

# Challenges in Supervising VAT Collection within Electronic Commerce Systems

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## ABSTRACT

The Directorate General of Taxes (DGT) has redefined the duties and functions of the Permanent Establishments and Expatriates Tax Office (KPP Badora) to include the supervision of business actors engaged in Trading Through Electronic Systems (TTES). This study aims to analyze the challenges faced by Account Representatives (ARs) at KPP Badora in supervising TTES VAT collectors, using the ADKAR model as an analytical framework. A case study approach was adopted, employing a mixed-methods research design. Data were collected through questionnaires and interviews to provide both quantitative and qualitative insights. The findings indicate that ARs encounter significant obstacles in supervising TTES VAT collectors, particularly in three aspects of the ADKAR model: knowledge, ability, and reinforcement. While awareness and desire were not identified as major challenges, the study highlights key difficulties in other areas. In the knowledge aspect, ARs lack a comprehensive understanding of the business processes of TTES VAT collectors. In the ability aspect, several challenges were identified, including the absence of comparative transaction value and traffic volume data, insufficient support from supervisory information systems, and unenforceable sanctions. Finally, in the reinforcement aspect, ARs lack a supervisory business process tailored to the unique characteristics of TTES VAT collectors, further complicating enforcement and compliance monitoring.

**Keywords:** Account Representative; ADKAR; Supervisory; VAT; TTES.

## *Analisis Hambatan Pengawasan terhadap Pemungut Pajak Pertambahan Nilai atas Perdagangan Melalui Sistem Elektronik*

### ABSTRAK

Direktorat Jenderal Pajak (DJP) melakukan perubahan terhadap tugas dan fungsi pengawasan KPP Badan dan Orang Asing (Badora) untuk melakukan pengawasan terhadap pelaku usaha Perdagangan Melalui Sistem Elektronik (TTES). Penelitian ini bertujuan untuk menganalisis hambatan yang dialami oleh Account Representative (AR) di KPP Badora dalam melaksanakan pengawasan terhadap Pemungut Pajak Pertambahan Nilai (PPN) atas TTES dengan menggunakan model ADKAR. Pendekatan studi kasus dengan mix method digunakan dalam penelitian ini dengan pengumpulan data melalui kuesioner dan wawancara. Hasil penelitian menunjukkan bahwa pada aspek awareness dan desire tidak ditemukan hambatan bagi AR dalam melaksanakan tugas pengawasan terhadap pemungut PPN TTES. Namun sebaliknya, pada aspek knowledge, ability, dan reinforcement terdapat hambatan. Pada aspek knowledge, AR belum memahami proses bisnis pemungut PPN TTES. Pada aspek ability, terdapat beberapa hambatan, yaitu belum adanya data pembandingan nilai transaksi dan jumlah traffic, sistem informasi pengawasan yang belum mendukung, dan pengenaan sanksi yang belum dapat ditindaklanjuti. Pada aspek reinforcement, AR belum didukung dengan proses bisnis pengawasan yang sesuai dengan karakteristik pemungut PPN TTES.

**Kata Kunci:** Account Representative; ADKAR; Pengawasan; PPN; PMSE.

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## INTRODUCTION

The issuance of Government Regulation in Lieu of Law (Perpu) No. 1 of 2020 marked the government's initial policy framework for regulating taxation provisions on Trading Through Electronic Systems (TTES). Initially, taxation on TTES was included in the draft omnibus law on taxation (Latuputty, 2020). However, due to the economic impact of the COVID-19 pandemic, the government enacted Perpu No. 1/2020 as a strategic measure to optimize state revenue. Additionally, the imposition of taxes on TTES aims to create a level playing field between conventional and digital business actors, both domestic and international (DGT, 2020).

Perpu No. 1/2020 regulates the imposition of Value Added Tax (VAT) and Income Tax on TTES transactions. VAT on TTES applies to the utilization of intangible taxable goods and/or taxable services from abroad into Indonesia. The implementation of VAT collection on TTES was initially governed by Minister of Finance Regulation (PMK) No. 48 of 2020, which was later revoked and replaced by PMK No. 60/2022. Meanwhile, income tax on TTES applies to foreign business actors that meet the significant economic presence criteria. However, income tax enforcement on TTES has not yet been implemented, as the government has not issued the necessary regulations. The Expert Staff of the Minister of Finance, Yon Arsal, stated that TTES income tax implementation will follow international taxation principles, awaiting a global agreement to ensure effective enforcement (Santia, 2023).

