



Effectiveness of Implementing the Automatic Exchange of Information Policy in Efforts to Increase Tax Revenue

Nadya Farina Wahyudi, Maria RUD Tambunan

Faculty of Administrative Sciences, Universitas Indonesia, Indonesia

ARTICLE INFORMATION	A B S T R A C T
Received: February 14, 2023 Revised: June 20, 2023 Available online: July 30, 2023	<p>The Automatic Information Exchange policy implemented in Indonesia since 2018 has found obstacles in the utilization and processing of AEOI data. This research aims to analyze the effectiveness and factors that influence the effectiveness of AEOI policy implementation. This research uses a post-positivism approach and descriptive research type. Data collection was carried out using in-depth interviews and literature studies. The informants in this research were the Directorate General of Taxes and Tax Academics—the effectiveness of AEOI policy implementation using Richard Steers' theory. The results of the study found that the performance of the AEOI policy was quite adequate based on system perspective indicators and the emphasis on human behavior, which can be seen from the increase in the number of participants every year, the implementation of the AEOI policy according to applicable international standards, the cooperation and coordination carried out by the DJP so far has been established even though Problems found in indicators of optimization/achievement of objectives include human resource constraints, potential tax disputes, quality of data exchange, time constraints, and financial population constraints. Factors that influence the effectiveness of AEOI policy implementation include organizational characteristics, environmental characteristics, and management policies and practices. This shows that these factors influence the effectiveness of AEOI policy implementation on tax revenue efforts. However, some workers need to improve the effectiveness of implementing AEOI.</p>
KEYWORDS Effectiveness, Automatic Exchange of Information, Tax Revenue	
CORRESPONDENCE Name: Nadya Farina Wahyudi E-mail: nadyafwahyudi@gmail.com	

INTRODUCTION

This research will discuss the effectiveness of implementing the automatic exchange of information policy to increase tax revenue. Indonesia's commitment to efforts to participate in implementing the AEOI policy is demonstrated by issuing policies related to regulations for implementing the policy. Pros and cons arise among the public regarding this policy. However, regarding positive points, implementing the AEOI policy has impacted increasing accountability, transparency, or openness of information and cooperation between financial and tax institutions (Febyani & Widodo, 2020; Kusuma & widyana Dewi, 2018).

The role of AEOI policy in information disclosure in the tax sector is due to the opportunity for individual and corporate taxpayers to keep confidential the disclosure of total income used in determining the amount of tax in carrying out their obligations (Sari, 2019). Openness of information in the taxation sector can increase tax revenues and reduce the practice of fraudulent calculations of the amount of tax owed by taxpayers. Information disclosure will make it easier to access taxpayers' actual income data by the competent tax authorities to increase state revenues (Aisyah, 2021; Yasa & Mandala, 2016; Yustiari, 2016).

Another essential role of the AEOI policy is that taxpayer compliance is expected to be improved through more transparent tax reporting (Supriyadi, 2019). However, the main concern is whether the AEOI policy can increase state revenue from the tax sector, which has often been ignored, especially when income and assets are outside Indonesia's jurisdiction (Selvi, 2018). Implementing the AEOI policy by the tax authorities cannot be separated from efforts to obtain information and repatriate funds belonging to Indonesian citizens abroad. Funds owned by

Indonesian citizens in Singapore reach 60% of those abroad, with around USD 45 billion (Akmam, 2018). Even Gabriel Zucman, in the book *The Hidden Wealth of Nations: The Scourge of Tax Havens*, said that around 8% of global wealth is placed in tax haven countries, and sadly, 80% of these funds are unknown to the tax authorities. This number is quite significant, so naturally, Indonesia is trying to have AEOI agreements with many countries, including Singapore. (Ispriyarso, 2020; Pohan et al., 2022).

The Indonesian government has issued a policy regarding the AEOI (Automatic Exchange of Information) policy in line with the era of open financial information. The tax authority, namely the Directorate General of Taxes, is preparing infrastructure related to data transmission. Sending data managed by the Financial Services Authority (OJK) using the Foreign Customer Information Delivery System (SiPINA), the Directorate General of Taxes developed the EoI portal. Based on OECD regulations, data transmission to and from partner regions is carried out via the Common Transmission System (CTS). The infrastructure built by DJP to maintain data security needs careful attention. Leli Ristoanawati, director of the Subdivision of International Tax Agreements and Cooperation, said that Indonesia had undergone an initial assessment process by the Global Forum regarding data confidentiality and security. Indonesia was declared eligible to meet OECD requirements to follow the AEOI policy in December 2017 (Majalah pajak, 2021).

The AEOI policy in Indonesia in September 2018 was officially implemented. This policy is carried out by the tax authority automatically exchanging financial data with several stakeholders related to the tax sector. Implementing this policy is expected to detect non-compliant taxpayers and become material for audits carried out by the tax authorities. However, in

its implementation, there are problems faced by the tax authorities, namely, managing data from AEOI, in this case, the Directorate General of Taxes, in preparing customer data originating from financial service institutions (LJK), customer data entered into the Directorate General of Taxes database must be processed. First, some agencies have not disclosed data to be used to support this policy. The agency's difficulty in providing data is due to the system being inadequate (Dahlan, 2020).

In implementing this policy, the Directorate General of Taxes found several problems, namely data that had not been explored or detected. In the 2018 Annual Notification Letter (SPT), DJP revealed a cash equivalent gap of IDR 670 trillion. The tax office does not determine this difference. In 2021, it was recorded that data worth IDR 78 trillion belonging to 30,722 taxpayers had been identified, and a total of IDR 39 T from 9,846 taxpayers were in follow-up appeals. Thus, data worth IDR 553 T in 2021 cannot be utilized for potential tax revenue (Arief & Pratama, 2022).

4 (four) Leading causes caused the difference in funds. First, there is no Taxpayer Identification Number (NPWP). Second, incomplete address or residence abroad. Third, the financial account holder's name and date of birth were not found. Fourth, AEOI only covers financial data and information from taxpayers and does not consider wealth in the form of property or investment in the form of crypto assets. Tegar Arief & Wibi Pangestu Pratama (2022) Tax authorities are still experiencing difficulties in matching data originating from AEOI implementation due to several factors above (Kontan.co.id 13/3/2022). As a result, in 2018 and 2019, it was recorded that the tax authorities had not been able to optimize the AEOI data so they were unable to pursue the perpetrators of 'offshore tax evasion'. The use of data originating from the AEOI policy in exploring tax revenues has not provided maximum results (Indriani, 2021).

