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THE TRANSFORMATION OF DIGITAL TAX SYSTEMS IN SOUTHEAST ASIA: A COMPARATIVE STUDY OF CORETAX, MYTAX, AND ETAX

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Abstract

The digital transformation of tax administration in Southeast Asia entered a critical phase between 2022 and 2025, marked by the implementation of three technology-based systems with distinct characteristics: Coretax in Indonesia, MyTax in Malaysia, and eTax in Vietnam. This article does not merely describe these three systems, but comparatively analyzes why their adoption success rates differ despite sharing the same objective, namely improving taxpayer compliance and domestic revenue mobilization. Using the GovTech-Compliance Nexus framework derived from recent literature (Okunogbe & Tourek, 2024; IMF, 2023; Nose & Mengistu, 2024), this article argues that differences in each country's achievements stem not only from technological design but also from institutional readiness and differing implementation sequencing. The method employed is a systematic literature review with descriptive comparative analysis of internationally indexed sources published between 2021 and 2025. Key findings show that Vietnam achieved 99% e-filing adoption among corporate taxpayers through strict regulatory mandates and consistent digital infrastructure investment; Malaysia attained operational maturity through a phased, API-based approach; while Indonesia faces the greatest challenges due to implementing a comprehensive transformation simultaneously in a single rollout. Policy implications for Indonesia include the need for phased rollout, strengthening the human resource capacity of tax authorities, and integrating digital literacy among taxpayers as a prerequisite for Coretax implementation.

Keywords: *Digital Tax System Indonesia; Digital Tax System Malaysia; Digital Tax System Vietnam; Government Technology; Taxpayer Compliance; Southeast Asian Tax Reform.*

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1. INTRODUCTION

Domestic revenue mobilization is becoming one of the most pressing fiscal challenges for developing countries in the ASEAN region. The tax-to-GDP ratio in developing countries, on average, is only half that recorded in high-income countries, indicating that fiscal potential has not yet been optimized (Okunogbe & Tourek, 2024). Because of this structural issue, the digitization of tax administration, which is categorized by IMF (2023) as one of the main pillars of Government Technology (GovTech), has become the most dominant policy response. Based on what the writer found from several sources that have been reviewed, the adoption of e-filing, e-invoicing, and electronic fiscal devices has the potential to increase the tax revenue up to 0.7% of GDP (IMF, 2023), which is quite a big number for developing countries.

But, the empirical evidence that is available also shows that digitization is not automatically becoming a solution. Okunogbe & Tourek (2024), in their comprehensive study published in the Journal of Economic Perspectives, emphasize that technology can only work effectively if it is supported by adequate enforcement capacity and appropriate institutional incentives, and without this two prerequisites, the investment in tax technology can become a costly solution in fiscal but with minimal impact to the compliance. Besides that, Nose & Mengistu (2023) also reinforce this argument, where they show that e-filing only gives a significant impact to tax revenue in countries that have previously invested substantially in the information technology infrastructure of tax authority.

Based on this context, three ASEAN countries, that is Indonesia, Malaysia, and Vietnam, are becoming the case studies that are very relevant for comparison. All of the three countries share the same goal, that is to modernize the tax administration through digitalization, but they have taken different path in a relatively short timeframe. Malaysia already been operating MyTax since December 2020 by using a phased approach, while Vietnam has mandated a national e-invoice system starting from July 2022, and they plan to integrate an artificial intelligence chatbot by the end of 2024. Meanwhile, Indonesia launched Coretax on January 1, 2025 as one integrated system that is single, in contrast to the gradual rollout that was taken by Malaysia and Vietnam. This divergence in implementation strategy is consequential rather than incidental, since cross-country evidence shows that the revenue impact of tax digitalization is highly conditional on implementation sequencing and institutional readiness (Nose, Pierri, & Honda, 2025; Bellon et al., 2021). Indonesia's experience illustrates the stakes involved quite concretely, where national tax revenue fell by 41.86 percent year on year in January 2025, the first month after Coretax's full launch, an outcome that the Ministry of Finance partly attributed to taxpayers' and tax officers' difficulties in adapting to the new system (Jakarta Globe, 2025). Because the three countries are diverging sharply in outcome despite sharing an identical policy objective, and because no existing study has yet compared their implementation sequencing within a single analytical framework, this asymmetry

needs to be examined scientifically rather than being treated as three disconnected national experiences.

