



## **Legal Analysis of The Enforcement of Article 18 of The Regulation Issued by The Director General of Taxes, Numbered PER-03/PJ/2022, Regarding Tax Invoices**

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**Abstract.** The Republic of Indonesia implemented Law Number 12 of 2011, explicitly establishing rules and regulations. Law Number 13 of 2022 has since revised this law. This Law enhances the current legislation, precisely Law Number 10 of 2004. Law Number 12 of 2011 prescribes the procedure for enacting laws and establishes guidelines for resolving conflicts or inconsistencies between these laws and regulations. The objective of this study is to analyze the legal effectiveness of Article 18 of Regulation PER-03/PJ/2022, which was issued by the Director General of Taxes, to Law Number 7 of 2021 on the Harmonization of Tax Regulations and Constitutional Court Decision Number 91/PUU-XVIII/2020. This research methodology entails examining values, norms, and written regulations, establishing a solid connection to the normative legal aspects of the library. The research has determined that the Regulation of the Director General of Taxes Number Per-03/PJ/2022 regulates Tax Invoices and has exceeded its authority in issuing Tax Invoices. The aforementioned rule pertains to the regulatory framework established by the Minister of Finance, which governs this particular matter and confers jurisdiction upon the director general of taxation. The Regulation of the Director General of Taxes Number 03/PJ/2022, which concerns Tax Invoices, does not possess enforceable legal authority and is open to scrutiny by the Supreme Court. Legal certainty is paramount as it provides taxpayers with a lucid and all-encompassing comprehension of their rights and obligations.

**Keywords:** Norm Conflict, Tax Invoice, obligation, regulation, constitutional

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### **INTRODUCTION**

In 2011, the Republic of Indonesia implemented Law Number 12, which established a set of laws and regulations. The text has been rewritten to include comprehensive guidelines for the full process of formulating and promulgating regulations. This law is an improvement upon the preceding law. Law Number 12 of 2011 regulates the procedure for formulating laws and regulations and sets forth criteria for assessing their conformity with preexisting conflicting or divergent norms. Article 5 clarifies the

foundation for creating rules and regulations, stating that there must be a harmonious alignment between the categories and levels. Haryanti elucidated that the comprehension of this contradiction can be achieved by making reference to Law Number 13 of 2022, Law Number 10 of 2004, and the Stufenbau Theory. The Stufenbau Theory suggests that the rule of law operates in a hierarchical manner, where lower legal norms are submissive to higher legal norms, and the highest law is constrained by the most fundamental legal standards (*grundnorm*). According to Stufenbau's thesis, laws and regulations should ideally align with and not contradict the ideas they control.

Article 9, paragraphs (1) and (2) of the Law of the Republic of Indonesia Number 12 of 2011 governs the process of testing laws and regulations. This article specifically focuses on the establishment of laws and regulations.

1. The Constitutional Court assesses whether a measure has the potential to infringe upon the 1945 Constitution of the Republic of Indonesia.
2. The Supreme Court administers an examination when there is suspicion that a Statute under the Law contravenes the law.

This article argues that it is essential to have consistency within the hierarchy, rather than relying just on regulations, to avoid conflicts between different sets of rules. There have been conflicts and discrepancies in the laws and regulations of the Directorate General of Taxes, which were implemented starting on April 1, 2022. Consider an entrepreneur who is subject to taxation. The taxpayer submits a tax invoice via the e-Faktur program after the 15th day of the month after the invoice's creation date. Under those circumstances, the updated regulations stipulate that the governing body has the power to invalidate the legal and substantive criteria of the tax invoice, as outlined in Article 18, paragraph (1). Law Number 8 of 1983, which pertains to Value Added Tax and Sales of Luxury Goods, does not include provisions for crediting Input Tax using the e-Faktur program in these particular situations. In the event that a taxpayer fails to properly record Input Tax using the e-Faktur application during a tax audit, it should be noted that there are currently no regulations addressing this particular scenario.

The Taxpayer is eligible to claim a credit for the input tax provided they can present proof that the input tax has been completely paid. Nevertheless, there are disparities in the regulations between what is presently being regulated and what has previously been regulated. Regulation Number 03/PJ/2022, issued by the Director General of Taxes, focuses on supervising and administering tax invoices. The text pertains to Law

Number 7 of 2021, which seeks to synchronize tax regulations. The text concerns Regulation 03/PJ/2022, issued by the Director General of Taxes, which specifically deals with Tax Invoices. Pursuant to Law Number 7 of 2021, its objective is to achieve consistency in tax legislation.

