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TAX LIABILITY ARRANGEMENT OF INTERNATIONAL E-COMMERCE IN INDONESIA

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Abstrak

Transaksi e-commerce internasional telah menciptakan tantangan pajak, mengacu studi Google-Temasek-Bain mengungkapkan bahwa kombinasi e-commerce telah mencapai USD40 miliar. Berdasarkan penelitian yuridis normatif dengan mempergunakan teori institusionalisme baru, dihasilkan dua kesimpulan. Pertama, ketentuan perpajakan dan Peraturan Pemerintah Nomor 80 Tahun 2019 di Indonesia belum memiliki lex specialist yang mengatur pertanggungjawaban terkait transaksi e-commerce internasional. Kedua, kewajiban sekunder pajak penting dan mendesak untuk diatur di Indonesia. Ruang lingkupnya setidaknya menjangkau pada unsur-unsur, pengecualian, dan standar yang relevan terkait dengan kewajiban pajak. Disarankan pembentukan aturan tanggung jawab sekunder dalam pajak e-commerce internasional menjangkau pada e-commerce melalui marketplace luar negeri, marketplace dalam negeri, dan media sosial, yang meliputi ketentuan umum, tata cara penetapan, pengawasan, penagihan, mekanisme peringatan, penghentian akses dan normalisasi, serta sanksi administratif dan pidana di bidang perpajakan.

Kata Kunci: *E-Commerce Internasional; Pajak; Pertanggungjawaban Sekunder; Wadah.*

Abstract

International e-commerce has created challenges in terms of tax liability, referred to the study by Google-Temasek-Bain revealed that the combination of e-commerce had reached USD40 billion. Based on normative juridical method using new institutionalism theory, two conclusions are generated. First, the prevailing laws in Indonesia do not yet have a *lex specialist* that regulates tax liability regarding international e-commerce transactions. Second, it is important and urgent to reformulate secondary liability in tax laws that must cover the elements, exclusions, and standards. Reformulation of tax secondary liability of international e-commerce should be extended to overseas and domestic marketplaces, and social media, including general provisions and procedures, billing, mechanisms for warning and terminating access and normalization, as well as tax sanctions (administrative and criminal).

Keywords: International E-Commerce; Tax; Secondary Liability; Platform.

A. Introduction

Electronic commerce (e-commerce), which has increased in the last few decades, has caused debate in terms of tax treatment, especially for long-distance transactions or international trade. Some of the barriers that always overshadow a country's efforts to tax international e-commerce transactions relate to compliance costs, a significant complexity for vendors (Redpath, Redpath, & Ryan, 2007), and the complexity concerning the obligations of all activities related to the traffic of goods into or out of the territory of a country which should give rise to liability for all parties involved.

This has implications for tax revenue on e-commerce transactions in Indonesia, which until now has not been able to calculate the tax loss or tax revenue with certainty, even though e-commerce is one of the drivers of the domestic economy, contributing to increasing gross domestic gross, and can have a greater socio-economic impact and promote inclusive economic growth (Kementerian Perdagangan Republik Indonesia, 2019). The results of several studies reveal this fact, such as the results of a study by Google-Temasek-Bain (2019) which recorded a combination of e-commerce Gross Merchandise Value transactions with Online Travel, Online Media, and Ride Hailling in Indonesia, which has reached USD 40 billion, but nothing official release of e-commerce transaction tax that has entered the state treasury (Kementerian Perdagangan Republik Indonesia, 2019). Then, an empirical study conducted by Sari (2018) on 1,600 samplings of e-commerce players, there are 600 e-commerce players who have not been identified, and of the 1,000 identified, only 620 e-commerce players already have a Taxpayer Identification Number. (NPWP) with a record that only 50% of e-commerce players who already have an NPWP have reported their Tax Returns (SPT).

Indeed, there are e-commerce regulations in general in Indonesia as regulated in the Government Regulation (PP) of the Republic of Indonesia (RI) Number 80 of 2019 concerning Trade Through Electronic Systems, which defines Trade Through Electronic Systems (PMSE), but there are no rules yet regulates specifically about e-commerce tax treatment to date. The Minister of Finance Regulation (PMK) Number 210/PMK.010/2018 has been issued regarding Taxation Treatment of Trade Transactions through Electronic Systems (e-commerce), but regulations whose scope includes Value Added Tax (PPN), Sales Tax on Luxury Goods (PPnBM), Income Tax (PPh) on transactions within the Customs Area, and Import Duty (BM) and/or Tax in the Context of Imports (PDRI) on the Import of these goods have been revoked before being enforced on April 1, 2019.

