

## Single identity number

## NIK for NPWP for all Indonesian citizen taxpayers

Effective from 14 Jul. 2022, Indonesian citizen taxpayers are set to use their 16-digit citizenship identity number (NIK) in place of the current 15-digit tax identity number (NPWP). Those who have not had an NPWP by then will get one from the Director General of Taxation (DGT), either pursuant to their request or by virtue of the DGT's authority, which is identical to their NIK just activated as the very NPWP. Others who have had an NPWP will need to ensure that their identity data held by the DGT match with the counterpart administered by the Director General of Citizenship (DGC or "Dukcapil"). Data inconsistency will result in the taxpayer barred from using the NIK as an NPWP. They may still use their 15-digit NPWP in such a situation, but its life is destined to end on 31 Dec. 2023 before the NIK-for-NPWP rule applies to all Indonesian citizen taxpayers starting 1 Jan. 2024. Requirements about this matter are set out in Minister of Finance Regulation No. 112/PMK.03/2022 ("PMK 112") dated 8 Jul. 2022 which took effect on 14 Jul. 2022.

The NIK-for-NPWP rule is not the only subject addressed by PMK 112. It is actually only part of the bigger revamp of the tax identity number system which includes a change in the NPWP format from 15 to 16 digits, apparently to align with the 16-digit NIK. This will be done by just adding a 'zero' (0) in front of the first digit of the 15-digit NPWP for taxpayers other than Indonesia citizen. Simple as it seems, all parties should ensure the transformation is completed in time. Though the 15-digit NPWP can still be used during the transition period up to 31 Dec. 2023, any delay or unsmooth transformation may pose potential hurdles in transactions or other affairs involving other parties calling for, for instance, tax invoices and withholding tax slips. Three things need your attention to minimize the risk: the identity data the DGT seeks to validate; where you can find the validation status notice; and how to respond to the notice.

Start with the dear identity data. The DGT is especially interested in three or four types for all taxpayers (Box 1). The domicile address is particularly challenging, especially for individual taxpayers, both Indonesian citizens (WNI)

### Identity data for clarification

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Description	Indonesian citizen (WNI) taxpayer	Foreigner (WNA) taxpayer	Corporate body taxpayer
1. Electronic postal address and cell. telephone	✓	✓	✓
2. Domicile address (the actual state)	✓	✓	✓
3. Business area classification (KLU)*	✓	✓	✓
4. Family unit data	✓	✓	-

\*) To the extent relevant

and foreigners (WNA). PMK 112 stresses it should represent the place where the individual taxpayer actually resides. Ensuring the address submitted to the DGT is the actual domicile is just one thing. Getting it consistent (valid) with the DGC-administered data is yet another thing as an “Invalid” notice may result merely due to simple typos or differences in the way certain parts of the address are spelled in both sides, e.g. abbreviation vs. non-abbreviation. Hence, if an Invalid notice results, one should determine where it goes wrong. Possibly he or she should

rectify the DGC’s records first before updating the data administered by the DGT.

### Whereabouts to find identity data status notice

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1. DGT’s website ([www.pajak.go.id](http://www.pajak.go.id))
2. The taxpayer’s electronic postal address
3. The DGT’s contact center
4. Other channels to be notified by the DGT

Where then can you find the validity status of your identity data? PMK 112 mentions three channels with others for possible additions. (Box 2). Try first to visit the DGT’s website ([www.pajak.go.id](http://www.pajak.go.id)) and login to your account with your

current NPWP or NIK. Once logged in, depending on the status of your identity data, you may be directed to confirm its validity or make an update of it. The gate appears to be still under ongoing development. So, if an inconsistency persists after your update, you may be directed to visit the tax service office (“KPP”) with which you are registered as a taxpayer.

To sum up, you are expected to proactively find out the status of your identity data or that of your company administered by the DGT and confirm the validity of the data or make an update of it. For sure the update should be made on an ongoing basis.

Please contact us to get more insight.

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