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**Director General of
Taxes Regulation**

Number PER-25/PJ/2018

Procedures of Approval Application for Double Taxation Avoidance Agreement

Many endeavors performed by Director General of Taxes in an effort to eliminate double tax avoidance for foreign taxpayers (WPLN) include the preparation for reporting system. PER-25 / PJ / 2018 (PER-25) amends the former regulation PER-10 / PJ / 2017 (PER-10), hence the regulation would not be any longer applicable. PER-25 will take effect on January 1, 2019.

Primarily, WPLN shall be subject to tax according to the provisions under Income Tax Law. However, there is a special arrangement included in Approval for Double Taxation Avoidance Agreement that might result in lower tax rates or an exemption of withholding tax (in this case, Income Tax), specifically, by the submission of certificate of domicile for foreign taxpayers (SKD WPLN).

Significant amendments from the former regulations are as follows:

No.	Amendment	PER-10/PJ/2017 (until 31 December 2018)	PER-25/PJ/2018 (Since 1 January 2019)
1.	Type of Form	DGT I Form, DGT II Form	DGT Form
2.	Period for Submission of DGT Form	Submission along with Monthly Tax Return, not later than the due date of submission	Single submission via e-filing and it would be applicable in accordance with the year of SKD WPLN

DGT Form under PER-25 has included DGT I Form and DGT II Form under PER-10, hence the filling of form would be more convenient. In addition, for submission of SKD WPLN via e-filing, it would be provided by a receipt of SKD WPLN that shall be attached to the reporting of monthly Tax Return in the same year with SKD WPLN. This modification provides simplified reporting pursuant to PER-10 which requires the legalization of DGT FORM for Part 3 of DGT I or II Form and/or SKD WPLN for each transaction.



Contact us

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