DDTC Newsletter Vol.04 | No.11 | December 2020

Tax Incentives for Vaccine Imports and New Regulation on the Implementation of Tax Collection

Sets the Standards and Beyond



ABOUT DDTC

DDTC is a research and knowledge based taxation institution and a center of a number of taxation activities units with high standards that serve as main references in the field of taxation.

Our firm consists of consultation services (DDTC Consulting), a center for review and research (DDTC Fiscal Research), taxation journals (DDTC Working Paper), a training center (DDTC Academy), a provider of tax law documents (Perpajakan.id), a library (DDTC Library), and taxation news portal (DDTC News).

ABOUT DDTC Newsletter

Published every two weeks, DDTC Newsletter provides a summary of key tax law changes, both the current modifications and changes in taxation regulations, particularly those pertaining to domestic policies.

Contents

- **Tax Incentives for Vaccine Imports**
- **New Provisions on Tax Collection Implementation**
- **Changes in the Organization and Work Procedures of the DGCE's Vertical Agencies**
- **Reorganization of the Work Procedures and Organization of the DGT's Vertical Agencies**
- **Provisions on the Administrative Penalties and Compensation Interest Rates for the November 2020 Period**
- **Provisions on Administrative Penalties and Compensation Interest Rates for the December 2020 Period**
- **Changes in Tariffs for Oil Palm Export Services**

Tax Incentives for Vaccine Imports and New Regulation on the Implementation of Tax Collection

Tax Incentives for Vaccine Imports

The Ministry of Finance provides customs and/or excise as well as taxation facilities on imported vaccines as an effort to address the Corona Virus Disease 2019 (Covid-19) pandemic. This measure has been undertaken to accelerate the provision of fiscal facilities for the import of goods required for vaccine procurement and vaccination.

The policy on the provision of these facilities is outlined in the Minister of Finance Regulation No. 188/PMK.04/2020 concerning the Granting of Customs and/or Excise as well as Taxation Facilities on Imported Vaccines to Address the Corona Virus Disease 2019 (COVID-19) Pandemic (MoF Reg. 188/2020).

Three facilities are provided for the imports of vaccines to address the Covid-19 pandemic. First, exemptions from import duties and/or excise. Second, non-withholding of Value Added Tax (VAT) or VAT and Sales Tax on Luxury Goods (SLTGs). Third, exemptions from Article 22 import Income Tax. The vaccines referred to in this regulation include vaccines, vaccine raw materials, equipment required in vaccine production, and equipment for Covid-19 vaccination.

The imports of vaccines entitled to these facilities may be performed through a bonded logistics center. Customs and/or excise, as well as taxation facilities, are also provided for the release of imported vaccines and/or vaccines from other places in the customs area from bonded zones or bonded warehouses, free trade zones, and/or companies receiving import facilities for export.

For the release of vaccines, companies receiving Import Facilities for Export (*Kemudahan Impor Tujuan Ekspor*/KITE) are exempted from the obligation to pay import duties and/or excise and are exempted from the obligation to pay taxes on imports and/or VAT or VAT and SLTGs which have not been paid at the time of entry. Exemptions from the obligation to pay taxes on imports as well as VAT or VAT and SLTGs apply to the supply of taxable goods to other places in the customs area which are borne by the government.

To obtain customs and/or excise and tax facilities, taxpayers are required to apply to the minister of finance through the head of the customs and excise office where the entry or release of goods is carried out. The application must at least be attached with details of the quantity and types of goods for which the facilities are requested, along with an estimate of the customs value, and a permit from the relevant technical agency if the imported goods are prohibited and/or restricted goods.

For imports of vaccines carried out by legal entities or non-legal entities that have received an assignment or appointment from the Ministry of Health, a photocopy of the Business Identification Number (*Nomor Induk Berusaha*/NIB) or Taxpayer Identification Number (*Nomor Pokok Wajib Pajak*/NPWP), a letter of assignment or appointment from the Ministry of Health, and a recommendation for the customs and/or excise and taxation facilities from the Ministry of Health must also be attached.