Law Number 8 of 1983, commonly referred to as the Value Added Tax and Sales of Luxury Goods Law, has been modified by Law Number 7 of 2021 in order to bring tax legislation into alignment. Article 13, paragraph 8 explicitly grants the Minister of Finance exclusive jurisdiction. This jurisdiction specifically applies to the processes of initiating Tax Invoices, voiding them, and issuing replacements. The Director General of Taxes has yet to be allocated Law Number 8 of 1983, which pertains to Value Added Tax and Sales of Luxury Goods, as amended by Law Number 7 of 2021 concerning the Harmonization of Tax Regulations.

Article 18 of Regulation PER-03/PJ/2022, issued by the Director General of Taxes, pertains to tax invoices and the legal factors specified in the Minister of Finance's Regulation. The Job Creation Law related to this issue has been presented to the Constitutional Court for Judicial Review. The Constitutional Court rendered a verdict on November 25, 2021, pertaining to this particular case. The judgment PMK-18/PMK.03/2021 pertains to applying the Job Creation Law concerning income tax, value-added tax, and tax regulations and procedures. This ruling pertains to the verdict 91/PUU-XVIII/2020.

"It is necessary to halt all significant strategic actions and policies, and it is not justified to introduce new implementing regulations about Law Number 11 of 2020, which deals with Job Creation."

However, the Directorate General of Taxes persistently generates implementing regulations to enforce the terms of the Job Creation Law. Hence, this birth entails legal consequences in accordance with the Constitutional Court Decision Number 91/PUU-XVIII/2020 dated November 25, 2021. If the government does not improve the Job Creation Law within a two-year timeframe. Therefore, any regulations published from November 25, 2021, to November 24, 2023, shall be deemed legally invalid due to their contradiction with the Constitutional Court Decision. Regulation Number 03/PJ/2022, issued by the Director General of Taxes, specifically addresses the regulation of tax invoices.

The researcher employs a normative or conventional juridical procedure known as the doctrinal legal research method based on the problem formulated. This research focuses on values, norms, and written regulations, and it is strongly linked to the library as it utilizes data sources such as legal papers and diverse legal ideas. The concept is essentially equivalent to the principle of justice that must be actualized (*ius constituendum*), as a principle that has been expressed as a codified positive law (*ius constitutum*) to guarantee its certainty.

This approach also highlights that law can be perceived as a collection of methodically organized laws and regulations. This sequence must possess a discernible attribute, specifically the synchronization of both vertical and horizontal components. Vertical synchronization refers to the principle that lower laws and regulations must not contradict or be inconsistent with higher ones. The name for this concept is "grundnorm," which refers to a fundamental principle guiding all laws and regulations organized in a hierarchical pyramid structure.

## **DISCUSSION**

The government has addressed the problem of fake tax invoices by introducing enhancements to the tax administration system, such as implementing an electronic tax invoice system. Tax invoices produced by Taxable Entrepreneurs (PKP) must be in electronic format using the e-Faktur program provided by the Directorate General of Taxes (DGT). The use of the computerized tax invoicing system aims to reduce the frequency of fake tax bills. The effectiveness of the electronic tax invoice system can be achieved by eliminating tax invoice fraud and providing convenience and comfort to users. As per the amendment made by PER-03/PJ/2022 to Article 1 of PER-16/PJ/2014, all Taxable Entrepreneurs (PKP) who are registered with the Tax Service Office (KPP) are required to use electronic tax invoices starting from 2015. Only taxpayers who have been confirmed as taxable entrepreneurs are allowed to use electronic tax invoices. The tax invoice numbers are allocated using a numbering scheme implemented by the Directorate General of Taxes (DGT), rather than being selected by the Taxable Entrepreneurs (PKP). This step is adopted to discourage the production of counterfeit tax bills. Hence, a tax invoice can be considered valid by employing a Tax Invoice Serial Number (NSFP) obtained through the e-NOFA system and issued via the e-Faktur system.

What is the necessity of implementing E-invoicing? The most effective solution for the Directorate General of Taxes to modernize tax administration is to implement E-invoicing. The government is currently in the process of implementing Regulation of the Director General of Taxes Number Per-45/PJ/2010, which mandates that Taxable Entrepreneurs (PKP) who perform more than 25 transactions per tax period must submit their tax returns through the e-SPT Value Added Tax (VAT) system.

