

The Role Of Digital Wallet Transactions In Corporate Cash Flow Reporting

Peran Transaksi Dompot Digital Dalam Pelaporan Arus Kas Perusahaan

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ABSTRACT

This study aims to analyze the role of digital wallet transactions in corporate cash flow reporting using a literature review approach. The rapid development of financial technology (fintech) has transformed transaction mechanisms, with digital wallets emerging as a dominant payment method in modern business practices. However, this transformation presents challenges to traditional accounting frameworks, particularly in the recognition, classification, and reporting of cash flows. This research employs a qualitative method through a systematic literature review of relevant academic journals, professional reports, and accounting standards. The data are analyzed using content analysis techniques to identify key themes, including the characteristics of digital wallet transactions, classification issues, impacts on financial transparency, auditing challenges, and regulatory gaps. The findings indicate that digital wallet transactions differ significantly from conventional cash transactions due to their real-time processing, involvement of third-party intermediaries, and platform-based fund management. These characteristics create ambiguity in determining whether such transactions should be classified as cash, cash equivalents, or other financial assets. Additionally, while digital wallets enhance real-time financial monitoring and decision-making, they also introduce complexities in accounting systems, internal controls, and auditing processes. The study concludes that the increasing adoption of digital wallets necessitates the adaptation of accounting standards and practices. Clear and consistent regulatory guidance is required to ensure the transparency, reliability, and comparability of cash flow reporting. This research contributes to the literature by bridging the gap between fintech developments and financial reporting practices, offering insights for academics, practitioners, and regulators in addressing the challenges of digital financial transactions.

Keywords: Digital Wallet, Fintech, Cash Flow Reporting, Financial Reporting, Literature Review

ABSTRAK

Penelitian ini bertujuan untuk menganalisis peran transaksi dompet digital dalam pelaporan arus kas perusahaan dengan menggunakan pendekatan kajian pustaka. Perkembangan pesat teknologi keuangan (fintech) telah mengubah mekanisme transaksi, di mana dompet digital menjadi salah satu metode pembayaran yang dominan dalam praktik bisnis modern. Namun, transformasi ini menimbulkan tantangan terhadap kerangka akuntansi tradisional, khususnya dalam pengakuan, klasifikasi, dan pelaporan arus kas. Penelitian ini menggunakan metode kualitatif melalui kajian pustaka sistematis terhadap jurnal ilmiah, laporan profesional, dan standar akuntansi yang relevan. Data dianalisis menggunakan teknik analisis isi untuk mengidentifikasi tema-tema utama, termasuk karakteristik transaksi dompet digital, permasalahan klasifikasi, dampak terhadap transparansi keuangan, tantangan audit, serta kesenjangan regulasi. Hasil penelitian menunjukkan bahwa transaksi dompet digital memiliki karakteristik yang berbeda dari transaksi kas konvensional, seperti pemrosesan real-time, keterlibatan pihak ketiga, dan pengelolaan dana berbasis platform. Karakteristik tersebut menimbulkan ambiguitas dalam menentukan apakah transaksi diklasifikasikan sebagai kas, setara kas, atau aset keuangan lainnya. Selain itu, meskipun dompet digital meningkatkan kemampuan pemantauan keuangan secara real-time dan pengambilan keputusan, penggunaannya juga menimbulkan kompleksitas dalam sistem akuntansi, pengendalian internal, dan proses audit.

Penelitian ini menyimpulkan bahwa meningkatnya penggunaan dompet digital menuntut adanya adaptasi dalam standar dan praktik akuntansi. Diperlukan pedoman regulasi yang jelas dan konsisten untuk menjamin transparansi, keandalan, dan keterbandingan pelaporan arus kas. Penelitian ini memberikan kontribusi dengan menjembatani perkembangan fintech dan praktik pelaporan keuangan, serta memberikan wawasan bagi akademisi, praktisi, dan regulator dalam menghadapi tantangan transaksi keuangan digital.

Kata Kunci: Dompet Digital, Fintech, Pelaporan Arus Kas, Pelaporan Keuangan, Kajian Pustaka

1. Introduction

In recent years, the rapid advancement of financial technology (fintech) has significantly transformed the global financial ecosystem, particularly in the way transactions are conducted and recorded. One of the most notable innovations in this domain is the emergence and widespread adoption of digital wallets. Digital wallets, also known as e-wallets, enable users to perform electronic transactions seamlessly through mobile devices, offering convenience, speed, and accessibility. As businesses increasingly integrate digital wallet systems into their payment infrastructure, the implications for financial reporting—especially cash flow reporting—have become a critical area of inquiry.

