

TAX INVOICE BASED ON UNREAL TRANSACTION

SWITCHING TAX INVOICE FROM THE ORIGINAL BUYERS TO THE UNREAL BUYERS FROM CASH TRANSACTIONS

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**DIRECTORATE GENERAL OF TAXATION
OF REPUBLIC OF INDONESIA**





B CORPORATION

- Produces gray polyester and the dyeing gray fabric
- The raw materials are imported from China
- All sales are made in the local markets
- The production capacity of B Corp is approximately 2,300,000 yards with approximately 400 employees working there with work shifts 3 times a day, 7 days a week

TAX INVESTIGATOR ASSIGNMENT



"suspicious transactions on
the issuance of tax invoices
from counterparties to
business transactions"

VAT TAX RETURN MECHANISM

OUTPUT VAT

The value added tax charged by VAT Register on sales of goods and services both to other businesses and to ordinary consumers

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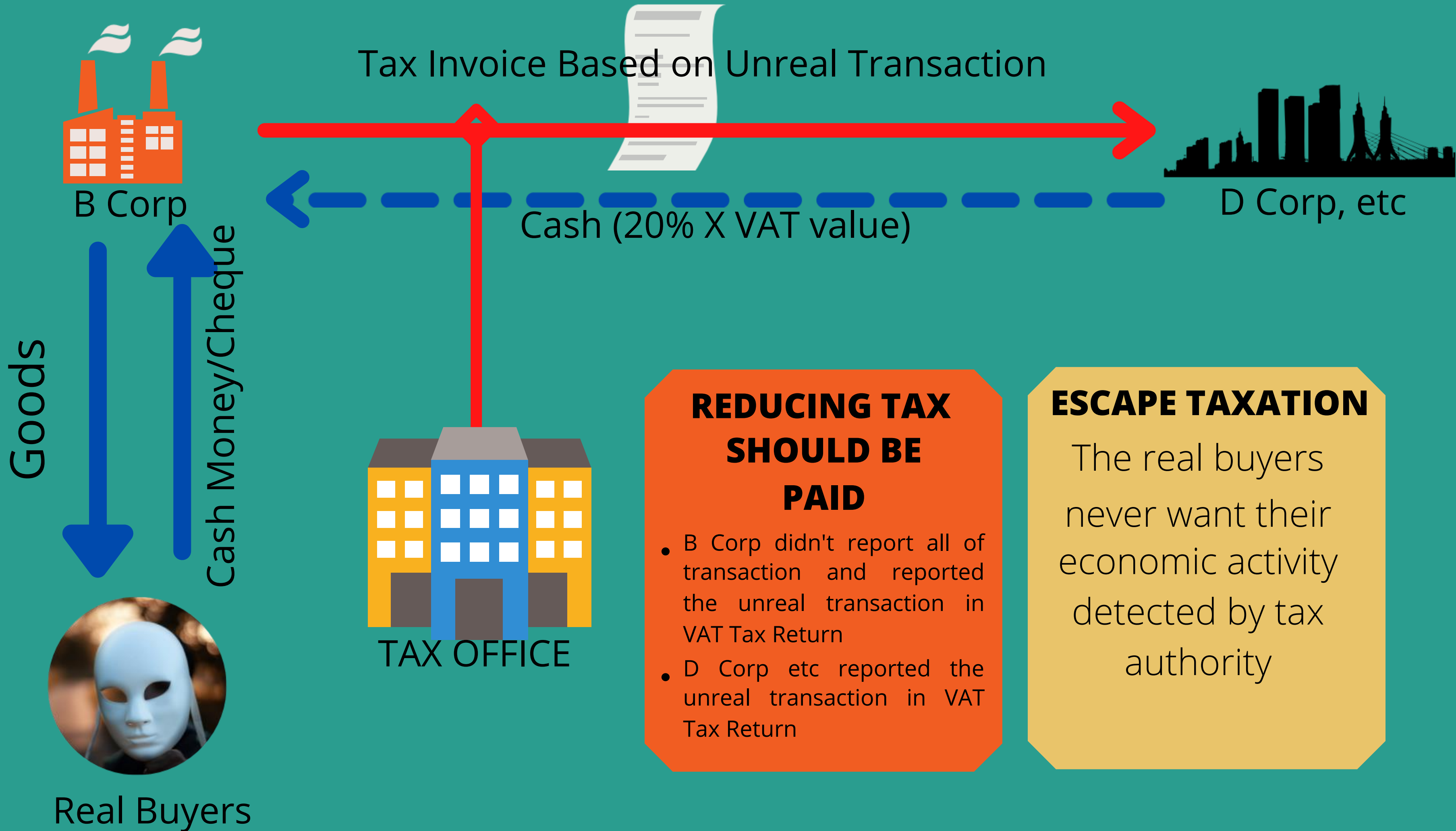
INPUT VAT

VAT which is included in the price when VAT Register purchase vatatable goods or services for their business