Considering that the tax authority seeks to increase taxpayer compliance, the AEOI policy is a policy that will encourage this increase. The problem still faced in Indonesia is the level of taxpayer compliance. The story of taxpayer compliance is still visible from taxpayers who have not disclosed their assets according to the actual situation. Based on the AEOI data received by the DJP, there are differences in financial data in the form of cash and cash equivalents between the AEOI data and the 2018 Annual SPT data. The less-than-optimal level of taxpayer compliance is also reflected in the taxpayer's formal compliance with the annual SPT reported by the taxpayer. There is a shortage of inspectors still involved in AEOI implementation. According to the Director of Audit and Collection, DJP, Ministry of Finance, the ideal number of taxpayers in a country is around 30 to 40 thousand tax inspectors. However, currently, the DJP only has 4,500 inspectors (Elisa, 2016).

Research from Pohan et al., (2022), Regarding AEOI Review from the Perspective of its Effectiveness in Minimizing Tax Evasion, research results show that implementing AEOI in anticipating tax evasion is quite effective by international standards. However, many complete data sets still exist that partner countries have not fulfilled. Other research was also carried out by Juwono & Gunadi (2021), Evaluation of the implementation of Automatic Exchange of Information (Comparative Study of Indonesia and Japan) shows that the performance of the AEOI policy in Indonesia is quite successful even though there is still the problem of incomplete data obtained through this AEOI Policy. Meanwhile, implementation in Japan

has been quite successful, as seen by increased taxpayer compliance, supported by using a single identity number (SIN), making the data utilization process easier.

Furthermore, research from Aura (2021), Analysis of the Use of AEOI Data by the Tax Service Office (KPP) in the Context of Increasing Tax Revenue in Indonesia (Study of KPP PMA and KPP for Large Taxpayers), the results show that KPP is starting to make good use of AEOI data to increase the number of registered taxpayers and minimize tax avoidance. AEOI data cannot be directly used to increase tax revenues in Indonesia. However, AEOI data is related to the level of impact on state revenues if taxpayer compliance is disrupted. In addition, tax authorities face challenges in using AEOI data in terms of data integrity and technical, and human resources. Meanwhile research from Selvi (2018), Regarding the automatic exchange of information as big data in the Taxation Sector, it was found that Indonesia theoretically overcame the AEOI Challenge as a developing country. However, in practice, we cannot yet know whether it can be overcome because Indonesia still has not implemented AEOI.

Based on the research results above, the research results have similarities. The similarity of this research lies in the research object regarding the application of Automatic Exchange of Information (AEOI). At the same time, the difference is in the theory of effectiveness in this research using Richard Steers' approach. Thus, this research aims to analyze the effectiveness of implementing the automatic exchange of information or AEOI policy to increase tax revenues.

METHOD

This research uses a descriptive qualitative method with a post-positivism approach (Strauss, & Corbin, 2003). This approach was chosen because it was considered the most appropriate in assisting the research by combining studies of the Automatic Exchange of Information Policy framework in Efforts to Increase Tax Revenue. The types of data used in this research are: (1) Primary data, which comes directly from informants at the research location through direct observation and interviews with people who are in authority and understand the material being studied.

The informants in this research consisted of 1 Directorate of International Taxation, 1 from the Directorate of Tax Data and Information, and 3 Tax Academics. Informants were chosen as critical informants because they were considered to know information about the matter being researched (Bensch, & Spille, 2021). The following data type is: (2) secondary data obtained at the research location in documents related to the studied problem and other literature.

Data collection is carried out through interviews and documentation. Then, the data is analyzed by: (1) data reduction, namely the process of selecting and simplifying data obtained in the field so that the data can be used as efficiently as possible so that only data that is needed and considered valid is used as a source. Study; (2) data display, namely a collection of information that is arranged and presented well to provide opportunities and convenience for concluding; (3) completing the form of finding essential things from data obtained in the field so that a conclusion can be drawn on the final results of the research.

RESULTS AND DISCUSSION

Automatic Exchange of Information at a Global Level

AEoI (Automatic Information Exchange) is an international policy and rule that reduces tax evasion for tax evaders (Rante, 2019). As an automatic information exchange system, Aeol identifies and monitors domestic and foreign taxation. Apart from that, Aeol is a program initiated by the OECD involving G20 countries. The AEoI policy working system is based on exchanging financial data from foreigners living in a country (Hasim & Sa'adah 2018). The exchange of financial data occurs between national authorities and tax authorities of other countries. All countries that participate in the AEoI policy of sending and receiving previously agreed data or information without special requests every year. The government needs an AEoI policy implemented by the tax authority to monitor and investigate taxpayer assets abroad and establish cooperation with other countries (Fahrurrozi et al., 2020).

Data mobility has long been characterized as an element of global networks, especially in economics. Sending and receiving in the exchange of information is facilitated by digital media connected to the internet network. This exchange model gives rise to the idea of the automatic exchange of information by a more extensive authority, namely the state. At the national level, laws and standards must form the basis of guidelines and regulate implementation (Wangke, 2021). In 2009, the idea of automatic exchange of information was discussed at the G20 forum in London. The main reasons for this problem are the existence of tax havens that reduce government revenues and the recognition that cooperation is needed to solve this problem. The Exchange of Information Agreement defines three AEoI statuses. (1) Request (based on request); (2) Automatically, and (3) Spontaneity (Hasim, & Sa'adah, 2018).

According to Panayi (2016), There is a brief description of the stages of information sharing in the form of: (1) Taxpayer agents collect or produce information from Taxpayers; (2) Taxpayers report information to the tax authority; (3) Tax authorities consolidate information based on the country of residence; (4) The information will be encrypted and sent to the tax authority of the country where the taxpayer is resident; (5) Information is received and encrypted in the resident country; (6) The resident country enters relevant information into the automatic or manual data reconciliation process, and; (7) The resident country will analyze the results and take necessary action.

Considering that developing countries still have several limitations compared to developed countries. Limitations on implementing AEoI policies are overcome by assuming that a country does not want to isolate itself from the international world. Some of these limitations must be crushed immediately, requiring all countries to participate in AEoI policies.

