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Transformation of Dgt Tax Intelligence in Coretax

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ABSTRACT: Through Tax Reform Volume III, the Directorate General of Taxes (DGT) introduced the Tax Administration Core System (SIAP) or Coretax which aims to revolutionize the tax administration process to increase tax revenue and taxpayer compliance. This study aims to explore changes in the tax intelligence business process, one of the business processes in Coretax. This study is an exploratory study conducted by digging up in-depth information from 14 respondents who are business process owners, users of intelligence reports, and strategic leaders to be then compared with its implementation at the Australian Taxation Office. The study results indicate that the Coretax Application has excellent potential to produce actionable intelligence, namely the results of intelligence activities that are relevant, contextual, and can be used immediately. For this reason, intensive training is needed regarding the application and additional features to increase the effectiveness of the application, data integration to accelerate the exploration of taxpayer potential and ensure the relevance of the information presented, as well as continuous updates to the Coretax Application to face the dynamics of the global economy and technology.

Keywords: Business Intelligence, Compliance Risk Management, Coretax, Tax Intelligence.

INTRODUCTION

The success of a country's development is closely related to national income, which will be achieved if the country has stable and solid financial resources (Enache, 2020). If the government is increasingly aggressive in implementing development programs, it will require financial resources, which will have consequences for increasing state revenues (Sentanu, 2016). The taxation sector is one of the instruments of state revenue, including in Indonesia, because taxes have a significant role in national development (Agnes & et al., 2021). Taxes are essential for generating public funds that enable the financing of public goods and serve as a means of redistributing wealth to reduce economic inequality (Claus I, 2014). Tax contributions to Indonesia's revenues reach more than 70%, while loans mainly cover the remainder. (Kemenkeu, 2023). Tax targets increase every year in line with

growing expenditures. To ensure compliance, tax authorities must implement lenient laws and enforce system measures based on tax risks (Ovcharova, 2019). Since taxes are the primary source of state finances, effective and efficient tax collection is one of the government's main concerns (Arbel Y, 2019).

The Directorate General of Taxes (DGT) is an echelon I unit in the Ministry of Finance of the Republic of Indonesia (Kemenkeu), which is entrusted with formulating and implementing policies in the field of taxation (Kemenkeu, 2021). This shows that state revenue from the tax sector is the responsibility of the Directorate General of Taxes. For three consecutive years, namely 2021 to 2023, the Directorate General of Taxes has succeeded in achieving, and even exceeding, the tax revenue target set by the government. In 2023, Indonesia's tax revenue reached IDR1, 869. 23 trillion, equivalent to 108. 8 percent of the 2023 State Budget (APBN) target. This realization experienced an 8. 9 percent growth compared to the realization in 2022, which was IDR1, 716. 77 trillion. (Kemenkeu, 2023).

This achievement cannot be separated from the level of taxpayer compliance. In the last five years, namely 2019 to 2023, taxpayer compliance in paying taxes has increased. Factors that influence taxpayer behavior in supporting the level of tax payment compliance consist of five factors, namely 1) prevention efforts, for example the intensity of tax audits, the risk of being detected, and the level of sanctions imposed; 2) applicable norms or values; 3) opportunities, both to comply (related to low compliance costs, or simple and non-complex rules) or not to comply (related to opportunities to evade taxes); 4) fairness related to results or procedures, as well as trust in both the government (tax authority) and other taxpayers; and 5) economic factors, which include all factors related to general economic conditions, business or industry conditions, and the amount of tax to be paid (Darussalam, Septriadi, Kristiaji, & Vissaro, 2019).

In its development, organizational changes become necessary where adapting is the key to surviving and developing amidst the demands of the times. The need for change and adaptation is increasingly urgent in the dynamic world of taxation. Tax digitalization is one way to answer this challenge. Tax digitalization involves integrating digital technology to improve various aspects of the tax system, which aims to increase efficiency, accuracy, transparency, and ease in tax-related activities (Azuaje, 2023). This digitalization brings many benefits, including reduced administrative burden, minimized tax evasion, increased revenue collection efficiency, and higher transparency. Successful implementation requires careful planning, strict cybersecurity controls (Gao, Lu, & Yu, 2019), infrastructure development (Meiryani, Oktavianie, & Teresa, 2022), and effective stakeholder communication (Ullah, Sepasgozar, Thaheem, & Al-Turjman, 2021).

