



PRESS RELEASE

**OJK SIGNS MOU WITH TAX AUTHORITY
FOR FURTHER COOPERATION AND COORDINATION**

Jakarta, March 13, 2017 — Financial Services Authority (OJK) Deputy Chairman Rahmat Waluyanto, and Director General for Taxation Ken Dwijugiastadi, on Monday signed a memorandum of understanding (MoU) between the OJK and the Directorate General for Taxation (DJP) on Cooperation in the fields of Regulation, Supervision and Law Enforcement and Consumer Protection of the Financial Services Sector.

The MoU was signed before Minister of Finance and OJK Chairman in an event held at the Mar'ie Muhammad building of DJP Head Office in Jakarta.

In compliance with the legislation, the scope of the MoU includes the following points:

- a. Harmonization between legislation in the financial services and taxation sectors, including OJK's taxation status;
- b. Exchange of data and information during the implementation of OJK's and DJP's duties and supervision functions;
- c. Provision of access for the OJK and the financial services institutions that it oversees, in relation to Confirmation of Taxpayer Compliance Status (KSKWP);
- d. Coordination of implementation of duties concerning supervision, law enforcement and consumer protection of the financial services and taxation sectors;
- e. Application of Confidentiality Disclosure of Bank Customers for the purpose of Examination, Preliminary Evidence Review, Investigation and Collection in the field of Taxation by electronic applications;
- f. Assignment and training of DJP personnel for supporting the implementation of OJK's duties; and
- g. Education, training and counseling/information dissemination in relation to implementation of OJK's and DJP's duties and authorities, and vice versa.

As a step to execute the MoU, on that occasion, Finance Minister and OJK Chairman jointly launched a system that issues permits to disclose depositors' confidentiality for taxation purposes. The system consists of two applications: Application of Recommendations for Banking Secrecy Disclosure (AKASIA) for Ministry of Finance employees and Application for Banking Secrecy Disclosure (AKRAB) for OJK personnel.

Thanks to the interconnected AKRAB and AKASIA, the time needed to process an order to disclose banking secrecy has become much shorter, from 6 (six) months to mere 2 (two) weeks. However, the process of issuing such order still has to follow the procedures and satisfy the applicable requirements, in compliance with the banking law and its implementing regulations.

Besides time efficiency, the advantage of these applications lies in its autoreject feature against any requests that do not conform to the legislation's requirements—thus speeding up the process. Another plus is a system that groups requests based on banks. Such feature has decreased the number of orders to be signed, made the orders easier to be tracked down and provided statistics on banks that receive banking secrecy disclosure orders.

The DJP expects that the MoU will optimize coordination and cooperation between the two agencies, so each of them will be more efficient and effective in carrying out their duties. For the DJP itself, closer cooperation with the OJK will make examination, preliminary evidence review, tax investigation and collection, more effective, especially following easier access to customers' data and information.

As access to data and information of banks' customers has become more efficient and effective, the DJP urges the customers to take advantage of the Tax Amnesty Program that will end soon on March 31, 2017, if they have yet to declare their assets in banks in their annual tax forms (SPT).

For the OJK, this partnership is critical to its duties and functions of supporting government policies, in particular those concerning taxation. The Authority has issued a range of regulations and policies to promote taxation programs, especially in relation to the Tax Amnesty program. They include OJK Regulation No. 25/POJK.03/2016 on Banks' Business Activity in the Form of Trust and OJK Regulation No. 26/POJK.04/2016 on Capital-Market Related Investment Products in order to Support the Tax Amnesty Law.

The second OJK regulation has been followed up with OJK Circular No. 35/SEOJK.04/2016 on mandatory tender offers as a result of acquisition of public companies in order to support the Tax Amnesty Law.

Moreover, in the interests of the tax amnesty program, the OJK has issued OJK Regulation No. 21/POJK.04/2016 on registration of government appraisers for the purpose of revaluation of assets belonged to state-owned enterprises (SOE) and province-owned enterprises (BUMD).

In regard to customer information disclosure for taxation interests, the Authority earlier issued OJK Regulation No. 25/POJK.03/2015 regarding exchange of information on foreign customers to partner countries/partner jurisdictions in relation to taxation purposes.

At the moment the OJK is preparing an implementing regulation in the form of an OJK circular, which specifically regulates about the AEOI. The upcoming circular stipulates, among others, procedures for conducting due diligence on foreign customers and steps to submit foreign customers' financial information to the tax authority.

So far the DJP has had more than 75 MoUs and cooperation agreements, which are designed to optimize tax revenue and raise tax compliance, with various governmental and private organizations across Indonesia. All data and information that the DJP receives, including those of financial services customers, are solely used for research and tax compliance supervision purposes. Moreover, in reference to the Law on General Provisions and Procedures for Taxation, it is compulsory to keep such data and information confidential. Thus, the public does not need to worry that the data would be used for any fraudulent or irregular purposes.

For more information:

1. Hestu Yoga Saksama
Director of Public Counseling, Services and Relations
Tel +62 21 5250208
2. Slamet Edy Purnomo
Deputy Commissioner for Strategic Management IB
Tel +62 21 2960 0000 E-mail e.purnomo@ojk.go.id www.OJK.go.id