

Tax Non-Compliance Risks of Licensed Importers in Indent-Based Import

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ABSTRACT

This study examines administrative data about indent-based imports by licensed importers and its implications for tax compliance and possible tax revenue loss. Employing a descriptive-analytical methodology, it amalgamates tax return and import payment data to evaluate compliance risks among corporate taxpayers. The study incorporates 268 licensed importers registered in West Jakarta for the 2024 tax year. The analysis reveals that 79% of the observed taxpayers are categorized as having the highest level of risk. These taxpayers collectively claimed around IDR 20 billion in Article 22 Income Tax and VAT credits on imports. Supervisory evaluations revealed discrepancies amounting to IDR 5.46 billion, of which IDR 5.03 billion was recovered from the highest-risk category. These findings show proxy-based indications of compliance risk. The results underscore the necessity to fortify beneficial ownership alignment and improve the integration of tax and customs data via risk-based validation of import-related tax credits.

Keywords: Tax-Noncompliance Risk; Indent; Importer

Risiko Ketidakpatuhan Pajak Importir Berlisensi dalam Transaksi Impor Berbasis Inden

ABSTRAK

Penelitian ini mengkaji data administratif terkait impor berbasis inden yang dilakukan oleh importir berizin serta implikasinya terhadap kepatuhan perpajakan dan potensi kehilangan penerimaan pajak. Dengan menggunakan metode deskriptif-analitis, penelitian ini mengintegrasikan data Surat Pemberitahuan (SPT) dan pembayaran pajak impor untuk menilai risiko ketidakpatuhan Wajib Pajak badan. Penelitian ini mencakup 268 importir berizin yang terdaftar di wilayah Jakarta Barat pada Tahun Pajak 2024. Hasil penelitian menunjukkan bahwa 79% dari sampel memiliki indikasi ketidakpatuhan yang tinggi. Mereka secara kolektif mengklaim kredit PPh Pasal 22 Impor dan PPN Impor sekitar Rp20 miliar. Kegiatan pengawasan menemukan selisih ketidaksesuaian sebesar Rp5,46 miliar, di mana Rp5,03 miliar di antaranya berhasil ditagih melalui kegiatan pengawasan dari kategori Wajib Pajak dengan tingkat risiko tertinggi. Temuan ini menunjukkan adanya indikasi risiko kepatuhan melalui pendekatan berbasis proksi. Hasil penelitian menegaskan pentingnya penguatan keselarasan beneficial ownership serta peningkatan integrasi data perpajakan dan kepabeanan melalui validasi berbasis risiko terhadap kredit pajak yang berasal dari kegiatan impor.

Kata Kunci: Risiko Ketidakpatuhan Pajak; Inden; Importir

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INTRODUCTION

Many Indonesian taxpayers are prevented from directly importing goods by sector-specific and regulatory restrictions. Only authorised importers who are registered with the Directorate General of Customs and Excise (DGCE) are allowed to directly import goods under Indonesian customs law. Licensed importer – approved middlemen who oversee import procedures for clients – are essential to taxpayers without licenses. The government allows licensed importer – intermediary companies permitted to import on behalf of clients without import rights – to lessen this restriction. Licensed importer oversee products and complete all relevant paperwork, such as import declarations, bills of lading, and ancillary documents, despite being legally classified as service providers rather than business owners. According to KMK-539/KMK.04/1990 and Article 1 KEP-148/PJ/2003, indent-based import refers to the activity of bringing goods into the customs territory by an Importer for and on behalf of an orderer (Indentor), pursuant to an import agreement between the Importer and the Indentor. All import-related costs, including the opening of letters of credit (L/C), customs duties, taxes, and other expenses associated with the importation, are fully borne by the Indentor, while the Importer receives a commission (handling fee) as remuneration for its services. The business process of indent-based import as shown in Figure 1.

