coordinating Board/ Provincial Investment Unit and One-Stop Integrated Services/Regency/City Investment Unit and One-Stop Integrated Services or business license as issued by OSS Agency which becomes the basis for the granting of Income-Tax allowances; and
 - c. owned and used for Core Business Activity.
- (2) Asides from provisions as addressed under paragraph (1), for tangible fixed assets other than land, it should fulfill the following provisions:
 - a. tangible fixed assets as obtained after business license has been issued by OSS agency.
 - b. tangible fixed assets as obtained after:
 - 1) principle license;
 - 2) investment license;
 - 3) Investment registration; or
 - 4) business license as issued by OSS agency for the amendment to principle license, investment license, or Investment registration,as issued after Regulation of the Government [Number 18 of 2015](#) on Income-Tax Allowances for Investments within Certain Business Sectors and/or in Certain Regions, as amended by Regulation of the Government [Number 9 of 2016](#) on Amendment to Regulation of the Government Number 18 of 2015 on Income-Tax Allowances for Investments within Certain Business Sectors and/or in Certain Regions, provided that the scope of products of Taxpayers are found in Appendix I or Appendix II to Regulation of the Government

[Number 18 of 2015](#) on Income-Tax Allowances for Investments within Certain Business Sectors and/or in Certain Regions, as amended by Regulation of the Government [Number 9 of 2016](#) on Amendment to Regulation of the Government Number 18 of 2015 on Income-Tax Allowances for Investments within Certain Business Sectors and/or in Certain Regions.

- (3) Income-Tax allowances as referred to under Article 3 paragraph (1) letter b is granted for tangible fixed assets, and/or intangible assets as owned and used for Core Business Activity.

Article 5

- (1) Taxpayers, in order to obtain Income-Tax allowances as referred to under Article 3 paragraph (1), should submit application prior to the commencement of commercial production.
- (2) Application as referred to in paragraph (1) is submitted [*sic*] online through OSS system as performed:
 - a. concurrently with registration to obtain business identity number [*nomor induk berusaha*] for new Taxpayers; or
 - b. at least 1 (one) year after the issuance of business license as issued by OSS agency for Investment and/or expansion.
- (3) Minister of Finance stipulates decree on the granting of Income-Tax allowances based on application as referred to in paragraph (1) as received in complete and duly manners.
- (4) Further provisions on procedures for the submission of application for the granting of Income-Tax allowances as referred to in paragraph (1) are addressed under Regulation of the Minister.
- (5) In the event that OSS system as referred to in paragraph (2) is unavailable, the submission of application for Income-Tax allowances as referred to in paragraph (1) may be performed through offline means.
- (6) Further provisions on procedures for the submission of application for Income-Tax allowances through offline means as referred to in paragraph (5) are addressed under Regulation of the Investment Coordinating Board.

Article 6

- (1) Tangible fixed assets which are granted with Income-Tax allowances as referred to under Article 3 paragraph (1) letter a are prohibited from being used asides from the purpose of the granting of allowances, or transferred, unless being replaced with new tangible fixed assets, before the expiration of, whichever having longer time period:
 - a. time period of 6 (six) years since the commencement of commercial production; or
 - b. utilization period of tangible fixed assets in accordance with provisions as referred to under Article 3 paragraph (1) letter b point 1.
- (2) Intangible assets which are granted with Income-Tax allowances as referred to under Article 3 paragraph (1) letter b point 2 are prohibited from being used asides from the purpose of the granting of allowances, or transferred, unless being replaced with new intangible assets, before the expiration of utilization period of intangible assets in question in accordance with provisions as referred to under Article 3 paragraph (1) letter b point 2.
- (3) Provisions on procedures for the replacement of assets as referred to in paragraph (1) and paragraph (2) are addressed under Regulation of the Minister of Finance.

Article 7

- (1) In case Taxpayers who have been granted with Income-Tax allowances no longer meeting the provisions as referred to under Article 2, Article 5 paragraph (1), and/or Article 6, are imposed with administrative sanctions in the forms of:
 - a. revocation of Income-Tax allowances which have been granted based on this Regulation of the Government; and
 - b. imposition of tax and sanctions in accordance with laws and regulations within taxation sector.
- (2) Asides from the imposition of administrative sanctions as referred to in paragraph (1), Taxpayers may no longer be granted with Income-Tax allowances for Investments within certain business sectors and/or in certain regions.

- (3) Further provisions on the revocation of Income-Tax allowances as referred to in paragraph (1) letter a are addressed under Regulation of the Minister of Finance.

Article 8

- (1) Against business activities within Integrated Economic Development Areas which have been granted with taxation allowances based on Regulation of the Government [Number 20 of 2000](#) on Taxation Treatments within Integrated Economic Development Areas, as amended by Regulation of the Government [Number 147 of 2000](#) on Amendment to Regulation of the Government Number 20 of 2000 on Taxation Treatments within Integrated Economic Development Areas, may no longer be granted with Income-Tax allowances as referred to under this Regulation of the Government.
- (2) Against Investments which have been granted with corporate Income-Tax exemption or deduction facilities in accordance with Regulation of the Government [Number 94 of 2010](#) on Calculation of Taxable Incomes and Settlement of Income-Tax within the Current Year, as amended by Regulation of the Government [Number 45 of 2019](#) on Amendment to Regulation of the Government Number 94 of 2010 on Calculation of Taxable Incomes and Settlement of Income-Tax within the Current Year, may not be granted with Income-Tax allowances as referred to under this Regulation of the Government.
- (3) Against Investments which have been granted with deduction facilities for net revenues for new or expansion of investments within certain business sectors which are labor-intensive industries in accordance with provisions under Regulation of the Government [Number 94 of 2010](#) on Calculation of Taxable Incomes and Settlement of Income-Tax within the Current Year, as amended by Regulation of the Government [Number 45 of 2019](#) on Amendment to Regulation of the Government Number 94 of 2010 on Calculation of Taxable Incomes and Settlement of Income-Tax within the Current Year, may not be granted with Income-Tax allowances as referred to in this Regulation of the Government.

Article 9

- (1) Implementation of provisions under this Regulation of the Government is evaluated within a time period for no later than 2 (two) years since the promulgation of this Regulation of the Government.
- (2) Evaluation as referred to in paragraph (1) is carried out by team as established by the minister who coordinates economic policies.