The first challenge is the creation of domestic regulations related to the technical implementation of AEoI policies by OECD standard regulations. This domestic regulation concerns bank secrets, which are initially kept confidential so that they cannot be exchanged data. However, bank secrecy has now been abolished for tax reasons. In addition to banking confidentiality regulations, technical regulations regarding collecting and reporting financial information are also very important. Apart from the tax system, integration and cooperation between institutions must also be considered. Collaboration between institutions requires adequate regulations to support the continuity of implementation. Studies on the sustainability of

AEoI policies are necessary but are costly and time-consuming as developing countries usually have minimal financial resources compared to developed countries.

The second challenge concerns the information technology required in the AEoI policy. National information technology must meet confidentiality and protection standards. Building information technology is not easy, especially for developing countries with limited human and financial resources. The Directorate General of Taxation has prepared three technical controls to support AEoI policy. These technologies include domain aggregation, which involves connecting all servers within the same domain. Desktop management controls the total cost of managing all connected computers and information technology management auditing. Includes guidelines. Consists of relevant IT audit guidelines.

The third challenge is bilateral negotiation procedures to exchange financial information with other countries. Bilateral agreements require time and resources and are expensive. This is not only a matter of money but also time and energy (Urinov, 2015). Cooperation between countries is needed to support policies, planning, negotiations, reaching conclusions, and ultimately obtaining congressional approval (Reese, 1987). As of April 2018, Indonesia had bilateral agreements with 79 participating countries..

More than 100 countries and jurisdictions, including Indonesia, have committed to introducing automatic exchange of financial information based on the Common Reporting Standard (CRS) prepared by the Organization for Economic Co-operation and Development (OECD) and the G20. Indonesia's commitment will be implemented by signing the Multilateral Competent Authorities Agreement on AEoI on June 3, 2015, and Indonesia's agreement to exchange financial information automatically in September 2018.

Table 1: Timeline for Global Implementation of Automatic Exchange of Information.

Year	Global Implementation
2009	The idea of automatic information exchange was a hot topic at the G20 forum in London.
2012	Global Financial Integrity found developing countries lost \$991.2 billion in unrecorded funds.
2013	When Singapore first implemented AEI, it was categorized as a gray list jurisdiction in the whitelist category.
2015	In the OECD report and the G20 established automatic exchange of information based on the Common Reporting Standard (CRS). 50 countries have exchanged data.
2017	50 countries have exchanged data.
2018	50 countries have exchanged data, including Indonesia.

Source: Processed by researchers (2022)

Automatic Exchange of Information ii Indonesia

AEoI Indonesia's policy has been outlined in Law Number 9 of 2017 concerning the Establishment of State Regulations instead of Law Number 1 2017 concerning Access to Tax and Financial Information, which will come into force. The government also has PMK Number 70/PMK.03/2017 s.t.d.t.d PMK No. See 19/PMK.03/2018 for technical instructions on accessing financial information for tax purposes. In number 2 of

Article 1 PMK No. 70/PMK.03/2017 s.t.d.t.d PMK No. 19/PMK.03/2018 defines the exchange of financial information (from now on referred to as information exchange) as the activity of sending, receiving, and obtaining financial information related to taxation based on international agreements that aim to (1) Prevent tax avoidance; (2) Prevention of tax avoidance; (3) Prevent abuse of tax agreements by parties who abuse taxation, and; (4) Checking taxpayer compliance with their tax obligations.

Indonesia is subject to international tax agreements that require compliance with the obligation to participate in implementing government-level laws and regulations regarding the automatic exchange of financial information (AEoI) and access to financial information for tax purposes. Indonesia will not fulfill its obligation to exchange financial information automatically by 30 June 2017 (promising countries). This could cause enormous losses for Indonesia, including reducing Indonesia's credibility as a member of the G20, reducing investor confidence, and disrupting the stability of the country's economy, making Indonesia a destination country for illegal funds.

Regarding the implementation of the automatic exchange of financial information (AEoI), the Global Forum has ranked Indonesia as a country at risk of failing to fulfill its commitments (of Financial Account Information/AEoI) due to the unavailability of equipment primary law in the form of statutory regulations at the statutory level to implement AEoI in Indonesia. Suppose by the deadline of June 30, 2017, Indonesia has not formed the primary legal instrument in question. In that case, Indonesia will be published as a country that has failed to fulfill its commitment to implementation (Automatic Exchange of Information/AEoI). In summary, Indonesia's involvement in the Automatic Exchange of Financial Account Information (AEoI) is as follows:

1. 1. G20 Leaders' London Summit declared that the era of banking secrecy for tax purposes was over (April 2009).
2. 2. Indonesia joined as a member of the Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum) (September 2009).
3. 3. The Indonesian government signed the Convention on Mutual Administrative Assistance in Tax Matters (MAC), Article 6 of which regulates the implementation of the Automatic Exchange of Financial Account Information/AEoI (November 2011).
4. G20 Leaders' Saint Petersburg Summit declared support for the Organization for Economic Cooperation and Development (OECD) to establish global standards for the implementation of the Automatic Exchange of Financial Account Information (AEoI) (September 2013).
5. G20 Leaders' Brisbane Summit declared a commitment to implement AEoI reciprocally based on the Common Reporting Standard (CRS) starting in 2017 or 2018 (November 2014).
6. The Indonesian government signed the Multilateral Competent Authority Agreement (MCAA), which in its Annex F includes Indonesia's commitment to start the Automatic Exchange of Information (AEoI) in September 2018 (June 2015).

In fulfilling the need for state continuity, Indonesia relies on tax revenues. In seeking tax revenues, there are strategies to achieve the state revenue targets expected by the government.

The AEoI policy is one of the state's strategies for optimizing state revenues by automatically exchanging financial information to achieve tax objectives. A double Tax Agreement (P3B) is a tax agreement entered into by a country with another country and other tax agreements such as the Convention on Mutual Administrative Assistance in Tax Matters and the Tax Information Exchange Agreement (TIEA).

The Automatic Exchange of Information implementation in Indonesia is outlined in Law Number 9 of 2017 concerning the Determination of Government Regulations instead of Law Number 1 2017 concerning Access to Financial Information for Tax Purposes. Then, it relates to the commitment to participate in its implementation in 2018 by signing the Convention On Mutual Administrative Assistance in Tax Matters and the Multilateral Competent Authority Agreement (MCAA).

