Tax Audit Regulation Update Through PMK 15/2025

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The Ministry of Finance issued Minister of Finance Regulation (PMK) Number 15 of 2025 as the latest regulation regarding tax audits. PMK 15/2025 is an elaboration of Government Regulation (PP) Number 50 of 2022 and replaces the previous regulation in PMK 17/2013 and its amendments through PMK 18/2021.

This article systematically explains the aspects of tax audits, including their definition, legal basis, types of tax audits, and factors that can trigger an audit by the tax authority. By understanding PMK 15/2025, hopefully taxpayers will be able to manage their taxes more strategically, both for personal and business purposes.

Tax audit is a process to assess a taxpayer's compliance. This process involves collecting and analyzing relevant data, information, and evidence. This process is carried out by tax auditors in an objective and professional manner, in accordance with the stipulated audit standards. The goal is to evaluate the level of taxpayer compliance in fulfilling tax obligations or for other purposes in accordance with tax laws and regulations. Tax audits apply to both individual and corporate taxpayers.

PMK 15/2025 is the latest guideline for implementing tax audits in Indonesia. This regulation exists to clarify the legal basis for taxpayers while simplifying the audit procedures that were previously regulated in various separate regulations.

A. Factors Causing a Taxpayer be Subject to Audit

Not all taxpayers will be audited by the DGT. Some conditions that may become the reason for a tax audit include:

1. Submission of Tax Overpayment Refund (Restitution)
A tax refund request will trigger an audit to verify the accuracy of the claim.

2. Consecutive Loss Reporting
Companies that consistently report losses in their Annual Tax Returns are at risk of being audited because the reports are deemed as not reflecting a fair financial condition.

3. Changes in Company Structure
Processes such as merger, acquisition, spin-off or liquidation of companies may become grounds for an audit.

4. Negligence of Tax Withholder/Collector
Tax withholding/collecting parties who are negligent in carrying out their tax withholding/collecting obligations in accordance with the provisions are potentially subject to audit.

5. Taxpayer Non-Compliance Risk
Taxpayers with a high risk profile of non-compliance that could be detrimental to the state can be prioritized for audit.

6. Existence of Concrete Data
It is when the DGT finds documents such as:
a. Tax Invoices (*Faktur Pajak*) that have been verified but not reported in the VAT Periodic Tax Return
b. Income Tax Withholding Tax Slip (*Bukti Potong PPh*) that is not reported in the Income Tax Periodic Tax Return
c. Evidence of transactions or other supporting data that affects the calculation of tax obligations

7. Tax Administration Requirements
Audits for other purposes may be conducted in relation to processes, such as deregistration of Taxpayer Identification Number (*NPWP*), revocation of Taxable Entrepreneur (*PKP*) status, stipulation of Taxpayers in remote areas, determination of certain business locations, etc.

B. Rights and Obligations During Audit

Taxpayer rights include: receive official notification and explanation of the purpose of the audit, receive a list of audit findings in the Audit Results Notification Letter (*SPHP*), presenting witnesses/experts during the discussion of findings, apply for a discussion with the Quality Assurance (QA) Team if there are differences in legal interpretation of the correction, submit an objection to the audit results in accordance with the mechanisms stipulated in the *KUP* Law.

Taxpayer obligations include: comply with the procedures applicable in the audit provisions, provide all supporting documents, grant access to document /transaction evidence safekeeping locations, provide the data/information requested by the Auditor, fulfill the summons from the Auditor to be present at the DGT office, submit an official response to the *SPHP*.

Failure of Taxpayers to fulfill their obligations during the audit may result in the issuance of a Tax Assessment Letter (*SKP*) for Underpayment (*KB*) that is not in accordance with expectations along with administrative sanctions in the form of a Tax Collection Letter (*STP*).

C. Documents Prepared for an Audit

When facing a tax audit, taxpayers need to prepare various documents related to their tax obligations. Complete document preparation will speed up the validation stage and reduce the potential for additional document requests. Types of documents that taxpayers generally must provide include:

1. Financial Documents
These documents show the financial condition data and serve as basis for tax calculations, which include Financial statements (including Balance sheet and Profit and loss Statement), External audit results (if any), General ledger and Trial balance, Bank statement, evidence of transactions supporting financial reports.

2. Tax Documents
Contains reports and evidence of fulfillment of tax obligations, such as Annual and Periodic Tax Returns, Tax Payment Proof, Tax Invoice (output and input), Tax Withholding Slip.

3. Other Documents That May Be Requested
The auditor may request other supporting documents, such as company deed of establishment and amendments, business contracts/agreements, property or asset ownership documents, debt agreements, and similar documents.

D. New Audit Regulation

PMK 15/2025 presents several significant updates that are different from previous regulations, including the following.

