



MIB Monthly Newsletter | May 2025



# Disrupting the Default

## National Payment Systems and the Shifting Global Landscape



### *Inside the Issue*

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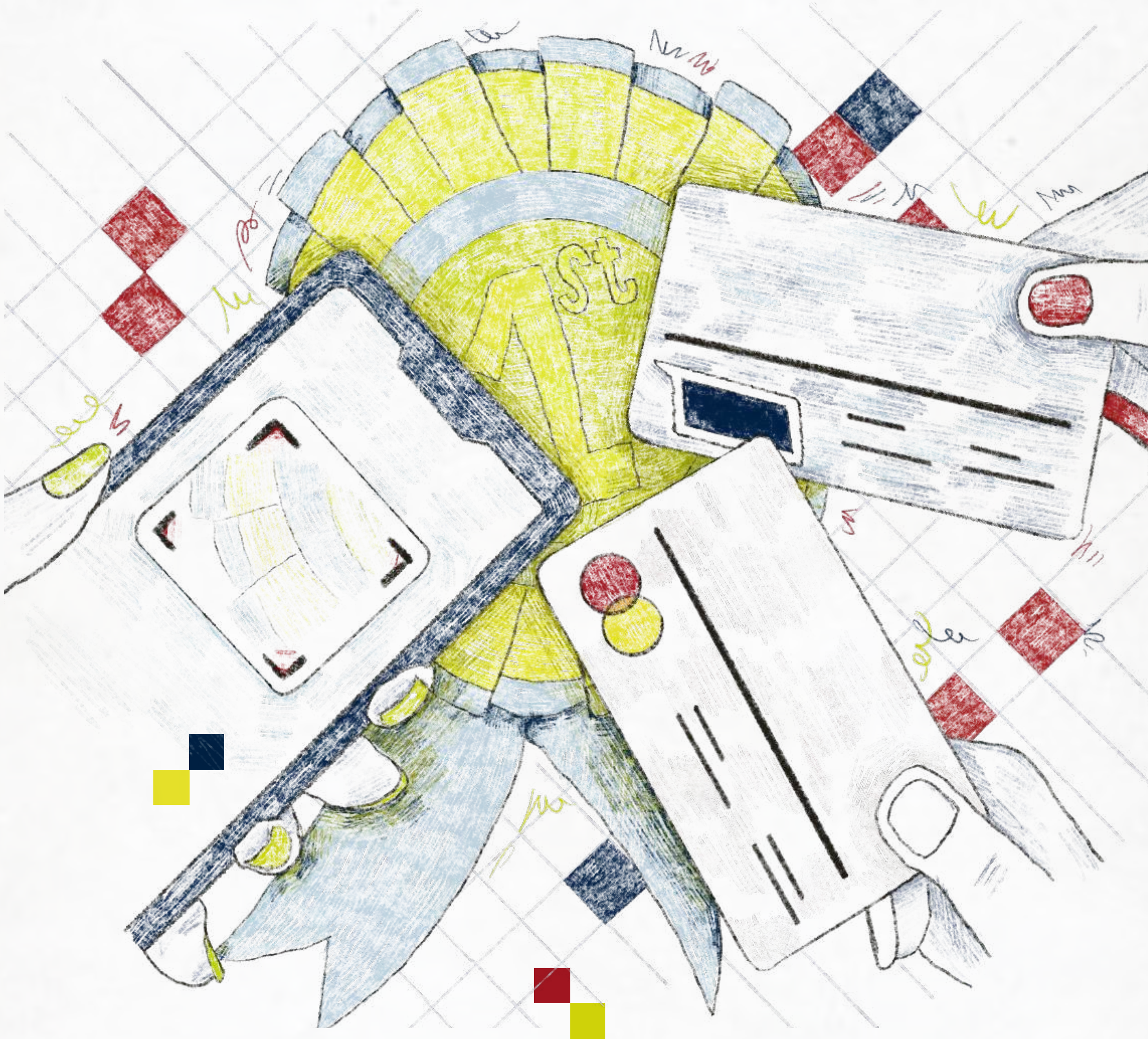
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INSIGHT  
ARTICLE

# The QRIS Effect: Indonesia’s Payment Strategy and US Reactions

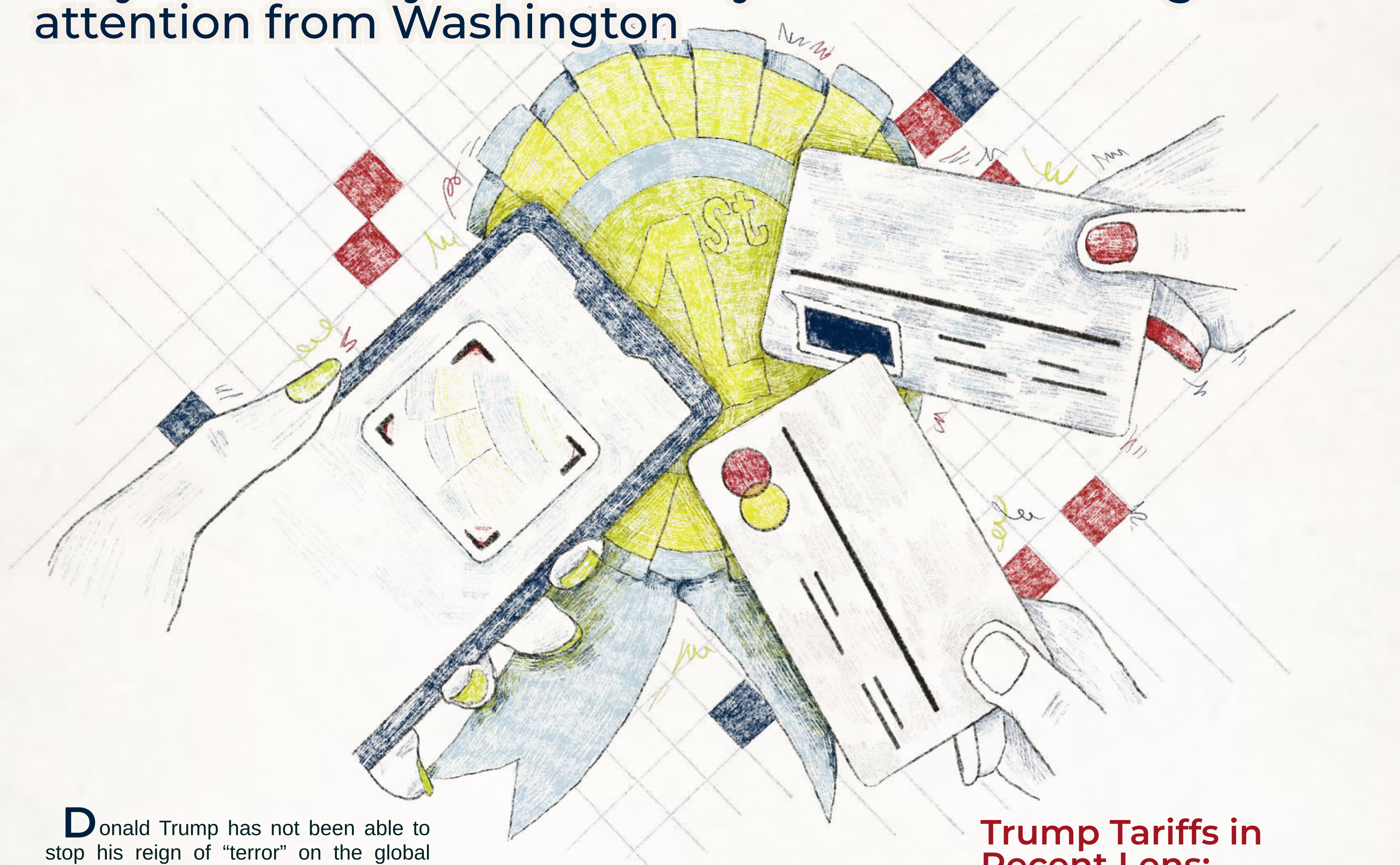
Why the country’s domestic systems are drawing attention from Washington

