Details of Tax Compliance Monitoring and Access to Financial Information

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The Directorate General of Taxes (DGT) has officially updated the tax compliance supervision system which is integrated with the implementation of the Coretax System through the issuance of ***Circular Letter (SE) of the Director General of Taxes Number SE-8/PJ/2026*** *concerning Guidelines for Taxpayer Compliance Supervision and* ***Circular Letter of the Director General of Taxes Number SE-9/PJ/2026*** *concerning Procedures for Requesting Information and/or Evidence or Statements in the Context of Implementation of Access to Financial Information for Tax Purposes.*

These two regulations serve as implementing guidelines for **Minister of Finance Regulation (*PMK*) Number 111 of 2025** concerning Taxpayer Compliance Supervision and ***PMK*** **Number 108 of 2025** concerning Technical Instructions Regarding Access to Financial Information for Tax Purposes. This enactment marks a fundamental shift in tax authority oversight from partially manual to automated, data-driven analytics, including simultaneous and coordinated group taxpayer compliance and the integration of banking and crypto asset data.

A. Coretax Era Oversight Coverage

The issuance of ***SE*-8/PJ/2026** revokes and supersedes 4 (four) previous regulations, namely *SE*-14/PJ/2019 (Extensification Procedures), *SE*-11/PJ/2020 (Procedures for Field Data Collection Activities/*KPDL*), *SE*-05/PJ/2022 (Taxpayer Compliance Supervision), and *SE*-9/PJ/2023 (Settlement of Follow-up on Concrete Data). DGT supervision is now supported by the DGT Supervision Administration System which is connected to the taxpayer's account on Coretax.

The scope of taxpayer compliance supervision consists of the following:

1. Supervision of Registered Taxpayers

Carried out through Periodic Payment Supervision (*PPM*) for the current tax year and Material Compliance Supervision (*PKM*) for the years prior to the current tax year.

2. Supervision of Unregistered Taxpayers

Carried out through extensification activities for tax subjects who meet subjective and objective requirements.

3. Regional Supervision

Focusing on monitoring economic areas and exploring potential through field and non-field Data Collection Activities (*KPD*).

B. Compliance Research: Formal and Material

For registered Taxpayers, the assignment of an Account Representative (AR) or Tax Supervision Team must be based on a **Supervision Order**.

1. Formal Compliance Examination

Carried out on all taxpayers for formal obligations that should be, are being, or have been fulfilled, including the timeliness of *PKP* confirmation and tax deposit/payment, as well as compliance and completeness of the submission of Annual Tax Returns, Periodic Tax Returns, and other reports.

2. Material Compliance Examination

Material Compliance Examination (*PKM*) is classified into 3 (three) categories/levels based on the depth and type of data:

1. **Comprehensive Examination**: A comprehensive examination of all types of taxes for the tax year preceding the current year through analysis of business processes, financial reports, and transfer pricing. The maximum timeframe for preparing the Examination Results Report (*LHPt*) is **22 working days** as from the date of the order.

   Targeted Taxpayers criteria: Taxpayers with high CRM (Compliance Risk Management) risk, have related party transactions, members of a Group Taxpayer, are restructuring their business, are submitting a loss *SPT*, are High Wealth Individuals (HWI), are receiving accelerated restitution, have a turnover above IDR 4.8 billion, are recipients of tax incentives, or are considered by the Head of the Tax Office.
2. **Simple Examination**: Examination on some or all types of taxes through testing the accuracy of calculations, equalization, and comparative analysis, with a maximum period of **10 working days**.
3. **Automatic Examination**: System-based supervision of one or several types of taxes and tax periods limited to concrete data, with a maximum completion period of **1 working day**.

C. Simultaneous & Coordinated Supervision of Group Taxpayers

One of the breakthroughs in *SE*-8/PJ/2026 is the standardization of supervision of Group Taxpayers (a group of 2 or more Corporate/Individual Taxpayers in a business group with a special relationship).

1. Simultaneous Principle

All stages of material research and requests for clarification from group member entities are initiated and completed simultaneously according to the established timeline.

2. Coordinated Principle

Cross-jurisdictional supervision is coordinated hierarchically:

1. **Cross Regional Office**: Coordinated by the Head of Sub-Directorate at the *DJP* Head Office who is in charge of tax data analysis.
2. **Within a Regional Office (among Tax Offices)**: Coordinated by the Head of Division in charge of supervising tax potential.
3. **Within a *KPP***: Coordinated by the Head of *KPP*.
4. **Group Taxpayer Monitoring Team**: Formed based on a Decision of the Director General of Taxes with the following structure: Person in Charge, Chairperson, Deputy Chairperson, Secretariat, Analysis Sub-team, Subject Matter Expert (SME) Sub-team, and Data Governance Sub-team.

