



BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

Raising Tax Certainty Virtual Seminar

12 December 2023





BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

Enhancing Tax Certainty Indonesia's Experience

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Part 01

Domestic Tax Certainty



Dispute Resolution According to General Provisions and Tax Procedures Law



Article 23

1. Implementation of a Distress Warrant, Confiscation Order or Auction Notice.
2. Decision on travel ban in the framework of tax collection.
3. Decisions that relate to the implementation of tax decisions, other than those stipulated in Article 25 paragraph (1) and Article 26.
4. The issuance of a notice of tax assessment or Objection Decision Letter that is not in accordance with the procedures stipulated under statutory tax provisions.

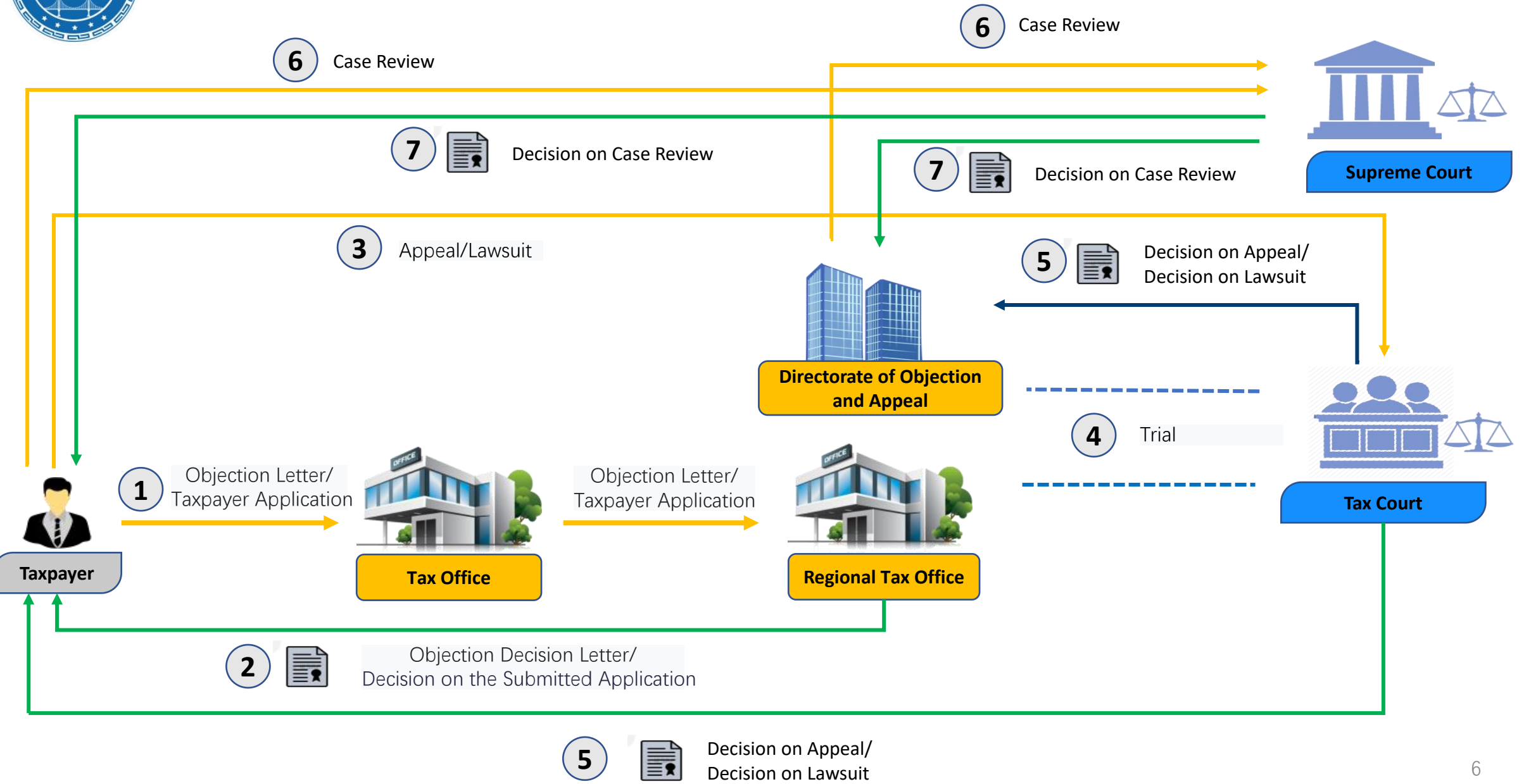
