



Recent Developments in International Corporate Taxation

P.M. John L. Hutagaol

Director of International Taxation

The Ninth IMF – Japan High Level Tax Conference



Kementerian Keuangan Republik Indonesia
Direktorat Jenderal Pajak

GLOBALIZATION

INTERDEPENDENCY

CROSS - BORDERLESS

INTERNATIONAL TRANSACTIONS

UNIVERSAL NORMS AND VALUES

GLOBAL BUSINESS PLAYERS

INTERNATIONAL COOPERATION AND
COLLABORATION TO MAINTAIN HARMONY

TAXATION ISSUES

DOUBLE TAXATION &
NON-TAXATION

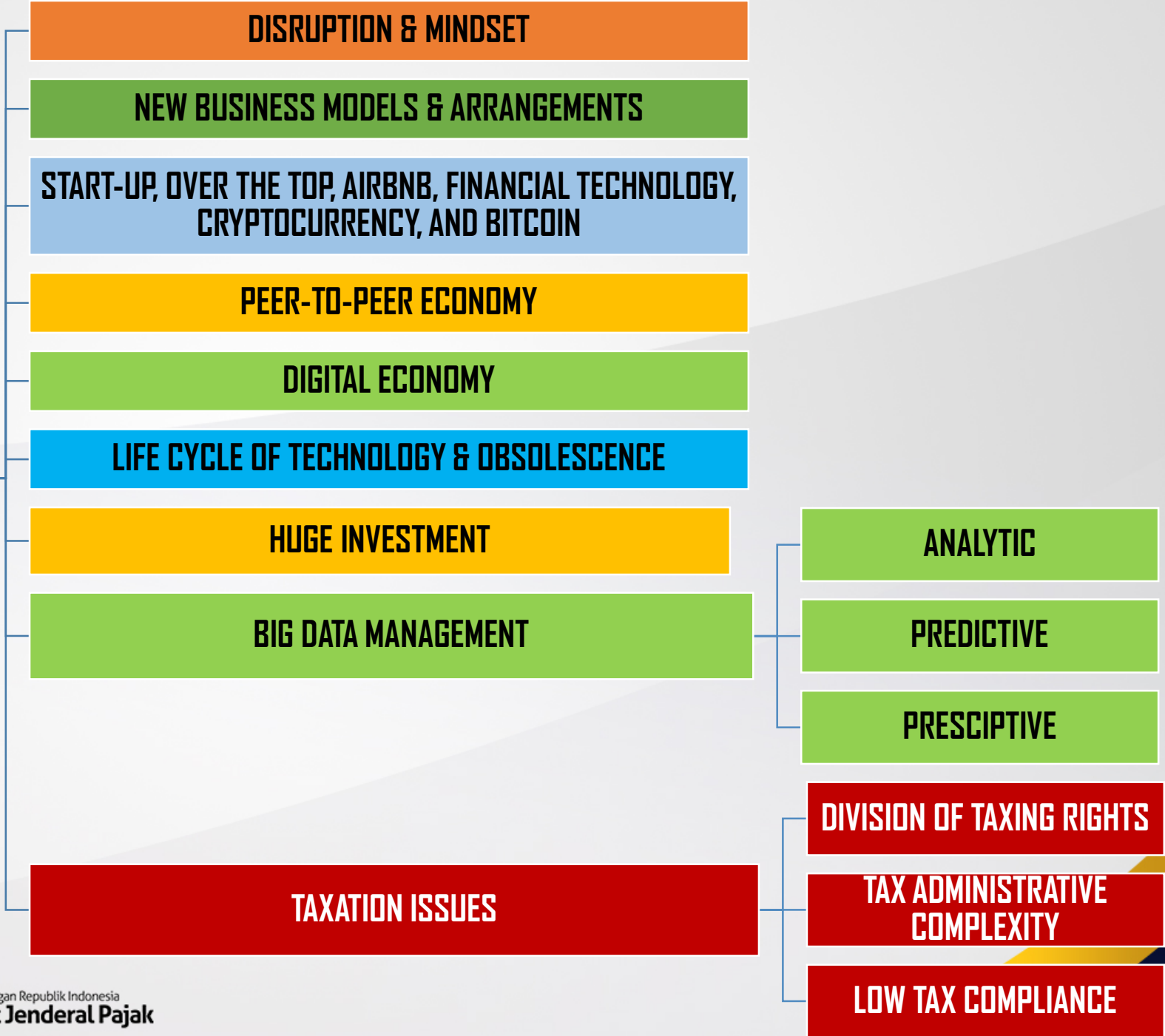
AGGRESSIVE TAX
PLANNING

HARMFUL TAX
COMPETITIONS

HYBRID MISMATCH
ARRANGEMENT



ICT



UNDERGROUND ECONOMY

NON RECORDED ECONOMIC ACTIVITIES

RANGE FROM 1 % - 20 %

**ILLICIT FUNDS, ILLEGAL LOGGINGS, FISHING,
MINING, HUMAN TRAFFICKING**

MONEY LAUNDERING

CRYPTO CURRENCY AND BITCOIN

CASH ECONOMY

TAXATION ISSUES

**ASYMMETRIC
INFORMATION**

LOW TAX COMPLIANCE



GLOBAL ECONOMIC GROWTH

4 WORLD ECONOMIC PILLARS: USA, PRC, EU,
JAPAN

SLIDING ECONOMIC GROWTH

MODERNIZED TAX ADMINISTRATION

MORE TAXATION REVENUE TO FINANCE THE
ECONOMIC RECOVERY PROGRAMS

FATCA, OVDP, TAX AMNESTY

FISCAL STIMULUS

GOVERNMENT
EXPENDITURE

PRIVATE PARTNERSHIP



STRATEGIC POLICY TOWARDS THE FRAGILE INTERNATIONAL TAXATION LANDSCAPE

**International tax
cooperation &
collaboration**

**Promoting
transparency for
tax purpose**

**Common
approaches
dealing with BEPS**

Tax certainty



INTERNATIONAL TAX COOPERATION & COLLABORATION

67
Tax Treaties

International
Community

Group of 20
(G20)

Inclusive Framework
on BEPS

Global Forum on
Transparency and
Exchange of Information

Forum on Tax
Administration

Regional
Community

Study Group on Asian
Tax Administration and