This should be done using the Value Added Tax Period (VAT) Return Form 1111 DM, which is a tax return form designed explicitly for reporting Value Added Tax (VAT) by certain Taxable Entrepreneurs (PKP). When calculating their taxes, these entrepreneurs must follow the input tax crediting calculation guidelines. In this scenario, the Taxable Entrepreneur (PKP) acquires input tax from sources other than the purchase proceeds. However, the input tax is derived through computations using a distinct formula dependent on its imposition from the output tax. Entrepreneurs subject to taxation and fulfilling these criteria who have already filed the 1111 DM Periodic VAT Return electronically are now prohibited from submitting the same return in a physical format (printed copy). This rule represents a significant achievement in Indonesia's utilization of information technology for Value Added Tax (VAT) reporting. The e-invoice system was implemented for all Taxable Entrepreneurs (PKP) in the Java and Bali regions starting July 1, 2015. This implementation was mandated by the Decree of the Director General of Taxes Number KEP-136/PJ/2014, which determined that Taxable Entrepreneurs must issue tax invoices in electronic form e-Invoices are required to be generated by confirmed taxable entrepreneurs at the Tax Service Office located within the DGT Regional Office in Java and Bali. The application of Article 11 Paragraph 3 of the Regulation of the Minister of Finance Number 151/PMK.03/2013 was expanded to all Taxable Entrepreneurs (PKP) nationwide on July 1, 2016. The procedures for the electronic creation, correction, or replacement of tax invoices are delineated in this regulation. Which Taxable Entrepreneurs are required to utilize electronic tax invoices is determined by the Decree of the Director General of Taxes. Judicial evaluation of the legality of Article 18 of Regulation PER-03/PJ/2022, which the Director General of Taxes issued. Suppose it is associated with Law Number 7 of 2021, which pertains to the alignment of tax regulations and the Constitutional Court Decision Number 91/PUU-XVIII/2020.

In order to enforce the provisions of the Job Creation Law, the Director General issued an implementing rule. This regulation, which is referred to as the Director General

of Taxes Number 03/PJ/2022 rule, is specifically designed to resolve the issue of Tax Invoices. It was formally ratified and implemented on April 1, 2022. Tax invoices are the subject of Article 18 of the Regulation of the Director General of Taxes Number PER-03/PJ/2022. It pertains to the legal considerations delineated in the Regulation of the Minister of Finance Number PMK-18/PMK.03/2021. This regulation pertains to implementing the Job Creation Law concerning income tax, value-added tax, and other tax-related matters. It is crucial to acknowledge that the Constitutional Court is reviewing the Job Creation Law.

The APPLICANT has submitted a judicial review to challenge Law Number 11 of 2020, which pertains to General Provisions and Tax Procedures and Work Chips in the Field of Income Tax, Value Added Tax, and Tax. This evaluation questions the constitutionality of Law Number 11 of 2020, which pertains to the 1945 Constitution of the Republic of Indonesia. The appellant must establish the existence of constitutional losses, as defined in the Explanation of Article 51 paragraph (1) of the Constitutional Court Law, to apply a test of the Law against the 1945 Constitution to the Constitutional Court. This provision specifies that constitutional rights are the rights that are outlined in the 1945 Constitution and are subsequently granted by the Constitutional Court subject to specific conditions. The Constitutional Court (MK) held a hearing to disclose its decision regarding the formal examination application for Law No. 11 of 2020. Regarding Job Creation (Job Creation Law), it was identified as the Constitutional Court verdict 91/PUU-XVIII/2020. The verdict pronouncement session, which extended over three hours, presented the public with various judges' assessments, concluding that the Job Creation Law was marred by formal and procedural deficiencies during its development.

According to the idea of legislation (Grandnorm), creating a law requires comprehensive study and consideration. Those in power cannot undertake it arbitrarily and must adhere to predetermined guidelines. The Job Creation Law is deemed to violate the 1945 Constitution and lacks legal validity due to several reasons that substantiate this claim. These reasons include failing to adhere to the provisions outlined in the 1945 Constitution and Law 12/2011, thereby rendering the Job Creation Law incompatible with the aforementioned constitutional framework and devoid of legally binding authority.

1. Using the Omnibus Law technique in drafting laws and regulations deviates from conventional drafting techniques, thereby violating the regulatory drafting format outlined in Article 64 of Law Number 12 of 2011.

