

TAX TRIBUNE

magazine



**INTERVIEW WITH
MR MARIAN BANAŚ**

**SPAIN - MONTENEGRO
TWINNING PROJECT**

**THE SWEDISH
TAX SCHOOL PODCAST**

**NATIONAL TEAM BUILDING IN THE
BULGARIAN REVENUE AGENCY**

**COMBATING WORK-RELATED
CRIME IN NORWAY**

**GREECE - AZERBAIJAN
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**TAXPAYER RATING
SYSTEM IN LATVIA**

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IMPRESSUM

INTERVIEW WITH MR MARIAN BANAŚ

Secretary of State at the Ministry of Finance of Poland, Head of the National Revenue Administration

1. DO THE FIGHT FOR TAX REVENUES AND COMBAT SPORTS HAVE ANYTHING IN COMMON?

These two areas, in a sense, have a lot in common. Both need discipline, patience, consistency and regularity in action as well as courage in making decisions, also in situations of threat. It is necessary to be able to analyse the situation and make the relevant decisions quickly but also to draw conclusions from failures.

2. WHEN AND HOW DID YOUR ADVENTURE WITH KARATE BEGIN?

In 1974, at the beginning of my studies at the Jagiellonian University in Cracow. There I started training at Kyokushin Oyama school founded by Andrzej Drewniak.

3. DO ACHIEVING THE MASTER'S DEGREE (1 DAN) AND THE BLACK BELT IN KARATE HELP YOU ANYHOW IN YOUR PROFESSIONAL CAREER?

Karate taught me how to be resilient to situations of threat, it strengthened my self-confidence, very much needed in my work which focuses mostly on combating economic crime so, in principle, it is not a safe job.



4. YOU ARE CURRENTLY THE HEAD OF THE NATIONAL REVENUE ADMINISTRATION. DO YOU MANAGE TO FIND TIME FOR KARATE AND ACTIVE PRACTICING OF SPORTS?

It is difficult but I exercise every day to maintain good physical fitness. I also have other hobbies - hiking in the mountains, skiing. I am a mountaineer, I grew up in the highest and most beautiful Polish mountains - the Tatras. I climbed all Polish mountains. In my youth I wandered across the mountains alone and such expeditions sometimes lasted many days. The mountains teach humility and allow us to build the spiritual balance, which is even more important than the physical fitness you get then.

5. THE NATIONAL REVENUE ADMINISTRATION (KAS) IS A RELATIVELY YOUNG ORGANISATION ESTABLISHED IN POLAND IN 2017. WHAT IS THE EFFECT OF THE KAS REFORM? LOOKING FROM THE PERSPECTIVE OF ALMOST 2 YEARS OF THE KAS OPERATION, WOULD YOU SAY THAT IT WAS NECESSARY?

It certainly was. The reform of the Polish tax administration was indispensable. The effects of its introduction can be seen, for example, in the improvement of tax collection in Poland, especially VAT. Since the establishment of the KAS, an increase in all tax revenues in our country has been maintained. I can say with great satisfaction that the reform of the tax administration has significantly contributed to strengthening the condition of the Polish budget and stabilising public finance.



WARSAW, THE CAPITAL OF POLAND

Warsaw

6. WHAT IS THE SECRET OF THE KAS SUCCESS?

The success of the KAS is the result of determination and hard work of all employees and officers of the reformed tax administration. The success also lies in the adequate targeting of the KAS activities. We attach great importance to analytics. We are supported in effective tax collection by modern IT solutions and a new information exchange system. Thanks to the automation of checking activities, we are able to respond quickly to emerging tax fraud. We have introduced a number of solutions, such



Mr Banaś in a conference in Warsaw with a Chinese delegation

as reporting of the Standard Audit Files (JPK_VAT) or the Clearing House ITC (STIR), as well as several large legislative packages which significantly help us to tighten the tax system and thus contribute to an increase in revenue to the state budget.

7. WHAT DO YOU LIKE ABOUT YOUR WORK AT KAS?

Each day is a new challenge and managing an organisation employing 60,000 people requires continuous development, meeting new people. I cooperate with experts in many fields: economics, finance, logistics, services combating economic and border crime. Together we solve various problems and create new legal solutions. The KAS is an administration with a very wide



The Polish Ministry of Finance

range of activities, not only taxes and customs duties but also a number of non-fiscal activities related to border and market protection or ensuring security to the citizens of Poland and the European Union. Therefore, in this work there is no room for boredom and routine which I do not like.

8. DO YOU SET YOURSELF ANY PROFESSIONAL AND PRIVATE CHALLENGES?

I would like to bring to an end the reform of the Polish tax administration, which is not yet finished. It is a process that is still ongoing. An important task that is still ahead of us is the centralisation of IT systems. I would like the activities now carried out by KAS employees to be as automated as possible. This will give us a guarantee of streamlining taxpayers' services, it will also make it easier to perform tasks and speed up a possibility of action.

In 2019, we are starting a several-year project of KAS modernisation. It is a big challenge. The implementation of this project will strengthen our administration and significantly improve working and

service conditions. The KAS must be a modern organisation which is properly adapted to the dynamically changing economic reality. Only in this way will we have an advantage over economic criminals, who are very well organised and strongly determined in their actions.



In the Polish fiscal system, we implement the 3xP principle, i.e. transparent, simple and friendly taxes (in Polish "przejrzyste, proste i przyjazne podatki"). Creating and implementing a new tax law is not an easy task, it is another big challenge.

Privately, I also set myself several goals to achieve. I will mention one thing - I would like to go to the Alps and face the power of these mountains. These are my personal plans for this year. It's time to start implementing them.

SUPPORT TO TAX ADMINISTRATION

Twinning project for a more efficient Montenegrin Tax Administration and a long-term cooperation between Spain and Montenegro



The article has been written jointly by Mr. Jesús Gayarre (Resident Twinning Advisor from Member State) and Ms. Milica Vuletic (MTA Head Communication Officer) in cooperation with the IOTA PCPs of Montenegro and Spain (Lidija Seckovic and Ana Ortega). Lidija is both a PCP and Resident Twinning Advisor from the Beneficiary Country.

The Twinning project "Support to Tax Administration", approved under IPA 2014 (Instrument of pre-accession) is implemented by FIIAPP with the Spanish Tax Agency and the Montenegrin Tax Administration as Twinning Partners, with additional participation of experts from the Romanian Tax Administration (NAFA).

This is the first Twinning project of the Tax Administration of Montenegro and it involves numerous stakeholders apart from the tax officers, such as Ministry of Finance and Customs Administration, and business and taxpayers' associations, as the main contact point for communication with taxpayers and promotion of voluntary tax compliance. The value of the project is 1.000.000,00 €, where the EU contribution is 900.000,00 €, and the co-financing of the Montenegrin Government is 100.000,00 €.

The project is very important for both Institutions as it enables the Spanish Tax Agency, which implemented an overall reform 20 years ago, to transfer

its experience in the upgrade of the Tax Administration for securing a high level of tax compliance, as well as in the reforms that need to be done for a successful functioning in the system of the EU, on one hand, and as it gives the opportunity to the Montenegrin Tax Administration to accomplish the already started modernisation and in their approximation to the EU Standards and Best Practices.



Illustration 1: Twinning Project Components

The project course has been planned within 18 months timeframe, during which four components of the project will be implemented, covering the tax legislation issues, training of tax officers, administrative cooperation and IT capacities issues.

The Twinning initiative was launched in 2008 in the context of the preparation for Enlargement of the European Union. The Twinning Rules and Procedures are regulated in the Twinning Manual.

A Twinning is an instrument organised and managed by the European Union (EU) to provide support to the countries that are candidates or possible candidates to join the EU in the future in their process of modernisation and in their approximation to the EU Standards and Best Practices.

The idea is that a public institution from one or more Member States (MS) will share their experiences with a similar institution of the Beneficiary Country (BC). These institutions will be considered the Twinning Partners. In order to implement the Twinning project, it is necessary to prepare a detailed Work Plan consisted of the regular visits of the officers from the Member State Public Institution to the Beneficiary Country Institution. The MS and BC Officers work together in the development of the Twinning Activities. Additionally, several study visits by the officers from the BC Public Institution are carried out to the EU countries in order to learn how these Institutions work in practice. The Twinning is funded by the European Union with a small contribution of the Beneficiary Country.