Motivated by this phenomenon, the present study aims to explain why three ASEAN countries that are pursuing an identical digitalization objective have produced markedly different compliance and revenue outcomes, and to derive implementation lessons that are directly applicable to Indonesia's ongoing Coretax stabilization process. This objective is carrying particular urgency considering the system's continued real-world disruption well beyond its original 2025 launch window, where the Directorate General of Taxes has extended parallel operation with legacy platforms into the 2026 annual filing season, formed a dedicated task force, and engaged external technical reviewers to address recurring system failures (Tempo, 2025). Specifically, this study is seeking to, first, identify the institutional and implementation sequencing factors that explain the differing adoption outcomes of Coretax, MyTax, and eTax within the GovTech-Compliance Nexus framework. Second, examine how regulatory mandate strength and rollout sequencing are influencing taxpayer compliance across the three countries. Third, formulate evidence-based recommendations for optimizing Coretax's continuing implementation by drawing on comparative lessons from Malaysia and Vietnam.

This study is addressing a gap that prior Coretax-related research has not yet filled. Existing studies remain predominantly single-country and technology acceptance oriented. Uliasari et al. (2026) are examining taxpayers' intention to use Coretax among individual and corporate taxpayers in Greater Malang, while Wibowo & Mariani (2026) are applying a TAM, ISSM approach to assess user perceptions of Coretax through interviews with eleven informants. Tandiono et al. (2025) move toward comparison by contrasting Coretax and MyTax, but the analysis remains descriptive; it excludes Vietnam's eTax, and it does not theorize why the implementation outcomes differ. None of these studies is treating implementation sequencing itself as an explanatory variable, and none is situating Indonesia's experience against two regional peers that share the same policy goal but diverge sharply in execution and outcome. By analyzing Coretax, MyTax, and eTax jointly through the GovTech-Compliance Nexus framework, and by treating sequencing, regulatory mandate strength, and institutional readiness as explanatory rather than merely descriptive variables, this article offers a comparative and causal account that single country technology acceptance studies cannot provide, and it translates that account into implementation lessons that are specific to Indonesia's still unfolding Coretax rollout.

This article is giving contribution to the existing literature in three ways. First, the three systems are analyzed through the GovTech-Compliance Nexus theoretical framework, which is not yet widely applied in the ASEAN context. Second, this article identifies the explanatory variables, not just descriptive ones, for the differences in achievement between the three countries. Third, based on comparative lessons taken from Malaysia and Vietnam, this article is formulating policy implications that are specific for Indonesia. Based on this background, three research questions are formulated for this

study. First, what factors can explain the differences in adoption outcomes between Coretax in Indonesia, MyTax in Malaysia, and eTax in Vietnam, within the GovTech-Compliance Nexus framework? Second, how are the sequence of implementation and the strength of regulatory mandate influencing the level of taxpayer compliance in the three countries? Third, how should the implementation of Coretax in Indonesia be optimized so it can achieve optimal impact on compliance and tax revenue, based on comparative lessons from Malaysia and Vietnam?

2. LITERATURE REVIEW

Public Administration Theory and Institutional Theory

This research is grounded in two complementary Grand Theories that operate at the macro-level of analysis: Public Administration Theory and Institutional Theory. These two theoretical pillars provide the foundational explanatory framework for understanding why digital tax reform produces divergent outcomes across different national contexts, even when the technological objectives remain identical.

