

---

---

## Implementation of Value Added Tax Policy In E-Commerce Shopee

<sup>1</sup>Nurul Hafifah, Gunadi

<sup>1</sup>Universitas Indonesia, Indoensia; Nurul.hafifah@ui.ac.id

*Received: November 23, 2022; In Revised: February 13, 2023; Accepted: March 13, 2023*

### Abstract

Value Added Tax or Tax on Consumption is a tax imposed as a result of the delivery of taxable goods (BKP) or taxable services (JKP) in the customs area which is carried out with added value. The self-assessment tax collection system in Indonesia affects the VAT system by crediting or payment methods. This is related to the increasing number of online sales through e-commerce media in Indonesia, one of which has a significant effect on the drastic increase in revenue is Shopee. The purpose of this study is to determine the implementation of the existing VAT policy in e-commerce Shopee and what are its effects on the State. The method used in this research is qualitative with a literature study approach, the results of this study are that since the implementation of the Shopee collection in early 2020 until now, internal socialization is needed to business actors both those who already have a TIN and those who do not. Both the macro industry and micro MSMEs, so that the implementation of the policy of charging VAT to consumers will not affect service quality, satisfaction, and the number of requests through Shopee e-commerce. In addition, it is supported by a policy from Shopee which confirms that his appointment as a trade value added tax (VAT) collector through the electronic system (PMSE) according to PMK 48/2020 will not affect the selling price of goods.

**Keywords:** *Policy Implementation, Technology, Internet, VAT, E-commerce*

### Introduction

Technology has an impact on buying and selling activities which are increasingly experiencing modernization. With the internet, consumers can more easily access information on various products, services and competitive prices. E-commerce is a sale or purchase activity that is carried out via the Internet with a certain method with the intention of receiving and sending orders. Furthermore, it allows goods or services to be ordered and delivered conventionally (indirect or offline e-commerce) or through a fully electronic delivery system (direct or online e-commerce). E-commerce makes transactions between one place and another possible without physical interaction. This is how e-commerce has become one of the most preferred ways of shopping today.

Through the use of the Internet, e-commerce actors can market their products internationally simply by creating a website or by placing advertisements on internet sites 24 hours without limits, so that customers from all over the world can access the site and make transactions online. Sellers and buyers in e-commerce transactions do not meet face to face. The seller does not

need the buyer's name as long as the payment system provider has authorized the payment. Products such as computer software, music, and other digital products can be marketed electronically via download. and Many companies engaged in e-commerce offer intangible goods, such as software data and ideas that are sold over the Internet. The arrival of the internet has had a dramatic effect on business and has ongoing implications for management's approach to business processes and endeavors. This opens up new market possibilities and opportunities, but inevitably brings with it significant new areas of risk.

As a comparison, data from the Ministry of Finance of the Republic of Indonesia stated that digital economic conditions in Indonesia are predicted to increase in 2030, digital economic growth will grow eight times from Rp. 632 trillion to Rp. 4,531 trillion. In this case, e-commerce will be the biggest source of influence, namely around 34% or a total of IDR 1,900 trillion. One of the e-commerce that has a major impact on increasing GMV (Gross Domestic Value) is USD 14.2 billion and controls the market by up to 37% in Indonesia according to the Momentum Works Blooming Ecommerce in Indonesia report, namely Shopee, which recorded a gross transaction of USD 14.2 Billion out of a total of USD 40.1 billion GMV (Gross Domestic Value) in Indonesia in 2021. Shopee is an e-commerce from Singapore that has succeeded in dominating the online market in Indonesia with the number of website visits per month, which is around 391 million visits in 2020.

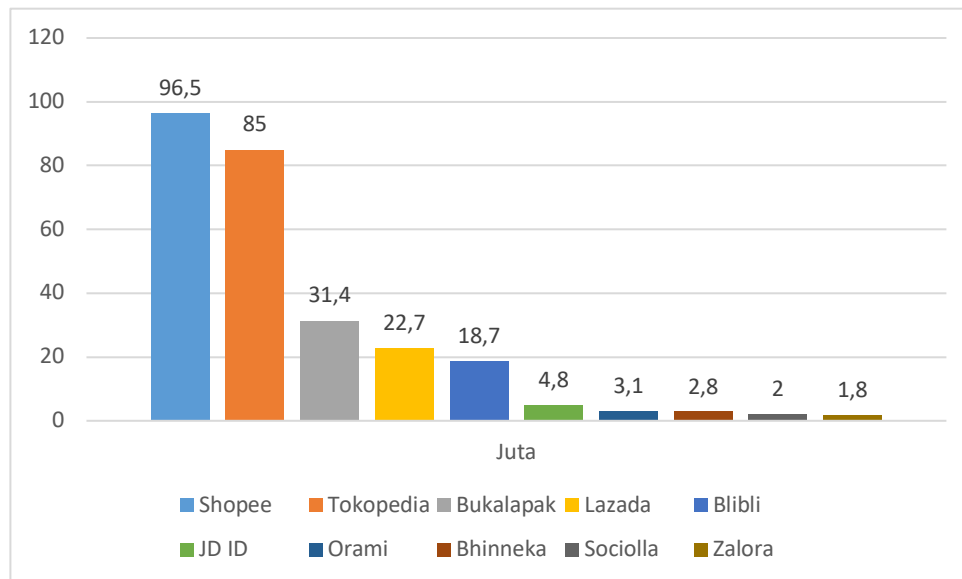


Figure 1. E-Commerce Site Monthly Visitors (Quarter III)

Source: iPrice, Kuartal III 2020 (databoks)

Indonesia does not yet have regulations related to e-commerce taxes specifically so that trading activities carried out online are not much different from ordinary buying and selling transactions, where online payment systems and product orders that are carried out virtually without face to face are a significant difference to central conventional spending, this causes the income earned to be not much different from the type of activity or the difference in other jobs, the only difference is the media used in promoting or marketing the product being sold.

