



# Voluntary Disclosure Program (“VDP”)

(Based on Law on Harmonization of Tax Regulations)



TAX ALERT  
SS/TAXALERT/10/2021  
17 November 2021

PERSEK SALAKI & SALAKI  
[www.salaki-salaki.com](http://www.salaki-salaki.com)  
Ph.: (021) 290 - 49905 / 49906



## There are 2 (two) types of VDP :

1. The Disclosure of Net Asset (s) acquired since **1<sup>st</sup> January 1985 – 31<sup>st</sup> December 2015** by the **Taxpayers participated in Tax Amnesty Program** which were not disclosed in Certificate of Tax Amnesty (SPH TA) (“VDP Scheme 1”).
2. The Disclosure of Net Asset (s) acquired since **1<sup>st</sup> January 2016 – 31<sup>st</sup> December 2020** by **Individual Taxpayers** (“VDP Scheme 2”).



**Disclose** all  
assets and liabilities  
which were  
unreported

1

**Submit** the  
declaration letter for  
VDP

3

2

Pay the **Final  
Income Tax**

4

**Data and information  
contained in the declaration  
letter cannot be used as a  
basis for any audit,  
investigation and/or  
prosecution of the tax payer**





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Disclosure Notification  
Deadline

1<sup>st</sup> Jan  
2022

Disclosure  
Period

30<sup>th</sup> Jun  
2022



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**Voluntary Disclosure Program**  
**Net Assets acquired since 1<sup>st</sup> Jan**  
**1985 – 31<sup>st</sup> Des 2015**  
**(“VDP Scheme I”)**



## **Primary Requirements:**

1. For the previous Tax Amnesty participants only
2. The disclosed assets and liabilities not yet discovered by Directorate General of Taxes (DGT”).

Location of the assets	Condition of the assets	Final Income Tax Rate VDP Scheme 1
<b>Inshore</b>	<b>Invested</b> in certain instruments	6%
	<b>Not invested</b> in certain instruments	8%
<b>Offshore</b>	Repatriated <b>and</b> invested in certain instruments	6%
	Repatriated <b>but not</b> invested in certain instruments	8%
	<b>Not repatriated</b>	11%

***Requirements for investment and repatriation :***

- 1. Deadline for repatriation is 30th September 2022***
- 2. Deadline for investment is 30th September 2023***
- 3. Minimum holding period of investment is 5 (five) years***
- 4. Investment shall be conducted in the natural resource management sector or renewable energy sector in Indonesia, and/or Government Bonds***

*For the Taxpayers participating in the VDP Scheme 1 who declares to repatriate and/or invest net assets but do not:*

- *Repatriate net assets by no later than September 30, 2022;*
- *Invest net assets in certain instruments by no later than September 30, 2023; and/or*
- *Invest net assets for minimum of 5 (five) years*

***then such Net Assets will be treated as Final Income in Fiscal Year 2022 and is subject to Final Income Tax.***



Type for Treatment	Condition of the assets	Additional Final Income Tax
<b>Self-disclosed by the Taxpayer</b>	Inshore Asset, not invested (supposedly invested)	3%
	Offshore Asset, repatriated, but not invested (supposedly invested)	3%
	Offshore Asset, not repatriated nor invested (supposedly repatriated <b>and</b> invested)	6%
	Offshore Asset, not repatriated (supposedly repatriated, <b>but</b> not required to be invested)	4%
<b>Issued with Tax Assessment Letter by DGT (Tax Audit)</b>	Inshore Asset, not invested (supposedly invested)	4,5%
	Offshore Asset, repatriated, but not invested (supposedly invested)	4,5%
	Offshore Asset, not repatriated nor invested (supposedly repatriated <b>and</b> invested)	7,5%
	Offshore Asset, not repatriated (supposedly repatriated, <b>but</b> not required to be invested)	5,5%

**Voluntary Disclosure Program**  
**Net Assets acquired since 1<sup>st</sup> Jan**  
**2016 – 31<sup>st</sup> Des 2020**  
**(“VDP Scheme 2”)**



# General Requirements

## Assets

- Acquired since 1<sup>st</sup> January 2016 – 31<sup>st</sup> December 2020;
- Still owned by the Taxpayer by the 31st December 2020; and
- Not yet reported in Annual Income Tax Return FY 2020.