Dispute



**Lawsuit
Article 23**



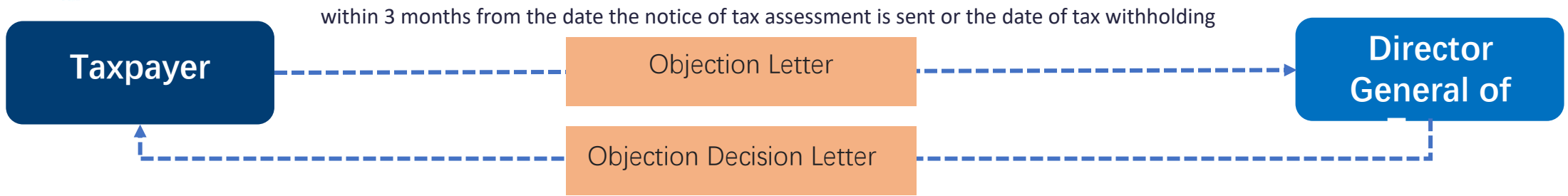
Dispute Handling Flow



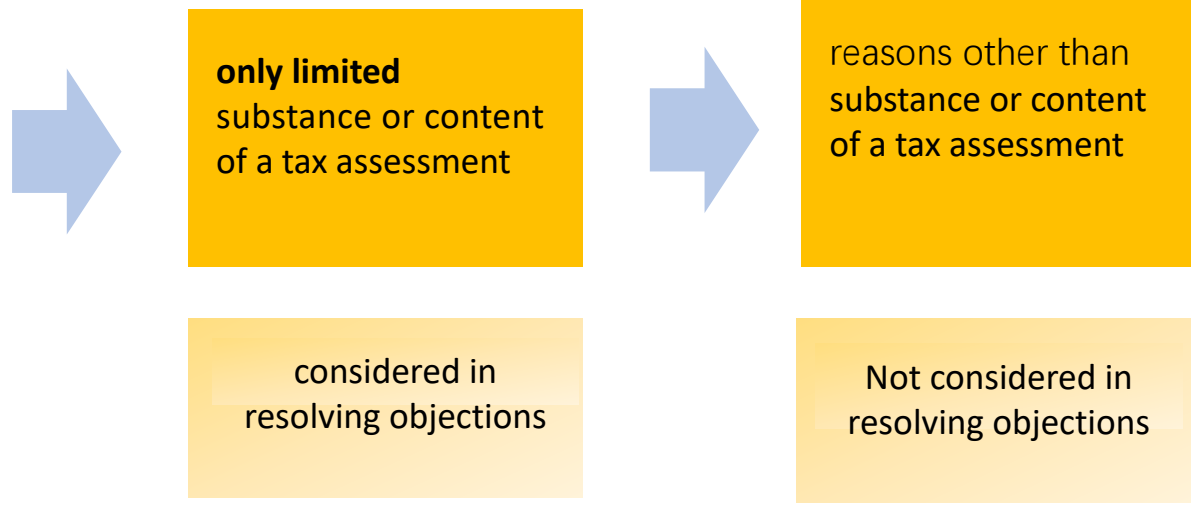


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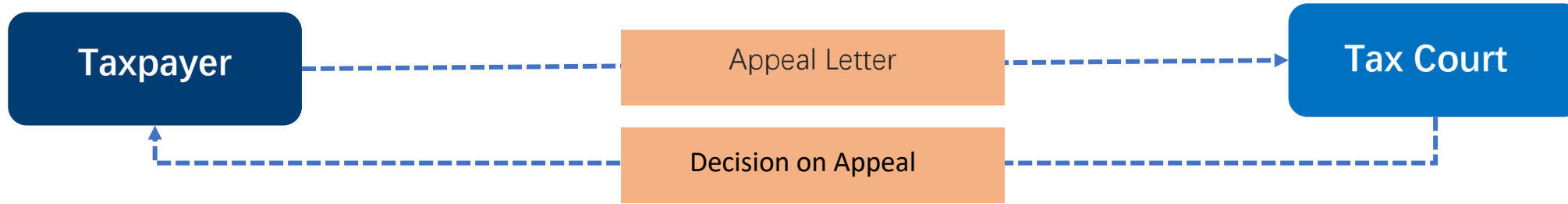
Objection



- Taxpayers may only file objections to the Director General of Taxes against:
1. Notices of Tax Underpayment Assessment
 2. Notices of Additional Tax Underpayment Assessment
 3. Notices of Nil Tax Assessment
 4. Notice of Tax Overpayment Assessment
 5. withholding by third parties under statutory tax provisions



If requested by Taxpayers for filing appeals, the Director General of Taxes is obliged to provide a written explanation concerning the basis of the Objection Decision Letter issued no later than 1 (one) month since the written application is received by the Director General of Taxes.

