

REGULATION OF THE MINISTER OF FINANCE OF  
THE REPUBLIC OF INDONESIA  
NUMBER 39/PMK.03/2018  
ON  
PROCEDURES FOR PRELIMINARY REFUND OF TAX OVERPAYMENT

BY THE BLESSINGS OF ALMIGHTY GOD

MINISTER OF FINANCE OF THE REPUBLIC OF INDONESIA,

- Considering :
- a. that the provision on the determination and revocation of taxpayers with certain criteria for the preliminary refund of tax overpayment has been regulated in Regulation of the Minister of Finance Number 74/PMK.03/2012 on Procedures for Determination and Revocation of Determination of Taxpayers with Certain Criteria for Refund of Tax Overpayment;
  - b. that the provision on the preliminary refund of tax overpayment for taxpayers who meet specific requirements has been regulated in Regulation of the Minister of Finance Number 198/PMK.03/2013 on Preliminary Refund of Tax Overpayment for Taxpayers who Meet Specific Requirements;
  - c. that the provision on Low Risk Taxable Entrepreneurs who are given a preliminary refund of tax overpayment has been regulated in Regulation of the Minister of Finance Number 71/PMK.03/2010 on Low Risk Taxable Entrepreneurs Who Are Given Preliminary Refund of Tax Overpayment;

- d. that to encourage economic growth and liquidity of Taxpayers and to support Government programs to improve ease of doing business, administrative simplification for preliminary refund of tax overpayment for taxpayers with Certain Criteria, taxpayers who meet specific requirements, and Low Risk Taxable Entrepreneurs is required;
- e. that based on the considerations as referred to in point a to point d, and to implement the provisions of Article 17C section (7) and Article 17D section (3) of Law Number 6 of 1983 on General Provisions and Procedures for Taxation as amended several times, and last by Law Number 16 of 2009 on Issuance of Government Regulation in Lieu of Law Number 5 of 2008 on Fourth Amendment to Law Number 6 of 1983 on General Provisions and Procedures for Taxation into Law as well as the provisions of Article 9 section (4d) of Law Number 8 of 1983 on Value-Added Tax on Goods and Services and Sales Tax on Luxury Goods as amended several times, and last by Law Number 42 of 2009 on Third Amendment to Law Number 8 of 1983 on Value-Added Tax on Goods and Services and Sales Tax on Luxury Goods, it is necessary to issue a Regulation of the Minister of Finance on Procedures of Preliminary Refund of Tax Overpayment;

Observing : 1. Law Number 6 of 1983 on General Provisions and Procedures for Taxation (State Gazette of the Republic of Indonesia of 1983 Number 49, Supplement to the State Gazette of the Republic of Indonesia Number 3262) as amended several times, and last by Law Number 16 of 2009 on Issuance of Government Regulation in Lieu of Law Number 5 of 2008 on Fourth Amendment to Law Number 6 of 1983 on General Provisions and Procedures for Taxation into Law (State Gazette of the Republic of Indonesia of 2009 Number 62, Supplement to the State Gazette of the Republic of Indonesia Number 4999);

2. Law Number 8 of 1983 on Value-Added Tax on Goods and Services and Sales Tax on Luxury Goods (State Gazette of the Republic of Indonesia of 1983 Number 51, Supplement to the State Gazette of the Republic of Indonesia Number 3264) as amended several times, and last by Law Number 42 of 2009 on Third Amendment to Law Number 8 of 1983 on Value-Added Tax on Goods and Services and Sales Tax on Luxury Goods (State Gazette of the Republic of Indonesia of 2009 Number 150, Supplement to the State Gazette of the Republic of Indonesia Number 5069);

HAS DECIDED:

To issue : REGULATION OF THE MINISTER OF FINANCE OF THE REPUBLIC OF INDONESIA ON PROCEDURES FOR PRELIMINARY REFUND OF TAX OVERPAYMENT.

## CHAPTER I

### GENERAL PROVISIONS

#### Article 1

In this Ministerial Regulation:

1. Law on General Provisions and Procedures for Taxation (*Undang-Undang Ketentuan Umum dan Tata Cara Perpajakan*), hereinafter referred to as Law on KUP, means Law Number 6 of 1983 on General Provisions and Procedures for Taxation as amended several times, and last by Law Number 16 of 2009 on Enactment of Regulations Government In Lieu of Law Number 5 of 2008 on Fourth Amendment to Law Number 6 of 1983 on General Provisions and Procedures for Taxation into Law.
2. Law on Value-Added Tax, hereinafter referred to as the Law on VAT, means Law Number 8 of 1983 on Value-Added Tax on Goods and Services Tax and Sales Tax on Luxury Goods as amended several times, and last by Law Number 42 of 2009 on Third Amendment to Law Number 8 of 1983 on Value-Added Tax on Goods and Services and Sales Tax on Luxury Goods.

