



Indonesia Tax Info

E-Registration of Tax ID number through SABH and OSS

In order to support the ease of doing business, improve the quality of corporate taxpayers' registration data, and cooperate with Notaries in the framework of developing the tax administration system, the Director General of Taxes ("DGT") issued PER-20/PJ/2018 ("PER-20") on 10 September 2018 to implement Minister of Finance Regulation ("MoF") No.71/PMK.03/2018 regarding e-registration of Tax ID numbers. MoF-71 stipulates that registration to obtain Tax ID number can be done electronically (online) via SABH¹ and OSS².

Highlights of the provisions under PER-20 are as follows:

- Registration to obtain Tax ID number via SABH must be done through a notary, while for OSS it can be done through the entrepreneur. Following the online registration, the required supporting documents must be submitted to the relevant tax office within 30 days.
- The tax office must issue the Tax ID number within one working day after the online registration.
- The tax office may send a request for clarification to a taxpayer on the completeness of supporting documents and may deem the related taxpayer as a non-effective taxpayer (*Wajib Pajak Non Efektif*) if the required documents are not submitted within the period stated in the letter of request for clarification.

Note, however, that the current registration of Tax ID numbers through e-registration via DGT online (ereg.pajak.go.id) or by submission of hard copy registration form to the relevant tax office are still available.

PER-20 is effective as of 10 September 2018.

¹ *Legal Entity Administration System, hereinafter abbreviated as SABH, is an electronic Information Technology Service company held by the Directorate General of General Legal Administration.*

² *Electronic Integrated Business Licensing or Online Single Submission, hereinafter abbreviated as OSS, is Business Licensing issued by OSS Institutions for and on behalf of ministers, heads of institutions, governors or regents / mayors to business actors through integrated electronic systems.*

In this issue:

1. [E-Registration of Tax ID number through SABH and OSS](#)
2. [Update on Bonded Zone Regulation](#)
3. [Valuation Advice](#)
4. [Provisions on Import of Parcels](#)
5. [Customs Declarations](#)
6. [Procedures for Stockpiling, Entry, Release and Transport of Excisable Goods](#)
7. [Importer Identification Number](#)

Customs Focus

Update on Bonded Zone Regulation

The Ministry of Finance has issued regulation number 131/PMK.04/2018 ("PMK-131") concerning Bonded Zones. PMK-131 revokes the provisions of Minister of Finance regulation Number 147/PMK.04/2011 ("PMK- 147") as most recently amended by Minister of Finance regulation Number 120/PMK.04/2013 ("PMK- 120").

The main highlights of PMK-131 are as follows:

1. PMK-131 stipulates that to obtain a Bonded Zone license, the application shall be submitted electronically through the portal of the Indonesian National Single Window ("INSW") which is integrated with the Online Single Submission ("OSS") system, whereas PMK-147 stipulated that the application should be submitted to the Director General through the Head of a Customs Office.
2. PMK-147 previously stipulated that the location of a Bonded Zone must be in one cohesive space, while under PMK-131 a license may be granted to add a location that is not in the same one space for the purpose of stockpiling raw material and/or goods resulting from production.
3. PMK-147 previously stipulated that a Bonded Zone entrepreneur license may only be granted to an entrepreneur that performs activities of stockpiling of imported goods and/or goods originating from other places within the customs territory to be processed or combined, the result of which is mainly to be exported. In contrast. PMK-131 stipulates that a license for a Bonded Zone entrepreneur shall be granted as follows:
 - a. For the purpose of direct or indirect export;
 - b. Import substitution;
 - c. To support downstream industry; and/or
 - d. For certain industries: aviation, shipping, railroad and/or defense and security industries.
4. PMK-131 adds obligations for a Bonded Zone entrepreneur to:
 - a. Submit financial statements and/or annual reports to the Head of the Customs Office; and
 - b. Submit reports on the economic impact due to granting of the Bonded Zone facility which include information concerning the value of fiscal facilities, investment value, number of employees, and sales of products to the Head of the Customs Office once a year.
5. With regard to warehousing and consolidation of export goods, previously PMK-147 stipulated that within the location of a Bonded Zone operator, a Bonded Warehouse business may be conducted. Meanwhile, PMK-131 adds that in the location of a Bonded Zone operator, Bonded Warehouse and Bonded Logistics Center business may be carried out.

PMK-131 will come into force as of 26 November 2018.

Valuation Advice

The Ministry of Finance has issued regulation number 134/PMK.04/2018 ("PMK-134") as a new regulation in order to accelerate the determination of customs value and the process of release of goods (customs clearance) from Customs and Excise Offices.

The main highlights of PMK-134 are as follows:

1. An application for valuation advice may be processed if the following criteria are fulfilled:
 - a. Submitted by an importer that is registered in the customs access platform;
 - b. Submitted for 1 (one) Substance Material;
 - c. The Substance Material that is submitted is not in a process of objection or appeal banding;
 - d. The Substance Material that is submitted is not in the customs and excise period;
 - e. The goods that are imported have not been submitted into a customs declaration; and
 - f. The goods that will be imported are an object of trade by the importer.
2. An application for Valuation Advice may be submitted through the system of the Directorate General of Customs and Excise ("DJBC").