Cash flow reporting is a fundamental component of corporate financial statements, providing stakeholders with essential information about a company's liquidity, solvency, and financial flexibility. According to International Financial Reporting Standards (IFRS), the statement of cash flows categorizes cash movements into operating, investing, and financing activities, thereby facilitating a comprehensive understanding of how an entity generates and utilizes cash (IASB, 2017). However, the traditional framework of cash flow reporting was developed in an era dominated by physical cash and conventional banking systems. The increasing prevalence of digital wallet transactions challenges the adequacy of these frameworks, raising questions about classification, recognition, and measurement.

Digital wallet transactions differ from traditional cash and bank transactions in several important ways. First, they often involve intermediaries such as fintech platforms or third-party service providers, which may temporarily hold funds before settlement. This creates ambiguity regarding the timing of cash recognition and the classification of such transactions in financial statements. As noted by Gomber et al. (2018), fintech innovations have introduced new transaction flows that blur the boundaries between cash equivalents and receivables, complicating financial reporting practices. Consequently, companies must reassess how digital wallet transactions are recorded to ensure compliance with accounting standards while maintaining transparency.

Second, the real-time nature of digital wallet transactions presents both opportunities and challenges for corporate cash flow management. On one hand, digital wallets provide immediate transaction data, enabling firms to monitor cash inflows and outflows more efficiently. This aligns with the growing demand for real-time financial reporting and enhanced decision-making capabilities (Vasarhelyi et al., 2015). On the other hand, the high volume and velocity of digital transactions may overwhelm existing accounting systems, leading to potential inaccuracies or delays in financial reporting. This issue is particularly relevant for companies operating in e-commerce and digital services, where digital wallet payments constitute a significant portion of revenue.

Moreover, the integration of digital wallets into business operations raises concerns regarding internal control and auditability. Traditional cash transactions are relatively straightforward to trace and verify; however, digital wallet transactions often involve complex digital trails that require advanced technological tools for auditing. As emphasized by Appelbaum et al. (2017), the adoption of digital technologies necessitates a corresponding evolution in auditing practices to ensure the reliability and integrity of financial information.

Without adequate controls, companies may face increased risks of fraud, misstatement, or non-compliance with regulatory requirements.

Another critical issue relates to the classification of digital wallet balances. In many cases, funds stored in digital wallets are not held directly by the company but are managed by third-party providers. This raises the question of whether such balances should be classified as cash, cash equivalents, or other financial assets. The distinction is crucial, as it affects key financial ratios and stakeholders' perception of the company's liquidity. According to KPMG (2020), the classification of digital financial assets remains an evolving area, with varying interpretations across jurisdictions. This lack of uniformity underscores the need for clearer guidance and standardized practices.

Furthermore, the growing reliance on digital wallets is particularly evident in emerging economies, where traditional banking infrastructure may be limited. In countries such as Indonesia, digital wallets have become a primary means of payment for both consumers and businesses, driven by factors such as smartphone penetration and government initiatives promoting cashless transactions (Bank Indonesia, 2021). This trend amplifies the importance of understanding how digital wallet transactions impact corporate financial reporting in different contexts. Companies operating in such environments must adapt their accounting practices to reflect the realities of digital transactions while ensuring compliance with international standards.

Despite the increasing significance of digital wallet transactions, existing literature on their impact on corporate cash flow reporting remains relatively limited. Most prior studies have focused on consumer behavior, adoption factors, and the technological aspects of digital wallets (Dahlberg et al., 2015; Liébana-Cabanillas et al., 2020). While these studies provide valuable insights into the drivers of digital wallet usage, they do not adequately address the implications for financial reporting and accounting practices. This gap highlights the need for empirical research that examines how digital wallet transactions are recorded, classified, and disclosed in corporate financial statements.

In addition, the lack of standardized accounting treatment for digital wallet transactions poses challenges for comparability and consistency across firms. Investors and other stakeholders rely on financial statements to make informed decisions; however, variations in reporting practices may lead to misunderstandings or misinterpretations. As DeFond and Zhang (2014) argue, the quality of financial reporting is closely linked to the consistency and transparency of accounting practices. Therefore, addressing the challenges associated with digital wallet transactions is essential to maintaining the credibility and usefulness of financial information.

