

## **I. Introduction**

There have been technological achievements, especially in the fields of information and transportation, and improvements are continually developing. As a result, communication and interaction are made easier, expediting business agreements and decisions. Increased enthusiasm for globalization as well as escalating interdependence between persons and nations provide a strong basis for growth and development of international transaction involving trade, service and investment.

Consequently, each nation and country are susceptible to influencing and being influenced by interaction and communication. From the economic perspective, all forms of protection for the benefit of a country are eliminated until goods, services, and capital flow in and out a country without obstacles (borderless economy).

Efficient global production processes with maximum output will occur because global production resources are allocated efficiently to locations or countries which have comparative advantage. Global wealth can be attained as goods and services are purchased at relatively low prices.

Indonesian manpower will continue to be highly mobile across national boundaries, especially in regions where there is cross border employment. For example, many Singaporeans in Batam but live in Singapore. Further, there are many Indonesians who work overseas due to posting or to provide domestic services.

Increased international transactions in the service sector provide many benefits to Indonesia including growth in tax revenue.

Foreigners in Indonesia can be categorized as residents or non-residents depending on the length of time they stay in Indonesia and their activities. As soon as an individual becomes a resident in Indonesia for tax purposes, he/she is obligated to register at the appropriate tax office. In practice, many expatriates are reluctant to register, giving the reason that they have one employer and that the tax on their employment income has been withheld in accordance with paragraph 6 of article 21 of 1983 Income Tax Law, once an individual becomes a resident taxpayer, he/she is subject to tax on worldwide income, that is, income from sources within and outside Indonesia.

The issuance of amended income tax provisions in the year 2000, that is, Law Number 17 year 2000, is meant to make it clear that any individual who has become a resident should register at the appropriate local tax office.

After a taxpayer is registered and has a Tax ID Number (NPWP), he/she has obligations and rights as regulated by the prevailing tax provisions, for

example, the obligation to pay and report monthly returns (SPT Masa) where applicable and annual returns (SPT Tahunan).

The purpose of this manual is to provide a brief overview of tax laws and regulations that an expatriate taxpayer residing in Indonesia should know so that he/she is aware of his/her tax rights and obligations.

This manual is categorized into six sections - introduction, Tax Administration, Income Tax, Frequently Asked Questions, General Information Regarding Visa Requirements for Working in Indonesia, and Relevant Forms in Bahasa Indonesia and Their translation in English.

## **II. Tax Administration**

### **A. Category of an Individual Taxpayer.**

#### **1. Resident**

A resident tax subject shall be:

- ◆ An individual residing in Indonesia or
- ◆ An individual who is present in Indonesia for more than 183 days in any 12 month period, or
- ◆ An individual who is present in Indonesia in a tax year with an intention to reside in Indonesia.

#### **2. Non-Resident**

A non-resident tax subject shall be:

An individual not residing in Indonesia or who is present in Indonesia for not more than 183 days in any 12 month period.

- ◆ who is conducting a business or carrying out activities through a fixed based in Indonesia .
- ◆ who derives income from Indonesia other than from conducting business or carrying out activities through a fixed based in Indonesia.

A taxpayer is an individual or a body which, pursuant to the provisions in the tax law, is required to fulfill tax obligations, including tax collection or tax withholding of certain taxes. (Article 1 paragraph (1) Law No. 16 Year 2000).

### **B. Tax Identification Number (Nomor Pokok Wajib Pajak-NPWP)**

#### **1. What is a Tax Identification Number?**

The Tax Identification Number (NPWP) is a number issued to taxpayers by the tax office to identify taxpayers and to assist them in fulfilling their tax obligations. (Article 1 - paragraph (1) Law No. 16 Year 2000).

#### **2. How to get an NPWP**

Taxpayer shall be obligated to register at the tax office in the district in which the taxpayer reside (Article 2-paragraph (1) Law No. 16 Year 2000) by submitting the following documents:

- a. Registration and change of data form
- b. Copy of passport
- c. Copy of limited stay permit card (KITAS)
- d. Copy of work permit (for taxpayer who is an employee)
- e. Copy of tax identification number of the employer (for taxpayer who is an employee)
- f. Power of attorney (if his/her registration process is done by another party)

- g. Copy of business permit (for taxpayer who is conducting business or an independent professional)

An individual taxpayer who is an entrepreneur as mentioned in the Circular Letter of Director General of Taxation No.: SE-40/PJ.41/2000 is an individual who has several places of business activities. He/she is obligated to register in his/her place of business activities as follows:

- a. A taxpayer who has several places of business activities in one operational area of the tax office must register each place of business in each related tax office.
- b. A taxpayer who has several places of business activities located in the districts of several tax offices must register each place of business in each related tax office.

**3. What if taxpayer does not want to register?**

- a. The Director General of Taxation has the authority to issue an NPWP officially. (Article 2-paragraph (4) Law No. 16 Year 2000)
- b. If a taxpayer fails to register intentionally resulting in losses to the state revenue, he/she shall be sentenced to imprisonment for period not exceeding 6 years and shall be subject to a fine for an amount not exceeding four times the tax unpaid/underpaid. (Article 39-paragraph (1) Law No. 16 Year 2000)

**4. What if there is a change in taxpayer's data?**

A taxpayer may inform the tax office of any change in his data (such as change of address, change of employer, etc.) by filling the registration and change of data form at the tax office where the taxpayer is registered.

**5. What if the taxpayer is leaving Indonesia permanently or has applied for an Exit Permit Only to the Immigration Office?**

A taxpayer should state in writing that an Exit Permit Only (EPO) will be forwarded to the tax office where he is registered, so that the tax office will not issue a tax collection letter due to non filling or non payment of the monthly Article 25 income tax.

**The following are to be attached when submitting the deregistration form (now known as registration and change of data form):**

- a. Exit Permit Only (EPO)
- b. Statement from the employer stating that a taxpayer's contract in Indonesia has ended (for a taxpayer who is an employee)
- c. Cancellation of business permit letter (for a tax payer who is conducting business or is an independent professional)
- d. Power of attorney (if his/her deregistration process is handled by another party)
- e. Original copy of taxpayer identification number card

Before forwarding the EPO, the taxpayer should fulfill other tax obligation such as:

- a. Pay any tax due which has not been paid.
- b. File an annual individual tax return for the year of departure, by providing a close approximation of his/her global income.
- c. File applications for deregistration of NPWP.