For all applications, the head of the customs and excise office is obliged to review the fulfillment of the requirements. If the submitted application is approved, the head of the customs and excise office (on behalf of the minister of finance) shall issue a minister of finance decree concerning the provision of customs and/or excise as well as taxation facilities on vaccine imports or vaccine release.

However, if the application is rejected, the head of the customs and excise office (on behalf of the Minister of Finance) shall issue a rejection notification stating the reasons for the rejection. Either the notification of approval or rejection must be submitted within three working hours of receipt of the application if the application is submitted electronically, or three working days after receipt of the application if it is submitted in writing. The granting of the facilities will be subject to monitoring and evaluation by the director in charge of customs facilities, the head of the DGCE regional office, the head of the customs and excise office, or an appointed customs and excise official.

In the event of any misuse of the facilities, the head of the DGCE regional office, the head of the customs and excise office, or an appointed customs and excise official will notify the director in charge of customs and excise audits to carry out a customs and/or excise audit. It is noteworthy that this regulation has been in effect for all vaccines imported or released after the enactment of this regulation.

New Provisions on Tax Collection Implementation

The Minister of Finance has simplified the provisions on tax collection. Eight tax collection actions are regulated in the Minister of Finance Regulation No. 189/PMK.03/2020 concerning Procedures for the

Tax Incentives for Vaccine Imports and New Regulation on the Implementation of Tax Collection

Implementation of Tax Collection on Tax Payable (MoF Reg. 189/2020).

Six important points are covered in this regulation. *First,* in terms of officials and collection actions. The Minister of Finance is authorized to appoint officials for central tax collection including the Director of Audit and Collection, the Head of the Regional Office, and/or the Head of the Tax Office. The appointed officials have the authority to appoint and dismiss tax bailiffs.

Article 4 paragraph (1) of MoF Reg. 189/2020 outlines tax collection which includes 8 actions, including *first,* issuing a warning letter. *Second,* publishing and notifying a distress warrant. *Third,* performing confiscations. *Fourth,* performing auction and auction announcements, for confiscated goods that are sold by auction. *Fifth,* using, selling, and/or transferring the confiscated goods, for confiscated goods that are exempted from sale by auction. *Sixth,* proposing prevention. *Seventh,* performing imprisonment. *Eighth,* issuing an immediate and total tax collection order.

If the taxpayer does not pay off his tax debt, the official issues a warning letter in 7 days from the due date of the tax debt. Subsequently, if 21 days have passed since the submission of the warning letter and the tax bearer has not paid off his tax debt, the official will issue a distress warrant. The distress warrant is notified directly by the tax bailiff to the tax bearer.

Next, if 2 times 24 hours have passed since the date of notification of the distress warrant and the tax bearer has not paid the tax debt, the official will issue a confiscation warrant. Based on the warrant, the tax bailiff seizes the tax bearer's property. In the event that the confiscation is made of assets stored in a financial service institution (*Lembaga Jasa Keuangan*/LJK) or other entities, the official will first make a blocking request.

Subsequently, if 14 days have passed since the date of the confiscation and the tax bearer has not yet paid the tax debt and tax collection costs, the official shall announce an auction of the confiscated goods. If 14 days have passed since the auction announcement date, the tax bearer has still not paid off the tax debt and tax collection costs, the official will sell the tax bearer's confiscated goods through the state auction office.

On the other hand, for confiscated goods whose sales are exempted from selling by auction and the tax bearer has not paid the tax debt and tax collection costs, the official immediately uses, sells, and/or transfers the confiscated goods.

Second, tax collection is carried out on tax bearers of individual taxpayers or corporate taxpayers. A tax bearer refers to an individual or entity that is responsible for paying taxes, including a representative that exercises a taxpayer's rights and fulfills his obligations as per the provisions of taxation laws. Tax collection actions on tax bearers of individual taxpayers are carried out against 6 parties.

(i) The individual concerned who is responsible for all tax liability and tax collection costs.

(ii) The wife of an individual taxpayer who is responsible for all tax liability and tax collection costs. This provision applies if the exercise of tax rights and fulfillment of tax obligations are combined as a single unit.

(iii) One of the heirs, executor of wills, or the party managing the inheritance, who is responsible for tax liability and tax collection costs amounting to a maximum of the undivided inheritance This provision applies if the taxpayer has passed away and the inheritance has not been divided.