The absence of e-commerce taxation provisions in Indonesia can pose risks in the form of loss of potential taxes and at the same time the emergence of legal uncertainty regarding e-commerce tax liability. In fact, cross-border transactions on e-commerce is so increasing and complex that it really requires special regulation regarding tax liability of international e-commerce (E. N. Sinaga, Simanjuntak, Barus, & Sinaga, 2020). Due to the complexity of e-commerce tax in Indonesia, it is closely related to rights and obligations that will create liabilities (H. D. P. Sinaga & Sinaga, 2018), then this study seeks to answer two formulations of the existing problems. First, what are the regulations on accountability for international e-commerce transactions that apply in Indonesia today? Second, what is the ideal tax liability arrangement for international e-commerce transactions in Indonesia?

B. Discussion

1. Overview of E-Commerce and Tax Liability

Jagdale and Rupnawar (2017) defined e-commerce as any type of business that involves the transfer of information on the internet that allows consumers to exchange goods and services electronically. regardless of time or distance constraints, and The Finance Bill 2020 of India defines it as “the supply of goods or services or both, including digital products, over digital or

electronic network" (India, 2020). Furthermore, Jagdale and Rupnawar (2017) reveal the advantages and disadvantages of e-commerce. The advantages include faster selling/buying procedures with easy-to-find products, no theoretical geographic and time restrictions, lower operating costs and no need for physical company settings, easy start, and management of their business, and reach more customers because can easily select products from different providers without having to move physically. While the shortcomings of e-commerce include potential hackers looking for opportunities and vulnerable to cyber attacks, customers have to wait for delivery of the products they buy, goods can be damaged during delivery, and there is no guarantee of product quality (Jagdale & Rupnawar, 2017).

There are several parties involved in an e-commerce transaction, which at least includes sellers, buyers, platform service providers, and regulators/governments (Hermawan & Sinaga, 2020a) that can lead to liability (B. R. P. Sinaga & Sinaga, 2020), as the Black's Law Dictionary defines liability as *"the quality or state being legally obligated or accountable; legal responsibility to another or to society, enforceable by civil remedy or criminal punishment"* (Gardner, 2009). In the case of liability that occurs in a business relationship, the legal regime play a more important role in overcoming or recovering losses to victims by deciding the level of the imposition of sanctions both on direct perpetrators and beneficiaries parties for the loss to the victim (H. D. P. Sinaga, 2017). In handling of certain cross-border transactions try to avoid their tax obligations when conducting e-commerce transactions, the relevant regulators (in this case the Directorate General of Taxes/DGT and the Directorate General of Customs and Excise/DGCE) must establish tax liability rules that have a good impact on all obligors. Taxes in the context of modern law, have expanded their scope to not only implement liability based on fault but in certain cases can provide the possibility to apply liability not based on fault (Suharsono & Sinaga, 2019). The need for the involvement of DGCE cannot be separated from their authority on all matters relating to the obligations of all activities related to the traffic of goods entering or leaving the territory of the Republic of Indonesia as well as collecting import and export duties, as formulated in Article 1 number (1) Law of the Republic of Indonesia Number 17 of 2006 concerning Amendments to Law Number 10 of 1995 concerning Customs (Customs Law). Then, the spirit of handling and restoring losses experienced by the victim (in terms of tax is the state) is a justification for handling state tax and customs problems, where the complexity has reached such things as, taxation of sales and use of services between countries, sources of income from intangibles, and the application of liaison rules to long-distance vendors (Gangakhedkar, 2000).

2. New Institutionalism Theory as the Legitimacy of E-commerce Tax Liability

To be able to answer the two existing problem formulations, this study uses the new institutionalism theory with a historical institutionalism approach and 4 (four) tax maxims, put forward by Adam Smith, as its analysis tool. New institutionalism is a criticism of the theory of old institutionalism which is considered descriptive and anti-formalist, holist, behaviourist and collectivist, supports the dominance of government involvement to correct institutional failures, and also rejects the criteria for individual welfare in an institution (Rutherford, 1994). Indeed, criticism of old institutionalism towards the theory of new institutionalism which is considered too abstract and formal, sometimes adopts an extreme, reductionist version of individualism, is oriented towards rational choice and economic models, and is generally anti-interventionist (Rutherford, 1994), can be argued by Peters (1999) to deepen the ideas of March and Olsen who seek to recreate or save the theory of new institutionalism. March and Olsen emphasize the role of individuals in making political choices and tend to conceptualize most individuals as autonomous actors, where the autonomous nature of the action is seen in economic models as well as in behavioral approaches. However, the basis of behavior in institutions and the choices that individuals have to make in institutions must be largely conditioned by their membership in the institution which is basically normative rather than guided by coercive formal rules. The normative