2. The Job Creation Law utilizes the Omnibus Law technique, which involves modifying, confirming, or repealing specific regulations that have implications for the drafting process. This may contradict the drafting techniques outlined in Attachments I and II of Law 12/2011.
3. Implementing the Omnibus statute methodology in enacting the Job Creation Law introduces ambiguity regarding identifying newly formed, repealed, and altered laws due to integrating these three procedures within a single statute. This contradicts the method of establishing new legal titles, revoking, and making changes to laws as specified in Attachment II Point A of Law 12/2011.
4. The Omnibus Law technique creates uncertainty regarding the type of law. If the material of the Job Creation Law differs from the previously amended patent law, it will have implications for the unclear technique and formulation of the reference law.

Has the e-invoice submission event the same characteristics as creating a tax invoice? Article 26 of Government Regulation Number 44 of 2022 clarifies the following points regarding the implementation of value-added tax on goods and services and sales tax on luxury products: 1. Tax invoices must be issued by entrepreneurs who are subject to taxation upon the delivery or export of taxable products and services according to the guidelines defined in Article 23, paragraphs (3), (5), (8), (9), and (10), as well as Article 24. Tax Invoices issued by Taxable Entrepreneurs more than three months after the required date are not considered valid. A Taxable Entrepreneur who issues a Tax Invoice as described in paragraph (2) is deemed to have yet to issue a Tax Invoice. The Value Added Tax mentioned in the Tax Invoice, as specified in paragraph (2), is an Input Tax that is not eligible for credit. The explanatory memorandum of Article 26, paragraph 1 of the Government Regulation clarifies that the purpose of determining the Tax Invoice is to ensure consistency in recognizing income for the calculation of business turnover, which is used to calculate income tax and Value Added Tax. Therefore, when creating tax invoices, it is essential to adhere to sound business concepts, comply with generally accepted accounting rules, and maintain consistent application.

According to Article 13, entrepreneurs who are subject to taxation are required to generate tax invoices under the regulations detailed in paragraph (a) and paragraph (2a) of the Value Added Tax Law. Assume that the Taxable Entrepreneur needs to submit a Tax Invoice on time. In that event, they will be subject to sanctions as outlined in Article 14 paragraph (1) letter d in conjunction with Article 14 paragraph (4) of the Law on General

Provisions and Tax Procedures. Nevertheless, there are no explicit guidelines regarding the timetable for the delay.

As per Article 26 of Government Regulation Number 44 of 2022, which pertains to the application of Value Added Tax on Goods and Services and Sales Tax on Luxury Goods, it is consistent with the derivative rules outlined in Article 69 paragraph 2 of the Regulation of the Minister of Finance Number 18/PMK.03/2021. This regulation pertains to the implementation of Law Number 11 of 2020, which encompasses income tax, value-added tax (VAT), PPnBM, general provisions, and tax procedures.

Additionally, Article 3 paragraph 2 of the Regulation of the Director General of Taxes Number Per 03/PJ/2022 states that the Tax Invoice, as specified in paragraph (1), must be created on:

1. When submitting Taxable Goods (BKP) and JKP.
2. When receiving payment before delivering Taxable Goods (BKP) and before submitting JKP.
3. When receiving partial payment for a stage of work.
4. When exporting tangible Taxable Goods (BKP), intangible Taxable Goods (BKP), or Taxable Services (JKP).
5. At other times specified by laws and regulations on Value-Added Tax (VAT).

Based on these three requirements, it can be inferred that invoice creation's timing is determined by submission time, payment reception, term, export time, and other specified times outlined in the laws and regulations governing Value Added Tax (VAT). This statement conflicts with Article 18 of Regulation 03/PJ/2022 issued by the Director General of Taxes. According to this regulation, if the Directorate General of Taxes does not approve the upload period, the document in question cannot be considered a Tax Invoice. Creating invoices is governed by the laws and regulations related to Value Added Tax (VAT), specifically Article 26 of Government Regulation Number 44 of 2022. This regulation applies to the submission, payment receipt, term, export, and other relevant times. The Minister of Finance Regulation Number 18/PMK.03/2021, which implements Law Number 11 of 2020 concerning Job Creation in the Field of Income Tax, VAT, and Sales Tax on Luxury Goods, also provides guidelines for invoices, including Article 69 paragraph 2. The Regulation of the Director General of Taxes Number Per 03/PJ/2022 may be interpreted as inconsistent with the regulations that preceded it, resulting in a conflict of norms. The dispute at hand is related to the process of generating a tax invoice.