3. Coordination Meeting Mechanism

Must be held at least **3 (three) times** (Initial Coordination Meeting, Implementation Coordination Meeting, and Final Coordination Meeting) to discuss the suitability of the timeline, the group's mode of non-compliance, and mirroring and reconciliation of corrections between group members.

D. Concrete Data and Expiration of Determination

Concrete data (such as tax invoices/proof of deductions that have not been reported in the VAT/WHT Periodic Tax Return, as well as evidence of tax transactions) are monitored with acceleration to prevent the 5-year statute of limitations from being exceeded:

1. Expiration up to 90 days

Directly proposed for an **Audit** without going through the issuance of *SP2DK*.

2. Expiration date more than 90 days to 12 months

SP2DK is issued with a maximum *LHP2DK* preparation period of **3 working days** after the response submission/end of the response deadline, without any time extension.
After the Minutes approving the fulfillment of obligations regarding concrete data are signed, the case can be immediately proposed for an **audit** if the Taxpayer does not pay by the agreed deadline.

E. *P2DK* Business Process and Conclusion Forms

The Request for Explanation of Data and/or Information (*P2DK*) activity is structured. A *SP2DK* can be issued if indications of non-compliance are found during the Material Compliance Study.

1. Rights, Obligations, and Provisions on *P2DK*

1. **Submission of Response**: Taxpayers are required to submit a response by no later than **14 calendar days** as from the date of **issuance/delivery**. Taxpayers may request in writing for a time extension by no later than **7 calendar days** before the 14-day deadline expires.
2. **Recording Prohibition**: If a clarification discussion is carried out, especially online (video conference), the Taxpayer/representative/authorized person is strictly prohibited from making visual or audio recordings, while the Tax Office has the authority to make official recordings.
3. **Preparation of *LHP2DK***: Must be completed by the AR/Supervisory Team by no later than **44 working days** as from the time of delivery of the *SP2DK*, and can be extended by **22 working days** at the discretion of the Head of the *KPP*.

2. Form of *LHP2DK* Conclusion and Follow-up

Based on the *P2DK* evaluation, conclusions can be drawn from the following categories:

1. **No indications and modes of non-compliance were found** —> Notification Letter on Progress of Implementation (*SP3*) *P2DK* issued / declared complete.
2. **Taxpayer not found / unknown** —> Proposing surveillance/intelligence, job-specific data adjustments, or service blocking.
3. **Individual Taxpayer dies / leaves Indonesia forever / Corporate Taxpayer is dissolved** —> Deletion/adjustment of data *ex officio*.
4. **Taxpayer did not provide a response to the *SP2DK*** —> Proposal to audit or block certain services.
5. **Taxpayer submits an inappropriate response / does not correct the *SPT*** —> Audit proposal.
6. **Taxpayers submit responses in accordance with/correct *SPT* according to examination results** —> Issuance of *SP3 P2DK* / declared complete.
7. **Taxpayer's response needs to be followed up with an asset valuation** —> Proposed assessment for tax purposes.
8. **Taxpayer data/status in the system does not match real conditions** —> Updating/changing data *ex officio*.
9. **Indications of tax facility violations** —> Changes in service/facility administration *ex officio*.
10. **Legal product errors (misprints/calculations or incorrect application of provisions)** —> Correction of legal products *ex officio* / re-examination.
11. **The taxpayer is being/has been audited, is undergoing an initial evidence (*bukper*) audit or investigation** —> Forwarding data to related functional units.
12. **There is new data/information in the system outside the initial *KKPt* (Examination Working Paper) or *LHPt*** —> Re-examination of Material Compliance.
13. **Indications of tax crime** —> Proposal for *Bukper* Audit.
14. **Strategic Taxpayer was originally Other Taxpayer or has not been examined comprehensively** —> Comprehensive Material Compliance Examination.
15. **Other conclusions** —> Other administrative follow-up.

F. Financial Information Access Integration

Through ***SE*-9/PJ/2026** which refers to **Law 9/2017** (concerning Stipulation of Government Regulation in Lieu of Law Number 1 of 2017 concerning Access to Financial Information for Tax Purposes to Become Law) and ***PMK* 108/2025**, the Directorate General of Taxes expands and tightens the procedures for requesting Information and/or Evidence or

Statements (*IBK*).

IBK requests for the purposes of supervision, inspection, dispute substantiation, and active collection cannot be carried out immediately, but must be carried out through verification of risk criteria (such as high risk profiles, Group Taxpayers, HWI or Prominent people) and based on the issuance of an official assignment order from an authorized official.

1. Data Provider Subject

Financial Services Institutions (*LJK*, Other *LJK*, Common Reporting Standard/CRS reporting entities) and Crypto Asset Service Providers/*PJAK* reporting Crypto Assets Reporting Framework/CARF.

2. Details of the Data Requested

Account holder identity, account number, account type, opening/closing date, account balance/value, transaction history, and transaction location.

