SIGn Journal of Social Science

E-ISSN: 2745-374X

jurnal.penerbitsign.com/index.php/sjss/article/view/v7n1-009

Vol. 7 Issue 1: June – November 2026 | Published Online: September 8, 2026

Article Title

Global Political-Economic Dynamics, Foreign Direct Investment, and Tax Base Protection under Indonesia's International Tax Law Framework

Author(s)

Azwar Amiruddin*

Universitas Muslim Indonesia, Indonesia || azwar.amiruddin@umi.ac.id

**Corresponding Author*

La Ode Husen

Universitas Muslim Indonesia, Indonesia || laode.husen@umi.ac.id

How to cite:

Amiruddin, A., & Husen, L. O. (2026). Global Political-Economic Dynamics, Foreign Direct Investment, and Tax Base Protection under Indonesia's International Tax Law Framework. *SIGn Journal of Social Science, 7*(1), 145-165. https://doi.org/10.37276/sjss.v7i1.796

ABSTRACT

Global political-economic changes, geopolitical uncertainty, and supply-chain reorganization affect the patterns, structures, and routes of foreign direct investment while increasing the importance of tax base protection and the allocation of Indonesia's taxing rights. This study analyzes the relationship between changes in global political-economic conditions and the reconfiguration of foreign direct investment, identifies their legal consequences for Indonesia's tax base and taxing rights, and assesses the functions of the Arm's Length Principle, tax treaties, anti-avoidance provisions, and the Global Minimum Tax in protecting the tax base while providing investment certainty. This normative legal research applies the statute, conceptual, and policy approaches through a literature-based examination of primary legal materials, academic literature, and institutional data. The findings show that the fiscal consequences of investment reconfiguration depend on transaction characteristics, functions, assets, risks, financing, intangibles, and the substance of economic activities. Once the domestic tax base is determined, tax treaties govern the allocation and limitation of taxing rights across jurisdictions. For Multinational Enterprise Groups that fall within the applicable scope, the GloBE Rules govern minimum taxation based on jurisdictional tax outcomes. Tax base protection requires coordinating legal instruments according to their respective objects, requirements, and stages of application, along with investment policies that prioritize substantial economic activities, legal certainty, administrative quality, and non-fiscal competitiveness.

Keywords: *Foreign Direct Investment; Global Minimum Tax; International Tax Law; Tax Base; Taxing Rights.*

INTRODUCTION

International investment conditions have changed alongside increasing geopolitical tensions, trade policy uncertainty, economic security considerations, technological developments, and the restructuring of global supply chains. In 2025, global foreign direct investment (FDI) increased by approximately 6% to USD 1.6 trillion after declining for two consecutive years. FDI flows to developing countries increased by approximately 2% to USD 901 billion, while more than 80% of global FDI was concentrated in the 20 largest recipient countries. The investment outlook for 2026 is affected by trade policy uncertainty, geopolitical tensions, conflicts, high financing costs, and economic fragmentation (UNCTAD, 2026). These data indicate that the increase in global FDI has been accompanied by greater geographical concentration of investment.

Global political-economic changes affect corporate decision-making through economic sanctions, export controls, investment restrictions, changes in trade policy, reputational considerations, and market expectations. These factors affect decisions concerning market entry, investment, trade, corporate organization, and supply chains (Andrews et al., 2026). The relationship between geopolitical risk and FDI is also influenced by the institutional conditions of host countries (Bussy & Zheng, 2023). Differences in countries of origin, trade relationships, corporate strategies, risk tolerance, and state involvement produce varying responses (Cunha et al., 2026). Studies of several Asian countries indicate that the relationship between geopolitical risk and FDI is associated with macroeconomic conditions and trade openness (Hossain et al., 2024). These findings confirm the heterogeneous relationship between global political-economic dynamics and corporate investment decisions.

Indonesia is both a host country for investment and a jurisdiction with an interest in protecting its tax base. FDI is an international statistical category that describes cross-border investment flows and structures. By contrast, foreign investment under Indonesian law is a legal category governed by Law Number 25 of 2007 as amended by Law Number 6 of 2023. Changes in capital routes, ownership, and production locations constitute distinct dimensions with different economic and legal consequences. Indonesia's investment attractiveness is also influenced by infrastructure and macroeconomic stability (Siregar & Patunru, 2021). The relationship between investment and taxation therefore depends on the structure of economic activities, legal relationships among entities, investment policies, and macroeconomic factors.

Investment reconfiguration becomes relevant to taxation when changes in ownership structures, financing, the use of intangibles, related-party transactions, intermediary entities, or cross-border payments affect income and deductions among entities. Erokhin (2023) demonstrates that, within the context examined, tax factors are more closely associated with the choice between direct and indirect investment routes than with the ultimate investment location. Investment routes may alter ownership relationships, financing arrangements, income recipients, or treaty networks while economic activities remain in the same location. Tax revenue, the tax base, Taxable Income, profit allocation, and taxing rights therefore constitute analytically distinct categories with different objects.

Indonesia's legal framework assigns different functions to different tax instruments. Law Number 7 of 1983 as last amended by Law Number 6 of 2023 regulates special relationships, the redetermination of income and deductions, limitations on borrowing costs, and taxation of payments to nonresident taxpayers. Government Regulation Number 55 of 2022 regulates tax avoidance prevention and provides one of the domestic legal bases for implementing the Global Minimum Tax. The Regulation was amended by Government Regulation Number 20 of 2026. Minister of Finance Regulation Number 169/PMK.010/2015 regulates the maximum debt-to-equity ratio, while Minister of Finance Regulation Number 172 of 2023 regulates the application of the Arm's Length Principle (ALP). In allocating taxing rights across jurisdictions, the 2020 Indonesia-Singapore Tax Treaty and Minister of Finance Regulation Number 112 of 2025 regulate the requirements for and application of tax treaty benefits. The Multilateral Instrument (MLI) forms part of multilateral developments addressing base erosion and profit shifting, including preventing treaty shopping through intermediary jurisdictions. These instruments serve distinct functions: determining the tax base, allocating taxing rights, and preventing treaty abuse.

Developments concerning Base Erosion and Profit Shifting (BEPS) and the Global Minimum Tax have increased international tax coordination. Globalization, digitalization, capital mobility, and tax competition affect the relationship between domestic policies and bilateral treaties (Avi-Yonah & Kim, 2025). Indonesia implements the Global Minimum Tax through Minister of Finance Regulation Number 136 of 2024. The regime is relevant to investment policy because incentives that reduce effective taxation affect the calculation of top-up tax for Multinational Enterprise Groups (MNE Groups) that fall within its scope. Studies on Indonesia and other developing countries show changes in incentive effectiveness as tax burdens fall following the implementation of minimum taxation (Hoi et al., 2024; Cahyadini et al., 2025). At the theoretical level, these developments relate to states' strategic behavior in tax competition and cooperation (Dagan, 2017) and to the coordination of taxing rights between source and residence states (Avi-Yonah, 2007).

