



Sets the Standards and Beyond

An Ode to Taxation:

DDTC's Concrete Contributions to the Indonesian Tax System

**Highly Acclaimed Work by
DDTC Professionals in
Domestic and International
Publication**

2005-2022



“

DDTC professionals constantly and actively share their knowledge as a way of giving back to the community, influencing the Indonesian tax system design and enlightening the tax society.”

Darussalam, S.E., Ak., CA., M.Si., LLM Int.Tax
Managing Partner of DDTC

The booklet *An Ode to Taxation: DDTC's Concrete Contributions to the Indonesian Tax System, Highly Acclaimed Work by DDTC Professionals in Domestic and International Publication 2005–2022* aims to provide a high-level overview of diverse contemporary tax-related issues covered in various publications by DDTC professionals. Spanning from 2005 to date, these books, journals and articles have been published internationally and domestically by DDTC and renowned publishers and institutions across the globe.

Since its inception in 2007, as a leading local research, technology and knowledge-based tax institution with global knowledge, DDTC has always been committed to influencing and contributing to the tax policymaking process as well as eliminating asymmetric information in the Indonesian tax society. DDTC consistently applies knowledge management and invests in a synergy of multi-talented professionals. Qualified professionals are sent on a yearly basis to pursue higher education at reputable institutions and universities across the globe to ensure access to worldwide knowledge and a comparative level of expertise.

DDTC professionals constantly and actively share their knowledge as a way of giving back to the community, influencing the Indonesian tax system design and enlightening the tax society. The contributions through literature, including books, journals, articles and magazines are self-published by DDTC and other renowned domestic publishers. A handful of DDTC professionals adept in their respective fields also regularly contribute to internationally acclaimed publications, to name a few, *The Transfer Pricing Law Review*, *Tax Disputes and Litigation Review*, *International Transfer Pricing Journal*, *Tax Notes International* and *International Tax Review*. Some of their writings have also been published by prominent international publishers of tax books and journals, such as IBFD, TaxAnalyst, Law Business Research, Belgrade Law Review, Routledge, Linde, Expert Guides and so forth.

Chronologically arranged, contributions by DDTC professionals discuss a wide array of tax-related topics, such as the significance of tax reforms in achieving Indonesia's tax revenue targets, minimizing tax disputes, the role of taxation in the Indonesian economy, transfer pricing developments in Indonesia, ranging from country-by-country reporting, transfer pricing documentation requirements, transfer pricing dispute resolution, Mutual Agreement Procedure (MAP), transfer pricing audits to London Interbank Offered Rate (Libor). Other topics, for instance, the OECD Project, tax treaties, tax reforms, tax and brain drain, hybrid entities, taxation of tech companies, tax digitisation, Multilateral Instrument and Tax Control Framework (TCF) are also comprehensively reviewed.

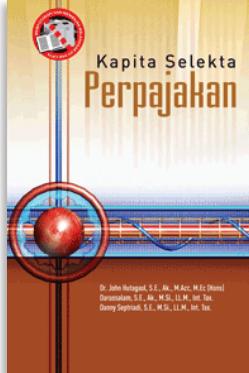
16 Books Published by DDTC



Membatasi Kekuasaan untuk Mengenakan Pajak

Year of publication: 2006

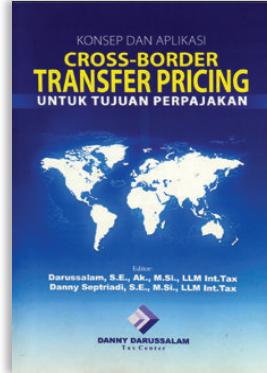
Authors:
Darussalam and
Danny Septriadi



Kapita Selekta Perpajakan

Year of publication: 2007

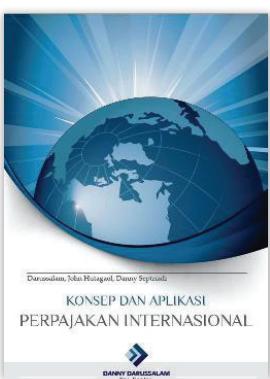
Authors:
John Hutagaol,
Darussalam and Danny
Septriadi



Konsep dan Aplikasi Cross-Border Transfer Pricing untuk Tujuan Perpajakan

Year of publication: 2008

Editors:
Darussalam and
Danny Septriadi



Konsep dan Aplikasi Perpajakan Internasional

Year of publication: 2010

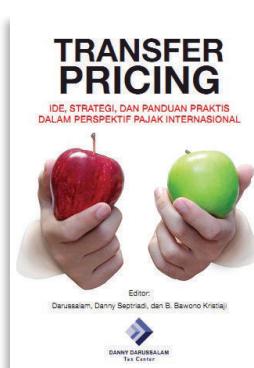
Authors:
Darussalam, John Hutagaol
and Danny Septriadi



GAGASAN DAN PEMIKIRAN SEKTOR PERPAJAKAN 2018/2019

Year of publication: 2019

Editors:
Darussalam, Danny Septriadi,
B.Bawono Kristiaji and
Khisi Armaya Dhora



TRANSFER PRICING: Ide, Strategi, dan Panduan Praktis dalam Perspektif Pajak Internasional

Year of publication: 2013

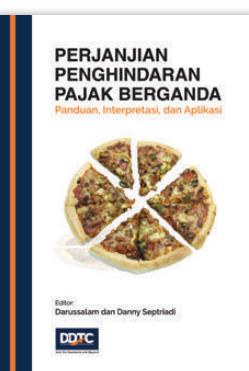
Editors:
Darussalam, Danny Septriadi
and B. Bawono Kristiaji



