Global Minimum Tax Simplified Procedures for Multinational Companies

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The Indonesian government has officially issued technical regulations regarding the Global Minimum Tax or Global Anti-Base Erosion (GloBE) through **Regulation of the Director General of Taxes Number *PER*-6/PJ/2026** (***PER*-6/PJ/2026**) concerning Procedures for the Implementation of Rights and Fulfillment of Global Minimum Tax Obligations Based on International Agreements. This regulation constitutes an implementing regulation of **Regulation of the Minister of Finance Number 136 of 2024** (***PMK*-136/2024**) concerning Imposition of Global Minimum Tax Based on International Agreements.

The GloBE provisions require large multinational groups (MNC Groups) to bear a minimum Effective Tax Rate (ETR) of 15% in each jurisdiction in which they operate. If the effective tax rate in a jurisdiction is below 15%, the difference will be collected as an Additional Tax (Top-up Tax) through the Qualified Domestic Minimum Top-up Tax (QDMTT), Income Inclusion Rule (IIR), or Undertaxed Payment Rule (UTPR) mechanisms.

This bulletin is designed to provide the management of MNC Groups with a concise overview of coverage criteria, registration obligations, reporting procedures, payment mechanisms, and implications for accounting and tax facilities.

A. GloBE Taxpayer Coverage Criteria

The GloBE provisions specifically target entities within MNC Groups with a certain revenue scale. Constituent entities or members of joint venture groups domiciled in Indonesia are designated as GloBE Taxpayers if they meet the following two main criteria:

1. The **consolidated annual gross turnover** of a MNC Group reaches **at least EUR 750 million** based on the Consolidated Financial Statements of the Ultimate Parent Entity.

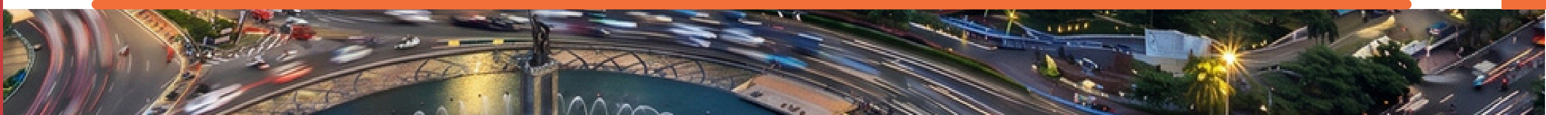
2. The gross circulation threshold must be met **in at least 2 (two) of the last 4 (four) years before the GloBE Imposition Year**.

B. GloBE Taxpayer Status Administration

The Directorate General of Taxes (DGT) requires orderly administration regarding the status of GloBE Taxpayers, which includes adding, changing data, and revoking status.

1. Entities that meet the above criteria are required to submit an application for **additional GloBE Taxpayer status** electronically through the Taxpayer Portal (Coretax system). The application deadline is **no later than 9 (nine) months after the end of the GloBE Imposition Year** in which the MNC Group meets the requirements. If the Taxpayer does not submit an application, the Head of the Tax Office has the authority to determine the status ex officio based on administrative review.

2. Taxpayers are required to report **changes to data** such as the entity's identity, the Ultimate Parent Entity's identity, correspondence address, and administrative contact details via a data change form accompanied by supporting documents. The DGT can also make official changes to the data if discrepancies are found.



3. If the MNC Group no longer meets the EUR 750 million threshold (fails to meet the criteria for 2 out of 4 years), the GloBE Taxpayer may apply for **revocation of its status**. The DGT also has the right to revoke this status ex officio, including if the taxpayer's TIN (*NPWP*) has been revoked.

C. Reporting Obligations: GIR, Notification, and GloBE Annual Tax Return

There are three main administrative reporting layers required for GloBE Taxpayers, namely the GloBE Information Return (GIR), Notification, and GloBE Annual Income Tax Return (*SPT*).

1. GloBE Information Return (GIR) and Notification

1. **GIR** submitted by the Ultimate Parent Entity in digital form with an XML extension. The GIR contains the ownership structure, ETR calculation, and Additional Tax allocation per jurisdiction. If the Ultimate Parent Entity is not a domestic taxpayer, this obligation is transferred to the reporting constituent entity in Indonesia, particularly if the Ultimate Parent Entity's country of domicile does not have a valid exchange of information agreement (QCAA) with Indonesia.
2. Each GloBE Taxpayer is required to submit a **Notification** containing the identity of the Ultimate Parent Entity and the designated party submitting the GIR. If the Taxpayer is included in more than one MNC Group, a separate Notification is submitted for each group. Taxpayers who have already reported the GIR directly are exempt from this Notification obligation.
3. GIR and Notification must be submitted by **no later than 15 months after the end of the GloBE Imposition Year. For the first GloBE Tax Year**, the deadline is extended to 18 months. A receipt for the GIR or Notification must be attached to the GloBE Tax Return (*SPT*) filing.

2. GloBE Income Tax Annual Return (*SPT*)

The GloBE special annual tax return must be filed separately from the regular annual corporate income tax return. This tax return format consists of a master tax return and three attachments. The three mandatory forms are:

1. **GloBE Annual Income Tax Return**: Must be filled in by the Ultimate Parent Entity domiciled in Indonesia.
2. **UTPR Annual Income Tax Return**: Must be filled in by entities in Indonesia if there is an additional tax allocation based on the UTPR mechanism.
3. **DMTT Annual Income Tax Return**: This form must be filled in by every GloBE Taxpayer in Indonesia regarding the domestic additional tax mechanism.

GloBE Annual Income Tax Return must be reported by **no later than 4 (four) months after the end of the GloBE Tax Year**. The GloBE Tax Year is defined as the year after the GloBE Imposition Year.

