REGULATION OF THE MINISTER OF FINANCE OF THE REPUBLIC OF INDONESIA NUMBER 15/PMK.03/2012

CONCERNING

ADMINISTRATION AND TRANSFER OF LAND AND BUILDING TAX MINING SECTOR FOR MINING OIL, NATURAL GAS, AND GEOTHERMAL

BY THE GRACE OF GOD ALMIGHTY

THE MINISTER OF FINANCE OF THE REPUBLIC OF INDONESIA

Considering:

a. that based on Minister of Finance Decree No. 451/KMK.04/1997 and Minister of Finance Regulation No. 127/PMK.03/2007 as amended by the Minister of Finance Regulation No. 151/PMK.03/2007, has set procedures for the administration on tax object data of Land and Building Tax revenue from mining sector for mining oil, natural gas, and geothermal;

b. that in order to improve the efficiency and effectiveness of the administration and payment of entry tax on land and building of mining sector for mining oil, natural gas, and geothermal, should be set back on the procedure for the administration and transfer payment of entry tax on land and building of the mining sector for mining oil, natural gas, and geothermal;

c. that based on the considerations set forth in paragraphs a and b, it shall be necessary to stipulate Regulation of the Minister of Finance on Administration and transaction transfer of land and building tax of mining sector for mining oil, natural gas, and geothermal;

In View of:

1. Law No. 12 Year 1985 of Tax on Land and Building (State Gazette of the Republic of Indonesia Number 68 Year 1985, Supplement to State Gazette of the Republic of Indonesia Number 3312) as amended by Law No. 12 Year 1994 (State Gazette of The Republic of Indonesia Number 62 Year 1994, State Gazette of the Republic of Indonesia Number 3569);

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

3. Law Number 27 Year 2003 concerning Geothermal (State Gazette of The Republic of Indonesia Number 115 Year 2003, Supplement to State Gazette of the Republic of Indonesia Number 4327);
4. Law Number 33 Year 2004 concerning Balance Finance between Central and Regional Government (State Gazette of the Republic of Indonesia Number 126 Year 2004, Supplement to State Gazette of the Republic of Indonesia Number 4438);
5. Government Regulation Number 55 Year 2005 concerning Balancing Fund (State Gazette of the Republic of Indonesia Number 137 Year 2005, Supplement to State Gazette of the Republic of Indonesia Number 4575);
6. Presidential Decree No. 49 Year 1991 concerning Income Tax Treatment, Value Added Tax and Other Charges and retributions against Authority Implementation and Geothermal Resources Exploitation Permit for Electrical Power Generation;
7. Presidential Decree Number 56/P Year 2010;
9. Minister of Finance Regulation No. 82/PMK.05/2007 concerning Disbursements Procedure on State Revenues and Expenditures Budget Expense by the State Treasury;
10. Regulation of Minister of Finance No. 112/PMK.05/2009 about Partner Selection of Bank Operational I with State Treasury Office;
11. Regulation of Minister of Finance No. 113/PMK.02/2009 concerning Oil and Natural Gas Account;
12. Regulation of Minister of Finance No. 114/PMK.02/2009 concerning Geothermal Account;
13. Regulation of Minister of Finance No. 150/PMK.03/2010 concerning Classification and Determination of Tax Object Sales Value as basis For land and building Taxing.

DECIDES:

To stipulate : REGULATION OF THE MINISTER OF FINANCE ON ADMINISTRATION AND TRANSACTION TRANSFER OF LAND AND BUILDING TAX OF MINING SECTOR FOR
MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

MINING OIL, NATURAL GAS AND GEOTHERMAL.

CHAPTER I
GENERAL PROVISIONS

Definition

Article 1

In this Regulation of the Minister of Finance:

1. State Revenue and Expenditure Budget, hereinafter abbreviated as SREB shall be referred to government’s annual financial plan approved by the House of Representatives.

2. Land and Building Tax, hereinafter abbreviated as LBT shall be referred to in Law No. 12 Year 1985 on Land and Building Tax as amended by Act No. 12 of 1994.

