



Indonesia Tax Info

Simplified Procedures for Tax ID Number and VAT ID Number Registration

The Directorate General of Taxation ("DGT") has issued procedures to simplify the process for registration and issuance of Taxpayer Identification Numbers ("NPWP") and Confirmation as Taxable Entrepreneur ("PKP"), through regulation PER-02/PJ/2018 ("PER-02"). PER-02 is the second amendment of PER-20/PJ/2013, which was first amended through PER-38/PJ/2013 ("PER-38").

1. PER-02 revises several provisions that were previously stipulated in either PER-20 or PER-38, as follows: The definition of Individual Entrepreneur Taxpayer, which was previously limited to retailers, now includes individual Taxpayers who carry on trading business activities or services that are not categorized as services related to freelance work.
2. The verification procedure for issuance of tax assessment notice, issuance/ cancellation of Taxpayer Identification Number and/or confirmation/ revocation of confirmation as Taxable Entrepreneur is now abolished.
3. Documents such as business permit and letter of domicile that were previously required for registration of NPWP and PKP can now be replaced with statement letters issued by the taxpayer using the format prescribed under PER-02, for certain types of taxpayers.

PER-02 is effective as of 19 January 2018.

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Individual Tax Return

The DGT has stipulated in Regulation number PER-30/PJ/2017 ("PER-30") that in the event:

- (1) a husband and wife have entered into a written prenuptial agreement (separation of income and assets); or
- (2) a wife chooses to exercise her tax rights and obligations separately,

they have to report their income and losses in each individual Tax Return separately. The calculation of income tax due which is prepared based on the combined net income of the husband and wife must also be attached.

PER-30 reiterates that a husband and wife who derive income other than from business and/or freelance work with gross income not greater than IDR60 million must use Form 1770 or Form 1770 S. The calculation attachment is still required.

PER-30 serves as the fourth amendment of PER-34/PJ/2017 and is effective as of 29 December 2017.

Amendment of MoF Regulation Number 243/PMK.03/2014 concerning Tax Returns

A. Corporate Tax Return

The Minister of Finance ("MoF") has issued Regulation number 09/PMK.03/2018 ("PMK-09") to amend the previously issued 243/PMK.03/2014 concerning submission of Tax Returns. The main changes under PMK-09 are as follows:

- a. A Taxpayer with total Article 21/26 Income Tax withholding of Nil is now exempted from the obligation to report Article 21/26 Income Tax Returns, unless the Nil amount is caused by the application of tax relief by reference to a Certificate of Domicile and/or for the December tax period.
- b. A Taxpayer with Article 25 Income Tax instalments of Nil is now exempted from the obligation to report Periodic Article 25 Income Tax Returns.
- c. A VAT Collector is exempted from the obligation to report Periodic VAT Returns, if in a given tax period there are no transactions on which VAT and/or LGST must be collected.
- d. Payment of VAT on Services from Abroad and VAT on self-construction by a Taxpayer that is not a Taxable Entrepreneur ("PKP") is deemed to simultaneously constitute the reporting of the VAT as long as it has NTPN (State Revenue Transaction Number) validation.
- e. The obligation to submit Periodic VAT Returns in the form of electronic documents applies for all PKP, except for those who do not meet the criteria set.
- f. Corporate Taxpayers that are obliged to submit Periodic Article 21/26 Income Tax Returns and PKP that are obliged to submit Periodic VAT Returns in the form of electronic documents, are provided with several options with regard to tax return submission channels.

PMK-09 is effective as of 26 January 2018.

B. Update on EFIN application

The DGT has stipulated amendments to the regulations on Safeguarding of Electronic Tax Service Transactions Online through the issuance of Regulation PER-32/PJ/2017 ("PER-32") and Circular number SE-42/PJ/2017 ("SE-42"), the former of which replaces PER-41/PJ/2015.

PER-32 and SE-42 generally regulate the procedure for submitting application for activation EFIN (Electronic Filing Activation Number) to a tax office for Taxpayers who choose to use the *Pajak Online* Service (i.e. submission of Individual/Corporate tax returns via the DJP Online Website).

SE-42 clarifies the terminology that is used with regard to EFIN and provides a general explanation of the system for EFIN, from issuance through administration. In addition, under SE-42 it is stipulated that the application for activation of EFIN at the Tax Office must be filed directly by the taxpayer and can not be delegated to any other party.

PER-32 is effective as of 29 December 2017.

Tax Amnesty Assets Reporting

Please be reminded that taxpayers that participated in the Tax Amnesty Program have an obligation to report their assets in line with PER-03/PJ/2017.

The periodic reports have to be submitted on or before the due date for submission of the Annual Tax Return. The first year report has to be submitted at the time the 2017 Income Tax Return is due. The second and third year reports have to be made at the time the 2018 and 2019 Income Tax Returns are due, respectively.

Please refer to our Tax Info, June 2017 edition.

Contact Persons

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