CORPORATE INCOME TAX COMPLIANCE

Annual Corporate Income Tax Review

PT Contoh Produksi Nasional

FY2025 | Prepared for the fictional management team | 3 October 2026

Executive assessment

Resolve the fiscal adjustments and credit evidence before approving the annual computation. The sample produces a provisional taxable-base scenario of 11,500 million; the assumed 20% model rate is illustrative and is not the prescribed rate for the client.

The fictional company reports profit before tax of IDR 10,000 million. Management proposes positive fiscal adjustments of 2,000 million, negative adjustments of 500 million and credits of 1,700 million. No carried-forward loss is assumed. The pack contains depreciation differences, service costs and selected withholding certificates.

Priority	Matter requiring a decision	Current evidence position
High	Adjustment schedule lacks legal mapping	Open for professional review
Medium	Depreciation differences need asset detail	Open for professional review
High	Credits remain provisional	Open for professional review

This is a worked sample, not an issued client opinion. All companies, transactions, evidence records and calculations are fictional. The recommended actions demonstrate professional delivery; they do not establish a tax liability, filing eligibility, benchmark or regulatory approval.

Scope and analytical method

Purpose and intended use

The purpose is to help the fictional management team understand the evidence, the decision still required and the work needed to complete a defensible deliverable. The report is intended for internal discussion with the responsible Falcon professional. It is not a filing, an audit opinion or a guarantee of an authority outcome.

Work performed in the illustrative case

- Accounting to fiscal profit reconciliation
- Income expense and depreciation classification
- Credits and prior payment reconciliation
- Annual return review and evidence package

Tie the starting profit to approved accounts, test each fiscal adjustment against its original and applicable rule, and reconcile losses and credits by period. Distinguish permanent and timing differences and preserve their reversal logic. Reperform the calculation only after determining actual taxpayer status and applicable rates or facilities.

Evidence population

Ref	Illustrative record	Role in the analysis
E01	Approved accounts and profit bridge	Starting population and primary bridge
E02	Fiscal adjustment workpapers	Classification and factual support
E03	Asset and depreciation register	Exception or corroboration testing
E04	Credit certificates and payment references	Decision history and completion support

The references are report-local training identifiers. They are not verified originals, app record IDs or hashes. No real client files were inspected. A live engagement must preserve the actual originals, their versions and the reviewer's assessment of each material claim. The descriptions above define the evidence that the case assumes or explicitly identifies as missing.

Coverage and limitations

Only the stated sample scope is covered. The report does not infer completeness of other entities, years, transactions or tax types. Where the record is incomplete, the analysis identifies the limitation rather than treating management's explanation as verified evidence. Any estimate remains subject to factual validation, current legal applicability and independent review.

Detailed findings and professional response

Priority is a qualitative judgement about the importance of resolving an issue before delivery. High means that the matter could change a material conclusion or prevent completion. Medium means that a control or corroboration improvement is required. These labels are not a probability of assessment or a calculated tax exposure.

Finding 1 Adjustment schedule lacks legal mapping

High priority. E02 lists 2,000 million of add-backs without an issue-by-issue source and applicability record.

Professional implication. A numeric schedule alone cannot validate the fiscal treatment.

Recommended response. Prepare a line-level accounting and legal bridge with independent review of material positions.

Finding 2 Depreciation differences need asset detail

Medium priority. E03 summarises a 500 million negative adjustment without the complete asset and timing register.

Professional implication. A current reduction could be inconsistent with previous and future periods.

Recommended response. Reconcile cost, classification, commencement and prior treatment for the relevant assets.

Finding 3 Credits remain provisional

High priority. E04 records 1,700 million without complete original certificate and payment matching.

Professional implication. The residual payment scenario depends directly on the validity and period of those credits.

Recommended response. Verify original certificates and payment references and resolve duplicates or wrong-period entries.

Counteranalysis and judgement

An incomplete record is not proof that the taxpayer's position is wrong. Equally, an invoice, signed agreement or plausible narrative does not establish every factual or legal element. The reviewer should test alternative explanations and record what evidence would change the assessment. Preserve both supportive and adverse material so that the final conclusion remains balanced.

Financial analysis and decision alternatives

The schedule below makes the numerical reasoning reproducible. All inputs are fictional. The calculation basis states whether a value comes from the assumed record, a formula or an explicit scenario parameter. Figures should not be copied into a live return or used as a benchmark.