Previous studies may be classified into several bodies of literature. Geopolitical literature examines the relationship between political changes, investment decisions, and corporate behavior (Bussy & Zheng, 2023; Hossain et al., 2024; Andrews et al., 2026; Cunha et al., 2026). Transfer pricing studies examine the effectiveness of arm's length rules in reducing intra-group mispricing (Teles et al., 2024). Studies of intangibles address profit allocation based on economic ownership and the functions of Development, Enhancement, Maintenance, Protection, and Exploitation (DEMPE) (Akhmadi, 2025). The literature on treaty networks examines treaty shopping and the vulnerability of developing countries (Riet & Lejour, 2025), while studies of the Global Minimum Tax examine the effectiveness of investment incentives and policy responses (Hoi et al., 2024; Cahyadini et al., 2025). This study's novelty lies in an integrated analysis connecting changes in investment structures, tax base determination, the allocation of taxing rights, and minimum taxation within Indonesia's legal framework. The analysis also distinguishes business structures that have an economic basis from transactions that raise issues concerning profit allocation, the tax base, or entitlement to tax treaty benefits.

Based on these issues, this study analyzes the relationship between changes in global political-economic conditions and FDI patterns, structures, and routes. It also identifies the legal consequences for Indonesia's tax base and the allocation of taxing rights and assesses the functions of tax treaties, the ALP, anti-avoidance provisions, and the Global Minimum Tax in protecting the tax base while providing certainty for cross-border investment. The analysis covers the relationship between investment structures, tax base determination and protection, the allocation of taxing rights, and minimum taxation within Indonesia's international tax law framework.

METHOD

This study employs normative legal research using the statute, conceptual, and policy approaches (Qamar & Rezah, 2020). The statute approach examines the relationship among investment regulation, Income Tax provisions, the ALP, tax avoidance prevention, tax treaties, and the Global Minimum Tax according to their functions and regulatory hierarchy. The conceptual approach analyzes FDI, profit allocation, the tax base, taxing jurisdiction, source-residence relationships, and minimum taxation. The policy approach assesses the implications of global political-economic changes and investment reconfiguration for tax base protection and Indonesia's investment competitiveness.

The primary legal materials comprise Law Number 25 of 2007 as amended by Law Number 6 of 2023; Law Number 7 of 1983 as last amended by Law Number 6 of 2023; Government Regulation Number 55 of 2022 as amended by Government Regulation Number 20 of 2026; Minister of Finance Regulation Number 169/PMK.010/2015; Minister of Finance Regulation Number 172 of 2023; the 2020 Indonesia-Singapore Tax Treaty; Minister of Finance Regulation Number 112 of 2025; the MLI; the GloBE Model Rules; and Minister of Finance Regulation Number 136 of 2024. The Indonesia-Singapore Tax Treaty is used to analyze source-residence relationships, the constitution of a Permanent Establishment (PE), the allocation of taxing rights over cross-border payments, and entitlement to tax treaty benefits. The MLI is used to analyze developments in multilateral standards for preventing treaty abuse. This analysis applies the Indonesia-Singapore Tax Treaty and its implementing provisions. The GloBE Model Rules serve as an international reference for applying the GloBE provisions under Minister of Finance Regulation Number 136 of 2024.

Books and journal articles are used to construct the conceptual framework and analyze findings from previous studies. Institutional data provide factual context concerning changes in investment and tax-risk indicators. Primary legal materials determine tax obligations, adjustments, taxing rights, and top-up tax. The research materials are classified by function as factual context, legal propositions, theoretical frameworks, or findings from previous studies. The legal analysis systematically distinguishes provisions according to their objects, functions, hierarchical relationships, and stages of application (Sampara & Husen, 2016).

The analysis begins with changes in the location, organization of production, ownership, and routes of FDI, as well as the legal form of investment in Indonesia. The next stage examines transactions that affect profit allocation and the tax base. The ALP is applied to Transactions Influenced by Special Relationships through the identification of transactions and parties, industry analysis, identification of commercial or financial relations, identification of transaction conditions, comparability analysis, and the selection and application of transfer pricing methods. An analysis of functions, assets, and risks is used to determine economic contributions and remuneration. Certain transactions are analyzed through preliminary stages applicable to intangibles, financing, and business restructuring, depending on each transaction's characteristics.

After analyzing the domestic tax base, the allocation of taxing rights is determined by characterizing income, the tax nexus with Indonesia, the existence of a PE, profit attribution, the source of income, and the treatment of dividends, interest, and royalties under the Indonesia-Singapore Tax Treaty. Entitlement to tax treaty benefits is analyzed based on residence, administrative requirements, beneficial ownership, ownership requirements, and anti-abuse provisions, including the Principal Purpose Test (PPT). The GloBE analysis covers MNE Groups, the Effective Tax Rate (ETR), Excess Profit, Jurisdictional Top-up Tax, and the Substance-Based Income Exclusion (SBIE). The analysis then distinguishes the Domestic Minimum Top-up Tax (DMTT), Qualified Domestic Minimum Top-up Tax (QDMTT), Income Inclusion Rules (IIR), and Undertaxed Payment Rules (UTPR). Each stage concerns a different object and produces distinct legal consequences.

RESULTS AND DISCUSSION

A. Global Political-Economic Dynamics and Changes in the Structure and Routes of Foreign Direct Investment

Global FDI increased in 2025 alongside greater investment concentration. Global FDI increased by approximately 6% to USD 1.6 trillion, with more than 80% of that value concentrated in the 20 largest recipient countries. Strategic sectors accounted for approximately 44% of the value of global greenfield projects in 2025, compared with approximately 16% in 2020 (UNCTAD, 2026). These developments occurred amid geopolitical tensions, trade policy uncertainty, conflicts, financing costs, and economic fragmentation. Dagan (2017) characterizes states as strategic actors because domestic policies affect capital responses and interact with the policies of other jurisdictions. Capital mobility increases the influence of tax competition on national policy choices (Avi-Yonah & Kim, 2025). FDI growth must therefore be analyzed together with changes in geographical distribution, sectoral allocation, and the structure of investment decisions.

