

NATIONAL TAX AND CUSTOMS ADMINISTRATION

2018



BUDAPEST, 2019



THE PICTURE HAS CHANGED



Years ago, the majority of people had complicated administration and the dreaded authority in mind about the tax office. Surveys and expert opinions confirm that, to date, this picture has changed.

We have a year behind us in which we got closer to an administration where quality service is provided and

taxpayers are seen as partners. Citizens can legitimately expect this from us, moreover, this provides security for the state budget. The main direction remains simplification of administration, reduction of tax evasion and support of voluntary compliance.

Only a few of the results. In the ePIT system, more than two million people had their tax return filed by doing nothing. By 2019, this system became available to everyone. Nearly 400 thousand people made use of the opportunity to have NTCA available in 'government windows' as well. We have offered to provide assistance to more than 100,000 start-ups in the Mentor Programme. The online interfaces also appeared in the excise taxation system. Supporting procedures are very popular in which we respond to errors and failures with assistance rather than sanctions. Such help meant more than two billion forints voluntarily declared, or paid as

a surplus. More than 60 percent of the damage caused by crimes detected within the competence of NTCA has been recovered. The number of clients registered in the Online Invoice System was well over 300 thousand, this meant more than 24 and a half million data supply in 2018.

With the entering into force of the Act on General Public Administration Procedures on 1 January, NTCA has become a general administrative enforcement authority. Approximately 50 percent more procedures were initiated than in the previous year upon request of external bodies. At the same time, the stock of arrears of NTCA decreased by more than seven percent.

This positive change also appeared in the taxpayers' feedback and is obviously not only dependant on the establishment of objective conditions. The attitude of the staff is also very important. The introduction of a new approach and the emergence of additional tasks require not only modern solutions and significant IT development, but they are also a challenge for employees. While there is a need for a stronger position than ever, the number of staff has not risen. In the current workflows, several specialist fields would be able to handle many more professionals than available. In the light of this, the performance of NTCA employees is quite respectable. The next period will not be easier either, as the goal remains, and that is to reduce administrative burdens, develop electronic solutions, expand advanced services and streamline the organization.

Dr. László Sors

State Secretary, Commissioner of NTCA

WHO ARE WE?

The **National Tax and Customs Administration** (NTCA) is a central office with administrative, armed and law enforcement public tasks. It operates on the basis of its own status law, its function is to ensure that tasks of the state tax and customs authority is pursued in good quality, budget revenues are collected and economic crimes within its competence are prevented and detected.

We have about 19,000 employees, including government officials and professional employees. Our financial investigators serve in the

720 thousand
business organisations

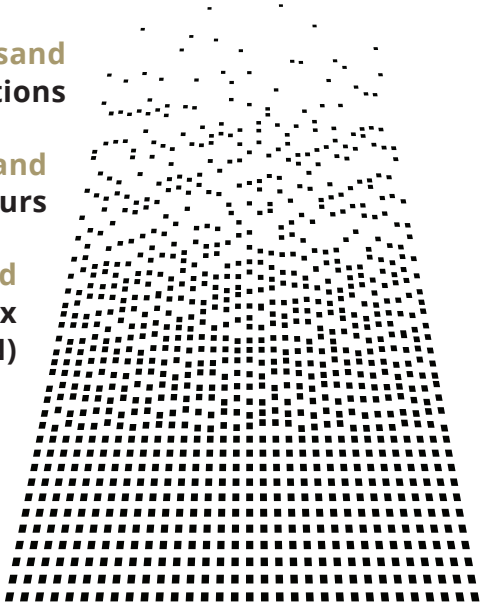
500 thousand
private entrepreneurs

700 thousand
private individuals with tax identification number (TIN)

