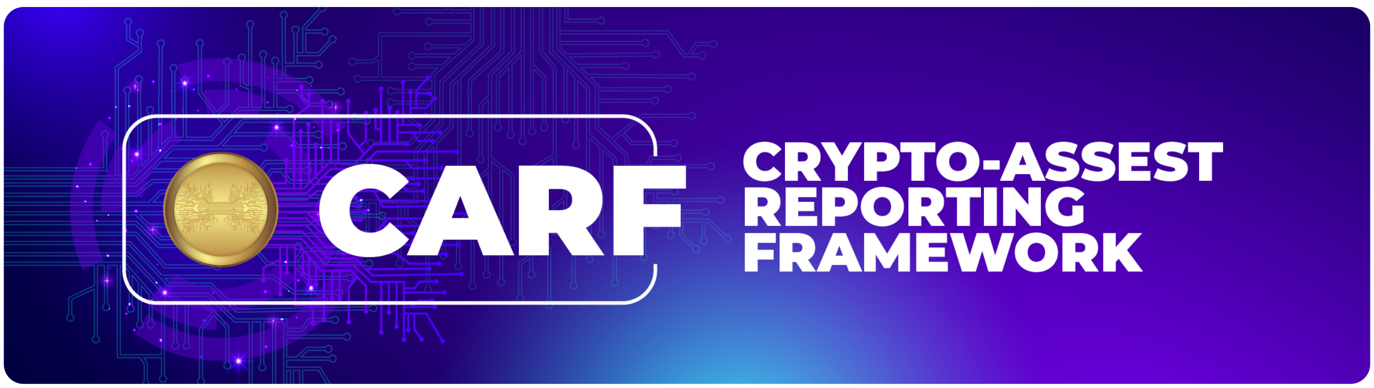
Guidelines for The Implementation of CARF



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International Agreement of the Implementation of CARF in Indonesia

The Multilateral Competent Authority Agreement (CARF-MCAA) for the implementation of the Crypto-Asset Reporting Framework (CARF) was signed by the Director General of Taxes, acting as the Competent Authority of Indonesia, in November 2024.

The establishment of the CARF-MCAA is based on the Convention on Mutual Administrative Assistance in Tax Matters (MAAC), which was ratified by the Government of the Republic of Indonesia through Presidential Regulation No. 159 of 2014, as amended by Presidential Regulation No. 56 of 2024.

Definition and Scope of Crypto-Assets

A. Crypto-Assets

Digital representations of value that can be stored and transferred using technologies that enable the use of distributed ledger systems, such as blockchain, to verify transactions and ensure the security and validity of the information stored.

B. Relevant Crypto-Assets

Crypto-assets that do not constitute Central Bank Digital Currencies (CBDCs), Certain Electronic Money Products, or other crypto-assets that have been designated as not usable for payment or investment purposes.

C. Scope of Relevant Crypto-Assets

The scope of Relevant Crypto-Assets includes various types of digital financial assets operating within a blockchain-based or distributed ledger technology (DLT) ecosystem, **including** stablecoins, crypto-asset-based derivatives, and certain non-fungible tokens (NFTs) that can be owned and transferred in a decentralized manner.

D. Exclusions from the Scope of Relevant Crypto-Assets

The scope of Relevant Crypto-Assets **does not include** Central Bank Digital Currencies (CBDCs), which are fiat currencies issued and directly regulated by central banks and are already reported under the Common Reporting Standard (CRS).

Scope of Crypto Asset Service Provider

A. Crypto Asset Service Provider (CASP)

A **Crypto Asset Service Provider**, hereinafter referred to as **CASP**, means an individual or Entity effectuating Exchange Transactions will only be a **Reporting Crypto Asset Service Provider (RCASP)** if it carries out such activities for or on behalf of customers.

A **CASP** in providing services includes acting as:

- a counterparty or intermediary in the exchange or transfer of Crypto-Assets;
- a provider of a trading platform for Crypto-Assets.

B. Reporting Crypto Asset Service Provider (RCASP)

A **Reporting Crypto-Asset Service Provider**, hereinafter referred to as **RCASP**, is a **CASP** that is required to submit crypto-asset information reports and conduct due diligence procedures on its customers in accordance with the **Crypto-Asset Reporting Framework (CARF)** in Indonesia, if the **CASP** meets any of the following criteria:

1. The **CASP** is an individual or entity that is a tax resident of Indonesia;
2. The **CASP** is an entity that:
    - is incorporated or regulated under Indonesian law, and
    - has a legal presence in Indonesia or is obligated to submit tax returns or tax information reports to the Directorate General of Taxes in relation to its income;
3. The **CASP** is managed from Indonesia;
4. The **CASP** is an individual or entity with a regular place of business in Indonesia.

C. Registration of Reporting CASPs

A **Reporting Crypto-Asset Service Provider (Reporting CASP)** is required to register with the Directorate General of Taxes, or may be designated as such by official appointment.