Political-economic changes affect investment decisions through sanctions, export controls, investment restrictions, trade policies, reputational considerations, and changes in market expectations. Andrews et al. (2026) identify relationships between geopolitical changes and decisions concerning market entry, investment, trade, corporate organization, and supply chains. Bussy and Zheng (2023) find a relationship between rising geopolitical risk and declining FDI and demonstrate the importance of governance quality to host-country resilience. Cunha et al. (2026) identify different responses to geopolitical risks associated with the United States and China based on country of origin, trade relationships, strategies, risk tolerance, and state involvement in the Latin American context. Hossain et al. (2024) demonstrate an association between geopolitical risk and FDI, macroeconomic conditions, and trade openness in several Asian countries. These findings show variations in the direction and intensity of investment responses by country and firm characteristics.

Investment changes are also associated with the location and organization of production. The number of countries maintaining investment-screening regimes increased from 21 in 2016 to 52 in 2025. The scope of screening also expanded to include critical technologies, data, strategic infrastructure, and economic security-related activities (UNCTAD, 2026). Friendshoring, location diversification, and changes in the allocation of production functions demonstrate the increasing influence of security considerations and geopolitical relationships on investment decisions (Cunha et al., 2026). The location of activities determines the jurisdiction in which economic capacity is situated, while the organization of production determines how functions and risks are allocated among entities or territories. Location changes may affect the economic nexus with a jurisdiction. Changes in organization may affect economic contributions and remuneration by altering functions and risks.

Ownership structures and capital investment routes perform functions that differ from those of the ultimate investment location. Erokhin (2023) distinguishes decisions about the ultimate location of investment from decisions about using direct or indirect investment routes. In the context examined, tax factors are more strongly linked to the choice of investment route. The same destination may be reached through different ownership tiers or intermediary jurisdictions. Within the framework of strategic state behavior and capital mobility, these structural choices are associated with policy differences across states (Dagan, 2017). Changes in investment routes have legal consequences when they affect ownership relationships, payment recipients, financing arrangements, or treaty networks associated with the transactions. Investment routes therefore constitute a distinct dimension that may alter the legal structure of transactions while maintaining the location of the underlying economic activities.

In the Indonesian context, FDI as a statistical category must be distinguished from foreign investment as a legal category under Indonesian law. Article 1 point 3 of Law Number 25 of 2007 defines foreign investment as investment activities conducted by foreign investors to carry on business within the territory of the Republic of Indonesia. Article 5 section (2) and section (3) of the Law principally regulate foreign investment through a limited liability company established under Indonesian law and domiciled in Indonesia, subject to exceptions where otherwise provided by law. The provisions also regulate capital participation, share purchases, and other methods permitted under laws and regulations. This structure determines the legal status of Indonesian entities within a corporate group. Licensing certainty is associated with investment competitiveness (Bachtiar et al., 2026), whereas regulatory fragmentation may reduce certainty for investors (Hasan et al., 2026). Sectoral studies demonstrate an association between normative disharmony and increased investment costs and risks (Pohan et al., 2025). Obligations under the TRIMs Agreement are relevant to investment measures associated with trade in goods (Hasyim et al., 2023). Simbolon (2023) also demonstrates a relationship between national investment policies and international trade obligations within a sectoral context. These institutional conditions are among the factors affecting investment.

These developments demonstrate four dimensions of investment change: location and market-entry decisions, the organization of production and supply chains, forms and tiers of ownership, and capital investment routes. Location and the organization of production concern the geographical placement and allocation of economic activities. Ownership structures and capital investment routes determine legal and corporate relationships among entities across jurisdictions. These four dimensions may occur within a single investment restructuring and produce tax consequences according to the relationships and transactions generated. Relationships and transactions between Indonesian entities and other members of a corporate group subsequently provide the basis for determining functions, assets, risks, financing, profit allocation, and Indonesia's tax base.

B. Determination of Profit Allocation and Indonesia's Tax Base through the Arm's Length Principle and Anti-Avoidance Provisions

Investment structures affect the tax base when relationships among entities generate transactions that affect Indonesian entities' income or deductions. Article 18 section (4) of Law Number 7 of 1983 *juncto* Law Number 7 of 2021 regulates special relationships based on capital participation, control, or family relationships. Article 18 section (3) of the Law authorizes the redetermination of income and deductions and the characterization of debt as equity in accordance with the ALP. Minister of Finance Regulation Number 172 of 2023 regulates Transactions Influenced by Special Relationships, including transactions between parties that do not directly have a special relationship but in which an affiliated party determines the counterparty and the price. Applying the ALP determines whether transaction conditions satisfy the arm's length standard and provides the basis for redetermining income or deductions under the applicable requirements. Conceptually, the arm's length principle links the remuneration of related-party transactions to conditions prevailing between independent parties (Avi-Yonah, 2007).

Arm's length conditions are determined based on the actual circumstances. Article 4 section (4) through section (6) of Minister of Finance Regulation Number

172 of 2023 regulates the stages for applying the ALP through the identification of transactions and affiliated parties, industry analysis, identification of commercial or financial relations, identification of transaction conditions, comparability analysis, selection of a transfer pricing method, and application of that method. Article 7 of the Regulation governs contractual terms, functions performed, assets used, risks assumed, product characteristics, economic circumstances, and business strategies as economically relevant characteristics. A transfer pricing method is applied after identifying the transaction characteristics and economic contributions. Teles et al. (2024) demonstrate that stronger transfer pricing rules in low- and middle-income countries may reduce intra-group mispricing and increase reported taxable income and corporate tax revenue. Indonesian taxpayers' adjustments are determined by examining specific transactions under the applicable provisions. CbCR statistics concerning mismatches between the location of profits and indicators of economic activity function as BEPS risk indicators (OECD, 2026). The heterogeneity of profit-shifting behavior according to firm characteristics also demonstrates the need for transaction-specific examination (Overesch & Willkomm, 2025).

Intangibles demonstrate the distinction between formal ownership and economic contribution. Article 13 section (3) of Minister of Finance Regulation Number 172 of 2023 requires a preliminary examination concerning the existence, type, value, legal and economic ownership, use or right of use, parties contributing to DEMPE functions, and economic benefits. Akhmadi (2025) shows that post-BEPS developments treat economic ownership, DEMPE contributions, and economically significant risks as key elements in allocating profits from intangibles. Legal ownership of trademarks, patents, technologies, or similar assets is one element to be analyzed alongside value-creating functions and the risks assumed by each entity. This examination provides the basis for allocating profits according to each party's economic contribution.

