



# Tax Alert

Indonesia

Deloitte Tohmatsu Tax Co.

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## Indonesian Tax Amnesty

The long-awaited Indonesian Tax Amnesty has finally been approved by the Indonesian parliament. This is a good opportunity for Indonesian tax residents to get tax relief for their unreported net assets.

Below are the key features of the Indonesian tax amnesty:

1. The tax amnesty is applicable for Indonesian individual or corporate tax residents.
2. The tax amnesty is to cover fiscal years up to 31 December 2015. This means that taxpayers can report their undisclosed assets from past years up to 31 December 2015.
3. The reporting period of the tax amnesty to the Indonesian tax office is from 1 July 2016 to 31 March 2017.
4. The tariff of the tax amnesty is applied on a net asset basis as follows:

Assets	0-3 months	>3-6 months	>6-9 months
Declaration of Offshore Assets without Repatriation	4%	6%	10%
Onshore Assets or Repatriated Offshore Asset	2%	3%	5%

Small Taxpayers	Gross Assets up to IDR10bn	Gross Assets more than IDR10bn
With revenue <IDR4.8billion	0.5%	2%

5. Taxpayers are given three opportunities to submit applications to the Indonesian tax office from 1 July 2016 to 31 March 2017.
6. Cash should be reported using nominal value, while non-cash assets should be reported using fair value. Fair value refers to the condition of assets based on the taxpayer's assessment.

7. Repatriated offshore assets should be invested in Indonesian territory in the following instruments:
  - Government bonds
  - State-owned enterprise bonds
  - Financial investments in appointed banks
  - Corporate bonds supervised by OJK
  - Government-related infrastructure projects
  - Sectors to be determined by the Ministry of Finance
  - Other investment based on prevailing law
8. Repatriated offshore assets need to be retained in Indonesia for at least 3 years, while onshore assets cannot be transferred out of Indonesia for at least 3 years.

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