



Administrative capacities

Always a step ahead

Service orientation

Organization of learning and knowledge

A place in the international community

STRATEGIC PRIORITIES OF THE PUBLIC REVENUE OFFICE 2011 - 2013



Republic of Macedonia
Ministry of Finance
PUBLIC REVENUE OFFICE

STRATEGIC PLAN 2011 – 2013

Prepared and issued by:

Public Revenue Office of the Republic of
Macedonia

Date of publishing:

21.04.2011

Editors:

Marija Leova Dimeska – Department for Strategic
Planning, Analysis and Statistics

Vesna Novakovic – Public Relations and
Communications Office

Design and editing:

Dragica Nikoloska – Department for Information
Technology

Title:

Strategic Priorities of the Public Revenue Office for
the period 2011- 2013

No: 08-2961/2

http://www.ujp.gov.mk/en/osnovni_dokumenti/category/447



CIP - Каталогизација во публикација

Национална и универзитетска библиотека "Св. Климент Охридски", Скопје

354.21.075.5:336.2(497.7)"2011/13"

STRATEGIC priorities of the public revenue office for the period
2011-2013 / [editors Marija Leova Dimeska, Vesna Novakovic]. - Skopje

: Public revenue office of the Republic of Macedonia, 2011. - 32

стр. : илустр. ; 24 см

ISBN 978-608-4592-24-2

а) Управа за јавни приходи - Македонија - Стратешки планови -
2011-2013

COBISS.MK-ID 88570378

TABLE OF CONTENTS

INTRODUCTION	2
VISION	3
MISSION	4
VALUES	5
ORGANIZATIONAL STRUCTURE	6
PROGRAMMES	7
Administrative capacities	8
Always a step ahead	15
Service Oriented	21
Organization of Learning and Knowledge	22
Place in the International Community	25

INTRODUCTION

The Strategic Plan of the Public Revenue Office (PRO) include the basic development components the realization of which is planned for the period 2011 – 2013.

The document presents the general guidelines as priority objectives, the measures to be undertaken for the purposes of their realization and the activities, which with proper application by the employees and

with the relevant financing, shall constitute the basis for building a modern tax body with high reputation and integrity with the taxpayers, the national and international public, with trust in the professionalism, efficiency, transparency and service orientation, thus enabling the realization of both the mission and vision of the institution.

The document is harmonized with:

- the Decision determining the strategic priorities of the Government of the Republic of Macedonia in 2011 (Official Gazette of the Republic of Macedonia, No. 58/2010).
- the Macroeconomic Policy of the Republic of Macedonia for 2011 (Official Gazette of the Republic of Macedonia, No. 158/2010)
- the National Programme for Adoption of the European Union Acquis
- the Project for Technical Assistance for Implementation of the Tax Administration Reform for the period 2010-2011, carried out jointly with the Department for Fiscal Affairs of the International Monetary Fund
- the Strategic Plan of the Public Revenue Office for the period 2010 – 2012



Model of a professional organization in the public sector of the Republic of Macedonia, valued in accordance with the best practices and established standards in the European Union.