### **C. Monthly and Annual Income Tax Return**

After registering and obtaining the NPWP, a taxpayer has to file the following tax returns:

- a. Monthly Article 25 income tax return using tax payment slips (SSP) at the latest 20 days from the end of the month. An individual who is not conducting a business or who is not an independent professional is exempted from filling the monthly returns.
- b. Annual individual tax return (Form 1770) at the latest 3 months from the end of a tax year. The form 1770 can be obtained from the tax office. (Article 3-paragraph (3) Law No. 16 Year 2000).

#### **What the taxpayer should know before completing the tax return:**

- a. Every taxpayer has to complete the tax return in Bahasa Indonesia using Latin Letters, Arabic numerals, and Rupiah currency, then sign and file it at the tax office where the taxpayer is registered. (Article 3-paragraph (1) and (1) a Law No. 16 Year 2000).
- b. A taxpayer has to complete and file a tax return correctly, thoroughly and clearly. The tax return has to be signed. (Article 4-paragraph (1) Law No. 16 Year 2000).
- c. Where a tax return is completed and signed by a person other than the taxpayer, a power of attorney must be attached. (Article 4-paragraph (3) Law No. 16 Year 2000).
- d. Completion of annual income tax return by taxpayers who have to maintain bookkeeping records must be accompanied by financial statements in the form of balance sheet and income statement as well as other information required to calculate the amount of taxable income. (Article 4-paragraph (4) Law No. 16 Year 2000).
- e. For filing of 2001 annual income tax return, a taxpayer has to attach a statement of assets and liabilities (MOF Decree No. 534/KMK.04/2000 dated December 22, 2000).
- f. The filing of a tax return may be done by registered mail through the Post Office or by such other means as regulated by the decree of the Director General of Taxation. (Article 6-paragraph (2) Law No. 16 Year 2000).

### **D. Tax Payment**

The taxpayer has to pay the tax due to the state treasury via Post Office and/or a State Owned Bank or Local Government Owned Bank or any other

place of payment stipulated by the Minister of Finance. (Article 10-paragraph (1) Law No. 16 Year 2000).

### **1. Payment of Monthly Installment Article 25 Income Tax**

For Monthly Article 25 Income Tax Return, the monthly tax installment payment is due no later than 15 days from the end of the month. If the 15<sup>th</sup> is a public holiday, Saturday or Sunday, the due date is the following day (Article 9-paragraph (1) Law No. 16 Year 2000).

The amount of monthly installment which should be paid by taxpayer shall be equal to the tax due according to the annual income tax return for the preceding year, deducted by income tax under Article 21, 22, 23, and 24; then divided by 12 (twelve) or the number of months for part of the tax year. For the months before the due date of the annual income tax return (January-February), the amount of monthly Article 25 income tax shall be equal to such amount paid in the last month (December) of the preceding tax year.

For an individual taxpayer who is conducting a business or is an independent professional and has several places of business, the monthly Article 25 income tax payable in the current tax year shall be 1 % (one percent) of the monthly gross turnover from each place of business (Section 3 of Circular Letter No.: SE-40/PJ.41/2000 dated 29 December 2000).

For a new taxpayer who is conducting a business or is an independent professional, the monthly Article 25 income tax shall be equal to the income tax liability calculated using the normal tax rate on annualized net income, divided by 12 (twelve). The amount of that net income is previously deducted by the non-taxable income threshold amount (Article 2 of Minister of Finance Decree No.: 522/KMK.04/2000 dated 14 December 2000).

However, for a new taxpayer other than the above mentioned, the monthly Article 25 income tax shall be equal to the income tax liability calculated at 10% of annualized net income, divided by 12 (twelve). The amount of that net income is previously deducted by the non-taxable income threshold amount (Circular Letter Number SE-31/PJ.4/1995 dated June 21, 1995).

### **2. Payment of Annual Individual Tax Return Article 29 Income Tax**

The tax underpayment based on the annual tax return should be paid by the 25<sup>th</sup> of the third month after the end of a tax year or part of a tax year, before the annual tax return is filed (Article 9-paragraph (2) Law No. 16 Year 2000).

### **3. Payment of Tax Assessment**

Additional payments required as a result of a Tax Collection Letter (STP), Tax Underpayment Assessment (SKPKB), Additional Tax Underpayment Assessment (SKPKBT), or Tax Correction Notice, Decision Letter on Objection or Appeal should be paid at the latest one month from the date of issuance (Article 9-paragraph (3) Law No. 16 Year 2000).

#### **4. Payment of Exit Tax**

An individual taxpayer who travels abroad has to pay exit tax at a counter located at each point of departure from Indonesia through land, sea, and air. The tax is paid at the counter by using an Exit Tax Form or paid at the post office or a bank authorized to receive tax payments on behalf of the Director General of Taxation by using tax payment slip (SSP). (Article 25-paragraph (8) Law No. 17 Year 2000).

### **E. Bookkeeping/Recordkeeping**

An individual taxpayer who is conducting a business or is an independent professional shall be obliged to maintain **bookkeeping**. However, an individual taxpayer who according to the provisions of the tax laws is permitted to calculate net income by using the Net Income Calculation Norm is not obliged to maintain bookkeeping. (Article 28-paragraph (1) Law No. 16 Year 2000).

A taxpayer who is allowed to calculate net income by using the Net Income Calculation Norm is an individual taxpayer with annual gross turnover less than Rp. 600,000,000.00 (six hundred million rupiah). (Article 14-paragraph (2) Law No. 17 Year 2000).

An individual taxpayer who is conducting business or is an independent professional with annual gross turnover of Rp. 600,000,000.00 or more is obliged to maintain bookkeeping and if his/her annual gross turnover is less than Rp. 600,000,000.00 is obliged to maintain records, except if that taxpayer chooses to maintain bookkeeping. A taxpayer who has annual gross turnover less than Rp. 600,000,000.00 and does not choose to maintain bookkeeping, calculates his/her net income with Net Income Calculation Norm if he/she has informed the Director General of Taxation within the first 3 (three) months of relevant tax year. (Article 1 of Decision Letter Director General of Taxation No. Kep-536/PJ./2000).

**Recordkeeping** must be done by:

- a. An Individual taxpayer who is conducting business or is an independent professional, who is permitted to calculate his/her Net Income Calculation Norm; and

- b. An individual taxpayer who is not conducting business or is not an independent professional. (Article 1 of Decision Letter of Director General of Taxation No. Kep-520/PJ./2000).