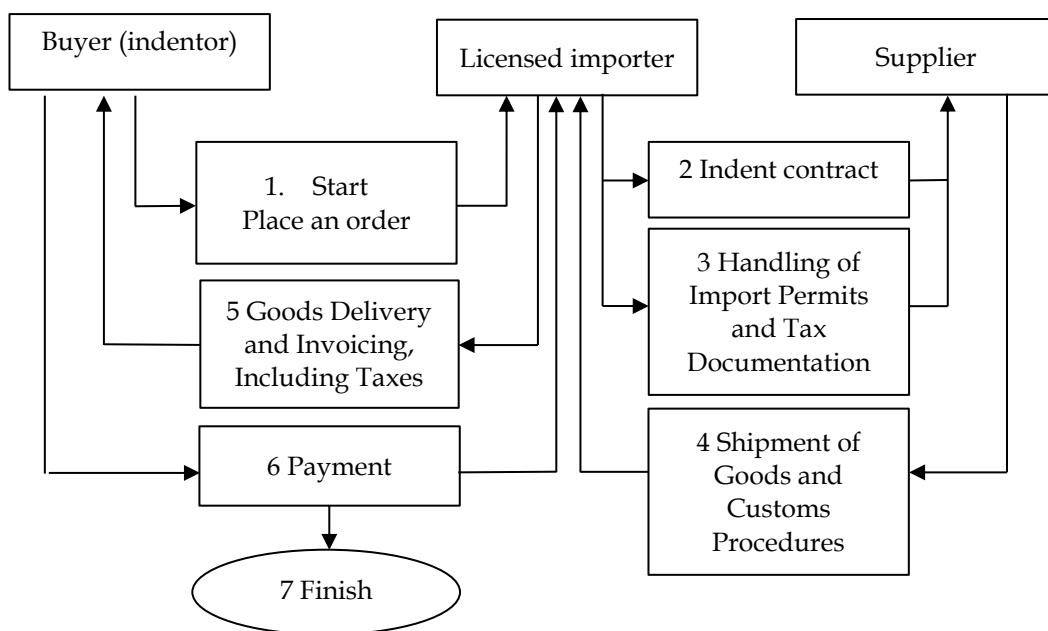


Figure 1 The Business Process of Indent-Based Import

Source : Fitriya, 2025

Imports are made possible by this system, but it also creates the possibility of misreporting and misclassification. Although essential for businesses facing financial, regulatory, or procedural challenges, the indent system carries significant financial risks. While licensed importers are designated as the importer of record, they do not possess economic ownership of the items; clients fund, receive, and sell the imported merchandise. This institutional misalignment facilitates trade-based tax evasion, encompassing underreported revenue,

misclassified transactions, and erroneous claims of Article 22 Import Income Tax and VAT Import credits (Bussy, 2023; Sriyanto & Nurcahyo, 2023; Pomeranz, 2015).

In Indonesia, licensed importer function legally yet frequently engage in practices—such as misrepresenting service fees and asserting Article 22 Import Income Tax and VAT Import credits without actual economic ownership—that diminish public income, obscuring this distinction. This phenomenon is explained by the principal-agent framework (Linder & Foss, n.d.) In order to facilitate import transactions, clients (principals) rely on licensed importer (agents), which leads to knowledge asymmetries and a separation of document and economic ownership. While agents use minimal scrutiny to maximise their advantages, principals may conceal facts to protect their interests. Licensed importer, officially recognized as importers yet devoid of economic ownership, assert Article 22 Import Income Tax and VAT credits without engaging in matching economic activities, resulting in a structural dissonance between statutory requirements and actual transactions (Carrillo et al., 2017; Bussy & Tassi, 2025; Bieber & Gläser, 2022).

Intermediary-based evasion is encouraged by inadequate oversight, severe administrative challenges, a lack of enforcement, and little social consequence for underreporting (Bussy & Bussy, 2020; Stiller & Heinemann, 2024; Almunia & Lopez-Rodriguez, 2018). These risks are increased by operational inefficiencies in customs. Complexities, lengthy clearance times, and inconsistent enforcement increase compliance costs and allow for misreporting, under-invoicing, or misclassification, particularly for high-value imports (Habaasa, 2024; Motallebi et al., 2020; Heinemann & Stiller, 2024). This arrangement hinders audits, encourages inconsistencies between economic ownership and documentation, and allows incorrect tax credit claims (Bieber & Gläser, 2022). The tension between following the law and maintaining financial integrity is exemplified by licensed importer. Principal-agent discrepancies, along with institutional deficiencies in customs and tax oversight, result in ongoing revenue loss. Harmonizing tax responsibilities with genuine economic ownership and enhancing oversight are crucial to reduce tax evasion through intermediaries (Bieber & Gläser, 2022; Lux, 2024).