The Spanish State Tax Administration Agency (AEAT) is a Public Law entity with its own legal personality attached to the Ministry of Finance that was established on 1 January 1992 and whose main objective is the effective application of the tax and customs system.

At present, more than twenty-five thousand employees work in the AEAT, distributed among its Central services, the Central Delegation of Large Taxpayers and 17 Special Delegations corresponding to the regional structure of the country. It controls a taxpayer center of more than 55 million taxpayers.

The Spanish Tax Agency joined IOTA as associate member in 1997 and as a full member in 2006.

The project started on 22 January 2018, while the project launch was marked on 1 March 2018 in the form of a kick-off event participated by the Minister of Finance, Director General of FIIAPP, H.E. Spanish Ambassador, H.E. Head of the EU Delegation to Montenegro, Director General of the Montenegrin Tax Administration and high representatives of the Montenegrin Tax Administration and the Spanish Tax Agency.

After bilateral discussions during the Principal Contact Persons' meeting held in Antwerp in February 2018, it was decided that Ms. Lidija Seckovic, PCP of the Tax Administration of Montenegro and local Resident Advisor for the twinning, would publish a news release on this issue in IOTA's website.



Picture 2: News release in IOTA's website

CURRENT RESULTS

Eight months of the project are behind us, and numerous activities have already been carried out in all four components, through the intensive communication between Spanish and Montenegrin officers. The most important result to mention is the list of recommendations for a whole set of tax regulations, including Law on VAT, Law on Corporate Profit Tax and Law on Tax Administration, that have been prepared for the further alignment with the EU Acquis.



Picture 1: Twinning Project Leaders Presenting at the Kick-off Event

In addition, a Training Plan for the project has been prepared and its implementation started during the autumn, ensuring the sustainability of the project results through the continuous development of the MTA staff competences and skills.

Although still ten months are ahead to the project end, it is already visible that it contributes, not only to meeting the project objectives themselves, but also to building on the mutual cooperation, networking and creating foundations for a traditionally amicable relations between Montenegro and Spain. Moreover, Spanish experts visiting Montenegro have the unique opportunity to get to know Montenegro, with all its natural beauties, and the large investing and developing potential as well.

During all these activities, officials from the Spanish and Montenegrin tax administrations, who had already met in IOTA workshops had the opportunity to meet again and exchange experiences.

THE STUDY VISITS



In line with the Twinning contract, two study visits to Spain and a study visit to Romania were organised in April, July and September 2018 through the twinning project. The contacts made through IOTA network proved to be very useful in order to organise the



Picture 3: Twinning Project Study Visit to Spain

Montenegro is a Western Balkan country at the Adriatic Sea with 640,000 inhabitants and a long history which dates from the 9th century A.C. Due to its natural diversities – the coast and mountains, it has an immense tourist potential. Furthermore, Montenegro is globally recognized as a country which stimulates investments and economic growth, with lucrative tax rates and improving business-friendly policies.

Tax Administration of Montenegro has 600 employees organized within the Headquarters, 9 Regional Offices and 15 Branches in every municipality of the country. An overall reform of the tax authority has been conducted since the end of 2015, with assistance of the international experts from IMF, World Bank and European Commission, in order to enable the shift from the traditional audit-oriented institution towards a service-oriented modern tax authority.

The Tax Administration of Montenegro joined IOTA as full member in 2003.

study visit to Romania and find the most suitable experts to host it.

All three visits were very significant for the project realisation, bearing in mind that they enabled Montenegrin tax officers to determine the specific needs for improvement of the business processes, as well as to see how the MS Tax Administrations function in practice. The visits covered meetings with the staff of the Spanish Ministry of Finance, Headquarters of AEAT, Regional Administrations Madrid, Valencia and Toledo, together with the Headquarters of FIIAPP, as well as



Picture 4: Directors General of AEAT and MTA Meeting Each Other during the Study Visit to Spain

Director General of the Montenegrin Tax Administration Mr Miomir M. Mugoša actively monitors the realisation of project activities, promoting the significance of the mutual cooperation between Montenegrin Tax Authority and tax authorities of the EU Member States. He even participated in the study visit to Spain and had a pleasure to meet the Director General of the Spanish Tax Agency, Mr Jesus Gascon, who expressed his positive view about the current project results and his willingness for further cooperation with Montenegro.

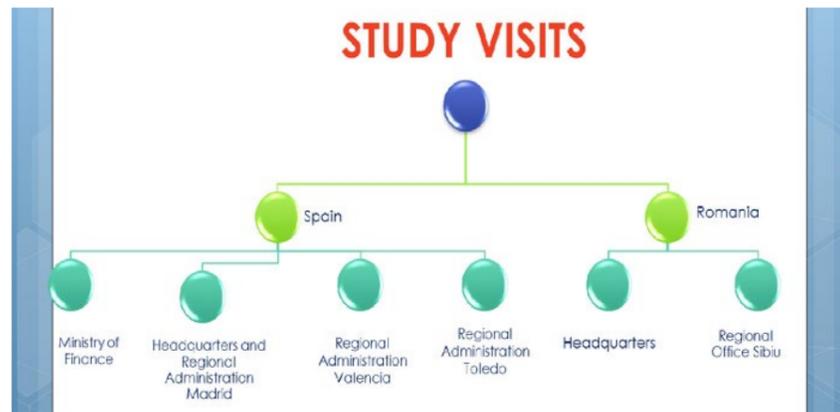


Illustration 2: Study Visits Carried Out through the Twinning Project

the Headquarters of the Romanian Tax Administration and regional Office Sibiu.

The whole organisation of the study visits has proved the Spanish and Romanian hospitality at the highest level, and we all had the chance to see how the working hours of our colleagues look like, but also to feel the spirit of culture, history and everyday life in Spain and Romania.

WHAT NEXT?

After more than two quarters, the intensive work on the project implementation continues, now focusing on Component 3, while the work in other three components is being conducted in parallel.

The implementation of the activities foreseen in the project will significantly

contribute to the harmonisation of the legal framework in the field of taxes which is a necessary objective to become EU Member.

The revision of the MTA strategic documents and the development of a training curricula and an efficient training programme for the MTA staff will ensure the future sustainability of the project results.

The interconnection of the economies of different countries requires a timely and automatic exchange of information between the tax authorities. The Twinning Project has put special emphasis in this issue and a noticeable enhancement in this area is expected to be achieved.

Following the recommendations of the Spanish experts, the new MTA IT

Strategy will describe an analysis of the existing IT capacities, and a definition of the requirements for interconnectivity and interoperability with the EU systems in the near future.

Bearing in mind strategic aspirations of Montenegro related to the EU accession, it is expected that after the project most of the issues from the Negotiation Chapter 16 – Taxation will be resolved and that the Tax Administration Montenegro will be a step ahead towards its full modernisation and organisational restructuring as a service-oriented proactive institution, which functions fully in line with the best international practice.

We hope that experts of both tax administrations will continue to meet in IOTA events and exchange views and expertise, which will be beneficial for an enhanced cooperation in the future.



Illustration 3: Twinning Project within the EU Integration Context



THE SWEDISH TAX SCHOOL PODCAST

More than 61 000 listeners have tuned in to the joint project between the Swedish Tax Agency and Swedish Agency for Economic and Regional growths podcast named Skatteskolan – En podcast för företagare, Tax School – a podcast for entrepreneurs.

The aim of the project is to help newly started businesses with the perhaps quite confusing tax rules and that the listeners have fun while listening.

For the last 20 years, The Swedish Tax Agency has invited newly started businesses to free lectures about tax rules. These were held at the local Tax Office, often in the evening. But with the new possibilities of digitalisation, we have now started to, as a supplement, hold lectures as live broadcast web seminars. We also tried a new approach resulting in the Tax School podcast.

- The Tax School is a compliment to the other formats of information. This one being that one can listen at their convenience, says Ina Näsmark, coordinator at the Swedish Tax Agency.