Tax authorities in developed countries have widely adopted tax digitalization, but tax authorities in developing countries face challenges. Implementing digitalization is critical to the sustainability and resilience of tax authorities in the digital economy. This is more likely to happen when tax authorities experience performance benefits, easy-to-use systems, social support, and supportive infrastructure (Zakaria & et.al, 2024). Implementing digital transformation significantly reduces tax evasion and increases corporate productivity through tax evasion suppression. Digital transformation reduces

corporate tax evasion through increasing innovation and efficiency in resource allocation (technology level), improving the quality of internal control (organizational level), and reducing industry competition (environmental level). The impact of digital transformation in reducing tax evasion is significantly more significant for growing and low-financed companies. In addition, lower business risk is essential to maximize the effectiveness of digital transformation and reduce corporate tax evasion. This is important for governments seeking to improve tax administration, guide market and regional development, and enhance the impact of corporate digital transformation in reducing tax evasion (Zhang & She, 2024).

DGT has made various efforts in tax reform to improve transparency, efficiency, and fairness of the tax system in Indonesia. Tax reforms rolled out by DGT include aspects of tax policy, administration, and supervision. The main goal is to create a system that can address digitalization and globalization challenges. (DJP, 2023). As part of this reform, DGT has carried out three tax reforms. Where in the third volume of reform, DGT introduced the Core Tax Administration System (SIAP) or Coretax Administration System (CTAS/Coretax) which is one of the priority activities that is an indicator of the Development Target in the National Medium-Term Development Plan (RPJMN) 2020-2024 (Kementerian Keuangan, 2020). This project will bring fundamental changes to the applications and business processes that will make DGT's tax administration system more modern in accordance with best practice tax administration in developed countries. Ultimately, Coretax is expected to benefit various parties, namely Taxpayers, tax authorities, DGT, and other stakeholders. Ultimately, this reform is expected to help tax authorities enforce the law, making it easier for taxpayers to fulfill their tax obligations, increasing fairness for all taxpayers, and reducing tax compliance costs. (Saragih & et.al., 2023).

With the presence of Coretax, at least 21 business processes have changed, one of which is the tax intelligence business process that utilizes Compliance Risk Management (CRM) and Business Intelligence (BI). Through CRM and BI, data collection, processing, and analysis are faster, more accurate, and more structured (DJP, 2022). Coretax will integrate all business processes with the implementation of CRM and BI as the primary key in the input and output of tax data. This system is expected to benefit the Directorate General of Taxes significantly, especially in increasing the effectiveness of the tax intelligence process and taxpayer supervision. With comprehensive data and advanced analytical capabilities, the Coretax Application allows the Directorate General of Taxes to identify non-compliance risks and optimize tax supervision strategies.

In the context of tax intelligence business processes, the DGT has issued Regulation of the Director General of Taxes Number PER-15/PJ/2019, which regulates the stages and functions of tax intelligence to support core business processes, as well as expanding its application to all other business processes at the DGT. However, in its implementation, the current (as is) tax intelligence business process still faces various challenges, especially in terms of speed and accuracy of data analysis. The main challenge lies in the need to improve the effectiveness and accuracy of tax intelligence, considering that most as-is business processes are still carried out manually.

Tax intelligence is a series of activities in the intelligence cycle that includes planning, collecting, processing, and presenting data or information to produce intelligence products that can be used for tax purposes. The main objective is to collect accurate and reliable data or information to support tax supervision and compliance. Data or information obtained from tax intelligence activities and observations will become part of the Directorate General of Taxes' tax database (DJP, 2019). The resulting database can be obtained from all types of intelligence activities, namely intelligence operations, intelligence analysis in the context of developing and analyzing information, data, reports, and complaints, intelligence analysis in the context of exploring potential, security, mobilization, strategic intelligence analysis and other activities for tax purposes in the context of carrying out tasks and functions. (Kusuma & Maradona, 2020)

Most of the current tax intelligence business processes (as is) are still carried out manually so several conditions are not optimal, such as redundancy of activities due to manual and non-standard formats, dissemination of the results of tax intelligence activities manually and not yet integrated with core business processes at DGT, determination of tax intelligence activity targets that do not yet use a risk-based approach, and monitoring and evaluation processes that are less effective because document storage is not yet integrated with the system (DJP, 2019). With the implementation of Coretax, the tax intelligence business process (to be) will be integrated with the DGT database to support preparing planning, implementing tax intelligence activities, and implementing digital monitoring and evaluation. The results of tax intelligence activities will enrich DGT information utilized by management and/or related business processes (DJP, 2022).

In intelligence theory, there is an intelligence process consisting of stages of data collection, analysis, dissemination, and application of analysis results for decision-making and feedback (Lowenthal, 2022). The concept of actionable intelligence emphasizes that intelligence analysis results must be relevant, timely, and can be used immediately to support strategic decisions (Carter, 2014). In taxation, the ability to produce analytical results from intelligence information that can be used immediately will significantly assist the Directorate General of Taxes in increasing taxpayer compliance and state revenues.