Article 10

When this Regulation of the Government enters into force:

1. Taxpayers who have obtained decree on the granting of Income-Tax allowances based on Regulation of the Government [Number 1 of 2007](#) on Income-Tax Allowances for Investments within Certain Business Sectors and/or in Certain Regions, as amended several times and most recently by Regulation of the Government [Number 52 of 2011](#) on Second Amendment to Regulation of the Government Number 1 of 2007 on Income-Tax Allowances for Investments within Certain Business Sectors and/or in Certain Regions, may utilize the granting of allowances up to the expiration of such granting of allowances.
2. Taxpayers who have obtained decree on the granting of Income-Tax allowances based on Regulation of the Government [Number 18 of 2015](#) on Income-Tax Allowances for Investments within Certain Business Sectors and/or in Certain Regions, as amended by Regulation of the Government [Number 9 of 2016](#) on Amendment to Regulation of the Government Number 18 of 2015 on Income-Tax Allowances for Investments within Certain Business Sectors and/or in Certain Regions, may utilize the granting of allowances up to the expiration of such granting of allowances.
3. Against proposals for the granting of Income-Tax allowances based on Regulation of the Government [Number 18 of 2015](#) on Income-Tax Allowances for Investments within Certain Business Sectors and/or in Certain Regions, as amended by Regulation of the Government [Number 9 of 2016](#) on Amendment to Regulation of the Government Number 18 of 2015 on Income-Tax Allowances for Investments within Certain Business Sectors and/or in Certain Regions, which have been

submitted by Taxpayers with the Head of Investment Coordinating Board prior to the enforcement of this Regulation of the Government, may still be processed based on Regulation of the Government [Number 18 of 2015](#) on Income-Tax Allowances for Investments within Certain Business Sectors and/or in Certain Regions, as amended by Regulation of the Government [Number 9 of 2016](#) on Amendment to Regulation of the Government Number 18 of 2015 on Income-Tax Allowances for Investments within Certain Business Sectors and/or in Certain Regions.

4. Against Taxpayers possessing principle license, investment license, Investment registration as issued by Investment Coordinating Board/Provincial Investment Unit and One-Stop Integrated Services/Regency/City Investment Unit and One-Stop Integrated Services, which is issued for a time period no longer than the time when Regulation of the Government [Number 18 of 2015](#) on Income-Tax Allowances for Investments within Certain Business Sectors and/or in Certain Regions, as amended by Regulation of the Government [Number 9 of 2016](#) on Amendment to Regulation of the Government Number 18 of 2015 on Income-Tax Allowances for Investments within Certain Business Sectors and/or in Certain Regions entered into force up to before the enforcement of this Regulation of the Government, may be granted with Income-Tax allowances based on this Regulation of the Government, provided that:
 - a. such principle license, investment license, Investment registration as issued by Investment Coordinating Board/Provincial Investment Unit and One-Stop Integrated Services/Regency/City Investment Unit and One-Stop Integrated Services has never been granted with decree on approval or rejection on the granting of Income-Tax allowances based on Regulation of the Government [Number 18 of 2015](#) on Income-Tax Allowances for Investments within Certain Business Sectors and/or in Certain Regions, as amended by Regulation of the Government [Number 9 of 2016](#) on Amendment to Regulation of the Government Number 18 of 2015 on Income-Tax Allowances for Investments within Certain Business Sectors and/or in Certain Regions;
 - b. Certain Business Sectors as included in Appendix I, which is an integral part to this Regulation of the Government, or Certain Business Sectors and in

Certain Regions as included in Appendix II, which is an integral part to this Regulation of the Government;

- c. fulfills criteria and requirements as referred to under Article 2;
 - d. application for Income-Tax allowances as referred to under Article 5 paragraph (1) is submitted before the commencement of commercial production; and
 - e. is submitted no later than 1 (one) year since this Regulation of the Government enters into force.
5. Against Taxpayers possessing business license as issued by OSS Agency which is issued before the enforcement of this Regulation of the Government, may be granted with Income-Tax allowances based on this Regulation of the Government, provided that:
- a. such business license as issued by OSS Agency has never been granted with decree on approval or rejection on the granting of Income-Tax allowances based on Regulation of the Government [Number 18 of 2015](#) on Income-Tax Allowances for Investments within Certain Business Sectors and/or in Certain Regions, as amended by Regulation of the Government [Number 9 of 2016](#) on Amendment to Regulation of the Government Number 18 of 2015 on Income-Tax Allowances for Investments within Certain Business Sectors and/or in Certain Regions;
 - b. Certain Business Sectors as included in Appendix I, which is an integral part to this Regulation of the Government, or Certain Business Sectors and in Certain Regions as included in Appendix II, which is an integral part to this Regulation of the Government;
 - c. fulfills criteria and requirements as referred to under Article 2;
 - d. application for Income-Tax allowances as referred to under Article 5 paragraph (1) is submitted before the commencement of commercial production; and
 - e. is submitted no later than 1 (one) year since this Regulation of the Government enters into force.

Article 11

When this Regulation of the Government enters into force, all Laws and Regulations which are implementing regulations of Regulation of the Government [Number 18 of 2015](#) on Income-Tax Allowances for Investments within Certain Business Sectors and/or in Certain Regions (State Gazette of the Republic of Indonesia of 2015 Number 77, Supplement to the State Gazette of the Republic of Indonesia Number 5688), as amended by Regulation of the Government [Number 9 of 2016](#) on Amendment to Regulation of the Government Number 18 of 2015 on Income-Tax Allowances for Investments within Certain Business Sectors and/or in Certain Regions (State Gazette of the Republic of Indonesia of 2016 Number 72, Supplement to the State Gazette of the Republic of Indonesia Number 5873), are declared valid insofar they are not in contradictory with provisions under this Regulation of the Government.

Article 12

When this Regulation of the Government enters into force, Regulation of the Government [Number 18 of 2015](#) on Income-Tax Allowances for Investments within Certain Business Sectors and/or in Certain Regions (State Gazette of the Republic of Indonesia of 2015 Number 77, Supplement to the State Gazette of the Republic of Indonesia Number 5688), as amended by Regulation of the Government [Number 9 of 2016](#) on Amendment to Regulation of the Government Number 18 of 2015 on Income-Tax Allowances for Investments within Certain Business Sectors and/or in Certain Regions (State Gazette of the Republic of Indonesia of 2016 Number 72, Supplement to the State Gazette of the Republic of Indonesia Number 5873), is revoked and declared invalid.

Article 13

This Regulation of the Government enters into force after 30 (thirty) days since the date of its promulgation.

For the purposes of public cognizance, it has been ordered that the promulgation of this Regulation of the Government should be achieved through its publication in the State Gazette of the Republic of Indonesia.

Established in Jakarta

on 12 November 2019

PRESIDENT OF THE REPUBLIC OF INDONESIA,

signed.

JOKO WIDODO

Promulgated in Jakarta

on 13 November 2019

MINISTER OF LAW AND HUMAN RIGHTS OF THE REPUBLIC OF INDONESIA,

signed.

YASONNA H. LAOLY

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2019 NUMBER 218

**ELUCIDATION
OF
REGULATION OF THE GOVERNMENT OF THE REPUBLIC OF INDONESIA
NUMBER 78 OF 2019
ON
INCOME-TAX ALLOWANCES FOR INVESTMENTS WITHIN CERTAIN BUSINESS
SECTORS AND/OR CERTAIN REGIONS**

I. GENERAL

In order to encourage the acceleration on the realization of Investment activities in bid to increase economic growth, equitable development, and acceleration of development in certain regions, advancement of industrial structures, as well as encouraging domestic Investments and foreign Investments within certain business sectors and/or in certain regions, against Taxpayers who perform Investments within such certain business sectors and/or in certain regions, they may be granted with Income-Tax allowances.