This article discusses the critiques provided by the United States regarding taxation and financial services in Indonesia, which consists of critiques towards the national payment system.



# The QRIS Effect: Indonesia's Payment Strategy and US Reactions

Why the country's domestic systems are drawing attention from Washington



Donald Trump has not been able to stop his reign of “terror” on the global trade and commodities exchange, with the current conditions of putting the planned tariffs on hold. These moves he pulled resulted in a global trade imbalance of power, with countries and jurisdictions relying on imports becoming the casualty of the trade war.

Indonesia, notably an economic partner with the United States of America, is treated no differently than other countries. During the 90-day postponement of tariffs, Indonesia is imposed with a baseline rate of 10% on its exports to the United States. This prompts Indonesian representatives to conduct a negotiation with the Land of Liberty.

One of the critiques that Donald Trump throws at Indonesia is how Indonesia runs its taxation provisions, commenting on the pace of law enforcement and the basis of tax sanctions for American companies. Additionally, the United States also comments on the usage of the Indonesian payment system and gateway, known as the **Quick Response Code Indonesia Standard (QRIS)** and **Gerbang Pembayaran Nasional (GPN)** (or National Payment Gateway in English).

The United States' representatives believe that the implementation of GPN and QRIS is done without consulting international stakeholders, thus enabling complications between payments for international payments and transactions.

On the other hand, the reason of implementation of GPN, and by extension, QRIS, is done by the Indonesian government for reasons concerning a safe and integrated payment ecosystem in Indonesia. Thus the developed payment system is only aimed to perform national payments, limiting international transactions.

This, alluding to the reasoning provided by the United States of America, are affecting revenues that should be available and able to be collected for the payment system made by the States, namely Visa and Mastercard. However, is that truly so the case? In addition, how does taxation on these payment systems affect Indonesian transactions?

## Trump Tariffs in Recent Lens: Updates on the implementation of the planned import tariffs

The import tariffs are currently being negotiated by countries across the world. The negotiations call for a postponement of the imposition, with Donald Trump agreeing to impose a baseline tariff rate for select countries, with the exception of China, at first.

According to the latest updates, **China** is currently being imposed with a 145% tariff rate by the United States, which has since lowered to 10%, a product of a deal between the two countries. The 10% rate will act as a “truce” while negotiations continue, with some exceptions: majority of Chinese products will still be imposed with a 30% import rate due to other existing duties.

**The European Union** is also notably having its proposal rejected, previously having to propose a joint removal of tariffs on industrial goods, with the United States aiming to improve its own agricultural production.



Donald Trump takes matters into his own hands and added that the European Union will instead be imposed with a 50% rate as negotiations are seemingly “going nowhere.”

India, on the other hand, is quite the “favorite” result from the United States, with Donald Trump stating that the country is looking to impose almost no tariffs on the United States’ goods, due to India’s goals on preventing higher import costs.

Donald Trump also threatens to impose tariff focusing on certain industries if countries are less than willing to comply and negotiate with the United States, with the following industries, including the pharmaceutical, lumber, copper, semiconductors, as well as movies produced outside the United States area, being targeted for another layer of tariffs.

Nevertheless, Trump seems to show signs of “softening”, opting to exempt several goods from countries such as Canada, China, and Mexico. Smartphones and other electronic devices coming from China will also be exempted from tariff imposition, and so will goods from Mexico and Canada covered by the United States-Mexico-Canada Agreement or USMCA.

## Critiques on the Indonesian Taxation and Payment System: The implementation of GPN and QRIS

### What is GPN and QRIS?

According to the documents and publications by the Indonesian government, National Payment Gateway (NPG) or GPN, and will further be referred to as NPG, is a system made up of standard, switching, and services, made from a set of rules and regulations to integrate national payment instruments and channels.

The NPG is developed to ensure a connected and safe payment ecosystem in Indonesia, with the goals of lowering costs and increasing efficiency. The system will facilitate national cashless movement, inclusive fiscal, e-commerce, as well as provide consumers’ security in terms of data usage.

QRIS, on the other hand, is a standard system of national QR codes that can be used by businesses and entrepreneurs to facilitate transactions using QR codes in Indonesia. This system was released by Bank Indonesia and *Asosiasi Sistem Pembayaran Indonesia* (ASPI) (also known as the Indonesian Association of Payment System) in August 2019.