Public Administration Theory serves as the first grand theoretical pillar of this research. Rooted in the classical works of Wilson (1887) and further developed through the New Public Management (NPM) paradigm of Hood (1991) and the Digital Era Governance framework of Dunleavy et al. (2006), Public Administration Theory provides a systematic lens through which the organization, efficiency, and accountability of government institutions can be evaluated. In the context of tax administration reform, this theory explains how governments design, implement, and manage large-scale bureaucratic transformations. The NPM paradigm, in particular, emphasizes the adoption of private sector management techniques within public institutions, including performance measurement, results-orientation, and the deployment of information technology to improve service delivery. The evolution from traditional public administration to Digital Era Governance is directly relevant to understanding why Indonesia, Malaysia, and Vietnam have pursued digital tax systems as a central instrument of fiscal modernization. Public Administration Theory posits that the success of government technology initiatives is not merely a function of technical design but is deeply conditioned by the organizational capacity of the implementing agency, the clarity of administrative mandates, and the alignment between technological systems and pre-existing institutional workflows. In the case of Coretax, MyTax, and eTax, this theoretical lens illuminates why the same policy objective, namely taxpayer compliance improvement through digitalization, yields different administrative outcomes depending on the institutional architecture and bureaucratic capacity of each country's tax authority.

Institutional Theory constitutes the second grand theoretical pillar of this research. Developed primarily by DiMaggio & Powell (1983) through their concept of institutional isomorphism and further elaborated by North (1990) in his distinction between formal institutions (laws, regulations, property rights) and informal institutions (norms,

conventions, cultural practices), Institutional Theory offers a powerful explanation of why organizations, including government agencies and taxpaying firms, adopt or resist new systems and practices. In the field of tax administration, institutional isomorphism helps explain the convergence of policy prescriptions across ASEAN countries, as governments facing similar fiscal pressures and exposed to the same international policy recommendations from the IMF, World Bank, and OECD adopt structurally similar digital tax systems. However, the theory simultaneously explains divergence in outcomes through its emphasis on the embedded nature of formal and informal institutional rules. North's framework is particularly instructive: the formal legal mandates underpinning eTax in Vietnam, the phased regulatory framework of MyTax in Malaysia, and the Presidential Regulation authorizing Coretax in Indonesia all represent formal institutional structures. Yet the actual behavioral outcomes of these systems are mediated by informal institutions, including taxpayer attitudes toward government authority, trust in digital infrastructure, the cultural propensity for voluntary compliance, and the accumulated organizational routines of tax officials. Institutional Theory therefore provides the analytical foundation for understanding why Indonesia's "big bang" implementation of Coretax encountered resistance not only at the technical level but at the deeper level of institutional misalignment between the new system's demands and the existing informal practices of both taxpayers and administrators.

The integration of these two Grand Theories creates a coherent macro-level foundation for this research. Public Administration Theory explains the organizational and managerial dimensions of digital tax reform, encompassing the design of bureaucratic systems, the allocation of administrative capacity, and the management of implementation processes. Institutional Theory explains the socio-political and normative dimensions, addressing why taxpayers comply or resist, how formal rules interact with informal behavioral norms, and why institutional environments shape the trajectory of technological adoption. Together, these two theories establish that digital tax transformation is not a neutral technical exercise but is a fundamentally institutionally embedded process, whose outcomes are determined as much by the historical legacies, administrative cultures, and formal rule environments of the implementing states as by the sophistication of the technology itself. This grand theoretical foundation then scaffolds the middle-range and operational theories employed in this research, namely the GovTech-Compliance Nexus framework, the implementation sequencing literature, and the Technology Acceptance Model, each of which operationalizes specific dimensions of the macro-level explanatory framework into testable propositions for comparative analysis.

Hypothesis Development

The GovTech-Compliance Nexus Framework

Recent literature on tax digitalization has shifted from asking whether technology improves compliance to asking when and under what conditions technology works effectively (Okunogbe & Tourek, 2024). The IMF (2023), in a cross-country study using

data from the International Survey on Revenue Administration (ISORA), found that the positive impact of e-filing on tax revenue is consistent only in countries with high scores for a digital enabling environment. In countries with weak digital infrastructure, the adoption of e-filing can even become counterproductive because it is increasing the compliance costs for taxpayers who are not yet digitally literate.