3. In addition to the application for Valuation Advice, several other documents must be attached, as follows:
 - a. Document which may be in the form of Purchase Order ("PO"), Letter of Credit ("L/C"), invoice, confirmation message, sales contract, or similar document related to payment; and
 - b. Any document related to the Substance Material of the customs value that is proposed, which may be as follows:
 - i. Sales Contract (assistance, royalty, trademark, license, copyright, guarantee, agent/broker, proceeds)
 - ii. Insurance policy
 - iii. Manifest; and or
 - iv. Any other document related to the customs value.
4. The Valuation Advice must be issued within;
 - a. 30 (thirty) working days for an Authorized Economic Operator ("AEO") or customs main partner; or
 - b. 40 (forty) working days for other importer from the date of submission of the application.
5. The result of the valuation in the Valuation Advice may be revised no later than 7 (seven) days after the result is issued. In addition, an application for revision of the valuation result in the Valuation Advice may only be proposed one time and will be further processed as long as:
 - a. Sent with the same component of value or expense that is added, reduced, or not included in the transaction value of the imported goods; and
 - b. If there is new data and/or documents that could produce a different valuation result.
6. The Valuation Advice shall be valid for 3 (three) years from the date of its issuance, as long as the conditions of the transaction at the time of import are in accordance with the previous Valuation Advice. The Valuation Advice result must be attached with each submission of an import declaration.

PMK-134 will come into force as of 3 November 2018.

Provisions on Import of Parcels

The Ministry of Finance has issued regulation number 112/PMK.04/2018 ("PMK-112") to amend Minister of Finance regulation number 182/PMK.04/2016 ("PMK-182") concerning Provisions on Import of Parcels. The Ministry of Finance issued this regulation because of the increase in the volume of imported goods using parcel services and to provide the opportunity for importers to revise the tariffs and/or customs value of their imports.

The points in the provisions of PMK-182 that are revised by PMK-112 are as follows:

1. Compared with PMK-182, PMK-112 adds provisions concerning delivery of data on imported goods, among others that the delivery of the data may be done in stages;
2. Previously, PMK-182 stipulated that a parcel may be granted exemption from import duty with a maximum customs value of FOB USD100 per shipment. However, PMK-112 amends this to stipulate that the exemption from import duty is granted for a maximum customs value of FOB USD75 per day per recipient of goods;
3. Whereas under regulation PMK-182, a Customs and Excise Official should determine the customs value and tariff when the customs value exceeds FOB USD100, under PMK-112 the customs value and determination of tariff shall be done if the customs value exceeds FOB USD75 in one or several shipments;
4. Previously, under PMK-182, parcels in the form of isolated goods could be granted exemption from import duty, excise and/or taxes for each recipient of goods per shipment with a maximum of 40 (forty) cigarettes, 10 (ten) cigars, 40 (forty) grams of shredded tobacco/ other tobacco product. PMK-112 adds 40 (forty) milliliters of other tobacco products to this list.
5. PMK-112 adds provisions that allow a Letter of Deferral of Payment of Import Duty, Excise and/or Taxes ("SPPBMCP") to be corrected, including addition, reduction, or revocation of a SPPBMCP in whose issuance there are mistakes in writing, calculation, and/or application of the provisions stipulated in the customs and excise laws. Correction to a SPPBMCP may be done if:
 - a. A Delivery Record conveyed by the designated postal service can be shown; and
 - b. The Import Duty, Excise and/or Tax that had not been settled has been paid.

PMK-112 came into force from 10 October 2018.

Customs Declarations

The Ministry of Finance has issued regulation number 104/PMK.04/2018 ("PMK-104") to amend Minister of Finance regulation Number 155/PMK.04/2008 ("PMK-155") as most recently amended by regulation 159/PMK.04/2017 ("PMK-159").

The main points in PMK-104 are as follows:

1. In the import declaration, the importer must provide information on the quantity of goods that are imported using units or denominations as specified in the attachment stipulated in PMK-104 ("attachment to PMK-104");
2. In the export declaration, the exporter must provide information on the quantity of goods that are exported in attachment letter B based on units or denominations as specified in the attachment to PMK-104;
3. Any person who carries cash in the form of foreign currency into or out of the customs territory is required to declare the amount of foreign currency using the foreign currency section of the attachment to PMK-104.

PMK-159 came into force on 3 September 2018.

Procedures for Stockpiling, Entry, Release and Transport of Excisable Goods

The Director General of Customs and Excise has issued regulation number PER-16/BC/2018 ("PER-16") to amend regulation number PER-02/BC/2015 ("PER-02") regarding procedures for stockpiling, import, export and transportation or excisable goods.

