

# Indonesia

## Investment Incentives

| No. | Incentive                                           | Detail Incentive                                                                                                                                                                                                                                                                       |
|-----|-----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.  | <a href="#">Tax Holiday</a>                         | Free Corporate Income Tax (CIT) for 5-20 years. Eligible for <a href="#">18 pioneer industries</a> . Non 18 pioneer industries remain eligible for tax holiday, <a href="#">special assessment required</a> .                                                                          |
| 2.  | <a href="#">Tax Allowance</a>                       | (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.  | <a href="#">Investment Allowance</a>                | 10% Net Income reduction for total period of 6 years for labour intensive industry.                                                                                                                                                                                                    |
| 4.  | <a href="#">CIT Reduction</a>                       | Additional 3% CIT reduction for public company with minimum 40% ownership distributed among public.                                                                                                                                                                                    |
| 5.  | <a href="#">Free Import Duty</a>                    | 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.  | <a href="#">Bonded Zone</a>                         | 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.  | <a href="#">Vocational Facility</a>                 | Gross income reduction incentive up to 200%, consist of 100% real cost of coaching & development, additional 100% of the real cost.                                                                                                                                                    |
| 8.  | <a href="#">Research &amp; Development Facility</a> | Gross income reduction incentive up to 300%.                                                                                                                                                                                                                                           |