There is increasing acknowledgment that the disparity between legal ownership and economic reality facilitates non-compliance risk. However, comprehensive empirical research regarding the financial operations of licensed importers in Indonesia is still scarce. This study examines non-compliance risk indicators among licensed importers through the analysis of administrative tax data. Furthermore, the study aims to achieve three interconnected objectives. First, it is to analyze filing patterns of licensed importers. The purpose is to identify anomalies indicative of misreporting. Second, it is to develop risk indicators that reflect discrepancies between reported tax credits and actual economic activity. Lastly, it is to evaluate enforcement outcomes across taxpayer categories. The purpose is to determine if identified risk profiles correlate with varying audit or adjustment results.

The study is guided by several research questions that explore how licensed importers lacking economic substance demonstrate filing patterns in practice. It also examines whether discrepancies between import-related tax payments and reported revenues provide credible indications of non-compliance risk. In

addition, the study investigates whether supervisory outcomes, such as the results of inquiry letters, differ among licensed importers with varying risk profiles.

The study methodologically operationalizes advantageous economic ownership indirectly through observable administrative proxies instead of self-reported ownership data. Economic ownership is deduced by contrasting the magnitude of import-related tax remittances (Article 22 Import Income Tax and VAT Import) connected with declared revenue or turnover. Ongoing inconsistencies, marked by significant import tax credits coupled with minimal revenue, are viewed as signs of a discord between legal importer status and actual economic activity.

The profiling filing patterns is used as a proxy to measure misreporting or misrepresenting risk. Earlier research found that profiling filing patterns can serve as a proxy for identifying potential tax evasion or could be relevant for identifying tax compliance issues (Sumantri et al., 2024; Ariyibi et al., 2024; de Roux et al., 2018). Financial ratio analysis and benchmarking can be employed to identify taxpayers at high risk of tax avoidance (Santoso & Erlina, 2020; Lim, 2025). In this study, indicators of the risk of revenue mismatch are assessed by comparing the proportion of reported turnover (fees) relative to the total import value with the average fee ratios observed among peer firms. The tax non-compliance risk is strengthened by comparing enforcement outcomes across categories. Previous findings suggest that comparing enforcement outcomes can indeed strengthen the understanding of tax non-compliance risk (Zhang, n.d.; Bostan, 2025).

RESEARCH METHODS

This study integrates administrative data, tax-return metrics, and import-payment records using a descriptive-analytical methodology to identify licensed importers and analyze their non-compliance risk. To find likely licensed importers, a multi-tiered filtering technique is applied for corporate taxpayers registered in West Jakarta Regional Tax Office.

Phase 1, sectoral assessment. Because they can import goods directly, taxpayers in the mining, manufacturing, and plantation sectors are exempt. The candidate group primarily comprises trading, construction, and service enterprises.

Phase 2, turnover evaluation. This phase examines the consistency of the taxpayer's reported turnover by comparing it with the grossed-up value inferred from import tax payments. An average effective import tax rate of 13.5 percent, consisting of Article 22 Import Income Tax and VAT Import, is applied. Taxpayers whose reported turnover is less than 40 percent of the grossed-up amount are classified as licensed importers. Turnover below this threshold indicates a material inconsistency between import activity and declared economic performance, suggesting that the imported goods are owned by third parties. This approach is informed by Decision by Sampling (DbS), which posits that judgments and classifications are based on relative comparisons drawn from samples when objective benchmarks are not available. In the absence of established regulatory criteria for identifying licensed importers, the classification is derived through comparative evaluation of reported turnover against grossed-up import values to

detect inconsistencies in economic reporting (*Homo Ordinalus and Sampling Models*, 2023).

