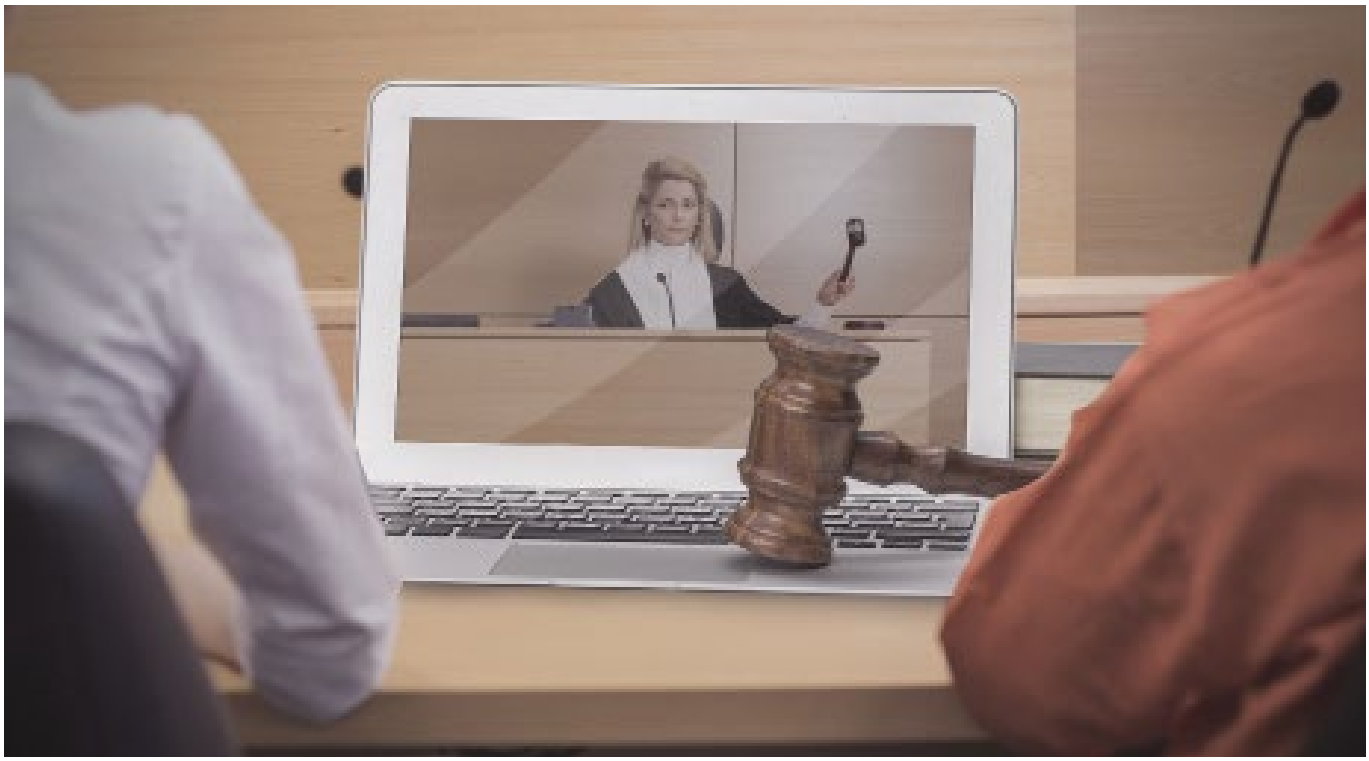
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Electronic Trial Proceedings of the Tax Court

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 (DDTC Tax Engine), 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.

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Amendments to the Minimum Provisions on the Physical Form, Specifications, and Design of Excise Stamps

The government has released a new regulation on the physical form, specifications, and design of excise stamps. Amendments to these provisions are outlined in the Minister of Finance Regulation Number 52/PMK.04/2020 concerning the Physical Form, Specification, and Design of Excise Stamps (MoF Reg. 52/2020). Enacted and entered into force on 20 May 2020, this regulation has been issued to optimize the supervision and security of excise stamps for goods subject to excise.

The enactment of this regulation simultaneously revokes the former regulation, MoF Reg. 191/PMK.04/2009 concerning the Physical Form and/or Design Specifications of Excise Stamps for Tobacco Products and Beverages Containing Ethyl Alcohol (MoF Reg. 191/2009). In comparison, there are four main differences between MoF Reg. 52/2020 and MoF Reg. 191/2009.

First, MoF Reg. 52/2020 expressly stipulates the definition of excise stamps. As per Article 1 of MoF Reg. 52/2020, excise stamps are security documents that signify excise payment. MoF Reg. 191/2009, however, does not provide an explicit description of the definition of excise stamps.

In addition, MoF Reg. 52/2020 only mentions excise stamps without classifying them into several types. This differs from the former regulation which classifies excise stamps into two, i.e. excise stamps for tobacco products (*Pita Cukai Hasil Tembakau*/PCHT) and excise stamps for beverages containing ethyl alcohol (*Pita Cukai Minuman Mengandung Etil Alkohol*/PCMMEA).

Second, MoF Reg. 52/2020 does not define the series of excise stamps. Under MoF Reg. 191/2009, however, PCHT is available in three series, i.e. Series I, Series II, and Series III, whereas PCMMEA is available in one series.