Under the VAT collection framework, the Director General of Taxes (DGT) may designate TTES business actors as VAT collectors if they meet specific criteria related to transaction value and/or traffic volume in Indonesia, as stipulated in Director General of Taxes Regulation No. 12 of 2020. Business actors appointed as TTES VAT collectors are required to collect, remit, and report VAT collected from sales transactions conducted in Indonesia.

To enhance compliance and optimize VAT revenue from TTES, DGT must strengthen its supervisory function. Taxpayer compliance supervision is a key responsibility of DGT, as mandated under the self-assessment system. The objective of tax supervision, as outlined in Director General of Taxes Circular Letter (SE) No. 05 of 2022, is to ensure sustainable taxpayer compliance and maximize tax revenue collection.

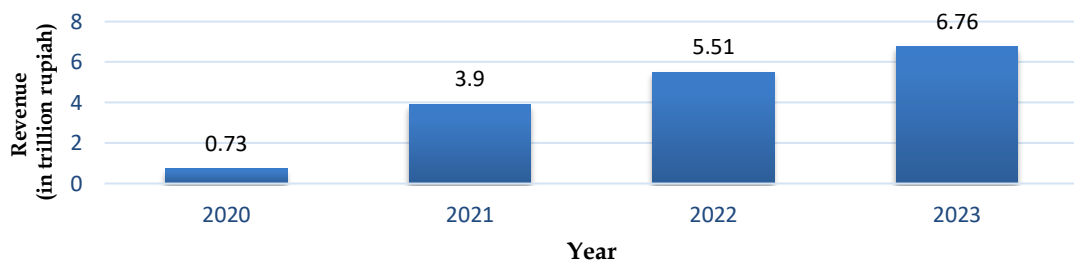
To improve TTES VAT collection oversight, DGT revised the supervisory duties of the Foreigner and Corporate Tax Office (KPP Badora). Under Director General of Taxes Regulation (PER) No. 10 of 2018, KPP Badora was primarily responsible for supervising Permanent Establishments and expatriates. However, through PER No. 07/2020, DGT expanded KPP Badora's supervisory mandate to include TTES business actors. This change directly impacted Account Representatives (ARs) at KPP Badora, who are responsible for ensuring taxpayer compliance.

Organizational change is essential for institutional growth and adaptation (Galli, 2018). Organizational change refers to planned initiatives aimed at improving performance and operational effectiveness (Wang et al., 2023). As a government institution, DGT is also subject to organizational changes to enhance its effectiveness. The expansion of KPP Badora's supervisory role was designed to

improve VAT collection oversight on TTES transactions, thereby optimizing state revenue.

Successful organizational change is fundamentally linked to individual adaptation (Hiatt, 2006). The modification of KPP Badora's supervisory duties significantly impacts ARs, who serve as the primary enforcers of tax compliance monitoring. Consequently, the success of this transformation depends on DGT's ability to equip ARs with the necessary resources and expertise to effectively oversee TTES VAT collectors.

The implementation of TTES VAT collection presents supervisory challenges for ARs at KPP Badora. These challenges are reflected in VAT revenue realization, which has not aligned with estimated tax potential. The Ministry of Finance reported that in 2017, the value of digital goods transactions in Indonesia reached Rp104.4 trillion, with an estimated VAT potential of Rp10.4 trillion (Santoso & Hidayat, 2020). However, in 2020, the first year of TTES VAT enforcement, KPP Badora collected only Rp731.4 billion. While VAT revenue from TTES has increased annually, the growth in actual collection remains disproportionate to its potential. The realization of TTES VAT revenue from 2020 to 2023 is illustrated in Figure 1.



**Figure 1. TTES VAT Revenue Realization**

Source: Directorate General of Taxes, 2024

The Taxation Supervisory Committee and the Center for Budgetary Studies at the Secretariat General of the House of Representatives have raised concerns regarding the implementation of VAT collection on Trading Through Electronic Systems (TTES). Haula Rosdiana, an academic from the University of Indonesia and a member of the Taxation Supervisory Committee, highlighted that the Directorate General of Taxes (DGT) lacks sufficient data for effectively administering VAT collection on digital transactions (Wildan, 2021). Similarly, the Center for Budgetary Studies noted that DGT faces limitations in obtaining information on foreign TTES business actors and lacks access to their transaction data (Pratiwi & Liana, 2021). These constraints hinder DGT's ability to continue appointing TTES VAT collectors, which is a key policy measure intended to level the playing field between digital and conventional traders (Rini & Murwendah, 2020).