The Australian Taxation Office (ATO) has faced constant challenges in staying ahead of the curve to efficiently meet rising service expectations and sustain a culture of voluntary compliance, especially as tax avoidance, evasion, and related crimes have become borderless and as prevalent online as they are on the streets. The ATO initially identified the benefits of technology in improving its internal efficiency and automated manual functions. The ATO also developed portals to create a single point of access for tax agents and businesses to transact and interact online. One of the critical milestones was implementing a centralized system for managing and leveraging data, led by a Chief Knowledge Officer. This system supports the delivery of new digital services, notably through the rapid growth of third-party data flows for pre-filling purposes. It also provides in-depth analysis of tax risks and enables more customized compliance strategies (Granger & Sawyer, 2022). With Compliance Model Management based on pyramid regulation, where persuasion and prevention of tax violations are prioritized at the base of the pyramid, and strict law enforcement is at the top, the ATO can move

responsively to optimize tax revenue by targeting the right compliance drivers at the right moment (Braithwaite & Braithwaite, 2000).

Based on the background explanation, the author is interested in exploring the transformation of tax intelligence business processes at DGT in Coretax. In addition, the author compares the tax digitalization business process with the implementation at ATO to obtain a comprehensive conclusion regarding the implementation of Coretax.

LITERATURE REVIEW

CRM and BI in Taxation

Big data is a phenomenon that emerged in the era of the Industrial Revolution 4. 0. According to research by the International Data Corporation (IDC), the global collective data volume is predicted to grow at an annual growth rate of 61%, driven by the increasing number of computer and mobile devices connected through IoT (Internet of Things) and IoS (Internet of Services). Big data has several key characteristics: volume (size), value (utility), variety (diversity), velocity (speed), and veracity (accuracy). Generally, large-sized data with low utility value necessitates an analytical process, commonly called Big Data Analytics (BDA) (DJP, 2022).

The development of data analytics at the Directorate General of Taxes (DJP) formally began in 2014 with the initial development of Compliance Risk Management (CRM). CRM is a risk-based compliance enhancement approach that provides differentiated treatment for taxpayers based on compliance risk levels. In 2019, DJP established the Directorate of Tax Data and Information (DIP) through Minister of Finance Regulation Number PMK-87/PMK-01/2019, which replaced Minister of Finance Regulation Number 217/PMK. 01/2018 on the Organization and Governance of the Ministry of Finance. This directorate is responsible for developing Big Data Analytics (BDA) and Business Intelligence (BI), which involve processes to transform data into valuable information and insights for organizational decision-making. CRM and BI are key elements of the Coretax Application, enabling data collection, processing, and analysis to produce strategic insights (DJP, 2022).

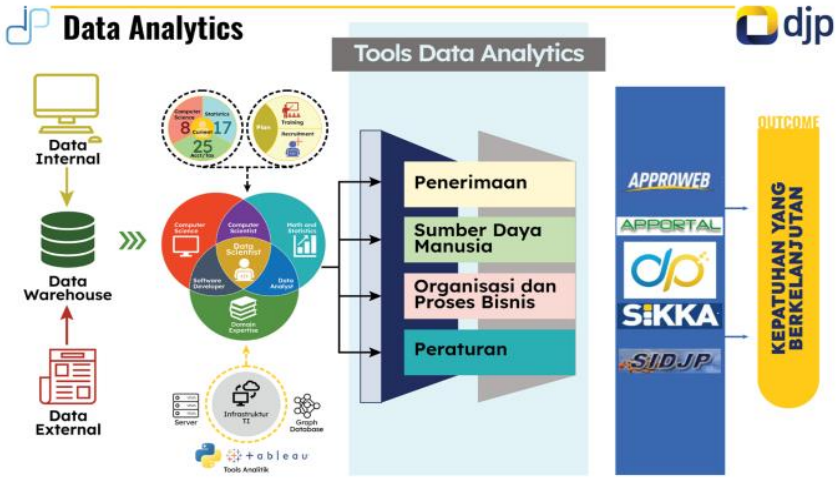

Figure 1: Strategic Initiatives for Big Data Analytics at DJP

Source: CRM and BI Book, DJP (2022)

Tax Intelligence

The Regulation of the Director General of Taxes Number PER-15/PJ/2019 on the Implementation of Tax Intelligence and Surveillance Activities defines Tax Intelligence Activities as a series of activities within the intelligence cycle, encompassing the planning, collection, processing, and presentation of data or information to produce intelligence products that can be utilized for taxation purposes. Its primary goal is to gather accurate and reliable data or information to support tax supervision and compliance. This regulation also stipulates that data or information obtained from tax intelligence and surveillance activities will become part of the tax database of the Directorate General of Taxes (DJP).