Third, MoF Reg. 52/2020 provides a more detailed description regarding the shape of excise stamps. Referring to Article 2 paragraph (1) of PMK 52/2020, excise stamps are stipulated to have certain physical forms, specifications, and designs in which the physical form is made of paper with security-related characteristics or elements.

Further, the minimum specifications of excise stamps include being in the form of security paper, security holograms, and security prints. MoF Reg. 191/2009, however, does not contain these details and outlines that the provisions on the specifications of the physical form and/or design for excise stamps will be further stipulated in the Director General of Customs and Excise Regulation.

Fourth, MoF Reg. 52/2020 outlines more minimum component-wise specifications for the design of excise stamps, i.e. containing the symbol of the Republic of Indonesia, the symbol of the Directorate General of Customs and Excise (DGCE), excise tariffs, fiscal year figures, retail sale prices, and/or contents in the packaging.

Referring to MoF Reg. 191/2009, each PCHT chip must at least contain the following elements, retail sale price, excise tariff, and fiscal year. In contrast, each PCMMEA chip must at least contain alcohol content category, excise tariff, volume/contents of the packaging, and fiscal year.

However, in comparison to the derivative rules of MoF Reg. 191/2009, i.e. the Director General of Customs and Excise Regulation No. PER-16/BC/2019 concerning the Physical Form and/or Design Specifications of Excise Stamps for Tobacco Products and Excise Stamps for Beverages containing Ethyl Alcohol of 2020 (PER -16/BC/2019), the provisions of MoF Reg. 191/2009 and MoF Reg. 52/2020 on the minimum elements that must be contained in the excise band design are not substantially different.

Moreover, similar to previous regulations, excise stamps are to be provided by the Minister of Finance and managed by the DGCE. MoF Reg. 52/2020 also states that more detailed technical provisions shall be stipulated by the Director General of Customs and Excise.

Addition to the Number of AEoI Participating and Reportable Jurisdictions

The government has again announced the addition to the number of jurisdictions that will automatically exchange financial information with the Indonesian tax authorities. The addition to the number of jurisdictions is outlined in Announcement Number PENG-65/PJ/2020 concerning the List of Participating Jurisdictions and Reportable Jurisdictions in the Context of Automatic Exchange of Financial Account Information (PENG-65/2020)

Promulgated on 28 May 2020, the regulation is intended to implement the provisions of article 16 paragraphs a and b of the Minister of Finance Regulation Number 70/PMK.03/2017 as amended by the Minister of Finance Regulation Number 19/PMK.03/2018 and to follow up on the addition to the number of jurisdictions that have signed and/or activated the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information.

Referring to the appendix of the announcement, 103 participating jurisdictions will exchange financial statement information for taxation purposes. Formerly, as of July 2019, there were only 98 participating jurisdictions. This implies that five jurisdictions,

Dominica, Ecuador, Kazakhstan, Liberia, and Oman, have just joined.

Referring to Article 1 paragraph 6 of the Minister of Finance Regulation Number 70/PMK.03/2017 (MoF Reg. 70/2017) as amended by the Minister of Finance Regulation Number 19/PMK.03/2018 (MoF Reg. 19/2018), a participating jurisdiction is a foreign jurisdiction that is bound with the Indonesian government under international agreements with the obligation to deliver financial information on an automatic basis.

Further, the appendix of the announcement also indicates that there are 85 reportable jurisdictions. This implies that three jurisdictions, Dominica, Ecuador, and Turkey, have just joined.

As per Article 1 paragraph 7 of MoF Reg. 70/2017 as amended by MoF Reg. 19/2018, a reportable jurisdiction is defined as a participating jurisdiction which is the destination for the Indonesian Government in carrying out the obligation of delivering financial information on an automatic basis.

Imposition of BMTP on the Import of Textiles and Textile Products

The government imposes safeguard import duties (*Bea Masuk Tindakan Pengamanan*/BMTP) on imports of textiles and textile products (*Tekstil dan Produk Tekstil*/TPT). Imports of textiles and textile products (TPT) are subject to BMTP because based on the final report on the investigation results by the Indonesian Trade Security Committee (*Komite Pengamanan Perdagangan Indonesia*/KPPI), there are threats of injuries or serious losses to the domestic industry due to the surge in TPT imports.

Imports of TPT were formerly subject to temporary safeguard import duties (*Bea Masuk Tindakan Pengamanan Sementara*/BMTPS) as at that time, the KPPI was still in the investigation stage. The imposition of BMTPS was set forth in the Minister of Finance Regulation in force for 200 days as of 9 November 2019, which has now expired.

The final report of the KPPI's investigation results and the expiration of the regulation imposing BMTPS have urged the government to set a new regulation as the legal basis for the imposition of BMTP on TPT imports. In further detail, there are three types of TPT of which the imports are subject to BMTP.

First, curtain products (including *gordynes*), blinds, bed nets, and other furniture items included in the HS Codes 6303.12.00, 6303.19.90, 6303.91.00, 6303.92.00, 6303.99.00. Based on the Indonesian Customs Tariff Book (*Buku Tarif Kepabeanan Indonesia*/BTKI), the products included in the HS Codes comprise curtains (including *gordynes*) and blinds, curtains or bed nets made of synthetic fibers, cotton, and other textiles.