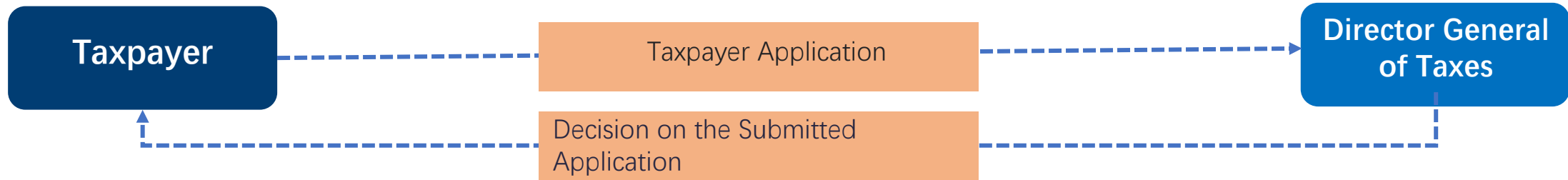


Appeal requirements:

1. Submitted to the Tax Court.
2. Submitted in writing in the Indonesian Language with clearly stated reasons no later than 3 months from the date the Objection Decision Letter is received.
3. 1 decision submitted 1 appeal letter.
4. Appeal letter attached with a copy of the Objection Decision Letter.



Article 36 - General Provisions and Tax Procedures Other Settlement for Taxpayers



within 6 months since the date the application is received

36 (1) a	36 (1) b	36 (1) c	36 (1) d
Reduce or nullify administrative penalties	Reduce or cancel incorrect notices of tax assessment	Reduce or cancel incorrect Notices of Tax Collection	Cancel tax audit findings or notices of tax assessment based on an audit conducted without: <ol style="list-style-type: none"> 1. submitting the notification of tax audit results; or 2. a closing conference with the Taxpayer.
Can be submitted by the Taxpayer a maximum of 2 times	Can be submitted by the Taxpayer a maximum of 2 times	Can be submitted by the Taxpayer a maximum of 2 times	Can be submitted by the Taxpayer a maximum of 1 times

Granted as long as the application meets formal requirements and other provisions regulated by tax laws