---

However, the development of the digital economy is characterized by a lack of territoriality and global possibilities of reaching customers, meaning companies will also be subject to VAT obligations in some countries and there will be uncertainty over their tax obligations related to transactions they have made with or without using online platforms. Indeed, telesales and services supplied via digital platforms have offered both small and non-entrepreneurs the opportunity to supply their own goods and services to a much wider audience of potential customers located worldwide. However, this potential business use of the Internet has also undermined the possibility of implementing and enforcing VAT rules. First of all, private individuals may not recognize they are liable to pay taxes. This means that there are many potential private individuals with relatively small tax rates (depending on the case by case) who offer goods and/or services online, but who may not be aware of tax and administrative obligations. In addition, because we are talking about many individuals and a low number it may be difficult for the tax authorities (which do not have all the necessary information) to find out which business is being conducted by those private persons. The second risk is related to (foreign) entrepreneurs who do not register. In terms of selling goods remotely, the expectation is that Small Businessmen/Taxable Entrepreneurs who trade via online platforms will remain out of the sight of the tax authorities as oversight is quite difficult.

Third, problems may arise from online platforms with multiple activities and various VAT taxation agreements on transactions (eg; application of different tax rates, provision of exempt goods and services together with other goods and services that are not). An additional risk concerns the online sale of imported low value goods. According to a recent OECD report because many jurisdictions exempt low-value packages from online sales from VAT, the administrative costs associated with collecting VAT on goods may be greater than the VAT that will be collected. Thresholds vary between jurisdictions but due to the increasing volume of low-value goods that are not subject to VAT, this has resulted in decreased VAT receipts and unfair competitive pressure on VAT-imposed domestic retailers. Ultimately, this might lead to incentives for domestic suppliers to move to offshore jurisdictions to sell goods of value VAT-free.

In the context of e-commerce, there are many reasons why it is beneficial for the State to involve platforms in VAT collection. Platforms have information about all transactions that occur through them. Moreover, in most of the cases, payment is through the platform. Finally, as stated in the OECD Report 2019 the reliance on digital platforms for VAT collection can also be motivated by the fact that digital supply chains are often long and complex, and suppliers within this chain may not be aware of the roles of various parties in the chain. An approach relying on digital platforms to collect and deposit the tax payable on the final supply to the end customer is expected to provide an efficient solution for tax administrations and the experience of the jurisdictions that have adopted this model seems to support and confirm that expectation.

The Director General of Taxes noted that e-commerce trade VAT tax revenue in the first quarter of 2021 reached Rp. 1,647.1 billion, which in quantity has increased by 125.2% from the previous time, this was calculated in the period from July to December 2020 with a rupiah value of 915.7 billion. Several studies on the “substitution” effect assume that consumers who adapt to one shopping channel will abandon other channels (Ansari et al., 2008; Mehra et al., 2013). The increasing popularity of online shopping will make customers "migrate" from physical stores to online (Couclelis, 2004; Visser & Lanzendorf, 2004; Weltevreden & Rotem-Mindali, 2009; Zhang et al., 2016). In this case, online platforms compete with physical stores as a channel to realize product/service sales. This is largely the impact of the emergence of the Covid-19 pandemic which

---

forced people to make transactions from home, so that more and more users accessing e-commerce will also increase according to increasing economic needs and the ease of service obtained causes consumers to be more eager to access services. e-commerce rather than making transactions directly outside the home. This is also supported by staying at home policy issued by the government to implement distance restrictions and public spaces in the community.

Normally, we can expect platforms to be allowed to rely on information they have access to or to which they can reasonably be expected to have access when making such distinctions. In addition, the latest OECD report states that where a digital platform, acting in good faith and having made reasonable efforts to obtain appropriate evidence, is unable to establish its customer status, the presumption may be applied that the customer is not the customer's business, in this case the rules for B2C supplies will apply. Measures may include for example, provision by the customer of a registration number or VAT identification that has been shown to be invalid (for example by viewing a list of online entrepreneurs provided by the tax authority), digital platforms may assume that the customer is a non-business and apply rules for B2C supply. In contrast, digital platforms may operate under the assumption that the underlying suppliers selling through their platforms are businesses unless they have information to the contrary. Key elements of information that may be considered for determining the tax treatment of such transactions may include: customer status nature of supply, elements for determining the applicable tax collection or VAT collection regime (eg. IP address), thresholds of exemption for registration and/or collection purposes VAT, supply value and applicable VAT rate and the point at which VAT liability is incurred.

Covid-19 has been present in Indonesia since the beginning of 2020, Nanda & Zhang, (2021) in their research stated that the impact of the COVID-19 pandemic on retail real estate and the highway landscape through accelerated e-commerce and digitalization. The retail business has evolved over the last few decades, emphasized by the evolution and development of digital technologies. Almost all parts of the world have witnessed changes in consumer behavior, the nature of retail, and the reshaping of the high street landscape due to the e-commerce revolution and its continuous expansion. Especially due to the COVID-19 pandemic, retail platforms powered by digital technology have had to adapt quickly, and it is hoped that they will continue to support these changes as consumers and retailers adjust to the new normal. In addition, retail real estate is closely related to the dynamics of the retail sector. While lockdown measures and social distancing are having a devastating impact on the “traditional” retail property sector, they can accelerate the evolutionary process of multi-channel retail and the channel integration role of physical stores and thereby, bring about a transformation in the urban retail landscape. This does not necessarily lead to the end of the street shop, but may have a significant impact on the retail real estate business.