KONSEP DAN STUDI KOMPARASI PAJAK PERTAMBAHAN NILAI

Year of publication: 2018

Authors:
Darussalam, Danny
Septriadi and Khisi
Armaya Dhora



PERJANJIAN PENGHINDARAN PAJAK BERGANDA

Panduan, Interpretasi, dan Aplikasi

Year of publication: 2017

Editors:
Darussalam and
Danny Septriadi



ERA BARU HUBUNGAN OTORITAS PAJAK DENGAN WAJIB PAJAK

Year of publication: 2019

Authors:
Darussalam, Danny
Septriadi, B. Bawono Kristiaji
and Denny Vissaro



KONSEP DAN APLIKASI PAJAK PENGHASILAN

Year of publication: 2020

Authors:
Darussalam, Danny Septriadi,
Septriadi and Khisi
Armaya Dhora



PAJAK KITA UNTUK INDONESIA MAJU

Year of publication: 2021

Editors:
Darussalam and Danny Septriadi

Author:
Nehemia Daniel Sohilait

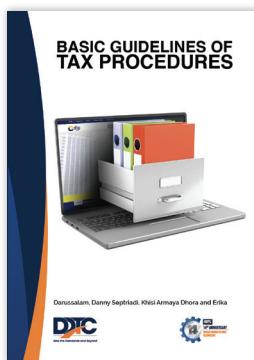
Illustrator:
Dewinta Asyiva Sidiq



PANDUAN DASAR TATA CARA PELAKSANAAN PAJAK

Year of publication: 2021

Authors:
Darussalam, Danny Septriadi,
Khisi Armaya Dhora and Erika



BASIC GUIDELINES OF TAX PROCEDURES

Year of publication: 2022

Editors:
Darussalam, Danny Septriadi
and Khisi Armaya Dhora



DESAIN SISTEM PERPAJAKAN INDONESIA: TINJAUAN ATAS KONSEP DASAR DAN PENGALAMAN INTERNASIONAL

Year of publication: 2022

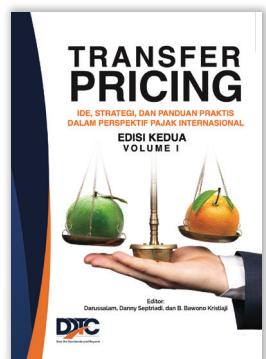
Editors:
Darussalam, Danny Septriadi
and B.Bawono Kristiaji



SUSUNAN DALAM SATU NASKAH: UNDANG-UNDANG PERPAJAKAN TERBARU

Year of publication: 2022

Editors:
Darussalam and
Danny Septriadi



TRANSFER PRICING: Ide, Strategi, dan Panduan Praktis dalam Perspektif Pajak Internasional

Edisi Kedua, Volume I

Year of publication: 2022

Editors:
Darussalam, Danny Septriadi
and B. Bawono Kristiaji

4

DDTC's Contributions to Domestic Publication

2011-2020



Making Taxation Everybody's Business

Darussalam dan Danny Septriadi "Making Taxation Everybody's Business," in *Indonesia Economic Almanac 2011* (Pustaka Bisnis Indonesia, 2011)

DDTC Founders, Darussalam and Danny Septriadi, provide an outlook on the significance of tax reforms in achieving tax revenue targets. Initiated in 1984, Indonesia's tax reforms are highly influenced by several parties therein, including the parliament, the tax court, taxpayers and tax consultants. The authors concisely discuss the roles of these parties and potential improvements with the ultimate goal of establishing and maintaining effective and efficient tax administration to achieve the ever-increasing tax revenue targets.

Appointed as one of Indonesia's one hundred most prominent economists, Darussalam conveys his revolutionary insight and recommendations for the growth of the Indonesian economy through taxation.



Arah Reformasi Pajak: Meningkatkan Penerimaan, Mengurangi Sengketa

Darussalam, "Arah Reformasi Pajak: Meningkatkan Penerimaan, Mengurangi Sengketa," in *INDEF, Menuju Ketangguhan Ekonomi: Sumbang Saran 100 Ekonom Indonesia* (Penerbit Buku Kompas, Jul 2017)

Brimming with the thoughts and ideas of one hundred Indonesian economists, the book entitled *Menuju Ketangguhan Ekonomi: Sumbang Saran 100 Ekonom Indonesia* is written based on four pillars, namely fiscal credibility, productivity and competitiveness, economy liquidity and the quality of economic growth. In the article, the author provides an in-depth review of how to balance boosting tax revenues and minimizing tax disputes. Despite being inevitable, tax disputes render adverse impacts on taxpayer compliance. Ten things are to be taken into account in respect of tax disputes.



Pajak, Ekonomi, dan Tahun Politik

Darussalam, "Pajak, Ekonomi, dan Tahun Politik" in *INDEF, Kemandirian Ekonomi Gerbang Kesejahteraan: Pemikiran 100 Ekonom Indonesia* (INDEF, Oct 2019)

In addition to constituting a source of state revenues, taxes enable an efficient allocation of resources and income redistribution. More importantly, taxes are crucial in state-building. The everchanging Indonesian tax landscape, for instance, the recent tax amnesty program and banking data access, in turn, results in a tax reform agenda. This article discusses three crucial questions, i.e. how the tax reform agenda will improve the tax system and boost state revenues, the interlinkage between taxes and economic development policies and the role of the tax reform agenda in the political year.