These findings from the IMF form what this article is referring to as the GovTech-Compliance Nexus, that is the relationship between government digital capacity and taxpayer compliance, which is mediated by three key variables: (1) the quality of digital infrastructure, (2) the capacity of tax administration human resources, and (3) implementation sequencing strategies. This framework is used as the main analytical framework for comparing Coretax, MyTax, and eTax in this article.

The Role of Implementation Sequence in Tax Administration Reform

Pomeranz (2015), in his study about value-added tax in Chile, demonstrates that the effectiveness of the electronic reporting system is highly dependent on the existence of an information chain that is already established among economic actors. Bellon et al. (2022) reinforce this finding with evidence from Peru, where e-invoicing is creating a technology spillover effect among companies. When one company adopts electronic invoicing, its business partners are encouraged to adopt the system too. This dynamic explains why Vietnam, which implemented mandatory and comprehensive e-invoicing starting in 2022, succeeded in achieving 99% adoption rate in a short time, unlike the more gradual and flexible phased implementation.

On the other hand, Hidayat & Defitri (2024) caution that a simultaneous and comprehensive "big bang" implementation, as pursued by Indonesia through Coretax, carries a high risk of operational disruption, especially if the readiness level of taxpayers varies significantly. Kadir et al. (2026) confirm these concerns through a qualitative study in Indonesia's SME sector. From their research, it is found that the primary barriers to Coretax adoption are not in the availability of technology, but rather in digital literacy gaps and the complexity of the system's interface. These findings are aligned with the study by Fahmi et al. (2025) on the e-Bupot Unification application that published in JIPAK, which is indicating that overly complex digital tax systems can actually reduce reporting compliance if it is not accompanied by adequate user training and simplification of the system interface.

The Technology Acceptance Model in the Context of Digital Taxation

The Technology Acceptance Model (TAM), developed by Davis (1989) and consistently validated across various digital contexts (Schorr, 2023), is a relevant micro-behavioral framework for understanding the adoption patterns of digital tax systems among taxpayers. In the context of Malaysian taxation, research based on TAM about small and medium-sized enterprises indicates that perceived ease of use and perceived usefulness are the strongest predictors for e-filing adoption, while perception about data security risks is becoming a significant barrier (Information Management and Business

Review, 2025). Wulandari and Wulandari & Dasman (2023) add that internet literacy acts as a mediating variable between tax digitalization systems and taxpayer compliance. This emphasizes that investment in digital literacy is a prerequisite, not an optional extra, for the success of digital tax systems.

3. METHODOLOGY

This study employs a qualitative approach that is based on a systematic literature review (SLR) with a descriptive-comparative design. The SLR is chosen because it can allow for a structured synthesis of evidence that is scattered across various sources, in order to answer the evaluative and comparative research questions of this study (Snyder, 2019). The principles of transparency and reproducibility in this SLR were operationalized through inclusion and exclusion criteria that were explicit, as well as documentation of the literature search process that was conducted.

The data sources for this study encompass four categories. First, scientific journal articles that are indexed in Scopus or Web of Science and issued between 2021 and 2025. Second, reports from multilateral institutions, that is IMF, OECD, and World Bank, that issued during that period. Third, the explicit tax legal frameworks from Indonesia's Directorate General of Taxes, Malaysia's LHDNM, and Vietnam's GDT. Fourth, indexed national journal article in SINTA that was written between 2023 and 2025, which is specifically studies Coretax implementation. For the inclusion criteria, sources that used are within the date range of 2021 to 2025, that have relevance to the topic, and that have availability either through open access or institutional access.

For the data analysis, this study uses the content analysis technique as outlined by Krippendorff (2018), across three analytical dimensions. The first dimension is system design and architecture. The second is the impact on tax compliance and revenue. The third is the explanatory factors for the success or failure of adoption, based on the GovTech-Compliance Nexus framework that was already explained before.