5 million
private individuals

3 million
non-operating taxpayers

10
million clients

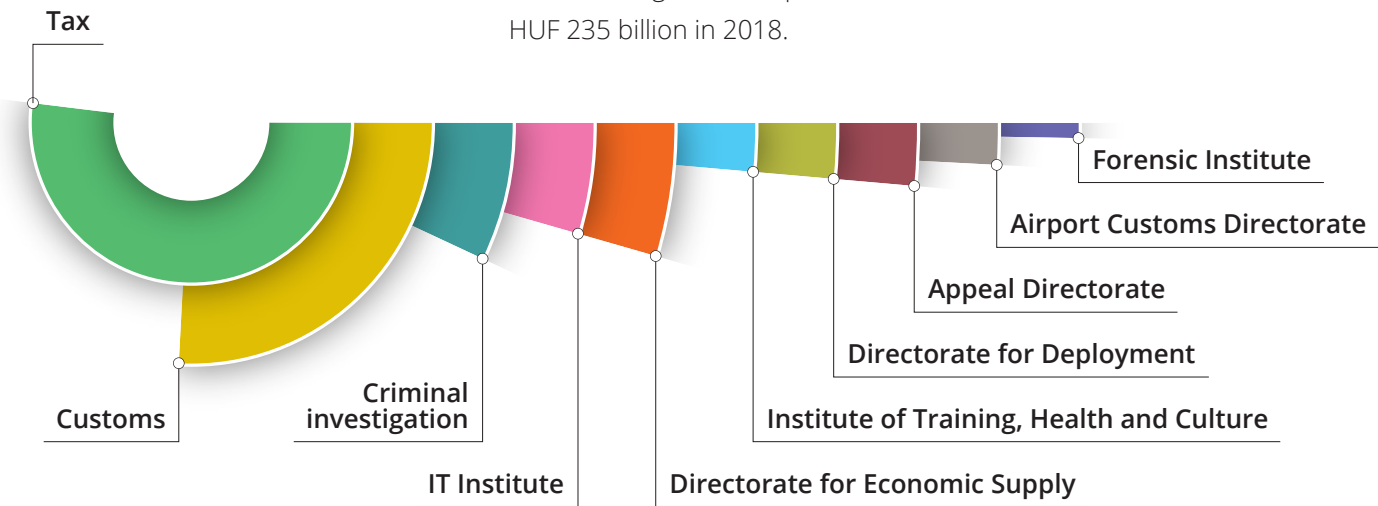


19 thousand
job positions

criminal organisational unit of NTCA. In our administration, we have our own health service, our training, cultural and sports traditions go back a century and a half.

NTCA is a central budgetary entity, and the budget for its operation was HUF 235 billion in 2018.

24 million
tax returns and data transmissions



OUR MISSION

NTCA plays a crucial role in the functioning of the state, it is responsible for more than 90 percent of central budget revenues. This implies not only authority work related tasks but also requires service tasks. Our strategy is based on meeting this dual challenge. Our goal is to reduce administrative burdens, expand services, develop consistent authority work, and promote conscious taxation. This can be achieved through digitalisation, change of attitude, and organizational renewal.

The strategic goal of NTCA is to offer quality services to compliant taxpayers with low level of administration, to filter offenders in its control system and to stand in the way of criminals dangerous to the budget by the investigative body of NTCA.

Digitization is of paramount importance among our strategic tools, which is essential for service development, differentiation of taxpayers and the elimination of criminal organizations. A change of mindset began a few years ago, which has already had tangible results for the outside world. Procedures for assisting taxpayers have appeared, which also means that errors resulting from inattention or misunderstanding are not followed by immediate sanctions. We try to help avoid them by warning and providing information. In addi-

I love waking up in the morning, knowing I'm going to work for the tax administration. I go in a very helpful team, a community



where I feel useful and there is a smile on my face as colleagues tackle daily challenges and I am pleased when a client says: "Thank you". I appreciate that I can turn off my computer proudly at the end of the working day because I could spent another day as an NTCA employee.

Éva Farkas, County Tax and Customs Directorate of Békés

tion, consistency and legality remain unchanged in our work. These expectations can only be met by continuous organizational renewal, which also needs to keep pace with changes in the economic environment.

So it is a strategic task to identify the optimal directions for renewal by screening our processes and resources, so that we can make the necessary organizational changes with success. At the heart of this is the encouragement and appreciation of our employees, part of which is to have our new organizational culture accepted and even shape it together.

OUR TASKS

Our core tasks are tax, customs, excise administration, law enforcement and fight against crime. For most people, this is obvious. However, probably few people know that additionally more than a thousand of tasks that are essential for the operation of the state are pursued by NTCA. For example, NTCA carries out the control of the sales of certain internationally controlled products and technologies or the control tasks related to the sale of precious metal and to metal marking.

IN THE
YEAR OF
FOUNDATION
2011
811 TASK GROUPS



1161 IN **2018**
TASK GROUPS

The expansion of tasks has been continuous since our foundation. In 2012, for example, the registration of cultural tax and public health product tax, the tasks related to the accident tax, and the tax registration procedure; in 2013 the tasks related to the introduction of online cash registers; in 2014 the activities related to the advertisement tax; in 2015, among other things, tasks related to the Electronic Public Road Trade Control System (EKÁER) and, in 2016 the new tasks related to the fulfilment of our obligations to the EU and NATO

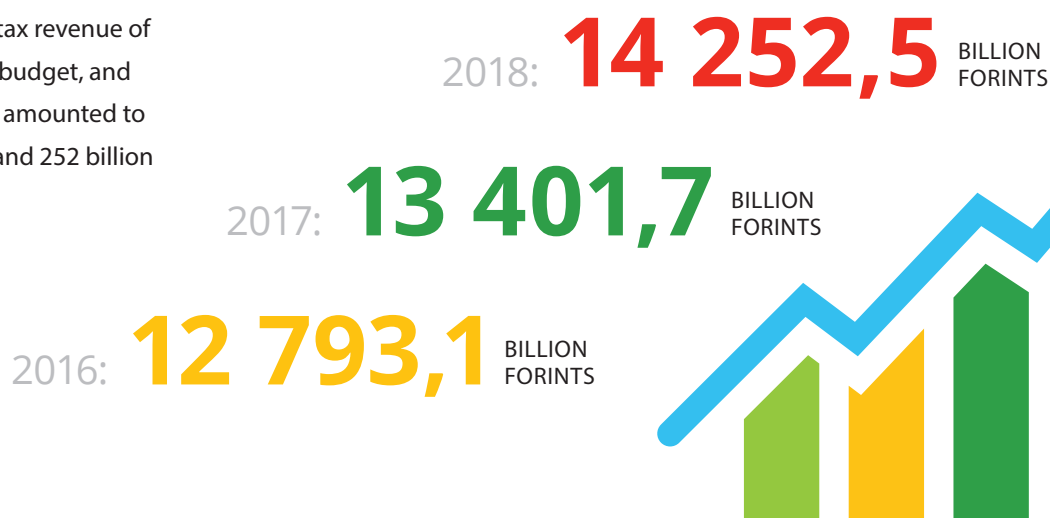
were put into the competence of NTCA. In 2018, general administrative enforcement and judicial enforcement appeared as new tasks.