These challenges indicate that Account Representatives (ARs) at KPP Badora face significant obstacles in supervising TTES VAT collectors, thereby limiting the effectiveness of their compliance monitoring duties. To identify the barriers ARs encounter in adapting to these supervisory changes, the ADKAR

model can serve as a useful diagnostic tool (Al-Alawi et al., 2019). The ADKAR framework identifies barrier points that allow organizations to pinpoint employee challenges in adopting change and implement targeted interventions to facilitate smoother transitions (Kazmi & Naarananoja, 2013). Thus, the ADKAR model is well-suited for diagnosing the challenges in ARs' adaptation to their revised supervisory responsibilities in TTES VAT collection.

Several prior studies have applied the ADKAR model to analyze barriers to change at the individual level. Wuryaningsih & Nuryanah (2024) employed ADKAR to assess obstacles faced by ARs in applying the arm's length principle. Al-Alawi et al. (2019) used the model to examine barriers to change management in public sector educational institutions, while Almuqwishih & Rosli (2024) analyzed individual resistance to organizational change.

The ADKAR framework is particularly suitable for this study as it focuses on individual-level change, specifically the ARs at KPP Badora, who are responsible for adapting to the expanded scope of TTES VAT supervision. The ADKAR model consists of five key components: awareness (understanding the need for change), desire (willingness to support and participate in change), knowledge (necessary competencies for implementation), ability (practical capacity to execute change), and reinforcement (sustained support to maintain change) (Hiatt, 2006).

Several previous studies have examined taxpayer monitoring in digital transactions and TTES VAT collection. Harjo et al. (2023) found that VAT collection on TTES remains suboptimal, largely due to DGT's data limitations in identifying and appointing TTES VAT collectors. Sirait & Abbas (2024) emphasized the need for regulatory and information system improvements to enhance supervision of online marketplace taxpayers. Hendo & Marfiana (2024) highlighted DGT's challenges in assessing digital transactions, while Ramadhanti & Ismail (2023) identified difficulties in tracing the identity and location of e-commerce participants, which complicates law enforcement against non-compliant taxpayers. Wandani & Wijaya (2023) stressed the need for stricter supervision of offshore operators, as many foreign digital businesses remain unregistered as TTES VAT collectors despite conducting substantial transactions in Indonesia.

Other studies have examined the effectiveness of TTES VAT collection. Agung et al. (2022) found that while TTES VAT revenue in 2020 and 2021 was highly effective, the absence of sanctions for non-compliance remains a significant weakness. Kusumabangsa (2021) evaluated TTES VAT implementation and concluded that Indonesia's VAT collection framework lacks certainty, citing ambiguities in tax procedures and the imposition of penalties.

The urgency of this research lies in addressing the existing gap in TTES VAT supervision studies. To date, no research has analyzed obstacles in TTES VAT supervision based on AR perceptions using the ADKAR model. This study is essential in identifying barriers experienced by ARs and providing recommendations for DGT to enhance TTES VAT supervision, improve taxpayer compliance, and optimize revenue collection. This study focuses exclusively on KPP Badora, as it is the only tax office responsible for supervising TTES VAT collectors in Indonesia.

## RESEARCH METHOD

This study employs a problem diagnosis case study approach, which aims to identify the root causes of issues within a specific case (Ellet, 2018). The research method follows a mixed-methods approach, integrating both quantitative and qualitative data collection (Creswell & Cresswell, 2023). The research design adopted is an explanatory sequential design, where the first phase involves quantitative data collection and analysis, followed by a qualitative phase to further explain and elaborate on the quantitative findings (Creswell & Cresswell, 2023).

Data collection was conducted through questionnaires and interviews. The questionnaire was used to capture respondents' perspectives, while interviews were conducted to validate and further explore the questionnaire findings. The integration of multiple data sources enhances research validity through data triangulation techniques (Sekaran & Bougie, 2020). The research focuses on KPP Badora, the only tax office responsible for administering and supervising TTES VAT collectors.

The questionnaire was designed to capture Account Representatives' (ARs) perspectives on the obstacles encountered in supervising TTES VAT collectors, utilizing the ADKAR model. The purposive sampling technique was employed to select questionnaire respondents, ensuring participants had expertise in the relevant field (Sekaran & Bougie, 2020). The target population consisted of all ARs at KPP Badora (52 individuals). The questionnaire was administered via Google Forms, distributed through an AR WhatsApp group.

Prior to distribution, pilot testing was conducted with three AR respondents from KPP Badora to evaluate and refine the questionnaire's structure, wording, and instructions (Creswell & Cresswell, 2023). The final questionnaire consisted of 28 closed-ended questions, utilizing a six-point Likert scale ranging from 1 ("Strongly Disagree") to 6 ("Strongly Agree").