## **F. Tax Auditing**

The definition of auditing is a series of activities to search, collect and process data and/or other information within the scope of:

- a. Supervising tax compliance in the following circumstances:
  - Where a tax return shows a refund to the taxpayer.
  - Where a tax return is not filed or the time at which it was filed was not stipulated.
  - Where a tax return meets the criteria determined by the Director General of Taxation.
  - Where there are indications that other tax obligations are not being fulfilled.
- b. Meeting other objectives in the implementation of the provisions of the tax laws in the following circumstances:
  - The issuance of Tax Identification Number (NPWP).
  - The determination of the amount of monthly tax installment for a new taxpayer.
  - Where a taxpayer applies for an objection or appeal.
  - The collection of data for the compilation of the deemed tax calculation.
  - The verification of data/tools of information.
  - Other objectives in the scope of implementation of the provisions of the tax laws.

## **G. Other Rights of the Taxpayer**

### **1. Extension of time to file the Annual Tax Return**

The Director General of Taxation may, at the request of a taxpayer, extend the period for filing an annual tax return for a maximum period of 6 months.

The request shall be in writing and accompanied by a statement estimating the amount of tax due for 1 (one) tax year and proof of settlement of the tax due.

(Article 3-paragraph (4) and (5) Law No. 16 Year 2000).

### **2. Amendment of a Tax Return**

- a. A taxpayer may on his own initiative amend a tax return that has been filed by submitting a written statement within two years from end of a tax period, part of a tax year, or a tax year, provided the Director General of Taxation has not started an audit.



- b. Where the taxpayer amends the tax return himself resulting in an increase in the amount month of tax due, the taxpayer will be subject to a penalty of 2% (two percent) interest per month on the amount of tax underpaid, calculated from the filing due date of the tax return up to the date of payment resulting from amendment of the tax return.
- c. If an audit has been done, but an investigation has not been conducted into wrong doing committed by a taxpayer, there shall be no investigation of the wrong doing of the taxpayer if the taxpayer on his own initiative discloses the errors and pays any tax underpaid along with a fine equal to twice the amount of tax underpaid.
- d. If the period for amending a tax return as prescribed in paragraph (1) has lapsed, provided the Director General of Taxation has not issued a tax assessment, a taxpayer may on his own initiative disclose in a separate report nay inaccuracy in the completion of a tax return already filed, which causes:
  - i. the amount of tax payable to increase; or
  - ii. the loses based on the tax payable to increase; or
  - iii. the total assets to increase; or
  - iv. the total equity to increase.
- e. Any tax underpayment arising from the disclosure of inaccuracies in completing a tax return as prescribed in article 8 paragraph (4) along with penalty of 50% of the amount of tax underpaid, shall be paid by a taxpayer before submission of the above report.
- f. Although the period allowed for amending a tax return as referred to in paragraph (1) has lapsed and as long as the Director General of Taxation has not initiated an audit, a taxpayer may amend the annual income tax return already filed in either of these situations:
  - i. The taxpayer receives a Decisions Letter on an objection to a tax assessment of a previous year's tax return and the amount of fiscal loss stated on the Decision Letter is different from the tax assessment; or
  - ii. The taxpayer receives a Decision Letter on an appeal to an objection to a tax assessment of a previous year's tax return and the amount of fiscal loss stated on the Decision Letter is different from the amount stated on the Decision Letter on the objection.This amendment should be done within 3 months after the Decision Letter on the objection or appeal is received. (Article 8 Law No. 16 Year 2000)

### **3. Installment or Postponement of Tax Payment**

The Director General of Taxation, at the request of a taxpayer, may give his approval to the installment or postponement of tax payment, including underpaid taxes as prescribed in paragraph 2, for maximum period of 12 months. The implementation shall be confirmed by decree of the Director General of Taxation. (Article 9-paragraph (6) Law No. 16 Year 2000).

#### **4. Tax Overpayment**

- a. In the implementation of tax obligations the following may happen:
  - i. The total tax payable in a tax year is less than total tax paid or
  - ii. The tax which is actually not due has been paid and therefore becomes a tax overpayment. (Article 17 Law No. 6 Year 1983)
- b. There are 2 ways to request a refund for the above:
  - i. by submitting an annual tax return
  - ii. by submitting a letter addressed to the Head of Tax Office requesting the refund.
- c. After carrying out an examination or audit the Director General of Taxation will issue a Tax Overpayment Assessment (SKPLB) within twelve months after receiving the request for refund from taxpayer. If the issuance of Tax Overpayment (SKPLB) exceeds the time period specified, the request for a refund from the taxpayer shall be considered granted. (Article 17-paragraph (1) Law No. 6 Year 1983)
- d. The tax overpayment based on the Tax Overpayment Assessment (SKPLB) shall be refunded, but where it appears that the taxpayer still has tax payable, the overpayment shall be directly used to settle the arrears first. (Article 11-paragraph (1) Law No. 16 Year 2000).
- e. Upon issuance of the Tax Overpayment Assessment (SKPLB). The taxpayer has to provide information to the tax office to transfer the overpayment to him. The tax overpayment shall be paid within a maximum period of one month from the receipt of the above-mentioned information. (Article II-paragraph (2) Law No. 16 Year 2000).
- f. If a refund of tax overpayment is delayed beyond one month, the Government shall pay interest of 2% per month on the late refund, calculated from the end of the time limit provided for in Article 11 paragraph (2) Law No. 16 Year 2000 up to of the date the refund is made. (Article 11-paragraph (3) Law No. 16 Year 2000).

#### **5. Amendment of Tax Assessment Letter (SKP)**

- a. The Director General of Taxation on his own authority, or at the request of a taxpayer, may correct a Tax Assessment, a Tax Collection Notice, Decision Letter on objection, Decision Letter on reduction or cancellation of administration penalties, Decision Letter on reduction or cancellation of incorrect tax assessment, or Decision Letter on refund of initial tax overpaid, which contain errors in writing or calculation or errors in the application of specific provisions of the tax laws.
- b. The Director General of Taxation, within 12 months from the date the application is received, must issue a decision on the application for correction.
- c. When the period of time as prescribed in paragraph (2) has lapsed and the Director General of Taxation fails to issue a decision, the application shall be deemed granted. (Article 16 Law No. 16 Year 2000).

