

Unified WHT Tax Return

One Monthly Tax Return for all types of WHT

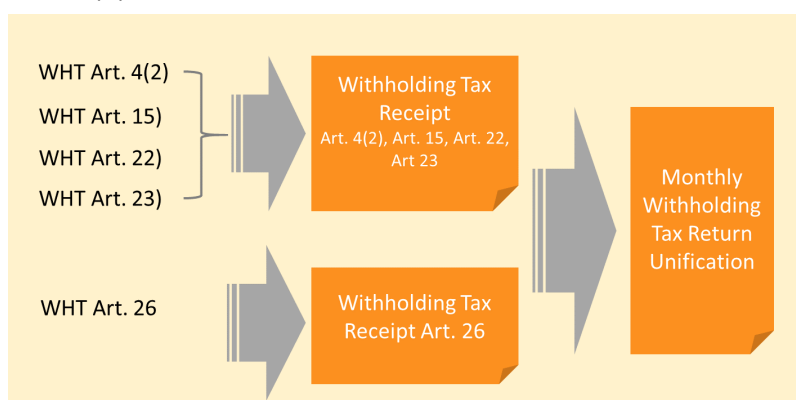
To date, Income tax Art. 4 (2) (WHT 4.2), WHT15, WHT 22, WHT 23, and WHT 26 are each withheld/collected and reported by a separate set of WHT slips and monthly tax return which differs from each other depending on the type of WHT. With Director General of Taxation (DGT) regulation No. Reg. 23/PJ/2020 (REG 23/2020), the DGT has moved to combine the various tax withholdings/collections into two sets of WHT slips and a single Unified Monthly WHT Return.

One type of WHT slip is used for WHT 4(2), WHT15, WHT 22, and WHT23. A different WHT slip, made in English, is set for WHT 26. All types of tax withholdings/collection for a single month are to be reported in a single Unified WHT Return.

One WHT slip is to be prepared for only one type of tax object payable or paid to a single taxpayer for single tax period (month). In general, tax withholding/collection of all

types is to be put on a Standard Format of Unified WHT slip (Standard WHT Slip), which must contain, among others, the tax object type code, the identity code of the withheld party, the name of the document substantiating the tax withholding, and the tax invoice number if the transaction is subject to VAT. In the event that the withheld party is an individual domestic taxpayer, the identity code to be put on the WHT slip is their Tax Identification Number (NPWP), or their Citizenship Number (NIK) if they do not have an NPWP. If the withheld party is a foreign taxpayer, it must have its tax identification number (TIN) put on the WHT 26 slip.

Standard WHT Slips can be issued either on a paper or a digital form. Paper-type WHT Slips shall be used only by taxpayers with a volume and/or value of tax withholdings/collection not exceeding a specified threshold, namely 20 WHT Slips a month none of which containing a tax base worth more than IDR100 million. Once the threshold is passed, the taxpayer concerned is required to switch to the digital-type WHT Slips and remain there. Despite the general rule, taxpayers registered with the Large Tax Office, Tax Service Offices (*KPPs*) organized under the Special Regional Office ("*Kanwil Khusus*"), and Middle Tax Service Offices, the requirement to use digital-type WHT Slips is automatically applicable without regard to the threshold.



Digital-type WHT Slips must be prepared using *e-Bupot Unifikasi* application which is integrated with Unified Monthly WHT return preparation. The application as well as the paper-type WHT slips can be downloaded from the DGT website www.pajak.co.id.

Certain types of tax objects or transactions are too difficult to be entered into a Standard WHT Slip. REG 23/2020 resolves this by declaring a certain documents related to the tax objects or transactions as Deemed Standard WHT Slips:

No.	Type of tax objects or transaction	Deemed Standard WHT Slips
1,	Deposit/savings interest, Bank Indonesia discount and Current Account Services	<ul style="list-style-type: none"> • Saving book, • Bank account, • Securities accounts, • Custodian account, and • Other similar documents, either of paper or digital types.
2.	Interest/Discount on Bonds and Government Securities	
3.	Share sale transactions including founder shares, non-founder shares and shares owned by Venture Capital	

The minimum information that must covered on Deemed Standard WHT Slip includes the name of the withheld party, the unique number, and the amount of tax withholding or collection. If the minimum information is not fulfilled, then the status of the Deemed Standard WHT Slip does not prevail and the taxpayer concerned is considered to not have prepared any WHT slip.

REG 23/2020 took effect on the date of enactment, namely 23 December 2020. Therefore, the WHT obligations for the January 2021 must be carried out in accordance with REG 23/2020.

USD Bookkeeping

Online notification, application and issuance of licenses

Bookkeeping for tax purposes must generally be maintained in Indonesian language using the Indonesian Rupiah currency. However, certain taxpayers may maintain bookkeeping in English using USD currency pursuant to a notification to the Minister of Finance (MoF) or a permit granted by MoF.

The procedures for the notification and permit application for maintaining books in English and in USD as well as other pertinent issues have been addressed, among others, in DGT Regulation No. REG-23/PJ/2015 (REG 23/2015).

At the close of 2020, the DGT issued DGT Regulation Number REG-24/PJ/2020 (REG 24/2020) regarding the same matter to replace REG 23/2015. There is no significant difference between the two regulations. One thing that stands out in REG 24/2020 is that the entire notification and permit application process is to be carried out online.

The Taxpayer's notification must be submitted online to the Head of the Tax Service Office (KPP) with which the Taxpayer is registered via the DGT website.

Permit applications must be submitted to the Head of the Regional Office in charge of Tax Service Office with which the Taxpayer is registered through the DGT website.

Both the Notification and Permit Application must be stated in the standard form provided by the DGT and must be attached with a valid Fiscal Certificate (*Surat Keterangan Fiskal*, ('SKF')) by stating the verification code contained in the SKF.

Permits to maintain bookkeeping in English and in USD currency issued under the previous tax provisions and regulations remain valid. However, REG 24/2020 suggests that Taxpayers should be ready to show the permit decision letter at any time. In the event that the decision letter previously obtained is damaged, lost, or cannot be found, the Taxpayer can apply for the reissuance of the decision letter based on REG 24/2020.

Please consult with your contact at PreciousNine if you need further information about this matter.

Taxpayer maintain the bookkeeping in English with USD currency

Based on the notification:

- Taxpayers in a Contract of Work framework
- Cooperation Contract (PSC) taxpayers in the oil and gas sector
- Taxpayers conducting Cooperation Contracts (KSO) requiring this with all KSO members having MoF permit

Based on MoF permit:

- Foreign investment (PMA) taxpayers
- Permanent Establishment (PE)
- Subsidiaries of foreign companies
- Taxpayers registering share issuance on foreign stock exchanges
- Collective Investment Contracts (KIK), which issue USD mutual funds
- Taxpayers conducting Cooperation Contracts (KSO) requiring this but not all KSO members have obtained MoF permit

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