4. RESULT AND DISCUSSION

Coretax Indonesia: Comprehensive Ambitions and Transitional Challenges

System Design and Rationale

Coretax, or the Core Tax Administration System (SIAP), is an integrated tax administration system that was implemented by the Directorate General of Taxes of the Ministry of Finance since January 1, 2025, based on Presidential Regulation No. 40 of 2018 and Minister of Finance Regulation No. 81 of 2024. From the design perspective, Coretax is adopting the Integrated Tax Administration System (ITAS) paradigm, which places all tax functions within one integrated digital ecosystem, covering registration, tax return filing, payment, e-invoice issuance, and cross-agency services.

The key features of Coretax include real-time automation for e-invoice issuance and validation, a tax deposit account that enables transfers without manual intervention from officials, API integration with banking systems, e-commerce platforms, and corporate ERP systems, and also a national tax service portal that is not tied to the taxpayer's local Tax Office. From the perspective of third-party reporting, this cross-agency integration is theoretically capable of closing the information gap that has long been the primary source of the tax gap in Indonesia (Okunogbe & Tourek, 2024).

Implementation Challenges: An Empirical Analysis

A qualitative study by Kadir et al. (2026) on MSME taxpayers identified three main barriers for the adoption of Coretax. First, the complexity of an interface that not user-friendly. Second, the instability of the system during the early stages of implementation. Third, the limited availability of technical training. Lestari & Selfiani (2025) are showing the same evidence, where they identified that Coretax has an impact on developing tax administration that is more transparent than before, but it is not yet proven with full accountability.

The problems of Coretax, following Hidayat & Defitri (2024), can be explained as a digitalization-compliance paradox, where greater sophistication of the system is not necessarily translating into improved compliance in the short term, because of misalignment between the technological capacity of government and the readiness of taxpayers as users. Indonesia is implementing the "big bang" approach by rolling out all modules in one go, which is inherently a high-risk decision and could lead to "implementation shock" for taxpayers (Nose & Mengistu, 2023).

MyTax Malaysia: Maturity Through Gradual Evolution

Design and Implementation Approach

LHDNM launched MyTax in December 2020, as part of Malaysia's tax digitalization journey that started in early 2000s. This phased implementation, that beginning with individual e-filing, then business entities, and finally e-invoicing through MyInvois system, is referred in policy literature as "sequenced reform strategy" (Pomeranz, 2015). Each step is allowing time for the taxpayers and the system to adjust, before another layer of complexity is added.

The most significant innovation in MyTax ecosystem is the implementation of clearance model in MyInvois system. Under this model, every invoice must be validated in real-time by LHDNM before it can be deemed legally valid. Kotsogiannis et al. (2025) are demonstrating that the clearance model is significantly more effective in detecting and preventing VAT manipulation, because it is eliminating the gap between invoice issuance and reporting. The implementation of MyInvois began for companies that have turnover above RM 100 million in August 2024, and it is being gradually expanded to smaller business segments through 2028 (VATCalc, 2025).

Impact on Compliance and Efficiency

The phased approach of MyTax is yielding two outcomes that mutually reinforce each other, that is a gradual but sustained increase in compliance, and a significant reduction in compliance costs for taxpayers. The average time needed for annual tax reporting has dropped from approximately five hours using manual methods to about 45 minutes via the digital system. These time savings are directly reducing the compliance costs and increasing the incentives to comply (OECD, 2023). Most medium and large businesses are even adopting MyInvois before the formal requirement took effect, which indicates that the internalization of the system's benefits has become a key characteristic of sustainable voluntary compliance (Alm, 2012).

The remaining challenges are focusing on SME and micro-enterprise segments. The decision of the Malaysian Cabinet in December 2025 to waive the MyInvois requirement for micro-enterprises with turnover below RM 1 million demonstrates that the Malaysian government is acknowledging the tolerance limits of the system regarding these vulnerable groups. This policy decision can serve as a relevant lesson for Indonesia and Vietnam in designing the strategies for digital tax inclusion (VATCalc, 2025).

eTax Vietnam: Widespread Adoption Through Regulatory Mandates

Legal Foundation and Implementation Strategy

Vietnam has adopted the most intensive strategy among the three countries that were studied. The GDT is requiring all businesses to use standard XML-formatted e-invoices effective July 1, 2022, based on Decree 123/2020/ND-CP, with a grace period of 12 months for small businesses in areas that have limited information technology infrastructure, as per Circular 78/2021/TT-BTC (VATUpdate, 2025). This mandatory strategy is grounded in the Law on Tax Administration No. 38/2019/QH14, which gives GDT a strong legal authority to enforce digital compliance.