## **6. Petition by a Taxpayer or a Tax Responsible Party**

A petition by a taxpayer/tax responsible party against:

- a. the execution of an Enforcement Order, confiscation or auction of assets;
- b. a decision relating to the implementation of a tax decision, other than what is prescribed in Article 25 paragraph (1) and Article 26;
- c. a decision on correction as provided for under Article 16 that relates to Tax Collection Letter (STP);
- d. a decision as provided for under Article 36 that relates to Tax Collection Letter (STP);

may only be submitted to a tax court. (Article 23-paragraph (2) Law No. 16 Year 2000).

## **7. Objection**

- a. A taxpayer may file an objection with the Director General of Taxation only on account of:
  - i. a Tax Underpayment Assessment;
  - ii. an Additional Tax Underpayment Assessment;
  - iii. a Tax Overpayment Assessment;
  - iv. a Nil Tax Assessment;
  - v. withholding or collection by third party on the basis of the provisions of the tax laws.
- b. An objection shall be submitted in writing in the Indonesian language, stating the amount of tax due or tax withheld or collected, or the amount of loss as calculated by the taxpayer, supported by clear reasons.
- c. An objection shall be filed within 3 (three) months from the date of issuance of an assessment, or the date of withholding or collection as referred to in paragraph (1), except where the taxpayer can demonstrate that such a time limit cannot be fulfilled due to circumstances beyond his control.
- d. An objection that does not meet the requirement prescribed in paragraph (a), (b), and (c) shall not constitute a valid objection, and as such will not be taken under consideration.
- e. The receipt for an objection letter given by designated official of the Director General of Taxation or the receipt given for an objection sent by registered mail shall constitute proof of receipt of the objection in the interest of the taxpayer.
- f. If requested by a taxpayer for the purpose of submitting an objection, the Director General of Taxation shall be obliged to provide written information on matters which constitute the basis for imposition of tax, loss calculation, withholding or collecting of tax.
- g. The filing of an objection shall not defer the obligation to pay tax and the implementation of tax collection. (Article 25 Law No. 16 Year 2000).
- h. Additional information relating to objection:

- i. The Director General of Taxation, within a period of 12 months from the date the objection letter is received, shall be obliged to issue a decision on the objection application on put forth.
- ii. Before the decision letter is issued, the taxpayer can submit additional reasons or written explanation.
- iii. The decision of the Director General of Taxation may accept in full or in part an objection, reject or add the total tax payable.
- iv. Where the taxpayer is objecting to the tax assessment which was issued due to non filing of tax return (Article 13 paragraph 1 letter b), and not maintaining bookkeeping (Article 13 paragraph 1 letter d), the taxpayer should provide proof of the incorrect tax assessment.
- v. When the period of time as prescribed in paragraph (1) has lapsed and the Director General of Taxation fails to issue a decision, the objection shall be deemed granted. (Article 26 Law No. 16 Year 2000).

## **8. Appeal**

- a.
  - i. A taxpayer may lodge an appeal with a tax court only after a Decision Letter on the objection has been issued by the Director General of Taxation.
  - ii. The decision of the tax court is not a decision of State Administration Court.
  - iii. An appeal as referred to in paragraph (i) shall be submitted in writing in the Indonesian Language, with clearly stated reasons, within 3 months from the date the Decision Letter on objection is received, with a copy of the Decision Letter attached.
  - iv. The filing of an appeal shall not defer the obligation to pay taxes and the implementation of tax collection.
  - v. A court as referred to in paragraph (i) and Article 23 paragraph (ii) shall be prescribed by law. (Article 27 Law No. 16 Year 2000).
- b. Where an objection or appeal that leads to an increase in tax payment, is accepted in part or in full, provided that the tax due as prescribed in the Tax Underpayment Assessment and/or Additional Tax Underpayment Assessment has been paid, any tax overpayment shall be given compensation of 2% interest per month for a maximum of 24 months calculated from the date of payment that results in the tax overpayment until the issuance of the Decision Letter on objection or appeal. (Article 27A-paragraph (1) Law No. 16 Year 2000).
- c. Interest of 2% as prescribed in paragraph (b) is also given upon overpayment of a fine as provided for under Article 19 paragraph (1) based on the Decision Letter on reduction/cancellation of the administrative penalties, as a result of the issuance of the Decision Letter on objection /appeal that accepts in part or in full the taxpayer's request. (Article 27A-paragraph (2) Law No. 16 Year 2000).

## **9. Reduction/Cancellation of Administrative Sanction and Reduction/Revocation of Incorrect Tax Assessment**

The Director General of Taxation may:

- a. reduce or cancel administrative sanctions such as interest, fines, and surcharges payable pursuant to the tax regulation where the sanction is exercised due the taxpayer's disregard or the other than his intention fault;
- b. reduce or revoke incorrect tax assessment. (Article 36-paragraph (1) :aw No. 16 Year 2000)

## **H. Tax Administrative Sanction**

1. If a tax return is not filed within the time limit or within the extended filing time limit, a fine of Rp. 50,000 shall be imposed for Monthly Tax Return and Rp. 100,000 for an Annual Tax Return. (Article 7-paragraph (1) Law No. 16 Year 2000).
2. If payment of tax is undertaken after the due date for payment, the taxpayer shall be subject to a penalty of 2% interest monthly, calculated from the due date of payment up to the date of payment. Part of a month is treated as a full month. (Article 9-paragraph (2a) Law No. 16 Year 2000).
3. If the Director General of Taxation finds evidence that the amount of tax due according to the tax return is incorrect, it shall decide on the correct amount of tax due. (Article 12-paragraph (3) Law No. 16 Year 2000).
4. The Director General of Taxation may issue a Tax Collection Letter if:
  - a. Income Tax in the current year is unpaid or underpaid.
  - b. Based on the result of a verification of a tax return, there is an underpayment of tax arising from errors in writing and/or calculation.
  - c. A taxpayer is subject to a fine and/or interest(Article 14-paragraph (1) Law No. 16 Year 2000)
5. When the tax payable, based on Tax Underpayment Assessment, or Additional Tax Underpayment Assessment, and the increased amount of tax payable based on a Tax Correction Notice, Decision Letter on objection/appeal, is underpaid or unpaid on the due date, there shall be a penalty of 2% per month for the period, from the due date of payment through the date of actual payment of the amount stated in the Tax Collection Letter. Part of a month is deemed as a full month. (Article 19-paragraph (1) Law No. 16 Year 2000).
6. Where a taxpayer is allowed an installment or postponement, interest of 2% per month is applied. Part of a month is deemed as a full month. (article 19-paragraph (2) Law No. 16 Year 2000).