Table 2: Timeline Adopsi Automatic Exchange of Information di Indonesia

Year	Implementation in Indonesia
2009	G20 Leaders' London Summit declared that the era of banking secrecy for tax purposes has ended, and Indonesia has joined as a member of the Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum)
2011	The Indonesian government signed the Convention on Mutual Administrative Assistance in Tax Matters (MAC), whose Article 6 regulates the implementation of the Automatic Exchange of Information (AEoI)
2013	G20 Leaders Summit in St. Petersburg St. Petersburg expressed support for the OECD in establishing global standards for the automatic exchange of financial account information (AEoI).
2014	At the Brisbane Summit of G20 Leaders and Heads of Government, starting in 2017 or 2018, the obligation to mutually implement AEOI based on the Common Reporting Standard (CRS) was announced.
2015	The Indonesian government has signed the Multilateral Competent Authorities Agreement (MCAA), Annex F, which contains Indonesia's commitment to launch the Automatic Exchange of Information (AEoI) in September 2018.
2016	The issuance of a tax amnesty policy known as "Tax Amnesty" by issuing Law Number 11 of 2016 concerning Tax Amnesty
2017	Stipulation of Government Regulation in place of Law Number 1 of 2017 concerning Access to Financial Information for Tax Purposes.
2018	Indonesia agreed to the AEoI and is ready to implement it.

Source: Processed by researchers (2023)

Effectiveness of the Automatic Exchange of Information Policy on Efforts to Increase Tax Revenue by the Tax Authority

Based on the realization of tax revenues in Indonesia after implementing the AEoI policy, tax revenues declined in 2020. This coincided with the outbreak of the COVID-19 pandemic, which affected all sectors. Tax revenues will increase again in 2021 when Indonesia improves, and all sectors bounce back. The optimization of objectives regarding tax revenue in implementing the AEoI policy in Indonesia is underway, although it has yet to be optimal. This can be seen from tax revenues based on the 2018-2021 LKPP submitted by the tax authority.

Table 3: Realization of Tax Revenue

Year	Tax Revenue Realization
2018	1.518.789.777.151.030
2019	1.546.141.893.392.193
2020	1.285.136.317.135.799
2021	1.547.841.051.644.624
2022	Belum tersedia

Source: LKPP 2018-2021

Achieving the objectives of the AEOI policy for tax purposes through the implementation of international agreements, the DJP began implementing the AEOI policy and implementing the provisions of laws and regulations in the tax sector. Article 35A of the General Provisions and Tax Procedures Law Number 16 of 2009 requires every government agency, institution, association, and other party to provide data and information relating to taxation to the DJP. The importance of the AEOI policy is big data in tax offers detailed and legal financial information from several third-party countries that have agreed to implement AEOI. This is expected to increase taxpayer compliance with more transparent reporting.

In connection with the AEOI policy, it is hoped that it will be able to increase the potential for state revenues from the tax sector, which has often escaped taxation, especially if the income or assets are outside Indonesian jurisdiction, and at the same time become a means for Indonesia to enforce laws in the field of taxation and to prevent and to reduce tax avoidance and evasion practices because AEOI is Big Data in the taxation sector. Then, the number of Indonesians participating in the AEOI policy, where Indonesia's AEOI bilateral partners always increase yearly (OECD, 2022). The development of Indonesia's reporting destination countries since the implementation of the AEOI policy, the information is as follows: in 2018, it was 59; in 2019, it was 66; in 2020, it was 69; in 2021, it was 72; and in 2022 it was 77, and in 2023 it was 81. If you look at the increase, Indonesia's reporting to its partner countries aims to show that Indonesia provides financial data to be exchanged with partner countries for tax purposes.

Optimizing the achievement of objectives in implementing the AEOI policy looks at the obstacles that occur in implementing the AEOI policy. First is the competency constraint of human resources (HR); in managing and implementing AEOI policies, the DJP members on duty have sufficient ability and knowledge to contribute. The ability and knowledge of DJP members as implementers of this policy are obstacles related to human resources. The next obstacle is potential tax disputes. The exchange of financial information involves a relationship between the DJP and taxpayers because it involves open taxpayer financial data. Then, the DJP and financial institutions in the framework of the DJP require taxpayer financial supporting data from financial institutions, and the DJP and partner countries carry out and exchange tax information. Furthermore, there are problems with data quality and completeness problems, where the AEOI information submitted follows CRS or Common Reporting System, which is the minimum information on a financial transaction. So, to utilize this data, officers need to obtain complete information originating from a transaction that is limited to AEOI policy information so that it cannot be developed into the previously expected tax revenue.

Furthermore, the obstacle faced in implementing this policy is time constraints as stipulated in the General Tax Provisions

Law (KUP), where if you look at the period for determining underpayment, it is 5 (5) years from the end of the tax period or year. If the information received by the DJP through the AEOI policy is not timely, it will be difficult for DJP members to develop the data into tax decisions. The next obstacle is the problem of excessive data, where the AEOI policy requires all financial institutions to submit significant financial transactions. Not all information provided by financial institutions can be utilized by the DJP. Information technology constraints in implementing AEOI policies involve utilizing technology to be used by end users.

System Perspective

It assesses the effectiveness of the relationship role of an organization, which is the center of attention towards a relationship between components contained within and outside the organization. In contrast, these components simultaneously impact the success or failure of an organization in achieving its goals—AEOI policy at the global level where the G-20 requires automatic exchange of information for tax purposes. The OECD then developed the Common Reporting Standard (CRS), which the OECD Council agreed on on 15 July 2014.

Before Indonesia exchanged data between countries, it underwent an assessment process carried out by the OECD through the Global Forum. The assessment was carried out to assess Indonesia's readiness to implement this policy. The global forum is the unit in charge of ensuring that financial reports follow the guidance. Indonesia implements recommendations to exchange data and carry out pre-assessments so that Indonesia can receive and obtain financial data.