3. Taxpayers mean individuals or entities, including tax payers, withholding agent of taxes, who have tax rights and obligations in accordance with the provisions of legislation in the field of taxation.
4. Entities mean a group of individual and/or capital which constitutes the unity either performing business or does not perform business which includes a limited liability company, limited partnership, other company, state-owned enterprise or regional-owned enterprise with any name and form, firms, partnerships, cooperatives, pension funds, cv, associations, foundations, mass organizations, socio-political organizations, or other organizations, institutions and other body forms, including collective investment contracts, permanent establishments, and representative offices of foreign companies and joint investment contracts.
5. Entrepreneurs mean an individual or entity in any form that in their business activities or occupations produce goods, import goods, export goods, conduct trade business, utilize intangible goods from outside the customs area, conduct service businesses, or utilize services from outside the customs area.
6. Taxable Entrepreneurs mean Entrepreneurs who supply Taxable Goods and/or Services subject to tax based on the Law on VAT.
7. Preliminary Refund of Tax Overpayment, hereinafter referred to as Preliminary Refund, means refund of tax overpayment given to Taxpayers as referred to in Article 17C or Article 17D of Law on KUP, or Article 9 section (4c) of the Law on VAT.
8. Taxpayers who meet Certain Criteria That Can Be Given Preliminary Refund of Tax Overpayment, hereinafter referred to as Taxpayers with Certain Criteria, mean Taxpayers as referred to in Article 17C of the Law on KUP.
9. Taxpayers who meet specific requirements That Can Be Given Preliminary Refund of Tax Overpayment, hereinafter referred to as Specific Requirements Taxpayers, mean Taxpayers as referred to in Article 17D of the Law on KUP.

10. Taxable Entrepreneurs Who Perform Specific Activities and Have Been Determined as Low Risk Taxable Entrepreneurs, hereinafter referred to as Low Risk Taxable Entrepreneurs, mean Taxable Entrepreneurs as referred to in Article 9 section (4c) of the Law on VAT.
11. Taxable Period means the period of time that becomes the basis for Taxpayers to calculate, deposit, and report tax payable within a certain period of time as specified in the Law on KUP.
12. Taxable Year means a period of 1 (one) calendar year unless the Taxpayers use accounting year that is not the same as the calendar year.
13. Part of Taxable Year means part of a period of 1 (one) Taxable Year.
14. Tax Return means a letter that is used by Taxpayers to report calculations and/or payments of taxes, taxable and/or nontaxable objects, and/or assets and liabilities in accordance with the provisions of legislation on taxation.
15. Annual Tax Return means a Tax Return for a particular Taxable Year or Fraction of a Taxable Year.
16. Periodic Tax Return means a Tax Return for a particular Taxable Period.
17. Tax Invoice means tax imposition invoice that made by the Taxable Entrepreneur who performs the supply of Taxable Goods or the supply of Taxable Services.
18. Input Tax means the Value-Added Tax that should have been paid by the Taxable Entrepreneur due to the acquisition of Taxable Goods, and/or the gain of Taxable Services, and/or the utilization of Intangible Taxable Goods from outside of the Customs Area, and/or the utilization of Taxable Service from outside of the Customs Area and/or the import of Taxable Goods.
19. Number of State Revenue Transactions, hereinafter abbreviated as NTPN, means the number stated on the proof of state revenue issued through the state revenue module in accordance with the provisions of legislation in the field of state treasury.

20. Decision on Preliminary Refund of Tax Overpayment (*Surat Keputusan Pengembalian Pendahuluan Kelebihan Pajak*), hereinafter abbreviated as SKPPKP, means a decision that determines the amount of preliminary refund of tax overpayments for certain taxpayers.
21. Regional Tax Office of the Directorate General of Taxation (*Kantor Wilayah Direktorat Jenderal Pajak*), hereinafter abbreviated as Kanwil DJP, means a vertical unit of the Directorate General of Taxes which is under and is responsible directly to the Director General of Taxes.
22. Tax Office (*Kantor Pelayanan Pajak*), hereinafter abbreviated as KPP, means a vertical unit of the Directorate General of Taxes which is under and is responsible directly to the Head of the Regional Office of the Directorate General of Taxes.

## CHAPTER II

### SCOPE

#### Article 2

General Director of Taxes issue SKPPKP after doing verification on the application of tax overpayment refund, for:

- a. Taxpayer with certain criteria;
- b. Taxpayer with certain specification; or
- c. low risk Taxable Entrepreneur.

## CHAPTER III

### PRELIMINARY REFUNDS FOR TAXPAYERS WITH CERTAIN CRITERIA

#### Article 3

- (1) Taxpayers with certain criteria as referred to in Article 2 point a may be given Preliminary Refunds of Income Tax and Value-Added Tax.
- (2) Taxpayers with Certain Criteria as referred to in section (1) are determined by the Director General of Taxes in the event that Taxpayers meet the following criteria:

- a. on time to submit Tax Return;
  - b. has no tax arrears for all types of taxes, except tax arrears that have obtained permission to pay in installments or delay payment of taxes;
  - c. financial statements audited by public accountants or government financial supervision institutions with unqualified opinions for 3 (three) consecutive years; and
  - d. has never been convicted of a criminal offense in the field of taxation based on a legally binding court decision within the last 5 (five) year.
- (3) Exactly when submitting Tax Return as referred to in section (2) point a includes:
- a. The Taxpayer has submitted the Annual Tax Return in the last 3 (three) Taxable Years which must be submitted until the end of the year before the determination of the Taxpayer with Certain Criteria, in a timely manner;
  - b. Taxpayers have submitted the Periodic Tax Return for the Periodic Tax Return from January to November in the last Tax Year before the determination of Taxpayers with Certain Criteria; and
  - c. in the event that there is a delay in submitting the Periodic Tax Return as referred to in point b, the delay must meet the following conditions:
    1. no more than 3 (three) Periodic Tax Returns for each type of tax and not consecutively; and
    2. not exceeding the deadline for submission of the Periodic Tax Return in the next Periodic Tax Return.
- (4) There is no tax arrears as referred to in section (2) point b, namely the condition of the Taxpayers on 31 December of the last year before the stipulation as a Certain Criteria Taxpayer does not have tax debt that exceeds the repayment deadline, except for tax arrears whose payments obtain a delay or installment permit.