7. Where a taxpayer is allowed to extend the filing of the tax return and the estimated tax calculation turns out to be less than the actual tax due, interest of 2% per month is applied to the underpayment, calculated from the initial filing deadline of the tax return up to the date. (Article 19-paragraph (3) Law No. 16 Year 2000).
8. The amount of tax payable based on Tax Collection Letter (STP), Tax Underpayment Assessment (SKPKB), Additional Tax Underpayment Assessment (SKPKBT), Correction Notice, Objection Notice, or Appeal Decision, which increases the total amount of tax payable and which is unpaid by the taxpayer within one month from the date of issuance of the abovementioned letters, assessments and notices shall be collected by an Enforcement Order. (Article 20-paragraph (1) Law No. 16 Year 2000).

## **I. Tax Crime Sanction**

1. Whosoever because of negligence:
  - a. Fails to file a tax return.
  - b. Files an incorrect or incomplete tax return or attaches incorrect information which may cause losses to the state revenue, shall be punished by imprisonment for a period not exceeding of 1 year and/or shall be fined an amount not exceeding 2 times the amount of unpaid or underpaid tax. (Article 38 Law No. 16 Year 2000).
2. Whosoever intentionally:
  - a. fails to register, misuses or uses without authority a Tax Identification Number or a Taxable Firm Registration Number; or
  - b. fails to file a tax return; or
  - c. files a tax return and/or the information provided is false or incomplete; or
  - d. refuses to be audited or
  - e. shows an account, record or other document that is false or forged to appear as if it were true; or
  - f. fails to keep books of accounts or record, or does not show or provide the accounts, records or other documents; or
  - g. fails to deposit tax already withheld or collected;thus causing losses to the state revenues, shall be punished by imprisonment for a period not exceeding 6 year and shall be fined an amount not exceeding 4 times the amount of unpaid or underpaid tax.
3. The criminal penalties prescribed in paragraph (1) shall be multiplied by 2 if an individual repast a criminal tax offence within 1 year of completion of the previous prison sentence.

4. Whosoever, in the course of claiming a tax refund or a tax loss carried forward, attempts to commit a criminal tax offence by misusing or using without authority a Tax Identification Number or a Taxable Firm Registration Number, or files a tax return and/or information which is false or incomplete as referred to in paragraph (1) letter c, shall be fined an amount not exceeding 4 times the amount of the refund and/or the loss carried forward claimed by the taxpayer. (Article 39 Law No. 16 Year 2000)
5. Whosoever is obliged to provide information or evidence as requested, but deliberately fails to do so, or provide information or evidence that is false, shall be punished by imprisonment for a period not exceeding 1 year and shall be fined an amount not exceeding Rp. 10,000,000 (ten million rupiah). (Article 41A Law No. 16 Year 2000).
6. Whosoever deliberately obstructs or complicates a criminal investigation in the field of taxation shall be punished by imprisonment for a period not exceeding 3 years and shall be fined an amount not exceeding Rp. 10,000,000 (ten million rupiah). (Article 41B Law No. 16 Year 2000)
  - a. The stipulation as mentioned in Article 38 and Article 39 shall also apply to a representative, authorized person or officer from the taxpayer, who initiates, joins, suggests or helps a crime in taxation.
  - b. The stipulation as mentioned in Article 41A and 41B shall apply to anybody who initiates, suggests or helps a crime in taxation. (Article 43 Law No. 16 Year 2000).

### **III. Income Tax**

#### **A. Accretion Principle**

The Tax Object shall be the income, namely any increase in economic benefit derived by a taxpayer, which may be used for consumption or increase the wealth of the taxpayer concerned, under any name and form whatsoever, including:

- a. Any remuneration or compensation in relation to work, services, or activities, derived from employment or independent profession, including: wages, salary, honoraria, doctor's fees, actuarial fees, accountant's fees, lawyer's fees.
- b. Any income or compensation from any business or activity.
- c. Any income from capital including from movable and immovable assets, such as reward and gain from forgiveness of debt ("haircuts"), etc.

#### **B. Worldwide Income**

As mentioned previously, a tax subject is divided into two categories:

- a. A resident tax subject;
- b. A non-resident tax subject.

A resident tax subject becomes a taxpayer if he/she derives income from Indonesia and/or from abroad, but a non-resident tax subject becomes a taxpayer if he/she derives income from Indonesia.

One important difference between a resident taxpayer and a non-resident taxpayer is that a resident taxpayer is taxed on his/her income originating from Indonesia and/or from abroad, however a non-resident taxpayer is taxed on his/her income derived only from Indonesia. Therefore, any individual residing in Indonesia or any individual staying in Indonesia for more than 183 days within a period of 12 months, or any individual who, within a fiscal year,



stays in Indonesia and intend to reside in Indonesia, is taxed on his/her worldwide income under any name and form whatsoever.

The tax object also includes any income derived by a taxpayer's wife and/or his children who are considered to be the taxpayer's dependents.

### **C. Self-Assessment**

Since The Income Tax Law of 1983 was enacted, there are some basic principles which were followed under taxation law in Indonesia. One of the basic principles is self-assessment, which means that the taxpayer is given the trust and responsibility to compute, pay, and report their tax obligation. In relation to the implementation of self-assessment, the tax officials should establish and supervise the accomplishment of that principle.

### **D. Withholding Concept**

The basic principle in fulfilling tax obligation is that a taxpayer should calculate, pay and report the tax due by himself/herself. However, in certain conditions, the fulfillment of tax obligation is regulated through withholding and collection concept by third parties. This concept is implemented in accordance with fulfilling the tax obligation as regulated in Article 4 paragraph 2, Article 21, Article 22, Article 23, and Article 26 of The Income Tax Law. This concept states that the amount of tax due must be withheld or collected, paid and reported by the party that provides the income.

### **E. Category of Income**

In reporting the tax obligation, any income derived by an individual taxpayer can be categorized into:

1. Income from business or an independent profession.

Any form of income connected with conducting a business or exercising an independent profession consists of income from trading, manufacturing, professional services (such as doctor and consultant) and other forms.

2. Employment income consists of salary, wages, pension payment, allowance, honoraria, insurance premiums, benefits in kind, bonuses, and other remuneration in relation to employment. In principle, benefit in kind is taxed in the hands of employer; however the tax maybe shifted to employees, when such benefit in kind is distributed in the form of money. Additionally the latter treatment is also applicable when the benefit in kind is provided by:
  - a. A non-tax subject (for example, a representative office or embassies);
  - b. A self employed individual who uses the norm to calculate his/her business profit;
  - c. A taxpayer is working for a business that subject to final tax.