The architecture of eTax comprises two main components, that is the etaxvn.gdt.gov.vn web portal and the eTax Mobile app. The innovative features that exceed regional standards include integration with national identity system VNeID, cross-party tax payments via QR code scanning, and starting from December 2024, the integration of a 24-hour AI chatbot to process taxpayer inquiries in natural language (VietnamPlus, 2025). This integration of artificial intelligence is representing the adoption of generative AI in public services, which according to OECD (2025) prediction will become the dominant trend of the next generation in public administration modernization.

Quantitative Outcomes and Critical Analysis

The numerical achievements of eTax are remarkable. 99% of companies are filing taxes electronically, more than 98% are paying electronically, and there are more than 13 million downloads for the eTax Mobile app, with 17.2 million transactions that worth approximately 1.1 billion U.S. dollars. Besides that, more than 1.3 billion e-invoices have been issued by the end of 2024 (VietnamPlus, 2025; OpenGov Asia, 2025). These figures

place Vietnam among the developing countries that have the highest level of digital tax penetration globally.

However, critical analysis is still needed in order to avoid what can be called as the adoption fallacy, that is high formal adoption rates do not necessarily reflect the actual substantive compliance. The data that is available is not yet allowing for an evaluation of how far digitization has effectively closed the tax gap of Vietnam. In this context, the investment of GDT in a real-time digital audit system, and also the establishment of a dedicated e-commerce sub-department in March 2025, represent the strategic steps to convert formal adoption into compliance that is more substantive (Vietnam Briefing, 2025).

Comparative Analysis: Moving Beyond Description to Explanation

Table 1
A Comparative Analysis of Coretax, MyTax, and eTax

Dimensions of Analysis	Coretax (Indonesia)	MyTax (Malaysia)	eTax (Vietnam)
Implementation Strategy	Big bang (all modules simultaneously)	Gradual and incremental since the early 2000s	National mandate, phased by business segment
E-invoice Model	Full automation (under development)	API-based clearance model (MyInvois)	Real-time clearing with mandatory XML standards
Key Innovations	Cross-institutional integration (banks, ERP, e-commerce)	API flexibility with third-party systems	AI chatbots, VNeID integration, QR payments
Adoption Rate	Still in the transition phase (since 2025)	Steady growth, but SMEs are still lagging behind	99% e-filing, 98% e-payment (corporate taxpayers)
Major Barriers	Taxpayer readiness, initial technical glitches	SME adoption gap	Informal sector, cross-border complexities
Success Factors	Cannot yet be evaluated (transition phase)	Well-planned sequencing accompanied by consistent education	Strong regulatory mandate supported by network effects
Key Risks	Implementation shock	Stagnation in SME adoption	Gaps in formal adoption and substantive compliance

Source: Processed by the Author (2025)

1) **The order of implementation determines the speed and quality of adoption**
   Malaysia has shown that a phased implementation is leading to adoption that is smoother and more sustainable, even if it is proceeding more slowly. Vietnam, on the other hand, has shown that regulatory mandates that are strict can significantly accelerate the speed of adoption when it is supported by adequate digital infrastructure. As for Indonesia, with its "big bang" approach, it is facing the steepest

learning curve in the short term, but it has the potential to achieve the deepest integration of the system in the long term, if the transitional challenges can be successfully overcome.

2) **The network effect of e-invoicing is the most powerful driver of compliance**
From the three digital innovations that were examined, the adoption of e-invoicing that is mandatory, either through the clearance model of Malaysia or the national mandate of Vietnam, appears to have the most significant effect on value-added tax compliance. This finding is consistent with the evidence from Kotsogiannis et al. (2025) and Pomeranz (2015), where they found that systems of third-party reporting that are based on electronic invoices are generating mechanisms for cross-verification that are difficult to manipulate.