The concept of tax intelligence as regulated in this provision aligns with the theory of the Intelligence Process, which involves systematic steps in intelligence activities, starting from identifying information needs to delivering analytical products to policymakers _(Lowenthal, 2022). The stages of this intelligence process include seven key steps closely aligned with implementing the Tax Intelligence Business Process in the era of DJP's Coretax Application.

The first stage, identifying requirements, involves determining policy areas that require intelligence, such as detecting potential tax non-compliance or high-risk economic sectors. In the context of Coretax, these requirements are determined through directives issued by leadership. The second stage, collection, focuses on gathering data through various intelligence techniques, including collecting internal data via the Coretax Application, designed as an automated data integration tool. Coretax supports this stage with its ability to access and efficiently integrate large volumes of data. The third stage, processing and exploitation, refers to converting raw data into structured information ready for analysis. This stage remains one of the primary challenges in the current "as-is" tax intelligence

business process, as the volume of collected data often exceeds processing capacity, and much of the work is conducted manually, reducing efficiency and accuracy (Lowenthal, 2022).

The fourth stage, analysis and production, involves interpreting information to produce reports relevant to policymakers' needs. In Coretax, these reports take the form of tax intelligence reports that are distributed confidentially to intended dissemination recipients. The fifth stage, dissemination, refers to delivering the results of tax intelligence analysis to relevant business process owners within DJP's core business processes, such as supervision, auditing, collection, and/or enforcement teams, as well as other business processes. The sixth stage, **consumption**, addresses how policymakers or relevant business process owners utilize the recommendations in the intelligence analysis reports to support strategic decision-making, such as determining treatment for taxpayers based on their risk levels. The seventh and final stage, feedback, involves a dialogue between tax intelligence business process owners, relevant DJP business process owners, and strategic leaders as policymakers to evaluate whether the intelligence reports meet their needs and adjust business processes if necessary (Lowenthal, 2022).

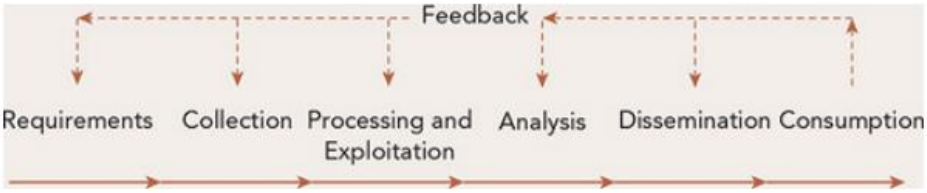

Figure 2: The Intelligence Process: A Central Intelligence Agency View

Source: Intelligence from secrets to policy, Lowenthal (2022)

This process is cyclical, where each stage is interconnected and contributes to improving the quality of intelligence activity reports to support decision-making across all business processes within the Directorate General of Taxes (DJP). In the context of digital tax reform through the Coretax Application, optimizing the "to-be" tax intelligence business process is essential to presenting critical data and information that cannot be obtained through formal (non-intelligence) processes. This optimization recommends detecting and managing tax non-compliance risks (DJP, 2022).

Intelligence for Strategic Actions (Actionable Intelligence)

The four-step approach to actionable intelligence is known as the SWAT Framework (Carter, 2014). The purpose of this framework is to simplify the complexities of big data and produce relevant, contextual, and meaningful information to support strategic decision-making. The first step, **S (Ask strategic business questions)**, aims to identify the key questions that are the focus of the business. The second step, **W (Wrangle data)**, involves managing data from various sources efficiently and cost-effectively. Next, **A (Answer with visualization)** focuses on presenting data through

compelling visualizations, making analysis easier and highlighting priority issues. Finally, **T (Take action)** encourages taking strategic steps based on the available information while evaluating process changes to enhance fact-based decision-making (Carter, 2014).

In the context of DJP's Coretax Application, the SWAT framework can be adapted to strengthen the "to-be" tax intelligence business process, particularly in enhancing the effectiveness of data and information dissemination for DJP's core business processes. The S (Ask strategic business questions) step is utilized to identify strategic questions, such as high-risk economic sectors or specific taxpayer segments requiring intensive monitoring. The W (Wrangle data) step involves managing large datasets from various sources. Next, A (Answer with visualization) is relevant for presenting data, such as taxpayer risk dashboards that help employees understand patterns of taxpayer non-compliance. The final step, T (Take action), involves recommendations for stakeholders to take proactive measures based on data and intelligence analysis results, such as providing early detection or determining priority treatments for taxpayers.