Determination of certain business sectors and certain regions which become the target for Investments that obtain Income-Tax allowances is performed by considering priorities on sectoral development in order to create a comprehensive economic ecosystem.

As a form of deregulation of procedures for the application and granting of Income-Tax allowances, it is deemed necessary to perform harmonization with provisions relating to business licensing based on Regulation of the Government [Number 24 of 2018](#) on Electronically-Integrated Business Licensing Services. Procedures for the application and granting of Income-Tax allowances will be performed online through OSS system.

II. ARTICLE BY ARTICLE

Article 1

Self-explanatory.

Article 2

Self-explanatory.

Article 3

Paragraph (1)

Letter a

Facility for the deduction of net revenue in sum of 30% (thirty percent) of Investment values are granted in phases for 6 (six) years, namely annually in sum of 5% (five percent) of total Investment values in the forms of acquisition of tangible fixed assets, including land, as used for Core Business Activity.

This facility is, in nature, deducts net revenue (in case generating business profits) or increases fiscal losses (In case sustaining business losses).

For example:

PT A performs Investments in sum of IDR 100,000,000,000 (one hundred billion) in the forms of purchasing of fixed assets in the forms of land, building and machines. Against PT A, facility for the deduction of net revenue may be granted in sum of 30% (thirty percent) x IDR 100,000,000,000 (one hundred billion) = IDR 30,000,000,000 (thirty billion).

The imposition is performed equivalently annually for 6 (six) years or annually imposition in sum of IDR 5,000,000,000 (five billion).

Letter b

Self-explanatory.

Letter c

For example:

Investor from state X, obtain dividends from domestic corporate Taxpayers who have been determined to be granted with allowances based on this Regulation of the Government. If such investor X is domiciled in the state which is not yet enter into Avoidance of Double Taxation Agreement (*Perjanjian Penghindaran Pajak Berganda/P3B*) with the Government of the Republic of Indonesia, or domiciled in the state which has entered into P3B with the Government of the Republic of Indonesia with tax tariff for dividends for Foreign Taxpayers in sum of [sic] 10% (ten percent) or more, then against such dividends, only 10% (ten percent) rate of Income Tax is imposed in Indonesia.

However, if such investor X is domiciled in a state which has entered into P3B with the Government of the Republic of Indonesia with tax tariff for dividends lower than 10% (ten percent) rate, then against such dividends, Income-Tax which is imposed in Indonesia is in accordance with tariff as addressed under such P3B.

Letter d

In accordance with provisions under Article 6 paragraph (2) Law [Number 36 of 2008](#) on Fourth Amendment to Law Number 7 of 1983 on Income-Tax, fiscal losses within a tax year, may be compensated with profits as obtained within the following 5 (five) tax years.

In order to encourage Investments, such time period for compensation of losses may be granted for a period longer than 5 (five) years but no longer 10 (ten) years. The total addition of time period for such compensation of losses may be granted in case provisions as referred to in this paragraph are met.

“Social infrastructures” refer to infrastructures and allowances for public interest and non-commercial in nature.

“Addition of at least 300 (three hundred) or 600 (six hundred) Indonesian manpower” refers to addition of new manpower for at least 300 (three

hundred) or 600 (six hundred) manpower since the decree on approval for the granting of Income-Tax, which may be met in phases and the minimum figure of manpower in question should be maintained within a period of 4 (four) consecutive years.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Article 4

Paragraph (1)

“Tangible fixed assets, including land” refer to tangible fixed assets as used for Core Business Activity and/or primary supporting which is directly related to Core Business Activity in question.

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

“Tangible fixed assets, including land as owned and used for Core Business Activity” refer to tangible fixed assets as obtained besides through operating lease (*sewa guna usaha tanpa hak opsi*) or financial lease (*sewa guna usaha dengan hak opsi*) before the option right over such assets is exercised.

Paragraph (2)

Self-explanatory.

Paragraph (3)
Self-explanatory.

Article 5

Self-explanatory.

Article 6

Self-explanatory.

Article 7

Self-explanatory.

Article 8

Paragraph (1)
Self-explanatory.

Paragraph (2)

Income-Tax allowances for Investments within Certain Business Sectors and/or in Certain Regions may be granted, provided that Investments in question are not granted with corporate Income-Tax exemption or deduction allowances in accordance with Regulation of the Government [Number 94 of 2010](#) on Calculation of Taxable Incomes and Settlement of Income-Tax within the Current Year, as amended by Regulation of the Government [Number 45 of 2019](#) on Amendment to Regulation of the Government Number 94 of 2010 on Calculation of Taxable Incomes and Settlement of Income-Tax within the Current Year. Against the same Investment activities, they may not be granted for more than one Income-Tax facility.

Paragraph (3)
Self-explanatory.

Article 9

Self-explanatory.

Article 10

Point 1

Self-explanatory.

Point 2

Self-explanatory.

Point 3

“Proposals for the granting of Income-Tax allowances” refer to applications which have been submitted by Taxpayers with the Head of Investment Coordinating Board based on Regulation of the Government [Number 18 of 2015](#) on Income-Tax Allowances for Investments within Certain Business Sectors and/or in Certain Regions, as amended by Regulation of the Government [Number 9 of 2016](#) on Amendment to Regulation of the Government Number 18 of 2015 on Income-Tax Allowances for Investments within Certain Business Sectors and/or in Certain Regions, encompassing:

1. proposals which have been approved in clarification meeting;
2. proposals which have been submitted by the Head of Investment Coordinating Board with the Minister of Finance and such proposals are undergoing the process for the granting of Income-Tax allowances; or
3. proposals which have been returned by the Minister of Finance to the Head of Investment Coordinating Board.

Point 4

Self-explanatory.

Point 5

Self-explanatory.

Article 11

Self-explanatory.

Article 12

Self-explanatory.

Article 13

Self-explanatory.

SUPPLEMENT TO THE STATE GAZETTE OF THE REPUBLIC OF INDONESIA
NUMBER 6418



APPENDIX I TO
REGULATION OF THE GOVERNMENT OF THE REPUBLIC
OF INDONESIA
NUMBER 78 OF 2019
ON
INCOME-TAX ALLOWANCES FOR INVESTMENTS WITHIN
CERTAIN BUSINESS SECTORS AND/OR IN CERTAIN
REGIONS

CERTAIN BUSINESS SECTORS

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)
PLANT FARMING, HUSBANDRY, HUNTING AND RELATED ACTIVITIES (<i>Yang Berhubungan Dengan Itu/YBDI</i>)				
1.	Corn Farming	01111	- Corn seeds - Corn cultivation	
2.	Soy Farming	01113	- Soy seeds - Soy cultivation	
3.	Hybrid Rice Farming	01121	- Hybrid rice seeds - Hybrid rice cultivation	
4.	Inbred Rice Farming	01122	- Inbred rice seeds	