D. Inclusion of Digital Financial Asset Traders

Digital Financial Asset Traders, as regulated under Financial Services Authority Regulation No. 27 of 2024 concerning the Organization of Digital Financial Asset Trading Including Crypto-Assets, are classified as **Reporting Crypto-Asset Service Providers (CASPs)** under the **CARF** framework.

However, the scope of Reporting CASPs under **CARF** is not limited solely to Digital Financial Asset Traders, but also encompasses other entities engaged in the business of providing crypto-asset services, in accordance with the definitions and requirements set forth in the **CARF**.

E. The following activities are considered to fall within the scope of business operations conducted by Crypto-Asset Service Providers (CASPs):

Activities effectuating Exchange	**Activities effectuating Exchange**	**Activities effectuating Exchange**
Crypto-Asset exchanges that act as market makers and take a bid-ask spread as a transaction commission for their services.	This could include exchange services that provide liquidity to the Crypto-Asset market by bringing together orders for buyers and sellers	CARF, Commentary to Section IV.B(1), page 53, paragraph 25.
Making available a trading platform that provides the ability for such customers to effectuate Exchange Transactions on such platform.	An individual or Entity is considered to make available a trading platform to the extent it exercises control or sufficient influence over the platform, that allows it to comply with the due diligence and reporting obligations with respect to Exchange Transactions concluded on the platform. Individuals or Entities with control or sufficient influence over such a trading platform may be acting as RCASPs	CARF, Commentary to Section IV.B(1), page 54, paragraph 26.
Operators of Crypto-Asset ATMs, permitting the exchange of Relevant	Entities or individuals may also provide services effectuating Exchange	CARF, Commentary to Section IV.B(1), page 53, paragraph 25.

Reported Relevant Crypto-Asset Information and Relevant Transactions

A. Relevant Crypto-Assets

The full name (as per the Digital Token Identifier, if available) of the Relevant Crypto Asset being reported, excluding any abbreviated "ticker" or symbol.

B. Relevant Transactions within a Calendar Year

Relevant transactions include:

1. Exchange between Relevant Crypto Assets and Fiat Currency;
2. Exchange between one or more forms of Relevant Crypto Assets;
3. Retail Payment Transactions;
4. Transfer of Relevant Crypto Assets.

C. Reported Information on Relevant Transactions within a Calendar Year

1. **Exchange Transactions between Relevant Crypto-Assets and Fiat Currency**
    a. Purchase of Relevant Crypto-Assets using fiat currency:
        - Aggregate number of purchase transactions;
        - Aggregate gross payment amount in fiat currency;
        - Aggregate number of units of Relevant Crypto-Assets purchased.

    b. Sale of Relevant Crypto-Assets for fiat currency:
        - Aggregate number of sale transactions;
        - Aggregate gross sale amount in fiat currency;
        - Aggregate number of units of Relevant Crypto-Assets sold.
2. **Exchange Transactions between Relevant Crypto-Assets**
    a. Purchase of Relevant Crypto-Assets using other Relevant Crypto-Assets:
        - Aggregate number of purchase transactions;
        - Aggregate fair market value of purchased Relevant Crypto-Assets in fiat currency;
        - Aggregate number of units of Relevant Crypto-Assets purchased.

    b. Sale of Relevant Crypto-Assets in exchange for other Relevant Crypto-Assets:
        - Aggregate number of sale transactions;
        - Aggregate fair market value of sold Relevant Crypto-Assets in fiat currency;
        - Aggregate number of units of Relevant Crypto-Assets sold.
3. **Retail Payment Transactions**
    a. Reportable retail payment transactions refer to transfers of Relevant Crypto-Assets by CASPs used by customers to purchase goods and/or services from merchants accepting crypto payments, where the value exceeds USD 50,000.

    b. Reported information includes:

- Aggregate number of retail payment transactions;
- Aggregate fair market value of Relevant Crypto-Assets transferred to merchants in fiat currency;
- Aggregate number of units of Relevant Crypto-Assets transferred to merchants.

4. **Transfers to/from Crypto-Asset Users**
   a. Inbound transfers (received by users):
      - Categorized information based on the type of transfer known to the CASP (e.g., airdrop, staking income, mining income, crypto loans, transfers from other CASPs, sale of goods/services, collateral, others, or unknown types);
      - Aggregate number of inbound transfer transactions;
      - Aggregate fair market value of Relevant Crypto-Assets received in fiat currency;
      - Aggregate number of units of Relevant Crypto-Assets received;
      - CASPs may supplement fair market value information with book value, third-party valuations, recent internal assessments, or reasonable estimates.

   b. Outbound transfers (sent by users):
      - Categorized information based on the type of transfer known to the CASP (e.g., transfers to other CASPs, crypto loans, purchases of goods/services, collateral, others, or unknown types);
      - Aggregate number of outbound transfer transactions;
      - Aggregate fair market value of Relevant Crypto-Assets sent in fiat currency;
      - Aggregate number of units of Relevant Crypto-Assets sent;
      - CASPs may supplement fair market value information with book value, third-party valuations, recent internal assessments, or reasonable estimates.

