



Improving Indonesian Tax Administration Digitalization

Directorate General of Taxes
Republic of Indonesia

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Tax Reform

Continuous effort to achieve the best fit of the organization to serve the country and taxpayer for the benefit of Indonesia



Category	Information
GDP Growth	Average annual growth rate of around 5,31% (as of 2022)
GDP	Largest economy in Southeast Asia, top 20 globally
GDP per capita	4,783 USD (as of 2022)
Inflation Rate	YoY 5.51% (as of December 2021)
Population	Over 270 million people (as of 2021)
Internet Users	Over 196 million internet users (as of January 2022)
Tax Revenue	Contribution of tax revenue reached 86.7% of total government revenue (as of 2020)
Number of Taxpayers	Over 60 million registered taxpayers (as of 2022)
Tax-to-GDP Ratio	Tax-to-GDP ratio of 10.138% (as of 2022)
Number of Tax Officials	Approximately 45,000 tax officials (as of 2023)
Economic Growth Potential	Driven by large population, rising middle class, and infrastructure development
Digital Economy	Rapid growth in the digital economy, with e-commerce sales reaching \$44 billion in 2020
Investment Opportunities	Manufacturing, infrastructure, renewable energy, and tourism sectors

Early 2000s

- Introduction of online tax filing (e-SPT).
- Start of e-registration for tax services.

2013-2018

- Launch of e-Billing for electronic tax payments.
- Transition to dedicated e-Filing system.
- EFIN introduced for secure tax transactions.
- Integration of EFIN with e-tax services.
- Real-time transaction monitoring on djponline.pajak.go.id.
- Access to taxpayer services via djponline.pajak.go.id.
- March 2018 Over 8.2 million taxpayers adopt e-Filing.
- Indonesia's rise in Ease of Doing Business ranking.

Current Condition

Taxpayers
portal / M-Pajak
(some features)

Registration
(eReg)

Learning
(Education Portal)

Payment
(eBilling)

Filing
(eFiling)

Dispute Resolution
(e-Objection)

Current Condition of Core Tax System

- Numerous processes are still performed **manually**
- **Not well integrated**
- **Unable to consolidate** payment, reporting, billing and other tax core business data through an integrated accounting system
- **Outdated system**

Future Challenges and Opportunity

- **Increased Workload** due to the size of taxpayers, employees, work units' number
- **The Need for Information Exchange** that guarantees the validity, confidentiality and speed of data exchange
- **Development of information technology** (example: Artificial Intelligence) and **anticipating changes** in financial and business engineering

IT system and business processes reform toward **Digitalization** are very important and crucial in achieving the goal of Reforming the Tax Administration System

Recent Digitalisation Initiatives

Streamlined Process | **Customer-Centric Approach** | Open and Integrated System | **Data and Knowledge-Driven** | Digitized and Automated Process | **Enterprise-Wide Integrated View of the Taxpayer** | Prudent and Accountable | **Risk-Based Compliance Approach** | Omni Channels and Borderless Services | **Centralized Key Capabilities**

Utilizing Tax Reform Business Direction as an Integral Component of the Digitalisation Strategy

Development of the new Core Tax Administration System (CTAS)



Recent Digitalisation Initiatives



Some features of CTAS

- *Registration: Accessible, versatile, and borderless registration process.*
- *Tax Return Management: Efficient data availability, pre-population, and streamlined reporting.*
- *Payments: Secure and up-to-date payment data, tax deposit feature for timely compliance.*
- *Services: Comprehensive support with digital-based customer relationship management.*
- *Third-Party Data Management: Structured data management, real-time monitoring, and quality control.*
- *Exchange of Information (EOI): Systematic recording, data quality management, and document integration.*
- *Taxpayer Account Management (TAM): Recording and managing tax transactions for transparency.*
- *Business Intelligence: Utilizing data for analysis and data-driven decision-making.*
- *Compliance Risk Management (CRM): Effective risk-based approach to encourage taxpayer compliance.*



First, taxpayers' activities can be captured thoroughly through electronic systems



Second, supporting a digital auto-regulated ecosystem that utilizes unique digital ID



Third, the system is targeted to run an interactive method of data collection



Finally, the Core Tax System serves as a support measure for increasing the tax ratio



Thank You
Terima kasih
Pajak Kita, Untuk Kita



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