(iv) The heirs who are responsible for tax liability and tax collection costs amounting to a maximum of the portion of the inheritance received by each heir. This provision applies if the taxpayer has passed away and the inheritance has been divided.

(v) The guardian of minors who is responsible for tax liability and tax collection costs.

(vi) Custodian of a person in custody who is responsible for tax liability and tax collection costs.

Tax collection actions on tax bearers of corporate taxpayers are implemented against corporate taxpayers that are responsible for all tax liability and tax collection costs as well as administrators of the corporate taxpayers. The regulation further outlines the management serving as the tax bearer of corporate taxpayers.

The MoF Reg. describes the details of the managers serving as tax bearers of the 9 categories of corporate

taxpayers. Said nine categories cover limited liability companies, permanent establishments (*Bentuk Usaha Tetap*/BUT), limited partnerships, civil partnerships and firms, foundations, joint operations, other entities, and government agencies.

Third, the issuance of an immediate and total tax collection order. Six conditions trigger immediate and total tax collection, as follows.

(i) The tax bearer will leave Indonesia permanently or intends to do so.

(ii) The tax bearer transfers the goods he owns or controls to stop or minimize the company's activities or work carried out in Indonesia.

(iii) There are signs that the entity will be subject to dissolution, merger, business spin-off, transfer, or other forms of changes.

(iv) The entity will be dissolved by the state.

(v) The tax bearer's property is confiscated by a third party.

(vi) There are signs of bankruptcy.

Fourth, confiscation and sale of confiscated goods. In carrying out the confiscation, the bailiff must show a tax bailiff identification card, show a confiscation warrant, and inform the purpose and goal of the confiscation. The tax bailiff prepares an official report on the implementation of confiscation for all confiscation. The official report on the implementation of confiscation is signed by the tax bailiff, the tax bearer, and at least two trustworthy adult witnesses, Indonesian residents, recognized by the tax bailiff.

The object of confiscation may include two things, i.e. the property of the tax bearer and the property of the wife or husband and children that are still under the tax bearer's responsibility unless there is a prenuptial agreement. Confiscation shall be performed over movable property as well as immovable property.

Confiscation prioritizes on movable property, except under certain circumstances, immovable property can be confiscated directly. The order of the confiscated movable and/or immovable property is determined by the tax bailiff by taking into account the amount of tax liability and tax collection costs as well as the ease of sale or disbursement.

Fifth, prevention. Prevention can be carried out against the tax bearer in the event that he has a debt of at least IDR100,000,000 and his good faith in paying off the tax debt is doubtful. Doubtful good faith implies that the tax debt is not paid off either in a lump sum or in installments even though a distress warrant has been notified and/or the goods owned or controlled are hidden or transferred.

Sixth, filing for imprisonment. Imprisonment can be performed against a tax bearer in the event that he has a debt of at least IDR100,000,000 and his good faith in paying off the tax debt is doubtful. In the imprisonment, the authorized official applies for an imprisonment permit to the Minister of Finance. The tax bailiff delivers the imprisonment warrant directly to the tax bearer and a copy of the imprisonment warrant is delivered to the head of the imprisonment site. Imprisonment may be carried out against tax bearers who have been or are being prevented.

When this ministerial regulation came into force, the Minister of Finance Decree No. 563/KMK.04/2000, the Minister of Finance Regulation No. 24/PMK.03/2008, and the Minister of Finance Regulation No. 85/PMK.03/2010 shall be revoked and declared invalid. This regulation was promulgated on 27 November 2020.

Changes in the Organization and Work Procedures of the DGCE's Vertical Agencies

The Ministry of Finance has revamped the organization and work procedures of the vertical agencies at the Directorate General of Customs and Excise (DGCE). This policy is outlined in the Minister of Finance Regulation No. 183/PMK.01/2020 concerning Amendments to Regulation of the Minister of Finance Number 188/PMK.01/2016 concerning the Organization and Work Procedures of Vertical Agencies of the Directorate General of Customs and Excise (MoF Reg. 183/2020). This regulation revises the previous regulation, i.e. MoF No. 188/PMK.01/2016 (MoF Reg. 188/2016).