Furthermore, the effectiveness of implementing AEOI standards in practice in Indonesia has been on the right track where (1) jurisdictions have developed and begun to implement complete administrative compliance frameworks to ensure that financial institutions carry out their obligations effectively in a compliant manner and (2) exchanges have been successfully carried out. Following technical requirements promptly, or where problems arise, they are dealt with promptly. AEOI policy welcomes the era of information openness. It prepares Indonesia to participate in AEOI policy by issuing Law Number 9 of 2017 concerning the Stipulation of Government Regulations instead of Law (Perppu) Number 1 2017 concerning Access to Financial Information for Tax Purposes. The tax authorities disclose financial information automatically and then exchange information data across jurisdictions. Data exchanges in Indonesia faced by the DJP are not and have yet to be able to utilize the data resulting from the exchange effectively. The government understands and knows that tax evasion occurs, but the government is unable to implement tax law enforcement by pursuing those who evade taxes.

The Indonesian government is globally committed to implementing international information disclosure immediately. In 2018, it is hoped that countries that are members of the G20 will agree to adopt the automatic exchange of data on taxation and financial transactions (automatic exchange of information). This policy allows the sharing of banking data and tax data between countries. Not only that, but this policy can also detect 'bad taxpayers' who hide illegal assets abroad so that the government can monitor its citizens' income. The result is that this policy can increase state revenues, especially in the personal tax sector.

Based on the information above, it is known that the information exchange system for implementing the AEOI policy has been running by utilizing other policies to support the use of data resulting from implementing the AEOI policy. The interactions by DJP members utilizing other tax policies will make it easier for the DJP to support different approaches to achieving tax revenues and compliance. Tax compliance is a very complex phenomenon viewed from many perspectives. Tax compliance includes reporting income under tax regulations, reporting Tax Returns (SPT) on time, paying taxes on time, and avoiding tax evasion by taxpayers.

Attentional pressure on human behavior

The emphasis on employee behavior on the organization's long-term success, where analysis leads to individual and group behavior, can ultimately support or hinder the achievement of organizational goals. Financial information obtained by Indonesia from partner jurisdictions is processed and utilized and then submitted to employees who can access the lead at the Tax Service Office (KPP) in Indonesia. Data processing by DJP is based on Law No. 9 of 2017 Article 7, which states that financial account data by DJP is used as a tax database. In terms of data, there is no special treatment for the data received by the DJP. Data resulting from the AEOI policy will be processed like general data processed by the DJP. For taxpayers, data can be used to fulfill their tax obligations, and in DJP, data can be used for tax revenue purposes. The data processed by the DJP is said to have been implemented so that the data used meets applicable domestic regulations.

They are linked to domestic regulations implemented by DJP members in carrying out their duties and roles in managing and utilizing AEOI policies. Bearing in mind that Indonesia, in implementing the AEOI policy, follows guidance from the OECD, which has been declared regulatory appropriate in implementing the AEOI policy. In practice, the data used to detect tax compliance obligations must be completed, and all data resulting from the AEOI policy cannot be utilized. The next consideration is that when this data is processed, it is then used by the KPP, tax auditors, and members to support tax needs, so the role of DJP members in the field in asking for clarification and analyzing tax compliance is one of the efforts to be achieved in implementing the AEOI policy.

The use of data carried out by the DJP could have been improved because the DJP found abundant data from the AEOI policy. However, there is an obstacle in data processing, namely that DJP members need a long time to match the existing data in processing the data resulting from the AEOI policy. Based on the information above, it is known that the AEOI policy regarding the role of the behavior of DJP members and the DJP itself as the agency that implements the procedure found that the data originating from the AEOI policy has not been optimally utilized to explore potential tax revenues.

Factors That Influence the Effectiveness of Implementing the Automatic Exchange of Information (AEOI) Policy in Efforts to Increase Tax Revenue

The exchange of financial information for tax purposes automatically involves other countries supporting cross-border information openness for tax purposes. More than 100 countries or jurisdictions, including Indonesia, have expressed their commitment to implementing automatic exchange of financial

information based on the Common Reporting Standard (CRS) prepared by the Organization for Economic Cooperation and Development (OECD) and the G20. Indonesia's commitment was realized by signing a Multilateral Competent Authority Agreement on AEOI on June 3, 2015, and Indonesia agreed to start automatic financial information exchange in September 2018. Related to the implementation of automatic exchange of financial information (Automatic Exchange of Information/ AEOI), some factors influence the performance of AEOI to increase tax revenue. These factors are explained as follows:

1. Organizational Characteristics

Organizational characteristics include organizational structure and technology. Structure is an organization's way of determining human resources in carrying out their functions as part of the organization. Organizational characteristics in implementing AEOI policies in Indonesia are measured based on determining Human Resources in their administrative processes. DJP is the agency responsible for taxation in Indonesia, so the structure of this organization is a forum for deciding sustainability in achieving organizational goals. The organizational structure in its implementation is that the DJP members are involved in the AEOI policy, where the DJP members at the head office carry out governance, data processing, and prepare regulations related to the AEOI policy, while the DJP is at the branch office or Tax Service Office (KPP) as a follow-up to the data exchanged for used to support taxpayer clarification of assets owned by the taxpayer but which have not been reported by the taxpayer.

There are 3 (three) directorates implementing the AEOI policy at the DJP head office. The three directorates technically involved in this policy are the Directorate of International Taxation, the Directorate of Tax Data and Information, and the Directorate of Technology and Information. These three directorates have duties as described in the system perspective section. The data processing that the three directorates have carried out can then be utilized by the service department used by Account Representatives, Inspectors, and Bukper for taxpayer compliance purposes and can directly ask taxpayers for clarification.

The following organizational characteristic is technology, which is the use of technology to support administrative activities and make it easier for the organization to carry out its duties. Implementation of the AEOI policy involves technology in its performance. DJP itself has gone through an assessment process for the IT sector before being able to exchange information with its partner countries so that DJP's readiness in the IT sector used for this policy has been recognized internationally through the OECD.

Based on the recommendations of the Global Forum on Transparency and Exchange of Information for Tax Purposes, participating countries that exchange data through AEOI policies prepare adequate information technology infrastructure to support the effectiveness of AEOI policies. One recommendation is building an AEOI Portal policy (Global Forum, 2021). The Directorate General of Taxes has implemented these recommendations by setting up an Exchange of Information portal. The Exchange of Information portal on the jasa.go.id website contains applicable regulations and financial information reporting forms for financial institutions consisting of scope, registration, reporting, and questions and answers

provided by the DJP. Progress in technology contributes to efforts to achieve more productive goals by utilizing means that can influence the effectiveness of an organization.

