

REGULATION OF THE MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA
NUMBER 213/PMK.03/2016

ON

ADDITIONAL DOCUMENTS AND/OR INFORMATION COMPULSARILY
RETAINED BY TAXPAYERS CONDUCTING RELATED PARTY
TRANSACTIONS AND ITS ADMINISTRATION PROCEDURES

BY THE BLESSINGS OF ALMIGHTY GOD

MINISTER OF FINANCE OF THE REPUBLIC OF INDONESIA,

- Considering :
- a. that based on the provision of Article 3 section (6) and Article 28 section (11) of Law Number 6 of 1983 on General Provisions and Tax Procedures as amended several times and last by Law Number 16 of 2009 on Enactment of Government Regulation in Lieu of Law Number 5 of 2008 on the Fourth Amendment to Law Number 6 of 1983 on General Provisions and Tax Procedures, Taxpayer must attach documents in accordance with the provisions of legislation on taxation in its Tax Return, and is obligated to retain books, records, and documents which are used as basis for bookkeeping or recording and other documents for 10 (ten) years in Indonesia;
 - b. that based on the provision of Article 10 section (2) of Government Regulation Number 74 of 2011 on Procedures for Implementing Taxation Rights and Obligations, it is regulated that in the event that

Taxpayer conducts related party transactions, the obligation to retain other documents includes additional documents and/or information to support that the related party transactions satisfy the arm's length principle;

- c. that based on considerations as referred to in point a and point b, and for the implementation of the provision of Article 10 section (3) of Government Regulation Number 74 of 2011 on Procedures for Implementing Taxation Rights and Obligations, it is necessary to establish Regulation of the Minister of Finance on Additional Documents and/or Information Compulsarily Retained by Taxpayers Conducting Related Party Transactions and Its Administration Procedures;

- Observing : 1. Law Number 6 of 1983 on General Provisions and Tax Procedures (State Gazette of the Republic of Indonesia of 1983 Number 49, Supplement to the State Gazette of the Republic of Indonesia Number 3262) as amended several times and last by Law Number 16 of 2009 on Enactment of Government Regulation in Lieu of Law Number 5 of 2008 on the Fourth Amendment to Law Number 6 of 1983 on General Provisions and Tax Procedures (State Gazette of the Republic of Indonesia of 2009 Number 62, Supplement to the State Gazette of the Republic of Indonesia Number 4999);
2. Government Regulation Number 74 of 2011 on Procedures for Implementing Taxation Rights and Obligations (State Gazette of the Republic of Indonesia of 2011 Number 162, Supplement to the State Gazette of the Republic of Indonesia Number 5268);

HAS DECIDED:

To issue : REGULATION OF THE MINISTER OF FINANCE ON ADDITIONAL DOCUMENTS AND/OR INFORMATION COMPULSARILY RETAINED BY TAXPAYERS CONDUCTING RELATED PARTY TRANSACTIONS AND ITS ADMINISTRATION PROCEDURES.

Article 1

In this Ministerial Regulation:

1. Special Relationship means special relationship as regulated in Article 18 section (4) of Law Number 7 of 1983 on Income Tax as amended several times and last by Law Number 36 of 2008 on the Fourth Amendment to Law Number 7 of 1983 on Income Tax or Article 2 section (2) of Law Number 8 of 1983 on Value Added Tax and Sales Tax on Luxury Goods as amended several times and last by Law Number 42 of 2009 on the Third Amendment to Law Number 8 of 1983 on Value Added Tax and Sales Tax on Luxury Goods.
2. Related Party means party or parties which have special relationship with Taxpayer.
3. Related Party Transaction means transaction conducted by Taxpayer with Related Party.
4. Arm's Length Principle means a principle which stipulates that if conditions in Related Party Transaction among parties are the same as or comparable with conditions among parties in an independent transaction, then the price or profits of the Related Party Transaction must be same as or within the range of price or profits of the independent transaction being compared.
5. Transfer Pricing means the determination of price in Related Party Transaction.
6. Transfer Pricing Documentation means documents made and retained by Taxpayer as the basis and reference in applying the Arm's Length Principle in its Transfer Pricing.
7. Business Group means a group of taxable person conducting business activities, which consists of parties that are affiliated with each other.
8. Parent Entity means a member of a Business Group that satisfies the following criteria:
 - a. directly or indirectly controls other members of the Business Group; and
 - b. has the obligation to prepare consolidated financial statements according to Indonesian financial

accounting standard and/or regulations that are binding to public companies in Indonesian stock exchange.