Measure	Illustrative result	Calculation basis
Accounting profit before tax	10,000	E01
Positive fiscal adjustments	2,000	E02
Negative fiscal adjustments	500	E03
Provisional taxable-base scenario	11,500	10,000 plus 2,000 minus 500
Tax at assumed model rate 20%	2,300	11,500 multiplied by 20%
Provisional credits	1,700	E04
Residual model payment	600	2,300 minus 1,700

Amounts are IDR million. The 20% parameter is deliberately labelled as a modelling assumption and must be replaced by the verified applicable treatment. A one percentage point rate change alters the gross model tax by 115 million. The 600 million residual is not a filing amount; adjustments, losses, facilities, credits and actual rules remain subject to professional review.

Alternatives for management discussion

Alternative	Practical rationale	Condition before adoption
Complete the fiscal bridge	Supports a reproducible computation	Each adjustment needs verified treatment
Verify credits independently	Tests the payment offset	Requires authentic originals and period matching
Approve the annual package	Creates a controlled deliverable	External submission and receipt are separate

Management should compare the alternatives using verified facts, operational feasibility and the applicable legal analysis. A more favourable numerical scenario is not evidence that its assumptions are valid. The report therefore recommends completing the unresolved work before selecting a final tax position or an external action.

Recommendations and delivery plan

The following sequence is an illustrative internal work plan measured from engagement kick-off. It is not a statutory timetable. Any external response or filing date must be verified separately and may require faster escalation. The engagement partner remains responsible for the scope and resources agreed with the client.

Work step	Responsible role	Indicative timing	Completion evidence
Confirm scope and procedural facts	Engagement lead	Days 1 to 2	Approved scope and verified external date where relevant
Resolve finding 1	Client finance and Falcon adviser	Days 2 to 5	Original evidence and documented resolution or scope limitation
Resolve finding 2	Technical workstream lead	Days 3 to 7	Originals and approved technical treatment
Resolve finding 3	Client owner and Falcon adviser	Days 3 to 8	Reviewed action and completion evidence
Review analysis and computations	Independent Falcon partner	After evidence closure	Documented challenge and approved current version
Authorise delivery and preserve receipts	Engagement lead and client signatory	After professional approval	Final report version and any external acknowledgement

Escalation and change control

Escalate immediately if an actual external date is near, an original contradicts the working facts, the legal framework changes, or the proposed action exceeds the authorised scope. New evidence can change the recommendation. Update the affected calculations, issue analysis and report version, and obtain fresh independent review where the conclusion has changed.

Client communication

Tell the client what is established, what remains uncertain and what they must supply or decide. Explain how missing evidence limits the deliverable. Obtain approval of the final audience and language. Preserve the distinction between internal review, client delivery and authority acceptance.

Technical references and completion record

The official references below were located on 3 October 2026. They are starting points for a real technical review, not a representation that every operative article, amendment, treaty or transitional provision has been checked. No quoted legal passage or current statutory rate is relied on to decide this fictional case.

Indonesian tax administration

PMK 81 of 2024 and amendment history - The JDIH page lists amendment history including PMK 1 of 2026. Retrieve applicable originals and check all later amendments before use.

Open official reference

Indonesian related party transactions

PMK 172 of 2023 - Review the applicable articles, period, documentation, MAP and APA provisions and any subsequent changes.

Open official reference

Required legal applicability record

For each material position, retain the original provision and exact article, authority and version, effective dates, relevant amendments and the reason it applies to the client's facts and period. Record competing interpretations and the specialist's conclusion. Official service pages and OECD guidance have different authority from domestic legislation and treaty text.

Independent completion checks

- The client identity, period and authorised scope match the actual engagement.
- Every material statement is traceable to the original record and preserves any contradiction.
- The calculations are independently reperformed and assumptions are distinguished from legal rules.
- The applicable law and source history support the conclusion for the actual period.
- A different qualified Falcon reviewer records the judgement and material limitations.
- The client authorises the intended delivery and any separate external submission is evidenced.

Sample status: not approved for client issue. No preparer, reviewer or client signature is simulated. Replace the fictional dataset and complete the real engagement review before using this document as a delivery model.