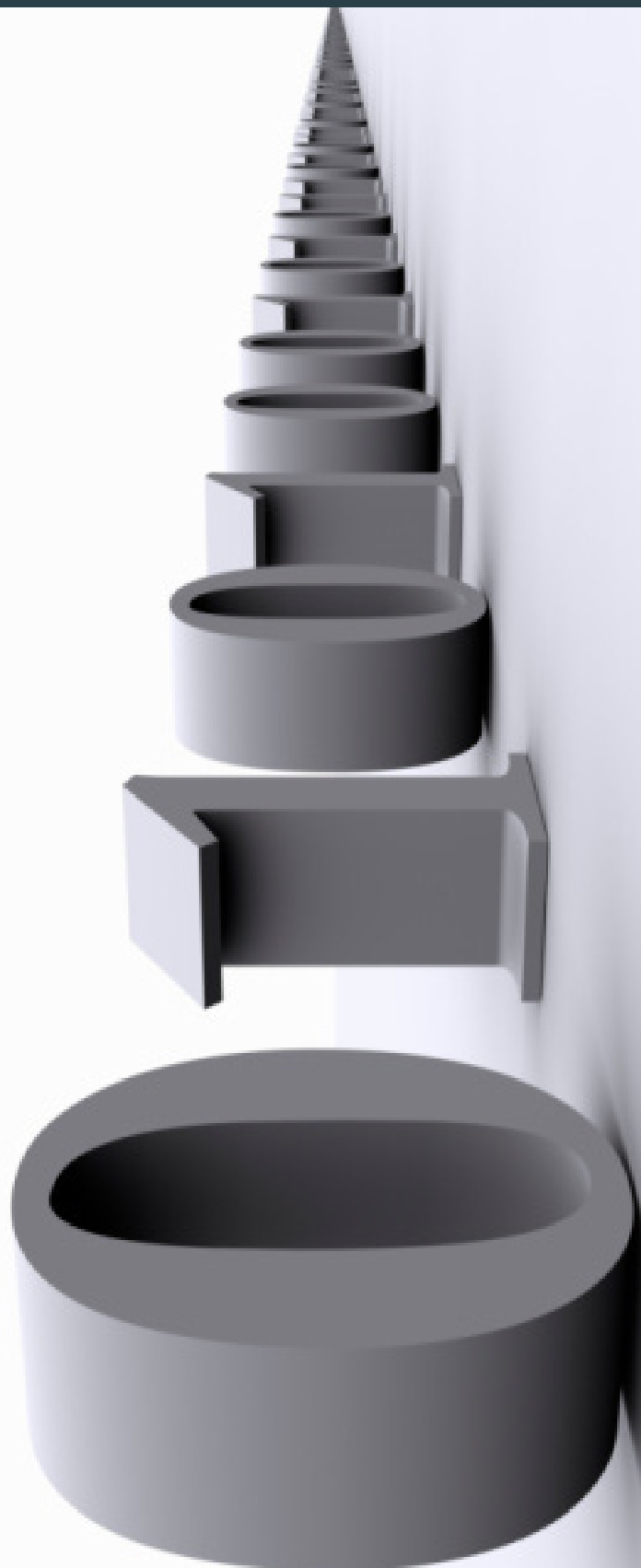


MISSION

STRATEGIC PRIORITIES OF THE PUBLIC REVENUE OFFICE 2011 - 2013



To provide high quality of services for the taxpayers and simplified tax procedures for timely and accurate compliance with the obligations, as well as fair and efficient collection of taxes and public duties.



- **PROFESSIONALISM** which ensures legal, impartial and equal relations with all taxpayers
- **SECRECY AND CONFIDENTIALITY** of the taxpayers' data and their protection and usage only for the purposes that are in our competence
- **SERVICE ORIENTATION** that provides the taxpayers with facilitated access to the information they need for timely and legal fulfilment of the tax commitments
- **FAIRNESS** that ensures that the taxpayers pay only the debt that they are legally obliged to pay, and the PRO returns the due tax and the interest pursuant to the Law
- **SIMPLICITY** of the procedures which enables reduction of the costs for administration of the taxpayers and the PRO
- **EFFICIENCY** which means timely handling of taxpayers' requests and timely notification on the procedures to be carried out by the PRO

At the same time, we expect the following from the taxpayers:

- Honesty and sincerity in the joint cooperation
- Timely submission of accurate and complete information necessary for the purposes of conducting the procedures
- Payment of the taxes within the legally prescribed deadlines
- Maintaining the book keeping and registries in the prescribed manner
- Regular notification on the changes in the basic data

ORGANIZATIONAL STRUCTURE



The Public Revenue Office is a state administration body within the Ministry of Finance and acts as a legal entity. On 31.12.2010, it had 1 327 employees.

