

Investigations of Tax Crimes

May 2025



Investigations of Tax Crimes

Investigations of Tax Crimes (“Investigations”) involves authorities from the Directorate General of Taxes (“DGT”) as the Investigators gathering evidence to identify and find suspects within legal bounds.

Minister of Finance (“MoF”) issued PMK-17¹ on Investigation, effective from 25 February 2025, replacing PMK-55² and Article 108 of PMK-18³ to cover Investigation procedures, case settlements, and termination of both PMK-55 and Article 108 of PMK-18, as well as to implement the provisions as mandated by Article 44E paragraph (2) letter i of KUP Law⁴ and Article 64 of GR-50⁵.

Investigations follow the Criminal Code. Per PMK-17, it requires an Investigation Order (“Sprindik”) from a superior to Investigators, based on the Incident Report (i.e. preliminary evidence, immediate handling of tax crimes, or Investigations development).

Sprindik will be the basis for issuing a Notification Letter of Commencement of Investigation (“SPDP”), which must be delivered to the Public Prosecutor via the investigators of the Indonesian National Police (“INP”) – noting that it falls within the criminal law and the reported party or suspect no later than seven days after the issuance of the Sprindik.

¹ MoF Regulation No.17 Year 2025 (“PMK-17”) dated and effective from 25 February 2025

² MoF Regulation No.55/PMK.03/2016 (“PMK-55”) dated and effective from 8 April 2016 as amended by MoF Regulation No.18/PMK.03/2021 dated and effective from 17 February 2021

³ MoF Regulation No.18/PMK.03/2021 (“PMK-18”) dated and effective from 17 February 2021

⁴ Law No. 6 Year 1983 as amended by Law No. 6 Year 2023 (“KUP Law”)

⁵ Government Regulation No.50 Year 2022 (“GR-50”) dated and effective from 12 December 2022

1. Investigation Procedure

It covers thirteen following activities – should not be interpreted as sequential:

a. Summons (*Pemanggilan*)

Summoning of witness, experts and/ or suspect using letter of summon should ideally be at least three days prior to examination date. Second summons may include INP investigator assistance if no witness or suspect provides a valid reason.

b. Examinations (*Pemeriksaan*)

Examinations of witnesses and experts can be conducted in person or electronically; PMK-17 is silent on the examination of suspect. All examinations must be documented in the examination report.

c. Arrest (*Penangkapan*)

Suspects may be arrested per request from Investigators to INP to conduct examination in determining the needs of detention.

d. Detention (*Penahanan*)

Investigators may request INP's assistance with the detention of suspects – detention can be extended as needed.

e. Search (*Penggeledahan*)

Covers house, body and other objects supported with permit from District Court Chairman and search warrant; urgent cases may request permit approval post-search.

f. Block and/ or Seizure (*Pemblokiran dan/ atau Penyitaan*)

Blocking can be carried out by submitting a blocking request to authorized party (e.g., Land Agency, banks, Traffic Corps). To unblock, request removal from the same party. While seizure is proceeds on evidence/ suspect's assets based on permits from the District Court Chairman and warrants; urgent cases may request permit approval post-seizure. Investigators can trace asset origin, ownership, and existence for blocking and seizure.

g. Handle of Electronic Data (*Penanganan Data Elektronik*)

Investigators and digital forensics experts can gather or secure electronic evidence during the Investigations.

h. Prevention (*Pencegahan*)

Aims to investigate suspects/ witnesses indicated to be leaving Indonesia or whose cooperation is doubtful, per MoF Prevention Decree. Prevention period: max. six months, extendable once by six months.

Decree submitted to Ministry of Immigration and Correction within three days; provided to Suspect, Witness, their families, or representative of their countries within seven days.

MoF must notify the Ministry of Immigration and Correction at least three days prior prevention expires for extension, or immediately after a revocation decree. Within seven days of issuance, notify the suspect, witnesses, their families or representatives of their countries.

In urgent circumstances, the MoF can request prevention directly to immigration officials before issuing the Prevention Decree. The MoF must then submit the decree within twenty days; otherwise, the urgent prevention expires and cannot be re-submitted.

i. Determination of Suspect (*Penetapan Tersangka*)

The determination of a suspect is based on at least two legal evidence materials and has been examined as a witness. This determination must be notified to the Public Prosecutor (via the INP investigator) and the suspect no later than seven days after the determination of the Suspect.

j. Filing (*Pemberkasan*)

Compiles investigation opinions and conclusions.

k. Submission of Case Files (*Penyerahan berkas perkara*)

Once the case file is complete and declared, the investigators must inform the suspect within seven days, per Articles 38, 39, and/ or 39A of KUP Law.

l. Transfer of Responsibility for the Suspect and Evidence (*Penyerahan Tanggung Jawab atas Tersangka dan Barang Bukti*)

Investigators will summon the suspect to transfer responsibility and evidence to the Public Prosecutor as per the Code of Criminal Procedure.

m. Investigation Termination (*Penghentian Penyidikan*)

Investigation termination is notified to the Public Prosecutor, INP investigators, and suspects (including their families or legal representatives) via letter when: 1) taxpayers voluntarily disclose incorrectness of act (Art. 8 par (3) KUP Law); 2) evidence is insufficient; 3) no tax crime occurs; or 4) by law. If evidence/ assets remain after termination (excluding suspect passing away), they are returned to the original owner, rightful party, or as per legal/ court decision.

2. Termination of Investigation for the purpose of state revenue

If responsibility for the suspect and evidence has not transferred to the Public Prosecutor, MoF can request case termination to the Attorney General via DGT, based on a request written in Bahasa Indonesia from taxpayers or suspects that admits guilt, states payment as per Article 44B(2), and is signed by the taxpayer or suspect (not an attorney).

3. Amount to be paid for the termination of the Investigation

Taxpayer/ suspect must request payoff information in writing; DGT responds within 1 month. If no amount specified, DGT will provide it after evidence review. Partial payment does not end Investigation; it counts as either early payment during transfer to Public Prosecutor/ court, or a criminal fine.

Multiple suspects share liability proportionally based on their contribution, benefits received, fault, actions, and relevant factors. Each suspect may request to terminate Investigations and pay their portion accordingly. If they know the amount that is payable but do not pay, or if DGT/ Attorney General rejects termination request, and the case file is complete, responsibility shifts from Investigator to Public Prosecutor.

4. Request for information on amount to be paid

Once transferred to the Public Prosecutor or court, the suspect/ defendant (*terdakwa*) can still pay the payable amount. The Public Prosecutor may request payment information to DGT, which must be responded within five working days.

5. Handling of Investigation Outside Indonesia Jurisdiction

Cross-border Investigations rely on mutual legal assistance per international agreements and its ratifications, following relevant laws and regulations.

6. Transitional provisions

PMK-17 states that unanswered payment information requests for Investigation termination by 25 February 2025 will be answered within a month.

7. Practical Comments

PMK-17 clarifies Investigation procedures as well as suspects' rights and obligations. However, PMK-17 may be viewed as silent on the deadlines for ending Investigations to conclude that the Investigations must be stopped due to insufficient evidence or that the incident is not a tax crime. Therefore, it could be expected that the ITA would clarify further on this area.

Knowing that committing tax crime is a violation of the Criminal Code, it is necessary for taxpayers to increase awareness on matters that may be viewed as tax crime. Therefore, taxpayers are strongly encouraged to ensure that their tax planning has been appropriately executed, tax obligations have been accurately fulfilled, and all required filings have been submitted in accordance with applicable regulations.



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