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**LAW OF THE REPUBLIC OF INDONESIA  
NUMBER 11 YEAR 2016  
CONCERNING  
TAX AMNESTY**

**BY THE GRACE OF GOD ALMIGHTY  
PRESIDENT OF THE REPUBLIC OF INDONESIA,**

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- Considering
- a. that the national development of the Unitary State of the Republic of Indonesia, of which is aimed to create the prosperity of all the people of Indonesia on a basis of equality and justice, shall need huge funding from tax revenues;
  - b. that in order to fulfill the increasing need of tax revenues, it shall be necessary to create the awareness and the compliance of the people by optimizing the existing potency and resources;
  - c. that the awareness and the compliance of the people in fulfilling the tax obligations shall be increased in considering that there are still assets both in the country and abroad that have not been completely reported in documents of notices on annual income taxes;
  - d. that in order to increase the State's revenues and the growth of economy as well as the awareness and the compliance of people in fulfilling their obligations on taxation, it shall be necessary to make a policy on Tax Amnesty;
  - e. that based on the consideration as cited in letters a through d, it shall be necessary to issue a law on Tax Amnesty;
- Referring to in: Article 5 paragraph (1), Article 20, and Article 23A of the 1945 Constitution of the Republic of Indonesia;

**Based on a Joint Agreement between**

**People's House of Representatives (DPR) of The Republic of Indonesia**

**And**

**President of the Republic of Indonesia;**

**DECIDES**

To Enact LAW ON TAX AMNESTY

**CHAPTER I  
GENERAL STIPULATIONS**

## Article 1

In this Law what is meant by:

1. Tax Amnesty shall be the removal of tax payable (tax payment in arrears) by not imposing an administrative sanction of taxation and criminal sanction in the sector of taxation, as long as there is an intention of taxpayer to reveal the ownership of assets and pay Compensation Money (Redeem) as regulated in the prevailing Law on Tax Amnesty.
2. Taxpayer shall be individual or entity that has right and obligation of taxation as in compliance with the prevailing laws and regulations on taxation in Indonesia.
3. Assets shall be the accumulation of additional economic capacity in form of any of the assets, either tangible or intangible assets, either movable or immovable assets, used for either business or non-business, located in and/or outside the territory of the Unitary State of the Republic of Indonesia.
4. Liabilities shall be the principal amount of liabilities that have yet to be settled/ paid in regard of direct acquirement of assets.
5. Fiscal Year shall be a period of 1 (one) calendar year except the Taxpayer applies a book year not similar to the calendar year.
6. Tax Payable (Tax Payment in Arrears) shall be a principal amount of tax that has yet to be settled or paid as referring to a Document of Tax Notice (Tax Claim) in which is stated the principal amount of tax payable, and also referring to a document of notice on under-payment of tax, a document of notice on additional under-payment of tax, a document of decision on correction, a document of decision on objection, a verdict of appeals and a verdict on legal review that may cause an amount of tax payable to become greater including the amount of tax that should not be returned, as regulated under Law on General Stipulations and Procedure of Taxation.
7. Compensation Money (Payoff) or a Redeem shall be an amount of money paid or transferred to the State Treasury in light of Tax Amnesty.
8. Crime in Taxation shall be a crime as regulated under Law on General Stipulations and Procedure of Taxation.
9. Letter of statement on assets for tax amnesty, hereinafter referring to Letter of Statement shall be a letter (document) that is used by taxpayer to report the assets, liabilities, net value of assets, and the calculation of Compensation Money (Redeem).
10. Minister shall be the Minister who is in charge of governmental affairs in State's finance.
11. Letter (document) of Advice on Tax Amnesty, hereinafter referring to Letter of Advice shall be a document (letter) issued by Minister as an evidence for Tax Amnesty.

12. Letter (document) of Notice on the Latest Annual Income Tax hereinafter referring to the Latest SPT PPh shall be:
  - a. Letter (document) of Notice on Annual Income Tax for Fiscal Year 2015 of the taxpayer, of which the book year ended in a period from July 1, 2015 through December 31, 2015; or
  - b. Letter (document) of Notice on Annual Income Tax for Fiscal Year 2014 of the taxpayer, of which the book year ended in a period from January 1, 2015 through June 30, 2015.
13. Management of Data and Information shall be a system of administration of data and information of the Tax Payer in light of Tax Amnesty, of which is managed by Minister.
14. Bank of Perception shall be a commercial bank assigned by Minister to receive the payment of State's revenues and based on the Law on Tax Amnesty it is assigned to receive the Compensation Money (Redeem or Payoff) and/ or the fund repatriated into the territory of the Unitary State of the Republic of Indonesia in light of the implementation of Tax Amnesty.
15. The Latest Fiscal Year shall be the Fiscal Year ended in a period from January 1, 2015 through December 31, 2015.

