



Indonesian Tax Authority launches a portal on Country-by-Country Reporting (CbCR)

The Directorate General of Taxes (“DGT”) has launched a web portal¹ that seeks to consolidate the Country-by-Country Reporting (“CbCR”) related information at one place (“CbCR Portal”). The consolidated information includes CbCR-related provisions originally introduced by the Ministry of Finance (“MoF”) through Regulation No. 213/PMK.03/2016 in December 2016 (“PMK-213”)², followed by the administrative aspects of the CbCR elaborated by the DGT through Regulation No. 29/PJ/2017 regarding “Procedures for the Management of CbCR” (“PER-29”)³.

As part of this consolidation, the CbCR Portal has also included information on the following matters:

- List of Partner Countries or Partner Jurisdictions that have International Agreements with Indonesia;
- List of Partner Countries or Partner Jurisdictions that have Qualifying Competent Authority Agreements (“QCAA”)⁴ with Indonesia;
- List of Partner Countries or Partner Jurisdictions that have QCAA with Indonesia but the CbCR cannot be obtained (due to systemic failure);
- CbCR filing mechanism; and
- Penalties in case of non-compliance.

Additionally, the DGT has activated the online filing mechanism of CbCR Notification and CbCR through e-CbCR features in the DJP Online⁵ platform.

This alert provides a broad overview of the newly launched CbCR Portal and details of the new information/clarifications now added by the DGT.

¹ <http://www.pajak.go.id/cbcr>

² Please refer to the Deloitte Tax Alert January 2017 Edition

³ Please refer to the Deloitte Tax Alert January 2018 Special Edition

⁴ An agreement between the competent authority (CA) of the Government of Indonesia and the CA of the Partner Country/Jurisdiction that requires the automatic exchange of CbCR between the parties.

⁵ <https://djponline.pajak.go.id>

Consolidated information on CbCR related compliance requirements

The CbCR Portal provides consolidated information in relation to the compliance obligation associated with the CbCR filing requirements in Indonesia as originally laid down in PMK-213 and PER-29. More specifically, the information reiterated on the CbCR Portal includes:

- Introduction to CbCR
- Introduction to QCAA
- Information to be included in the CbCR
- Entities to be reported in the CbCR
- Local Taxpayers that are obliged to file CbCR or Notification
- Documents to be prepared and submitted as part of CbCR filing
- Timelines for CbCR filing

List of Partner Countries or Partner Jurisdictions that have International Agreements with Indonesia

The list covers countries having Double Tax Avoidance Agreements ("DTAAs") with Indonesia, signatory countries to Convention on Mutual Administrative Assistance in Tax Matters ("MCAA"), and countries having Tax Information Exchange Agreements ("TIEAs") with Indonesia. As on the date of the release of this alert, the list considers the data updated as on 11 April 2018 whereby there are 67 countries having DTAA with Indonesia, 115 signatory countries to MCAA, and 4 countries having TIEAs with Indonesia. The list is expected to be updated periodically.

List of Partner Countries or Partner Jurisdictions that have QCAA with Indonesia

Indonesia has signed QCAA with 52 countries as updated in the CbCR Portal; however, not all the QCAA may be effective from Fiscal Year (FY) 2016 onwards. The CbCR Portal breaks down the list based on QCAA effective starting from FY2016, FY2017, and FY 2018. As on the date of the release of this alert, the list considers the data updated as on 11 April 2018 whereby there are 43 countries having QCAA effective from FY2016, 6 countries having QCAA effective from FY2017, and 3 countries having QCAA effective from FY2018. The list is expected to be updated periodically.

It may be noted that the Organisation for Economic Development and Co-operation ("OECD") also maintains a database of activated exchange relationships for CbCR amongst countries (please refer to the [OECD's website](#)). Now that Indonesia has its own localised database in this regard, this could be an alternate (and possibly more reliable) information source to identify Indonesia's activated exchange relationships.

List of Partner Countries or Partner Jurisdictions that have QCAA with Indonesia but the CbCR cannot be obtained (due to systemic failure)

The list covers countries having QCAA with Indonesia but the CbCR cannot / could not be obtained. As on the date of the release of this alert, no countries are listed under this space, and it is expected that the list will be updated periodically.

CbCR filing mechanism

The CbCR Portal specifically highlights that the CbCR has to be filed together with the Notification through DJP Online, or manually if DJP Online cannot be used.

