

ABSTRACT

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JURIDICAL ANALYSIS OF BANK SECRECY IN RELATION TO CURRENT TAX ACTS

(vii + 98 pages: 3 pictures;)

Tax collection is a challenging issue in developing countries. Hence, the government of Indonesia in order to meet its tax collection targets, promulgated Act of the Republic of Indonesia Number 9 of 2017 Concerning Information Access regarding Tax Purposes. The implication of this new act requires that the financial sector which includes the banking sector to provide confidential customer information automatically to the national tax department. On the other hand, the banking sector has the responsibility to preserve the secrecy of their customer financial information as regulated in Act of the Republic of Indonesia Number 10 of 1998 Concerning Banking. It is stated that "*A Bank shall keep information concerning Deposit Customer and their Deposits Confidential.*" Regarding tax purposes, previously the bank sector is allowed to provide Customer Information only by request of the Finance Minister. On the contrary, due to tax purposes the bank is now required to open and give away their Customers information automatically on a regular basis to the national tax department based on Act of the Republic of Indonesia number 7 of 2017 Concerning Information Access regarding Tax Purposes.

This study aims at examining the impact of Act of the Republic of Indonesia Number 9 of 2017 Concerning Information Access regarding Tax Purposes to bank secrecy considering that the banking sector plays an important role in the national financial system. Bank secrecy is an interesting subject to be reviewed which its existence is at the crossroad between its obligations to protect customers confidential information, while at the same time serves another national interest apart from the banking sector, which in this case is for the tax purpose.

Keywords: Bank Secrecy, Automatically, Confidential, Tax purposes

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