## **CHAPTER II PRINCIPLE AND AIM**

### **Article 2**

- (1) Tax Amnesty shall be implemented based on the principles as follows:
  - a. legal certainty;
  - b. justice;
  - c. effectiveness; and
  - d. national interest.
- (2) Tax Amnesty is aimed:
  - a. to accelerate the growth and the restructuring of economy by a means of the repatriation of assets, of which will create a positive impact such as an increase of domestic liquidity, improvement of the exchange rate of Rupiah, a decrease of financial interest, and an increase of investment;
  - b. to support the tax reform in creating a system of taxation based on justice and for the expansion of basis of data (database) of taxation, of which shall be more valid

- and comprehensive in the integration; and
- c. to increase tax revenues, of which shall be used for funding the development.

**CHAPTER III**  
**SUBJECT AND OBJECT OF TAX AMNESTY**

**Article 3**

- (1) Every Taxpayer shall have the rights to Tax Amnesty.
- (2) Tax Amnesty as cited in paragraph (1) shall be granted to Taxpayer who reveals the ownership of assets as stated in a Letter of Statement.
- (3) Excluded from the stipulations as cited in paragraph (1) shall be the taxpayer who is currently:
- a. in a process of investigation and the document of investigation has already been declared complete by the office of attorney;
  - b. in a process of trial at court; or
  - c. in a process of criminal punishment,
- for any case of crimes on taxation.
- (4) Tax Amnesty as cited in paragraph (1) shall include the removal of tax payable up to the end of the latest fiscal year, of which has not been paid or not fully been paid by taxpayer.
- (5) Tax payable as cited in paragraph (4) shall include the payables as follows:
- a. Income Tax; and
  - b. Value-added tax (VAT) or VAT and tax of the sales of luxurious goods.

**CHAPTER IV**  
**TARIFF AND METHOD OF CALCULATION OF COMPENSATION MONEY (REDEEM)**

**Article 4**

- (1) The tariff of Compensation Money (Redeem) for assets located inside the territory of the Unitary State of the Republic of Indonesia; or assets located outside the territory of the Unitary State of the Republic of Indonesia that are repatriated into the territory of the Unitary State of the Republic of Indonesia and invested in the territory of the Unitary State of the Republic of Indonesia in a period of no shorter than 3 (three) years as of the time of repatriation, shall be as follows:

1. 2% (two percent) in the period of submission of the letter of statement in the first month up to the end of the third month as of the effectiveness of Law on Tax Amnesty;
  2. 3% (three percent) in the period of submission of the letter of statement in the fourth month as of the effectiveness of Law on Tax Amnesty up to December 31, 2016; and
  3. 5% (five percent) in the period of submission of the letter of statement from January 1, 2017 through March 31, 2017.
- (2) The tariff of Compensation Money (Redeem) as cited in Article 9 of assets outside the territory of the Unitary State of the Republic of Indonesia that are not repatriated into the territory of the Unitary State of the Republic of Indonesia shall be as follows:
- a. 4% (four percent) in the period of submission of the letter of statement in the first month up to the end of the third month as of the effectiveness of Law on Tax Amnesty;
  - b. 6% (six percent) in the period of submission of the letter of statement in the fourth month as of the effectiveness of Law on Tax Amnesty up to December 31, 2016; and
  - c. 10% (ten percent) in the period of submission of the letter of statement from January 1, 2017 through March 31, 2017.
- (3) The tariff of Compensation Money (Redeem) for taxpayer whose business turnover is up to Rp4,800,000,000 (four billion eight hundred million rupiah) in the latest fiscal year shall be as follows:
- a. 0.5% (point five percent) for the taxpayer who reveals the value of the ownership of assets in an amount of no more than Rp10,000,000,000 (ten billion) as stated in the letter of statement; or
  - b. 2% (two percent) for the taxpayer who reveals the value of the ownership of assets in an amount of more than Rp10,000,000,000 (ten billion) as stated in the letter of statement,
- in the period of submission of the letter of statement in the first month as of the effectiveness of the law on tax amnesty up to March 31, 2017.

#### **Article 5**

- (1) The amount of Compensation Money (Redeem) shall be calculated by multiplying the tariff as cited in Article 4 with the basis of imposition of Compensation Money (Redeem).
- (2) The basis of the imposition of Compensation Money (Redeem) as cited in paragraph (1)

shall be calculated based on the value of net assets that have not been reported or incompletely (partly) reported in the latest SPT PPh.