Intra-group financing is subject to provisions governing limitations on borrowing costs and the ALP. Article 18 section (1) of Law Number 7 of 1983 *juncto* Law Number 7 of 2021 provides the legal basis for limiting borrowing costs. Article 18 section (3) of the Law provides the basis for examining arm's-length conditions and characterizing debt as equity in a special relationship. Article 42 of Government Regulation Number 55 of 2022 regulates limitations on borrowing costs through a debt-to-equity ratio, a comparison of borrowing costs with specified business income, or other methods. Minister of Finance Regulation Number 169/PMK.010/2015 establishes a maximum debt-to-equity ratio of 4:1 for taxpayers falling within its scope. Loans under Transactions Influenced by Special Relationships are also subject to the ALP. Article 13 section (4) of Minister of Finance Regulation Number 172 of 2023 regulates the examination of the substance and need for the loan, use of funds, legal and economic characteristics, the ability to obtain financing from independent parties, payment obligations, consequences of default, and economic benefits. Financing between entities with a special relationship is one mechanism that may be associated with profit shifting (Hoi et al., 2024). Tax adjustments are determined by applying the relevant provisions to the transaction concerned.

Business restructuring requires distinguishing between formal and economic changes. Article 13 section (7) of Minister of Finance Regulation Number 172 of 2023 regulates the preliminary stages, covering the motive, purpose, and economic rationale of the business restructuring; the consistency of the restructuring with its substance and actual circumstances; expected benefits; and whether the restructuring constitutes the best available option. Transfers of functions, assets, decision-making, or risks may alter economic contributions and remuneration among entities. Contractual changes that are not accompanied by changes in actual circumstances produce economic conditions different from restructurings involving changes in functions, assets, or risks. Article 14 of the Regulation provides that certain Transactions Influenced by Special Relationships do not satisfy the ALP where a taxpayer fails to demonstrate the transaction in accordance with the preliminary stages referred to in Article 13 of the Regulation. The legal consequences of the transaction therefore depend on compliance with the required stages.

The relationship between specific instruments and anti-avoidance provisions determines the form of adjustment that may be applied. Article 32 of Government Regulation Number 55 of 2022 regulates the ALP, limitations on borrowing costs, and other mechanisms based on the characteristics of the tax-avoidance practice concerned. The provision also provides a legal basis for redetermining the tax payable based on the actual economic substance where specific tax-avoidance prevention mechanisms cannot be applied. Clarity on the relationship among these provisions supports legal certainty in applying anti-avoidance rules (Wijaya et al., 2020). The examination may preserve the parties' allocation where remuneration corresponds to economic contributions or may adjust income, deductions, borrowing costs, or transfer prices where the requirements for adjustment are satisfied. Article 37 section (1) of Minister of Finance Regulation Number 172 of 2023 treats certain differences arising from ALP adjustments as indirect distributions of profits treated as dividends. Under the single tax principle, domestic adjustments require coordination with other jurisdictions to determine a coordinated allocation of taxation (Avi-Yonah, 2007). Once domestic law determines the amount and tax treatment of income, the applicable tax treaty determines how jurisdictions exercise taxing rights.

C. Allocation of Indonesia's Taxing Rights under the Tax Treaty over Business Profits and Cross-Border Income

Article 26 section (1) of Law Number 7 of 1983 *juncto* by Law Number 6 of 2023 provides the domestic legal basis for withholding tax on specified categories of income paid to nonresident taxpayers. Article 32A of the Law provides the legal basis for entering into international tax agreements. Where a tax treaty applies, Indonesia's exercise of taxing rights is determined under the relevant treaty provisions. In the Indonesia-Singapore relationship, the Tax Treaty characterizes income, determines the nexus for taxation, and allocates or limits the taxing rights of the source and residence states. The benefits principle provides a normative basis for both states' taxing rights based on their relationship to the income in question (Avi-Yonah, 2007). Dagan (2017) explains tax treaties as distributive instruments that affect the taxing rights of source states and capital-exporting states. The functions of a tax treaty therefore include determining how taxing rights are exercised after the domestic basis for taxation has been established.

For business profits, the source state's taxing rights depend on the existence of a PE. Article 5 of the Indonesia-Singapore Tax Treaty governs the concept of a PE and specified temporal thresholds, including construction, installation, or assembly projects lasting more than 183 days, a three-month threshold for specified installation or assembly projects performed by persons other than the main contractor, and the furnishing of services for more than 90 days within any 12 months. Article 7 of the Tax Treaty provides that the profits of a Singapore enterprise are, in principle, taxable in the residence state unless the enterprise carries on business in Indonesia through a PE. Once a PE exists, Indonesia's taxing rights extend to profits attributable to that PE, as it is treated as a separate enterprise dealing independently. Minister of Finance Regulation Number 112 of 2025 regulates the application of tax treaty provisions on forms of activity, agents, aggregation of activities, and activities of a preparatory or auxiliary character under the applicable treaty. Indonesia therefore determines the profits of a foreign enterprise that may be taxed based on the existence of a PE and the attribution of profits under the Tax Treaty.

Dividends, interest, and royalties are subject to different rules for allocating taxing rights. Article 10 of the Indonesia-Singapore Tax Treaty grants taxing rights to the residence state while preserving limited taxing rights for the source state. A 10% ceiling on the gross amount of dividends applies where the recipient is a company that is the beneficial owner and directly owns at least 25% of the capital of the company paying the dividends. In other circumstances, a 15% ceiling applies. Article 20 of Minister of Finance Regulation Number 112 of 2025 sets the minimum shareholding period for a nonresident corporate taxpayer to qualify for the lower dividend rate. The ownership must be maintained for at least 365 calendar days, including the day on which the dividend is paid. Article 11 of the Indonesia-Singapore Tax Treaty limits source-state taxation of interest to 10% where the recipient is the beneficial owner. Article 12 of the Tax Treaty limits taxation of royalties to 10% or 8%, depending on the applicable category. The applicable rate is determined according to the source of income, its effective connection with a PE, the characterization of the income, special relationships, and other requirements under the Tax Treaty. A secondary adjustment treated as a dividend under domestic law is subsequently subject to all requirements for obtaining treatment under Article 10 of the Indonesia-Singapore Tax Treaty.