5. **Transfers to External Wallets**
   a. Reportable transactions include transfers of Relevant Crypto-Assets by CASPs to external wallet addresses where the CASP does not have knowledge of any association between the wallet address and a virtual asset service provider or financial institution.
   b. Reported information includes:
      - Aggregate fair market value of Relevant Crypto-Assets transferred to external wallets in fiat currency;
      - Aggregate number of units of Relevant Crypto-Assets transferred to external wallets;
      - CASPs may supplement fair market value information with book value, third-party valuations, recent internal assessments, or reasonable estimates.

Due Dilligence Procedure

A. The identification procedure for Crypto Asset Users shall be implemented starting from January 1, 2026, for:

1. individual Crypto Asset Users; and
2. entity Crypto Asset Users.

B. Upon the opening of a crypto asset account held by individual or entity Crypto Asset Users, the Reporting Crypto Asset Service Provider (RCASP) is obligated to request a self-certification from prospective Crypto Asset Users, which forms part of the crypto asset account opening documents or is separate from the aforementioned crypto asset account opening documents.

C. Conduct a reasonableness verification of the self-certification based on the information obtained by the RCASP in connection with the opening of the crypto asset account, including documentation collected pursuant to anti-money laundering/know-your-customer principles.

D. Determine the Country of Domicile of the Crypto Asset User based on the self-certification and the results of the reasonableness verification.

Self-Certification

A. The self-certification administered, maintained, and stored by the Reporting Crypto Asset Service Provider (RCASP) must comply with the following requirements:

1. Signed or solemnly affirmed/declared by the Crypto Asset User or the authorized representative of the crypto asset account holder
2. Contain the following information:
   a. Individual Crypto Asset User:
      1. first name and last name;
      2. residential address;
      3. jurisdiction for taxation purposes;
      4. Tax Identification Number in the jurisdiction subject to reporting;
      5. date of birth.

   b. Entity Crypto Asset User:
      1. name of the entity;
      2. address;
      3. jurisdiction for taxation purposes;
      4. tax Identification Number in the jurisdiction subject to reporting;
      5. in the case of an Entity Crypto Asset User that is not an active entity or an excluded person, the information provided shall correspond to the Entity Crypto Asset User for each controlling person, unless each controlling person has already submitted a self-certification;
      6. Other information indicating that the Entity Crypto Asset User is an active entity or an excluded person.

3. A statement that the information provided in the self-certification is true;
4. A statement that the Individual Crypto Asset User or Entity Crypto Asset User agrees to provide notification if there is a change in the circumstances of the Crypto Asset holder that causes the contents of the self-certification document to become inaccurate or incomplete, no later than 90 (ninety) days from the date of such change; and
5. Include the date on which the self-certification is received by the RCASP.

B. The submission of the self-certification shall comply with the following provisions:
   1. in electronic or non-electronic form; and
   2. the self-certification may be submitted directly, electronically, or sent by post with proof of delivery.

C. For self-certifications submitted electronically, both Individual and Entity Crypto Asset Users are required to provide a physical copy of the self-certification document if requested by the Directorate General of Taxation or the Reporting Crypto Asset Service Provider (RCASP).

D. The self-certification document must be retained and maintained for a minimum period of 5 (five) years, calculated from the end of the reporting period for financial information required to be reported under the CARF (Common Reporting and Due Diligence Standard for Crypto-Assets).

CARF OECD Resources

International Standards for the Automatic Exchange of Information in Tax Matters (https://www.oecd.org/en/publications/international-standards-for-automatic-exchange-of-information-in-tax-matters_896d79d1-en.html)

(published by the OECD in June 2023)

CARF-related FAQs (https://www.oecd.org/content/dam/oecd/en/topics/policy-issues/tax-transparency-and-international-co-operation/faqs-crypto-asset-reporting-framework.pdf)

(published by the OECD in September 2024)

A Step-by-Step Guide to Understanding and Implementing the Crypto-Asset Reporting Framework (https://web-archive.oecd.org/tax/transparency/documents/step-by-step-guide-understanding-implementing-crypto-asset-reporting-framework.pdf) (published by the OECD in November 2024)

CARF XML Schema and User Guide (https://www.oecd.org/en/publications/crypto-asset-reporting-framework-xml-schema_578052ec-en.html) version 1.0 (published by the OECD in October 2024)

FAQ

CARF-related FAQs (https://www.oecd.org/content/dam/oecd/en/topics/policy-issues/tax-transparency-and-international-co-operation/faqs-crypto-asset-reporting-framework.pdf)

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