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)
			- Inbred rice cultivation	
5.	Various Non-Rice (<i>palawija</i>) Tuber Farming	01135	Wood tuber plantation	
6.	Sugarcane Farming	01140	Sugarcane plantation business, including the seeding and breeding of sugarcane	
7.	Fibrous Plant Farming	01160	All scope of products which are included in this Standard Classification of Indonesian Business Fields (<i>Klasifikasi Baku Lapangan Usaha Indonesia/KBLI</i>).	
8.	Tropical and Sub-Tropical Fruits Farming	01220	- Banana cultivation - Pineapple cultivation - Mangosteen cultivation	
9.	Drink Substance Plant Farming	01270	- Coffee - Tea - Cacao	
10.	Pepper Plantation	01281	Pepper	
11.	herbs and Spices, Aromatic/Refresher [<i>penyegar</i>],	01289	Nutmeg	

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)
	Narcotics, and Other Medicine Plant Farming			
12.	Decorative Plant Farming	01301	<ul style="list-style-type: none"> - Dracaena - Orchid - Jasmine 	
PLANT FARMING, HUSBANDRY, HUNTING, AND RELATED ACTIVITIES (<i>Yang Berhubungan Dengan Itu/YBDI</i>)				
13.	Seeding and Cultivation of Beef Cattle [<i>sapi potong</i>]	01411	<ul style="list-style-type: none"> - Seeding of beef cattle - Cultivation for the breeding of beef cattle 	Performing partnership with breeders in the cow-husbandry business with a minimum of 10% of shed capacity
14.	Seeding and Cultivation of Dairy Cows	01412	<ul style="list-style-type: none"> - Seeding of dairy cows - Cultivation of dairy cows 	<ul style="list-style-type: none"> - Performing partnership with breeders in the cow-husbandry business with a minimum of 10% of shed capacity; and - Integrated and/or in partnership with Industry for the processing of fresh

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)
				milk and creams (KBLI 10510)
FORESTRY AND HARVESTING OF WOOD AND NON-WOOD FORESTRY PRODUCTS				
15.	Utilization of Teak Forest	02111	Activities for the preparation of land, seeding, planting, breeding, harvesting, and/or marketing of teak plant products	
16.	Utilization of Pine Forest	02112	Activities for the preparation of land, seeding, planting, breeding, harvesting, and/or marketing of pine plant products	
17.	Utilization of Mahogany Forest	02113	Activities for the preparation of land, seeding, planting, breeding, harvesting, and/or marketing of mahogany plant products	
18.	Utilization of Sonokeling Forest	02114	Activities for the preparation of land, seeding, planting, breeding, harvesting, and/or marketing of sonokeling plant products	

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)
19.	Utilization of Sengon/Albasia/Jeunjing Forest	02115	Activities for the preparation of land, seeding, planting, breeding, harvesting, and/or marketing of sengon/albasia/jeunjing plant products	
20.	Utilization of Sandalwood Forest	02116	Activities for the preparation of land, seeding, planting, breeding, harvesting, and/or marketing of sandalwood plant products	
21.	Utilization of Acacia Forest	02117	Activities for the preparation of land, seeding, planting, breeding, harvesting, and/or marketing of acacia plant products	
22.	Utilization of Eucalyptus Forest	02118	Activities for the preparation of land, seeding, planting, breeding, harvesting, and/or marketing of eucalyptus plant products	
FISHERIES				
23.	Capturing of Pisces/Fin Fish at Sea	03111	All kind of fishes (pisces), except for sharks	- Performing capture at zones as determined by

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)
				<p>the minister who is in charge for marine and fishery affairs; and</p> <ul style="list-style-type: none"> - Implementing integrated fish-capture business patterns with KBLI 10211, KBLI 10212, KBLI 10213, KBLI 10214, KBLI 10219, or KBLI 10221
24.	Capture of Crustacea at Sea	03112	All kind of crustaceas	<ul style="list-style-type: none"> - Performing capture at zones as determined by the minister who is in charge for marine and fishery affairs; and - Implementing integrated fish-capture business patterns with KBLI 10222, KBLI 10293, or KBLI 102999

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)
25.	Capture of Mollusca at Sea	03113	All kind of molluscas	<ul style="list-style-type: none"> - Performing capture at zones as determined by the minister who is in charge for marine and fishery affairs; and - Implementing integrated fish-capture business patterns with KBLI 10221, KBLI 10293, or KBLI 10299
26.	Breeding of Sea Pisces/Fin Fish	03211	All scope of products as included in this KBLI	
27.	Breeding of Sea Mollusca	03215	All scope of products as included in this KBLI	
28.	Breeding of Sea Custaceas	03216	All scope of products as included in this KBLI	
COAL GASIFICATION				
29.	Coal Gasification at Mining Sites	05102	Coal gasification	

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)
UTILIZATION OF GEOTHERMAL ENERGY				
30.	Utilization of Geothermal Energy	06202	- Exploration of geothermal energy - Drilling of geothermal energy	
METAL-ORE MINING				
31.	Iron Sand Mining	07101	Processing and/or refinement of iron sands	Establishment of new and/or expansion of smelters
32.	Iron-Ore Mining	07102	Processing and/or refinement of iron ores	Establishment of new and/or expansion of smelters
33.	Uranium-Ore and Thorium Mining	07210	Processing and/or refinement of: - Uranium ores - Thorium	Establishment of new and/or expansion of smelters
34.	Tin-Ore Mining	07291	Processing and/or refinement of tin ores	Establishment of new and/or expansion of smelters
35.	Black Tin-Ore Mining	07292	Processing and/or refinement of black tin ores	Establishment of new and/or expansion of smelters
36.	Bauxite-Ore/Aluminum Mining	07293	Processing and/or refinement of bauxite ores	Establishment of new and/or expansion of smelters
37.	Copper-Ore Mining	07294	Processing and/or refinement of copper ores	Establishment of new and/or expansion of smelters

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)
38.	Nickel-Ore Mining	07295	Processing and/or refinement of nickel ores	Establishment of new and/or expansion of smelters
39.	Manganese-Ore Mining	07296	Processing and/or refinement of manganese ores	Establishment of new and/or expansion of smelters
40.	Mining of Other Minerals which Do Not Contain Iron-Ore	07299	Processing and/or refinement of: <ul style="list-style-type: none"> - Zinc ores - Zirconium ores - Chromium ores - Antimony ores - Ilmenite ores - Rutile ores - Rare-earth elements 	Establishment of new and/or expansion of smelters
41.	Gold and Silver Mining	07301	Processing and/or refinement: <ul style="list-style-type: none"> - Gold ores - Silver ores 	Establishment of new and/or expansion of smelters
FOOD INDUSTRY				
42.	Frozen-Fish Industry	10231	<ul style="list-style-type: none"> - All kind of fishes (pisces), except for sharks - Tuna: loin, steak, saku, meat, slice, and/or cube 	

