

Business Insight

Reminder CbCR & Pillar II

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As we approach the end of 2026, we would like to bring to your attention several important tax compliance matters that may require your attention, particularly in relation to Country-by-Country Reporting (CbCR), CbCR Notification, and the implementation of the Global Minimum Tax (GMT) under the OECD Pillar Two framework.

With the Indonesian tax authorities continuing to strengthen tax transparency and international tax compliance, it is important for multinational enterprise (MNE) groups and their Indonesian constituent entities to ensure that their reporting obligations are properly assessed and fulfilled within the applicable deadlines.

Country-by-Country Reporting (CbCR) and Notification Obligations

Under BEPS Action 13 and the Indonesian transfer pricing documentation framework stipulated under Minister of Finance Regulation No. 172/PMK.03/2023 (PMK-172), certain taxpayers are required to comply with CbCR-related obligations.

In Indonesia, the reporting obligations generally include the following:

- **CbCR Notification**
  Indonesian corporate taxpayers and permanent establishments (PEs) that have related-party transactions or are members of a business group are required to submit a CbCR Notification to the Directorate General of Taxes (DGT), regardless of whether they are required to submit a CbCR.
- **CbCR Filing**
  An Indonesian Ultimate Parent Entity (UPE) with consolidated group revenue of at least IDR 11 trillion is generally required to submit a CbCR in Indonesia. Meanwhile, Indonesian constituent entities of foreign-headed MNE groups may be subject to local filing requirements where the group meets the EUR 750 million threshold and the relevant CbCR cannot be obtained by the DGT through the automatic exchange of information mechanism.
- **Filing Deadline**
  Both the CbCR Notification and, where applicable, the CbCR must generally be submitted no later than 12 months after the end of the relevant fiscal year.

Accordingly, for taxpayers adopting a calendar financial year, the deadline for submitting the CbCR Notification and applicable CbCR for the 2025 fiscal year is **31 December 2026.**

We encourage businesses to review their reporting status and ensure that the CbCR Notification has been properly submitted, including where the Indonesian entity is not itself required to prepare or file a CbCR.

In addition, taxpayers should perform appropriate consistency checks between the information reported in the CbCR and the relevant Master File, Local File, and other supporting financial and tax information.



OECD Pillar Two - Global Minimum Tax Implementation

In addition to CbCR compliance, multinational groups should also assess their exposure to the Global Minimum Tax (GMT) under the OECD Pillar Two framework.

The GloBE rules generally apply to MNE groups with consolidated annual revenue of at least EUR 750 million in at least two of the four fiscal years immediately preceding the relevant fiscal year. The framework is designed to ensure that in-scope MNE groups are subject to a minimum effective tax rate (ETR) of 15% in each jurisdiction in which they operate, based on the GloBE calculation rules.

In Indonesia, the implementation is governed by Minister of Finance Regulation No. 136 of 2024 (PMK-136/2024), as further implemented by Director General of Taxes Regulation No. PER-6/PJ/2026.

