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By: THE PRESIDENT OF THE REPUBLIC OF INDONESIA
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Reference: LN 2016/131; TLN NO 5899
Title: TAX AMNESTY

BY THE GRACE OF THE ALMIGHTY GOD

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering:

- a. whereas the national development of the Unified State of the Republic of Indonesia which is aimed at making the entire Indonesian people prosperous evenly and equitable, requires large funding with main sources from tax receipts;
- b. whereas to meet the increasing demand for tax receipts, it requires awareness and compliance of the society by optimizing all existing potentials and resources;
- c. whereas it is still necessary to improve the awareness and compliance of the people to perform their taxation obligations because there are Assets, whether in home country or overseas which are not yet or which are not yet entirely reported in Annual Income Tax Return;
- d. whereas to increase state revenues and economic growth as well as to improve the awareness and compliance of the people in performing taxation obligations, it is necessary to issue policies on Tax Amnesty;
- e. whereas based on the considerations as intended in points a, b, c, and d, it is necessary to form Law regarding Tax Amnesty;

In View of: Article 5 paragraph (1), Article 20, and Article 23A of the 1945 Constitution of the State of the Republic of Indonesia;

With the Joint Approval of
THE HOUSE OF REPRESENTATIVES OF THE REPUBLIC OF INDONESIA
and
THE PRESIDENT OF THE REPUBLIC OF INDONESIA

HAS DECIDED:

To Stipulate: LAW REGARDING TAX AMNESTY.

CHAPTER I

GENERAL PROVISIONS

Article 1

In this Law, referred to as:

1. Tax Amnesty shall be annulment of tax which should be payable, which is not subject to administrative sanctions of taxation and criminal sanctions in taxation sector, by way of disclosing Assets and paying Redemption Money as stipulated in this Law.
2. Taxpayer shall be any individual or entity having taxation rights and obligations in accordance with the provisions of laws and regulations in taxation sector.
3. Assets shall be accumulation of additional economic capacity in the form of the entire assets, whether tangible or intangible, movable or immovable, used for business or for non-business, existing inside and/or outside the territory of the Unified State of the Republic of Indonesia.
4. Liability shall be principle amount of liabilities which is not yet paid directly relating to acquisition of Assets.
5. Fiscal Year shall be the period of 1 (one) calendar year, unless Taxpayer uses accounting year which is not the same as calendar year.
6. Tax Arrears shall be amount of tax principal which is not yet settled based on Tax Collection Letter which therein indicates tax principal payable, Tax Underpayment Assessment Letter, Additional Tax Underpayment Assessment Letter, Decision on Correction, Decision on Objection, Appeal Decision, and Judicial Review Decision, which causes an increase in amount of tax still payable including tax which should not be refunded, as stipulated in Law regarding General Taxation Provisions and Procedures.
7. Redemption Money shall be a sum of money which is paid to state treasury to obtain Tax Amnesty.
8. Criminal Acts in Taxation Sector shall be criminal acts as stipulated in Law regarding General Taxation Provisions and Procedures.
9. Statement Letter of Assets for Tax Amnesty, hereinafter referred to as Statement Letter, shall be a letter which is used by Taxpayer to disclose Assets, Liabilities, value of net Assets, as well as calculation and payment of Redemption Money.
10. Minister shall be the minister who manages governmental affairs in the field of state finance.
11. Certificate of Tax Amnesty, hereinafter referred to as Certificate, shall be a letter which is issued by the Minister as proof of the granting of Tax Amnesty.
12. The Last Annual Income Tax Return, hereinafter referred to as the Last SPT PPh shall be:
 - a. Annual Income Tax Return of Fiscal Year 2015 for Taxpayer whose end of accounting year falls in the period of July 1, 2015 until December 31, 2015; or

- b. Annual Income Tax Return of Fiscal Year 2014 for Taxpayer whose end of accounting year falls in the period of January 1, 2015 until June 30, 2015.
- 13. Data and Information Management shall be Taxpayer data and information administration system relating to Tax Amnesty which is managed by the Minister.
- 14. Receiving Bank shall be commercial bank which is appointed by the Minister to receive deposit of state revenues and based on this Law which is appointed to receive deposit of Redemption Money and/or funds which are transferred into the territory of the Unified State of the Republic of Indonesia in the context of implementing Tax Amnesty.
- 15. The Last Fiscal Year shall be Fiscal Year which ends in the period of January 1, 2015 until December 31, 2015.

CHAPTER II PRINCIPLES AND OBJECTIVES

Article 2

- (1) Tax Amnesty shall be implemented based on the principles of:
 - a. legal certainty;
 - b. justice;
 - c. benefits; and
 - d. national interests.
- (2) Tax Amnesty shall be aimed at:
 - a. accelerating economic growth and restructuring by transfer of Assets, which, among other things, will bring about impacts on increase in domestic liquidity, improvement of Rupiah exchange rate, decrease in interest rate, and increase in investment;
 - b. encouraging taxation reform towards more fair taxation system as well as expansion of more valid, comprehensive, and integrated taxation database; and
 - c. increasing tax receipts, which among other things will be used to finance development.

CHAPTER III SUBJECTS AND OBJECTS OF TAX AMNESTY

Article 3

- (1) Every Taxpayer shall be entitled to obtain Tax Amnesty.
- (2) Tax Amnesty as intended in paragraph (1) shall be granted to Taxpayers through disclosure of Assets they own in Statement Letter.

- (3) Excluded from the provisions as intended in paragraph (1), shall be Taxpayers which are:
- a. undergoing investigation, and their investigation dossiers are declared complete by Public Prosecutor's office;
 - b. in judicial process; or
 - c. undergoing criminal penalties,
- in Criminal Acts in Taxation Sector.
- (4) Tax Amnesty as intended in paragraph (1) shall cover amnesty of taxation obligations until the end of the Last Fiscal Year, which are not yet or not yet fully settled by Taxpayers.
- (5) Taxation obligations as intended in paragraph (4) shall consist of the following obligations:
- a. Income Tax; and
 - b. Value Added Tax or Value Added Tax and Sales Tax on Luxury Goods.

CHAPTER IV RATES AND CALCULATION METHOD OF REDEMPTION MONEY

Article 4

- (1) Rates of Redemption Money of Assets existing inside the territory of the Unified State of the Republic of Indonesia or Assets existing outside the territory of the Unified State of the Republic of Indonesia which are transferred into the territory of the Unified State of the Republic of Indonesia and which are invested inside the territory of the Unified State of the Republic of Indonesia within the period by no sooner than 3 (three) years as from their transfer, shall be amounting to:
- a. 2% (two percent) for the period of delivery of Statement Letter in the first month until the end of the third month as from the coming into effect of this Law;
 - b. 3% (three percent) for the period of delivery of Statement Letter in the fourth month as from the coming into effect of this Law until December 31, 2016; and
 - c. 5% (five percent) for the period of delivery of Statement Letter as from January 1, 2017 until March 31, 2017.
- (2) Rates of Redemption Money of Assets existing outside the territory of the Unified State of the Republic of Indonesia and which are not transferred into the territory of the Unified State of the Republic of Indonesia shall be amounting to:
- a. 4% (four percent) for the period of delivery of Statement Letter in the first month until the end of the third month as from the coming into effect of this Law;

- b. 6% (six percent) for the period of delivery of Statement Letter in the fourth month as from the coming into effect of this Law until December 31, 2016; and
 - c. 10% (ten percent) for the period of delivery of Statement Letter as from January 1, 2017 until March 31, 2017.
- (3) Rates of Redemption Money for Taxpayer whose business turnover reaches Rp4.800.000.000,00 (four billion eight hundred million rupiah) in the Last Fiscal Year shall be amounting to:
- a. 0.5% (zero point five percent) for Taxpayers who disclose value of Assets up to Rp10.000.000.000,00 (ten billion rupiah) in Statement Letter; or
 - b. 2% (two percent) for Taxpayers who disclose value of Assets exceeding Rp10.000.000.000,00 (ten billion rupiah) in Statement Letter,

for the period of delivery of Statement Letter in the first month as from the coming into effect of this Law until March 31, 2017.