## Disputes

- Not under Tax Audit for Fiscal Year 2016 – 2020;
- Not under Preliminary Investigation in tax dispute for fiscal year 2016 – 2020;
- Not under Tax Investigation;
- Not in the running Criminal Tax Trial Stage; and/or
- Not in Incarceration for Criminal Tax Case.

## Annual Income Tax Return

- Participants must have filed the Annual Income Tax Return FY 2020.
- For amendment of Annual Income Tax Return FY 2016 – 2020 submitted after the Law of Harmonization of Tax Regulation (UU HPP) has come into force is deemed as not submitted.
- If an Individual Taxpayers have not submitted Annual Income Tax Return for FY 2020 until the UU HPP is come into force, the following provisions shall apply:
  1. Taxpayers must submit Individual Income Tax Return FY 2020 which shows all assets that have been reported in Tax Return FY 2019 backwards before the UU HPP has come into force, added with assets acquired from income earned in 2020; and
  2. Net Assets owned, excluding point no. 1, must be disclosed in Declaration Letter

# General Requirements (continue)

Revoke the  
application of:

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- Refund of tax overpayment;
- Reduction or annulment of administrative sanctions;
- Reduction or cancellation of inaccurate Tax Assessment Letter;
- Reduction or cancellation of inaccurate Tax Collection Letter;
- Objection;
- Amendment;
- Appeal;
- Lawsuit; and/or
- Judicial Review.

Location of the assets	Condition of the assets	Final Income Tax Rate VDP Scheme 2
<b>Inshore</b>	<b>Invested</b> in certain instruments	12%
	Not invested	14%
<b>Offshore</b>	Repatriated <b>and</b> invested in certain instruments	12%
	Repatriated <b>but not</b> invested	14%
	Not repatriated	18%

#### ***Requirements for investment and repatriation :***

- 1. Deadline for repatriation is 30th September 2022***
- 2. Deadline for investment is 30th September 2023***
- 3. Minimum holding period of investment is 5 (five) years***
- 4. Investment shall be conducted in the natural resource management sector or renewable energy sector in Indonesia, and/or Government Bonds***

*For the Taxpayers participating in the VDP Scheme 2 who declares to repatriate and/or invest net assets but do not:*

- *Repatriate net assets by no later than September 30, 2022;*
- *Invest net assets in certain instruments by no later than September 30, 2023; and/or*
- *Invest net assets for minimum of 5 (five) years*

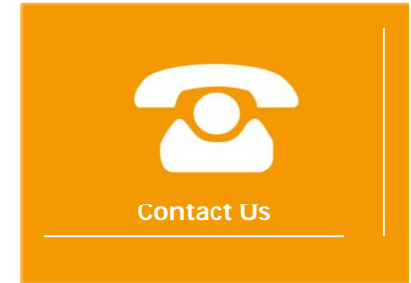
***then such Net Assets will be treated as Final Income in Fiscal Year 2022 and is subject to Final Income Tax.***

Type for Treatment	Condition of the assets	Additional Final Income Tax
<b>Self-disclosed by the Taxpayer</b>	Inshore Asset, not invested (supposedly invested)	3%
	Offshore Asset, repatriated, but not invested (supposedly invested)	3%
	Offshore Asset, not repatriated nor invested (supposedly repatriated <b>and</b> invested)	7%
	Offshore Asset, not repatriated (supposedly repatriated, <b>but</b> not required to be invested)	5%
<b>Issued with Tax Assessment Letter by DGT (Tax Audit)</b>	Inshore Asset, not invested (supposedly invested)	4,5%
	Offshore Asset, repatriated, but not invested (supposedly invested)	4,5%
	Offshore Asset, not repatriated nor invested (supposedly repatriated <b>and</b> invested)	8,5%
	Offshore Asset, not repatriated (supposedly repatriated, <b>but</b> not required to be invested)	6,5%

## Participate in VDP Scheme II but Assets are not fully disclosed

- ✓ Once the assets are discovered by the DGT, assets which are not reported will be considered as additional final income in fiscal year 2022.
- ✓ Such income is:
  - Subject to Final Income Tax for 30%; and
  - Subject to administrative sanctions in the form of interest based on Article 13 Paragraph 2 of General Provisions and Tax Procedures Lawthrough the issuance of tax assessment letter by DGT





If you have any **questions** or want to **know** about the  
Voluntary Disclosure's Procedures and **further**  
**information**, please **contact us** :



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Isi informasi ini diperuntukan bagi keperluan informasi secara umum, dan tidak boleh digunakan untuk menggantikan jasa konsultasi oleh penasihat profesional.

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