MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

COPY
REGULATION OF THE MINISTER OF FINANCE
THE REPUBLIC OF INDONESIA
NUMBER 218 / PMK.02 / 2014

ON
REIMBURSEMENT OR VALUE ADDED TAX OR VALUE ADDED TAX AND
SALES TAX ON LUXURY GOODS ON THE ACQUISITION OF TAXABLE
GOODS AND / OR TAXABLE SERVICES TO CONTRACTOR
IN UPSTREAM OIL AND GAS BUSINESS ACTIVITIES

BY THE GRACE OF GOD ALMIGHTY
THE MINISTER OF FINANCE OF THE REPUBLIC OF INDONESIA,

Considering : a. that the provisions on reimbursement of Value
Added Tax and Sales Tax on Luxury Goods on
the acquisition of taxable goods and / or taxable
services used by a business entity or a
permanent establishment in the exploitation of oil
and gas, have been arranged in the Minister of
Finance Regulation No. 64 / PMK.02 / 2005;
b. that in order to give more legal certainty and
alignment with the provisions of Presidential
Regulation No. 9 of 2013 on the Implementation
of Management of Upstream Oil and Gas
Business Activities, it needs to rearrange the
provisions concerning reimbursement of Value
Added Tax and Sales Tax on Luxury Goods on
the acquisition of taxable goods and / or taxable
services used by a business entity or a
permanent establishment in the exploitation of oil
and gas;
c. that under the provisions of Article 8 letter a of
Law Number 17 of 2003 on Public Finance, the
Minister of Finance in the implementation of
power over fiscal management has the task to
formulate fiscal policy and macroeconomic
framework;
d. that is based on the cooperation contract signed
before the enactment of Government Regulation
No. 79 of 2010, it is stipulated that the contractor
has deposited part of his income to the state, to
taxes other than income tax to be paid directly by the Contractor (VAT or Value Added Tax and Sales Tax on Luxury Goods), and of Value Added Tax or Value Added Tax and Sales Tax on Luxury Goods that has been paid by the Contractor may be reimbursed to the Contractor;
e. that based on the considerations set forth in letters a, b, c, and d, it is necessary to stipulate the Minister of Finance Regulation on Reimbursement of VAT or Value Added Tax and Sales Tax on Luxury Goods on the Acquisition of Taxable Goods and / or Taxable Services to Contractor in the Upstream Oil and Gas Business Activities;

Given  :  1. Law No. 8 of 1983 on Value Added Tax on Goods and Services and Sales Tax on Luxury Goods (State Gazette of the Republic of Indonesia Year 1983 Number 51, Supplement to State Gazette of the Republic of Indonesia Number 3264) as amended by Law Number 42 Year 2009 (State Gazette of the Republic of Indonesia Year 2009 Number 150, Supplement to State Gazette of the Republic of Indonesia Number 5069);

2. Law Number 22 Year 2001 on Oil and Gas (State Gazette of the Republic of Indonesia Year 2001 Number 136, Supplement to State Gazette of the Republic of Indonesia Number 4152);

3. Law No. 17 of 2003 on Public Finance (State Gazette of the Republic of Indonesia Year 2003 Number 47, Supplement to State Gazette of the Republic of Indonesia Number 4286);

4. Law No. 1 of 2004 on State Treasury (State Gazette of the Republic of Indonesia Year 2004 Number 5, Supplement to State Gazette of the Republic of Indonesia Number 4355);

5. Government Regulation No. 35 of 2004 in Upstream Oil and Gas Business Activities (State Gazette of the Republic of Indonesia Year 2004 No. 123, Supplement to State Gazette of the Republic of Indonesia Number 4435), as amended by Government Regulation Number 55 Year 2009 (State Gazette of the Republic of Indonesia Year 2009 Number 128, Supplement to State Gazette
of the Republic of Indonesia Number 5047);