Almost the entire public administration works with the data coming from our office. This includes, among others, ministries, partner authorities, the Central Statistical Office, the Loss Adjustment Fund, the Hungarian Energy Office and the Hungarian Army.



OUR REVENUES

NTCA provides 94% of the total tax revenue of the state budget, and in 2018 it amounted to 14 thousand 252 billion forints.



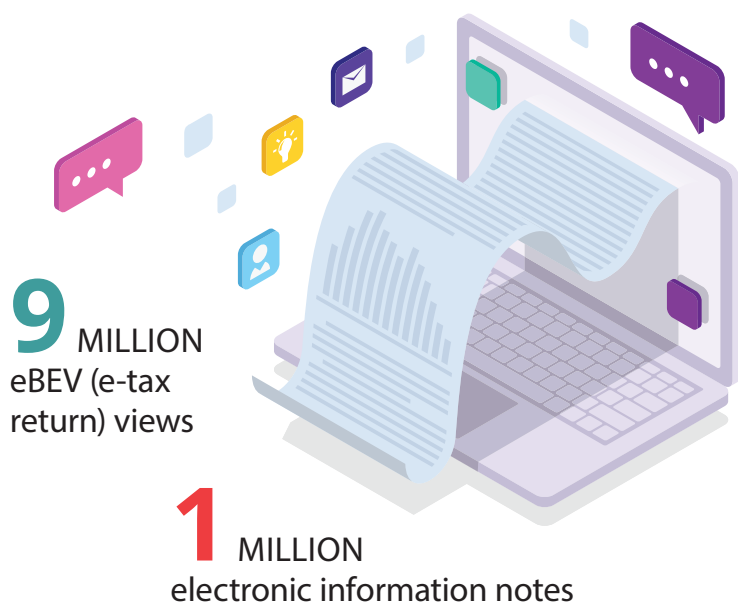
› MEASURES AND SERVICES IN SUPPORT OF TAX COLLECTION

In 2018, NTCA warned 30,000 small business taxpayers subject to fixed-rate flat tax so as not to forget to pay their debts over 100,000 forints. Clients **paid a total of 3.5 billion forints** through the VPOS system. The tax administration held

back more than 26 billion forints from budget subsidies due to tax debts.

In 2018, by using eBEV (e-tax return) service, through which electronic access is provided to the public systems of NTCA, taxpayers viewed their tax accounts and data related to their complementary payments (surcharges) 9.3 million times. The spring months are a high priority period, among other things, due to the deadline of 20 May for filing PIT tax returns. In these months, taxpayers consulted their data through eBEV almost 1 million times.

In 2018, 1 million electronic information notes were posted by NTCA to the taxpayer's client gate inbox about the fact that they might consult their tax account and surcharge data. The number of paper-based tax account statements decreased by half compared to 2017, which resulted in significant cost savings.



› WARNING BEFORE ENFORCEMENT

NTCA has placed the payment reminder system on a new foundation: it aims at increasing revenues not by immediate tax enforcement, but rather through encouraging voluntary payments, therefore, even before the enforcement procedure commences, it addresses taxpayers to settle their debts. The results of the change in attitude based on behavioural science and the direct communication with taxpayers are tangible. New style, easy-to-understand information and communication encourages customers to pay voluntarily.

› ARREARS

At its own discretion and at the request of other bodies, NTCA launched 1.1 million enforcement procedures in 2018, of which a debt of HUF 266.3 billion was collected. NTCA enforces debt collection based on 189 titles for external bodies. In 2018, more than HUF 5.7 billion was generated from liquidation and bankruptcy proceedings. The tax administration conducted nearly 19.4 thousand electronic auctions in a year, with a total valuation of 1.9 billion forints of the items. Deferred payment and instalment payment was requested 137.6 thousand times from the administration in a total value of over 160 billion forints.

1 MILLION ENFORCED COLLECTIONS

FOR 266 BILLION FORINTS OF DEBT

20 THOUSAND ELECTRONIC AUCTIONS

87 THOUSAND TAXPAYERS WERE GRANTED DEFERRED OR INSTALMENT PAYMENTS



OUR SERVICES

NAV offers a partnership for honest taxpayers. We make sure that they can declare and pay their taxes in the easiest, fastest and most convenient way possible. We offer personalized information and mentoring to individuals and businesses. Instead of punishment, we support compliance with the laws by supporting procedures.