Dukungan Sektor Pajak bagi Transformasi dan Penguatan Ekonomi Indonesia

Darussalam, "Dukungan Sektor Pajak bagi Transformasi dan Penguatan Ekonomi Indonesia" in *INDEF, Transformasi Ekonomi Indonesia Menuju Negara Maju dan Berdaya Saing: Pemikiran 100 Ekonom Indonesia* (INDEF, Sep 2020)

Similar to other countries around the globe, Indonesia is currently faced with issues and challenges in the economic sector, for instance, the middle-income trap, deindustrialization, commodity prices, the slowdown in global trade, liquidity and the low number of high-skilled human resources. The Covid-19 pandemic exacerbates this situation and may, in turn, lead to a global recession. Taxation, in essence, supports the transformation and strengthening of the Indonesian economy. In this article, the author addresses the critical question of which tax instruments are being applied by the government to accomplish such goals.



Tax Treaty Negotiation

Danny Septriadi, "Tax Treaty Negotiation," in *Tax Treaty Policy and Development*, ed. Stefaner Markus and Züger Mario (Linde, 2005).

This chapter explores current processes involved in bilateral tax treaty negotiations, next renegotiations and the termination of tax treaties. It also outlines future tax treaty negotiation processes. The research methodology is based on library research and interviews with seven tax treaty negotiators.



Tax Treatment of Derivatives

Darussalam and Freddy Karyadi, "Tax Treatment of Derivatives," *Bulletin Derivatives & Financial Instruments-Special Issue*, Volume 14, No 4a, August 2012.

Public awareness in Indonesia in respect of derivative instruments and the implications thereof has continued to rise since the 1990s. Two tax treatments of derivatives transactions, listed and over-the-counter, are currently treated similarly for income tax purposes. This journal concisely and clearly discusses characteristics of derivative instruments under PSAK 55, the income tax treatment of derivatives, withholding taxes on payment to non-residents, VAT and stamp duty and insurance premium tax.

Does Indonesia need a Special Tax Treatment for Commodity Export?

B. Bawono Kristiaji, Yusuf W. Ngantung, and Ganda Christian Tobing, "Does Indonesia need a Special Tax Treatment for Commodity Export?," *Worldwide Transfer Pricing Reporter*, March/April 2013.

In Indonesia, structuring export of commodity through intermediary related party trader located in favorable tax jurisdiction is increasingly being used for planning cross-border transactions. In this article authors analyse the commonly used tax planning structure, current approach of tax authorities and implication of the proposal on new transfer pricing regulation for treatment of commodity export.

[Back to content](#)

Does Indonesia need a Special Tax Treatment for Commodity Export?

In Indonesia, structuring export of commodity through intermediary related party trader located in favorable tax jurisdiction is increasingly being used for planning cross-border transactions. The Directorate General of Taxation (hereinafter "DGT") is scrutinizing cross-border commodity transaction and is taking a strict position that the commodity industry has for the Indonesian economy. There exist two main types of commodity exports, namely, direct export and via transfer pricing and it is currently contemplating to propose a new regulation on commodity export and its tax treatment.

In this article authors B. Bawono Kristiaji, Yusuf W. Ngantung, and Ganda Christian Tobing, analyze the commonly used tax planning structure, current approach of tax authorities and implication of the proposed new transfer pricing regulation for treatment of commodity export.

Period	2010	2011	2012
Total Exports	US\$ 10.2	US\$ 10.2	US\$ 10.2
Trade Goods	US\$ 9.7	US\$ 9.7	US\$ 9.7
Non Trade Goods	US\$ 0.5	US\$ 0.5	US\$ 0.5
Trade Services	US\$ 0.0	US\$ 0.0	US\$ 0.0
Trade Goods Non Trade Goods	US\$ 9.7	US\$ 9.7	US\$ 9.7
Trade Services Non Trade Services	US\$ 0.0	US\$ 0.0	US\$ 0.0

Commodity Industry in Indonesia

With its natural position as 12th country with the largest land area in the world, Indonesia is one of the major producers of agricultural products (e.g. palm oil products) and mineral resources (e.g. tin, coal, oil and gas, and rubber). The significance of commodity industry to the Indonesian economy is very important, especially for the export sector. The main export of Indonesia (as value of trade) includes the following products:

- Crude Oil and Gas
- Palm Oil and Oil Products
- Rubber
- Minerals
- Foodstuffs
- Chemicals

Source: Ministry of Trade, Republic of Indonesia, *Statistik Perdagangan Internasional*.

The Legal Relevance of the OECD Standard

Deborah, "The Legal Relevance of the OECD Standard," in *Exchange of Information for Tax Purposes*, Oliver-Christoph Günther and Nicole Tüchler (Linde, 2013).

This chapter describes the OECD Standard in a nutshell, ranging from its legal status, significance, relevance for transparent and effective exchange of information in tax matters, and role in an exchange of information. Finally, this chapter briefly explains the effects of the OECD Standard on existing treaties.

[Series on International Tax Law Michael Lang \(Eds.\)](#)

Exchange of Information for Tax Purposes

Oliver-Christoph Günther
Nicole Tüchler
(Eds.)

Linde



Tax Treaties and Developing Countries

Yusuf W. Ngantung, "Tax Treaties and Developing Countries," in *Tax Policy Challenges in the 21st Century*, ed. Raffaele Petrucci and Karoline Spies (Linde, 2014).

This chapter elucidates the functions of tax treaties for developing countries, including the challenges they have to cope with in relation to tax treaties. These challenges include tax administration capacity, exchange of information and lock-in effects. Finally, this chapter summarizes alternative approaches to tax treaties.



Political Economy and the Process of Tax Reforms

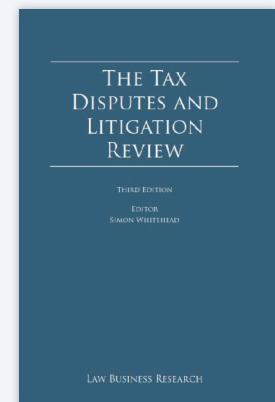
Ganda C. Tobing, "Political Economy and the Process of Tax Reforms," in *Tax Policy Challenges in the 21st Century*, ed. Raffaele Petrucci and Karoline Spies (Linde, 2014).