The following is a summary of the main points in PER-16:

1. Addition of a new article (Article 7a) concerning direct inspection by a Customs and Excise official on import or export of goods subject to customs and excise at the following companies:
 - a. Low-risk Factory Entrepreneur or Storage Place Entrepreneur; or
 - b. Medium-risk Factory Entrepreneur or Storage Place Entrepreneur as long as the release of excisable goods to the factory or place of storage is still within the oversight jurisdiction of the same Customs and Excise Office.
2. Addition of a new article (Article 14A) which allows manufacturers, storage entrepreneurs or importers to transport taxable goods using more than one transport vehicle under the protection of an excisable goods document (CK-5); and
3. Replacement of the attachments to adjust to the changes above.

PER-16 came into force on 2 September 2018.

Importer Identification Number

The Minister of Trade has issued regulation number 75 of 2018 ("MDAG-75") concerning Importer Identification Number ("API"). MDAG-75 replaces Minister of Trade Regulation Number 70/M-DAG/PER/9/2015 ("MDAG-70") as an adjustment to Government Regulation Number 24 of 2018 ("PP-24") concerning electronic integrated business licensing or Online Single Submission ("OSS").

PP-24 ratifies the service concerning online integrated business licensing which generates a Business Identification Number ("NIB") for each company. In addition, MDAG-75 stipulates that the NIB can also function as an API. However, there are certain business industries that must specifically follow a different application procedure. An importer of foreign currency must submit an application for a General Importer Identification Number ("API-U"), while an entrepreneur or contractor in energy, oil and gas must submit an application for a Producer Importer Identification Number ("API-P") to the Director General of Foreign Trade.

The following is a summary of the main points in MDAG-75:

1. Eliminates the provision which states that an API may only be held by a company's head office.
2. Eliminates the provision which states that an API holder shall re-register with the issuing agency every five (5) years from the date of issuance.
3. Compared with MDAG-70, MDAG-75 adds cases that can lead to suspension of API, as follows:
 - a. Does not perform mandatory reporting on realization of imports;
 - b. Submits false information or data in the API application document;
 - c. Is not responsible for the goods that are imported
 - d. Violates provisions of law and regulations in the import sector; and
 - e. Misuses documents and letters related to imports.
4. Whereas previously under MDAG-70, an API that is yang suspended can be reactivated as long as the importer carries out its obligations, MDAG-75 now stipulates that an API that is suspended can be activated if:
 - a. An importer performs its obligations; and/or
 - b. An API that has been suspended for one (1) year may be reactivated.
5. Previously, MDAG-70 allowed an importer whose API has been revoked to resubmit an application for API after one (1) or two (2) years from the revocation date of the API. Now, an importer may only submit an application for a new API two (2) years from the date of revocation of the API.

MDAG-75 came into force on 20 July 2018.

Contact Persons

Questions concerning any of the subjects or issues contained in this newsletter should be directed to your usual contact in our firm, or any of the following Tax Partners:

Melisa Himawan Tax Managing Partner	Business Tax and Corporate License	mehimawan@deloitte.com
Balim	Transfer Pricing	bbalim@deloitte.com
Cindy Sukiman	Business Tax	csukiman@deloitte.com
Dionisius Damijanto	Business Tax	ddamijanto@deloitte.com
Heru Supriyanto	Business Tax	hsupriyanto@deloitte.com
Irene Atmawijaya	Global Employer Services and Business Process Solutions	iatmawijaya@deloitte.com
John Lauwrenz	Business Tax	jlauwrenz@deloitte.com
Roy David Kiantiong	Transfer Pricing	rkiantiong@deloitte.com
Roy Sidharta Tedja	Business Tax, Indirect Tax and Business Process Solutions	roytedja@deloitte.com
Turmanto	Business Tax and Global Trade Advisory (Customs)	tturmanto@deloitte.com
Yan Hardyana	Business Tax	yhardyana@deloitte.com

Deloitte Touche Solutions

The Plaza Office Tower, 32nd Floor
Jl. M.H. Thamrin Kav 28-30
Jakarta 10350, Indonesia
Tel: +62 21 5081 8000
Fax: +62 21 2992 8303
Email: iddttl@deloitte.com
www.deloitte.com/id

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities. DTTL (also referred to as "Deloitte Global") and each of its member firms are legally separate and independent entities. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our network of member firms in more than 150 countries and territories serves four out of five Fortune Global 500® companies. Learn how Deloitte's approximately 264,000 people make an impact that matters at www.deloitte.com.

About Deloitte Southeast Asia

Deloitte Southeast Asia Ltd – a member firm of Deloitte Touche Tohmatsu Limited comprising Deloitte practices operating in Brunei, Cambodia, Guam, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam – was established to deliver measurable value to the particular demands of increasingly intra-regional and fast growing companies and enterprises.

Comprising approximately 340 partners and 8,800 professionals in 25 office locations, the affiliates of Deloitte Southeast Asia Ltd combine their technical expertise and deep industry knowledge to deliver consistent high quality services to companies in the region.

All services are provided through the individual country practices and their affiliates which are separate and independent legal entities.

About Deloitte Indonesia

In Indonesia, services are provided by Deloitte Touche Solutions.

This publication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte Network") is, by means of this publication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this publication.