› MENTORING

From 2018, the Mentor Programme was created to support start-ups, in which NTCA contacts newly established taxpayers and informs them of what to do. The purpose of mentoring is to record the appropriate procedures in the practice of start-up companies with six months of tax office support, thus avoiding inappropriate habits due to misinformation and misunderstanding. In the **Mentor Programme**, start-up private entrepreneurs, newly formed companies obliged to company registration, civil organisations registered at courts, as well as law firms and patent attorney firms may voluntarily participate.

› HELP INSTEAD OF SANCTIONING

The aim of the support procedures introduced in 2017 is to establish a partnership with honest taxpayers. In these procedures, NTCA helps clients to correct errors and deficiencies identified by risk analysis and to avoid sanctions. Resources released in this way can be used to audit deliberate tax evaders. In 2018, NTCA closed 11 335 supporting procedures, which resulted in taxpayers' **declaring taxes of HUF 2 billion 85 million forints**.

› CUSTOMER/CLIENT SERVICE DEVELOPMENT

NTCA "windows" have been opened **in 93 government "windows"**, so clients can arrange their tax matters personally **at 181 locations** altogether. Joint customer service has not only increased the quality of the service, but also the territorial coverage of the NTCA customer service network, besides some 65 thousand hours more customer time could be provided to our clients. Thanks to electronic services, 10% fewer people appeared in person at the customer services. The waiting time on average did not exceed 11 minutes.

Regional Sport Day poker final is a great opportunity to get together with colleagues. Luckily, in our community in



everyday life, which is not easy, the helpfulness of the staff and their attitude to work allows us to move each other's work forward and to overcome the obstacles together that arise. My photo is about keeping together, a good community that our leaders and we have developed together over the years.

Violetta Papp Domány dr.,
NTCA Tax and Customs Directorate of Tolna

NAV



› CLASSIFICATION OF TAXPAYERS

NTCA classifies an average of 520 thousand corporate taxpayers every quarter. Around **220 thousand reliable taxpayers** have many benefits: they may be granted reduced default or tax penalty, automatic payment facilitation, payment option in 12-month instalment, free of any surcharges and also deferred payment, moreover, the deadlines for refunds and/or disbursements are also reduced. NTCA publishes the name and the tax number of reliable taxpayers

on its website, thus undertakings having been fully compliant for years can also prove their reliability to their business partners. In contrast, taxpayers who are considered to be risky can expect a longer disbursement and control period, a higher amount of default interest, and the elimination of leniency-based reduction of due amounts. In their case, the imposition of tax and default penalty cannot be avoided either, and their amount may be even higher.



ONLINE SOLUTIONS

In the development of e-services, NTCA is at the forefront of the Hungarian public administration. 2018, too, was the year of IT developments, and the tax administration introduced several new electronic solutions that reduce administrative burdens of taxpayers. Faster and simpler administration saves costs and time for clients and the tax administration itself.

AUTHORITY ADAPTED TO THE DIGITAL ENVIRONMENT

- a pre-filled PIT return is prepared for everyone
- electronic communication
- form filler and checking programs on the internet
- online personal tax calendar
- digital services accessible from anywhere and by any device

NTCA has developed a system of pre-filled tax returns. The importance of innovative IT solutions lies in the fact that online data transmissions create huge data assets, which underpins the suppression of black economy. At the same time,



digital solutions increase client satisfaction as new applications simplify and shorten the time spent on administering tax issues.

› ONLINE CONNECTION OF FOOD AND BEVERAGE VENDING MACHINES

After the introduction of the online cash register in 2013 and the Electronic Public Road Trade Control System (EKÁER) in 2015, food and beverage vending machines also transmit their turnover data to the tax administration.

› ePIT

In 2018, there were already 5.1 million pre-filled tax returns in personal income taxation and additional features for comfort were added in the ePIT system. A “draft tax return” was also prepared by the NTCA for farmers and private individuals liable for the payment of VAT on the basis of the payer and employer data provided to NTCA.

› ONLINE INVOICE

In July 2018, the Online Invoice system and Online Invoicing program started. Risk analysis of the data uploaded into the system contributes to the elimination of fraudulent transactions, and through this, to cleaning up the market and protecting the interests of honest taxpayers. By automating the provision of data, administrative burdens are reduced and the possibility for NTCA to prepare pre-filled VAT returns for taxpayers in the near future is emerging.

› E-EXCISE

In 2018, NAV also produced data that form the basis of excise tax returns from its databases and sent them to the taxpayers. As a further development of the system, excise tax returns and excise tax claims can be completed and submitted online in the future, besides, for those who receive the data required for the tax return only for information in 2018, later on, pre-filled excise tax return will be prepared, as is the case with the ePIT system.