3. Land and Building Tax for Mining Oil and Natural Gas hereinafter abbreviated as LBT OG referred to LBT for the earth and / or buildings that shall be in the work area or the like related to oil and gas mining rights acquired, owned, controlled, and / or utilized by Production Sharing Contract.

4. Land and Building Tax mining for Geothermal Mining hereinafter abbreviated as LBT GM shall be referred to LBT for earth and/or buildings above that shall be in the work area or the like associated mining rights acquired geothermal, owned, controlled, and / or utilized by Geothermal Concession.

5. Tax Object Notification Letter Attachment hereinafter abbreviated as TONLA shall be a form used by the taxpayer or the tax subject to submit detailed data report of Tax Object.

6. Notice of Tax Due hereinafter abbreviated as NOTD shall be a letter that shall be used by the Directorate General of Taxation to inform the amount of LBT payable to taxpayers.

7. Tax Object Sale Value hereinafter abbreviated TOSV shall be the average price obtained from the sale and purchase transactions that occur naturally, and if there shall be no sale and purchase transactions, Tax Object Sale Value shall be determined by comparing the price with other similar objects, or the value of the new acquisition, or the Tax Object Sale Value Replacement.

8. Production Sharing Contract hereinafter abbreviated as PSC shall be a business entity or permanent establishment determined to carry out exploration and
exploitation in the area of work based on cooperation contracts.

9. Geothermal keeper shall be Pertamina or the successor company in accordance with the provisions of laws and regulations, operating contracts with contractors (*joint operation contract*), and the holder of the geothermal resources concession permit.

10. Work Area shall be a specific area in the territory of the Indonesian mining territory for the implementation of exploration and exploitation.

11. Oil shall be the result of natural processes such as hydrocarbon in atmospheric pressure and temperature conditions in the form of liquid or solid phase, including asphalt, mineral wax or ozokerit, and bitumen derived from the mining process, but does not include coal or other hydrocarbons precipitated solid obtained from activities not related to the business activities of oil and natural gas mining.

12. Natural Gas shall be the result of natural processes such as hydrocarbon in atmospheric pressure and temperature conditions in the form of gas phase obtained from the extraction of oil and natural gas, including coal methane gas (*coal bed methane)*.

13. Geothermal shall be source of heat energy that contained in the hot water, steam, and rock along with contained mineral and other gases that shall be genetically all of them cannot be separated in a geothermal system and for its utilization required mining process.

14. Administration of LBT OG and LBT GM shall be a series of activities which include registration of taxable income, taxable income administration, TOSV assessment, calculation, determination and billing to LBT OG and LBT GM.

15. LBT OG and LBT GM Payments shall be an activity to transfer LBT OG and LBT GM revenue from OG and GM accounts to the account of Perception Bank in accordance with the provisions of the legislation.

16. Revenue Sharing Funds, hereinafter abbreviated as RSF referred to funds sourced from SREB allocated to Regions based on a percentage point to fund Local needs within the framework of implementing the Decentralization.
Article 2
Administration and transaction transfer of LBT OG and LBT GM set out in this regulation includes the LBT paid by the government’s share from oil and gas and geothermal mining.

CHAPTER III
TAX OBJECT AND TAX SUBJECT OF LAND AND BUILDING TAX OF OIL, NATURAL GAS AND GEOTHERMAL

Article 3
1. Tax Object of LBT OG shall be the Earth and / or buildings that shall be in the working area or similar mining-related oil and gas rights acquired, owned, controlled, and / or utilized by the PSC.
2. Tax Object of LBT GM shall be the Earth and / or buildings that shall be in the working area or similar mining-related geothermal rights acquired, owned, controlled, and / or utilized by Geothermal Concession.

Article 4
1. Earth as referred to in Article 3 covers the surface of the earth and the body of earth beneath.
2. The surface of the earth as described in paragraph (1) covering an area of land (onshore) and offshore marine area (offshore), which shall be used for the exploration and exploitation of oil and gas mining and geothermal concession.
3. The body of the earth as described in paragraph (1) shall be part of the earth that shall be under the earth’s surface.