Entitlement to tax treaty benefits determines the relevance of investment structures and routes to taxing rights. Article 2 of Minister of Finance Regulation Number 112 of 2025 requires a nonresident taxpayer to be a resident of a treaty partner, to qualify as a nonresident tax subject of Indonesia, and to satisfy the provisions preventing treaty abuse. The beneficial owner requirement examines the recipient's control over the use or enjoyment of income, the assumption of risks relating to assets, capital, or liabilities, and obligations to pass on part or all of the income to another party. The Regulation also governs treaty anti-abuse provisions that may be contained in a tax treaty, including ownership requirements, prevention of the avoidance of PE status, limitation on benefits, and the PPT, according to the applicable treaty provisions. Under the Indonesia-Singapore Tax Treaty, beneficial ownership is required for dividends, interest, and royalties, and Article 28 of the Tax Treaty provides the PPT. The investment routes discussed by Erokhin (2023) may therefore affect the application of tax treaty provisions because those routes determine the income recipient and ownership structure. Hoi et al. (2024) demonstrate the use of treaty networks in repatriation strategies, while Riet and Lejour (2025) examine the vulnerability of several developing countries to treaty shopping. Investment routes through intermediary jurisdictions are therefore examined according to the requirements for entitlement to tax treaty benefits.

Treaty anti-abuse provisions are applied according to the object of examination under each provision. Article 28 of the Indonesia-Singapore Tax Treaty provides for the denial of benefits where, having regard to all relevant facts and circumstances, it is reasonable to conclude that obtaining the benefit was one of the principal purposes of an arrangement or transaction, unless granting the benefit would be consistent with the object and purpose of the relevant provisions. Minister of Finance Regulation Number 112 of 2025 regulates the application of the PPT through an analysis of the scheme, contract, legal form, economic substance, timing, parties, relationships among the parties, rights and obligations, treaty benefits, non-treaty benefits, and other relevant facts and circumstances. At the level of international tax law, Article 6 and Article 7 of the MLI reflect developments in BEPS standards concerning the prevention of treaty shopping and the PPT. In the Indonesia-Singapore relationship, the examination is based on the applicable 2020 Tax Treaty and Minister of Finance Regulation Number 112 of 2025. Beneficial ownership and the PPT address different aspects of the examination. Beneficial ownership concerns the recipient's position in relation to specific income, while the PPT concerns the purposes of an arrangement or transaction and its consistency with the treaty's object and purpose. Clarity in applying tax treaty mechanisms supports taxpayer certainty in cross-border activities and the resolution of tax disputes (Silalahi et al., 2025).

Domestic law and tax treaties perform sequential functions. Domestic law determines the basis for taxation, the tax treatment of transactions, and the amount of income. A tax treaty determines the characterization of income for treaty purposes, the nexus for taxation, the allocation or limitation of taxing rights, and entitlement to treaty benefits. A transfer pricing adjustment determines the amount or treatment of income under domestic law, while the tax treaty determines the exercise of taxing rights over that income across jurisdictions. Once the tax base and the allocation of taxing rights have been determined, MNE Groups that fall within the scope of the GloBE Rules are subject to jurisdictional ETR and top-up tax calculations.

D. Global Minimum Tax and Its Implications for Indonesia's Investment Incentive Policies

Article 52 and Article 54 of Government Regulation Number 55 of 2022 provide the domestic legal basis for implementing international tax agreements and the Global Minimum Tax. Minister of Finance Regulation Number 136 of 2024 governs the imposition of the Global Minimum Tax pursuant to international agreements. Article 2 section (1) of the Regulation applies to Constituent Entities of MNE Groups with annual revenue of at least EUR 750 million based on the consolidated financial statements of the Ultimate Parent Entity in at least two of the four Fiscal Years preceding the Fiscal Year of application. This threshold is consistent with Article 1.1.1 of the GloBE Model Rules. The revenue threshold determines which MNE Groups fall within the scope of the Global Minimum Tax. Within the framework of Avi-Yonah and Kim (2025), this development is linked to changes in international tax coordination driven by capital mobility and tax competition. Dagan (2017) demonstrates that international coordination continues to provide states with policy choices consistent with their national interests.

The GloBE calculation is based on a jurisdictional ETR. Article 5.1.1 of the GloBE Model Rules calculates the ETR based on Adjusted Covered Taxes and Net GloBE Income. Article 5.2.3 of the GloBE Model Rules determines the Jurisdictional Top-up Tax by reference to the Top-up Tax Percentage, Excess Profit, specified additional tax components, and domestic minimum tax. The nominal corporate income tax rate constitutes one element of a jurisdiction's tax conditions, while top-up tax liability is determined by the overall GloBE calculation. Article 5.3.1 of the GloBE Model Rules also takes the SBIE into account based on payroll and tangible asset components. Accordingly, the profit used to calculate top-up tax is determined after applying the required components. Schjelderup and Stähler (2024) demonstrate that the design of the SBIE affects incentives relating to labor and investment. The ALP determines the conditions and remuneration of a transaction, while the GloBE Rules determine jurisdictional tax outcomes under the applicable formula.

The IIR allocates top-up tax based on an entity's position within an MNE Group's ownership structure. Article 2.1.1 of the GloBE Model Rules applies the IIR to a parent entity that directly or indirectly holds an ownership interest in a low-taxed Constituent Entity. Article 14 of Minister of Finance Regulation Number 136 of 2024 governs the allocation of top-up tax under the IIR to an Ultimate Parent Entity, Intermediate Parent Entity, or Partially-Owned Parent Entity according to the ownership structure. Johannesen (2022) demonstrates that minimum taxation may reduce the benefits of locating profits in very low-tax jurisdictions while affecting the strategic responses of states and firms. GloBE consequences are determined after the scope of the MNE Group, the ETR, and the amount of top-up tax have been calculated under the applicable rules. Ownership structures are relevant at this stage because they determine the location of parent entities and the mechanism for allocating top-up tax.

In the jurisdiction in which low-taxed profits arise, Article 52 of Minister of Finance Regulation Number 136 of 2024 governs the DMTT imposed on Constituent Entities in Indonesia that form part of an MNE Group falling within the applicable scope. The DMTT as a domestic mechanism must be distinguished from QDMTT status under the GloBE Rules. Article 17 of the Regulation governs the UTPR as a mechanism for imposing top-up tax after taking into account top-up tax allocated under the IIR. Article 73 of the Regulation provides that the UTPR applies beginning on January 1, 2026. The relationship among the DMTT, QDMTT, IIR, and UTPR determines which jurisdiction is entitled to impose top-up tax under the GloBE mechanisms. Riet and Lejour (2025) show that the design of domestic minimum taxes and other jurisdictions' positions under the Global Minimum Tax affect the distribution of top-up tax revenue. Indonesia's position in collecting top-up tax is determined by the DMTT under domestic law and the relevant qualification requirements under the GloBE Rules.