- (3) The value of net assets as cited in paragraph (2) shall be the difference between the value of assets and the value of liabilities.

#### **Article 6**

- (1) The value of assets as revealed in the letter of statement shall include:

- a. the value of assets that have been reported in the latest SPT PPh; and
- b. the value of additional assets that have not been reported or incompletely (partly) reported in the latest SPT PPh.

- (2) The value of assets that have been reported as cited in paragraph (1) letter a shall be in denomination of Rupiah based on the value that is reported in the latest SPT PPh.

- (3) In case the taxpayer is obliged to submit a Letter (document) of Notice on Annual Income Tax stated not in denomination of Rupiah, the value of assets that have been reported as cited in paragraph (1) letter a shall be determined in the currency of Rupiah based on the exchange rate as determined by Minister for the sake of calculation of tax on the date at the end of the latest fiscal year of the latest SPT PPh.

- (4) The value of additional assets that have been reported or incompletely (partly) reported as cited in paragraph (1) letter b shall be stated in denomination of Rupiah based on the nominal value of asset in form of Cash or the normal value of assets except Cash at the end of the latest fiscal year.

- (5) In case the value of additional assets not stated in the denomination of Rupiah, the value of additional assets shall be later on determined in the currency of Rupiah based on:

- a. the nominal value of cash as asset; or
- b. the normal value of assets except Cash at the end of the latest fiscal year,

of which shall be based on the exchange rate as determined by Minister in regard of calculation of tax at the end of the latest fiscal year.

#### **Article 7**

- (1) The value of liabilities as revealed in the letter of statement shall include:

- a. the value of liabilities that have been reported in the latest SPT PPh; and
- b. the value of liabilities, which are related to the acquirement of additional assets as cited in Article 6 paragraph (1) letter b.

- (2) In regard of the calculation of the basis of imposition of Compensation Money (Redeem), the value of liabilities that are directly related to the acquirement of additional assets, of which can be calculated as a factor of deduction of the value of assets, shall be as follows:
  - a. for corporate taxpayer (entity), the deduction shall be maximal 75% (seventy five percent) of the value of additional assets; or
  - b. for individual taxpayer, the deduction shall be maximal 50% (fifty percent) of the value of additional assets.
- (3) The value of liabilities that have been reported as cited in paragraph (1) letter a shall be stated in denomination of Rupiah based on the value as reported in the latest SPT PPh.
- (4) In case that the taxpayer is obliged to submit a letter (document) of notice on annual income tax (PPh) that is not stated in denomination of Rupiah, the value of liabilities as cited in paragraph (3) shall be later on determined in the currency of Rupiah based on the exchange rate as determined by Minister for the sake of calculation of tax at the end of the date of the latest SPT PPh.
- (5) The value of liabilities that are directly related to the acquirement of additional assets as cited in paragraph (1) letter b shall be stated in denomination of Rupiah based on the value as reported in the list of liabilities of the latest fiscal year.
- (6) In case the value of liabilities that are directly related to the acquirement of additional assets as cited in paragraph (1) letter b not stated in denomination of Rupiah, the value of liabilities shall be later on determined in denomination of Rupiah based on the exchange rate as determined by Minister for the sake of calculation of tax at the end of the latest fiscal year.

## **CHAPTER V**

### **PROCEDURE ON SUBMISSION OF LETTER OF STATEMENT, ISSUANCE OF LETTER OF ADVICE, AND TAX AMNESTY (REMOVAL OF TAX OBLIGATION)**

#### **Article 8**

- (1) In regard of the tax amnesty, the taxpayer shall be obliged to submit a letter of statement to Minister.
- (2) The letter of statement as cited in paragraph (1) shall be signed with signature by:
  - a. Individual Taxpayer;
  - b. the top person in charge (top leader) based on the Deed of Establishment or based on other equal documents of the corporate taxpayer; or

c. a proxy, in case the top person in charge as cited in letter b is not in attendance (absent).

