

# Global Mobility Services Bulletin

June 2018



## Indonesian Tax and Immigration Offices to Share Information

The Directorate General of Tax (DGT) and the Directorate General of Immigration (DGI) recently issued a cooperation agreement No. KEP-144/PJ/2018 and IMI-UM.01.01-2015. This regulation provides for the exchange of information, joint intelligence activities, collaboration within law enforcement and training in tax and immigration processes.

During a press conference at the end of May this year, DGT stated that the purpose of this cooperation is to help enhance and enforce tax compliance activities. The regulation states that DGT will provide

DGI with taxpayer's identity data and DGI will provide DGT information regarding passports, transit data details and visa and stay permits.

As a result, a taxpayer may be banned from leaving the country if he/she has a tax payable of IDR 100 million or more and shows no intention to settle the tax due.

A travel ban may also be imposed if an individual is undergoing an investigation for a tax criminal act.

The details for information to be exchanged is provided in the end of this Bulletin.

### KPMG Notes:

- This data sharing will assist DGT to identify unregistered taxpayers by improving its ability to flag potential non-compliance from travel patterns, as it will have access to visa and length of stay in Indonesia information.
- This data sharing will assist DGI to identify foreign employees working in Indonesia and then determine the validity of their work permits.
- It is also possible that DGT will review the earning levels of taxpayers to ensure their reported earnings are sufficient to support their travel patterns.
- If "No-match" information is detected, the individual will most likely be "questioned". If a foreign individual has overstayed in Indonesia but is not registered, he/she may be given a tax identification number and required to prepare and file an Indonesian income tax return (based on worldwide income) and settle the tax due, including a 2% per month interest penalty.
- Once such individuals are detected, it may lead to an investigation of their employers' activities in Indonesia as well. Without a local employer in Indonesia, their overseas employers may be deemed to be carrying out business in Indonesia through the presence of their employees. In this case, these companies may be deemed to have Permanent Establishments in Indonesia and be subject to income and branch profit taxes, as well as other company tax obligations.
- It remains to be seen how much State revenue can be generated by this regulation and it is unclear how robust the use of the shared information will be. However, it can be anticipated that there will be errors made in the "No-match" information process, creating a hassle for those individuals improperly flagged.

## DGT DATA AND INFORMATION TO BE PROVIDED TO DGI

NO	TYPE OF DATA AND INFORMATION DETAILS	DESCRIPTION
1.	Taxpayer Identity Data	a. Name of the taxpayer b. Tax Identification Number (Individual/Company) c. Identity Number d. Place of Birth e. Date of Birth f. Address g. District h. City i. Telephone/ Fax Number j. Email Address k. Nationality l. Classification of Business m. Name of the Company's Head n. Validation of tax obligations

## DGI DATA AND INFORMATION TO BE PROVIDED TO DGT

NO	TYPE OF DATA AND INFORMATION DETAILS	DESCRIPTION
1.	Issuance of Republic of Indonesia Passport	a. Passport Number b. Full Name c. Place of Birth d. Date of Birth e. Gender f. Passport Issuance Date g. Passport Expiry Date h. Issuing Immigration Office i. Requestor Address j. Picture of Page 2 of Passport (by request)
2.	Transit	a. Given Name b. Family Name c. Date of Birth d. Gender e. Type of Transit (departure/arrival) f. Date of Transit g. Passport Number h. Nationality (for Foreigner) i. Picture of Page 2 of Passport j. Immigration Check Location k. Destination Country (in discussion with technical section of DGI)
3.	Visa and Stay Permit	a. Full Name b. Place of Birth c. Date of Birth d. Gender e. Nationality f. Passport Number g. Type of Visa and/or Stay Permit h. Validity Period i. Issuing Immigration Office j. Address k. Sponsor or Guarantor Data <ul style="list-style-type: none"> <li>• Type of Sponsor</li> <li>• Company Status</li> <li>• Business Sector</li> <li>• Name of Company</li> <li>• Name of Company Head</li> <li>• Address of Company or Sponsor</li> </ul>



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