



COMPLIANCE RISK MANAGEMENT IN INDONESIA

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DIRECTORATE GENERAL OF TAXES
MINISTRY OF FINANCE
REPUBLIC OF INDONESIA



AGENDA

01 Overview of CRM

02 The Aims of CRM

03 CRM Developments
in DGT

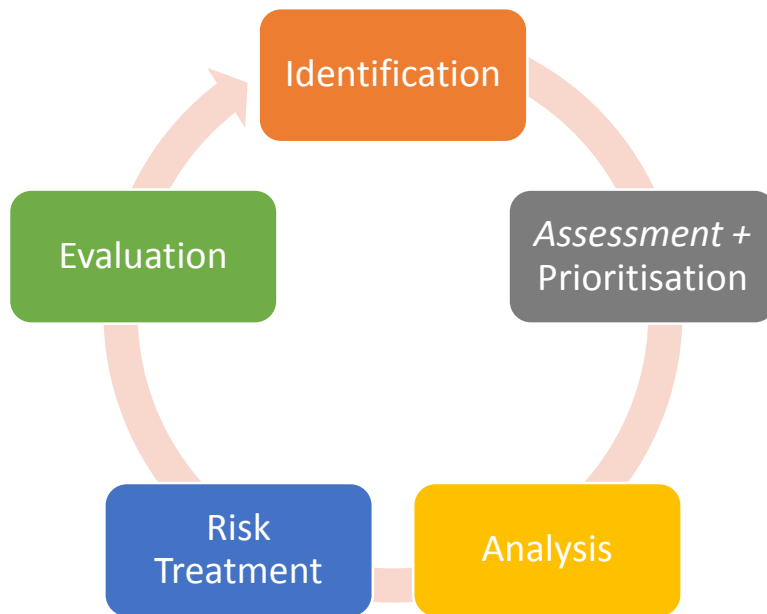
Road Map of CRM **04**

Challenges and
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Further
Developments **06**



