TaxFlash

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New rules for a proxy in handling tax affairs – an update

The Minister of Finance (MoF) issued PMK-44[1] on 6 July 2026, which sets out the requirements for becoming a tax proxy and the procedures for the exercise of a taxpayer proxy's rights and fulfilment of its obligations in tax matters. PMK-44 revokes PMK-229[2]. Please refer to our TaxFlash No.01/2015 for a discussion of PMK-229.

In principle, parties that may be appointed as a taxpayer proxy include Tax Consultants, Other Parties, and family members. The provisions relating to Tax Consultants remain largely unchanged. The family members eligible to be proxies are as stipulated in Article 32 of the General Tax Provisions and Procedures Law (*Ketentuan Umum dan Tata Cara Perpajakan/KUP Law*), i.e. husband, wife, or person related by blood or marriage up to the second degree to the taxpayer. PMK-44 mainly introduces Other Parties as a category of people who may act as taxpayer proxies.

Competency requirements

A taxpayer proxy appointed must possess certain competencies in tax matters, except for family members. These competencies refer to an adequate understanding of the prevailing tax laws and regulations. Tax Consultants are deemed to meet this requirement upon obtaining a Tax Consultant Licence, while Other Parties are regarded as having the required competencies if they hold a Certificate of Registration (*Surat Keterangan Terdaftar/SKT*).

1. MoF Regulation No. 44 Year 2026 (PMK-44) dated and effective from 6 July 2026
2. MoF Regulation No. 229/PMK.03/2014 (PMK-229) dated and effective from 18 December 2014

Other Parties

PMK-44 defines Other Parties as individuals other than Tax Consultants and family members who have obtained SKT and can be appointed as taxpayer proxies. Further details on Other Parties and how to obtain the SKT will be stipulated in a separate MoF regulation.

Specifically for former MoF employees, on top of fulfilling the competency requirements, they can only be appointed as taxpayer proxy if

a. For retired MoF civil servants:
   - They were never subject to severe disciplinary sanction during their service as civil servants; and
   - They have completed a five-year cooling-off period from the date of retirement.
b. For former MoF civil servants who resigned before reaching their mandatory retirement age:
   - They were honorably discharged from civil service;
   - They were never subject to severe disciplinary sanction during their service as civil servants; and
   - Have completed a five-year cooling-off period from the effective date of termination stated in the civil service termination decree.
c. For individuals who served as Government Employees under Employment Agreements (*Pegawai Pemerintah dengan Perjanjian Kerja/PPPK*) at the MoF:
   - They were never subject to severe disciplinary sanction or dishonorably dismissed from their employment; and
   - They have completed a five-year cooling-off period from the expiry date of their employment agreement or from the effective date of termination as stated in the termination letter.

Administrative requirements

- **Registration in the Directorate General of Taxes (DGT) administrative system**

  Tax Consultants and Other Parties must be registered in the DGT's administrative system. To register, they must submit a valid Tax Consultant Licence (for Tax Consultants) or a valid SKT (for Other Parties).

- **Proxy Letter**

  To exercise a taxpayer's rights or fulfil the taxpayer's tax obligations, a tax proxy must be granted a Special Power of Attorney (Proxy Letter) by the taxpayer, either in electronic or paper form, and must be submitted to the DGT electronically or in person. Where the scope of the proxy includes the fulfilment of tax obligations electronically, the taxpayer must grant the taxpayer proxy authorisation access to the Taxpayer Portal.

  PMK-44 stipulates that a Proxy Letter must meet the following requirements

  a. Contain at least:
     - The name, Tax Identification Number (*Nomor Pokok Wajib Pajak/NPWP*), and signature of the taxpayer granting the authority;
     - The name, NPWP, and signature of the appointed tax proxy;
     - The status of the appointed tax proxy (i.e. Tax Consultant, Other Party, or Family Member);
     - The specific tax rights and/or obligations being delegated; and
     - The validity period of the Special Power of Attorney - ***new***.
  b. Be duly stamped in accordance with the applicable stamp duty requirements; and

c. Be accompanied by supporting documents evidencing the family relationship where applicable (e.g. a copy of the Family Card or equivalent documentation).

In addition, a tax proxy appointment will cease in the following circumstances:
a. The validity period of the Special Power of Attorney expires;
b. The taxpayer revokes the appointment;
c. The Tax Consultant Licence or SKT is suspended and/or revoked; or
d. The taxpayer proxy is convicted of a tax crime or any other criminal offence.

Upon the termination of a taxpayer proxy appointment, the proxy's access to the Taxpayer Portal will also be revoked.

Similar to the previous rules, a taxpayer who revokes a taxpayer proxy appointment must prepare a revocation letter and submit it to the DGT, either in person or electronically (a new option introduced under PMK-44). The revocation becomes effective upon receipt by the DGT and does not apply retroactively. Where a taxpayer appoints a new taxpayer proxy, the revocation letter must be submitted before the new appointment is made.

Where a taxpayer proxy appointment terminates due to the suspension or revocation of a Tax Consultant Licence or SKT, or because the taxpayer proxy has been convicted of a criminal offence, the DGT will issue and deliver a notification of termination of the appointment to both the taxpayer and the appointed taxpayer proxy.

- **Assignment Letter (*Surat Penunjukkan*)**

  As with the previous rules, a taxpayer proxy may appoint its employee or another person to submit and/or receive tax documents to and/or from the DGT by issuing an Assignment Letter. In addition, PMK-44 further requires the appointed employee or other person to present the Assignment Letter to the relevant DGT officer **each time** they submit and/or receive tax documents relating to the delegated tax rights and/or obligations.

Transitional Provisions

Upon the entry into force of PMK-44, any Proxy Letter that had been submitted prior to 6 July 2026 remains valid.

PMK-44 also provides a transitional arrangement under which individuals other than Tax Consultants who hold a tax brevet certificate or a formal qualification in taxation (at least Diploma III from an accredited university) may still be appointed as taxpayer proxies until **31 December 2026**. In such cases, the taxpayer must submit a paper-based Proxy Letter, together with supporting evidence of the individual's qualification, to the DGT through the relevant tax office. The proxy remains valid until the delegated tax rights and/or obligations have been fully carried out.

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