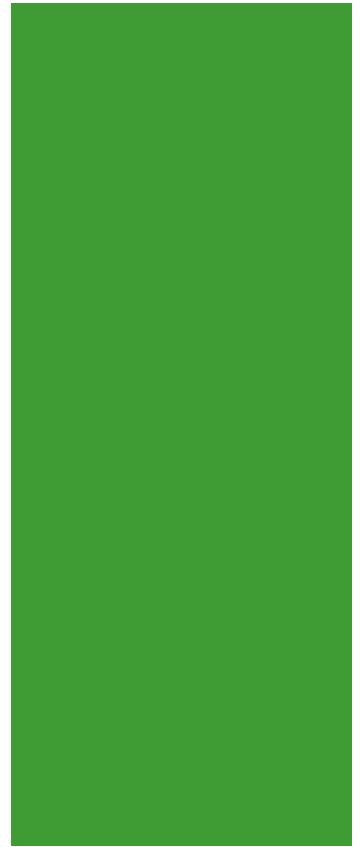


WAKE UP CALL



Welcome to issue 54 of Wake Up Call – RSM Indonesia newsletter covering topics on audit, accounting, business, corporate finance, transaction support, governance, internal control, management, risk, and taxation.

In this issues:

- How Data Stewardship Fits into Data Governance
- Taxation of the Digital Economy— Recent Developments
- Our Activities



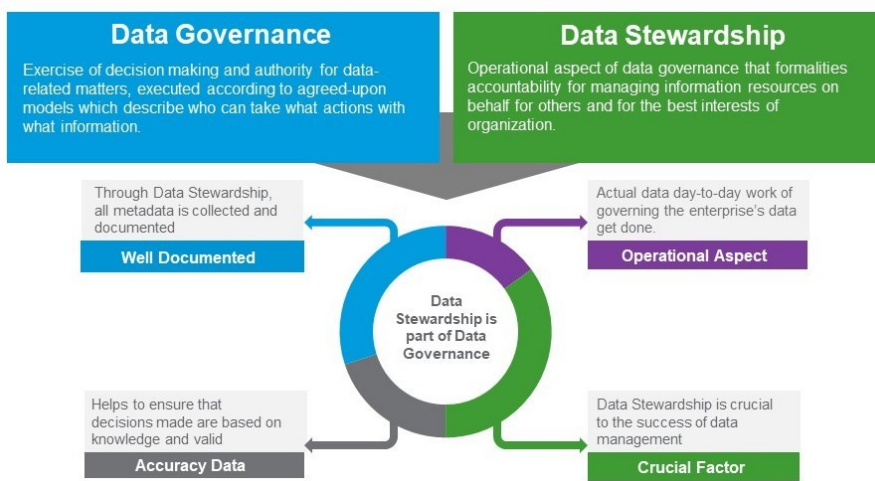
How Data Stewardship Fits into Data Governance



Resdy Benjamin, Consulting Practice

Most companies are becoming serious about managing their data, including improving data quality, understanding the meaning of the data, leveraging the data for competitive advantage, and treating data because the enterprise asset it should be. However, doing an accurate job of managing data requires accountability.

While data governance generally focuses on high-level policies and procedures, data stewardship focuses on tactical coordination and implementation. Data Governance is all about how people work together to make recommendations and decisions about data.

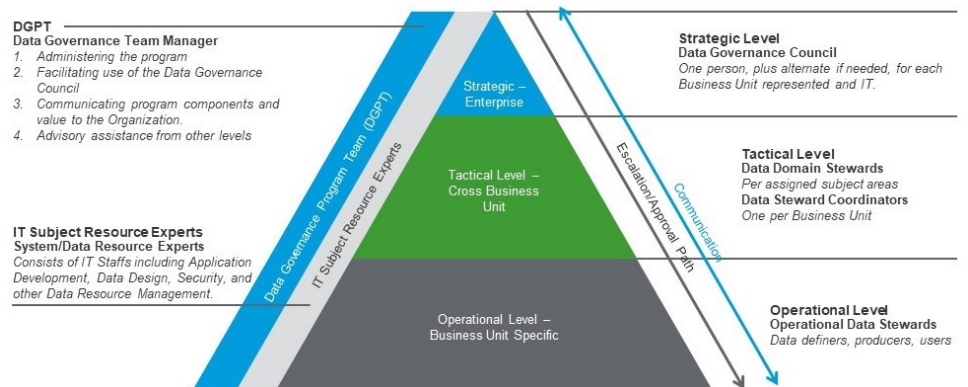


There are some challenges faced when handling data in our organization. Since the character of data is it does not explain itself. There must be someone assigned to provide an interpretation of the data, the way to use it properly, and the way to evaluate its quality. While data is shared and used by organization's stakeholders for various different purposes. It is necessary to define the owners of data. The owners of data are responsible when things go wrong with the data. Another sort of challenge happens when technical people tasked with data implementation are not conversant in the

