

Tax Incentives and Facilities in the IKN and Partner Areas

Tax Holiday

- 1. Public infrastructure and services**
 - 2022-2025 Investment: 30 years
 - 2036-2045 Investment: 25 years
- 2. Other business fields**
 - 2022-2025 Investment: 10 years
 - 2036 Investment - the following years: 50%
- 3. Establishment/relocation of head offices and/or regional offices**
 - 100% for a period of 10 years
 - The corporate income tax rate is 6% after 10 years

VAT and Luxury Goods VAT Exemption

- 1. Exemption of VAT and VAT on Luxury Goods as well as VAT and Sales Tax on Luxury Goods**
- 2. 0% VAT for purchases of:**
 - Domestic machinery/equipment and investment materials
 - Property or place of business

Super Deduction

- 1. 200% reduction for the construction of social facilities and public facilities in the IKN**
- 2. 350% deduction for research and innovation**
- 3. 250% reduction for training and vocation**

Income Tax and Article 21 Income Tax and Final Income Tax

- 1. PPh Article 21 is borne by the government and final until 2032 and can be extended**
- 2. The final income tax is borne by the government**

Tax on the Acquisition of Land and Building Rights and Land Sales Income Tax

- 1. 0% rate for VAT on the sale of land and/or buildings: until 2032**
- 2. Reducing the tax rate to 6% for holding companies that place funds in financial centers**

Bonded Warehouse and Excise

- 1. Can be designated as a bonded warehouse (TPB) location**
- 2. The facility is free from excise/there is an exemption**

Source: One Map One Planning One Policy IKN

The IKN Investment Opportunities Divided Into Three Sectors:



Main Region of the Central Government

Covering basic infrastructure, energy development, and transportation



Regional infrastructure

Covering transportation, such as toll road access, airport express trains, development of Kariangau and Semayang ports, as well as Sepinggan Airport



Industry and economic clusters

Including smart cities and digital hubs, education, sustainable agriculture industry, integrated pharmacies, advanced chemical industry, future renewable industry, and low carbon energy

Source: Ministry of Investment/
Indonesia Investment Coordinating Board (BKPM)

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Ministry of Investment / Indonesia Investment Coordinating Board (BKPM)



MINISTRY OF INVESTMENT/
INDONESIA INVESTMENT COORDINATING BOARD

The Capital City of Nusantara (IKN) Investment Potential



Scan barcode
for further information

Photos: Main Region of the Central Government (KIPP) of IKN

The Urgency of National Capital Relocation

Indonesia needs economic transformation to achieve the vision of an Advance Indonesia (Indonesia Maju) in 2045. It is necessary to have a Capital City that can support this

It is expected IKN in Kalimantan can create new centers of economic growth and maximize regional resources potential

Equal distribution of population



Advantages of Having IKN in East Kalimantan

- ▶ The most sustainable city in the world
- ▶ Located in the middle of Indonesia; represents fairness
- ▶ Relatively safe and having minimal risk of natural disaster
- ▶ Close to the existing developed city

IKN Objectives

The most sustainable city in the world

A symbol of Indonesian national identity

Indonesia's economic driver in the future

Source: Buku Saku IKN (IKN Pocketbook)

The establishment of the Capital City of Nusantara (IKN) in East Kalimantan region is based on Law Number 3 of 2022 on the National Capital and has a vision to create a "World City for All".



Photos: Main Region of the Central Government (KIPP) of IKN

Economic Potential and Investment Opportunities

Indication of the IKN funding needs in the National Medium-Term Development Plan (RPJMN) 2020 - 2024 is +/- Rp466 T (from State Budget & non-State Budget).

IKN Financing Scheme

State Budget

Government Cooperation with Business Entities

Private and State/Regional-Owned Enterprises

IKN Area Coverage



Potential Economic Area Around The IKN

- Balikpapan & Samarinda
- IKN area (in a 56,000 ha area)
- Muara Jawa Industrial Area
- Maloy Batuta Trans Kalimantan (MBTK)
- Balikpapan City and Samarinda City

Source: Ministry of Finance, Buku Saku IKN (IKN Pocketbook)