The organization's characteristics, consisting of the structure and technology used, will impact the ease of approaching the organizational goals. The design of the DJP shows that the roles and responsibilities of DJP members are processed in carrying out their duties. At the same time, technology makes it easier to coordinate and collaborate in supporting policy implementation. Implementing AEoI policies on organizational characteristics, structure, and technology leads to effectiveness in achieving organizational goals.

2. *Environmental Characteristics*

Environmental characteristics in implementing AEoI policies in Indonesia are measured based on ecological influences originating from outside the DJP and environmental consequences from within the DJP itself. The result of the external environment on policy implementation influences the implementation of AEoI policy implementers. The policy requires political support from the government because it involves other countries implementing it. Broad political support from the government is manifested in Indonesia's cooperation with other countries and the establishment of related regulations to support this policy. In its implementation, DJP also involves several agencies to support data exchange. The subsequent influence is public awareness of the importance of compliance with taxation in the era of information openness, as well as the existence of the AEoI policy in encouraging tax revenues to support community welfare, which is the result of the expected goal.

DJP coordinates and cooperates with financial institutions to obtain data from financial institutions so that financial institutions report data and support the financial information that DJP needs in exchanging data. Collaboration and coordination carried out by the DJP and financial institutions require outreach in the form of materials to financial institutions to improve the skills or competence of financial institutions to carry out their obligations. The DJP has made efforts to provide outreach to financial institutions. Still, some financial institutions have yet to be exposed to this information and how to report their customers' financial data or information. DJP has yet to reach all financial institutions due to its limitations and the consideration that the number of financial institutions in Indonesia is large. DJP first carries out outreach with big targets, such as banks, because it considers many customers.

3. *Worker Characteristics*

The characteristics of workers in implementing AEoI policies in Indonesia are measured based on DJP's implementation in developing and maintaining a work pattern and DJP members contributing and working achievements of DJP members to their agencies. They are implementing the AEoI policy where DJP members have the authority to access information for supporting data purposes that leaders need to follow up on their taxpayers' tax obligations. Not all DJP members who use this information exchange data have access to AEoI data exchange information because the information from this AEoI policy is confidential. After all, it concerns the financial privacy of customers or taxpayers, which is a sensitive matter. DJP members with access to AEoI data, namely certain employees, Account Representatives, Inspectors, and Eselson Officials, have access—

arrangements for employees who can view confidential information. If there is a violation, DJP will follow civil servant procedures regarding the code of ethics for DJP members who violate regulations and commit data leaks. In its implementation, employees assigned to the AEoI unit before starting to exchange data, DJP members undergo training at the beginning of their assignments related to implementing AEoI policies. Procurements carried out by the Global Forum to discuss the implementation of AEoI policies are routinely carried out by the Global Forum.

Furthermore, the training was carried out to increase the stability of DJP members in implementing this policy by assigning DJP members to take part in overseas training held by global forums and conducting consultations or knowledge transfer between DJP members to improve their ability to analyze, manage, and adapt well: administration and policy.

Maximum implementation of the AEoI policy must be intensified, among other things, by increasing the tax knowledge, skills, and abilities of DJP members involved in the AEoI policy. The role of international taxation with continuous training, mainly carried out by the OECD, effectively implements AEoI policies. The consideration is that many offshore or shell companies and their affiliates still need to be touched/revealed from their efforts to avoid taxes. The DJP's task in solving this problem requires sufficient knowledge and skills to support solving the problem. Worker characteristics are characterized by training to provide provisions or expertise related to exchanging information from AEoI policies.

Employee engagement can be seen in the regulations governing members' work to provide socialization and guidance to DJP members to increase tax revenues. Employee engagement can also be seen in their commitment to their assigned roles. However, problems with the clarity of functions still need to be solved, such as for DJP members to manage data. There are still problems ranging from data that are difficult to match to data that take a long time to check. Hence, more than the number of DJPs who manage data is needed compared to the need for financial data information that is collected to be utilized. This is an inhibiting factor in implementing the effectiveness implemented by the DJP in this policy.

4. *Management Policies and Practices*

Management policies and practices in implementing AEoI policies in Indonesia are measured based on setting strategic goals, searching and utilizing resources, creating an achievement environment, communication processes, leadership, decision-making, innovation, and adaptation. In determining strategic goals, effectiveness is assessed by management's ability to obtain and manage resources to achieve organizational goals. Defining strategic goals involves identifying general organizational goals and how DGT and its members impact AEoI policy. DJP in implementing the AEoI policy by identifying DJP's objectives that Indonesia has followed the assessment carried out by the OECD as a form of Indonesia's readiness and ability to participate in this AEoI policy.

Indonesia is by OECD provisions or guidance with the Global Forum unit in charge. Partner countries can use data exchanged in Indonesia, and the quality of data obtained in Indonesia can also be used to support taxpayer compliance, which leads to tax revenues. The problem with the quality of data exchanged by partner countries is that DJP experiences difficulty matching

existing data from the information exchange results. Then, DJP takes time to check the data in the data processing process. The problem of comparing data to information exchange leads the government to pursue policies that support the information exchange process, which leads to time that can be used to obtain tax revenues.

Search and Utilization of Resources, the objectives that DJP hopes in the AEOI policy will be supported by the quality of human resources to continue solving problems during the implementation of this policy. In connection with DGT's efforts to search for and utilize resources by identifying three interconnected areas, namely, (1) the need to integrate and coordinate various organizational subsystems, (2) the establishment or implementation and maintenance of policy guidelines, (3) the existence of feedback to keep the organization on target in its pursuit of goals. Utilization of resources to manage data resulting from AEOI policies. As in Law Number 9 of 2017, Perpu in article 7, DJP financial account data is used as the basis for taxation, where there is no special treatment regarding AEOI data. In managing AEOI results, DJP collects data as DJP generally contains data. I was referring to the Decree of the Director General of Taxes Number 215 of 2021 concerning data management within the DJP, which is a derivative of the KEP regarding the data management of the Ministry of Finance so that the DJP refers to the Ministry of Finance to create DJP's financial management.

