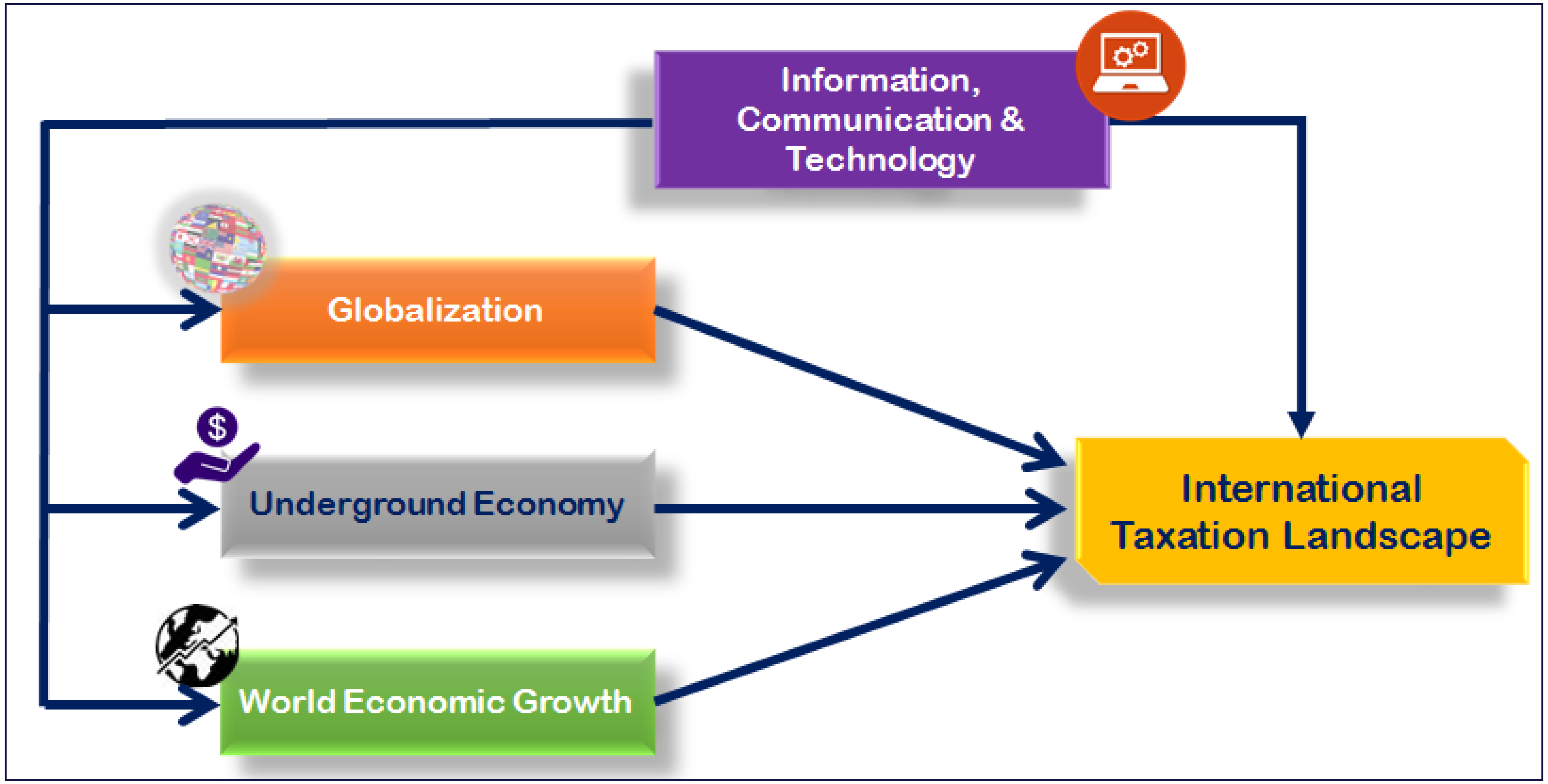

The International Tax Landscape and Its Impact for Indonesia Tax Regulation

Yogyakarta, 11 April 2019

CURRICULUM VITAE

Name	:	Prof. Dr. Poltak Maruli John Liberty Hutagaol, M.Acc., M.Ec.(Hons.), S.E., Ak., C.A.
Position	:	Director of International Taxation
Place & Date of Birth	:	Jakarta, 27 November 1965
Office Address	:	Jalan Jenderal Gatot Subroto Kavling 40-42, Jakarta