Application Reference in the Australian Taxation Office (ATO)

The Australian Taxation Office (ATO) implements the Compliance Model with a pyramid regulation approach, where persuasion is prioritized as the initial step at the pyramid's base, followed by escalation toward law enforcement with stricter penalties if the initial steps fail. To support the implementation of this model, the ATO employs a Strategic Intelligence Network, a strategy designed to identify and target key actors, such as tax consultants or beneficial owners who design tax avoidance schemes (Braithwaite & Braithwaite, 2000).

This approach is reinforced by risk leveraging, a creative, innovative, and adaptive strategy for detecting and addressing non-compliance. Risk leveraging emphasizes the importance of ATO's innovation in risk management to prevent taxpayers from predicting ATO's patterns in administering treatments to taxpayers. Implementing this approach creates uncertainty for tax evaders, making them more likely to comply with regulations (Braithwaite & Braithwaite, 2000). Braithwaite & Braithwaite (2000) also highlight that evidence from tax administration demonstrates that compliance is influenced by various parties, including industry associations, families, advisors, tax managers, tax agents, and international organizations such as the OECD.

One of the main focuses in the ATO Corporate Plan 2024-2025 is the Digital Strategy Framework, which supports its vision and goals toward tax digitalization. ATO's digitalization efforts go beyond transforming manual processes into digital ones; they involve implementing automated intelligence to transform systems more innovatively and efficiently. This strategy creates an interconnected ecosystem, protects data and systems, and simplifies the taxation process (ATO, 2023).

In positioning this digital strategy, the ATO places data, analytics, and insights at the core of its service culture, early intervention activities, and its goal of preventing non-compliance early. By leveraging data and analytics, the ATO makes it easier for taxpayers to comply while making potential non-

compliance increasingly difficult (ATO, 2024). Regarding accelerated decision-making, the ATO utilizes artificial intelligence, commonly called machine learning, which enables the analysis of large volumes of data quickly and efficiently. Machine learning algorithms can complete processes that might take months manually in just a matter of days, saving both time and resources (ATO, 2024).

As part of this strategy, the ATO developed the Data Matching Program, designed to enhance public trust in the integrity of the taxation system. The Specific Data Matching Program allows the ATO to collect data from various sources without requiring specific regulations. This program protects honest taxpayers by identifying others who may not report all their income, businesses operating outside the tax system, or taxpayers conducting business activities without filing tax returns. The ATO can obtain specific data through this Data Matching Program includes information such as credit and debit card transactions, specialized payment systems, online sales, ride-sourcing services, vehicle ownership, and cryptocurrency transactions (ATO, 2023). Through this comprehensive digital strategy, the ATO not only improves the efficiency of its services but also strengthens public trust in the tax system by leveraging technology to detect and prevent non-compliance (ATO, 2024).

METHOD

To answer the problem formulation, the author uses exploratory research to explore and understand the meaning individuals or groups give to a social problem. This approach also aims to gather information and create new knowledge in areas not widely researched, focusing on developing basic ideas through open-ended questions and observation (Creswell, 2014). This approach enables the grouping of perceptions, experiences, and views regarding the effectiveness of the "as-is" to "to-be" tax intelligence business processes, focusing on opinions related to using tax intelligence report data in supporting both core and other business processes within DJP.

The respondents in this study were 14 employees who were executors of the tax intelligence business process and users of the tax intelligence report. For simple experimental research with strict control, the sample size can be between ten and twenty (Roscoe, 1975). This study measures the effectiveness and challenges of the "as-is" and "to-be" tax intelligence business processes through interviews with respondents holding various roles, tasks, and functions within DJP. Respondents are classified based on their roles in the tax intelligence business process at DJP, including technical executors responsible for conducting tax intelligence business process activities (P1, P2, P3); relevant business process owners who use tax intelligence reports for oversight, enforcement, and collection functions (A1, A2, A3, A4, PP1, PP2, F1, J1); and strategic leaders who determine policies and governance (KS1, KS2, KB). The explanation from the respondents of this study is as shown in Table 1.

Table 1. Distribution of Respondents by Position

Respondent Group	Respondent Code	Position	Number
Business Process Executors	P1, P2, P3	Executors of Tax Intelligence Business Processes	3

	Supervision	A1, A2, A3, A4	Performing supervision functions for taxpayers	4
Relevant Business Process Owners	Law Enforcement	PP1, PP2	Performing law enforcement functions	2
	Auditing	F1	Performing auditing functions for the taxpayer	1
	Collection	J1	Performing collection functions for taxpayers	1
Strategic Leaders		KS1, KS2, KB	Strategic Leaders, including direct supervisors of executors	3
Total				**14**

Source: Data processed (2024)

In the first stage, the predetermined respondents were asked questions related to tax intelligence's "as-is" and "to-be" business processes. The research questions are presented in Table 2.