In the following months, QRIS will be more accessible and open for others.

QRIS will reportedly be available to use for transactions in other countries, including Japan and China, and already so in other ASEAN countries such as Thailand, Singapore, and Malaysia.

### What was pointed out by the United States Trade Representative?

Through the publication of the United States Trade Representative (USTR) document, Indonesia is mentioned and is detailed on how its regulations, including taxation and financial services, and requirements affect trade from the United States.

In terms of tariffs and taxes, the United States critiques that the Indonesian government regarding the application of the Most Favoured Nation (MFN) tariffs and its compliance with provisions from the World Trade Organization (WTO), and the United States also added their concerns regarding the “a non-transparent and cumbersome auditing process; heavy fines for administrative mistakes; lengthy dispute mechanisms; and a lack of legal precedent within the Tax Court.”

Additionally, the United States has also expressed concerns over customs barriers and import duties, where reference prices are used instead of using transaction values as urged by the WTO, referenced through the WTO Customs Valuation Agreement (CVA).

Particularly, the most-talked about topic among other critiques thrown by the United States toward Indonesia circles around the Financial Services, where the United States highlights the development of NPG by Bank Indonesia (or the Bank of Indonesia). Firstly, the USTR document mentions how BI requires all domestic retail debit and credit transactions to be processed through the NPG system, which extends to foreign firms looking to conduct domestic transactions.

For foreign firms to participate in the domestic transaction environment, Bank Indonesia requires foreign equity to obtain a switching license prior to its participation, which, according to the USTR document, prohibits any cross-border supply of electronic payment services. Foreign firms must first form partnership agreements with licensed Indonesian NPGs to conduct domestic retail transactions, which Bank Indonesia must approve the partnership agreements.

The United States’ companies and stakeholders took note of how the implementation of NPG as well as the imposition of QRIS as the national standard payment method in Indonesia is done without informing any potential changes and any of the policymaking process. The usage of QRIS is regulated through Bank Indonesia Regulation No. 21 Year 2019.

## How Transaction Works: Between QRIS, Visa, and Mastercard

QRIS is heavily used in Indonesia, with its transactions exceeding IDR31.65 trillion in January 2024, already increasing 149.46% in yearly growth. In February 2025, the volume of QRIS transactions grew even larger, noting an increase of 163.32% for their yearly growth due to the growing number of merchants and users.

The numbers indicate that payments using QRIS will only continue to grow due to its efficiency. However, according to a claim stated by the Senior Deputy Governor of Bank Indonesia, Visa and Mastercard, as a credit payment system, contributing to the growth of cashless payments in Indonesia, are still highly favored, suggesting that the United States would not have to worry about its loss of revenue and transactions.

### What are Visa and Mastercard?

Visa and Mastercard are both payment providers, making it possible for banks to issue a credit card, where customers can use said credit cards at retailers with the Visa and Mastercard logos. Both companies are developed in the United States, with Visa originating from California and Mastercard from New York.

These cards, although lumped together as products from the United States, share quite a difference as they are rivals in their own field. These providers offer different credit programs, transaction fees, and different yet similar security for their clients.

As these providers were developed earlier, they have since spread across the globe, with different providers having more popularity than others. Visa is notably more popular in Asian countries, whereas Mastercard is widely used in Europe and the United States, both exhibiting their developments for international transactions.





**QRIS**

- Retailers will be imposed with a **Merchant Discount Rate (MDR)**, which cannot be imposed on consumers and must be borne to the merchants.

**Transaction Fee**

- 0% for Micro Businesses with transactions of less than IDR500,000 or 0,3% for transactions above IDR500,000
- 0% for Public Service Obligation (PSO) and merchant government to people
- 0.7% for Small, Medium, and Large Enterprises
- 0.6% for Educational Services
- 0.4% for Gas Fueling Services

**Visa**

- Imposes a **cross-credit card transaction reimbursement fee**, which is a transfer fee between the acquiring bank and the card issuing bank for each transaction.
- The transaction fee will be used to improve the system and will be paid to financial institutions.

**Transaction Fee**

- Ranges from 1.75% to 6% in Indonesia, depending on the acquiring institution.

**Mastercard**

- Imposes **Interchange Fee**, a fee paid by the acquiring institution to the card-issuing bank.

**Transaction Fee**

- Ranges from 1.75% to 4% in Indonesia, depending on the acquiring institution.

Different payment providers impose different transactional fees. This is strengthened by the regulation of NPG, which states that foreign firms can only own a maximum of 85% of non-bank payment service operators and 20% of payment system infrastructure operators. However, foreign investors are only allowed to hold 49% of the voting shares.

In addition, Bank Indonesia restricts foreign ownership of private credit reporting firms to under 49% and limits foreign ownership of payment companies to 20%. This leads to foreign providers paying license fees to national institutions and firms, for example, such as **BCA, Bank Danamon, Bank BNI, CIMB**, and many others for them to be able to process transactions in Indonesia.

## Expansion of QRIS and NPG: Should the United States be concerned?

As previously mentioned, foreign firms, such as Visa and Mastercard, must first be acquired by a domestic bank or firm to be able to do domestic transactions in Indonesia due to the nature of NPG, leading to transaction fees being paid to acquiring banks, or following the provision of the agreement between Visa, Mastercard, and the acquiring banks.

The application of NPG since 2019 did not seem to significantly hinder transaction volumes using Visa or Mastercard in Indonesia, notably still reaching the high numbers of USD76.12 billion for Visa and USD72.6 billion for Mastercard. Indonesian officials also mentioned that there seems to be no decrease in Visa and Mastercard's popularity, with the citizen still opting to use said providers for credit transactions.

In the case of debit transactions, however, officials noted an increase of QRIS usage, with a transaction value of IDR262 trillion from over 2.62 million transactions until the first quarter of 2025. In terms of popularity, QRIS is steadily growing, with citizens opting for a faster and easier method of payment, with a cheaper cost to pay.

Visa and Mastercard, too, is still growing in popularity, with each earning a rise in their transaction volumes during the first quarter of 2025, each rising 15% and 34% respectively. Although, it is worth noting that Visa and Mastercard's global market share have declined from 2014 until 2022, previously at 57.7% and 26.3% now decreasing to 38.7% and 24% each.