Anders Nyberg, from the Swedish Agency for Economic and Regional Growth, is the host of the podcast and with him two tax information officers from the Swedish Tax Agency, Per Granqvist and Jenny Persson. Anders asks the questions and paint up the scenarios while Per and Jenny tries their best to answer the questions in a correct and relaxed way.

- The aim is not to scare the newly started business with complex rules, but to help them one-step at a time, says Jenny Persson.

JENNY PERSSON

To attract listeners to the podcast they recorded a “teaser” film where they encouraged viewers to send in their questions in advance to the podcast. This was distributed in the Agency’s social media accounts and at verksamt.se, a joint website with coordinated

services from public authorities. The site contains lots of information and e-services to help start a business, running and developing the business. Some of the questions were answered in the podcast, for example “How many years do I have to keep my bookkeeping material?” or “How do I deduct VAT on leasing fees for inventories?”.



Jenny Persson



Per Granqvist

- The difficulties were to change our often image oriented lectures to fit the new format of a podcast and at the same time focus on the questions we got from the audience. In retrospect, there are some things that we could have done differently but overall the episodes turned out great, says Per.

PER GRANQVIST

- It takes a lot of preparation to record a podcast and in season one, we were perhaps not as prepared as we should be. Lots of valuable studio time went to try to make the material work in an audio environment. However, sometimes learning by doing is the right path to take, Per continues.

In season one of the podcast, the focus of the episodes was how to get started as a business owner. Register your company, either as a sole trader or as a limited liability company, registration for VAT and employer, how to make an invoice, deductions and costs in the business and bookkeeping was some of the topics. The 10 episodes of the first season aired in the fall of 2017.

In season two, with nine episodes aired in the fall and winter of 2018, the podcast took it one-step further and concentrated on the first year as a business owner.

- Everything is more complex the first time you do something, so that is where we put our focus, scenarios where you do things for the first time, says Jenny.

How to trade within or outside of the EU, financing or hire people for the first time are some of the topics for season two. With one of episode we tried a different approach, the episode is called "wrong, wrong, wrong" and there we concentrate on the common mistakes a new business owner often makes when starting up. Of course, we also talked about how they can avoid them and what to do if it happens anyway. Two special episodes in season two is how to fill out your tax return form, either as a sole trader or as a limited liability company.

- Those two were quite a challenge, says Per Granqvist, to try to explain how to fill out the tax return form and the differences between the two company forms.

ANDERS NYBERG

- The response from listeners has been amazing, says Anders. Just the other day we received an email from a listener stating, "Just want to send thanks for making a great pod! Looking forward to hearing the episodes about the tax return form".

Anders continues: The work on the podcast Skatteskolan really shows how far you can get with good collaborations and new customer areas. It also becomes very clear that

podcasting is a very business-friendly medium, where the entrepreneur can work and listen simultaneously, unlike, for example, a movie.

THE TAX SCHOOL PODCAST HAS RECEIVED A LOT OF POSITIVE FEEDBACK.

Katrin Westling Palm, Director-General of the Swedish Tax Agency wrote: Great to take part of! Completely in line with the Tax Agency's focus; TOGETHER with other authorities and focus on small and medium-sized companies - Good job!

Another listener stated; Thank you for a good show! He also asked questions to the podcast. Which actually become a segment in the episode called deductions and cost part two. So, it's great to still have the interaction with the listeners even if it is not live.

The latest update of the listeners is 61 258 in total. We are hoping for a season three of course. Perhaps make some episodes in English, as many who starts businesses in Sweden does not have Swedish as their primary language.



Anders Nyberg



Volleyball - hectic game between the Territorial Directorates of Sofia and Veliko Tarnovo

NATIONAL TEAM BUILDING IN THE BULGARIAN REVENUE AGENCY

PROFESSIONALISM INSPIRED BY TEAM SPIRIT AND FAIR PLAY

The Bulgarian National Revenue Agency (NRA) held its third national team building with excellent organization, very well prepared and motivated sports teams, lots of enthusiasm and a will to win, team spirit and many positive emotions.



The logo of the National Team Building - four-leaf clover, where each leaf symbolizes the sport included in the tournament

This year Kamchiya resort at the Black Sea brought together 500 employees of NRA, who came eager to participate in the sport competition and the rich cultural and musical program during the three days of the team building. Our guests were the football teams of the Ministry of Finance, the Ministry of Labor and Social Policy, and the Customs Agency, led by the Secretary Generals of these institutions.

The participants and the audience witnessed the great sport spirit, talent and skills of the athletes from 31 teams in the soccer, volleyball and table tennis competitions, as well as the cheerleader squads of the six Territorial Directorates and the Headquarters of NRA.

With every year an increase is noticed in the wish for more sportsmanship, more

fair play, less contestation of referees' decisions, more handshakes among the players ... There were attractive performances during the football games, and not only the audience but also the referees sincerely enjoyed, applauded, and approved them.

The appearance of the cheerleader squads to support and encourage their teams brought animation around the sports fields.



Plovdiv Cheer leaders won the audience with smiles and masterful performance

NRA's Director General gave out the awards to the winners in the extremely interesting football tournament. In addition to the cups and medals, Ms. Galya Dimitrova handed out two special prizes: Goalkeeper of the tournament - to a representative of the Plovdiv TD of NRA, for the 8 goals scored against the opponents, and Most useful player - to a revenue inspector from the Fiscal Control Directorate General, who gave his all playing for NRA's Headquarters team. A special fair play prize was awarded to the football team of the Large Taxpayers TD of NRA for sportsmanship and civility in all games.

A pleasant surprise was made by our colleagues from the Sales section of the States Receivables function, who presented the play Vrazhalets by Bulgarian playwright St. L. Kostov, produced by the



The football team of the NRA Headquarters on the podium - the Executive Director of NRA - Mrs. Galya Dimitrova - gives the medals to the best players in 2018

Head of State Receivables Department at the Plovdiv TD of NRA. With a wild ovation, the audience showed its appreciation for the acting skills and the courage of their colleagues to present a play from classic Bulgarian literature.

All the participants in the national team building were greeted by the Agency's Director General Ms. Galya Dimitrova, who pointed out that the event had already become a tradition, which should continue, as in addition to the strong emotions, the athletes and the audience also showed team spirit and potential for achieving excellent results, which could also be transferred to their daily work.

In the words of the Director General, "NRA is a team whose potential is greater than the sum of the potentials of each of us. It is wonderful that this year, besides sports competitions, we were able to enjoy the professional performance of Vrazhalets by our colleagues from the State Receivables Directorate. This showed once again that the talents at NRA are numerous and in various areas. This is why we can hold not only sport, but also theatrical, musical, and other competitions, which could also serve as means for self-expression."

INTERVIEW WITH THE CAPTAIN OF THE WINNER – FOOTBALL TEAM OF THE HEADQUARTERS OF THE NATIONAL REVENUE AGENCY

Nikolay Mishovski, Director of the Information Centre, Headquarters of NRA, Sofia

WHEN DID TOURNAMENTS AND MATCHES BETWEEN TEAMS OF DIFFERENT NATIONAL REVENUE AGENCY BODIES BEGIN? AND HOW DID TOURNAMENTS



28 employees of NRA took part in the table tennis tournament. The colleagues of Plovdiv Territorial Directorate proved to be the best

WITH TEAMS OF OTHER PUBLIC ADMINISTRATIONS BEGIN?

The National Revenue Agency's football tournaments were launched in 2004 in Albena resort complex. Another tournament took place in 2008, followed by a long period of lull in sports events organized by the NRA.

The tradition of national NRA competitions in the form of team buildings including more sport disciplines was restored after the NRA football team's participation in an annual mini-football tournament of Europe's Social Security Institutes.

In May 2016, the event was hosted by the National Social Security Institute of the Republic of Bulgaria and, due to the specific international context and terrorist attacks, several participants such as Italy, Croatia and Spain refused to take part and, therefore, the NRA was invited to organize the minimum quorum and the holding of the tournament. Tournament participants included the Social Security Institutes' teams of Bulgaria, Germany, Austria, Switzerland, Hungary and NRA's team. The NRA's management accepted the invitation, and its football team was tasked with participating and decently representing the institution, albeit without high expectations. The NRA's team won the tournament! In the 20-year history of the tournament, for the first time it was won by a team other than a Social Security Institute team.

