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Administrative Analysis On Value Added Tax In Electronic Wallet Industrial Technology Sector In Indonesia

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Abstract

This study aims is to analyze the gaps whether the electronic wallet financial industry in Indonesia can be categorized as a Financial Service which not subject to Value Added Tax or not. In addition, this study also analyzes the Value Added Tax administration policy in the electronic wallet financial industry in Indonesia, as well as alternative policies that can be applied to the electronic wallet fintech in Indonesia, specifically for transactions that are given directly to end customers (Business to Customer/ B2C). By using qualitative research methods and data collection techniques in-depth interviews with taxation stakeholders in Indonesia and literature studies, this research result is fintech e-wallet cannot be deemed as a non-taxable service from VAT perspectives, so the transactions has VAT Implication. Another result is based on the transactions, fintech e-wallet must collect the data of the customer, such as customer Tax Identification Number and address, and the last result is the company can issue standard tax invoice and can issue lumpsum tax invoice, suits to the type of the transactions.

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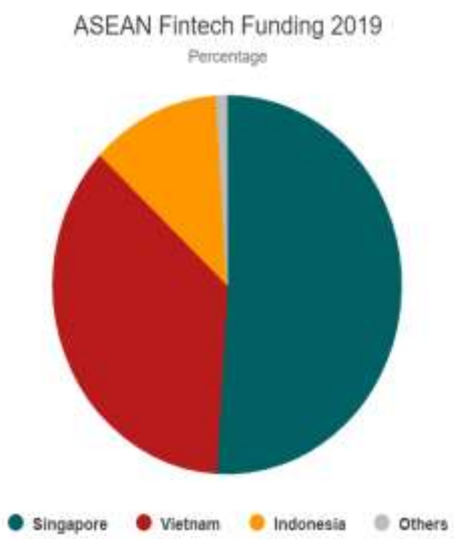
1. Introduction

The world continues to develop, and one of the developing situations that occurs is the development of technology. Technological developments that occur should be a concern of countries in the world, especially countries that still rely on the taxation sector in sustaining the country's income such as Indonesia. The Indonesian government must realize that taxation from the technology industry sector is a huge potential if managed properly and wisely. This potential is also supported by the condition of Indonesia's population, which is classified as one of the countries with the largest population in the world, a distinct advantage for the Indonesian government.

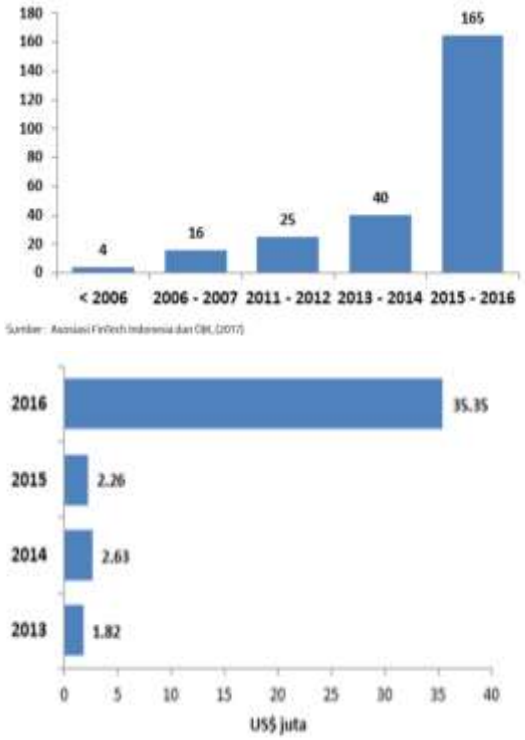
In addition, based on information that obtained from the internationalfintech.com web page which can be seen at the below picture 1 and 2, in the Southeast Asian region, the development of investment value in Indonesia is quite promising.

Picture 1. Chart of Development of Fintech Funding in Southeast Asia 2014-2019
Source: internationalfintech.com



Picture 2. Percentage of Fintech Investment Amounts in Southeast Asia
Source: internationalfintech.com

Based on the graph above, in 2019, there is a value of funding in the fintech industry in Southeast Asia reaching a value of $ 1,140 Million Dollars, with Indonesia ranked third, below Singapore and Vietnam, with a percentage rate of 12%, or equivalent to an investment value of more than $ 136,8 Million Dollars. Furthermore, in parallel, based on the data from Indonesia Fintech Association in Harahap (2017), the condition of the fintech industry in Indonesia has also experienced quite rapid development in the past 10 years.



Source: Indonesia Fintech Association, OJK, & CCAF in Harahap (2017)

Based on the graph above, it can be seen that in the past 10 years, there have been more than 160 fintech developments in Indonesia with a total investment of more than $ 35 million. One type of the fintech that is often used by Indonesian people is electronic wallet fintech. This type of fintech is widely used because it can facilitate the public to save and pay for their daily needs. Some examples of electronic wallet fintech in Indonesia are Go-pay, OVO, Dana & LinkAja. It is interesting to study how these companies manage their tax administration, so that in addition to revenue producers for the state, it can also provide fairness and ease of administration in its management.