6. Government Regulation Number 79 Year 2010 on Operating Costs which may be subject to and Treatment of Income Tax in Upstream Oil and Gas Business Sector (State Gazette of the Republic of Indonesia Year 2010 No. 139, Supplement to State Gazette of the Republic of Indonesia Number 5173);

7. Presidential Regulation Number 24 Year 2010 on Position, Duties and Functions of the State Ministry and Organizational Structure, Duties and Functions of Echelon I of State Ministry;

8. Presidential Regulation No. 95 Year 2012 on the Transfer of Duties and Functions of Upstream Oil and Gas Business Activities (State Gazette of the Republic of Indonesia Year 2012 Number 226);

9. Presidential Decree No. 9 of 2013 on the Implementation of Management of Upstream Oil and Gas Business Activities (State Gazette of the Republic of Indonesia Year 2013 Number 24);

10. The Minister of Finance Regulation No. 113 / PMK.02 / 2009 on Account of Oil and Gas (State Gazette of the Republic of Indonesia Year 2009 Number 151) as last amended by the Minister of Finance Regulation No. 138 / PMK.02 / 2013 (State Gazette of the Republic of Indonesia Year 2013 No. 1230);

11. The Minister of Finance Regulation No. 73 / PMK.03 / 2010 on the appointment of Cooperation Contract Contractor on the Exploitation of Oil and Gas and the Contractor or Authorization Holder / Permit Holder of Geothermal Resources Exploitation for Collecting, Deposit, and Reporting VAT or Sales Tax on Luxury Goods, and Procedures for its Collecting, Depositing, and Reporting (State Gazette of the Republic of Indonesia Year 2010 No. 156);

12. The Minister of Finance Regulation No. 32 / PMK.05 / 2014 on the Electronic System of Government Receipt (State Gazette of the Republic of Indonesia Year 2014 Number 200);

HAS DECIDED:
Article 1

In this Ministerial Regulation, what is meant by:

1. Special Task Force for Upstream Oil and Gas Business Activities, hereinafter referred to as SKK Migas, is the unit formed according to Presidential Decree No. 9 of 2013 on the Implementation of Management of Upstream Oil and Gas Business Activities.

2. Cooperation Contract is a Production Sharing Contract or any other form of Cooperation Contract in the exploration and exploitation activities that are more favorable to the state of the Republic of Indonesia and the results are used for the greatest prosperity of the people.

3. The Contractor is a Business Entity or Permanent Establishment assigned to exploration and exploitation in a working area under the Cooperation Contract in accordance with the provisions of the legislation.

4. Working Area is a particular area within the Indonesian mining law for the implementation of exploration and exploitation.

5. Government Portion is the production part received by the Government of the results of upstream oil and gas business activities under the Cooperation Contract.

6. First Tranche Petroleum hereinafter abbreviated as FTP is a certain amount of crude oil and / or gas produced from a such working area within a calendar year, which can be taken and accepted by SKK Migas and / or Contractor in each calendar year, before deducting of own use.

7. Value Added Tax, or Value Added Tax and Sales Tax on Luxury Goods, hereinafter referred to as PPN or PPN and PPnBM, is a tax imposed under Law No. 8 of 1983 on Value Added Tax on Goods and Services and Sales Tax on Luxury Goods as amended by law No. 42 of 2009.

8. Reimbursement of PPN or PPN and PPnBM is the refund of PPN or PPN and PPnBM on the acquisition of taxable goods and / or taxable services to the Contractor over the PPN or PPN and
PPnBM that has been paid into the state treasury in accordance with the cooperation contract signed before the enactment of Government Regulation No. 79 Year 2010 and the provisions of the legislation.

9. Finance Department Account k / Oil Results of Production Sharing Contract Number 600.000411980 at Bank Indonesia hereinafter referred to as Oil and Gas Account is in USD currency account to accommodate the entire reception, and pay related expenses of upstream oil and gas business activities.