- (5) Financial statements audited by public accountants or government financial supervision institutions as referred to in section (2) point c, namely financial statements audited by public accountants or government financial supervision institutions attached to the Annual Income Tax Returns that must be submitted for 3 (three) consecutive years until the end of the year before the year of determination of the Taxpayers with Certain Criteria.

#### Article 4

- (1) To be determined as the Certain Criteria Taxpayer as referred to in Article 3 section (2), the Taxpayer submits an application for KPP where the Taxpayer is registered no later than January 10.
- (2) Based on the application as referred to in section (1), the Director General of Taxes conducts research on the fulfillment of the criteria for the Certain Criteria Taxpayer as referred to in Article 3 and issues:
  - a. the decision to determine the Taxpayers with Certain Criteria, in the event that the Taxpayer meets the criteria as referred to in Article 3; or
  - b. notification to the Taxpayer regarding the rejection of the application, in the event that the Taxpayer does not meet the criteria as referred to in Article 3.
- (3) Issuance of a decision on the Certain Criteria Taxpayer or notification as referred to in section (2), is carried out not later than 1 (one) month after receipt of the application for stipulation.
- (4) If up to the time limit as referred to in section (3) the Director General of Taxation does not provide a decision or notification, the Taxpayer's application as referred to in section (1) is deemed granted and the Director General of Taxes issues a decision on the Taxpayers with Certain Criteria.
- (5) Based on tax data and/or information owned by or obtained by the Directorate General of Taxes, the Director General of Taxation determines the Taxpayer as a



Taxpayer with Certain Criteria in a position by issuing a decision on the determination of Taxpayers with Certain Criteria.

#### Article 5

- (1) Decision on the determination of Taxpayers with Certain Criteria as referred to in Article 4 comes into force from the date of determination until the Revocation of determination is made by the Director General of Taxes.
- (2) The Revocation of the decision on the determination of the Certain Criteria Taxpayer as referred to in section (1) is carried out in the case of the Taxpayer:
  - a. late in submitting the Annual Tax Return;
  - b. late in submitting the Period Tax Return for a certain type of tax in 2 (two) consecutive tax periods;
  - c. late in submitting the Periodic Tax Return for a type of tax for 3 (three) Periodic Tax Returns in 1 (one) calendar year; or
  - d. an open examination of preliminary evidence is carried out or an investigation into criminal acts in the field of taxation.
- (3) The Director General of Taxes revokes the determination of Taxpayer with the Certain Criteria as referred to in section (2) by issuing Repeal decisions on the stipulation of certain Taxpayer Criteria and notifying the Repeal decision referred to the Taxpayer.
- (4) A Taxpayer who has been revoked as a Taxpayer with Certain Criteria can re-submit the application in accordance with the provisions as referred to in Article 4.

#### Article 6

- (1) Application for Preliminary Refunds submitted since the Taxpayer is determined as a Taxpayer with Certain Criteria based on the provisions of this Ministerial Regulation, is processed in accordance with the provisions of this Ministerial Regulation.
- (2) In order to obtain Preliminary Refunds, the Certain Criteria Taxpayer must submit an application by filling in the Preliminary Refund column in the Tax Return.

- (3) Based on the Preliminary Refund application as referred to in section (1), the Director General of Taxes should first conduct a formal obligation of Preliminary Refunds, which includes:
  - a. Determination of Taxpayers with Certain Criteria is still valid;
  - b. Taxpayers are not being carried out an open examination of preliminary evidence or an investigation into criminal acts in the taxation field;
  - c. Taxpayers are not late in submitting a Periodic Tax Return for a type of tax in 2 (two) consecutive Tax Periods;
  - d. Taxpayers are not late in submitting a Periodic Tax Return for a type of tax in 3 (three) Tax Periods in 1 (one) calendar year; and
  - e. Taxpayers do not late in submitting Annual Tax Return.
- (4) In the case of a Certain Criteria Taxpayer not fulfilling the provisions of the formal Preliminary Refund as referred to in section (3), the Taxpayer is given a Preliminary Refund.
- (5) In the case of a Certain Criteria Taxpayer fulfilling the provisions of the formal obligation of Preliminary Refund as referred to in section (3), the Director General of Taxes follows up by conducting research on:
  - a. the truth of writing and calculating taxes;
  - b. proof of deduction or proof of collection of Income Tax credited by the applicant Taxpayer; and
  - c. Input Tax that is credited and/or paid for by the applicant's Taxpayer.
- (6) Research on the correctness of writing and counting as referred to in section (5) point a is done by ensuring the correctness of the addition, subtraction, multiplication, and/or division of a number in tax calculation.
- (7) For proof of deduction or proof of collection of Income Tax as referred to in section (5) point b, a study is carried out by ensuring the proof of deduction or proof of collection of Income Tax has been reported in the Taxpayer applicant's

Tax Return and Tax Return cutter or tax collector.

