

TaxFlash



Update on tax reporting obligations

With the aim of easing the taxpayers in doing their businesses, specifically in conducting their tax reporting obligations, the Minister of Finance (MoF) issued Regulation No.PMK-9/PMK.03/2018 (PMK-9) on 26 January 2018 that amends MoF Regulation No.243/PMK.03/2014 regarding Tax Returns.

Key points from PMK-9 are as follows:

1. Certain tax reporting is no longer required

PMK-9 eliminates the following tax reporting obligations:

- a. Submission of nil monthly Article 25 Income Tax returns.
- b. Submission of nil monthly Article 21/26 Withholding Tax (WHT) returns, except for nil return:
 - 1) in the December period; or
 - 2) due to utilisation of tax treaty relief as supported by a Certificate of Domicile.
- c. Submission of monthly Value-Added Tax (VAT) returns for VAT Collectors if there is no transaction subject to VAT and/or Luxury-goods Sales Tax collection during the period.
- d. Submission of validated tax payment slip (*Surat Setoran Pajak/SSP*) on VAT due from own-construction activities.
- e. Submission of validated SSP on self-assessed VAT due from the utilisation of offshore services and/or intangible goods.

2. Obligation to prepare tax returns in an electronic format (e-SPT or e-Faktur)

Taxpayers that fulfil certain conditions must prepare the following monthly tax returns in an electronic format:

- a. Monthly Article 21/26 WHT returns if the tax withholders fulfil these conditions:
 - 1) withhold Article 21/26 WHT from more than 20 employees and pension recipients in a tax period;
 - 2) issue more than 20 Article 21/26 WHT slips in a tax period from transactions other than those in point 1 above; and/or
 - 3) pay Article 21/26 WHT due using more than 20 SSPs in a tax period.
- b. Monthly Article 23/26 WHT returns if the tax withholders fulfil these conditions:
 - 1) issue more than 20 Article 23/26 WHT slips in a tax period; and/or
 - 2) the amount of gross income as the tax imposition base in one WHT slip is more than IDR 100 million.
- c. Monthly VAT returns for all VAT-able Entrepreneurs and VAT Collectors.
- d. Any monthly tax returns for taxpayers that have submitted monthly tax returns in an electronic format or are registered under Large Taxpayer Tax Offices, such as Jakarta Khusus Tax Offices or Madya Tax Offices.

The above taxpayers must also prepare annual income tax returns in an electronic format.

3. Obligation to submit tax returns using dedicated electronic channels (e-Filing)

With reference to the previous section, taxpayers must submit the following monthly tax returns through e-Filing if they are obliged to prepare the tax returns in an electronic format:

- a. Monthly Article 21/26 WHT returns; and
- b. Monthly VAT returns.

This e-Filing obligation starts from monthly tax returns submitted in April 2018.

Reminder to submit Tax Amnesty annual reports

Taxpayers who joined Tax Amnesty program are obliged to submit annual reports to the DGT regarding:

- a. realisation of the repatriation and investment of offshore assets for three years following the repatriation; and/or
- b. placement of the onshore assets that cannot be transferred outside of Indonesia for three years following the issue of Tax Amnesty Approval Letter (*Surat Keterangan Pengampunan Pajak/SKPP*).

This reporting is required for three years and the deadline to submit these reports follows the deadline to submit annual income tax returns. The detailed mechanism and format of these annual reports is provided in the DGT Regulation No.PER-03/PJ/2017 as discussed in our [TaxFlash No.04/2017](#).

The first annual reporting deadline will fall on 31 March 2018 for individual taxpayers and on 30 April 2018 for corporate taxpayers for the January – December tax year.

The declared assets should be reported using the standard value listed below.

No.	Type of Assets	Value
1.	Cash in IDR	Nominal value at the end of the tax year
2.	Cash in non-IDR	Nominal value in IDR (using the exchange rate set out by MoF applicable at the end of the tax year)
3.	Non-cash (with no changes in the asset format)	Nominal value in accordance with SKPP
4.	Non-cash (with changes in the asset format)	Acquisition value of the new asset

Additional information relevant to these assets should be provided in the reports, such as the saving account number, land certificate number, or original form of the new assets (prior to changes) as listed in the SKPP.

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