version of this new institutionalism was developed by Peters (1999) by stating that the emphasis on normative integration and creation of collective values in an institution or organization can provide a way to assess the success of an institution, so it can be said that there is no creation of a shared value system. in an organization, it really cannot be said that there is an institution. Furthermore, the propositions of the new institutionalism theory are summarized by Goodin in the following 6 (six) cores, as quoted directly from Budiardjo (2008):

> *"(1) Actors and groups carry out their projects in a context that is limited collectively; (2) The restrictions consist of institutions, which are a) norms and role patterns that have developed in social life, and b) the behavior of those who hold that role. The role is socially determined and changes constantly; (3) However, these restrictions in many ways also benefit individuals or groups in pursuing their respective projects; (4) This is because the factors that limit individual and group activities, also influence the formation of preferences and motivations of actors and groups; (5) These restrictions have historical roots, as a legacy of past actions and choices, and; (6) These restrictions create, maintain, and provide different opportunities and strengths to individuals and groups respectively. "* (Budiardjo, 2008)

Given that every institution can only survive as long as it is able to maintain its legitimacy in the face of challenges, then an institution must remain aware of the importance of rationality-plurality (Sesarianto, 2021), as in international e-commerce transactions, there are various characteristics of the actors involved. Thus, the use of new institutionalism theory must be carried out with a historical institutionalism approach, as according to Thelen and Steinmo (1992), historical institutionalists tend to see political actors not as all-knowing rational maximizers, but rather as "satisfiers" who follow the rules.

The new institutionalism regime should not be misinterpreted as an autonomous legal regime if the e-commerce tax regulations fulfill the four tax maxims put forward by Adam Smith, namely equality, certainty, convenience of payment, and efficiency. The four tax maxims are expected to fulfill legal certainty, justice and public benefit simultaneously when implemented in the tax liability of international e-commerce that conduct transactions with Indonesian consumers. The emphasis on the principle of equality lies in the imposition of taxes which must be fair, non-discriminatory, and balanced and in accordance with the abilities of the subjects. The emphasis on the principle of certainty lies in tax collection that must be clear and certain, both regarding the tax subject, tax object, tax rate, time of tax payment, and so on. The emphasis on the convenience of payment principle on the tax collection that should be carried out at the right time, namely when the income in question is received. Meanwhile, the emphasis on the principle of efficiency lies on the tax collection that should be done sparingly and the cost of collection does not exceed the tax revenue (Brotodihardjo, 2010).

3. Prevailing Law of International E-Commerce Tax Liability in Indonesia and its Comparison with China and India

Specific rules regarding e-commerce transaction tax are contained in Article 8 and Article 11 and 13 of PP No. 80 of 2019 is not sufficient in revealing the liability of international e-commerce taxes in Indonesia. Especially in terms of e-commerce tax liability which is expected to guarantee the sustainable of transactions that are based on good faith, prudence, transparent, accountable, and fair (Hermawan, 2022). So that, the state, in this case is Indonesia, obtains income tax revenue from domestic taxpayers who earn income from all over the world, whether it comes from Indonesia or from outside Indonesia (worldwide income) (Ricky, 2023). Article 32 and 32A of Law Number 6 of 1983 concerning General Provisions and Procedures for Taxation as lastly amended with Law Number 7 of 2021 concerning Harmonization of Tax Regulations (UU KUP) still cause enormous polemic and resistance from parties involved in e-commerce transactions, because it will be contradictory to one of the tax revenue optimization policies that seek to create

a level playing field for all business actors, considering that there are differences between e-commerce and conventional trade. Where in Article 1 number 24 of Law no. 7 of 2014 concerning Trade and Article 1 number 2 of Law no. 19 of 2016 concerning Electronic Information and Transactions has identified e-commerce as a legal act in the trade whose transactions are carried out through a series of electronic devices and procedures (Hermawan & Sinaga, 2020b). Meanwhile, the means of e-commerce for goods and/or services consist of: (1) Marketplace Platform Providers who provide e-commerce services for goods and/or services; (2) Traders or Service Providers who use Platform facilities provided by Marketplace Platform Providers to conduct e-commerce; (3) Buyers of goods or service recipients who purchase goods and/or services through Marketplace Platform Providers; and (4) Payment for trade in goods and services through e-commerce by buyers to Traders or Service Providers is made through Marketplace Platform Providers (Peraturan Menteri Keuangan, 2018).