The questionnaire was adapted from prior studies, including Wuryaningsih & Nuryanah (2024) in their research "Why Is It Challenging to Apply the Arm's Length Principle on Intragroup Financing in Indonesia? A Tax Officials' Perspective", and Al-Alawi et al. (2019) in "Investigating the Barriers to Change Management in Public Sector Educational Institutions". Modifications were made to align the questionnaire with the objectives of this study.

The questionnaire responses were analyzed using descriptive statistical techniques. The data were summarized and interpreted based on observed patterns, without making universal generalizations. Each questionnaire item was analyzed by calculating the total score, dividing by the number of respondents, and determining the average response for each question item. The categorization of results was based on interval calculations following the Jaggia & Kelly (2019) formula. The category intervals for questionnaire responses are as follows:



**Table 2. Categories of questionnaire results**

Average Score	Result Category
1.00 – 1.83	Strongly Disagree
1.84 – 2.67	Disagree
2.68 – 3.51	Slightly Disagree
3.52 – 4.35	Slightly Agree
4.36 – 5.19	Agree
5.20 – 6.00	Strongly Agree

Source: Prepared by the author (2024)

Interviews were conducted to validate and further explore the responses obtained from the questionnaire. This study employed in-depth interviews using semi-structured questions. In semi-structured interviews, additional questions are incorporated as the interview progresses, based on the interviewee's responses (Baden & Major, 2023).

Interviews were conducted with ARs at KPP Badora and employees at the DGT head office. The interviewee selection process followed a convenience sampling approach, which involves selecting participants who are readily available and willing to provide information (Sekaran & Bougie, 2020). The AR interviewees were selected because they are directly responsible for the supervision of TTES VAT collectors, while the DGT head office interviewees were chosen for their expertise in policy formulation and their involvement in indirect TTES VAT supervision.

The interview questions were developed based on the questionnaire results, enabling the collection of more detailed insights into the research problem. Interview data analysis involved transcribing responses, filtering out irrelevant information, cross-verifying responses among interviewees, and drawing conclusions based on emerging themes.

## RESULTS AND DISCUSSION

The questionnaire was distributed to 52 Account Representatives (ARs) at KPP Badora via Google Forms. However, only 28 responses were received, resulting in a response rate of 53.84%. This response rate meets the minimum threshold required for a valid research sample. To ensure the accuracy and reliability of the questionnaire as a research instrument, validity and reliability tests were conducted. The results of these tests are presented in Table 4.

**Table 4. Validity and Reability Test Results**

Aspect	Validity (Pearson Correlation)		Total Items		Reliability (Cronbach's Alpha)
	r calculated	r table	Valid	Not Valid	
Awareness	0.783-0.903	0.374	6	-	0.902
Desire	0.765-0.940	0.374	5	-	0.907
Knowledge	0.846-0.898	0.374	4	-	0.889
Ability	0.465-0.899	0.374	9	-	0.868
Reinforcement	0.815-0.941	0.374	4	-	0.889

Source: Research Data, 2024

In Table 4, the r calculated for each aspect has a value greater than the r table value. Therefore, the measuring instrument used is valid. Then, the Cronbach

alpha value in each aspect has a value greater than 0.60, so it can be concluded that the measuring instrument used is reliable.

ARs' perceptions of supervisory duties over TTES VAT collectors are divided into five aspects of the ADKAR model. The results of the average likert score for each aspect are presented in Table 5.

**Table 5. Average Likert Score Results of the Questionnaire**

No	Aspect	Likert Mean Score Results	Result Category
1	Awareness	5.26	Strongly Agree
2	Desire	5.17	Agree
3	Knowledge	4.73	Agree
4	Ability	4.29	Slightly Agree
5	Reinforcement	4.61	Agree

Source: Research Data, 2024

Based on the results of the questionnaire in Table 5, the awareness aspect has the highest likert average value than other aspects, namely with a value of 5.26 or "Strongly Agree". While the ability aspect has the lowest likert average value of "4.73" or "Slightly Agree". In other aspects, desire has a likert average of 5.17 or "Agree", knowledge with a value of 4.73 or "Agree", and reinforcement with a value of 4.61 or "Agree". Then, from the results of the questionnaire, confirmation was carried out to interview informants with details and interviewee codes presented in Table 6.