10. Over Lifting Contractor is the excess retrieval of oil and gas by the Contractor in comparison with their rights set forth in the Cooperation Contract in certain periods.

11. Government Receipt Number Transaction hereinafter abbreviated as NTPN is payment / deposit proof number into the state treasury indicated on the receipt of government receipt issued by the settlement system.

12. Transaction Bank Number, hereinafter called NTB is the deposit transaction proof number of government receipt issued by the bank as the collecting agent.

13. Post Transaction Number ZIP hereinafter called as NTP is the deposit transaction proof number of government receipt issued by the post office as the collecting agent.

14. Receipt of Government Receipt, hereinafter referred to as BPN is a document issued by a collecting agent of government receipt transaction by NTPN and NTB / NTP impression as other administrative means whose position is equated with the payment slip.

Article 2

(1) The contractor that operates the Working Area has the right to obtain Reimbursement of PPN or PPN and PPnBM on the acquisition of taxable goods and / or taxable services.

(2) Reimbursement of PPN or PPN and PPnBM as referred to in paragraph (1) may be performed after
the Government Portion is received in the state treasury account.

(3) Reimbursement of PPN or PPN and PPNBM as referred to in paragraph (1) shall be a maximum of Government Portion, not including FTP which has been accepted by the Government.

Article 3

(1) The Contractor may submit a request for Reimbursement of PPN or PPN and PPNBM on Oil and Gas to Migas SKK on the amount of of PPN or PPN and PPNBM that has been paid into the state treasury through the collecting agent.

(2) PPN or PPN and PPNBM as referred to in paragraph (1) are non-refundable for expenditures of:
   a. PPN or PPN and PPNBM which are exempt in accordance with the laws and regulations on the import and / or delivery of taxable goods and / or taxable services;
   b. PPN or PPN and PPNBM on payable refinery operating costs of Liquefied Natural Gas (LNG) as a further gas processing activity up to the sales;
   c. PPN or PPN and PPNBM on the procurement of goods and / or services that cannot be charged to operating expenses in accordance with the legislation.

(3) The request for Reimbursement of PPN or PPN and PPNBM as referred to in paragraph (1), in the case of PPN or PPN and PPNBM is levied by the Contractor shall at least be equipped with the following documents:
   a. original or copy of the Tax Payment Slip that has been obtained NTPN, NTB / NTP, or a copy of the Tax Payment Slip stamped and signed by the collecting agent for the electronic Tax Payment Slip; and
   b. Confirmation letter of government receipt issued by the of local State Treasury Office in case that the Contractor depositing PPN or PPN and PPNBM not using the billing system; and
   c. The original of fiscal certificate.
(4) The request for Reimbursement of PPN or PPN and PPnBM as referred to in paragraph (1), in the event that the levied of PPN or PPN and PPnBM is not performed by the contractor, it is at least equipped with original documents of Tax Invoice and / or certain documents that its position is equated with a Tax Invoice, has been stamped "paid-date ..." and validated by the Contractor, as well as the original fiscal certificate.

(5) The fiscal certificate as referred to in paragraph (3) letter c and paragraph (4) letter a, is issued by the Director General of Taxes which contains information regarding the fulfillment of tax obligations of Taxpayer / Contractor for the tax period and a particular tax year.

(6) To the request of Reimbursement of PPN or PPN and PPnBM as referred to in paragraph (3) and paragraph (4), it will be verified by SKK Migas.

(7) In order to carry out the verification as referred to in paragraph (6), SKK Migas:
   a. conducting research to ensure the remittance of PPN or PPN and PPnBM by the Tax Payment Slip that has been approved by the collecting agent;
   b. requesting confirmation of the Tax Invoice or certain documents reporting whose position equivalent to the Tax Invoice of Directorate General of Taxes cq Tax Service Office of Oil and Gas, Directorate of Taxation Information Technology, and / or the Tax Service Office where the partnership is confirmed as Taxable Entrepreneur;
   c. conducting research to ensure the original fiscal certificate.