Table 2. List of Research Questions Based on Respondent Group

No.	Questions		Type of answer
	Business Process Executors and Strategic Leaders	**Relevant Business Process Owners**	
1.	What is your position or role within the Directorate General of Taxes (DJP)?	What is your position or role within the Directorate General of Taxes (DJP)?	Short Answer Text
2.	What is your understanding of the changes in the tax intelligence business process "to be" in the era of DJP Coretax?	What is your understanding of the data and information disseminated by the tax intelligence unit?	Long Answer Text
3.	Do you understand the main objectives and benefits of the Coretax application in the tax intelligence business process? If yes, please state your understanding.	Does the tax intelligence unit's data and information assist you in your tax revenue work? Please describe your experience in using it.	Long Answer Text
4.	Do you anticipate any issues or challenges regarding implementing the new business process following Coretax? Please explain.	What are the main issues you face when using data and information analyzed by tax intelligence officers?	Long Answer Text
5.	How 'powerful' or effective is the to-be tax intelligence business process with Coretax compared to the as-is business process?	What is your understanding of the DJP Coretax application, particularly in facilitating follow-up actions from tax intelligence activities?	Long Answer Text
6.	What is the impact of this to-be tax intelligence business process, particularly on improving tax	In your opinion, how should the intelligence business process operate in the Coretax era? Is it	Long Answer Text

	revenue and taxpayer compliance? Please explain your opinion.	different from the current process?	
7.	Since Coretax has not been fully implemented, what are your expectations regarding the further development of the Coretax application to support the tax intelligence business process?	What is your opinion on the impact of changes in the to-be tax intelligence business process with the Coretax application on your work related to the tax revenue function?	Long Answer Text
8.	Do you have any other suggestions or recommendations for the further development of Coretax to support tax intelligence tasks?	What are your expectations for the development of Coretax to support the efficiency and effectiveness of work related to the results and distribution of tax intelligence data and information?	Long Answer Text
9.		Do you have any suggestions or input regarding further developing the DJP Coretax application in the context of the tax intelligence business process?	Long Answer Text

Next, the results of filling out the questionnaire are then compiled and compared with the theoretical framework outlined, which includes (1) the Basic Concept of Risk Management in Tax Intelligence, highlighting the importance of integrating Compliance Risk Management (CRM) and Business Intelligence (BI) to manage risks and support data-driven decision-making (DJP, 2022); (2) the Intelligence Process in the Context of Taxation, which describes systematic steps from information collection to the presentation of analytical products that are relevant for supporting strategic decisions (Lowenthal, 2022); and (3) Intelligence for Strategic Actions, which adapts the SWAT framework (Strategic Business Questions, Wrangle Data, Answer with Visualization, Take Action) to produce actionable intelligence to strengthen tax oversight (Carter, 2014).

As a comparison, the thematic analysis results are linked to implementation examples at the Australian Taxation Office (ATO). The ATO has utilized technologies such as machine learning and the Data Matching Program (ATO, 2023, 2024), as well as strategies such as risk leveraging and the Strategic Intelligence Network within the Compliance Model framework, which have proven effective in improving compliance, supporting tax administration services, and enhancing the overall integrity of the taxation system (Braithwaite & Braithwaite, 2000).

RESULT AND DISCUSSION

Data and Information Management

Respondents P2, A2, PP1, and F1 stated that in the tax intelligence business process, the data collection and management process are conducted manually and dispersed across various applications,

slowing down intelligence data processing. Furthermore, respondents P2, KS1, and A2 stated that The Coretax Application is expected to streamline data management through an integrated system and accelerate the processes of data collection, analysis, and distribution.

From the basic concept of risk management, the Compliance Risk Management (CRM) approach aims to identify and mitigate risks based on priority. However, challenges in the as-is business process indicate that the current manual system slows down the risk analysis process and creates administrative risks, which ultimately reduces the effectiveness of CRM. From the perspective of the intelligence process, the processing and exploitation stages are highly dependent on reliable technology to process data (Lowenthal, 2022).

Furthermore, the link to intelligence theory for strategic action is also evident. In the SWAT framework, the Wrangle Data step becomes very relevant, especially since respondents emphasized the importance of data integration in the Coretax Application as an effort to replace manual processes that are often slow and risk producing untimely intelligence information. Thus, this analysis emphasizes the need for intensive training, the development of more supportive features, and better data integration to ensure that the to-be business process can run optimally.