Problems that occur, due to the absence of specific tax regulations governing the electronic wallet fintech industry, the applicable regulations are tax regulations that are still general in Indonesia. The current regulations have not been able to accommodate the needs of this industry comprehensively. This is because there are several tax administrations processes, specifically related to VAT, related to B2C business scaling, or Business to Customer, which involve direct sales to end customers in the form of individuals.

This scheme has administrative difficulties, especially in issuing standardized tax invoices one by one to each end customer whose Taxpayer Identification Number and address are unknown. This condition if forced to apply to the electronic wallet fintech industry, will result in high tax administration costs, but if it is not adhered to, there will be sanctions arising from not issuing standard tax invoices. In addition, there are also conditions that need to be emphasized between the fintech industry and the financial services industry, which has similar industrial conditions, but has different taxation treatment on VAT. So, based on this background and problems, this paper will discuss the administration of Value Added Tax on the electronic wallet fintech industry in Indonesia.

2. Literature Review

Schneider (2019: 7) defines Fintech Company: "use existing or new software to provide financial services or to assist existing financial services-providers from a business, sales, product, regulatory, or risk management standpoint", or it can be interpreted that the company is fintech use the latest software to be able to provide financial services or to help financial service providers who have adapted business processes, sales, products, regulations, or from the perspective of corporate risk management. Dorfleitner in Harahap (2017: 6), classifies the fintech industry into four segments, namely financing, asset management, payment, and other fintech functions.

Digital Wallet, or commonly known as an electronic wallet, is a software application that has a basic function: as a tool that can provide security for user data, a tool that provides security for users in transactions, and becomes a payment method derived from debit and credit cards directly (Comviva, 2016: 4).

Then, Financial Services Industry, or commonly used terminology is Financial Services quoted from Worldbank.org (2016: 20), "are provided in the informal and the formal sector by banks, postal savings banks, credit unions, finance companies , microfinance institutions, and a whole range of other formal and quasi-formal nonbank institutions. Given the dearth of data on access, however, the initial data collection effort has focused on commercial banks, which are the dominant institutions in the formal financial sector. Priyanka (2019: 2) said that currently the development of banking has entered the digital era, the construction of financial electronical systems is being carried out in many countries in the world. One of them is developing a digital wallet that aims to enable users to carry out banking activities via mobile phones, which can be used to make payments, check balances, transfer money, etc. In addition, the development of this banking system is also accompanied by the development of digitalization in the taxation field.

Digitalization in the field of taxation, at least according to Gupta (2017: 1), has two benefits, which can help relax the availability of data and information on the actual state of the taxpayer's economy and can assist the government in implementing more up-to-date tax system policies. The taxation digitalization in question is by connecting data in the form of:
1. Linking Data on Consumption;
2. Data linking on Wealth and Capital Income;
3. Cross-border Linking of Data on Wealth and Capital

Linking Data on Consumption is the process of connecting data on transactions owned by taxpayers on transactions owned to the end-user, Linking data on Wealth and Capital Income is a process of getting information about the amount of assets and income on capital obtained in the period and, Cross-Border Linking of Data on Wealth and Capital, which is a real-time reporting process of assets and capital data that is outside the country's jurisdiction.

The government must realize that there is a changing nature of work for taxpayers, which requires the government to take appropriate action. Conditions of this kind of change, one example is the use of online-based application platforms as a place to deliver goods and / or services. The current condition of economic digitalization does not require buyers to directly visit the seller but can be done using information technology that is owned. Therefore, the government, in this case the tax office, has to increase the effectiveness of taxation based on the online activities of this platform in ways as written by the OECD (2019: 6):

1. Improving taxpayer education and self-reporting;
2. Obtaining tax data about transactions facilitated through platforms;
3. Enhancing the effectiveness of tax compliance activities;
4. Improving taxpayer services.

Improving tax payer education and self-reporting; The first thing to do is mapping the transaction conditions that are owned by the taxpayer, regarding what is owed and not owed in the online transaction platform. This mapping aims to find out which taxpayers have tax obliged, which ones are not. So that it is hoped that the taxpayer's obligation to know can increase the taxpayer's self-reporting obligation. Obtaining tax data about transactions facilitated through platforms; conditions where online platforms have administrative constraints on the completeness of data from platform users. This incompleteness of taxation information can be in the form of tax identity and the location where the user is located. Moreover, the conditions where the user is outside the applicable taxation jurisdiction. A process of cooperation legislation between countries is needed to obtain this kind of information, and related to the domestic legislation process, it can be emphasized the special conditions of taxpayers.

