

COOPERATIVE COMPLIANCE: STAKEHOLDERS PERSPECTIVE AND CONTEXTUAL ADAPTATION FOR INDONESIA'S TAX SYSTEM

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BACKGROUND	<ul style="list-style-type: none"> Indonesia is considering cooperative compliance as part of its tax compliance reform agenda, drawing on international models of transparency, earlier engagement, and risk-based assurance. The challenge is how to adapt these ideas to Indonesia's specific local context.
RESEARCH QUESTIONS	<ul style="list-style-type: none"> How is the cooperative compliance model being adapted by Indonesia's tax authority? How do stakeholders perceive the relevance and challenges of implementing a cooperative compliance programme in Indonesia?
METHODOLOGY AND METHODS	<ul style="list-style-type: none"> Qualitative empirical study Methods: Semi-structured interviews, document analysis, coding and triangulation Stakeholders: DGT policymakers, frontline officials, tax intermediaries, academics, and taxpayer representatives

THESIS CONTRIBUTION
Providing empirical evidences of the gaps between international cooperative compliance models and Indonesia's specific context to build a stronger foundation for program design.

International CC Knowledge Base	Indonesia's CC Adaptation Context	Theoretical Lenses	Indonesian Design Choices
<p>Cooperative Compliance Guidance</p> <ul style="list-style-type: none"> Transparency Earlier engagement Tax Control Framework Risk-Based Assurance Disclosure/Openness <p>Experienced-Country Practices</p> <div style="display: flex; align-items: center;"> <ul style="list-style-type: none"> • Australia • Netherlands • United Kingdom • United States • etc. </div>	<div style="display: flex; flex-direction: column; gap: 5px;"> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 2px 5px; text-align: center;">Administrative capacity</div> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 2px 5px; text-align: center;">Organisational incentives</div> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 2px 5px; text-align: center;">Data Systems</div> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 2px 5px; text-align: center;">Equality</div> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 2px 5px; text-align: center;">Confidentiality</div> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 2px 5px; text-align: center;">Taxpayer trust</div> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 2px 5px; text-align: center;">Disclosure risk</div> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 2px 5px; text-align: center;">Certainty expectations</div> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 2px 5px; text-align: center;">Audit/dispute practices</div> </div>	<p>Policy Transfer Theory</p> <div style="display: flex; align-items: center; margin-bottom: 10px;"> <p>How CC ideas are selected, modified, recombined, and constrained</p> </div> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; text-align: center; background-color: #f0f0f0;"> <p>PTT explains CC adaptation</p> </div> <p>Slippery Slope Framework</p> <div style="display: flex; align-items: center; margin-bottom: 10px;"> <p>How stakeholders perceive trust, authority power, risk, and feasibility</p> </div> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; text-align: center; background-color: #f0f0f0;"> <p>SSF explains perceived credibility</p> </div>	<div style="display: flex; flex-direction: column; gap: 10px;"> <div style="display: flex; align-items: center;"> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; text-align: center; background-color: #f0f0f0;"> <p>Participation and targeting</p> </div> </div> <div style="display: flex; align-items: center;"> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; text-align: center; background-color: #f0f0f0;"> <p>Trust and assurance mechanisms</p> </div> </div> <div style="display: flex; align-items: center;"> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; text-align: center; background-color: #f0f0f0;"> <p>Disclosure and safeguards</p> </div> </div> <div style="display: flex; align-items: center;"> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; text-align: center; background-color: #f0f0f0;"> <p>Administrative and legal boundaries</p> </div> </div> </div>

PRELIMINARY FINDINGS

RQ1 - HOW IS THE ADAPTATION	RQ2 - PERCEPTION OF CHALLENGES AND OPPORTUNITIES
<div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; text-align: center; background-color: #f0f0f0; margin-bottom: 5px;"> <p>Hybrid adaptation, not direct importation</p> </div> <p><i>CC is being developed as a package of existing and new compliance tools, rather than imported as a single OECD-style programme.</i></p> </div> <div style="width: 48%;"> <div style="border: 1px solid #ccc; border-radius: 5px; padding: 5px; text-align: center; background-color: #f0f0f0; margin-bottom: 5px;"> <p>Contested design boundaries</p> </div> <p><i>Actors disagree on what should count as cooperative compliance, especially where assurance, data visibility, and monitoring overlap.</i></p> </div> </div>	

Limited capacity and large-taxpayer risk shape the agenda

CC is framed as a response to limited audit capacity, dispute costs, and concentrated large-taxpayer risks.

Credibility depends on boundaries, incentives and ownership

A future model needs clear participation rules, meaningful benefits, organisational ownership, and incentives that support assurance-oriented practice.