Disasters and crises have a major impact on consumption behavior, among others (Ballantine et al., 2014; Larson&Shin, 2018; Pantano et al., 2020; Sheu & Kuo, 2020). With the sizeable growth of online shopping and food delivery spending during the pandemic, it is very possible that this new shopping behavior can become the new normal after the pandemic. The most significant change in shopping behavior is centered around online grocery shopping. Trading transactions carried out online raise the problem of collecting the same tax as conventional traders, if you look further, the circulation of money in online buying and selling transactions is very large, giving rise to problems regarding tax collection between conventional and online systems, in this handled seriously by the government so as not to cause social inequality in terms of tax collection for both conventional and e-commerce traders. If only e-commerce players are given relief in terms

of income tax or value added tax, it is feared that gaps and injustice will emerge in the positive law that applies in Indonesia on the taxation aspect which has indicators of significant differences in terms of carrying out transactions but still selling services, the same goods, only differ in the media used in selling.

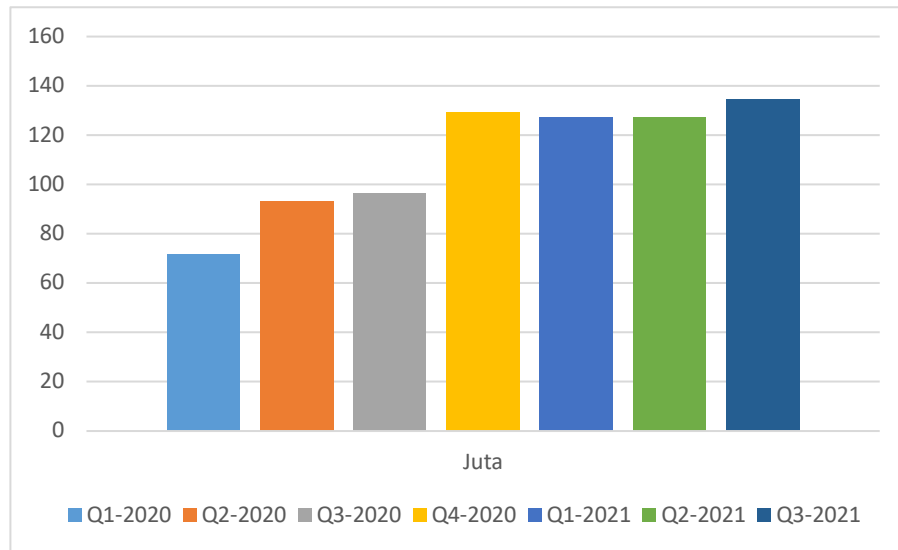


Figure 2. Average Monthly Visitors to Shopee Site (Quarter 1-III)

Source: iPrice, Kuartal III 2021 (databoks)

The characteristics of fast e-commerce transactions, crossing boundaries between state jurisdictions make it difficult to identify taxpayers involved in e-commerce, determine taxpayer tax jurisdiction, identify electronic vs. physical products, lack of audit trails, lack of system controls, and electronic payment systems. This challenge requires policy makers to not only focus on national e-commerce business regulations, but also a comprehensive digital taxation regulatory framework that responds to cross-border transactions, the pace of market changes, business models, and consumer tastes. Considering that e-commerce and the digital economy are also under the supervision of several related sectors, it is necessary to coordinate and harmonize cross-ministerial laws and policies in the process of drafting laws and regulations which become the legal basis for e-commerce activities. In particular and dealing with the development of business models in the digital economy era in general. The development of digital content in Indonesia is closely related to the entry of the internet for the first time (Purbo, 2014).

Prior to the PMSE VAT collection policy, the Indonesian government had actually issued a Minister of Finance regulation regarding e-commerce. In 2018, the Ministry of Finance formulated with the enactment of PMK-48/PMK.03/2020 it can be seen that the Indonesian government makes VAT on PMSE transactions as one of the solutions to explore tax potential in the digitization of the economy. This relates to the understanding of cashless payment instruments which is the main part for determining direction, who is the buyer or provider of goods and services absolutely understood by every tax authority. The pattern of cross-agency collaboration is a means of providing adequate tax data. The UN in the United Nations Model Double Taxation Convention

(2011) states in article 25 that "The competent authority in a country is obliged to exchange information that is deemed relevant in carrying out the completeness of the agreement, regarding all types and explanations of taxes provided as long as they do not conflict with the agreement, especially information is exchanged so that it can help other countries to prevent tax evasion". In addition, he explained that the majority of e-commerce currently use electronic money in their payment transactions. As for electronic money transactions in the first half of this year, it managed to grow 41 percent to 132 trillion of Rupiahs, so that the whole year is estimated to reach 278 trillion of rupiahs.

**Table 1**  
**Mechanism of VAT Based on Payment Method**

No	Payment Method	Procurement Mechanism	Control
1	Credit Card	Direct Deposit Using SSP	Direct supervision of the perpetrators of utilization activities
2	Direct Carrier Billing	Collection of VAT payable by the operator	Supervision is carried out on celluler operators
3	Gift Cards	Charges when gift cards are delivered or imported	Supervision is carried out on PKP who submits or imports

Source: Utomo, 2017

VAT Law No. 42 of 2009 concerning Value Added Tax does not contain a definition of VAT, so according to Waluyo (2009) Value Added Tax is the imposition of a tax on consumption expenditures both carried out by individuals and entities, both in the form of private and government in the form of spending on goods or services charged to the state budget. According to Gunadi (2010), VAT is directly related to income and costs for obtaining, collecting and maintaining (taxable) income and other income deductions. Along with the development of technology and information, now various trade transactions for goods or services can be done online. The development of online trading is based on the convenience for business actors to promote their wares and does not require more costs because it does not require a physical store. The large number of E-Commerce or online businesses from various walks of Indonesian society that have developed beyond conventional traders has made it even more endemic because online trading has an unlimited number of markets. From a tax law standpoint, online commerce should have the potential to be taxed. However, due to the lack of regulations regarding the imposition of taxes on online businesses, it can result in the absence of norms that occur in tax regulations in Indonesia. So that the tax potential is not utilized effectively. Therefore, this paper aims to: The purpose of this research is to find out the implementation of VAT policies that exist in e-commerce Shopee and what effect they have on the State.