Research

Asia-Pacific Economic
Cooperation

ASEAN Tax Forum

Others

Association of Tax
Authorities of Islamic
Countries

World Bank

IMF, ADB, AIPEG, JICA,
IBFD, UN, OECD



PROMOTING TRANSPARENCY FOR TAX PURPOSES

Exchange of Information (Eol) by request

Automatic Eol

Simultaneous Eol

**Law Number 9 of 2017 concerning Access of
Financial Account Information for Tax Purposes**



COMMON APPROACHES DEALING WITH BEPS

Digital Economy (1)

Coherence

Hybrid Mismatch Arrangements (2)

CFC Rules (3)

Interest Deductions (4)

Harmful Tax Practices (5)

Substance

Preventing Tax Treaty Abuse (6)

Avoidance of PE Status (7)

Transfer Pricing: Intangibles (8)

Transfer Pricing: Risks & Capital (9)

Transfer Pricing: High Risk Transactions (10)

Transparency

Methodologies and Data Analysis (11)

Mandatory Disclosure Rules (12)

TP Documentation and CbC Reporting (13)

Dispute Resolution (14)

Multilateral Instrument (15)



4 Minimum Standards

Action 5

Countering Harmful Tax Practice

Action 6

Treaty Abuse

Action 13

TP Documentation (CbCR)

Action 14

Dispute Resolution



TAX CERTAINTY

Domestic Remedies:

1. Objection
2. Appeal

1. Dispute Resolution
MAP
2. Dispute Prevention
APA

Tax Education & Counseling

Level Playing Field

Non-discrimination

Building Trust:





1. Corruption Eradication
2. Public Services &
Infrastructures
3. Services Improvement



Thank You



Ministry of Finance of the Republic of Indonesia
Directorate General of Taxes

 www.pajak.go.id  [DitjenPajakRI](https://www.facebook.com/DitjenPajakRI)  [@DitjenPajakRI](https://twitter.com/DitjenPajakRI)  [DitjenPajakRI](https://www.youtube.com/DitjenPajakRI)  1500-200