

Overview International Tax Issues after Covid 19

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EO	IDGH	EJ+EO	LSM/VK	EJ+EO	EJ+EO	IDGH	EJ+EO	EJ+EO	IDGH	EJ+EO
560	0.650	86.560	▲ 24.7050	▲ 86.560	86.560	0.650	86.560	▲ 86.560	0.650	86.560
7.030	807.5	57.030	▲ 47.0540	▲ 57.030	57.030	807.5	57.030	▲ 57.030	807.5	57.030
7540	0.607	5.7540	▲ 6760.70	▲ 5.7540	5.7540	0.607	5.7540	▲ 5.7540	0.607	5.7540
	0.650	86.560	▲ 24.7050		86.560	0.650	86.560			



**bangun negeri
 dengan
 pajak**

TAX

Institute Perbanas
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G20 /OECD Issues Pasca Pandemic

Presidensi G20 Indonesia 2022 dan OECD membahas *tax package* yang terdiri dari 6 agenda :

1. Kebijakan perpajakan
2. Insentif pajak
3. Kebijakan pajak paska pandemi
4. Pajak dan lingkungan
5. Perpajakan Berbasis Gender atau Gender Based Taxation (GBT)
6. Perpajakan Internasional

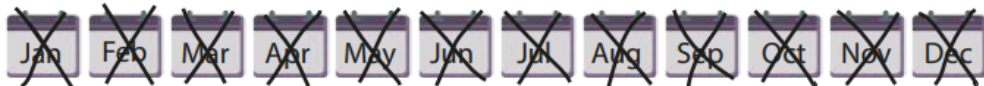
Pembahasan utama terkait dengan **Isu Inclusive Framework (Pilar Satu dan Pilar Dua)**, Pajak Karbon terkait isu lingkungan, dan *cryptocurrency, cybersecurity dan cyberfraud* yang berdampak terhadap perpajakan.

Background

International Tax Issues

Over the next 10 years, countries will lose **\$4.8 trillion to tax havens**

That's equivalent to losing a year of worldwide spending on public health over the next 10 years



\$480 billion is lost to tax havens a year



Of the **\$480 billion** lost a year...

\$311 billion is lost to cross-border corporate tax abuse by multinational corporations

\$169 billion is lost to offshore tax evasion by wealthy individuals

Higher income countries lose more tax but their tax losses represent a smaller share of the money they have to spend



\$433 billion lost
9% of public health budgets

Lower income countries lose less tax but their losses represent a far larger share of the money they have to spend



\$47 billion lost
49% of public health budgets

Continuing from previous page...

Country	Shifted profits inward (USD million)	Shifted profits outward (USD million)	Annual tax loss: Corporate tax abuse (USD million)	Annual tax loss: Corporate tax abuse (% of GDP)	Tax loss inflicted on others: Corporate tax abuse (USD million)	Share of global tax loss inflicted: Corporate tax abuse
Cambodia	247	1,215	243.0	1.0%	67.2	0.0%
China ¹⁴	-	6,459	1,614.8	0.0%	-	-
Georgia	195	107	16.1	0.1%	53.1	0.0%
Hong Kong	55,782	1,382	228.0	0.1%	15,186.0	4.9%
India	-	65,238	31,520.4	1.2%	-	-
Indonesia	2,211	10,946	2,736.5	0.3%	601.9	0.2%
Iran	847	70	17.5	0.0%	230.6	0.1%
Iraq	2,249	325	48.8	0.0%	612.3	0.2%
Israel	-	1,582	363.9	0.1%	-	-
Japan	-	11,390	3,387.4	0.1%	-	-

Caribbean and American islands	171,640	11,684	472.2	0.2%	46,727.1	15.0%
Anguilla	223	-	-	-	60.7	0.0%
Antigua and Barbuda	23	-	-	-	6.3	0.0%
Aruba	151	4	1.0	0.0%	41.1	0.0%
Bahamas	2,639	351	0.0	0.0%	718.4	0.2%
Barbados	10,482	248	62.0	1.2%	2,853.6	0.9%
Belize	-	-	-	-	-	-
Bermuda	71,487	101	0.0	0.0%	19,461.5	6.2%
British Virgin Islands	21,367	1,408	0.0	0.0%	5,816.9	1.9%
Cayman Islands	38,389	7,948	0.0	0.0%	10,451.0	3.4%
Curaçao	684	17	3.7	0.1%	186.2	0.1%
Dominica	-	4	1.0	0.2%	-	-
French Guiana	32	-	-	-	8.7	0.0%
Grenada	-	2	0.6	0.1%	-	-
Guadeloupe	-	37	-	-	-	-