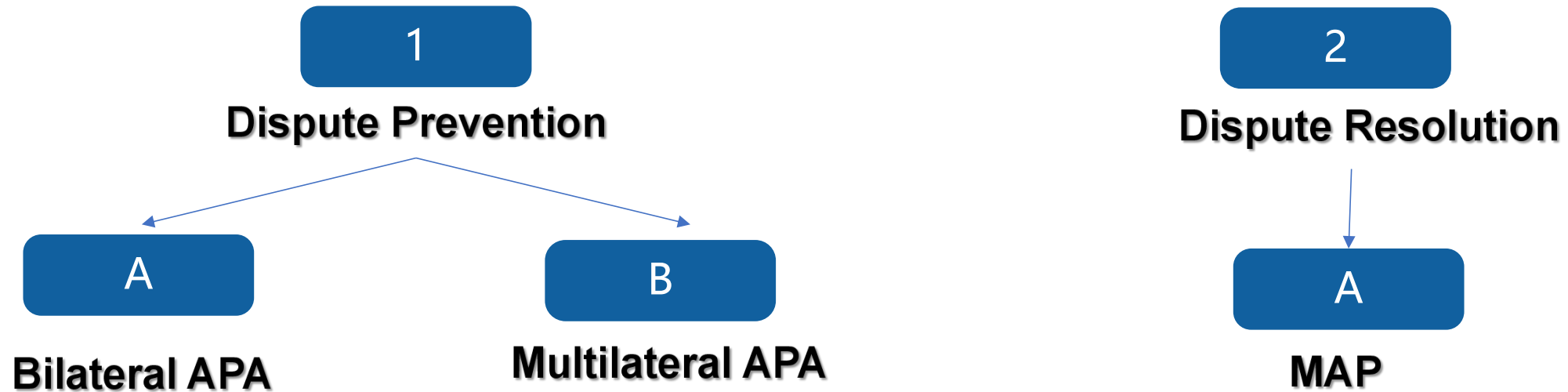


Part 02

International Tax Certainty

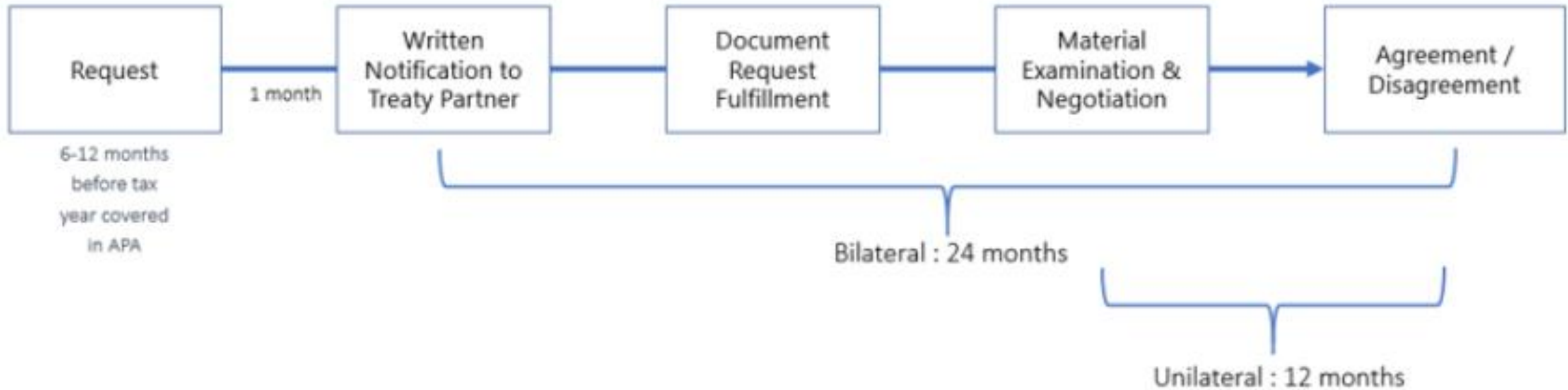


International Tax Certainty





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Part 03

Competent Authority Team in APA/MAP



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CA Analyst Team Capacity



01

Academic and Experience Background

02

Capacity Building

03

Literature Sources

04

International Engagement



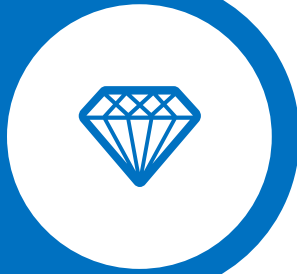
Part 04

Regulatory Framework

APA/MAP



Regulation Changes



01

Unified Code Regulation

02

MAP/APA Provision

03

Correlative Adjustment in TP

04

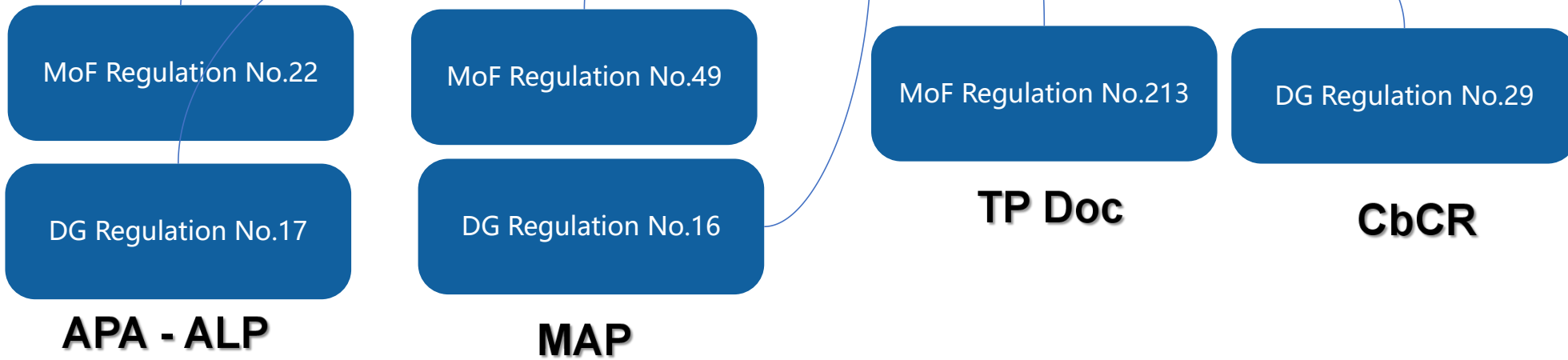
Secondary Adjustment in TP



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Codification





MAP/APA Provision Changes



MAP Decision Letter serves as the basis for billing and refunds



No penalties on adjustments in roll-back APA



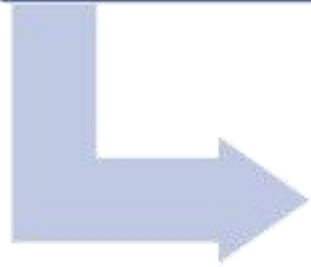
Multilateral APA



Corresponding Adjustment in TP

Taxpayers could relieve double taxation

- Cross-border TP
- Domestic TP



Terms & Condition For Domestic Correlative Adjustment

- Primary adjustment was agreed
- No legal action is pursued



Procedures

- Correction of Tax Return
- Issuance of tax assessment letter
- Correction of tax assessment letter



Secondary Adjustment in TP



Repatriation



Part 05

Step Forward - Challenges in BEPS 2.0



BEPS 2.0 Tax Certainty Challenge



01

Amount A Multilateral Binding Dispute Certainty

02

Amount B Tax Certainty

03

Pillar Two Tax Certainty



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THANK YOU