The imposition of BMTP on these products is outlined in the Minister of Finance Regulation No. 54/PMK.010/2020 concerning the Imposition of Safeguard Import Duties on Imports of Curtain Products (Including *Gordynes*), Blinds, Bed Nets, and Other Furniture Items (MoF Reg. 54/2020). The BMTP tariffs are charged in three periods as listed in Table 1.

Table 1 BMTP Provisions on the Imports of Curtain Products (Including Gordynes), Blinds, Bed Nets, and Other Furniture Items

Imposition Period	BMTP Tariff
Period I (27 May 2020 - 8 November 2020)	Rp41,083/Kg
Period II (9 November 2020- 8 November 2021)	Rp34,961/Kg
Period III (9 November 2021 - 8 November 2022)	Rp28,839/Kg

Source: MoF Reg. 54/2020.

Under MoF Reg. 54/2020, BMTP on imports of curtain products (including *gordynes*), blinds, bed nets is targeting imports from all countries except 124 countries listed in the appendix of MoF Reg. 54/2020. Excluded countries include Armenia, Bangladesh, Congo, Pakistan, Lesotho, Mexico, and Ukraine.

Second, fabric products. The imposition of BMTP on the imports of fabric is outlined in the Minister of Finance Regulation No. 55/PMK.010/2020 concerning the Imposition of Safeguard Import Duties on Imports of Fabric Products (MoF Reg. 55/2020). BMTP on imports of fabric products is imposed on 107 HS Codes with BMTP tariffs ranging from Rp1,718 per meter to Rp7,142 per meter depending on the type of fabric and the import period. In further detail, BMTP tariffs on imported fabric products can be seen in Table 2.

The imposition of BMTP on imports of fabric products is targeting imports from all countries. Fabric products produced by 122 countried listed in the attachment of MoF Reg. 55/2020 are exempted from the BMTP imposition. Excluded countries include Argentina, Chile, Ghana, India, Thailand, Vietnam, and Zimbabwe.

Third, yarn products (other than sewing thread) from synthetic and artificial staple fibers included in HS Codes 5509.22.00, 5509.32.00, 5509.51.00, 5509.53.00, 5510.12.00, and 5510.90.00. Referring to BTKI, the products referred to in the HS Codes include ply yarns (folded) or twisted into cord yarns purely made of synthetic staple and a mixture of artificial staple, cotton, or other yarns.

The imposition of BMTP on the yarn products is outlined in the Minister of Finance Regulation No. 56/PMK.010/2020 concerning the Imposition of Safeguard Import Dutdies on Imports of Yarn Products (Other Than

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Table 2 Provisions on BMTP on the Imports of Fabric Products

No	HS Code	Amount of BMTP Tariffs (Rupiah/Meter)		
		Period I (27 May 2020 - 8 November 2020)	Period II (9 November 2020 - 8 November 2021)	Period III (9 November 2021 - 8 November 2022)
1	5208.12.00	1,846	1,781	1,718
2	5208.32.00	5,713	5,512	5,318
3	5208.49.00	5,713	5,512	5,318
4	5208.51.90	3,571	3,445	3,445
5	5208.52.90	5,713	5,512	5,318
6	5209.12.00	3,691	3,561	3,436
7	5209.22.00	3,691	3,561	3,436
8	5209.29.00	3,691	3,561	3,436
9	5209.32.00	11,426	11,023	10,635
10	5209.39.00	11,426	11,023	10,635
11	5209.42.00	11,426	11,023	10,635
12	5209.51.90	11,426	11,023	10,635
13	5209.59.90	11,426	11,023	10,635
14	5210.29.00	2,051	1,978	1,909
15	5210.39.00	6,348	6,124	5,909
16	5210.41.90	6,348	6,124	5,909
17	5210.51.90	6,348	6,124	5,909
18	5211.11.00	3,691	3,561	3,436
19	5211.19.00	3,691	3,561	3,436
20	5211.20.00	3,691	3,561	3,436
21	5211.42.00	11,426	11,023	10,635
22	5211.43.00	11,426	11,023	10,635
23	5211.49.00	11,426	11,023	10,635
24	5212.11.00	1,846	1,781	1,718
25	5212.24.00	11,426	11,023	10,635
26	5212.25.90	11,426	11,023	10,635
27	5407.10.29	1,678	1,619	1,562
28	5407.10.91	1,678	1,619	1,562
29	5407.20.00	1,678	1,619	1,562
30	5407.30.00	1,678	1,619	1,562
31	5407.44.00	5,193	5,011	4,834
32	5407.51.00	1,538	1,538	1,432
33	5407.52.00	5,713	5,512	5,318
34	5407.53.00	5,713	5,512	5,318
35	5407.54.00	5,713	5,512	5,318
36	5407.61.90	5,713	5,512	5,318
37	5407.74.00	5,713	5,512	5,318
38	5407.81.00	1,678	1,619	1,562
39	5407.82.00	5,713	5,512	5,318
40	5407.83.00	5,713	5,512	5,318
41	5407.84.00	5,713	5,512	5,318
42	5407.91.00	1,678	1,619	1,562
43	5407.92.00	5,713	5,512	5,318
44	5407.93.00	5,713	5,512	5,318
45	5407.94.00	5,713	5,512	5,318
46	5408.22.00	5,713	5,512	5,318
47	5408.24.00	5,713	5,512	5,318
48	5408.32.00	5,713	5,512	5,318
49	5408.34.00	5,713	5,512	5,318
50	5512.29.00	5,713	5,512	5,318
51	5513.11.00	1,538	1,484	1,432
52	5513.12.00	1,538	1,484	1,432
53	5513.21.00	5,713	5,512	5,318
54	5513.23.00	5,713	5,512	5,318
55	5513.39.00	5,713	5,512	5,318
56	5513.49.00	5,713	5,512	5,318
57	5514.12.00	1,846	1,781	1,718
58	5514.21.00	5,713	5,512	5,318
59	5514.22.00	5,713	5,512	5,318
60	5514.29.00	7,141	6,890	6,647
61	5514.42.00	7,141	6,890	6,647
62	5514.43.00	6,348	6,124	5,909
63	5514.49.00	6,348	6,124	5,909
64	5515.11.00	5,713	5,512	5,318
65	5515.12.00	5,713	5,512	5,318
66	5515.91.00	5,713	5,512	5,318
67	5515.99.90	5,713	5,512	5,318
68	5516.11.00	1,846	1,781	1,718
69	5516.13.00	5,713	5,512	5,318
70	5516.14.00	5,713	5,512	5,318
71	5516.22.00	5,713	5,512	5,318
72	5516.24.00	5,713	5,512	5,318
73	5516.92.00	5,713	5,512	5,318
74	5804.10.11	4,761	4,593	4,431
75	5804.10.19	4,761	4,593	4,431
76	5804.10.29	6,348	6,125	5,909
77	5804.10.99	6,348	6,125	5,909
78	5804.21.90	6,348	6,125	5,909
79	5804.29.10	5,713	5,512	5,318
80	5804.29.90	5,713	5,512	5,318