Article 5

- (1) Amount of Redemption Money shall be calculated by multiplying the rates as intended in Article 4 by basis for charge of Redemption Money.
- (2) Basis for charge of Redemption Money as intended in paragraph (1) shall be calculated based on value of net Assets which is not yet or not yet entirely reported in the Last SPT PPh.
- (3) Value of net Assets as intended in paragraph (2) shall constitute difference between value of Assets minus value of Liabilities.

Article 6

- (1) Value of Assets which is disclosed in Statement Letter shall cover:
 - a. value of Assets already reported in the Last SPT PPh; and
 - b. value of additional Assets which is not yet or not yet entirely reported in the Last SPT PPh.
- (2) Value of Assets already reported as intended in paragraph (1) sub-paragraph a shall be specified in Rupiah currency based on value which is reported in the Last SPT PPh.
- (3) In the event that Taxpayer is obligated to deliver Annual Income Tax Return by using currency other than Rupiah, value of Assets already reported as intended in paragraph (1) sub-paragraph a shall be specified in Rupiah currency based on exchange rate which is stipulated by the Minister for tax calculation on the date of the end of accounting year in accordance with the Last SPT PPh.
- (4) Value of additional Assets which is not yet or not yet entirely reported as intended in paragraph (1) sub-paragraph b shall be specified in Rupiah currency based on nominal value for Assets in the form of cash or fair value for Assets other than cash at the end of the Last Fiscal Year.

- (5) In the event that value of additional Assets uses currency other than Rupiah, value of additional Assets shall be specified in Rupiah currency based on:
- a. nominal value for Assets in the form of cash; or
 - b. fair value at the end of the Last Fiscal Year for Assets other than cash,
- by using exchange rate which is stipulated by the Minister for tax calculation at the end of the Last Fiscal Year.

Article 7

- (1) Value of Liabilities disclosed in Statement Letter shall cover:
- a. value of Liabilities already reported in the Last SPT PPh; and
 - b. value of Liabilities relating to additional Assets as intended in Article 6 paragraph (1) sub-paragraph b.
- (2) For calculation of basis for charge of Redemption Money, amount of value of Liabilities directly relating to acquisition of additional Assets which can be calculated as deduction of value of Assets for:
- a. corporate Taxpayers shall be a maximum of 75% (seventy five percent) of value of additional Assets; or
 - b. individual Taxpayers shall be a maximum of 50% (fifty percent) of value of additional Assets.
- (3) Value of Liabilities already reported as intended in paragraph (1) sub-paragraph a shall be specified in Rupiah currency based on value which is reported in the Last SPT PPh.
- (4) In the event that Taxpayer is obligated to deliver Annual Income Tax Return by using currency other than Rupiah, value of Liabilities as intended in paragraph (3) shall be specified in Rupiah currency based on exchange rate which is stipulated by the Minister for tax calculation on the date of the end of accounting year in accordance with the Last SPT PPh.
- (5) Value of Liabilities relating to additional Assets as intended in paragraph (1) sub-paragraph b shall be specified in Rupiah currency based on value which is reported in list of Liabilities at the end of the Last Fiscal Year.
- (6) In the event that value of Liabilities relating to additional Assets as intended in paragraph (1) sub-paragraph b is specified in currency other than Rupiah, value of Liabilities shall be specified in Rupiah currency based on exchange rate which is stipulated by the Minister for tax calculation at the end of the Last Fiscal Year.

CHAPTER V PROCEDURES FOR DELIVERY OF STATEMENT LETTER, ISSUANCE OF CERTIFICATE, AND AMNESTY OF TAXATION OBLIGATIONS

Article 8

- (1) To obtain Tax Amnesty, a Taxpayer must deliver Statement Letter to the Minister.
- (2) Statement Letter as intended in paragraph (1) shall be signed by:
 - a. individual Taxpayer;
 - b. highest executive based on deed of establishment of entity or other similar documents, for corporate Taxpayer; or
 - c. proxy, in the event that the highest executive as intended in sub-paragraph b is absent.
- (3) Taxpayer as intended in paragraph (1) must meet the following requirements:
 - a. having Taxpayer Registration Number;
 - b. paying Redemption Money;
 - c. settling the entire Tax Arrears;
 - d. settling tax which is not paid or which is underpaid or settling tax which should not be refunded for Taxpayers who are undergoing initial proof audit and/or investigation;
 - e. delivering the Last SPT PPh for Taxpayers already obligated to deliver Annual Income Tax Return; and
 - f. revoking application for:
 1. refund of tax overpayment;
 2. reduction or nullification of administrative sanctions of taxation in Tax Assessment Letter and/or Tax Collection Letter therein indicating tax principal payable;
 3. reduction or cancellation of incorrect tax assessment;
 4. objection;
 5. correction of tax assessment letter and decision;
 6. appeal;
 7. lawsuit; and/or
 8. judicial review,

in the event that Taxpayer is filing application, and decision or ruling is not yet issued.
- (4) Redemption Money as intended in paragraph (3) sub-paragraph b must be paid in full to state treasury through Receiving Bank.

- (5) Payment of Redemption Money as intended in paragraph (4) shall use tax payment form which functions as slip of payment of Redemption Money after obtaining validation.
- (6) In the event that Taxpayers intend to transfer Assets into the territory of the Unified State of the Republic of Indonesia, in addition to meeting the requirements as intended in paragraph (3), the Taxpayers must transfer Assets into the territory of the Unified State of the Republic of Indonesia and must invest the said Assets inside the territory of the Unified State of the Republic of Indonesia at least for the period of 3 (three) years:
 - a. before December 31, 2016 for Taxpayers who choose to use Redemption Money rates as intended in Article 4 paragraph (1) sub-paragraphs a and b; and/or
 - b. before March 31, 2017 for Taxpayers who choose to use Redemption Money rates as intended in Article 4 paragraph (1) sub-paragraph c.
- (7) In the event that Taxpayers disclose Assets existing and/or placed inside the territory of the Unified State of the Republic of Indonesia, in addition to meeting the requirements as intended in paragraph (3), Taxpayers cannot transfer Assets out of the territory of the Unified State of the Republic of Indonesia at least for the period of 3 (three) years as from issuance of Certificate.

