The Brief | Legal

ARTHADAYA PARTNERSHIP



Know-How: Seized Assets Management Procedures within the Directorate General of Tax

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Industry – Tax

INTRODUCTION

DGT Authority

In carrying out tax investigations and collection activities, the Directorate General of Taxes ("**DGT**") is authorized to manage seized objects, seized goods, and tangible assets provided as collateral, as well as documents borrowed from taxpayers and/or other parties for the purposes of tax investigation, collection, audit, preliminary evidence examination, and objection proceedings.

Previous Circumstances

Previously, there were no standardized guidelines governing the management of seized objects, seized goods, tangible assets provided as collateral, and documents obtained pursuant to the applicable laws and regulations.

Precedent: BPK Finding

The Audit Board of the Republic of Indonesia ("**BPK**") reported findings highlight the importance of consistent administration and documented accountability in the management of such assets

Source: https://tirto.id/bpk-soroti-pengelolaan-aset-sitaan-agunan-pajak-belum-optimal-hzSr?utm_source=chatgpt.com

Administrative Concern

The BPK's findings concerning irregularities in the management of assets for tax obligations within the DGT reflect internal administrative issues that may have arisen due to the absence of standardized guidelines governing the such assets management.

Need for Standardization

The issuance of CL No. 10/2026 reflects the DGT's effort to establish uniform administrative procedures and strengthen accountability in managing seized assets, collateral, and borrowed documents.

Regulatory Response

Accordingly, the Director General of Taxes Circular Letter No. SE-10/PJ/2026 of 2026 concerning Guidelines for the Management of Seized Objects, Seized goods, Tangible Assets Provided as Collateral, and Documents Borrowed for Taxation Purposes ("**CL No. 10/2026**") was issued to ensure orderly administration, transparency, and accountability in the management of such assets and documents.

Point A CL No. 10/2026

GENERAL PROVISIONS

The Purposes of CL No. 10/2026

To establish standardized guidelines and ensure consistency in the management of:

1. Seized Objects
2. Seized Goods
3. Tangible Assets Provided as Collateral

Objective of the Guidelines

To ensure that tax investigations, tax collection, tax audits, preliminary evidence examinations, and the resolution of tax objections are conducted in an administratively orderly, transparent, and accountable manner.

Point B.2 CL No. 10/2026

Definitions under CL No. 10/2026

Seized Objects are objects seized by investigators for evidentiary purposes in investigations, prosecutions, or court proceedings, or for the purpose of recovering losses to state revenue, which are held in custody during the investigation stage.

Seized Goods are assets belonging to a taxpayer that serve as collateral for outstanding tax liabilities, pursuant to a seizure carried out by a Tax Bailiff.

Tangible Assets Provided as Collateral are tangible assets submitted by a taxpayer as security in connection with the taxpayer's application for payment of tax liabilities in installments or for the deferment of tax payments.

Tax Bailiff is an officer responsible for carrying out tax collection measures, which include immediate and simultaneous collection, notification of a distress warrant, seizure, and hostage-taking.

Investigation, means a series of actions conducted by an Investigator to search for and collect evidence in order to clarify a tax crime and identify the suspect.

Investigator shall be a specific civil servant within the DGT who is granted special authority to conduct Investigation into criminal offenses in the field of taxation in accordance with the provisions of laws and regulations.

Point E CL No. 10/2026

GENERAL OVERVIEW FOR MANAGEMENT OF SEIZED OBJECTS, SEIZED GOODS, AND TANGIBLE ASSETS PROVIDED AS COLLATERAL

The DGT is assigned to conduct the management of Seized Objects, Seized Goods, and Tangible Assets Provided as Collateral for implementing tax investigations and collection activities, including but not limited to:

1. **MAINTENANCE**
2. **RELEASE**
3. **UTILIZATION**

Point A and Point E Number 2.b Section (10) CL No. 10/2026

WHO MANAGES?

The management may be carried out by the Tax Investigator/Tax Bailiff (if the goods have not been/are not stored at the Storage Facility), the appointed Administrator (if the goods are already at the Storage Facility), or the Administrator of another place.

Point E Number 2.b Section (1) CL No. 10/2026

RESPONSIBILITY

Responsibility for the physical condition of the goods at the Storage Facility shall be jointly borne by the Investigator/Tax Bailiff and the Administrator. However, the legal responsibility shall remain with the Investigator or Tax Bailiff.