**Taxes on payment providers?**

Since Visa, Mastercard, and QRIS are merely a payment system, taxes are only levied on products and services bought and paid for with the selected payment methods, but not on individual transactions

However, users of the payment systems should still be imposed with transaction fees, each differing in amount. However, QRIS holds the title for the cheapest transactional fees, set at 0.15% and is significantly lower than the other two payment providers, where it could reach up to more than 2%.

**Should the United States be concerned about the imposition of NPG?**

In Indonesia, transactions using Visa and Mastercard are still high, even growing in volumes. If the United States are worried about the decreasing number of users using either one of the two payment providers, then they should reconsider their concerns.

The development of NPG is in its essence similar to other countries' national payment switching infrastructure – it aims to integrate and ease transactions domestically, supported by the fact that the government further improves and develops new technological advancements on the system. For Visa and Mastercard to participate, they simply need to partner with domestic acquirer.

Indonesia is moving to expand on the usage of QRIS, making it available to use in several countries since the last few years, and will be available to use in Japan and China this 2025. This is due to the nature of the system, which has followed the international standard of EMVCo.

In terms of national revenue, the usage of QRIS have impacted the national revenue since taxes on transactions are easier to monitor and report, thus enabling the government to optimize on the imposition of Value-Added Tax (VAT) and Income Tax imposed on businesses. This is also supported by how all financial and tax system is integrated with one another.

Given the volume of transactions done through Visa and Mastercard just until Q1 of 2025, the United States have no reason to be concerned about the application of NPG and QRIS, as of now. Especially since QRIS are currently only able to be used domestically and not globally.

**The United States currently have nothing to be concerned on the application of QRIS and GPN in Indonesia.**



# Monthly Highlights

*Indonesia is stuck between international negotiations and still has to go through internal issues – from the new Core Tax Administration system that needs constant maintenance, changes in the internal governmental tax structure, and results of the annual tax returns filing.*

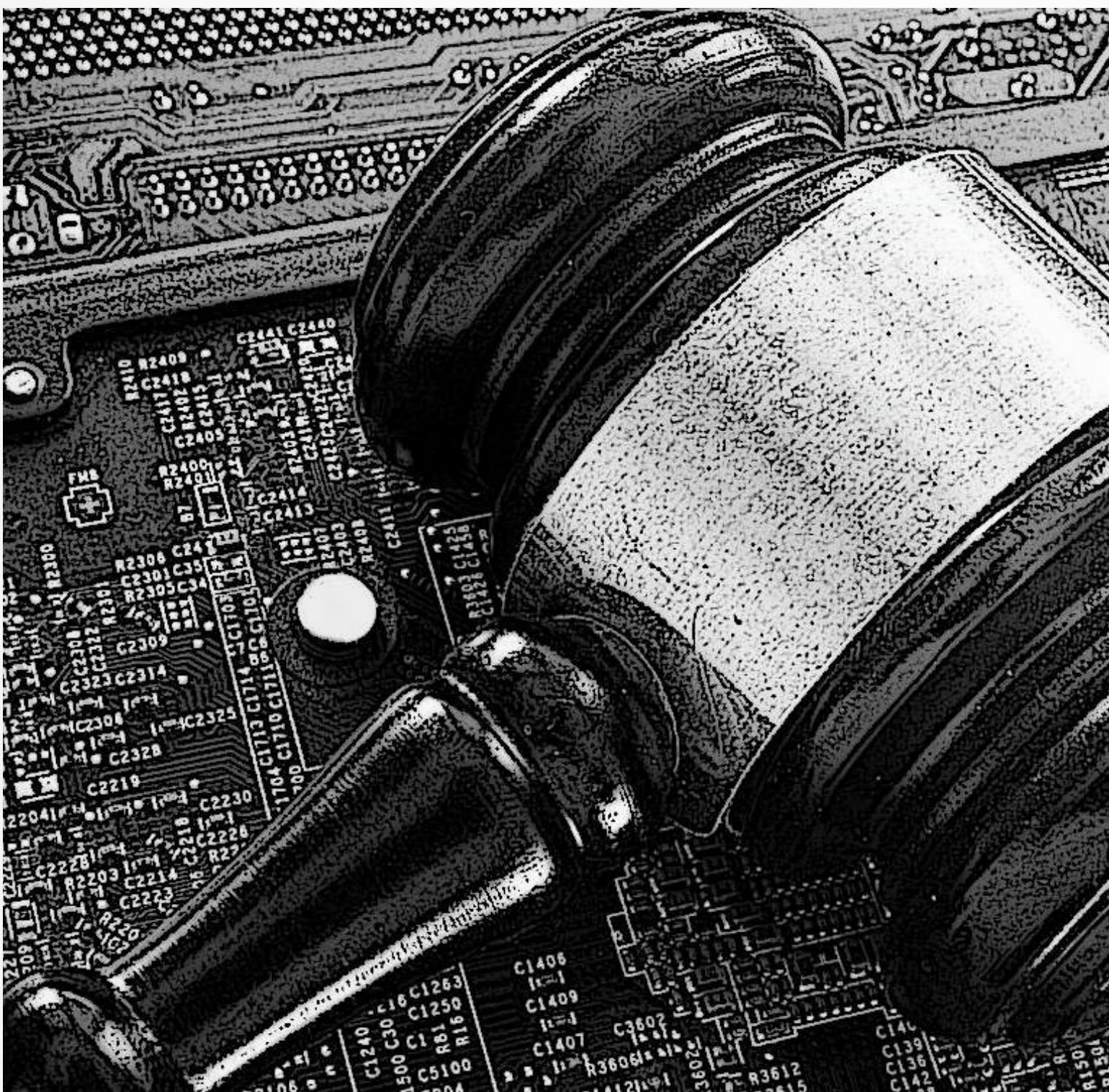


## Reported Tax Returns State After the Filing Deadlines in March and April

The collected annual tax returns is known to have decreased in comparison to the collected amount of filed tax returns in April 2024. The number is known to reach 12.99 million taxpayers until the latest deadline of Corporate Taxpayers Annual Tax Returns filing, fell on 30 April 2025.