**Table 6. Details of Interview Implementation**

No.	Interviewee	Code	Date	Duration	Media
1	Account Representative	AR1	Tuesday, 1 October 2024	01:32:14	face-to- face
2	Account Representative	AR2			
3	Account Representative	AR3			
4	Direktorat Potensi Kepatuhan dan Penerimaan	PK	Friday, 4 October 2024	00:33:57	Zoom
5	Direktorat Ekstensifikasi dan Penilaian	EP	Monday, 7 October 2024	01:12:25	Zoom
6	Direktorat Peraturan Perpajakan I	PP	Tuesday, 8 October 2024	00:23:53	Zoom

Source: Research Data, 2024

Based on the questionnaire and interview findings, Account Representatives (ARs) at KPP Badora encountered several challenges in adapting to their new supervisory duties related to TTES VAT collectors. The analysis of these supervisory challenges is structured according to the ADKAR model, which consists of five key aspects: awareness, desire, knowledge, ability, and reinforcement.

The awareness aspect is achieved when ARs understand and recognize the purpose and objectives of supervising TTES VAT collectors. The questionnaire results for this aspect yielded a Likert scale average of 5.26, which falls under the "Strongly Agree" category. This indicates that ARs have a strong awareness of their supervisory responsibilities in monitoring TTES VAT collectors. A detailed breakdown of the Likert scale average for the awareness aspect is presented in Table 7.

**Table 7. Questionnaire Result of Awareness Aspect**

Code	Question	Average (Scale 1-6)	Result
AW1	I understand the business process of monitoring TTES VAT collectors.	5.43	Strongly Agree
AW2	I feel that the business process of monitoring TTES VAT collectors is known by all ARs.	5.18	Agree
AW3	I feel that DGT has provided appropriate means of communication to inform all ARs about the business process of supervising TTES VAT collectors.	4.68	Agree
AW4	I understand the reason why KPP Badora was assigned to supervise TTES VAT collectors.	5.43	Strongly Agree
AW5	I understand that the purpose of supervising TTES VAT collectors is for continuous compliance and optimization of tax revenue.	5.46	Strongly Agree
AW6	I understand my duties and functions as an AR in supervising TTES VAT collectors.	5.39	Strongly Agree
Likert Average		5.26	Strongly Agree

Source: Research Data (2024)

The findings indicate that awareness is not a barrier for Account Representatives (ARs) in supervising TTES VAT collectors. Interviews with three AR informants confirmed that ARs understand the objectives of TTES VAT supervision, namely ensuring taxpayer compliance and optimizing tax revenue.

Question AW3, which recorded the lowest average score of 4.68 in the awareness aspect, was further explored in interviews. The AR informants clarified that the DGT had conducted outreach regarding the supervisory business process when PER No. 07/2020 was introduced, assigning KPP Badora the responsibility for TTES VAT supervision. Additionally, newly assigned ARs at KPP Badora receive in-house training from senior ARs on TTES VAT supervision procedures.

Based on the questionnaire and interview findings, it can be concluded that ARs fully understand the purpose and rationale behind KPP Badora's expanded supervisory function over TTES VAT collectors. They also demonstrate a clear understanding of the business processes, duties, and responsibilities involved in TTES VAT supervision. Therefore, awareness does not pose a challenge for ARs in carrying out their supervisory responsibilities.

The desire aspect measures ARs' willingness to support and actively participate in TTES VAT supervision. An individual's desire for change is inherently dependent on their awareness, as recognizing the need for change fosters motivation to engage in the process. Given the previous findings that ARs possess full awareness of the importance of TTES VAT supervision, it is expected that this awareness translates into a strong desire to support and participate in supervisory activities.

The desire aspect questionnaire yielded an average Likert score of 5.17, categorized as "Agree". This indicates that ARs exhibit a strong willingness to fulfill their supervisory duties regarding TTES VAT collectors. A detailed breakdown of the desire aspect questionnaire results is presented in Table 6.



**Tabel 6. Questionnaire Result of Desire Aspect**

Code	Question	Average (Scale 1-6)	Result
DE1	I am satisfied with my performance in supervising TTES VAT collectors.	4.96	Agree
DE2	I feel that my performance in supervising TTES VAT collectors is optimal.	4.86	Agree
DE3	I try to think of effective ways to supervise TTES VAT collectors.	5.32	Strongly Agree
DE4	I am satisfied with the team structure in the implementation of supervision of TTES VAT collectors.	5.25	Strongly Agree
DE5	I have the responsibility to conduct optimal supervision of TTES VAT collectors.	5.46	Strongly Agree
Likert Average		5.17	Agree

Source: Research Data (2024)

Questions DE1 and DE2 recorded the lowest average Likert scores within the desire aspect, necessitating further confirmation with the informants. These questions assess motivation-related factors: DE1 measures ARs' satisfaction with their performance in supervising TTES VAT collectors, while DE2 evaluates whether ARs perceive their supervision as optimal.

