

New Electronic Tax Payment System Requirements

Tax News Flash

Tax payments after 30 June 2016 must be made using the new Electronic Tax Payment System. This News Flash provides highlights regarding the new system.

The MPN-G2 electronic billing system, initially “introduced” in 2011 under Director General of Tax Regulation No. PER-47/PJ/2011, after five years of development and testing, has finally “materialized”.

Effective 1 January 2016, the Indonesian Tax Authorities (ITA) implemented this new tax payment system, in accordance with Director General of Tax Regulation No. PER-26/PJ/2014, regarding “Electronic Tax Payment System”. Besides supporting the Go-Green program, its purpose is to increase efficiency, reduce human error and provide more flexibility to taxpayers in making their tax payments.

This new electronic payment system applies to payment for all taxes, i.e. income taxes, Value Added Taxes, withholding taxes and Land and Building Taxes, except import taxes administered by the Director General of Customs and Excises and certain taxes governed by specific regulations.

The system also can accommodate payments in USD for taxpayers authorized to use USD.

In order for entities and individuals to utilize this on-line payment system, the taxpayer must first register at the website <http://sse.pajak.go.id> using its/his/her own tax identification number (NPWP) and email account. A unique PIN, which must be used for all future logins at the website, will then be sent to the taxpayer’s email address.

After logging in, a taxpayer must create an online tax payment voucher (“Surat Setoran Elektronik” or SSE) which will have a unique e-Billing ID. A printed SSE copy must then be provided to the bank for the purpose of making the necessary tax payment. Please note that an e-Billing ID expires after 7 days.

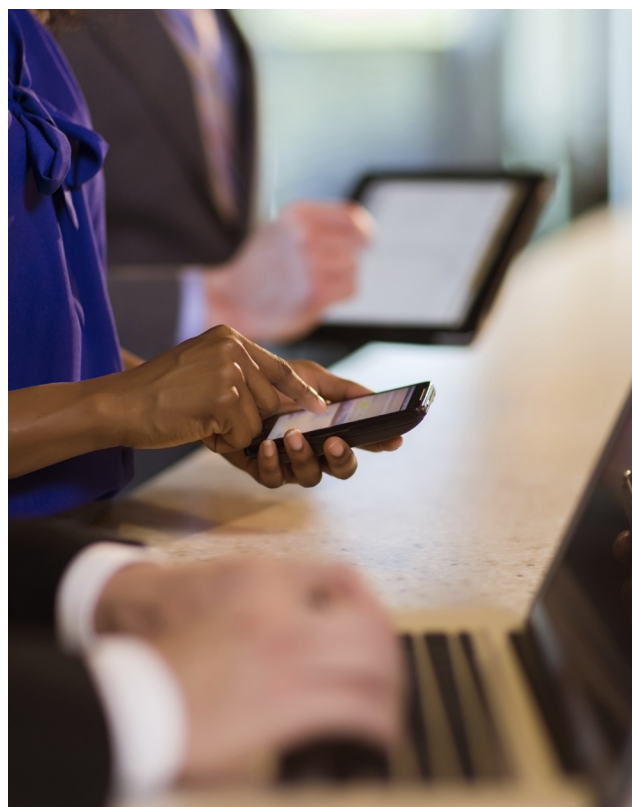
This new system also allows tax payments to be made via ATM or internet banking, in which case the billing ID must be indicated. This means that tax

payments can now be made any time and are no longer restricted to banking hours.

As the system is currently still in a transition period, some government-owned banks (i.e., BRI, BNI, Bank Mandiri, BTPN and Post Office) may accept a manual tax payment process until 30 June 2016.

As of 1 July 2016, all income tax payments must be made using this new MPN-G2 system.

Further detailed information may be found at <http://www.pajak.go.id/sites/default/files/Buku%20Panduan%20Billing%20System.pdf> (in Bahasa Indonesia)



KPMG Comments

- Although this practical web-based program is not complicated, it is also time consuming, as taxpayers must request online tax payment vouchers each month for each type of tax payment.
- A taxpayer does not have to install any programs.
- The web page can be opened in any device having an internet connection, including tablets and smart phones.
- Like other new programs, this one is not without any teething problems:
 - » When opening the website in some devices, multiple logins and page-refreshes are required.
 - » We have also experienced that in some devices not all columns can be filled in or revised.
- The system currently also has some limitations that need to be corrected:
 - » It categorizes a taxpayer type by its NPWP. Unfortunately, currently there are some individual NPWPs which are recognized by the system as corporate taxpayers. As the result, the individual tax payment codes are not available for these taxpayers and tax payments cannot be made. To correct this error, the taxpayer must contact DGT to change its status to an individual taxpayer.
 - » There is no ability to change a taxpayer's email address. If in the future an email address is no longer used by a taxpayer, the data stored in the ITA's database becomes no longer valid. Hopefully, in the future an ability to change an email address will be made available, especially if the ITA intends to utilize the taxpayers' email addresses for tax correspondence purposes.
- Given that internet connections in Indonesia are not very reliable, we suggest taxpayers not wait until last minute before requesting their tax payment vouchers, to avoid missing the tax payment deadline.

References:

- Director General of Tax Regulation No. PER-47/PJ/2011
- Director General of Tax Regulation No. PER-26/PJ/2014

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