The ministerial regulation stipulates that the organizational provisions and work procedures of the DGCE's vertical agencies are to be revised to improve the DGCE's performance in facilitating trade and industry, safeguarding border areas, collecting state revenues, and improving organizational performance. The organization and work procedures of the DGCE's vertical agencies have been revised as a follow-up to the policy of bureaucratic simplification.

Under the latest ministerial regulation, many articles from the previous MoF Reg. have been deleted, including the organizational structure of the Medium

Customs and Excise Office (*Kantor Pengawasan dan Pelayanan Bea dan Cukai Tipe Madya Pabean/KPPBC Tipe Madya Pabean*), Medium Customs and Excise Office (*KPPBC Tipe Madya Cukai*), Medium Customs and Excise Office Type A (*KPPBC Tipe Madya Pabean A*), Medium Customs and Excise Office Type B (*KPPBC Tipe Madya Pabean B*), and Medium Customs and Excise Office type Type C (*KPPBC Tipe Madya Pabean C*).

Said articles include Article 138 to Article 168, Article 171 to Article 197, Article 200 to Article 226, Article 229 to Article 252, and Article 255 to Article 273. With the deletion of Article 143 through MoF Reg. 183/2020, the provisions on subsections under the Section of Enforcement and Investigation of the Medium Customs and Excise Office (*KPPBC Tipe Madya Pabean*) no longer exist.

Under MoF Reg. 183/2020, the Enforcement and Investigation Section of the Medium Customs and Excise Office is divided into 4 subsections, namely Intelligence Subsection, Enforcement Subsection, Investigation and Goods From Enforcement Subsection, and Operation Facilities Subsection. Subsections have been reduced by the Ministry of Finance through the deletion of other articles. As such, Article 286 paragraph (8) which stipulated the echelonization of the positions of the heads of the subsections has also been deleted through MoF Reg. 183/2020.

Under the former regulation, the heads of subsections at Medium Customs and Excise Office (*Kantor Pengawasan dan Pelayanan Bea dan Cukai Tipe Madya Pabean/KPPBC Tipe Madya Pabean*), Medium Customs and Excise Office (*KPPBC Tipe Madya Cukai*), Medium Customs and Excise Office Type A (*KPPBC Tipe Madya Pabean A*), Medium Customs and Excise Office Type B (*KPPBC Tipe Madya Pabean B*), and Medium Customs and Excise Office type Type C (*KPPBC Tipe Madya Pabean C*) were held by echelon V-b structural officials. Article II of MoF Reg. 183/2020 stipulates that officials holding positions under MoF Reg. No. 188/2016 must continue to carry out their duties and functions until new positions are established and they are appointed as new officials.

If the organization and work procedures of the DGCE's vertical agencies in the latest MoF Reg. cannot be implemented effectively, the organization and governance under the previous MoF Reg. shall be declared to remain valid for a maximum of 1 year since the enactment of MoF Reg. 183/2020 on 18 November 2020.

Reorganization of the Work Procedures and Organization of the DGT's Vertical Agencies

The government has reorganized the Directorate General of Taxes' (DGT) vertical agencies. The reorganization of the DGT's vertical agencies is outlined in the Minister of Finance Regulation No. 184/PMK.01/2020 concerning Amendments to the Minister of Finance Regulation No. 210/PMK.01/2017 concerning the Organization and Work Procedures of Vertical Agencies of the Directorate General of Taxes (MoF Reg. 184/2020). Promulgated on 23 November 2020, this regulation has taken effect thereafter.

Through MoF Reg. 184/2020, the government reorganizes the DGT's vertical agencies that were previously regulated under MoF Reg. 210/2017. This measure aims to optimize tax revenues through the administration of efficient and effective taxation, with integrity and fairness, as well as to establish a reliable organization.

Through MoF Reg. 184/2020, the DGT clarifies and specifies the types of tax offices (*Kantor Pelayanan Pajak*/KPP). Article 53 paragraph (1) of MoF Reg. 184/2020 states that tax offices consist of 4 types, namely Large Tax Offices, Special Tax Offices, Medium Tax Offices, and Small Tax Offices. Large Tax Offices consist of Large Tax Office One to Large Tax Office Four. Special Tax Offices, on the other hand, consists of Foreign Investment Tax Office One to Six, Permanent Establishment and Expatriate Tax Office, Oil and Gas Sector Tax Office, and Public Listed Company Tax Office.