Consequently, the inquiry is whether the upload event is equivalent to creating a tax invoice, as suggested by the title of this sub-chapter. Therefore, it is possible to infer that the process of uploading is distinct from the process of generating a tax invoice. What is the rationale behind this? The subsequent researcher elucidates it in the following table:

The Regulation of the Director General of Taxes Number Per-03/PJ/2022, which regulates the issuance of Tax Invoices, has exceeded its jurisdiction in creating Tax Invoices. The regulation above is the Minister of Finance's regulation that regulates this subject and delegated authority to the director general of taxation. Furthermore, the researcher argues that the Regulation of the Director General of Taxes Number Per-03/PJ/2022 regulates Tax Invoices and is legally deficient and unconstitutional. This argument is predicated on the Constitutional Court Decision Number 91/PUU-XVIII/2020, dated November 25, 2021, which, in effect, states: "To halt all significant actions/policies that have a broad influence, and it is unjustified to introduce new implementing regulations about Law Number 11 of 2020 regarding Job Creation."

Nevertheless, the Directorate General of Taxes has established regulations to enforce the Job Creation Law, which resulted in the issuance of Regulation of the Director General of Taxes Number 03/PJ/2022 regarding Tax Invoices. Assume that the government needs to improve the Job Creation Law within the next two years. In that event, the Constitutional Court Decision will render all implementing regulations issued between November 25, 2021, and November 24, 2023, incompatible with legal authority. The Regulation of the Director General of Taxes Number 03/PJ/2022 pertains to Tax Invoices, is not legally binding, and may be subject to review by the Supreme Court. The Supreme Court is responsible for examining if there is a suspicion that a statute under the law violates the law, as stated in Article 9, paragraph 2 of Law Number 12 of 2011.

They assume that it is associated with Article 7, paragraph (5) of Law Number 12 of 2011, which establishes the binding nature of laws and regulations. In this situation, the determination is made following the hierarchical structure of rules and regulations. According to Article 7, paragraph (5), "hierarchy" is the arrangement of various categories of legislation to ensure that lower laws and rules do not conflict with higher laws and regulations. These clauses illustrate the process of establishing a relationship and dependence between two pieces of legislation, thereby achieving a comprehensive unity.

Legal clarity is critical to guaranteeing that the administrative process is straightforward. Legal certainty is essential because it provides taxpayers with a

comprehensive and unambiguous comprehension of their rights and responsibilities. Therefore, a tax policy must contain unambiguous regulations to guarantee legal clarity and reduce the likelihood of errors. Rosdiana and Irianto underscored the importance of unambiguous rules to prevent confusion among taxpayers and tax inspectors. It is imperative to assess the clarity and consistency of the policy's methods when determining whether the certainty dimension can be attained in a tax policy or regulation. If the tax invoice is not posted by the 15th of the month following its issuance, a policy is in place to manage the settlement. Consequently, the requirements for the time restriction for implementing the e-invoice upload policy are subject to various interpretations, which leads to a lack of assurance. In contrast to the previous period, during which the e-invoice upload time restriction policy was not in effect, introducing this policy may result in inconvenience and concern for taxpayers as they fulfill their tax obligations. Another concern is the need for more clarity in the methods for implementing policies, which results in uncertainty and undermines the attainment of assurance. The issue is that Taxable Entrepreneurs who need to submit tax invoices punctually are provided with a resolution. In these circumstances, the imposition of a time limit on the uploading of e-invoices substantially impacts taxpayers' capacity to fulfill their tax obligations. It is important to consider the government's objective of generating and uploading tax invoices at the time of submission.

### **Legal Force of the Regulation of the Director General of Taxes Number PER-03/PJ/2022**

The Regulation of the Director General of Taxes Number 03/PJ/2022 regarding Tax Invoices was established due to the implementing regulations disseminated by the Directorate General of Taxes by the Job Creation Law. The legal aspects of Minister of Finance Regulation Number PMK-18/PMK.03/2021, which pertains to implementing the Job Creation Law, are addressed in this regulation. This pertains to the rules of tax procedures set forth by the Ministry of Finance and income tax and value-added tax. As per the Constitutional Court Decision Number 91/PUU-XVIII/2020, which was issued on November 25, 2021, all regulations issued between November 25, 2021, and November 24, 2023, will be rendered legally ineffective if the government fails to amend the Job Creation Law within two years, as they violate the Constitutional Court's ruling. The Regulation of the Director General of Taxes Number 03/PJ/2022 regarding Tax Invoices is

rendered without enduring legal effect by the Constitutional Court Decision, which enables it to be subjected to judicial scrutiny.