Dikutip dari State of Tax Justice, 2023

Existing Solution

15 Actions OECD/G20 BEPS 1.0

- 1 **The Digital Economy (Addressing the tax challenges of the digital economy)**
- 2 Hybrid Mismatch Arrangements (Neutralizing the effects of hybrid mismatch arrangements)
- 3 Controlled Foreign Companies (Reinforcing controlled foreign company rules)
- 4 Interest Deductions (Limiting base erosion involving interest deductions and other financial payments)
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- 6 Preventing Treaty Abuse (Preventing the granting of treaty benefits in inappropriate circumstances)
- 7 Permanent Establishments (Preventing the artificial avoidance of permanent establishment status)
- 8 Transfer Pricing Documentation (Aligning transfer pricing documentation requirements with transparency)
- 9 Risk and Capital (Assure that transfer pricing outcomes are in line with value creation)
- 10 Other High-Risk Transactions (Assure that transfer pricing outcomes are in line with value creation for other high-risk transactions)
- 11 Establishing Methodologies for Price Setting (Measuring and monitoring BEPS)
- 12 Disclosure of Aggressive Tax Planning (Mandatory disclosure rules)
- 13 Transfer Pricing Documentation (Guidance on the implementation of country-by-country reporting)
- 14 Dispute Resolution (Making dispute resolution mechanisms more effective)
- 15 Multilateral Instrument (Developing a multilateral instrument to modify bilateral tax treaties)

Next Solution

- Action 1 has not yet answered the challenges of taxation in the digital economy
- Other BEPS issues

BEPS 2.0

PILAR ONE

Problem :

1. According to the existing regulations, multinational enterprises frequently avoid paying taxes in numerous markets where their user base and customers are located
2. Many developing countries face challenges when it comes to implementing transfer pricing regulations for fundamental distribution operations

Solution :

1. **Amount A** : will provide the capability for countries to tax the largest and most profitable multinational corporations based on the income they generate within the borders of that particular country
2. **Amount B** : will simplify transfer-pricing rules taking into account the needs of low-capacity countries.

PILAR TWO

Problem :

1. MNEs have the ability to transfer profits to jurisdictions with lower tax rates, affecting the tax revenues of all jurisdictions, particularly those of developing countries, to a greater extent. *Because of the tax rate competition*
2. Frequently, developing nations have consented to lower tax rates in their tax treaties for specific payments that can erode their tax base, these payments are subject to taxation in the payee's country.

Solution :

1. **GLOBE Rules**: will ensure that MNEs pay a minimum 15% tax
2. **STTR** : developing countries have the right to tax those payments if they are not taxed in the payee's country

PILAR 1

Amount A

MNEs omzet konsolidasi >EUR 20 billion & laba di atas 10% (profit before tax/turnover). Setelah 7 tahun, Batasan diturunkan menjadi EUR 10 billion.

Pengecualian: industri ekstraktif dan regulated financial services

Amount B

Simplify TP Rules

PILAR 2

MNEs omzet konsolidasi >750 juta euro
Pengecualian: **Government entities, international organisations, non-profit organisations, pension funds or investment funds, ditambah dengan International Shipping income**

Globe Rules

Subject To Tax Rules

Negara sumber mengenakan pajak atas pembayaran bunga, royalti, sewa, jasa, biaya tertentu lainnya yang tidak dikenakan pajak atau dikenakan tarif pajak kurang dari 9% di negara domisili. Tax = 9%- ETR negara domisili

Berdampak pengaturan kembali P3B

Qualified Domestic Minimum Top-up Tax (QDMTT)

Negara Sumber berhak memajaki top up tax atas domestic excess profit dimana ETR di negara tsb <15%

Income Inclusion Rule (IIR)

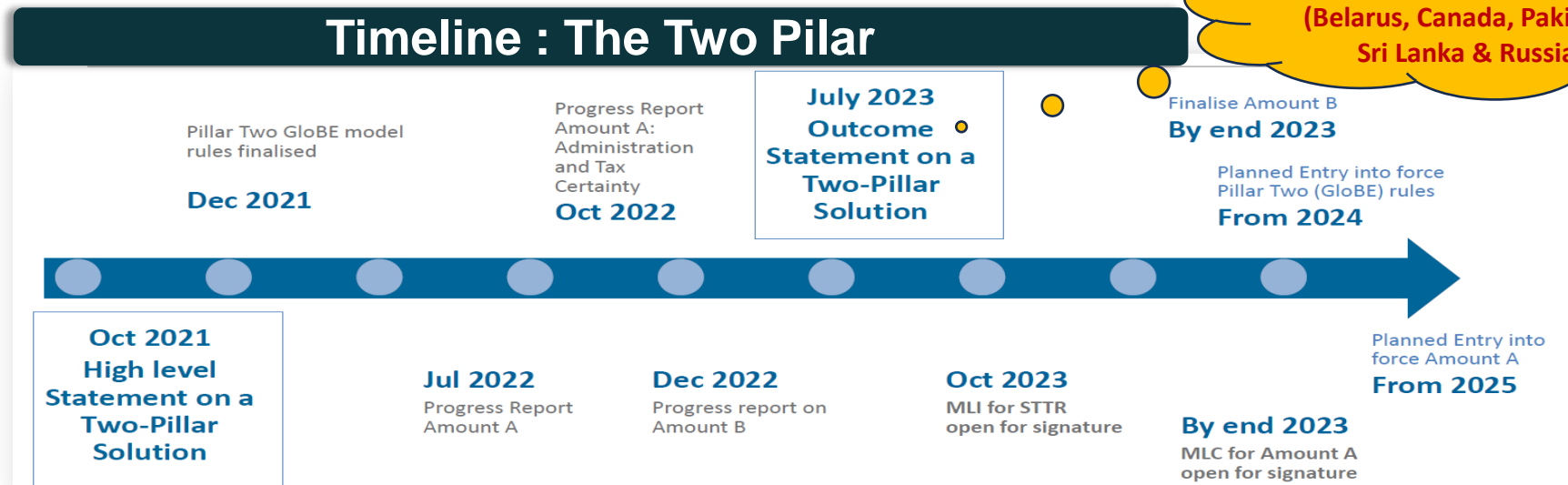
Parent MNEs membayar top-up tax atas anak usahanya yang dikenakan ETR < 15%