The details of the types of Tax Offices are far clearer and more detailed than the previous regulation. Formerly, Article 53 of MoF Reg. 210/2017 only stated that Tax Offices consisted of 3 types, i.e. Large Tax Offices, Medium Tax Offices, and Small Offices without providing further details. However, the types of Tax Offices are not, in fact, new. Despite not being mentioned in the article, Appendix I and II of MoF Reg. 210/2017 already specified the types of Tax Offices. The types of Tax Offices are also listed in the appendix of Director General of Taxes Reg. No. PER 10/PJ/2018.

In comparison, the previous regulation did not mention Special Tax Offices. Referring to Appendix II of MoF Reg. 210/2017, this was because Special Tax Offices were part of Medium Tax Offices. Conversely, MoF Reg. 184/2020 stipulates Special Tax Offices as a

different type of Tax Offices. The differences between Special and Medium Tax Offices certainly affect related provisions. In general, MoF Reg. 184/2020 revises the functions, duties, subsections, and sections and the duties of each type of Tax Offices. Additionally, MoF Reg. 184/2020 regulates the grouping of Small Tax Offices into two, i.e. Medium Tax Office Group I and Medium Tax Office Group II. This constitutes a new provision that did not exist in the former regulation.

Provisions on the Administrative Penalties and Compensation Interest Rates for the November 2020 Period

The Minister of Finance stipulates the interest rate as the basis for calculating administrative penalties in the form of interest and interest compensation. This policy is outlined in the Minister of Finance of the Republic of Indonesia Decree Number 540/KMK.010/2020 concerning Interest Rates as the Basis for Calculating Administrative Penalties in the form of Interest and Interest Compensation (MoF Decree 540/2020).

This regulation has retroactive force as of 2 November 2020. Details of interest rates and interest compensation are valid until 30 November 2020. For interest compensation, a rate of 0.57% applies to Article 11 paragraph (3), Article 17B paragraph (3), Article 17B paragraph (4), and Article 27B paragraph (4) of Law Number 6 of 1983 as amended by Law No. 28 of 2007 concerning General Tax Provisions and Procedures. The details of the amount of administrative penalties in the form of interest are indicated in Table 1.

The authority to set monthly interest rates in the next period is delegated in the form of a mandate to the head of the Fiscal Policy Agency for and on behalf of the minister of finance.

In carrying out this mandate, the head of the Fiscal Policy Agency (*Badan Kebijakan Fiskal*/BKF) is obliged to take into account the statutory provisions and good governance. Moreover, BKF is substantially responsible for its implementation and does not delegate this authority to other officials. If the head of the BKF who is given the mandate is temporarily or permanently absent, the authority shall be delegated by an appointed ad interim officer or acting officer.

On another note, to implement this ministerial decree, the head of the BKF may set guidelines on the procedures for setting monthly interest rates. When this ministerial decree comes into effect, the administrative penalties in the form of interest and interest compensation are regulated under the General Tax Provisions and Procedures Law as amended in Law No. 11 of 2020 concerning Job Creation and calculated using the rates in this regulation.

Provisions on Administrative Penalties and Compensation Interest Rates for the December 2020 Period

The Minister of Finance stipulates the interest rates as the basis for calculating administrative penalties in the form of interest and interest compensation for the December 2020 period. This policy is set forth in the Minister of Finance of the Republic of Indonesia Decree No. 52/KM.10/2020 concerning Interest Rates as a Basis for Calculating Administrative Penalties in the Form of Interest and Interest Compensation for the Period of 1 December 2020 to 31 December 2020 (MoF Decree 52/2020).

The administrative penalties rates in the form of interest and interest compensation are effective from 1 December 2020 to 31 December 2020. There are 4 interest rates for administrative penalties, ranging from 0.53% to 1.78%. The four monthly interest rates are lower than the monthly interest rates for the November 2020 period.