WHEN DID YOU JOIN THE TEAM AND WHEN DID YOU BECOME ITS CAPTAIN?

My participation in NRA Headquarters' team started at the tournament in Albena in 2008.



Football teams of the Headquarters of NRA (black and white) and of the Territorial Directorate of Veliko Tarnovo (white-dark blue) – in the final game for the title

In 2016, I took over the selection, organization and participation of the team representing the NRA at the European tournament of Social Security Institutes when the NRA's team demonstrated top shape, teamwork, motivation and fair play.

SPORTS AND TEAMWORK – PLEASE SHARE THE POSITIVE EFFECTS ON PROFESSIONAL RELATIONS AMONG NRA COLLEAGUES.

Sports team buildings create a unique opportunity and atmosphere for NRA's staff to get to know each other in an informal setting, establish stronger interpersonal relations and friendships to take to their work places.

WOULD YOU BE WILLING TO SHARE ANY IDEAS OR SUGGESTIONS ON THE BENEFITS OF ORGANIZING SIMILAR TEAM BUILDINGS WITH INVOLVEMENT OF OTHER REVENUE ADMINISTRATIONS AND PUBLIC ADMINISTRATIONS IN GENERAL – AT HOME AND ABROAD?

I would gladly share my experience with colleagues from other revenue and public administrations. It would be an honor for me to take part in the organization of an international football tournament, as I do believe that this will improve significantly the relations among colleagues and will enhance the coordination and working environment at all levels of cooperation.

INTERVIEW WITH AN ACTOR FORM VRAZHALETS:

Stanislav Hristov, Head of Sales Department, States Receivables Directorate, NRA Headquarters, Sofia



The Volleyball Team from the Plovdiv Territorial Directorate

HOW DID YOU DECIDE TO PARTICIPATE IN THE VRAZHAZLEC PLAY?

It all started at a meeting of the Sales function at NRA's training center in Borovets in November 2017. A group of colleagues from the Plovdiv Territorial Directorate, led by Petar Karaslavov - Head of the State Receivables Department there (a long-time amateur actor), presented the first act of the Vrazhazlec play at the training center's restaurant. We were all delighted, but the most impressed was Ms. Ventzislava Petkova, Director of the State Receivables Directorate at NRA's Headquarters, who got inspired to assemble a complete cast of 13 people, to stage the whole play of 4 acts, and to present it in front of our colleagues from NRA at the national team building. After convincing us all that this just had to happen, she presented the idea to NRA's top management, got their approval, and we started preparations.

HOW DID YOU PREPARE FOR THE PLAY PERFORMED AT THE TEAM BUILDING?

It was a real challenge because the cast included all the Sales function

managers, both from NRA's Headquarters and countrywide, and we had to get together to rehearse. We managed to do it only twice before the actual performance at the team building, where we had one more day for a dress rehearsal. We rehearsed three days in total. Apart from that, we had to secure costumes, stage-props, sound equipment, etc.

DID THE PARTICIPATION IN THE CAST AND IN THIS PLAY AFFECT IN A POSITIVE WAY THE TEAMWORK AND THE TEAM ATMOSPHERE?

It's hard to describe how positively this affected everything. For a few months, all the participants talked, lived, breathed, slept in one rhythm and with one thought. Both the inspiration and the worries were great. There were doubts, excitement, nervous breakdowns, pills, but mostly, there was a lot of laughter, joy and enthusiasm. After the end of the show, during the applause in the packed hall, you realize that it was all worth it. Then comes the realization that together with your colleagues you have done something extremely inspiring and unique, which, besides strengthening our sense of team and togetherness, will connect us for a lifetime.

WHAT WOULD YOU LIKE TO SHARE WITH THE OTHER COLLEAGUES FROM NRA? MOREOVER, SINCE THIS ARTICLE WILL BE PUBLISHED IN THE MAGAZINE OF IOTA - AN INTERNATIONAL ORGANIZATION WITH 44 MEMBER STATES - DO



Deserved applause for the amateur actors, representing the States Receivables function throughout the country

YOU HAVE A MESSAGE TO YOUR FOREIGN COLLEAGUES AS WELL?

What I can share is that 15 years of work in the state administration have convinced me that the most important thing for the success of our work is the team and its unity. That is why I wish to all my colleagues that they work in a team where support, creativity, professionalism and inspiration are leading. I also wish to every team the opportunity to experience something as extraordinary and exciting as the preparation and performance of the Vrazhazlec play was to us.



The play Vrazhazlec was staged and directed by Petar Karaslavov - Head of the Plovdiv State Receivables Department (a long-time amateur actor). Mr. Stanislav Hristov (Interviewee, head of Sales Department, States Receivables Directorate, Sofia Headquarters) in the role of the photographer Mancho





EFFORTS TO COMBAT WORK-RELATED CRIME STRENGTHENED IN NORWAY

By Jorunn Lindholt, Hanne Beate Næringsrud, Anders Berset and Ernst Arne Larsen from the Norwegian Tax Administration

In recent years, the Norwegian authorities have had increased focus on profit-motivated financial crime in the Norwegian labour market. The Norwegian government defines work-related crime activities – often organised – violating Norwegian legislation concerning wages and working conditions, social security and taxation; exploiting workers or distorting competition and undermining the social structure. Work-related crime occurs across national borders and in many different sectors and industries. It therefore affects the administration areas of a number of government agencies. Work-related crime affects trade and industry and workers, as well as tax revenues and use of the state's welfare funds. Failure to combat work-related crime undermines the trust of taxpayers in the tax system

ENQUETE

1. What is the added value of participating in the multi-agency programme?
2. What are the success criteria for the programme in your view?
3. What challenges do you experience in the programme?
4. In addition to multi-agency programme, what else is needed in order to reduce work-related crime?



COORDINATOR OF THE JOINT CENTRE IN OSLO, OLAV NORHEIM, NORWEGIAN LABOUR AND WELFARE ADMINISTRATION

1. We can approach the field of work-related crime effectively and with far more instruments than we had available to use separately. We are particularly focused on combating key threats, referring to people who have the capacity to conduct work-related crime. It is a complex and challenging problem for agencies to handle on their own. Co-location provides added value especially when we analyse large amounts of data and conduct joint controls.
2. It is important to understand that different agency cultures are involved in the partnership. Getting to know the various agencies is an essential prerequisite for success. We have to switch from an agency focus to a multi-agency focus.
3. It is not always easy for the agencies to share information, even if the information regards criminal activity.
4. Consumers must also take responsibility. The market place gives criminals opportunities to continue their criminal activities. Consumers who purchase undeclared services must understand that they are contributing to tax evasion, social security fraud, poor wage and working conditions and exploitation of illegal labour.

and can adversely influence the willingness of people to comply with regulations. Workers demanding a wage in accordance with the applicable collective agreement risk losing their jobs, and businesses that comply with the tax rules may become less competitive.

Work-related crime is a multifaceted and so-called wicked problem, which requires a whole of society approach. Many factors affect such a complex phenomenon for example external factors such as labour immigration, economic cycles and regulations. Consequently, knowledge of the problem and access to the instruments required to deal with it, are dispersed across various government agencies.

In 2015, the Norwegian government launched a strategy to strengthen the efforts to combat work-related crime. The overall goal is to reduce work-related crime and promote legitimate and good working conditions through a broad partnership between the government and the social partners in the tripartite sectoral programmes. Another initiative is the establishment of a multi-agency programme involving the Labour Inspection Authority, the Labour and Welfare Administration, the police and the Tax Administration. In this article, we will learn about the multi-agency collaboration through interviews with key people and look into effects based on the results of surveys in trade and industry.

The three target groups we are aiming to influence:



Common goal and performance management for the multi-agency programme of work-related crime.

Seven joint centres have been established with 160 employees working jointly to prevent and combat work-related crime.