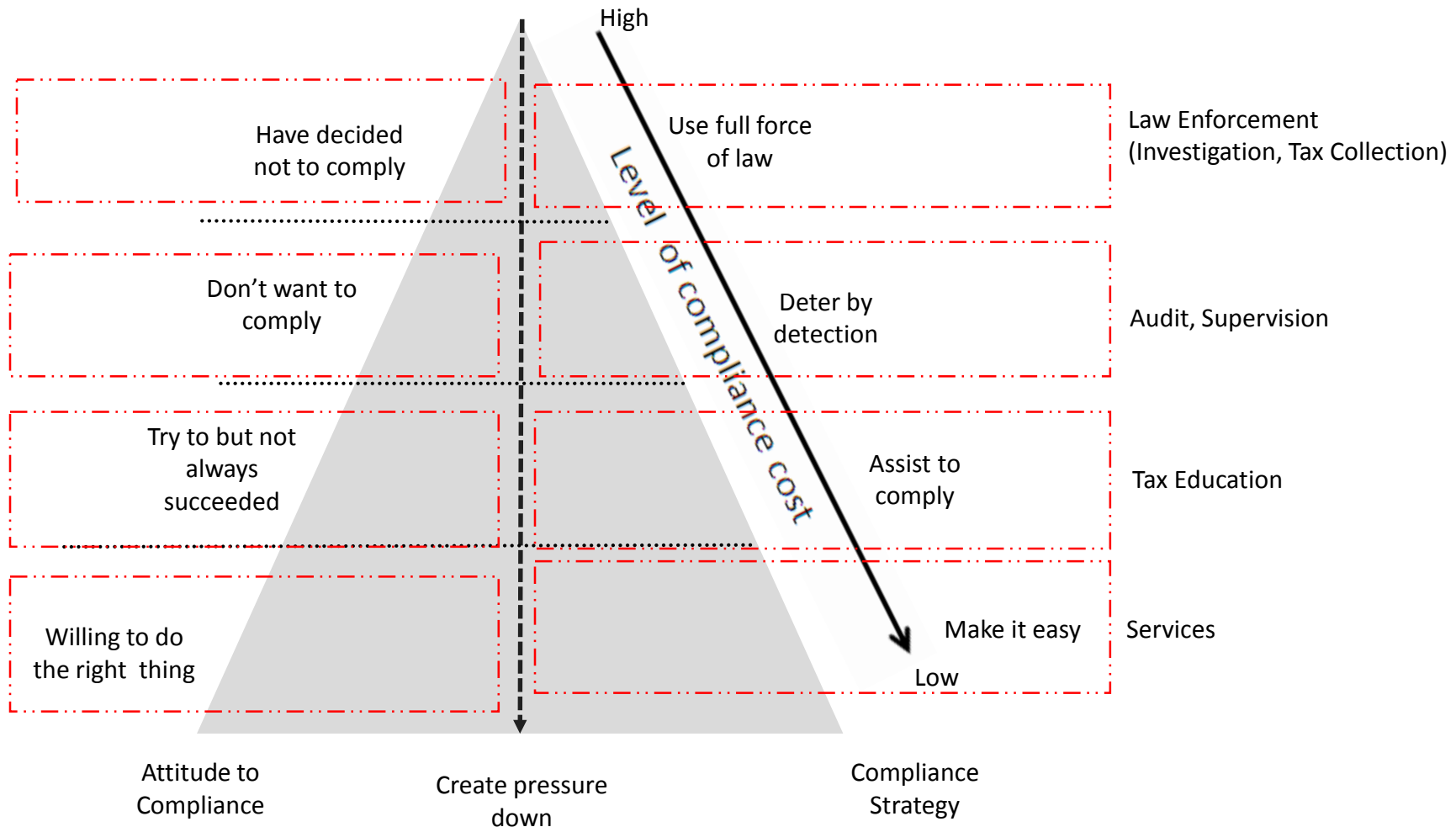
OVERVIEW OF CRM



In formal terms, compliance risk management is a structured process for the systematic identification, assessment, ranking, and treatment of tax compliance risks (e.g., failure to register, failure to properly report tax liabilities etc) - OECD



TAX COMPLIANCE MODEL





FOUR PILLARS OF COMPLIANCE

LODGEMENT

REGISTRATION

PAYMENT

CORRECT REPORTING





DEVELOPING COMPLIANCE RISK MANAGEMENT

Why We Develop CRM?

Scattered, unintegrated risk-based management
Weak decision support system
Sub-optimal data driven analysis

- ✓ **Weak resources management (ineffective deployment of the limited staff)**
 - ✓ **Low level of understanding of taxpayers compliance behavior**

**Before
CRM**



**After
CRM**



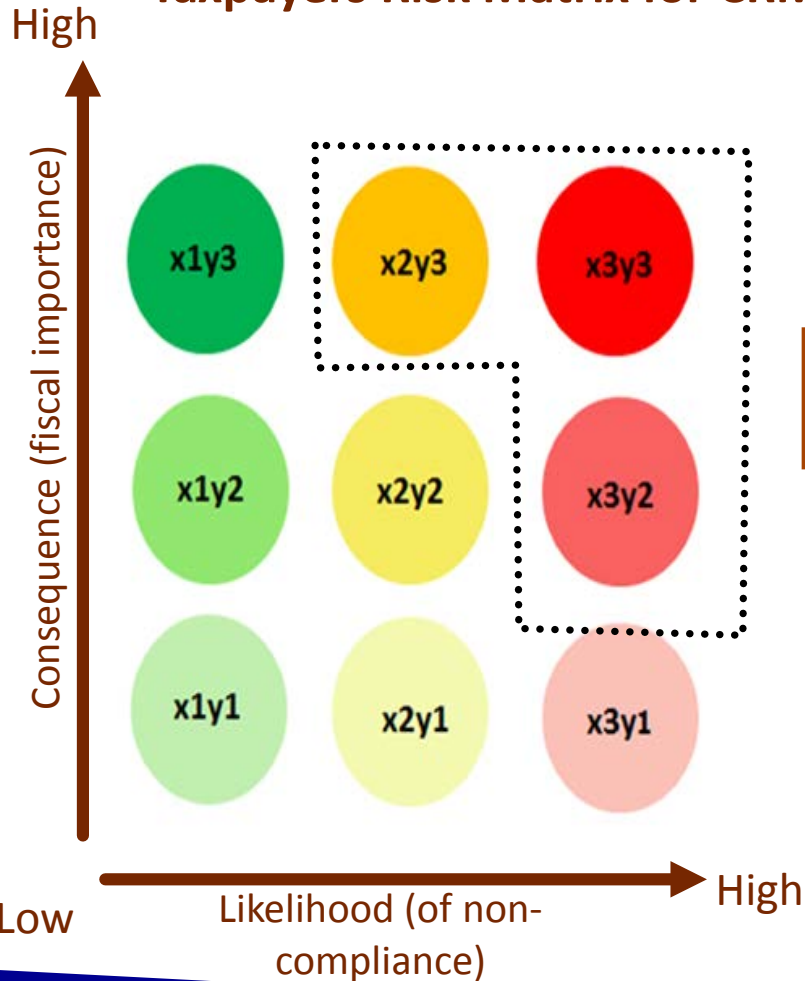
THE AIMS OF CRM

- To support the management in decision making and achieving DGT strategic objectives
- Use of the CRM framework to improve the fairness of the tax system and voluntary compliance
- Compliance decision making tool to:
 - Deploy different compliance activities to best mitigate compliance risks
 - Appropriately allocate personnels to higher-risks taxpayers