The global financial crisis has encouraged many countries to seek new revenues. This has led to new policy challenges and the necessity of tax reforms. The author comprehensively discusses the interlinkage between political economy and tax reforms, ranging from the relevance of political economy and obstacles caused by political economy in tax reforms and ways to improve the outcome of tax reforms through political economy.

The Tax Disputes and Litigation Review, 3rd edition

David Hamzah Damian, "Chapter 16: Indonesia," in *The Tax Disputes and Litigation Review*, 3rd Edition, ed. Simon Whitehead (Law Business Research, 2015).

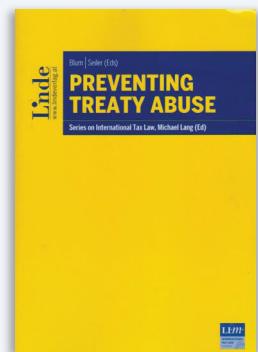
The Tax Disputes and Litigation Review is aimed at providing tax professionals involved in disputes with revenue authorities in multiple jurisdictions with an overview of the principal issues in each jurisdiction. Authored by DDTG Partner of Tax Compliance & Litigation Services, the Indonesia Chapter highlights disputes in Indonesia, taxes administered by the Indonesian tax authorities, courts and tribunals as well as penalties and remedies. This chapter also discusses general anti-avoidance rule and double taxation treaties in Indonesia.



Historical Development of the OECD's Work on Treaty Abuse

Romi Irawan, "Historical Development of the OECD's Work on Treaty Abuse," in *Preventing Treaty Abuse*, ed. Michael Lang (Linde, 2016).

The objective of this chapter is to provide a historical overview of the OECD's work on the abuse of tax treaties and changes to the Commentary of the OECD Model Tax Convention. The author discusses several versions of the OECD Model Tax Convention, including the 1977 version, 1992 version, 2003 revisions and 2014 updates concerning beneficial ownership. Finally, this chapter highlights BEPS Action 6: Preventing Treaty Abuse.





Transfer Pricing Dispute Resolution and Mutual Agreement Procedures: An Indonesian Perspective

Yeni Mulyani, "Transfer Pricing Dispute Resolution and Mutual Agreement Procedures: An Indonesian Perspective," *International Transfer Pricing Journal*, Volume 24, No 1, January 2, 2017.

This article examines the Mutual Agreement Procedures programme in Indonesia, including recent developments and changes in procedure, describing its advantages over other domestic dispute resolution options such as objection to the Directorate General of Taxes and appeal to the Tax Court.

Indonesia adopts CbCR and new transfer pricing documentation requirements

January 12, 2017

B. Bawono Kristiaji, Romi Irawan and Yusuf Wangko Ngantung from DDTG report on CbCR and new transfer pricing documentation in Indonesia.

Indonesia Adopts CbCR and New Transfer Pricing Documentation Requirements

B. Bawono Kristiaji, Romi Irawan and Yusuf W. Ngantung, "Indonesia Adopts CbCR and New Transfer Pricing Documentantion Requirements," *TP Week*, January 12, 2017.

This collective work reports on CbCR and new transfer pricing documentation in Indonesia stipulated under the Minister of Finance Regulation Number PMK-213/PMK.03/2016. Several issues are reviewed, among others, documentation requirements, reporting taxpayers, the administration and filing of transfer pricing documentation, penalties for non-compliance and other important changes.



Towards a New Standard for Transfer Pricing Documentation: A Brief Comment

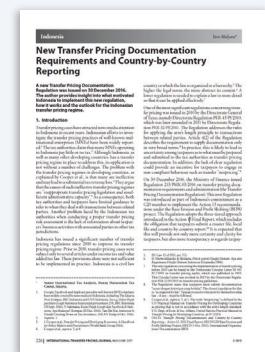
B. Bawono Kristiaji, "Towards a New Standard for Transfer Pricing Documentation: A Brief Comment," *Young Global's Global Taxation*, January, 2017.

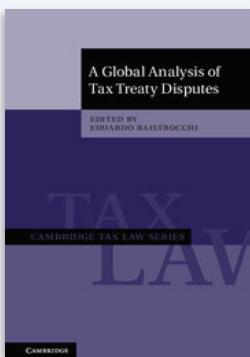
This journal examines targets of BEPS Action Plan 13 that are embodied within a three-tiered structured transfer pricing documentation that covers a master file, a local file and a country-by-country report (CbCR). It also furnishes a comprehensive overview of the role of CbCR in transfer pricing audits and disputes, application of profit split and global formulary apportionment, taxpayers' rights and confidentiality of data.

New Transfer Pricing Documentation Requirements and Country-by-Country Reporting

Yeni Mulyani, "New Transfer Pricing Documentation Requirements and Country-by-Country Reporting," *International Transfer Pricing Journal*, Volume 24, No 3, 11 May 2017.

The author provides insight into what motivated Indonesia to implement a new regulation concerning transfer pricing documentation issued on 30 December 2016, the Minister of Finance Regulation Number 213/PMK.03/2016, how the regulation works and the outlook for the Indonesian transfer pricing regime.