(3) Taxpayer as cited in paragraph (1) shall fulfill the requirements as follows:

a. to have index number of taxpayer (NPWP);

b. to pay Compensation Money (Redeem);

c. to fully settle the payment of Tax Payable (tax payment in arrears);

d. to fully pay the tax that is unpaid or under-paid or the amount that should not be returned to the taxpayer who is currently in a process of inspection of preliminary evidences and/ or investigation of crime of taxation;

e. to submit the latest SPT PPh for taxpayer who has got an obligation to submit a letter of notice on annual income tax; and

f. to revoke a request and/ or a proposal for:

1. the return of the excess of amount of tax payment;

2. the reduction or the removal of administrative sanction as stated in the document of determination on taxation and/ or the document on tax claim in which is stated the principal amount of tax payable;

3. the reduction or the cancellation of the document of determination on incorrect taxation;

4. objection;

5. the correction of document of determination on taxation and/ or letter of decision;

6. appeals;

7. lawsuit; and/ or

8. legal review,

In case that the taxpayer is currently submitting a letter of request (proposal) and a letter of decision or a decision has not been issued or made yet.

(4) Compensation Money (Redeem) as cited in paragraph (3) letter b shall be fully paid and transferred to the State Treasury through Bank of Perception.

(5) In regard of the payment of Compensation Money (Redeem) as cited in paragraph (4) a document of tax payment shall be used, of which is functioning as an evidence of



payment for Compensation Money (Redeem) after obtaining a validation.

- (6) For taxpayer who has intention to repatriate assets into the territory of the Unitary State of the Republic of Indonesia, in addition to the fulfillment of the requirements as cited in paragraph (3), the taxpayer shall be obliged to repatriate the assets into the territory of the Unitary State of the Republic of Indonesia and invest the assets into the territory of the Unitary State of the Republic of Indonesia for at least 3 (three) years:
1. before December 31, 2016, for taxpayer who chooses to use a tariff of Compensation Money (Redeem) as cited in Article 4 paragraph (1) letters a and b; and/ or
  2. before March 31, 2017, for taxpayer who chooses to use a tariff of Compensation Money (Redeem) as cited in Article 4 paragraph (1) letter c.
- (7) In case the taxpayer has revealed the assets located and/ or placed in the territory of the Unitary State of the Republic of Indonesia, in addition to the fulfillment of the requirements as cited in paragraph (3) the taxpayer shall not be allowed to later on transfer the assets outside the territory of the Unitary State of the Republic of Indonesia in a period of no shorter than 3 (three) years as of the issuance of a letter of advice.

#### **Article 9**

- (1) The Letter of Statement as cited in Article 8 paragraph (1) shall at least include the information of the identity of taxpayer, assets, liabilities, net value of assets, and the calculation of Compensation Money (Redeem).
- (2) The letter of statement as cited in paragraph (1) shall be attached with:
- a. the evidence of payment of Compensation Money (Redeem);
  - b. the evidence of full settlement of the payment of Tax Payable for taxpayer who has a payment in arrears;
  - c. the list of details of assets including the information about the ownership of the assets as reported;
  - d. the list of liabilities including the supporting documents;
  - e. the evidence of full settlement of unpaid tax, underpaid tax or the amount that should not be returned to taxpayer who is currently in a process of inspection of preliminary evidences or investigation;
  - f. the photocopy of the latest SPT PPh; and
  - g. the letter of statement on the revoke of request (proposal) as cited in Article 8 paragraph (3) letter f.

- (3) In case the taxpayer has intention to repatriate the assets into the territory of the Unitary State of the Republic of Indonesia as cited in Article 8 paragraph (6), in addition to attaching the documents as cited in paragraph (2) the taxpayer shall also attach a letter of statement on the repatriation and investment of assets into the territory of the Unitary State of the Republic of Indonesia for at least 3 (three) years as of the date of repatriation.
- (4) In case the taxpayer reveals the assets located and/ or placed in the territory of the Unitary State of the Republic of Indonesia as cited in Article 8 paragraph (7), in addition to attaching the documents as cited in paragraph (2) the taxpayer shall also attach a letter of statement on intention not to transfer the assets outside the territory of the Unitary State of the Republic of Indonesia for at least 3 (three) years as of the issuance of the letter of advice.
- (5) For Taxpayer whose business turnover in amount of no more than Rp4,800,000,000 (four billion eight hundred million rupiah) in the latest fiscal year as cited in Article 4 paragraph (3), in addition to attaching the documents as cited in paragraphs (2) and (4) the taxpayer shall also attach a letter of statement on the amount of business turnover.