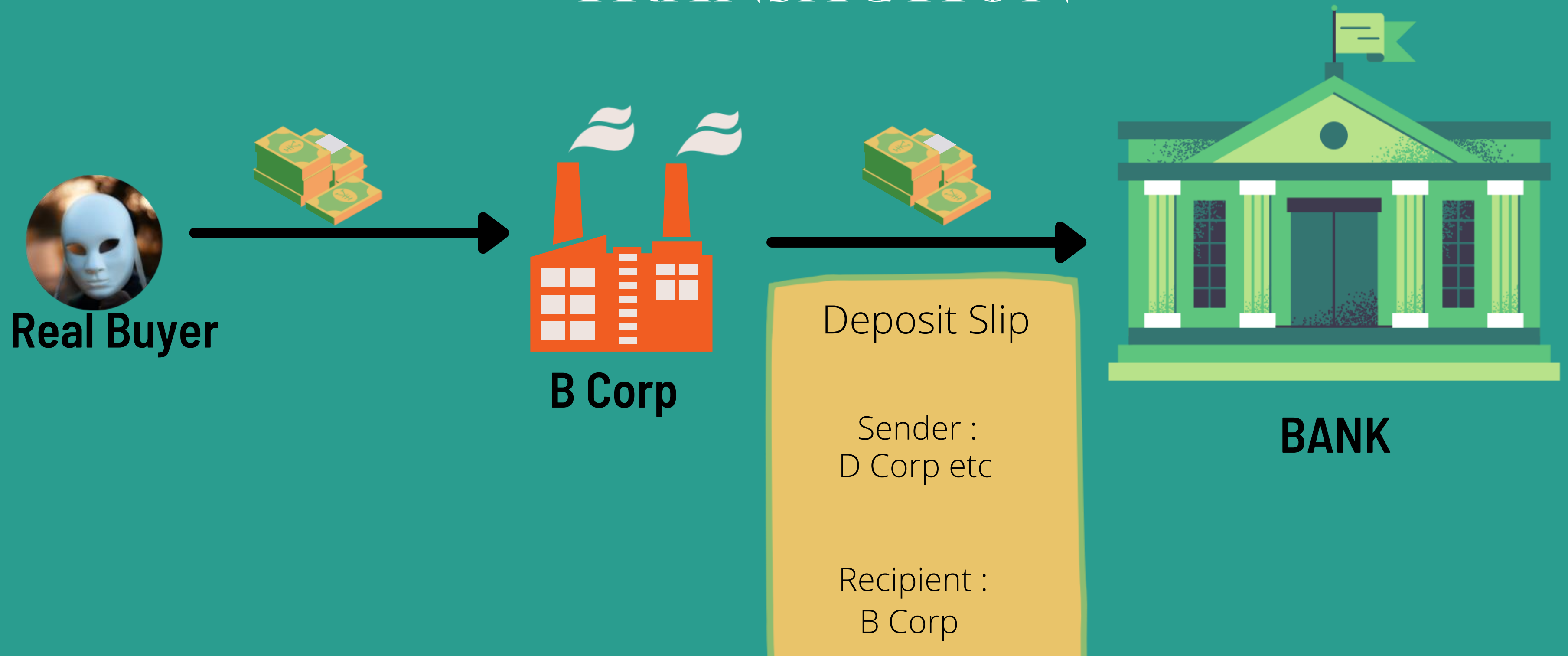
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VAT

**TO BE PAID
TO GOVERNMENT**



MANIPULATED UNREAL TRANSACTION AS IF THEY REAL TRANSACTION



LAW OF THE REPUBLIC OF INDONESIA NUMBER 28 YEAR 2007 CONCERNING THE THIRD AMENDMENT OF THE LAW NUMBER 6 YEAR 1983 ON GENERAL PROVISION AND TAXATION PROCEDURE

ARTICLE 39A

"Anyone who deliberately: a. issues and/ or utilizes the tax invoice, tax collection proof, tax withholding proof, and/ or tax payment proof that is not based on the real transaction; or b. issues the tax invoice but it has been established as the Taxable Entrepreneur shall be subject to penal sanction of imprisonment at least 2 (two) years and no longer than 6 (six) years as well fine at least 2 (two) times amount of tax invoice proof, tax collection proof, tax withholding proof, and/ or tax payment proof and no more than 6 (six) times amount of tax invoice proof, tax collection proof, tax withholding proof, and/ or tax payment proof."

LAW OF THE REPUBLIC OF INDONESIA NUMBER 28 YEAR 2007 CONCERNING THE THIRD AMENDMENT OF THE LAW NUMBER 6 YEAR 1983 ON GENERAL PROVISION AND TAXATION PROCEDURE

ARTICLE 44B

- 1) For the interest of the fovernment revenue, upon request of the Minister of Finance, the Supreme Attorney could termine the investigation of the crime of taxation at no longer than the period of 6 (six) months since the date of request letter.
- 2) Termination of the investigation of the crime of taxation, as set forth in section (1), shall only be carried out after the Taxpayer pay the debt tax that is not paid or underpaid or that should not be returned and added with the administrative penalty in the form of interest as much as 4 (four) times amount of the tax that is not paid or underpaid, or that should no to be returned.

THE VERIDICT OF THE TRIAL BY THE JUDGE

B corp was sentenced to 4 years in prison but Director of B Corp decided to pay taxes he had to pay and a fine of 4 times the amount of tax invoice proof, tax collection proof, tax withholding proof, and/ or tax payment proof.

Tax investigator team provides :

1. Information Report on real buyer transaction information to the tax office in the real buyer's area
2. Information Report to the law enforcement unit in the registered area of D Corp etc for the offense of using a tax invoice that does not match the actual transaction



THANKYOU

TERIMA KASIH