Details of monthly interest rates for tax interest penalties for the period of 1 December 2020 – 31 December 2020 can be seen in Table 2.

The amount of monthly interest rates in the MoF Decree varies as it is the result of the calculation of the monthly interest rate with the reference interest rate formula set by the minister of finance plus the uplift factor of each article and divided by 12.

On the other hand, the interest rate as the basis for the granting of interest compensation is set at 0.53%. The monthly interest rates are lower than the previous period. Details of the monthly rates for tax interest compensation for the period of 1 December 2020 – 31 December 2020 can be seen in Table 3.

Changes in Tariffs for Oil Palm Export Services

The government has revised the export service levies on crude palm oil (CPO) in line with the improving world palm oil prices. This policy is outlined in the Minister of Finance Regulation No. 191/PMK.05/2020

Tax Incentives for Vaccine Imports and New Regulation on the Implementation of Tax Collection

Table 1 Administrative Penalties in the Form of Interest for the November 2020 Period

Articles in the General Tax Provisions and Procedures	The Imposition of Administrative Penalties	Monthly Interest Rate
Article 19 paragraph (1)	Notice of Tax Underpayment Assessment (*Surat Ketetapan Pajak Kurang Bayar*/SKPKB) or Additional SKPKB, and Correction Decree, Objection Decision Letter, Decision on Appeal, or Decision on Case Review, which causes the amount of tax payable to increase, but at the time of maturity, it is not paid or underpaid. (Collection Interest)	0.57%
Article 19 paragraph (2)	Taxpayers are allowed to pay in installments or postpone tax payments (Installments/postponement of tax payments)	0.57%
Article 19 paragraph (3)	Taxpayers are allowed to postpone the filing of Annual Tax Returns and the temporary calculation of the tax payable as referred to in Article 3 paragraph (5) is actually less than the actual amount of tax payable. (Underpayment of postponement of the filing of Annual Tax Returns)	0.57%
Article 8 paragraph (2)	Underpayment of Correction of Annual or Periodic Tax Returns	0.99%
Article 8 paragraph (2a)	The taxpayer corrects Periodic Tax Returns on his own (before audits) which results in higher tax liability	0.99%
Article 9 paragraph (2a)	Late remittance of periodic income tax	0.99%
Article 9 paragraph (2b)	Late remittance of Annual Income Tax/Article 29Income Tax	0.99%
Article 14 paragraph (3)	The issuance of Notice of Tax Collection (*Surat Tagihan Pajak*/STP) by the DGT due to: (i) Unpaid/underpaid income tax (ii) Based on the research results, there are taxes that are underpaid due to writing errors and/or miscalculations. (Income tax in the current year is not paid/underpaid or from the results of the research, there is tax underpayment due to writing errors and/or miscalculations)	0.99%
Article 8 paragraph (5)	Disclosure of inaccuracy of Tax Returns after audits, but the Notice of Tax Assessment (*Surat Ketetapan Pajak*/SKP) has not been issued. (Underpaid tax that arises due to the disclosure of incorrect Tax Return filling)	1.40%
Article 13 paragraph (2)	SKPKB is issued because the tax payable is not paid/underpaid due to matters regulated under Article 13 paragraph 1 letter (a) to (e) of the General Tax Procedures and Provisions Law. (SKPKB Penalties)	1.82%
Article 13 paragraph (2a)	SKPKB is issued as the taxable person for VAT purposes has not performed any supplies, but has received refunds/has credited the input VAT as referred to in Article 9 paragraph (6a) of the VAT Law. (Refund of input VAT from taxable persons for VAT purposes that are not producing)	1.82%

Source: Job Creation Law and MoF Decree 540/2020 (processed).

concerning Amendments to the Minister of Finance Regulation Number 57/PMK.05/2020 concerning Service Tariffs of Public Service Agencies of the Indonesian Oil Palm Estate Fund at the Ministry of Finance (MoF Reg. 191/2020). This ministerial regulation comes into force in 7 days as of the promulgation date.

This regulation stipulates 24 types of palm oil export services. The tariff setting under MoF Reg. No. 191/PMK.05/2020 is different compared to the former regulation. Under this MoF Reg., five types of services use fixed rates and there are also types of palm oil export services that have 15 tariff layers based on the CPO price.