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)
			- Fillet of demersal fish (<i>fillet ikan dasar</i>)	
43.	Minced-and-Surimi-Based Beef Industry	10216	Surimi and surimi-based products: meatball, sausage, fish cake [<i>otak-otak</i>], dragon leg [<i>kaki naga</i>], shumai, <i>ekado</i> , fish finger, crabmeat imitation, fish ball, fish nugget, fish stick, crab stick, chikuwa, and/or <i>kamapoko</i>	
44.	Seaweed Processing Industry	10298	Refined carrageenan	
45.	Industry of Processing and Preservation of Fruits and Vegetables in Cans	10320	All scope of products as included in this KBLI	
46.	Margarine Industry	10412	Margarine	Integrated with KBLI 10435, KBLI 10436, and/or KBLI 10437
47.	Virgin Coconut Oil [<i>Minyak Mentah Kelapa</i>] Industry	10422	All scope of products as included in this KBLI	
48.	Palm Cooking Oil Industry	10423	All scope of products as included in this KBLI	

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)
49.	Coconut Flour and Pellet Industry	10424	All scope of products as included in this KBLI	
50.	Industry of Virgin Oil and Other Vegetable and Animal Fat	10490	All scope of products as included in this KBLI	Integrated with KBLI 10435, KBLI [sic] 10436, and/or KBLI 10437
51.	Fresh Milk and Cream Processing Industry	10510	All scope of products as included in this KBLI	
52.	Cereal Food Industry	10615	Production of cereal foods	
53.	Cassava Starch [<i>Pati Ubi Kayu</i>] Industry	10621	Production of cassava starch through extraction, such as tapioca flour	
54.	Various Types of Palm-Starch Industry	10622	Starch from natural sago	
55.	Glucose and Its Kind Industry	10623	Sugar from cassava [<i>ubi kayu</i>]	
56.	Bread and Pastry Products Industry	10710	- Production of biscuits - Production of wafers	
57.	Granulated Sugar Industry	10721	Granulated sugar from sugarcane	Integrated and/or in partnership with sugarcane plantations (KBLI 01140)

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)
58.	Industry of Foods Made from Chocolate and Confectionery Industry	10732	All scope of products as included in this KBLI	
59.	Industry of Cooked Products Made from Coconut	10773	All scope of products as included in this KBLI	
60.	Baby-Food Industry	10791	All scope of products as included in this KBLI	
61.	Non-Dairy Creamer [<i>Krimer Nabati</i>] Industry	10795	Production of non-dairy creamers	
62.	Corn-Processing Industry	00000	Production of corn-based glucose, fructose, lactose, maltose, and/or saccharose	
TEXTILE INDUSTRY				
63.	Yarn-Spinning Industry	13112	Yarns from cotton, polyester, nylon, acrylic, spandex, and/or rayon, as well as its mix	
64.	Woven Industry (Excluding Weaving of Gunny Sacks and Other Sacks)	13121	Woven fabrics as produced using machinery weaving tools (<i>alat tenun mesin/ATM</i>)	

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)
65.	Fabric-Finishing Industry	13132	All scope of products as included in this KBLI	Integrated with KBLI 13133
66.	Fabric-Printing Industry	13133	All scope of products as included in this KBLI	Integrated with KBLI 13132
67.	Batik Industry	13134	All scope of products as included in this KBLI	
68.	Knitted-Fabric Industry	13911	All scope of products as included in this KBLI	
69.	Carpet and Rug Industry	13930	All scope of products as included in this KBLI	
70.	Industry which Produces Fabrics for Industrial Consumption	13992	All scope of products as included in this KBLI	
71.	Non-Woven (<i>Bukan Tenunan</i>) Industry	13993	All scope of products as included in this KBLI	
APPAREL INDUSTRY				
72.	Apparel Industry (Garment Factory) from Textile	14111	All scope of products as included in this KBLI	
73.	Apparel Industry (Garment Factory) from Leather	14112	All scope of products as included in this KBLI	

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)
74.	Knitted Apparel Industry	14301	All scope of products as included in this KBLI	
INDUSTRY OF LEATHER, GOODS MADE FROM LEATHER AND FOOTWEAR				
75.	Footwear Industry for Daily Use	15201	All scope of products as included in this KBLI	
76.	Sport-Shoes Industry	15202	All scope of products as included in this KBLI	
77.	Industry of Field Technical Shoes/Industrial Purposes	15203	All scope of products as included in this KBLI	
INDUSTRY OF PRODUCTS MADE FROM COALS AND OIL-REFINEMENT				
78.	Industry of Products Made from Coals	19100	All scope of products as included in this KBLI	
79.	Lubricant Production Industry	19212	All scope of products as included in this KBLI	
80.	Coal-Briquettes Industry	19292	All scope of products as included in this KBLI	
INDUSTRY OF CHEMICAL SUBSTANCES AND GOODS MADE FROM CHEMICAL SUBSTANCES				
81.	Inorganic Chlorine and Alkali Basic Chemical Industry	20111	Hydrochloric acid, sodium hypochlorite	

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)
82.	Other Inorganic Basic Chemical Industry	20114	White carbon, sulfuric acid, ammonium sulphate, phosphate acid, hydrogen peroxide, ammonium nitrate, ammonium chlorate, ammonium perchlorate, potassium nitrate, potassium chlorate	
83.	Industry of Organic Basic Chemical Deriving from Agricultural Products	20115	All scope of products as included in this KBLI, except for products which have been included in the scope of corporate Income-Tax (<i>Pajak Penghasilan/PPH</i>) deduction facilities as addressed under Regulation of the Minister of Finance (<i>Peraturan Menteri Keuangan/PMK</i>) Number 150/PMK/010/2018 and its amendment	

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)
84.	Industry of Organic Basic Chemical Deriving from Oil, Natural Gas, and Coal	20117	All scope of products as included in this KBLI, except for products which have been included in the scope of corporate PPh deduction facilities as addressed under PMK Number 150/PMK/010/2018 and its amendment	
85.	Other Organic Basic Chemical Industry	20119	- Paraformaldehyde - Dimethyl phthalate	
86.	Artificial Fertilizer with Primary Macro Single Nutrient Industry	20122	Urea fertilizers	
87.	Synthetic Resin (<i>Damar Buatan</i>) and Plastic Raw Material Industry	20131	Polycarbonate, polybutene, polyacetal, nylon filament yarn, nylon tire cord, super absorbent polymer, polyester chip (pet resin), polyvinyl alcohol	
88.	Soap and Household Cleaning Substance Industry	20231	All scope of products as included in this KBLI	
89.	Industry of Cosmetics, Including Toothpaste	20232	All scope of products as included in this KBLI	

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)
90.	Synthetic Filament Fiber/String/Stripe Industry	20301	Polyester filament string	
91.	Synthetic Staple Fiber Industry	20302	Polyester synthetic staple fibers	
INDUSTRY OF PHARMACEUTICAL, CHEMICAL DRUG AND TRADITIONAL MEDICINE PRODUCTS				
92.	Pharmaceutical-Substances Industry	21011	All scope of products as included in this KBLI, except for products which have been included in the scope of corporate PPh deduction facilities as addressed under PMK Number 150/PMK/010/2018 and its amendment	
93.	For-Human Pharmaceutical Product Industry	21012	All scope of products as included in this KBLI, except for products which have been included in the scope of corporate PPh deduction facilities as addressed under PMK Number 150/PMK/010/2018 and its amendment	
94.	Traditional Medicine Products Industry	21022	Phyto-pharmacy	