#### **Article 10**

- (1) The letter of statement shall be submitted to Directorate General of Taxation where the taxpayer is registered or certain place as determined by Minister.
- (2) Before submitting the letter of statement including attachments as cited in Article 9 the taxpayer shall ask for clarification on how to fill in and fulfill the completeness of documents that have to be attached in the letter of statement that will be submitted to Directorate General of Taxation or to a certain place as determined by Minister.
- (3) Based on the clarification as cited in paragraph (2) the taxpayer shall pay the Compensation Money (Redeem) and submit the letter of statement including the attachments.
- (4) Minister or government official who is assigned by Minister shall issue a letter of advice in a period of no later than 10 (ten) work days as of the date of receiving the letter of statement including the attachments and deliver the letter of advice to the taxpayer.
- (5) In case in a period of 10 (ten) work days as cited in paragraph (4) Minister or the government official, who is assigned on behalf of Minister, has yet to issue a letter of advice the letter of statement as submitted by the taxpayer shall automatically be regarded as an acceptable replacement of the letter of advice.
- (6) Minister or the government official, who is assigned on behalf of Minister, shall be allowed to issue a letter (document) of correction of the letter of statement in case of:
  - a. mistake in writing the letter of advice; and/ or

b. mistake of calculation in the letter of advice.

(7) Taxpayer shall be allowed to submit a letter of statement maximal 3 (three) times in a period as of the effectiveness of the law on tax amnesty up to March 31, 2017.

(8) The taxpayer shall be allowed to submit the second or the third letter of statement before or after the letter of advice for the first or the second letter of statement has already been issued.

(9) In case the taxpayer has submitted the second or the third letter of statement, the basis of calculation of Compensation Money (Redeem) in the letter of statement shall also include the basis of calculation of Compensation Money (Redeem) that has been stated in the letter of advice of the previous letter of statement.

(10) In case of the excess of payment of Compensation Money (Redeem) caused by:

a. the issuance of the letter of correction for the reason that a mistake is made in the calculation as cited in paragraph (6) letter b; or

b. the submission of the second and the third letter of statement as cited in Article paragraph (8),

the excess of payment shall be returned and/ or re-compensated to other tax obligations, in a period of no more than 3 (three) months as of the issuance of the letter of correction or the submission of the second or the third letter of statement.

#### **Article 11**

(1) Taxpayer who has submitted a letter of statement as cited in Article 8 paragraph (1) including the attachments as cited in Article 9, shall be given a receipt of the letter of statement.

(2) Taxpayer who has received a receipt as cited in paragraph (1) shall be exempted from:

a. inspection;

b. inspection of preliminary evidences; and/ or

c. investigation of crimes of taxation,

in a fiscal period, part of fiscal year, or fiscal year up to the end of the latest fiscal year.

(3) In case the taxpayer who has received a receipt as cited in paragraph (1) is currently in a process of:

a. inspection;

b. inspection of preliminary evidences; and/ or

c. investigation of crimes of taxation,

in a fiscal period, part of fiscal year, or fiscal year up to the end of the latest fiscal year, the inspection, inspection of preliminary evidences; and/ or investigation of crimes of taxation shall be deferred until the issuance of a letter of advice.

(4) The inspection, inspection of preliminary evidences; and/ or investigation of crimes of taxation as cited in paragraph (3) shall be terminated in case the Minister or the official, who is assigned on behalf of Minister, has issued a letter of advice.

(5) Taxpayer for whom a letter of advice has been issued shall be granted the facility of tax amnesty such as :

a. the removal of tax payable (tax payment in arrears) of which the determination of tax has not been made, and there is no administrative sanction of taxation, and there is no criminal sanction of taxation, for the obligation of taxation in a fiscal period, part of fiscal year, and fiscal year, up to the end of the latest fiscal year;

b. the removal of administrative sanction of taxation in form of interest, or fine, for the obligation of taxation in a fiscal period, part of fiscal year, and fiscal year, up to the end of the latest fiscal year;

c. no inspection of tax, no inspection of preliminary evidences and no investigation of crimes of taxation, for the obligation of taxation in a fiscal period, part of fiscal year, and fiscal year up to the end of the latest fiscal year; and

d. the termination of inspection of tax, inspection of preliminary evidences and investigation of crimes of taxation, in case the taxpayer is currently in a process of inspection of taxation, inspection of preliminary evidences, and investigation of crimes of taxation in regard of the obligation of taxation up to the end of the latest fiscal year, of which has previously been deferred as cited in Article 11 paragraph (3),

of which is related to the obligation of taxation as cited in Article 3 paragraph (5).

(6) The termination of investigation as cited in paragraph (5) letter d shall be conducted by the government employee (PNS) as an inspector in the workplace of Directorate General of Taxation whose task and function shall be in investigation as in compliance with the prevailing laws and regulations of taxation.