Interviews with three AR informants revealed that their performance in TTES VAT supervision remains suboptimal due to external supporting factors, which will be further discussed in the ability and reinforcement aspects. However, in terms of internal motivation, the informants emphasized that, despite the challenges, ARs remain committed to supervising TTES VAT collectors, as it is their responsibility to support state revenue collection.

Based on the questionnaire and interview findings, it can be concluded that the desire aspect is fully present among ARs. While supervisory challenges persist, ARs continue to exert maximum effort in fulfilling their duties. This commitment is further reinforced by a structured support system at KPP Badora, which has established a one-on-one meeting team and a TTES VAT revenue optimization team to enhance supervision. Therefore, the desire aspect does not pose a barrier to ARs in supporting and participating in TTES VAT supervision.

The knowledge aspect pertains to the training and education necessary for ARs to effectively supervise TTES VAT collectors. Knowledge cannot precede desire, as individuals are unlikely to seek out learning opportunities for tasks they lack the motivation to perform. Since the previous findings confirm that ARs possess strong motivation, acquiring sufficient knowledge is essential for effective TTES VAT supervision.

The knowledge aspect questionnaire yielded an average Likert score of 4.73, categorized as "Agree". This suggests that ARs possess an adequate level of knowledge regarding TTES VAT supervision. A detailed breakdown of the knowledge aspect questionnaire results is presented in Table 7.

**Tabel 7. Questionnaire Result of Knowledge**

Code	Question	Average (Scale 1-6)	Result
KN1	I feel that the DGT has provided sufficient training to ARs regarding the supervision of TTES VAT collectors.	4.29	Slightly Agree
KN2	I feel that there are unanswered questions regarding the supervision of TTES VAT collectors during the training.	4.68	Agree
KN3	I know that there are guidelines that I can follow in supervising TTES VAT collectors.	5.04	Agree
KN4	I feel that my current knowledge is sufficient to supervise TTES VAT collectors.	4.93	Agree
Likert Average		4.73	Agree

Source: Research Data (2024)

Question KN1 recorded the lowest Likert average score within the knowledge aspect, with a score of 4.29 ("Slightly Agree"). Additionally, KN2 yielded a Likert average categorized as "Agree", indicating that ARs believe there are still unresolved questions regarding the training provided. As both questions pertain to training effectiveness, further clarification was sought from the three AR informants.

The informants acknowledged that they do not fully understand the business processes of TTES business actors. Given the extensive nature of sales transactions and the diversity of digital products, ARs struggle to grasp the intricacies of TTES operations, which in turn limits their supervisory effectiveness over TTES VAT collectors.

Based on the questionnaire and interview findings, it can be concluded that ARs possess a foundational level of knowledge for supervising TTES VAT collectors and can refer to existing guidelines. However, their understanding of TTES business processes remains inadequate, creating a knowledge gap that affects the appointment of TTES VAT collectors and the monitoring of tax payments and return filings. Therefore, the knowledge aspect presents a significant obstacle in the supervision of TTES VAT collectors.

The ability aspect assesses ARs' capability to effectively supervise TTES VAT collectors and achieve the expected level of performance. The ability aspect questionnaire yielded an average Likert score of 4.29 ("Slightly Agree"), indicating that ARs do not yet fully possess the necessary ability to carry out TTES VAT supervision at an optimal level. A detailed breakdown of the ability aspect questionnaire results is presented in Table 8.

**Tabel 8. Questionnaire Result of Ability**

Code	Question	Average (Scale 1-6)	Result
AB1	I have access to data and information needed to supervise TTES VAT collectors.	3.93	Slightly Agree
AB2	I feel that the current supervisory information systems (SIDJP, Approweb, and Apportal) have supported the supervision of TTES VAT collectors.	4.07	Slightly Agree
AB3	I was able to follow up on the nominative list of potential TTES VAT collectors to be appointed as collectors.	5.00	Agree
AB4	I was able to identify specific criteria limitations in the form of transaction value and number of accessors on TTES businesses.	4.18	Slightly Agree
AB5	I am able to supervise the amount that should be deposited by TTES VAT collectors.	3.25	Slightly Disagree
AB6	I was able to identify incorrect quarterly reporting of TTES VAT collectors.	4.07	Slightly Agree
AB7	I need extra effort to optimally supervise TTES VAT collectors	5.32	Strongly Agree
AB8	I am able to follow up on the imposition of sanctions on TTES VAT collectors who do not fulfill their obligations.	3.25	Slightly Disagree
AB9	I feel that my leaders are supportive and helpful in supervising TTES VAT collectors.	5.32	Strongly Agree
Likert Average		4.29	Slightly Agree

Source: Research Data (2024)

The ability aspect recorded the lowest average score among the ADKAR model components, indicating that it represents the most significant challenge for Account Representatives (ARs) in supervising TTES VAT collectors.

