40th Annual Technical Conference 2019

Digitalisation: Opportunities for Tax Administrations

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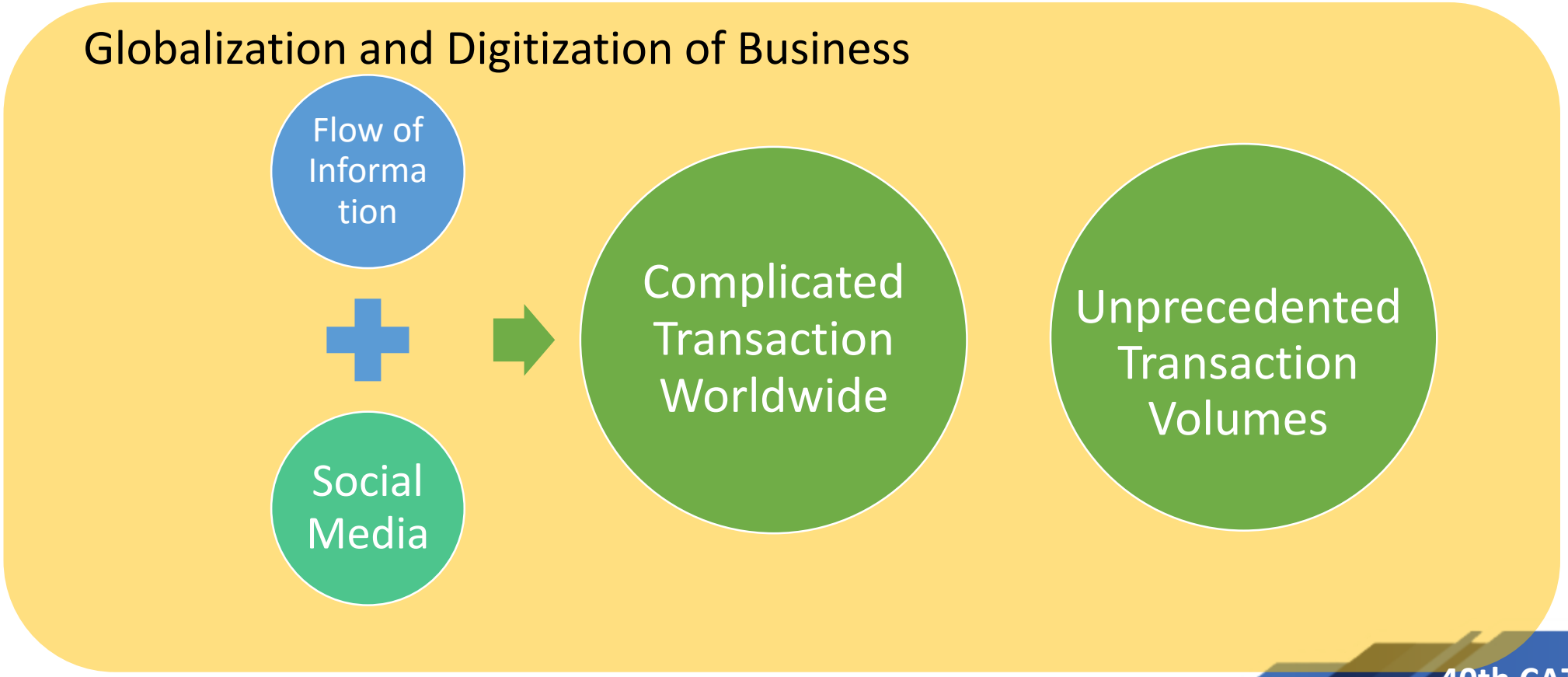
Date of Presentation: 11-11-19

Agenda

- ❑Trends of Digital Transformation
- ❑Digital Transformation in Tax Authority
- ❑ Challenges and Strategies
- ❑ ICT Products in DGT
- ❑ Future Development