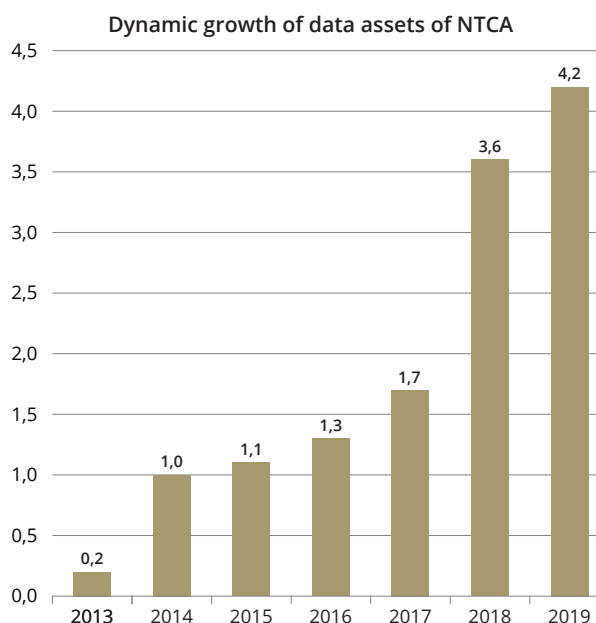
› E-ADMINISTRATION

Our clients, by now, can arrange almost every taxation issue from their home. They can apply for a tax card, proof of income, submit any request with the e-paper service or file any data form through the Clients’ Gate. For organisations, the “venue” of

electronic communication is the so called Company Gate, through which 101 thousand documents were received by NTCA in 2018. With the help of the Central System of Reception and Preparation for Processing communication with the authorities has become cheaper, faster and easier.

› UNIQUE DATA ASSETS

NTCA is one of the organizations in the country with the largest data asset and manages large amounts of data due to its responsibilities. This data asset is also used in risk analysis, targeted selection, but also in mapping taxpayers’ habits. 95% of tax returns, 99.9% of customs declarations and 100% of online invoices are available electronically. There are 200 thousand cash registers continuously providing data on purchases. The daily quantity of receipts and invoices – i.e. about 27 million records - are close to the number of daily card transactions of all the Hungarian banks. We store data on 45 million notifications/reports in the EKÁER system.



CONTROL

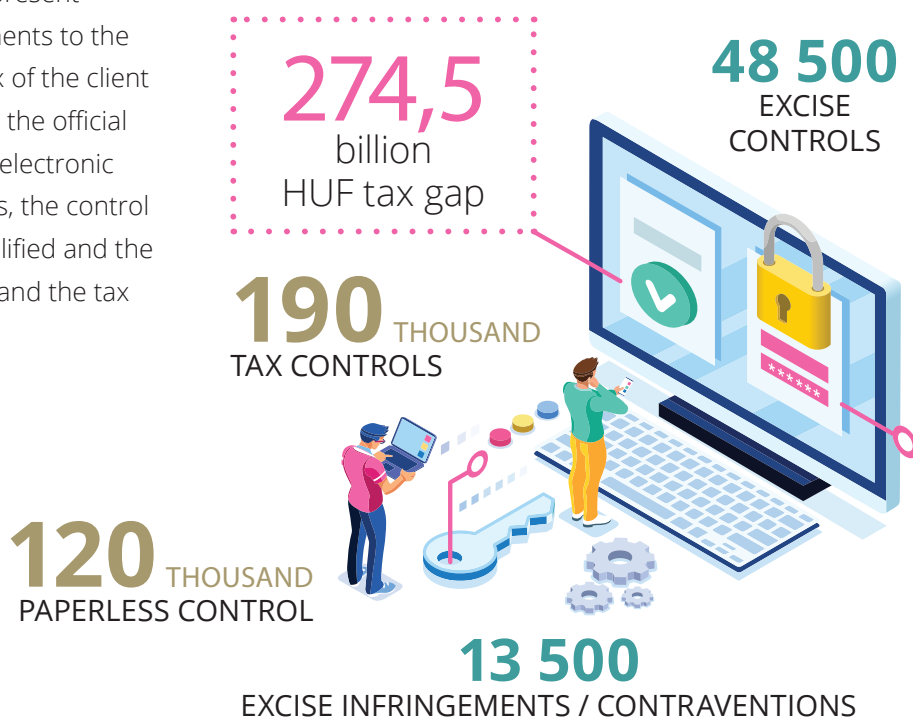
Real-time, targeted inspections are gaining more and more importance in NTCA's changing control approach. Revenue can be more efficiently collected with less control, centralized risk analysis, and new services such as advance notice for large-scale taxpayers, support procedures or "tax enforcement warning".