Based on the realization number, the number decreased 1.21% annually for Individual Taxpayers, whereas the participating Corporate Taxpayers increased 0.49% compared to last year's number of 1.048 million.

> [Read more here](#) & [here](#)



## Indonesian Government Prepares to Adjust Tax Regulations

As a result on the Donald Trump import tariff imposition globally, Indonesian government prepares for the change, also as a way to appeal to the United States of America.

The Indonesian government aims to deregulate certain tax regulations, especially concerning the amount of time and public services, as well as the availability of several tax incentives for American companies.

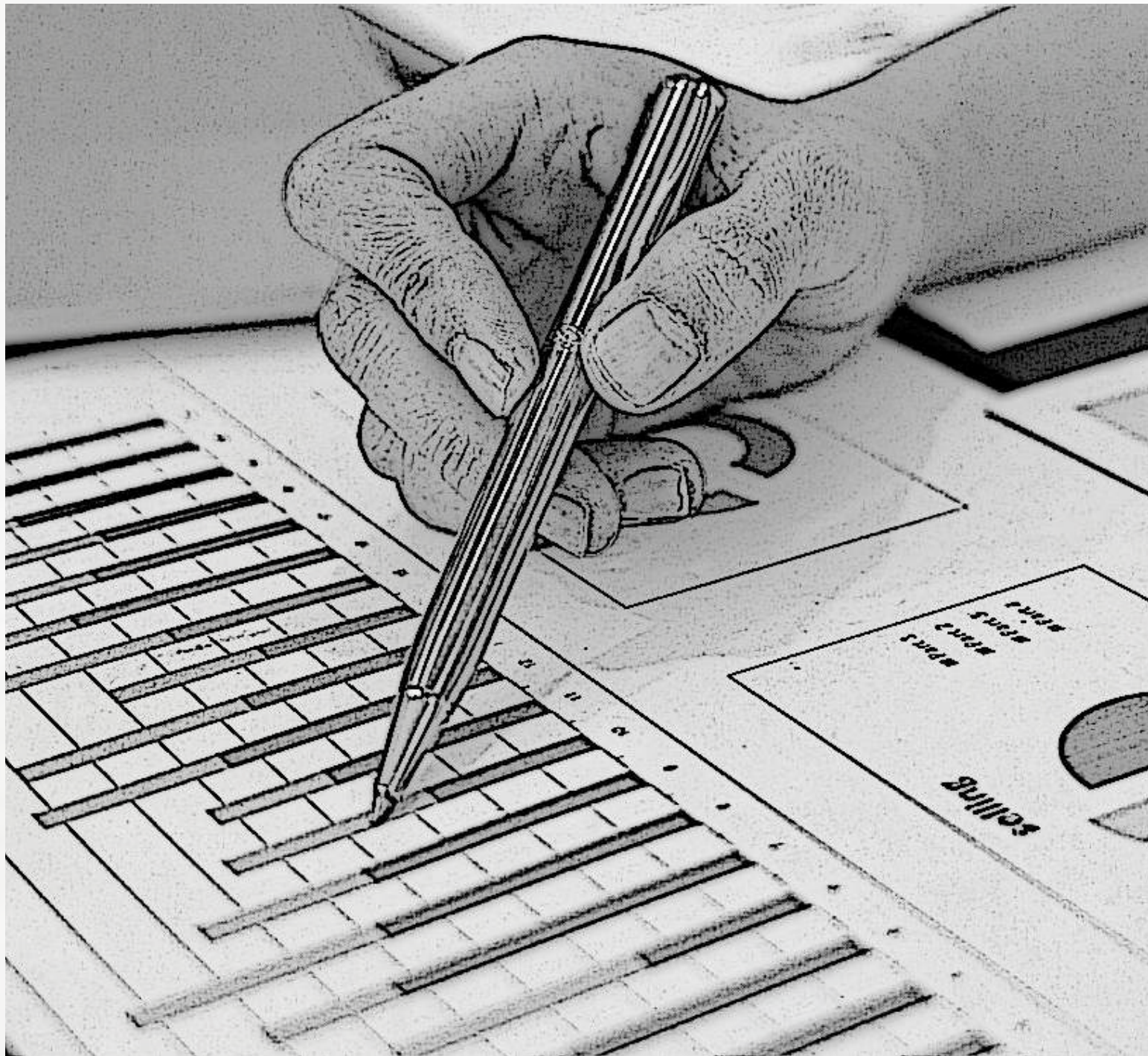
> [Read more here](#)



May 2025

# Monthly Highlights

*Indonesia is stuck between international negotiations and still has to go through internal issues – from the new Core Tax Administration system that needs constant maintenance, changes in the internal governmental tax structure, and results of the annual tax returns filing.*



## Several Collected Regional Tax Revenues See Yearly Increase

Jakarta, Pekanbaru, and Central Java reports their collected amount of tax revenue throughout the first quarter of 2025, with some showcasing an increase in comparison to the collected amount in 2024.

Jakarta is not among the list with increased tax revenue, however, Pekanbaru dan Central Java faced an increase of collected tax revenue until Q1 of 2025.

> Read more [here](#), [here](#) & [here](#)



## The President Appoints a New Director General of Taxes and Excise Customs

As an effort to increase and patch up any “inadequacy” from the taxation department in Indonesia, President Prabowo Subianto has chosen to appoint a new Director General of Taxes and Director General of Excise Customs.

The current holder of the roles will be reshuffled, where the now-former holder of the Director General of Taxes will now become the Head of Financial Technology, Information and Intelligence Agency, and the former Director General of Excise Customs will now be the Director General of Fiscal Balance.

> Read more [here](#) & [here](#)

Next read

09

Directorate General of Taxes Issued New Regulation on Reporting Taxes

&

International Tax Highlights



May 2025

# Monthly Highlights

Indonesia is stuck between international negotiations and still has to go through internal issues – from the new Core Tax Administration system that needs constant maintenance, changes in the internal governmental tax structure, and results of the annual tax returns filing.

