Summary of PMK 15 of 2025 – Tax Examinations

In an effort to ensure greater legal certainty regarding the implementation of tax examinations ("**Examinations**"), particularly in the wake of the enforcement of Regulation of the Government No. 50 of 2022 on Procedures for the Implementation of Taxation Rights and Obligations ("**Regulation 50/2022**"), the Minister of Finance ("**Minister**") has decided to issue Regulation No. 15 of 2025 on Tax Examinations ("**Regulation 15/2025**").Upon entering into force on 14 February 2025, Regulation 15/2025 simultaneously repealed and replaced the following legal frameworks of the Minister:

1. Regulation of the Minister No. 17/PMK.03/2013 on Procedures for Tax Examinations, as amended by Regulation of the Minister No. 184/PMK.03/2015 (collectively referred to as "**Regulation 17/2013**");
2. Regulation of the Minister No. 256/PMK.03/2014 ("**Regulation 256/2014**") on Procedures for Investigative Examinations of Land and Building Tax (*Pajak Bumi dan Bangunan*– "**PBB**"); and
3. Amended provisions on Examinations that featured under Regulation 17/2013, as originally set out under Regulation of the Minister No. 18/PMK.03/2021 on the Implementing Regulation to Law No. 11 of 2020 on Job Creation for the Fields of Income Tax, Value-Added Tax and Luxury Goods Sales Tax, as well as General Taxation Provisions and Procedures ("**Regulation 18/2021**").

In addition to unifying the above-outlined Examination frameworks, Regulation 15/2025 has also revised a wide array of aspects that specifically relate to the implementation of Examinations, including a redefinition of Examination types and new provisions that address preliminary findings (*temuan sementara*) that are based on the results of said Examinations. Nevertheless, it should be noted that any incomplete and ongoing Examinations that specifically relate to PBB and other Non-PBB taxes and that are based on Regulation 256/2014 and Regulation 17/2013 respectively will continue to be settled based on these previous regulatory frameworks.

Given the importance of the above-described Examinations, particularly for taxpayers and taxable entrepreneurs around the country, this edition offers a concise analysis of the various matters that are addressed under the framework of Regulation 15/2025. However, due to the broad nature of the provisions set out therein, our discussion has been limited to the following topics:

1. Redefined Examination Types and Periods;
2. Expanded Examination Criteria; and
3. Discussions of Preliminary Findings.

Redefined Examination Types and Periods

As briefly outlined above, Regulation 15/2025 has now revised the Examination classifications that originally featured under Regulation 17/2013. Consequently, while retaining the definition of Examination deadlines that encompass their implementation periods and end-result reviews, the revised Examination categories have resulted in the introduction of new Examination periods.

The table below compares the applicable Examination classifications and periods, as featured under the frameworks of both Regulation 17/2013 and Regulation 15/2025:

Examination Classification	**Examination Implementation Deadline (Commencing from the Dates upon Which Relevant Taxpayers or Their Proxies Receive Examination Notifications)**	
	Regulation 17/2013	**Regulation 15/2025**
Field (i.e. Examination is carried out at the taxpayer's residence or place of business, the taxpayer's freelance work location and/or other locations, as deemed necessary by the tax examiner)	Six months	-
Office (i.e. Examination is carried out at the Office of the Directorate-General of Taxes ["**Directorate-General**"])	Four months	-
Thorough (i.e. Examination to ensure compliance with tax obligations, **covering all aspects** of the relevant tax return and/or Tax Object Notification Letter [*Surat Pemberitahuan Objek Pajak* – "**SPOP**"] in detail)	-	Five months

Focused (i.e. Examination to ensure tested compliance with tax obligations, **with a detailed focus on one or more items** in the relevant tax return and/or SPOP)	-	Three months
Specific (i.e. Examination to ensure compliance with tax obligations, which is **specifically conducted in a simplified manner in relation to one or more items** in the relevant return and/or SPOP, related data or certain tax obligations)	-	One month

By way of comparison, while Regulation 256/2014 did not outline any specific PBB Examination classifications, the Examination period set under this framework was equivalent to the office Examinations that featured under Regulation 17/2013, i.e. up to four months.

Expanded Examination Criteria

While maintaining the majority of existing taxpayer conditions that may trigger Examinations for compliance assurance purposes, as originally outlined under Regulation 17/2013, the new framework of Regulation 15/2025 has now included several other additional criteria that may trigger said Examinations. These newly included Examination criteria include the following:

1. Other third parties who have failed to comply with obligations relating to the withholding, collection, depositing and/or reporting of taxes;
2. Relevant taxpayers have failed to submit their SPOP having already been issued written reprimands; and
3. Indications emerge of higher amounts of payable PBB, based on analyzed data, statements and/or evidence, in comparison with the calculations and notifications originally provided by taxpayers in their SPOP.

Moreover, Regulation 15/2025 has also now expanded the criteria that may trigger Examinations for other purposes from the 12 criteria that were originally

outlined under Regulation 17/2013 to a new total of 25. These new criteria for non-compliance Examinations include:

1. Registration of PBB objects;
2. Cancellation of PBB object registration certificates;
3. Ensuring compliance of third parties;
4. Physical examinations for endorsements in free-trade zones and free ports; and
5. Settlement of certain matters (e.g. tax collection issues, mutual agreement procedures and/or transfer pricing agreements).

Discussions of Preliminary Findings

Newly featured under Regulation 15/2025, discussions of preliminary findings may now take place between taxpayers and tax examiners based on the results of preliminary Examinations and should subsequently be outlined in reports to provide assurance that said findings are based on strong and relevant evidence. In this regard, discussions of preliminary findings should be carried out in line with Examinations for compliance purposes and should take place at least one month prior to the relevant Examination deadlines.

Regulation 15/2025 grants taxpayers the following four rights during discussions of the above-mentioned preliminary findings:

1. The right to submit relevant books, records, data, information and/or other statements, including electronic data;
2. The right to present the materials outlined in point (1) above;
3. The right to provide the materials outlined in point (1) above, as not obtained by taxpayers but instead borrowed or requested from third parties based on letters of request; and/or
4. The right to present witnesses, experts or third parties through the submission of taxpayer letters appointing said external parties.

Key Takeaways

The regulatory frameworks for Examinations have now been unified under Regulation 15/2025. It is anticipated that this new framework will not only result in greater levels of legal certainty among taxpayers without their having to refer to a number of Examination implementation frameworks but should also streamline the overall processes that are involved in Examinations by reducing the previously mandated Examination periods. The new framework of Regulation 15/2025 has also expanded conditions that may lead to the initiation of Examinations, a Directorate-General initiative that should hopefully ensure compliance within the tax sector.