Article 2

- (1) Transfer Pricing Documentation consists of:
 - a. master file;
 - b. local file; and/or
 - c. country-by-country report.
- (2) Taxpayer which conducts a Related Party Transaction with:
 - a. annual gross turnover in the preceeding Fiscal Year more than Rp50,000,000,000.00 (fifty billion rupiah);
 - b. annual value of Related Party Transaction in the preceeding Fiscal Year:
 1. more than Rp20,000,000,000.00 (twenty billion rupiah) for tangible goods transaction; or
 2. more than Rp5,000,000,000.00 (five billion rupiah) for each of service provision, interest payment, utilization of intangible goods, or any other Related Party Transactions; or
 - c. Related Party in a country or jurisdiction with Income Tax rate lower than Income Tax rate as referred to in Article 17 of Law Number 7 of 1983 on Income Tax as amended several times and last by Law Number 36 of 2008 on the Fourth Amendment to Law Number 7 of 1983 on Income Tax,
is obligated to prepare and retain Transfer Pricing Documentation as referred to in section (1) point a and point b as a part of the obligations to retain other documents as referred to in tax legislation.
- (3) Taxpayer which is a Parent Entity of a Business Group with consolidated gross turnover in the current Fiscal Year at least Rp11,000,000,000,000.00 (eleven trillion rupiah), is obligated to prepare and retain Transfer Pricing Documentation as referred to in section (1) point

- a, point b, and point c as a part of the obligations to retain other documents as referred to in provisions of legislation on taxation.
- (4) In the event that a resident Taxpayer is a member of a Business Group and the Parent Entity of the business group is a non-resident taxable person, the resident Taxpayer is obligated to file country-by-country report as referred to in section (1) point c provided that the country or jurisdiction where the Parent Entity is resident:
- a. does not obligate the Parent Entity to file country-by-country report;
 - b. does not have an agreement with the government of Indonesia regarding the exchange of information on tax matters; or
 - c. has an agreement with the government of Indonesia regarding the exchange of information on tax matters; however, country-by-country report cannot be obtained by the government of Indonesia from the country or jurisdiction of the Parent Entity.
- (5) The gross turnover and Related Party Transactions value threshold as referred to in section (2) is annualized in the event that the Taxable Year of which the gross turnover and/or the Related Party Transaction conducted covers a period less than 12 (twelve) months.
- (6) In the event that Taxpayer conducts a Related Party Transaction but is not obligated to prepare and retain Transfer Pricing Documentation as referred to in section (2), section (3) or section (4), Taxpayer still has the obligation to apply arm's length principle as referred to in provisions of legislation on taxation.
- (7) In the event that the Taxpayer has obtained a permit from the Minister of Finance to prepare bookkeeping in foreign language and foreign currency, the monetary value threshold in rupiah as referred to in section (2) and section (3) equals to the threshold value of foreign currency with the exchange rate as determined by the Minister of Finance for the purpose of calculating tax at the end of the Fiscal Year.

- (8) The gross turnover as referred to in section (2), section (3) and section (5) is total gross revenue received or earned by taxpayer from their works, businesses or main activities before any discounts, rebates and other deductions.
- (9) The determination of Taxpayer which is obligated to prepare and retain Transfer Pricing Documentation as referred to in section (2), section (3) and section (5) is attached in the Annex A as an integral part of this Ministerial Regulation.

Article 3

- (1) Transfer Pricing Documentation as referred to in Article 2 section (1) point a and point b, must be prepared based on data and information available at the time of the Related Party Transaction.
- (2) Transfer Pricing Documentation as referred to in Article 2 section (1) point c, must be prepared based on data and information available until the end of a Fiscal Year.
- (3) In the event that a Taxpayer does not meet the provisions as referred to in section (1) and/or section (2), the Taxpayer is deemed not applying the Arm's Length Principle.

Article 4

- (1) Transfer Pricing Documentation as referred to in Article 2 section (1) point a and point b, must be made available not later than 4 (four) months after the end of a Fiscal Year.
- (2) Transfer Pricing Documentation as referred to in Article 2 section (1) point c, must be made available not later than 12 (twelve) months after the end of a Fiscal Year.
- (3) Transfer Pricing Documentation as referred to in section (1) must be accompanied by a statement letter signed by the party that prepares the Transfer Pricing Documentation, stating the date when the Transfer Pricing Documentation is available.

Article 5

- (1) In the event that it is required for the purpose of monitoring compliance of Taxpayer, audit, pre-investigation audit, or investigation, the Director General of Taxes is authorized to request the Transfer Pricing Documentation as referred to in Article 2 section (1) point a and point b.
- (2) Taxpayer is obligated to submit the Transfer Pricing Documentation as referred to in section (1) within the period as regulated in the provisions of legislation on taxation.
- (3) In the event that the Taxpayer submits the Transfer Pricing Documentation exceeds the period as referred to in section (2), the Transfer Pricing Documentation is not considered as Transfer Pricing Documentation as referred to in Article 2 section (1) point a and point b.
- (4) In the event that Taxpayer fails to submit Transfer Pricing Documentation as referred to in section (2), the Taxpayer is deemed not fulfilling the obligation to prepare and to retain the Transfer Pricing Documentation.

Article 6

- (1) For the purpose of reviewing an objection, a reduction or annulment of administrative penalties, a reduction or cancellation of incorrect tax assessment, a reduction or cancellation of incorrect notice of tax collection, or a correction, the Director General of Taxes is authorized to request Transfer Pricing Documentation as referred to in Article 2 section (1) point a and point b.
- (2) Taxpayer must submit the Transfer Pricing Documentation as referred to in section (1) within the period as regulated in the provisions of legislation on taxation.