The data processing carried out by the DJP for the AEOI policy is carried out with standardization. It follows the KEP regarding data management, which refers to the Ministry of Finance, and there is general governance in International Best Practice. Data processing by the Central DJP refers to the standardization carried out by the Global Forum regarding this policy, which countries adopt. Utilization of resources has an impact in terms of supporting the capacity building of DJP members in processing data. Collaboration with the OECD through the Global Forum is an effort to provide knowledge transfer to DJP members to manage data more optimally. Adoption from other countries in implementing AEOI policies is a process being looked at in the direction of efficient change in implementing AEOI implementation policies. Work Environment/Creating an Achievement Environment: involvement of DJP members who implement AEOI policies by actively participating in implementing this policy. The roles carried out by members are accompanied by knowledge and self-development carried out by DJP members in implementing this AEOI policy.

As with the search and utilization of resources, when the DJP has determined resources to implement this AEOI policy, efforts are made by providing training, exchanging ideas, and sharing with other countries, as well as attending seminars/movements to ensure data processing from the AEOI policy and increasing the ability of members to support dynamic AEOI policies and prepare to face challenges that may occur in the future. Communication, cooperation, and coordination process by DJP to support the implementation of AEOI policies. The role of collaboration and coordination carried out by the DJP is for financial institutions and partner countries—communication between the directorates involved, such as the Directorate of International Taxation, the component authority. AEOI policy sees that CRS or Common Reporting System will receive data from partner countries and send data to the following partner countries. Data entered into the CRS system is directed to the formation of a data

warehouse, after which data entered into the warehouse will be followed up with the following procedures. This implementation follows international standards so that the Directorate of International Taxation can access data exchange.

Furthermore, the Directorate of Tax Data and Information processes data that can later be utilized in the next province, and the Directorate of Technology and Information manages the system to be distributed through a system that can be accessed by areas that require taxpayer data. Based on the tasks carried out and related to their implementation, each Directorate works following previously agreed provisions. Next, the communication process that can be drawn is communication with parties who provide access to financial data, namely financial institutions, where contact is obtained through direct meetings and using the portal provided by the DJP to carry out procedures for conveying customer information to the DJP for use for tax purposes.

Leadership and Decision-Making Leadership and decision-making are central to organizational behavior. Decision-making is carried out democratically based on the quality and acceptance of the decision. DJP in implementing AEOI policies based on OECD provisions. DJP has gone through several stages to be able to participate in the AEOI policy. The OECD plays a role in leading the implementation of AEOI policies because countries comply with AEOI policies (participating countries) and impact the national development process, increasing state development and cooperation with other countries. In the internal scope of leadership and decision-making, the Directorate of International Taxation is the component authority. The first data received from the results of the AEOI policy for communicating with partner countries is the access available by the Directorate of International Taxation. DPI carries out leadership and decision-making, but technical considerations are based on OECD provisions.

Adaptation and Innovation, adjustments by DJP members in managing AEOI data, problems were found, the data required a long matching process, and there was even data that could not be utilized because the data was untouchable—so, implementing NIK as NPWP makes matching data resulting from the AEOI policy easier. Including the NIK makes it easier for the DJP to view foreign transactions and see the savings of Indonesian citizens abroad by including the NIK so that data processing is easier to achieve. DJP is in the context of Innovation for technical data processing processes, where adaptation is also needed to gain enlightenment for the sustainability of this policy. Processing the data resulting from the exchange of financial data is a challenge for the DJP to conduct the matching process by considering the data quality before the next project can utilize it. Meanwhile, in terms of regulations in force in Indonesia, they adapt to international rules.

CONCLUSION

Based on an analysis of the effectiveness of the implementation of the Automatic Exchange of Information policy to increase tax revenues by the tax authorities as well as discussing the factors that influence the effectiveness of implementing the AEOI policy in force in Indonesia in the form of Implementation of AEOI policy standards in practice has been running on the right track where (1) the jurisdiction has grown marked by the number of participants increasing every year and starting to implement a complete administrative compliance framework to ensure that financial institutions carry out their

obligations effectively in a compliant manner, and (2) technical requirements and promptly successfully carry out exchanges, or where problems arise, they will be handled promptly. Apart from that, there are constraints on the competence of human resources (HR), where the financial population in Indonesia is large, and the diversity of types of financial institutions makes it difficult to reach them through socialization or counseling related to information policy and AEOI reporting procedures.

DJP members, in processing data originating from AEOI, are the same as other data received by DJP. There is no special treatment for the AEOI data. Data that is managed and utilized for tax revenue purposes. DJP members, in carrying out their duties and roles, follow applicable domestic regulations and OECD guidance as a reference in their implementation. For example, the organizational structure of the AEOI policy, which is carried out at the head office regarding data processing, involves 3 (three) existing directorates.

Furthermore, the effectiveness of implementing the Automatic Exchange of Information (AEOI) policy, including (1) External environment, in implementing this policy, DJP involves the government. Meanwhile, the external environment in this policy influences the implementation of the AEOI policy in a practical direction. (2) In the internal environment, in implementing this policy, DJP members can collaborate and coordinate between directorates to ensure that the data and information sent by Indonesia to partner jurisdictions is timely and of good quality.

Worker characteristics in the form of organizational ties authority of DJP members in accessing AEOI results data. Apart from that, DJP members achieve work stability and understand AEOI policies by providing training before carrying out their duties. DJP members need help matching the data resulting from the AEOI policy, and it takes a long time to utilize the data in extracting tax revenues. This is a factor inhibiting the effectiveness of implementing the AEOI policy.

Management policies and practices in the form of preparing strategic objectives setting DJP objectives, namely the implementation of information exchange, has followed OECD provisions or guidance with the Global Forum unit in charge in the search and utilization of resources, the objectives that DJP hopes in the AEOI policy are to be supported by the quality of human resources to continue solving problems during the implementation of this policy. Apart from that, the work environment creates an environment of achievement, the involvement of DJP members who implement the AEOI policy by actively participating in implementing this policy. The DJP carries out the communication process, cooperation, and coordination role towards financial institutions and partner countries: leadership and Decision Making, Directorate of International Taxation as competent authority. In adaptation and innovation, adjustments by DJP members in managing AEOI data, problems were found, namely that the data required a long matching process, and there was even data that could not be utilized because the data was untouched.

