

Tax return filing

Potential suspension of filing date confirmation

It has long been established that the date stamped on a tax return submission receipt is considered the filing date of the tax return. This applies to all filing methods: by-hand delivery, electronically (e-filing), or by mail. No longer it is now pursuant to the issue of DGT Regulation No. PER 02/PJ/2019 regarding "The Procedures for Tax Return Submission, Receipt, and Processing" (PER 02) on 23 January 2019.

Submission receipts bear a bit different terms for different filing methods. It is called Electronic Filing Receipt (*Bukti Penerimaan Elektronik*) for e-filing, Letter Filing Receipt (*Bukti Penerimaan Surat*) for by-hand delivery, and Mailing Receipt for by-mail filing.

Despite the submission receipt, under PER 02, for by-hand filing and e-filing, you may still get a letter from the DGT in 30 days of the submission receipt date demanding completion of some missing documents or information or, worse still, dismissing your filing as illegitimate tax return. You will have another 30-day period from the letter receipt date to complete the missing documents or information or refile a new set of tax return (possibly with some improvements). The tax return filing date will then be determined by the date on which you supply the missing documents or information or refile the new set of tax return. Beyond 30 days of the original submission receipt date, the DGT can no longer issue such letters but instead a different type: the one recommending a revision of your tax return.

By-hand delivery filing appears to provide more certainty. It implies that the date stamped on the submission receipt is considered your tax return filing date. Nevertheless, if in time the DGT finds some "errors" in your tax returns, it may issue a letter demanding revision of your tax return.

Under PER 02, a range of in-office verification is carried out after the issuance of a tax return submission receipt. The objective is to ascertain that the tax return passes a full set of qualifications for tax return filing (Fig. 1). This is done in addition to the upfront verification (for by-hand delivery filing) or automatic by-system verification (for e-filing).

Aimed to replace several regulations dealing with tax return filing, PER 02 takes effect immediately. With regard to e-filing, it even applies retroactively covering tax return filings in the last three months up to the enactment date of the regulation (23 January 2019).

Tax return standard qualifications

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Requirement	Description*)
Validity	NPWP in the tax return = NPWP in the DGT system
Completeness	<ul style="list-style-type: none">• Tax return completed with all required information• All required supporting documents attached
Legitimacy	<ul style="list-style-type: none">• Completed correctly, in full, and clearly in Bahasa and IDR (or MoF-approved IDR & US\$) and signed by an authorized person;• filed within 3 years after tax year/tax period end if overpaid;• filed before commencement of a tax audit, a preliminary tax investigation, or issuance of tax assessment.
Appropriate revision	<ul style="list-style-type: none">• 3 years before the statute of limitation; or• 3 months after the receipt date of a binding official decision or verdict (if it is to align the tax loss reported in the CITR with the decision or the verdict's)

*) Based on Articles 11, 12(1) and 12(2) of PER 02/PJ/2019

Certainty about tax return filing date is quite important as it determines by when a taxpayer is by law entitled to getting its tax rights such as tax refund. Taxpayers are therefore reminded to prepare their tax returns carefully. It should also be challenging for the DGT to deliver certainty upfront. With current state of technology this should be taken as a reasonable target.

Transfer pricing

TPD delivery to the tax office

The rule in place so far is that transfer pricing documentation (TPD) should only be delivered to the DGT upon request. This could be in a tax audit by the tax auditor or in any other occasion such as taxpayer profiling carried out by the tax office's account representatives (AR). Nevertheless, a taxpayer engaging in controlled transactions is required to attach a standardized summary of TPD (Master File and Local File) to the corporate income tax return (CITR) filed with the DGT office. The CITR attachments have recently been extended to also include the Country-by-Country Report (CBCR) Status Notification filing receipt. See Minister of Finance (MoF) Reg. 213/PMK.03/2016 (PMK 213) and DGT Reg. PER-29/PJ/2017 (PER 29) for further elaboration.

The initial circulation of PER 02 has created a bit confusion as it demanded in Attachment II that a full set of TPD (Master File, Local File, and CBCR) be attached to the CITR filed with the DGT office. It proves later not to be the case. We noted that PER 02 (including Attachment II) placed on the DGT's website (www.pajak.go.id) is aligned with PMK 213 and PER 29 requirements. Hence, only the standardized summary of TPD and the CBCR Status Notification filing receipt are to be attached to the CITR.

International tax

A new form for tax treaty benefit claims

With effect from January 2019, claims for tax treaty benefits in respect of Indonesia-sourced income earned by foreign taxpayers should be accompanied made with a newly designed DGT Form as set out in DGT Reg. PER-28/PJ/2018. DGT Forms prepared based on the previous regulation (PER-10/PJ/2017) is no longer useable in 2019.

Please refer to ITNH No. 2/2018 for the discussion about the new version of DGT Form.

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