- (8) The Input Tax as referred to in section (5) point c, a study is carried out by ensuring:
  - a. the Input Tax credited by the Certain Criteria Taxpayer has been reported in the Periodic Tax Return of the Value-Added Tax of the Taxable Entrepreneur that makes a Tax Invoice; and/or
  - b. the Input Tax paid by the Certain Criteria Taxpayer has been validated with NTPN.
- (9) Based on research on proof of deduction or proof of collection of Income Tax as referred to in section (7), the calculation of excess tax payments is carried out with the following conditions:
  - a. deduction proof or proof of income tax collection reported in the cutter or tax collector's Tax Return and not credited in the applicant's taxpayer's tax return, is not counted as part of the excess tax payment; and/or
  - b. deduction proof or proof of collection of Income Tax credited in the Taxpayer applicant's Tax Return and not yet reported in the taxpayer's tax deduction or collector's tax return are not counted as part of the excess tax payment.
- (10) Based on research on Input Tax as referred to in section (8), the calculation of excess tax payments is carried out with the following conditions:
  - a. the Tax Invoice credited by the applicant Taxpayer and not reported in the Periodic Tax Return of the Value-Added Tax of the Taxable Entrepreneur that makes a Tax Invoice, is not calculated as part of the excess tax payment; and/or
  - b. the Tax Invoice reported in the Periodic Tax Return of the Value-Added Tax of the Taxable Entrepreneur that makes a Tax Invoice and is not credited by the applicant Taxpayer is not calculated as part of the excess tax payment.

- (11) The results of the research as referred to in section (5) are used by the Directorate General of Taxes as a basis for providing Preliminary Refund to Taxpayers.

#### Article 7

- (1) Based on the results of the research as referred to in Article 6, the Director General of Taxes:
- a. Issue SKPPKP, in terms of:
    - 1 the results of the study of formal obligations as referred to in Article 6 section (3) indicate that the Taxpayer fulfills the provisions of the said formal obligation; and
    - 2 the results of the research as referred to in Article 6 section (11) indicate that there is an overpayment of taxes; or
  - b. does not issue SKPPKP and notify Taxpayers, in case:
    1. the results of a formal obligation study indicate that a Taxpayer cannot be given an Preliminary Refund as referred to in Article 6 section (4); or
    2. The results of the research as referred to in Article 6 section (11) indicate that there is no excess payment of taxes.
- (2) SKPPKP as referred to in section (1) point a or notification as referred to in section (1) point b, is issued not later than:
- a. 3 (three) months, for Income Tax; or
  - b. 1 (one) month, for Value-Added Tax, since the application was received.
- (3) If the period as referred to in section (2) is exceeded and the Director General of Taxes does not issue SKPPKP or notification, the Taxpayer's application is deemed granted and the Director General of Taxes issues SKPPKP after the period as referred to in section (2) ends.

#### Article 8

- (1) In the event that the amount of excess tax payments at SKPPKP as referred to in Article 7 section (1) point a does

not equal the amount in the application of Preliminary Refund, the Certain Criteria Taxpayer may re-submit the application of Preliminary Refund for the difference in tax overpayment that has not been refunded through a separate letter.

- (2) In the event that a Certain Criteria Taxpayer does not request a refund of the difference in the excess payment of tax that has not been returned as referred to in section (1), the Certain Criteria Taxpayer may correct the Tax Return submitted for Application of the Preliminary Refund.
- (3) The application for Preliminary Refund through a separate letter as referred to in section (1) is followed up with the provisions as referred to in Article 6 section (5) to section (11).

#### CHAPTER IV

#### PRELIMINARY REFUND OF TAX OVERPAYMENT FOR TAXPAYERS WITH SPECIFIC REQUIREMENTS

##### Article 9

- (1) Certain Taxpayer Requirements as referred to in Article 2 point b may be given Preliminary Refund on excess payments of Income Tax and Value-Added Tax.
- (2) Certain Taxpayer Requirements as referred to in section (1) include:
  - a. Individual taxpayers who do not run a business or free job that submits an Annual Income Tax Return over paying restitution;
  - b. Taxpayers of individuals who run businesses or free jobs who submit Annual Tax Returns for overpayment of restitution with a maximum amount of Rp100,000,000.00 (one hundred million rupiahs);
  - c. Corporate Taxpayers who submit Annual Tax Returns for overpayment of restitution with a maximum overpayment of Rp1,000,000,000.00 (one billion rupiahs); or

- d. Taxable Entrepreneurs who submit the Periodic Tax Return of Value-Added Tax overpayment of refunds with a maximum overpayment of Rp1,000,000,000.00 (one billion rupiah).

Article 10

- (1) To be able to obtain Preliminary Refund, the Certain Taxpayer of the Specific Requirements as referred to in Article 9 section (2) must submit an application by filling in the Preliminary Refund column in the Tax Return.
- (2) Based on the application of the Preliminary Refund as referred to in section (1), the Director General of Taxes conducts research on:
  - a. the truth of writing and calculating taxes;
  - b. proof of deduction or proof of collection of Income Tax credited by the applicant Taxpayer; and
  - c. Input Tax that is credited and/or paid for by the applicant's Taxpayer.
- (3) Research on the correctness of writing and counting as referred to in section (2) point a is done by ensuring the correctness of the addition, subtraction, multiplication, and/or division of a number in tax calculation.
- (4) For proof of deduction or proof of collection of Income Tax as referred to in section (2) point b, a study is carried out by ensuring the proof of deduction or proof of collection of Income Tax has been reported in the applicant Taxpayer Tax Return and tax collector or tax collector.
- (5) Regarding the Input Tax as referred to in section (2) point c, research is carried out by ensuring:
  - a. Input Tax credited by certain Required Taxpayers has been reported in the Periodic Tax Return of the Value-Added Tax of the Taxable Entrepreneur that makes a Tax Invoice; and/or
  - b. Input Tax paid by certain Required Taxpayers has been validated with NTPN.
- (6) Based on research on proof of deduction or proof of collection of Income Tax as referred to in section (4), the

calculation of excess tax payments takes into account the following provisions:

- a. deduction proof or proof of income tax collection reported in the cutter or tax collector's Tax Return and not credited in the applicant's taxpayer's tax return, is not counted as part of the excess tax payment; and/or
  - b. Withholding evidence or proof of collection of Income Tax credited in the applicant's Taxpayer's Tax Return and has not been reported in the Tax Return of a taxpayer applicant or collector, is not calculated as part of the excess tax payment.
- (7) Based on research on Input Tax as referred to in section (5), the calculation of excess tax payments is carried out with the following conditions:
- a. Tax Invoice credited by the applicant Taxpayer and not reported in the Periodic Tax Return of the Taxable Entrepreneur's Value-Added Tax that makes a Tax Invoice, is not calculated as part of the excess tax payment; and/or
  - b. The Tax Invoice reported in the Periodic Tax Return of the Taxable Entrepreneur's Value-Added Tax that makes a Tax Invoice and not credited with the applicant Taxpayer, is not calculated as part of the excess tax payment.
- (8) The results of the research as referred to in section (2) are used by the Director General of Taxes as a basis for providing Preliminary Refund to Taxpayers.

#### Article 11

- (1) Based on the results of the research as referred to in Article 10, the Director General of Taxes:
  - a. issues SKPPKP, in the event that the results of the research as referred to in Article 10 section (8) indicate that there is an overpayment of taxes; or
  - b. does not issuing SKPPKP and notifying Taxpayers, in the event that the results of the research as referred

to in Article 10 section (8) indicate that there is no excess tax payment.

- (2) SKPPKP as referred to in section (1) point a or notification as referred to in section (1) point b, is issued not later than:
  - a. 15 (fifteen) work days, for the application for the return of the Personal Income Tax Introduction;
  - b. 1 (one) month, for the application for the Return of the Corporate Income Tax Introduction; or
  - c. 1 (one) month, for application for Return Value Introduction Tax Returns, since the application was received.
- (2) If the period as referred to in section (2) is exceeded and the Director General of Taxes does not issue SKPPKP or notification, the Taxpayer's application is deemed granted and the Director General of Taxes issues SKPPKP after the period as referred to in section (2) ends.

#### Article 12

- (1) In the event that the overpayment of taxes in SKPPKP as referred to in Article 11 section (1) point a does not equal the amount in the Proposed Refund application, Taxpayer Specific Requirements may reapply the Refund application for the overpayment of tax overpayments which have not been refunded through a separate letter.
- (2) In the event that a Taxpayer of Specific Requirements does not request a refund of the excess of the overpaid tax refund as referred to in section (1), the Taxpayer may make a correction of the Tax Return filed for an application for Preliminary Refund.
- (3) The request for a Refund of Advance through a separate letter as referred to in section (1) is followed up with the provisions as referred to in Article 10 section (2) to section (8).



CHAPTER V  
PRELIMINARY TAX REFUND FOR LOW RISK TAXABLE  
ENTREPRENEUR

Article 13

- (1) Taxable Entrepreneurs who perform specific activities and have been determined as Low Risk Taxable Entrepreneurs as referred to in point c of Article 2 are given Preliminary Refund of Value-Added Tax Overpayment in each Taxable Period.
- (2) Taxable Entrepreneurs as referred to in section (1) includes:
  - a. companies whose shares are traded on stock exchanges in Indonesia;
  - b. companies whose majority shares are owned directly by the central government and/or regional government;
  - c. Taxable Entrepreneurs who have been determined as Customs Main Partners in accordance with the provisions in Regulation of the Minister of Finance on Customs Main Partners;
  - d. Taxable Entrepreneurs who have been determined as Authorized Economic Operators in accordance with the provisions in Regulation of the Minister of Finance on Authorized Economic Operators;
  - e. A manufacturer or producer other than a Taxable Entrepreneurs as referred to in point a to point d, which has a place of production activities; or
  - f. Taxable Entrepreneurs who meet specific requirements as referred to in section (2) point d of Article 9.
- (3) Specific activities as referred to in section (1) include:
  - a. export of Tangible Taxable Goods;
  - b. supply of Taxable Goods and/or supply of Taxable Services to Withholding Agents of Value-Added Tax;
  - c. supply of Taxable Goods and/or supply of Taxable

- Services for which Value-Added Tax is not collected;
- d. export of Intangible Taxable Goods; and/or
  - e. export of Taxable Services.
- (4) To be determined as Low Risk Taxable Entrepreneurs as referred to in section (1), Taxable Entrepreneurs must fulfill the following requirements:
- a. Taxable Entrepreneurs are Taxable Entrepreneurs as referred to in section 2 point a to point e;
  - b. The manufacturer or producer of Taxable Entrepreneur as referred to in section (2) point e has submitted the Periodic Tax Return of Value-Added Tax for the last 12 (twelve) months in a timely manner;
  - c. Taxable Entrepreneurs are not being examined for preliminary investigation and/or investigation of criminal tax offenses;
  - d. Taxable Entrepreneurs have never been convicted of committing a criminal tax offense under a definite court verdict within the last 5 (five) years.

