Yanto - Multy Taxes, 1

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Submission date: 27-Oct-2023 03:35PM (UTC+0700)
Submission ID: 2208886027
File name: Multy_Taxes,_1.docx (45.38K)
Word count: 5361
Character count: 29591

Mitigating International Double Taxation: A Study of Indonesian Tax Law

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Abstract: This research investigates the measures taken by the Indonesian government to mitigate tax conflicts, taxation on transactions between two countries based on the current regulations of the Indonesian Tax Law. The author employs qualitative methods, including reviewing academic literature and other related materials, conducting focus group discussions to collect input for the design of the research report, and using a subjective approach to review existing data and materials. The author concludes that the Indonesian government has implemented three measures to minimize the occurrence of international double taxation. First, efforts to minimize the occurrence of international double taxation unilaterally, those regulated in a country's domestic laws. Second, efforts to minimize the occurrence of international double taxation bilaterally. Third, efforts should be made to minimize the occurrence of international double taxation multilaterally.

Keywords: Income Tax (PPh), Double Taxation, Indonesian Taxation Law, Tax Treaty, Multilateral Agreement.

1. Introduction

1 .1 Background

Economic digitalization and globalization have increased international trade, investment, multinational company activities, and capital mobility (Campbell, 2009). This makes companies operate without recognizing national borders and ultimately results in international tax

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competition. To prevent global tax avoidance, the G20 Leaders-India 2023 declaration agreed on the importance of developing an international tax system that reflects justice, is sustainable, and modern in accordance with the needs of economic development globally today.

Economic digitalization and globalization encourage countries to pay attention to the tax system and make adjustments to improve the fiscal climate for investment. Economic digitalization and globalization are driving factors for tax reform, which focuses on expanding the tax base and reducing tax rates. Tax reform is generally carried out to adapt the tax system to changes in the global environment (OECD, 1998).

As globalization progresses and information technology advances, it fosters communication and enables individuals to leverage this technology for various purposes, including conducting transactions both locally and internationally. When individuals engage in cross-border transactions involving multiple countries, they are liable to pay taxes in each of these countries. The tax obligations apply in both the source country, where the income is earned by the individual or entity, and the domicile country, where the individual or entity has their residence or permanent domicile.

Other cross-border transactions can be stated as follows: X Corporation is a consulting company domiciled in the United States that provides internal audit consulting services for 30 (thirty) days at PT. Meta amounting to IDR 5,250,000,000 , from the case above, the source country is in Indonesia because of source of income is in Indonesia, whereas the country of domicile is the United States. X Corporation is domiciled in the United States. Therefore, the income obtained by the United States is the country of domicile.

From the case above, one taxpayer (Internationally, it is called double taxation because one taxpayer is subject to tax in two countries)

Another example is as follows: Bank Net income of IDR 1,00 billion will be subject to Income Tax (PPh) in Hong Kong (as the source country), but the same income will also be subject to Income Tax (PPh) in Indonesia (as the country of domicile). This is what is called Juridical Double *Tax, i.e*., a tax subject is taxed more than once and is taxed in more than one country (Gunadi, International Tax 2007, p. 111). Besides *Juridical Double Tax, Economical Double Tax*. *Economical Double Tax* is when the subjects subject to tax are different, but the object is the same economically. For example: PT. Indomia has a subsidiary in Malaysia, Indomia Corp. The shares are owned by PT. Indo Mia, then the Malaysian State has the right to distribute dividends to Indo Mia (dividends distributed are called *Economical Double Tax)*. (the cases in this study are only illustrations, not facts).

II. Theoretical Framework and Hypothesis Development

II.1 Double Taxation

Knechtle, in his book entitled " *Basic Problems in International Fiscal Law* " (1979), as quoted in Gunadi (2007), stated that Knechtle differentiates the meaning of double taxation in a wider *sense* from a *narrower one, sense),* in a broad sense double taxation includes every form of taxation and other levies more than once, which can be multiple *(double taxation*) or more (*multiple taxation*

) on a fiscal fact (tax subject and/or object). On the other hand, from a narrow meaning, double taxation is considered to occur in all cases of taxation several times on a subject and/or tax object within the same tax administration. Gunadi, further stated, double taxation in a broad sense, according to the country (jurisdiction) of the tax collector, can be grouped into two types: (1) internal (domestic) and (2) International

II.2 Principles of Taxation

Adam Smit (1776, quoted in Mansury, 1996) stated that there are four principles that must be fulfilled in tax collection.