Enhancing the effectiveness of tax compliance activities; The use of technology is key in the process of increasing the effectiveness of tax compliance owned by taxpayers. The automation process of obtaining such information can be a source of data for tax offices and taxpayers for the effectiveness of tax compliance. So expect the creation of a transparency of taxation data owned by taxpayers and tax authorities. Improving taxpayer services; The last process is the process of improving the analysis of data availability and identification of taxpayer conditions based on the reports provided. The taxation authority must be able to read the current conditions of taxpayers based on their economic activities. In this case the taxation authority must be dynamic, following the development of the business conditions of the tax payer.

Regarding taxation, it is also important to note that Value Added Tax must pay attention to aspects of revenue productivity, equity, and ease of administration. There are special conditions for taxpayers who want to obey, but are hit by the conditions they are experiencing, so there is excess of taxation costs arising from conditions that conflict with the principle of ease of administration. One example is taxpayers who sell directly to end buyers who are very large in number. So if tax invoices are issued one by one to each end buyer, there will be a cost of taxation, such as time cost, psychological cost, or direct money cost that is greater than the income it receives (Rosdiana, 2013: 99). This is common condition of taxpayers who have characteristics as retail merchant taxpayers.

Theoretically, this retail merchant taxpayers concept can use the VAT Aggregate concept which says that for the ease of payment and reporting of tax administration, there are special conditions of taxpayers with higher VAT collection fees than revenue obtained. This is common in industries that have a very large number of transactions and cannot be known in detail about the completeness of buyer data, such as the buyer's name and tax identity. This usually happens in industries that have a small scale and have a very large quantity of sales transactions.

This condition is exist at the fintech industry in Indonesia. Over time, there has been a change in business and technology, namely changes in point of sale (Point of Sales) from conventional stores to mobile phones. Based on this background and theoretical framework, it can be seen how the appropriate administration of VAT for the electronic wallet industry in Indonesia.

3. Research Methods

The research paradigm used is the post-positivist paradigm and uses a qualitative research approach. The purpose of this study is descriptive research and carried out within a certain period. In addition, data collection techniques are carried out through in-depth interviews and searching for data and writing related to taxation and the electronic wallet fintech industry. In-depth interviews were conducted by looking for sources at state institutions, such as the Indonesian Directorate General of Taxation, the Fiscal Policy Agency, and Bank Indonesia, and also at private institutions such as electronic wallet fintech companies, tax consultants, and academics.

4. Results

The fintech e-wallet company cannot be deemed as a non-taxable service from VAT perspectives

Suits to the Law of the Republic of Indonesia Number 42 Year 2009 concerning to Value Added Tax on Goods and Services and Sales Tax on Luxury Goods (VAT Law) article 4 of the VAT Act paragraph 1 letter d, governs financial services, which include: services to collect and place funds by using telecommunications facilities, which can then be linked to an electronic wallet. In a simple term, it can be seen that the fintech e-wallet industry has similar characteristics to financial services. It is because in the fintech industry are having similar characteristics, among which are the services of collecting and placing funds using telecommunications facilities, which then funds collected and placed These can be used by fintech customers (application users) to be able to be used / bought the needs of application users, such as credit purchases, electricity tokens, and merchant payments.

Although there is an identical situation between the banking financial services industry and the fintech e-wallet industry, the two industries cannot be equated, this is as said by the interviewee that the service of placing funds in the banking industry is assigned to invest, not for payment purposes. This is because the substance of the two services are different. The substance of financial services related to banking is closely related to capital to the community, while the services provided by the fintech e-wallet have nothing to do with capital. So it is more correct to say that e-wallet fintech is not a financial service that has a form of investing, and is more accurately said as a payment method.

In addition to the interviewee statement, it can also be seen from the definition of financial services as stated by Worldbank (2016: 20), namely:

> *"Financial Services are provided in the informal and the formal sector by banks, postal savings banks, credit unions, finance companies, microfinance institutions, and a whole range of other formal and quasi-formal nonbank institutions. Given the dearth of data*

on access, however, the initial data collection effort has focused on commercial banks, which are the dominant institutions in the formal financial sector"

It can be seen that financial services are usually found in the formal and non-formal sectors, such as banks, credit banks, credit unions, financial companies, microfinance institutions, and wider coverage in the formal sector and quasi-formal non-banking institutions. Financial services involve a lot of data access that is owned which focuses on customer financial data.

Based on the statement of interviewee and opinions from the Worldbank, it can be seen that the service of placing funds carried out by the banking financial services has the characteristics as an investment and not for the payment system, so it has a connection with capital. In addition, the resource person also said that financial services do have different levels of risk from Fintech services. In addition, it can be said that the Fintech e-wallet is a service that is subject to VAT as an intermediary services. Then if the payment intermediary services performed by Fintech e-wallet are a VAT payable service, then the VAT administration process will arise that must be performed by the Fintech e-wallet company. Given that the intermediary services are provided by Fintech e-wallet to end-customers, an administrative scheme that can run effectively and efficiently for these Fintech e-wallet companies is needed.