In addition to Article 32 of the KUP Law, there is Article 32A of the KUP Law which stipulates that the Minister of Finance appoints other parties who are directly involved in or facilitate transactions between parties who transact to make tax deductions, collections, deposits, and/or reporting (Hermawan & Pramana, 2022). Determination, billing, legal remedies and imposition of sanctions apply to other parties as stipulated in the laws and regulations in the field of taxation. In the event that the other party is an electronic system operator, apart from being subject to sanctions based on prevailing tax laws, they may also be subject to sanctions in the form of termination of access after being given a warning. However, in the event that the other party has deducted, collected, deposited, and/or reported in accordance with the provisions of the laws and regulations after the access has been terminated, then the other party is subject to normalization of access again.

Subsequently, Minister of Finance Regulation No. 60/PMK.03/2022 (PMK-60/PMK.03/2022) was issued. Article 2 paragraph (1) of the Regulation regulates the imposition of Value Added Tax (VAT) on the utilization of intangible Taxable Goods and/or Taxable Services from outside the Customs Area within the Customs Area through Trade Through the Electronic System (PMSE). The VAT is collected, deposited, and reported by PMSE Business Actors appointed by the Minister of Finance. VAT payable on the utilization of intangible Taxable Goods and/or Taxable Services from outside the Customs Area within the Customs Area originating from transactions between Foreign Traders or Foreign Service Providers and Buyers of Goods and/or Service Recipients directly, collected, deposited, and reported by the Foreign Trader or Foreign Service Provider appointed as PMSE VAT Collector. Then, PMSE VAT collectors are required to report the collected and deposited VAT quarterly for a period of 3 (three) Tax Periods, no later than the end of the following month after the quarter period ends. The report contains at least the number of Buyers of Goods and/or Service Recipients, total payments, total VAT collected, and details of VAT transactions collected for each Tax Period.

To better understand the liability of international e-commerce taxes, it is necessary to compare the laws of e-commerce in several countries, namely China and India. In general, E-Commerce of The People's Republic of China (China Law Translate, 2018) has formulated it for e-business operators and e-commerce platform operators, as stipulated in “Chapter VI: Legal Responsibility”. Article 11 and Article 28 of E-Commerce of The People's Republic of China (China Law Translate, 2018) emphasize that e-commerce operators shall fulfill tax obligations in accordance with law (including complying with *tax collection and management, reporting to tax department on the identity and tax-related information of on-platform businesses, and shall remind e-commerce businesses that do not need to complete market entity registration*) and enjoy tax benefits in accordance. This shows that legal liability is in the form of a certain amount of fines if e-business operators commit violations. Then, legal liability in the form of fines will be imposed in China on e-commerce platform operators, if they fulfill matters, such as not performing provided verification and registration obligations; not reporting relevant information to the departments for

market oversight and management, or taxation (China Law Translate, 2018). Furthermore, Article 72 is formulated regarding the authority of The State Import/Export Administration departments in the event of cross-border e-commerce, which must promote *"the establishment of comprehensive services and oversight management systems for steps such as declarations, taxation, inspections and quarantine; optimize oversight management processes; promote bringing about information sharing, reciprocal recognition in oversight management, and mutual assistance in law enforcement; and increase efficiency of cross-border e-commerce services and oversight management"* (China Law Translate, 2018). China implements a schedule for imposing VAT on several goods sold via e-commerce. For example, an item will be subject to 2% VAT for a certain number of years, while another item may be subject to 5% VAT for a certain period. In the end, all of these items will gradually get a 10% VAT value (Mohamad, 2019).