3) **Artificial intelligence-based innovations represent the untested frontier**
The integration of an artificial intelligence chatbot by Vietnam by the end of 2024 is positioning eTax as a pioneer in ASEAN region for the use of artificial intelligence in tax services. The OECD (2025) is documenting a similar trend in Europe, with promising results. However, a quantitative assessment about the impact of this innovation on taxpayer compliance and satisfaction in Vietnam is not yet available, and this is creating a significant research gap that needs to be addressed.

Discussion for the Implementation of Coretax in Indonesia

The normative question about how Coretax should be implemented in Indonesia cannot be answered without acknowledging first that the "big bang" implementation strategy that was chosen by the DGT is carrying structural consequences that cannot be fully reversed. However, the experiences from Malaysia and Vietnam are offering concrete guidance for improving the trajectory of implementation that is currently being run. Uliasari et al. (2026), in an empirical study about the post-implementation of Coretax among individual and corporate taxpayers in the Greater Malang region, confirm that the actual usage of the system in the early phases is determined more by the readiness of infrastructure and institutional support, rather than by user intent alone. These findings suggest that there is a need for shift in policy priorities, from campaigns for voluntary adoption toward the systematic strengthening of the ecosystem that supports the system.

At least four principles for ideal implementation design can be derived from this comparative analysis. First, segment the taxpayers based on digital capacity. Malaysia is dividing the obligations of MyInvois based on revenue thresholds, while Vietnam is granting a grace period of 12 months for small businesses that are located in underdeveloped regions. Ideally, the DGT should adopt a similar approach, where large and medium-sized taxpayers are prioritized as early adopters with support that intensive, while MSMEs and informal sector businesses are given a phased transition, accompanied by structured digital literacy programs that structured.

Second, strengthening the e-invoice module as the backbone for VAT compliance. The evidence from Malaysia (MyInvois clearance model) and Vietnam (mandatory XML e-invoices) is showing that systems for real-time electronic invoice verification are the

most effective mechanisms of third-party reporting for closing the VAT tax gap (Kotsogiannis et al., 2025). Coretax should prioritize the stabilization and expansion of the e-invoice module as a measurable initial milestone before other modules are developed.

Third, design that is user-centered. The main obstacle of Coretax is not lying in its technological architecture, but more in its interface that is unfriendly for user (Fahmi et al., 2025; Kadir et al., 2026). From the TAM perspective, perceived ease of use is the strongest predictor for sustained adoption (Davis, 1989), and specifically in the context of Coretax, Uliasari et al. (2026) found that effort expectancy, that is the expectation about how easy the system is to use, significantly influences the intention of taxpayers to use the system. The DJP needs to iterate on the design of the interface based on real feedback from user, not just from internal testing only.

Fourth, integrating regulatory mandates together with incentives for voluntary compliance. Vietnam is demonstrating that regulatory mandates that strict are resulting in adoption that massive, but Malaysia is demonstrating that voluntary adoption that driven by benefits which tangible is leading to compliance that more sustainable. Ideally, Indonesia should be combining both of these approaches, that is mandating the use of Coretax for large taxpayer segments, while at the same time creating incentives that are concrete for the SME segment, such as simplified refunds, reduced administrative penalties, or priority access to digital tax consultation services.

5. CONCLUSION, IMPLICATION, AND SUGGESTION

Conclusion

From the comparative study about Coretax in Indonesia, MyTax in Malaysia, and eTax in Vietnam, it can be seen that the differences in performance of these three systems cannot be explained only by the sophistication of technology that used, but more by a combination of factors, including the sequence of implementation, the strength of regulatory mandates, the readiness of digital infrastructure, and the strategies for taxpayer education. Through the GovTech-Compliance Nexus framework, this article argues that the relationship between digitalization and tax compliance is conditional, not something that automatic. Vietnam achieved the highest level of formal adoption, through a combination of regulatory mandates that were strong and the network effect of e-invoicing. Malaysia, on the other hand, achieved operational maturity through a strategy of sequential reform that allowed room for adaptation across every segment of taxpayers. As for Indonesia, with its ambition for integration that is most comprehensive through Coretax, it is facing the heaviest transitional challenges, yet it also holds the greatest potential for impact in long term, if the implementation can be successfully consolidated.