Value Added Tax Administration in the Electronic Wallet Fintech Industry in Indonesia (Case Study at PT. X)

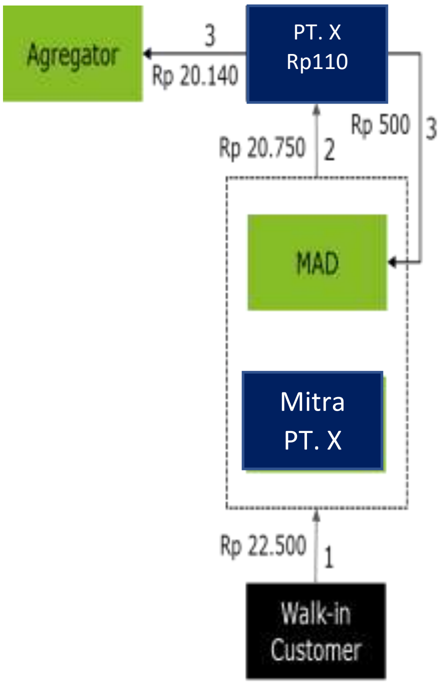
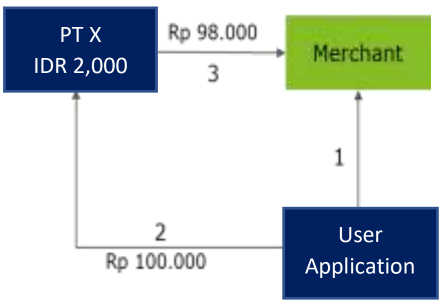
To find out the VAT obligations that must be carried out, companies must specify each type of transaction they have. This detail includes making transaction schemes that are owned for each service provided. So that from these schemes, it can be known who the opponent of the corporate transactions are, whether individuals or entities, the implications of taxation, including the obligation of VAT and WHT. It also can be known whether the type of transaction can be categorized as financial services or not. This is in line with what interviewee said, that in order to know the tax obligations of VAT and WHT, it must be mapped first, any transactions that can be categorized as financial services that are not owed VAT, and activities that are owed VAT.

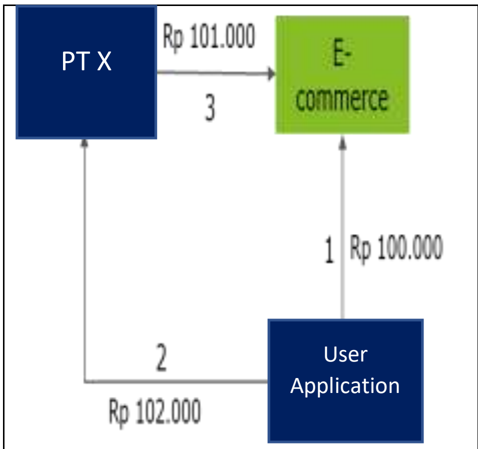
This is also in line with what is said by the OECD, that indeed to be able to know the tax obligations that must be carried out by a company, the company must first identify activities that are objects of VAT and WHT. So, this aims to increase the level of taxpayer compliance. This is said so:

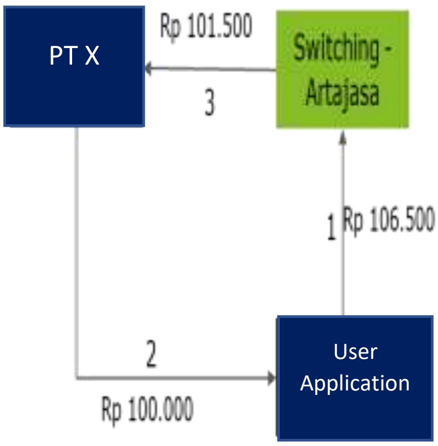
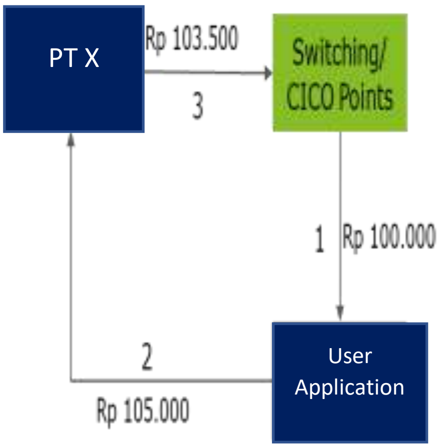
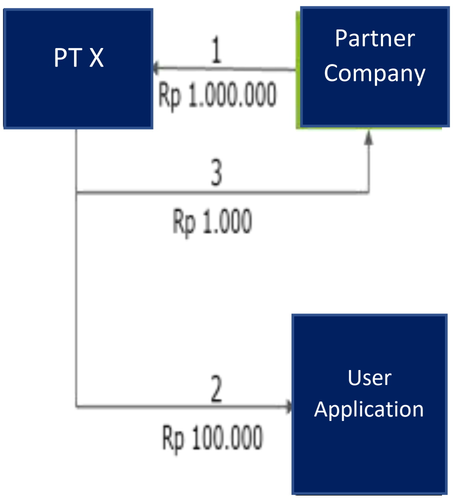
"Lack of self-reporting by taxpayers can be exacerbated by uncertainty among platform users about their tax liabilities, improving taxpayer education aimed at providers of goods and services could make an important impact to ensure effective taxation of activities facilitated by online platforms. Combined with improving access to information by tax administrations, it is likely that significant progress can be made to improve effective self-reporting of tax obligations in respect of these types of activities".

