

New rules related to filing
tax returns ^{P1}

New rules related to filing tax returns

The Director General of Tax (DGT) has issued Regulation No.PER-02/PJ/2019 (PER-02), dated and effective from 23 January 2019. PER-02 serves as the main regulation compiling administrative matters for all types of monthly and annual tax returns, and revokes several existing DGT regulations on these matters.

PER-02 stipulates that companies registered in the following tax offices must now submit their Corporate Income Tax Return (CITR) through e-Filing:

1. Tax offices for medium-sized taxpayers (*Madya*);
2. Jakarta Khusus tax offices that include:
 - a) Tax offices for foreign investment companies (*Penanaman Modal Asing/PMA*);
 - b) Tax offices for foreign companies and foreigners (*Badan dan Orang Asing/Badora*);
 - c) Tax offices for listed companies (*Perusahaan Masuk Bursa/PMB*); and
3. Tax offices for large taxpayers (Large Tax Office/LTO).

Of particular note, under the list of documents that are required to be attached to the CITR, one of the new additions stipulated in this regulation is that Transfer Pricing Documentation (TPD) must be included with the filing, namely Master File, Local File, and/or Country by Country Report (CbCR). Based on this, taxpayers may be concerned that their CITR may be deemed incomplete if the TPD is not attached to the CITR during the submission.

In light of this, we would like to point out that PER-02 is a general tax regulation covering wide aspects of all types of tax returns administration. Particularly with respect to its requirements on TPD, we note that there are separate Transfer Pricing tax regulations which cover TPD reporting requirements, such as Minister of Finance Regulation No.PMK-213/PMK.03/2016 (PMK-213) and DGT Regulation No.PER-29/PJ/2017 (PER-29).

PMK-213 only requires Master and Local files to be available no later than four months after the end of the tax year. Under that regulation, the document to be submitted with the CITR is only the 'Summary' (*Ikhtisar*) which is effectively a

checklist of the content of the Master and Local files which also confirms the date as at when these files have become available. PMK-213 does require the submission of the CbCR with the subsequent year's tax return. However, if the CbCR has already been submitted to the e-CbCR in the DJP Online website prior to the submission of the CITR, the CbCR can be replaced with the receipt from the e-CbCR system.

Based on the above, there are inconsistencies between these various regulations as the TPD reporting requirements under PER-02 deviate from the requirement under PMK-213. In terms of the hierarchy of the law, PMK-213 holds a higher position than PER-02. In light of these inconsistencies, we expect that there will be further clarification issued from the DGT with regard to this matter.

We will continue to monitor the issue and issue additional guidance once further clarifications are issued.

Your PwC Indonesia contacts:

Abdullah Azis

abdullah.azis@id.pwc.com

Gadis Nurhidayah

gadis.nurhidayah@id.pwc.com

Peter Hohtoulas

peter.hohtoulas@id.pwc.com

Adi Poernomo

adi.poernomo@id.pwc.com

Gerardus Mahendra

gerardus.mahendra@id.pwc.com

Raemon Utama

raemon.utama@id.pwc.com

Adi Pratikto

adi.pratikto@id.pwc.com

Hanna Nggelan

hanna.nggelan@id.pwc.com

Runi Tusita

runi.tusita@id.pwc.com

Alexander Lukito

alexander.lukito@id.pwc.com

Hasan Chandra

hasan.chandra@id.pwc.com

Ryosuke R Seto

ryosuke.r.seto@id.pwc.com

Ali Widodo

ali.widodo@id.pwc.com

Hendra Lie

hendra.lie@id.pwc.com

Ryuji Sugawara

ryuji.sugawara@id.pwc.com

Amit Sharma

amit.xz.sharma@id.pwc.com

Hisni Jesica

hisni.jesica@id.pwc.com

Soeryo Adjie

soeryo.adjie@id.pwc.com

Andrias Hendrik

andrias.hendrik@id.pwc.com

Hyang Augustiana

hyang.augustiana@id.pwc.com

Sujadi Lee

sujadi.lee@id.pwc.com

Anton Manik

anton.a.manik@id.pwc.com

Laksmi Djuwita

laksmi.djuwita@id.pwc.com

Sutrisno Ali

sutrisno.ali@id.pwc.com

Antonius Sanyojaya

antonius.sanyojaya@id.pwc.com

Lukman Budiman

lukman.budiman@id.pwc.com

Suyanti Halim

suyanti.halim@id.pwc.com

Ay Tjhing Phan

ay.tjhing.phan@id.pwc.com

Mardianto

mardianto.mardianto@id.pwc.com

Tim Watson

tim.robert.watson@id.pwc.com

Brian Arnold

brian.arnold@id.pwc.com

Margie Margaret

margie.margaret@id.pwc.com

Tjen She Siung

tjen.she.siung@id.pwc.com

Dany Karim

dany.karim@id.pwc.com

Mohamad Hendriana

mohamad.hendriana@id.pwc.com

Turino Suyatman

turino.suyatman@id.pwc.com

Deny Unardi

deny.unardi@id.pwc.com

Omar Abdulkadir

omar.abdulkadir@id.pwc.com

Yessy Anggraini

yessy.anggraini@id.pwc.com

Engeline Siagian

engeline.siagian@id.pwc.com

Otto Sumaryoto

otto.sumaryoto@id.pwc.com

Yuliana Kurniadjaja

yuliana.kurniadjaja@id.pwc.com

Enna Budiman

enna.budiman@id.pwc.com

Parluhutan Simbolon

parluhutan.simbolon@id.pwc.com

Yunita Wahadaniah

yunita.wahadaniah@id.pwc.com

www.pwc.com/id



PwC Indonesia



@PwC_Indonesia

If you would like to be removed from this mailing list, please reply and write UNSUBSCRIBE in the subject line, or send an email to contact.us@id.pwc.com

DISCLAIMER: This content is for general information purposes only, and should not be used as a substitute for consultation with professional advisors.

© 2019 PT Prima Wahana Caraka. All rights reserved. PwC refers to the Indonesia member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

