



Local News Update

Boats Logged In As Business Dropping

The pandemic strikes hard on the local businesses in Bali. The peak during holidays made the aftermath much severe in the island. Boats moored with little maintenance and care due to either shortage on furloughed staff or sold off for quick asset liquidation.

In Serangan alone, owners are putting off their boats. They sold it for financial reasons, while the boats' conditions are "as is". Heavy rain for the past months with the addition of long-term mooring took a toll on the hulls. A team of ours reported this during their survey last week.

With the ongoing partial lockdown until February, we hope that the quarantine and restrictions are gone soon. Vaccines are coming in, and we believe this will put us back on track again.



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The Indonesian Government Is Set To Drop The Luxury Tax On Yachts

The Indonesian government is currently considering plans to do away with the tax in an effort to boost the country's tourism trade, Indonesia Investments reports.

"Scrapping the PPnBM on foreign cruise ships & luxury yachts would encourage the arrival of ships and yachts to Indonesia, hence boost the number of foreign tourists and hence would enable authorities to collect more foreign exchange earnings from the tourism industry." - Indonesia Investments.

Luhut Panjaitan, Indonesian Coordinating Minister for Maritime Affairs, said the government collects around IDR 3 billion (approx USD \$200,000) PPnBM per year from foreign cruise ships & luxury yachts. They calculate government revenue could see an additional IDR 6 trillion (USD \$414 million) increase if the tax was cut.

Luhut stressed that after the regulation was issued, there were no more PPnBM levies on foreign yachts coming to Indonesia.

He (Luhut) said that after PPnBM for yachts was abolished the government would look for other ways to boost revenue and increase tariffs for a number of tourism objects.

This regulation is officially valid in conjunction with the promulgation of the Minister of Finance Regulation (PMK) 92/2019 as of June 19, 2019, this rule changes several provisions contained in the previous regulation, namely PMK 253/2008 concerning certain corporate taxpayers (WP) as income tax collectors from buyers selling luxury goods.

Resources:

<http://www.baliyachtservices.com/blog/luxury-yacht-import-tax-indonesia.html>

<https://www.indonesia-investments.com/news/todays-headlines/indonesia-studying-to-scrap-luxury-goods-tax-on-foreign-cruise-ships-yachts/item8914>

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