REFERENCES

- Akmam, S. (2018). Pertukaran Otomatis dalam Informasi: Perspektif Ekonomi Politik. *Jurnal Hubungan Internasional*, 10(2), 133. <https://doi.org/10.20473/jhi.v10i2.7301>
- Arief, T., & Pratama, W. P. (2022). *Potensi penerimaan signifikan*. <https://www.idx.co.id/StaticData/NewsAndAnnouncement/>
- ANNOUNCEMENTSTOCK/From_EREP/202207/0022084470_1827eb070e.pdf
- Aura, A. (2021). *Analisis Pemanfaatan Data Automatic Exchange of Information Oleh Kantor Pelayanan Pajak Dalam Rangka Peningkatan Penerimaan Pajak di Indonesia*. Universitas Indonesia.
- Bensch, O., Popa, M., & Spille, C. (2021). Key information extraction from documents: *Evaluation and Generator*.
- Dahlan, M. (2020). SHADOW ECONOMY, AEOI, DAN KEPATUHAN PAJAK. *Jurnal Kajian Ilmiah Perpajakan Indonesia*, 2(1).
- Fahrurrozi, R., Murwadji, T., & Rukmini, M. (2020). Problematika Pengungkapan Rahasia Bank Antara Kepentingan Negara Dan Perlindungan Kepada Nasabah. *Jurnal Esensi Hukum*, 2(1), 77-96.
- Febyani, Y. M., & Widodo, J. (2020). Peran AEOI Dalam Keterbukaan Informasi Pajak Untuk Meningkatkan Penerimaan Pajak Di Indonesia. *Dialogue: Jurnal Ilmu Administrasi Publik*, 2(2), 147-159. <https://doi.org/10.14710/dialogue.v2i2.9921>
- Hasim, M. P., Priyono, F. J., & Sa'adah, N. (2018). Karakter Multilateral Competent Authority Agreement On Automatic Exchange Of Financial Account Information Dan Implikasinya Pasca Program Tax Amnesty Di Indonesia. *Diponegoro Law Journal*, 7(4), 345-363.
- HJI Panayi, C. (2016). *Current trends on automatic exchange of information*. *Singapore Management University School of Accountancy Research Paper*, (2016-S), 43.
- Indriani, I. (2021). Evaluasi Penerapan Automatic Exchange of Information (Studi Banding Indonesia Dan Jepang). *Accounting Global Journal*, 5(2), 173-184. <https://doi.org/10.24176/agj.v5i2.6421>
- Ispriyarso, B. (2020). Automatic Exchange of Information (AEOI) Dan Penghindaran Pajak. *Masalah-Masalah Hukum*, 49(2), 172-179. <https://doi.org/10.14710/mmh.49.2.2020.172-179>
- Juwono, M. V., & Gunadi, H. (2021). EVALUASI PENERAPAN AUTOMATIC EXCHANGE OF INFORMATION (STUDI BANDING INDONESIA DAN JEPANG). *Accounting Global Journal*, 173-184.
- Kusuma, I. L., & Dewi, M. W. (2018). Kebijakan Tax Amnesty: Suatu Peninjauan dalam Perspektif Etika Deontologi Sebagai Bentuk Pilihan Wajib Pajak dalam Melaksanakan Kewajiban Perpajakan. *Jurnal Akuntansi Dan Pajak*, 18(2), 204. <https://doi.org/10.29040/jap.v18i2.118>
- Majalah pajak. (2021). *Ikut Melawan Pengelakan Pajak*. <https://majalahpajak.net/ikut-melawan-pengelakan-pajak/>
- Pohan, C. A., Rahmi, N., Arimbhi, P., & Junaidi, A. (2022). Automatic exchange of information review from the perspective of its effectiveness in minimizing tax evasion. *Ilomata International Journal of Tax and Accounting*, 117-138.
- Pohan, C. A., Rahmi, N., & Lestari, P. A. (2022). Efektivitas Pertukaran Informasi Otomatis Dalam Menangkal Penghindaran Pajak. *Jurnal Reformasi Administrasi*, 9(1), 12-22.
- Rante, K. R. (2019). Reaksi pemerintah Indonesia pasca munculnya panama papers tahun 2016. *EJournal Hubungan Internasional*, 7(3), 1361-1378.
- Reese, P. D. (1987). *United States Tax Treaty Policy Toward Developing Countries: The China Example*. *UCLA L. Rev.*, 35.
- Rr. Herini Siti Aisyah. (2021). Diskresi Presiden dalam

- Pengaturan Keterbukaan Informasi Perpajakan Government Discretion in Regulation of Tax Information Disclosure. *Halu Oleo Law Review*, 5(1), 74–84. <http://repository.unisda.ac.id/id/eprint/586>
- Sari, D. P. (2019). Analisis Perbedaan Penerimaan Pajak Sebelum dan Sesudah Penerapan Program Pengampunan Pajak (Tax Amnesty) Pada KPP Pratama Denpasar. *Jurnal Sains, Akuntansi Dan Manajemen*, 1(1), 1–34.
- Sari, E. V. S. E. V. (2016). *Fiskus Terbatas, Ditjen Pajak Desak Buka Data Perbankan*. CNN Indonesia. <https://www.cnnindonesia.com/ekonomi/20160225160428-78-113535/fiskus-terbatas-ditjen-pajak-desak-buka-data-perbankan>
- Selvi, S. (2018). Automatic Exchange of Information Sebagai Big Data Di Bidang Perpajakan. *Transparansi Jurnal Ilmiah Ilmu Administrasi*, 1(1), 128–133. <https://doi.org/10.31334/trans.v1i1.144>
- Strauss, A., & Corbin, J. (2003). *Penelitian Kualitatif*. Yogyakarta: Pustaka Pelajar.
- Supriyadi. (2019). Automatic Exchange of Information sebagai Sarana Meningkatkan Empat Pilar Kepatuhan Pajak. *Jurnal Reformasi Administrasi*, 6(6), 118.
- Urinov, V. (2015). Developing country perspectives on automatic exchange of tax information. *Law, Social Justice & Global Development Journal*.
- Wangke, H. (Di. (2021). *Diplomasi digital dan kebijakan luar negeri Indonesia*. Yayasan Pustaka Obor Indonesia.
- Yasa, I. N. P., & Mandala, I. P. W. (2016). Tax amnesty dan Implementasinya. *SAR (Soedirman Accounting Review) : Journal of Accounting and Business*, 1(2), 40. <https://doi.org/10.20884/1.sar.2016.1.2.302>
- Yustiari, S. H. (2016). Tax Amnesty dalam Perspektif Good Governance. *Jurnal Ilmiah Administrasi Publik*, 2(4), 169–174. <https://doi.org/10.21776/ub.jiap.2016.002.04.6>