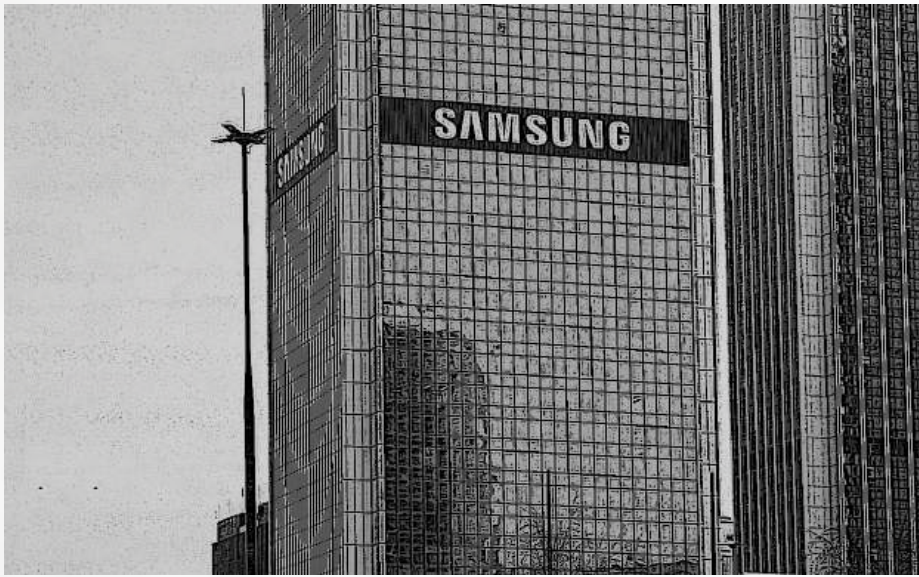


## Directorate General of Taxes Issued New Regulation on Reporting Taxes

The Directorate General of Taxes issued a new regulation concerning the filing and reporting of various taxes, where the new regulation will act as a guide for Taxpayers to fulfill their tax obligations.

The issued Director General of Taxes Number PER-11/PJ/2025 is a derivative of the Minister of Finance Regulation Number 81 Year 2024 that discusses fulfillment of tax obligations through the new administrative Coretax system.

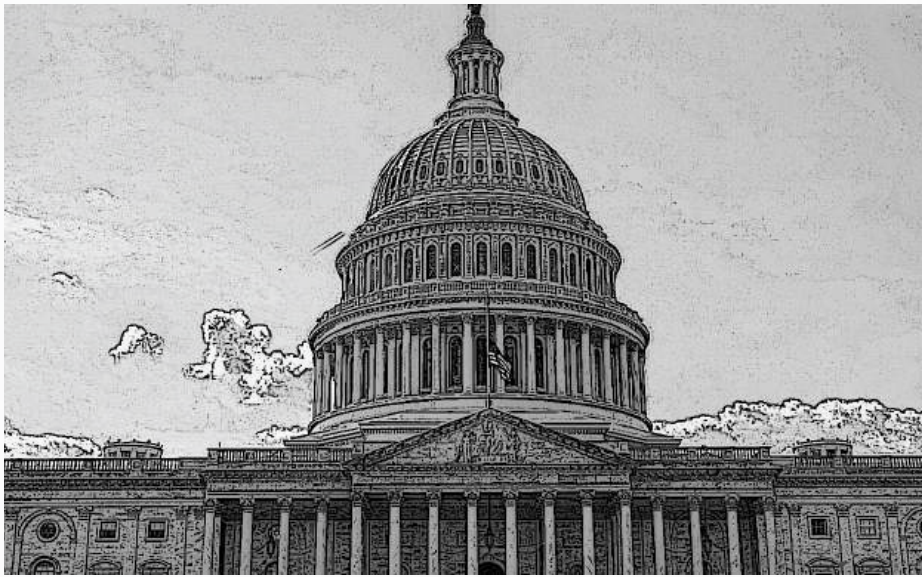
[> Read more here](#)



## Samsung Countersues India on Tax Demands for the Company

After previously sued by the nation, Samsung reiterates by suing back India on the decision to request tax demands with the basis of lacking information.

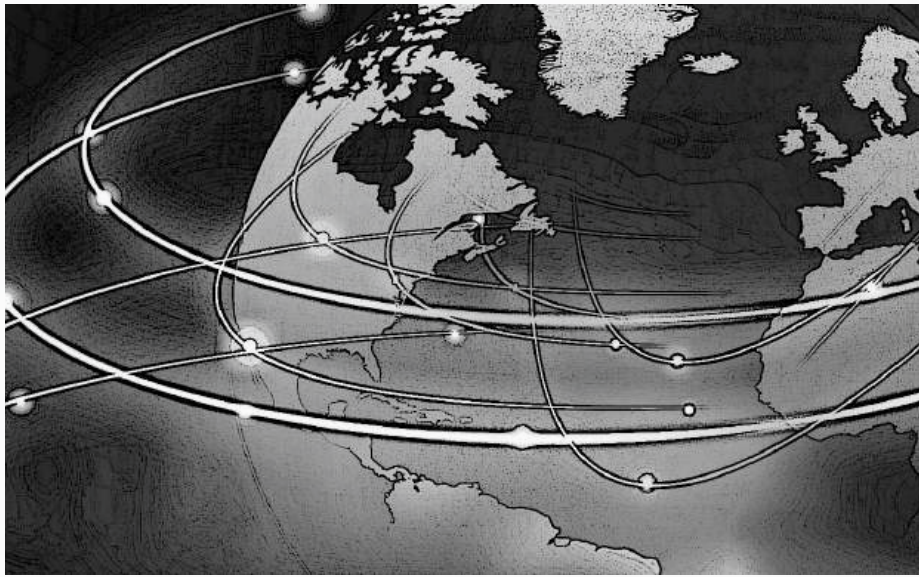
[> Read more here](#)



## Trump's Taxation Bill Moves on to Senate Review After Approval

The Taxation Bill concerning several programs developed by Donald Trump is now approved by the People's Representative, awaiting review and approval from Senate before any is commenced.

[> Read more here](#)



## OECD Renews Provision on Global Minimum Tax Imposition

OECD renews several aspects on the imposition of Global Minimum Tax for participating countries, including the addition of consolidated commentary and administrative guidance.

