

<b>Jurisdiction's name:</b>	<b>INDONESIA</b>
<b>Date:</b>	<b>28 February 2018</b>

### Information on Residency for tax purposes

#### Section I – Criteria for Individuals to be considered a tax resident

Individual Tax Resident for Indonesia:

**□ Article 2 Paragraph (3) a of Income Tax Law:**

*“(3) The term "resident Taxpayer" means:*

- a. individual who resides in Indonesia, an individual who has been present in Indonesia for more than 183 (one hundred and eighty-three) days within any 12 (twelve) months period, or an individual who has been residing in Indonesia within a particular taxable year and intends to reside in Indonesia;*
- b...*

*Elucidation:*

- a. In principle, an individual who constitutes a resident taxpayer is an individual residing or staying in Indonesia. Included in the term "individuals residing in Indonesia" are those who have the intention to reside in Indonesia, the determination of which shall be considered is based on the facts and circumstances. To meet the criterion of "present in Indonesia for more than 183 (one hundred and eighty-three) days", an individual does not have to be consecutively present. It shall be determined by the total number of days the said individual is in Indonesia within a period of 12 (twelve) months since his/her arrival.”*

**□ Article 2A Paragraph (1) of Income Tax Law:**

*“(1) Tax obligations of an individual referred to in paragraph (3) subparagraph a of Article 2, shall commence at the time the individual is born, is present, or intends to reside in Indonesia and shall cease at the time such person passes away or leaves Indonesia permanently*

*.....*

*Elucidation:*

*The subjective tax obligations of an individual residing in Indonesia shall commence at the time he is born in Indonesia. For an individual staying in Indonesia for more than 183 (one hundred and eighty-three) days within a 12 (twelve) months, his tax obligation commences on the first day he is in Indonesia. The subjective tax obligation ends at the time he passes away or permanently leaves Indonesia.*

*The term “permanently leaves Indonesia” is based on real facts at the moment the said individual leaves Indonesia. If at the time he leaves Indonesia, there is a strong fact evidencing his wish to leave Indonesia forever, at that moment he is no longer a Resident Taxable Person”*

References:

- Income Tax Law (Law Number 7 Year 1983 as lastly amended by Law Number 36 Year 2008)**

<http://ketentuan.pajak.go.id/aturan/lampiran/UU%20PPH%20No%2036%20Th%202008.pdf>

- ☐ Director General of Taxes Regulation Number PER-43/PJ/2011 on Determination of Domestic Tax Residence and Foreign Tax Residence
- < <http://ketentuan.pajak.go.id/index.php?r=aturan/rinci&idcrypt=oJilop4%3D> >

## Section II – Criteria for Entities to be considered a tax resident

Entity Tax Resident for Indonesia:

- ☐ **Article 2 Paragraph (3) b of Income Tax Law:**

*“(3) The term "resident Taxpayer" means:*

*...*

- b. entity established or domiciled in Indonesia, except part of government bodies which fulfills these criteria as follows:*
- 1. Its establishment is pursuant to the laws;*
  - 2. financed by State Budget or Local Government Budget;*
  - 3. Its revenues are included in State Budget or Local Government Budget; and*
  - 4. Its book keeping is audited by the government auditor; ...*

*Elucidation:*

- b. Sufficiently Clear.”*

- ☐ **Article 2A Paragraph (2) of Income Tax Law:**

*“(2) Tax obligations of an entity referred to in paragraph (3) subparagraph b of Article 2, shall commence at the time the entity is established or domiciled in Indonesia and shall cease at the time the entity is dissolved or is no longer domiciled in Indonesia*

*....*

*Elucidation:*

*Sufficiently clear.”*

References:

- ☐ Income Tax Law (Law Number 7 Year 1983 as lastly amended by Law Number 36 Year 2008)
- < <http://ketentuan.pajak.go.id/aturan/lampiran/UU%20PPh%20No%2036%20Th%202008.pdf> >
- ☐ Director General of Taxes Regulation Number PER-43/PJ/2011 on Determination of Domestic Tax Residence and Foreign Tax Residence
- < <http://ketentuan.pajak.go.id/index.php?r=aturan/rinci&idcrypt=oJilop4%3D> >

## Section III – Entity types that are as a rule not considered tax residents

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**Section IV – Contact point for further information**

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