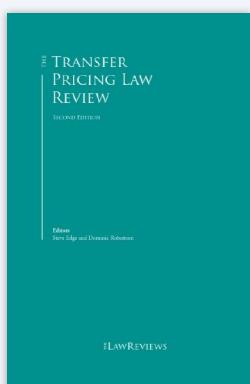




Tax Treaty Dispute in Indonesia

Darussalam and Freddy Karyadi, "Tax Treaty Dispute in Indonesia," in *A Global Analysis of Tax Treaty Disputes*, ed. Eduardo Baistrocchi (Cambridge University Press, August 2017)

This chapter sheds light on tax treaty disputes in Indonesia in their economic and institutional context and also engages in several interesting issues, such as the historical background in tax treaty law, Indonesia's extensive network of tax treaties and the main deviations from the OECD Model, core disputes in the active and passive income arena, the improper use of tax treaties. Resolution of tax Treaty disputes, both through domestic and bilateral approaches, are also comprehensively reviewed.



The Transfer Pricing Law Review

Romi Irawan, "Chapter 10: Indonesia," in *The Transfer Pricing Law Review*, 2nd Edition, ed. Steve Edge and Dominic Robertson (Law Business Research, 2018).

The Transfer Pricing Law Review aims to give readers a high-level overview of the principal transfer pricing rules in multiple jurisdictions. The Indonesia Chapter summarises filing requirements, presenting transfer pricing cases, intangible assets, settlements in transfer pricing disputes, investigations, litigation, secondary adjustment and penalties. This chapter also addresses other taxation issues, including diverted profits tax and other supplementary measures and double taxation.



The Tax Disputes and Litigation Review, 7th edition

David Hamzah Damian and Ganda Christian Tobing, "Chapter 13: Indonesia," in *The Tax Disputes and Litigation Review*, 7th Edition, ed. Simon Whitehead, (Law Business Research, 2019).

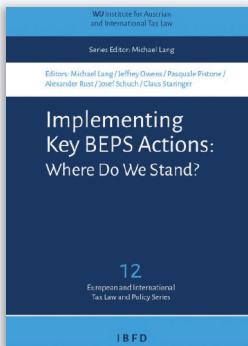
The Tax Disputes and Litigation Review is aimed at providing tax professionals involved in disputes with revenue authorities in multiple jurisdictions with an overview of the principal issues in each jurisdiction. The Indonesia Chapter highlights recent developments concerning disputes in Indonesia, taxes administered by the Indonesian tax authorities, courts and tribunals as well as penalties and remedies and also discusses general anti-avoidance rule and double taxation treaties in Indonesia.



The Transfer Pricing Law Review, 3rd edition

Romi Irawan and Yusuf Wangko Ngantung, "Chapter 10: Indonesia," in *The Transfer Pricing Law Review*, 3rd Edition, ed. Steve Edge and Dominic Robertson (Law Business Research, 2019).

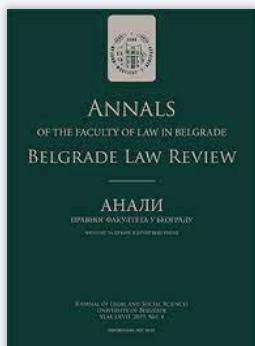
The Transfer Pricing Law Review aims to give readers a high-level overview of the principal transfer pricing rules in multiple jurisdictions. The Indonesia Chapter summarises filing requirements, presenting transfer pricing cases, intangible assets, settlements in transfer pricing disputes, investigations, litigation, secondary adjustment and penalties. This chapter also addresses other taxation issues, including diverted profits tax and other supplementary measures and double taxation.



Implementing Key BEPS Actions: Where Do We Stand?

B. Bawono Kristiaji and Denny Vissaro, "Chapter 17: Indonesia," in *Implementing Key BEPS Actions: Where Do We Stand?*, ed. Michael Lang, et al. (IBFD, 2019).

This chapter explores the various ways in which Indonesia has implemented the key proposals emerging from the BEPS Project. Two DDTC Professionals as national reporters contribute to this expert guide to the varied perspectives towards the BEPS Project. This chapter discusses the implementation of the BEPS Project in Indonesia and provides an in-depth analysis of the obstacles faced by Indonesia in its implementation as well as the interaction of such measures with the Indonesian domestic legal system.



Tax and Brain Drain: Justification, Policy Options and Prospect for Large Developing Economies

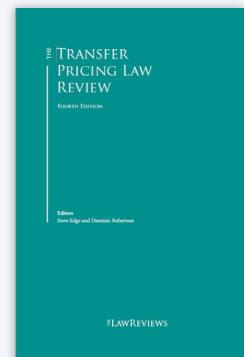
B. Bawono Kristiaji, "Tax and Brain Drain: Justification, Policy Options and Prospect for Large Developing Economies," *Belgrade Law Review: Journal of Legal and Social Sciences*, Vol 67 No 4, December, 2019, 17–67.

The escalating international migration over the last three decades has resulted in a risk of brain drain in developing countries. This paper reviews the extent to which the use of tax instruments in overcoming brain drain may be justified in developing economies with large populations. It also assesses possible tax policy options to prevent the emigration of high-skilled individuals, including the Bhagwati tax proposal, exit tax, revenue sharing and tax incentives.

The Transfer Pricing Law Review

Romi Irawan and Yusuf Wangko Ngantung, "Chapter 9: Indonesia," in *The Transfer Pricing Law Review*, 4th Edition, ed. Steve Edge and Dominic Robertson (Law Business Research, 2020).

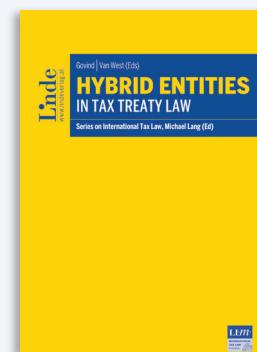
The Transfer Pricing Law Review aims to give readers a high-level overview of the principal transfer pricing rules in multiple jurisdictions. The Indonesia Chapter summarises the substantive transfer pricing rules, explains how a transfer pricing dispute is handled and discusses the interaction between transfer pricing and other parts of the tax code, such as withholding taxes, customs duties and attempts to prevent double taxation in Indonesia.