#### Article 14

- (1) In order to be determined as a Low Risk Taxable Entrepreneur as referred to in Article 13 section (4), a Taxable Entrepreneur submits application to the KPP where the Taxable Entrepreneur is determined.
- (2) The application as referred to in section (1) must be attached with documents as follows:
  - a. for the Taxable Entrepreneur of a Customs Main Partner, attached with a Customs Main Partner Decree;
  - b. for Authorized Economic Operators, attached with a Authorized Economic Operator Decree; or
  - c. for manufacturer or producer, attached with a statement letter regarding the existence of a place of production activities.
- (3) Based on the application as referred to in section (1), the Director General of Taxes conducts examination in

accordance to compliance with the provisions as referred to in Article 13 section (4).

- (4) Based on the results of the examination as referred to in section (3), the Director General of Taxes make a decision in the form of:
  - a. accepting a Taxable Entrepreneur's application by issuing a decree as a Low Risk Taxable Entrepreneur, in the event that the application comply with the provisions as referred to in Article 13 section (4); or
  - b. rejecting a Taxable Entrepreneur's application by issuing a rejection notification letter, in the event that the application does not comply with the provisions as referred to in Article 13 section (4).
- (5) The decision as referred to in section (4) is given not later than 15 (fifteen) work days after the application is received in full.
- (6) If the term as referred to in section (5) ends, the Director General of Taxes does not give a decision, the following provisions apply:
  - a. the application as referred to in section (1) is considered granted; and
  - b. The Director General of Taxes must issue a decree as a Low Risk Taxable Entrepreneur.
- (7) Based on tax data and/or information that is owned or obtained by the Directorate General of Taxes, the Director General of Taxes determines an ex-officio Taxable Entrepreneur as a Low Risk Taxable Entrepreneur.
- (8) For Taxable Entrepreneurs who comply with the provisions of Taxpayer Specific Requirements as referred to in Article 13 section (2) point f are treated as Low Risk Taxable Entrepreneurs, as a long as they comply with the requirements in section (4) point c and point d of Article 13, with provisions as follows:
  - a. Taxable Entrepreneur does not need to submit an application as referred to in section (1); and

- b. The Director General of Taxes does not issue an ex-officio decree as a Low Risk Taxable Entrepreneur.

#### Article 15

- (1) Decisions regarding the determination of Low Risk Taxable Entrepreneurs as referred to in Article 14 section (4) and section (7) come into force from the date of determination until the revocation of the determination by the Director General of Taxes.
- (2) Revocation of the determination of the Low Risk Taxable Entrepreneur as referred to in section (1) is carried out in the event of a Taxable Entrepreneur:
  - a. is being examined for preliminary investigation and/or investigation of criminal tax offenses;
  - b. convicted of committing a criminal tax offense under a definite court verdict; or
  - c. no longer comply with the provisions as referred to in Article 13 section (2).
- (3) The Director General of Taxes revokes the determination of the Low Risk Taxable Entrepreneur as referred to in section (2) by issuing a decree of revoke the determination of Low Risk Taxable Entrepreneur and notifying to Taxable Entrepreneur regarding the revocation.
- (4) A Taxable Entrepreneur who has been revoked as a Low Risk Taxable Entrepreneur can re-submit the determination application in accordance with the provisions as referred to in Article 14.

#### Article 16

- (1) Application for Preliminary Refund submitted since the Taxable Entrepreneur are determined as Low Risk Taxable Entrepreneurs based on the provisions of this Ministerial Regulation, is processed in accordance with the provisions of this Ministerial Regulation.
- (2) To obtain Preliminary Refund, Low Risk Taxable Entrepreneur must submit an application by filling in the Preliminary Refund column in the Periodic Tax Return of Value-Added Tax.

- (3) Based on the Preliminary Refund application as referred to in section (2), the Director General of Taxes first examines on formal obligation of Preliminary Refund, which includes:
  - a. the determination of Low Risk Taxable Entrepreneur is still valid, except for Taxable Entrepreneur as referred to in Article 13 section (2) point f;
  - b. Taxable Entrepreneur is not being examined for preliminary investigation and/or investigation of criminal tax offenses; and
  - c. Taxable Entrepreneur is not convicted of committing a criminal tax offenses under a definite court verdict within the last 5 (five) years.
- (4) In the event that a Low Risk Taxable Entrepreneur does not comply with the provisions of the formal obligation for Preliminary Refund as referred to in section (3), the Taxable Entrepreneur is not given a Preliminary Refund.
- (5) In the event that a Low Risk Taxable Entrepreneur complies with the provisions as referred to in section (3), the Director General of Taxes examines:
  - a. compliance with specific activities as referred to in Article 13 section (3);
  - b. the correctness of writing and calculation of taxes;
  - c. Input Tax credited by Low Risk Taxable Entrepreneurs has been reported in the Periodic Tax Return of Value-Added Tax by the Taxable Entrepreneur who made a Tax Invoice; and
  - d. Input Tax paid by Low Risk Taxable Entrepreneurs themselves has been validated with NTPN.
- (6) Examination on the compliance of specific activities as referred to in section (5) point a is to ensure that Taxable Entrepreneurs perform specific activities as referred to in Article 13 section (3) on the Tax Period that Preliminary Refund applications are submitted.
- (7) Examination on the correctness of writing and calculation as referred to in section (5) point b is to ensure that the sum, subtraction, multiplication, and/or division of a number in tax calculation is correct.

- (8) Input Tax that is not comply with the provisions as referred to in section (5) point c and point d is not calculated as part of the overpayment of taxes.
- (9) The results of examination on the compliance of the provisions as referred to in section (5) are used by the Director General of Taxes as a reference for providing Preliminary Refunds to Low Risk Taxable Entrepreneurs.