It can be seen that indeed to be able to know the tax obligations that must be carried out by a company, the company must first identify the activities that are objects of VAT and WHT. So, this aims to increase the level of taxpayer compliance. After getting information from the e-wallet company, there are some transaction details owned by PT. X including:

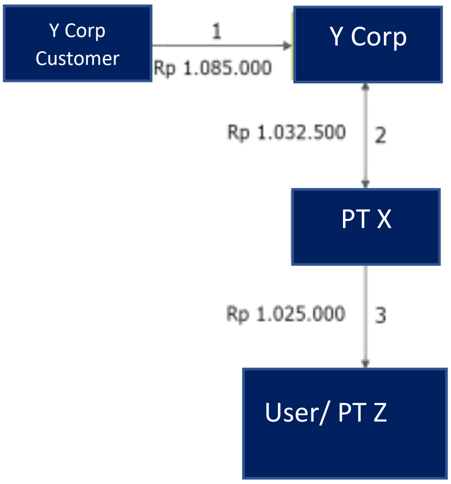
Table 1. Type of e-wallet transactions

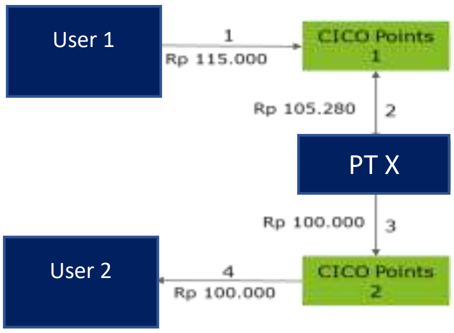
Transaction Schemes	Explanation of Transaction Schemes	Tax Implications
1. Mobile Payment - Purchase of Electricity Tokens through PT.X PARTNER 	1. Walk in Customers buy Electricity Token to MITRA PT X and pay IDR 22,500 to MITRA PT.X consisting of Electricity Token prices of IDR 20.140 (owned by aggregator), MAD revenue of IDR 500, and PT. X revenue of IDR 110. 2. MITRA PT.X buys Electricity Token through the application of PT. X. From this purchase, the balance in the application owned by MITRA PT.X will be reduced by IDR 20,750 consisting of Electricity token portion of IDR 20,140 to aggregator, MAD portion of IDR 500, and PT. X portion of IDR 110. PT. X then recognized an income of IDR 110. 3. PT. X then transfers the amount / portion of the Aggregator fee of IDR 20,140 and the MAD portion of IDR 500 received from the customer.	1. Services provided by PT. X to customers is a VAT object at a rate of 10%. 2. PT. X has the obligation to collect and issue tax invoices to customers for income of IDR 110. 3. Services provided by PT. X is submitted through the place of delivery (application) directly to customers who are final consumers (individuals) or private individuals without prior written offer or order, so that PT. X can be categorized as a Retail Trader who can issue an Lumpsum Tax Invoice.
2. Payment on Merchant (Merchant Discount Rate) 	1. User Application make purchases at the Merchant in the amount of IDR 100,000 and make payments using the PT. X Application. 2. PT. X then reduces the User Application balance in amount IDR 100,000. 3. PT. X charges a transaction fee to the Merchant of IDR 2,000 and transfers a fee of IDR 98,000 to the Merchant.	1. Transaction fees charged by PT. X to Merchants is a VAT object at a rate of 10%. 2. PT. X has the obligation to collect and issue a Tax Invoice to the Merchant for an income of IDR 2,000. 3. Merchants who use the services of PT. X consists of corporate taxpayers and individuals. so PT. X can issue an Lumpsum and Standard Tax Invoice.
3. Online Payment (E-commerce)	1. User Application of PT. X makes purchases on E-commerce for IDR 100,000 and makes payments using the PT. X Application. 2. PT. X then deducts the balance of the User Application of IDR 102,000 consisting of a	1. Transaction fees charged by PT. X is a VAT object at a rate of 10%. 2. PT. X has the obligation to collect and issue Tax Invoice to users application of PT. X for income of IDR 1,000. 3. Services provided by PT. X

