

MoFR 111/2025: New Framework for Taxpayer Compliance Supervision

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A

Introduction

The year 2026 marks a new era of increasingly aggressive and integrated data-based tax supervision. With the tax revenue target of IDR 2,693 trillion, an increase of around 23% compared to the 2025 realization. Therefore, the Directorate General of Taxes (DGT) is required to carry out more intensive supervision efforts to optimize state revenue.

In this context, the two main instruments that will be the focus of implementation in 2026 are the launch of the DGT Coretax system and the enactment of Minister of Finance Regulation Number 111 of 2025 concerning Taxpayer Compliance Supervision (hereinafter referred to as “MoFR 111/2025”), which effective starting on January 1, 2026. These two policies strengthen the data-based supervision approach, digitize processes, and improve the effectiveness of taxpayer compliance monitoring.

This newsletter discusses important changes in MoFR 111/2025 and key takeaways that taxpayers need to understand in facing strengthened tax supervision and adjusting their compliance strategies.

1. Scope, Form of Supervision, Authority of the DGT, and Taxpayer

No.	Scope of Supervision	Forms of supervision in the fulfillment of tax obligations	Forms of Supervisory Activities	Taxpayer Obligations
1	Registered Taxpayers	<ol style="list-style-type: none"> reporting the place of business to obtain a Business Location Identification Number (NITKU) business reporting to be confirmed as a Taxable Entrepreneur (PKP); registration of taxable objects for Land and Building Tax (PBB) on plantations, forestry, oil and gas mining, geothermal mining, mineral and coal mining, and other sectors; reporting of PBB object notification letters; reporting of Notification Letters; payment and/or deposit of taxes tax deduction and/or collection bookkeeping or record keeping Other taxes. 	<p>Main activities:</p> <p>The DGT has the authority to request explanations regarding data and/or information from taxpayers, conduct discussions, invite or conduct visits, issue tax compliance reminder letter, issue warnings letter, request transfer pricing documents, collect regional economic data in the working area, issue letters for supervision purposes, and carry out other supporting activities in accordance with taxation regulations.</p> <p>Supporting activities:</p> <p>proposing assessments for taxation purposes, discussions with relevant internal DGT officials and taxpayers, requesting data and/or information from third parties, and other activities as assigned.</p>	<p>For the purposes of DGT supervision, taxpayers must respond to requests for explanations of data and/or information and/or the delivery of tax compliance reminder within a specified period of time, attend invitations from the DGT to appear at the DGT office either offline or online, and provide the DGT with the opportunity to conduct visits.</p>
2	Unregistered Taxpayers	<ol style="list-style-type: none"> registration to obtain a Taxpayer Identification Number (NPWP) or activate a Population Registration Number (NIK) as an NPWP; reporting the location of business activities to obtain a NITKU; business reporting to be confirmed as a PKP; registration of taxable objects for Land and Building Tax on plantations, forestry, oil and gas mining, mining, minerals and coal, and other sectors; payment and/or deposit of taxes tax deduction and/or collection reporting of notification letters; and Other taxes. 		
3	Regional Supervision	supervision of economic activities carried out by taxpayers and identification of taxpayers in each working area.		

2. Procedures for Implementing Supervision

To facilitate understanding, the procedures for implementing supervision are presented in the following flowchart:

- A** **Supervision of Registered Taxpayers**

In order to supervise registered taxpayers, the DGT may carry out three types of supervisory activities, namely through the issuance of a Request for Explanation and/or Information Letter (SP2DK) (*Appendix 1a*), a Reminder Letter (*Appendix 1b*), and a Warning Letter (*Appendix 1c*). The procedures for conducting each of these monitoring activities are provided in the attachments to this newsletter.
- B** **Supervision of Unregistered Taxpayers**

The procedures for implementing supervision of unregistered taxpayers are provided in (*Appendix 2*) of this newsletter.
- C** **Regional Supervision**

The procedures for implementing supervision of regional supervision are provided in (*Appendix 3*) of this newsletter.

1 The 2026 Tax Revenue Target and Its Implications for the DGT

The increase in the 2026 tax revenue target, which is approximately 23% higher than the realization in the previous year, indicates a significant challenge for the DGT. This condition encourages the DGT to work more intensively in optimizing state revenue, among others through strengthening taxpayer compliance supervision and utilizing a more integrated tax administration system such as Coretax. These efforts are expected to improve taxpayer compliance while supporting the achievement of the tax revenue target.