The rapid evolution of fintech also necessitates a forward-looking approach to accounting standards and practices. Standard-setting bodies such as the International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) are increasingly recognizing the need to adapt to technological changes. However, the pace of innovation often outstrips the development of regulatory frameworks, creating a gap between practice and regulation. This gap is particularly evident in the context of digital wallets, where new transaction models continue to emerge.

Given these challenges, this study seeks to explore the role of digital wallet transactions in corporate cash flow reporting. Specifically, it aims to examine how such transactions are recognized, classified, and disclosed, as well as the implications for financial transparency and decision-making. By addressing these issues, the study contributes to the existing body of knowledge on accounting and fintech, providing insights that are relevant for practitioners, regulators, and academics alike.

In conclusion, the increasing adoption of digital wallets represents a significant shift in the way financial transactions are conducted and recorded. While these technologies offer

numerous benefits, they also introduce complexities that challenge traditional accounting frameworks. The need for accurate, transparent, and consistent cash flow reporting has never been more critical, particularly in an era of digital transformation. Therefore, understanding the role of digital wallet transactions in corporate cash flow reporting is essential for ensuring the reliability and relevance of financial information in the modern business environment.

2. Research Methods

This study employs a qualitative research design using a literature review (kajian pustaka) approach to examine the role of digital wallet transactions in corporate cash flow reporting. A literature review method is particularly appropriate for this research because it allows for the systematic identification, evaluation, and synthesis of existing scholarly works, professional reports, and regulatory frameworks related to fintech, digital payment systems, and financial accounting practices. This approach facilitates a comprehensive understanding of the conceptual and empirical developments in the field while identifying research gaps and inconsistencies.

Research Design

The research design follows a descriptive and analytical literature review framework. According to Webster and Watson (2002), a high-quality literature review should not merely summarize prior studies but should conceptually structure existing knowledge to develop new insights. Therefore, this study adopts a structured review process that integrates findings from multiple disciplines, including accounting, finance, and information systems, to build a coherent understanding of how digital wallet transactions influence cash flow reporting.

Data Sources

The data used in this study are secondary data derived from various credible and authoritative sources. These include:

1. **Peer-reviewed journal articles** from databases such as Scopus, Web of Science, and Google Scholar, focusing on topics such as fintech, digital wallets, accounting standards, and financial reporting.
2. **Books and academic textbooks** related to financial accounting, auditing, and financial technology.
3. **Reports from professional institutions and regulatory bodies**, including publications from the International Accounting Standards Board (IASB), KPMG, and central banks such as Bank Indonesia.
4. **Conference proceedings and working papers** that provide recent developments and emerging perspectives on digital financial systems.

The selection of these sources ensures that the study is grounded in both theoretical and practical perspectives, thereby enhancing the validity and reliability of the analysis.

Data Collection Technique

The data collection process is conducted through a systematic literature search and selection procedure. Keywords used in the search include "digital wallet," "e-wallet," "fintech," "cash flow reporting," "IAS 7," "financial reporting," and "accounting for digital transactions." Boolean operators (AND, OR) are used to refine the search and ensure relevance.

The inclusion criteria for selecting literature are as follows:

- Publications within the last 10–15 years to ensure relevance to current technological developments.
- Studies published in reputable journals or by recognized institutions.

- Literature that directly or indirectly discusses digital transactions and their accounting implications.

Exclusion criteria include:

- Non-scholarly sources without clear methodological rigor.
- Articles that focus solely on technical aspects without relevance to financial reporting.

Data Analysis Technique

The data analysis in this study employs a qualitative content analysis approach. According to Mayring (2014), content analysis involves systematically categorizing textual data to identify patterns, themes, and relationships. The analysis process consists of the following steps:

1. Data Reduction

Selected literature is reviewed and filtered to extract relevant information related to digital wallet transactions and cash flow reporting.

2. Data Categorization

The extracted information is grouped into key thematic categories, such as:

- Characteristics of digital wallet transactions
- Accounting recognition and classification issues
- Impact on cash flow reporting
- Challenges in auditing and internal control
- Regulatory and standardization issues

3. Synthesis and Interpretation

The categorized data are synthesized to identify relationships between concepts and to develop a comprehensive understanding of the topic. This step also involves comparing findings across different studies to highlight similarities, differences, and emerging trends.

4. Critical Evaluation

The study critically evaluates the strengths and limitations of existing literature, identifying gaps that justify the need for further research.