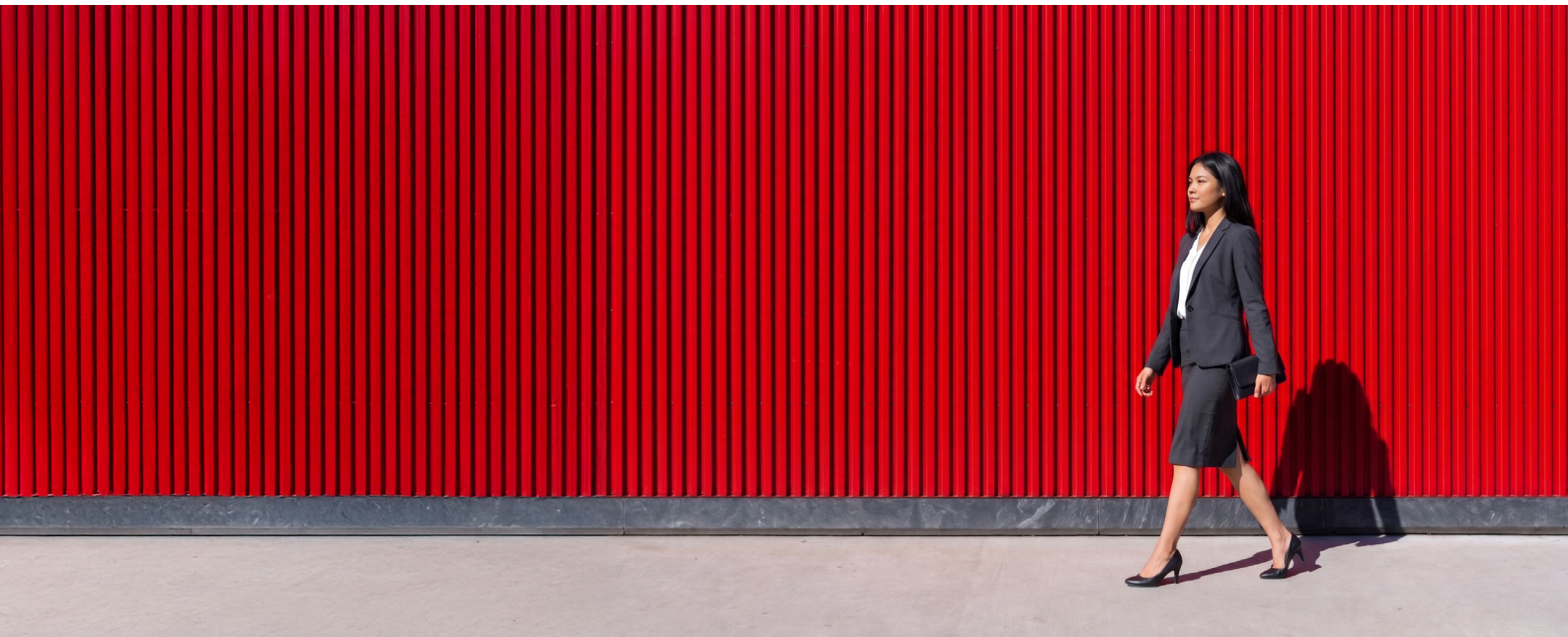
The Indonesian rules cover the following mechanisms:

- **Domestic Minimum Top-up Tax (DMTT)**
  Applicable from fiscal year 2025, imposing additional tax on qualifying low-taxed profits arising in Indonesia.
- **Income Inclusion Rule (IIR)**
  Applicable from fiscal year 2025, generally requiring an eligible parent entity to account for top-up tax attributable to low-taxed constituent entities.

- **Undertaxed Profits Rule (UTPR)**
  Applicable from 1 January 2026, serving as a backstop mechanism where top-up tax has not been fully collected under the preceding mechanisms.

For MNE groups within the scope of the rules, the following areas should be considered:

- **Scope and Impact Assessment**
  Determine whether the group meets the EUR 750 million revenue threshold and identify the Indonesian entities falling within the scope of the GloBE rules.
- **Transitional CbCR Safe Harbour Assessment**
  Evaluate whether the group qualifies for any applicable transitional safe harbour provisions, including the de minimis, simplified ETR, and routine profits tests. This assessment may simplify the calculation of potential top-up tax but does not automatically eliminate the applicable reporting obligations.
- **Top-up Tax Assessment**
  Evaluate potential DMTT, IIR, and UTPR exposures, taking into account the applicable ordering rules and the tax position of the group across relevant jurisdictions.
- **Data Readiness and Reporting**
  Establish appropriate data collection and reporting processes to support GloBE calculations, including financial accounting data, covered taxes, deferred tax adjustments, and other relevant information.
- **Financial Reporting and Disclosures**
  Assess the potential impact of the Global Minimum Tax on financial reporting, including relevant tax provisions and disclosures.



Upcoming Indonesian GloBE Compliance Deadlines

For MNE groups with a calendar financial year and whose first GloBE year is fiscal year 2025, the following key deadlines should be noted:

- **GloBE Taxpayer Registration**
  The application to obtain GloBE taxpayer status was due by 30 September 2026. Taxpayers should verify that this requirement has been fulfilled, where applicable.
- **Top-up Tax Payment**
  Any applicable top-up tax for fiscal year 2025 is generally due by 31 December 2026.
- **GloBE Annual Corporate Income Tax Return**
  The relevant GloBE-related annual income tax return is generally due by 30 April 2027, with a possible extension of up to two months for the first GloBE year, subject to the applicable requirements.
- **GloBE Information Return (GIR) or Notification**
  The first-year reporting deadline is generally 18 months after the end of the relevant fiscal year, i.e., 30 June 2027 for calendar-year taxpayers. For subsequent years, the deadline is generally 15 months.

These requirements should be considered together with the applicable Indonesian administrative procedures and filing requirements under PER-6/PJ/2026.

Given the upcoming year-end deadlines, we recommend that your organization review its CbCR compliance status and assess any outstanding GloBE obligations as soon as possible.

Please feel free to contact our team should you require further clarification or assistance in assessing your organization's compliance requirements.

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