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Indonesia

Update on regulation related to VAT Invoice

On 31 March 2022, the Directorate General of Taxation (DGT) issued Regulation Number PER-03/PJ/2022 (PER-03) regarding VAT invoice (refer to our [May](#) and [August](#) 2022 newsletter). One particular provision in PER-03 that attracts a lot of attention is Article 6(6) regulating VAT invoice for delivery of taxable goods and/or taxable services to business units of a centralised VAT-able entrepreneur (pengusaha kena pajak [PKP]). On August 2022, the DGT issued regulation number PER-11/PJ/2022 (PER-11) to restrict the provision in Article 6(6) of PER-03.

Under Article 6(6) of PER-03, if a delivery is made to a branch of a PKP registered in the designated tax offices i.e., Large Tax Office, Special Tax Office, and Medium Tax Office (Kantor Pelayanan Wajib Pajak Besar/khusus/ Madya [KPP WP BKM]) in which the VAT administration is automatically centralised (i.e., being a central PKP), provided that the branch has been registered for tax purpose, the identity of the buyer/service recipient stated in the VAT invoice must comprise:

- Name of the central PKP;
- Tax identification number (NPWP) of the central PKP; and
- Address where the actual delivery is made.

PER-11, which will be effective starting from 1 September 2022, restricts the Article 6(6) above to be applicable only to delivery to a branch of PKP registered with KPP WP BKM that fulfils the following criteria:

- The branch is in the following designated places/zones having the VAT facility or the VAT and/or Luxury-goods Sales Tax (LST) non-collected facility:
 - Bonded stockpiling area (Tempat Penimbunan Berikat);
 - Special economic zone (Kawasan Ekonomi Khusus); and
 - Other similar zone in Indonesia customs area having the VAT facility or the VAT and/or LST non-collected facility
- The contemplated delivery is eligible for the VAT facility or the VAT and/or LST non-collected facility.

Under such restriction, VAT invoice for a delivery to a branch that does not meet the Article 6(6) criteria above must use the address of the central PKP.

PER-11 also confirms that a VAT invoice is creditable as long as it meets the requirements to credit input VAT.

The DGT provides a relaxation on the transitional period in which all VAT invoices issued in accordance with Article 6(6) of PER-03 between 1 April and 31 August 2022 will remain valid. They are creditable to buyer/service recipient if they meet the creditable input VAT requirements. However, starting from 1 September 2022, Article 6(6) will be applicable only to VAT invoices for a delivery to a branch of PKP registered with KPP WP BKM fulfilling the criteria above.

Philippines

Remittance of 1% premium rate differential for all direct contributors and availability of Statement of Premium Accounts

On 22 September 2022, the Philippine Health Insurance Corporation (PhilHealth) released Advisory No. 2022-0029, advising all employers of the following:

- The Statement of Premium Accounts (SPA) for the 1% premium rate differential will be automatically generated through the enhanced Electronic Premium System (EPRS) per applicable month for all paid periods.
- These SPAs can be edited to exclude those separated or resigned employees to reflect the employer's share only.
- Employers who edited the Preliminary Employees Premium Remittance List (PEPRL) generated from EPRS are required to submit the certified PDF copy of this PEPRL together with the edited SPA through electronic mail to their assigned account officer or nearest PhilHealth Local Insurance Office.
- The finalised SPA and its corresponding remittance list should serve as the basis for payroll preparation to avoid discrepancies in payable amount.
- Employers who have paid the 1% premium rate adjustment prior to the deployment of the enhanced EPRS shall electronically post such payments, provided that these payments correspond to the amount indicated in the SPA. Otherwise, they will be required to submit the corresponding SPA to their account officer.

Click [here](#) to access PhilHealth Advisory No. 2022-0029 for the complete guidelines.

Social Security System (SSS) loan condonation program

The SSS issued [Circular No. 2022-022](#), which provides guidelines to members for condonation application of all past due short-term member loan accounts.

- Coverage and effectivity
 - Salary loan including Salary Loan Early Renewal Program
 - Calamity Loan
 - Emergency Loan
 - Restructured Loan
 - Other short-term member loans are also included in the program as may be determined by Social Security

This program started on 30 September 2022.

- Terms and conditions
 - The member shall satisfy the eligibility requirements under this circular.
 - All outstanding principal and interest of the member-borrower's past due loan(s) shall be combined into one consolidated loan and the unpaid penalties shall be consolidated separately and subject to conditional condonation.
 - Members can opt to pay in full or under an installment plan.
- Defaulted consolidated loan
The following instances shall be considered defaulted consolidated loan and shall become due and demandable.
 - Failure to pay in full the agreed one-time payment or downpayment within the approved period
 - Non-payment of obligation equivalent to more than six accumulated monthly amortizations
 - Failure to pay in full the installment within the approved term
 - Commission of any fraudulent acts against any regulations and guidelines of the SSS
- Deductions of defaulted consolidated loan from benefits
 - The unpaid principal and interest shall be collected from the member-borrower through deduction from future benefits. Any remaining unpaid balance shall continue to accrue with applicable interest and penalties until fully settled.
- Loan renewal and other conditions
 - Consolidated Loan—Member shall be allowed to avail of a new loan program after three months from the date of full payment.
 - Defaulted Consolidated Loan—Member-borrower shall be allowed to avail of a new loan program after two years from the date of full payment.

The applications shall be submitted through the member-borrower's My.SSS account.

Service fee for SSS payment transactions to accredited collecting partners

Pursuant to Social Security Commission (SSSC) Resolution No. 404-s.2022, dated 22 June 2022, [SSS Circular No. 2022-025](#) states that all SSS-accredited collecting partners may charge a service fee to SSS employers and members for every SSS payment transaction effective 21 December 2022.

Commencement of New Requirements under Corporate Registers (Miscellaneous Amendments) Act

The Corporate Registers (Miscellaneous Amendments) Act was passed by Parliament on 10 January 2022. This newsletter sets out the following new requirements which took effect on 4 October 2022:

- Maintaining Registers of Nominee Shareholders (RONS)
 - Companies (include foreign companies) are required to maintain a RONS at their registered office or at the registered office at their appointed Registered Filing Agent.
 - The RONS must contain the prescribed particulars of the nominators of the company's nominee shareholder(s).
- Identification of Registrable Controllers

Companies and Limited Liability Partnerships (LLPs) which are unable to identify a registrable controller who has significant interest in or significant control, are required to identify individuals with executive control as their registrable controller(s).

Hence, for companies, directors with executive control and the chief executive officer must be identified as its registrable controller(s).

For LLPs, partner(s) with executive control must be identified as its registrable controller.

Companies and LLPs which were previously unable to identify a registrable controller are now required to record the prescribed particulars of individuals with executive control in their existing Register of Registrable Controllers (RORC) by 5 December 2022.

What is your next action?

Companies and LLPs are required to:

- Set-up and maintain RONS by 5 December 2022.
- Review its current register of registrable controllers and update its RORC, if there is any changes, by 5 December 2022. The change must also be lodged with the Singapore Accounting & Corporate Regulatory Authority (ACRA) central register within 2 business days after any update(s) to their own RORC.

For more information, you may visit ACRA's website at www.acra.gov.sg or contact us.



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