WITHHOLDING TAX COMPLIANCE

Withholding Tax Reconciliation Report

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Executive assessment

Reconcile the payment population and certificate register before approving withholding. The sample illustrates a 5 million difference under an assumed 2% model rate, but transaction classification and actual applicable treatment have not been verified.

The fictional accounts payable register contains IDR 5,000 million of selected service payments. The working withholding register includes 4,750 million and 95 million of withholding. The missing 250 million includes reimbursed costs and an unclassified supplier payment. Overseas transactions are excluded from this sample population.

Priority	Matter requiring a decision	Current evidence position
High	The withholding population is incomplete	Open for professional review
Medium	Reimbursement classification needs evidence	Open for professional review
High	Certificate and payment proof are not complete	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

- Accounts payable and payment population
- Supplier and transaction classification
- Certificates return and payment matching
- Exception remediation and recurring controls

Build the complete payment population and map each item to the supplier, contract, service and payment timing. Determine the actual withholding treatment from current rules and facts rather than an account label. Match computed withholding to certificates, returns and payment references, with separate analysis for different regimes or cross-border payments.

Evidence population

Ref	Illustrative record	Role in the analysis
E01	Accounts payable and payment ledger	Starting population and primary bridge
E02	Withholding calculation register	Classification and factual support
E03	Supplier contracts and reimbursement evidence	Exception or corroboration testing
E04	Certificates return and payment pack	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 The withholding population is incomplete

High priority. E01 exceeds E02 by 250 million. The excluded entries have not been reviewed by transaction.

Professional implication. The register may omit relevant payments or intentionally exclude items with a valid basis.

Recommended response. Reconcile the complete population and preserve the reason for each inclusion or exclusion.

Finding 2 Reimbursement classification needs evidence

Medium priority. E03 uses the reimbursement label without complete contracts or third-party invoice support.

Professional implication. A description in accounts payable is insufficient to decide tax treatment.

Recommended response. Review the underlying arrangement, payment flow and actual applicable provisions.

Finding 3 Certificate and payment proof are not complete

High priority. E04 does not match all recorded withholding to issued certificates and payment references.

Professional implication. A calculated amount does not prove that withholding was documented, reported and paid correctly.

Recommended response. Complete the certificate-return-payment bridge and retain authorised external receipts.

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
Selected payment population	5,000	E01
Working register population	4,750	E02
Population difference	250	5,000 minus 4,750
Recorded model withholding	95	4,750 multiplied by assumed 2%
Full-population model withholding	100	5,000 multiplied by assumed 2%
Illustrative model difference	5	100 minus 95

Amounts are IDR million. The 2% parameter is an explicit scenario assumption, not a rate assigned to these transactions. Applying one rate to the full population is only a sensitivity. Actual withholding depends on classification, recipient facts, timing and applicable law. No penalty or correction entitlement is estimated.

Alternatives for management discussion

Alternative	Practical rationale	Condition before adoption
Complete transaction mapping	Identifies supported treatment	Requires supplier and contract facts
Correct validated exceptions	Aligns the working register	Any external correction needs authorised review
Strengthen recurring matching	Reduces missing certificates	Requires owner and independent completion checks

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

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.