I. Education

- ❖ Bachelor of Economics (University of Brawijaya, Malang) – 1988
- ❖ Master of Economics in Accountancy (University of Macquarie, Sydney) – 1994
- ❖ Master of Economics by Research (University of Macquarie, Sydney) – 1995
- ❖ Doctor of Business Management (University of Padjadjaran, Bandung) – 2004
- ❖ Professor (Perbanas Institute, Jakarta) - 2008

II. Professional Organization

- ❖ Indonesian Competent Authority, 2012 – now
- ❖ Professor in Taxation, 2008 – now
- ❖ Chairman of Board Advisor of ATPETSI, 2018 – 2022
- ❖ Chairman of KAPj IAI, 2018 – 2020
- ❖ Head of Indonesian Delegation for MAP, 2012 – now

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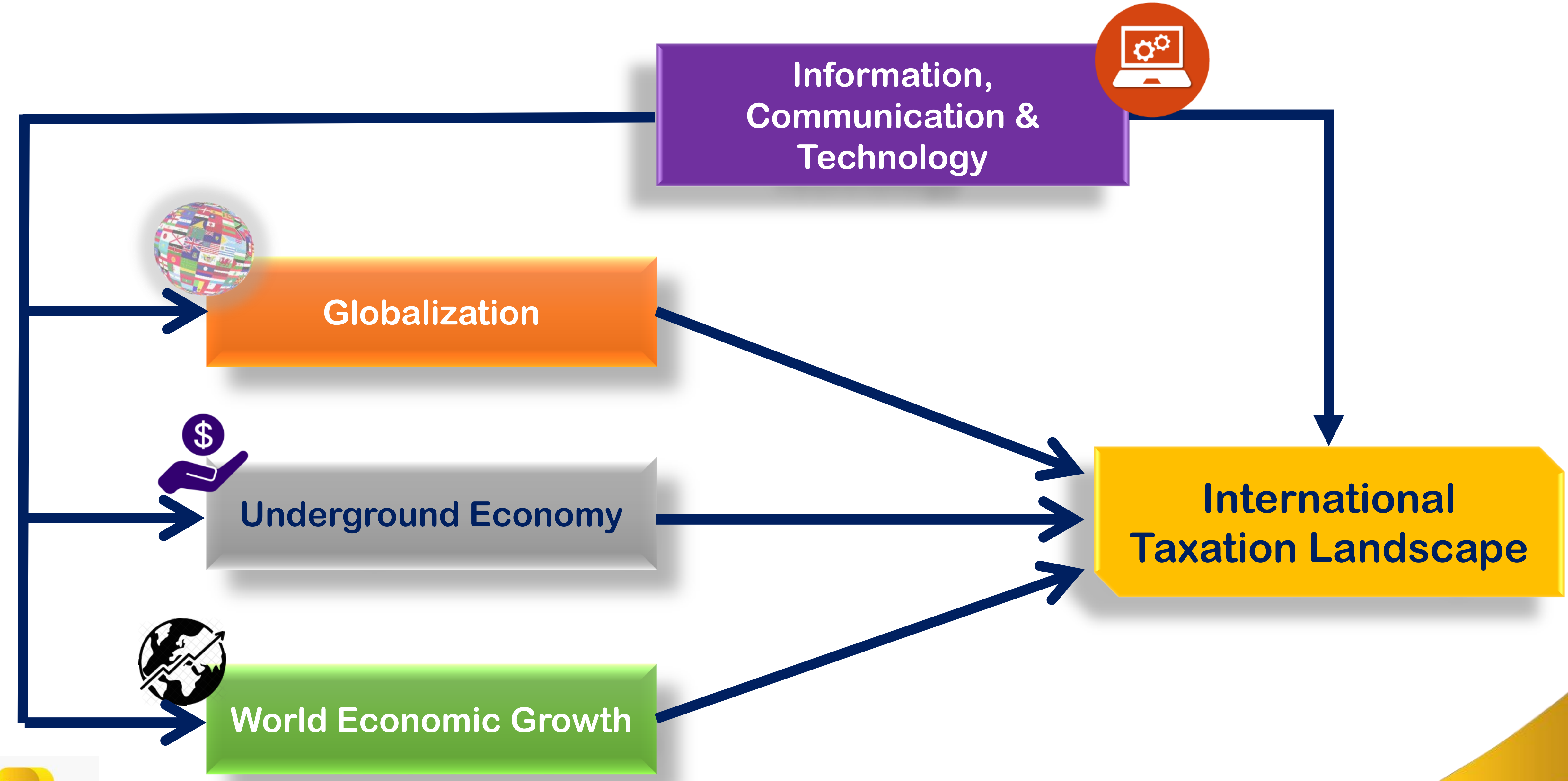