(8) The request for confirmation to the Directorate General of Taxes as referred to in paragraph (7) letter b, conducted by SKK Migas in writing, enclosing the confirmation of requested data in hardcopy and softcopy.
Article 4

(1) Based on the letter of confirmation request as referred to in Article 3, paragraph (7) letter b, the Directorate General of Taxes to provide confirmation answers to SKK Migas within a maximum period of 20 (twenty) working days from the date of receipt of letter of confirmation request.

(2) If within the period as referred to in paragraph (1) the answer of Tax Invoice reporting confirmation or certain documents whose position is equivalent to a Tax Invoice has not been received in full by SKK Migas, Reimbursement of PPN or PPN and PPnBM is only processed by the confirmation reply on the Tax Invoice or certain documents whose position is equivalent to the Contractor Tax Invoice from the Directorate General of Taxes.

(3) In the event that confirmation request within the period as referred to in paragraph (1) has not been answered in part or in whole, the Directorate General of Taxes submit a written explanation to SKK Migas at the latest of 5 (five) working days since the period of 20 (twenty) working days as referred to in paragraph (1) has exceeded.

(4) In the implementation of confirmation as referred to in paragraph (1), SKK Migas and Directorate General of Taxes may conduct joint coordination.

(5) The results of joint as coordination referred to in paragraph (4), is made in the minutes.

Article 5

(1) Based on the verification results as referred to in Article 3 and Article 4, the Head of SKK Migas requests for Reimbursement of PPN or PPN and PPnBM in writing to the Director General of Budget.

(2) Request for Reimbursement of PPN or PPN and PPnBM as referred to in paragraph (1) is equipped with the data information at least:
   a. the amount of Reimbursement request of PPN or PPN and PPnBM for each of the Contractor;
   b. name and the account number of beneficiary bank of each Contractor;
c. the amount of Government Portion that have been received for each of Working area; and
d. NTPN list according to Tax Invoice or specific documents whose position is equivalent to the Tax Invoice requested for reimbursement.

Article 6

Further provisions on the procedures for processing requests for Reimbursement of PPN or PPN and PPnBM PPN of the Contractor through the Head of SKK Migas to the Director General of Budget as referred to in Article 3, Article 4 and Article 5 was established by the Head of SKK Migas.

Article 7

(1) Of the request for Reimbursement of PPN or PPN and PPnBM to the Directorate General of Budget as referred to in Article 5 paragraph (1), SKK Migas can take into account the payment concerned to:
   a. Reimbursement of PPN or PPN and PPnBM of the previous period; and / or
   b. Over Lifting Contractor values that have matured.
(2) The exchange rate used in the completion of Reimbursement of PPN or PPN and PPnBM calculated at the rate of matured Over Lifting Contractor is using the appropriate exchange rate of Bank Indonesia Regulation.

Article 8

(1) Of the request for Reimbursement of PPN or PPN and PPnBM as referred to in Article 5, the Directorate General of Budget conducts research on:
   a. the suitability of Reimbursement letter of PPN or PPN and PPnBM as referred to in Article 5 paragraph (1);
   b. completeness of data information as referred to in Article 5 paragraph (2); and
MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

c. The Government Portion that have been received of a working area, i.e. the amount should be more than the amount requests for Reimbursement of PPN or PPN and PPNBM.

(2) In the event that based on the research results of provisions as referred to in paragraph (1) is not fulfilled, the Directorate General of Budget is unable to process further requests for Reimbursement of PPN or PPN and PPNBM.

(3) In the event that the request for Reimbursement of PPN or PPN and PPNBM cannot be processed further as described in paragraph (2), the Directorate General of Budget delivered notices to SKK Migas.