Under Taxed Payment Rule (UTPR)

IIR (-) krn ETR Parent <15% atau tidak mengadopsi IIR dalam domestic rule nya, sehingga negara Anak berhak memajaki setara selisih Top up tax atau dengan cara NDE

Implementation

143 IF members,
5 member not yet support
(Belarus, Canada, Pakistan,
Sri Lanka & Russia)



Implication of Pilar Two

Tax Revenue?

1. MNE's (consolidated group revenue over 750M EUR / 868M USD, Approximately 8000 MNEs
2. A global tax collection of over \$220 billion USD
(Kluwer: 2023)



Domestic Rules?



Tax Holiday

PMK 130/2020
PMK 237/2020
PP 12/2023

- ✓ *Industri Pioner mendapat pembebasan pajak*
- ✓ *Diskon 100 % income tax Investment > Rp 500 miliar*
- ✓ *Diskon 50 % income tax Investment > Rp 100 miliar*
- ✓ *5 Thn > Periode tax holiday*
- ✓ *<20 Thn, depend on investment value*
- ✓ *Diskon 100% income tax di KEK*
- ✓ *Diskon 100% & 85% utk Financial center di IKN*

Tax Allowance

PP 78/2019
PMK 11/2020 Jo
PMK 96/2020

- ✓ *30% dari nilai investasi, dibebankan selama 6 thn, @ 5% per thn*
- ✓ *Percepatan Depresiasi & Amortisasi*
- ✓ *Kompensasi Kerugian 5thn menjadi 10 thn*
- ✓ *Investment allowance padatkarya: 60% investasi dibebankan 6 thn, @10%/thn*

Super Deduction

PP 45/2019
PMK 153/2020

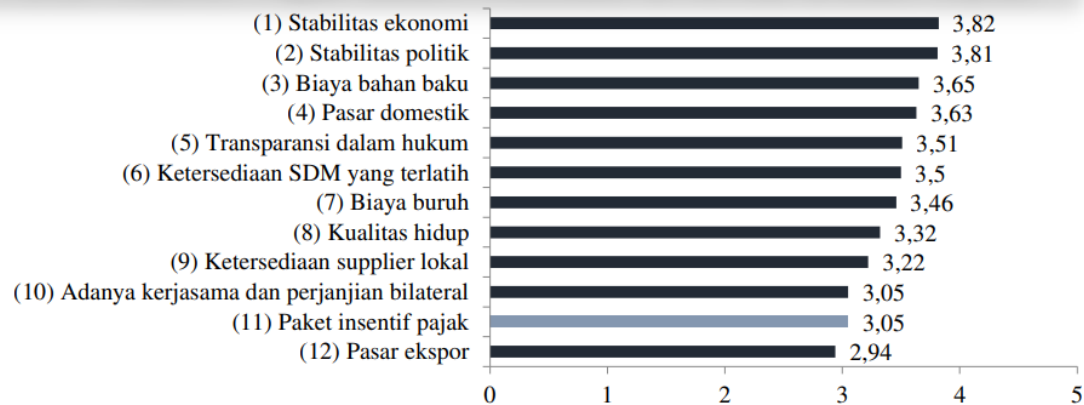
- ✓ *Pengurangan tambahan hingga 300% dari pengeluaran yang dikeluarkan untuk kegiatan*
- ✓ *Litbang tertentu di Indonesia yang akan dibebankan pada tahun berikutnya*



Implication of Pilar Two



Peran Insentif Pajak dalam Investasi di Afrika urutan 11/22



Coment :

- *Insentif pajak bukan lagi menjadi salah satu faktor penarik investor, malah memberikan top up tax ke negara maju*
- *Memperkuat faktor penentu investasi lain*
- *Perlu desain ulang paket insentif pajak*



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