meaning of the data and do not know to use it. In addition, many of us ignore the ambiguity between data meaning and data content. These challenges can be answered by actively and efficiently managing the needs of data.

Data Stewardship is the operational aspect of an overall Data Governance program, where the particular day-to-day work of governing the enterprise's data gets done. Without Data Stewardship, Data Governance is simply a framework of good intentions that never gets implemented. The below figure depicts the extent of data responsibilities. Data Governors represent business function, appoint Data Stewards, and make decisions supported the recommendations of Data Stewards. Ideally, the largest numbers of population are the Data Stewards, who understand data use, the impacts of changes, and applicable rules.

The function of data stewardship is an essential component of any initiative of data management. It establishes a formal responsibility for ensuring high quality data is available through standard processes. High quality data enables effective operations and decision making that produces a competitive advantage and contributes in achieving business objectives. Establishing a formal Data Stewardship is very important in achieving solutions to the challenges. With Data Stewardship, organization treats data as an asset that must be inventoried, owned, well-understood, and utilized properly. Inventorying data requires a formally published business glossary, often in conjunction with a metadata repository. In order to make sure that data is used properly, organization must understand and define how data is formed, for what purpose of its creation, and whether it's suitable to be used in situations.



For further information, please contact: contact@rsm.id



Recent Development in Taxation of the Digital Economy



Ichwan Sukardi, Tax Practice

Taxation of digital economy has all along been put on the agenda of governments of many countries, as leaders aim to create a level playing field and maintain fairness in sustaining an open global trade. In fact, many countries have already introduced and started to implement a series of unilateral tax policies to capture the 'fish that has slipped through the net'. The recent coronavirus pandemic affecting the economic situation around the world, certain countries are more eager than ever to speed up the implementation of digital tax practice in order to finance the recovery effort.

Recent developments

Organization for Economic Cooperation and Development (OECD) is positioned to play a significant role to resolve the taxing the digital economy by adopting the international tax standard system. OECD's proposal to reach global consensus on taxation of the digital economy is due for delivery by the end of 2020. Unilateral measures taken by different countries to tackle taxation of the digital economy can be broadly categorized into Direct Tax and Indirect Tax. Based on the latest source of information, there are currently 22 countries around the world that have passed taxing rules for both Direct Tax and Indirect Tax targeted at the digital economy. Indonesia is one of the 22 countries when issuing the Government Regulation in Lieu of Law Number 1 Year 2020 dated 31 March 2020 (Perppu-1) which later becomes Law No. 2/2020 (Law No.2). Perppu-1 aims to secure country's national economic stability – one of them is regarding taxing the digital economy.

According to Law No. 2, the income tax obligation will be applicable for foreign digital players with 'significant economic presence' in Indonesia through a Permanent Establishment (PE) or an Electronic Transaction Tax (ETT). Law No. 2 does not provide much details on Value Added Tax

(VAT), which later further regulated in the Ministry of Finance issued Regulation No.48/PMK.03/2020 (PMK-48). PMK-48 serves as the implementing regulation specifically for VAT collection, payment and reporting for cross-border digital transactions will be further regulated. PMK-48 will enter into effect from 1 July 2020.

Impact to tech companies

The impact brought by the new digital taxation in Indonesia on multinational tech companies can be enormous. Indonesia's internet economy is the biggest and fastest growing in South-East Asia and is expected to reach US\$130 billion by 2025. It is needless to say that these multinationals tech companies conducting transactions within Indonesia will face a significant incremental cost of taxes if they are deemed a PE. In addition, multinationals may also experience a drop transactions as price sensitive customers may turn way with additional 10% VAT imposed.