Tax treaties and the GloBE Rules regulate different objects within international tax law. Tax treaties determine taxing rights over categories of income according to source-residence relationships, the nexus for taxation, the characterization of income, and entitlement to treaty benefits. The GloBE Rules calculate the ETR and top-up tax on a jurisdictional basis for MNE Groups falling within their scope. Income that receives treatment under a tax treaty remains included in the relevant components of the GloBE calculation. Top-up tax under the GloBE Rules performs a function distinct from the characterization of income under a tax treaty. Article 72 of Minister of Finance Regulation Number 136 of 2024 provides that GloBE terms under the domestic Regulation are interpreted in accordance with the GloBE Rules unless specifically regulated otherwise. Tax treaties and the GloBE Rules are therefore applied according to their respective objects and legal consequences.

Investment incentives have implications for the GloBE Rules where they affect Covered Taxes and the jurisdictional ETR. Where the ETR falls below the Minimum Rate and Excess Profit exists, tax rate reductions or tax holidays affect the calculation of top-up tax under the GloBE mechanisms. The magnitude of the effect depends on the scope of the MNE Group, the components of the ETR, the SBIE, the characteristics of the incentive, and the applicable GloBE mechanisms. Cahyadini et al. (2025) explain Indonesia's need to reduce its reliance on rate-based tax incentives in the era of the Global Minimum Tax. Cantikasari et al. (2026) show that implementing the Global Minimum Tax changes the effectiveness of tax holidays for large multinational enterprises. Vietnam's experience shows reduced differential benefits of tax rates for groups within the scope of minimum taxation (Hoi et al., 2024). The effectiveness of investment incentives must therefore be assessed based on their economic benefits, after accounting for all GloBE consequences.

Indonesia's investment policies must consider fiscal and non-fiscal factors together. Siregar and Patunru (2021) demonstrate the relationship between fiscal incentives and FDI in Indonesia and the importance of infrastructure and macroeconomic stability. The design of the SBIE also affects labor and investment incentives (Schjelderup & Stähler, 2024). Production capacity, research and development, workforce quality, infrastructure, relationships with domestic suppliers, regulatory certainty, and administrative efficiency constitute components of investment competitiveness (Hoi et al., 2024; Cahyadini et al., 2025). Implementation of the GloBE Rules also requires administrative capacity to identify MNE Groups, Constituent Entities, Net GloBE Income, Covered Taxes, the ETR, and the allocation of top-up tax. Studies of Indonesia's tax administration institutions show relationships among organizational capacity, legal certainty, and revenue administration performance (Hapsari & Putra, 2025). The quality of economic activities and institutional capacity is therefore associated with both investment attractiveness and tax base protection.

The overall analysis demonstrates a sequence of relationships with distinct legal functions. Global political-economic dynamics affect choices about location, production organization, ownership, and FDI routes. Investment structures determine corporate relationships and transactions that affect profit allocation. Domestic law, through the ALP, borrowing cost limitations, and anti-avoidance provisions, determines how transactions are treated and what forms the tax base. Tax treaties determine how taxing rights are allocated and limited across jurisdictions. For MNE Groups falling within the applicable scope, the GloBE Rules determine minimum taxation based on the jurisdictional ETR and mechanisms for allocating top-up tax. Distinguishing the objects and legal consequences of each instrument provides the basis for coordinating tax base protection and investment certainty within Indonesia's international tax law framework.

CONCLUSIONS AND SUGGESTIONS

Global political-economic dynamics are associated with FDI reconfiguration across four dimensions: the location of economic activities, organization of production, ownership structures, and capital investment routes. Changes in location and organization affect the distribution of economic activities, while ownership structures and routes determine corporate relationships and cross-border transactions. Consequences for the tax base arise when these structures affect the income or deductions of Indonesian entities. The ALP, analyses of functions, assets, and risks, preliminary examinations applicable to intangibles and financing, the economic rationale of business restructuring, limitations on borrowing costs, and anti-avoidance provisions determine the fiscal consequences according to their respective objects and requirements.

Once domestic law determines the tax base and income amount, tax treaties govern the allocation and limitation of taxing rights through tax nexus, characterization and source of income, PE status, profit attribution, residence, beneficial ownership, ownership requirements, and treaty anti-abuse provisions. For MNE Groups falling within the applicable scope, the GloBE Rules govern the calculation of the jurisdictional ETR and top-up tax through the DMTT, IIR, and UTPR according to the group structure and relevant qualification status. Coordination among these instruments requires precise distinctions among their objects, requirements, stages of application, and legal consequences.

The normative legal character of this study provides a basis for empirical research on the relationships between changes in investment routes, intra-group financing, intangibles, the use of tax treaties, and the Global Minimum Tax, on the one hand, and corporate behavior and Indonesia's tax revenue, on the other. Future studies may compare enterprises within and outside the scope of the GloBE Rules, direct and indirect investment structures, and changes in ownership locations and routes. Such analyses should preserve the distinction among the location of economic activities, profit allocation, the tax base, taxing rights, and tax revenue when assessing the effects of legal regulation on corporate behavior and state revenue.

Policy may be formulated sequentially by identifying investment structures and routes, examining transactions and the tax base, applying tax treaties, identifying GloBE scope and top-up tax, and evaluating investment incentives. For MNE Groups falling within the applicable scope, evaluation should consider the jurisdictional ETR, the DMTT and its qualification status, the IIR, and the UTPR. Investment policy should also strengthen substantial economic activities, production capacity, research and development, workforce quality, infrastructure, relationships with domestic suppliers, legal certainty, and administrative efficiency. Coordinating these policies supports the attractiveness of productive economic activities and Indonesia's ability to protect its tax base within an increasingly coordinated international tax system.