Implication

Based on the comparative analysis, at least three concrete policy implications can be formulated in order to strengthen the implementation of Coretax. First, a rollout that phased for MSME taxpayers. By drawing from the experience of Malaysia and the policies of Vietnam that give concessions for small businesses, the DGT needs to consider differentiating the schedule of implementation based on the capacity of the taxpayer. Second, investment in a digital environment that supportive, as a prerequisite. The collaboration across ministries, between DGT, Ministry of Communication and Information Technology, and the Ministry of Education and Culture, in developing the digital literacy of taxpayers, is an urgent necessity. Third, prioritizing the strengthening of e-invoice module as a measurable initial achievement (quick win), as it has been proven in Vietnam and Malaysia.

Besides these three implications, there are also three recommendations that are strategic for the government, particularly for DGT and Ministry of Finance, regarding the future development of Coretax. First, the establishment of a unit for monitoring and evaluation of Coretax that is independent and transparent. Vietnam established a dedicated sub-directorate for e-commerce in March 2025, and Malaysia is consistently publishing the progress reports about the implementation of MyInvois to public. The DGT needs to build a mechanism for evaluation that is similar, which measures not only the rate of formal adoption, but also the impact of Coretax to tax gap, the efficiency of tax return processing, and the level of taxpayer satisfaction, on a regular basis. The evidence that is available post-implementation, such as that generated by Uliasari et al. (2026) through a survey of taxpayers in the Greater Malang area, indicates that empirical data after the launch is essential for evaluating and refining the strategies of implementation based on evidence.

Second, strengthening the capacity of tax officials as agents of change. The implementation of Coretax is not merely a project of information technology, but more a transformation of an organization on a large scale. The government must make investment that serious in functional training for tax officials, so they can assist the taxpayers during digital transition, rather than only acting as operator of system. This approach is aligning with the recommendations of IMF (2023) regarding the importance of capacity of human resource as a prerequisite for the success of GovTech in developing countries.

Third, the development of an ecosystem of open API to drive innovation from third-party. Malaysia has successfully created an ecosystem that rich of technology partners, through an approach based on open-integration in MyInvois, which is enabling various providers of accounting software to connect directly with the system of tax authority. The DGT needs to adopt a strategy that is similar, by making the specifications of Coretax API available to third-party in a way that managed, in order to accelerate the adoption among SMEs that rely on commercial accounting software. This strategy for open ecosystem will also reduce the technical burden of DGT for developing all of the functionalities by themselves.

This study has several limitations. First, it relies on secondary data from published literature without primary empirical evidence, making the findings dependent on the availability and quality of existing studies. Evidence on Indonesia's Coretax is also more limited because the system was only recently implemented. Second, the review mainly includes English-language publications indexed in international databases, which may exclude relevant local studies and government reports. Third, digital tax systems continue to evolve, so future policy changes and system improvements may affect the relevance of the findings. Fourth, as a systematic literature review, this study identifies relationships and trends but cannot establish causal effects between digital tax reforms and compliance outcomes. Finally, the analysis is limited to Indonesia, Malaysia, and Vietnam and focuses primarily on formal taxpayers. Therefore, the findings may not fully represent other ASEAN countries or the experiences of MSMEs and the informal sector. Despite these limitations, the study provides useful comparative insights and serves as a foundation for future research using primary data, broader country comparisons, and longitudinal research designs.

Suggestion

For future research, it is recommended to focus on three areas. First, measuring the causal impact of Coretax to tax compliance and revenue, by using a quasi-experimental design that is based on panel data. Second, evaluating the impact of the artificial intelligence chatbot of Vietnam on the satisfaction and compliance of taxpayer. Third, analyzing the gap between formal adoption and substantive compliance in the three countries that were studied. For the sample of follow-up research, it should include field studies about MSMEs and the informal sector, in order to get a more comprehensive picture.

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