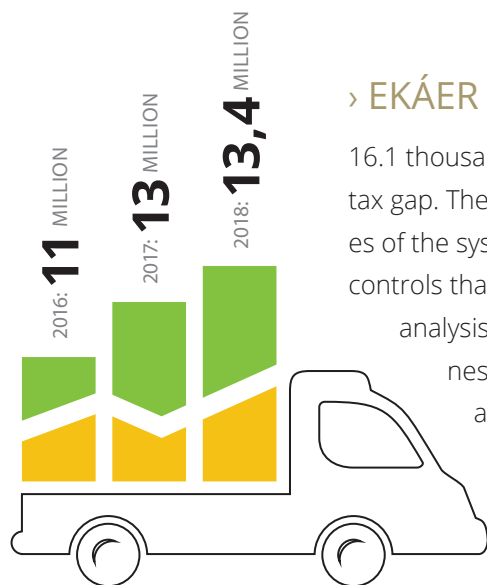
The number of the types of control procedures has decreased. Our focus has shifted to control actions proportional to taxpayer compliance. Support procedures and support controls have provided significant budget revenues. As a result of 15 475 cases of support controls in 2018 taxpayers included 13.18 billion HUF tax in their tax returns or as self-correction.

NTCA is the only EU Member State offering paperless control from 2018. In 2018 there were 12 thousand such controls. In these procedures it is not necessary for the taxpayer to be present personally. NTCA sends official documents to the official internet based electronic inbox of the client and the client can send documents to the official electronic inbox by using a dedicated electronic form (ELLUGY). With these innovations, the control procedure has been significantly simplified and the costs and time spent by the taxpayer and the tax administration have been reduced.

› CONTROLS IN VARIOUS FIELDS OF EXPERTISE

190.6 thousand tax control procedures have involved 122 thousand taxpayers. **Over 274.5 billion HUF tax gap has been revealed.** Sanctions have been imposed in HUF 208.6 billion. 9.6 thousand control procedures of using data from online cash registers revealed a tax gap of altogether 2.8 billion HUF. In the area of excise there have been 48.5 thousand controls which identified 13.5 thousand infringements, the fine to be imposed was close to HUF 2.9 billion. In 2018 NTCA carried out around 3.5 thousand metal trade control procedures. Because of infringements discovered during road checks, administrative fines of 5.6 thousand HUF had to be imposed in the amount of HUF 850.7 million. More than 190 thousand vehicle inspections identified a total of 21.4 thousand EKAER infringements.





› EKÁER CONTROLS

16.1 thousand controls done by using EKÁER data in 2018 revealed a HUF 36.3 billion tax gap. The number of EKÁER data submissions exceeded 13.4 million. The advantages of the system are well illustrated by the fact that our colleagues performed fewer controls than in the previous year but with a higher hit rate. With the method of risk analysis there is a high probability that taxpayers with a high possibility of business misconduct are selected for control. Compared to previous years, the amount of information provided to our fields of expertise (especially the criminal field) is extremely high, which also means that data of taxpayers from several fields of expertise come together in NTCA's system.

› WARNINGS FOR EMPLOYEES

The system of warning for employees is a new development starting in 2018. The system monitors data of private individuals who are employed in sectors deemed risky based on our control and criminal experience, employed too often by new employers or via temporary work agencies. The system keeps track of the changes in the T1041 forms of about 83 thousand taxpayers as of now, and also examines the tax returns and paid taxes of their employers. With this system NTCA finished 481 control procedures in 2018, detecting more than 1.3 billion HUF net tax gap. Support procedures initiated based on the warning system have resulted in an additional revenue of 200 million HUF. As a result of these procedures, the situation of previously unregistered employees or employees not subjected to paying contributions is often resolved, and their employment will continue in compliance with the law.

36,3
billion HUF
TAX GAP

WARNINGS FOR EMPLOYEES

- 83 thousand taxpayers involved
- 481 tax control procedures finished
- 1.3 billion HUF gap in taxes and contributions



OUR INVESTIGATORS

› CHANGED APPROACH IN CRIMINAL ISSUES

Our focus has shifted towards criminal activities seriously endangering revenues and national and even international criminal organizations, instead of smaller crimes committed several years earlier which were scattering our capacities. With this, the number of cases has also declined, and by blocking the assets of the “big shots”, a series of organized crime can be stopped. Our goal is to find the profiteers and return losses to the budget by asset recovery.

6000 CRIMINAL PROCEDURES

In 2018, about 6,000 criminal proceedings were conducted by the criminal field, the value of the crimes was HUF 77 billion. Reducing the damage to the budget and recovering the assets obtained through crime is an important task every year. For years, there has been a growing trend in the asset recovery ratio. In 2018, the sum of secured assets – seizure, custody and voluntary compensation – amounted to HUF 46.94 billion. This equals to 61.13 percentage of asset recovery which is a significant feat in itself, while it greatly exceeds the previous year's rate of 45,09 percentage.

61% ASSET RECOVERY

The detection of financial and economic offenses (fiscal fraud, excise fraud, money laundering) falling within the competence of NTCA is primarily carried out through complex operational work and preparatory procedures. Specialist investigators are able to track criminal organizations with real-time analytical software: secretly collecting information, mapping their movements, relationships, and the movements of money. The investigators make asset detection profiles so the assets of prospective suspects liable to seizure or official detention can be found. NTCA successfully counteracts budget losses this way.