[> Read more here](#)



# Monthly Tax Revenue

The government keeps putting the public in the dark with minimal coverage on collected tax revenue, signaling at the lower amount in comparison to previous year due to the implementation of the new Coretax system. However, slowly an increase is starting to be spotted.

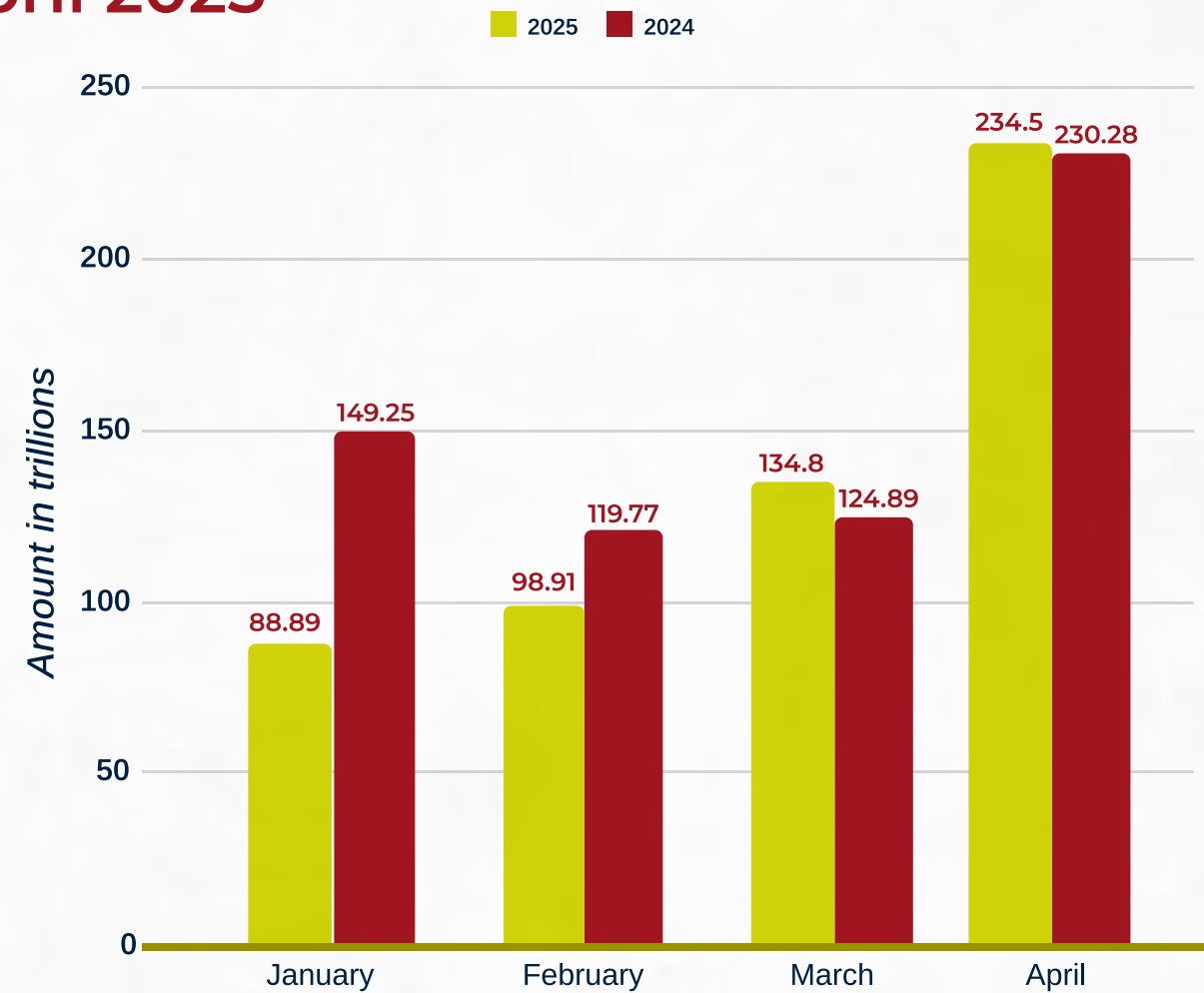
## The Collected Tax Revenue until April 2025 Reached IDR557.1 T



The collected amount of tax revenue until April 2025 is reportedly at IDR557.1 trillion, with the numbers fulfilling around 25.4% of the targeted tax revenue mentioned in the 2025 State Budget.

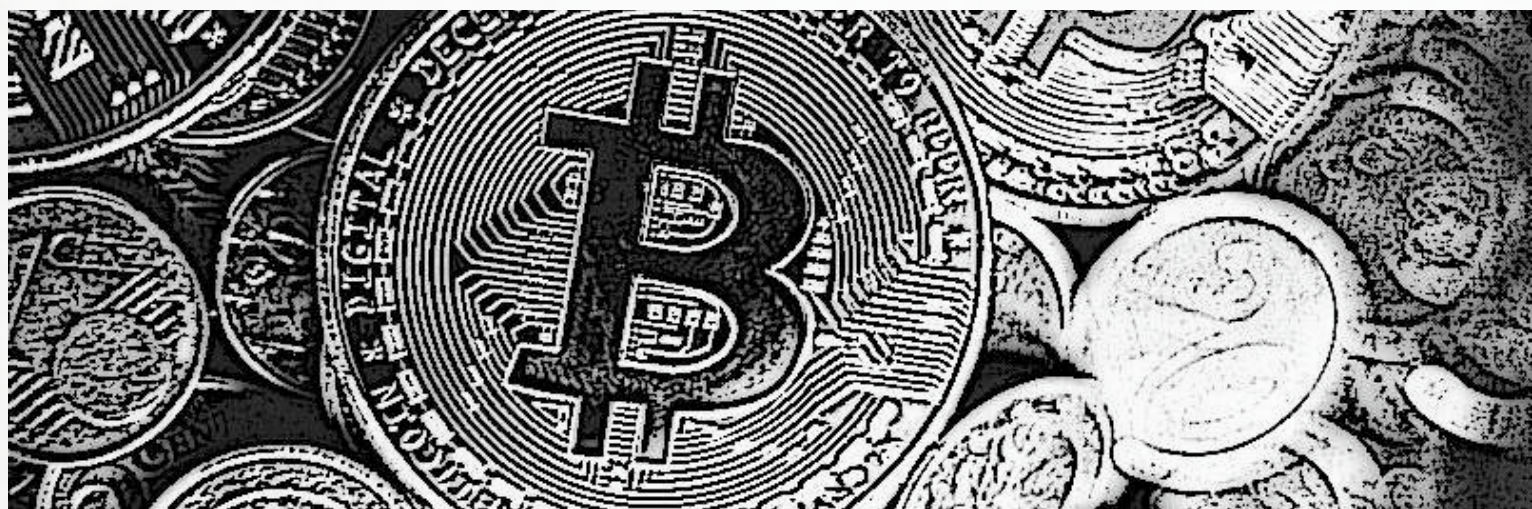
Compared to the collected amount of tax revenue collected until April 2024, this number fell 10.8%, although reports show that the 2025 State Budget managed to scrap up IDR4.3 trillion in profit.