1. Principle of Equality

Taxes must be fair and equitable, that is, imposed on individuals in proportion to their ability to pay *and* in accordance with the benefits they receive.

2. Principle of Certainty

Taxes are not determined arbitrarily; in contrast, they must be clear from the start to all taxpayers and the entire community. According to this principle, taxes are collected with certainty using a strong legal basis.

3. Principle of convenience

This concept, referred to as the principle of comfort, suggests that the government, when levying taxes, should take into account the circumstances of the taxpayers. Additionally, timing is also a crucial factor for consideration. This principle aligns with the "pay as you earn" concept, implying that taxes are gradually deducted in monthly installments by the employer. This way, by the end of the year, taxpayers do not feel burdened by the tax payment.

4. Economic Principles

In this principle, tax collection by the government must be efficient, and the cost of tax collection and taxpayer compliance must be less than the amount of tax collected by the government.

III. Methodology

The research design used in this study was qualitative. This study analyzes secondary data, including published academic literature, other relevant sources, and related documents. This article was prepared using qualitative methods with an in-depth literature study for in-depth understanding. This article is also prepared using a comprehensive analysis method to support this understanding, including critical reflection on the issues raised. In addition, the critical reflection in this article is used to interpret problems and theories.

This article is based on observations of phenomena in the author's environment. This article combines two methods: literature review and interpretation of the data obtained from observations. This literature review aims to identify valid reference sources for developing the theory used in this study. With a literature review, the authors can find relevant sources of material related to the

material in discussion. The researchers obtained data through reading materials and critical analytical studies related to the problems raised.

In addition, writing this article also uses the interpretation of observational data. Data interpretation is based on qualitative and quantitative research data. The qualitative data in this article comes from interviews with sources who have experiences similar to the main discussion of this article. Quantitative data were obtained by calculating the objects and respondents involved in this study.

In the article discussing international double taxation and efforts to minimize the occurrence of international double taxation based on the Indonesian Tax Law, quantitative data are obtained from several sources. Data obtained from observations and research will be combined with data obtained from the literature study. This provides two benefits: testing the validity of data from the library and providing completeness of library data as empirical data continues to develop in the field.

In focus group discussions to provide input on the design of this research report, researchers used a subjective approach to examine existing data and material.

The research methods include the following:

1. Keep track of academic literature and other related reading materials and documents

2. Literature review

3. Document analysis

4. Overall data analysis

5. Write research reports

In focus group discussions to provide input on the design of this research report, researchers used a subjective approach to examine existing data and material.

IV. Analysis and Discussion

IV.1 Analysis

IV.1.1 International double taxation

Double taxation occurs is because the source and domicile countries use different taxation principles applied in that country, causing double taxation or tax clashes. Internationally, there are three principles of taxation:

1. Principle of domicile

The domicile principle means that the country has the right to impose tax on income earned by the taxpayer, as long as the taxpayer is domiciled in the country concerned.

Example: Mr. Athala lives in Jakarta because from the time he was born until he grew up, his residence was in Jakarta. Therefore, if Mr. Athala earns income, Indonesia has the right to impose tax on him as Indonesia applies the domicile principle.

2. Source principle

The source principle implies that a country has the authority to tax income earned by a taxpayer, provided the income originates from that country. Indonesia is an example of a country that applies this principle. For instance, if the income is derived from PT. Meta Jakarta, Indonesia reserves the right to tax the income earned, which amounts to IDR 50,250,000,000, resulting in a tax of IDR 11,055,000,000.

While it is mentioned that Indonesia employs both the domicile and source principles, it raises the question: which principle does Indonesia actually use for taxation? In reality, Indonesia utilizes a hybrid approach that combines both principles. The domicile principle targets domestic taxpayers (WPDN), whereas the source principle is applied to foreign taxpayers (WPLN).

3. Principle of citizenship

The principle of citizenship is that the state has the right to impose tax on income earned by the taxpayer, as long as the taxpayer has the citizenship status of the country concerned. Some countries that use the principle of citizenship include the United States and the Philippines.

For example: Mr. Firdaus Asikin, an American citizen, works at Bank Pratama Jakarta as a tax consultant. HeMr. Firdaus Asikin provided tax planning services at Bank Pratama for one month and received a fee of IDR 200,000,000.200,000,000

Mr. Firdaus Asikin's income of IDR 200,000,000 will be taxed in Indonesia, according to Article 26 (ie 20% x IDR 200,000,000 = IDR 40,000,000), and the same income will be taxedin the United States because Mr. Firdaus Asikin's's citizenship status is a citizen of the United States itself adheres to the principle of citizenship.