## Method

This research uses qualitative approach with a literature study and descriptive analysis through primary data sources in the form of tax regulations, journals, books and other data sources that can be analyzed and answer the purpose of this writing, namely knowing the implementation of value added tax (VAT) in e-commerce Shopee.

---

---

## Results and Discussion

The results of a survey conducted by the Central Bureau of Statistics (2020), of 16,277 business samples spread across 34 provinces throughout Indonesia, 90.18% are conducting e-commerce businesses. The data shows that e-commerce has dominated the Indonesian market. Another supporting indicator is the increasing emergence of marketplaces in Indonesia. Marketplace is a business model designed in such a way with the aim of simplifying complex business processes so that efficiency and effectiveness can be created by not only helping to promote goods, but also facilitating online payment transactions (Yustiani & Yunanto, 2017). Tax in Indonesia is defined in Law Number 28 of 2007 concerning the Third Amendment to Law Number 6 of 1983 concerning General Provisions and Tax Procedures article 1 paragraph 1.

In connection with the new policy of the Directorate General of Taxes (199/PMK.010/2019), starting from 30 January 2020, the Indonesian government imposed new provisions regarding Import Duty for products sent from the Free Trade Area (Bintan Regency, Batam City, Sabang City, and Aceh Besar District) and overseas. Changes from the limit value of shipments subject to Import Duties with an initial VAT of 10% USD 75 to 10% USD 3. Therefore, with these changes, Shopee launched a system that can calculate the percentage of Import Duty, VAT and PPh that apply from the price set by the Seller automatically and a system that can display the price after tax on the product page to the Buyer. Along with an adjustment of 6% is made to avoid losses to the Seller due to different percentages of Import Duty, VAT and PPh and other reasons. For example, the highest percentage is used for one order, although the percentage for each product can vary according to the product category.

Irianto (2015) argues that tax collection is the implementation of jurisdictional tax authority in the field of taxation as an attribute of Indonesian sovereignty to regulate people and objects within its territory. There are three types of tax collection systems according to the Official (2009, quoted in Nisa, 2017). The official assessment system gives authority to the tax authorities. Fiskus will determine the amount of tax payable to be paid by taxpayers in accordance with applicable tax laws and regulations. The self assessment system gives authority to taxpayers. Taxpayers will be authorized to determine for themselves the amount of tax owed annually as well as to pay and report it themselves in accordance with applicable tax regulations. With Holding System is a tax collection system that gives authority to other parties or third parties. Third parties are parties other than the taxpayer and the government, which in this case is the DGT. The third party will later determine the amount of tax that must be paid by taxpayers who are owed each year and make deductions and collections in accordance with applicable tax regulations.

In practice, value added tax has several characteristics. Sukardji (2014, quoted in Kamal & Ruliyani, 2019) states that as a tax imposed on consumption activities, there are eight legal character points of value added tax, namely objective tax, multi stage levy, is an indirect tax, is non-cumulative, adheres to single tariff, calculated using the indirect subtraction method, type of consumption; and taxes on domestic consumption. Tax subjects in VAT administration can be interpreted as parties responsible for paying value added tax to the state treasury (Safitra & Swasito, 2018).

Shopee began entering the Indonesian market at the end of 2015 and is under the auspices of PT Shopee Internasional Indonesia. Shopee itself is a subsidiary of the SEA Group—which was previously named Garena Group—which is headquartered in Singapore with a founder named Forrest Li. The mission carried out by the SEA Group is to improve the quality of life of consumers

---

and small entrepreneurs so that they become better by utilizing technology. SEA Group itself is listed on the NYSE (New York Stock Exchange) or the New York stock exchange under the symbol SE. Unlike its founder, the leader or chief executive officer of Shopee is Chris Feng. Chris Feng is a former Rocket Internet activist who was a pioneer of Zalora and Lazada. In addition, the CEO of Shopee is a top graduate at the University of Singapore (Feng, 2021). Shopee in Indonesia is headquartered at Wisma 77 Tower 2 Floor 11, on Jalan Letjen S. Parman Kaveling 77, Slipi, Palmerah, West Jakarta, 11410. Until 2021, shopee is not only in Singapore and Indonesia but has spread to various countries in the Southeast Asian region including Indonesia, Malaysia, Singapore, Thailand, the Philippines and Vietnam. Even shopee has started to expand its business reach to Taiwan.

In terms of supply chain or supply chain for digital content & service transactions, there is a marketplace owned by PT Shopee Internasional Indonesia to act as an intermediary between consumers and sellers. Therefore, PT Shopee Internasional Indonesia acts as an intermediary or intermediary in transactions involving digital content & services. PT Shopee Internasional Indonesia as an intermediary has the authority to collect, deposit and report VAT on behalf of foreign traders or service providers. If there are foreign service providers or foreign traders conducting transactions with service recipients and/or buyers of goods through the marketplace owned by PT Shopee Internasional Indonesia, then VAT PMSE payable for the utilization of JKP and/or BKPTB in the customs area from outside the customs area is collected, deposited, and reported by PT Shopee Internasional Indonesia. However, if in the utilization of JKP and/or BKPTB in the customs area from outside the customs area there are VAT objects other than those subject to PMSE VAT, then VAT is still payable and collection, deposit and reporting are carried out by the service recipient and/or goods buyer as stipulated in Article 3A of the VAT Law.