Article 9

- (1) Statement Letter as intended in Article 8 paragraph (1) shall at least indicate information on Taxpayer's identity, Assets, Liabilities, value of net Assets, and calculation of Redemption Money.
- (2) Statement Letter as intended in paragraph (1) must be attached by:
 - a. slip of payment of Redemption Money;
 - b. slip of settlement of Tax Arrears for Taxpayers having Tax Arrears;
 - c. list of specification of Assets along with information on ownership of Assets which are reported;
 - d. list of Liabilities as well as support documents;
 - e. slip of tax settlement which is not paid or which is underpaid or tax which should not be refunded for Taxpayers who are undergoing initial proof audit or investigation;
 - f. copy of the Last SPT PPh; and
 - g. statement letter which revokes the application as intended in Article 8 paragraph (3) sub-paragraph f.
- (3) In the event that Taxpayers intend to transfer Assets into the territory of the Unified State of the Republic of Indonesia as intended in Article 8 paragraph (6), in addition to attaching documents as intended in paragraph (2), the Taxpayers must attach statement letter to transfer and invest Assets into the territory of the

Unified State of the Republic of Indonesia at least for the period of 3 (three) years as from their transfer.

- (4) In the event that Taxpayers disclose Assets existing and/or placed inside the territory of the Unified State of the Republic of Indonesia as intended in Article 8 paragraph (7), in addition to attaching documents as intended in paragraph (2), the Taxpayers must attach statement letter that they will not transfer Assets out of the territory of the Unified State of the Republic of Indonesia at least for the period of 3 (three) years as from issuance of Certificate.
- (5) For Taxpayers whose business turnover reaches Rp4.800.000.000,00 (four billion eight hundred million rupiah) in the Last Fiscal Year as intended in Article 4 paragraph (3), in addition to attaching documents as intended in paragraphs (2) and (4), the said Taxpayers must attach statement letter of amount of business turnover.

Article 10

- (1) Statement Letter shall be delivered to the office of the Directorate General of Taxation where Taxpayers are registered or to other places which are specified by the Minister.
- (2) Before delivering Statement Letter and attachment/s thereto as intended in Article 9, Taxpayers shall ask for explanations on filling out and fulfillment of complete requirements of documents to be attached to Statement Letter to the office of the Directorate General of Taxation or to other places which are specified by the Minister.
- (3) Based on the explanations as intended in paragraph (2), Taxpayers shall pay Redemption Money and shall deliver Statement Letter along with attachment/s thereto.
- (4) The Minister or official appointed on behalf of the Minister shall issue Certificate within the period by no later than 10 (ten) workdays as from the date of receipt of Statement Letter along with attachment/s thereto and shall deliver Certificate to Taxpayer.
- (5) In the event that within the period of 10 (ten) workdays as intended in paragraph (4), the Minister or official appointed on behalf of the Minister does not yet issue any Certificate, Statement Letter shall be deemed to be accepted as Certificate.
- (6) The Minister or official appointed on behalf of the Minister can issue letter of correction of Certificate in the event that there is:
 - a. typographical error in the Certificate; and/or
 - b. wrong calculation in the Certificate.
- (7) Taxpayers can deliver Statement Letter a maximum of 3 (three) times within the period as from the coming into effect of this Law until March 31, 2017.
- (8) Taxpayer can deliver the second or the third Statement Letter before or after Certificate for the first or the second Statement Letter is issued.

- (9) In the event that Taxpayers deliver the second or the third Statement Letter, calculation of basis for charge of Redemption Money in the said Statement Letter shall cover basis for charge of Redemption Money already indicated in Certificate for the previous Statement Letter.
- (10) In the event that there is Redemption Money overpayment which is caused by:
- a. issuance of letter of correction for wrong calculation as intended in paragraph (6) sub-paragraph b; or
 - b. delivery of the second or the third Statement Letter as intended in paragraph (8),

the said overpayment must be refunded and/or calculated with other taxation obligations within the period by no later than 3 (three) months as from issuance of letter of correction or delivery of the said second or third Statement Letter.

Article 11

- (1) Taxpayers already delivering Statement Letter as intended in Article 8 paragraph (1) and attachment/s thereto as intended in Article 9, shall be granted receipt sheet as proof of receipt of Statement Letter.
- (2) Taxpayers already obtaining receipt sheet as intended in paragraph (1) shall not undergo:
- a. audit;
 - b. initial proof audit; and/or
 - c. investigation on Criminal Acts in Taxation Sector,
- for tax period, part of Fiscal Year, or Fiscal Year until the end of the Last Fiscal Year.
- (3) In the event that Taxpayers already obtaining receipt sheet as intended in paragraph (1) are undergoing:
- a. audit;
 - b. initial proof audit; and/or
 - c. investigation on Criminal Acts in Taxation Sector,
- for tax period, part of Fiscal Year, or Fiscal Year until the end of the Last Fiscal Year, then audit, initial proof audit, and/or investigation on the said Criminal Acts in Taxation Sector shall be postponed until issuance of Certificate.
- (4) Audit, initial proof audit, and/or investigation on Criminal Acts in Taxation Sector as intended in paragraph (3) shall be stopped in the event that the Minister or official appointed on behalf of the Minister issues Certificate.
- (5) Taxpayer whose Certificate has been issued, shall obtain Tax Amnesty facility in the form of:

- a. annulment of tax payable whose tax assessment is not yet issued, not subject to administrative sanctions of taxation, and not subject to criminal sanctions in taxation sector, for taxation obligations in tax period, part of Fiscal Year, and Fiscal Year, until the end of the Last Fiscal Year;
- b. nullification of administrative sanctions of taxation in the form of interest, or fines, for taxation obligations in tax period, part of Fiscal Year, and Fiscal Year, until the end of the Last Fiscal Year;
- c. not undergoing tax audit, initial proof audit, and investigation on Criminal Acts in Taxation Sector, on taxation obligations in tax period, part of Fiscal Year, and Fiscal Year, until the end of the Last Fiscal Year; and
- d. discontinuance of tax audit, initial proof audit, and investigation on Criminal Acts in taxation sector, in the event that Taxpayers are undergoing tax audit, initial proof audit, and investigation on Criminal Acts in Taxation Sector on taxation obligations, until the end of the Last Fiscal Year, which previously have been postponed as intended in Article 11 paragraph (3),

relating to taxation obligations as intended in Article 3 paragraph (5).

- (6) The discontinued investigation as intended in paragraph (5) sub-paragraph d shall be performed by official within the Directorate General of Taxation who carries out investigative duties and functions in accordance with the provisions of laws and regulations in taxation sector.

CHAPTER VI INVESTMENT OBLIGATION OF ASSETS DISCLOSED AND REPORTING

Article 12

- (1) Taxpayers who declare their Assets transferred and invested as intended in Article 8 paragraph (6) must transfer the said Assets through Receiving Bank which is appointed specially for that purpose by no later than:
 - a. December 31, 2016 for Taxpayers who declare their Assets transferred and invested as intended in Article 8 paragraph (6) sub-paragraph a; and/or
 - b. March 31, 2017 for Taxpayers who declare their Assets transferred and invested as intended in Article 8 paragraph (6) sub-paragraph b.
- (2) A minimum period of investment of 3 (three) years as intended in Article 8 paragraph (6) shall be as from the date of transfer of Assets into the territory of the Unified State of the Republic of Indonesia.
- (3) Investment as intended in paragraph (1) shall be conducted in the form of:
 - a. commercial papers of the State of the Republic of Indonesia;
 - b. bonds of State-Owned Enterprises;
 - c. bonds of financing institution owned by Government;

- d. financial investment at Receiving Bank;
- e. bonds of private companies whose trading is supervised by Financial Service Authorities;
- f. infrastructures investment by cooperation between the Government and business entity;
- g. investment in real sectors based on priority specified by the Government; and/or
- h. other legal investment forms in accordance with the provisions of laws and regulations.