Article 7

- (1) A summary of Transfer Pricing Documentation as referred to in Article 2 section (1) point a and point b is required to be prepared.

- (2) The summary as referred to in section (1) is obligated to be submitted as an attachment to Annual Corporate Income Tax Return for the respective Fiscal Year.
- (3) Transfer Pricing Documentation as referred to in Article 2 section (1) point c for the Fiscal Year 2016 and so forth must be filed as an attachment of Annual Corporate Income Tax Return for the subsequent Fiscal Year.
- (4) The Summary as referred to in section (1) is prepared in accordance to the format attached in Annex B as an integral part of this Ministerial Regulation.

Article 8

- (1) Master file as referred to in Article 2 section (1) point a must contain information about the Business Group, which consists of at least:
 - a. ownership structure and chart, as well as countries or jurisdictions of each member;
 - b. activities conducted;
 - c. intangible properties owned;
 - d. financial activities and funding; and
 - e. Consolidated Financial Statement of the Parent Entity and tax information regarding Related Party Transactions.
- (2) Details and/or explanations of the information in the master file as referred to in section (1) at least includes information as attached in Annex C as an integral part of this Ministerial Regulation.

Article 9

- (1) The local file as referred to in Article 2 section (1) point b must contain information about the Taxpayer, which consists of at least:
 - a. identity and business activities performed;
 - b. information about Related Party Transaction and independent transaction conducted;
 - c. the application of Arm's Length Principle;
 - d. financial information; and

- e. non-financial events/occasions/facts which affect price setting or level of profit.
- (2) Details and/or explanations of information in the local file as referred to in section (1) at least includes information as attached in Annex D as an integral part of this Ministerial Regulation.
- (3) In the event that the Taxpayer has more than one business activity with different business characterization, the local file as referred to in section (1) must be presented in segments in accordance to each business characterization.

Article 10

- (1) The country-by-country report as referred to in Article 2 section (1) point c must include information as follow:
 - a. allocation of income, taxes and business activities in each country or tax jurisdiction of all members of the Business Group in the domestic and foreign country which include name of the countries or tax jurisdictions, revenues, profit (loss) before Income Tax, Income Tax withheld/collected/paid, Income Tax accrued, stated capital, accumulated earnings, number of employees, tangible assets other than cash and cash equivalents; and
 - b. list of members of the Business Group (Constituent Entities) and main business activities in each country or jurisdiction.
- (2) Preparation of country-by-country report as referred to in section (1) is carried out by preparing a worksheet of country-by-country report and attaching it to the country- by-country report.
- (3) Worksheet of country-by-country report as referred to in section (2) is prepared based on the format attached in Annex E as an integral part of this Ministerial Regulation.
- (4) Country-by-country report which includes information as referred to in section (1) point a is prepared based on the format attached in Annex F as an integral part of this Ministerial Regulation.

- (5) Country-by-country report which includes information as referred to in section (1) point b is prepared based on the format attached in Annex G as an integral part of this Ministerial Regulation.
- (6) Information as referred to in section (1) is used only for assessing tax avoidance risks.

Article 11

- (1) Transfer Pricing Documentation as referred to in Article 2 section (1) must be prepared in Indonesian language.
- (2) In the event that a Taxpayer has obtained a permit from the Minister of Finance to use foreign language and foreign currency in its bookkeeping, Transfer Pricing Documentation as referred to in section (1) may be prepared in the foreign language mentioned in the permit and is accompanied by a translation in Indonesian language.

Article 12

- (1) Transfer Pricing Documentation as referred to in Article 2 section (1) point c obtained by the Director General of Taxes is particularly administered by the Director General of Taxes.
- (2) Further provisions regarding the administration procedures for Transfer Pricing Documentation as referred to in section (1) are regulated by the Regulation of the Director General of Taxes.

Article 13

Taxpayers that fail to fulfill obligations as referred to in Article 3, Article 5, or Article 7, are subject to sanction in accordance with provisions of legislation on taxation.

Article 14

This Ministerial Regulation comes into force on the date of its promulgation.

ANNEX OF
REGULATION OF THE MINISTER OF FINANCE
OF THE REPUBLIC INDONESIA
NUMBER 213/PMK.03/2016
ON
ADDITIONAL DOCUMENTS AND/OR
INFORMATION COMPULSARILY RETAINED BY
TAXPAYERS CONDUCTING RELATED PARTY
TRANSACTIONS AND ITS ADMINISTRATION
PROCEDURES

**A. DETERMINING TAXPAYERS WHICH ARE OBLIGATED TO PREPARE
AND RETAINED TRANSFER PRICING DOCUMENTATION**

Example 1:

PT ABC is an Indonesian company, a member of ABC group Ltd., which conducted Related Party Transactions with financial year starting from 1 January until 31 December.

According to the financial statement of PT ABC, information is known as follows:

	2016	2017	2018
Gross Turnover (tangible good transactions):			
Related party	5,000,000,000	5,000,000,000	4,000,000,000
Non-related party	70,000,000,000	40,000,000,000	45,000,000,000
Total gross	75,000,000,000	45,000,000,000	49,000,000,000
Royalty (related)	0	0	7,500,000,000

Based on the information, the obligation of PT ABC to prepare and retain Transfer Pricing Documentation is as follows:

Fiscal Year 2017:

Since the total gross turnover of Fiscal Year 2016 was more than Rp50,000,000,000.00 (fifty billion rupiah), PT ABC must prepare and retain Transfer Pricing Documentation which consists of master file and local file for Fiscal Year 2017, and these documents must be made available not later than 30 April 2018.

