

Indonesia

Indonesia has met all aspects of the terms of reference (OECD, 2017^[3]) (ToR) for the calendar year 2018 (year in review) that can be met in the absence of rulings being issued and no recommendations are made.

In the prior year report, Indonesia did not receive any recommendations.

Indonesia can legally issue one type of rulings within the scope of the transparency framework. In practice, Indonesia issued no rulings within the scope of the transparency framework. 16 requests for unilateral APAs, including 15 requests mentioned in the prior year report, have been received from taxpayers until 31 December 2018. Five of the requests are still under consideration by Directorate General of Taxes, and 11 requests have been withdrawn by the taxpayers.

As no exchanges were required to take place, no peer input was received in respect of the exchanges of information on rulings received from Indonesia.

Introduction

This peer review covers Indonesia's implementation of the BEPS Action 5 transparency framework for the year 2018. The report has four parts, each relating to a key part of the ToR. Each part is discussed in turn. A summary of recommendations is included at the end of this report.

A. The information gathering process

Indonesia can legally issue the following type of ruling within the scope of the transparency framework: cross-border unilateral APAs and any other cross-border unilateral tax rulings (such as an advance tax ruling) covering transfer pricing or the application of transfer pricing principles.

Past rulings (ToR I.4.1.1, I.4.1.2, I.4.2.1, I.4.2.2)

For Indonesia, past rulings are any tax rulings within scope that are issued either: (i) on or after 1 January 2014 but before 1 April 2016; or (ii) on or after 1 January 2010 but before 1 January 2014, provided they were still in effect as at 1 January 2014.

In the prior years' peer review reports, it was determined that Indonesia's undertakings to identify past rulings and all potential exchange jurisdictions were sufficient to meet the minimum standard in the absence of rulings being issued in practice. Indonesia's implementation in this regard remains unchanged, and therefore continues to meet the minimum standard.

Future rulings (ToR I.4.1.1, I.4.1.2, I.4.2.1)

For Indonesia, future rulings are any tax rulings within scope that are issued on or after 1 April 2016.

In the prior years' peer review reports, it was determined that Indonesia's undertakings to identify future rulings and all potential exchange jurisdictions were sufficient to meet the minimum standard in the absence of rulings being issued in practice. Indonesia's implementation in this regard remains unchanged, and therefore continues to meet the minimum standard.

Review and supervision (ToR I.4.3)

In the prior years' peer review reports, it was determined that Indonesia's review and supervision mechanism was sufficient to meet the minimum standard in the absence of rulings being issued in practice. Indonesia's implementation in this regard remains unchanged, and therefore continues to meet the minimum standard.

Conclusion on section A

Indonesia has met all of the ToR for the information gathering process and no recommendations are made.

B. The exchange of information

Legal basis for spontaneous exchange of information (ToR II.5.1, II.5.2)

Indonesia has the necessary domestic legal basis to exchange information spontaneously. Indonesia notes that there are no legal or practical impediments that prevent the spontaneous exchange of information on rulings as contemplated in the Action 5 minimum standard.

Indonesia has international agreements permitting spontaneous exchange of information, including being a party to the (i) *Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol* (OECD/Council of Europe, 2011^[4]) (“the Convention”), and (ii) double tax agreements in force with 67 jurisdictions.¹

Completion and exchange of templates (ToR II.5.3, II.5.4, II.5.5, II.5.6, II.5.7)

In the prior year peer review report, it was determined that Indonesia’s process for the completion and exchange of templates were sufficient to meet the minimum standard in the absence of any rulings being issued. Indonesia’s implementation in this regard remains unchanged and therefore continues to meet the minimum standard.

As no future rulings have been issued during the year in review, Indonesia was not required to complete any exchanges of information and there is no data to report on timeliness of exchanges.

Conclusion on section B

Indonesia has the necessary legal basis for spontaneous exchange of information, a process for completing the templates in a timely way and has completed all exchanges. Indonesia has met all of the ToR for the exchange of information process that can be met in the absence of rulings being issued in practice and no recommendations are made.

C. Statistics (ToR IV)

As there was no information on rulings exchanged by Indonesia for the year in review, no statistics can be reported.

D. Matters related to intellectual property regimes (ToR I.4.1.3)

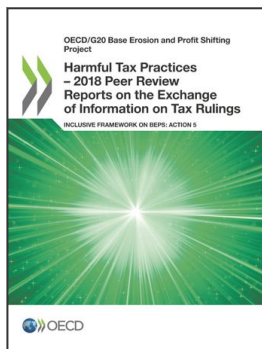
Indonesia does not offer an intellectual property regime for which transparency requirements under the Action 5 Report (OECD, 2015^[5]) were imposed.

Summary of recommendations on implementation of the transparency framework

Aspect of implementation of the transparency framework that should be improved	Recommendation for improvement
	No recommendations are made.

Notes

¹ Parties to the Convention are available here: www.oecd.org/tax/exchange-of-tax-information/convention-on-mutual-administrative-assistance-in-tax-matters.htm. Indonesia also has bilateral agreements with Algeria, Armenia, Australia, Austria, Bangladesh, Belgium, Brunei Darussalam, Bulgaria, Canada, China (People’s Republic of), Croatia, Czech Republic, Democratic People’s Republic of Korea, Denmark, Egypt, Finland, France, Germany, Hong Kong (China), Hungary, India, Iran, Italy, Japan, Jordan, Korea, Kuwait, Lao People’s Democratic Republic, Luxembourg, Malaysia, Mexico, Mongolia, Morocco, Netherlands, New Zealand, Norway, Pakistan, Papua New Guinea, Philippines, Poland, Portugal, Qatar, Romania, Russia, Seychelles, Singapore, Slovak Republic, South Africa, Spain, Sri Lanka, Sudan, Suriname, Sweden, Syria, Chinese Taipei, Thailand, Tunisia, Turkey, Ukraine, United Arab Emirates, United Kingdom, United States, Uzbekistan, Venezuela, Viet Nam.



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