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)
INDUSTRY OF RUBBER, GOODS MADE FROM RUBBER AND PLASTIC				
95.	Outer Tire and Inner Tube Industry	22111	All scope of products as included in this KBLI	
96.	Plastic-Made Goods for Building Industry	22210	All scope of products as included in this KBLI	
97.	Plastic Sheet Goods Industry	22291	Film PET [Poly-ethylene Terephthalate]	
NON-METAL MINERAL INDUSTRY				
98.	Flat-Glass Industry	23111	All scope of products as included in this KBLI	
99.	Safety-Glass Industry	23112	All scope of products as included in this KBLI	
100.	Porcelain Sanitary Tools Industry	23923	All scope of products as included in this KBLI	
101.	Building Material Made from Clay/Non-Brick-and-Tile Ceramic Industry	23929	All scope of products as included in this KBLI	
102.	Porcelain Household Equipment Industry	23931	All scope of products as included in this KBLI	

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)
103.	Porcelain Laboratory Tools and Electrical/Technical Tools Industry	23933	All scope of products as included in this KBLI	
BASIC-METAL INDUSTRY				
104.	Iron-and-Steel Making (<i>Besi dan Baja Dasar</i>) Industry	24101	<ul style="list-style-type: none"> - Base metal industry which produces iron - Base metal industry which produces steel deriving from scraps 	Using Electric Arc Furnace/EAF technology
105.	Steel-Rolling (<i>Penggilingan Baja</i>) Industry	24102	<ul style="list-style-type: none"> - Hot rolled coil/sheet steel (including stainless steel) deriving from slab raw materials and/or - Cold rolled coil/sheet steel (including stainless steel) as coated or non-coated with another metal or non-metal from hot rolled coil steel raw materials 	

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)
106.	Precious Base Metal Making Industry	24201	Processing of anode slime (<i>lumpur anoda</i>) becoming dore metal (<i>logam mulia</i>)	Performing transfer of technology
107.	Non-Iron Base Metal Making Industry	24202	All scope of products as included in this KBLI, except for products which have been included in the scope of corporate PPh deduction facilities as addressed under PMK Number 150/PMK/010/2018 and its amendment	Performing transfer of technology
INDUSTRY OF METAL GOODS, NON-MACHNIERY AND ITS EQUIPMENT				
108.	Industry of Goods Made from Wire	25951	<ul style="list-style-type: none"> - Production of brass plate steel wire (<i>tali kawat logam</i>) - Production of steel cord 	
109.	Industry of Other Metal Goods Which Cannot be Classified at Other Classes (<i>Yang Tidak Dapat Diklasifikasikan di Tempat Lain/YTDL</i>)	25999	<ul style="list-style-type: none"> - Production of ship's propellers - Production of ship's anchor - Production of ship's chains 	
INDUSTRY OF COMPUTER, ELECTRONIC AND OPTIC PRODUCTS				

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)
110.	Semi-Conductor and Other Electronic Components Industry	26120	All scope of products as included in this KBLI, except for products which have been included in the scope of corporate PPh deduction facilities as addressed under PMK Number 150/PMK/010/2018 and its amendment	
111.	Computer and/or Computer-Assembly Industry	26210	All scope of products as included in this KBLI	
112.	Computer-Equipment Industry	26220	Printers	
113.	Wireless (<i>Tanpa Kabel</i>) Communication Devices Industry	26320	All scope of products as included in this KBLI	
114.	Smart Card (<i>Kartu Cerdas</i>) Industry	26391	All scope of products as included in this KBLI	
115.	Other Communication Devices Industry	26399	All scope of products as included in this KBLI	
116.	Television and/or Television-Assembly Industry	26410	All types of flat panel display (<i>layar datar</i>) television, excluding CRT [Cathode-ray tube] television	

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)
117.	Recording, Receiver and Multiplier of Audio and Video Devices Industry, not Television Industry	26420	Players of CD, VCD/DVD, blu-ray and/or their combination, Head unit of cars (radio and television as installed in card)	
118.	Other Electronic Audio and Video Devices Industry	26490	- Production of video-game consoles - Production of active speakers	
119.	Electronic Measurement Tool and Testing Tool Industry	26513	Radar devices and equipment	
120.	Photography Devices Industry	26710	All scope of products as included in this KBLI	
ELECTRICAL-DEVICES INDUSTRY				
121.	Transformer (<i>Pengubah Tegangan</i>), Rectifier (<i>Pengubah Arus</i>) and Voltage Stabilizer (<i>Pengontrol Tegangan</i>) Industry	27113	Transformer industry with the voltage between 70KV-500KV	Performing transfer of technology
122.	Electrical Controller and Distribution Devices Industry	27120	All scope of products as included in this KBLI	

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)
123.	Battery Industry	27201	All scope of products as included in this KBLI, with investment figure below IDR 100 billion	
124.	Fiber-Optic Cable Industry	27310	All scope of products as included in this KBLI	
125.	Electric Cable and Other Electronics Industry	27320	Electrical Cables	
126.	LED-Lamp Industry	27404	All scope of products as included in this KBLI	
127.	Household Electrical Devices Industry	27510	Refrigerators and/or washing machines	
INDUSTRY OF MACHINES AND EQUIPMENT WHICH CANNOT BE CLASSIFIED AT OTHER CLASSES (<i>Yang Tidak Dapat Diklasifikasikan di Tempat Lain/YTDL</i>)				
128.	Machine and Turbine Component and Spare-Parts Industry	28113	<ul style="list-style-type: none"> - Production of generator components and/or spare-parts - Production of turbine components and/or spare-parts 	

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)
129.	Other Pumps, Compressor, Faucet [<i>Kran</i>], and Valve [<i>Klep/Katup</i>] Industry	28130	Compressors for - Refrigerators and AC [<i>Air Conditioner</i>] - Cold Storage	
130.	Lifter and Transporter Devices Industry	28160	- Production of Lifts - Production of Escalators	
131.	Photocopy-Machine Industry	28174	- Production of photocopy machine - Production of photocopy-machine equipment	Using environmentally-friendly technology
132.	Cooling-Machine Industry	28193	Production of evaporators and/or condensers, for all cooling machines	Using environmentally-friendly technology
133.	Agricultural and Forestry Machine Industry	28210	- Assembly of agricultural tractors - Production of rice milling units (<i>mesin penggilingan padi</i>)	
134.	Industry of Machine and Machinery Tools for Metal Processing	28221	All scope of products as included in this KBLI	Performing transfer of technology

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)
135.	Mining, Drilling, and Construction Machines Industry	28240	Production of heavy equipment (Track Type Tractor/TTT, truck body, and its equivalent), including its components	
136.	Textile-Machine Industry	28263	<ul style="list-style-type: none"> - Production of knitting machines - Production of weaving machines - Production of embroidery machines with investment values below IDR 100 Billion	
137.	Industry of Machines for Other Specific Purposes	28299	Production of injection moulding machines	
INDUSTRY OF MOTOR VEHICLES, TRAILERS AND SEMI-TRAILERS				
138.	Four-or-More-Wheeled Motor Vehicle Industry	29100	All scope of products as included in this KBLI, except for products which have been included in the scope of corporate PPh deduction facilities as addressed under PMK	