If stored elsewhere, the Investigator/Tax Bailiff shall be fully responsible for both its physical condition and legal aspects.

Point E Number 2.b Section (2), (3) and (4) CL No. 10/2026

CHARGING OF MANAGEMENT FEES

The management costs of the Seized Goods, Seized Objects, and Tangible Assets Provided as Collateral shall be borne by the Taxpayer in accordance with the applicable statutory procedures and the relevant provisions of CL No. 10/2026.

If such costs are unable to be charged to the Taxpayer, the costs shall first be advanced by the Administrator's work unit, to be subsequently reimbursed from the proceeds of the auction of Seized Goods, Seized Objects, and Tangible Assets Provided as Collateral.

Point E Number 2.a Section (9.a) and (9.b) CL No. 10/2026

TYPE OF ADMINISTRATOR

1 **The Administrator of Seized Objects and Seized Goods** is an employee within the DGT who is authorized to carry out the duties and functions of managing Seized Objects and Seized Goods.

Point E Number 1.o CL No. 10/2026

2 **The Administrator of Seized Objects, Seized Goods, and Tangible Assets Provided as Collateral** is an employee within the DGT who is authorized to carry out the duties and functions of managing Seized Objects, Seized Goods, and Tangible Assets Provided as Collateral.

Point E Number 1.p CL No. 10/2026

COMPOSITION OF ADMINISTRATORS

The Administrator is appointed based on a decree issued annually (or an amended decree shall be issued if there is a replacement during the period), with the following composition:

1 **Head Office Level**

An employee of the directorate responsible for management and appointed by the director's decree, with the functions of investigation and collection.

2 **Regional Office Level**

1 (one) supervisory officer, 1 (one) investigation officer, and 1 (one) administrative/household affairs officer (appointed by the Head of the Regional Office's decree).

3 **Tax Service Office Level**

1 (one) collection supervision officer, 1 (one) collection officer, and 1 (one) administrative/household affairs officer (appointed by the Head of the Tax Service Office's decree).

Point E Number 2.b Section (5) and (6) CL No. 10/2026

MANAGEMENT MEASURES: MAINTENANCE

Pursuant to Point A, Point E Number 2.b Section (10.c), and Point E Number 2.e of CL No. 10/2026, **in carrying out tax investigations and collection activities, the DGT conducts management activities over Seized Objects, Seized Goods, and Tangible Assets Provided as Collateral, which include maintenance consisting of care, safekeeping, and rescue.**



1. Care

Activities undertaken to preserve the assets in substantially the same condition as when they were received as Collateral in good condition and consistent with their original condition upon receipt.

Point E Number 2.e Section (1.a) CL No. 10/2026

2. Safekeeping

An activity to prevent the occurrence of looting, theft, damage, and the unlawful or procedurally non-compliant removal of Seized Objects, Seized Goods, and/or Tangible Assets Provided as Collateral, which is carried out by the Administrator.

Point E Number 2.e Section (2.a) CL No. 10/2026

3. Rescue

An effort to rescue Seized Objects, Seized Goods, and/or Tangible Assets Provided as Collateral in the event of an emergency, which includes natural disasters, fires, and riots.

Point E Number 2.e Section (3.a) CL No. 10/2026

Monitoring & Inspection

The Administrator shall carry out maintenance by conducting periodic monitoring and physical inspections in accordance with the predetermined schedule, namely:

For land and/or buildings:	at least 1 (one) time every 2 (two) months
For motor vehicles:	at least 1 (one) time every 1 (one) month
For money and/or cash equivalents:	at least 1 (one) time every 1 (one) month
For jewellery and/or precious metals/stones:	at least 1 (one) time every 1 (one) month
For electronic equipment:	at least 1 (one) time every 1 (one) month
For Seized Objects, Seized Goods, and/or other Tangible Assets Provided as Collateral	at least 1 (one) time every 1 (one) month

Point E Number 2.e Section (1.b) CL No. 10/2026

Documentation

The Administrator shall document each activity of maintenance of Seized Objects, Seized Goods, and/or Tangible Assets Provided as Collateral, including but not limited to land and/or buildings, motor vehicles, money and/or cash equivalents, jewelry and/or precious metals/stones, electronic equipment, and Other Seized Objects, Seized Goods, and/or Tangible Assets Provided as Collateral.