Article 13

- (1) Taxpayer or proxy appointed must deliver report to the Minister or official appointed on behalf of the Minister on:
 - a. realization of transfer and investment of additional Assets disclosed in Statement Letter for additional Assets which are transferred into the territory of the Unified State of the Republic of Indonesia, for Taxpayers who must transfer as intended in Article 8 paragraph (6); and/or
 - b. placement of additional Assets disclosed in Statement Letter for additional Assets existing inside the territory of the Unified State of the Republic of Indonesia, for Taxpayers who cannot transfer Assets out of the territory of the Unified State of the Republic of Indonesia as intended in Article 8 paragraph (7).
- (2) Based on report as intended in paragraph (1), the Minister or official appointed on behalf of the Minister can issue and deliver warning letter after deadline of period of delivery of Statement Letter in the event that:
 - a. Taxpayers who declare their Assets transferred and invested into the territory of the Unified State of the Republic of Indonesia but they do not meet the provisions as intended in Article 8 paragraph (6); and/or
 - b. Taxpayers who declare their Assets not transferred out of the territory of the Unified State of the Republic of Indonesia but they do not meet the provisions as intended in Article 8 paragraph (7).
- (3) Taxpayers must deliver response to warning letter as intended in paragraph (2) within the period by no later than 14 (fourteen) workdays as from the date of its delivery.
- (4) In the event that based on Taxpayers' response, it is known that Taxpayers do not meet the provisions as intended in Article 8 paragraph (6) and/or Article 8 paragraph (7), the following provisions shall be applicable:
 - a. additional net Assets indicated in Certificate shall be treated as incomes in Fiscal Year 2016 and the said incomes shall be subject to tax and sanctions in accordance with the provisions of laws and regulations in taxation sector; and

- b. Redemption Money already paid by Taxpayer shall be calculated as deduction of tax as intended in sub-paragraph a.
- (5) Taxpayers as intended in paragraph (4) shall remain subject to the provisions on special treatment in the context of Tax Amnesty as intended in Article 11.

CHAPTER VII
TAXATION TREATMENT

Article 14

- (1) Taxpayers obligated to manage bookkeeping based on the provisions of Law regarding General Taxation Provisions and Procedures must record difference of value of net Assets as intended in Article 5 paragraph (3) which is conveyed in Statement Letter minus value of net Assets already reported by Taxpayer in the Last SPT PPh as intended in Article 6 paragraph (1) sub-paragraph a, as addition of balance of retained earnings in balance sheet.
- (2) Additional Assets disclosed in Statement Letter as intended in Article 6 paragraph (1) sub-paragraph b in the form of intangible assets, cannot be amortized for the purposes of taxation.
- (3) Additional Assets disclosed in Statement Letter as intended in Article 6 paragraph (1) sub-paragraph b in the form of tangible assets, cannot be depreciated for the purposes of taxation.

Article 15

- (1) Taxpayers already obtaining Certificate and paying Redemption Money on:
- a. Immovable assets in the form of land and/or building; and/or
 - b. Assets in the form of shares,
- which do not yet undergo transfer of ownership to Taxpayers, must transfer right to become in the name of Taxpayers.
- (2) Transfer of right as intended in paragraph (1) sub-paragraph a shall be exempted from Income Tax charge, in the event that:
- a. application for transfer of right; or
 - b. signing of statement letter by both parties before a notary which declares that Assets as intended in paragraph (1) sub-paragraph a really belong to Taxpayers who deliver Statement Letter, in the event that application for transfer of right cannot yet be filed for the said Assets,
- are performed within the period by no later than December 31, 2017.
- (3) Transfer of right as intended in paragraph (1) sub-paragraph b shall be exempted from Income Tax charge in the event that there is agreement on transfer of right within the period by no later than December 31, 2017.

- (4) If until December 31, 2017, Taxpayers do not transfer the right as intended in paragraph (1), the transfer of right shall be subject to tax in accordance with the provisions of laws and regulations which stipulate Income Tax.

Article 16

- (1) Taxpayers delivering Statement Letter, shall not be entitled to:
- a. set off fiscal losses in tax return for part of Fiscal Year or Fiscal Year, until the end of the Last Fiscal Year, to part of the following Fiscal Year or the following Fiscal Year;
 - b. set off tax overpayment in tax return on type of tax as intended in Article 3 paragraph (5) for tax period at the end of the Last Fiscal Year, to the following tax period;
 - c. file application for refund of tax overpayment in tax return on type of tax as intended in Article 3 paragraph (5) for tax period, part of Fiscal Year, or Fiscal Year, until the end of the Last Fiscal Year; and/or
 - d. make correction of tax return on type of tax as intended in Article 3 paragraph (5) for tax period, part of Fiscal Year, or Fiscal Year, until the end of the Last Fiscal Year, after promulgation of this Law.
- (2) Following the promulgation of this Law, correction of tax return for tax period, part of Fiscal Year, or Fiscal Year, until the end of the Last Fiscal Year which is conveyed by Taxpayers who deliver Statement Letter shall be deemed not to be delivered.

Article 17

- (1) Tax Assessment Letter, Decision on Preliminary Refund of Tax Overpayment, Decision on Correction, Decision on Reduction of Tax Assessment, Decision on Cancellation of Tax Assessment, Decision on Objection, Appeal Decision, Lawsuit Decision, Judicial Review Decision, for tax period, part of Fiscal Year, and Fiscal Year before the end of the Last Fiscal Year, which are issued before Taxpayers deliver Statement Letter, shall remain serving as basis for:
- a. the Directorate General of Taxation to perform tax collection and/or refund of tax overpayment;
 - b. Taxpayer to set off fiscal losses; and
 - c. Taxpayer to set off tax overpayment,
- in accordance with the provisions of laws and regulations in taxation sector.
- (2) Tax Assessment Letter, Decision on Preliminary Refund of Tax Overpayment, Decision on Correction, Decision on Reduction of Tax Assessment, Decision on Cancellation of Tax Assessment, Decision on Objection, Appeal Decision, Lawsuit Decision, Judicial Review Decision, for tax period, part of Fiscal Year, and Fiscal Year before the end of the Last Fiscal Year, which are issued after Taxpayers deliver Statement Letter, cannot serve as basis for:

- a. the Directorate General of Taxation to perform tax collection and/or refund of tax overpayment;
 - b. Taxpayer to set off fiscal losses; and
 - c. Taxpayer to set off tax overpayment.
- (3) In the event that there are Tax Assessment Letter, Decision on Preliminary Refund of Tax Overpayment, Decision on Correction, Decision on Reduction of Tax Assessment, Decision on Cancellation of Tax Assessment, Decision on Reduction of Administrative Sanctions, Decision on Nullification of Administrative Sanctions, Decision on Objection, Appeal Decision, Judicial Review Decision, for tax period, part of Fiscal Year, and Fiscal Year before the end of the Last Fiscal Year, which are issued before Taxpayers deliver Statement Letter which results in arising out of obligation of payment of interest rewards for the Directorate General of Taxation, the said obligation shall be nullified.