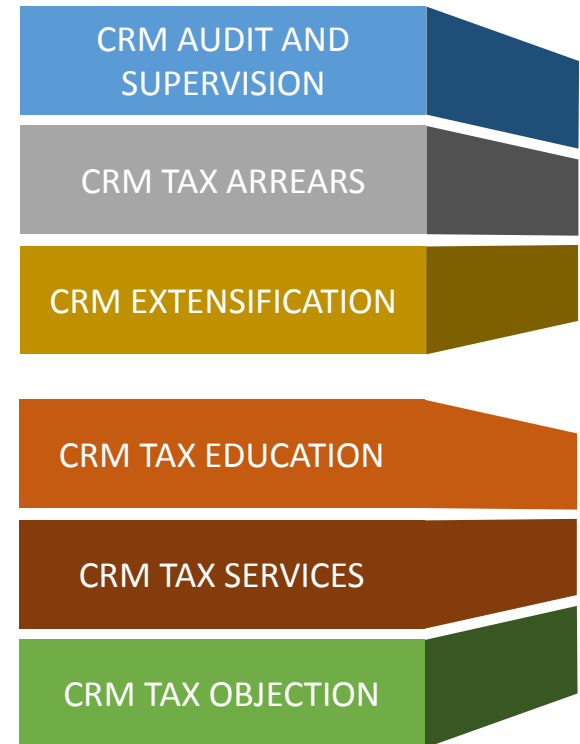


CRM DEVELOPMENT IN DGT

Taxpayers Risk Matrix for CRM



CRM Functions





CHALLENGES



Regulatory environment

Technological changes

New emerging tax issues/business models

Staff capacity building

Data quality

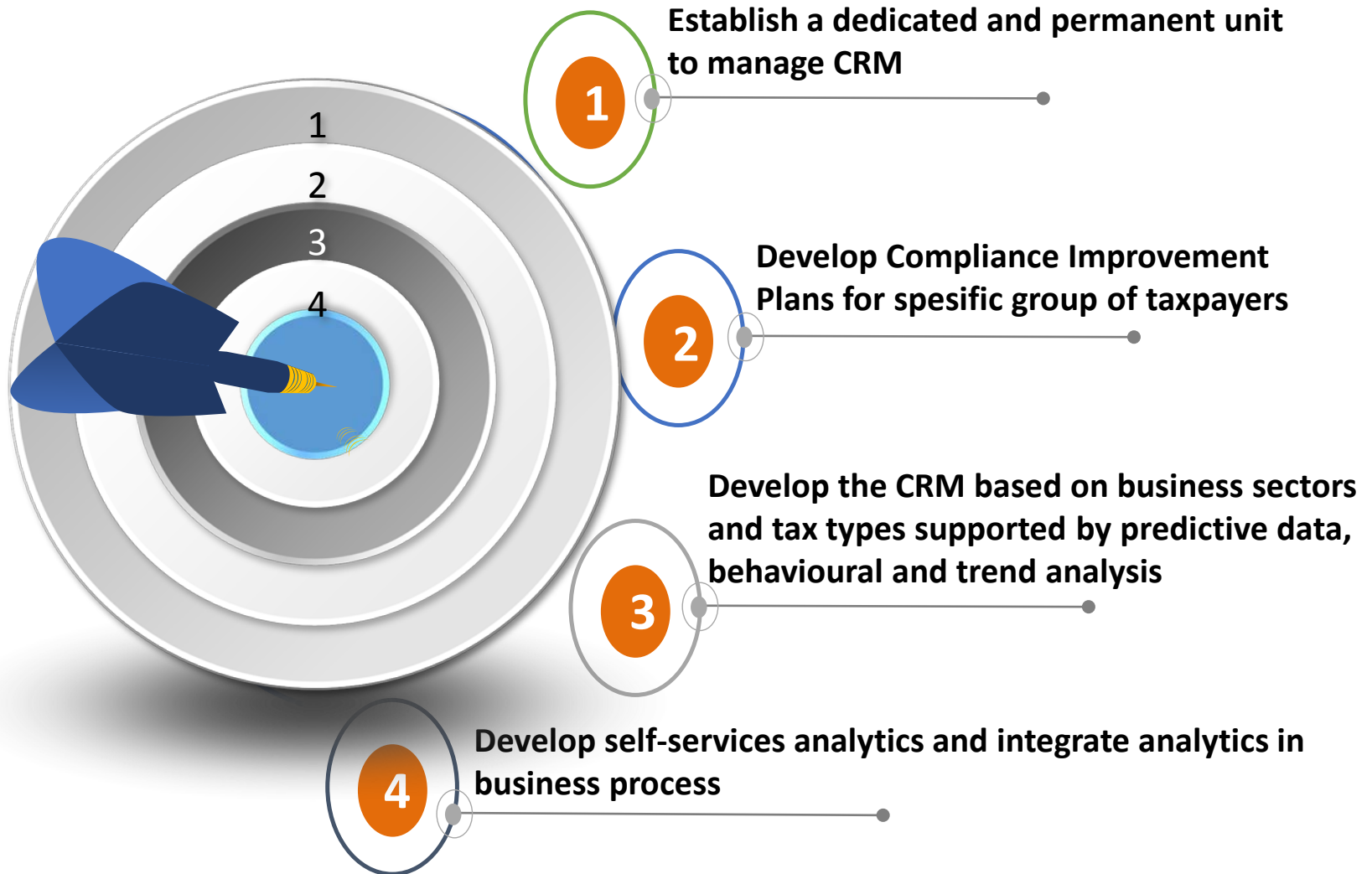


OPPORTUNITIES





FURTHER DEVELOPMENTS



Thank you

