

CRUCIAL POINTS REGARDING REGULATORY CHANGES ON TAX AUDITS AS STIPULATED IN MoFR NO. 15 OF 2025 ("PMK-15")



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1 Overview

In addition to conducting supervision, one of the duties of the Directorate General of Taxes ("DGT") is to test taxpayers' compliance with tax obligations, where one of the checking processes is carried out through a Tax Audit mechanism. Before the enactment of The Minister of Finance ('MoF) No. 15 Year 2025 issued PMK-15, the guidelines and procedures for tax audits referred to MoF Regulation No.17/PMK.03/2013 ("PMK-17") in jo.

with Article 105 of MoF Regulation No.18/PMK.03/2021 (“PMK-18”).

With the development conditions within the DGT, especially with the implementation of the Core Tax Administration System ("Coretax") starting from January 1, 2025, the tax administration procedures have experienced various significant adjustments, including tax audit procedures.

Several crucial points that taxpayers must understand with the adjustments in tax audit procedures as outlined in [PMK-15 will significantly affect the audit process](#). These regulatory changes must be carefully observed and anticipated by implementing appropriate strategies so that the tax audit process can run efficiently and provide positive results.

In PMK-15, several new terms appear in tax audits, namely: Comprehensive Tax Audit, Focused Tax Audit, and Specific Tax Audit, whereas in previous PMK, tax audits were only divided into Office Tax Audits and Field Tax Audits. In its explanation, a Comprehensive Tax Audit is an audit to check compliance with the fulfillment of tax obligations that covers all items in the Tax Return and/or Tax Object Notification Letter in-depth. In other words, a Comprehensive Tax Audit is what has been known as an All Taxes Audit. Then, a Focused Tax Audit is an audit to test compliance with the fulfillment of tax obligations focused on one or several items in the Tax Return and/or Tax Object Notification Letter in-depth, or in other words, a single tax audit. Furthermore, a Specific Tax Audit is an audit to check compliance with the fulfillment of tax obligations carried out specifically on one or several items in the Tax Return and/or Tax Object Notification Letter, data, or certain tax obligations in a simple manner.



Another interesting aspect of PMK-15 is the addition of Carbon Tax audits as a new type of tax, which is a tax imposed on carbon emissions that have a negative impact on the environment. Carbon Tax has been regulated in Article 13 (CHAPTER VI) of Law Number 7 of 2021 on Tax Regulations Harmonization (Undang-Undang Harmonisasi Peraturan Pajak/“UU HPP”).

Crucial Points

In addition to the Coretax factor as a marker of a new era of tax administration digitalization, the issuance of Supreme Court Circular Letter No. 2 of 2024 (Surat Edaran Mahkamah Agung/“SEMA-2”) also significantly influences the tax audit process.

In this circular letter, the Supreme Court states that:

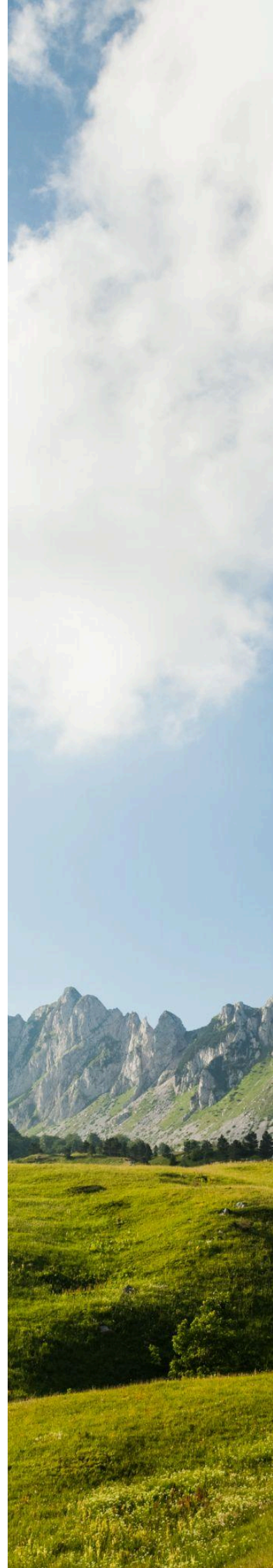
“ **Evidence Requested by the Directorate General of Taxes but Not Provided by the Taxpayer During Tax Audit (Article 26A paragraph (4) of Law Number 28 of 2007 concerning the Third Amendment to Law Number 6 of 1983 concerning General Provisions and Tax Procedures):** Evidence that is in the possession of the taxpayer and has been requested in detail and maximally within a reasonable time by the Directorate General of Taxes but still not submitted during tax audit and/or objection, cannot be considered in dispute resolution at the Tax Court and/or Supreme Court. ”

In line with SEMA-2 above, [Article 12 paragraph \(3\) of PMK-15](#), states: Tax Auditors must prepare an official report on the fulfillment of obligations for the lending or requesting of books, records, and/or documents, including Electronic Data as referred to in paragraph (1) which contains information regarding taxpayers: (a) fully complying; (b) partially complying; or (c) not fully complying.