1. Tax Audit Classification

Tax audits can be distinguished based on their methods and purposes. The following is a detailed explanation of each type of audit:

a. Complete Tax Audit

This is conducted to evaluate a taxpayer's compliance comprehensively, by checking all items listed in the tax return and/or Tax Object Notification Letter (*SPOP*) in detail.

b. Focused Tax Audit
Aims at testing a taxpayer's compliance with certain items in the tax return and/or *SPOP*, with an in-depth audit of the selected sections.

c. Specific Tax Audit
It is carried out to assess compliance with certain aspects only, be it specific items in the tax return and/or *SPOP*, specific data, or certain tax obligations in a simpler manner.

d. Tax Audit for Other purposes
This audit is conducted for specific purposes based on tax provisions. For example, for data verification, adjustment, or collection of supporting information.

2. Adjustment to the Examination Period

Previously, the duration of an audit was divided into: Field Audit with a maximum time limit of 6 (six) months, while Office Audit is a maximum of 4 (four) months, with the option of extension under certain conditions. Following issuance of *PMK* 15/2025, audit duration is now grouped by type, namely as follows:

	Audit Type	Maximum Duration
a.	Complete Audit	5 (five) months
b.	Focused Audit	3 (three) months
c.	Specific Audit	1 (one) month

3. Adjustment to the Period of Response to SPHP

This new rule simplifies the response time for *SPHP*:

a. Under the Old Provisions: The response period is 7 (seven) working days from receipt of the *SPHP*, with a possible maximum extension of 3 (three) working days

b. In the New Provisions (*PMK* 15/2025): The response period is shortened to a maximum of 5 (five) working days from receipt of the *SPHP*, there is no option to extend the time

This change poses a challenge for taxpayers in preparing the response documents, which requires taxpayers to provide immediate responses.

4. Adjustment to the Period of Final Discussion

PMK 15/2025 also simplifies the time for the Final Discussion of Audit Results (*PAHP*):

a. In the Previous Regulation: The *PAHP* and reporting process is a maximum of 2 (two) months from the time the *SPHP* is submitted up to the date of the Audit Results Report (*LHP*)

b. In the New Regulation (*PMK* 15/2025): The period is shortened to a maximum of 30 (thirty) working days from the time the *SPHP* is submitted up to the *LHP* date

The changes are aimed at speeding up the audit and administrative settlement process, thereby providing legal certainty for the taxpayers.

E. Audit Implementation Procedures

The tax audit process by the DGT is carried out through systematic stages that taxpayers need to understand to prepare themselves adequately. The following is a complete explanation of the stages:

1. Notification and Kick-off Meeting
The DGT begins the process by sending an Inspection Notification Letter (*SP2*) to the Taxpayer. Subsequently, a meeting is held to explain the reasons for the inspection, the Taxpayer's rights and obligations, and minutes of meeting shall be made.

2. Collection of Evidence and Documents
The taxpayer is required to submit books, records, and documents requested within a maximum of 1 (one) month. The auditor can give 2 (two) written warnings if the documents are incomplete.

3. Data Analysis by the Auditors
The auditors conduct an in-depth review of the documents submitted by the taxpayer and of other data that they have. If necessary, they can request additional information from the taxpayer or related parties.

4. Discussion of Interim Findings
For a compliance audit, the taxpayer will receive a list of temporary findings and have the opportunity to provide additional explanations, present witnesses, or complete supporting evidence. The results of the discussion are recorded in the minutes.

5. Submission of Audit Results
The taxpayer receives the *SPHP* along with complete findings, with an opportunity for 5 (five) working days to provide a written response.

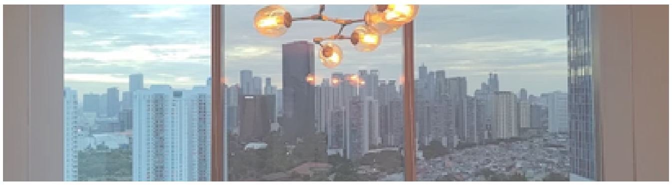
6. Final Discussion
A final meeting is held to discuss the results of the audit which resulted in minutes of discussion and official report (*berita acara*) as official documents.

The tax audit process has a tight timeline. The taxpayer must respond quickly and utilize their rights, such as providing response or requesting a discussion with the QA Team in the event of disagreements.

7. Administrative Settlement
The auditors shall prepare the *LHP* as the basis for issuing *SKP/STP*. For an audit for other purposes, follow-up actions are proposed according to the conditions under which the audit is conducted.

8. Settlement of Obligations
If an *SKPKB* is issued, the Taxpayer must pay off the underpayment within a certain period.

Disagreement with the audit results may be submitted through an objection procedure. If the objection is not accepted, the Taxpayer can proceed to the appeal stage at the Tax Court according to the applicable procedures.



By understanding the provisions in PMK *15/2025, the taxpayers will have better readiness when facing the audit process, such that they can minimize the risk of corrections and sanctions, and demonstrate an ongoing commitment to compliance.*

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