Dissemination, Completeness, and Accuracy of Intelligence Data

Intelligence information is often delivered manually through official memos or physical documents, which take a long time to distribute to the relevant units (A2, F1, J1). Respondent J1 highlighted that the main obstacle in the collection process lies in the slow access to the required data and information, such as freezing taxpayer assets in financial institutions. Respondent F1 noted that some intelligence data only serves as a trigger without sufficient details to be followed up immediately. He gave an example of a case where the data received turned out to be irrelevant due to misidentification, highlighting the importance of the validity and precision of the data used in the examination process. From an intelligence process perspective, the dissemination stage is a significant concern. The distribution of intelligence data must be fast, accurate, and relevant to support further action (Lowenthal, 2022). However, complaints about slow or indicative data (PP1, J1, F1) indicate weaknesses in the as-is business process system that must be fixed through data integration and automation in the Coretax Application. In the analysis and production stage, challenges expressed by PP2 and F1 indicate that intelligence data often requires additional verification or adjustment for field relevance. This shows the importance of more sophisticated analytical features in the Coretax Application in supporting to-be business processes.

The Take Action step in the SWAT framework is particularly relevant to actionable intelligence. Respondents such as J1 emphasized that intelligence should support immediate action, such as asset freezes or active collections, which are currently hampered by manual systems in as-is business processes. Furthermore, F1 indicated that low data validity could hinder strategic action, highlighting the importance of the Wrangle Data step to ensure that the data presented is free from misidentification or duplication.

Intelligence Process Automation

Manual processes in stages such as data analysis and documentation cause inefficiencies and increase the risk of administrative errors (P1, P3, PP1). (KSI, KS2, KB) provide an optimistic view of the potential of the Coretax Application in supporting the transformation of Tax Intelligence business processes. Respondent KS1 highlighted that the Coretax Application presents more prudent and structured governance, creating an integrated workflow from the beginning to the end. This is expected to improve supervision and validity of the process in Tax Intelligence. On the other hand, KS2 emphasized the importance of automation in the Coretax Application to support better process efficiency, stating that this system could simplify workflows and accelerate the dissemination of intelligence information to target work units. Respondent KB underlined the importance of internal data integration as a top priority, emphasizing that "All internal data needed is expected to be integrated into the Coretax Application" so that data-based decision-making can be done more comprehensively. In addition, the lack of an integrated system with external agencies (such as property or banking data) almost completes the completeness of information needed for tax intelligence (PP1, J1). From a risk management perspective, data integration is important in Compliance Risk Management (CRM). As explained in this theoretical framework, risk-based supervision requires timely and accurate information to prioritize taxpayers with a high risk of non-compliance. Strategic leaders consistently emphasize that the Coretax Application can meet this need if data integration includes internal information, external information from third parties, and data and information from Tax Intelligence activities. This is relevant to the need to improve the reliability and accuracy of data used in decision-making.

The Ask Strategic Business Questions step in the SWAT framework is relevant to intelligence for strategic action. Leaders emphasize the importance of effective task delegation based on personnel capacity and collecting relevant data to support risk-based supervision strategies. The Coretax Application can be a tool to support this to-be business process by providing appropriate and contextual information, allowing leaders to identify strategic questions that need to be answered through intelligence data analysis.

In addition, implementing the Coretax Application is also closely related to the concept of pyramid regulation, which is used to improve taxpayer compliance. In this approach, valid and accurate data is essential in supporting persuasion before strict sanctions are applied to non-compliant taxpayers. KB respondents, for example, emphasized that the Coretax Application can help create a credible data-based supervisory environment, support the efficiency of tax potential extraction, and increase trust between tax authorities and taxpayers. Overall, this group highlighted that implementing the Coretax Application has the potential to transform the tax intelligence business process into a more integrated, efficient, and strategic one. However, this success is highly dependent on developing advanced features in the Coretax Application, such as data integration with third parties, automation, and presentation of relevant data to support more adaptive taxpayer risk management strategies.

Understanding and Competence of Executors

Executors of tax intelligence business processes face difficulties in understanding and adapting to changes in business processes, including new technologies such as Coretax (P1, P3, A1). Therefore, intensive training and practical guidance are expected to enhance executors' competence, enabling them to better handle digital transformation (P2, KB). To improve the skills and digital competence of employees in the tax authority, it is necessary to develop training programs so that services to stakeholders can be carried out efficiently, accurately, and proactively. (Zakaria & et.al, 2024).

A primary focus throughout the Report is the need for the Mexican public sector 'to deploy strategies to reskill, upskill and acquire new talent to deliver on its digital ambitions' (OECD, 2020). The analysis and recommendations support the following:

1. Comprehensive training at scale across the scope of digital transformation, using digital platforms to support learning.
2. Mapping the skills gaps within the public sector to identify those skills and capabilities it can build internally and those it needs to acquire, both specialist technical skills and multi-disciplinary skills to lead cross-organizational digital transformation and improve public sector performance.
3. Attract and retain the right talent by ensuring hiring processes, human resource management, compensation, and recognition support digital transformation and public service leadership.
4. To ensure that highly skilled activities are recognised and performance is delivered, a clear definition of roles, responsibilities, and accountabilities equivalent to those of the private sector is essential.