Phase 3, examination of payment framework. This study adopts an exploratory quantitative design aimed at identifying licensed importers that are indicated to conduct import transactions based on indent arrangements, under conditions where no external benchmark, official classification, or labeled comparison data are available. The methodological approach is grounded in the Decision by Sampling (DbS) model, which posits that judgments and classifications are formed through relative comparisons within an internal distribution, rather than through fixed or absolute value thresholds. According to the model, what matters is the relative ranked position of an item within a comparison sample (*Homo Ordinalus and Sampling Models*, 2023). Given the absence of direct indicators of indent-based import, the study employs a proxy measure based on the proportion of import tax payments relative to total tax liabilities:

A high proportion of import tax payments is interpreted as an indication that the importer's fiscal obligations are predominantly driven by import activities, and domestic transactions contributing to other forms of taxation are relatively limited. A taxpayer is designated as a possible licensed importer if Import Tax payments (comprising Article 22 Import Income Tax and VAT Import) above 80% of total tax liabilities. This concentration indicates that the taxpayer often serves as the importer of record, despite minimal economic activity reflected in the financial accounts. Consistent with the Decision by Sampling framework, the study determines the cut-off value based on the empirical distribution of the proxy variable. Specifically, the distribution of import tax proportions across all licensed importers is examined; importers located in the upper tail of the distribution (approximately the top decile) are identified; and a threshold of 80% or higher is selected as a distribution-based cut-off, representing relatively extreme cases within the internal data context.

The samples based on predetermined criteria as shown in Table 1. The identification procedure commenced with 48,542 corporate taxpayers. Following the application of sectoral and administrative data filters, 268 taxpayers were identified as licensed importer. Table 1 encapsulates the filtration procedure. The significant decrease—from 48,542 to 268—demonstrates that licensed importer features are exceedingly precise, encompassing minimal reported turnover in relation to import-tax obligations, substantial reliance on import tax credits, and recorded import activities do not align with financial statements.

Table 1. Identification of Licensed Importers

Filtering Phase	Taxpayers Remaining
Initial sample of corporate taxpayers	48,542
Excluding manufacturing, plantation, and mining sectors	43,965
Excluding taxpayers whose (turnover / gross-up of import tax) $\geq 40\%$	842
Excluding taxpayers with IMPORT TAX (Art. 22 + Import VAT) / total tax $< 80\%$	268
Identified licensed importer	268

Note: Data were processed from the 2024 annual tax return and tax payment in 2024 of corporate taxpayers registered in West Jakarta Regional Tax Office

Source: Research Data, 2025

The risk of tax non-compliance among licensed importers was assessed using a three-step analytical framework. The first step involved profiling tax filing patterns by examining the tax return reporting behavior of licensed importers. Tax returns are categorized into three types: nil returns, underpayment returns, and overpayment returns. Analysis of tax return data serves as an early indicator for detecting potential taxpayer non-compliance (Bobade, 2025). Nil tax returns, when submitted despite substantial import activity, may signal intentional efforts to avoid audit-triggering conditions. In contrast, overpayment tax returns may result from the improper crediting of taxes that are not legally attributable to the taxpayer. For example, taxpayers may claim credits for Article 22 Import Income Tax to which they are not entitled, as such tax credits legally belong to the owner of the imported goods rather than the licensed importer.

Second, constructing risk indicators for mismatch involves assessing tax non-compliance levels. Given the absence of standardized metrics, this study employs a Decision by Sampling approach. Non-compliance is estimated by first calculating the grossed-up import value from import tax payments, then deriving the reported fee percentage as the ratio of reported turnover to the estimated import value, and finally comparing this percentage against the thresholds in Table 2, based on typical import agent fees of 1%-5% (China Foreign Agency, 2025).

Table 2 Tax Non-Compliance Risk Indicator Level

Range	Risk Indicator Level
< 1%	most likely indicated
1% $\geq x \leq 2\%$	likely indicated
2% $> x \leq 3\%$	least indicated
$> 3\%$	no indicated

Source: Research Data, 2025

Third, comparing enforcement outcomes across categories. Non-compliant taxpayers are supervised through inquiry letters, followed by clarification meetings to address the findings. The results of these clarifications and any subsequent tax payments are used as proxies for taxpayer non-compliance and potential revenue loss. Previous research indicates that enforcement and audit actions are effective tools for detecting non-compliance (Younus et al., 2025; Almunia & Lopez-Rodriguez, 2015).

