The Marketplace Will Become a 0.5% Tax Collector for Online Sellers

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The government officially stipulates that marketplace platforms shall collect Article 22 Income Tax (PPh) *for online sales transactions. This regulation is stipulated in Minister of Finance Regulation* (PMK) *Number 37 of 2025 regarding the Appointment of Other Parties as Income Tax Collectors and Procedures for the Collection, Deposit, and Reporting of Income Tax Collected by Other Parties on Income Received or Obtained by Domestic Traders through Electronic Trading Mechanisms, issued on June 11, 2025. This policy imposes a tax rate of 0.5% of the gross transaction value/turnover, excluding Value Added Tax (VAT) if applicable.*

A. Simple Tax Collection Mechanism

This rule applies to domestic traders, namely business actors, both individuals and entities, who reside or are domiciled in Indonesia and transact through electronic systems (e-commerce).

PMK 37/2025 establishes a simple and efficient tax collection mechanism. Tax will be collected automatically by the marketplace system upon receipt of payment from the buyer, before funds are transferred to the seller's account.

Tax treatment is differentiated based on the scale of the seller's turnover as follows:

1. Traders with annual turnover **above Rp4.8 billion**:
   a. Income Tax Article 22 which is **non-final**.
   b. Taxes that have been collected can be used as **tax credit** (tax paid in advance) when reporting the Annual Income Tax Return for Individuals or Entities.

2. Traders with annual turnover **above IDR 500 million to IDR 4.8 billion**:
   a. Income Tax Article 22 shall be **final** for the taxpayers already using the final rate (such as *PP* 23/2018), it can be considered part of the final income tax payment. This means that the tax collected represents payment of the tax obligation for the transaction.
   b. For taxpayers who use the **general rate** scheme, this collection shall be **creditable** to the tax owed in the Annual Tax Return.

As a form of protection for Micro, Small, and Medium Enterprises (MSMEs), the government has granted an exception. Individual traders with an annual turnover of **Rp500 million and below will not be subject to tax collection** of Article 22 Income Tax. To obtain the tax exemption, traders are required to submit a **turnover statement** to the marketplace where they are trading.

In addition, there are **exceptions for certain types of transactions**, such as:
a. Sales of mobile phone credit and starter cards.
b. Delivery services by the transportation application company's individual partners.

c. Property transactions (right to land and/or building).
d. Trading in gold jewelry or bullion.

Under this mechanism, it is expected that MSMEs will be able to more easily fulfill their tax obligations because the collection process is carried out automatically by a third party (the marketplace).

B. To Create Fairness and Protect MSMEs

This policy aims at creating fairness and equality in tax obligations between online and offline businesses. Furthermore, this measure is aimed at optimizing tax revenue from the rapidly growing digital economy sector.

MSMEs play a vital role in the Indonesian economy, contributing over 60% to the national Gross Domestic Product (GDP). Based on the data from the Ministry of Cooperatives and SMEs, as of July 2024, it is indicated that approximately 25.5 million businesses have joined digital platforms, out of a total of over 65 million businesses in Indonesia.

C. Postponed Implementation of the Regulation Pending Economic Conditions

PMK 37/2025 which came into effect on July 14, 2025 still serves as legal basis. This regulation delegates authority to the Director General of Taxes to appoint other parties, in this case marketplaces, as tax collectors.

Although the regulation is already issued, the implementation of tax collection by e-commerce will be postponed. This was announced by the Director General of Taxes, Bimo Wijayanto, after the "Our State Budget" press conference at the Ministry of Finance office on Tuesday, October 14, 2025.

“It's been postponed, awaiting the minister's direction, once economic growth reaches 6 percent. But this is currently under discussion,” he said.

This postponement statement clarifies the previous information stating that the tax would be implemented in February 2026. Finance Minister Purbaya Yudhi Sadewa emphasized that this policy will only be implemented once the national economy has recovered and grown above 6%.

“I said we would implement it once the economy has recovered. Maybe we are about to recover, but we haven't fully recovered yet. Let's say the economy grows 6 percent or more, then I'll consider it,” Purbaya said at the Jakarta Convention Center (JCC) on Thursday, October 9, 2025, as quoted by Antara.

