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Indonesia News

July 2017

BKPM to confirm tax status of companies for all procedures

BKPM (the Investment Coordinating Body of Indonesia) has issued Regulation 7 of 2017 (Reg 7/2017) which requires BKPM officials to check applicants' tax compliance before processing permit and non-permit applications at the PTSP (Permit and Non-Permit One Stop Integrated Services) desk.

This means that any PT PMDN (domestic company) or PT PMA (fully or partially foreign owned company) must anticipate its tax compliance to be checked and confirmed in every application made to BKPM. The checking and confirmation is planned to take place either via BKPM's online system or a system provided by the Directorate General of Tax.

The necessary level of compliance of an applicant will include a valid NPWP (Taxpayer Registration Number) and confirmation of taxes having been fully paid for the past two years as per the respective Annual Notification (SPT) in as far as there was a payment obligation.

Should the check result in a non-compliant status, the applicant will be notified accordingly by BKPM and will have to follow-up on the matter with the competent Tax Service Office (KPP). The KPP will issue a Clearance Certificate once the applicant's status is that of a compliant taxpayer, which the applicant may upload to the BKPM online system in order to continue the application procedure.

Reg 7/2017 is yet to be implemented which is to happen soon, according to BKPM. Any measures that require BKPM approval, such as changes in shareholding or share capital as well as in the business field of a company, should be planned with this circumstance in mind in order to avoid unnecessary delays.

Please do not hesitate to contact us.



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