

The use of 16-digit
Taxpayer Identification
Numbers: an update ^{P1}

Newly ratified MLI to
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The use of 16-digit Taxpayer Identification Numbers: an update

In 2022, the Minister of Finance (“MoF”) has issued Regulation No.PMK-112¹ to stipulate the use of the 16-digit Tax Identification Numbers (*Nomor Pokok Wajib Pajak/NPWP*s) for individuals, Corporate, and Government Agencies. The full implementation of this 16-digit NPWPs was initially set at 1 January 2024, but later postponed to 1 July 2024 through the issuance of PMK-136². Please refer to [TaxFlash No.15/2022](#) and [TaxFlash No.13/2023](#) for more details.

Under these MoF regulations, starting from 1 July 2024:

- a) Taxpayer uses the Residential Identity Number (*Nomor Induk Kependudukan/NIK*) and the 16-digit-NPWP as the NPWP in tax administration and other parties’ services;
- b) Branch taxpayer uses the Identity Number for a separate Place of Business Activities (*Nomor Identitas Tempat Kegiatan Usaha/NITKU*) as the identity of a place of business activities that is separate from the place of residence or domicile; and
- c) Other parties that provide administration services that require an NPWP must only use an NIK and 16-digit-NPWP as an NPWP in the service provided.

However, to provide sufficient time for the parties to prepare a full implementation in their administrative system, the Directorate General of Taxes (“DGT”) issued Regulation No.PER-6³ to regulate the gradual implementation of the use of the new identity numbers (i.e. NIK, 16-digit NPWP, and NITKU) in tax administration services starting from 1 July 2024.

Administrative services where the new identity numbers can be utilised starting from 1 July 2024 are as follows:

- a) Taxpayer registration (e-Registration);
- b) Taxpayer profile accounts on the DGT Online;
- c) Information on taxpayer status confirmation (*Konfirmasi Status Wajib Pajak/KSWP*);
- d) Issuance of withholding tax slips and reporting of Article 21/26 Monthly Income Tax Return (e-Bupot 21/26);
- e) Issuance of withholding tax slips and reporting of Unification Monthly Income Tax Return (e-Bupot Unification);

¹ MoF Regulation No.112/PMK.03/2022 (PMK-112) dated and effective from 8 July 2022

² MoF Regulation No.136 Year 2023 (PMK-136) dated and effective from 12 December 2023

³ DGT Regulation No.PER-6/PJ/2024 (PER-6) dated 28 June 2024 and effective from 1 July 2024

- f) Issuance of withholding tax slips and reporting of Article 21/26 and Unification Monthly Income Tax Return of government agencies (e-Bupot Government Agencies); and
- g) Submission of objections (e-Objection).

If the administration systems of the Other Parties are not ready to use the 16-digit NPWP, they use the 15-digit NPWP up to 31 December 2024.

Administrative services other than the above services are still using the 15-digit NPWP.

The issuance of taxation decisions, decrees, forms, and documents will be gradually adjusted by stating both the 15-digit NPWP and the new identity numbers. PER-6 also confirms that these documents which are issued since 1 July 2024 and that have the 15-digit NPWP will have the same legal force as the ones that have the new identity numbers.

The issuance of new NPWPs (either by self-registration or ex-officio) will be as follows:

- a) For resident individual taxpayers – the DGT will activate the NIK as the NPWP and also issue a 15-digit-NPWP;
- b) For non-resident individuals, Corporate and Government Agency taxpayers – the DGT will issue a 15-digit and 16-digit NPWP; and/or
- c) Branch taxpayers will be given a 15-digit-NPWP and NIK/16-digit NPWP (which is the same as the main NPWP) and NITKU.

Newly ratified MLI to implement BEPS

In order to implement tax treaty related measures to prevent Base Erosion and Profit Shifting (“BEPS”), the Multilateral Instrument (“MLI”) is used as an instrument to modify tax treaties simultaneously without going through a one-on-one bilateral negotiation process with partner jurisdictions. The tax treaty will only be modified if both countries include the counterparty’s tax treaty in the Covered Tax Agreements (“CTAs”) and take the same position to adopt the substantive clauses stipulated in the MLI.

Indonesia signed the MLI in 2017 and ratified it in 2019 by issuing PR-77⁴. On 13 June 2024, the President issued PR-63⁵ to ratify Indonesia's updated MLI provisional list of Reservations and Notifications on Tax Treaties, amending PR-77. Please refer to [TaxFlash No.01/2020](#) for more details on PR-77.

The key highlights of PR-63 are as follows.

The newly ratified MLI under PR-63 expands the existing CTAs to include 13 jurisdictions in addition to the previous 47 jurisdictions, for a total of 60 jurisdictions. The addition of the 13 CTAs as proposed by Indonesia was communicated to the Organisation for Economic Co-operation and Development (“OECD”) as a depositary in November 2023.

⁴ Presidential Regulation No.77 Year 2019 (PR-77) dated and effective from 13 November 2019

⁵ Presidential Regulation No.63 Year 2024 (PR-63) dated and effective from 13 June 2024

The additional 13 jurisdictions are as follows:

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|--------------|---|
| 1. Austria; | 8. Papua New Guinea; |
| 2. Belarus; | 9. Singapore – <i>the 2021 treaty</i> ; |
| 3. Germany; | 10. Sri Lanka; |
| 4. Jordan; | 11. Tunisia; |
| 5. Kuwait; | 12. Ukraine; |
| 6. Mongolia; | 13. United Arab Emirates – <i>the 2021 treaty</i> . |
| 7. Morocco; | |

As a consequence of these additions, the notifications under several articles are also updated with these jurisdictions where applicable.

In addition, this newly ratified MLI updates the reservation list and notification related to several articles, i.e. Article 4, 8, 11, and 16.

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