REFERENCES

Akhmadi, Y. (2025). Indonesia's Intangibles Transfer Pricing Regime: An International Comparative Review. *Scientax: Jurnal Kajian Ilmiah Perpajakan Indonesia*, *7*(1), 54-83. https://doi.org/10.52869/st.v7i1.902

Andrews, D. S., Puhr, H., & Knill, A. (2026). Transmission of Geopolitical Shocks to Firm Behavior: A Synthesis and Integrative Model. *Journal of International Business Policy*, *9*(1), 124-145. https://doi.org/10.1057/s42214-025-00232-8

Avi-Yonah, R. S. (2007). *International Tax as International Law: An Analysis of the International Tax Regime*. Cambridge University Press. https://doi.org/10.1017/CBO9780511511318

Avi-Yonah, R. S., & Kim, C. (2025). *The International Tax Revolution*. Cambridge University Press. https://doi.org/10.1017/9781009331852

Bachtiar, R. R. J., Sudirman, L., & Disemadi, H. S. (2026). Legal Certainty of the Electronically Integrated Business Licensing System: A Comparative Regulatory Analysis between Indonesia and Malaysia. *SIGn Jurnal Hukum*, *8*(1), 147-171. https://doi.org/10.37276/sjh.v8i1.626

Bussy, A., & Zheng, H. (2023). Responses of FDI to Geopolitical Risks: The Role of Governance, Information, and Technology. *International Business Review*, *32*(4), 102136. https://doi.org/10.1016/j.ibusrev.2023.102136

Cahyadini, A., Amalia, P., & Fahriza, F. (2025). Tax Strategy as an Alternative to Tax Incentives to Stimulate Investment in the Global Minimum Tax Era in Indonesia. *Laws*, *14*(5), 66. https://doi.org/10.3390/laws14050066

Cantikasari, A. T., Buwana, D. D., Putra, E. R., Qorillahi, H. D. A., Riyanto, L. D., & Pelu, S. A. S. (2026). Reviewing the Implementation of the Global Minimum Tax on Tax Incentive Policies in Indonesia. *International Public Sector Accounting Review*, *4*(1), 1-15. Retrieved from https://jurnal.pknstan.ac.id/index.php/ipsar/article/view/3902

Cunha, H. C. D., Singh, V., Amal, M., Farrell, C., Mangal, S., & Grellmann, G. (2026). The Impact of US and China Geopolitical Risk on Foreign Direct Investment in Latin America. *International Business Review*, *35*(1), 102533. https://doi.org/10.1016/j.ibusrev.2025.102533

Dagan, T. (2017). *International Tax Policy: Between Competition and Cooperation*. Cambridge University Press. https://doi.org/10.1017/9781316282496

Erokhin, D. (2023). Tax Effects on Foreign Direct Investment—Just a Rerouting. *The World Economy*, *46*(9), 2808-2834. https://doi.org/10.1111/twec.13465

Government Regulation in Lieu of Law of the Republic of Indonesia Number 2 of 2022 on Job Creation (State Gazette of the Republic of Indonesia of 2022 Number 238, Supplement to the State Gazette of the Republic of Indonesia Number 6841). https://peraturan.go.id/id/perppu-no-2-tahun-2022

Government Regulation of the Republic of Indonesia Number 55 of 2022 on Regulatory Adjustments in the Field of Income Tax (State Gazette of the Republic of Indonesia of 2022 Number 231, Supplement to the State Gazette of the Republic of Indonesia Number 6836). https://peraturan.go.id/id/pp-no-55-tahun-2022

Government Regulation of the Republic of Indonesia Number 20 of 2026 on Amendment to Government Regulation Number 55 of 2022 on Regulatory Adjustments in the Field of Income Tax (State Gazette of the Republic of Indonesia of 2026 Number 43, Supplement to the State Gazette of the Republic of Indonesia Number 7173). https://peraturan.go.id/id/pp-no-20-tahun-2026

Hapsari, N., & Putra, A. K. (2025). Projecting the Roles of the Indonesian State Revenue Authority toward Tax Administration's Performance. *Bisnis & Birokrasi: Jurnal Ilmu Administrasi dan Organisasi*, *32*(1), 54-68. https://doi.org/10.20476/jbb.v32i1.1521

Hasan, I., Husen, L. O., & Qahar, A. (2026). Fragmentation of Investment Regulations in Indonesia: An Analysis of Normative Disharmony and the Reform Agenda from an Investment Certainty Perspective. *Golden Ratio of Law and Social Policy Review*, *6*(1), 133-142. https://doi.org/10.52970/grlspr.v6i1.2389

Hasyim, S., Husen, L. O., & Nasrullah, N. (2023). The Implications of TRIMs Agreement on Domestic Economy in the 21st Century: A Study of Legal Development. *SIGn Jurnal Hukum*, *4*(2), 332-350. https://doi.org/10.37276/sjh.v4i2.224

Hoi, L. Q., Thu, N. T. H., Hung, N. X., Uyen, P. T., Huong, T. T., Minh, T. T. H., & Anh, H. T. P. (2024). The Impact of the Global Minimum Tax on Vietnam's Foreign Direct Investment Attraction. *Asia and the Global Economy*, *4*(2), 100090. https://doi.org/10.1016/j.aglobe.2024.100090

Hossain, M. S., Voumik, L. C., Ahmed, T. T., Alam, M. B., & Tasmim, Z. (2024). Impact of Geopolitical Risk, GDP, Inflation, Interest Rate, and Trade Openness on Foreign Direct Investment: Evidence from Five Southeast Asian Countries. *Regional Sustainability*, *5*(4), 100177. https://doi.org/10.1016/j.regsus.2024.100177

Johannesen, N. (2022). The Global Minimum Tax. *Journal of Public Economics*, *212*, 104709. https://doi.org/10.1016/j.jpubeco.2022.104709

Law of the Republic of Indonesia Number 7 of 1983 on Income Tax (State Gazette of the Republic of Indonesia of 1983 Number 50, Supplement to the State Gazette of the Republic of Indonesia Number 3263). https://dpr.go.id/dokumen/jdih/undang-undang/detail/740

Law of the Republic of Indonesia Number 7 of 1991 on Amendment to Law Number 7 of 1983 on Income Tax (State Gazette of the Republic of Indonesia of 1991 Number 93, Supplement to the State Gazette of the Republic of Indonesia Number 3459). https://dpr.go.id/dokumen/jdih/undang-undang/detail/615

Law of the Republic of Indonesia Number 10 of 1994 on Amendment to Law Number 7 of 1983 on Income Tax as Amended by Law Number 7 of 1991 (State Gazette of the Republic of Indonesia of 1994 Number 60, Supplement to the State Gazette of the Republic of Indonesia Number 3567). https://dpr.go.id/dokumen/jdih/undang-undang/detail/490

Law of the Republic of Indonesia Number 17 of 2000 on the Third Amendment to Law Number 7 of 1983 on Income Tax (State Gazette of the Republic of Indonesia of 2000 Number 127, Supplement to the State Gazette of the Republic of Indonesia Number 3985). https://dpr.go.id/dokumen/jdih/undang-undang/detail/381

Law of the Republic of Indonesia Number 25 of 2007 on Capital Investment (State Gazette of the Republic of Indonesia of 2007 Number 67, Supplement to the State Gazette of the Republic of Indonesia Number 4724). https://dpr.go.id/dokumen/jdih/undang-undang/detail/104