The DGT may request PT Shopee Internasional Indonesia to provide a detailed report on PMSE VAT transactions that have been collected for each period of one calendar year in electronic form and submitted through a system or application that has been provided and/or determined by the DGT. The detailed transaction report submitted to the DGT shall at least contain the name and NPWP of the buyer of goods and/or service recipients in terms of proof of PMSE VAT collection including the NPWP of the buyer of goods and/or service recipients; the amount of PMSE VAT collected; the amount of payment; and the number and date of proof of PMSE VAT collection.

The percentage of Import Duty, VAT and PPh used by Shopee in the automatic after-tax price calculation system will be added by 6% to avoid Seller losses due to the determination of different Import Duty, VAT and PPh percentages by the Customs that occur due to the PPh Percentage which is higher for sellers without NPWP, the use of the highest percentage for one order with several products that have different percentages and so on. This increase in percentage is temporary and will be readjusted if the percentage of Import Duty, VAT and PPh has been increased by Customs. The after-tax pricing system will still automatically calculate the after-tax price for products priced under USD3 and products shipped from the Free Trade Area to the Free Trade Area. Later, the system will be developed to not affect transactions with prices below USD3 and product shipments from the Free Trade Area to the Free Trade Area.

PMSE VAT collection carried out by PT Shopee Internasional Indonesia is a new VAT collection mechanism. Previously, in accordance with Article 3A paragraph (3) of the VAT and PMK Law Number PMK-40/PMK.03/2010, that in reality Indonesia uses a customer collection or deposit mechanism. VAT by consumers themselves in consumption transactions or utilization of



---

digital content and services originating from foreign providers. There has been a change in the mechanism from customer collection to intermediary collection with the enactment of PMK-48/PMK.03/2020. In fact, PMK-210/PMK.010/2018 has regulated the collection of VAT using an intermediate collection mechanism. However, because PMK-210/PMK.010/2018 status is revoked, the rules regarding intermediary collection do not apply. The intermediary collection mechanism is suitable for implementing B2C or Business-to-Consumer transactions because it can reduce the risk of low tax compliance caused by consumers end have low tax knowledge. The intermediary collection mechanism has challenges and obstacles. The first challenge and obstacle in the intermediary collection mechanism is the way for the government or tax authorities to carry out effective enforcement. In addition, the intermediary collection mechanism will incur compliance costs and administrative costs for the intermediary. Finally, the characteristics of foreign digital content and service providers, who do not have a physical presence in Indonesia, are also an obstacle in the VAT collection mechanism using intermediary collection.

The increasing number of internet users is a great opportunity for entrepreneurs to market their products via the internet or online. Easy internet access either via wifi or cellphone has an impact on changes in consumer behavior, from direct or conventional shopping to online shopping, the more people use the internet, the happier they make purchases through electronic stores. The payment process through Shopee is not done conventionally, but uses payment methods including credit cards, bank transfers, third parties and the Cash on delivery (COD) system. The Shopee Guarantee feature is protection from Shopee for consumers by holding consumer funds. If the consumer confirms that the goods have been received properly, the funds will be forwarded to the seller. Shopping through Shopee is in demand by various groups, such as what happened among students. They chose Shopee because it has free shipping, complete categories, and guaranteed goods received in good condition.

One of the factors that influence repurchase intention is the coupon sales promotion. Coupon sales promotion is a certificate that entitles the holder to a number of savings on the purchase of a certain product which is usually sent by post, affixed or wrapped with other products, or attached to advertisements in magazines and newspapers. With a coupon or voucher promotion in the form of free shipping from Shopee, buyers will get free shipping in the form of a shipping fee subsidy of Rp. 20,000 which can be used to buy products to make it more efficient. Repurchasing interest is basically closely related to online customer reviews. Shopee Online Customer Review (OCR) can be easily found. OCR is important for consumers in making purchasing decisions online. Another factor that can influence consumer interest in repurchasing is perceived enjoyment. Convenience is one of the main motivations that underlies consumers' tendency to shop online through e-commerce. Shopee is an e-commerce-based mobile shopping that provides the pleasure of shopping without having to jostle and queue. The pleasure of seeing the products offered, the freedom to visit online stores and a wide selection of products can significantly influence consumer interest in repurchasing.

The internet is the largest computer network in the world and has a huge influence on the world economy. The digital economy is one of the new stages in the world economy which is also known as the fourth industrial revolution. E-commerce business is believed to be easier and more cost effective compared to conventional businesses. But this does not guarantee total security of transactions. Currently, various kinds of fraud and other crimes are often found in cyberspace (cybercrime). However, the enthusiasm of the public to continue to be involved in the e-commerce

---

business has not subsided, causing a shift in shopping patterns from conventional to online. This of course makes the value of e-commerce transactions continue to increase from year to year.

Based on the frequency of consumer shopping at Shopee e-commerce, the majority of consumers have shopped more than five times, this is because the shipping fee subsidy provided by Shopee e-commerce is more economical for consumers. Membership requirements with a minimum spending requirement of Rp. 90,000 given by e-commerce Shopee in accordance with the subsidies given to encourage consumers to shop at e-commerce Shopee. In e-commerce marketing activities, Shopee provides a different promotion frequency every month. It is supported by Instagram as promotional media tools in giving coupons. However, this interactive media is less precise when compared to elevation to convey information to consumers. Shopee e-commerce coupons have a one-month redemption period in each period. Companies must be able to provide promotions that match consumer expectations. If consumers receive intensive or large subsidies, consumers will be even more motivated to make repeat purchases at Shopee e-commerce. Shopee e-commerce consumers have a very good perception of online customer reviews in terms of trust, recommendation framing and recommendation ratings so that consumers feel interested in making repeat purchases at Shopee e-commerce. Based on reviews on Shopee e-commerce, consumers trust the information that has been provided by other consumers because they have made purchases before at Shopee e-commerce. Reviews from other consumers provide a relevant picture, according to the current situation, true as it is and equip consumers so that these reviews are useful for making decisions to buy products at Shopee e-commerce. Based on the recommendation framing, a review in the form of positive comments in the form of praise for a product will encourage consumers to repurchase interest in e-commerce Shopee. Interest in repurchasing at Shopee will be created if the recommendation rating in a review has a high value and a large volume of reviews.