Then, the Finance Bill 2020 (Bill No. 20 of 2020) of India defines e-commerce operators as *"a person who owns, operates or manages digital or electronic facility or platform for electronic commerce and is responsible for paying to e-commerce participant"*. It emphasized that the sale of goods or provision of services of an e-commerce participant facilitated by an e-commerce operator through its digital or electronic facility or platform, thus such e-commerce operator shall (*at the time of credit of amount of sale or services or both to the account of an e-commerce participant or at the time of payment thereof to such e-commerce participant by any mode, whichever is earlier*) deduct income-tax at the rate of one per cent of the gross amount of such sales or services or both (India, 2020). Especially for foreign/non-resident, e-commerce operators will be subject to an equalization levy starting April 1, 2020, amounting to 2%, on consideration received or receivable by an e-commerce operator from e-commerce supply or services made or provided or facilitated and not withholding tax on the payer (Pwc, 2020). There are administrative and criminal responsibilities of a non-resident e-commerce operator. If failure to furnish such a statement shall attract a penalty of INR 100/for each day of default, and if a false statement has been filed, the e-commerce operator may be subject to imprisonment of up to 3 years and a fine (Pwc, 2020). Based on a comparison between e-commerce tax provisions in Indonesia, China and India, a summary is produced as presented in Table 1.

4. Ideal International E-Commerce Transaction Liability Arrangements in Indonesia

International e-commerce transactions cannot be separated from international tax laws which are national tax laws that contain elements of foreign/other countries (can be about the subject, object, and also the collector) (Soemitro, 1992). Even though there are foreign elements in international e-commerce transactions, the DGT must ensure that the transaction does not occur double taxation (on the same subject at the same time subject to the same tax by two countries) (Soemitro, 1992) and/or ensuring that the two countries did not receive any tax revenue for the transaction. In terms of avoiding double taxation, it is usually done in two ways, namely by unilateral means (the country concerned includes in its tax laws and regulations regarding the provisions of double taxation avoidance) and the bilateral way (by entering into agreements between countries, which is usually done with tax. treaty) (Soemitro, 1992). Meanwhile, to ensure that the Indonesian state has the right to tax revenue from international e-commerce transactions, it requires normative integration and creation of collective values of state institutions, in this case, the DGT and DGCE, which have legitimacy in limiting ensuring taxation of the actors involved in these international e-commerce transactions.

Even though there are collective restrictions imposed by DGT and DGCE, these restrictions must be able to create, maintain, provide opportunities and strength, and provide benefits for individuals or groups involved in international e-commerce transactions, given the historical roots of these restrictions. These restrictions are related to communities that are always transformed through a combination of innovation factors and the influence of networks that always develop from the desire to facilitate the community in achieving certain goals (Gordon, Weir, & Girard,

2014). Thus, it can be said that those collective restrictions will be more adequate if applied through liability arrangements that must meet juridical philosophical, and sociological aspects of the parties in international e-commerce transactions. The fulfillment of the juridical philosophical aspects lies in the effort of responsibility regulations to meet fairness, the implementation of which lies in "putting everything that is desired in its place", while the fulfillment of the sociological juridical aspects lies in the existence of law in dealing with the symptoms of the e-commerce community, namely the solution to solving problems. information asymmetry, efficiency, conflict of interest, risk, and supervision (H. D. P. Sinaga, Wirawan, & Pramugar, 2020).

Of course, this liability arrangement must still be based on normative integration and the creation of collective values that have been built by marketplace platform providers with buyers and sellers of goods and/or services that carry out e-commerce in the form of fulfilling obligations, such as an obligation to always making electronic contracts, the obligation to always display tax information of the parties involved in the transaction (such as displaying taxpayer-identification numbers, buyers addresses and addresses of sellers), the obligation of e-commerce platforms to report customs and tax information to DGT and DGCE, the obligation of the e-commerce platform to remind buyers and sellers to always comply with their tax and customs obligations, and the obligations of cross-border e-commerce platform providers together with DGT and DGCE to advance cross-border e-commerce development, build and complete systems customs and taxation management, and other similar services for cross-border e-commerce.

The existence of obligations for those involved in international e-commerce transactions will further strengthen the legitimacy of competent state institutions to apply legal liability beyond liability based on mistakes (Priyambudi & Sinaga, 2021) to parties who ignore normative integration and the creation of collective values that have been built jointly by marketplace platform providers with buyers and sellers. In terms of implementing tax liability for international e-commerce transactions as contained in Article 32 of the KUP Law (Pramana & Hermawan, 2022). This article is still inadequate because the criteria have not reached secondary parties or intermediaries who have the right and ability to supervise the activities of other parties so as not to violate financial interests. certain, who knowingly or voluntarily or negligently ignore the formulation of certain laws, such as the Tax Law and/or the Customs Law (H. D. P. Sinaga & Sinaga, 2018). Liability arrangements that must fulfill a sense of justice refer to violations that have consequences for each party that is interrelated with normative integration and the creation of existing collective values that result in loss of tax revenue for the state (Barus, 2022), while liability arrangements that can provide public benefits refer to on a solution for the state in overcoming the rampant violations that can cause losses to state revenues in the tax sector whose solutions are not only based on fault-based rules (H. D. P. Sinaga, 2019). This is also in line with the idea of Sinaga and Sinaga (2020) which emphasize that the main violations that are often committed by primary wrongdoers in e-commerce transactions are things related to anonymity, gaps in the jurisdiction, any goods or services that are not recognized by buyers in the destination country, so it is necessary to regulate secondary liability in dealing with the challenges of e-commerce tax in Indonesia (B. R. P. Sinaga & Sinaga, 2020). The ideal of secondary liability lies in the notification of specific matters to a party regarding the impact of the violation of a purpose, and failure to prevent such violating use, or deliberately ignoring the violating act (B. R. P. Sinaga & Sinaga, 2020), as long as it has been regulated in law.

