

ABSTRACT

Indonesia's commitment to strengthening international cooperation to combat tax avoidance began with joining the Global Forum on Transparency and Information for Tax Purposes in 2009. Fundamental steps to explore tax potential arising from overseas transactions are carried out using the Exchange of Information (EOI), which is actively carried out by the Directorate General of Taxes (DGT). The study aims to analyse the influence of EOI, namely Automatic Exchange of Information (AEOI), Exchange of Information on Request (EOIR), Spontaneous Exchange of Information (SEOI), and Foreign Direct Investment (FDI) on tax revenues.

The analysis method is panel data regression, with a sample of 34 Regional Tax Offices of the Directorate General of Taxes (Kanwil DJP) in 2019-2023. The results of the study indicate that AEOI, SEOI, and FDI have a positive and significant effect on increasing tax revenue. EOIR has a positive effect on tax revenue but is not statistically significant so it cannot be concluded that EOIR has a reliable impact on tax revenue. In addition, simultaneously both the EOI variables (consisting of AEOI, EOIR, and SEOI) and FDI have a significant positive effect on tax revenue. In other words, information efforts originating from partner countries/jurisdictions in the form of AEOI and SEOI, as well as direct foreign investment entering the work area of the DJP Regional Office can strengthen the state revenue base from the tax sector in the DJP Regional Office.

Simultaneously, information exchange efforts, both information originating from partner countries/jurisdictions in the form of AEOI and SEOI, requests for information to partner countries/jurisdictions through EOIR, and direct foreign investment entering the work area of the DJP Regional Office can strengthen the state revenue base from the tax sector in the DJP Regional Office. This result implies that the government should increase cooperation with tax authorities from other countries/jurisdictions and encourage tax officials to be more active in conducting EOI to explore tax potential. In addition, the government also needs to create policies that are friendly to foreign investors so that FDI will increase and impact increasing tax revenues.

Keywords: Exchange of Information (EOI), Automatic Exchange of Information (AEOI), Exchange of Information on Request (EOIR), dan Spontaneous Exchange of Information (SEOI), FDI (Foreign Direct Investment).