CHAPTER VIII
TREATMENT OF ASSETS WHICH ARE NOT YET OR WHICH ARE POORLY
DISCLOSED

Article 18

- (1) In the event that Taxpayers have obtained Certificate and then followed by discovery of data and/or information on Assets which are not yet or which are poorly disclosed in Statement Letter, the said Assets shall be deemed as additional incomes which are received or earned by Taxpayers at the time of discovery of data and/or information on the said Assets.
- (2) In the event that:
- a. Taxpayers do not deliver any Statement Letter until the end of the period of Tax Amnesty; and
 - b. the Director General of Taxation discovers data and/or information on Taxpayers' Assets which are obtained as from January 1, 1985 until December 31, 2015 and which are not yet reported in Annual Income Tax Return,
- the said Assets shall be deemed as additional incomes which are received or earned by Taxpayers at the time of discovery of data and/or information on the said Assets, by no later than 3 (three) years as from the coming into effect of this Law.
- (3) Additional incomes as intended in paragraph (1) shall be subject to Income Tax in accordance with the provisions of laws and regulations in the field of Income Tax and added with administrative sanctions of taxation in the form of increase by 200% (two hundred percent) of Income Tax which is not paid or which is underpaid.
- (4) Additional incomes as intended in paragraph (2) shall be subject to tax and sanctions in accordance with the provisions of laws and regulations in taxation sector.

CHAPTER IX

REMEDIES

Article 19

- (1) All disputes relating to the implementation of this Law can only be settled through filing of lawsuit.
- (2) Lawsuit as intended in paragraph (1) can only be filed to tax judicial body.

CHAPTER X DATA AND INFORMATION MANAGEMENT

Article 20

Data and information originating from Statement Letter and attachment/s thereto which are administered by the Ministry of Finance or other parties relating to the implementation of this Law cannot be made as basis for inquiry, investigation, and/or criminal prosecution against Taxpayers.

Article 21

- (1) The Minister shall organize Data and Information Management in the context of the implementation of this Law.
- (2) The Minister, Deputy Minister, employees of the Ministry of Finance, and other parties relating to the implementation of Tax Amnesty, shall be prohibited from revealing, disseminating, and/or notifying data and information which are known or notified by Taxpayers to other parties.
- (3) Data and information conveyed by Taxpayers in the context of Tax Amnesty cannot be asked by anyone or provided to any parties based on other laws and regulations, except upon approval of Taxpayers themselves.
- (4) Data and information delivered by Taxpayers shall be used as taxation database of the Directorate General of Taxation.

Article 22

The Minister, Deputy Minister, employees of the Ministry of Finance, and other parties relating to the implementation of Tax Amnesty, cannot be reported, sued, undergo inquiry, investigated or prosecuted, whether civilly or criminally if they carry out duties based on good faith and in accordance with the provisions of laws and regulations.

CHAPTER XI CRIMINAL PROVISIONS

Article 23

- (1) Everyone who violates the provisions as intended in Article 21 paragraph (2) shall be sentenced to imprisonment a maximum of 5 (five) years.
- (2) Prosecution against criminal acts as intended in paragraph (1) shall only be performed upon complaints of persons whose confidentiality is violated.

CHAPTER XII

PROVISIONS ON IMPLEMENTATION OF TAX AMNESTY

Article 24

Further provisions on:

- a. implementation of Tax Amnesty;
- b. appointment of Receiving Bank which receives transfer of Assets;
- c. procedures and guidelines for investment;
- d. delivery of report as intended in Article 13 paragraph (1); and
- e. appointment of official authorized to implement the provisions as intended in Article 10 paragraph (4), Article 10 paragraph (5), Article 10 paragraph (6), Article 11 paragraph (4), Article 13 paragraph (1), and Article 13 paragraph (2),

shall be stipulated in Regulation of the Minister.

CHAPTER XIII CLOSING PROVISIONS

Article 25

This Law shall come into effect on the date of its promulgation.

For public cognizance, hereby ordering the promulgation of this Law by placing it in the State Gazette of the Republic of Indonesia.

Ratified in Jakarta
on July 1, 2016
THE PRESIDENT OF THE REPUBLIC OF INDONESIA,
signed
JOKO WIDODO

Promulgated in Jakarta
on July 1, 2016
THE MINISTER OF LAW AND HUMAN RIGHTS OF
THE REPUBLIC OF INDONESIA,
signed
YASONNA H. LAOLY

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2016 NUMBER 131

Issued as a true copy
THE MINISTRY OF STATE SECRETARIAT OF
THE REPUBLIC OF INDONESIA
Assistant Deputy for Economic Division,
Deputy of Legislation Division,
signed and stamped
Lydia Silvanna Djaman

ELUCIDATION
ON
LAW OF THE REPUBLIC OF INDONESIA
NUMBER 11 YEAR 2016
REGARDING
TAX AMNESTY

I. GENERAL

National economic growth in the last several years has tended to experience slowdown which has brought about impacts on decreased tax receipts and has also reduced the availability of domestic liquidity which is highly needed to increase Indonesia's economic growth. On the other hand, there are many Assets of Indonesia nationals which are placed outside the territory of the Unified State of the Republic of Indonesia, whether in liquid or non-liquid form, which should be utilized to increase domestic liquidity which can encourage the national economic growth.

The problem is a part of Assets existing outside the territory of the Unified State of the Republic of Indonesia are not yet reported by owners of Assets in their Annual Income Tax Return so that there are taxation consequences likely arising out if compared to Assets already reported in the related Annual Income Tax Return. It is one of the factors which cause the owners of Assets have doubts to bring back or transfer their Assets and invest them in economic activities in Indonesia.

In addition, successful national development is highly encouraged by financing originating from the society, namely receipt of tax payment. To make participation be distributed evenly without discrimination, it is necessary to create a taxation system which is more fair and which has legal certainty. It is based on still rampant economic activities in home country which are not yet or not reported to tax authorities. The activities which are not reported disturb sense of fairness of Taxpayers which have actively contributed in performing taxation obligations because perpetrators do not contribute in financing of national development.

Therefore, it is necessary to apply special measures and breakthrough of policies to encourage transfer of Assets into the territory of the Unified State of the Republic of Indonesia and at the same time provide guarantee of security for Indonesia nationals who intend to transfer and disclose Assets they own in the form of Tax Amnesty. Breakthrough of policies in the form of Tax Amnesty against transfer of Assets is also driven by increasingly smaller possibilities to conceal assets outside the territory of the Unified State of the Republic of Indonesia due to increasing transparent global financial sector and increasing intensity of exchange of information inter country.

Policies on Tax Amnesty are implemented in the form of waiver of state rights to collect tax which should be payable. Therefore, it is natural if Taxpayers are obligated to pay Redemption Money on Tax Amnesty they obtain. In the context of implementing this Law, receipt of Redemption Money shall be treated as Income Tax receipt in State Revenues and Expenditures Budget.

In a short term, it will increase tax receipts in year of receipt of Redemption Money which is useful for State to finance various programs already planned. In a long term, the State will obtain tax receipts from additional

economic activities originating from Assets already transferred and invested inside the territory of the Unified State of the Republic of Indonesia. Seen from juridical aspect, regulation on Tax Amnesty policies in Tax Amnesty Law is in accordance with the provisions of Article 23A of the 1945 Constitution of the State of the Republic of Indonesia as it relates to annulment of tax which should be payable, administrative sanctions of taxation, and criminal sanctions in taxation sector.

This Law can serve as bridge to make Assets which are obtained from activities which are not reported be voluntarily disclosed so that data and information on the Assets are entered into taxation administration system and can be utilized to supervise compliance in fulfillment of taxation obligations in the future.

Policies on Tax Amnesty should be followed by other policies such as firmer law enforcement and improvement of Law of General Taxation Provisions and Procedures, Income Tax Law, Law regarding Value Added Tax on Goods and Services and Sales Tax on Luxury Goods, as well as other strategic policies in taxation and banking sectors.