No	HS Code	Amount of BMTP Tariffs (Rupiah/Meter)		
		Period I (27 May 2020 - 8 November 2020)	Period II (9 November 2020 - 8 November 2021)	Period III (9 November 2021 - 8 November 2022)
81	5804.30.00	5,713	5,512	5,318
82	5810.92.00	7,142	6,891	6,648
83	6001.21.00	5,713	5,512	5,318
84	6001.92.20	5,713	5,512	5,318
85	6001.92.90	5,713	5,512	5,318
86	6004.10.90	5,713	5,512	5,318
87	6004.90.00	5,713	5,512	5,318
88	6005.21.00	5,713	5,512	5,318
89	6005.36.90	1,846	1,781	1,718
90	6005.37.90	5,713	5,512	5,318
91	6005.90.90	5,713	5,512	5,318
92	6006.10.00	5,713	5,512	5,318
93	6006.21.00	1,846	1,781	1,718
94	6006.22.00	5,713	5,512	5,318
95	6006.23.00	5,713	5,512	5,318
96	6006.24.00	5,713	5,512	5,318
97	6006.31.90	1,846	1,781	1,718
98	6006.32.10	5,713	5,512	5,318
99	6006.32.20	5,713	5,512	5,318
100	6006.32.90	5,713	5,512	5,318
101	6006.33.10	5,713	5,512	5,318
102	6006.34.10	5,713	5,512	5,318
103	6006.42.10	5,713	5,512	5,318
104	6006.42.90	5,713	5,512	5,318
105	6006.43.90	5,713	5,512	5,318
106	6006.44.10	5,713	5,512	5,318
107	6006.44.90	5,713	5,512	5,318

Source: MoF Reg. 55/2020.

Sewing Thread) from Synthetic and Artificial Staple Fiber (MoF Reg. 56/2020). BMTP tariffs that will be charged are segmented in 3 periods indicated by Table 3.

Table 3 Provisions on BMTP on Imports of Yarn Products

Period of Imposition	BMTP Tariff
Period I (27 May 2020 - 8 November 2020)	Rp1,405/Kg
Period II (9 November 2020- 8 November 2021)	Rp1,192/Kg
Period III (9 November 2021 - 8 November 2022)	Rp979/Kg

Source: MoF Reg. 56/2020.

BMTP on these yarn products is imposed on imports from all countries, except for yarn products (other than sewing thread) from synthetic and artificial staple fibers produced by 121 countries listed in the appendix of MoF Reg. 56/2020. Countries exempted from BMTP on imports of these yarn products include Argentina, Brazil, Costa Rica, Guatemala, Haiti, Hong Kong, Kazakhstan, Kuwait, Liberia, Maldives, Nepal, Oman, Peru, Russia, Saint Lucia, Samoa, Tanzania, Uruguay, Venezuela, and Zambia.

The imposition of BMTP for the three types of TPT products described above is added to the Most Favoured Nation (MFN). In contrast, BMTP is imposed in the form of additional preference import duty on any country that has trade cooperation with Indonesia and meets applicable provisions.

Under the three regulations, importers from countries exempted from the imposition of BMTP or countries with trade cooperation with Indonesia are required to submit Certificate of Origin documents.

Additionally, the stipulated BMTP tariffs apply fully to imported goods of which the import declaration documents have obtained a registration number from the Customs Office where the customs declaration is submitted in the event of submission through customs declaration. In addition, the BMTP tariffs will also be imposed on imports of which the tariffs and customs values are determined by the Customs Office where customs liabilities are settled if customs liabilities are settled without submitting customs declaration.

Furthermore, the three regulations on the imposition of BMTP on TPT imports state that for imports of goods from outside the customs area to bonded storages, BMTP shall be added as the deferred import duty in the customs declaration of imports of goods into the bonded storage.