Information, Communication & Technology
Globalization
Underground Economy
World Economic Growth
International Taxation Landscape

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

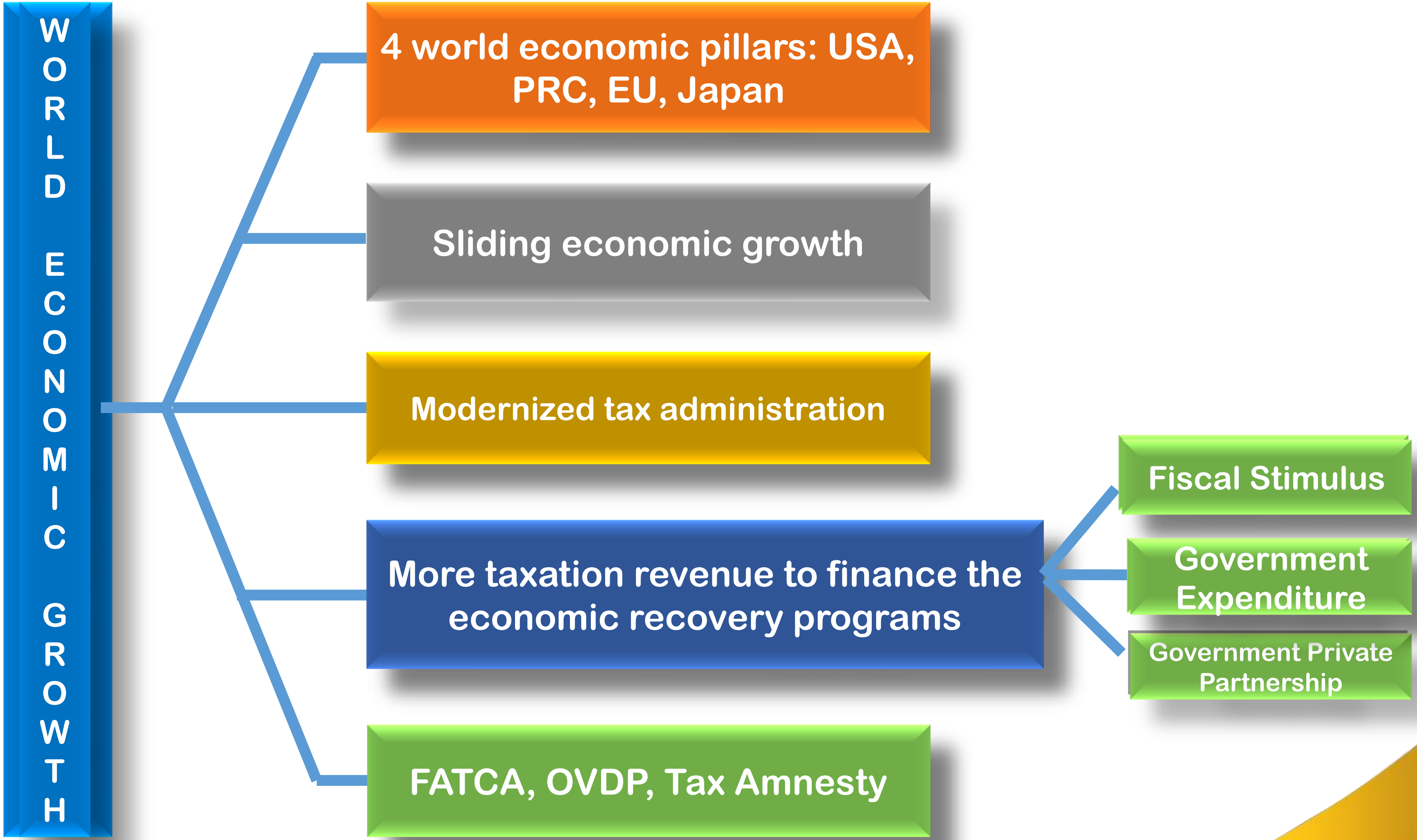
djp

- ICT
  - Disruption & mindset
  - New business models & arrangements
  - Start-up, over the top, Airbnb, financial technology, cryptocurrency, bitcoin, and virtual currency
  - Peer-to-peer economy
  - Digital Economy
  - Life cycle of technology & obsolescence
  - Huge investment
  - Big Data Management
    - Analytic
    - Predictive
    - Presciptive
  - Taxation issues
    - Fairness of sharing taxing rights
    - Tax administrative complexity
    - Low tax compliance

