



# Recent Developments in International Corporate Taxation

# GLOBALIZATION

INTERDEPENDENCY

CROSS - BORDERLESS

INTERNATIONAL TRANSACTIONS

UNIVERSAL NORMS AND VALUES

GLOBAL BUSINESS PLAYERS

INTERNATIONAL COOPERATION AND  
COLLABORATION TO MAINTAIN HARMONY

TAXATION ISSUES

DOUBLE TAXATION &  
NON-TAXATION

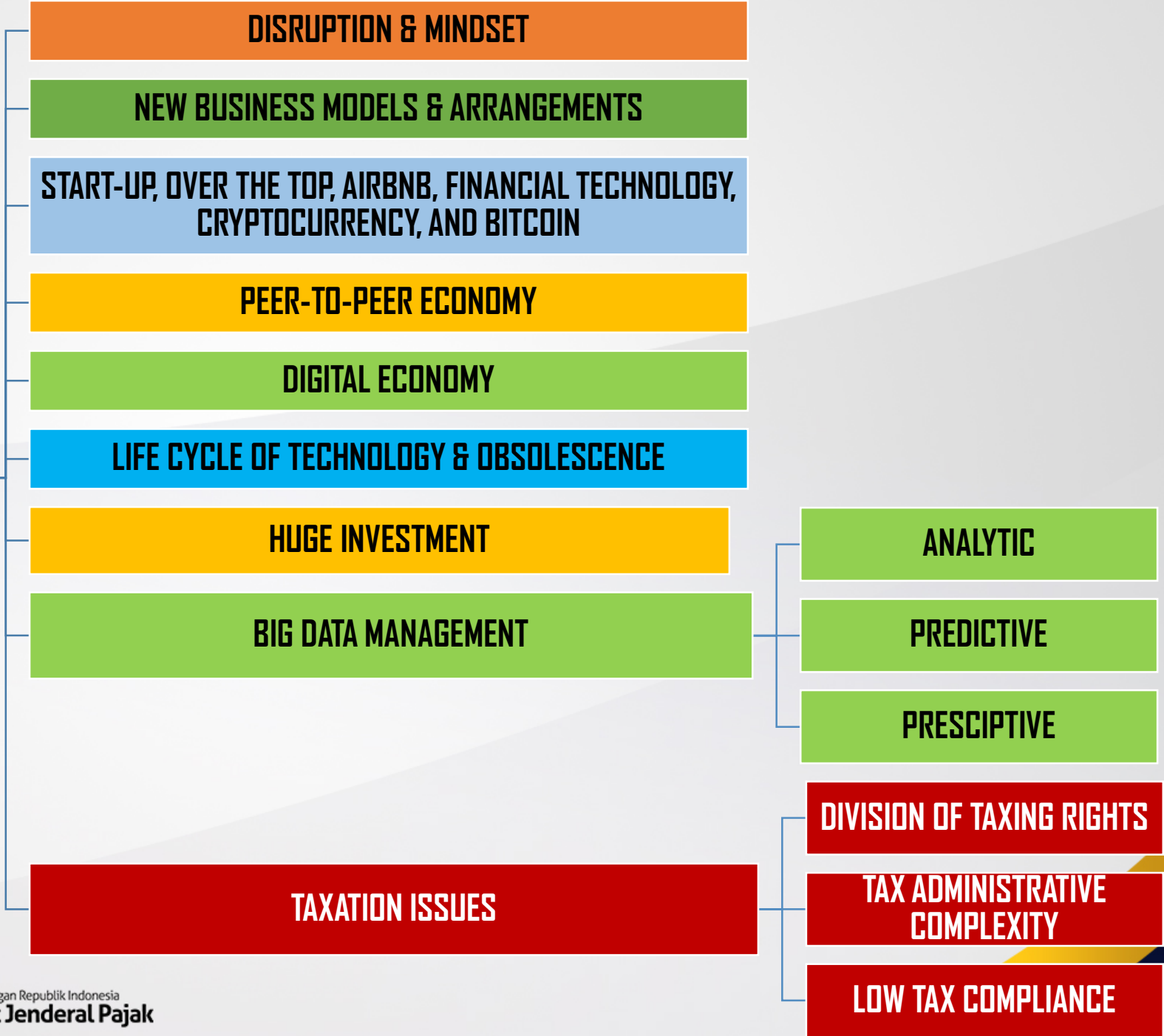
AGGRESSIVE TAX  
PLANNING

HARMFUL TAX  
COMPETITIONS

HYBRID MISMATCH  
ARRANGEMENT



# ICT



# UNDERGROUND ECONOMY

NON RECORDED ECONOMIC ACTIVITIES

RANGE FROM 1% - 20%

ILLICIT FUNDS, ILLEGAL LOGGINGS, FISHING,  
MINING, HUMAN TRAFFICKING

MONEY LAUNDERING

CRYPTO CURRENCY AND BITCOIN

CASH ECONOMY

TAXATION ISSUES

ASYMMETRIC  
INFORMATION

LOW TAX COMPLIANCE



# GLOBAL ECONOMIC GROWTH

4 WORLD ECONOMIC PILLARS: USA, PRC, EU,  
JAPAN

SLIDING ECONOMIC GROWTH

MODERNIZED TAX ADMINISTRATION

MORE TAXATION REVENUE TO FINANCE THE  
ECONOMIC RECOVERY PROGRAMS

FATCA, OVDP, TAX AMNESTY

FISCAL STIMULUS

GOVERNMENT  
EXPENDITURE

PRIVATE PARTNERSHIP



# STRATEGIC POLICY TOWARDS THE FRAGILE INTERNATIONAL TAXATION LANDSCAPE

**International tax  
cooperation &  
collaboration**

**Promoting  
transparency for  
tax purpose**

**Common  
approaches  
dealing with BEPS**

**Tax certainty**



# INTERNATIONAL TAX COOPERATION & COLLABORATION

67  
Tax Treaties

## International Community

Group of 20  
(G20)

Inclusive Framework  
on BEPS

Global Forum on  
Transparency and  
Exchange of Information

Forum on Tax  
Administration

## Regional Community

Study Group on Asian  
Tax Administration and  
Research

Asia-Pacific Economic  