Questions AB1 (related to supporting data and information) and AB4 (related to identifying business actors who meet specific criteria) are closely linked to the process of appointing TTES VAT collectors. Both questions received a "Slightly Agree" response. Interviews with three AR informants confirmed that ARs struggle to identify TTES business actors who meet the threshold criteria under PER No. 12/2020 due to the lack of transaction value and traffic volume data. Currently, ARs can only rely on self-reported information from TTES business actors regarding whether they meet the criteria, making it difficult to independently verify eligibility. Consequently, ARs can only process TTES business actors who voluntarily agree to be appointed as VAT collectors, posing a significant barrier to the government's goal of ensuring a level playing field between digital and conventional businesses.

An informant from the Directorate of Extensification and Assessment (EP) further confirmed that DGT does not currently have access to transaction value and traffic data for TTES business actors. This limitation is reflected in KPP Badora's 2024 data, which shows that as of December 2023, only 165 of the 318 TTES business actors on the nominee list from the Directorate of PKP had been appointed as TTES VAT collectors. The difficulty in appointing VAT collectors is

consistent with findings by Wandani & Wijaya (2023), who noted that many TTES business actors selling to Indonesia remain unregistered as VAT collectors, and Ramadhanti & Ismail (2023), who highlighted DGT's ongoing challenges in identifying the identity and location of parties involved in digital transactions.

Question AB2, which evaluates the effectiveness of information systems supporting supervision, received a Likert average score of 4.07 ("Slightly Agree"). Interviews with AR informants confirmed that current supervisory information systems (SIDJP, Apportal, and Approweb) only allow ARs to check whether TTES VAT collectors have submitted and reported VAT payments. However, these systems do not provide comprehensive oversight tools, limiting ARs' ability to effectively monitor compliance. An EP informant from the DGT head office further emphasized that the existing information systems do not support optimal supervision of TTES VAT collectors. These findings align with Sirait & Abbas (2024), who emphasized the need for enhancements to DGT's information systems to facilitate more effective supervision of e-commerce transactions.

Question AB5, which pertains to payment supervision, recorded the lowest score in the ability aspect (Likert average of 3.25, categorized as "Slightly Disagree"), while question AB6, related to reporting supervision, received a score of 4.07 ("Slightly Agree").

Interviews revealed that ARs lack the necessary data to verify VAT payment accuracy. The DGT does not provide comparative data, making it impossible to validate whether VAT payments align with actual transaction values. An EP informant from the DGT head office confirmed that no transaction value comparison data is currently available.

PER No. 12/2020 requires quarterly VAT reporting, including the number of buyers, payment amounts (excluding VAT), total VAT collected, and total VAT deposited. However, business actors are not required to submit detailed transaction records, preventing ARs from effectively monitoring reported figures. Consequently, ARs face significant obstacles in verifying the accuracy of VAT payments and reporting. These challenges are consistent with the findings of Hendo & Marfiana (2024), who noted that DGT still struggles to assess the volume of digital transactions.

Question AB8, which examines the imposition of sanctions, received the lowest Likert average of 3.25 ("Slightly Disagree"). Interviews with three AR informants confirmed that ARs currently lack the authority to issue Tax Collection Letters (STP) for non-compliant TTES VAT collectors, as no implementing regulations exist.

An informant from the DGT head office emphasized that there is no procedural framework for imposing sanctions. While Article 32 of the KUP Law allows for sanctions, Article 44E states that enforcement mechanisms must be further regulated through a Minister of Finance Regulation (PMK), which has yet to be issued. Additionally, an EP informant confirmed that sanctions such as the termination of access rights cannot be implemented without a formal PMK.

As a result, the absence of enforceable sanctions weakens compliance incentives. According to OECD (2015), a lack of enforcement measures undermines the principle of legal certainty, as non-compliant taxpayers face no consequences. This finding aligns with Kusumabangsa (2021), who argued that the

failure to impose sanctions on TTES VAT collectors contributes to legal uncertainty, leading to low compliance rates. Furthermore, the absence of sanctions for foreign digital businesses contradicts OECD (2015) recommendations on the principle of neutrality, which state that both domestic and foreign sellers should be subject to the same enforcement measures.