Fiscal Year 2018:

Since total gross turnover of Fiscal Year 2017 is not more than Rp50,000,000,000.00 (fifty billion rupiah) and there is no tangible good transactions with Related Parties which exceed Rp20,000,000,000.00 (twenty billion rupiah), PT ABC is not obligated to prepare and retain Transfer Pricing Documentation for the Fiscal Year 2018.

Fiscal Year 2019:

Even though the total gross turnover in the Fiscal Year 2018 is not more than Rp50,000,000,000.00 (fifty billion rupiah), PT ABC must still prepare and retain Transfer Pricing Documentation which consists of master file and local file for the Fiscal Year 2019 because the royalty paid to Related Parties exceeds Rp5,000,000,000.00 (five billion rupiah). These documents must be made available not later than 30 April 2020.

Example 2:

PT DEF is a multinational company which Conducts Transaction with Related Parties and was incorporated in Indonesia on 1 October 2016 with the financial year starting from 1 January to 31 December.

PT DEF reports gross turnover Rp20,000,000,000.00 (twenty billion rupiah) for the fraction of Fiscal Year which covers October to December 2016.

The calculation of gross turnover to determine the obligation to prepare and retain Transfer Pricing Documentation is as follows:

Gross turnover for 3 months

Rp20,000,000,000.00

Annualized gross turnover:

$12/3 \times \text{Rp}20,000,000,000.00$

Rp80,000,000,000.00

Therefore, since the annualized gross turnover for Fiscal Year 2016 was more than Rp50,000,000,000.00 (fifty billion rupiah), PT DEF is required to prepare and retain Transfer Pricing Documentation which consists of

master file and local file for the Fiscal Year 2017 and these documents must be made available not later than 30 April 2018.

Example 3:

PT GHI is an Indonesian company that satisfies the requirements as a Parent Entity.

As a Parent Entity, PT GHI reported consolidated gross turnover for its Business Group as follows:

- a. Rp12,000,000,000,000.00 for the Fiscal Year 2016.
- b. Rp10,000,000,000,000.00 for the Fiscal Year 2017.
- c. Rp13,000,000,000,000.00 for the Fiscal Year 2018.

The financial year of PT GHI is 1 January to 31 December.

Based on the information, PT GHI is required to prepare and retain country- by-country report for Fiscal Year 2016 and 2018.

Country-by-country report for Fiscal Year 2016 must be made available not later than 31 December 2017 and is required to be submitted as an attachment of the Annual Corporate Income Tax Return for Fiscal Year 2017.

Country-by-country report of the Fiscal Year 2018 must be made available not later than 31 December 2019 and is required to be submitted as an attachment the Annual Corporate Income Tax Return for Fiscal Year 2019.

B. SUMMARY OF MASTER FILE AND LOCAL FILE

SUMMARY OF MASTER FILE AND LOCAL FILE													
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I.	<p>SUMMARY OF MASTER FILE Verily we have prepared Master File as the basis for the application of arm's length principle, which include information regarding Business Group as follows:</p> <p><input type="checkbox"/> Ownership structure and chart, as well as countries or jurisdictions of each group member</p> <p><input type="checkbox"/> Activities conducted by Business Group.</p> <p><input type="checkbox"/> Intangible properties owned by Business Group.</p> <p><input type="checkbox"/> Financial activities and funding by Business Group.</p> <p><input type="checkbox"/> Consolidated Financial Statement of the Parent Entity and tax information regarding Related Party Transactions</p>												
II.	<p>SUMMARY OF LOCAL FILE Verily we have prepared Local File as the basis for the application of arm's length principle, which include information regarding Business Group as follows:</p> <p><input type="checkbox"/> Identity and business activities performed by taxpayer.</p> <p><input type="checkbox"/> Information about Related Party Transaction and independent transaction conducted by taxpayer.</p> <p><input type="checkbox"/> The application of Arm's Length Principle.</p> <p><input type="checkbox"/> Taxpayer's financial information</p> <p><input type="checkbox"/> Non-financial events/occasions/facts which affect price setting or level of profit</p>												
III.	<p>STATEMENT OF PREPARATION AND RETENTION OF MASTER FILE AND LOCAL FILE Verily we have prepare master file and local file based on data and information which available at the time of the Related Party Transaction, and:</p> <table style="margin-left: 40px; border: none;"> <tr> <td></td> <td style="text-align: center;">day</td> <td style="text-align: center;">month</td> <td style="text-align: center;">year</td> </tr> <tr> <td>1. master file is available on</td> <td style="text-align: center;"><input type="text"/> <input type="text"/></td> <td style="text-align: center;"><input type="text"/> <input type="text"/></td> <td style="text-align: center;"><input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/></td> </tr> <tr> <td>2. local file is available on</td> <td style="text-align: center;"><input type="text"/> <input type="text"/></td> <td style="text-align: center;"><input type="text"/> <input type="text"/></td> <td style="text-align: center;"><input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/></td> </tr> </table>		day	month	year	1. master file is available on	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	2. local file is available on	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
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..... Taxpayer / Taxpayer's Representative													

INSTRUCTION FOR THE COMPLETION

Summary of master and local file must be attached in Annual Corporate Income Tax Return.

