

Global Mobility Services bulletin

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Indonesia strengthens global tax transparency with AEOI expansion and new regulation

The Directorate General of Taxation (DGT) has announced an update to the list of participating countries and jurisdictions in the Automatic Exchange of Information (AEOI) program. As per Announcement No. PENG-1/PJ/2025, a total of 115 countries/jurisdictions are now actively participating in the AEOI program under the OECD's Common Reporting Standard (CRS).

In a further move to reinforce Indonesia's commitment to international tax cooperation, the DGT issued Regulation No. **PER-10/PJ/2025 (PER-10)**, effective 22 May 2025, which governs the implementation of information exchange under international treaties and represents a significant step toward enhancing cross-border tax compliance and combating tax evasion.

It consolidates and replaces four previous regulations, establishing a unified legal framework for all types of tax information exchange.

These developments reflect Indonesia's ongoing efforts to align with global standards on tax transparency and strengthen its role in the international tax community.

PER-10 empowers the DGT access to the following information:

- a. information self-declared by taxpayers
- b. information from government agencies, institutions, associations and/or other parties
- c. information from financial services institutions, and other financial services institutions that contain the financial information of taxpayers and/or
- d. other information in accordance with the law.

What's new?

Indonesia's reciprocal tax information exchange now follows three internationally recognized methods:

1. Automatic Exchange of Information (AEOI)

This refers to the systematic, scheduled, periodic and continuous transmission of tax-related information between jurisdictions. This exchange is conducted by authorized officials with partner countries:

a. Tax withholding information

- income tax withheld in Indonesia and paid to residents of partner jurisdictions
- income received by Indonesian taxpayers from partner jurisdictions, including withholding tax details.

b. Other tax-related information

- administrative tax records from DGT systems
- data received from competent authorities in partner jurisdictions.

2. Exchange of Information on Request (EOIR)

Under this mechanism, the DGT may exchange information after a formal request from a partner jurisdiction. The scope includes:

- identity and ownership details, including beneficial ownership as defined under anti-money laundering and terrorism financing laws
- accounting records
- banking data
- tax records
- other relevant financial information.

If the requested data is not available in the DGT's systems, it can be obtained through direct inquiries to financial institutions, taxpayers, or other parties, or via a tax audit.

3. Spontaneous Exchange of Information (SEOI)

This can be initiated by the DGT, if relevant. This method allows the DGT to proactively share tax-related information without a formal request, typically when such data is deemed relevant to a partner jurisdiction. The SEOI is more ad hoc, and depends on the circumstances. Shared information may include:

- transactions or activities involving Indonesian taxpayers and those in partner jurisdictions
- updates on domestic tax regulations and their implementation
- other information beneficial for tax enforcement in either jurisdiction.

Operational enhancements

Regulation No. PER-10/PJ/2025 also introduces several administrative cooperation tools:

- **Competent authority meetings:** Held in person or virtually to coordinate treaty implementation.
- **Tax examinations abroad:** DGT officials may participate in audits conducted in partner jurisdictions, and vice versa.
- **Simultaneous tax examinations:** Joint audits conducted concurrently in Indonesia and partner jurisdictions to investigate related taxpayers.

All exchanges must be securely transmitted via encrypted platforms or verified channels, and the DGT's integrated systems must be used.

Why it matters

Taxpayers with offshore activities

The implementation of **PER-10/PJ/2025** alongside the **CRS** signals increased scrutiny and transparency for businesses and individual taxpayer engaged in cross-border transactions. The key implications include:

- greater alignment of Indonesian and foreign tax filings
- heightened expectations for documentation and audit readiness
- expanded reporting obligations under international treaties.

Given that Indonesia only has one regulation on the treatment of trusts under the Tax Amnesty Law, one area of uncertainty is whether family trusts must now disclose all potential beneficiaries—as opposed to those previously described in broad terms such as “children and grandchildren of the settlor/trustee”. The regulation may require a more specific listing of beneficiaries going forward. It remains a concern whether trusts and foundations are more likely to be subject to greater scrutiny and reporting obligations.

Given these developments, we strongly recommend that taxpayers consult with their financial institutions or bankers to ensure compliance and understand the implications of their structures.

Staying informed and maintaining accurate records will be essential under the new regime.

The AEOI cannot be circumvented.

We anticipate that the DGT will issue numerous inquiries regarding the information reported in the new CoreTax system, particularly when cross-referenced with data obtained through the AEOI framework.

Reference:

1. Official announcement of the DGT No. PENG-1/PJ/2025 regarding the list of participating jurisdictions and reportable jurisdictions for the AEOI for the year 2025
2. Regulation of the DGT No. PER 10/PJ/2025 regarding the implementation of the exchange of information based on international agreements.

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