Trends of Digital Transformation

Disruptive Technologies



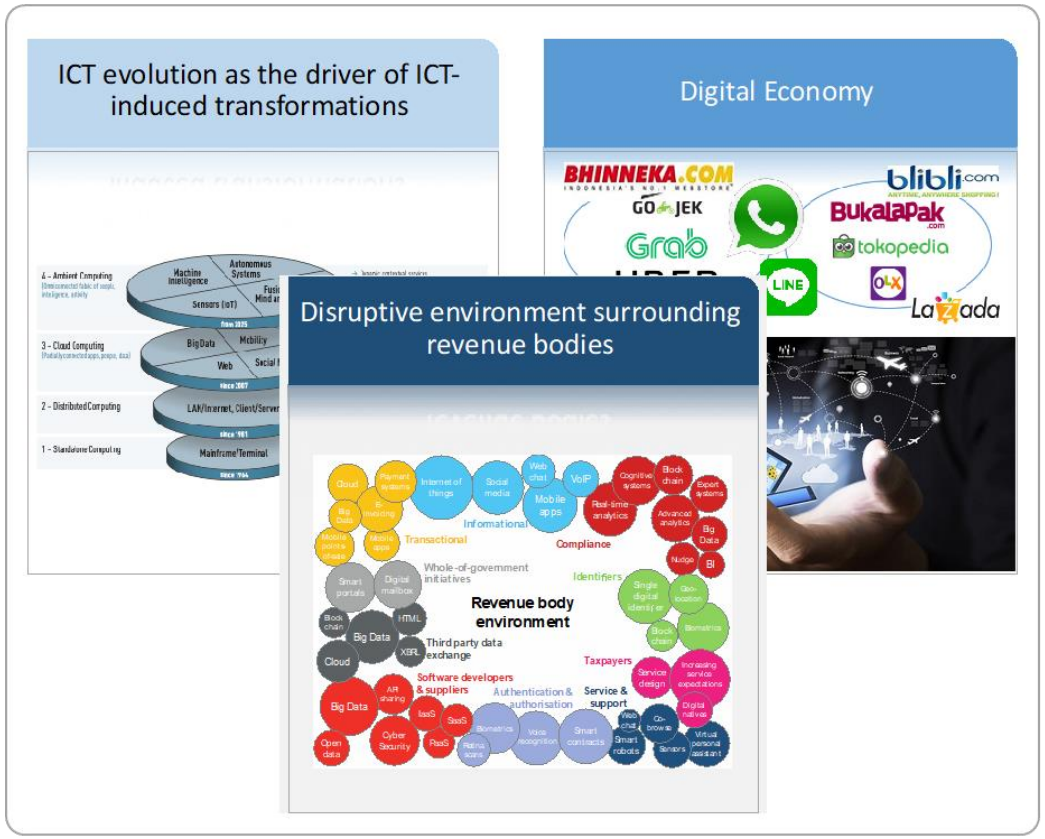
Trends of Digital Transformation

2 Pillars of Digital Transformation

Tax Payer's Engagement	Staff Empowerment
▪ Simplicity ▪ Transparency ▪ Data Management	▪ Modernizing ▪ Data Sharing ▪ Automation

Trends of Digital Transformation

Solution



Digital Transformation in Tax Authority

Digital Tax

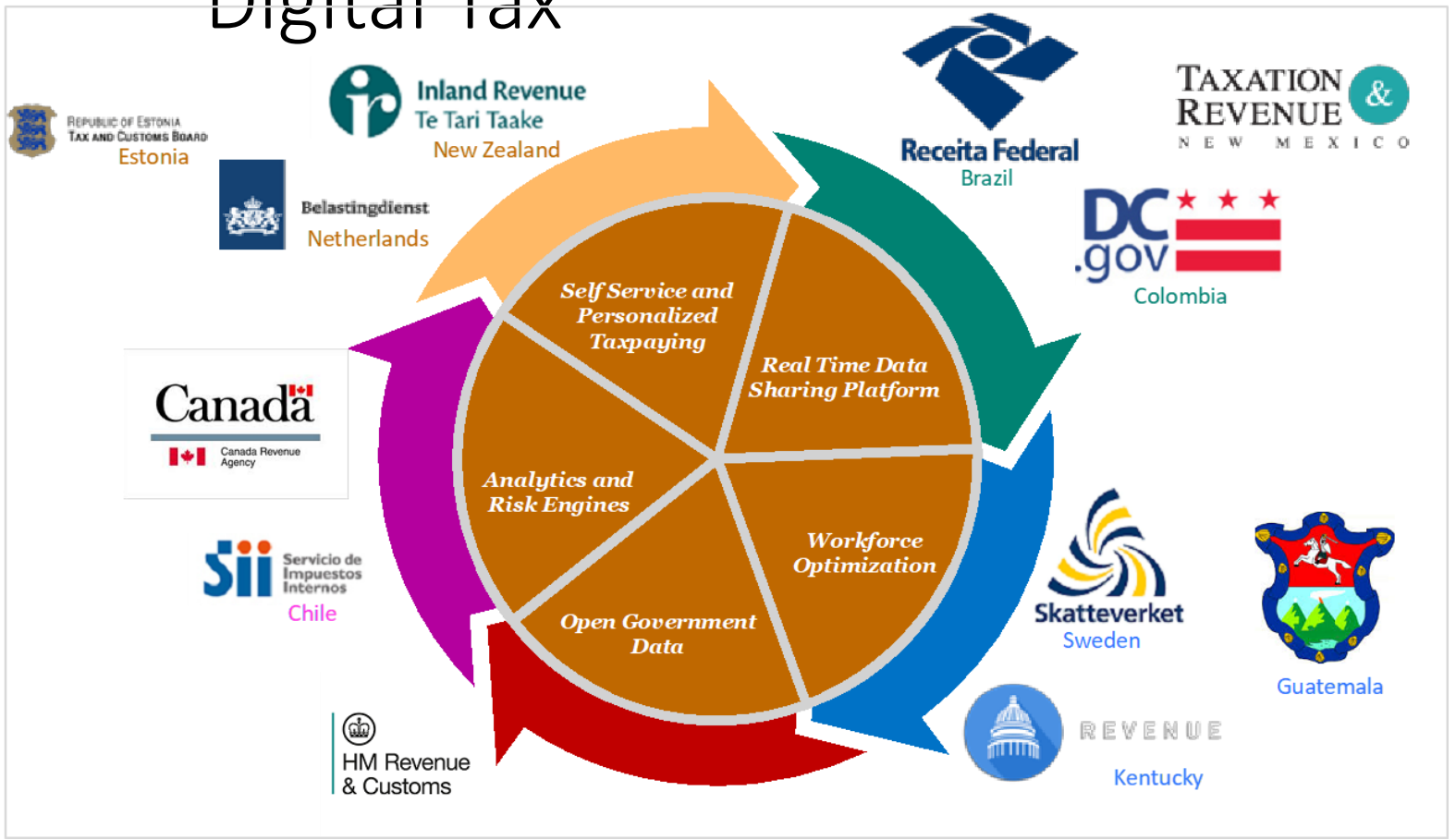
Digital transformation can help tax administrations with the following primary areas:

- Transparency;
- Taxpayer-centric solutions;
- Connected tax stakeholders;
- Data-driven decisions and automated processes

PWC,Digital Transformation Tax Administration, 2017

- Making Tax Authority smarter so managing tax is easier, faster and more certain for our customer;
- Significant reductions in compliance time and effort for businesses;
- Contributes to Government's better public service target.

IRD New Zealand, 2017



Challenges and Strategies

Challenges in Digital Transformation

- Rigid tax regulations that do not align with latest trend of digital economy;
- Operational procedures that do not focus on the taxpayer and do not follow best-practices;
- Outdated technology and infrastructure which slow down flexibility and responsiveness, which leads to technical complexity to move on to a new platform;
- Reluctant-to-change mindset and low digital literacy in DGT employees;
- Low connectivity within organization that limit mutual learning and collaboration;
- Being unable to allocate resources effectively because of internal

Challenges and Strategies

Strategies

Digitizing interactions with taxpayers	Advanced analytics (Big Data)	Process automation	Collaboration and Governpreneurship
Two key indicators to assess the extent to which tax authorities are embracing digital transformations: service differentiation, which is essential to effective digitization of taxpayer service, and an integrated view of the taxpayer, which involves implementing an integrated account-management system required to digitize large volumes of taxpayer interactions .	**Early warning systems**. Early warning systems can address taxpayer insolvency, a source of major tax revenue losses. By better understanding when taxpayers are at risk of insolvency, tax authorities can take actions to avoid increases in tax debt over time or reduce costs of debt collection efforts by focusing on debt with the best chance of recovery. **Extreme modeling**. By using an advanced model for case selection, tax authorities can deliver value by choosing the right cases and avoiding unproductive cases.	Some tax authorities stand out from the rest in how they have applied IT and digital technology to automate key stages of their operations, including compliance processes. Those organizations that have invested more heavily have more automated processes, offer prepopulated and self-corrected returns, and integrate taxpayers' accounts across various products and situations.	ICT policy to empower 3rd party in providing convergent e-services to streamline the tax administration value of chain.

Talent Management

Data Management

Cyber Security

ICT Products in DGT

Our Current Products

- E-Registration;
- VAT Invoicing: Client Application, Web, Host to host Application;
- Withholding Tax;
- E-Filing;
- E-Billing;
- Big Data Analytics (Self Service BI);
- Call Center.

Future Development

Our Next Products

- VAT to accommodate CRS transactions in e-commerce and other dynamic digital economic environment;
- Withholding system to be integrated with external payroll systems;
- Electronic Stamping;
- E-Filing: Prepopulated Tax Return;
- Self service BI;
- Business intelligence (descriptive, predictive and prescriptive analysis);
- Open-data government;
- Single digital identification.

THANK YOU