## **CHAPTER VI**

### **OBLIGATION TO INVEST ASSETS AS REVEALED AND REPORTING**

#### **Article 12**

- (1) For taxpayer who has intention to repatriate and invest the assets as cited in Article 8 paragraph (6) shall be obliged to repatriate the assets through a Bank of Perception that is specifically assigned in a period of no later than:
  - a. December 31, 2016 for taxpayer who has expressed an intention to repatriate and invest the assets as cited in Article 8 paragraph (6) letter a; and/ or
  - b. March 31, 2017 for taxpayer who has expressed an intention to repatriate and invest the assets as cited in Article 8 paragraph (6) letter b.
- (2) The period of investment shall be no shorter than 3 (three) years as cited in Article 8 paragraph (6) as of the date of the repatriation of assets into the territory of the Unitary State of the Republic of Indonesia.
- (3) The investment as cited in paragraph (1) shall be in form of:
  - a. market stock of the Republic of Indonesia;
  - b. bonds of State-owned Enterprise (SOE);
  - c. bonds of financial institution owned by the Government;
  - d. financial investment in Bank of Perception;
  - e. bonds of private company of which the trading is monitored by the Authority of Financial Services (OJK);
  - f. infrastructure investment in cooperation between the Government and business entity;
  - g. investment in real sector based on the priority as determined by the Government; and/ or
  - h. other legitimate investments in compliance with the prevailing laws and regulations.

### **Article 13**

- (1) Taxpayer or the proxy who is assigned shall submit a report to Minister or to the official who is assigned on behalf of Minister in regard of:
  - a. the realization of the repatriation and investment of additional assets as revealed in the letter of statement on additional assets that will be repatriated into the territory of the Unitary State of the Republic of Indonesia, for any taxpayer who is obliged to repatriate assets as cited in Article 8 paragraph (6); and/ or
  - b. the placement of additional assets as revealed in the letter of statement on additional assets that are located in the territory of Unitary State of the Republic of

Indonesia, for any taxpayer who is prohibited to transfer the assets outside the territory of Unitary State of the Republic of Indonesia as cited in Article 8 paragraph (7).

- (2) Based on the report as cited in paragraph (1) Minister or the official, who is assigned on behalf of Minister, shall issue or send a letter of warning after the end of the period of submission of the letter of statement in case:
  - a. the taxpayer, who has expressed an intention to repatriate and invest the assets into the territory of Unitary State of the Republic of Indonesia, has yet to fulfill the requirements as cited in Article 8 paragraph (6); and/ or
  - b. the taxpayer, who has expressed an intention not to transfer the assets to outside the territory of Unitary State of the Republic of Indonesia, has yet to fulfill the requirements as cited in Article 8 paragraph (7).
- (3) Taxpayer shall be obliged to submit a response to the letter of warning as cited in paragraph (2) in a period of time of no later than 14 (fourteen) workdays as of the date of sending the letter of warning.
- (4) In case based on the response from taxpayer it is found that the taxpayer fails to fulfill the requirements as cited in Article 8 paragraph (6) and/ or Article 8 paragraph (7), some conditions shall apply as follows:
  - a. the net value of additional assets as cited in the letter of advice shall be regarded as an income in the fiscal year 2016 and of the income shall be subject to the imposition of income tax and administrative sanction as in compliance with the laws and regulations of taxation; and
  - b. the Compensation Money (Redeem) that has been paid by the taxpayer shall be calculated as a reduction of tax as cited in letter a.
- (5) For the taxpayer as cited in paragraphs (4) shall subject the conditions on special treatment of tax amnesty as cited in Article 11.

## **CHAPTER VII**

### **TREATMENT OR STATUS OF TAXATION**

#### **Article 14**

- (1) Taxpayer who is obliged to conduct a book keeping as stipulated in the law on general stipulations and procedure of taxation, shall book the balance of the net value of assets as cited in Article 5 paragraph (3) and reported in the letter of statement and it shall be deducted by the net value of assets that have been reported by the taxpayer in the latest SPT PPh as cited in Article 6 paragraph (1) letter a, of which is regarded as an addition to the balance of Retained Earnings in the Balance Sheet.

- (2) The additional assets as revealed in the letter of statement as cited in Article 6 paragraph (1) letter b in form of intangible assets shall not be subject to amortization in regard of taxation.
- (3) The additional assets in form of tangible assets as revealed in the letter of statement and cited in Article 6 paragraph (1) letter b, shall not be subject to depreciation in regard of taxation.