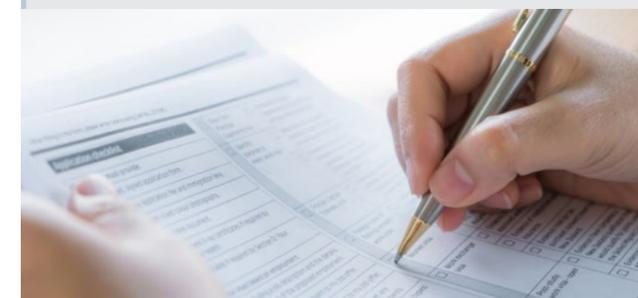
COORDINATOR OF JOINT CENTRE IN ROGALAND, FRED SHERLING, SOUTHWEST POLICE DISTRICT

1. and 2.

Amongst other things, we can uncover crime at an earlier stage and prevent and stop ongoing crime. The police works reactively with regards to financial crime. Previously, we did not see the scope or network linked to the crime, and as a result, we were unable to understand what instruments to use (sanctions or preventive measures). In addition, we get an overview of regional, national and international networks through the programme and joints centres. We can also see the opportunities (and limitations) we have through international cooperation.

3. The benefits outweigh the challenges. However, I see the following challenges:

- Sharing of confidential information.
 - The agencies' organisation and reactive culture can be a hindrance when we should be working proactively.
 - We are not good enough or sufficiently decisive to seize values before they disappear.
4. All the centres must have a group devoted to developing knowledge. This will enable us to identify trends and phenomena. We can then take action to prevent work-related crime on a wider scale than if we work individually. Efforts are also being made to ensure that government agencies improve their controls on their own construction sites and takes action when ongoing crimes are discovered. We must use media and social networks to encourage the general public not to purchase undeclared services or goods.



MULTI-AGENCY PROGRAMME

The programme has developed a common goal and performance management model for the collaboration defining responsibilities, goals and priorities for the agency's common efforts (see fact box). The model describes the state to achieve and the most important target groups. In addition to the individual efforts of the agencies, seven joint centres for combating work-related crime have been established, where the agencies work together in a coordinated manner.

ARE THE EFFORTS EFFECTIVE?

Through corporate governance, analyses, impact measurements and surveys, we are monitoring developments to determine to what extent our efforts are contributing to reduce work-related crime. Amongst other things, we conduct annually a survey aimed at the construction industry. The construction sector, particularly the part of the sector that we refer to as the "professional market", has been a key target group for the Norwegian Tax Administration's efforts. Experience suggests that work-related crime is more likely to occur in this industry compared with other industries. In other words, the survey provides useful feedback concerning the efforts being made in what is the Norwegian Tax Administration's primary target group. The results of the survey provide information about attitudes regarding issues relevant to work-related crime and whether these are changing. Although this cannot be directly linked to our efforts in combatting work-related crime, it can indicate to what degree progress is being made.

As figure 1 shows there was a significant decline in the construction industry's perception of how widespread work-related crime is during the time period 2015-2018. It also shows decline in perceptions of all the different offences relating to work-related crime. The changes from 2015 to 2018 are statistically significant for all types of offences. This means that it is highly unlikely that the observed changes have occurred randomly.



KARI ROGNES,
NATIONAL
MULTI-AGENCY
COORDINATION
GROUP,
NORWEGIAN
LABOUR
INSPECTION
AUTHORITY

1. It makes the work more targeted and effective, and expands the scope and use of instruments and sanctions. This makes our efforts to combat work-related crime more effective. Collectively, the agencies have a much wider range of instruments and sanctions available to them, and thereby more scope to maximise the effectiveness of their efforts. It also leads to a more criminals believing there is a high chance of being discovered and overall the agencies become more visible.
2. The partnership is rooted in the government's strategy for combating work-related crime and in common goals and priorities to the agencies' letters of allocation. This results in a joint commitment from all the agencies concerned. Co-location: The agencies learn about each other's working methods, regulations, instruments, etc. Co-location also lays the foundations for a common understanding of goals and direction within the multi-agency work-related crime initiative, as well as the development of work processes concerning how the agencies should collectively work on cases.
3. Sharing of information. Developments are taking place in this field now, and I also think the employees have become better at utilising the opportunities that lie within the current regulations.
4. Prevention should be strengthened. Another area is a better understanding of work-related crime. A third area is better register quality and identity management.

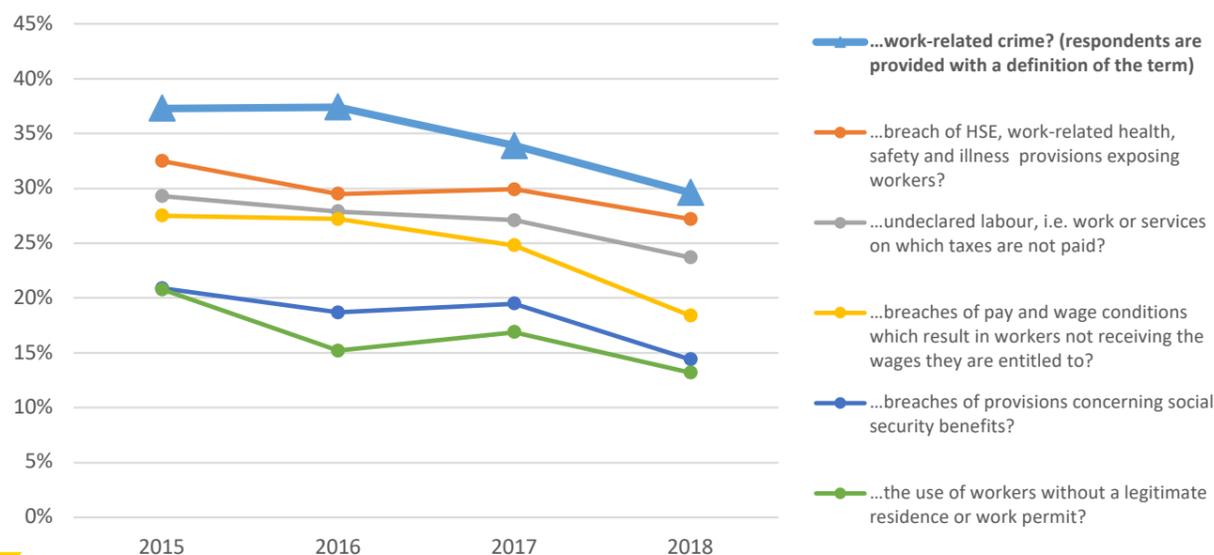


Figure 1. "How common or uncommon do you think the following are in the construction industry? ...". Percentage responding "common" or "very common" during the period 2015-2018.

The survey also indicates that the efforts of the regulatory agencies are more apparent in the construction sector. From 2015 to 2018, the percentage of respondents in the construction industry that believes the regulatory agencies are more visible, carry out effective controls and stop professionals committing work-related crime, increased by five percentage points. These results are also statistically significant. Another survey which we conduct within the entire trade and industry also finds that the construction industry believes that tax evasions are now more likely to be discovered, with the percentage believing that there is a high chance of being discovered rising from 54 percent in 2016 to 65 percent in 2018.

HEADING IN THE RIGHT DIRECTION

The results of the surveys show that progress is being made, they also show that a number of challenges remain. The construction industry and other labour-intensive industries still differ negatively regarding questions about competition and opportunities for evasion. However, such challenges cannot be overcome solely through controls and supervision. In addition to a need for more structural measures, the social partners in the tripartite sectoral programmes and the entire trade and industry must take greater responsibility in preventing work-related crime. Consumers must also be empowered to make informed choices when purchasing goods and services. There is also a need to develop more knowledge about the external factors that can impact on work-related crime.



MONICA BREDEESEN,
NATIONAL
MULTI-AGENCY
COORDINATION
GROUP,
NORWEGIAN TAX
ADMINISTRATION

1. Joint operations and investment in more systematic working methods and more outreach activities have produced results. We are uncovering more ongoing crime which enables us to gather more evidence and stop crime at an earlier stage. We have gained a more coherent picture of reality and shared knowledge about the criminals and their environments in which they operate, the phenomena and the modus operandi they use. Expertise has been developed and we provide training in selecting the most effective sanctions and the most cost-effective instruments. We have also uncovered and identified a large number of key threats and their networks.
2. A common situational awareness and threat assessment, combined with a good understanding of the target groups and different modus operandi, as a basis for common priorities, appropriate hypotheses and goals, as well as a knowledge of what produces results.
3. There is a need for improved regulations regarding sharing and gathering information. Challenges arise when different agency cultures meet and work together.
4. A whole of society approach where government agencies, the social partners and trade and industry, buyers and consumers all have the same situational understanding and pull in the same direction in order to reduce the opportunities for criminals by:
 - reducing the capacity and intentions of key threats.
 - empowering foreign workers to assert their rights and fulfil their obligations.
 - mobilising and empowering businesses and consumers to reduce work-related crime by not purchasing goods and services from unprofessional individuals and businesses.