On the other hand, the entry and/or release of goods to and from free trade zones and free ports, bonded storages, or special economic zones are carried out in accordance with applicable regulations. MoF Reg. 54/2020, MoF Reg. 55/2020, and MoF Reg. 56/2020 are valid from 27 May 2020 to 8 November 2022.

Electronic Trial Proceedings at the Tax Court

The Chairperson of the Tax Court has issued a new regulation on electronic trial proceedings at the Tax Court. The policy on electronic trials is outlined in the Head of Tax Court Decree No. KEP-016/PP/2020 concerning Electronic Trial Proceedings at the Tax Court (KEP-016/PP/2020). An electronic trial proceeding is defined as a series of processes of examining and deciding on tax disputes by the Tax Court which are carried out with the

support of information and communication technology through a video-conferencing application.

This decree is intended as the legal basis to organize electronic trial proceedings at the Tax Court and realize orderly procedures to handle tax disputes in a professional, transparent, accountable, effective, efficient, and modern manner. Trial proceedings through the electronic system have been renewed to resolve obstacles and constraints in the conduct of trial proceedings at the Tax Court by utilizing information and communication technology. Thus, electronic tax disputes can be resolved through fast, inexpensive, and simple processes.

Electronic court procedures are included in the appendix of this decree. Under KEP-016/PP/2020, electronic trial proceedings may be held outside the Tax Courtroom or inside the Tax Court. Appendix I of this decree stipulates that electronic trial proceedings are valid for the evidentiary hearings and/or pronouncement of the verdict as per the general plan of the trial that has already been set.

First, the deputy registrar sends a notification letter to the parties concerned via electronic means. Electronic notices are considered valid and appropriate insofar as the notice is sent to the parties concerned. The letter is submitted to the appellant and the plaintiff and is attached with a consent form for electronic trial proceedings.

The consent form for electronic trial proceedings must be sufficiently stamped and signed by the appellant or the plaintiff. Next, the form is electronically resubmitted to the Tax Court no later than three days before the trial is held. If the consent form is not submitted within the deadline, the trial will not be conducted electronically.

If prior to the trial, both the appellant and the plaintiff state their disagreements with electronic trials, the appellant and the plaintiff may be present in person at the Tax Courtroom. In the implementation, the Panel of Judges and the Single Judge may explain the rights and obligations of the parties related to electronic trials. The trial is held using a video conferencing application as per the predetermined trial schedule.

The evidentiary hearing will be conducted as per applicable procedural law. Evidence and documents in the evidentiary hearing are submitted under several provisions.

First, electronic documents are submitted no later than on the day and time of the trial proceeding in accordance with the set schedule. *Second,* parties that do not submit electronic documents according to the schedule and proceedings without any valid reason based on the judgment of the Panel of Judges or a single Judge are deemed not exercising their rights.

Third, the Panel of Judges and the single Judge may request the parties to submit physical documents for the purpose of trial proceedings if necessary. *Fourth*, for preliminary hearings, the oaths of witnesses, experts, interpreters, or other parties may be taken remotely through audio-visual communication media.

The deputy registrar is obliged to electronically record each stage of the trial proceedings. Furthermore, a legally-decided verdict pronounced by the Chief Judge or Single Judge in an electronic trial is deemed to be attended by the parties as open-to-public trial proceedings.

The decision will subsequently be outlined in an electronic copy of the decision attached with electronic signatures as per the legislation on information and electronic transactions. An electronic copy of the decision has legal binding forces and legal consequences and will be made public in the Tax Court information system.

Electronic trials conducted using video conferencing applications legally meet the principles and provisions on open-to-public trial proceedings. These procedures will be carried out in stages as per provisions that are subject to further stipulations. The Chairperson of the Tax Court Decree will take effect on 29 May 2020.

Secretariat of the Tax Court's Services During the Pandemic

Secretariat of the Tax Court has issued a regulation on the procedures for Secretariat of the Tax Court's services during the pandemic. This policy is regulated in Circular No. SE-01/SP/2020 concerning Procedures for the Provision of Services at the Integrated Service Units (*Tempat Pelayanan Terpadu*/TPT) of the Secretariat of the Tax Court during the 2019 Corona Virus Disease (Covid-19) Pandemic within the Tax Court (SE-01/SP/2020).

This regulation aims to maintain the convenience and order in the administration of tax dispute files and case reviews. Moreover, this circular is intended to enhance efficiency, effectiveness, accountability, acceleration of tax dispute administration services by prioritizing the security and health of all parties.

This policy stipulates three important matters. *First,* the time, venue, and types of service. Starting 8 June 2020, the Secretariat of the Tax Court opens on Monday through Friday during weekdays from 10:00 A.M. WIB to 3:00 PM WIB. Services will be provided in Tax Court Building A located at Jl. Hayam Wuruk No. 7, Central Jakarta and other areas that will be determined later.

Administrative services rendered directly through TPT are classified into three counters, i.e. Counter A, Counter

B, and Counter C. At Counter A, officers will directly handle the receipt of appeal letters and/or lawsuit letters due within the pandemic. Further, for letters that are due after the pandemic may be sent by post or couriers listed in the regulation. These letters include letters relating to appeals/lawsuits such as appeal explanation letters (*Surat Uraian Banding*/SUB), response letters, objection letters, additional data, continuation data, and revocation statements.