Article 5
The building referred to in Article 3 covers construction techniques which planted or attached permanently in the area of land (onshore) or acreage offshore waters (offshore).

Article 6
1. Tax Subject of LBT OG shall be SPC whose actually have a right to the earth, and / or to benefit the earth, and / or own, control, and / or the benefit of the building inside the working area or the like related to Oil and Gas (OG) mining.
2. Tax Subject of LBT GM shall be a Geothermal Concession whose have a real right to the earth, and / or to benefit the earth, and / or own, control, and / or
the benefit of the building inside the working area or the like related to Geothermal (GM) mining.

3. Tax Subject to in paragraph (1) subject to the obligation to pay the LBT OG become LBT OG Taxpayers.

4. Tax Subject referred to in paragraph (2) subject to the obligation to pay the LBT GM become LBT GM Taxpayers.

CHAPTER IV
ADMINISTRATION DATA OF TAX OBJECT OF LAND AND BUILDING TAX OF OIL, NATURAL GAS AND GEOTHERMAL

Article 7

1. Tax Subject or Taxpayer registering the Tax Object or updating data of Tax Object of LBT Oil and Gas and LBT Geothermal by completing the Tax Object Notification, including TONLA clearly, correctly and completely, and enclosing a map of the working area.

2. TONLA referred to in paragraph (1) shall be an integral part of the Notification Letter for Tax Object.

3. Tax Subject or taxpayer must sign a Notification Letter for Tax Object, and in terms of taxes or not subject the taxpayer to sign the Notification Letter for Tax Object, must be attached with a Power of Attorney.

4. Subject taxes or taxpayer should submit the Notification Letter for Tax Object as referred to in paragraph (3) to the Director General of Taxation no later than 30 (thirty) days after the date of receipt of the Notice of tax object and TONLA by tax subject or taxpayers.

5. Further provisions regarding the form and procedures for filling Notification Letter for Tax Object and TONLA referred to in paragraph (1) shall be in accordance with the regulation of Director General of Taxes.

Article 8

1. In the case of tax subject or taxpayer does not submit the Notification Letter for Tax Object and TONLA, or fill out the Notification Letter for Tax Object and TONLA not in accordance with the actual situation causing loss to the state, subject to administrative sanctions in accordance with the provisions of laws and regulations on taxation.

2. Administrative sanctions referred to in paragraph (1) which not included in the government’s share paid by the taxpayer to the Oil, Gas and Geothermal account.
3. Further provisions on the procedure for administrative sanctions referred to in paragraph (1) and paragraph (2) shall be in accordance with Regulation of Director General of Taxes.

Article 9

1. Date of receipt of the Notification Letter for Tax Object and TONLA by tax subject or Taxpayer referred to in Article 7 paragraph (4) shall be:
   a. date received directly, in terms of the Notification Letter for Tax Object and TONLA received directly by the taxpayer or the tax subject, or
   b. postmark date of shipment, in which case Notification Letter for Tax Object and TONLA sent by the Director General of Taxes by mail.

2. In case the date received directly referred to in paragraph (1) letter a or the postmark date of delivery as referred to in paragraph (1) letter b shall be dated prior to January 1 of the tax year, then the date of receipt of the Notification Letter for Tax Object and TONLA by tax subject or taxpayers referred to in Article 7 (4) shall be January 1 of the tax year.

3. Date of submission of the Notification Letter for Tax Object and TONLA to the Director General of Taxes referred to in Article 7 paragraph (4) shall be:
   a. Date received directly, in terms of the Notification Letter for Tax Object and TONLA received directly by the Director General of Taxes, or
   b. Postmark date of delivery, in terms of the Notification Letter for Tax Object and TONLA sent by tax subject or sent by taxpayers by the mail.

Article 10

1. BPMIGAS socialize the procedure for completing and return the Notification Letter for Tax Object and the LBT Oil TONLA to all PSC no later than 2 (two) months prior to the tax year in question.

2. BPMIGAS coordinate the acceleration of returns for Object tax and the LBT Oil TONLA of PSC to the Director General of Taxes.