3. Other income.

Generally, other income consists of passive income, such as:

- Interest, including premiums, discounts, and compensation in relation to loan repayment guaranty;
- Dividends, under any name and form whatsoever;
- Insurance payment by an insurance company to policy holders, and distribution of the surplus of a cooperative (“sis hasil usaha”);
- Royalties;
- Lottery prizes and rewards;
- Gain on sale or transfer of property;
- A tax refund which has already been recorded as an expense;
- Gain from haircut/forgiveness of loan;
- Foreign exchange gain;
- Insurance premiums;
- Any other income which has not been taxed.

## **F. Tax Rates**

The following table shows the income tax rates applicable to individuals who are residents of Indonesia.

### **Tax Rates for 2000**

<b>Taxable Income</b>	<b>Tax Rate</b>
Up to Rp 25,000,000.00	10%
In excess of Rp 25,000,000.00 to Rp 50,000,000.00	15%
In excess of Rp 50,000,000.00	30%

### **Tax Rates for 2001 Onwards**

<b>Taxable Income Bracket</b>	<b>Tax Rate</b>
Up to Rp 25,000,000.00	5%
In excess of Rp 25,000,000.00 to Rp 50,000,000.00	10%
In excess of Rp 50,000,000.00 to Rp 100,000,000.00	15%
In excess of Rp 100,000,000.00 to Rp 200,000,000.00	25%
In excess of Rp 200,000,000.00	35%

### **G. Tax Deductions & Non-Taxable Income Threshold Amounts**

1. The following are deductions allowed against employment income:

a. Occupational expense.

This is a deemed expense incurred by every permanent employee, regardless of position or title, to earn, collect and maintain income received from the employer.

The amount of occupational support for income from each employer is 5% of gross income received up to a maximum amount of Rp 1,296,000.00 in a year or Rp 108,000.00 a month calculated based on the total period employed in the relevant year concerned.

b. Pension and old age pension expenses.

Pension expense is a deemed expense incurred by each pensioner, regardless of the position or occupation, to earn, collect and maintain

income received from the employer. The deductible amount is 5% of gross income, with a maximum amount of Rp 432,000.00 in a year or Rp 36,000.00 in a month which is calculated based on the total period employed in the relevant year.

2. The non-taxable income threshold amounts are as follows:
  - a. Rp 2,880,000.00 for a taxpayer;
  - b. An additional Rp 1,440,000.00 for a married taxpayer;
  - c. An additional Rp 2,880,000.00 for married taxpayer whose wife's income is combined with her husband;
  - d. An additional Rp 1,440,000.00 for each dependent.

## **H. Tax Credit**

In calculating the income tax due at the end of a year, a taxpayer can claim all taxes paid by him/her and/or taxes withheld/collected by third parties.

Types of tax credit which can be claimed:

### **1. Article 21 Income Tax**

Article 21 Income Tax is income tax withheld on income paid by the employer, the government treasurer, pension fund, or other entities that pay pension, entities that pay honoraria and compensation related to any service and any activity.

### **2. Article 22 Income Tax**

Article 22 Income Tax is tax collected by the government treasurer related to the payment for any delivery of goods and tax collected by certain bodies/entities related to the activities in the import sector or any other activities. The provision for the basis of collection and the nature and amount of collection shall be stipulated by the Minister of Finance.

3. Article 23 Income Tax

Article 23 Income Tax is income tax withheld by any government agency, body/entity, resident tax subject, sponsor, permanent establishment and any other foreign representative office related to payment of dividends, interests, royalties, prizes and awards, deposit interest paid by a cooperative, rental income and compensation related to services.

4. Article 24 Income Tax

Article 24 Income Tax is income tax paid or indebted abroad on income derived from abroad. Article 24 tax credit amount is the lower of the following amounts:

- a. Income tax paid or indebted abroad;
- b. Income from abroad multiplied by Indonesian tax payable divided by taxable worldwide income;
- c. Indonesian income tax payable.

5. Article 25 Income Tax

Article 25 Income Tax is the income tax installment that shall be paid by the taxpayer himself for each month. The amount of Article 25 Income Tax for the current fiscal year shall be equal to the indebted income tax amount according to the Annual Income Tax Return of the previous fiscal year, deducted by the income tax withheld/collected by the third parties, divided by 12 (twelve).

Article 25 Income Tax also includes the exit tax paid by a taxpayer, his wife or his dependents when they travel abroad.

## I. Calculation of Article 21 Income Tax

Briefly, the calculation of Article 21 Income Tax is as follows:

	Amount
1. Salary/Wages/Old Age Pension Plan distribution	: i
2. Tax Allowance	: ii
3. Other Allowances/Overtime, etc.	: iii
4. Honoraria and Similar Payments	: iv
5. Insurance Premiums Paid by Employer	: v
6. Benefits in Kind and Other Benefits	: vi
7. Tantiem, Bonus, Gratuities, Production Bonuses, Christmas/Lebaran Bonuses	: vii
8. Gross Income (sum of i through vii)	: viii
9. Occupational Expense	: ix
10. Net Income (viii – ix)	: x
11. Non-taxable Income	: xi
12. Taxable Income (x – xi)	: xii *
13. Article 21 Income Tax (Article 17 Tax Rates multiplied by xii)	: xiii

\* Taxable Income should be annualized if a taxpayer is working for only a part of the year.

## J. Calculation of Article 24 Income Tax

As mentioned above, the foreign tax credit amount is the actual tax paid abroad, the proportionate calculation of Indonesian income tax payable abroad, or Indonesian tax payable on taxable income, whichever is lowest.

Below are some examples of foreign tax credit calculations:

### Example 1:

	<u>Amount</u>	<u>Tax Rate</u>
Domestic Income	Rp 200,000,000.00	
Foreign Income	<u>Rp 100,000,000.00</u> +	30%

Taxable Income Rp 300,000,000.00  
Income tax payable (Art. 17 tax Rp 71,250,000.00 rates)

a. Actual income tax paid/payable abroad:

$$30\% \times \text{Rp } 100,000,000.00 = \text{Rp } 30,000,000.00$$

b.  $\text{Rp } 100,000,000.00 / \text{Rp } 300,000,000.00 \times \text{Rp } 71,250,000.00 = \text{Rp } 23,750,000.00$

c. Indonesian income tax payable on taxable income = Rp 71,250,000.00

Therefore, the foreign tax credit allowed is Rp 23,750,000.00.