	purchase price of IDR 100,000 plus transaction costs of PT. X and e-commerce costs are IDR. 1,000 each. 3. PT. X then transfers IDR 101,000 consisting of the purchase price of goods of IDR 100,000 and the E-Commerce fee of IDR 1,000 received from the customer.	is submitted through the place of delivery (application of PT. X) directly to the User Application of PT. X which is the final consumer (individual) or private person without prior written offer or order, so PT. X can be categorized as a Retail Trader who can issue Lumpsum Tax Invoice.
4a. Top up Balance PT. X – CICO Points 	1. User Application of PT. X top up the balance of PT. X on CICO Points (minimarket) of IDR 100,000. CICO Points will charge a balance fee to users of the PT Application. MLH of IDR. 1,000. 2. PT. X will then reduce the CICO Points deposit balance and will add the user balance of PT. X of IDR 100,000. There is no income obtained by PT. X on this transaction.	1. There is no implication of VAT on this transaction because there is no submission of Taxable Goods or Taxable Services conducted by PT. X.
4b. Top up Balance PT. X – Virtual Account (Bank) 	1. Users Application of PT. X top up the balance of PT. X of IDR 100,000 through a virtual account. The bank charges a transaction fee for charging this balance of IDR 1,500, which will be borne by PT. X of IDR. 500. 2. PT. X will then add the user balance of PT. X of IDR 100,000. There is no income obtained by PT. X. 3. The bank will transfer IDR. 100,000 to PT. X. The bank will then auto-debit the PT. X Account of IDR. 500 for transaction costs borne by PT. X.	1. There is no implication of VAT on this transaction because there is no submission of Taxable Goods or Taxable Services conducted by PT. X.
4c. Top up Balance PT. X – Switching (Artajasa)	1. User Application of PT. X top up the balance of PT. X of IDR 100,000 through Switching Company. For this balance topping transaction, customers are charged a Switching fee of IDR 6,500. 2. PT. X will then add the	1. Income of PT. X received from Switching is a VAT object at a rate of 10%. 2. PT. X must collect the VAT and issue Standard Tax Invoice to Switching for an income of IDR 1,500

	user balance of PT. X of IDR 100,000. 3. Switching will transfer IDR. 101,500 to PT. X which consists of topping up the balance paid by users in the amount of IDR 100,000 plus a part of the income of PT. X of IDR 1,500	
5. Cash Out Deposit 	1. User Application of PT. X withdraw the balance of PT. X through switching or CICO Points in the amount of IDR 100,000. 2. PT. X will then reduce the balance of users of PT. X amounting to the withdrawal of funds along with a withdrawal fee total of IDR 105,000. 3. PT. X will send the balance amount withdrawn by the user of PT. X and pay the transaction fee to Switching / CICO Points in the amount of IDR 3,500.	1. Balance withdrawal fees charged to users of PT. X of IDR. 5,000 is subject to VAT at 10%. 2. PT. X has the obligation to collect VAT and issue a tax invoice for the cost of withdrawing a balance of IDR 5,000 to user application of PT. X. 3. Services provided by PT. X is submitted through the place of delivery (application of PT. X) directly to the User of PT. X which is the final consumer (individual) or private person without prior written offer or order, so PT. X can be categorized as a Retail Trader who can issue a Lumpsum Tax Invoice.
6. Payment Services 	1. The partner company fills a deposit of IDR 1,000,000 in the PT. X system. From this deposit, partner companies can pay incentives or provide loans to company employees who are also users of PT. X. 2. Every time a partner company decides to pay incentives or provide loans to its employees (for example IDR 100,000), PT. X will increase the balance of the employee's Partner Company. 3. PT. X will charge a fee of IDR 1,000 to the partner company for this payment	1. Transaction fees charged to partner companies are VAT objects at a rate of 10%. 2. PT. X must collect the VAT and issue standard tax invoice to the partner company for income of IDR 1,000.