#### Article 17

- (1) Based on the results of the examination as referred to in Article 16, the Director General of Taxes:
  - a. issues SKPPKP, in terms of:
    1. the results of the formal obligations examination as referred to in Article 16 section (3) indicate that the Taxable Entrepreneurs comply with the provisions; and
    2. the results of the examination as referred to in Article 16 section (9) indicate that there is an overpayment of taxes; or
  - b. does not issue SKPPKP and notify Taxable Entrepreneurs, in case:
    1. the results of a formal obligation examination as referred to in Article 16 section (4) indicate that a Taxable Entrepreneur cannot be given an Preliminary Refund; or
    2. The results of the examination as referred to in Article 16 section (9) indicate that there is no overpayment of taxes.
- (2) SKPPKP as referred to in section (1) point a or notification as referred to in section (1) point b is issued not later than 1 (one) month after the application is received.
- (3) If the period as referred to in section (2) is exceeded and the Director General of Taxes does not issue SKPPKP or notification, Taxable Entrepreneur's application is considered granted and the Director General of Taxes must issue SKPPKP after the period as referred to in section (2) ends.

#### Article 18

- (1) In the event that the overpayment of tax in SKPPKP as referred to in Article 17 section (1) point a does not equal with the amount in the Preliminary Refund application, Low Risk Taxable Entrepreneurs may reapply for the Preliminary Refund for the overpayment of tax which have not been refunded through a separate letter.
- (2) In the event that Low Risk Taxable Entrepreneurs do not apply a refund of the overpayment difference as referred to in section (1), Low Risk Taxable Entrepreneurs may amend a filed Periodic Tax Return of Value-Added Tax for the Tax Period where Preliminary Refund application is filed.
- (3) The Preliminary Refund application through a separate letter as referred to in section (1) should be followed up with the provisions as referred to in Article 16 section (5) to section (9).

### CHAPTER VI SPECIFIC PROVISIONS

#### Article 19

- (1) In the event of Taxpayers with Certain Criteria and/or Specific Requirements Taxpayers also being determined as Low Risk Taxable Entrepreneurs, the procedure for Preliminary Refund of Value-Added Tax is carried out with the provisions as referred to in Article 13 to Article 18 and if based on tax audit report, Taxpayers are issued Notice of Tax Underpayment Assessment, the provisions as referred to in Article 9 section (4f) of the Law on VAT come into force.
- (2) In the event that a Taxpayer with Certain Criteria, a Taxpayer with Specific Requirements, or a Low Risk Taxable Entrepreneur submit overpayment tax return that is:
  - a. not request for Preliminary Refund application; and
  - b. not request for refund of tax overpayment based on

the provisions as referred to in Article 17B of the Law on KUP,

the tax return is followed up based on the provisions as referred to in section (1) of Article 17 of Law on KUP.

- (3) In the event of a Taxpayer with Certain Criteria, a Specific Requirements Taxpayer, or a Low Risk Taxable Entrepreneur submits the overpayment tax return and submits the refund of tax overpayment application in accordance with the provisions as referred to in Article 17B of the Law on KUP, the tax return is followed up based on the provisions as referred to in Article 17B of The Law on KUP.
- (4) In the event that based on the results of the examination on the Preliminary Refund application, SKPPKP is not issued, the application for refund of tax overpayment is followed up based on the provisions as referred to in Article 17B of the Law on KUP.

#### Article 20

The Director General of Taxes may cancel the revocation of determination of Taxpayers with Certain Criteria or Low Risk Taxable Entrepreneurs, in the event that the Taxpayer is not supposed to be revoked as referred to in Article 5 section (3) or Article 15 section (3).

#### Article 21

- (1) The Director General of Taxes may audit Certain Criteria Taxpayers, Specific Requirement Taxpayers, or Low Risk Taxable Entrepreneurs who have obtained Preliminary Refunds and issued notice of tax assessment based on the tax audit report.
- (2) The tax audit as referred to in section (1) carried out in accordance with the provisions of the laws and regulations in the field of taxation which regulate the tax audit.



Article 22

Documents on:

- a. the application of determination of Certain Criteria Taxpayer as intended in Article 4;
- b. the decision of determination of Certain Criteria Taxpayer as referred to in Article 4;
- c. the decision on the revocation of Taxpayer with Certain Criteria as referred to in Article 5;
- d. the application of determination of Low Risk Taxable Entrepreneur as referred to in Article 14;
- e. the decision of determination of Low Risk Taxable Entrepreneur as referred to in Article 14;
- f. the rejection notification of the determination application of Taxpayer with Certain Criteria as referred to in Article 4 or Low Risk Taxable Entrepreneur as referred to in Article 14;
- g. the decision on the Revocation of the determination of Low Risk Taxable Entrepreneur as referred to in Article 15;
- h. the application of Preliminary Refund of tax overpayment of which have not been refunded as referred to in Article 8, Article 12, and Article 18;
- i. SKPPKP as referred to in Article 7, Article 11, and Article 17; and
- j. the notification for does not given Preliminary Refund or does not exist overpayment tax as referred to in Article 7, Article 11, and Article 17,

are made using the format in accordance with the examples listed in the Annex as an integral part of this Ministerial Regulation.