Summary of master and local file contain statement that taxpayer has performed and retained master file and local file in accordance with the binding regulation.

Annual Income Tax Return is using form which is able to read by scanning machine, so the following conditions must be complied:

1. Should the taxpayer make the Annual Income Tax Return itself, not to forget to make ■ (black square) in each of the corner as document delimiter so the document can be scanned.
2. The paper size used is F4/Folio (8.5 x 13 inches) with minimal weight 70 grams; and
3. The paper shall not be folded or crumpled.

FISCAL YEAR

Filled with the company's fiscal year in the available box:

Example: Fiscal Year

2	0	1	6
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IDENTITY FIELD

TIN : Filled with TIN as stated in TIN card

TAXPAYER/PE : Filled with the name as stated in TIN card

Part I – Summary of Master File

Filled by add checkmark (√) if the information has been already performed and retained

Part II – Summary of Local File

Filled by add checkmark (√) if the information has been already performed and retained

Part III – Statement Of Preparation And Retention Of Master File And Local File

Filled by add checkmark (√) if the information has been already performed and retained

Statement

Filled with place and date when the summary of master file and local file was made, full name and signatory of authorized company management, and added with company stamp. When the summary of master file and local file was filled with taxpayer's representative, it must be filled with full name, TIN and signatory of authorized representative, and added with company stamp.

C. DETAILS AND EXPLANATION OF INFORMATION IN MASTER FILE

1. Ownership structure and chart as well as countries and jurisdictions of each group member include information as follows:
 - a. list of shareholders and percentage of ownership, as well as list of board of directors from each member of the Group;
 - b. chart illustrating the group's legal and ownership structure;
 - c. geographical location (country and jurisdiction) of operating entities.

2. Activities conducted by Business Group include information as follows:
 - a. list of members of the Business Group and their business activities;
 - b. important drivers of business profit;
 - c. a description of the supply chain for the group's five largest products and/or service offerings by turnover plus any other products and/or services amounting to more than 5 percent of group turnover. The required description may take the form of a chart or a diagram;
 - d. a list and brief description of important service arrangements between members of the group, other than research and development (R&D) services, including a description of the capabilities of the principal locations providing important services and transfer pricing policies for allocating services costs and determining prices to be paid for intra-group services;
 - e. a description of the main geographic markets (country or jurisdiction) for the group's products and services;
 - f. a brief written functional analysis describing the principal contributions to value creation by individual entities within the group, i.e. key functions performed, important risks assumed, and important assets used; and
 - g. a description of important business restructuring transactions, acquisitions and divestitures by members of Business Group for the last 5 (five) years.

3. Intangible property owned by business group include information as follows:
 - a. a description of the group's overall strategy for the development, ownership and exploitation of intangibles, including location of principal R&D facilities and location of R&D management;

- b. a list of intangibles or groups of intangibles of the MNE group that are important for transfer pricing purposes and which entities legally own them;
 - c. list and explanation regarding parties in the business group which contribute to develop intangible property;
 - d. a list of important agreements among identified associated enterprises related to intangibles, including cost contribution arrangements, principal research service agreements and license agreements;
 - e. a general description of the group's transfer pricing policies related to R&D and intangibles; and
 - f. a general description of any important transfers of interests in intangibles among associated enterprises during the fiscal year concerned, including the entities, countries, and compensation involved.
4. Financial activities and funding in the business group include information as follows:
- a. a general description of how the group is financed, including important financing arrangements with unrelated lenders;
 - b. the identification of any members of the MNE group that provide a central financing function for the group, including the country under whose laws the entity is organized and the place of effective management of such entities;
 - c. a description of the group's general transfer pricing policies related to financing arrangements between associated enterprises.
5. Consolidated Financial Statement of the Parent Entity and tax information regarding Related Party Transactions include information as follows:
- a. the MNE's annual consolidated financial statement for the fiscal year concerned if otherwise prepared for financial reporting, regulatory, internal management, tax or other purposes;
 - b. a list and brief description of the group's existing unilateral advance pricing agreements (APAs) and other tax rulings relating to the allocation of income among countries.

