

Dated: October 13, 2020

**Minister of Finance Number 134/PMK.010/2020 on Import Duties Borne by The Government on Imports Affected by The COVID-19 Pandemic**

The Ministry of Finance stipulated the Regulation of the Minister of Finance Number 134 / PMK.010 / 2020 stating that the government borne import duties on imports of goods and materials to produce goods and / or services in industrial sectors affected by the COVID-19 pandemic. This facility is valid until **December 31<sup>st</sup> 2020**, and as a part of the National Economic Recovery (PEN) Program so that the business sector may survive amid the pandemic crisis.

Government-Borne Import Duty (BM DTP) is given on imports of goods and materials needed domestically but which have not met the industry fulfillments both in quantity and specifications. These goods and materials must be used for the purpose of producing goods that are **consumed domestically** so that they are not for export. There are 33 industrial sectors that are eligible for this facility, including the health industry sector, namely Personal Protective Equipment (PPE), hand sanitizers, and disinfectants. In addition, industrial sectors related to electronics, telecommunications, optical fiber, smart cards, and (tin) can packaging which have a high multiplier effect on the economy.

This policy adds to a series of tax incentives to maintain domestic industrial productivity, such as lowering the corporate income tax rate, exempting Article 22 import income tax, reducing Article 25 installments income tax, and preliminary VAT refunds. To acquire the BM DTP acceptance, the company inside 33 industrial sectors should send the letter to the Minister through Director; and should include the company identity, items and materials for BM DTP required, invoice and packing list, and recommendation letter from the chairman/head.

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