The Tax Treatment of Hybrid Entities in Developing Countries: The UN Model Position and Source State Concern

Anggi P.I. Tambunan, "The Tax Treatment of Hybrid Entities in Developing Countries: The UN Model Position and Source State Concern," in *Hybrid Entities in Tax Treaty Law*, ed. Jean-Philippe Van West and Sriram Govind (Linde, 2020).

Hybrid Entities in Tax Treaty Law provides an in-depth analysis of various aspects of tax treaty law and EU tax law in connection with hybrid entities. In this chapter, the author offers an overview of the provisions on hybrid entities in the US Model, the OECD Model and the UN Model. The chapter also elucidates source state concerns and alternative approaches to hybrid entities.

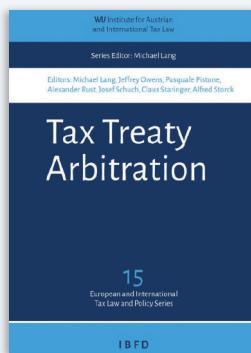




Indonesia's DGT Attempts to Stay Balanced Amid Economic Recovery

David Hamzah Damian and Romi Irawan "Indonesia's DGT Attempts to stay Balanced Amid Economic Recovery," *International Tax Review*, September 22, 2020.

In the article published by the *International Tax Review*, the authors engagingly discuss how Indonesia's Directorate General of Taxes (DGT) applies tax enforcement during the Covid-19 pandemic, the policy on monitoring, developments in valuation and audits, tax audits and disputes, middling success rate, transfer pricing compliance enforcement and post-pandemic outlook.



Tax Treaty Arbitration

Ganda Christian Tobing, "Chapter 18: Indonesia," in *Tax Treaty Arbitration*, ed. Michael Lang, et al. (IBFD, 2020).

Tax Treaty Arbitration offers an overview of the effectiveness of tax treaty arbitration and the approach toward recent legislative changes in 36 countries in the world. In the Indonesia Chapter, the author thoroughly outlines the current landscape of tax treaty disputes, dispute resolution under a MAP and several aspects concerning arbitration, including the new framework for arbitration in tax treaty matters, major players, methods and decisions, procedural issues and the future of arbitration in tax matters.

Controlled Foreign Company Legislation

Yusuf Wangko Ngantung and R. Herjuno Wahyu Aji, "Chapter 19: Indonesia," in *Controlled Foreign Company Legislation*, ed. Michael Lang, et al. (IBFD, 2020).

Controlled Foreign Company Legislation reveals the effectiveness of Controlled Foreign Company (CFC) rules and the approach towards recent amendments in the participating countries introducing or changing such rules. In the Indonesia Chapter, two DDTDC professionals provide an extensive description of the characteristics of the Indonesian CFC legislation, the implementation of Articles 7 and 8 of the Anti-Tax Avoidance Directive, special CFC rules, the relevance of CFC legislation to other anti-abuse provisions, tax treaties, constitutional law, ways to improve the current law and the future of CFC legislation.



A Four-Factor Framework for Analyzing the Taxation of Tech Companies With Limited to No Physical Presence

Davira Chairunnisa and Philip Wolf "A Four-Factor Framework for Analyzing the Taxation of Tech Companies With Limited to No Physical Presence," *Tax Notes International* Vol. 99 No. 11, 14 September 2020.

In this article, the authors, Davira Chairunnisa, DDTDC Professional, and Philip Wolf, an associate at Antolin Agarwal LLP in Walnut Creek, California, examine the challenges of how to tax tech companies that have limited or no physical presence in a jurisdiction by comparing approaches used in San Francisco and Indonesia.





Indonesia's Job Creation Law unlocks new opportunities for foreign investors and expatriates

David Hamzah Damian and Denny Vissaro "Indonesia's Job Creation Law unlocks new opportunities for foreign investors and expatriates," *International Tax Review*, May 26, 2021.

The authors envisage how Indonesia's new tax regime renders competitiveness for the economy by establishing new opportunities for both investors and expatriates. With the enactment of Law No. 11 of 2020 as an integral part of the Medium-Term National Development Plan 2020–2024, several major tax laws have been simultaneously restructured to accelerate economic recovery. The law changes, among others, foreign income exemption for expatriates with certain expertise, conditional exemption on foreign income and reduction of withholding tax rates of interest income received by non-resident taxpayers.



Expert Guides: Transfer Pricing June 2021

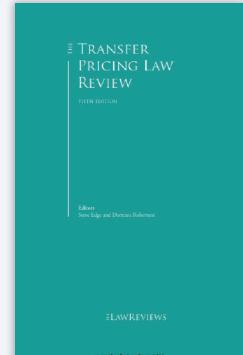
Yusuf Wangko Ngantung "Independent transactions influenced by special relationship" and clarifications of other (new) concepts in the recently introduced revised transfer pricing regulations in Indonesia," in *Expert Guides: Transfer Pricing*, June, 2021.

Expert Guides: Transfer Pricing is a leading international publication in transfer pricing that lists the world's leading Transfer Pricing advisers across 56 jurisdictions. The author reviews Indonesia's latest regulation concerning advance pricing agreements (APA), the Minister of Finance Regulation Number 22/PMK.03/2020, in this publication. Several topics are broadly reviewed, including independent transactions influenced by a special relationship, secondary and corresponding adjustments, market access or market share as a comparability factor and the number of samples required to use interquartile ranges.