(4) The request for Reimbursement of PPN or PPN and PPNBM that cannot be processed further as described in paragraph (2) and paragraph (3), may be refilled after it has been conducted remedy in accordance with the notice as referred to in paragraph (3) by following the request procedures for Reimbursement of PPN or PPN and PPNBM set forth in this regulation.

(5) In the event that the research results as referred to in paragraph (1) are met, the Directorate General of Budget issued a payment request letter accompanied by a list of NTPN corresponding to Tax Invoice or certain documents whose position is equivalent with a Tax Invoice having requested for repayments to the Directorate General of Treasury.

(6) The application for Reimbursement of PPN or PPN and PPNBM as referred to in paragraph (4) shall be conducted in a period of at least 7 (seven) working days since the fulfillment of the provisions as referred to in paragraph (1).

Article 9

(1) At the request of payment submitted by the Directorate General of Budget as referred to in Article 8 paragraph (5), the Directorate General of Treasury conducts research to the payment request document submitted by the Directorate General of Budget.
(2) Based on the results as referred to in paragraph (1), the Directorate General of Treasury issued a payment request letter with overbooking form to Bank Indonesia, with a copy to the Directorate General of Budget and SKK Migas.

(3) A payment request letter together with overbooking form to Bank Indonesia as referred to in paragraph (2) shall be issued by the Directorate General of Treasury within a maximum period of 6 (six) working days after the receipt of the payment request.

(4) Based on the payment request letter together with overbooking form as referred to in paragraph (2), Bank Indonesia will transfer fund for request of Reimbursement of PPN or PPN and PPnBM from Oil and Gas Account to the account of the relevant Contractor.

(5) Bank Indonesia delivers advice and current account over the Oil and Gas Account for the payment as referred to in paragraph (4) to the Directorate General of Treasury cq Directorate of State Treasury Management.

Article 10

(1) The Directorate General of Treasury c.q. Directorate of State Treasury Management submits a copy of advice and current account on Oil and Gas Account from Bank Indonesia to the Directorate General of Budget cq Directorate of Non Tax Revenue.

(2) The Directorate General of Budget submits a Reimbursement notification letter of PPN or PPN and PPnBM based on the advice and current account on Oil and Gas Account of Bank Indonesia to SKK Migas as referred to in paragraph (1).

(3) SKK Migas submits Reimbursement receipt report of PPN or PPN and PPnBM in a period of 7 (seven) working days after receiving a report from the Contractor to the Directorate General of Budget cq Directorate of Non-Tax Revenues, with a copy to the Directorate General of Treasury cq Directorate of State Treasury Management.
Article 11

(1) In case of an error found on Reimbursement of PPN or PPN and PPnBM that has been returned to the Contractor, to the error is calculated with Reimbursement of PPN or PPN and PPnBM in the subsequent period.

(2) In the event that based on the investigation results of the authorized agency it is found an error on Reimbursement of PPN or PPN and PPnBM that has been returned to the Contractor, to error is corrected in accordance with the legislation.

Article 12

At the time of this Ministerial Regulation comes into force, the Minister of Finance Regulation No. 64 / PMK.02 / 2005 on reimbursement of Value Added Tax and Sales Tax on Luxury Goods on the acquisition of taxable goods and / or taxable services used by a business entity or a permanent establishment in the exploitation of oil and gas, is revoked and declared invalid.

Article 13

This Regulation shall enter into force after 60 (sixty) days from the date of it promulgation.

For public cognizance, this Ministerial Regulation shall be promulgated and published in the State Gazette of the Republic of Indonesia.

Enacted in Jakarta on December 5, 2014
MINISTER OF FINANCE
THE REPUBLIC OF INDONESIA,

Signed

BAMBANG P.S BRODJONEGORO
Promulgated in Jakarta
on December 5, 2014
MINISTER OF JUSTICE AND HUMAN RIGHTS
THE REPUBLIC OF INDONESIA,

Signed

YASONNA H. LAOLY
STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2014 NUMBER 1878