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INCOME TAX

Number	Date	Regarding	Effective Date
SE-33/PJ/2011	20-May-11	Notification the implementation of double taxation avoidance agreement	1-Jan-11

Due to the ratification of double taxation avoidance agreement between RI and Iran, the provision in the agreement is taking effect on income which derived in source state since January 1st 2011.

Number	Date	Regarding	Effective Date
85/PMK.03/2011	23-May-11	The Procedure of withholding, paying and reporting income tax on interest of bonds.	23-May-11

Minister of Finance has released the further regulation of Government Regulation Number 16 Year 2009 regarding Income Tax on income in the form of interest of bonds. This Minister of Finance regulation stipulates the procedure of withholding, paying, and reporting income tax on interest of bonds. Under the attachment of the regulation is also included the sample of the tax calculation.

GENERAL TAXATION

Number	Date	Regarding	Effective Date
82/PMK.03/2011	3-May-11	The revision on Minister of Finance number 199/PMK.03/2007 regarding tax audit procedure	3-May-11

To provide the legal certainty and fairness to the taxpayers on the tax audit, the tax audit procedure is revised. Some major changes in this Minister of Finance regulation: Quality Assurance Team which is known as review team that established by DGT in charge of reviewing different opinion between taxpayers and tax auditors in closing conference of audit result to provide high quality tax audit, The office tax audit shall be conducted for a maximum period of 3 months and extendable to a maximum period of 3 months. For field tax audit shall be conducted for a maximum period of 4 months and extendable to a maximum period of 4 months, If in the field tax audit, indication on transaction that is related to transfer pricing and or other special transactions having indication of manipulation of financial transaction needing more thorough examination as well as needing longer time are found, field tax audit can be prolonged to a maximum period of 5 times.

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TAXATION NEWS

The Government has been urged to control the transfer pricing.

The Government has been urged to enhance the supervision on transfer pricing transaction that harms the state revenue until trillion rupiahs in the last few years. The loss has been estimated as much IDR 1300 trillion per fiscal year.

Most favourite tax fraud in 2010 : fictitious tax invoice.

The DGT is handling 53 tax fraud cases in 2010, more than half of it is fictitious tax invoice issuance. The modus operandi is they set up a company with fictitious management and issued fictitious tax invoice to the buyers. The state loss has reached IDR 513 miliar.

The cinema entrepreneurs proposed the tax amnesty for movie importers.

The cinema entrepreneurs proposed to the Government to provide tax amnesty on royalty tax for the movie importers.

The Government should see this problem not just from the state revenue aspect only. The royalty tax problem has become polemic due to the Government policy in implementing the regulation. The number that has to be paid by the importers is IDR 30 billion.



The Government has received IDR 262 Trillion from Tax and Customs & Excise.

Until period of April 2011, The Government has received the state revenue as much IDR 262 Trillion from Tax and Customs & Excise. This revenue is 30,9% from the 2011 state revenue target which is increased 17,2% compared with last fiscal year.

The Inquiry Right chapter II is possible.

The discourse of Inquiry Right chapter II is possible to be realized. The background is many big cases in tax audits are still stagnant. Parliament said The Government is not quiet serious to complete the tax cases.

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TAX EXCHANGE RATE

Based on Minister of Finance decision
No. 239/KM.1/2011 dated 25 April 2011
For period : 25 April 2011 - 1 May 2011

Currency	Value
Dollar Amerika Serikat [USD]	8664.00
Dolar Australia [AUD]	9187.59
Dolar Canada [CAD]	9053.69
Kroner Denmark [DKK]	1674.68
Dolar Hongkong [HKD]	1114.15
Ringgit Malaysia [MYR]	2870.38
Dolar Selandia Baru [NZD]	6878.62
Kroner Norwegia [NOK]	1606.11
Poundsterling Inggris [GBP]	14157.48
Dolar Singapura [SGD]	6972.43
Kroner Swedia [SEK]	1401.16
Franc Swiss [CHF]	9694.23
Yen Jepang [JPY]	10489.78
Kyat Burma [BUK]	1349.42
Rupee India [INR]	195.02
Dinar Kuwait [KWD]	31324.27
Rupee Pakistan [PKR]	102.61
Peso Philipina [PHP]	200.37
Riyad Saudi Arabia [SAR]	2310.08
Rupee Srilanka [LKR]	78.52
Baht Thailand [THB]	288.70
Dolar Brunei D. [BND]	6974.87
EURO [EUR]	12490.46
Yuan China [CNY]	1327.01
Won Korea [KRW]	7.98

Based on Minister of Finance decision
No. 279/KM.1/2011 dated 2 May 2011
For period : 2 May 2011 – 8 May 2011

Currency	Value
Dollar Amerika Serikat [USD]	8618.00
Dolar Australia [AUD]	9316.32
Dolar Canada [CAD]	9050.31
Kroner Denmark [DKK]	1697.14
Dolar Hongkong [HKD]	1109.00
Ringgit Malaysia [MYR]	2891.38
Dolar Selandia Baru [NZD]	6923.74
Kroner Norwegia [NOK]	1620.22
Poundsterling Inggris [GBP]	14262.20
Dolar Singapura [SGD]	6997.93
Kroner Swedia [SEK]	1417.39
Franc Swiss [CHF]	9826.95
Yen Jepang [JPY]	10514.61
Kyat Burma [BUK]	1342.25
Rupee India [INR]	193.87
Dinar Kuwait [KWD]	31314.39
Rupee Pakistan [PKR]	101.93
Peso Philipina [PHP]	199.80
Riyad Saudi Arabia [SAR]	2297.78
Rupee Srilanka [LKR]	78.29
Baht Thailand [THB]	287.84
Dolar Brunei D. [BND]	6995.66
EURO [EUR]	12655.29
Yuan China [CNY]	1321.98
Won Korea [KRW]	7.98