3. Digital Channels

IBK requests are made via Coretax (Third Party Data/*DPK* portal, Financial Institution Reporter/FIR, Host-to-Host integration), or the Financial Information Access/*ASIK* application.

4. Deadlines & Consequences

Financial institutions are required to submit data within **one month** of receiving the request letter. If this is not fulfilled, a Letter of Request for Fulfillment of Obligations will be issued within **14 calendar days**. Neglecting this obligation carries the risk of criminal sanctions under Article 7 of Law 9/2017.

G. Supervision and Regional Supervision Quality Assurance

To ensure data validity and accountability of tax functionaries, two quality control systems are regulated:

1. CSQA (Current Supervisory Quality Assurance)

Quality assurance that takes place before the supervision activity is completed (for example, review of the *KKPt/LHPt* by the Auditor Supervisor at the *KPP* or the Regional/Central Office Team) to test the accuracy of procedures and legal basis.

2. PSQA (Post Supervisory Quality Assurance)

Evaluation conducted after supervision is completed to ensure objectivity, procedural compliance, and improvements to future supervisory governance.

During regional supervision and extension, taxpayers whose *NIK/NPWP* has not been identified will be assigned an **Alternate Unique Number (AUN)** as a temporary identification in the supervision administration system. Regional supervision is supported by remote sensing technology, web scraping, and field coordination assistance with regional officials (*Babinsa/Bhabinkamtibmas*, limited to factual assistance and not acting as tax auditors).

H. Recommendations for Taxpayers

The updated mechanisms under regulations *SE*-8/PJ/2026 and *SE*-9/PJ/2026 affirm the era of total tax transparency. Supervision is no longer confined to a single, fragmented entity, but rather, it comprehensively targets the business group chain and financial ecosystem.

1. Synchronization of Business Group Tax Governance

Considering that supervision of Group Taxpayers is carried out simultaneously across *KPP/Kanwil*, companies are required to align transfer pricing policies, joint cost allocations, affiliate financing transactions (intercompany loans), and ensure consistency in tax return submissions for all group member entities.

2. Asset Reporting/Disclosure Compliance

With the DGT's authority to access data on bank account transfers, capital markets, and crypto assets down to the beneficial owner level, entities and individuals must ensure consistency between asset growth and income generation and their Annual Tax Return submission.

3. Internal Equalization of Concrete Data

Companies need to strengthen control procedures for output/input tax invoices and tax withholding slips to prevent discrepancies in the trigger data in Coretax which can automatically impact the issuance of *SP2DK*.

4. Dexterous *SP2DK* Response Management

Prepare a comprehensive reconciliation working paper with a compilation of supporting data, in order to encourage the conclusion of the completion/*SP3 P2DK* so as to avoid escalation to the audit stage.

Responses to an *SP2DK* may be submitted more than once. Taxpayers are advised to submit a partial response before requesting a time extension. Maintaining active communication with the Account Representative (AR) demonstrates the taxpayer's good faith. Consequently, should the taxpayer wish to provide further information after the extension period expires, such a response may still be accepted prior to the AR finalizing the *LHP2DK* (Report on the Results of Clarification and/or Verification of Data/Information). The Head of the Tax Service Office (*KPP*) is authorized to consider late taxpayer responses when determining the final conclusion. Acceptance of such responses is based on an assessment of good faith, compliance risk, the taxpayer's location, efficiency, effectiveness, and the timeframe of the *P2DK* process.

SE-8/PJ/2026 states the following:

*"**E.** Subject Matter ...*
***4.** Supervision of Registered Taxpayers ...*
***c.** Implementation of Supervision of Registered Taxpayers ...*
***3)** Request for Clarification regarding Data and/or Information ...*
***b)** Receipt of Response from the Taxpayer ...*

***(2)** The Taxpayer is granted the opportunity to submit a response as referred to in point (1) by no later than **14 (fourteen) days** as from the earliest of the following events: ...*

***(4)** The Taxpayer may extend the timeframe for submitting a response as referred to in point (2) for a maximum of **7 (seven) days** after the response submission period expires, by submitting a written notification of response extension to the Tax Service Office* (KPP) *that issued the* SP2DK. *...*

***(11)** The Taxpayer may submit a **response more than 1 (one) time**, subject to the response submission timeframe as referred to in point (2) or point (4).*

(12)** In the event that the Taxpayer submits a **response after the submission deadline** as referred to in point (2) or point (4), the **Head of the Tax Service Office **(KPP)** ***may accept and utilize the said response to determine the conclusion and proposed follow-up action, by taking into account compliance risk, good faith, the Taxpayer's location, efficiency, effectiveness, and the timeframe for the implementation of*** **P2DK***.*

***(13)** In the event that the Taxpayer **fails to submit a response within the timeframe** as referred to in point (2) or point (4), **follow-up action may be taken in the form of a Discussion and/or a Visit**. ..."*

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