

AMENDMENT TO DECISION OF THE MINISTER OF FINANCE NUMBER 51/KMK.04/2001 CONCERNING DEDUCTION OF INCOME TAX ON DEPOSIT AND SAVING INTEREST AS WELL AS DISCOUNTED CERTIFICATE OF BANK INDONESIA (Regulation of the Minister of Finance R.I Number 26/PMK.010/2016, dated February 19, 2016)

WITH THE BLESSING OF THE ONE AND ONLY GOD
MINISTER OF FINANCE REPUBLIC OF INDONESIA,

Considering:

- a. Whereas, in maintaining stability of rupiah exchange against US Dollar exchange and to support strengthening national economy, and in connection with the issue of Government Regulation Number 123 Year 2015, concerning amendment to Government Regulation Number 131 Year 2000, it is necessary to make adjustment to the provision on deduction of Income Tax on Deposit and Saving Interest as well as Discounted Certificate of Bank Indonesia as referred to in Decision of the Minister of Finance Number 51/KMK.04/2001;
- b. Whereas, based on the consideration referred to in letter a and to implement the provision in Article 5 of Government Regulation Number 131 Year 2000, concerning Income Tax on Deposit and

Saving Interest as well as Discounted Certificate of Bank Indonesia as amended by Government Regulation Number 123 Year 2015, it is necessary to stipulate Regulation of the Minister of Finance on amendment to Decision of the Minister of Finance Number 51/KMK.04/2001, concerning deduction of Income Tax on Deposit and Saving Interest as well as Discounted Certificate of Bank Indonesia;

In view of:

1. Government Regulation Number 131 Year 2000, concerning Income Tax on Income in the form of Bond Interest (Statute Book of the Republic of Indonesia Year 2000 Number 236, Supplement to Statute Book of the Republic of Indonesia Number 4039) as amended by Government Regulation Number 123 Year 2015 (Statute Book of the Republic of Indonesia Year 2015 Number 346, Supplement to Statute Book of the Republic of Indonesia Number 5803);

2. Decision of the Minister of Finance Number 51/KMK. 04/2001, concerning deduction of Income Tax on Deposit and Saving Interest as well as Discounted Certificate of Bank Indonesia;

DECIDES:

To stipulate:

REGULATION OF MINISTER OF FINANCE ON DECISION OF MINISTER OF FINANCE NUMBER 51/KMK.04/2001 CONCERNING DEDUCTION OF INCOME TAX ON DEPOSIT AND SAVING INTEREST AS WELL AS DISCOUNTED CERTIFICATE OF BANK INDONESIA.

Article I

Several provisions in Decision of the Minister of Finance Number 51/KMK.04/2001 concerning deduction of Income Tax on Deposit and Saving Interest as well as Discounted Certificate of Bank Indonesia have been amended as referred to below:

1. Provision in Article 3 has been amended so as to read as follows:

Article 3

(1) The imposition of Income Tax on Deposit and Saving Interest as well as Discounted Certificate of Bank Indonesia as referred to in Article 2 paragraph (1) shall be as cited below:

- a. interest of Deposit in US Dollar currency which fund originates from Export Proceeds Exchange and placed at a bank duly established domestically or domiciled in Indonesia or at an overseas bank branch domiciled in Indonesia is subject to Final Income Tax with the rates as cited below:

1. 10% (ten percent) of the gross total, for Deposit of one (1) month term;
2. 7,5% (seven and half percent) of the gross total for Deposit of three (3) months;

3. 2,5% (two and half percent) of the gross total, for Deposit of more than six (6) months; and

4. 0% (zero percent) of the gross total, for Deposit of more than six (6) months.

- b. interest of Deposit in rupiah currency which fund originates from Export Proceeds and placed

domestically at a bank duly established or domiciled in Indonesia or at overseas bank branch domiciled in Indonesia is subject to Final Income Tax with the rates as follows:

1. 7,5% (seventy-five percent) of the gross total for Deposit of one (1) month;
2. 5% (five percent) of the gross total for Deposit of three (3) months; and
3. 0% (zero percent) of the gross total for Deposit of six (6) months or more than six (6) months.

c. Saving interest and Discounted Certificate of Bank Indonesia, and Deposit interest other than "the Deposit referred to in letter a and letter b is subject Final Income Tax with the rates cited below:

1. 20% (twenty percent) of the gross total, on domestic Obligatory Taxpayer in having Permanent Business; and
2. 20% (twenty percent) of the gross total or on as referred to in Double Tax Evasive Agreement applicable on overseas Obligatory Taxpayer.

(2) The provision on imposition of Income Tax on Deposit interest as referred to in paragraph (1) letter a and letter b does not apply if Export Proceeds Exchange over which Deposit interest thereof has been charged Income Tax with interest rate as referred to in paragraph (1) letter a and letter b is repositioned as Deposit, including by using mechanism for Deposit extension.

(3) The Deposit that is repositioned as Deposit including by using the mechanism for Deposit extension as referred to in paragraph (2), on the Deposit interest is subject to Income Tax with the rate as referred to in paragraph (1) letter c figure 1.

