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**TAX POLICY FOR FOREIGN E-COMMERCE INCOME IN INDONESIA, INDIA
AND THE UK AND THE IMPLEMENTATION OF ACTION PLAN OF BEPS 1 IN
TAXATION PROVISION IN INDONESIA**

NING RAHAYU¹

¹Kulub Rino Waskito, Binsar Nicolaidos and Yusuf Mawardi.

Abstract

Over the past two decades, the development of internet use has rapidly increased where Indonesia ranks the sixth of internet users around the world. The increased internet use is also followed by the increased e-commerce transactions. E-commerce transactions are not only derived from local e-commerce actors but also foreign ones. In the complexity of interaction in cyberspace and the global characteristics of e-commerce bring difficulties for the governments of Indonesia, India and the UK in the taxation of these e-commerce transactions. The purpose of this research is to find out the taxation policy for e-commerce transaction in Indonesia, India and the UK and implementation of BEPS Action Plan 1 in Indonesian taxation regulation. This study used a qualitative approach by data collection techniques through literature study and field study by interviews with key informants. The result of this study indicates that the taxation policy for e-commerce in Indonesia refers to domestic tax provisions on income and tax treaty. Meanwhile, India and the UK created a new type of tax beyond the income tax. Furthermore, in order to prevent tax evasion on foreign e-commerce transactions, Indonesia is revising the related regulations in line with BEPS action plan 1 of OECD recommendations.

Keyword: ecommerce, BEBS Action Plan, taxation policy, domestic tax law, tax treaty

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