#### **Article 15**

- (1) Taxpayer, who has obtained a letter of advice and paid the Compensation Money (Redeem) for:
  - a. immovable assets such as land and/ or building; and/ or
  - b. assets in form of shares,of which the transfer of ownership in the name of taxpayer has not been realized yet, shall be obliged to conduct/ conclude the transfer of ownership in the name of the taxpayer.
- (2) In regard of the transfer of ownership as cited in paragraph (1) letter a the taxpayer shall be freed from the imposition of income tax, in conditions as follows:
  - a. the request for the transfer of ownership; or
  - b. the signing with signatures of the letter of statement by both sides in front of Notary stating that the assets as cited in paragraph (1) letter a are duly owned by the taxpayer who submits the letter of statement, and in regard that the request for the transfer of ownership of assets cannot be realized yet,shall have already been conducted/ concluded in a period of no later than December 31, 2017.
- (3) The transfer of ownership as cited in paragraph (1) letter b shall be freed from the imposition of income tax in case there is an agreement on the transfer of ownership in a period of no later than December 31, 2017.
- (4) In case up to the date of December 31, 2017 the taxpayer has yet to transfer the ownership as cited in paragraph (1), the transfer of ownership shall be subject to taxation as in compliance with the laws and regulations of income tax.

#### **Article 16**

- (1) Taxpayer, who submits a letter of statement, shall have no rights to:
  - a. compensating the fiscal loss of the letter of advice in a part of fiscal year or fiscal year, up to the end of the latest fiscal, to another part of fiscal year of the next fiscal

year;

- b. compensating the excess of tax payment of the letter of advice on tax type as cited in Article 3 paragraph (5) in a fiscal period at the end of the latest fiscal year to the period of the next fiscal period;
  - c. submitting a request for a return of the excess of tax payment of the letter of advice on tax type as cited in Article 3 paragraph (5) in a fiscal period, a part of fiscal year, or fiscal year, up to the end of the latest fiscal year; and/ or
  - d. correcting the letter of advice on tax type as cited in Article 3 paragraph (5) in a fiscal period, a part of fiscal year, or fiscal year, up to the end of the latest fiscal year, after the enactment of this Law.
- (2) After the enactment of this Law, any correction of the letter of advice in a fiscal period, a part of fiscal year, or fiscal year, up to the end of the latest fiscal year as submitted by the taxpayer, who has already submitted a letter of statement, shall be taken for granted that it is not submitted.

#### **Article 17**

- (1) The Document of determination on taxation, letter of decision on preliminary return of the excess of tax payment, letter of decision on correction, letter of decision on reduction of the determined amount of tax, letter of decision on cancellation of the determination of tax (tax claim), letter of decision on objection, decision on appeals, decision on lawsuit, decision on legal review, in a fiscal period, a part of fiscal year, and fiscal year before the end of the latest fiscal year, of which have been issued **before** the taxpayer submits a letter of statement, shall be allowed to be used as a basis by:
- a. Directorate General of Taxation in collecting/ claiming the tax and/ or returning the excess of tax payment;
  - b. Taxpayer in compensating the fiscal loss; and
  - c. Taxpayer in compensating the excess of tax payment,
- as in compliance with the laws and regulations of taxation.
- (2) The document of determination on taxation, letter of decision on preliminary return of the excess of tax payment, letter of decision on correction, letter of decision on reduction of the determined tax (tax claim), letter of decision on cancellation of tax determination, letter of decision on objection, decision on appeals, decision on lawsuit, decision on legal review, in a fiscal period, a part of fiscal year, and fiscal year before the end of the latest fiscal year, of which have been issued **after** the taxpayer submits a letter of statement, shall not be allowed to be used as a basis by:
- a. Directorate General of Taxation in collecting/ claiming the tax and/ or returning the excess of tax payment;



- b. Taxpayer in compensating the fiscal loss; and
  - c. Taxpayer in compensating the excess of tax payment;
- (3) In case there are document of determination on taxation, letter of decision on preliminary return of the excess of tax payment, letter of decision on correction, letter of decision on reduction of the determined tax (tax claim), letter of decision on cancellation of tax determination, letter of decision on objection, decision on appeals, decision on lawsuit, decision on legal review, in a fiscal period, a part of fiscal year, and fiscal year before the end of the latest fiscal year, of which have been issued **before** the taxpayer submits a letter of statement and caused the obligation to pay an interest as fee to Directorate General of Taxation, such an obligation shall be removed.