2 Strengthening Tax Supervision through PMK 111/2025

Optimizing state revenue is supported not only by system transformation through Coretax, but also by the strengthening of supervisory mechanisms regulated under MoFR 111/2025. This provision reflects a broader and more integrated approach to supervision, covering registered taxpayers, potential unregistered taxpayers, as well as regional-based supervision to capture economic potential that has not yet been fully reported in the tax system.

3 Responding to SP2DK Properly and Cooperatively

Taxpayers who receive a Request for Explanation of Data and/or Information (SP2DK) must respond within 14 days of the letter being delivered, either by post, taxpayer account, or in person, depending on which event occurs first. If necessary, taxpayers may request a 7-day extension. During this process, maintaining a cooperative and transparent approach with the DGT is important to ensure that the clarification process runs smoothly and to minimize potential differences in interpretation. Therefore, taxpayers are encouraged to implement audit-ready management by preparing relevant data, documentation, and reconciliations from the beginning of the bookkeeping process, rather than only when the SP2DK is received.

4 Audit Ready Management: The Key to Being Prepared for Tax Audits

Audit ready management is an important approach for taxpayers to face increasingly intensive tax audits. Through this approach, companies proactively prepare data and documentation from the bookkeeping process to tax reporting, including inventorying and equalizing items that may be of concern to tax authorities.

With data readiness maintained from the outset, taxpayers can respond to requests for clarification, such as the Request for Explanation of Data and/or Information (SP2DK), more quickly and in a structured manner. This preventive approach not only helps meet response deadlines, but also minimizes the risk of errors, strengthens transparency, and creates more constructive communication between taxpayers and tax authorities.

Procedures for Implementing Supervisory Activities

a.) Supervision of Registered Taxpayers

1) through the issuance of a Request for Explanation and/or Information Letter (SP2DK)