Validity and Reliability

To ensure the validity and reliability of the findings, this study adopts several strategies:

- **Source triangulation**, by using multiple types of sources (journals, reports, books).
- **Use of reputable and peer-reviewed publications**, ensuring the credibility of the data.
- **Transparent selection criteria**, allowing the research process to be replicable.

Research Limitations

While the literature review method provides a comprehensive understanding of the topic, it has certain limitations. The study relies entirely on secondary data, which may not fully capture real-time practices or recent developments in digital wallet implementation. Additionally, variations in accounting practices across jurisdictions may limit the generalizability of findings.

Conclusion of Methodology

In summary, this study utilizes a structured literature review methodology to systematically analyze the role of digital wallet transactions in corporate cash flow reporting. By integrating insights from diverse sources and applying rigorous analytical techniques, the study aims to provide a comprehensive and theoretically grounded understanding of the issue. This methodological approach is expected to contribute to the development of more consistent and transparent accounting practices in the era of digital finance.

3. Results and Discussions

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Based on the literature review methodology employed in this study, the results are derived from the synthesis and critical analysis of prior research, professional reports, and accounting standards. The findings are organized into several key themes that reflect the role and implications of digital wallet transactions in corporate cash flow reporting.

1. Characteristics of Digital Wallet Transactions and Their Accounting Implications

The literature indicates that digital wallet transactions possess distinct characteristics compared to traditional cash and bank transactions. These include real-time processing, platform-based fund storage, and the involvement of third-party intermediaries. According to Gomber et al. (2018), fintech innovations such as digital wallets fundamentally alter transaction flows by introducing multi-layered financial interactions that complicate traditional accounting recognition.

From an accounting perspective, these characteristics create ambiguity in determining the timing of cash recognition. In conventional systems, cash inflows and outflows are recognized when funds are received or paid through bank accounts. However, in digital wallet systems, funds may be temporarily held by platform providers before being transferred to the company's bank account. This delay raises questions regarding whether such transactions should be recognized as cash, receivables, or other financial assets during the interim period. Furthermore, Dahlberg et al. (2015) highlight that the high frequency and automated nature of digital wallet transactions require companies to adopt more sophisticated accounting information systems. Without such systems, the risk of misclassification and incomplete recording increases, potentially affecting the accuracy of cash flow statements.

2. Classification Issues in Cash Flow Reporting

One of the most significant findings from the literature is the lack of consensus regarding the classification of digital wallet transactions within the statement of cash flows. According to International Accounting Standard (IAS) 7, cash flows are categorized into operating, investing, and financing activities (IASB, 2017). However, digital wallet transactions do not always fit neatly into these categories due to their hybrid nature.

KPMG (2020) notes that digital wallet balances managed by third-party providers may not meet the strict definition of cash or cash equivalents, particularly when access to funds is restricted or subject to settlement delays. As a result, companies may adopt different classification approaches, leading to inconsistencies in financial reporting.

This inconsistency has significant implications for financial analysis. For example, the classification of digital wallet transactions as operating cash flows versus receivables can affect key financial ratios such as operating cash flow ratios and liquidity indicators. DeFond and Zhang (2014) emphasize that inconsistent classification practices reduce the comparability of financial statements, thereby limiting their usefulness for stakeholders.

3. Impact on Corporate Cash Flow Transparency and Decision-Making

The integration of digital wallet transactions has both positive and negative implications for corporate cash flow transparency. On one hand, digital wallets provide real-time transaction data, enabling companies to monitor cash flows more efficiently. Vasarhelyi et al. (2015) argue that real-time data availability enhances decision-making by providing timely insights into financial performance.

On the other hand, the complexity of digital wallet ecosystems may reduce transparency if not properly managed. The involvement of multiple intermediaries and the lack of standardized reporting practices can obscure the true nature of cash flows. This issue is

particularly relevant for external stakeholders, such as investors and creditors, who rely on financial statements to assess a company's financial health.

Moreover, the literature suggests that companies with advanced digital accounting systems are better able to leverage the benefits of digital wallet transactions. These systems enable automated data integration, real-time reporting, and improved accuracy, thereby enhancing overall financial transparency.

4. Challenges in Auditing and Internal Control

Another key finding relates to the challenges that digital wallet transactions pose for auditing and internal control systems. Appelbaum et al. (2017) highlight that digital transactions generate complex electronic audit trails that require advanced analytical tools for effective verification. Traditional audit procedures may be insufficient to address the risks associated with digital wallet transactions.

The reliance on third-party platforms further complicates the audit process. Auditors must evaluate the reliability of external systems and assess the effectiveness of internal controls over digital transactions. This increases audit complexity and may lead to higher audit costs.