Law of the Republic of Indonesia Number 36 of 2008 on the Fourth Amendment to Law Number 7 of 1983 on Income Tax (State Gazette of the Republic of Indonesia of 2008 Number 133, Supplement to the State Gazette of the Republic of Indonesia Number 4893). https://dpr.go.id/dokumen/jdih/undang-undang/detail/163

Law of the Republic of Indonesia Number 7 of 2021 on Harmonization of Tax Regulations (State Gazette of the Republic of Indonesia of 2021 Number 246, Supplement to the State Gazette of the Republic of Indonesia Number 6736). https://dpr.go.id/dokumen/jdih/undang-undang/detail/1784

Law of the Republic of Indonesia Number 6 of 2023 on Enactment of Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation Into Law (State Gazette of the Republic of Indonesia of 2023 Number 41, Supplement to the State Gazette of the Republic of Indonesia Number 6856). https://dpr.go.id/dokumen/jdih/undang-undang/detail/1825

OECD. (2021). *Tax Challenges Arising from Digitalisation of the Economy – Global Anti-Base Erosion Model Rules (Pillar Two): Inclusive Framework on BEPS*. OECD Publishing. https://doi.org/10.1787/782bac33-en

OECD. (2026). *Corporate Tax Statistics 2026*. OECD Publishing. https://doi.org/10.1787/73af6222-en

Overesch, M., & Willkomm, S. (2025). The Relation between Corporate Social Responsibility and Profit Shifting of Multinational Enterprises. *International Tax and Public Finance*, *32*(2), 466-500. https://doi.org/10.1007/s10797-024-09850-z

Pohan, C. R., Sugiarto, L., Hidayat, A., & Martitah, M. (2025). The Paradox of Mineral Downstreaming: An Economic Analysis of Mining Regulatory Disharmony in Indonesia. *SIGn Jurnal Hukum*, *7*(1), 519-543. https://doi.org/10.37276/sjh.v7i1.465

Presidential Regulation of the Republic of Indonesia Number 77 of 2019 on the Ratification of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (State Gazette of the Republic of Indonesia of 2019 Number 216). https://peraturan.go.id/id/perpres-no-77-tahun-2019

Presidential Regulation of the Republic of Indonesia Number 35 of 2021 on the Ratification of the Agreement between the Government of the Republic of Indonesia and the Government of the Republic of Singapore for the Elimination of Double Taxation with Respect to Taxes on Income and the Prevention of Tax Evasion and Avoidance (State Gazette of the Republic of Indonesia of 2021 Number 114). https://peraturan.go.id/id/perpres-no-35-tahun-2021

Presidential Regulation of the Republic of Indonesia Number 63 of 2024 on Amendment to Presidential Regulation Number 77 of 2019 on the Ratification of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (State Gazette of the Republic of Indonesia of 2024 Number 92). https://peraturan.go.id/id/perpres-no-63-tahun-2024

Qamar, N., & Rezah, F. S. (2020). *Metode Penelitian Hukum: Doktrinal dan Non-Doktrinal*. CV. Social Politic Genius (SIGn). https://books.google.co.id/books?id=TAQHEAAAQBAJ

Regulation of Minister of Finance of the Republic of Indonesia Number 169/PMK.010/2015 on the Determination of the Debt-to-Equity Ratio of Companies for Income Tax Calculation Purposes (Bulletin Gazette of the Republic of Indonesia of 2015 Number 1351). https://peraturan.go.id/id/permenkeu-no-169-pmk-010-2015-tahun-2015

Regulation of Minister of Finance of the Republic of Indonesia Number 172 of 2023 on the Application of the Arm's Length Principle in Transactions Affected by Special Relationships (Bulletin Gazette of the Republic of Indonesia of 2023 Number 1116). https://peraturan.bpk.go.id/details/288349

Regulation of Minister of Finance of the Republic of Indonesia Number 136 of 2024 on the Imposition of a Global Minimum Tax Based on an International Agreement (Bulletin Gazette of the Republic of Indonesia of 2024 Number 1111). https://peraturan.go.id/id/permenkeu-no-136--tahun-2024

Regulation of Minister of Finance of the Republic of Indonesia Number 112 of 2025 on Procedures for Applying Double Taxation Avoidance Agreements (Bulletin Gazette of the Republic of Indonesia of 2025 Number 1205). https://peraturan.go.id/id/permenkeu-no-112--tahun-2025

Riet, M. V. T., & Lejour, A. (2025). Developing Countries, Tax Treaty Shopping and the Global Minimum Tax. *Public Finance Review*, *53*(6), 671-732. https://doi.org/10.1177/10911421251334849

Sampara, S., & Husen, L. O. (2016). *Metode Penelitian Hukum*. Kretakupa Print.

Schjelderup, G., & Stähler, F. (2024). The Economics of the Global Minimum Tax. *International Tax and Public Finance*, *31*(4), 935-952. https://doi.org/10.1007/s10797-023-09794-w

Silalahi, H., Maulana, N., Ana, L., & Kurnia, B. (2025). The Influence of Tax Dispute Resolution Mechanisms: Legal Contributions of Tax Consultants and Tax Attorneys in Indonesia. *Ilomata International Journal of Tax and Accounting*, *6*(4), 25-52. https://doi.org/10.61194/ijtc.v6i1.1597

Simbolon, P. G. M. (2023). The Negative Investment List Policy in Indonesia: A Review of Free Trade and the Conservation of Endangered Fish Species. *SIGn Jurnal Hukum*, *5*(2), 324-339. https://doi.org/10.37276/sjh.v5i2.297

Siregar, R. A., & Patunru, A. (2021). The Impact of Tax Incentives on Foreign Direct Investment in Indonesia. *Journal of Accounting Auditing and Business*, *4*(1), 66-80. https://doi.org/10.24198/jaab.v4i1.30629

Teles, S. L., Riedel, N., & Strohmaier, K. (2024). On the Effects of Anti-Profit Shifting Regulations: A Developing Country Perspective. *Journal of Public Economics*, *235*, 105134. https://doi.org/10.1016/j.jpubeco.2024.105134

UNCTAD. (2026). *World Investment Report 2026: International Investment in a Turbulent Era*. United Nations Conference on Trade and Development. https://doi.org/10.18356/9789211599435

Wijaya, Y. Y., Efendi, A., Tanuwijaya, F., & Hamida, N. A. (2020). Transparency Regarding Tax Avoidance in Indonesia: A Philosophical Review. *Lentera Hukum*, *7*(1), 85-100. https://doi.org/10.19184/ejlh.v7i1.11759