### Example 2:

	<u>Amount</u>	<u>Tax Rate</u>
Domestic Income	Rp 200,000,000.00	
Foreign Income	<u>Rp 100,000,000.00</u> +	20%
Taxable Income	Rp 300,000,000.00	
Income tax payable (Art. 17 tax Rp 71,250,000.00 rates)		

a. Actual income tax paid/payable abroad:

$$20\% \times \text{Rp } 100,000,000.00 = \text{Rp } 20,000,000.00$$

b.  $\text{Rp } 100,000,000.00 / \text{Rp } 300,000,000.00 \times \text{Rp } 71,250,000.00 = \text{Rp } 23,750,000.00$

c. Indonesian income tax payable on taxable income = Rp 71,250,000.00

Therefore, the foreign tax credit allowed is Rp 20,000,000.00.

**Example 3:**

	<u>Amount</u>	<u>Tax Rate</u>
Domestic Loss	(Rp 50,000,000.00)	
Foreign Income	<u>Rp 100,000,000.00</u> +	20%
Taxable Income	Rp 50,000,000.00	
Income Tax Payable (Art. 17 tax rates)	Rp 3,750,000.00	

a. Actual income tax paid/payable abroad:

$$20\% \times \text{Rp } 100,000,000.00 = \text{Rp } 20,000,000.00$$

b. Rp 3,750,000.00. The proportionate Indonesian tax on income abroad cannot be greater than the Indonesian tax payable.

c. Indonesian income tax payable on taxable income = Rp 3,750,000.00

Therefore, the foreign tax credit allowed is Rp 3,750,000.00.

**K. Calculation of Article 25 Monthly Installment Income Taxes****Example 1 (Transition Calculation):**

Taxable Income for Year 2000	= Rp 200,000,000.00
Income Tax Payable for Year 2000 (based on 2000 tax rates)	= Rp 51,250,000.00
Tax Credit (Art. 21, 23, 24 Income Tax)	= Rp 15,250,000.00
Tax Underpayment on 2000 income tax return	= Rp 36,000,000.00
Art. 25 Monthly Income Tax based on 2000 tax rates: (Rp 36,000,000.00 : 12):	= Rp 3,000,000.00
Income tax payable based on 2001 tax rates	= Rp 36,250,000.00
Art. 25 Monthly Income Tax for 2001: (Rp 36,250,000.00 / Rp 51,250,000.00) x Rp 3,000,000.00	= Rp 2,121,951.00



**Example 2 (Normal Calculation):**

Taxable Income for Year 2002	= Rp 600,000,000.00
Income Tax Payable for year 2002	= Rp 176,250,000.00
Tax Credits:	
Art. 21 Income Tax	= Rp 96,250,000.00
Art. 23 Income Tax	= Rp 5,000,000.00
Art. 24 Income Tax	= <u>Rp 15,000,000.00</u>
Total tax credits:	= <u>Rp 116,250,000.00</u>
Basic for Calculation of 2003 Art.25	
Income Tax	= Rp 60,000,000.00
Art. 25 Monthly Income Tax for 2003	= Rp 5,000,000.00

**Example 3 (New Taxpayer):**

Net Income for April 2001	= Rp 50,600,000.00
Annualized Net Income (Rp 50,600,00.00 x 12)	= Rp 607,200,000.00
Non Taxable Income	= Rp 7,200,000.00
Taxable Income	= Rp 600,000,000.00
Income Tax Payable @ 10%	= Rp 60,000,000.00
Art. 25 Monthly Income Tax for April 2001:	
(Rp 60,000,000.00 : 12):	= Rp 5,000,000.00

## **IV. Frequently Asked Questions**

### **1. Do I have to file an individual tax return?**

If you are a resident of Indonesia and you earn income that is more than the non-taxable income threshold (PTKP), you have to register and file an individual income tax return.

### **2. Who is a resident?**

A resident of Indonesia is one who meets the following conditions:

- a. An Indonesian citizen;
- b. Present in Indonesia for more than 183 days within any 12 months period;
- or
- c. Present in Indonesia during a tax year with an intention to stay in Indonesia.

### **3. If I spend less than 183 days in Indonesia, am I still obligated to register?**

No, unless you have already established your residency in Indonesia through your intention. Intent is demonstrated among other things by the length of your assignment, appointment letter, etc.

### **4. Is this a new law?**

No, the requirement to register and file has been existence since 1984.

### **5. How and when do I register?**

You need to submit the completed and signed registration form together with the following attachments:

- a. Copy of passport;
- b. Copy of KITAS (Limited Stay Permit Card);
- c. Copy of employer's tax ID number (NPWP) – for employees only;
- d. Copy of IKTA (Work Permit) – for employees only;
- e. Copy of business permit – for a taxpayer who is conducting a business / independent profession;
- f. Power of Attorney, if needed.

You should register within one month after you earn income above the non-taxable threshold amount. If you are a self-employed, you should register within one month after the start of your business activity.

6. Where do I register?

You should register at the local tax office situated in the area where you live or are domiciled. If you live in Jakarta, you should register at the BADORA tax office.

7. If I live in DKI Jakarta and work in Tangerang, should I register at BADORA or Tangerang?

You should register at BADORA.

8. If I live in DKI Jakarta and travel to Surabaya each week to work and return home to Jakarta on weekends, where do I need to register?

You should register at BADORA.

9. If the address on my KTP is different from where I live, should I register at the tax office based on the address on my KTP or my actual residential address?

You should register at the tax office based on your actual residential address.

10. What documents do I need to register?

See answer to Question 5 above.

11. I have been here since June 15, 2000 and did not register in 2000. In 2001, I will stay in Indonesia for less than 183 days (or my work permit is valid for less than 183 days). Should I still register for a tax ID number?

Yes, because you have met the time test; you have lived in Indonesia for more than 183 days within a 12 months period.

12. What income do I include in my return?

You should include your income from all sources (i.e. employment and non-employment) earned outside and in Indonesia.

13. What deductions can I claim?

You can claim the following items as deduction:

- a. Occupational expense (for employees only);
- b. Pension Contribution to approved pension funds;
- c. Non-taxable income threshold (PTKP);
- d. Operating expense (for self-employed individuals).