<table>
<tr><td></td><td>arrangement.</td><td></td></tr>
<tr><td>7. Deposit Transfer from Foreign Country


</td><td>1. Y Corp customers want to send money to Indonesia using Y Corp in the amount of IDR 1,000,000. Y Corp charges a customer IDR 85,000, so the Y Corp Customer will pay IDR 1,085,000,-
2. Y Corp keeps deposits in the PT. X system. When Y Corp customers want to send money to Indonesia, PT. X reduces the Y Corp Deposit amount by the amount of money to be sent plus the transaction fee charged to Y Corp in total amount IDR 1,032,500.
3. PT. X will then send the balance amount sent by Y Corp customers to the users of PT. X or to PT Z if the recipient of the money is not a user of PT. X. PT Z charges a transaction fee to PT. X in total amount of IDR. 1,025,000 for this transaction.</td><td>1. Transaction fees charged to Y Corp are VAT objects at a rate of 10%.
2. PT. X must collect the VAT and issue a standard tax invoice to Y Corp for an income of IDR 32,500.</td></tr>
<tr><td>8. Deposit Transfer from Inside Country


</td><td>1. Customer 1 wants to send money through CICO Points in the amount of IDR 100,000. CICO Points charge a transaction fee to the customer in the amount of IDR 15,000, so the total amount is IDR115,000
2. CICO Points save deposits in the PT. X system. When Customer 1 wants to send money, PT. X reduced the CICO Points deposit by IDR 100,000 plus the transaction fee charged to CICO Points by IDR 5,280, so the total amount is IDR105,280.
3. PT. X will then send the balance amount sent by customer 1 to CICO Points 2 that have been determined by customer 1 in amount IDR100,000
4. Customer 2 takes the amount of money sent to CICO Points 2 in amount IDR100,000</td><td>1. Transaction fees charged to CICO Points are VAT objects at a rate of 10%.
2. PT. X must collect the VAT and issue a standard tax invoice to CICO Points for an income of IDR 5,280.</td></tr>
</table>

Source: Interview with PT. X.

Based on the flow of transactions owned by PT. X, it can be seen that there are conditions that PT. X can issue standard tax invoices to opponents in the form of entity, which can then be known in full administrative documentation. This can be seen from payment transactions at merchants (MDRs), payment services, and remittances. In addition, there is also revenue that is obtained from end-users for purchases of electricity tokens, pulses, vouchers, e-commerce payments, cash-in, and cash-out. For this revenue there are administrative difficulties faced by PT. X in issuing standard tax invoices to all end-users of application users. Therefore, a tax administration method for VAT is needed which makes PT. X in carrying out tax compliance.

Broadly speaking, the income obtained from the e-wallet fintech from various types of transactions owned, based on table 1, is obtained from end users of applications and partners. The end user of the application in question is a private person, while the partner in question, can be either an individual or entity. Variation in transaction counterpart can arise the complexity of VAT administration. This condition is what according to the OECD as a condition of *"obtaining tax data about transactions facilitated through platforms",* or it can be interpreted that taxpayers must be able to obtain tax data on transactions owned based on the platform used. The said taxation data can be in the form of a Tax ID Number or Taxpayer Addresses

It is clear that transactions to the Corporate, which have administrative requirements in the form of Tax Identification Number (TIN), e-wallet must issue a standard tax invoice, but for transactions that generate revenue, especially to end-user applications, there is no administrative completeness in the form of TIN, which can be a problem for companies, especially in issuing tax invoices to each end customer, which amounts to millions of transaction quantities that are not insignificant. The implication is that there are potential sanctions that the company will get because they are deemed not compliant in the administration of issuing the tax invoice. This is as regulated in the Elucidation of the Law No. 28/2007 on General Provisions of Taxation of the Republic of Indonesia Article 14 paragraph 4, stipulated:

> *"Taxable Entrepreneurs who do not make tax invoices or Taxable Entrepreneurs who make tax invoices, but do not timely or do not complete the tax invoice subject to tax. administrative sanctions in the form of a fine of 2% (two percent) of the Basic Tax Imposition ".*

To get around this condition, tax administration alternatives that are needed and can be used by e-wallet fintech companies, as can be explained in detail below.

Alternative administration policies for the Fintech e-Wallet Industry Value Added Tax.
There are two alternatives tax policies that can be implemented by the e-wallet fintech company, which are issuance the Simple Tax Invoice Issuance Policy or the Lumpsum Tax Invoice Issuance administrative policy. A simple Tax Invoice, based on the Regulation of the Director General of Taxes of the Republic of Indonesia Number 58 / PJ / 2010, is a type of tax invoice that has more simple characteristics than a standard tax invoice. The characteristics possessed by a simple tax invoice, at least contain: (a). name, address, and Taxpayer Identification Number who deliver Taxable Goods; (b). types of Taxable Goods submitted; (c). the total Sales Price that includes Value Added Tax or the amount of the Added Tax; (d). Sales Tax on Luxury Goods collected; (e). code, serial number and date of making the Tax

Invoice. This type of invoice does not require TIN and Taxable Goods or Taxable Services buyer addresses, to simplify the taxpayer's tax administration.

As for the forms of simple tax invoices, as stipulated in the Regulation of the Director General of Tax Number PER-58 / PJ / 2010, including: cash receipts, sales invoices, in terms of cash registers, tickets, receipts, receipts or other similar payments. Even though this simple tax invoice can make the tax administration process easier, the actual process of issuing a simple tax invoice still has shortcomings, that is, the issuance is still done manually to the buyer.