The continuous development of technology has created new opportunities for businesses. Almost all elements in business activities utilize existing technology. Various efforts have been made by business people to increase sales levels and take market interest by innovating using existing technology. Business activities carried out by utilizing internet technology are called e-commerce. According to Turban (2014, quoted in Yulianto et al., 2015) e-commerce is an exchange or process of selling, buying, transferring information, services and products through computer networks including the internet. So, it can be concluded that e-commerce is the process of developing, selling, paying, marketing, shipping, and servicing various products and services that are traded in a global market with a network of customers with support from a network of business partners around the world (Yulianto et al., 2015).

Trading activities or transactions carried out by utilizing E-Commerce media may also be subject to Value Added Tax (VAT). Value Added Tax is an indirect tax that is collected on the delivery of goods and services, where the delivery of goods and services is an object of Value Added Tax (VAT). This type of tax is the most popular type of indirect tax used in the world, adopted by more than 150 countries around the world. There are several important things that need to be considered in the collection of Value Added Tax, namely the object of tax collection, the range of transactions carried out, the time of tax collection, the amount of tax collected, the parties involved in tax collection. tax collection. has the authority to collect taxes, regarding tax collection places as well as the supervision and law enforcement processes that will be carried out (Lim, 2018).

---

According to Meiyarni et al, (2021) in his research, he stated that conversions for the food, health and pharmaceutical sectors had increased significantly. The food sector has increased by 55%, Health 19% and pharmaceuticals 11%. In preventing the spread of the Covid-19 pandemic, the use of online shopping applications has jumped 300%. E-commerce as a means of buying and selling online can increase company or individual income and bring company success and company sustainability. The COVID-19 pandemic has changed people's behavior, such as people increasingly avoiding public places and offline retail stores, so that online sales for several sectors have increased. The aim of this study is to determine the effect of the COVID-19 pandemic on e-commerce transactions at Shopee Indonesia.

Hwang et al, (2020) found the recent increase in online sales was driven by new and existing customers and suggested that online retail platforms could help retailers survive and adapt in a pandemic. Luxury goods retail has also seen tremendous growth along with online shopping in recent times. Both single and multi-brand luxury retailers have attracted a wide range of consumers, especially those with online shopping channels. the Covid-19 pandemic that is currently sweeping the world, including Indonesia, will definitely affect people's lives, both in health and social and economic aspects. The development of e-commerce in Indonesia has changed several consumer behaviors. For example, the habit of shopping at shopping centers or stores has now started to switch to using online media.

The Association of Indonesian Internet Service Providers (APJII) stated that there was a significant increase in internet usage among Indonesians during the large-scale social restrictions (PSBB) period. Desmichel and Kocher (2020) found that consumers of multi-brand stores are more likely to make price/brand comparisons as stores carry a greater variety compared to single-brand stores. This is more likely to occur when consumption occurs via online platforms. With a wider choice, consumers tend to engage in comparisons of brands, goods, and price points. Therefore, they suggest that a hedonic shopping experience can make consumers less price sensitive. Abay et al. (2020) used Google trends data to document a temporal shift from physical store sales to online shopping services and a significant decline in demand for the hospitality, restaurant and retail sectors.

Indonesia has an e-commerce roadmap that regulates licensing, taxation, holding, and support for e-commerce. The e-commerce roadmap also regulates the protection of society. This is stated in Presidential Regulation (Perpres) Number 74/2017 concerning the 2017-2019 National Electronic Trading System Roadmap (e-commerce road map). Implementation of e-commerce taxation is regulated by Minister of Finance Regulation Number 210/MK.010/2018 concerning Tax Treatment of Trade Transactions Through Electronic Systems which came into effect April 1, 2019. The government does not set new rates or types of taxes for e-commerce players. The purpose of the regulation is to create equality between economic actors. Tax objects in e-commerce are trade transactions related to the marketplace platform for service providers, traders and buyers.

Previous research used in developing the hypothesis is as follows: Taufik & Ayuningtyas (2020) found that the Covid-19 Pandemic, which is a non-natural disaster, is one of the factors from the external environment that has an impact on reducing conventional business activities, but can take advantage of platform-based business activities. on line. New technological developments and diversified consumer demands have boosted today's digital retail industry. It also affects the way buyers/consumers get the goods and services they want. Consumers are turning to e-commerce and mobile to make purchases that would normally be made physically. This change in

shopping style has been largely driven by the emergence of multiple marketplaces and platforms. This change will also impact transaction taxation.

Rao (2000) states that the increasing number of internet users has an impact on the increasing turnover of electronic commerce, which in fact raises several problems in the financial sector, one of which is the tax on the sale of goods on the internet. Rahayu (2010) defines tax compliance as a condition in which taxpayers fulfill all tax obligations and exercise their tax rights. Tax compliance is the fulfillment of tax obligations carried out by individuals or entities as taxpayers in order to contribute to today's development which is expected to be given voluntarily in fulfillment.