The Office of the U.S. Trade Representative ("USTR") announced on 2 June the initiation of investigations under Section 301 of the Trade Act of 1974 into Digital Service Tax (DST) adopted or under consideration by a number of trading partners including Austria, Brazil, the Czech Republic, the European Union, India, Indonesia, Italy, Spain, Turkey, and the United

Kingdom. So far, Indonesian government has not released official statement in responding to the U.S. proposed probe.



CONCLUSION

- From Indonesia government point of view, it should not be too worried for now because the 301 investigation is likely targeting only at DST legislation which is relevant for income tax. The VAT measures should not create conflict as it aligns with the 'destination principle' as recommended in OECD consolidated guidelines.
- Indonesia has not introduced any government regulation to implement the income tax measures as set out in Law No. 2/2020 i.e. via deeming PE or charge ETT. It likely needs to wait for the OECD global consensus, to be consistent with the international best practices.

For further information, please contact:
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Our Activities

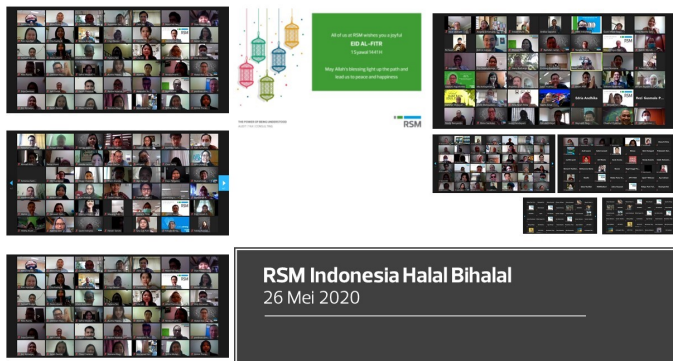


RSM Indonesia Shortlisted as Indonesia Tax Firm of the Year

The shortlist for the International Tax Review (ITR) Asia Tax Awards 2020 has been announced. It recognize remarkable achievements and developments by international tax professionals from the Asia-Pacific (APAC) region over a 12-month period. RSM Indonesia has been shortlisted as Indonesia tax firm of the year 2020.



Virtual Halal Bihalal



On 26 May 2020, still in the atmosphere of Eid Al-Fitr, we held virtual halal bihalal with partners and staffs of RSM Indonesia.

Our Chief Executive Partner, Amir Abadi Jusuf gave few words, and then followed by mutual for forgiveness between all attendees.

This year is different as everything goes virtual. We are glad that we can keep the intimacy and warmth.

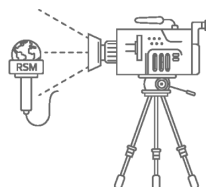
Our Senior Partner in Governance Initiatives

Angela Simatupang, our Senior Partner, in her capacity as Corporate Governance Expert appointed by regulator to represent Indonesia in the ASEAN Corporate Scorecard (ACGS) initiative in the region was in series of interviews with national media to promote the importance of governance in Indonesia and as well as socializing the ACGS initiative which is an effort to increase investor confidence in the quality of companies in ASEAN, to improve standards of practice and governance, especially listed companies in ASEAN, as well as to provide greater visibility and show it off to international investors.

In the recent regional assessment, 10 publicly listed companies in Indonesia were included in the ASEAN Asset Class category.

You can view the full content [in this link](#).

And the interview of Angela Simatupang with TVs can be accessed [through this link](#).



10 Emiten Layak Dilirik Investor Global

Dilip Nabili Al Faruq

JAKARTA – Sebanyak 10 perusahaan tercatat di Indonesia masuk dalam kategori ASEAN Asset Class (aset berkelas) yang dinilai memiliki tata kelola perusahaan yang baik dan layak dilirik kalangan investor global.

Corporate Governance Expert Indonesia (CG-Expert) Angela Indirawati Simatupang mengatakan, ASEAN Corporate Governance Scorecard (ACGS) dibuat dalam rangka mendukung upaya untuk meningkatkan kepercayaan investor atas kualitas perusahaan di regional ASEAN. Hasil penilaian ASEAN Asset Class tahun 2019

adalah untuk tahun buku yang berakhir pada tahun 2018. Menurut dia, dari hasil penilaian tersebut terdapat 10 perusahaan tercatat Indonesia yang masuk dalam daftar ASEAN Asset Class dengan nilai 97,3. Jumlah tersebut merupakan peningkatan sebesar 2% jika dibandingkan pada tahun 2017 yang berjumlah 8 perusahaan tercatat.