djp

UNDERGROUND ECONOMY

- Non recorded economic activities
- Range from 1%-20%
- Illicit funds; illegal loggings, fishing, and mining; human trafficking
- Money laundering
- Crypto currency and bitcoin
- Cash economy
- Taxation issues
  - Asymmetric Information
  - Low tax compliance


WORLD 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
Fiscal Stimulus
Government Expenditure
Government Private Partnership
FATCA, OVDP, Tax Amnesty

The Outcome of Transformation of International Landscape

Transformation of International Taxation Landscape

Asymmetric Information

Aggressive Tax Planning

BEPS

STRATEGIC POLICY TOWARDS THE TRANSFORMATION OF INTERNATIONAL TAXATION LANDSCAPE

International tax cooperation & collaboration

Promoting transparency for tax purpose

Common approaches dealing with BEPS

Tax certainty

INTERNATIONAL TAX COOPERATION & COLLABORATION

- **68 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 (EoI) by request
- Automatic EoI
- Simultaneous EoI
- Law Number 9 of 2017 concerning Access of Financial Account Information for Tax Purposes

Gambaran Umum UU No.9 Tahun 2017 dan Aturan Pelaksanaannya

Pelaksanaan Perjanjian Internasional

PMK 70 stdd 73 Tahun 2017 Tentang Petunjuk Teknis Mengenai Akses Informasi Keuangan Untuk Kepentingan Perpajakan

Kepentingan Perpajakan Domestik

Subjek

1. **Lembaga Jasa Keuangan** (Perbankan, Pasar Modal dan Perasuransian di bawah pengawasan OJK)
2. **Lembaga Jasa Keuangan Lainnya** (selain Perbankan, Pasar Modal dan Perasuransian di bawah pengawasan OJK)
3. **Entitas Lain** (selain Perbankan, Pasar Modal dan Perasuransian di luar pengawasan OJK)

Penyampaian Informasi Keuangan

Penyampaian Informasi Keuangan	Periode Informasi Keuangan yang disampaikan	Bentuk Data	Mekanisme Penyampaian	Elemen Data yang Diminta	Jangka Waktu Penyampaian
Otomatis	Informasi keuangan untuk 1 tahun kalender	Elektronik	1. Elektronik (online) 2. Non Elektronik (langsung)	1. identitas Pemegang Rekening Keuangan; 2. nomor Rekening Keuangan; 3. identitas lembaga keuangan pelapor; 4. saldo atau nilai Rekening Keuangan; dan 5. penghasilan yang terkait dengan Rekening Keuangan	Paling lama disampaikan: • 30 April/ tahun, ke DJP; • 1 Agustus/ tahun, via OJK.
By Request		Sesuai permintaan	Disampaikan langsung	Sesuai dengan kebutuhan Direktorat Jenderal Pajak	1 bulan sejak surat permintaan

Kerahasiaan

Informasi yang diterima / diperoleh digunakan sebagai basis data perpajakan

Informasi wajib dijaga kerahasiaannya

pejabat / tenaga ahli dilarang membocorkan, menyebarluaskan, memberitahukan ke pihak yang tidak berwenang

pidana kurungan dan pidana denda Ps. 41 KUP atas pelanggaran kerahasiaan bagi Pejabat / Tenaga Ahli

Pengenaan Sanksi

Pelanggaran:
- Prosedur identifikasi Rekening Keuangan (khusus AEOI)
- Dokumentasi (khusus AEOI)
- Pemalsuan Dokumen, Pengurangan / Penyembunyian informasi

→ Klarifikasi → Teguran Tertulis

Tidak Memenuhi:
- Kewajiban lapor secara otomatis
- Kewajiban memberikan informasi yang diminta

→ Teguran Tertulis → Pemeriksaan Bukti Permulaan →

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)

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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

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