

# Indonesia

Indonesia has met all aspects of the terms of reference (OECD, 2021<sup>[3]</sup>) (ToR) for the calendar year 2021 (year in review), and no recommendations are made.

Indonesia can legally issue one type of rulings within the scope of the transparency framework.

In practice, Indonesia issued rulings within the scope of the transparency framework as follows:

Type of ruling	Number of rulings
Past rulings	0
Future rulings in the period 1 April 2016 – 31 December 2016	0
Future rulings in the calendar year 2017	0
Future rulings in the calendar year 2018	0
Future rulings in the calendar year 2019	1
Future rulings in the calendar year 2020	1
Future rulings in the year in review	2

No peer input was received in respect of the exchanges of information on rulings received from Indonesia.

## Information gathering process (ToR I.A)

606. Indonesia can legally issue one type of ruling within the scope of the transparency framework: (i) 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.

607. 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. Future rulings are any tax rulings within scope that are issued on or after 1 April 2016.

608. In the prior years' peer review reports, it was determined that Indonesia's undertakings to identify past and future rulings and all potential exchange jurisdictions were sufficient to meet the minimum standard. In addition, it was determined that Indonesia's review and supervision mechanism was sufficient to meet the minimum standard. Indonesia's implementation remains unchanged, and therefore continues to meet the minimum standard.

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

## Exchange of information (ToR II.B)

### ***Legal basis for spontaneous exchange of information (ToR II.B.1, II.B.2)***

610. 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.

611. Indonesia has international agreements permitting spontaneous exchange of information, including: (i) the *Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol* (OECD/Council of Europe, 2011<sup>[1]</sup>) ("the Convention") and (ii) bilateral agreements in force with 69 jurisdictions.<sup>1</sup>

### ***Completion and exchange of templates (ToR II.B.3, II.B.4, II.B.5, II.B.6, II.B.7)***

612. In the prior years' peer review reports, it was determined that Indonesia's process for the completion and exchange of templates were sufficient to meet the minimum standard. However, the rulings issued during the year in review were not exchanged in a timely manner due to delays in the transmission to the competent authority for exchange of information. These delays are due to remote working as a consequence of the Covid-19 pandemic and personnel changes within the MAP/APA unit. The newly appointed staff in the MAP/APA unit were not fully aware of the obligation to exchange information on unilateral APAs in a timely manner. Indonesia notes that once these delays were identified, the EOI unit notified this issue to the Competent Authority. As a result, the Competent Authority immediately issued formal instructions on the exchange obligations to the head of MAP/APA unit and exchanges have taken place early 2022. Because actions have been undertaken, this is a non-recurring issue, and no recommendation is made.

613. For the year in review, the timeliness of exchanges is as follows:

Future rulings within the scope of the transparency framework	Number of exchanges transmitted within three months of the information becoming available to the competent authority or immediately after legal impediments have been lifted	Delayed exchanges		
		Number of exchanges transmitted later than three months of the information on rulings becoming available to the competent authority	Reasons for the delays	Any other comments
	0	8	Late transmission to the Competent Authority by the authority issuing the rulings.	N/A

Follow-up requests received for exchange of the ruling	Number	Average time to provide response	Number of requests not answered
	0	N/A	N/A

### **Conclusion on section B**

614. 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, except for transmitting information on rulings to the competent authority without undue delay (ToR II.B.5).

### **Statistics (ToR IV.D)**

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

### **Matters related to intellectual property regimes (ToR I.A.1.3)**

616. Indonesia does not offer an intellectual property regime for which transparency requirements under the Action 5 Report (OECD, 2015<sup>[2]</sup>) 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.

## References

- OECD (2021), *BEPS Action 5 on Harmful Tax Practices - Terms of Reference and Methodology for the Conduct of the Peer Reviews of the Action 5 Transparency Framework*, OECD Publishing, Paris, <http://www.oecd.org/tax/beps/beps-action-5-harmful-tax-practices-peer-review-transparency-framework.pdf>. [3]
- OECD (2015), *Countering Harmful Tax Practices More Effectively, Taking into Account Transparency and Substance, Action 5 - 2015 Final Report*, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris, <https://doi.org/10.1787/9789264241190-en>. [2]
- OECD/Council of Europe (2011), *The Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264115606-en>. [1]

## Notes

<sup>1</sup> Participating jurisdictions to the Convention are available here: [www.oecd.org/tax/exchange-of-tax-information/convention-on-mutual-administrative-assistance-in-tax-matters.htm](http://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, Belarus, Belgium, Brunei Darussalam, Bulgaria, Cambodia, 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, Serbia, Seychelles, Singapore, Slovak Republic, South Africa, Spain, Sri Lanka, Sudan, Suriname, Sweden, Syrian Arab Republic, Chinese Taipei, Tajikistan, Thailand, Tunisia, Türkiye, Ukraine, United Arab Emirates, United Kingdom, United States, Uzbekistan, Venezuela, Viet Nam.



From:

## Harmful Tax Practices – 2021 Peer Review Reports on the Exchange of Information on Tax Rulings Inclusive Framework on BEPS: Action 5

Access the complete publication at:

<https://doi.org/10.1787/4034ce42-en>

### Please cite this chapter as:

OECD (2023), “Indonesia”, in *Harmful Tax Practices – 2021 Peer Review Reports on the Exchange of Information on Tax Rulings: Inclusive Framework on BEPS: Action 5*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/8722bda2-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area. Extracts from publications may be subject to additional disclaimers, which are set out in the complete version of the publication, available at the link provided.

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <http://www.oecd.org/termsandconditions>.