At Counter B, officers will provide administrative services for new application and extension of attorney license (*Izin Kuasa Hukum*/IKH) and services related to tax dispute information and other general information. Further, at Counter C, officers handle the submission of case reviews and counter memory of review. In addition to the three types of direct services through TPT, this regulation stipulates other types of administrative services for the parties to a dispute and/or guests other than the parties to a dispute in the appendix.

Second, procedures and code of conduct of services. Face-to-face services at the Secretariat of the Tax Court are carried out with a number of restrictions under the protocol to prevent the spread of Covid-19. In addition, service users who attend in person must be in good health and wear masks.

Service users will not be provided with any parking space because available space will be used as additional waiting rooms. Service users using their own vehicles are only allowed to drop off passengers at predetermined locations. Further, service users and all visitors must undergo a body temperature check before entering the Tax Court surrounding and building. This inspection is carried out by security guards (*Satuan Pengamanan*/SATPAM).

Service users who do not meet the health and/or administrative protocol requirements, i.e. announcements of the online queue, are not allowed to enter the Tax Court building. Service users who are to attend trial proceedings and case reviews but do not meet health and/or administrative protocol requirements will not be allowed to enter the Tax Court building, thus, they cannot attend the trial proceeding.

Third, the online queue mechanism. In this regard, service users are required to register for the online queue for two business days prior to the planned arrival at the Tax Court. Registration procedures may refer to the information on the webpage www.setpp.kemenkeu.go.id.

Next, the announcement of the queue will be uploaded on the page no later than one day before the scheduled arrival. Users of this service are subsequently required to show proof of online queue to security guards to be matched with the queue list before finally being allowed to enter the Tax Court building.

Implementation of Outside Domicile Electronic Trial Proceedings

The Chairperson of the Tax Court has issued provisions on the implementation of outside domicile electronic trial proceedings (*Sidang di Luar Tempat Kedudukan*/SDTK). This regulation is outlined in Circular No. SE-12/PP/2020 concerning the Implementation of Outside Domicile Electronic Trial Proceedings during the Corona Virus Disease 2019 (Covid-19) Pandemic in the Tax Court (SE-12/PP/2020). This circular is intended as the guidelines for conducting outside domicile electronic trial proceedings during the pandemic.

It should be noted that electronic SDTK refers to a series of processes of examining and deciding tax disputes that are based on the Chairperson of the Tax Court's decision to be heard outside domicile with the support of information and communication technology.

Electronic SDTK applies to trial proceedings and/or pronouncements of decisions as per the general trial plan that has been established by the deputy registrar. The implementation of electronic SDTK does not require the approval of the appellant/plaintiff under the provisions in KEP-16/PP/2020 as it is carried out during the Covid-19 pandemic.

Under these provisions, the appellant and the plaintiff are given the option to attend the trial electronically in the SDTK Room of the State Finance Building (*Gedung Keuangan Negara*/GKN) or in their own domicile. If an electronic trial is held, the appellant or the plaintiff is asked to fill out an electronic form to select the venue for trial proceedings outside domicile.

The deputy registrar must beforehand send a notice of trial to the parties. The notification is considered valid insofar as it has been sent to the parties to the dispute. Notification letters submitted to the appellant or the plaintiff is attached by a form to select the venue to attend the electronic trial. Further, the electronic trial venue selection form that has been filled out by the appellant or the plaintiff must be electronically returned to the Tax Court no later than three days before the trial is held.

Should the parties opt for electronic trials in the GKN SDTK room, the deputy registrar will coordinate with relevant parties to prepare and validate the video conferencing equipment for electronic SDTK purposes. In one courtroom, the maximum number of persons attending from each party is two. The parties are only allowed to use video conferencing facilities that are already provided.

Next, the Panel of Judges and Chief Judge may explain the rights and obligations of the Parties related to the electronic trial to ensure its smooth running. The

electronic trial is conducted using a video-conferencing application as per the set trial schedule. The evidentiary hearing is conducted under applicable procedural law.

Evidence and documents in electronic trial proceedings are submitted under several provisions. *First*, electronic documents are submitted no later than the day and time of the trial according to the specified schedule. *Second*, parties that do not submit electronic documents according to the schedule and proceedings without any valid reason as per the judgment of the Panel of Judges or the Single Judge are deemed not exercising their rights.

Third, if deemed necessary, both the Panel of Judges and the Single Judge may request the parties to submit physical documents for the purpose of the trial. *Fourth*, for preliminary hearing requiring witnesses, experts, or interpreters, their oaths may be taken remotely through audio-visual communication media.

The deputy registrar is required to electronically record each stage of the trial proceedings. The pronouncement of the verdict is considered legally implemented, attended by the parties, and carried out in an open-to-public trial. The verdict shall be outlined in an electronic copy of the decision that is attached by an electronic signature as per the legislation on information and electronic transactions.

A copy of this electronic ruling has legal forces and consequences as per statutory provisions. An electronic copy of the decision is published in the Tax Court information system. Electronic trials conducted using video conferencing applications legally meet the principles and provisions of open-to-public trial proceedings as per legislative provisions.

The judge is obliged to ensure that the implementation of electronic SDTK complies with applicable procedural law and principles of justice. The implementation of this circular is subject to periodic evaluations as per the instructions or policies undertaken by the Central Government/Regional Governments related to the handling of Covid-19.