Relevance of the Coretax Application to the ATO Taxation System

The results of the analysis above indicate that the Coretax Application system of DJP shares many similarities with the system implemented by the ATO, providing a strong foundation to support DJP's digital tax transformation. Several features implemented in the Coretax Application, such as more integrated data management and the application of risk analytics, reflect approaches that the ATO has successfully implemented through its Compliance Model and overall digital strategy.

Respondents acknowledged that the "to-be" tax intelligence business process designed by DJP with the Coretax Application will bring significant improvements compared to the "as-is" tax intelligence business process, which remains fragmented and manual. Expectations for real-time data distribution, automated risk analysis, and cross-agency data integration demonstrate the Coretax Application's great potential to drive efficiency and accuracy. Implementing the Coretax Application, which automates analysis and supports the electronic distribution of intelligence data, will accelerate responses in oversight, audits, data accuracy for collection activities, and precise execution in tax law enforcement. This aligns with the ATO's use of artificial intelligence, such as machine learning, to identify high-risk taxpayers more effectively, ultimately facilitating decision-making in taxpayer management. However, despite the Coretax Application's great potential, some areas can still be further developed to maximize

its efficiency and ensure that the system achieves optimal results, as demonstrated by the ATO, which has implemented data matching with third parties without needing specific regulations to govern it.

It can, therefore, be said that the implementation of the Coretax Application is on the right track and shares similarities with the strategies employed by the ATO. Specifically, the "to-be" tax intelligence business process will undergo significant changes, including faster data analysis and the distribution of intelligence reports because business process digitalization is becoming more potent in producing high-quality data and information through data integration in the Coretax Application. Ultimately, tax intelligence activities will be able to provide more significant impact and benefits for supervision, audits, and even tax law enforcement processes.

CONCLUSION

This study demonstrates that implementing the Coretax Application at the Directorate General of Taxes (DGT) holds significant potential to transform the tax intelligence business process. The respondent groups are optimistic about the Coretax Application's ability to simplify business processes, enhance efficiency, integrate data, and improve the effectiveness of taxpayer treatments. However, challenges remain as the Coretax Application is about to be implemented, such as respondents' limited understanding of the application, emphasizing the importance of intensive training.

The relevant business process owners, particularly users of tax intelligence reports in the supervision function, expressed appreciation for the analysis reports and tax intelligence information. However, they also highlighted challenges, such as additional analysis and complex process adjustments, before the data can be effectively utilized. This issue reflects the need to improve the quality and precision of the presented data. Business process owners in tax law enforcement also emphasized the importance of intelligence data as a key foundation for investigative and tax collection processes. However, challenges remain in the quality and timeliness of data dissemination. It is, therefore, essential to ensure that the Coretax Application can provide comprehensive analysis, real-time data dissemination, and readily usable data by relevant business process owners.

The respondent group of strategic leaders offered a more optimistic perspective on transforming the to-be tax intelligence business process within the Coretax Application. Strategic leaders appreciate the system's potential to support more structured governance of tax intelligence activities, better workload monitoring for tax intelligence officers, and improved database creation. However, they also stressed the importance of continuous technological updates to keep pace with technological advancements and global dynamics.

Based on the analysis and discussion, the following are several strategic steps to support the successful implementation of the "to-be" tax intelligence business process through the Coretax Application:

1. Strengthening training and digital literacy: DGT should conduct intensive and continuous training, such as regular in-house training sessions and video-based guides, to enhance the understanding of

"to-be" tax intelligence business process executors. This should also include simulations of the Coretax Application's use across various case scenarios.
2. Integration of third-party data: DGT must establish partnerships with other institutions to ensure that relevant external data can be accessed in real-time.
3. Development of Coretax Application Features: The Coretax Application should be enhanced to include features such as automated notifications, AI-based risk analysis, and visualization reports that are accessible based on the roles and responsibilities of each business process within DJP.
4. Continuous Evaluation: DJP should regularly evaluate the implementation of the Coretax Application to identify challenges and refine the system based on operational needs.

This study attempts to explore respondents' opinions, but the number of respondents studied is still limited. To complement this research, future studies could measure the impact of changes in tax intelligence business processes through the Coretax Application on tax revenue and taxpayer compliance. Comparative research with other countries can be continuously updated to provide deeper insights into best practices in digitalizing tax intelligence activities. With continuous development, the Coretax Application is expected to become the primary foundation for transforming all business processes at DJP to increase tax revenue and encourage taxpayer compliance.

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