



Indonesia up 44 places in ease of paying taxes

Paying taxes in Indonesia is becoming easier thanks to digital technology and legal reforms.

According to a joint study by financial consulting firm PricewaterhouseCoopers and the World Bank, Indonesia has improved to the 104th rank among 190 economies assessed.

The study, "Paying Taxes 2017", was released on Thursday, showing that Indonesia's rank in 2016 increased by 44 places from 148th place last year. In 2014, Indonesia was ranked 160th.

"Indonesia's significant improvement of 44 places in the Paying Taxes 2017 study reflects the use of electronic social-security systems and ongoing positive tax reforms. The government's focus on improving the ease of paying taxes is the right step in encouraging tax compliance," Ay Tjhung Phan, PwC Indonesia's head of tax and legal services, said in a statement.

Even though it has a massive potential tax base given the population of 255 million, Indonesia's current tax-to-GDP ratio stands at less than 12 percent, below the typical Southeast Asian rate of 13-15 per cent. – The Jakarta Post