Further, if further provisions are required regarding the implementation, the Chairperson of the Tax Court shall stipulate related matters in separate circulars. Promulgated on 29 May 2020, the regulation has come into effect thereafter.

Guidelines for the Interaction between Fiscus and Taxpayers in the New Normal within the DGT

The Directorate General of Taxes (DGT) has released general guidelines on the implementation of tasks in the new normal within the DGT. These guidelines are outlined in the Director General of Tax Circular No. SE-33/PJ/2020 concerning the General Guidelines for the Implementation of Duties in the New Normal within the Directorate General of Taxes (SE-33/PJ/2020).

This circular has been issued to ensure the effective and efficient implementation of tasks and services. In addition, these guidelines have been issued to prevent and reduce the spread of Covid-19. This policy shall come into force on 15 June 2020 until the issuance of further policies from the DGT.

The circular stipulates several guidelines and provisions. *First*, guidelines for DGT employees and other parties working in the DGT's internal units, such as guidelines for clean and healthy behavior (*Perilaku Hidup Bersih dan Sehat*/PPHBS) and compliance with health protocols. *Second*, guidelines for the interaction with taxpayers/other parties. The second part of the circular contains various provisions on the interaction with other parties, guidelines for service delivery, and document handling.

In the interaction with taxpayers and other parties in the office, masks, face shields, gloves must be worn and physical contact, such as shaking hands, is prohibited. In contrast, the provisions on the interaction with taxpayers/other parties outside the office, such as visits to taxpayers are the same as the previous guidelines on interaction under PER-27/PJ/2016 as amended by PER-02/PJ/2017. There are, however, some additional provisions, such as the recommendation to use official vehicles. In addition, employees assigned out of the office with high risk do not need to go back to the office.

As for the provision of services, this regulation states that face-to-face services are resumed, except for certain types of services. Services that cannot be performed face-to-face include the taxpayer identification number (*Nomor Pokok Wajib Pajak*/NPWP) registration service, the annual tax return and periodic tax return filing service that must be conducted through e-filing, the fiscal certificate (*Surat Keterangan Fiskal*/SKF) service, the service of Certificate of Formal Issuance of Income Tax Payment Slip on the Transfer of Right on Land and/or Building or Changes to the Sale and Purchase Agreement of Land and/or Building (validation of Land and Building Income Tax Payment Slip), EFIN activation and forgotten EFIN services, and services at the airport VAT refund implementation unit.

Additionally, for taxpayers that are unable to access services that are already available online, the fiscus will direct them to access the website www.pajak.go.id independently by using personal gadgets or use self-service areas. With the resuming of face-to-face services, each work unit is to organize the queue of service users according to TPT capacity while taking into account health protocols through the online queue system application.

Consultation services will be provided with appointments through readily available channels, such as email, telephone, or chat. Information on telephone lines and/or chat, and/or other channels that enable employees to simultaneously serve several taxpayers will be featured on the webpage https://www.pajak.go.id/unit-kerja.

Taxpayers may submit taxation services that are not yet electronically available by post or courier services as per applicable regulations. The guidelines also confirm the procedure for receiving documents, in which officers are required to wear gloves and documents must be sprayed with disinfectant. Further, documents will also be set aside for a minimum of twelve hours for further processing, except for documents that require immediate or urgent handling.

Third, guidelines for handling employees, taxpayers, and guests that will enter the office building. In this regard, the access of employees, taxpayers, and guests in each DGT work unit is limited to one door only. Next, the officer will ensure that anyone who enters wears a mask and his/her temperature is below 38% C. The reception of guests will only be conducted in a specific room and not in the workspace.

Fourth, guidelines on the provision of facilities and infrastructure. In this respect, the Director General of Taxes urges each internal unit to provide facilities and infrastructure in the form of washbasins or hand sanitizers, face shields for employees serving taxpayers and guests, and transparent screens in places used for direct interaction. Furthermore, there are provisions on the arrangement of seating, waiting areas, and lifts, or other means to facilitate the application of physical distancing.

Fifth, guidelines on virtual communication and data security. *Sixth,* guidelines for handling emergencies. In light of the sixth section, each DGT work unit is asked to trace other employees who have been in contact with Covid-19 positive employees or non-employees. The tracing is carried out if there are parties confirmed to be positive cases of Covid-19 and have been tasked with the work from office (WFO) scheme in the DGT work unit. Further, the guidelines state that the DGT will coordinate with local public health offices for treatment measures followed by disinfectant spraying in the workspace.

Seventh, the confirmation that a number of circulars related to the guidelines on the implementation of tasks and functions as well as efforts to improve precautions during the Covid-19 prevention period remain valid. A number of provisions are declared to remain valid insofar they do not contradict with this regulation. Said provisions include SE-13/PJ/2020, SE-15/PJ/2020, SE-16/PJ/2020, SE-18/PJ/2020, SE-30/PJ/2020, and SE-31/PJ/2020.

Provisions on NPWP Registration for Interest Subsidy Recipients of the National Economic Recovery Program

The government provides interest subsidies and margin subsidies for the credit and financing process carried out by Micro, Small and Medium Enterprises (MSMEs). The provisions on interest or margin subsidies are outlined in the Minister of Finance Regulation Number 65/PMK.05/2020 concerning the Procedures for the Granting of Interest Subsidies/Margin Subsidies for Credit/Financing for Micro, Small and Medium Enterprises to Support the Implementation of the National Economic Recovery Program (MoF Reg. 65/2020).