From this case, there was a tax conflict or tax collision or what is known as international double taxation, one taxpayer (namely Mr. Firdaus Asikin) was taxed in two countries, Indonesia and the United States. There is a tax conflict or tax collision or what is known as international double taxation, it is very unprofitable for taxpayers because one taxpayer is subject to tax in two countries, so almost half of the taxpayer's income is withheld from tax in two countries, which will be burdensome for taxpayers (not reflecting principles of justice). To reflect the principle of justice, income earned by taxpayers should only be taxed once in the country of source or domicile.

IV 1.2 Each country's efforts to minimize double taxation

The occurrence of tax conflicts or tax collisions or what is known as double taxation, it is felt to be less profitable for taxpayers. Therefore, the efforts made by each country to minimize double taxation areas are as follows:

1.Efforts to minimize international double taxation unilaterally

This is an effort to minimize the occurrence of double taxation, which is separately regulated in a country's domestic laws. In Indonesia itself, it is regulated in Article 24 of Law Number 7 of 1983 as last amended by Law Number 7 of 2021 concerning Harmonization of Tax Regulations (HPP), namely regarding foreign tax credits.

What is meant by a foreign tax credit is that the amount of tax that has been paid abroad can be credited domestically.

Internationally, foreign tax credits are grouped into 2 groups, and each country is free to choose one of the existing types of foreign tax credits:

a. Full tax credit *(*full tax credit)

The amount of tax paid abroad will all be credited domestically

Example 1: PT. Z, which is headquartered in Tamrin Jakarta, earned the following net income during 2022 income from within the country IDR 200,000,000,000, while PT. If income (PPh) is 25%, then the amount of foreign tax credits that can be credited domestically and the amount of income tax (PPh) that still has to be paid in Indonesia is as follows:

In the field of international taxation, a taxpayer who has income from both domestic and foreign sources often has to deal with the issue of double taxation. To mitigate this, many countries provide a Foreign Tax Credit (FTC) which allows taxpayers to offset taxes paid in foreign countries against their domestic tax liability.

For example, the taxpayer has a domestic income of IDR 200,000,000,000 and an overseas income from Vietnam of IDR 100,000,000,000. The total global income is therefore IDR 300,000,000,000.

The taxpayer has already paid 25% income tax in Vietnam on the overseas income, amounting to IDR 25,000,000,000.

In their home country, the income tax rate is 22%. So, the initial tax liability on the global income is IDR 66,000,000,000.

However, they can claim a FTC for the tax paid in Vietnam. This reduces their remaining tax liability in their home country to IDR 41,000,000,000.

This mechanism ensures that the taxpayer isn't taxed twice on the same income and promotes fairness in international taxation. It is important to note that tax laws and rates can vary greatly between different countries and jurisdictions. Always consult with a tax professional or advisor when dealing with complex international taxation issues.
For example 2: PT.Meta, which is headquartered in Surabaya, has a branch office in Germany. During 2022, net income is as follows: income from within the country is IDR 100,000,000,000, while income obtained from Germany during 2022 is IDR 80,000,000,000. If Germany is subject to 30% income tax (PPh), then the amount of the credit foreign taxes that can be credited in Indonesia and income tax (PPh) that must still be paid in Indonesia are as follows:

Solution :

Domestic income IDR 100,000,000,000

Overseas income IDR 80,000,000,000 ,-

Global income IDR 180,000,000,000

Income Tax (22%) IDR 39,600,000,000

Overseas tax credit (Rp. 24,000,000,000)

PPh that still has to be paid

Paid domestically IDR 15,600,000,000

Full tax credits are not used in Indonesia, because Indonesia itself uses limited tax credits (ordinary tax credits).

b. Limited tax credit (ordinary tax credit)

Indonesia uses limited tax credits *(ordinary tax credits)*. Based on Article 24 of Law No. 7 of 1983 concerning Income Tax as most recently amended by Law No. 7 of 2021 concerning the Harmonization of Tax Regulations, and its implementing rules are regulated in Minister of Finance Decree (KMK) No. 164 of 2002. A limited tax credit *(ordinary tax credit)* is the amount of tax paid abroad that can be credited domestically as high as the tax paid abroad but must not exceed the applicable provisions.

