

Extension of Tax Court suspension in response to COVID-19 ^{P1}

Import duty exemption on certain imported goods ^{P1}

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The Tax Court issued two new Circular Letters: No.SE-020/PP/2020 (SE-020) and No.SE-021/PP/2020 (SE-021), on 28 September 2020 to extend the previous suspension period (please refer to [TaxFlash No. 38/2020](#)).

SE-020 suspends all Tax Court hearings (including electronic hearings) and Tax Court administrative services from 28 September – 2 October 2020. Unless extended through the issuance of additional Circulars, the Tax Court administrative services and hearings are expected to resume from 5 October 2020.

The impacted administrative services and the available alternative avenues remain the same as in the previous suspension period.

The Tax Court also confirmed through SE-021 that the suspension period (28 September – 4 October 2020) will not be counted towards the time limits for the preparation and implementation of Tax Court proceedings.

Import duty exemption on certain imported goods

On 22 September 2020, the Minister of Finance issued Regulation No.134/PMK.010/2020 (PMK-134) to provide import duty relief for some industrial companies. This is a continuation of the Government's efforts to alleviate the impact of the COVID-19 pandemic on the productivity of certain industrial sectors and to ensure the availability of raw materials for domestic industry.

PMK-134 stipulates that the import duty on listed goods and materials imported by certain industrial companies will be borne by the Government (*Ditanggung Pemerintah/DTP*). The detailed types of goods and materials that are eligible for this incentive are listed in Attachment B of this PMK, and among others includes certain goods and materials used in the food industry, medical supplies and equipment, the telecommunications industry, and means of transportation.

Eligibility for the incentive is also contingent on the specific listed goods and materials meeting additional criteria:

- a. The goods and materials are not yet produced domestically; or
- b. The goods and materials are produced domestically, but do not meet the required specifications; or
- c. The goods and materials are produced domestically, but there is not enough local supply (according to the recommendations of the relevant ministries).

As well, the incentive is not applicable on goods and materials that are:

- subject to 0% import duty (either under customs law or due to international agreement); or
- subject to existing import duty measures (i.e. anti-dumping, safeguarding, compensation, and requital); or
- intended to be stockpiled in Bonded Stockpiling Areas.

However, the incentive is applicable on the release of goods and materials originating from outside the Customs Area, from:

- a. Bonded Logistic Center (*Pusat Logistik Berikat*);
- b. Bonded Warehouse (*Gudang Berikat*); or
- c. Bonded Zone (*Kawasan Berikat*),

to other places in the Customs Area (*Tempat Lain Dalam Daerah Pabean*), to be delivered to eligible companies.

In order to obtain this incentive, the eligible company must meet the following conditions:

- The company has not made any error in notifying the quantity/type of goods on the Import Customs Declaration resulting in an underpayment of import duty for the past one year; and/or
- The company does not have overdue unpaid import duty, excise, and/or import taxes.

Eligible companies must submit an application electronically to the Directorate General of Customs and Excise (*Direktorat Jenderal Bea Cukai/DJBC*) portal through the National Single Window system to be able to enjoy the incentive. On behalf of the Minister of Finance, the Director in the DJBC will issue an approval or rejection of the application.

Other provisions relating to detailed administration matters in the implementation of this incentive are provided in the regulation.

Your PwC Indonesia contacts:

Abdullah Azis
abdullah.azis@pwc.com

Gerardus Mahendra
gerardus.mahendra@pwc.com

Peter Hohtoulas
peter.hohtoulas@pwc.com

Adi Poernomo
adi.poernomo@pwc.com

Hasan Chandra
hasan.chandra@pwc.com

Raemon Utama
raemon.utama@pwc.com

Adi Pratikto
adi.pratikto@pwc.com

Hendra Lie
hendra.lie@pwc.com

Runi Tusita
runi.tusita@pwc.com

Alexander Lukito
alexander.lukito@pwc.com

Hisni Jesica
hisni.jesica@pwc.com

Ryuji Sugawara
ryuji.sugawara@pwc.com

Ali Widodo
ali.widodo@pwc.com

Hyang Augustiana
hyang.augustiana@pwc.com

Soeryo Adjie
soeryo.adjie@pwc.com

Amit Sharma
amit.xz.sharma@pwc.com

Kianwei Chong
kianwei.chong@pwc.com

Sujadi Lee
sujadi.lee@pwc.com

Andrias Hendrik
andrias.hendrik@pwc.com

Laksmi Djuwita
laksmi.djuwita@pwc.com

Sutrisno Ali
sutrisno.ali@pwc.com

Anton Manik
anton.a.manik@pwc.com

Lukman Budiman
lukman.budiman@pwc.com

Suyanti Halim
suyanti.halim@pwc.com

Antonius Sanyojaya
antonius.sanyojaya@pwc.com

Mardianto
mardianto.mardianto@pwc.com

Tim Watson
tim.robert.watson@pwc.com

Ay Tjhing Phan
ay.tjhing.phan@pwc.com

Margie Margaret
margie.margaret@pwc.com

Tjen She Siung
tjen.she.siung@pwc.com

Brian Arnold
brian.arnold@pwc.com

Oki Octabiyanto
oki.octabiyanto@pwc.com

Turino Suyatman
turino.suyatman@pwc.com

Dexter Pagayonan
dexter.pagayonan@pwc.com

Omar Abdulkadir
omar.abdulkadir@pwc.com

Yessy Anggraini
yessy.anggraini@pwc.com

Enna Budiman
enna.budiman@pwc.com

Otto Sumaryoto
otto.sumaryoto@pwc.com

Yuliana Kurniadjaja
yuliana.kurniadjaja@pwc.com

Gadis Nurhidayah
gadis.nurhidayah@pwc.com

Parluhutan Simbolon
parluhutan.simbolon@pwc.com

Yunita Wahadaniah
yunita.wahadaniah@pwc.com

www.pwc.com/id



PwC Indonesia

@PwC_Indonesia

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