14. Will I be subject to double taxation, in both Indonesia and in my home country?

You can claim foreign tax you pay as a credit on your Indonesian tax return provided it does not exceed the Indonesian tax payable on the income that has been taxed twice.

15. What are the consequences of not registering or filing?

The tax office has the authority to issue an NPWP officially. Further, if this action was conducted intentionally and caused losses to the state, you may be charged with criminal sanctions.

16. My wife and I are both working as employees and we are planning to file separately. The guide book indicated that to determine our tax liability, we need to combine our income, calculate tax on the combined income and then allocate the tax based on our separate income over total income. This means that we are losing the benefit of the lower tax rates since our tax is calculated based on combined income. Please confirm if this is the correct way of calculating the tax.

Yes.

17. My home country's tax year runs from July 1 through June 30 of the following year. If I wish to claim credit for my home country tax paid, it means that my Indonesian tax return will always be filed after the due date of March 31, or even later until the final extended due date of September 30 (if approved). What are the consequences of filing late? Is there any relief for late filing due to delays beyond my control, as in the situation mentioned above?

Filing an annual tax return after the approved extended due date will result in the following:

- a. Late filing penalty of Rp 100,000.00;
- b. Interest of 2% per month for any underpayment of tax;

c. The possibility of tax audit.

18. I own a house in my home country which I am renting out. How will my rental income be taxed in Indonesia? Can I deduct expenses incurred in connection with renting out the property? For example, can I deduct interest on the mortgage for the house, property taxes, property and fire insurance, agency fees, maintenance, and repair expenses?

Your rental income will be taxed based on tax rates set forth under Article 17 of Law No. 17/2000. You can generally deduct expenses incurred in connection with renting out the property as long as you can prove that the expenses are directly connected to the income received. For that purpose, you need to attach supporting documents.

19. Do I need to attach a statement of assets and liabilities to my tax return?

The statement of assets and liabilities should be attached to your 2001 and future year tax return.

20. My wife is an Indonesian and I am not an Indonesian citizen. We plan to return to my home country after my assignment in Indonesia. If my wife decides to work when she is in my home country, does she have to file an Indonesian income tax return?

\* As she is Indonesian citizen and therefore a resident for tax purposes, she needs to register and file an Indonesian tax return. She can claim foreign tax paid on her Indonesian tax return.

21. I am an employee and I have just registered and received a tax ID number (NPWP) this month. How should I calculate my monthly tax liability on my personal income for this month?

Your tax liability this month should be calculated based on your estimated personal income for the year multiplied by 10% and then divided by 12.

22. My assignment ends next month. What should I do to deregister?

Submit the following to the tax office one month before your date of departure:

- a. The completed and signed deregistration form;
- b. Statement from your employer stating that your contract in Indonesia has ended (if you are an employee);
- c. Letter of cancellation of business permit (if you are conducting a business/ independent profession).

The EPO may be submitted later.

23. How long will deregistration take?

Within 12 months from the date complete documents are submitted to the tax office. The tax office will endeavor to finalize deregistration process as soon as possible.

24. Do I need to present any document or tax clearance letter to the immigration counter when I leave Indonesia or when my goods are shipped to my home country?

At this moment it is not necessary.

25. If I underpay my monthly taxes will I be charged interest?

Yes, interest will be charged at 2% per month on the amount underpaid / unpaid.

26. I earned income from one employer and this income has been subjected to Article 21 tax. I also have investment income overseas. Am I still required to file monthly taxes?

No, as long as the overseas income is passive income. However, you are still required to pay monthly tax.

27. If I have losses from my home country, can I deduct those losses? What about the prior year losses, are they deductible?

No, you cannot deduct losses from your home country against income from Indonesia or other countries. Your overseas prior year losses are not deductible.

28. I am a dual resident of both Indonesia and my home country. Indonesia has an income tax treaty with my home country. Am I still required to file an Indonesian tax return?

As you are a resident of Indonesia you need to file Indonesian tax return until such time when the competent tax authorities have determined your residency.



## **V. General Information Regarding Visa Requirements for Working in Indonesia**

Foreigners must obtain valid entry visas to enter Indonesia. There are different type of visas, for example:

- Transit Visas** : These visas are valid for up to 14 days and cannot be extended.
- Single Visit Visas** : These visas are valid for 60 days and may be extended every 30 days for up to 6 months.
- Limited Stay Visas** : These visas are valid for 7 days. They may be changed to stay permit / visas.
- Stay Permit / Visas** : These visas are valid for a maximum period of 12 months.
- Multiple Business Visas** : These visas are valid for 12 months and entitle the holders to multiple entries. One entry can not exceed 60 days.

It is mandatory for a foreigner to obtain a work permit if he / she wishes to work in Indonesia. The documents listed below are required for an expatriate working in Indonesia. These documents are valid for 12 months (except where noted) and renewable on an annual basis.

- Work Permit** : Issued by Ministry of Manpower
- Expatriate Work Permit Identity Card / Red Book** : Issued by Ministry of Manpower
- Temporary Stay Card / KITAS** : Issued by Ministry of Justice – Director General of Immigration
- Residence Registration and Amendment Book / Blue Book** : Issued by Ministry of Justice – Director General of Immigration
- Certificate of Police Registration / Yellow Book** : Issued by Foreigners Supervision Unit of District Police

<b>Certificate of Registration Temporary Resident</b>	: Issued by DKI Jakarta's Office for Resident Affairs
<b>Certificate of Domicile</b>	: Issued by DKI Jakarta's Office for Resident Affairs
<b>Multiple Exit Re-entry Permit</b>	: Issued by Immigration Office (extended every six months)
<b>Letter of Payment to Skill Development Fund / DPKK</b>	: A payment of US \$ 100 per month payable in advance in accordance to the length of period approved

Documents required to be attached are as follows:

1. Copy of Certificate of Education (most recent qualification is sufficient).
2. Curriculum vitae including education and work experience.
3. Copy of complete passport (whole book).
4. Photographs measuring 4 x 6 cm (12 pieces), 2 x 3 cm (4 pieces).
5. Copy of Marriage Certificate and Birth Certificate of children if family wishes to stay in Indonesia.
6. Copy of Deed of Establishment of the Company or Meeting Minutes; where new directors are stated.
7. Copy of Employment Agreement between the Company and the expatriate.
8. Letter of Appointment of the expatriate.

## **VI. English Translation of Relevant Forms**

- A. Registration and Change of Data Form
- B. Tax Payment Slip
- C. Annual Individual Income Tax Return (F-1770)
- D. Extension Form