The applicable provisions are as follows:

(Overseas income: global income)

For example 1: PT. Z, which is headquartered in Tamrin Jakarta during 2022, earned the following net income: income from within the country of IDR 200,000,000,000, while PT. If income (PPh) is 25%, then the amount of foreign tax credit that can be credited domestically and income tax (PPh) that still has to be paid in Indonesia is as follows:

Solution:

Income Tax (PPh) paid in Vietnam 25% x IDR 100,000,000,000

= IDR 25,000,000,000

Domestic income IDR 200,000,000,000

Overseas income IDR 100,000,000,000

Global income IDR 300,000,000,000

Income Tax (22%) IDR 22,000,000,000

Overseas tax credit (Rp. 7,333,333,333,-)

Income Tax that still needs to be paid

Domestically, IDR 14,666,666,666

The formula for calculating the ordinary tax credit is that income tax that can be credited in Indonesia is as high as the tax paid abroad (Rp. 25,000,000,000) but must not exceed the applicable provisions.

The applicable provisions are = (overseas income : global income), income tax (PPh on global income)=(Rp. 100,000,000,000,-:Rp. 300,000,000,000,-)X Rp. 22,000,000,000, = IDR 7,333,333,333

From our calculations, we compare IDR 25,000,000,000 with IDR 7,333,333,333, (the lower one is IDR 7,333,333,333, so the lower one is what we use in the calculation).

For example 2: PT.Meta, which is headquartered in Surabaya, has a branch office in Germany. During 2022, net income is as follows: income from within the country is IDR 100,000,000,000,- while income earned from abroad (Germany) during 2022 is IDR 80,000,000,000,- ifIf in Germany it is subject to 23% Income Tax (PPh). , then the amount of foreign tax credit that can be credited in Indonesia, and the income tax (PPh) that still has to be paid in Indonesia is as follows:

Solution :

Income Tax (PPh) paid in Germany 23%

= IDR 18,400,000,000

Domestic income IDR 100,000,000,000

Overseas income IDR 80,000,000,000

Global income IDR 180,000,000,000

Income Tax (22%) IDR 39,600,000,000

Overseas tax credit (Rp. 17,599,999,999)

Income Tax that still needs to be paid

Domestically, IDR IDR 22,000,000,000

The formula for calculating the ordinary tax credit is that income tax that can be credited in Indonesia is as high as the tax paid abroad (Rp. 240,000,000), but must not exceed the applicable provisions.

The applicable provisions are = (overseas income: global income) X PPh on global income.

= (Rp. 80,000,000,000,- : Rp. 180,000,000,000,-)X Rp. 39,600,000,000,-

= IDR 17,599,999,999

From our calculations, we compare IDR 18,400,000,000 with IDR 17,599,999,999 (the lower one is IDR 17,599,999,999 so the lower one is what we use in the calculation)

Example 3: PT. X, which is headquartered in Jakarta, has branch offices abroad. During 2022, he earned the following net income: income from abroad was IDR 1 00,000,000,000,- and was subject to Income Tax (PPh) 3 0%, while domestically he experienced a business loss of IDR 25,00,000,000. , -

So how much foreign tax credit can be credited domestically? The Personal Income Tax (PPh) that still has to be paid domestically is as follows:

Solution:

Income Tax (PPh) paid abroad 30%

Domestic business loss =(Rp. 25,000,000,000)

Business income abroad = Rp. 1 00,000,000,000 , -

Global income = IDR 75 .00 0,000,000

Income Tax (2 2 %) = Rp 1 6. 500. 000. 000,-

Overseas tax credit = (Rp. 16,500,000,000)

Taxes still to be paid

Domestically = none

The formula for calculating the ordinary tax credit is that income tax (PPh) can be credited in Indonesia at the maximum of the tax paid abroad (Rp. 30,000,000,000), but must not exceed the applicable provisions.

The applicable provisions are = (overseas income: global income) X PPh on global income.

= (Rp. 100,000,000,000,- : Rp. 75,000,000,000,-)X Rp. 16,500,000,000,-

= IDR 22,000,000,000

From forestry, we compare IDR 30,000,000,000 and IDR 22,000,000,000 (the lower one is IDR 22,000,000,000 BUT the Income Tax (PPh) that must be paid domestically is IDR 16,500,000,000 so that can be credited domestically it is IDR 16,500,000,000,).