In addition, the literature identifies an increased risk of fraud and misstatement associated with digital wallet transactions. Weak internal controls, inadequate system integration, and limited oversight can create opportunities for manipulation or error. Therefore, companies must strengthen their internal control frameworks to ensure the integrity of financial reporting.

5. Regulatory and Standardization Challenges

The findings also reveal a significant gap in regulatory guidance regarding the accounting treatment of digital wallet transactions. While IAS 7 provides general principles for cash flow reporting, it does not explicitly address digital financial instruments. This lack of specific guidance leads to diverse practices across organizations and jurisdictions.

Bank Indonesia (2021) highlights that the rapid growth of digital payment systems in emerging economies has outpaced the development of regulatory frameworks. As a result, companies often rely on professional judgment in determining the appropriate accounting treatment for digital wallet transactions.

This regulatory gap underscores the need for standard-setting bodies to develop more specific guidelines that address the unique characteristics of digital financial technologies. Such guidelines would enhance consistency, comparability, and transparency in financial reporting.

6. Synthesis and Research Gap

The synthesis of the literature indicates that digital wallet transactions play a significant and increasingly important role in corporate cash flow reporting. However, several critical issues remain unresolved, including:

- The lack of standardized classification and recognition criteria
- Challenges in integrating digital transactions into existing accounting systems
- Increased complexity in auditing and internal control
- Limited regulatory guidance and standardization

These gaps highlight the need for further empirical research to develop practical solutions and inform the development of accounting standards.

Discussion

The findings of this study demonstrate that digital wallet transactions represent both an opportunity and a challenge for corporate financial reporting. From a theoretical

perspective, the integration of digital financial technologies requires a re-evaluation of existing accounting frameworks. Traditional definitions of cash and cash equivalents may need to be expanded or reinterpreted to accommodate new forms of digital transactions.

From a practical perspective, companies must invest in advanced accounting information systems and internal control mechanisms to effectively manage digital wallet transactions. The adoption of real-time reporting technologies and data analytics can enhance the accuracy and transparency of cash flow reporting.

Furthermore, collaboration between regulators, standard-setters, and industry practitioners is essential to address the challenges identified in this study. The development of clear and consistent guidelines for digital wallet transactions will be critical in ensuring the reliability and comparability of financial statements in the digital era.

5. Conclusion

This study, employing a literature review approach, concludes that digital wallet transactions have become an increasingly significant component of corporate financial activities, fundamentally influencing the preparation and presentation of cash flow statements. The rapid adoption of digital payment systems has introduced new transaction structures that challenge traditional accounting frameworks, particularly those outlined in International Accounting Standards Board standards such as IAS 7.

The findings indicate that digital wallet transactions differ substantially from conventional cash and bank transactions due to their real-time processing, reliance on third-party intermediaries, and platform-based fund management. These characteristics create ambiguity in the recognition and classification of cash flows, especially in determining whether such transactions qualify as cash, cash equivalents, or other financial instruments. As a result, inconsistencies in reporting practices may arise, potentially reducing the comparability and reliability of financial statements.

Furthermore, the integration of digital wallets offers both opportunities and challenges for corporate financial management. On one hand, the availability of real-time transaction data enhances the efficiency, accuracy, and timeliness of cash flow monitoring and decision-making. On the other hand, the complexity and high volume of digital transactions necessitate the adoption of advanced accounting information systems and robust internal control mechanisms to mitigate risks of misstatement, fraud, and data inconsistency.

The study also highlights significant challenges in auditing and regulatory compliance. The involvement of third-party platforms and the lack of explicit accounting standards for digital wallet transactions increase audit complexity and require the use of advanced analytical tools. In addition, the absence of comprehensive regulatory guidance leads to diverse interpretations and practices across organizations, further complicating financial reporting.

Overall, this research underscores the need for the evolution of accounting standards and practices in response to the growing influence of financial technology. Standard-setting bodies, regulators, and practitioners must collaborate to develop clear, consistent, and adaptive guidelines that address the unique characteristics of digital wallet transactions. Such efforts are essential to ensure the transparency, reliability, and comparability of corporate cash flow reporting in the digital era.

In conclusion, while digital wallet transactions enhance operational efficiency and financial visibility, they also introduce substantial accounting and reporting challenges. Addressing these challenges is critical for maintaining the integrity of financial information and supporting informed decision-making in an increasingly digitalized business environment.

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