

# Summary of Perpres 68 Tahun 2025 - Tax Collection System for Overseas Digital Transactions

The Indonesian Government recently issued Regulation of the President No. 68 of 2025 (“**Regulation 68/2025**”) on the Tax Collection System for Overseas Digital Transactions (*Sistem Pemungutan Pajak atas Transaksi Digital Luar Negeri – “SPP-TDLN”*), which has been in force since 5 June 2025. In essence, Regulation 68/2025 has been introduced in response to the government’s belief that significant untapped potential exists in terms of the taxation of overseas digital transactions, due to the fact that relevant tax obligations have not yet been effectively identified or administered. As a result, the new SPP-TDLN system should hopefully boost state revenue and improve taxpayer compliance regarding such transactions.

Moreover, Regulation 68/2025 has designated the organization of SPP-TDLN to a subsidiary of a State-Owned Enterprise (*Badan Usaha Milik Negara/BUMN*) operating within the area of financial services technology and payment systems, specifically, PT Jalin Pembayaran Nusantara. The implementation of the new system will also involve a qualified partner, while PT Jalin Pembayaran Nusantara will receive compensation for its role.

Against the above backdrop, this edition offers an elaboration of the various provisions that are set out under Regulation 68/2025, particularly as they relate to the following areas:

1. Organization of SPP-TDLN; and
2. Qualifications and the Appointment of a Partner.

## Organization of SPP-TDLN

PT Jalin Pembayaran Nusantara has been entrusted with the responsibility of organizing the SPP-TDLN based on several considerations, including:

1. Expertise within the financial services technology and payment systems sector;
2. The ability to ensure the confidentiality of all transaction data under the SPP-TDLN framework;
3. Sufficient financial resources; and
4. Compliance with specific criteria, such as system development not requiring any initial investment to be provided by the government and possession of relevant supporting capabilities.

As a part of its role in the organization of SPP-TDLN, PT Jalin Pembayaran Nusantara must at least meet the following obligations:

1. Must undertake a sandboxing process, which should include administrative assessments and technical testing;
2. Must ensure the reliability and sustainability of the system and all technology that is used in order to collect foreign digital transactions taxes, as based on the sandboxing results;
3. Must organize tax collection processes;
4. Must ensure overall system security by safeguarding the confidentiality, integrity and availability of all data and information;
5. Must provide necessary support and maintenance, as well as funding for SPP-TDLN implementation;
6. Must coordinate with the coordination team;
7. Must comply with and implement all applicable Laws, Regulations and working guidelines.

Qualifications and the Appointment of a Partner

In order to implement its mandate, PT Jalin Pembayaran Nusantara must directly **appoint a prospective partner** that meets the following qualifications:

1. May be an Indonesian and/or foreign legal entity; and
2. Must possess adequate infrastructure and supporting systems that are capable of handling relevant data and information, as well as technology that will be used for international outreach purposes.

In order to make a suitable appointment, PT Jalin Pembayaran Nusantara must organize a sandboxing process for its potential partner, which should include both administrative assessments and technical evaluations. The scope of each sandboxing assessment process breaks down as follows:

<b>Sandboxing Process Type</b>	<b>Remarks</b>
Administrative assessment	<p>A potential partner must at least demonstrate the following:</p> <ol style="list-style-type: none"> <li>1. Must possess technology capable of accurately and efficiently collecting foreign taxes;</li> <li>2. Must be a global business and must have a representative office in Indonesia;</li> <li>3. Must possess financial capabilities capable of meeting the relevant cash flow requirements, as needed during the implementation of current and future cooperation agreements;</li> <li>4. Must have experience in the operation of a digital transaction tax collection system or similar system that generates revenue within at least one country;</li> </ol>

	<ol style="list-style-type: none"> <li>5. Must employ professionals who have at least three years' experience in the field of digital transaction tax collection;</li> <li>6. Must have a clean legal record over the previous two years, with no history of any sanctions or penalties being imposed based on any court decisions for services provided, including management;</li> <li>7. Must have no conflict of interest in terms of employees or officials working at related ministries/institutions and/or other parties. While parties that are involved in the provision of SPP-TDLN must not come from any country that is not recognized by the Indonesian Government;</li> <li>8. Must not have been blacklisted or sanctioned by the Indonesian Government; and</li> <li>9. Must have never been blacklisted by any foreign ministry/institution/agency, specifically the Office of Foreign Assets Control (OFAC) and the United States Securities and Exchange Commission (SEC).</li> </ol>
<p>Technical testing</p>	<p>Technical testing must cover the following areas at least:</p> <ol style="list-style-type: none"> <li>1. Testing of functions, scalability and performance;</li> <li>2. Testing of cybersecurity, Governance Risk Compliance (GRC) and personal data protection;</li> <li>3. Testing of conformity with the relevant objectives through the preparation stages for an isolated environment and defining system implementation; and</li> <li>4. Testing of procedures for monitoring, recording, data analysis and the reporting of test results</li> </ol>

The results of the sandboxing process will subsequently be submitted to the coordination team, as designated through the issuance of a Decree of the President, which will then complete a validation process before issuing its recommendations. However, the final authority to appoint the partner ultimately resides with PT Jalin Pembayaran Nusantara.

### Key Takeaways

Regulation 68/2025 establishes a new tax collection system for overseas digital transactions as a part of efforts aimed at boosting state revenue and taxpayer compliance. The new framework appoints PT Jalin Pembayaran Nusantara, a state-owned enterprise subsidiary, to manage this new system based on its technical and financial capabilities, as well as its data security standards. PT Jalin Pembayaran Nusantara must also appoint a qualified

partner through a rigorous sandboxing process that should encompass administrative and technical evaluations. A coordination team will subsequently validate and issue recommendations, although the final appointment authority resides with PT Jalin Pembayaran Nusantara.