The following is an illustrative example of setting prices and releasing funds at Shopee (Source: Shopee.co.id):

1. The seller sets the price for selling flasks at Rp. 100,000, then the price after tax that will be shown to buyers on the product page is:

The selling price set by the seller	= Rp. 100.000
Entry charge (7.5% X Rp.100.000)	= Rp. 7.500
<b>PPN (10% X Rp. 100.000)</b>	<b>= Rp. 10.000</b>
PPh (0% X Rp. 107.500)	= Rp. 0
Compliance (6% X Rp. 100.000)	= Rp. 6.000
<hr/>	
Harga setelah pajak	= Rp. 123.500

1. Buyers purchase products and make payments of:

Product Price	= Rp. 123.500
Shipping Cost	= Rp. 10.000
<hr/>	
Price after Tax	= Rp. 133.500

2. The tax element will be paid by the buyer because the price displayed to the buyer is the price that includes import duties, VAT, PPh and adjustments. So that later Shopee or the seller will pay import duties, VAT, and PPh to the delivery service to be forwarded to Customs and Excise. If the Buyer chooses delivery below:

a. Cashless Delivery Services (J&T Express, JNE Regular, JNE YES, SiCepat REG, and SiCepat Halu)

Shopee will pay for shipping costs, import duties, VAT and PPH to the delivery service. The delivery service accepts a postage of Rp. 10,000 and pay import duties, VAT and PPH to the government according to the amount billed by Customs, then Shopee will release the funds to the seller according to the price of the product set by the seller, which is Rp. 100,000.

---

b. Non-Cashless Delivery Service (Special Express Post)

The seller pays shipping costs, import duties, VAT and PPh to the delivery service. Then the delivery service receives a postage of Rp. 10,000 and pay import duties, VAT and PPh to the government according to the amount billed by Customs. Then Shopee will release funds to the seller according to the final price shown to the buyer and the shipping fee paid by the buyer, which is 133,500.

The development of smart phones has been able to change people's lives today. The emergence of various and innovative applications on smartphones has succeeded in changing people's behavior in various ways, ranging from economic, social, lifestyle, even people's shopping styles. People's shopping is no longer traditional, which usually comes to the market to buy an item, but now people can shop online by simply pressing the smartphone screen while sitting relaxed at home. Repurchase intention or repurchase intention is customer satisfaction which is measured behaviorally by asking whether the customer will shop or reuse company services. In e-commerce applications, customer repurchase intention will appear after making a purchase accompanied by a feeling of satisfaction when shopping using the application. Satisfaction in using e-commerce applications is called electronic satisfaction or electronic satisfaction. Consumer behavior is very dynamic and tends to be adaptive, quickly adapting to the demands of society, which always need public transportation. Their demands are complex so that the government must make a good strategy for the quality of transportation services. They need to be managed by the best managers to adapt to user expectations. In addition, continuous performance appraisal must also be carried out to narrow the gap expected and felt by service users. They must know consumer behavior well, with a full understanding of people's habits. They even have to understand the movement of people and activities well. In this way, consumer needs can be met.

People's lifestyle in the modern era is increasingly instant. Many people are looking for something practical to meet their daily needs. This affects the factor of consumer spending in the current era. Increasing internet penetration makes consumers have a variety of choices to buy the goods they need through e-commerce platforms. Shopee is one of the largest mobile application platforms in Indonesia, Shopee offers On the Shopee market there are supporting logistics delivery services that deliver goods to customers, Sweetpeasbabyknis online. Most customers choose to use JNE and J&T Express for logistics services, JNE is a shipping service company in Indonesia that has expanded its domestic network throughout Indonesia and J&T Express is a new shipping service company in Indonesia that is growing rapidly and has made express delivery between cities, outside cities, and between provinces.

Shopee e-commerce consumers have a very good perception of perceived pleasure in terms of happiness. A website is not only important for marketing products and services, but also for providing information that can attract customers to make transactions. In their free time, consumers often browse the e-commerce application Shopee to refresh their brains. Complete and varied product choices when exploring Shopee e-commerce make consumers feel that they have a pleasant experience. This encourages consumers to make repeat purchases on Shopee e-commerce in the future. The intention to repurchase at Shopee is also influenced by the convenience (joy) of consumers who have a more comfortable feeling compared to offline shopping because they are not disturbed by other people's activities so that consumers feel more flexible in repurchasing products at Shopee e-commerce. Another factor that influences repurchase intention is the fun factor, e-commerce Shopee must provide an attractive appearance so that consumers like it. The

---

emergence of the Shopee e-commerce system is now equipped with live streaming, live chat, social sharing and hashtag features to make it easier for sellers and buyers to find the desired product. If consumers get a good display and an easy-to-understand shopping system, consumers will not hesitate to make repeat purchases at Shopee e-commerce.

## Conclusion

The increasing number of visits or users of Shopee services as e-commerce that provides various innovations and conveniences for consumers in shopping certainly has an effect on increasing tax revenue for the State, in this case including value added tax (VAT). The amount of revenue from these transactions must be accompanied by more optimal supervision both in terms of government and internal Shopee in supervising and implementing rules regarding value added tax to producers or sellers who are members of the e-commerce. Shopee's challenge as a seller facilitator is the large number of sellers who do not have an NPWP, but apart from that Shopee has created its own roadmap in maximizing the tax collection regulation. Therefore, it is hoped that Shopee can re-socialize the application of the e-commerce transaction tax, considering that the growth of e-commerce transactions has been increasing from year to year. Socialization can be done to MSMEs who are members of the e-commerce.