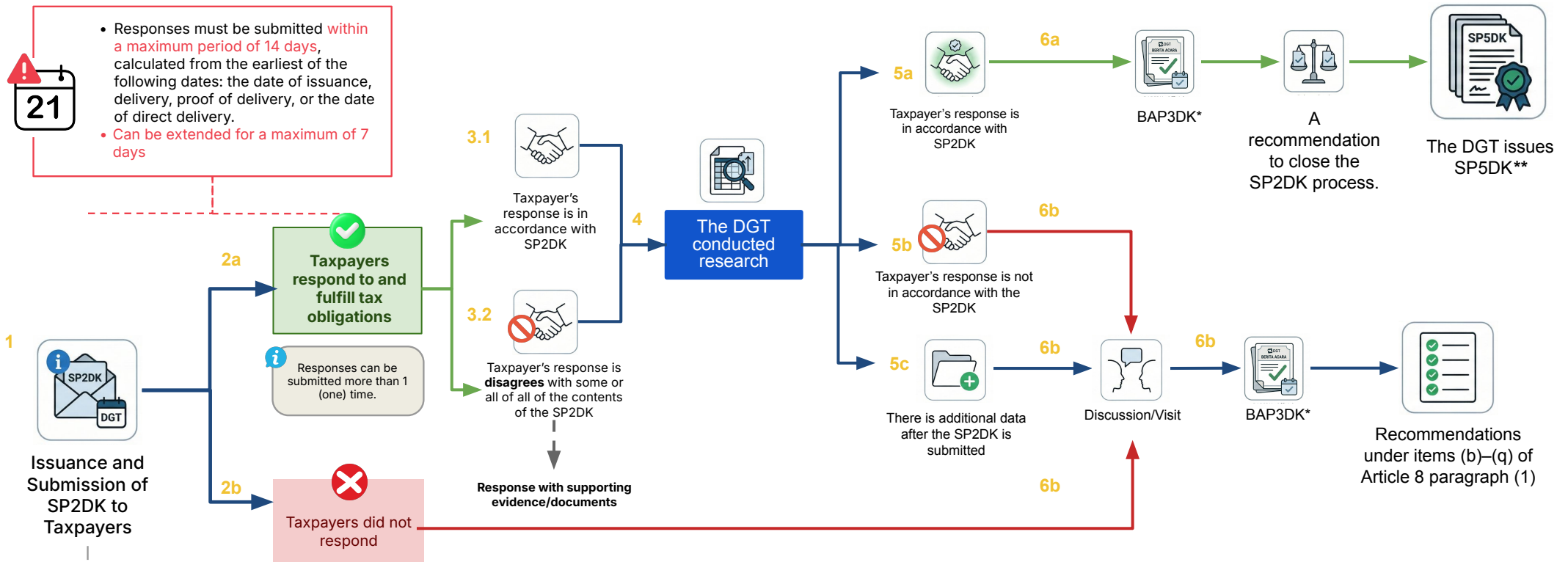
Navigation

B. Important Changes and Updates

1. Procedures for Implementing Supervision

a. Supervision of Registered Taxpayers

- i. through the issuance of a Request for Explanation and Information Letter (SP2DK)
- ii. through the issuance of a Tax Compliance Reminder Letter
- iii. through the issuance of a Warning Letter



• Responses must be submitted **within a maximum period of 14 days**, calculated from the earliest of the following dates: the date of issuance, delivery, proof of delivery, or the date of direct delivery.
 • Can be extended for a maximum of 7 days

1 Issuance and Submission of SP2DK to Taxpayers

2a Taxpayers respond to and fulfill tax obligations

2b Taxpayers did not respond

3.1 Taxpayer's response is in accordance with SP2DK

3.2 Taxpayer's response is disagrees with some or all of all of the contents of the SP2DK

4 The DGT conducted research

5a Taxpayer's response is in accordance with SP2DK

5b Taxpayer's response is not in accordance with the SP2DK

5c There is additional data after the SP2DK is submitted

6a

6b

6b

6b

BAP3DK*

A recommendation to close the SP2DK process.

The DGT issues SP5DK**

Discussion/Visit

BAP3DK*

Recommendations under items (b)–(q) of Article 8 paragraph (1)

- SP2DK delivery media:
- Taxpayer's account (coretax)
 - Electronic mail taxpayers must be registered in the DGT system
 - facsimile
 - post, expedition, or courier
 - directly to taxpayers/Representative/Proxy

(Article 5 paragraph (2))

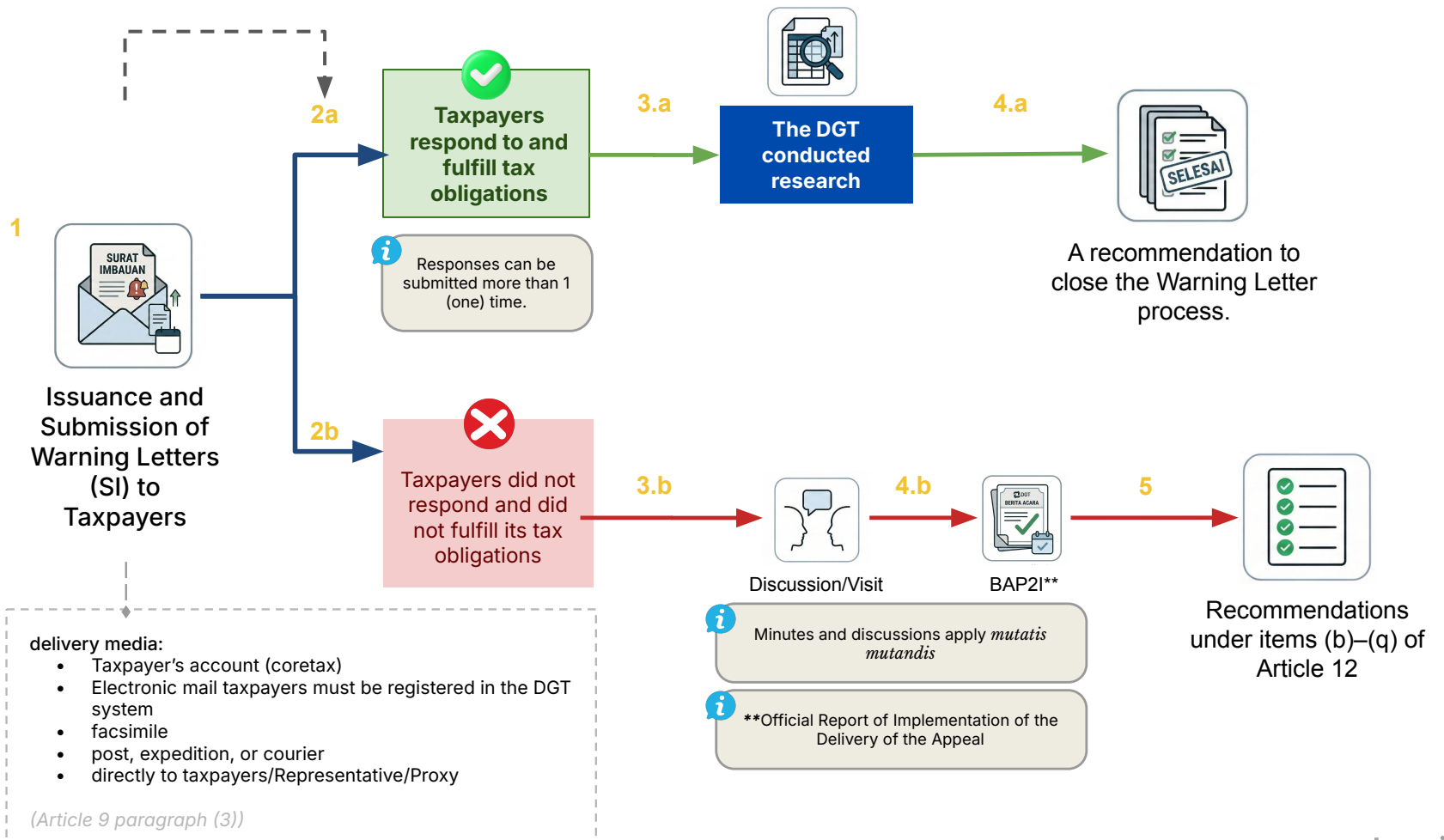
*Official Report on the Request for an Explanation of Data and/or Information
 **Notification Letter on the Progress of the Request for Explanation of Data and/or Information