GREECE - AZERBAIJAN TWINNING PROJECT

Support to the Ministry of Taxes of the Republic of Azerbaijan in Transfer Pricing and Anti-Tax Avoidance Measures

Twinning instrument brings together public sector expertise from EU Member State - Greece and the Beneficiary Country (BC) - The Republic of Azerbaijan aiming to align Transfer Pricing legislation in Azerbaijan with European standards and establish resources for best practice auditing processes

INTERVIEW WITH MS. THEODORA MESSINI, PROJECT RESIDENT TWINNING ADVISER AND MR. ORKHAN MUSAYEV, BENEFICIARY COUNTRY PROJECT LEADER

Q: COULD YOU PLEASE BRIEF US ON THE PROJECT?

A: Ms. Theodora Messini: The twinning project "Support to the Ministry of Taxes of the Republic of Azerbaijan in Transfer Pricing and Anti-Tax Avoidance Measures" aims at achieving the introduction and implementation of an efficient Transfer Pricing Legislation and Transfer Pricing Auditing. In order to achieve these goals, the project provides number of activities which are set to be accomplished within a 24-month project implemented by the Centre for International and European Economic Law and the Independent Authority for Public Revenue of Hellenic Republic.

Three major components are to be implemented, representing the general results that will be achieved by the end of the life span of the Twinning project:

Component 1: Effective transfer pricing legal framework in line with best EU standards.

Photo, from left to right: Ms. Elsa Adamantidou - Project Administrator/CIEEL, Mr. Nicolaos Kanellos - Ambassador of Greece in the Republic of Azerbaijan, Mr. Mikayil Jabbarov - Minister of Taxes of the Republic of Azerbaijan, Mr. Kestutis Jankauskas - Head of the EU Delegation to Azerbaijan, Mr. Ilkin Valiyev - Deputy Minister of Taxes of the Republic of Azerbaijan



Component 2: "Advance Pricing Agreements" and "Mutual Agreement Procedures" systems in the field of transfer pricing.

Component 3: Setting up the administrative supervisory mechanisms in the field of transfer pricing regulation in compliance with the EU standards and increasing an institutional capacity of MoT in this area.

The kick-off event of the project was held on the 17th of April 2018 in Baku and it was attended by the Minister of Taxes of the Republic of Azerbaijan, EU Ambassador to Azerbaijan, Ambassador of Hellenic Republic to the Republic of Azerbaijan, as well as representatives of the Centre of International and European Economic Law (CIEEL) and of the Independent Authority for Public

Revenue of Greece (IAPR).

Q: WHAT HAVE YOU BEEN ABLE TO ACCOMPLISH WITHIN THE PAST 2018 YEAR?

A: Ms. Theodora Messini: Our approach to project implementation was based on the following priorities:

- Deep understanding of the issues involved by studying the existing documentation and through extensive collaboration between our assigned team and the local experts in BC.
- Realization of project deliverables, custom-tailored to suit the BC's particular needs. The method of work was mostly interactive, with a focus on time and cost-efficiency and the sharing of best practices from Greece and other EU member

states to the BC. This involved the exchange of information, know-how, best practices, and experiences, with the target group of local experts. Early planning and proper management were used to achieve tangible, sustainable, and timely results. We achieved those aims by coordinating four workshops, five specialized training sessions, and three study visits.

- Exploitation of the project deliverables by using appropriate mechanisms for feedback, evaluation and improvement. In this respect, the role of the RTA and RTA counterpart as well as the PLs in coordinating and ensuring communication and commitment both between the core project team of experts and the local experts and their administration was crucial.
- Selection of experts based on their skills, capacities and capabilities with a focus on maintaining transparency and gender balance.

In particular, during the first year of the project (2018) four workshops were held and experts from Independent Authority for Public Revenue (IAPR) of the Hellenic Republic and their counterparts from the Ministry of Taxes of the Republic of Azerbaijan have developed:

- (i.) the "Transfer Pricing Methodology Guidelines" based on the OECD Transfer Pricing Guidelines, Base

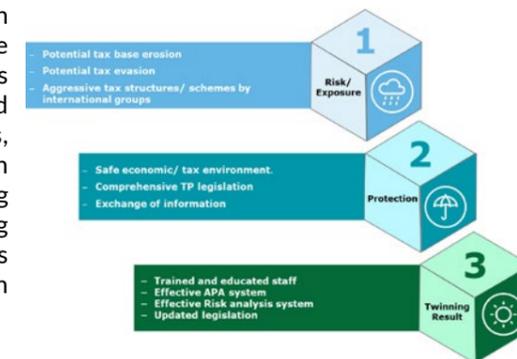
Erosion and Profit Shifting (BEPS) Actions, relevant EU Guidance, and international best practices, and an updated new version of the "Transfer Pricing Rules". Both ready-for-implementation deliverables include the knowledge gained through the seminars performed and have been approved by the Minister of Taxes. Thus, the Government of Azerbaijan maintains its commitment regarding adoption of transfer pricing methodologies and techniques complying with best European practices and models;

- (ii.) Implementation Package of CbCR in the Republic of Azerbaijan, including a road map as well as primary and secondary legislation, confidentiality and data safeguards aspects, and frequently asked questions for the taxpayers;
- (iii.) Transfer Pricing auditing process for specific sectors and transactions according to current needs of the Ministry of Taxes of the Republic of Azerbaijan.



Seminar on APA, May 21-25, 2018, Baku, Azerbaijan.

Q: CAN YOU TELL US IN FEW WORDS WHAT IS THE ADDED VALUE FOR THE BC BY THE TWINNING PROJECT?



A: Ms. Theodora Messini: In the Post-BEPS era, the risks and challenges that tax authorities have to face are numerous. However, fortunately there are also some tools to help tax authorities towards their combat with tax evasion, base erosion and aggressive tax planning. These tools are exchange of information, continuous training of tax officials, being up to date with regards to latest developments at international level and of course collaboration with other tax authorities. Some other prerequisites are of course comprehensive Income and TP legislation, incorporation of BEPS Actions and an effective risk analysis system.

Q: HOW WOULD YOU EVALUATE THE PERFORMANCE OF PROJECT AND ARE YOU SATISFIED WITH THE OUTCOME ACHIEVED SO FAR?

A: Mr Orkhan Musayev: The educational approach was implemented according to the agreed training program covering the theoretical framework through practical examples and case studies and delivering training sessions performing real case scenarios for audits.



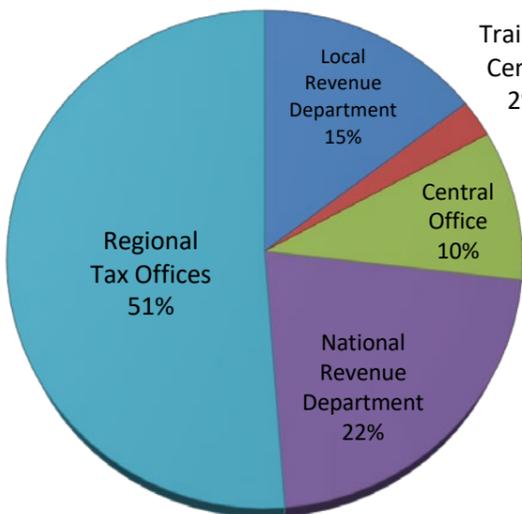
The Twinning Project Beneficiary Administration targeted to involve tax officials from national, regional and central tax offices of the Ministry of Taxes of the Republic of Azerbaijan. Progress among attendees was highlighted through tests and a target group of 16 tax officials was selected among 41 participants. This target group will apply the theoretical and practical/audit procedures in the Republic of Azerbaijan that will be transmitted during the twinning program.