Framework of analyzing tax non-compliance risk as shown in Figure 2.

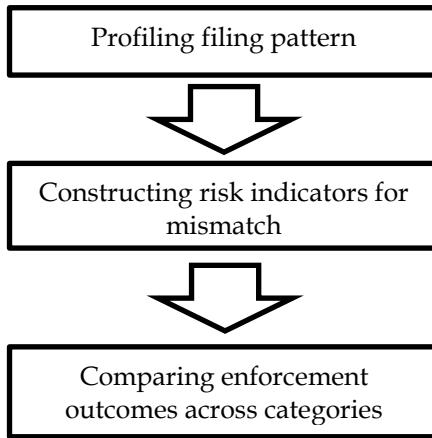


Figure 2. Analyzing Tax Non-Compliance Risk Framework

Source: Research Data, 2025

Furthermore, to support the interpretation of quantitative indicators, findings were discussed through focused group discussions (FGDs). The FGDs were conducted with five tax analysts and the head of section of data and tax potential in West Jakarta Regional Tax Office. It was conducted after preliminary quantitative analysis. The purpose of the FGDS is to serve as a triangulation mechanism. The results are to validate the plausibility of identified risk patterns rather than as a standalone source of inference.

In addition, sensitivity checks were conducted to assess stability. The checks are varied by key thresholds. They are the import tax proportion (70–90%), turnover-to-gross-up ratio (0.3–0.5), and ETR benchmarks (12–15%). The identification of high-risk taxpayers remained qualitatively consistent across specifications. This indicates that results are not driven by a single arbitrary cut-off.

This methodology identifies risk indications and administrative risk categories. In other words, it is not confirmed the existence of tax avoidance or evasion. Moreover, all measures rely on ratio-based proxies derived from administrative data and do not establish causal relationships. The findings should therefore be interpreted as tools for supervisory prioritisation rather than behavioral verification.

RESULT AND DISCUSSION

The 2024 annual tax return of the 268 identified licensed importers were analyzed to investigate tax non-compliance tendencies. Table 3 encapsulates their annual tax return type, payment of annual tax return, and all taxes refund.

Table 3. The 2024 Annual Return Characteristics of Licensed Importers

Annual Tax Return Type	Number of Taxpayers	Payment (IDR)	All Taxes Refund (IDR)
Nil	238	-	-19,981,945,127
Overpayment	6	-753,329,912	-44,702,800
Underpayment	24	463,885,272	-873,156
Total	268	-289,444,640	-20,027,521,083

Note: Data were processed from the 2024 annual tax return and tax payment in 2024 of corporate taxpayers registered in West Jakarta Regional Tax Office

Source: Research Data, 2025

A substantial 88.8% (238 of 268) of licensed importers filed nil tax returns despite exhibiting considerable import activity. This pattern suggests that these entities predominantly report nominal service-fee revenue while excluding turnover associated with imported goods. However, alternative explanations must be considered. Low or zero turnover reporting may also reflect other considerations. They are timing differences between import clearance and subsequent invoicing of service fees. Service-based business models where revenue is contractually fixed and unrelated to import value may lead to low or zero turnover. These explanations do not negate compliance concerns. However, they underscore that the observed indicators represent administrative risk signals rather than verified misconduct.

Among the licensed importers analyzed, only 24 taxpayers acknowledged underpayment, suggesting that audit-inducing tax positions are largely being avoided. This behavior may be interpreted as a strategic response to audit risk. Under Indonesian tax law, particularly Article 17 of the Income Tax Law, taxpayers reporting tax overpayments or inconsistencies in their tax returns face a higher likelihood of being audited. Consequently, filing a return with apparent underpayment may be perceived as a lower-risk strategy to avoid triggering an audit.

