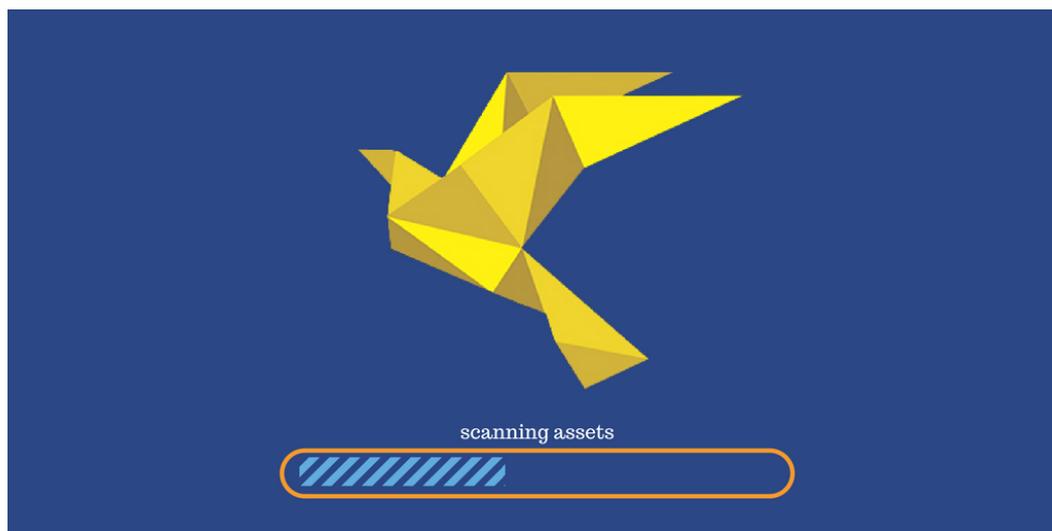


taxBlitz

Tax & Customs Update

Tax Amnesty Follow-up, Additional Assets Subject to Final Income Tax



Government has affirmed tax imposition upon additional income that is not or has not been reported by Taxpayers, either signing in the Tax Amnesty program or not. This affirmation is stated in Government Regulation Number 36 Year 2017, which is the follow-up of Article 13 and Article 18 of Law Number 11 Year 2016 on Tax Amnesty.

Essentially, both articles in the Tax Amnesty Law underline the consequences of Taxpayer's disobedience towards the stipulation. There are at least 2 (two) conditions and consequences haunting the implementation of Tax Amnesty program.

Firstly, regarding the participation in Tax Amnesty that is related to the stipulation of asset repatriation and Taxpayers' obligation to invest their assets in Indonesia for 3 (three) years. In this case, if Taxpayers have not or do not demonstrate their repatriation commitment until the end of repatriation period (period I and II: 31 December 2016, period III: 31 March 2017), or transfer their assets to overseas before 3 (three) years, the consequence is the assets disclosed in Asset Declaration are treated as income of Fiscal Year 2016 and subject to Income Tax plus sanction in compliance with tax regulations and provisions.

Secondly, regarding other assets—acquisition period of 1 January 1985 until 31 December 2015—that are not disclosed by Taxpayers in Asset Declaration or the disclosed asset value that is lower than the actual value. The consequence is, the assets discovered are deemed as income at the time of discovery and subject to Income Tax in compliance with tax provisions and regulations, and subject to 200% sanction.

Imposition Basis of Final Income Tax



Tax Rate

The discovered assets will be stipulated as income received or obtained by the Taxpayer, either corporate or individual, and subject to tax. The sanction value will be calculated, by multiplying net asset value with Income Tax rate that is final. Furthermore, the tax rate stipulated in this policy is divided based on taxpayer type, with the following details:

Taxpayer Type	Rate
Corporate Taxpayer	25%
Individual Taxpayer	30%
Certain Taxpayer	12.5%

A facility is provided by the government to Certain Taxpayers (12.5% rate), with the criteria that is only for Taxpayers with revenue from business and/or independent work up to IDR4.8 billion per year or Taxpayers with revenue other than from business or independent work up to IDR632million per year. This condition applies by considering that the Taxpayer still needs to be fostered and developed, without being burdened by high rate of tax.

This stipulation is prevailed as of the date of stipulation, which is on 6 September 2017.

TAX BLITZ is a publication of MUC Consulting Group to provide our clients, contact, and business relations with information of tax news and latest tax regulation. The materials within are limited to the purpose of providing information and should not treated similarly as professional advice or basis in formulating strategic business decisions. For subscription of TAX BLITZ, please send your request by email to publishing@mucglobal.com. For more information about MUC Consulting Group, please click www.mucglobal.com

Contact:

For further information, please contact the following MUC Consulting Group:



Imam Subekti

Tax Partner

imam.subekti@mucglobal.com

Karsino

Tax Partner

karsino@mucglobal.com



**MUC Consulting Group, MUC Building, Jl. TB. Simatupang No.15, Tanjung Barat,
Jakarta, Indonesia (12530)**

Tel: +6221 78837111, Fax: +6221 7887666