According to the amendments to the Law on the Public Revenue Office, as of 01.01.2009, the activities within the scope of the tax administration are carried out through the: General Directorate, the Large Taxpayers Office (LTO), five Regional Offices (Skopje, Bitola, Shtip, Tetovo and Kavadarci), eight Tax Units (Ohrid, Prilep, Kumanovo, Strumica, Gostivar, Kichevo, Veles and Gevgelija) and 72 Service Desks located in the municipalities which do not have a higher organizational

form of the PRO. With that, the PRO brings itself closer to the taxpayers and realizes its service orientation.

Development related activities

Several key development related activities have been planned, and they shall mark the period from 2011 to 2013. First of all, the reorganization of the Public Revenue Office, which shall, through the relevant organizational structure, support the essential development processes, such as the establishment of a Tax Academy, an organizational decision for the newly introduced desk-audit in the Regional Offices, enforced collection of the PRO-pronounced fines, as well as of other bodies, and, in particular, the core separation of the work with the taxpayers-natural entities on the basis of realized income.

In order to strengthen the cohesion forces within the PRO, and to enable transparency in the operations and equality in the procedures, an electronic archive and electronic monitoring were introduced so as to monitor the path and content of all input, output and internal documents with defined levels for access rights. In addition, the Intranet system is being established, for internal communication between the PRO employees, thus enabling the building and realization of the electronic learning system.

This plan pays special attention to the regular and vocational education of the employees, organized and conducted through the Tax Academy which, during its development in phases, is foreseen to become a Regional Tax Academy and to provide its services to other beneficiaries from both the country and the region. The Academy shall represent a key element in the PRO modernization process in the upcoming period.

For the period 2011-2013, the Public Revenue Office has foreseen 5 basic development strategic objectives.

Part of the strategic objectives are continuous development and upgrading of the already introduced measures followed by new activities, and part is expanded with new measures aimed towards strengthening the capacity and enabling the tax administration to thoroughly realize its main functions with new quality which emerges as a necessity.

- ▶ *Administrative Capacities*
 - ▶ *Always a Step Ahead*
 - ▶ *Service Oriented*
 - ▶ *Organization of Learning and Knowledge*
 - ▶ *Place in the International Community*

ADMINISTRATIVE CAPACITIES

Our objective is to organize the PRO in accordance with the needs to increase the functional capacity to implement the programmes. By increasing the transparency, we are building its institutional image. The realization of the following measures and activities shall result into increased PRO capacity in terms of legislation implementation and fighting tax avoidance.

Specializing the operations of the functions

By educating the employees in special fields, it is expected that the efficiency shall increase the realization of their job duties, that the PRO database shall be expanded and that the tax income collection degree shall also increase.

Qualitative reorganization means narrower specialization in the functions' operations, i.e. separation of the jobs and job-related tasks pertaining to the taxation of:

- taxpayers realizing economic activities, thus covering the operations with the sales and profit tax, and
- taxpayers realizing income (citizens), thus covering the operations with the personal income tax and the social contributions from the salary.

The increase in the number of citizens submitting Annual Tax Returns on realized incomes and the tax obligation deriving from them, the introduction of the gross-principle for calculation and payment of salaries, and the new commitment for administration of the salary social contributions at the level of payers and at the level of taxpayers, as well as the new PRO competence regarding the collection of the broadcasting fee and the fines pronounced by several bodies, request for an establishment of new integrated records on the tax commitments of the individuals.



For the purposes of keeping those records, it is necessary that the basic data of citizens, which are relevant for their identification as taxpayers, are independently available. Therefore, it is necessary to introduce a tax number for the taxpayers-citizens and to establish a registry consisting of those numbers and electronic tax files on those taxpayers. Taking into account the specifics of the group, relevant audit methods are being introduced and developed.

This programme is aimed towards bringing us closer to the European and world-wide practice where special attention is paid to the taxation of individuals, which is separated from the taxation system of economic activities.