The Transfer Pricing Law Review

Romi Irawan and Yusuf Wangko Ngantung, "Chapter 7: Indonesia," in *The Transfer Pricing Law Review*, 5th Edition, ed. Steve Edge and Dominic Robertson (Law Business Research, 2021).

The Transfer Pricing Law Review aims to give readers a high-level overview of the principal transfer pricing rules in multiple jurisdictions. The Indonesia Chapter summarises developments in applicable filing requirements, transfer pricing cases, intangible assets, settlements in transfer pricing disputes, investigations, litigation, secondary adjustment and penalties in Indonesia. This chapter also addresses other taxation issues, including diverted profits tax and other supplementary measures and double taxation.



Indonesia embraces the next stage of tax digitisation: What can be expected?

Darussalam and Danny Septriadi "Indonesia embraces the next stage of tax digitisation: What can be expected?," *International Tax Review*, September 28, 2021.

In the article published by the International Tax Review, a global business-to-business publication focused on news analyses of tax policy and tax advice, the authors straightforwardly elaborate on how the application of technology to the Indonesian tax system may redefine tax business processes and strengthen certain underlying principles of an ideal tax system. The benefits of tax digitisation, including higher tax revenues, lower compliance costs, improved tax administration, a more efficient tax policymaking process and new ways of tax withholding, are also concisely reviewed.

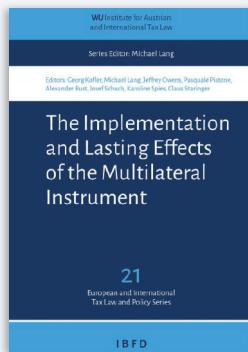
Indonesia embraces the next stage of tax digitisation: What can be expected?

Berawati and Danny Septriadi of DTDC explain how technology may redefine the way tax business processes are conducted in Indonesia. It has helped Indonesia to generate incomes from a lot of different sources and to manage them more effectively. It is also difficult for tax authorities to track goods in a digital form that are transferred across borders. The authors believe that the integrated business activities of Indonesian economy will significantly increase in the future.

As technology also may – and should – be applied to the very core of a tax system itself, there might be bigger opportunities in store.

Not long ago, many perceive digitization as a severe challenge to the tax systems. Indonesia is not an exception. Understanding it, it has helped Indonesia to generate incomes from a lot of different sources and to manage them more effectively. It is also difficult for tax authorities to track goods in a digital form that are transferred across borders. The authors believe that the integrated business activities of Indonesian economy will significantly increase in the future.

As technology also may – and should – be applied to the very core of a tax system itself, there might be bigger opportunities in store.



The Implementation and Lasting Effects of the Multilateral Instrument

Anggi P.I. Tambunan, "Chapter 20: Implementing the Multilateral Instrument in Indonesia," in *The Implementation and Lasting Effects of the Multilateral Instrument*, ed. Georg Kofler, et al. (IBFD, 2021).

The Implementation and Lasting Effects of the Multilateral Instrument offers an overview of the positions and experiences of 34 countries concerning the impact of the Multilateral Instrument (MLI) on their tax treaty network. In this chapter, the authors report the implementation of the MLI in Indonesia, including parties to the MLI and Covered Tax Agreements, hybrid mismatches, treaty abuse, avoidance of the permanent establishment status, dispute resolution, arbitration, corresponding adjustments, options, reservations and constitutional issues.



Death of Libor and impact on TP: Indonesian perspective

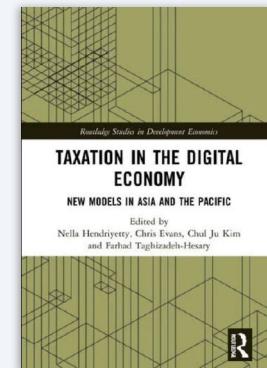
Romi Irawan and Muhammad Putrawal Utama "Death of Libor and impact on TP: Indonesian perspective," in *International Tax Review*, May 12 2022.

Used as a global benchmark interest rate for decades, Libor can no longer be applied in financial agreements after the end of 2021 and is subject to gradual termination. This transition will significantly impact Indonesia's financial market and intra-group financial transactions. Various aspects of the Libor transition from Indonesia's perspective are thoroughly reviewed, including, its implication for transfer pricing, the transition planning, Alternative risk-free rate (ARR), the National Working Group on Benchmark Reform (NWGBR) and the credibility of the benchmark rate in the domestic financial market.

Developing a Cooperative Compliance Model for Large Developing Economies: Justification, Prerequisites, and Administrative Design

Denny Vissaro, "Developing a Cooperative Compliance Model for Large Developing Economies: Justification, Prerequisites, and Administrative Design," in *Taxation in the Digital Economy New Models in Asia and the Pacific*, ed. Nella Hendriyetty, Chris Evans, Chul Ju Kim, Farhad Taghizadeh-Hesary (Routledge, July 2022)

This paper describes how cooperative compliance is crucial for countries characterized by a large economy and population. Participative tax policymaking, compliance risk management (CRM) and efforts to simplify tax administration stand constitute required solid prerequisites. On the one hand, these prerequisites should enable taxpayers to perceive that the tax authority is willing to trust and collaborate with all compliant taxpayers. On the other hand, the tax authority should prevent distrust between taxpayers and tax officers.



Using Tax Control Frameworks to Ensure Certainty in Indonesia

B. Bawono Kristiaji and Denny Vissaro "Using Tax Control Frameworks to Ensure Certainty in Indonesia," in *International Tax Review*, May 24 2022

In *Using Tax Control Frameworks to Ensure Certainty in Indonesia*, B. Bawono Kristiaji, DDTC Partner of Fiscal Research and Advisory, and Denny Vissaro, DDTC Manager of Fiscal Research, explain how tax control frameworks (TCF) are becoming increasingly important among taxpayers due to regulation changes in the Indonesian tax landscape brought about by the Tax Harmonisation Law (UU HPP).