By adhering to the principles or basis of legal certainty, justice, benefits, and national interests, the purposes of drafting of Tax Amnesty Law are as follows:

1. accelerating economic growth and restructuring by transfer of Assets, which, among other things, will bring about impacts on increase in domestic liquidity, improvement of Rupiah exchange rate, decrease in interest rate, and increase in investment;
2. encouraging taxation reform towards more fair taxation system as well as expansion of more valid, comprehensive, and integrated taxation database; and
3. increasing tax receipts which, among other things, will be used for financing of development.

In broad outline, main points of the provisions stipulated in this Law are as follows:

1. rules on subjects of Tax Amnesty;
2. rules on objects of Tax Amnesty;
3. rules on rates and calculation method of Redemption Money;
4. rules on procedures for delivery of Statement Letter, issuance of Certificate, and amnesty of taxation obligations;
5. rules on Assets investment obligations which are disclosed and reporting;
6. rules on taxation treatment;
7. rules on treatment of Assets which are not yet or which are poorly disclosed;
8. rules on remedies;
9. rules on data and information management; and
10. rules on criminal provisions.

II. ARTICLE BY ARTICLE

Article 1

Self explanatory.

Article 2

Paragraph (1)

Sub-paragraph a

Referred to as "the principles of legal certainty" shall be that the implementation of Tax Amnesty must be able to realize public order by guarantee of legal certainty.

Sub-paragraph b

Referred to as "the principles of justice" shall be that the implementation of Tax Amnesty upholds balance of rights and obligations of all parties involved.

Sub-paragraph c

Referred to as "the principles of benefits" shall be that the entire regulations on Tax Amnesty policies are useful for the interests of state, nation, and the society, especially in improving public welfare.

Sub-paragraph d

Referred to as "the principles of national interests" shall be that the implementation of Tax Amnesty shall prioritize interests of nation, state, and the society above other interests.

Paragraph (2)

Self explanatory.

Article 3

Paragraph (1)

Taxpayers entitled to obtain Tax Amnesty shall be Taxpayers having the obligation to deliver Annual Income Tax Return. In the event that a Taxpayer has no Taxpayer Registration Number, the Taxpayer must register to obtain Taxpayer Registration Number in advance in the office of the Directorate General of Taxation where the Taxpayer resides or is domiciled.

Paragraph (2)

Self explanatory.

Paragraph (3)

Self explanatory.

Paragraph (4)

Self explanatory.

Paragraph (5)

Self explanatory.

Article 4

Self explanatory.

Article 5

Paragraph (1)

In the event that a Taxpayer just obtains Taxpayer Registration Number in year 2016 and does not yet deliver the Last Annual SPT PPh, then additional net Assets disclosed in Statement Letter

entirely shall be calculated as basis for charge of Redemption Money.

Paragraph (2)

In principle, Tax Amnesty shall be provided on taxation obligations which are not yet or which are not yet fully settled by Taxpayer, represented in Assets which have never been reported in the Last SPT PPh. Amount of basis for charge of Redemption Money shall be additional Assets which have never been reported in the Last SPT PPh minus Liabilities relating to acquisition of the additional Assets.

These provisions stipulate calculation method of Redemption Money payable by Taxpayer which requests for Statement Letter.

Example 1:

Taxpayer A only has Assets inside the territory of the Unified State of the Republic of Indonesia. In Annual Income Tax Return of Fiscal Year 2015 (the Last SPT PPh) the Taxpayer reports:

a.	Assets Value	Rp15.000.000.000,00
b.	Liabilities Value	<u>Rp5.000.000.000,00</u> -
c.	Net Assets Value	Rp10.000.000.000,00

In Statement Letter delivered in the period of the first month until the end of the third month as from the coming into effect of this Law, it is known that:

a.	Assets Value	Rp20.000.000.000,00
b.	Liabilities Value	<u>Rp6.000.000.000,00</u> -
c.	Net Assets Value	Rp14.000.000.000,00

Thus basis for charge of Redemption Money is:
 $Rp14.000.000.000,00 - Rp10.000.000.000,00 =$
 $Rp4.000.000.000,00.$

Calculation of Redemption Money:

Rate in the period of the first month until the end of the third month as from the coming into effect of this Law is 2% (two percent);

Basis for charge of Redemption Money is Rp4.000.000.000,00;

Redemption Money payable:

$2\% \times Rp4.000.000.000,00 = Rp80.000.000,00.$

Example 2:

Taxpayer B which follows Tax Amnesty program intends to transfer Assets partly from outside the territory of the Unified State of the Republic of Indonesia into the territory of the Unified State of the Republic of Indonesia, however in Annual Income Tax Return of Fiscal Year 2015 (the Last SPT PPh) Taxpayer B only reports Assets existing inside the territory of the Unified State of the Republic of Indonesia with the following specification:

a.	Assets Value	Rp15.000.000.000,00
b.	Liabilities Value	<u>Rp 5.000.000.000,00</u> -
c.	Net Assets Value	Rp10.000.000.000,00

In Statement Letter delivered in the period of the first month until the end of the third month as from the coming into effect of this Law, it is disclosed that:

- a. A total value of Taxpayer's Assets on December 31, 2015 is Rp50.000.000.000,00 consisting of:
 1. Assets value in the Last SPT PPh amounting to Rp15.000.000.000,00;
 2. Assets value which is not yet reported in the Last SPT PPh amounting to Rp35.000.000.000,00, consisting of:
 - a) Value of Assets existing outside the territory of the Unified State of the Republic of Indonesia to be transferred into the territory of the Unified State of the Republic of Indonesia amounting to Rp12.000.000.000,00;
 - b) Value of Assets existing outside the territory of the Unified State of the Republic of Indonesia which will not be transferred into the territory of the Unified State of the Republic of Indonesia amounting to Rp23.000.000.000,00;

- b. A total value of Taxpayer's Liabilities on December 31, 2015 is Rp14.000.000.000,00 consisting of:
 1. Liabilities value in the Last SPT PPh amounting to Rp5.000.000.000,00;
 2. Liabilities value which is not yet reported in the Last SPT PPh amounting to Rp9.000.000.000,00, consisting of:
 - a) Liabilities value relating to Assets existing outside the territory of the Unified State of the Republic of Indonesia which will be transferred into the territory of the Unified State of the Republic of Indonesia amounting to Rp3.000.000.000,00;
 - b) Liabilities value relating to Assets existing outside the territory of the Unified State of the Republic of Indonesia which will not be transferred into the territory of the Unified State of the Republic of Indonesia amounting to Rp6.000.000.000,00;

- c. Value of net Assets at the time of delivery of Statement Letter:
 1. Value of net Assets relating to Assets which will be transferred into the territory of the Unified State of the Republic of Indonesia is:
$$\text{Rp12.000.000.000,00} - \text{Rp3.000.000.000,00} = \text{Rp9.000.000.000,00};$$
 2. Value of net Assets relating to Assets outside the territory of the Unified State of the Republic of Indonesia which will not be transferred into the

territory of the Unified State of the Republic of Indonesia is:
 $\text{Rp}23.000.000.000,00 - \text{Rp}6.000.000.000,00 =$
 $\text{Rp}17.000.000.000,00.$

Thus basis for charge of Redemption Money for:

1. Assets which will be transferred into the territory of the Unified State of the Republic of Indonesia is amounting to:
 $\text{Rp}9.000.000.000,00 - 0 = \text{Rp}9.000.000.000,00$
2. Assets which will not be transferred into the territory of the Unified State of the Republic of Indonesia is amounting to:
 $\text{Rp}17.000.000.000,00 - 0 = \text{Rp}17.000.000.000,00$

Calculation of Redemption Money:

Rates in the period of delivery of Statement Letter of the first month until the end of the third month as from the coming into effect of this Law are:

- a. 2% (two percent) for Assets which will be transferred into the territory of the Unified State of the Republic of Indonesia; and
- b. 4% (four percent) for Assets which will not be transferred into the territory of the Unified State of the Republic of Indonesia,

so that calculation of Redemption Money is as follows:

1. for Assets which will be transferred into the territory of the Unified State of the Republic of Indonesia:
 $2\% \times \text{Rp}9.000.000.000,00 = \text{Rp}180.000.000,00.$
2. for Assets which will not be transferred into the territory of the Unified State of the Republic of Indonesia:
 $4\% \times \text{Rp}17.000.000.000,00 = \text{Rp}680.000.000,00.$

Thus, a total Redemption Money which is paid by Taxpayer is:
 $\text{Rp}180.000.000,00 + \text{Rp}680.000.000,00 = \text{Rp}860.000.000,00$

Paragraph (3)

In the event that Liabilities relating to acquisition of additional Assets have been reported in the Last SPT PPh, the Liabilities should not be calculated as deduction of value of additional Assets in Statement Letter.

Article 6

Paragraph (1)

Self explanatory.

Paragraph (2)

Self explanatory.

Paragraph (3)

Self explanatory.

Paragraph (4)

These provisions stipulate basis for determination of value of additional Assets at the end of accounting year which is disclosed in Statement Letter.

Referred to as "fair value" shall be value which describes condition and circumstance of similar or equal assets based on Taxpayer assessment. The said Fair Value is recorded as acquisition prices of Assets which are reported by no later than Annual Income Tax Return of Fiscal Year 2017.

Example 1:

For Taxpayer whose accounting year is same as calendar year: Value of additional Assets disclosed in Statement Letter is value of Assets on December 31, 2015 in accordance with fair value for Assets other than cash or in accordance with nominal value for Assets in the form of cash, on that date.

Example 2:

For corporate Taxpayer the accounting year of which is not same as calendar year, for example, Taxpayer C uses accounting year which starts from August 2014 and which ends in July 2015: Value of additional Assets disclosed in Statement Letter is value of Assets other than cash on July 31, 2015 in accordance with fair value for Assets other than cash or in accordance with nominal value for Assets in the form of cash, on that date.

Paragraph (5)

Self explanatory.

Article 7

Paragraph (1)

Referred to as "Liabilities relating to additional Assets" shall be Liabilities the truth and existence of which can be accounted for legally which are directly used to obtain the additional Assets, among other things, the Liabilities are booked as accounts receivable by lender.

Paragraph (2)

The provisions in this paragraph shall only be enforced for the purpose of implementation of this Law.

Paragraph (3)

Self explanatory.

Paragraph (4)

Self explanatory.

Paragraph (5)

Self explanatory.

Paragraph (6)

Self explanatory.

Article 8

Paragraph (1)

Self explanatory.

Paragraph (2)

Referred to as "highest executive" for:

- a. Limited Liability Company shall be executive director, president director, or those deemed equal thereto with due observance of organizational structure in deed of establishment or in other similar documents;
- b. foundation shall be chairman of foundation;
- c. cooperatives shall be chairman of cooperatives.

Referred to as "absent" shall be a condition where the highest executive cannot perform obligations in his/her term of office.

Paragraph (3)

Sub-paragraph a
Self explanatory.

Sub-paragraph b
Self explanatory.

Sub-paragraph c
Self explanatory.

Sub-paragraph d
Self explanatory.

Sub-paragraph e
These provisions stipulate that:

- a. for Taxpayer already having Taxpayer Registration Number before year 2016 which:
 - 1. has delivered the Last SPT PPh, the Taxpayer must attach copy of the Last SPT PPh; or
 - 2. does not yet deliver the Last SPT PPh, the Taxpayer must deliver the Last SPT PPh in advance and must attach it to Statement Letter; or
- b. for Taxpayer just obtaining Taxpayer Registration Number in years 2016 and 2017, the Taxpayer is not required to attach copy of the Last SPT PPh.

Sub-paragraph f
Self explanatory.

Paragraph (4)

Self explanatory.

Paragraph (5)

Tax payment form which functions as slip of payment of Redemption Money shall be declared valid in the event that it has been validated with State Revenues Transaction Number (NTPN) which is issued by state revenues module.

Paragraph (6)

In the event that Taxpayer transfers Assets from outside the territory of the Unified State of the Republic of Indonesia into the territory of the Unified State of the Republic of Indonesia through branch of Receiving Bank overseas, the period of 3 (three) years

shall be calculated as from the Taxpayer places his/her Assets in the said branch of Receiving Bank overseas. The said Branch of Receiving Bank must transfer the said Assets to Receiving Bank in home country.

Paragraph (7)
Self explanatory.

Article 9

Paragraph (1)
Referred to as "information on Taxpayer's identity" shall be, among other things, information on name, address, Taxpayer Registration Number, passport number, Population Identification Number, and business license.

Paragraph (2)
Sub-paragraph a
Self explanatory.

Sub-paragraph b
Self explanatory.

Sub-paragraph c
Referred to as "information on ownership of Assets" shall be, among other things, in the form of information on location, year of acquisition, and number of proof of ownership.

Sub-paragraph d
Referred to as "support documents" shall be all things which can prove the truth of list of Liabilities disclosed, among other things, credit agreement and acknowledgment of indebtedness between two parties before notary or before witness.

Sub-paragraph e
Self explanatory.

Sub-paragraph f
Self explanatory.

Sub-paragraph g
These provisions shall be applicable to Taxpayers which file application for refund of tax overpayment, reduction or nullification of administrative sanctions of taxation in Tax Assessment Letter and/or in Tax Collection Letter therein indicating tax principal, reduction or cancellation of incorrect tax assessment, objection, correction of tax assessment letter and decision, appeal, lawsuit, and/or judicial review which do not yet obtain any decision or verdict.

Paragraph (3)
Self explanatory.

Paragraph (4)
Self explanatory.

Paragraph (5)
Referred to as "statement letter of amount of business turnover" shall be statement which indicates recording of Taxpayer's business turnover from January until December in the Last Fiscal Year.

Article 10

Paragraph (1)
Self explanatory.

Paragraph (2)
Referred to as "filling out and fulfillment of complete requirements of documents" shall cover calculation of amount of Redemption Money payable by Taxpayer and amount of Tax Arrears which must be settled.

Paragraph (3)
Self explanatory.

Paragraph (4)
Self explanatory.

Paragraph (5)
Self explanatory.

Paragraph (6)
Correction based on this paragraph shall be made if there is/are mistake/s or error/s necessary to be corrected properly.

Paragraph (7)
Self explanatory.

Paragraph (8)
Delivery of the second or third Statement Letter shall be performed in the context of giving Taxpayer chance, among other things, to:

- a. disclose increase in Assets which are not yet conveyed in Statement Letter or reduction of Assets already delivered in Statement Letter;
- b. disclose change of calculation of Redemption Money because Taxpayer makes change from initially stating that he/she transfers and invests Assets into the territory of the Unified State of the Republic of Indonesia to become that he/she does not transfer and invest any Assets into the territory of the Unified State of the Republic of Indonesia within the period specified;
- c. disclose change of calculation of Redemption Money because Taxpayer makes change from initially stating that he/she will not transfer Assets out of the territory of the Unified State of the Republic of Indonesia to become that he/she transfers Assets out of the territory of the Unified

State of the Republic of Indonesia within the period specified.