Q: NOW, I WOULD LIKE TO ASK ABOUT THE FUTURE PLANS. WHAT ARE YOU EXPECTING FROM THE PROJECT IN 2019?

A: Mr Orkhan Musayev: Activities for the second year of the project have been scheduled according to the needs of the Ministry of Taxes. We aim at achieving a development of an “Advance Pricing Agreements” system in the field of transfer pricing, as well as an administrative approach to MAP process and to dispute prevention and conflict resolution in transfer pricing. In addition, hands-on public sector expertise will be transferred in the areas of transfer pricing auditing for specific sectors and transactions, as well as improvement of the usage of domestic and international databases - knowledge management platform for transfer pricing purposes will be gained. We will learn best TP-related practices in regards to improvements of the procedures to tackle abusive tax haven schemes and tax fraud, as well as the relevant e-commerce

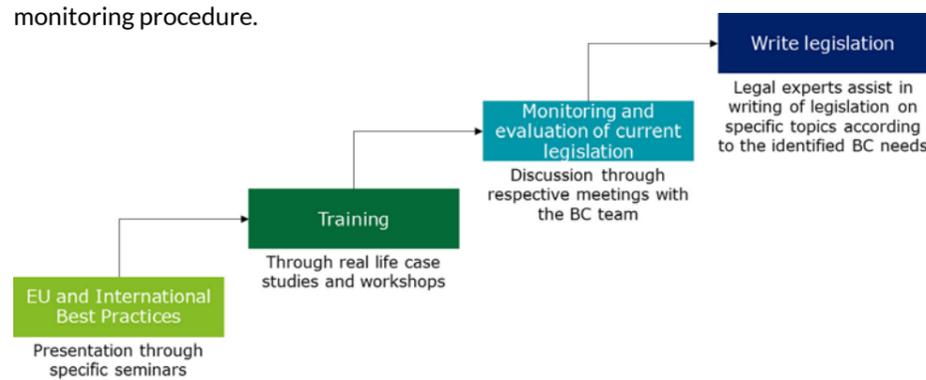
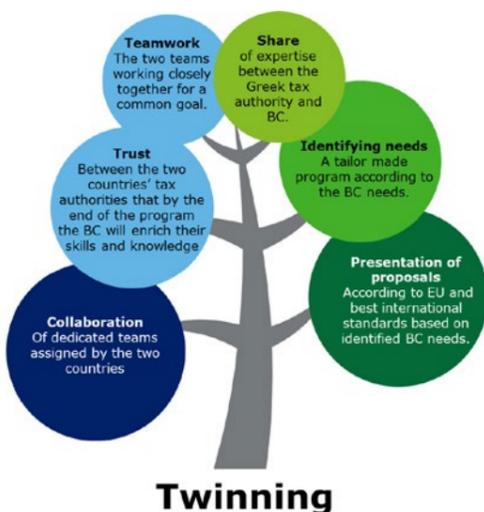
Furthermore, we will develop a transfer pricing risk management strategy and a transfer pricing program and roadmap, as well as we will define the taxpayers’ rights and obligations in regards to transfer pricing issues.

I strongly believe that existing co-operation between the Ministry of Taxes of the Republic of Azerbaijan and the Centre of International and European Economic Law and the Independent Authority for Public Revenue of Hellenic Republic will perform up to our expectations and upon the completion of the Project our tax officials will enrich their skills and knowledge in transfer pricing.



In particular, during the first year of the project (2018) five seminars took place giving the opportunity to tax officials to be familiar with the most important concepts of transfer pricing provisions. Furthermore, the target group of the tax officials of the Ministry of Taxes paid three study visits to tax authorities of EU Member States, including the Independent Authority for Public Revenue (IAPR) of Hellenic Republic, the Federal Ministry of Finance of Austria and the Federal Ministry of Finance of Federal Republic of Germany. These study visits aimed to provide practical insight on Transfer Pricing issues, APA mechanism and CbCR, as well as in transfer pricing risk analysis and auditing process.

and digital economy procedures, introducing improvements of the liaison with customs authorities and of the exchange of information (EOI) with EU MS countries by presenting the joint audits tool and the horizontal monitoring procedure.



Study visit to the Ministry of Finance of Federal Republic of Germany for workshop on TP risk analysis, its general working mechanism, and auditing process, November 12-15, 2018, Berlin, Germany.



TAXPAYER RATING SYSTEM IN LATVIA

The opening event of the Taxpayer rating system. The advertisement campaign of the rating system was based on an association with auto racing. The slogan of the campaign: “Business power is not just money”. The photograph shows the rating developer and support team (blue-colored t-shirts with the rating system logo) with the businessmen (orange jackets) in the karting hall.

Although tax GAP trends in Latvia have been positive in recent years and reflect a decrease in tax GAP in all the common taxes, at the end of 2017, Latvia still had significant compliance risks, especially in undeclared wages and VAT underreporting.

The Latvian State Revenue Service (SRS), like most other tax administrations, does not have the capacity to apply control measures to each risky taxpayer, but SRS was looking forward to new effective “naming and shaming” techniques that could stimulate voluntary tax compliance. The main purpose of a rating process is to create a comprehensive evaluation of complex systems that can be understood by people without specialized education. The taxpayer rating system should be an effective tool to inform society about the taxpayer’s reputation.

On 18 September 2018, SRS introduced a pilot project – the taxpayer rating system. Taxpayers could now see their score on the Electronic Declaration System (EDS) website (see Figure 1). The system is available in Latvian, Russian, and English. The goals of this

system are to inform taxpayers of how they compare to trends in the country, promote taxpayer compliance, and provide honest taxpayers with a tool by which they can present their good reputation to business partners.

The score is available for any entity included in the taxpayer register for at least 6 months:

- limited liability companies;
- public limited liability companies;
- agriculture or fish farms; and
- other small businesses that file annual tax reports.

The taxpayer rating system analyzes five different aspects (see Figure 2):

- credibility and violations in registration data reflect the reputation of the company and its owners;

- wages reflect the ability of the business to attract a high-quality work force;
- financial indicators describe the profitability and solvency aspects of the business;
- tax payment discipline; and
- tax reporting discipline.

When assessing registration risks, SRS checks whether the taxpayer has been removed from any tax registers (e.g. deleted from the VAT register on the request of SRS), has ever suspended economic activity, or has ever had any notable violations or risks during the registration data evaluation process.

Tax return discipline is assessed by the number of late declarations in the last 12 months.

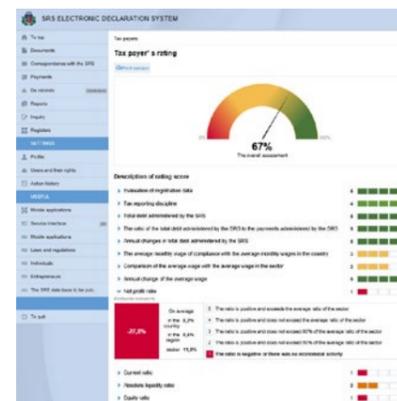


Figure 1

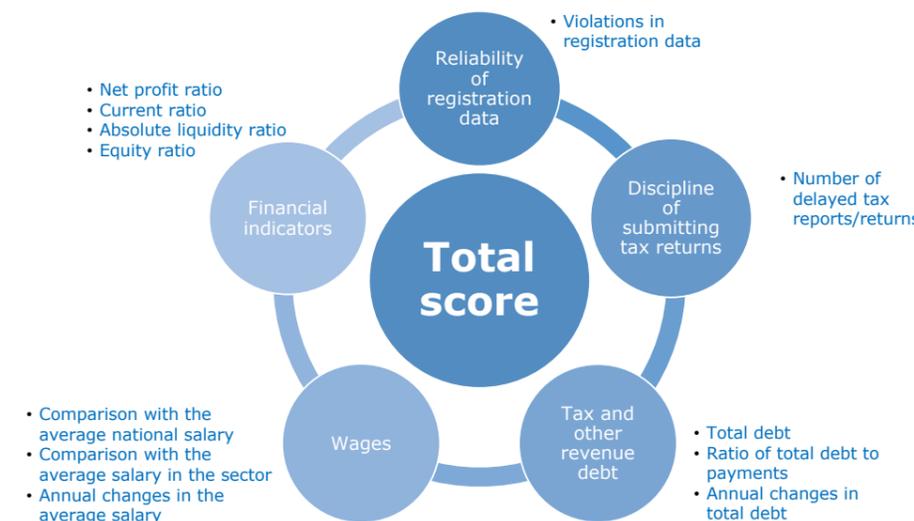


Figure 2

Tax discipline is assessed by:

- total amount of debt at the end of the previous month;
- ratio of total debt (previous month's end) and contributions (over the last 12 months);
- changes in total debt (previous month's end debt compared to debt on the corresponding date of the previous year).