D. DETAILS AND/OR DESCRIPTION OF INFORMATION IN LOCAL FILE

1. Identity and business activities performed include information as follows:
 - a. a description of the management structure of the Taxpayer, a local organization chart, and a description of the individuals to whom local management reports and the country(ies) and jurisdiction(s) in which such individuals maintain their principal offices;
 - b. a detailed description of the business and business strategy pursued by the Taxpayer including an indication whether the Taxpayer has been involved in or affected by business restructurings or intangibles transfers in the present or immediately past year;
 - c. operational aspects of Taxpayers' transactions;
 - d. detailed description of business environment, including key competitors.
2. Information about Related Party Transactions and independent transactions conducted by the Taxpayers include information as follow:
 - a. transaction scheme and explanations;
 - b. pricing policies implemented for the last 5 (five) years;
 - c. a description of the material controlled transactions (and the context in which such transactions take place);
 - d. the amount of intra-group payments and receipts for each category of controlled transactions involving the local entity broken down by tax jurisdiction of the foreign payer or recipient;
 - e. an identification of associated enterprises involved in each category of controlled transactions, and the relationship amongst them;
 - f. A table of information that at least contains:
 - 1) VAT receipts;
 - 2) Counterparts' name;
 - 3) Counterparts' countries/jurisdictions;
 - 4) Products' name;
 - 5) product specification/quality;
 - 6) number of unit/quantity;
 - 7) price per unit product (common smallest measures); and
 - 8) date of sending/shipment;
 - g. copies of all significant material intercompany agreements;

3. The application of Arm's Length Principle includes information as follows:
 - a. a detailed comparability and functional analysis of the Taxpayer and relevant associated enterprises with respect to each documented category of controlled transactions, including any changes compared to prior years;
 - b. detailed description of business characteristics based on functional analysis of risk and asset;
 - c. an indication of the most appropriate transfer pricing method with regard to the category of transaction and the reasons for selecting that method;
 - d. an indication of:
 - 1) which associated enterprise is selected as the tested party, if applicable, and an explanation of the reasons for this selection; and
 - 2) information on relevant financial indicators for independent enterprises relied on in the transfer pricing analysis in case Taxpayer using transfer pricing method on the basis of gross profit or net profit;
 - e. a summary of important assumptions used in applying the transfer pricing method;
 - f. if relevant, an explanation of the reasons for performing a multi-year analysis;
 - g. a list and description of selected comparable uncontrolled transactions (internal or external), if any, and information on relevant financial indicators for independent enterprises relied on in the transfer pricing analysis, including a description of the comparable search methodology and the source of such information;
 - h. a summary of financial information used in applying the transfer pricing methodology including segmented financial statement in the case taxpayer has more than 1 (one) business characteristics;
 - i. description of application transfer pricing method based on chosen comparable, arm's length profit and price used as a base to determine transfer pricing;
 - j. a description of any comparability adjustments performed, and an indication of whether adjustments have been made to the results of the tested party, the comparable uncontrolled transactions, or both;

- k. a description of the reasons for concluding that relevant transactions were priced on an arm's length basis based on the application of the selected transfer pricing method;
 - l. a copy of existing unilateral and bilateral/multilateral APAs and other tax rulings to which the local tax jurisdiction is not a party and which are related to controlled transactions described above.
4. Financial information includes information as follows:
- a. annual taxpayer financial accounts for the fiscal year concerned. If audited statements exist, they should be supplied and if not, existing unaudited statements should be supplied;
 - b. segmented financial statement based on each business characteristic in the case taxpayers has more than 1 (one) business characteristics;
 - c. information and allocation schedules showing how the financial data used in applying the transfer pricing method may be tied to the annual financial statements;
 - d. summary schedules of relevant financial data for comparable used in the analysis and the sources from which that data are obtained.
5. Non-financial events/occasions/facts which affect price setting or profit level.

INSTRUCTIONS FOR THE COMPLETIONS

The worksheet of country-by-country report is required to be attached to the to Annual Corporate Income Tax Return. Instructions regarding the format of the attachment to Annual Corporate Income Tax Return which readable by the scanner machine must follow the instructions in Annex B.

In filling monetary values in rupiah or United States Dollar currency, the number should be written without decimal places. Example:

- a. in writing ten million rupiah is 10,000,000 (NOT 10,000,000.00).
- b. in writing one hundred twenty five fifty cents is: 125 (NOT 125.50)

Fiscal Year

Fill available boxes with company's yearbook and period of company's yearbook.

Example: Fiscal year 2016

2	0	1	6
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IDENTITY

Taxpayers Identification Number/NPWP:

Fill according to Taxpayers' Identification Number as stated in the NPWP card.

Taxpayers' name :

Fill according to name as stated in the NPWP card.

Column 1 - Tax Jurisdiction

In this column, it should list all the tax jurisdiction in which the member of the Group is resident for tax purposes. Where a member/s of the Business Group is domiciled in more than one tax jurisdiction but not as tax resident in such jurisdiction, the said member/s of the Business Group must be compiled on the last line by filling "NON-TAX RESIDENT" in this line.

Column 2 - Entity and NPWP/TIN

This column should list each of the member of the Business Group and the Taxpayers Identification Number or *Nomor Pokok Wajib Pajak* (NPWP) of the member/s.

Column 3 – Main Business Activity

This column should be filled with the letter code for the business activity/ies which reflects the activity of each entity of the Related Parties, as provided below:

- a. letter A for research and development;
- b. letter B for holding or managing of intangible property;
- c. letter C for purchasing or procurement;
- d. letter D for manufacturing or production;
- e. letter E for sales, marketing, or distribution;
- f. letter F for administrative, management, or support services;
- g. letter G for provision of services to unrelated parties;
- h. letter H for internal group finance;
- i. letter I for regulated financial services;
- j. letter J for insurance;
- k. letter K for holding shares or other equity instruments;
- l. letter L for dormant; and/or
- m. letter M for other.