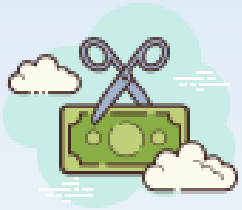
Point E Number 2.e Section (1.c) CL No. 10/2026

Rescue Measures

The Administrator shall document the goods and any emergency circumstances that occur, identify the goods that can still be rescued/stored, and prepare an incident report.

Point E Number 2 letter e section (3) item (b) CL No. 10/2026

MANAGEMENT MEASURES: RELEASE



In accordance with Point A, Point E Number 2.b Section (10.e), and Point E Number 2.g Section (2) CL No. 10/2026, **in carrying out investigations and collections, the DGT conducts management activities, one of which includes the release of Seized Objects, Seized Goods, and Tangible Assets Provided as Collateral to the taxpayer after the conclusion of the taxpayer's investigation and/or other legal proceedings**.

What is a Release?

Activity of returning goods from the Storage Facility by the Administrator to the Investigator or Tax Bailiff.

Point E Number 2.g Section (1) CL No. 10/2026

Storage Facility is room or designated place within the DGT where Seized Objects, Seized Goods, and/or Tangible Assets Provided as Collateral are stored and managed by the Administrator.

Point E Number 1.q CL No. 10/2026

Procedure for Release

Written Request Requirement

The Administrator shall only release Seized Objects, Seized Goods, and/or Tangible Assets Provided as Collateral based on a written request from the Investigator or Tax Bailiff.

Point E Number 2.g Section (3) CL No. 10/2026

Preparation of a Release Handover Record

For each release made, the Administrator shall prepare Minutes of Release of Seized Objects, Seized Goods, and/or Tangible Assets Provided as Collateral.

Point E Number 2.g Section (4) CL No. 10/2026

Initiative by the Administrator for a Written Request

If the requirements and conditions for the release have been fulfilled but the Investigator or Tax Bailiff has not yet submitted a written request to the Administrator, the Administrator may take the initiative to request the Investigator or Tax Bailiff to submit a written request for such release.

Point E Number 2.g Section (5) CL No. 10/2026

Conditions for Release

For Seized Goods or Tangible Assets Provided as Collateral

Released in the event that the instalment period or tax payment deferral period expires, an objection is filed against a tax assessment for which an instalment or deferral of payment was previously requested, the Taxpayer fails to comply with the terms of the decision approving the installment or deferral of payment, the tax debt is fully settled, or the seizure is revoked.

Point E Number 2.g Section (2.1) CL No. 10/2026

For Seized Objects

Released if the objects are no longer required in the investigation process, the investigation is discontinued, or the case is transferred to the public prosecutor.

Point E Number 2.g Section (2.1) CL No. 10/2026

Other Conditions

Released in accordance with applicable laws and regulations.

Point E Number 2.g Section (2.3) of CL No. 10/2026

MANAGEMENT MEASURES: UTILIZATION OF SEIZED OBJECTS & SEIZED GOODS

According to Point A, Point E Number 2.b Section (10.c), Point E Number 2.d and Number 2.f CL No. 10/2026, **the DGT conducts management activities in carrying out investigations and collections, one of which includes the utilization of Seized Objects and Seized Goods**.



The Utilization of Seized Objects or Seized Goods constitutes an activity of temporarily releasing Seized Objects or Seized Goods from the Administrator's custody for investigation or tax collection purposes.

Definition

Point E Number 2.f Section (1) CL No. 10/2026

Procedure for Utilization

Request for Utilization

The Investigator or Tax Bailiff must submit an Official Memorandum requesting the Utilization of Seized Objects or Seized Goods to the Administrator, which must be accompanied by an appendix containing a list of the Seized Objects or Seized Goods to be used.

Point E Number 2.f Section (2) CL No. 10/2026

Documentation of Utilization

In the event that Seized Objects or Seized Goods are utilised for the purposes of an Investigation or Tax Collection, the Administrator is responsible for preparing minutes of use or a receipt of use.

Point E Number 2.f Section (3) CL No. 10/2026

Return Procedure

Examination on Return

Upon completion of the Investigation or Tax Collection activities, the Investigator or Tax Bailiff shall return the Seized Objects or Seized Goods to the Administrator. The Administrator shall inspect the return of the Seized Objects or Seized Goods and shall prepare minutes of return.