Article 12 paragraph (4): If books, records, and/or documents, including Electronic Data borrowed or requested in the request letter as referred to in paragraph (1) submitted by the taxpayer after the period as referred to in paragraph (2), considered not provided during the Tax Audit.

In the narrative above, it is clear that the enactment of SEMA-2 and the implementation of the official report on the fulfillment of tax audit data requirements will become one of the variables that significantly affect the percentage of taxpayer victories in the Tax Court process. With this regulatory change, if the taxpayer is late or fails to submit supporting data and/or documents in the Tax Audit and/or objection process, it will likely lose in the Appeal process even if the faced tax dispute is classified as a strong case.



The Tax audit timeframe has also experienced significant changes.

- In PMK-17 jo. PMK-184, the tax audit timeframe is as follows:

Process	Timeframe	Can be extended
Field Tax Audit	Maximum of 6 (six) months from the date the Field Tax Audit Notification Letter is delivered	2 (two) months; or 6 (six) months
Office Tax Audit	Maximum of 4 (four) months from the date the taxpayer comes to comply with the Summons for Tax Audit	2 (two) months
SPHP Response	7 (seven) working days	3 (three) working days
Final Discussion	Maximum of 2 (two) months	-

- In PMK-15, the tax audit timeframe is regulated as follows:

Process	Timeframe	Can be extended
Comprehensive Tax Audit	Maximum of 5 (five) months from the date the Tax Audit Notification Letter is delivered	4 (four) months
Focused Tax Audit		
SPHP Response	5 (five) working days	
Final Discussion	Maximum of 30 (thirty) working days	-
Especially for Specific Tax Audit:		
Specific Tax Audit	Maximum of 10 (ten) working days from the date the Tax Audit Notification Letter is delivered	-
SPHP Response	5 (five) working days	
Final Discussion	10 (ten) working days	



From the comparison table of tax audit timeframes above, there are changes that will significantly impact taxpayers, namely the shorter timeframe. Therefore, taxpayers need to implement appropriate strategies, both in fulfilling data requests and providing information and in preparing written responses contained in the Tax Audit Findings Notification Letter (Surat Pemberitahuan Hasil Pemeriksaan/"SPHP").

On the other hand, PMK-15 also regulates the obligation of Tax Auditors to conduct Temporary Findings Discussions ("Pre-SPHP") in cases where tax audits are conducted to test compliance with tax obligations and do not apply to tax audits for other purposes. This can be interpreted as **fairness** in anticipating the short time needed to prepare written responses, as concluded above. However, technically, the time between the Pre-SPHP discussion and the final tax audit findings ("SPHP") could be very short, as there is no strict regulation regarding the time gap between pre-SPHP and final SPHP.

The changes in tax audit timeframes mentioned above do not apply to taxpayers who are oil and gas cooperation contract contractors with production sharing contracts with cost recovery (Production Sharing Contract Cost Recovery), refunds of tax overpayments as regulated in Article 17B of The General Tax Procedures (Ketentuan Umum Perpajakan/"KUP") Law, Taxpayer Identification Number ("NPWP") deletion, VATable Entrepreneur (Pengusaha Kena Pajak/"PKP") revocation, and other tax audits by the provisions of laws and regulations.

However, it should be understood that for types of taxes other than the Land and Building Tax (Pajak Bumi dan Bangunan/"PBB") initiated before this Ministerial Regulation's enactment and have not been completed, the Tax Audit completion process is carried out based on the provisions regulated in PMK-17 jo. MoF Regulation No.18/PMK.03/2021 concerning the Implementation regulation for Law Number 11 of 2020 on Job Creation in the Fields of Income Tax, Value Added Tax, and Sales Tax on Luxury Goods, as well as General Provisions and Tax Procedures.

3 Important Considerations

With the changes in tax audit procedures outlined in PMK-15, there are several matters that taxpayers should pay attention to, including:

1. Implement appropriate strategies for preparing monthly and annual tax returns as a risk mitigation measure for the testing process by the DGT.
2. Take advantage of opportunities to provide complete and adequate clarification in the Request Letter of Explanation of Data and/or Information (Surat Permintaan Penjelasan Data dan/atau Keterangan) ("SP2DK") process. Taxpayers often do not respond to SP2DK comprehensively, causing **tax exposure** that could have been resolved at the supervision level to be tested at the tax audit level.
3. Implement appropriate strategies in the tax audit process by preparing and submitting data quickly and accurately because SEMA-2 mentions that evidence in the possession of taxpayers that has been requested in detail and maximally within a reasonable time by the Directorate General of Taxes but still not submitted during tax audit and/or objection cannot be considered in dispute resolution at the Tax Court and/or Supreme Court.
4. The Company's internal departments must constantly gather information on tax regulation updates to ensure compliance with applicable legal requirements.
5. Conduct Tax Diagnostic Reviews on tax years that have not been tax audited so taxpayers have time to make corrections if potential tax risks are found.

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