Cooperation

ASEAN Tax Forum

## Others

Association of Tax  
Authorities of Islamic  
Countries

World Bank

IMF, ADB, AIPEG, JICA,  
IBFD, UN, OECD



# PROMOTING TRANSPARENCY FOR TAX PURPOSES

**Exchange of Information (Eol) by request**

**Automatic Eol**

**Simultaneous Eol**

**Law Number 9 of 2017 concerning Access of  
Financial Account Information for Tax Purposes**





# COMMON APPROACHES DEALING WITH BEPS

## Digital Economy (1)

### Coherence

Hybrid Mismatch Arrangements (2)

CFC Rules (3)

Interest Deductions (4)

Harmful Tax Practices (5)

### Substance

Preventing Tax Treaty Abuse (6)

Avoidance of PE Status (7)

Transfer Pricing: Intangibles (8)

Transfer Pricing: Risks & Capital (9)

Transfer Pricing: High Risk Transactions (10)

### Transparency

Methodologies and Data Analysis (11)

Mandatory Disclosure Rules (12)

TP Documentation and CbC Reporting (13)

Dispute Resolution (14)

## Multilateral Instrument (15)



# 4 Minimum Standards

**Action 5**

**Countering Harmful Tax Practice**

**Action 6**

**Treaty Abuse**

**Action 13**

**TP Documentation (CbCR)**

**Action 14**

**Dispute Resolution**



# TAX CERTAINTY

## Domestic Remedies:

1. Objection
2. Appeal

1. Dispute Resolution  
MAP
2. Dispute Prevention  
APA

Tax Education & Counseling

Level Playing Field

Non-discrimination

## Building Trust:





1. Corruption Eradication
2. Public Services &  
Infrastructures
3. Services Improvement



# Thank You



**Ministry of Finance of the Republic of Indonesia**  
**Directorate General of Taxes**

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