In addition, within the frames of the General Tax Inspectorate, a Special Audit Inspectorate shall be organized, whereas in the Regional Offices, Units for Fighting Tax Frauds shall be organized.

Introduction of electronic archives

Reduction of the paper documents flow in the PRO with concurrent increase in the electronic operations, enrichment of the data base and increase in the level of transparency and responsibility in the operations of each individual.

“Electronic archives” mean electronic recording, memorizing and allocation of all input and output documents as well as registration of their internal flow. It is necessary to design the electronic archives (document management), design the allocation and the document flow management in the PRO, introduce the electronic signature for each employee and establish an electronic record for each file and for each taxpayer.

For that purpose, it is necessary to perform the following:

- scan the existing paper documentation and incorporate it in the electronic files;
- provide new disk space so as to expand the electronic storage of documents and increase the network flow capacity;
- procure computer equipment and software for scanning and electronic archiving of the paper documents; and
- when the system is put into operation, it shall be necessary to educate the employees in all Regional Offices and the LTO, the Tax Units and Tax Counters.



Further promotion of the internal audit system

It is expected that the realization of this measure should increase the number of introduced and described work procedures in which risks have been detected and in which internal audits have been embedded for the purposes of risk avoidance.

The Internal Audit Unit is being prepared for realization of new types of audits – IT audit, integrity audit, IPA funds utilization audit and audit of the regularity and successfulness of individual systems, for which continuous trainings of the internal auditors have been foreseen.

In order to regulate all Internal Audit Procedures pursuant to the International Internal Audit Standards, an Internal Manual and an Electronic Dossier shall be developed, which shall register all activities of the auditors and the dossiers for each realized audit in the prescribed form.

Professional standards system development

Higher level of professionalism and integrity of the employees.

The Professional Standards Unit is working on the development of methods and procedures for prevention of corruption and corruption investigation in the employees, as well as on the development of methods and procedures for investigation of the unprofessional behaviour of the employees, for which relevant guidelines and instructions shall be prepared.

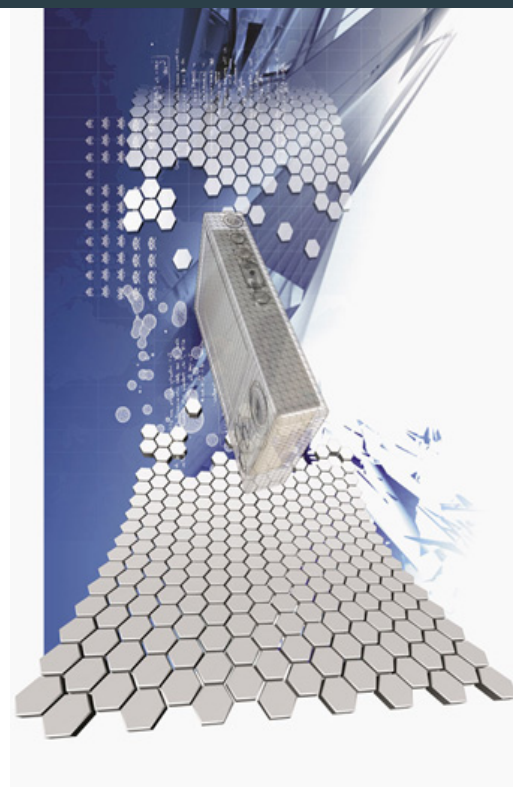
It is necessary to strengthen the Unit with executing officers, and all employees have to be educated regarding the application of the new work methods and procedures.



Developing the analytical information system regarding the working-related situations and statistics development

The realization of this measure should increase the number of standardized information necessary for function management, monitoring of the individual operational success and the special organizational parts, as well as for the purposes of informing the public and the bodies on the PRO activities, i.e. increase the level of PRO reporting regarding the realization of its mission in front of the bodies and the public.

