

**MEMORANDUM OF UNDERSTANDING
ON THE AGREEMENT BETWEEN THE GOVERNMENT OF THE PEOPLE'S
REPUBLIC OF CHINA AND THE GOVERNMENT OF THE REPUBLIC OF
INDONESIA FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE
PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME**

The competent authorities of the Government of the People's Republic of China and the Government of the Republic of Indonesia held negotiations with respect to paragraph 3 of Article 11 and agreed upon the following with a view to appropriately implementing the Agreement between the Government of the People's Republic of China and the Government of the Republic of Indonesia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (hereinafter referred to as "the Agreement"):

1. For the purpose of paragraph 3 of Article 11, it is understood that "any financial institution" refers to the following:

- a) in the case of China:
 - (i) the China Development Bank Corporation;
 - (ii) the Agricultural Development Bank of China;
 - (iii) the Export-Import Bank of China;
 - (iv) the National Council for Social Security Fund;
 - (v) the China Investment Corporation.

- b) in the case of Indonesia:
 - (i) the Indonesia Investment Agency;
 - (ii) the Indonesia Eximbank;
 - (iii) the Indonesia Social Security Agency for Health;
 - (iv) the Indonesia Social Security Agency for Man Power.

2. As an interpretation of the Agreement, the above understanding shall be applicable from the date of entry into force of the Agreement. However, any case that has been settled prior to the date of the signature of this understanding shall remain unaffected. It is understood that a settled case refers to a case where tax has been paid.

DONE in duplicate at Beijing this 26th day of March, 2015, in the Chinese, Indonesian and English languages, each text being equally authentic. In case of any divergence, the English text shall prevail.

**For the Competent Authority of
the Government of
the People's Republic of China**

**For the Competent Authority of
the Government of
the Republic of Indonesia**

Wang Jun

Soegeng Rahardjo