DJP Online is a platform developed by the DGT to allow online filing of Tax Returns via e-Filing. To access the DJP Online platform, the Taxpayer has to register and activate a DJP Online account. The [registration](#) requires the Taxpayer to obtain an Electronic Filing Identification Number (EFIN) from the tax office.

It is pertinent to note that the CbCR Portal explicitly mentions the requirement to have the CbCR filed in the softcopy version, *i.e.* using standardised electronic format of Extensible Mark-up Language (XML) schema. Further, it notes that the CbCR cannot be filed in the form of hardcopy or any other extension file aside from the XML file. The CbCR Portal in fact refers to the [XML Schema Definition \("XSD"\)](#) file developed by the OECD in preparing the CbCR XML Schema and makes reference to the document "Country-by-Country Reporting XML Schema: User Guide for Tax Administrations and Taxpayers" provided in the [OECD's website](#). The User Guide explains the information required to be included in each data element to be reported. It also contains guidance on how to make corrections of data elements within a file. The CbCR Portal also provides the sample CbCR in XML Schema as well as the additional guidance to fill the CbCR in XML Schema format. The submitted XML file will be reviewed and validated by the DGT.

As for Taxpayers who are required to file CbCR working papers, the CbCR Portal has also provided the XSD file for the working paper and the sample working paper in XML Schema.

Starting from 12 April 2018, DJP Online has been updated and now allows for online filing of CbCR Notification and CbCR through e-CbCR⁶. e-CbCR is a platform where Notification and CbCR can be filed electronically. To enable access to e-CbCR, Taxpayers have to update their user profile in the DJP Online and add the access to e-CbCR. Subsequently, the Taxpayer's DJP Online homepage will be updated with e-CbCR option and the Taxpayer will be able to access e-CbCR.

While using e-CbCR, the Taxpayer will have to go through the "Notification" stage first, whereby the Taxpayers are required to answer certain questions that are aligned with the information required in the Notification form attached to PER-29.

The CbCR Portal reiterates that the receipt generated from the filing of the CbCR Notification and/or CbCR forms has to be attached to the Annual Corporate Income Tax Return ("CITR") of the following year.

Penalties for non-compliance

The CbCR Portal provides detailed information on the potential penalties if the Taxpayer fails to file Notification and/or CbCR or fails to attach the relevant filing receipt to the CITR. The CbCR Portal confirms that the CITR may be considered incomplete and not being filed in such cases and the Taxpayer will be subject to the late filing penalty of IDR 1,000,000. In the event of non-filing of CbCR related documents after being reprimanded in writing, a tax audit may be initiated and if it results in an adjustment, an underpaid tax assessment notice will be issued and penalties will be imposed, with an increment of 50% of the underpaid tax.

Concluding remarks

The newly launched CbCR Portal will be a useful source of information for Taxpayers that are subject to the CbCR requirements. It consolidates all the required information in one place and facilitates easy referencing to provide guidance to the Taxpayers. As an example, the information that provides the list of countries having QCAA with Indonesia will be a useful reference for Taxpayers to identify their CbCR / Notification filing obligations in Indonesia / other countries.

As the information on the CbCR Portal is expected to be updated periodically (specifically the lists of countries mentioned above), it is important that Taxpayers consider the CbCR Portal as the key reference point.

⁶ e-cbcr.pajak.go.id

In terms of the next steps, it is important that Taxpayers take note of the following:

- Taxpayers should register themselves with the DJP Online account to access the DJP Online platform, if they have not yet utilized the online tax return filing facility;
- Taxpayers need to update their user profile in the DJP Online and add the access to e-CbCR in order to enable access to e-CbCR;
- Taxpayers need to ensure that the CbCR prepared by them in the XML Schema format conforms to the OECD recommended standardised XML Schema, which has now been officially adopted and prescribed by the DGT;
- Finally, it is important that Taxpayers review and monitor the status of the activated exchange relationships (i.e. the list of countries having QCAA with Indonesia) periodically to identify their CbCR filing obligations in Indonesia/ other countries.

This alert would be incomplete without mentioning that the impending deadline for the first cycle of CbCR / Notification filings for the FY ended 31 December 2016 is **30 April 2018**. The clarifications provided by the DGT on the CbCR related compliance requirements to date, especially through creation of this newly launched CbCR Portal and enabling the online platform, do indicate a commitment on the part of the DGT to enforce compliance by Taxpayers within the stipulated deadline.

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