The emergence and rapid growth of e-commerce has created the challenge of creating a favorable legal environment for the effective implementation of online buying and selling processes and VAT treatment. The emergence and rapid growth of e-commerce has created a challenge to create a good legal environment for online transactions and effective VAT treatment. The collection conducted by PT Shopee Internasional Indonesia as an intermediary is an efficient collection because the DGT simply supervises the PT Shopee Internasional Indonesia application market without having to supervise every foreign service provider or foreign trader. overlapping with the imposition of VAT on foreign service providers or foreign traders. The approach taken is to make PT Shopee Internasional Indonesia, a partner in collecting PMSE VAT.

## References

- Ansari, A., Mela, C. F., & Neslin, S. A. (2008). Customer channel migration. *Journal of Marketing Research*, 45, 60–76
- Abay, K. A., Tafere, K., & Woldemichael, A. (2020). Winners and losers from COVID-19: Global evidence from Google search. *World Bank Policy Research Working Paper*
- Abuyamin, O. (2016). *Perpajakan*. Bandung: Mega Rancage Press.
- Ballantine, P. W., Zafar, S., & Parsons, A. G. (2014). Changes in retail shopping behaviour in the aftermath of an earthquake. *International Review of Retail Distribution & Consumer Research*, 24(1), 1–13.
- Couclelis, H. (2004). Pizza over the internet: E-Commerce, the fragmentation of activity and the tyranny of the region. *Entrepreneurship & Regional Development*, 16,41–54.
- Desmichel, P., & Kocher, B. (2020). Luxury single-versus multi-brand stores: The effect of consumers' hedonic goals on brand comparisons. *Journal of Retailing*, 96,203–219.

- 
- Hidayat, T. (2009). *Panduan Membuat Toko Online Dengan OS Commerce*. Jakarta: Mediakita
- Hwang, E. H., Nageswaran, L., & Cho, S.-H. (2020). Impact of COVID-19 on omnichannel retail: Drivers of online sales during pandemic. Available at SSRN 3657827
- Larson, L. R., & Shin, H. (2018). Fear during natural disaster: Its impact on perceptions of shopping convenience and shopping behavior. *Services Marketing Quarterly*, 39(4), 293–309.
- Lim, S. A. (2018). Perlakuan Pajak Pertambahan Nilai Transaksi E-Commerce di Indonesia. *Perlakuan Pajak Pertambahan Nilai Transaksi E-Commerce di Indonesia*, 42.
- Meiryani, M., Juwita, A., Agustini, A., Siauwijaya, R., & Adriana, M. (2021). The Influence of Covid-19 Pandemic on E-Commerce Transactions on Shopee Indonesia. In *The 2021 12th International Conference on E-business, Management and Economics* (pp. 35-42).
- Mehra, A., Kumar, S., & Raju, J. S. (2013). Showrooming and the competition between store and online retailers. Available at SSRN, 2200420.
- Nanda, A., Xu, Y., & Zhang, F. (2021). How would the COVID-19 pandemic reshape retail real estate and high streets through acceleration of E-commerce and digitalization? *Journal of Urban Management*, 10(2), 110-124.
- Gunadi. (2010). *Ketentuan Dasar Pajak Penghasilan*. Selemba Empat. Jakarta.
- Goolsbee, A. (2001). The Implications Of Electronic Commerce On Fiscal Policy (and Vice Versa). *Journal of economic perspectives*. 13-23.
- Purbo, O.W. (2014). *The Struggle in Indonesia Computer Network Beginning in The 90s*. Tangerang: Surya University, 35.
- Pantano, E., Pizzi, G., Scarpi, D., & Dennis, C. (2020). “Competing during a pandemic? Retailers' ups and downs during the COVID-19 outbreak”. *Journal of Business Research*, 116, 209–213
- Scarcella, L. (2020). E-commerce and effective VAT/GST enforcement: Can online platforms play a valuable role? *Computer law & security review*, 36, 105371.
- Sheu, J. B., & Kuo, H. T. (2020). Dual speculative hoarding: A wholesaler-retailer channel behavioural phenomenon behind potential natural hazard threats. *International Journal of Disaster Risk Reduction*, 44
- Suyanto, M. (2003). *Strategi Periklanan pada E-commerce Perusahaan Top Dunia*. Yogyakarta.
- Suryani, L. P. 2019. Analisis Yuridis Pemungutan Pajak Dalam Transaksi E-Commerce di Indonesia. *Jurnal Analogi Hukum*, 115.
- Taufik, T., & Ayuningtyas, E. A. (2020). Pandemic impact of covid-19 on Business and online platform existence. *Journal of Entrepreneurial Development*, 22 (01), 21-32.
- United Nations. (2011). *Model Double Taxation Convention Between Developed and Developing Countries*. New York: United Nations. 483.

- 
- Utomo, R. (2017). Tantangan pengawasan ppn atas transaksi konten digital. *JURNAL PAJAK INDONESIA (Indonesian Tax Review)*, 1(1), 38-43.
- Visser, E. J., & Lanzendorf, M. (2004). Mobility and accessibility effects of B2C e-commerce: A literature review. *Tijdschrift voor Economische en Sociale Geografie*, 95, 189–205.
- Waluyo. (2009). *Akuntansi Pajak*. Selemba Empat. Jakarta.
- Weltevreden., Rotem-Mindali. (2009). Mobility effects of b2c and c2c e-commerce in the Netherlands: a quantitative assessment. *Journal of Transport Geography*.
- Wijaya, S., Nirvana, A. P. (2021). Pajak Pertambahan Nilai Perdagangan Melalui Sistem Elektronik (Studi Kasus PT Shopee Internasional Indonesia). *Bilancia: Jurnal Ilmiah Akuntansi*, 5(3), 245-256.
- Zhang, D., Zhu, P., Ye, Y. (2016). The effects of E-commerce on the demand for commercial real estate. *Cities*, 51, 106–120
- Waluyo. (2009). *Akuntansi Pajak*. Selemba Empat. Jakarta.