

No. : KSEI-1665/DIR/0221  
Attachment : -  
Letter Classification : General

February 26, 2021

**To: Board of Directors of Issuers;  
To: Board of Directors of Account Holders  
To: Board of Directors of Registrars**

**Re: Tax Treatment for Dividends Received by Individual Domestic Tax Payers Based on  
PP No. 9 of 2021**

Dear Sir/Madam,

Referring to Chapter III Article 4 of Government Regulation (PP) No. 9 of 2021 on Tax Treatments in Support of Business Simplification, we hereby inform you that the following stipulations will be implemented in regards to dividend payments through the Indonesia Central Securities Depository (KSEI):

1. For Issuers who distribute their dividend with a record date on March 1, 2021 and beyond, KSEI will implement a tax rate of 0% on Domestic Individual Tax Payers in the Final Shareholders' Register.

The 0% tax rate for Domestic Individual Taxpayers will be included in the Member Entitlement Reports received by Account Holders.

2. Account Holders that have foreign individual clients who wish to be charged with the Domestic Individual Taxpayers' tax rates must upload the related valid Tax Identification Number (NPWP) and Temporary Stay Permit/Permanent Stay Permit (KITAS/KITAP) at C-BEST at the latest by 3 working days after the record date.
3. Domestic Individual Taxpayers that do not meet the requirements for this investment stipulation must submit their Income Tax for the dividend independently, pursuant to Paragraph 5, 6, 7, and 8 to the Addendum to Article 2A in Chapter III Article 4 of Government Regulation (PP) No. 9 of 2021, as written below:

*(5) Domestic Dividends received by Domestic Individual or Institutional Taxpayers, as specified in Article 4 Paragraph (3) Letter f Number 1 of the Income Tax Law, are not waived by Income Taxes.*

*(6) In the event that a **Domestic Individual Taxpayer does not meet with the investment stipulations**, as specified in Article 4 Paragraph (3), Letter f Number 1 item a) of the Income Tax Law, domestic dividends received or obtained by the Domestic Individual Taxpayer are charged with an Income Tax when the dividend is received or obtained.*

*(7) **Payable Income Tax, as specified in Paragraph (6) must be paid independently by the Domestic Individual Taxpayer.***

*(8) Further stipulations on the independent payment procedures by Individual Taxpayers, as specified in Paragraph (7), are regulated in the Minister of Finance's Regulation.*

Please note that Domestic Institutional Taxpayers' dividends are also listed with a 0% tax rate in the Shareholders' Register and Member Entitlement Report, pursuant to PP No. 9 of 2021 above and KSEI Announcement No. KSEI-0087/DIR/0121, dated January 7, 2021, regarding Taxation of Dividend Income for Institutional Domestic Taxpayers' Post-Implementation of Law Number 11 of 2020 on Job Creation.

For further questions on the tax implementation, please contact our Corporate Action Unit at the following email address: [tk@ksei.co.id](mailto:tk@ksei.co.id)

Thank you for your kind attention and cooperation.

Sincerely yours,

**Syafruddin**  
Director

**Supranoto Prajogo**  
Director

CC:  
Board of Directors of Indonesia Central Securities Depository