Five types of services that still apply fixed export levy tariffs include fresh fruit bunches of US$0, palm kernels of US$ 25/ton, palm kernel cake of US$25/ton, and empty fruit bunches of US$15/ton. On another note, one type of service that has 15 tariff layers based on palm oil prices is Crude Palm Kernel Oil (CPKO).

First, prices below or equal to US$670/ton are subject to a tariff of US$55/ton. *Second,* prices above US$670 to US$695/ton are subject to a tariff of US$60/ton. *Third,* a tariff of US$75/ton applies to prices above US$695/ton to US$720/ton. *Fourth,* a tariff of US$90/ton is set for prices above US$720/ton to US$745/ton. *Fifth,* a tariff of US$105/ton applies to prices above US$745/ton to US$770/ton.

Sixth, prices above US$770/ton to US$795/ton are subject to a tariff of US$120/ton. *Seventh,* for prices above US$795/ton to US$820/ton, the tariff is US$135/ton. *Eighth,* prices above US$820/ton to US$845/ton are subject to a tariff of US$150/ton. *Ninth,* for prices above US$845/ton to US$870/ton, the tariff is set

Tax Incentives for Vaccine Imports and New Regulation on the Implementation of Tax Collection

Table 2 Administrative Penalties in the Form of Interest the December 2020 Period

Articles in the General Tax Provisions and Procedures	The Imposition of Administrative Penalties	Monthly Interest Rate
Article 19 paragraph (1)	Notice of Tax Underpayment Assessment (*Surat Ketetapan Pajak Kurang Bayar*/SKPKB) or Additional SKPKB, and Correction Decree, Objection Decision Letter, Decision on Appeal, or Decision on Case Review, which causes the amount of tax payable to increase, but at the time of maturity, it is not paid or underpaid. (Collection Interest)	0.53%
Article 19 paragraph (2)	Taxpayers are allowed to pay in installments or postpone tax payments (Installments/postponement of tax payments)	0.53%
Article 19 paragraph (3)	Taxpayers are allowed to postpone the filing of Annual Tax Returns and the temporary calculation of the tax payable as referred to in Article 3 paragraph (5) is actually less than the actual amount of tax payable. (Underpayment of postponement of the filing of Annual Tax Returns)	0.53%
Article 8 paragraph (2)	Underpayment of Correction of Annual or Periodic Tax Returns	0.94%
Article 8 paragraph (2a)	The taxpayer corrects Periodic Tax Returns on his own (before audits) which results in higher tax debt	0.94%
Article 9 paragraph (2a)	Late remittance of periodic income tax	0.94%
Article 9 paragraph (2b)	Late remittance of Annual Income Tax/Article 29 Income Tax	0.94%
Article 14 paragraph (3)	The issuance of Notice of Tax Collection (*Surat Tagihan Pajak*/STP) by the DGT due to: (i) Unpaid/underpaid income tax (ii) Based on the research results, there are taxes that are underpaid due to writing errors and/or miscalculations. (Income tax in the current year is not paid/underpaid or from the results of the research, there is tax underpayment due to writing errors and/or miscalculations)	0.94%
Article 8 paragraph (5)	Disclosure of inaccuracy of Tax Returns after audits, but the Notice of Tax Assessment (*Surat Ketetapan Pajak*/SKP) has not been issued. (Underpaid tax that arises due to the disclosure of incorrect Tax Return filling)	1.36%
Article 13 paragraph (2)	SKPKB is issued because the tax payable is not paid/underpaid due to matters regulated under Article 13 paragraph 1 letter (a) to (e) of the General Tax Procedures and Provisions Law. (SKPKB Penalties)	1.78%
Article 13 paragraph (2a)	SKPKB is issued as the taxable person for VAT purposes has not performed any supplies, but has received refunds/has credited the input VAT as referred to in Article 9 paragraph (6a) of the VAT Law. (Refund of input VAT from taxable persons for VAT purposes that are not producing)	1.78%

Source: Job Creation Law and MoF Decree 52/2020 (processed).

