

## **ABSTRACT**

*Many previous studies have highlighted the relationship between tax rates and foreign direct investment (FDI). However, the complexity of tax procedures only receives a few considerations. ASEAN member countries have simultaneously introduced some measures since 2014-2015 that are expected to be profitable for investment. Strengthening tax reforms is one factor that could encourage investment easier. In addition, the number of populations in a country is also the key for investors' decisions since it reflects the large market and the availability of human resources. Countries in the ASEAN region have almost similar characteristics, which is having an enormous population.*

*This study aims to see the effect of the complexity of the taxation system, which is approached by using indicators of time and payment, the cost of starting a business and the population on the inflow of foreign direct investment in ASEAN countries in 2015-2019. Moreover, this paper uses the panel data method with the Fixed Effect model, using secondary data obtained from Ease Doing Business and World Development Indicators.*

*As a measure of taxation complexity, the result shows that payment has a significant negative effect on FDI inflows, while the time variable has no significant effect in influencing FDI inflows. Similar to payments, the cost of starting a business negatively affects FDI inflows. It is also found that the population has a negative influence on FDI in ASEAN member countries.*

*Keywords: Foreign Direct Investment, Tax Complexity, Start-up Costs, Population*