(4) The Deposit Interest that is subject to Income Tax as referred to in paragraph (1) letter a and letter b must comply with the requirements below:

- a. source of Deposit fund is fund from Export Proceeds Exchange acquired after Government Regulation Number 123 Year 2015 comes to force as evidenced in the Report of Income from Export Proceeds Exchange as proven in Report on Income from Export Proceeds Exchange through the

exchange bank based on the provisions in Regulation of Bank Indonesia governing income from Export Proceeds Exchange;

b. source of Deposit fund originates from book transfer of Export Proceeds Exchange placed in the account belonging to exporter at the bank where it receives Export Proceeds Exchange from overseas and in the exporter's account which is used only to accommodate the fund originating from Export Proceeds Exchange;

c. Deposit is placed at the same bank where Export Proceeds Exchange from overseas is received; and

d. must be supported by Statement Letter from the Exporter that at least contains:

1. identity of the Exporter such as, name, address, Tax Obligatory Identification Number and Account Number to which account the fund of Export Proceeds Exchange is placed;

2. data of the fund from Export Proceeds Exchange, such as export value at receipt of Export Proceeds Exchange, Number and date of Notification on Exported Goods and the type of exchange.

3. Statement Letter stating that the fund in account referred to in letter b originates from Export Proceeds Exchange; and

4. Statement Letter stating that the source of Deposit fund is not originating from replacement of Deposit, including through the use of mechanism for Deposit extension.

2. Insert in between Article 3 and Article 4 two (2) Articles, namely Article 3A and Article 3B, that read as follows:

Article 3A

(1) If the fund of Deposit which fund originates from Export Proceeds Exchange as referred to in Article 3 paragraph (1) letter a and letter b is cashed prior to the term of the Deposit concerned, the Deposit Interest is subject to Income Tax with a rate as referred to in Article 3 paragraph (1) letter c figure 1.

- (2) The difference between payable Income Tax based on paragraph (1) and the Income Tax that has been deducted in the previous months before cashing the Deposit with the rate referred to in Article 3 paragraph (1) letter a or letter b is subject to Income Tax deduction at cashing the Deposit.

Article 3B

- (1) If the source of part or the entire Deposit fund originates from Export Proceeds Exchange, the whole Deposit Interest is subject to Income Tax with the rate as referred to in Article 3 paragraph (1) letter c figure 1.
- (2) The difference between the rate of payable Income Tax under paragraph (1) and Income Tax that has been deducted during the previous months and the rate that has been deducted as referred to in Article 3 paragraph (1) letter a or letter b is subject to deductible Income Tax at:
- the following month of payment of Deposit Interest or payable; or
 - Deposit will be cashed if all the Deposit Interest after deducting Income Tax with the rate as referred to in Article 3 paragraph (1) letter a or letter b.
3. The provision in paragraph (1) Article 6 has been amended and insert in between paragraph (1) and paragraph (2) of Article 6 one (1) paragraph, namely paragraph (1a), so as to read as follows:

Article 6

- (1) Bank paying Saving Interest and/or Deposit and Bank Indonesia issuing Certificate of Bank Indonesia shall be obliged to deduct Income Tax as referred to in Article 3.
- (1a) If the bank deducts Income Tax on Deposit Interest as referred to in Article 3 paragraph (1) letter a and/or letter b, the bank concerned shall be obliged to provide photocopy of document in the form of Report on Income from Export Proceeds Exchange through exchange bank as referred to in Article 3 paragraph (4) letter a, at submitting report in the form of Notification Letter of Income Tax Final Period Article 4 paragraph (2).
- (2) Pension Fund which establishment has been ratified by the Minister of Finance and the bank re-selling Certificate of Bank Indonesia to other party but non-bank or to Pension Fund which establishment is not ratified yet by the Minister of Finance, shall be obliged to deduct Income Tax on the Discounted Certificate of Bank Indonesia.
4. Insert in between Article 6 and Article 7 one (1) Article, namely, Article 6A, that reads as follows:

Article 6A

The provisions in Article 3, Article 3A, Article 3B, and Article 6 shall take effect on the date of enactment of Government Regulation Number 123 Year 2015, concerning Amendment to Government Regulation Number 131 Year 2000, concerning Income Tax on Deposit and Saving Interest, and Discounted Certificate of Bank Indonesia.

Article II

This Regulation of the Minister shall take effect on the date it is enacted.

For public cognizance, this Regulation of the Minister shall be announced by placing it in the State Gazette of the Republic of Indonesia.

Stipulated in Jakarta

Dated February 19, 2016

MINISTER OF FINANCE OF

THE REPUBLIC OF INDONESIA,

sgd.

BAMBANG P. S. BRODJONEGORO

Enacted in Jakarta

Dated February 22, 2016

DIRECTOR GENERAL OF STATUTORY REGULATION

OF THE MINISTER OF LAW AND HUMAN RIGHTS

OF THE REPUBLIC OF INDONESIA,

sgd.

WIDODO EKATJAHJANA

STATE GAZETTE OF THE REPUBLIC OF INDONESIA

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