

# Indonesia's Contribution to e-Commerce Tax Systems

## BLUF

This is an article review of *Regulations and Compliance in Electronic Commerce Taxation Policies: Addressing Cybersecurity Challenges in the Digital Economy*. This review covers the relation, validity, and contribution of the article to cybersecurity and the social sciences.

## Introduction

There are great differences in tax policies across countries. These differences are exploitable by cybercriminals in the e-commerce sector, leaving tax systems vulnerable. E-commerce has evolved to work simply across a wider market, but with simplicity comes obscurity. Studies have shown that early internet adopters were motivated to avoid sales tax, leading to a reduction in the tax base and tax revenues (Mulyani, 2023). It is important to understand the impact this research has on the social sciences.

## Implications in Social Science

Sri Mulyani emphasizes the principle of relativism throughout this article. Despite the country, there is some form of e-commerce in every country. Without a mutual guideline for tax regulations, cybercriminals will continue to exploit the weakly structured system and commit tax evasion. For registration criteria, Indonesia has set certain criteria that must be met by all PMSEs, PJAPs, or foreign taxpayers to register as VAT collectors treasurers. (Mulyani, 2023). It aims to ensure that only qualified entities must meet tax obligations. (Mulyani, 2023).

The impact of e-commerce on tax collection has been observed in various countries, including Malaysia and India, where special tax allocations have been considered to address tax evasion and the impact on traditional businesses (Mulyani, 2023). Of course, this applies to all subfields of cybercrime within e-commerce. Payment fraud, for instance, constitutes different forms of fraudulent activities such as credit card fraud, identity theft, and account takeovers (Mulyani, 2023).

## Article Validity

Mulyani is certainly a scholarly source of information, having provided analytics and research from machine learning, data analytics, applied research, and case studies. The purpose of this study was to find comprehensive arrangements for e-commerce taxation to improve economic development and find out how, through taxation, e-commerce can increase revenue for economic development. (Mulyani, 2023). He goes as far as to reference analytics on fraud detection.

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This study features examples of cyber offending and individual motives of tax evaders. E-commerce offers cybercriminals ample opportunities for tax evasion (Mulyani, 2023). They exploit loopholes, manipulate digital records, and engage in fraudulent activities to evade taxes on online transactions (Mulyani, 2023). On December 1, 2020, Value Added Value (VAT) collection was imposed on e-commerce transactions. In this case, e-commerce players are required to collect Value Added Tax of 10% of the product price before tax when the product is sold to consumers in Indonesia (Mulyani, 2023).

## Conclusion

There is no doubt that Indonesia has played a substantial role in developing and improving the tax regulation in e-commerce markets. This study provides an in-depth view of the infrastructure of tax regulation in relation to the e-commerce and digital economy. In conclusion, tax policies wield significant influence over taxpayer compliance, a realm encompassing the e-commerce industry.

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## References

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