The Constitutional Court has the authority to invalidate or revoke a law. The Constitutional Court statute, its revisions, and the 1945 Constitution, do not contain any explicit provisions that authorize the court to repeal or revoke a statute. The Constitutional Court is the sole entity with the authority to render definitive decisions regarding the constitutionality of laws, as stipulated in Article 24C paragraph (1) of the 1945 Constitution. The applicant must provide a detailed explanation of how the law in question does not satisfy the requirements for its formation as outlined in the 1945 Constitution and that it lacks any legal force, as emphasized in Law Number 8 of 2011 on the Constitutional Court. The material test entails the approval of the application, the assertion that the paragraph, article, and section of the law in question conflicts with the 1945 Constitution, and the assertion that the content, paragraph, article, and section of the law in question lack enforceable legal authority. If the Constitutional Court conducts judicial review or assesses a statute by the 1945 Constitution, it may determine that the law is unconstitutional.

#### **Legal Consequences for Taxpayers Following the issuance of Regulation PER-03/PJ/2022 by the Director General of Taxes**

Electronic e-invoices must be uploaded to the Directorate General of Taxes (DGT) using the e-Faktur application and acquire approval from the DGT, as stipulated in Article 18 paragraph (1) of PER-03/PJ/2022. This must be completed by the 15th of the month following the e-invoice creation. Any taxpayer who submits an e-invoice after the 15th of the subsequent month during the uploading procedure will be automatically declined by the e-invoice program. If the e-invoice is uploaded late, you may generate a tax invoice and submit it to the Directorate General of Taxes (DGT) for approval. The DGT will accept the Tax Invoice if it has not been over three months. However, the consequences will be severe in the event of a tax auditor's inspection. The administrative penalties stipulated in Article 14 paragraph (4) of Law No. 7 of 2021, amendments to the KUP Law, were enforced as a 1% fine based on the Tax Imposition Basis (DPP) due to the failure to generate the Tax Invoice promptly. According to this provision, Taxable Entrepreneurs who neglect to submit tax invoices, submit them late, or complete them incorrectly will be subject to administrative penalties in the form of a 1% fine based on the Tax Base (DPP). This policy substantially adversely impacts taxable entrepreneurs by shifting the deadline for

uploading tax bills from the end of the subsequent month to the 15th of the following month. Late tax invoices are differentiated from non-tax invoices.

## CONCLUSION

The Director General of Taxes' conclusion of Regulation 03/PJ/2022 pertains to implementing the Job Creation Law in income tax, value-added tax, and luxury products sales tax. It also includes the tax procedures and provisions of the Ministry of Finance. This conclusion is provided by the Minister of Finance Regulation PMK-18/PMK.03/2021. The Constitutional Court's decision Number 91/PUU-XVIII/2020 is in direct opposition to the legal consideration that is being discussed. Consequently, the Director General of Taxes Regulation lacks binding legal authority, as it directly opposes the Constitutional Court's decision. Equitable legal assurance is guaranteed by granting the Minister of Finance the authority to establish the protocols for creating tax invoices and the correction or substitution of tax invoices. Compared to the Director General of Taxes, the Minister of Finance has a broader scope of authority to supervise tax invoicing matters. The legal principle of *lex superior derogate legi inferiori* posits that the laws and regulations of the lower hierarchy must not conflict with the laws and regulations of the higher hierarchy. This approach is exemplified by Law Number 12 of 2011, amended by Law Number 13 of 2022 to establish rules and regulations. Consequently, the Regulation of the Director General of Taxes Number 03/PJ/2022 is eligible for judicial review under Article 24A of the 1945 Constitution and Article 9 paragraph (2) of Law Number 12 of 2011.

It is essential to comply with Law Number 12 of 2011, as amended by Law Number 13 of 2022, regarding establishing laws and regulations to prevent any inconsistencies or conflicts between lower and higher rules. Adherence to legal standards, principles, and foundations is essential for regulatory development. The procedure involves submitting a test to a judicial institution for a judicial review in case of a conflict between norms regarding the enacted rules and regulations. One potential approach is to comprehensively analyze an article, paragraph, or rule purportedly devoid of legal authority or contains internal inconsistencies. In addition to judicial scrutiny, conducting non-judicial evaluations of pre-existing laws and regulations is possible.

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