Specifically for the first year of GloBE implementation, taxpayers can apply for an extension of the tax return (*SPT*) reporting period of a maximum of 2 (two) months (to 6 months), provided that they submit a notification of the extension and pay the estimated additional tax shortfall (if any) before the regular deadline ends.

Tax returns must be filed in Rupiah or the currency used in the MNC Group's Consolidated Financial Statements. If there are different functional currencies within a group in Indonesia, the taxpayer must conduct a Five-Year Election to determine a consistent currency.

D. Safe Harbors and Simplification Facilities

To ease the administrative burden during the transition period, the regulations provide room for simplification:

1. De Minimis Exceptions

The obligation to calculate the effective tax rate and additional tax does not apply if the average GloBE revenue of a jurisdiction is below EUR 10 million and the GloBE profit is below EUR 1 million.

2. Substance-Based Income Exclusion (SBIE)

Additional taxes will be reduced by deducting a portion of profits calculated based on real economic substance, namely through a certain percentage of the value of tangible assets and employee payroll costs in Indonesia.

3. Simplified Jurisdictional Reporting Framework

Applicable for GloBE tax years beginning on or before December 31, 2028 (and ending before June 30, 2030). Taxpayers can report adjustments from commercial profit or loss to GloBE profit on an aggregate basis per jurisdiction without having to detail the adjustments per individual entity.

E. Procedures for Payment of Additional Taxes and Adjustments (Post-Filing Adjustments)

1. Payment Mechanism

If the calculation results in **Additional Tax**, the taxpayer must pay the tax by no later than the end of the GloBE tax year. Payment is made to the state treasury using Tax Account Code (***KAP***) **411618**. The regulated Deposit Type Code (***KJS***) is:

1. ***KJS* 610** for ***IIR*** Additional Tax.
2. ***KJS* 620** for ***UTPR*** Additional Tax.
3. ***KJS* 630** for ***DMTT*** Additional Tax.

If the tax return calculation uses foreign currency, the deposit must still be paid in Rupiah, translated based on the Minister of Finance's exchange rate on the payment date.

2. Post-Filing Adjustments

Accounting dynamics allow for adjustments to Covered Tax after the report is submitted. *PER*-6/PJ/2026 regulates this adjustment mechanism:

1. **Covered Tax Increase:** If an adjustment results in an increase in the tax paid, this is recorded as an increase in Covered Tax in the GloBE Tax Year in which the adjustment is made.
2. **Covered Tax Reduction (Material):** If the adjustment results in an aggregate tax decrease of EUR 1,000,000 or more, the taxpayer must recalculate the ETR and Additional Tax for the year in which the decrease occurs. The difference is collected as Additional Current Top-Up Tax in the year of the adjustment.
3. **Covered Tax Reduction (Not Material):** If the aggregate reduction is less than EUR 1,000,000, the taxpayer may choose to deduct the Covered Tax in the current year only without having to recalculate the ETR for the previous year.

F. Business, Accounting, and Audit Authority Implications

1. DGT's Supervisory and Inspection Authority

The Directorate General of Taxes (DGT) will proactively verify the validity of reports. If valid, it will issue an Electronic Receipt (*BPE*). The DGT has full authority to issue *SP2DK* (Request Letter for Clarification), summons the management, request Transfer Pricing Documents (TP Doc) and Consolidated Financial Statements to examine the basis for calculating additional taxes. The DGT is also authorized to conduct formal audits to verify GloBE compliance.

2. New Layer of Tax Reconciliation

The implementation of GloBE requires companies to prepare bookkeeping with two layers of reconciliation for taxation:

1. Commercial Financial Statements (*PSAK*/IFRS).
2. Fiscal Reconciliation (Domestic Income Tax Law).
3. **GloBE Reconciliation**: A new layer of stand-alone rules based on the GloBE Model Rules for calculating GloBE Income and Adjusted Covered Taxes. It should be understood that ETRs based on commercial accounting standards are not the same as GloBE ETRs.

3. Implications to Tax Facilities

The Global Minimum Tax indirectly reduces tax benefits such as tax holidays. By lowering the ETR for companies in Indonesia, any unpaid or underpaid taxes to the Indonesian treasury will still be collected by the investor's home country (through the IIR) or reclaimed by Indonesia through the QDMTT. Therefore, income tax incentives become less effective as an entity tax-saving facility for multinational investment.

G. Recommendations for Multinational Taxpayers

Given the complexity of these rules, the management of multinational companies groups is strongly advised to, among other things:

1. Performing group mapping (group perimeter)

Ensure which entities are included in the scope of obligations and immediately submit an application for registration of GloBE Taxpayer status in the DGT system before the 9-month deadline ends.

2. Assessing the impact of GloBE ETR

Calculating the GloBE ETR simulation, especially for companies that are currently enjoying Tax Holiday or Tax Allowance facilities.

3. Preparing data infrastructure

Integrating data from accounting, tax, HR (payroll), fixed assets, and transfer pricing divisions for the purposes of preparing GIR and GloBE tax return; multiple data points per entity is now a necessity.

GloBE compliance requires extensive preparation to navigate the complexities of end-to-end regulation, from initial assessment and registration to GIR fulfillment, top-up tax calculations, and GloBE SPT *reporting.*

IGTax.net
TPLAN.tax
88 Office Tower
Floor 27 Unit H
corsec@igtax.net
igtax_consulting
(021)21283035
08989172807
sobat_igtax
igtax-tplan
igtax.ind

Tax2Go is a media for updated information and study publication on taxation from **IGTax T-Plan**
Practitioners: M Akbar Abadi, Indra G Djunadi, Muhammad Wahyudi
Editors: Wahyu D Hamdani, Rakhmad Hidayat, Toni Adyanto | **Author**: BusDev Division