CHAPTER VII  
TRANSITIONAL PROVISIONS

Article 23

When this Ministerial Regulation comes into force:

1. Taxpayers who have not been determined as Certain Taxpayers with Certain Criteria prior to the issuance of this Ministerial Regulation may submit determination applications for as Taxpayers with Certain Criteria not later than 3 (three) months after the issuance of this Ministerial Regulation;
2. The determination of the Taxpayer with Certain Criteria based on the application as referred to in number 1 is made not later than 1 (one) month after the application is received in accordance with the provisions in this Ministerial Regulation;
3. The determination of Taxpayers with Certain Criteria or Low Risk Taxable Entrepreneurs that are still valid at the time this Ministerial Regulation is promulgated, should be made a re-determination by the Director General not later than 1 (one) month after this Ministerial Regulation is promulgated;
4. The Preliminary Refund Application for Certain Taxpayers with Criteria, Taxpayers with Specific Requirements and/or Low Risk Taxable Entrepreneurs who have not settled their return until the issuance of this Ministerial Regulation, is settled based on:
  - a. Regulation of the Minister of Finance Number 74/PMK.03/2012 on Procedures for Determination and Revocation of Determination of Taxpayers with Certain Criteria in the Preliminary Refund of Tax Overpayment;
  - b. Regulation of the Minister of Finance Number 198/PMK.03/2013 on Preliminary Refund of Tax Overpayment for Taxpayers who Meet Specific Requirements; or

- c. Regulation of the Minister of Finance Number 71/PMK.03/2010 on Low Risk Taxable Entrepreneurs Granted with Preliminary Refund of Tax Overpayment;
5. Implementation provisions that have been issued based on:
- a. Regulation of the Minister of Finance Number 71/PMK.03/2010 on Low Risk Taxable Entrepreneurs Granted with Preliminary Refund of Tax Overpayment (State Bulletin of the Republic of Indonesia of 2010 Number 154);
  - b. Regulation of the Minister of Finance Number 74/PMK.03/2012 on Procedures for Determination and Revocation of Determination of Taxpayers with Certain Criteria in the Preliminary Refund of Tax Overpayment (State Bulletin of the Republic of Indonesia of 2012 Number 526); and
  - c. Regulation of the Minister of Finance Number 198/PMK.03/2013 on Preliminary Refund Tax Overpayment for Taxpayers who Meet Specific Requirements (State Bulletin of the Republic of Indonesia of 2013 Number 1556),
- are declared to remain effective to the extent not contrary to the provisions of this Ministerial Regulation.

## CHAPTER VII

### CLOSING PROVISIONS

#### Article 24

When this Ministerial Regulation comes into force:

1. Regulation of the Minister of Finance Number 71/PMK.03/2010 on Low Risk Taxable Entrepreneurs Granted with Preliminary Refund of Tax Overpayment (State Bulletin of the Republic of Indonesia in 2010 Number 154);
2. Provisions of Article 5 to Article 7 of Regulation of the Minister of Finance Number 72/PMK.03/2010 on Procedures for Refund Value-Added Tax dan Sales Tax on

- Luxury Goods Overpayment (State Bulletin of the Republic of Indonesia of 2010 Number 155);
3. Provisions of Article 18A of Regulation of the Minister of Finance Number 147/PMK.04/2011 on Bonded Zones (State Bulletin of the Republic of Indonesia in 2011 Number 558) as amended several times, with Regulation of the Minister of Finance:
    - a. Number 255/PMK.04/2011 on Amendments to Regulation of the Minister of Finance Number 147/PMK.04/2011 on Bonded Zones (State Bulletin of the Republic of Indonesia of 2011 Number 944);
    - b. Number 44/PMK.04/2012 on Second Amendment to Regulation of the Minister of Finance Number 147/PMK.04/2011 on Bonded Zones (State Bulletin of the Republic of Indonesia of 2012 Number 317);
    - c. Number 120/PMK.04/2013 on Third Amendment to Regulation of the Minister of Finance Number 147/PMK.04/2011 on Bonded Zones (State Bulletin of the Republic of Indonesia of 2013 Number 1057);
  4. Regulation of the Minister of Finance Number 74/PMK.03/2012 on Procedures for Determination and Revocation of Determination of Taxpayer with Certain Criteria in Context of Preliminary Refund of Tax Overpayment (State Bulletin of the Republic of Indonesia of 2012 Number 526); and
  5. Regulation of the Minister of Finance Number 198/PMK.03/2013 on Preliminary Refund of Tax Overpayment for Taxpayers with Specific Requirements (State Bulletin of the Republic of Indonesia of 2013 Number 1556),
- are repealed and declared ineffective.

#### Article 25

This Ministerial Regulation comes into force on the date of its promulgation.

In order that every person may know hereof, it is ordered to promulgate this Ministerial Regulation by its placement in the State Bulletin of the Republic of Indonesia.

Issued in Jakarta  
on 12 April 2018

MINISTER OF FINANCE OF THE  
REPUBLIC OF INDONESIA,

signed

SRI MULYANI INDRAWATI

Promulgated in Jakarta  
on 12 April 2018

DIRECTOR GENERAL OF LEGISLATION  
OF THE MINISTRY OF LAW AND HUMAN RIGHTS  
OF THE REPUBLIC OF INDONESIA,

signed

WIDODO EKATJAHJANA

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2018 NUMBER 514

Jakarta, 18 November 2019

Has been translated as an Official Translation  
on behalf of Minister of Law and Human Rights  
of the Republic of Indonesia

DIRECTOR GENERAL OF LEGISLATION,

  
WIDODO EKATJAHJANA