

Temporary suspension of Tax Court services – an update ^{P1}

VAT incentive on newsprint and magazine papers in response to COVID-19 ^{P1}

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In connection with the Government's efforts to contain the spread of COVID-19, the Tax Court has issued two new Circular Letters: No.SE-017/PP/2020 (SE-017) on 16 September 2020 and No.SE-018/PP/2020 (SE-018) on 18 September.

SE-017 suspends Tax Court administrative services from 16 September – 25 September 2020, and SE-018 suspends all Tax Court hearings (including electronic hearings) from 21 September until 25 September 2020. Unless extended through issuance of additional Circulars, the Tax Court administrative services and hearings are expected to resume starting from 28 September 2020.

The impacted administrative services include the suspension on submission services (i.e. for Tax Appeals, Lawsuits, Reconsideration Requests, documents for hearings, and other letters) as well as information services.

During this period, taxpayers are encouraged to use a postal service for submission of the above letters (except for Reconsideration Requests) or use the available online services, such as email (informasipp@kemenkeu.go.id), the website (www.setpp.kemenkeu.go.id), or WhatsApp line (+6281211007510) to obtain Tax Court information services.

The Tax Court also confirmed through the issuance of another Circular Letter No.SE-019/PP/2020 that the suspension period (21 September – 27 September 2020) will not be counted towards the time limits for the preparation and implementation of Tax Court proceedings.

VAT incentive on newsprint and magazine papers in response to COVID-19

Considering impact of the COVID-19 pandemic on the productivity of the print media, on 8 September 2020 the Minister of Finance (MoF) issued Regulation No.125/PMK.010/2020 (PMK-125) to provide VAT relief to print media companies. PMK-125 stipulates that the Value Added Tax (VAT) on

purchases (either import or local delivery) of newsprint or magazine papers by press companies will be borne by the Government (*Ditanggung Pemerintah/DTP*).

PMK-125 came into force seven days after the date of promulgation (i.e. 15 September 2020) and will be applicable until the end of Fiscal Year 2020.

The eligible print media companies are Indonesian legal entities that specifically organise, broadcast, or distribute information in the form of issuance of newspapers, journals, newsletters, and magazines, having a Business Classification code (*Klasifikasi Lapangan Usaha*) of 58130.

The types of newsprint and magazine papers covered under this PMK must have a post number of:

- a. 4801 for newsprint;
 - b. 4802, 4805, 4810, 4811 for magazine papers,
- based on the 2017 Indonesian Customs Tariff Book.

A VAT-able Entrepreneur who delivers newsprint or magazine papers is obliged to prepare tax invoices (with Borne-by-the Government remarks) and make a realisation report by reporting these tax invoices in their Monthly VAT Return. Failure to do so will result in the delivery being subject to VAT.

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