Then, in addition to a simple tax invoice, there is also a lumpsum tax invoice. Lumpsum tax invoices can only be made by taxpayers who are retail traders. The definition of retail traders is based on Government Regulation of the Republic of Indonesia Number 1 of 2012, stipulated that Taxable Entrepreneurs who in their business activities or work provide Taxable Services by: (a). through a place of rendering services directly to the end customer or directly coming from one place of the end customer to another end customer place; (b). done directly to the end customer, without preceded by a written offer, written order, contract, or auction; and (c). in general, payments for the rendering of Taxable Services are made in cash.

Table 2. The Examples Of Simple Tax Invoice Forms

Transaction Details	
(Name of Merchant)	Success
Transaction Value	IDR29.000,-
MDR Fees	IDR909,-
VAT	IDR91,-
Luxury Good Tax	IDR0,-
Total	IDR30.000,-
Transaction Date	June 12, 2020
Reference Number	7FCO8AXQNU
PT. X	
PT. X Tax Identification Number	
PT X Address	

The definition of this retail trader, along with the times, has undergone a shift in the definition, that the delivery of taxable services now no longer requires a physical presence from the place of sale, but now can be done through an application created by the e-wallet fintech company. In addition, the service is provided spontaneously based on the wishes of the user of the application which is not preceded by a written contract or purchase contract, and is carried out in cash using the balance owned by the end user. So, this difference in perspective can cause dispute between tax officials and taxpayers. It should be the tax authority to renew this definition following the times.

To be able to use a simple tax invoice or a tax return invoice, the taxpayer can submit an application to the tax office. Taxpayers can submit a letter of determination as a retail merchant if they want to use a tax return, while if they want to use a simple tax invoice, taxpayers can submit a letter of determination of the implementation of a simple tax invoice by giving examples of what simple tax invoices will be used.

Both can be applied with the aim of facilitating the taxpayer's tax administration process. Do not let the tax administration experienced by taxpayers distort state revenues with high compliance costs. This is as conveyed by the speakers: The simple tax invoice issuance scheme and the tax return invoice are two alternative ways of policy that can be applied to the e-wallet fintech industry. The application of these two alternative policies must be done by submitting a letter to the tax office, that indeed the e-wallet fintech company can be designated as a retail trader, or it can use a simple tax invoice. Until the end of the tax administration process this kind is to increase the level of compliance of taxpayers in the e-wallet tax, with ease of administration, but can produce optimal VAT revenue for the country.

5. Conclusion & Suggestion

The Fintech e-wallet industry cannot be categorized as financial services. This is because the characteristics of Fintech e-wallet cannot be compared to financial services, especially banking financial services. The services provided by fintech e-wallet are more appropriate if categorized as payment intermediary services. The difference that occurs between financial services and payment intermediary services, namely the differences in risk and investment conditions owned by the company Fintech e-wallet and banking financial services. The Fintech e-wallet industry has implications for the imposition of VAT on transactions owned, so there is a condition of collecting VAT that must be carried out by the Fintech e-wallet industry. In the VAT collection process, there are administrative complications experienced by Fintech companies, especially for transactions in the form of B2C (Business to Customer). The complexity caused by the Fintech e-wallet company has transactions that are obtained from private individuals, so there is a complexity in issuing standard tax invoices, which is caused by not knowing the completeness of the individual's tax administration documents, such as TIN and the buyer's complete address. Therefore, an alternative administration of value added tax collection is needed that is more effective and efficient. Alternative administrative processes that can be implemented by the Fintech e-wallet company, namely by issuing a simple tax invoice or a lumpsum tax invoice. These two schemes are the right schemes to be applied to companies that have counterparties to end customers. The application of these two Value Added Tax administration alternatives is expected to be applied to fintech e-wallet, for effective and efficient tax administration management. The implementation of these two alternative policies must be done by submitting a letter to the tax office, that indeed the Fintech e-wallet company can be designated as a retail trader, or it can use a simple tax invoice.

Suggestions that can be given to the e-wallet fintech taxation conditions:
Company must map and adjust tax policies that apply to the innovation transactions that are owned, because this e-wallet fintech company is categorized as an intermediary payment service, the transaction must be disseminated to related stakeholders (partners, vendors, tax authorities, shareholders, etc.). Company must improve the database system that is owned in capturing tax data that is owned by the company. The data referred to in the form of TIN and end user addresses, which can then be used for better VAT administration. Repairing the database system can be done by blasting through the application, regarding TIN and the address of the user of the application. The company must submit a retail merchant designation letter to the tax office if they want to use the administration of Value Added Tax issuance of a tax return invoice. In addition, companies must submit a letter of submission to the tax office regarding the issuance of a simple tax invoice, by giving examples of documents such as what you want to set as a simple corporate tax invoice given to end customers.

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