Column 4, Column 5, dan Column 6 – Gross Revenue

This column is filled with (Column 4) rupiah's value of gross revenue which received or generated from transactions with unrelated parties; (Column 5) rupiah's value of gross revenue which received or generated from transactions with related parties; and (Column 6) sum of the rupiah's value in Column 4 and Column 5

Included in the calculation of gross revenue is revenue from sales activity of inventory and property, service, royalty, interest, premium and other revenue.

Not included in the calculation of revenue in this column in a payment from related parties which deemed as dividend in the jurisdiction where the payer domiciled.

Column 7 – Profit (Loss) before Income Tax

This column is filled with rupiah value of profit (loss) before Income Tax for all of member of Business Group in the relevant jurisdictions. The profit (loss) before income tax should include all extraordinary income and expense items.

Column 8 – Income Tax Paid

This column is filled with rupiah value of all income tax which has been withhold or paid by every member of Business Group in relevant jurisdiction.

Income Tax Paid must include every tax payment by member of Business Group to residence in such the relevant jurisdiction or other jurisdiction. For example, Company A is tax resident in country A and receive interest in country B, so the income tax which has been withhold or paid on interest payment in country B must be reported by Company A.

Column 9 – Income Tax Accrued

This column is filled with rupiah value of reported Income Tax which accrued in current fiscal year from every member of Business Group in relevant jurisdictions. The amount of income tax accrued only must reflect only operations in the current year and should not include deferred taxes or provisions for uncertain tax liabilities.

Column 10 – Stated Capital

This column is filled with the sum of the stated capital of all member of Business Group in the relevant tax jurisdiction.

With regard to permanent establishments, the stated capital should be reported by the headquarter of the permanent establishment unless there is a defined capital requirement in the permanent establishment tax jurisdiction for regulatory purposes.

Column 11 – Accumulated Earning

This column is filled with rupiah value of accumulated earning of all member of Business Group in relevant jurisdiction. With regard to permanent establishments, accumulated earnings should be reported by the headquarter of the permanent establishment.

Column 12 – Number of Employees

This column is filled with the total number of employees on a full-time equivalent (FTE) basis of all member of Business Group in relevant jurisdiction.

The number of employees may be reported as of the year-end, on the basis of average employment levels for the year, or on any other basis consistently applied across tax jurisdictions and from year to year. For this purpose, independent contractors participating in the ordinary operating activities of the member of Business Group may be reported as employees.

Column 13 - Tangible Assets other than Cash and Cash Equivalents

This column is filled with the sum of the net book values of tangible assets of all the member of Business Group in relevant jurisdiction.

With regard to permanent establishments, net book value of total tangible assets should be reported by reference to the tax jurisdiction in which the permanent establishment is situated. Tangible assets for this purpose do not include cash or cash equivalents, intangibles, or financial assets.

F. COUNTRY-BY-COUNTRY REPORT WHICH CONSISTS INFORMATION SUCH AS ALLOCATION OF INCOME, INCOME TAX PAID, AND BUSINESS ACTIVITIES BY TAX JURISDICTION

COUNTRY-BY-COUNTRY REPORT													
ALLOCATION OF INCOME, TAXES, AND BUSINESS ACTIVITIES BY TAX JURISDICTION													
FISCAL YEAR CONCERNED													
TIN : <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>													
TAXPAYER : <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>													
Tax Jurisdiction	Revenues		Profit (Loss) Before Income Tax	Income Tax Paid (On Cash Basis)	Income Tax Accrued-Current Year	Stated Capital	Accumulated Earnings	Number of Employees	Tangible Assets other than Cash and Cash Equivalent				
-1	Unrelated Party	Related Party	Total	-2	-3	-4	-5	-6	-7	-8	-9	-10	-11

.....
Taxpayer/Proxy

INSTRUCTIONS FOR THE COMPLETIONS

Form of allocation of income, tax paid, and business activities by tax jurisdiction (CBC-1 Form) constitutes part of Country-by-country report which attached in Annual Corporate Tax Return. The instruction regarding the attachment to Annual Corporate Tax Return which readable by a scanner machine must follow the instruction in Appendix B.

In filling monetary values in rupiah or United State Dollar currency, the number should be written without decimal places.

Example:

- a. In writing ten million rupiah is: 10.000.000 (NOT 10.000.000,00)
- b. In writing a hundred twenty five rupiah fifty cent is 125 (NOT 125,50)

FISCAL YEAR

Fill available boxes with company's yearbook and period of company's yearbook.

Example: Fiscal Year

2	0	1	6
---	---	---	---

IDENTITY FIELD

TIN : Filled with TIN as stated in TIN card

TAXPAYER/PE : Filled with the name as stated in TIN card

Column 1 - Tax Jurisdiction

In this column, it should list all the tax jurisdiction in which the member of the Group is resident for tax purposes. Where a member/s of the Business Group is domiciled in more than one tax jurisdiction but not as tax resident in such jurisdiction, the said member/s of the Business Group must be compiled on the last line by filling "NON-TAX RESIDENT" in this line.

