



PRESIDEN  
REPUBLIK INDONESIA

**KEPUTUSAN PRESIDEN REPUBLIK INDONESIA**

**NOMOR 88 TAHUN 1996**

**TENTANG**

**PENGESAHAN PROTOCOL AMENDING THE CONVENTION BETWEEN THE  
GOVERNMENT OF THE REPUBLIC OF INDONESIA AND THE  
GOVERNMENT OF THE UNITED STATES OF AMERICA FOR THE  
AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL  
EVASION WITH RESPECT TO TAXES ON INCOME, WITH A RELATED  
PROTOCOL AND EXCHANGE OF NOTES SIGNED AT JAKARTA  
ON THE 11TH DAY OF JULY, 1988**

**PRESIDEN REPUBLIK INDONESIA,**

Menimbang : a. bahwa di Jakarta, pada tanggal 24 Juli 1996 Pemerintah Republik Indonesia telah menandatangani Protocol Amending the Convention between the Government of the Republic of Indonesia and the Government of the United States of America for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, with a related Protocol and Exchange of Notes signed at Jakarta on the 11 th day of July, 1988, sebagai hasil perundingan antara Delegasi-delegasi Pemerintah Republik Indonesia dan Pemerintah Amerika Serikat;

b. bahwa sehubungan dengan itu, dan sesuai dengan Amanat Presiden Republik Indonesia kepada Ketua Dewan Perwakilan Rakyat Nomor 2826/HK/1960 tanggal 22 Agustus 1960 tentang Pembuatan Perjanjian-perjanjian dengan Negara Lain, dipandang perlu untuk mengesahkan Protocol tersebut dengan Keputusan Presiden;

Mengingat : Pasal 4 ayat (1) dan Pasal 11 Undang-Undang Dasar 1945;

MEMUTUSKAN :...



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MEMUTUSKAN :

Menetapkan : KEPUTUSAN PRESIDEN TENTANG PENGESAHAN PROTOCOL AMENDING THE CONVENTION BETWEEN THE GOVERNMENT OF THE REPUBLIC OF INDONESIA AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME, WITH A RELATED PROTOCOL AND EXCHANGE OF NOTES SIGNED AT JAKARTA ON THE 11 TH DAY OF JULY, 1988.

Pasal 1

Mengesahkan Protocol Amending the Convention between the Government of the Republik of Indonesia and the Government of the United States of America for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, with a related Protocol and Exchange of Notes signed at Jakarta on the 11 th day of July, 1988, yang ditandatangani Pemerintah Republik Indonesia di Jakarta, pada tanggal 24 Juli 1996 sebagai hasil perundingan antara Delegasi-delegasi Pemerintah Republik Indonesia dan Pemerintah Amerika Serikat yang salinan naskah aslinya dalam bahasa Inggris sebagaimana terlampir pada Keputusan Presiden ini.

Pasal 2

Keputusan Presiden ini mulai berlaku pada tanggal ditetapkan.

Agar...



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Agar setiap orang mengetahuinya, memerintahkan pengundangan Keputusan Presiden ini dengan penempatannya dalam Lembaran Negara Republik Indonesia.

Ditetapkan di Jakarta  
pada tanggal 20 November 1996  
PRESIDEN REPUBLIK INDONESIA

ttd.

SOEHARTO

Diundangkan di Jakarta  
pada tanggal 20 November 1996  
MENTERI NEGARA SEKRETARIS NEGARA  
REPUBLIK INDONESIA,

ttd.

MOERDIONO



PRESIDEN  
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**PROTOCOL**  
**AMENDING THE CONVENTION BETWEEN THE GOVERNMENT**  
**OF THE REPUBLIC OF INDONESIA AND THE GOVERNMENT OF**  
**THE UNITED STATES OF AMERICA FOR THE AVOIDANCE OF DOUBLE**  
**TAXATION AND THE PREVENTION OF FISCAL EVASION WITH**  
**RESPECT TO TAXES ON INCOME, WITH A RELATED PROTOCOL**  
**AND EXCHANGE OF NOTES SIGNED AT JAKARTA**  
**ON THE 11 TH DAY OF JULY, 1988**

The Government of the Republic of Indonesia and the Government of the United States of America, desiring to conclude a protocol to amend the Convention between the Government of the Republic of Indonesia and the Government of the United States of America for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, with a related Protocol and Exchange of Notes signed at Jakarta on the 11 th day of July, 1988, have agreed as follows:

Article 1

1. Paragraph 2 of Article 11 of the Convention shall be deleted and replaced by the following:

However, if the beneficial owner of the dividends is a resident of the other Contracting State, the tax charged by the first-mentioned State may not exceed:

- (a) 10% of the gross amount of the dividends if the beneficial owner is a company that owns directly at least 25% of the voting stock of the company paying the dividends;
- (b) 15% of the gross amount of the dividends in all other cases"

2. Paragraph 4 of Article 11 of the Convention shall be deleted and replaced by the following:

Where a company which is a resident of a Contracting State has a permanent establishment in the other Contracting State, that other State may impose an additional tax in accordance with its law on the profits attributable to the permanent establishment (after deducting therefrom the company tax and other taxes on income imposed thereon in that other State) and on interest payments allocable to the permanent establishment, but the additional tax so charged shall not exceed 10%.

Article 2...



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## Article 2

- (1) Paragraph 2 and 3 of Article 12 of the Convention shall be deleted and replaced by the following:
- (2) The rate of tax imposed by one of the Contracting States on interest derived from sources within that Contracting States and beneficially owned by a resident of the other Contracting State shall not exceed 10% of the gross amount of such interest.
- (3) Notwithstanding paragraphs 1 and 2, interest arising in one of the two State shall be taxable only in the other State to the extent that such interest is derived by:
  - (i) The Government of the other State, including political subdivisions and local authorities thereof, or
  - (ii) the Central Bank of the other State, or
  - (iii) a financial owned or controlled by the Government of the other State, including political subdivisions and local authorities thereof."

## Article 3

- (1) Paragraph 2 of Article 13 of the Convention shall be deleted and replaced by the following:
- (2) The rate of tax imposed by a Contracting State on royalties derived from sources within that Contracting State and beneficially owned by a resident of the other Contracting State shall not exceed 10% of the gross amount of royalties described in paragraph 3".

## Article 4

This Protocol shall be an integral and inseparable part of the Convention between the Government of the Republic of Indonesia and the Government of the United States of America for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, with a related Protocol and Exchange of Notes signed at Jakarta on the 11 th day of July, 1988.

Article 5...



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#### Article 5

This Protocol shall be subject to ratification and instruments of ratification shall be exchanged as soon as possible. It shall enter into force on the date of exchange of the instruments of ratification. The provisions shall for the first time have effect for amounts paid or credited on or after the first day of the second month next following the date on which the Protocol into force.

In witness whereof, the undersigned, duly authorized thereto by their respective Government, have signed this Protocol.

Done at Jakarta, in duplicate, in the English language, this 24th day of July, 1996.

For the Government of  
the Republic of Indonesia

For the Government of  
the United States of America

signed.

signed.

ALI ALATAS

WARREN CHRISTOPHER