3. BPMIGAS required inspects the data of Tax Object used as the basis for completing the data of Notification Letter for Tax Object LBT OG and submit the changes of data Tax Object and / or Tax Subject LBT OG to the Director-General Taxation no later than July of prior year taxes.

4. BPMIGAS must submit Annual Tax Return of LBT OG received from the Directorate General of Taxation to the
PSC.

Article 11


3. The Ministry of Energy and Mineral Resources cq. Directorate General of Renewable Energy and Energy Conservation have obligation to examined data of tax objects that shall be used as the basis for filling Notification Letter for Tax Object LBT Geothermal and deliver data changes of Tax Object and / or tax subject to the Director General of Taxation no later than July of prior year taxes.


Article 12

1. Tax Office administrating the Data Object of LBT Oil for acreage land (onshore) and the LBT geothermal based on district / city or area of Jakarta, whose jurisdiction includes the location of Tax Object or tax office designated in the event there shall be more than one Office Taxes in the district / city.

2. Tax Office designated to perform administration of Data Object LBT Oil for acreage offshore waters (offshore) and body earth.

3. Appointment of Tax Office referred to in paragraph (1) And paragraph (2) shall be stipulated by the Decree of Director General of Taxes.

CHAPTER V
IMPOSITION FOR LAND AND BUILDING TAX OF OIL, NATURAL GAS AND GEOTHERMAL.

Article 13

1. Imposition basis for both of the LBT Oil and Gas and Geothermal LBT shall be TOSV.
2. TOSV LBT Oil and Gas and LBT Geothermal to the earth’s surface shall be determined by the average price obtained from the sale and purchase transactions that occur naturally or price comparison with other similar objects.

3. TOSV LBT Oil for body earth referred to in Article 4 paragraph (3) shall be determined via the approach of selling replacement shall be calculated based on the multiplication rate of capitalization, production, Indonesia's crude oil price, and the price of natural gas production.

4. TOSV for LBT Geothermal for the body earth referred to in Article 4 paragraph (3) shall be determined via the approach of selling replacement shall be calculated based on the multiplication rate of capitalization, yield and steam production rates, as well as the results and the price of electricity production.

5. The provisions referred to in paragraph (3) and (4) shall be excluded for determination TOSV LBT Oil and Gas and LBT Geothermal for the body of the earth at the exploration stage.

6. Capitalization rate referred to in paragraph (3) shall be a factor to convert the output into selling Object.

7. The oil production which used as basis for the tax shall be sold petroleum (lifting) in the year prior the current tax year.

8. The natural gas which used as basis for the tax shall be the natural gas sold within one year prior to the current tax year.

9. The production of geothermal energy that shall be used as the tax base shall be a steam and electricity sold within one year before the current tax year.

10. Further provisions on the procedures of the imposition LBT Oil and gas and LBT Geothermal for exploration and exploitation activities shall be in accordance with Regulation of the Director General of Taxation.

Article 14

Minister of Finance may set the price of petroleum, natural gas, steam production rates, the price of electricity production, and the exchange rates used as the basis for determining TOSV LBT Oil and Gas and TOSV LBT Geothermal considering the price scale and value of the exchange rate used in the SREB / SREB changes.
CHAPTER VI
DETERMINATION OF LAND AND BUILDING TAX OF OIL, NATURAL GAS, AND GEOTHERMAL

Article 15
1. Head of Tax Office to determine the tax payable on the LBT Oil and Gas or LBT Geothermal according to Object condition by January 1 based on the Notification Letter for Tax Object referred to in Article 7.
2. Head of Tax Office issued Annual Tax Return by decree referred to in paragraph (1) by the end of April in current tax year.
3. Head of the Tax Office submit a copy and recapitulation of Annual Tax Return publishing to Directorate General of Taxes no later by May in the current tax year.
4. Further provisions on the procedure for determining the amount of tax payable on the LBT Oil and Gas and LBT Geothermal LBT stipulated by the Regulation of Director General of Taxes.