Under this regulation, interest subsidies are defined as the share of the interest borne by the government. The amount is set to be the difference between the interest rate received by the creditor or financing institutions and the interest rate charged to the debtor.

Margin subsidies, on the other hand, refer to the share of the margin borne by the government. The margin subsidy amounts to the difference between the margin received by the creditor or financing institutions and the margin charged to the debtor in the shariah financing scheme.

The granting of interest and margin subsidies is intended to protect, maintain, and improve the debtor's economic performance in doing business. These fiscal incentives are also part of the efforts to support the national economic recovery (*Pemulihan Ekonomi Nasional*/PEN) program. The granting of interest subsidies and margin subsidies will be carried out for a maximum period of six months and will be implemented as of 1 May 2020.

The budget for interest subsidies and margin subsidies will be sourced from the State Budget based on the allocations stipulated in the legislation on the posture and details of the State Budget. The interest subsidies and margin subsidies will be given to micro, small business, and medium business debtors with a credit ceiling or financing ceiling of a maximum of Rp10 billion.

The Rp10 billion threshold is the accumulation of all credit agreements and financing agreements of the

debtor. This implies that MSMEs with a cumulative financing credit ceiling of more than Rp10 billion are not eligible for interest subsidies or margin subsidies.

Other than meeting the ceiling criteria, the debtor must meet four other criteria. *First*, having outstanding credit debit or outstanding financing debit until 29 February 2020. Oustanding debit refers to the remaining principal of the loan or financing that must be repaid by the debtor to the creditor or the financing institution.

Second, not included in the national black list. *Third*, categorized in the current performing loan as of 29 February 2020. In other words, the debtor is at collectibility level 1 or 2. *Fourth*, having a Taxpayer Identification Number (*Nomor Pokok Wajib Pajak*/ NPWP) or registered to obtain a TIN.

As for debtors who do not yet have any NPWP, NPWP registration can be conducted ex officio by the Director General of Taxes for debtors with a credit or financing ceiling of Rp50 million. NPWP registration will be conducted as per applicable provisions on debtors with a credit ceiling or financing ceiling greater than Rp50 million.

The ex officio issuance of NPWP and general registration of NPWP are currently regulated as per generally applicable statutory provisions under the Minister of Finance Regulation Number 147/PMK.03/2017 concerning the Procedures for Registration of Taxpayers and Revocation of Taxpayer Identification Numbers and Inauguration and Revocation of Taxable Persons for VAT Purposes (MoF Reg. 147/2017) as well as the Director General of Tax Regulation Number PER-04/PJ/2020 concerning the Technical Guidelines for the Administration of Taxpayer Identification Numbers, Electronic Certificates, and Inauguration of Taxable Persons for VAT Purposes (PER-04/PJ/2020).

Additionally, debtors with credit or financing ceilings that cumulatively range between Rp500 million and Rp10 billion must obtain a restructuring from the creditor or financing institution. Further, an MSME that is a debtor receiving credit or financing from a cooperative and wishes to obtain interest subsidies or margin subsidies must meet the criteria stipulated by the Ministry of Cooperatives and Small and Medium Enterprises.

Debtors with several credit agreements or financing agreements that do not cumulatively exceed the credit ceiling or financing ceiling of up to Rp500 million will only be given interest subsidies or margin subsidies for two agreements. In contrast, debtors with a cumulative credit ceiling or financing ceiling exceeding Rp500 million but below Rp10 billion will be given interest subsidies or margin subsidies for one type of agreement.

The Resuming of the DGT's Complaint Services via Telephone and Changes to the Information Channel of the Tax Court

The Directorate General of Taxes has resumed information and complaint services via telephone 1500200. The resuming of information and complaint services is outlined in the Director General of Tax Circular Number SE-31/PJ/2020 concerning the Resuming of Information and Complaint Services Via Telephone 1500200 (SE-31/PJ/2020). Information and complaint services via telephone 1500200 resume as of 2 June 2020 as per the promulgation of SE-31/PJ/2020.

These services were suspended due to the implementation of Work from Home (WFH) for several DGT employees to prevent the spread of Covid-19. Provisions on the suspension of information and complaint services via telephone are outlined in the appendix of the Director General of Tax Circular Number SE-18/PJ/2020 concerning Guidelines for the Implementation of Tasks Related to the Efforts to Increase Precautions for the Prevention of Corona Virus Disease (Covid-19) within the Directorate General of Taxes (SE-18/PJ/2020).

The Secretariat of the Tax Court has changed the contactable Whatsapp number as an information channel. The new number of this information channel number was announced via an official Instagram upload by the Tax Court Secretariat. Requests for information services can now be submitted through the number +6281211007510.

The number change implies deactivation of the contact listed in the Chairperson of the Court Circular No.SE-03/PP/2020 concerning Guidelines for the Adjustments of Trial Proceedings and Administrative Services During the Prevention Period of Corona Virus Disease 2019 (Covid-19) Spread within the Tax Court (SE-03/PP/2020), +628119202032.

The information service via Whatsapp operates during business hours from Monday to Friday at 08.00 – 16.00 WIB. The service, however, is only provided via the chat feature, and no phone calls are accepted.

Electronic Trial Proceedings of the Tax Court

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