In the following period, the analytical information system on the situations regarding the PRO functions operations, the planning system, the statistics system for function support with new documents shall be further developed, and special attention shall be paid to the preparation of a Manual on the manner of realization of the data provision procedures.



Development and upgrading of the new information system

Development and putting into operation of a fully integrated information system, in accordance with the prepared study, which shall contribute to the simplification and increased efficiency of all PRO procedures.

The Study on Working Processes has been improved, and it includes the integrated personal income tax collection and the social contributions from the salary. With the development of the new IT system and its respective putting into operation, it is necessary to realize the following:

- migration of data from the old IT system;
- testing of the new system;
- training regarding the usage and maintenance of the new information decision for all employees, in accordance with their authorizations for use and the special requirements;
- continued procurement of the necessary computer equipment, and in particular the peripheral computer equipment and upgrading of the existing firewall;
- reconstruction of the system hall; and
- procurement of network equipment, network connection with the remaining Tax Units and Tax Counters and change of the old network equipment in all organizational parts.



For the needs of the Centre for Storage and Cashing-in of Impounded Movable Items and for the personnel operations of the PRO, procurement shall be carried out for relevant software for keeping records, the necessary hardware and licences. For the purposes of advancing the education and communication system within the PRO, an e-learning software shall be developed for the employees on the tax issues and an “INTRANET” software for connection between the employees. The work processes shall be defined, according to which, modules for enforced collection and legal affairs shall be developed and implemented. The administrators, the technical support and the final users are educated for all new software decisions. The last year of the planned period is dedicated to future system development which requires contributions from foreign consultants engaged with realization of project fiche:

- Preparation of project documentation, technical specification and technical assistance for procurement of IT equipment (hardware, software and training) for Data Warehouse and its integration in the overall PRO system;
- Technical Assistance for upgrading of the electronic invoicing system and exchange of electronic invoices with EU member-states;
- Technical specification and technical assistance for procurement of IT equipment (hardware, software and training) for establishment of electronic administration for enforced collection;
- Technical assistance aimed towards improving the PRO e-learning system;
- Implementation of programmes and projects, and strengthening of the capacity for application of work methodologies of IT, in accordance with EU standards – TEMPO and ITIL; and
- Preparation of project documentation, technical specification and technical assistance for procurement of IT equipment (hardware, software and training) for exchange of data on tax numbers of citizens with the EU member-states.

Exchange of data between the PRO and other institutions

Increase of the level of data usage between the institutions in the Republic of Macedonia by which the data on the citizens and the taxpayers shall be submitted only once – in a single institution, and shall be used in a one-stop-shop system in different institutions and for different purposes pursuant to the regulations for personal data protection.



The following is planned for the forthcoming period:

- establishment of an interconnection with the National Intelligence Database (NID), which requires the provision of relevant equipment and premises with controlled video supervision;
- access to the database for Annual Accounts of the Central Registry of the Republic of Macedonia;
- harmonization of the registries at a governmental level (Project of the Ministry of Information Society);
- e-Service at the level of the Government of the Republic of Macedonia (Project of the

- Ministry of Information Society), which shall enable electronic exchange of documents between the institutions; and
- e-Forms of communication through the Internet for reporting irregularities and corruptive behaviour of the employees.

Improvement of the communication system within the PRO and the public information

Increasing the level of public presence and transparency of the PRO operations. The internal communication is expected to enable full interconnection and information of all employees.

The Communications Strategy, in this period, shall be realized through:

- adoption and implementation of the Book on Graphic Standards;
- communication with the clients through issuing of the Tax newspaper and other written materials aimed towards informing the target groups;
- introduction of Intranet to improve the internal communication and information within the PRO; and
- as an institution of special importance, the PRO has to adopt a Crisis Communications Plan, which shall be accompanied by trainings at all levels.