Procedures for Implementing Supervisory Activities

a.) Supervision of Registered Taxpayers

2) through the issuance of a Tax Compliance Reminder Letter

Responses must be submitted within a maximum period of 14 days, calculated from the earliest of the following dates: the date of issuance, delivery, proof of delivery, or the date of direct delivery.



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B. Important Changes and Updates

1. Procedures for Implementing Supervision

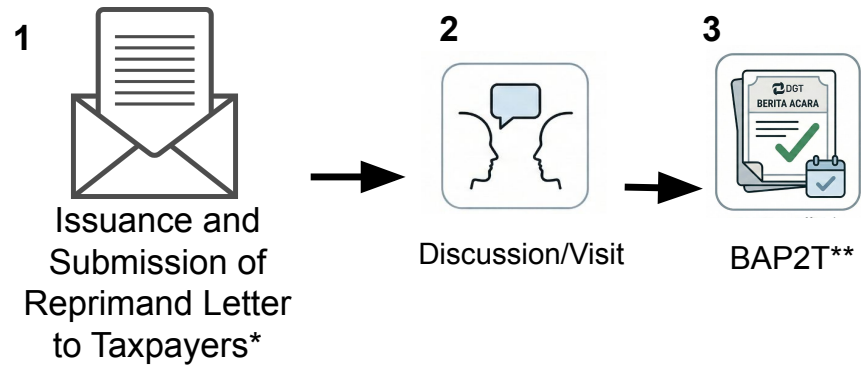
a. Supervision of Registered Taxpayers

- i. through the issuance of a Request for Explanation and Information Letter (SP2DK)
- ii. through the issuance of a Tax Compliance Reminder Letter
- iii. through the issuance of a Warning Letter

Procedures for Implementing Supervisory Activities

a.) Supervision of Registered Taxpayers

3) through the Issuance of a Warning Letter



Letter delivery method:

- Taxpayer's account (coretax)
- Registered Taxpayer Electronic Post
- Facsimile
- post, expedition, or courier
- directly to taxpayers/Representative/Proxy

(Article 13 paragraph (3))

i *A warning letter will be issued if the SPT is not submitted within the stipulated time limit.