Based on Minister of Finance decision
No. 296/KM.1/2011 dated 9 May 2011
For period : 9 May 2011 - 15 May 2011

Currency	Value
Dollar Amerika Serikat [USD]	8553.00
Dolar Australia [AUD]	9273.69
Dolar Canada [CAD]	8965.82
Kroner Denmark [DKK]	1701.08
Dolar Hongkong [HKD]	1100.92
Ringgit Malaysia [MYR]	2875.76
Dolar Selandia Baru [NZD]	6824.68
Kroner Norwegia [NOK]	1618.33
Poundsterling Inggris [GBP]	14155.03
Dolar Singapura [SGD]	6966.28
Kroner Swedia [SEK]	1412.79
Franc Swiss [CHF]	9897.01
Yen Jepang [JPY]	10562.23
Kyat Burma [BUK]	1332.17
Rupee India [INR]	192.32
Dinar Kuwait [KWD]	31141.52
Rupee Pakistan [PKR]	101.17
Peso Philipina [PHP]	199.72
Riyad Saudi Arabia [SAR]	2280.48
Rupee Srilanka [LKR]	77.89
Baht Thailand [THB]	285.25
Dolar Brunei D. [BND]	6968.83
EURO [EUR]	12685.28
Yuan China [CNY]	1316.89
Won Korea [KRW]	7.97

Based on Minister of Finance decision
No. 311/KM.1/2011 dated 16 May 2011
For period : 16 May 2011 – 22 May 2011

Currency	Value
Dollar Amerika Serikat [USD]	8554.00
Dolar Australia [AUD]	9162.70
Dolar Canada [CAD]	8880.17
Kroner Denmark [DKK]	1636.07
Dolar Hongkong [HKD]	1100.47
Ringgit Malaysia [MYR]	2855.81
Dolar Selandia Baru [NZD]	6782.17
Kroner Norwegia [NOK]	1556.00
Poundsterling Inggris [GBP]	13953.69
Dolar Singapura [SGD]	6912.46
Kroner Swedia [SEK]	1359.84
Franc Swiss [CHF]	9688.94
Yen Jepang [JPY]	10585.64
Kyat Burma [BUK]	1330.24
Rupee India [INR]	190.95
Dinar Kuwait [KWD]	31049.76
Rupee Pakistan [PKR]	100.81
Peso Philipina [PHP]	198.99
Riyad Saudi Arabia [SAR]	2280.72
Rupee Srilanka [LKR]	77.94
Baht Thailand [THB]	282.97
Dolar Brunei D. [BND]	6913.35
EURO [EUR]	12199.26
Yuan China [CNY]	1317.00
Won Korea [KRW]	7.90

Based on Minister of Finance decision
No. 320/KM.1/2011 dated 23 May 2011
For period: 23 May 2011 - 29 May 2011

Currency	Value
Dollar Amerika Serikat [USD]	8569.00
Dolar Australia [AUD]	9107.54
Dolar Canada [CAD]	8827.42
Kroner Denmark [DKK]	1637.20
Dolar Hongkong [HKD]	1102.08
Ringgit Malaysia [MYR]	2823.74
Dolar Selandia Baru [NZD]	6745.27
Kroner Norwegia [NOK]	1546.95
Poundsterling Inggris [GBP]	13892.22
Dolar Singapura [SGD]	6897.86
Kroner Swedia [SEK]	1360.15
Franc Swiss [CHF]	9717.21
Yen Jepang [JPY]	10519.90
Kyat Burma [BUK]	1331.78
Rupee India [INR]	190.13
Dinar Kuwait [KWD]	31031.74
Rupee Pakistan [PKR]	100.20
Peso Philipina [PHP]	198.15
Riyad Saudi Arabia [SAR]	2284.78
Rupee Srilanka [LKR]	78.07
Baht Thailand [THB]	283.02
Dolar Brunei D. [BND]	6897.86
EURO [EUR]	12209.93
Yuan China [CNY]	1317.04
Won Korea [KRW]	7.88

Based on Minister of Finance decision
No. 329/KM.1/2011 dated 30 May 2011
For period : 30 May 2011 - 5 June 2011

Currency	Value
Dollar Amerika Serikat [USD]	8584.00
Dolar Australia [AUD]	9074.97
Dolar Canada [CAD]	8775.99
Kroner Denmark [DKK]	1624.32
Dolar Hongkong [HKD]	1103.10
Ringgit Malaysia [MYR]	2813.92
Dolar Selandia Baru [NZD]	6887.64
Kroner Norwegia [NOK]	1549.66
Poundsterling Inggris [GBP]	13967.04
Dolar Singapura [SGD]	6892.40
Kroner Swedia [SEK]	1357.57
Franc Swiss [CHF]	9840.42
Yen Jepang [JPY]	10512.15
Kyat Burma [BUK]	1333.66
Rupee India [INR]	189.61
Dinar Kuwait [KWD]	31063.30
Rupee Pakistan [PKR]	100.12
Peso Philipina [PHP]	197.62
Riyad Saudi Arabia [SAR]	2288.91
Rupee Srilanka [LKR]	78.10
Baht Thailand [THB]	282.29
Dolar Brunei D. [BND]	6888.20
EURO [EUR]	12112.09
Yuan China [CNY]	1321.28
Won Korea [KRW]	7.86