Angela I Simatupang

dan tata kelola terapan perusahaan tercatat di ASEAN serta menunjukkan kualitas yang lebih besar dan memamerkannya ke dunia investor internasional. "Ini adalah dalam perubahan perdagangan BEI melalui penyelenggaraan Jakarta, Selasa (6/5). Angela menambahkan, untuk peringkat ACGS Indonesia yang dinilai dan tabulasi secara rata-rata menunjukkan pertumbuhan positif sebesar 0,28 dari 70,59 di tahun 2017 menjadi 70,87 di tahun 2019. Skor tertinggi tercapai sebesar 109, dari 109,61 menjadi 113,84. Namun, skor tersebut menurun sebesar 8,12% dari 40,9 menjadi 37,58. Sebagai informasi, terdapat 3 perusahaan tercatat yang mendapat skor ACGS tertinggi, yakni PT Bank CIMB Niaga Tbk (INGAU), PT Bank Tabungan Negara Tbk (BRTN), dan PT Bank Rakyat Indonesia Tbk (BRRI). Kemudian, yang masuk dalam kategori ASEAN Asset Class adalah PT Anam Tbk (ANM), PT Bank Mandiri Tbk (BMRI), PT Bank Central Asia Tbk (BCA), PT Bank Permata Tbk (BNLI), PT Jasa Marga Tbk (JSMO), PT Asiana Tbk (DXCL), dan PT Maybank Indonesia Tbk (INDI). Direktur Penilaian Perusahaan PT Bursa Efek Indonesia (BEI) I Gele Nyoman Yenna mengatakan, dengan masuknya 10 perusahaan ke dalam kategori ASEAN Asset Class, pihaknya mengharapkan para emiten tersebut dapat menjaga kinerja dan penerapan GCG, meningkatkan standar tata kelola perusahaan agar kualitas perusahaan tercatat lebih kompetitif, serta pemrosesan mendapatkan manfaat yang positif dari penerapan GCG terutama peningkatan kepercayaan investor. (td)



RSM Indonesia Webinar

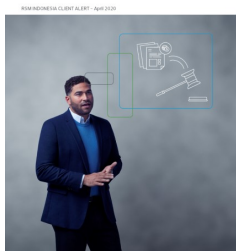
During the Covid-19 pandemic, RSM Indonesia commit to keep updating on the current issues through webinars who presented by our SM & Partners. On May, there was tax webinar which discuss on government regulation and transfer pricing. In the beginning of June, we held webinar series that covered IT security and risk advisory topics. Followed by high velocity IT topic in the 2nd week and then ASEAN Corporate Governance Scorecards (ACGS) updates in the next week.

Joined by more than 200 participants each webinar and came from various industries.

See you on our next event...stay tuned!



RSM Indonesia Client Alert



Tax Aspects of Government Regulation in Lieu of Law No. 1/2020



Tax Incentives for Taxpayers Affected by COVID-19

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In the 2nd quarter of 2020, we have published several editions of Client Alert which include:

- Tax Aspects of Government Regulation in Lieu of Law No. 1/2020
- Tax Incentives for Taxpayers Affected by COVID-19
- Tax Incentives for Taxpayers Affected by COVID-19—Expansion
- VAT Obligations for Foreign e-Commerce Businesses in Indonesia

To read more about the client alert, please click [here](#) or visit www.rsm.id



Komodo National Park Indonesia

Image Source: Wikipedia

Indonesia Facts

Komodo National Park was established in 1980. It was declared a World Heritage Site and a Man and Biosphere Reserve by UNESCO in 1991. The park was initially established to conserve the unique Komodo dragon (*Varanus komodoensis*), first discovered by the scientific world in 1912 by Lieutenant J. K. H. van Steyn van Henbroek, the Civil Administrator in Reo, Flores Island. Since then conservation goals have expanded to protecting the entire biodiversity of the region, both marine and terrestrial.

The majority of the people in and around the park are fishermen originally from Bima (Sumbawa), Manggarai, South Flores, and South Sulawesi. Those from South Sulawesi are from the Suku Bajau or Bugis ethnic groups.

Source : Wikipedia

Thank you for reading

Audit

Tax

Consulting



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