Public Recognition of DDTC's Achievements and Significant Role

"Knowledge, education and research are paramount in providing excellent tax-related services to Indonesia's tax world."

Darussalam, dari Ruko Merambah Dunia

I Gusti Agung Bagus Angga Putra, "Darussalam, dari Ruko Merambah Dunia," *Kompas*, 24 December 2018.

From a very humble beginning on the ground floor of a shophouse to an eight-floor office tower, Menara DDTc, in Kelapa Gading, North Jakarta, DDTc Founders, Darussalam and Danny Septriadi, have proven that hard work, perseverance and motivation indeed pay off. Darussalam left behind his comfort zone of working as a tax officer to start a tax consultancy business in 2007. Despite discouragement and repeated mockery from his peers as well as DDTc's limited finances, he continued to set his focus on international tax, specializing in Transfer Pricing (TP) practice. Over the years, DDTc continues to thrive and is now recognized as one of the most influential local tax institutions in Indonesia and across the globe. With the ever-growing number of clients and staff, Darussalam feels compelled to develop the capacity of DDTc human resources as he is of the strong opinion that knowledge, education and research are paramount in providing excellent tax-related services to Indonesia's tax world.

© 2022 Tax Analysts. All rights reserved. Tax Analysts does not claim copyright in any public domain or third party content.

CONVERSATIONS

tax notes international™

Building an Award-Winning Transfer Pricing Firm From Scratch

by Philip Wolf

Philip Wolf

Philip Wolf (@PhilipWolf@Twitter; profsites.law.com/~pwolf@law.nyu.edu) is a tax and corporate associate at Belcher, Smolen & Van Lier, LLP, in San Francisco. He is pursuing an LLM in taxation at New York University School of Law and is a member of the California State Bar

and the U.S. Tax Court Bar. He wishes to thank Davina B. Chaitramissa for facilitating this interview.

In this article, Wolf interviews Danny Septriadi and Darussalam, the founders of the Danny Darussalam Tax Center, one of Indonesia's leading transfer pricing firms.

We've all heard stories of scrappy entrepreneurs in jeans who start companies in their garage that eventually redefine an industry. The same phenomenon is happening in transfer pricing. Two of Indonesia's top transfer pricing tax practitioners — Darussalam (who like many Indonesians goes only by his name) and Danny Septriadi — are proof.

These entrepreneurs left comfortable tax jobs, sold most of their possessions, and took a great risk to disrupt the transfer pricing practice in Indonesia — and they succeeded. From a three-person company established in the bottom of a shophouse in 2007, these tax practitioners have built Indonesia's leading tax firm with global standards: the Danny Darussalam Tax Center (DDTC).

They now have almost 200 employees, including over 100 tax practitioners, and work out of two high-rise office buildings. In 2021 they

received Indonesia's Transfer Pricing Firm of the Year Award.¹ Their success stems from their love of scholarship and their burning desire to make tax more understandable and accessible.

I asked them how they built their tax firm and what they think the future of transfer pricing might be.

Building DDTC

Philip Wolf: How did you both become interested in tax and in transfer pricing?

Danny Septriadi: I studied tax in Indonesia, where Darussalam was my professor. Darussalam and I spent a great deal of time discussing our dreams of making the Indonesian tax system work more efficiently and taking transfer pricing mainstream here. After all, tax revenue is 70 to 80 percent of the Indonesian budget, and Indonesia is becoming one of the fastest-growing world economies! I worked for one of the Big Four and then at multinational companies in Indonesia, which gave me great tax experience and an appreciation of the technical side of transfer pricing. Meanwhile, Darussalam had ideas from his experience as a tax auditor at the Indonesian Ministry of Finance, Directorate General of Taxes. We soon realized that if we wanted to be the best transfer pricing firm in Indonesia, we had to learn from the best, so we studied European and comparative tax law in the EU. Darussalam and I sold our houses and cars, and we used the proceeds to afford our studies.

Wolf: How did your interest in tax and transfer pricing lead you both to start DDTC?

¹James Wilson, "TIR Asia-Pacific Tax Awards 2021: The Winners," *International Tax Review*, Aug. 26, 2021.

TAX NOTES INTERNATIONAL, VOLUME 105, FEBRUARY 21, 2022

913

For more Tax Notes® International content, please visit www.taxonnotes.com.

"DDTC is currently building digital tax products and automating reporting to provide clients with excellent services in line with one of DDTC's core goals of eliminating tax information asymmetry in tax society."



"Indonesia's largest and most comprehensive tax library."



One of Indonesia's largest and most comprehensive tax libraries, DDTC Library is the one-stop destination for top-notch taxation references in the form of domestic and international publication by DDTC professionals spanning from 2005 to date as well as a collection of more than 3,700 tax-related books, journals, and other academic resources from reputable publishers around the world. DDTC Library enables tax society to stay current with the dynamics of the tax landscape.

Menara DDT^C

Jl. Boulevard Barat Raya Blok XC 5-6 No. B
Kelapa Gading Barat, Kelapa Gading
Jakarta Utara 14240 - Indonesia
Phone: +6221 2938 2700
Fax: +6221 2938 2699

DDTC Surabaya

AMG Tower Lantai 17 Unit T.07-08-09
Jl. Dukuh Menanggal 1A, Gayungan, Surabaya
Jawa Timur 60234 - Indonesia
Phone: +6231 8252 0000
Fax: +6231 8252 0999

ddtc.co.id