

Indonesia

Investment Incentives

No.	Incentive	Detail Incentive
1.	Tax Holiday	Free Corporate Income Tax (CIT) for 5-20 years. Eligible for 18 pioneer industries . Non 18 pioneer industries remain eligible for tax holiday, special assessment required .
2.	Tax Allowance	(1) 5% Net Income reduction for total 6 years period (2) Shorter depreciation and amortization period. (3) Income Tax dividend paid to foreigner is 10%. (4) Fiscal Loss can be compensated to the annual income for total consecutive 5-10 years. Eligible for 183 business segments.
3.	Investment Allowance	10% Net Income reduction for total period of 6 years for labour intensive industry.
4.	CIT Reduction	Additional 3% CIT reduction for public company with minimum 40% ownership distributed among public.
5.	Free Import Duty	Free import duty for machines, equipment and raw materials for 2 years, and 4 years for those with minimum 30% locally produced machines/equipment.
6.	Bonded Zone	Free import duty and VAT for raw materials, luxury goods and other goods utilized for manufacturing process in which the finished goods are exported.
7.	Vocational Facility	Gross income reduction incentive up to 200%, consist of 100% real cost of coaching & development, additional 100% of the real cost.
8.	Research & Development Facility	Gross income reduction incentive up to 300%.