## **CHAPTER VIII**

### **TREATMENT OR STATUS OF ASSETS THAT HAVE NOT BEEN REVEALED OR INCOMPLETELY REVEALED**

#### **Article 18**

- (1) In case the taxpayer has obtained a letter of advice and later on based on the data and/ or information it is found that some assets have not been or incompletely revealed in the letter of statement, in that regard the assets shall be regarded as an additional income received or obtained by the taxpayer at the time of finding the data and/ or information concerning the assets.
- (2) in case:
- a. The taxpayer fails to submit a letter of statement up to the end of the period of Tax Amnesty; and
  - b. Director General of Taxation finds data and/ or information on the assets of taxpayer acquired in a period from January 1, 1985 through December 31, 2015 and the assets have not been reported in the letter of advice on annual income tax,
- such assets shall be regarded as an additional income received or obtained by Taxpayer at the time of finding the data and/ or information on the assets in a maximal period of 3 (three) years as of the effectiveness of this Law.
- (3) In regard of the additional income as cited in paragraph (1) there shall be the imposition of income tax as in compliance with the laws and regulations of income tax and subject to an administrative sanction in form of an increase of payment up to 200% (two hundred percent) of the unpaid or underpaid income tax.
- (4) In regard of the additional income as cited in paragraph (2) there shall be the imposition of income tax and sanction as in compliance with the laws and regulations of taxation.

## **CHAPTER IX**

### **LAW CASE/ LAWSUIT**

#### **Article 19**

- (1) All of law cases/ lawsuits in regard of the implementation of this Law on Tax Amnesty shall duly be resolved by a means of filing such lawsuits at the court.
- (2) The lawsuits as cited in paragraph (1) shall be filed at the court of taxation.

## **CHAPTER X**

### **MANAGEMENT OF DATA AND INFORMATION**

#### **Article 20**

Data and information sourced from the letter of statement and attachments that are administratively filed by the Ministry of Finance or other parties in regard of the implementation of Law on Tax Amnesty shall not be used as a basis of inspection, investigation, and/ or criminal lawsuit against the taxpayer.

#### **Article 21**

- (1) Minister shall be in charge of the management of data and information in light of the implementation of Law on Tax Amnesty.
- (2) Minister, Vice Minister, officials of the Ministry of Finance, and other parties in regard of the implementation of Tax Amnesty, shall be prohibited to leak, distribute, and/ or reveal the data and information known from or disclosed by taxpayer to other parties.
- (3) Data and information submitted by the taxpayer in regard of the tax amnesty shall not be allowed to be requested by any party or given to any party based on other laws and regulations, except with an approval from the taxpayer.
- (4) Data and information submitted by the taxpayer shall be used as a basis of data (database) of taxation by Directorate General of Taxation.

#### **Article 22**

Minister, Vice Minister, officials of the Ministry of Finance, and other parties in regard of the implementation of Tax Amnesty, shall not be subject to being reported, accused/charged, inspected, investigated, or sued in either civil case or criminal case as long as the effort to conduct the task is based on a good intention and in compliance with the prevailing laws and regulations.

## **CHAPTER XI**

## **CRIMINAL CLAUSE**

### **Article 23**

- (1) Any person who violates the stipulations as cited in Article 21 paragraph (2) shall be subject to a criminal punishment in form of imprisonment for maximal 5 (five) years.
- (2) Criminal punishment as cited in paragraph (1) shall be charged based on a lawsuit filed by a person whose confidentiality has been violated.

## **CHAPTER XII**

### **STIPULATIONS ON THE IMPLEMENTATION OF TAX AMNESTY**

#### **Article 24**

Further stipulations concerning:

- a. the implementation of tax amnesty;
- b. the assignment of Bank of Perception that receives the fund from the repatriation of assets;
- c. the procedure and method of investment;
- d. the submission of report as cited in Article 13 paragraph (1); and
- e. the assignment of government official who is in charge of the implementation of the stipulations as cited in Article 10 paragraph (4), Article 10 paragraph (5), Article 10 paragraph (6), Article 11 paragraph (4), Article 13 paragraph (1), Article 13 paragraph (2),

shall be regulated under a Ministerial Decree.

## **CHAPTER XIII**

### **CLOSING CLAUSE**

#### **Article 25**

This Law shall be effective as of the date of enactment.

That everybody shall be made aware of, and the enactment of this Law shall be published in the State Gazette of the Republic of Indonesia.

**Stipulated in Jakarta**

**Dated July 1, 2016**  
**PRESIDENT OF THE REPUBLIC OF INDONESIA**

Signed

**JOKO WIDODO**

**Enacted in Jakarta**  
**Dated July 1, 2016**  
**Minister of Justice and Human Rights**  
**of the Republic of Indonesia,**

Signed

**YASONNA H. LAOLY**