

The New Indonesian Stamp Duty Act

On 26 October 2020, Law No. 10 of 2020 on Stamp Duty (“2020 Stamp Duty Act”) was enacted, which replaces the previous stamp duty act in order to optimize state revenue and to keep up with developments in information technology, which have led to an increase of paperless activities including electronics transactions. In this article, we will share the highlighted points in the 2020 Stamp Duty Act, which has been in effect since 1 January 2021.



1. Stamp Duty Rate

Stamp duty is a tax imposed on certain types of document. The 2020 Stamp Duty Act sets a uniform stamp duty rate in the amount of Rp.10,000.00 (ten thousand Rupiah) for each documents that is considered subject to stamp duty. However, the nominal value may be subject to reduction or increase depending on the national economic conditions and the level of public income, or applied with different fixed rates in the context of implementing government programs and supporting the implementation of monetary and/or financial sector policies.

2. Objects of Stamp Duty and When Stamp Duty Is Payable

The 2020 Stamp Duty Act provides more clarity as to which documents are subject to stamp duty, which documents are not subject to Stamp Duty, and which documents are subject to stamp duty relief, among others those related to natural disasters, implementation of government programs, and implementation of international agreements.

| No | Type of Documents | When Stamp Duty Is Payable |
|----|--|----------------------------|
| 1. | <ul style="list-style-type: none"> Contracts and copies thereof Notarial deeds and grosse copies thereof; and official excerpts therefrom (<i>kutipan</i>); deeds made before a land conveyance officer (<i>pejabat pembuat akta tanah</i>) and copies thereof and official excerpts therefrom. | Upon signing |
| 2. | <ul style="list-style-type: none"> Securities Securities transaction documents including futures transaction documents | Upon issuance |

| | | |
|----|--|--|
| 3. | <ul style="list-style-type: none"> References, affidavits or other similar types of document and copies thereof Auction documents Documents which state receipt of, acknowledgement of a full or partial debt payment, or calculation of a debt with a nominal value of more than Rp5,000,000 | Issuance of the document to the party for whom the document was made |
| 4. | Other documents which will be further determined by a Government Regulation. | |
| 5. | Documents used as evidence before the court | Upon submission to the court |

Late duty stamping (*permetaaian kemudian*) by the officials appointed by the Minister of Finance is allowed for documents on which (i) Stamp Duty is not paid or is underpaid and (ii) documents to be used as evidence before the court. In the case of unpaid or underpaid Stamp Duty, the document will be subject to an administrative sanction in the amount of 100% of the Stamp Duty owed in addition to the nominal amount of the Stamp Duty owed.

3. Types of Duty Stamp

3.1 Affixed Duty Stamp (*Meterai Tempel*)

An affixed Duty Stamp bears the following general features:

- the state symbol “Garuda Pancasila”;
- the phrase “*Meterai Tempel*”; and
- the nominal value.

Aside from the general features above, an affixed duty stamp also has special features as a safety element found in the design, materials and printing techniques.

3.2. Electronic Duty Stamps

To keep up with technological developments and increase the coverage of paperless activities, the 2020 Stamp Duty Act introduces electronic stamp duty, which consists of a unique code and a certain description.

3.3. Other forms

Other forms of duty stamp are stamp duties made by using digital stamp machines, computerized systems, printing technology, and other systems or technologies.

4. Subject of Stamp Duty and Stamp Duty Collector

The subject of the stamp duty and the party which must pay the stamp duty are the same unless there is an agreement between the parties which states otherwise. The subject of the stamp duty depends on the type of document:

| No | Type of Document | Payer of Stamp Duty |
|----|---|---|
| 1. | Document made by one party | The recipient of the document |
| 2. | Document made by 2 (two) or more parties | Each party to the document |
| 3. | Securities | The issuer of the securities |
| 4. | Document used as evidence before the court | The party submitting the document as evidence |
| 5. | Document drawn overseas and to be used in Indonesia | The beneficiary of the document |

The payment of Stamp Duty may also be collected by a Stamp Duty Collector, which will be further determined in a ministerial regulation.

5. Method of Payment

Aside from using an affixed Duty Stamp, Stamp Duty may be paid using a tax payment certificate (*surat setoran pajak*) for reasons of convenience. For example, documents to be used as evidence in court that are in large quantities may use a tax payment certificate to pay the Stamp Duty owed considering how inefficient it would be if affixed duty stamps were used.

6. Transition Period

While the 2020 Stamp Duty Act has been in effect since 1 January 2021, the law provides a transition period until 31 December 2021, allowing the utilization of the remaining duty stamps with nominal values of Rp3,000 and Rp6,000, provided that the total minimum nominal value affixed is Rp9,000. To our knowledge as of the date of this article, the stamp duty with a face value of Rp10,000 has not been issued.

*The article above was prepared by **Maurice Maulana Situmorang** (Partner), and **Widiarahmi Afiandari** (Professional Support Lawyer).*

This publication is not intended to be a comprehensive review of all developments in the law and practice, or to cover all aspects of those referred to. Readers should take legal advice before applying the information contained in this publication to specific issues or transactions or matters. For more information, please contact us at dentons.hrp@dentons.com.

No part of this publication may be reproduced by any process whatsoever without prior written permission from Hanafiah Ponggawa & Partners.