Only 6 licensed importers reported overpaid tax. As intermediaries, these licensed importers recognize import taxes in a manner that does not align with the taxable operations reflected in their financial statements. This discrepancy presents a structural opportunity for inflated credit claims and income underreporting. The findings of this study are consistent with previous research (Ka, 2017; Khan et al., 2023). Firms misreport imports to lower their taxable profits, specifically, firms under-report imports (costs) while simultaneously under-reporting exports (sales) to maintain consistent income statements and evade corporate income taxes (Bussy, 2023). Ślifirczyk (2024) found that the issue of overpayment of tax in cases where property or rights are transferred to settle tax arrears that may not exist or are less than assumed. The group jointly asserted claims exceeding IDR 20 billion in all taxes refunds, predominantly associated with Article 22 Import Income Tax and VAT Import credits. This indicates that licensed

importers are asserting tax credits that are disproportionate to their economic income. Licensed importers recognized service-fee revenue, as percentage of total import, as income and on the other side recognized credit tax full of the value of import. Indonesian legislation restricts direct import rights, necessitating that unlicensed enterprises utilize licensed importer (Devanti & Aqimuddin, 2020; Basri et al., 2021). Although adhering to legal requirements, licensed importer exclusively report service fees, omitting the documented import value of the economic owners. Sriyanto, A., & Nurcahyo, M. A. (2023), found that third party imports goods on behalf of the owner, poses significant risks for tax and duty evasion in Indonesia.

The study further classifies licensed importer based on the intensity of tax non-compliance risk level indicators. Non-compliance is estimated by first calculating the grossed-up import value from import tax payments, then deriving the reported fee percentage as the ratio of reported turnover to the estimated import value, and finally comparing this percentage against the thresholds in Table 2. These cut-off bands are distribution-based. It reflects natural clustering in the lower tail of the turnover-to-gross-up ratio. It is consistent with supervisory practice that prioritises extreme discrepancies for follow-up. The <1% threshold captures cases where turnover is negligible relative to import-related tax credits. On the other hand, higher bands represent progressively closer alignment between reported income and import activity. Table 4 presents the classification. Of the taxpayers, 212 (79%) are classified as "most likely indicated," being the predominant majority. These taxpayers demonstrate a significant discrepancy between Import Tax and income, submit nil reports, and present substantial refund claims. These attributes collectively indicate key indicators of intermediary-based tax-non compliance frameworks. Taxpayers lacking indication (42 taxpayers) generally exhibited increased turnover reporting, less dependence on import tax credits, and more consistent records of cost of goods sold (COGS). This indicates that when economic ownership corresponds with importer-of-record documents, danger significantly diminishes.

Table 4. Taxpayer Category by Non-Compliance Indicator Level

Indicator Category	Taxpayers	Payment (IDR)	All Taxes Refund (IDR)
Least indicated	4	-407,296,004	0
Likely indicated	10	17,494,770	0
Most likely indicated	212	-44,356,300	-20,026,647,927
No indicated	42	144,712,894	-873,156
Total	268	-289,444,640	-20,027,521,083

Note: Data were processed from the 2024 annual tax return and tax payment in 2024 of corporate taxpayers registered in West Jakarta Regional Tax Office. The percentage of the 2024 turnover / gross up of the 2024 import tax payment (effective tax rate is 13.5%) resulted <1% (most likely indicated); 1%<=x<2% (likely indicated); 2%<=x<3 (least indicated; and >=3% (no indicated)

Source: Research Data, 2025

Data from the supervision activities by the tax officers provide the indication of the transformation of indent-based import schemes into measurable fiscal risks. A classification of 268 taxpayers, employing indicators of non-compliance indicator, is compared to the result of inquiry letters of supervisory activities. The supervisory outcomes in these classifications are summarized in Table 5.

Table 5. Supervisory Outcomes

Indicator Category	Number of Tax payers	Inquiry Letters Issued	Percentage of Inquiry Letters	Article 29 Payment (IDR)	Collection from Supervision (IDR)	Discrepancies (IDR)
Least indicated	4	1	25.00%	-411,048,104	188,794	411,236,898
Likely indicated	10	2	20.00%	-	3,400,000	3,400,000
Most likely indicated	212	71	33.49%	-	5,030,637,089	5,030,637,089
No indication	42	14	33.33%	351,845,493	366,917,090	15,071,597
Grand Total	268	88	32.84%	-59,202,611	5,401,142,973	5,460,345,584