In the event that Taxpayer makes change as intended in sub-paragraph b and/or c, Redemption Money rates which initially use the rates as intended in Article 4 paragraph (1) become using the rates as intended in Article 4 paragraph (2).

Paragraph (9)

These provisions stipulate calculation method of Redemption Money for Taxpayer which delivers the second or third Statement Letter.

Referred to as "Certificate for the previous Statement Letter" shall be:

- a. in the event that Taxpayer delivers the third Statement Letter, "Certificate for the previous Statement Letter " shall be Certificate for the second Statement Letter; or
- b. in the event that Taxpayer delivers the second Statement Letter, "Certificate for the previous Statement Letter " shall be Certificate for the first Statement Letter.

Example:

Taxpayer reports Assets existing inside the territory of the Unified State of the Republic of Indonesia.

In the first Statement Letter which is delivered, it is disclosed that:

- a. value of net Assets on December 31, 2015 is Rp15.000.000.000,00;
- b. value of net Assets in the Last SPT PPh is Rp5.000.000.000,00;
- c. basis for Redemption Money charge is:
Rp15.000.000.000,00
Rp5.000.000.000,00 -
Rp10.000.000.000,00;
- d. Redemption Money which is paid is:
 $2\% \times \text{Rp}10.000.000.000,00 = \text{Rp}200.000.000,00.$

With respect to the first Statement Letter, then the first Certificate shall be issued which indicates Redemption Money amounting to Rp200.000.000,00, with basis for Redemption Money charge of Rp10.000.000.000,00.

As there are Assets which are not yet disclosed, Taxpayer delivers the second Statement Letter in the period of the fourth month until December 31, 2016, which discloses that:

- a. value of net Assets per December 31, 2015 is Rp35.000.000.000,00 (including additional Assets amounting to Rp20.000.000.000,00);
- b. value of net Assets in the Last SPT PPh is Rp5.000.000.000,00;
- c. Basis for Redemption Money charge is:
 $\text{Rp}35.000.000.000,00 - \text{Rp}5.000.000.000,00 =$
 $\text{Rp}30.000.000.000,00;$

- d. Basis for Redemption Money charge already indicated in Certificate for the first Statement Letter is Rp10.000.000.000,00;
- e. Basis for charge of Redemption Money payable in the second Statement Letter is:
Rp30.000.000.000,00 - Rp10.000.000.000,00 =
Rp20.000.000.000,00;
- f. Redemption Money which is paid is:
 $3\% \times \text{Rp}20.000.000.000,00 = \text{Rp}600.000.000,00$.

With respect to the second Statement Letter, then the second Certificate is issued which indicates Redemption Money amounting to Rp600.000.000,00.

In the event that the aforesaid Taxpayer re-discloses Assets in the same period as the first Statement Letter then:

- a. amount of Redemption Money rate is the same as Redemption Money rate in the first Statement Letter; and
- b. re-disclosure of Assets constitutes the second Statement Letter.

If using the example of calculation above, Redemption Money payable to state treasury which is indicated in the second Statement Letter is:

$$2\% \times \text{Rp}20.000.000.000,00 = \text{Rp}400.000.000,00.$$

Paragraph (10)
Self explanatory.

Article 11
Self explanatory.

Article 12
Paragraph (1)
Self explanatory.

Paragraph (2)
In the event that Taxpayer transfers Assets from outside the territory of the Unified State of the Republic of Indonesia into the territory of the Unified State of the Republic of Indonesia through branch of Receiving Bank overseas, the period of 3 (three) years shall be calculated as from the Taxpayer places his/her Assets in the said branch of Receiving Bank overseas. The said Branch of Receiving Bank must immediately transfer the said Assets to Receiving Bank in home country.

Paragraph (3)
Self explanatory.

Article 13
Paragraph (1)
Self explanatory.

Paragraph (2)
Self explanatory.

Paragraph (3)

Referred to as "the date of delivery" shall be the date when the warning letter is delivered as indicated in the proof of delivery.

Paragraph (4)

Self explanatory.

Paragraph (5)

Self explanatory.

Article 14

Self explanatory.

Article 15

Paragraph (1)

Self explanatory.

Paragraph (2)

Referred to as "the said Assets cannot yet be filed application for transfer of rights" shall be a circumstance where certificates of right of ownership of land such as: certificate of right of ownership, certificate of right to building, and the like are not yet issued for Assets in the form of land and/or building.

Application for transfer of right or statement letter which is signed by both parties before notary which declares that Assets as intended in this paragraph really belong to Taxpayer which delivers Statement Letter, can serve as basis for reduction of Assets for Taxpayer who transfers Assets, in the following Annual Income Tax Return.

Paragraph (3)

Self explanatory.

Paragraph (4)

Self explanatory.

Article 16

Self explanatory.

Article 17

Paragraph (1)

Self explanatory.

Paragraph (2)

Included in the definition of refund of tax overpayment shall be transfer.

Paragraph (3)

Self explanatory.

Article 18

Paragraph (1)

These provisions stipulate, among other things, treatment of net Assets which are not yet or which are poorly disclosed in Statement Letter.

Example 1:

In year 2017, the Directorate General of Taxation discovers net Assets which were obtained in year 2010 worth of Rp10.000.000.000,00 and are not yet disclosed in Statement Letter by the individual or entity.

The net Assets worth of Rp10.000.000.000,00 will be treated as additional incomes which are received or earned by Taxpayer at the time of discovery of data and/or information on the said Assets and their taxation treatment is in accordance with the provisions of laws and regulations in taxation sector.

Example 2:

In the list of net Assets disclosed in Statement Letter, Taxpayer declares that he/she has Assets in the form of plot of land A covering an area of 10 hectares with acquisition prices of Rp1.000.000.000,00. In year 2017, it is known that the plot of land A owned by Taxpayer apparently has an area of 20 hectares with acquisition price of Rp2.000.000.000,00. The lack of disclosure of net Assets in the Statement Letter amounting to Rp1.000.000.000,00 will be treated as additional incomes which are received or earned by Taxpayer at the time of discovery of data and/or information on the said Assets by the Directorate General of Taxation and their taxation treatment is in accordance with the provisions of laws and regulations in taxation sector.

Paragraph (2)

Self explanatory.

Paragraph (3)

Self explanatory.

Paragraph (4)

The provisions in this paragraph shall not be applicable to Taxpayers which are excluded as intended in Article 3 paragraph (3).

Article 19

Self explanatory.

Article 20

Criminal acts which are stipulated in this article shall cover Criminal Acts in taxation sector and other criminal acts.

Article 21

Self explanatory.

Article 22

The implementation of their duties shall be deemed based on a good faith if the Minister, Deputy Minister, employees of the Ministry of

Finance, and other parties relating to the implementation of Tax Amnesty, in carrying out their duties do not make any profits for themselves, family, group, and/or take no other actions having indications of corruption, collusion, and/or nepotism.

Article 23
Self explanatory.

Article 24
Self explanatory.

Article 25
Self explanatory.

SUPPLEMENT TO STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER
5899

NOTE

Source: LOOSE LEAF STATE SECRETARIAT YEAR 2016