CHAPTER VII
PAYMENTS FOR LAND AND BUILDING TAX FOR OIL, NATURAL GAS, AND GEOTHERMAL

Article 16
1. Director General of Taxation filed a demand for payment of the LBT Oil and Gas and LBT Geothermal to the Director General of the Budget no later than the second week of June.
2. The amount of the payment request for LBT Oil and Gas and LBT Geothermal calculated based on Annual tax Return issued by the Head of Tax Office.
3. Payments referred to in paragraph (2) through transactions transfer of funds from oil, gas and geothermal account to the Receiving Bank account.

Article 17
1. Director General of Taxation filed a demand for payment of the LBT Oil and Gas and LBT Geothermal referred to in Article 16 paragraph (1) to the Director General of the Budget to include the following documents:
a. List of Provisions of LBT Oil per PSC and Marking copies per PSC per district / town to the area of land
(onshore) and copy Annual Tax Year per PSC for acreage offshore waters (offshore) and the body of the earth, and

b. List of LBT Assessment per concession of Geothermal as well as a copy of the Annual Tax Return per Geothermal concession per district / city.

2. Demand payment for LBT Oil and Gas and LBT Geothermal referred to in Article 16, must be paid no later than 6 (six) months from the payment requests and documents such as the LBT Register Assessment of Oil and Gas and LBT Geothermal and complete copies of Annual Tax Return received by the Directorate General of Budget.

Article 18

1. Directorate General of Budget inspecting completeness of payment requests for LBT Oil and Gas and LBT Geothermal based on document referred to in Article 17.

2. Inspection referred to in paragraph (1) includes the inspection of LBT oil and gas per SPC and documents of LBT Geothermal per geothermal concession both already deposited part of the government and not yet depositing the part of the government.

3. LBT Oil and Gas per SPC and the LBT Geothermal per Geothermal concession already depositing part of the government as referred to in subsection (2) shall be used as a deduction factor in order to calculate Revenue Sharing Value Natural for Oil and Gas Resources and Revenue Sharing Value for Natural Geothermal Resources between central and local government.

4. LBT OG per SPC and LBT GM per Geothermal concession that has not been depositing government’s share referred to in paragraph (2) shall be at expense of the central government.

Article 19

1. Based on the results referred to in Article 18 paragraph (1), the Director General of Budget transfer request payment LBT Oil and Gas and LBT Geothermal to the Director General of Treasury, with copies to the Director General of Taxation and the Director General of Fiscal Balance.

2. Director-General of Budget deliver payment transfer requests LBT Oil and Gas and LBT Geothermal referred to in paragraph (1) to the Director General of Treasury at the latest 15 (fifteen) work days after receipt of the payment request the LBT Oil and Gas and Geothermal
LBT from the Director General of Taxes.

3. Requests for the LBT Oil and Gas and LBT Geothermal transfer payments referred to in paragraph (2) can be performed in 4 (four) stages.

4. In event of transfer requests for LBT Oil and Gas and LBT Geothermal payments implemented Gradually, the Director-General of Budget convey the magnitude and timing of payments for each phase to the Director General of Taxes.

5. LBT Oil and LBT Geothermal payments referred to in paragraph (4) paid no later than the second week of December.

Article 20

1. In the case of a payment request for LBT OG per SPC and LBT GM per Geothermal concession referred to in Article 17 paragraph (1) shall be not complete, the Director General of the Budget to restore the LBT List of Assessment and Marking incomplete copy to the Director General of Taxation at least 10 (ten) work days after receipt of payment requests for LBT Oil and Gas and LBT Geothermal.

2. Director general of Taxes completing list of LBT assessment and a copy of the annual tax return which have returned as referred to in paragraph (1) no later than 10 (ten) work days after receipt of the refund documents.

3. Based on the LBT assessment list and a copy of the Annual Tax Return which have completed by Director General of Taxes referred to in paragraph (2), the Director General of the Budget deliver payment transfer request for LBT OG per PSC and LBT Geothermal per Geothermal concession to Director General of Treasury no later than 5 (five) working days after receipt of LBT Assessment List and complete copy of annual tax return from the Director General of Taxation.

Article 21

In the case of a payment request as referred to in Article 16 shall be greater than the ceiling Budget / Budget Amendment fiscal year, settlement payments for LBT Oil and LBT Geothermal conducted in accordance with the payment request in question.