Source: Research Data, 2025

The overall issue rate of inquiry letters (32.84%) indicates that supervisory activities are focused on taxpayers whose administrative data imply possible exploitation of indent-based import schemes. The predominant category, with 212 taxpayers, received 71 inquiry letters (33.49%), indicating a risk-based prioritization aligned with the qualitative judgments. The observed patterns found in the study, affirming that supervisory actions target taxpayers whose paperwork reveals substantial inconsistencies between document ownership and economic ownership. Previous research found that to enhance compliance, tax authorities conduct audits, investigations, and collections, ensuring adherence to tax laws and maintaining the integrity of the taxation system (Jiwari, 2025)

The statistics reveal that the most significant fiscal recovery is observed in the "most likely indicated" group, which generated IDR 5.03 billion in collections from supervision. This category also produced an equivalent volume of inconsistencies, signifying that the recovered amounts directly result from paperwork mismatches and incorrectly claimed credits. The administrative discrepancies correspond with the study's findings that indent-based scheme conceal the actual economic owner and enable the misallocation of tax credits. The finding of the research shows that effective tax monitoring significantly increases tax revenue aligns with earlier findings (Kamaruddin & Faisal, 2022).

The least highlighted category has a substantial negative Article 29 payment (-IDR 411 million), indicating a discrepancy between stated tax liabilities and supervisory adjustments. Despite being categorized as "least indicated," these taxpayers demonstrated significant disparities, underscoring that even low-risk profiles can conceal systematic misreporting in the context of indent-based import. The overall Article 29 position across all categories is negative (-IDR 59.2 million). This corroborates the overarching conclusion that Article 22 Import Income Tax credits are often mismatched with economic ownership, leading to exaggerated prepayments in relation to actual taxable revenue.

Merely 32.84% of the listed taxpayers got inquiry letters; yet, supervision yielded a recovery of IDR 5.4 billion as a result of supervisory efforts, highlighting the shortcomings of the current audit and monitoring systems (Saptono et al., 2024). Furthermore, the aggregate disparity of IDR 5.46 billion across categories, primarily attributed to the "most likely indicated" group, illustrates the magnitude

of fiscal leakage resulting from indent-based scheme. These discrepancies generally pertain to VAT Impor claims by taxpayers who are not the designated importer of record; underreporting of the indentor's taxable income via service-fee declarations. Tax officials involved in audit, verification, and collection functions said that such disparities would be significantly reduced if economic ownership were expressly associated with the entitlement to claim VAT Impor and Article 22 Import Income Tax credits.

The focus group discussions revealed three themes that closely corresponded with the quantitative risk indicators. First, participants repeatedly identified income-import discrepancies as a prevalent characteristic of indent-based import. It is observed that licensed importer frequently declare minimal or no taxable income despite conducting substantial import transactions. Second, the systematic accumulation of Article 22 Import Income Tax and VAT Import credits was regarded as a structural concern rather than a mere incidental reporting outcome. Lastly, the FGDs emphasized the significance of risk-based enforcement. It affirms that supervisory resources are most efficacious when focused on taxpayers displaying numerous risk indicators. In addition, earlier research found that tax authorities employ various enforcement strategies to combat tax evasion, with tax audits being the most used and effective method. Deterrence messages, fines, and penalties also play significant roles in discouraging tax evasion (Mohd Ali & Shuid, 2025; Saniff et al., 2024; Nurferyanto & Takahashi, 2024).

The empirical supervisory results demonstrate that risk profiling by administrative indicators is beneficial, as the "most likely indicated" group produces the greatest disparities and recovery. Supervision serves as a corrective tool, addressing deficiencies in beneficial ownership statements during the import phase. The amalgamation of customs and tax systems will enhance the precision of forthcoming risk profiles, facilitating the prompt identification of misaligned ownership structures. Supervisory actions must target instances where VAT Impor claims are inconsistent with customs ownership, as these regularly yield the greatest fiscal impact.