The implementation of secondary liability of taxation in cross-border e-commerce transactions in Indonesia still prioritizes the liability of Marketplace, which in terms of cross-border transactions has two variances, namely foreign/non-residence e-commerce platforms and domestic/residence e-commerce platform. The existence of new institutionalism will form a tax institution that can collect as effectively as possible the preferences of actors to determine the potential tax collection contained in cross-border e-commerce transactions. It is needed to change institutionally that are relevant to legal decisions and regulatory processes (Rajagukguk &

Kuntonegoro, 2022) that must be met with equality, certainty, ease of payment, and efficiency in reconstructing Article 32A of the KUP Law and PMK-60/PMK.03/2022. The reconstruction of new institutionalism based on equality certainty, ease of payment, and efficiency for international e-commerce transactions is carried out as follows: a) Specifically regulate e-commerce transactions through overseas marketplaces, domestic marketplaces, and social media, which includes general provisions and procedures for determining, billing, giving warnings, mechanisms for terminating access and normalizing them, as well as administrative and criminal sanctions in the field of taxation, as not regulated in Article 32A KUP Law and PMK-60/PMK.03/2022; b) Appointing Domestics PMSE and Social Media as VAT collectors for e-commerce transactions carried out through their means, as not yet regulated in PMK-60/PMK.03/2022; and, c) The tax liability arrangement for the non-residence e-commerce platform can be carried out by applying certain single rate (it is proposed to review the 1% or 2% rate) from received or receivable from Indonesian consumers. Furthermore, the residence e-commerce platform is obliged to collect tax at a certain rate (it is proposed to assess the rate of 1% or 2%) from received or receivable from consumer consumers abroad.

C. Conclusion

This study produces two main conclusions. First, the taxation provisions in Indonesia do not yet have a *lex specialist* that regulates liability for international e-commerce transactions, where Government Regulation Number 80 of 2019 has not yet regulated in detail the tax responsibilities of foreign/non-residence e-commerce platforms and domestic/residence e-commerce platform in Indonesia. *Lex specialist* provisions in e-commerce tax must be in the framework of Government Regulations considering that general provisions, subjects, objects, and general tax rates have been regulated in the KUP Law, VAT Law, and Income Tax Law, so special arrangements are needed in the form of certain single tax rates and general provisions and procedures for determining, billing, giving warnings, mechanisms for terminating access and normalizing them, as well as administrative and criminal sanctions in the field of taxation. The suggestion is the manifestation of the formulation of Article 48 of the KUP Law, Article 35 of the Income Tax Law and Article 19 of the VAT Law which stipulates that matters that have not been sufficiently regulated in each of these laws are further regulated by government regulations. Second, it is necessary and urgent to regulate the secondary liability of taxation in Indonesia, especially those whose scope can cover the elements, exceptions, and standards that are relevant to the tax liability of the foreign/non-residence e-commerce platform and the domestic/residence e-commerce platform. In connection with the priority of the tax secondary liability of international e-commerce, it is appropriate to apply to Marketplace Platform Providers, which in this case consists of the foreign/non-residence e-commerce platform and the domestic/residence e-commerce platform.

Table 1.
Comparison of E-Commerce Tax Liability Treatment in Indonesia, China, and India

Description	Indonesia	Cina	India
Tax Object	VAT on the utilization of intangible Taxable Goods and/or Taxable Services from outside the Customs Area within the Customs Area through PMSE	VAT	Digital Service Tax
Tax Tariff	11%-12%	2%-10%	2%
Regulations of E-Commerce Tax Sanctions	-	Fine	Failure to furnish such a statement shall attract a penalty of INR 100/for each day of default

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