Article 22

1. Based on request of transfer payments from the Director General of the Budget as referred to in Article 18
paragraph (2), the Director General of the Treasury asked the Bank of Indonesia to transfer admission from LBT OG and LBT GM from OG account number 600.000411980 and Geothermal Account number 508.000084980 to appointed Receiving Bank account.

2 Director General of Treasury convey transfer request as referred to in paragraph (1) not later than 4 (four) work days after the Director General of Treasury receives transfer requests for LBT Oil and Gas and LBT Geothermal from the Director General of the Budget.

Article 23

In the event of any changes in the data object the payment of taxes after the LBT Oil and Gas and Geothermal LBT through transaction transfer, changes shall be taken into account in book-entry administration and transfer for the LBT Oil and Gas and LBT Geothermal in the next tax year.

CHAPTER VIII

DECISION FOR UNDERPAID / OVERPAID LAND AND BUILDING TAX FOR OIL, NATURAL GAS, AND GEOTHERMAL

Article 24

1. In the event of any underpayment for LBT Oil and Gas and LBT Geothermal, underpayment may be paid as budgeted in the current year Budget Amendment or the state budget for next fiscal year.

2. In the event of any overpayment for LBT Oil and Gas and LBT Geothermal, overpayment can be taken into account in the payment of the LBT Oil and Gas and LBT Geothermal for next fiscal year.

CHAPTER IX

ALLOCATION AND DISTRIBUTION OF REVENUE SHARING FUNDS LAND AND BUILDING TAX FOR OIL, NATURAL GAS, AND GEOTHERMAL

Article 25

1. The procedure for calculation and determination of the temporary allocation and definitive allocation implemented in accordance with the Regulation of the Minister of Finance on the budget allocation mechanism transfers to the regions.

2. Procedures for distributing revenue sharing fund LBT OG and revenue sharing fund LBT GM carried out in accordance with the Regulation of the Minister of Finance on the implementation and accountability of the
budget transfers to the regions.

CHAPTER X

LAND AND BUILDING TAX FOR OIL, NATURAL GAS, AND GEOTHERMAL USED AS A BASIS CALCULATION FOR REVENUE SHARING FUNDS FOR NATURAL RESOURCES OIL, NATURAL GAS, AND GEOTHERMAL

Article 26

1. Director General of Taxation deliver plans for LBT OG and LBT GM admission to the Director General of the Budget to be used as the basis for the calculation:
   a. ceiling of State Revenue from Oil and Gas and Geothermal Natural Resources will be outlined in the State Budget Draft, and
   b. Non-taxes State Revenue from Natural Resources Oil and Gas and Geothermal to be distributed.

2. Further provisions on the procedure for acceptance of the plan submission LBT OG and LBT used in calculation for Non-Tax State Revenue from Natural Resources and calculation for Revenue Sharing of Natural Resources implemented in accordance to Regulation of Minister Of Finance concerning Regional Fund Transfer Allocation mechanism.

CHAPTER XI

CLOSING PROVISIONS

Article 27

At the time of this regulation applies:

1. Minister of Finance Decree No. 451/KMK.04/1997 concerning Administrating Data of Tax Object of Land and Building Tax for Oil and gas Mining and Geothermal along with payments, and

2. Regulation of Minister of Finance No. 127/PMK.03/2007 concerning procedures for Administrating Admission of Land and Building Tax from Mining Oil and Gas and Geothermal Energy as amended by Regulation of the Minister of Finance No. 151/PMK.03/2007, revoked and declared void.

Article 28

This Regulation of the Minister of Finance shall come into force on the date of its promulgation.

For public cognizance, this Regulation of the Minister of Finance shall be promulgated by placing it in State Gazette of the Republic of Indonesia.
Stipulated in Jakarta on February 1, 2012
MINISTER OF FINANCE

Signed,
AGUS D.W. MARTOWARDOJO

Promulgated in Jakarta on February 1, 2012
MINISTER OF LAW AND HUMAN RIGHTS

Signed
AMIR SYAMSUDIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2012 NUMBER 140