For example 4: PT.Meta, which is headquartered in Jakarta, has four branch offices abroad. During 20 22 earned net income is as follows:

Domestic business income of IDR 1,000,000,000

Branch offices in country A earn an income of IDR 150,000,000,000 and are subject to 30% Income Tax (PPh).

The branch office in Country B suffered a business loss of IDR 50,000,000,000

In Country C, income is IDR 40,000,000,000 and is subject to 35% Income Tax (PPh). In country D, income is IDR 70,000,000,000 and is subject to Income Tax (PPh) 2 0%.

Therefore, the amount of foreign tax credit that can be credited domestically and the income tax (PPh) that still has to be paid domestically is as follows:

Solution:

Domestic Income = IDR 1,00,000,000,000

Overseas Income:

- A's income = IDR 1 50,000,000,000.00
- Country B's Income = ---
- Country C's income = IDR 40,000,000,000.00
- State Income D = IDR 70,00000,000.00

Global income = IDR 3 60,000,000,000.00

Income Tax (PPh) 22% = IDR 79,200,000,000.00

Overseas Tax Credit = IDR 55,800,000,000.00

Taxes still to be paid.

Domestically = IDR 23,400,000,000

The formula for calculating ordinary tax credit is Income Tax (PPh), which can be credited in Indonesia at the maximum of the tax paid abroad (amounting to IDR 73,000,000,000,- which comes from 30% x IDR 150,000,000,000,- + 35% x IDR 40,000,000,000,- + 20% x IDR 70,000,000,000,-), but must not exceed the applicable provisions.

The applicable provisions are = (Overseas income: global income) PPh on global income.

Country A = (150 M : 360 M) X 79,200,000,000= IDR 33,000,000,000

Country C = (40 M : 360 M) X 79,200,000,000= 8,800,000,000

Country D = (70 AD : 360 AD) 79,200,000,00 = 15,400,000,000

Foreign tax credit that can be credited domestically = IDR 33,000,000,000 + IDR 8,800,000,000 + IDR 14,000,000,000 = IDR 55,800,000,000

2. Efforts to minimize international double taxation through tax agreements between two countries (through *tax treaties*)

This is an effort to minimize the occurrence of international double taxation between two countries, an effort carried out by relinquishing taxation rights either in whole or in part. Relinquishment of taxation rights as a whole is usually carried out on income obtained by overseas taxpayers (WPLN) from active income, namely income obtained by WPLN from domestic sources of income through business activities.

For example: Mr. Firman, a Singaporean citizen, works at PT.ABC Jakarta and earns an income from PT.ABC Jakarta of IDR 400,000,000,-

If Mr. Firman's income has already been taxed in Indonesia, Singapore has no right to impose tax again on the same income. On the other hand, if Mr. Firman's income is not taxed in Indonesia, then Singapore is obliged to impose tax (this has been regulated in the *treaty* through the time test), and partial relinquishment of taxation rights is usually carried out for income from *passive income*, namely income obtained by overseas taxpayers (WPLN) from domestic sources and not through business activities.

For example, income obtained from overseas taxpayers (WPLN) from domestic sources of income from dividends, interest, and royalties.

A tax treaty is a tax agreement agreed upon by two countries, namely, between the source and domicile countries, to avoid double taxation or tax clashes. The main objective of *the Tax Treaty* is to encourage the exchange of trade in goods and services and international mobility flows by eliminating the *international double tax*. Indonesia has now formed *tax treaties* with 68 countries worldwide (the list of countries is in the attachment).

3. Efforts to reduce international double taxation multilaterally

This is an effort to minimize double taxation between the two countries. Efforts to reduce international double taxation multilaterally were recently carried out at the G20 Summit in New Delhi, India, because of the emergence of the complexities and challenges of fair and effective tax collection between countries triggered by globalization and economic digitalization, which have caused companies to operate without recognizing national borders. All countries struggle to prevent a decline in their tax base due to tax-avoidance practices. A step taken by many countries is to cut tax rates to increase business compliance. Competition between countries by reducing tax

rates to zero percent has had the effect of a "*race on the bottom* " which is increasingly eroding the tax base.

In the G20 Leaders-India 2023 declaration, the importance of building an international tax system that is fair, sustainable, and modern according to the needs of current economic development is highlighted. This agreement has agreed on two pillars, namely, the principle of fair taxation through a *multilateral convention* and preventing competition to cut tax rates by implementing the Minimum *Taxation Agreement/Global Anti-Based Erosion (GloBe)* in 2024. The member countries of the Inclusive Framework agreed to implement a minimum tax rate of 15% on multinational companies with revenues above €750 million per year.