Collected Amount of Tax Revenue Until April 2025



> Read more [here](#) & [here](#)

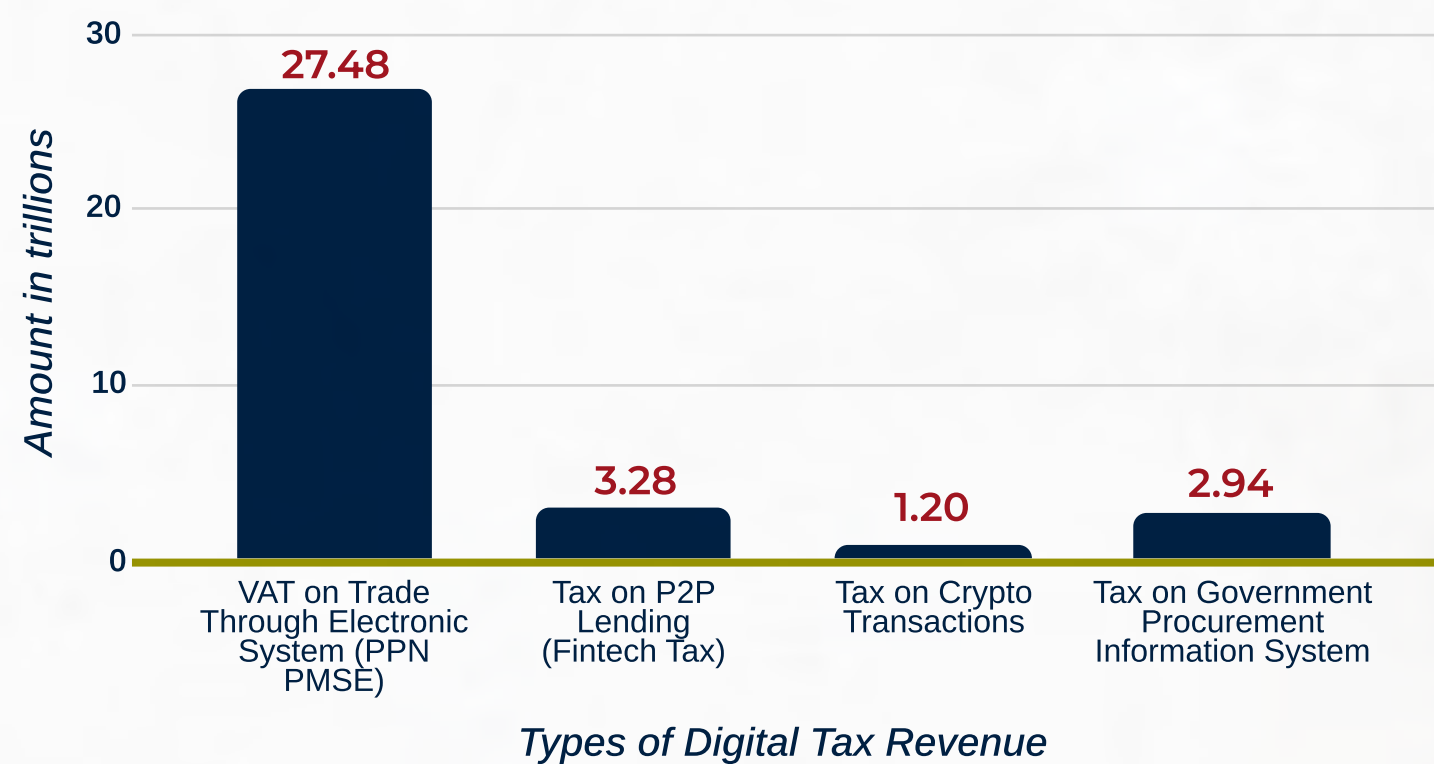
## Digital Taxes Collection Accumulated to IDR34.91 T until March 2025



Absent on the last month, the government has reported the collected amount of tax revenue from the imposition of various digital taxes in March 2025, which amounted to IDR34.91 trillion.

This number is mostly made up of the VAT collection as paid by appointed Trade Through Electronic Systems companies, followed by the imposition of taxes on P2P lending or financial technology tax.

Collected Amount of Digital Tax until March 2025



> Read more [here](#)



Tax Calendar

# June 2025



Tax Calendar

## June 2025

MON	TUE	WED	THU	FRI	SAT	SUN
26	27	28	29	30	31	1 Pancasila Day
2	3	4	5	6 Eid al-Adha 1446 H	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27 Islamic New Year	28	29
30	1	2	3	4	5	6

Reminders

- 1 June 2025 **Pancasila Day**
- 6 June 2025 **Eid al-Adha 1446 H**
- 16 June 2025 **Payment Deadline** – May 2025 Art. 4(2), 15, 21/26, 22, 23/26 Income Tax, and 25 Income Tax, SME Final Income Tax, and Self-Assessed VAT
- 20 June 2025 **Submission Deadline** – Value Added Tax Invoices
- 23 June 2025 **Filing Deadline** – May 2025 Art. 4(2), 15, 21/26, 22, 23/26, and 25 Income Tax
- 27 June 2025 **Islamic New Year**
- 30 June 2025 **Payment and Filing Deadline** – May 2025 Value Added Tax



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