The reinforcement aspect assesses the support and recognition provided to ARs to ensure effective TTES VAT supervision. The reinforcement aspect questionnaire yielded an average Likert score of 4.82 ("Agree"), indicating that ARs generally feel supported in their supervisory role. A detailed breakdown of the reinforcement aspect questionnaire results is presented in Table 8.

**Table 9. Questionnaire Result of Reinforcement**

Code	Question	Average (Scale 1-6)	Result
RE1	I feel that DGT has consistently improved the business process of monitoring TTES VAT collectors.	4.29	Slightly Agree
RE2	I feel that the DGT is always updating policies related to the supervision of TTES VAT collectors.	4.29	Slightly Agree
RE3	I feel that my performance in supervising TTES VAT collectors has been regularly evaluated by my superior.	5.21	Strongly Agree
RE4	I feel that AR performance measurement related to the results of supervision of TTES VAT collectors has been carried out	4.64	Agree
Likert Average		4.61	Agree

Source: Research Data (2024)

Question RE1, related to improving business processes, and RE2, related to updating policies, both have the lowest average score of 4.29 or "Slightly Agree." In response to this, confirmation was sought from the informants. All three AR informants stated that there had been no updated VAT TTES policies to support supervision activities. Policy changes only occurred in the transition from PMK No. 48/2020 to PMK No. 60/2022, which addressed the adjustment of the VAT rate to 11% effective April 1, 2022, in accordance with the VAT Law. Regarding the supervision business process, the three AR informants stated that the current procedures outlined in SE No. 05/2022 are not suited to the characteristics of TTES VAT collectors, most of whom are located abroad and operate digitally. An EP interviewee also confirmed that there are currently no policies or regulations specifically related to the supervision of TTES VAT collectors. Due to the absence of such regulations, ARs must rely on the supervision business process stipulated in SE No. 05/2022, which applies to general taxpayers. Therefore, ARs in conducting supervision of TTES VAT collectors have not been supported by a supervisory business process that aligns with the conditions of TTES VAT collectors.

Based on the results of the questionnaire analysis and the interviewees' statements, it can be concluded that the overall reinforcement aspect has been recognized by ARs. ARs' performance in supervising TTES VAT collectors is evaluated by superiors, and there are established performance measurements. However, there are obstacles in the reinforcement aspect, particularly in that ARs



have not been supported by a supervisory business process suited to the conditions of TTES VAT collectors. Since TTES VAT collectors operate under different conditions compared to other taxpayers, special rules regarding supervisory procedures are needed to ensure that ARs can carry out their supervisory duties effectively.

## CONCLUSIONS

Based on the results of the study, it can be concluded that changes in AR supervisory duties to include TTES VAT collectors still encounter obstacles, as they have not fully addressed all aspects of the ADKAR model. In the aspects of awareness and desire, no obstacles were identified for ARs in carrying out supervisory duties related to TTES VAT collectors. However, in the aspects of knowledge, ability, and reinforcement, challenges remain that hinder ARs in effectively supervising TTES VAT collectors. In the knowledge aspect, ARs do not fully understand the business processes of TTES business actors, which affects their ability to appoint collectors and monitor payments and reporting. In the ability aspect, ARs face several obstacles in conducting supervision, reducing their effectiveness. These obstacles include limited access to traffic data, the absence of comparative data on transaction values, inadequate supervisory information systems, and the inability to enforce sanctions under Article 32A, paragraph 3 of the KUP Law, and Article 7 of Perpu No. 1 of 2020 due to the absence of implementing regulations. In the reinforcement aspect, ARs have not been supported by regulations that establish supervisory business processes suited to the characteristics of TTES VAT collectors.

Recommendations for DGT include providing additional training to ARs, collaborating with Kominfo, PPATK, and Bank Indonesia to obtain supporting data, issuing implementing regulations for sanctions enforcement, developing regulations related to the business process of supervising TTES business actors, and revising the requirements for SPT reporting obligations stipulated in PER No. 12/2020.

This study has certain limitations, particularly the absence of an analysis of secondary data, such as periodic deposits and quarterly reports from TTES VAT collectors, due to restricted access. Additionally, the study may not have covered all obstacles faced by ARs in supervising TTES VAT collectors. Future research should provide a more comprehensive analysis of supervisory challenges by incorporating secondary data and further exploring regulatory and operational barriers.

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