To overcome the practice of *base erosion and profit shifting, Article* 54 PP No. 55/2022 regulates the granting of authority to the Director General of Taxes to impose a global minimum tax in Indonesia on the basis of an agreement. With a global minimum tax, multinational corporate groups operating internationally must pay tax at the global minimum rate according to the agreement.

V.1Discussion

V.1 Research Questions

1. Can the implementation of Tax Treaties between Indonesia and partner countries effectively minimize the occurrence of international double taxation?

Effective implementation of the contents of the *Tax Treaty agreement can reduce the occurrence of international double taxation*. Currently, there are 68 countries that have entered into tax agreements with Indonesia as stated in the *Tax Treaty*, efforts made in *the Tax Treaty* by relinquishing taxation rights between the source country and the country of residence, either in whole or in part.

2. Does the Indonesian Tax Law provide adequate measures to prevent the occurrence of international double taxation for taxpayers?

Article 24 of Law No. 7 of 1983 concerning Income Tax (PPh), as last amended by Law No. 7 of 2021 concerning the Harmonization of Tax Regulations regulates foreign tax credits so that the Indonesian Tax Law provides clear steps to prevent international double taxation. Article 54 of PP 55/2022 regulates the granting of authority to the Director General of Taxes to impose a global minimum tax in Indonesia on the basis of an agreement to overcome the practice of *base erosion and profit shifting*.

3. How have the Indonesian Government's efforts to minimize international double taxation contributed to an increase in foreign investment in Indonesia?

The efforts made by the government to attract foreign investors to Indonesia have resulted in the entry of foreign investors in the form of *foreign direct investment* (FDI) or PMA. As an illustration, the amount of realized foreign investment entering Indonesia from 1990 to 2006 is as follows:

Table.1. Realization of Foreign Investment Foreign Direct Investment (FDI) 1990–2006

Year	Project	Project Value (US $ Million)
1990	100	706.0
1991	149	1,059.7
1992	155	1,940.9
1993	183	5,653.1
1994	392	3,771.2
1995	287	6,698.4
1996	357	4,628.2
1997	331	3,473.4
1998	412	4,865.7
1999	504	8,229.9
2000	638	9,877.4
2001	454	3,509.4
2002	442	3,082.6
2003	569	5,445.3

2004	547	4,572.1
2005	908	8,916.6
2006	867	5,997.0

Source: BKPM direct investment statistical data

4. How can cooperation between Indonesian and foreign tax authorities effectively prevent the occurrence of international double taxation?

Cooperation between the Indonesian Tax Authority (Dirjen Tax) and foreign tax authorities can be conducted bilaterally through a *tax treaty* between the two countries to prevent international double taxation. In fact, recently, the government has implemented a *multilateral agreement*, as will be done by the Indonesian government with member countries of *the Inclusive Framework, which* has agreed to an effective tariff of 15% on multinational companies with revenues above €750 million per year. This is done to overcome the practice of *base erosion and profit shifting*. With this agreement, multinational company groups operating in a country are obliged to pay tax at the global minimum rate in accordance with the agreement, namely 15%.

VI. Conclusion

The mitigation of international double taxation can be categorized into three primary strategies:

1. **Unilateral Measures**: These are efforts to minimize the occurrence of international double taxation that are regulated independently within a country's Taxation Law. For instance, in Indonesia, this is governed by Article 24 of Law No. 7 of 1983 concerning Income Tax, as most recently amended by Law No. 7 of 2021 concerning Harmonization of Tax Regulations (UU HPP). This law pertains specifically to Foreign Tax Credits.
2. **Bilateral Measures**: These efforts aim to minimize the occurrence of international double taxation between two countries through a Tax Treaty. This is typically achieved by relinquishing taxation rights either entirely or partially.
3. **Multilateral Measures**: These efforts aim to minimize the occurrence of international double taxation among multiple countries. An example of this is the strategy that will be implemented by the Indonesian Government with member countries of the Inclusive Framework, in accordance with pillar 2 of Global Anti Base Erosion (GloBe), which is set to be implemented in 2024.

Each of these strategies plays a crucial role in ensuring fair and equitable taxation practices on a global scale, thereby preventing taxpayers from being taxed twice on the same income.

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