Table 3 Interest Compensation for the December 2020 Period

Articles in the General Tax Provisions and Procedures	The Imposition of Administrative Penalties	Monthly Interest Rate
Article 11 paragraph (3)	The refund of tax overpayment is performed in 1 (one) month after the application	0.53%
Article 17B paragraph (3)	Notice of Overpayment Assessment (*Surat Ketetapan Pajak Lebih Bayar*/SKPLB) is issued late after the 1 month period expires	0.53%
Article 17B paragraph (4)	SKPLB is issued because the preliminary investigation of tax crime: a. does not proceed with the investigation, b. proceeds with the investigation but there is no prosecution of tax crime, or c. proceeds with the investigation and prosecution of the tax crime but it is acquitted.	0.53%
Article 27B paragraph (4)	The refund of tax overpaument on the filing of objections, requests for appeal, or requests for case review that are granted partially or in full.	0.53%

Source: Job Creation Law and MoF Decree 52/2020 (processed).

at US$165/ton. *Tenth,* prices above US$870/ton to US$895/ton are subject to a tariff of US$180/ton.

Eleventh, for prices above US$895/ton to US$920/ton, the tariff is US$195/ton. *Twelfth*, prices above US$920/ton to US$945/ton are subject to a tariff of US$210/ton. *Thirteenth,* a tariff of US$225/ton applies to prices above US$945/ton to US$970/ton. *Fourteenth*, for prices from US$970/ton to US$995/ton, the tariff rate is US$240/ton. *Fifteenth,* prices above US$995/ton are subject to a tariff of US$255/ton.

There are also types of palm kernel and palm kernel services that are subject to a tariff of 25 for all prices of palm oil. Detailed tariffs for 24 types of palm oil export services are listed in the appendix of this regulation.

Tax Incentives for Vaccine Imports and New Regulation on the Implementation of Tax Collection

Latest taxation news and regulations, visit:

news.ddtc.co.id & perpajakan.id

CONNECT WITH US:
With just one click

For further information and advice related to taxation, please contact:



David Hamzah Damian, S.Sos., ADIT., BKP
Partner of Tax Compliance & Litigation Services
david@ddtc.co.id



Romi Irawan S.E., M.B.A., LL.M Int. Tax
Partner of Transfer Pricing Services
romi@ddtc.co.id



B. Bawono Kristiaji, S.E., M.S.E., M.Sc. IBT., ADIT
Partner of Tax Research & Training Services
kristiaji@ddtc.co.id



Yusuf Wangko Ngantung, LL.B., LL.M Int. Tax., ADIT., BKP
Senior Manager of International Tax / Transfer Pricing Services
yusuf@ddtc.co.id



Ganda Christian Tobing, S.Sos., LL.M. Int. Tax., BKP
Senior Manager of Tax Compliance & Litigation Services
christian@ddtc.co.id



Cindy K. Febby, S.Sos., M.B.A., BKP
Manager of Transfer Pricing & International Tax Dispute Services
cindy@ddtc.co.id



Veronica Kusumawardani, S.Sos., M.Ak., BKP
Manager of Transfer Pricing & International Tax Dispute Services
veronica@ddtc.co.id



Rinan Auvi Metally, S.I.A., BKP
Manager of Compliance & Litigation Services
auvi@ddtc.co.id



Khisi Armaya Dhora, S.I.A., ADIT., BKP
Manager of Tax Research & Training Services
khisi@ddtc.co.id



Pretty Wulandari, S.I.A., BKP
Manager of Transfer Pricing Compliance Services
pretty@ddtc.co.id



Flouresya Lousha, S.E., BKP
Manager of Transfer Pricing Compliance Services
flouresya@ddtc.co.id



Denny Vissaro, S.E., M.S.E., M.A.
Research Coordinator of Tax Reseach & Training Services
denny@ddtc.co.id

MENARA DDTC

Jl. Raya Boulevard Barat Blok XC 5-6 No. B
Kelapa Gading Barat, Kelapa Gading
Jakarta Utara 14240 - Indonesia

Phone: +6221 2938 2700, Fax: +6221 2938 2699

The information herein is for general purposes only and is not intended to address the circumstances of any particular individual or entity. This content should not be used as reference for consultation without professional advisors.