D. Preparation for Online Traders

In order to adapt to these new regulations, online business actors are advised to prepare several things:

1. Streamline the Data and Bookkeeping
Regularly record transactions to monitor the total annual turnover. This is essential for determining tax obligations or eligibility for tax exemptions.

2. Leveraging Technology
Consider using an accounting system software that can help with bookkeeping and tax data reconciliation automatically, making reporting easier.

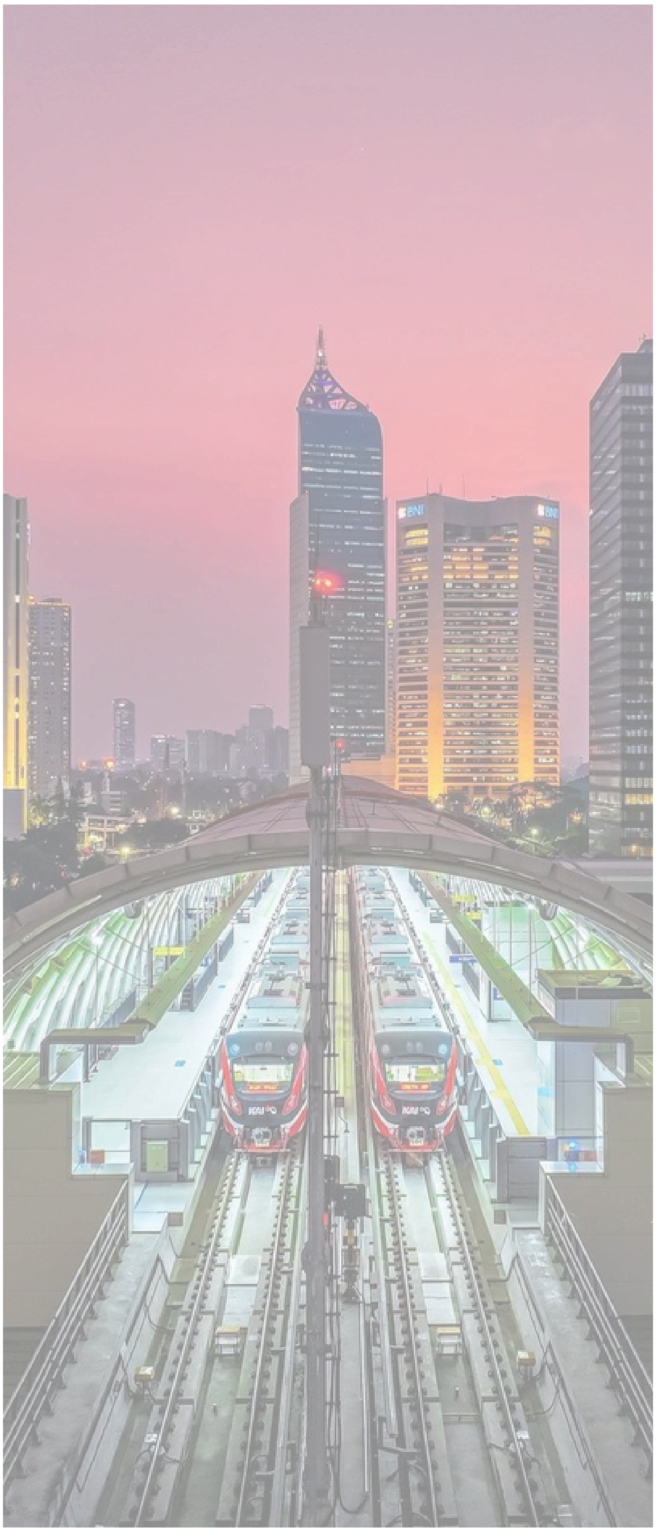
3. Preparing the Required Documents

For sellers with a turnover of less than IDR 500 million, prepare a Declaration Letter in the specified format. Meanwhile, ensure that your Taxpayer Identification Number (*NPWP*) and other personal data are correctly recorded on the platform.

4. Actively Monitor the Developments

Since this rule has not yet been implemented, always monitor for further information and guidance from the tax authorities (Directorate General of Taxes) and the marketplace platforms where you sell.

PMK *37/2025 represents a concrete step by the government to encourage broader tax compliance and create a more equitable business environment in the digital age. For business owners, understanding and preparing early will facilitate adaptation to these new tax obligations.*



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