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)
			Number 150/PMK/010/2018 and its amendment	
139.	Chassis for Four-or-More-Wheeled Motor Vehicle Industry and Trailer and Semi-Trailer Industry	29200	All scope of products as included in this KBLI	
140.	Industry of Spare-Parts and Accessories of Four-or-More-Wheeled Motor Vehicle	29300	All scope of products as included in this KBLI, except for products which have been included in the scope of corporate PPh deduction facilities as addressed under PMK Number 150/PMK/010/2018 and its amendment	
INDUSTRY OF OTHER TRANSPORTATION MEANS				
141.	Vessel and Boat Industry	30111	<ul style="list-style-type: none"> - Production or assembly of various commercial vessels and boats which are made from steel and/or aluminum - Production or assembly of various commercial vessels 	

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)
			and boats which are made from fiber glass, wood, and/or ferro cement	
142.	Industry of Devices, Equipment and Parts of Vessel	30113	Production of equipment, devices and parts of vessel, such as equipment for hull, work accommodation of deck machine, steer and stevedoring tool	
143.	Two-Wheeled and Three-Wheeled Motorcycle Industry	30911	All scope of products as included in this KBLI	
144.	Industry of Components and Equipment of Two-Wheeled and Three-Wheeled Motorcycle	30912	<ul style="list-style-type: none"> - Production of engines or engine parts - Production of die-casting components, brake systems - Production of transmission systems 	
145.	Industry of Bicycles and Wheelchairs, Including Trishaws [<i>Becak</i>]	30921	All scope of products as included in this KBLI	
FURNITURE INDUSTRY				

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)
146.	Wood Furniture Industry	31001	All scope of products as included in this KBLI	
147.	Rattan and/or Bamboo Furniture Industry	31002	All scope of products as included in this KBLI	
OTHER PROCESSING INDUSTRY				
148.	Industry of Jewelries Made from Precious Stones for Personal Use	32112	All scope of products as included in this KBLI	
149.	Game-Devices Industry	32401	All scope of products as included in this KBLI	
150.	Children's Toy Industry	32402	All scope of products as included in this KBLI	
151.	Coconut-Fiber Industry	32905	All scope of products as included in this KBLI	
REPARATION AND INSTALLMENT OF MACHINES AND EQUIPMENT				
152.	Reparation of Vessel, Boat, and Floating Building	33151	All scope of products as included in this KBLI	
GENERATION OF ELECTRICITY, GAS, STEAM/HOT WATER AND COLD AIR				

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)
153.	Electricity Power Plant	35101	<ul style="list-style-type: none"> - Micro power plants - Mini power plants with investment values below IDR 100 billion	
154.	Procurement of Natural and Synthetic Gas	35201	<ul style="list-style-type: none"> - Regasification of LNG [Liquefied Natural Gas] to be gas using Floating Storage Regasification Unit (FSRU) - Coalbed Methane (Non-PSC)/coal methane gas, shake gas, tight gas sand, and methane hydrate - Refinement and/or processing of natural gas to be Liquefied Natural Gas (LNG) and/or Liquefied Petroleum Gas (LPG) - Procurement and/or processing of synthetic gas as a result of coal gasification 	
WATER MANAGEMENT				

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)
155.	Reservoir, Purifier and Distribution of Drinking Water	36001	<ul style="list-style-type: none"> - Development and/or management of standard water units and/or production units within Drinking Water Provision System (<i>Sistem Penyediaan Air Minum/SPAM</i>) - Development of SPAM distribution units 	
WASTEWATER MANAGEMENT				
156.	Management and Disposal of Hazardous Wastewater	37022	All scope of products as included in this KBLI	
MANAGEMENT AND RECYCLE OF WASTE				
157.	Management and Disposal of Non-Hazardous Waste	38211	Management of non-hazardous waste which produces biofertilizer, methane gas, or carbon-dioxide gas	
158.	Production of Organic Waste Compost	38212	All scope of products as included in this KBLI	
159.	Management and Disposal of Hazardous Waste	38220	Management of hazardous garbage which produces Oil-Free	

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)
			Used Bleaching Land Product (<i>Tanah Pemucat Bekas Bebas Minyak/TPBBM</i>) or eco-environment oil (recovered oil)	
REMEDIATION ACTIVITIES AND MANAGEMENT OF OTHER WASTE				
160.	Remediation and Other Garbage Management Activities	39000	All scope of products as included in this KBLI	
LAND TRANSPORTATION AND PIPE-CHANNEL TRANSPORTATION				
161.	Long-Distance Railroad Passenger Transporters	39110	Inter-city passenger transporting business using trains, including the operation of sleep trains or dining trains as integrated operation of train company (but not including trains for urban passengers)	Ineligible for subsidy
WAREHOUSE AND TRANSPORTATION SUPPORTING ACTIVITIES				

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)
162.	Cargo Handling (Loading and Unloading of Goods)	52240	The business of loading-and-unloading of goods and/or passengers' luggage within the seaport area, including container terminal, liquid bulk terminal, and dry bulk terminal	Integrated with KBLI 52101, KBLI 52102, KBLI 52109, or KBLI 5221
PROGRAMMING ACTIVITIES, COMPUTER CONSULTATION AND ACTIVITIES WHICH ARE RELATED TO IT (<i>Yang Berhubungan Dengan Itu/YBDI</i>)				
163.	Video-Game Development Activities	62011	All scope of products as included in this KBLI	
164.	Activities of Developing Trading Through Internet (e-commerce) Application	62012	All scope of products as included in this KBLI	
165.	Other Computer Programming Activities	62019	All scope of products as included in this KBLI	
REAL ESTATE				
166.	Tourism Areas	68120	All scope of products as included in this KBLI, except for those which are situated within Special	

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)
			Economic Zones (<i>Kawasan Ekonomi Khusus/KEK</i>)	

PRESIDENT OF THE REPUBLIC OF INDONESIA,

signed.