Column 2, Column 3, and Column 4 – Gross Revenue

This column is filled with (Column 2) rupiah's value of gross revenue which received or generated from transactions with unrelated parties; (Column 3) rupiah's value of gross revenue which received or generated from transactions with related parties; and (Column 4) sum of the rupiah's value in Column 2 and Column 3

Included in the calculation of gross revenue is revenue from sales activity of inventory and property, service, royalty, interest, premium and other revenue.

Not included in the calculation of revenue in this column in a payment from

related parties which deemed as dividend in the jurisdiction where the payer domiciled.

Column 5 – Profit (Loss) before Income Tax

This column is filled with rupiah value of profit (loss) before Income Tax for all of member of Business Group in the relevant jurisdictions. The profit (loss) before income tax should include all extraordinary income and expense items.

Column 6 – Income Tax Paid

This column is filled with rupiah value of all income tax which has been withhold or paid by every member of Business Group in relevant jurisdiction. Income Tax Paid must include every tax payment by member of Business Group to residence in such the relevant jurisdiction or other jurisdiction. For example, Company A is tax resident in country A and receive interest in country B, so the income tax which has been withhold or paid on interest payment in country B must be reported by Company A.

Column 7 – Income Tax Accrued

This column is filled with rupiah value of reported Income Tax which accrued in current fiscal year from every member of Business Group in relevant jurisdictions. The amount of income tax accrued only must reflect only operations in the current year and should not include deferred taxes or provisions for uncertain tax liabilities

Column 8 – Stated Capital

This column is filled with the sum of the stated capital of all member of Business Group in the relevant tax jurisdiction. With regard to permanent establishments, the stated capital should be reported by the headquarter of the permanent establishment unless there is a defined capital requirement in the permanent establishment tax jurisdiction for regulatory purposes.

Column 9 – Accumulated Earning

This column is filled with rupiah value of accumulated earning of all member of Business Group in relevant jurisdiction. With regard to permanent establishments, accumulated earnings should be reported by the headquarter of the permanent establishment.

Column 10 – Number of Employees

This column is filled with the total number of employees on a full-time equivalent (FTE) basis of all member of Business Group in relevant jurisdiction.

The number of employees may be reported

as of the year-end, on the basis of average employment levels for the year, or on any other basis consistently applied across tax jurisdictions and from year to year. For this purpose, independent contractors participating in the ordinary operating activities of the member of Business Group may be reported as employees.

Column 11 - Tangible Assets other than Cash and Cash Equivalents

This column is filled with the sum of the net book values of tangible assets of all the member of Business Group in relevant jurisdiction.

With regard to permanent establishments, net book value of total tangible assets should be reported by reference to the tax jurisdiction in which the permanent establishment is situated. Tangible assets for this purpose do not include cash or cash equivalents, intangibles, or financial assets.

CBC-3	
COUNTRY BY COUNTRY REPORT LIST OF ALL THE CONSTITUENT ENTITIES OF THE MINE GROUP IN EACH AGGREGATION PER TAX JURISDICTION	
ADDITIONAL INFORMATION	
FISCAL YEAR <input type="text"/>	
TIN :	<input type="text"/>
TAXPAYER :	<input type="text"/>
<i>Please include any further brief information or explanation you consider necessary or that would facilitate the understanding of the compulsory information provided in the Country-by-Country Report.</i>	
..... Taxpayer/Representative	

INSTRUCTION FOR THE COMPLETION

The form of list of all constituent entities and main business activities in each jurisdiction (CBC-2 form) and additional information form (CBC-3 Form) constitute part of Country-by-country report which attached in Annual Corporate Income Tax.

The instruction regarding the attachment to Annual Corporate Tax Return which readable by a scanner machine must follow the instruction in Appendix B.

Fiscal Year

Fill available boxes with company's yearbook and period of company's yearbook.

Example: Fiscal Year

2	0	1	6
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IDENTITY FIELD

TIN : Filled with TIN as stated in TIN card

TAXPAYER/PE : Filled with the name as stated in TIN card

Column 1 - Tax Jurisdiction

In this column, it should list all the tax jurisdiction in which the member of the Group is resident for tax purposes. Where a member/s of the Business Group is domiciled in more than one tax jurisdiction but not as tax resident in such jurisdiction, the said member/s of the Business Group must be compiled on the last line by filling "NON-TAX RESIDENT" in this line.

Column 2 – Entity

In this column, it should list name of each member of Business Group
Where there is difference between place of domicile based on tax resident rule and place of incorporation, the information of country or jurisdiction where the place of corporation located must be written after the name of the entity.

Column 3-15 – Main Business Activity

This column is filled by add checkmark (√) in one or more business activities (from Column 3-15) which performed by each of entity/related party.

If the taxpayer add checkmark ((√) in Column 15 (other), a brief information or other explanation which considered important or can enhance understanding

to such information must be explained in additional information (CBC-3 Form) which constitutes part of Country-by-country report.

MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA,

Signed

SRI MULYANI INDRAWATI