The PRO continues to strengthen the mechanisms for achieving its main function - providing assets for financing state functions for covering general and common needs, it will develop new programmes aimed at decreasing grey economy and broadening the base for taxation, respecting the main constitutional principle of equal rights and obligations for all entities in the state. The result of the realisation of the following measures and activities from this programme shall be achieving of the planned level of public revenue the collection of which is under the competence of the PRO.

Strengthening the methods for recording the assessment of the tax obligations and the collection of the debts

Increasing data accuracy and shortening the time for late collection of taxes and contributions.

A system of record keeping should be created per salary provider and per insuree for the implemented system of integrated collection of personal tax and social contributions, but also the records of revenue and citizens' tax obligations shall be upgraded and developed.

Detailed operational instructions shall be prepared for all processes in tax accounting.

By introducing and developing the system of centralised printing of decisions and other acts, it will be possible to reallocate staff to essential functions of data analysis for assessment and collection of taxes and introducing new methods of informing and notifying about debts prior to enforced collection.



Introduction of new supervision methods for small and medium taxpayers

The aim of introducing desk controls in Regional Directorates for small and medium taxpayers is to have more efficient and economical official procedures in the PRO by acting preventively and proactively and by educating taxpayers. Also, the aim is to upgrade and develop the employees' knowledge and to promote immediate solutions for risky situations instead of ex post solutions.

Desk controls mean immediate checking of situations of a smaller scope that are considered to be risky and that mainly mean checking the accuracy and correctness of the data declared by the taxpayer. Such procedures are implemented at the premises of the PRO and the taxpayer is required to provide proof and to elaborate the declared data. During this type of procedure, the taxpayer can also be asked to personally check against certain criteria that will be provided and to correct the tax return as necessary.

Introducing working standards for the operation of the Regional Directorates

Upgrading the quality and efficiency, and primarily uniform procedures in all organisational parts of the PRO.

The aim of this measure is to introduce higher work (operational) standards and to uniform the work procedures in all organisational units of the PRO. This shall be achieved by sharing and implementing best practices in all environments, creating uniform work processes, reallocation of human resources in order to use their full capacity and to upgrade the quality of the work. Simplified work procedures are introduced for the same reason by redesigning the forms, simplifying their contents and adjusting them for computerised insertion of data, by redesigning and making uniform tax acts and simplifying the submitting of applications, especially the submitting of identification codes, which will increase the number of users of e-services.

Further upgrade of the system of centralised tax return processing as a single system for receiving paper and electronic tax returns in the Centre for Tax Return Processing

Decrease the number of late tax returns, and especially, speed up the processes and shorten the deadlines for assessment and collection of taxes and improved and more efficient use of personnel.

The Centre for Tax Return Processing (COP) receives and processes all tax returns for all Regional Directorates, including all paper and electronic tax returns, but excluding the monthly gross salary returns (MPIN) submitted on some media at the Tax Desks. For this purpose, the following is required:

- informatics design of the operation of the COP;
- purchase of computer equipment and software for scanning and e-record-keeping of paper documents (integrated hardware and software solutions); and
- training the staff of the COP for all procedures.

The system for centralised printing of tax returns and other tax acts was introduced in 2010 and since then it is continuously being developed.

Identifying unregistered taxpayers and including them in the legal tax system

Increasing the number of registered taxpayers and decreasing grey economy in the Republic of Macedonia.

The PRO works on developing methods for discovering unregistered taxpayers and including them in the regular legal procedures and on developing methods for assessment of the tax obligation of these entities. At the same time, the co-operation with other authorities involved in inspection is strengthened by increasing the number of joint controls, especially the co-operation with the State Market Inspectorate, the Ministry of Interior and other authorities involved in inspection.



Further strengthening of the external control capacity

Increasing the efficiency and effectiveness of the operation of the Tax Inspectorate and improving the tax discipline in the country.