The qualitative results from the focus group discussions validate the quantitative data. It offers institutional rationales for the identified risk patterns. The concentration of identified differences among high-risk taxpayers corresponds with FGD insights indicating that risk signals typically cluster rather than manifest in isolation. In addition, the FGDs elucidate that these trends signify systemic weaknesses within indent-based trade frameworks rather than individual instances of non-compliance. Therefore, it strengthens the interpretation of proxy-based indicators as significant early-warning signals.

The empirical evidence confirms the theoretical difference between documentary ownership and economic ownership. According to Indonesian regulations, the entity identified on customs documentation (licensed importer) is recognized as the proprietor of the products and is thus authorized to claim Article 22 Importt Income Tax and VAT Impor. Nevertheless, licensed importer lack economic ownership and do not generate revenue commensurate with the value of imported items. Their economic income is restricted to service fees, which are predominantly unreported, as indicated by the prevalence of Nil returns. This structural disjunction hinders the traceability of goods, as the economic owner –

the client—is not represented in customs documentation. Consequently, VAT Impor input credits cannot be reconciled with the legitimate economic owner; tax authorities are unable to track downstream VAT chains; and risk-based audit systems are erroneously directed towards organizations exhibiting minimal economic activity. This corresponds with previous work indicating that discrepancies between documentation and economic content result in fiscal leakages (Bieber & Gläser, 2022; Lux, 2024).

The indent-based scheme exemplifies a classic instance of principal-agent misalignment. Principals (clients) maintain economic ownership while evading paperwork and transparency. Agents (licensed importer) function as importers without assuming any economic risk. This framework generates two distortions. First, ownership distortion — assets are owned by clients, whilst documentation is owned by licensed importer. Second, tax-incidence distortion — tax credits benefit licensed importer, while economic advantages are realized by clients. Agency theory posits that when the agent assumes no risk and oversight is inadequate, the incentives for avoidance escalate. The empirical finding—212 taxpayers exhibiting a "most likely" sign of avoidance—substantiates this proposition. Moreover, compliance frameworks underscore the necessity for congruence between economic content and tax documentation. The ongoing imbalance evident in the dataset suggests that Indonesia's existing import-documentation regulations inadvertently encourage tax dodging through intermediaries.

CONCLUSION

This study finds that licensed importers lacking economic substance exhibit distinct filing patterns characterized by predominantly nil tax returns. Of the 268 licensed importers analyzed, 88.8% filed nil returns, while only a small number reported underpaid or overpaid taxes. Despite nil reporting, these importers collectively submitted tax refund claims exceeding IDR 20 billion, mainly related to Article 22 Import Income Tax and Import VAT credits, indicating a clear inconsistency between reported filings and import-related tax activity. Furthermore, discrepancies between import-related tax payments and reported revenues are credible indicators of non-compliance risk. As many as 79% of licensed importers were classified as "most likely indicated" or the highest-risk category confirming the effectiveness of discrepancy-based risk identification. Finally, supervisory outcomes differ significantly across risk profiles. Importers categorized as "most likely indicated" contributed 93% of total supervisory revenue (IDR 5.03 billion out of IDR 5.40 billion), fully correcting the discrepancy between nil tax returns and supervisory findings.

This study offers valuable insights into the fiscal behaviour of licensed importer, yet several limitations warrant acknowledgment. The study relies mainly on administrative and secondary data, which, despite their objectivity, cannot fully capture informal practices or the behavioural drivers of non-compliance. The descriptive-analytical method identifies indicators of non-compliance risk but cannot establish causal relationships. Future studies may apply econometric or causal inference techniques to better assess determinants of non-compliance and the impact of enforcement actions.

The findings indicate multiple actionable directions from an operational policy standpoint. Enhancing the congruence between economic ownership and the right to assert import-related tax credits will mitigate structural discrepancies inherent in indent-based import. Furthermore, improved data integration between the Directorate General of Taxes (DJP) and the Directorate General of Customs and Excise (DJBC) could enhance the traceability of goods and VAT chains. It facilitates the earlier identification of discrepancies in documentation and economic ownership. Ultimately, implementing more sophisticated risk-based validation protocols for Article 22 Import Income Tax and VAT import credits. It is especially for taxpayers with very high import-tax-to-turnover ratios. It could enhance supervisory efficiency and reduce fiscal leakage without unnecessarily broadening audit coverage.

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