



Transfer Pricing Documentation to be submitted with the Corporate Income Tax Return – New regulation (PER-02)

The Directorate General of Taxes (“DGT”) has issued regulation number PER-02/PJ/2019 on the procedures for submission, receipt, and processing of tax returns (“PER-02”). The regulation is dated 23 January 2019 and was uploaded in the [DGT’s official website](#) on 29 January 2019. The regulation comes into effect as on the date of the issue and accordingly, any Corporate Income Tax Return (“CITR”) to be submitted on and after 23 January 2019 shall follow the requirements in this regulation.

PER-02 details the list of information and/or documents required to be attached to the CITR, which include, *inter alia*, the Transfer Pricing Documentation (“TPD”), *i.e.* Master File, Local File, and/or Country-by-Country Report (CbCR))¹. Failure to attach the required information and/or documents stipulated in PER-02 results in the CITR being considered incomplete.²

Minister of Finance Regulation PMK-213 mandates that the Master File and Local File should be available by the due date of tax return filing³; however, these are not required to be submitted unless requested by the DGT.⁴ The new regulation, as it stands on the date of this alert, requires such documentation to be submitted along with the CITR. Further, PER-02 does not specifically address the transfer pricing related forms that are mandated to be attached to the CITR under the prevailing transfer pricing documentation regulations, *i.e.* Summary of Master File and Local File (Ikhtisar Form)⁵ and the receipt of CbCR/CbCR Notification Form⁶.

¹ Appendix II of PER-02, Section J, Item 14

² Article 12 (5) (h) of PER-02

³ Article 4 (1) of Minister of Finance Regulation No. 213/PMK.03/2016 in December 2016 (PMK-213)

⁴ Article 5 (1) of PMK-213

⁵ Article 7 (2) of PMK-213 (Please refer to the Deloitte Tax Alert January 2017 Edition)

⁶ Article 4 (5) of DGT Regulation No. 29/PJ/2017 regarding “Procedures for the Management of CbCR” (Please refer to the Deloitte Tax Alert January 2018 Special Edition)

Our view

PER-02 explicitly requires the transfer pricing documentation to be attached to the CITR. Since PMK-213 mandates that the Master File and Local File should be available by the due date of CITR filing, the new regulation, as it stands on the date of this alert, would result in stricter enforcement of this requirement.

Nonetheless, Deloitte Indonesia views that DGT needs to provide a clarification to align the compliance requirements under PER-02, PMK-213 and PER-29 in terms of the submission of the TPD for compliance purposes. It is worth noting that the prevailing regulations (PMK-213 and PER-29) require the Taxpayers to submit the summary (Ikhtisar Form) of Master File, Local File and the receipt of CbCR/CbCR Notification Form as an attachment to the CITR.

Finally, it is imperative that Indonesian Taxpayers and their Groups coordinate more effectively in ensuring the completeness of the Master file and Local File at the time CITR is submitted.

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