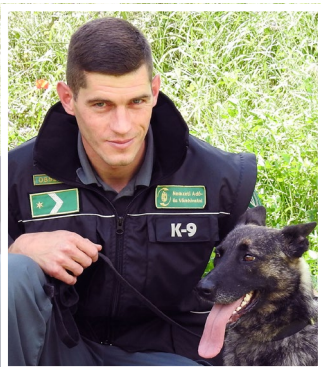
In 2018, the economic sector most affected by crime is temporary work placement agencies, guarding and protection, trade in foodstuffs, agricultural and electronic products and industrial raw materials.

51 ORGANISED CRIME GROUPS HAVE BEEN ABOLISHED BY FINANCIAL INVESTIGATORS

77 BILLION HUF CRIME VALUE

› OPERATIVE STAFF

The utilization of huge data assets handled by NTCA is managed by a centrally coordinated organization. A new management and consultation model within NTCA, called Operative Staff, provides for maximum data protection and the evaluation of information along uniform principles. Members of the Operative Staff are senior managers of the tax, customs and criminal fields. The aim is to facilitate fair economic operators by way of the markets' clean-up process. The results are clearly seen in the trade of milk, soy and cooking oil.



My colleagues often say: „Your job is your hobby.” It might sound strange for some but it’s true. As patrolling officers, we meet interesting people and experience interesting stories. I like working with people which, in addition to being diverse and inter-

esting, is sometimes funny and instructive. The work of enforcement patrolling officers involves many areas of expertise, and we have the opportunity to experience the many tricks of human ingenuity with which people are trying to lead on the authorities. I consider it a professional success that my colleagues, managers and co-workers can count on my knowledge and experience. It feels good to belong to the community of dog-handlers, and our unity can be an example for any professional field or organizational unit. We strive to successfully overcome obstacles, minimize the number of offenders, and uphold the honour and authority of the uniformed service.

ensign Péter Matisz– patrol leader – Borsod-Abaúj-Zemplén county



INTERNATIONAL RELATIONS

Hungary is well recognised among international professional organizations and investigative authorities for its outstanding online solutions and the results of its excellent financial investigators.

IN 2018, BILATERAL RELATIONS WITH NEIGHBOURING COUNTRIES WERE FURTHER STRENGTHENING.

An important milestone is the agreement on the exchange of information on vehicles crossing the Ukrainian-Hungarian border, which will come into force on 1 October. In 2018, there was considerable interest regarding the modern tools of NTCA against tax evasion (EKÁER and online cash registers), Italian and Romanian delegations also studied these during several working visits in Hungary. The Hungarian-Russian cooperation gained a new momentum in 2018, with several senior management and expert meetings. Many Asian and African delegations have also visited Hungary to learn about the best practices of NTCA. The Russian tax administration asked NTCA to host a project meeting, where in addition to a number of foreign delegations, the Organization for Economic Cooperation and Development (OECD) and the European Organization for Taxation (IOTA) were also represented.



3 continents: hundreds of experts visited NTCA

IN 2018, NTCA'S 1 049 EMPLOYEES TOOK PART IN A TOTAL OF 700 SHORT-TERM FOREIGN MISSIONS WORLDWIDE,

NTCA hosted 85 events with an international dimension in Budapest, and among others, a conference on Europol's Intellectual Property Crimes..





NTCA is one of the most active members in the **CUSTOMS COOPERATION WORKING GROUP (CCWP) OF THE COUNCIL OF THE EUROPEAN UNION**, primarily in anti-fraud activities. It continues to play a key role in the Customs 2020 and Fiscalis 2020 programs and project groups of the EU.

BILATERAL AND MULTILATERAL RELATIONS ARE EFFECTIVELY COMPLEMENTED BY DEEPENING REGIONAL COOPERATION. In view of the Hungarian Presidency of the Visegrad countries (V4), which run until mid-2018, NTCA played a prominent role in V4 cooperation, which covers 4 countries in customs and 6 countries in the field of taxation.

NTCA CONTINUES TO PLAY A PROACTIVE ROLE in the work of the IOTA and the World Customs Organization (WCO).



85 international conferences

OUR HUMAN CAPITAL

We have exceptional professional knowledge and diverse expertise in our administration. We are staffed with professionals having routine and creativity. In order to accomplish our diverse tasks, we need special knowledge in the fields of taxation, law, detecting economic crimes, information technology, communication, analysis, control, education.



One of my teachers said: choose such a profession which machines are not so good at! Your key words should be: working with