i Minutes and discussions apply *mutatis mutandis*

i **Official Report of Implementation of the Presentation of Reprimands

Navigation

B. Important Changes and Updates

1. Procedures for Implementing Supervision

a. Supervision of Registered Taxpayers

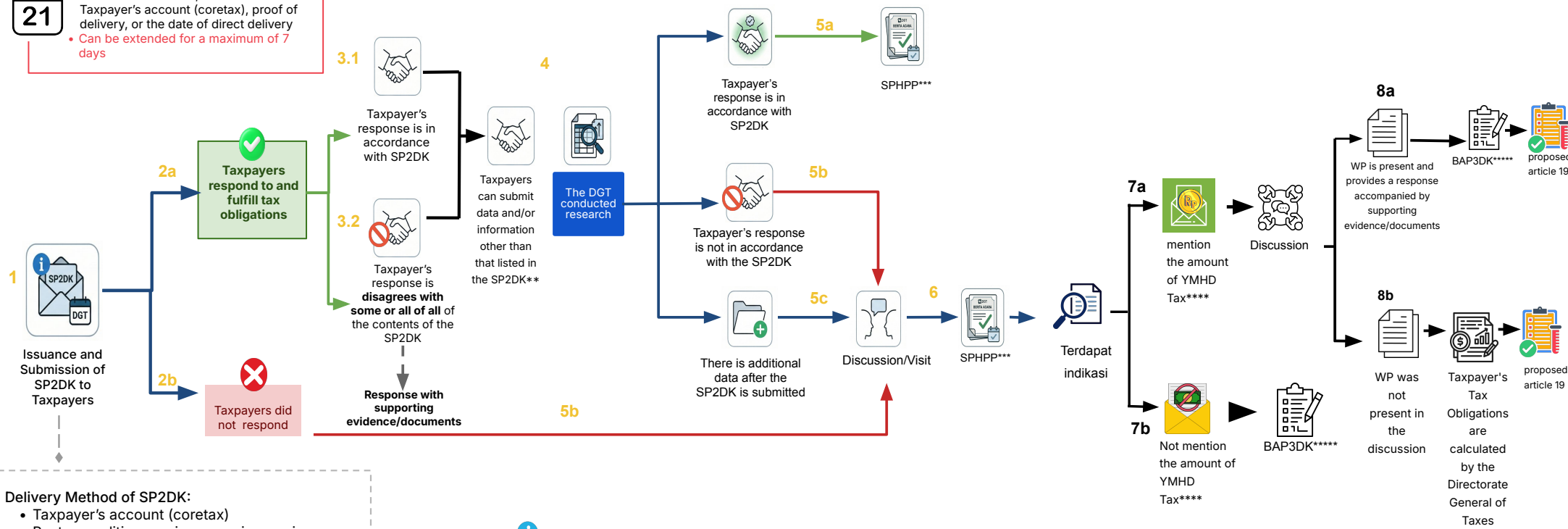
- through the issuance of a Request for Explanation and Information Letter (SP2DK)
- through the issuance of a Tax Compliance Reminder Letter
- through the issuance of a Warning Letter

Procedures for Implementing Supervisory Activities

Taxpayers Unregistered Through the Issuance

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- Responses must be submitted **within a maximum period of 14 days**, calculated from the earliest of the following dates: the date of issuance, activation of Taxpayer's account (coretax), proof of delivery, or the date of direct delivery
- Can be extended for a maximum of 7 days



Delivery Method of SP2DK:

- Taxpayer's account (coretax)
- Post, expedition services, courier services
- facsimile
- directly

(Article 15 paragraph (3))

i

- *Official Report on the Request for an Explanation of Data and/or Information
- **Notification Letter on the Progress of the Request for Explanation of Data and/or Information
- ***Notification Letter of Testing/Supervision Results
- **** YMHD (a tax still to be paid)
- *****Minutes of Implementation of Request for Explanation of Data and/or Information

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B. Important Changes and Updates

1. Procedures for Implementing Supervision
 - a. Taxpayers Unregistered Through the Issuance
 - b. Procedures For Implementing Regional Supervision Activities

Procedures for Implementing Supervisory Activities

Procedures For Implementing Regional Supervision Activities

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B. Important Changes and Updates

- 1. Procedures for Implementing Supervision
 - a. Taxpayers Unregistered Through the Issuance
 - b. Procedures For Implementing Regional Supervision Activities

1



Process of Collecting
Economic Data

2

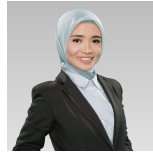


Recommendations
under items (a)–(i) of
Article 20 paragraph
(2)

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