Point E Number 2.f Section (4)-(6) CL No. 10/2026

Administrative Exception

Special Exception for Investigator

There is an administrative exception where the objects utilized are physical or electronic books, records, and/or documents under the Investigator's safekeeping. If such documents are used and returned by the Investigator, the Investigator is not required to prepare an official memorandum requesting such utilization or minutes of utilization.

Point E Number 2.f Section (7) CL No. 10/2026

MANAGEMENT OF PHYSICAL DOCUMENTS

The activity of storing physical documents to maintain the integrity, confidentiality, authenticity, and availability of physical documents, in view of the high frequency of utilization of physical documents in examination, preliminary evidence examination, or settlement of objection activities, thereby necessitating a secure and easily accessible room or place for storing such physical documents.

Point E Number 3 of CL No. 10/2026

Key Requirements for Managing Physical Documents

Provision of Document Storage Facilities

Work units carrying out examination activities, preliminary evidence examination, and/or objection settlement are required to provide physical document storage facilities.

Point E Number 3.a CL No. 10/2026

The Security Criteria for Storage Facility

The storage facility must have adequate security measures in place to minimize the risk of document manipulation, damage, or loss. Furthermore, access to the storage area may only be granted to certain authorized employees.

Point E Number 3.b CL No. 10/2026

Storage and Retrieval Mechanism

All borrowed physical documents must be kept in the designated storage facility. Documents may only be retrieved when they are to be used for the purpose of carrying out duties. If they are not being used, the documents must be returned to the storage facility.

Point E Number 3.c, 3.d, and 3.e CL No. 10/2026

The DGT's Responsibility

The tax examiner, preliminary evidence examiner, or research team shall bear full responsibility for the physical documents from the time they are borrowed until they are returned. This responsibility applies to both documents belonging to the taxpayer and documents borrowed from other parties in the course of the preliminary evidence examination.

Point E Number 3.f and 3.g CL No. 10/2026

The DGT's Responsibility

In the event of a replacement of the tax examiner, preliminary evidence examiner, or research team, the replacement personnel shall automatically assume responsibility for the relevant physical documents.

Point E Number 3.h CL No. 10/2026

Obligation to Return

All physical documents belonging to the taxpayer or other parties must be returned promptly after completion of the relevant Tax Audit, Preliminary Evidence Examination, or objection proceeding.

Point E Number 3.j CL No. 10/2026

MANAGEMENT OF ELECTRONIC DOCUMENTS

The activity of storing electronic documents to maintain the integrity, confidentiality, authenticity, and availability of electronic documents in the activities of an audit, preliminary evidence audit, or the settlement of objections.

Point E Number 4 of CL No. 10/2026

Provisions of Electronic Documents Management

The DGT's Responsibility

The tax examiner, preliminary evidence examiner, or research team shall bear full responsibility for the electronic documents from the time such documents are borrowed from the taxpayer until they are returned to the taxpayer.

Point E Number 4.a CL No. 10/2026

Replacement Personnel

In the event of a replacement of the tax examiner, preliminary evidence examiner, or research team during the process, the replacement personnel shall automatically assume responsibility for the electronic documents.

Point E Number 4.c CL No. 10/2026

Exception for Digital Forensic Examination

The management provisions under this CL No. 10/2026 shall not apply to electronic documents for which digital forensic assistance activities are being requested, as such matters are separately regulated in accordance with the provisions concerning digital forensics.

Point E Number 4.b CL No. 10/2026

Obligation to Return

The Tax Auditor, Preliminary Evidence Auditor, or Research Team shall return the Electronic Documents to the taxpayer immediately upon the completion of the entire series of activities relating to the Tax Audit, Preliminary Evidence Audit, or objection settlement.

Point E Number 4.d CL No. 10/2026

Return of Physical Electronic Devices

If the electronic documents are stored on the taxpayer's hardware devices or physical storage media (such as CD-ROMs, flash drives, hard disks, and including CD-ROMs, flash drives, hard drives, and other physical storage media), the devices, together with the documents contained therein, must be returned simultaneously as soon as possible after the activity has been completed.

Point E Number 4.e CL No. 10/2026

We will continue to follow the developments on this topic and provide additional information as it becomes available. If you have any questions on this topic, please contact:



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