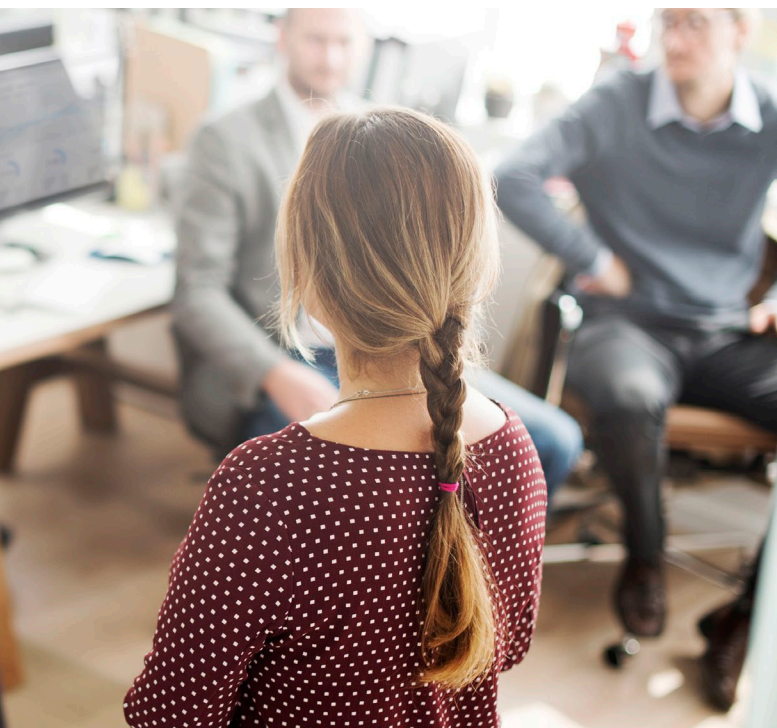
people, continuous renewal, learning and creativity. All this is a given in my current job. I consider it a success that I can find fulfilment in my profession: day after day new tasks await me, providing me with sufficient diversity and challenge. Without this, I would lose the motivation that lets me overcome the inevitable difficulties. "You can only do well what you really love." I LOVE IT this way!

Ms. Rita Bacsó, leading administrative clerk, Budapest

Meanwhile, one of the biggest challenges is to make optimal use of our workforce, to eliminate



overload and to downsize organizational units with significant reserves. Due to the continuous growth of tasks and the constant change of the economic environment, the division of labour and the organizational processes must be constantly monitored. It is also a hard task to keep the staff with knowledge sought-after in the private sector and to appreciate the valuable workforce. We strive to be a good workplace for our employees by constant motivation, trainings, recognition, social benefits, comfortable working conditions, and above all by a high level of leadership. The mapping of these factors and the correction of deficiencies are among the priorities in our organizational development strategy at the moment. On January 1, 2018, the third phase of the career model for NTCA employees entered into force. Since June 30, 2016, salaries have increased by an average of 62.13 percent. In the second half of 2018, career



advancement meant a positive change for some 3,500 employees, a higher category of job classification or a higher public service allowance.

› TRAININGS

In 2018, 191 training programs, 488 training groups started with over 9,500 participants. The trainings had a strong practical emphasis, interactive techniques, e-learning and b-learning methods to support the performance of individual job tasks

and focus on the various professional changes. Emphasis was placed on the development of competencies to assist taxpayers. A total of 725 managers participated in leadership development training and other professional trainings. 11 English and 9 German language training programs were launched and 200 participants attended some thematic law enforcement training. NTCA has developed a uniform training framework independent from platforms, called Moodle.



› ELECTRONIC SYSTEMS FOR EMPLOYEES

From 2018, NTCA has introduced a new, internally developed, uniform electronic working time register system called MUN. With the use of MUN, the working time register became clearer and more accurate, manual records were abolished. The system can be further developed to conform to the needs of special professional fields. In the summer of 2018, preparations were also made for the introduction of the e-HR system, which has also been developed internally. Employers and employees in this system communicate electronically and the communication of human policy decisions will be paperless in the future.



COMING UP

CHANGE OF ORGANISATIONAL CULTURE

In order to improve the staff retention capabilities of NTCA and for long-term performance and efficiency improvements, it is necessary to transform the organizational culture as well as to raise awareness among managers and employees. Managers and employees should not only be aware of but also identify with organizational values and goals. Internal communication and information flow should be further developed. More effective decision-making, strategic thinking and continuous development and renewal are essential.

The goal of NTCA is to directly assist clients open for voluntary compliance through targeted information, awareness raising and support procedures, thereby facilitating their taxation. Therefore, it expands its services with IT support and seeks to develop new methods for utilizing its data assets. The key issue in information campaigns is clarity, which, as a complex program, is designed to systematically transform communication with taxpayers. Our organizational culture is focused on continuous renewal, task-oriented operation, and retention of valuable workforce. An impor-

tant goal in the development of our operations is the elimination of duplications, adaptation to the economic and taxation environment, rational management and utilization of the knowledge of the employees.

Our plans include the geographical reorganization of the customs administration aligned to the clients, the modernization of customer service processes, and the establishment of an independent e-commerce unit, adapting to the challenges of our times.

The guiding principle of ensuring budget revenues is that taxpayers should be ranked according to their compliance attitudes, and the ideal treatment of everyone should be according to their place in this ranking. The choice of means of communication and the technological possibilities used in international practice are also important when selecting the appropriate tools and methods.

In the past 2-3 years the most advanced tax administrations in the OECD and IOTA have committed themselves to building databases based on BIG DATA technology. The massive, formalized and structured data set and the digital technology built on it are well suited to serve the tax administration's own needs and enable high quality digital services for taxpayers. By collecting, analysing and systematizing data, personalized management of taxpayers can be ensured, and the use of human resources can also be optimized. Another important task for the future is to develop a tax awareness strategy in tax compliance.

OUR TRADITIONS



