11th IMF-Japan High-Level Tax Conference for Asian Countries

International Tax Framework in Indonesia

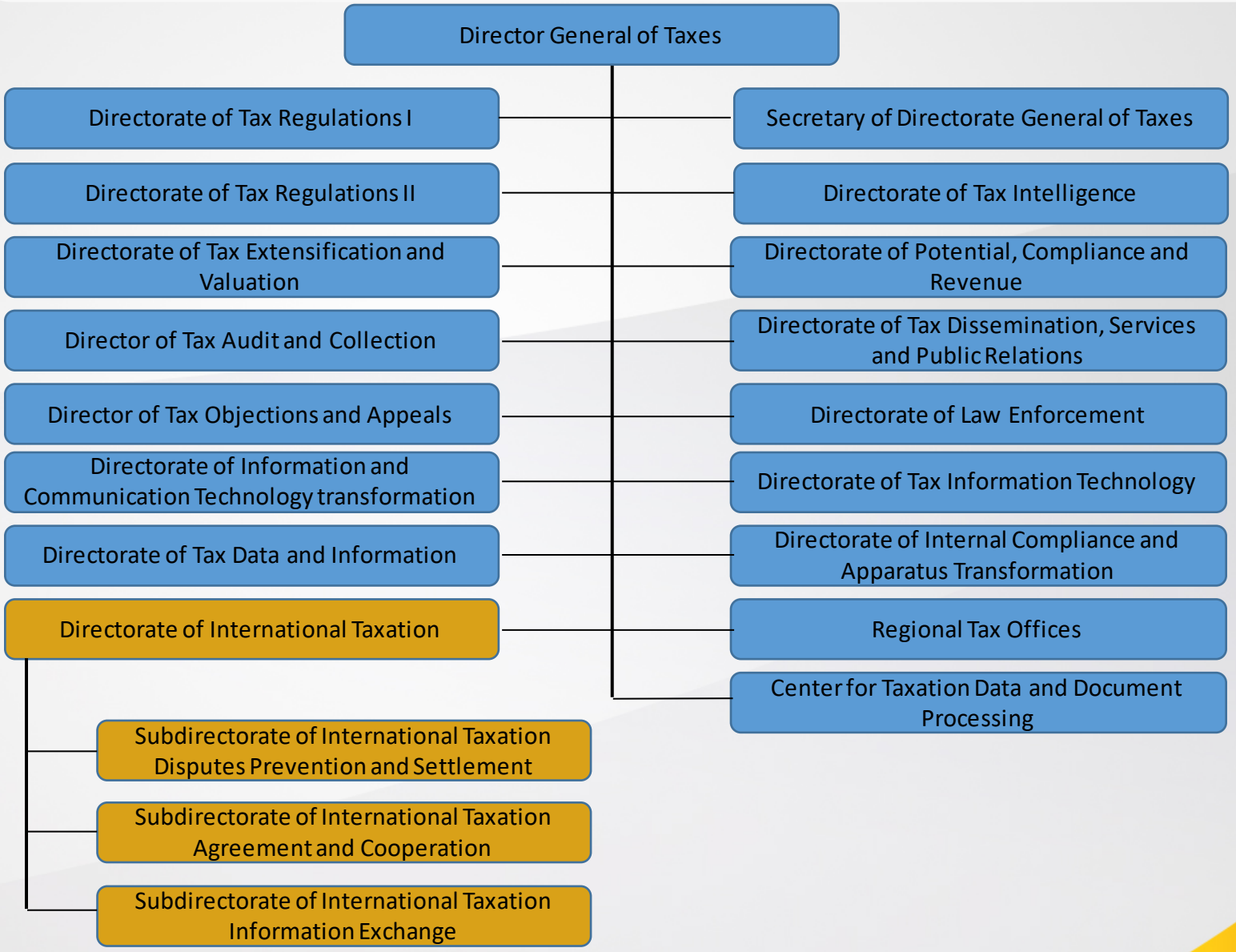
June 16, 2021

Kementerian Keuangan Republik Indonesia
Direktorat Jenderal Pajak

OUTLINE

1. Organization Structure
2. Human Resources
3. Legal Framework
   - 3.1. The Adoption of BEPS
   - 3.2. Data Collection
4. Compliance Risk Management

1. Organization Structure



2. Human Resource

Human Resource

Subdirectorate of International Taxation Disputes Prevention and Settlement	Subdirectorate of International Taxation Agreement and Cooperation	Subdirectorate of International Taxation Information Exchange
37 Transfer Pricing Analysts	31 Treaty Analysts	28 Exchange of Information Analysts

Capacity Development

Basic Training and Advance Training	Joint workshop with other tax authorities and international cooperation bodies	Conducting Training to Tax Officers such as Tax Auditors, Account Representatives,etc

3.1. The Adoption of BEPS

BEPS Action 3	Mof Rule no 107/PMK.03/2017 on Determination when Dividends are Accrued and the Calculation Basis
BEPS Action 5	DG Rule no 24/PER/PJ/2018 on Spontaneous Exchange of Information
BEPS Action 6,7,15	Presidential Regulation no 77/2019 on the Ratification of Multilateral Convention
BEPS Action 8,9,10	Mof Rule no 22/PMK.03/2020 on Implementation Guidelines of APA
BEPS Action 13	Mof Rule no 213/PMK.03/2016 on Transfer Pricing Documentation
BEPS Action 14	Mof Rule no 22/PMK.03/2020 on Implementation Guidelines of APA Mof Rule no 49/PMK.03/2019 on Implementation Guidelines of MAP

3.2.Data Collection

Law on General Provisions and Tax Procedures Article 35 A	*Government Regulation in Lieu of Law no 1/2017*	*Exchange of Information*
Oblige government agency, institution, association, and other parties, to provide data and information related to taxation to the directorate general of taxation.	The Director General of Taxation is authorized to access the financial information for tax purposes from financial services institutions carrying out activities in the banking sector, capital markets, insurance, other financial services institutions, and/or other entities categorized as financial institutions in accordance with financial information exchange standards based on international agreements in the field of taxation.	1. On Request 2. Spontaneous 3. Automatic

4. Compliance Risk Management on International Taxation

Centralized Risk Management

The Directorate General of Taxes (DGT) has a **centralized risk management** that uses a variety of manual and automated risk detection techniques regarding multinational enterprises with cross-border transactions.

Data Modelling and Analytics

The DGT **develops data modelling and analytics programs**.

Utilizing CBCR Data

With the implementation of CbC Reporting, the DGT will incorporate new datasets from the master file, local file, CbC Reports to its risk engine

4. Compliance Risk Management on International Taxation

Managerial Aspect

MAPPING

Mapping taxpayers with international transaction

HUMAN RESOURCES

Allocating Human Resources

MONITORING

Assisting follow-up monitoring

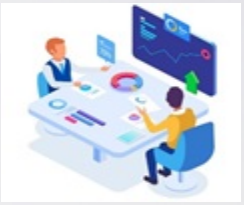
Operational Aspect

PRIORITY

Determining taxpayers prioritised to be assessed

RISK PROFILING

Understanding taxpayers' risk profile



ANALYSIS

Assisting taxpayers' analysis in supervision, audit and tax dispute prevention and settlement process.

THANK YOU

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