JOKO WIDODO



APPENDIX II TO
REGULATION OF THE GOVERNMENT OF THE
REPUBLIC OF INDONESIA
NUMBER 78 OF 2019
ON
INCOME-TAX ALLOWANCES FOR INVESTMENTS
WITHIN CERTAIN BUSINESS SECTORS AND/OR IN
CERTAIN REGIONS

CERTAIN BUSINESS ACTIVITIES AND IN CERTAIN REGIONS

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REGIONS/PROVINCES	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)	(6)
FISHERY					
1.	Breeding of Freshwater Fish in Floating Net Cages/Fixed Net Cages	03222	- Parrot fish - Catfish (<i>patin</i>)	All provinces in Indonesia, except for Special Capital Region [<i>Daerah Khusus Ibukota/DKI</i>] Jakarta	

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REGIONS/PROVINCES	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)	(6)
COAL LIQUIFICATION AND UPGRADING					
2.	Coal Mining	05101	<ul style="list-style-type: none"> - Coal liquification (<i>pencairan batu bara</i>) - Coal upgrading (<i>peningkatan mutu batu bara</i>) 	<p>Aceh, West Sumatera, Riau, Jambi, South Sumatera, Bengkulu, Central Kalimantan, South Kalimantan, East Kalimantan, North Kalimantan, West Papua, Papua</p>	
FOOD INDUSTRY					
3.	Industry of Processing and Preservation of Fish and Aquatic Biota (Non-Shrimp) in Cans	10221	<ul style="list-style-type: none"> - All kind of fishes (pisces), except for sharks - All kind of crustaceas - All kind of molluscas - Canned fish and cooked loin (canned tuna or skipjack) 	All provinces in Indonesia, except for DKI Jakarta	

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REGIONS/PROVINCES	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)	(6)
4.	Industry of Processing and Preservation of Shrimp in Cans	10222	All scope of products as included in this KBLI	All provinces in Indonesia, except for DKI Jakarta	
5.	Frozen Other Aquatic Biota Industry	10293	<ul style="list-style-type: none"> - All kind of crustaceas - All kind of molluscas - Frozen shrimps 	All provinces in Indonesia, except for DKI Jakarta	
6.	Industry of Other Processing and Preservation for Other Aquatic Biota	10299	Breaded shrimps	All provinces in Indonesia, except for DKI Jakarta	
7.	Coffee-Processing Industry	10761	Powdered coffee, roasted coffee, extracted coffee, instant coffee, and/or coffee essence	All provinces in Indonesia, except for DKI Jakarta	
INDUSTRY OF PAPER AND GOODS MADE FROM PAPER					
8.	Writing-Paper [<i>Kertas Budaya</i>] Industry	17012	- Printed writing papers	All provinces in Indonesia, except for DKI Jakarta	- Integrated with pulp paper/ <i>bubur</i>

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REGIONS/PROVINCES	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)	(6)
			<ul style="list-style-type: none"> - Paper for newspapers - Paper for prayer 		<i>kertas</i> industry (KBLI 17011); and <ul style="list-style-type: none"> - The same location with its pulp industry
9.	Other Paper Industry	17019	All scope of products as included in this KBLI	All provinces in Indonesia, except for DKI Jakarta	<ul style="list-style-type: none"> - Integrated with pulp paper/<i>bubur kertas</i> industry (KBLI 17011); and - The same location with its pulp industry
10.	Corrugated Paper and Fiberboard Industry	17021	All scope of products as included in this KBLI	All provinces in Indonesia, except for DKI Jakarta	
11.	Industry of Packaging and Box Made from Paper and Cardboard	17022	All scope of products as included in this KBLI	All provinces in Indonesia, except for DKI Jakarta	

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REGIONS/PROVINCES	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)	(6)
12.	Tissue-Paper Industry	17091	All scope of products as included in this KBLI	All provinces in Indonesia, except for Banten, DKI Jakarta, West Java, Central Java, Special Region [<i>Daerah Istimewa/DI</i>] of Yogyakarta, East Java (excluding Regency in Madura Island)	<ul style="list-style-type: none"> - Integrated with pulp paper/<i>bubur kertas</i> industry (KBLI 17011); and - The same location with its pulp industry
INDUSTRY OF RUBBER, RUBBER-MADE GOODS AND PLASTIC					
13.	Industry of Goods Made from Other Rubber Which Cannot be Classified at Other Classes (<i>Yang Tidak Dapat Diklasifikasikan di Tempat Lain/YTDL</i>)	22199	Synthetic rubber gloves and/or natural rubber gloves	Aceh, North Sumatera, West Sumatera, Riau, Riau Island, Jambi, South Sumatera, Bangka Belitung, Bengkulu, Lampung, West Kalimantan, Central Kalimantan, South Kalimantan, East Kalimantan, North Kalimantan, West Papua, Papua	
ACCOMODATION PROVISION					

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REGIONS/PROVINCES	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)	(6)
14.	Five-Star Hotel	55111	All scope of products as included in this KBLI	Toba Samosir Regency, Simalungun Reg., North Tapanuli Reg., Humbang Hasundutan Reg., Dairi Reg., Karo Reg., Samosir Reg., Pakpak Bharat Reg., Belitung Reg., East Belitung Reg., Pandeglang Reg., Kepulauan Seribu Administrative Reg., Magelang Reg., Purworejo Reg., Probolinggo Reg., Malang Reg., Pasuruan Reg., Lumajang Reg., Central Lombok Reg., West Manggarai Reg., Wakatobi Reg., Morotai Island Reg.	
15.	Four-Star Hotel	55112	All scope of products as included in this KBLI	Toba Samosir Reg., Simalungun Reg., North Tapanuli Reg., Humbang	

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REGIONS/PROVINCES	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)	(6)
				Hasundutan Reg., Dairi Reg., Karo Reg., Samosir Reg., Pakpak Bharat Reg., Belitung Reg., East Belitung Reg., Pandeglang Reg., Kepulauan Seribu Administrative Reg., Magelang Reg., Purworejo Reg., Probolinggo Reg., Malang Reg., Pasuruan Reg., Lumajang Reg., Central Lombok Reg., West Manggarai Reg., Wakatobi Reg., Morotai Island Reg.	
SPORT AND OTHER RECREATIONAL ACTIVITIES					
16.	Gold Court	93112	All scope of products as included in this KBLI	Toba Samosir Reg., Simalungun Reg., North Tapanuli Reg., Humbang Hasundutan Reg., Dairi Reg., Karo Reg., Samosir Reg.,	

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REGIONS/PROVINCES	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)	(6)
				Pakpak Bharat Reg., Belitung Reg., East Belitung Reg., Pandeglang Reg., Kepulauan Seribu Administrative Reg., Magelang Reg., Probolinggo Reg., Malang Reg., Pasuruan Reg., Lumajang Reg., Central Lombok Reg., West Manggarai Reg., Wakatobi Reg., Morotai Island Reg.	
17.	Theme Park or Amusement Park Activities	93210	All scope of products as included in this KBLI	Toba Samosir Reg., Simalungun Reg., North Tapanuli Reg., Humbang Hasundutan Reg., Dairi Reg., Karo Reg., Samosir Reg., Pakpak Bharat Reg., Belitung Reg., Pandeglang Reg., Kepulauan Seribu Administrative Reg., Magelang	

NO.	BUSINESS SECTORS	2017 KBLI	SCOPE OF PRODUCTS	REGIONS/PROVINCES	REQUIREMENTS
(1)	(2)	(3)	(4)	(5)	(6)
				Reg., Purworejo Reg., Probolinggo Reg., Malang Reg., Pasuruan Reg., Lumajang Reg., Central Lombok Reg., West Manggarai Reg., Wakatobi Reg., Morotai Island Reg.	

PRESIDENT OF THE REPUBLIC OF INDONESIA,
signed.
JOKO WIDODO

