

**Strategic Investment Action Plan  
(Tax)**

**13/05/2005**

Subject	Action		Executing Institution	Target Date	
Tax/Customs (Tax)	Establishing and strengthening self assessment system	Reduction of withholding tax	Reviewing tax tariff on business income	DG Tax	By Jan 2006
			Reviewing withholding tax tariff on maklon service	DG Tax	By Jan 2007
		Reform on Tax Prepayment/ Installments	Easing the burden of monthly tax installment for certain qualified tax payers	DG Tax	By Jan 2006
		Improvement of tax service to raise public awareness on tax payment	Preparing tax payment handbook with user friendly graphic illustrations and delivering them	DG Tax (with assistance from JICA)	Starting in Jan 2006
			Facilitating help desk at the office to answer and advice for taxpayers in submitting tax return (Establishing some model tax offices and gradually extending the model to all offices)	DG Tax (with assistance from JICA)	2006 - 2008
			Socializing the amended regulation by website, seminar or publication	DG Tax (with assistance from JICA)	Starting in June 2005
	Reforming VAT for Export Promotion	Early VAT refund	Accelerating VAT refund process along with the expansion process of modernized tax office	DG Tax	2006 - 2009
		Easing VAT penalty	Removing the 2 % administrative penalty due to tax invoice without buyer's identity	DG Tax	By Jan 2007
		Promoting competitiveness of export/offshore service	Applying 0% tax rate on the export for certain services	DG Tax	By Jan 2006
	Protecting Taxpayers' Rights	Improving Code of Conduct of Tax Officers	Improving governance related to audit, objections, and other enforcement	DG Tax	By Jan 2006
		Reforming Tax Collection System	Studying reform on the tax collection system such as during the objection process	DG Tax	Starting in June 2005
	Promoting Transparency and Disclosure	Tax Audit and Investigation Disclosure and Code of Conduct	Issuing regulation on disclosure of the details of the findings to the investigated companies	DG Tax	By Oct 2005
			Establishing the standard tax audit methods and code of conduct and announce them to the public	DG Tax	By Dec 2005
			Conducting training of the new tax audit methods and code of conduct to the investigators to improve their competency and professional ethics	DG Tax	By Jan 2006
		Systemization of Tax Knowledge Base	Preparing data base of the DGT decrees, circular letters and FAQs	DG Tax	By Jan 2006
	Reducing Real Business Cost	Increasing Deductible Expense Related to Welfare Cost	Studying the possibility of setting up clear standard for deductible expense	DG Tax	2006

Promoting Human Exchange	Promotion of Human Exchange and Tourism	Reviewing the current structure of fiscal payment as prepayment of income tax	DG Tax	2006
Continuing dialogue on tax	Regular working group meetings on tax	Continuing dialogue based on JJC's recommendation, KADIN's comments and Detailed action plan on tax (2005/5/13)	DG Tax	Starting in June 2005