Remuneration is assessed by three indicators:

- comparison of the average wage of the company with the average national wage (for the last 12 months);
- comparing the average wage of the company with the average wage in the business sector (for the last 12 months); and
- changes in the average wage (last 12 months compared to the corresponding period of the previous year).

Financial indicators for the previous year are assessed by:

- profitability;
- total liquidity;
- absolute liquidity; and
- financial independence.

The taxpayer's rating is refreshed at the end of each month, enabling taxpayers to improve their overall score.

The project is still in its early stages and is only for information purposes. The score is calculated by dividing the taxpayer's score with the total number of points.

Every indicator has a score of 5 points:

- two positive scores – 4, 5;
- a neutral score of 3; and
- two negative scores – 1, 2.

The distribution of taxpayers by their scores is seen on Figure 3. A score of less than 50% indicates serious violations. A score of less than 30% indicates total or partial economical inactivity. However, a score of more than 70% is considered good (most indicators need to score a 4).

It should be noted that taxpayers have access to their rating report, which they may submit to other entities or credit institutions. This report indicates the taxpayer's rating as well as the average ratings for the country,

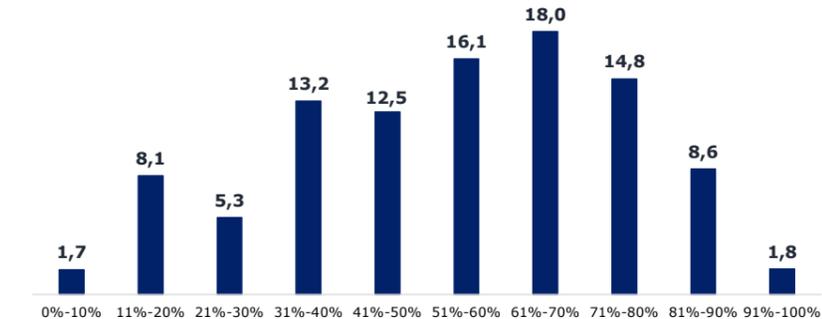


Figure 3

region, or industrial sector. To verify the authenticity of the report, a unique QR code is generated each time a report is requested.

To assess taxpayers more accurately, SRS is planning to add a list of new indicators this year including (but not limited to) undeclared wage risks, VAT transaction risks, and tax control results. Additionally, an easier way of sharing rating reports with others is also in the works: if organization "A" wants organization "B" to be its new business partner, "A" will be able to request "B's" rating report on EDS. This could serve as an advertising tool for companies with good scores, as well as help identify companies as potentially dishonest business partners.

While development of the rating system continues, a target rating system that involves assessment of a potential business partner, such as a VAT counterpart or employer (see Figure 4), is scheduled to be completed by 2020.

By the end of 2018, the tax administration and other taxpayers have been actively collaborating and testing the rating system. A survey of SRS collaborative partners rated the system 8/10 and have proposed several improvements. Several changes will be made based on these proposals. In 2019, the rating system will be supplemented with other indicators, such as hourly wages, average labour hours, and comparison of the average salary with the average regional salary, instead of comparison with the average national salary.

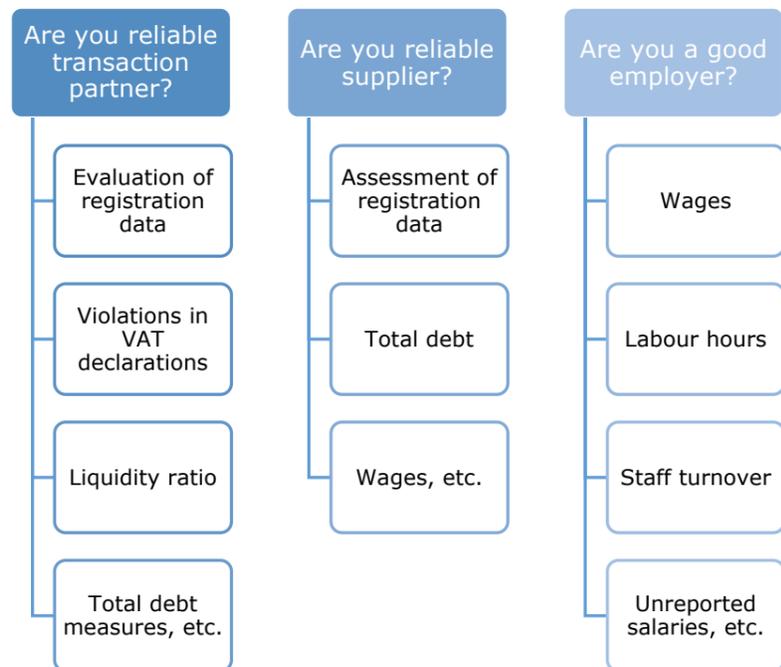


Figure 4

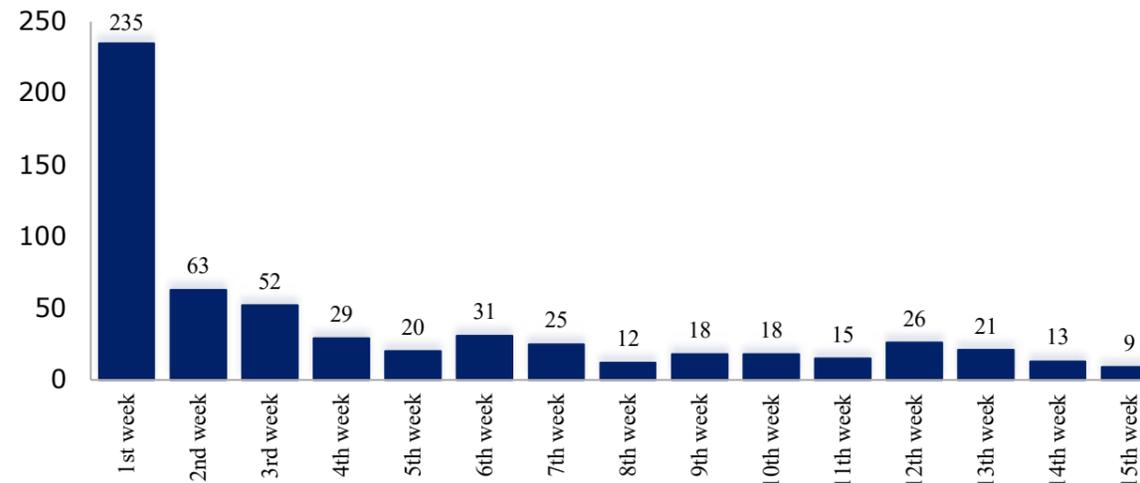


Figure 5

Since its launch, SRS has received 587 e-mails with questions or proposals: most e-mails (235) were received the first week after the launch (18.09.2018) as indicated in Figure 5.

The most common questions were about:

- tax debt (evaluation of total debt and total debt changes) – 40 %;
- tax reporting discipline (more often about delayed tax reports or returns) – 25 %;
- average salary (evaluation of indicators) – 10 %; and
- other issues (which time period was analyzed, financial indicators, etc.) – 21 %

Analysis of questions and requests gave us some interesting insights:

- businesses rated above 75% want to achieve an even higher score;
- company executives are not always informed about tax debt presence or reporting discipline; and
- businesses that were not assessed want to see their ratings as well; many requests for a similar tool were received from individual associations and foreign agencies.

The taxpayer rating system motivates taxpayers to improve their tax reporting discipline and pay off tax debts. Active feedback from taxpayers, who provided both objections and proposals during the pilot test stage, was beneficial for all.



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