The External Control Strategy focuses on the riskiest taxpayer categories. The introduced risk criteria require: continuous updating and developing of the VAT criteria, analysing the results from their application and replacing them with new criteria; software integration of the prepared risk criteria for newly-registered taxpayers; software implementation of the risk criteria for profit tax for assessing the risks with large taxpayers in relation to their successfulness and their work results; determining criteria on the risk of social contributions on salaries and personal tax and their software integration and supplementing.

Further development and upgrading is planned for the external control tools – three-year comparative analyses of financial reports and tax returns, financial indicators, and training sessions for inspectors for using external control tools are also envisaged.

New methods of control of the revenue of the taxpayers – citizens are introduced.

Introduction of new techniques for Personal Income Tax control and social contributions is planned, their software integration and training for use of the new technique; control methods and techniques by specific industries are planned; with the purchase of software for computer audit with licences it is planned to carry out more computer controls and for this purpose inspectors need to receive appropriate training.

In order to carry out the Strategy for Persons with Considerable Wealth acquired from untaxed or insufficiently taxed revenue, information from third persons is used and connections to databases of other institutions made. Methods of control for fighting corruption, undeclared tax and other punishable acts are developed.

The Standards on Measuring the Quality of External Controls are being further developed.

As part of the reorganisation of the PRO, in 2011 it is planned to organise an Inspectorate for Special Controls within the General Tax Inspectorate and the Units for Fighting Tax Fraud in the Regional Directorates and strengthening the capacities for carrying out special controls.

Internationally, the PRO participates in multilateral controls together with the tax administrations of other countries.



Introducing Horizontal Monitoring

Ensuring that the selected taxpayers comply with tax regulations, providing space for focusing on other activities and other taxpayers, providing knowledge on various activities and their riskiness with regard to taxes and decreasing the reasons for conflict between the PRO and taxpayers that may appear when deferred tax noncompliance is determined.

Horizontal Monitoring (HM) is ongoing audit with limited checking and occasional inspection of documentation, the data and reports on the taxpayers' business activities. This type of monitoring is done only with taxpayers that the PRO trusts due to their behaviour and given consent.

The Horizontal Monitoring System is based on trust, transparency and understanding between the PRO and the taxpayer. Horizontal Monitoring is introduced as a pilot project in the Large Taxpayers Office.

Developing methods and procedures for enforced debt collection

Speeding up the debt payment process, increase of the amount of collected debts and decrease of the costs of enforced collection.

Enforced collection is reorganised and allows application of new methods and work procedures for which it is necessary to provide appropriate training for the employees. One of the main goals is to organise a Centre for Storing and Cashing-in of Seized Movable Assets as a centralised unit where all activities for cashing-in will be carried out in order to carry out enforced collection of taxes and other public fees.

The work premises of the Centre shall be equipped with material and technical assets and personnel with appropriate training. In order for the Centre to be organised it is necessary to establish electronic communication for taking over data from the Central Register of the RM – Collateral Registry and the Cadastre Agency for Real Estate in the RM. In order for the system to function properly, electronic record-keeping shall be established in accordance with a defined business process, electronic performance measurement shall be established and the necessary training of staff arranged.

After the country is electronically connected with EU services, exchange of data will be arranged for recording cases of enforced collection of taxpayers debts incurred in other countries, and vice versa.

Establishing and developing a Centre for Collection of Fines and other Public Revenue

By taking over the collection of fines under the competence of the PRO, it is expected that the efficiency of the collection of the fines will increase and that stable revenue will be provided for in the Budget of the RM.

The PRO shall be given a new power, collection of fines, transferred from all public-legal bodies authorised to order fines. The reorganisation of the function “enforced” collection” shall also include the organisation and systematisation of the Centre for Collection of Fines and other Public Revenue. The Centre is provided with material and technical assets, staff is appointed and trained to receive, record and act in the collection of the ordered fines and other fees. In order for the Centre to be fully-functional, the business process shall be defined and electronic records for fines, costs and lump sums, as well as records of decisions sent to be realised shall be established.

Introducing an Integrated Automated System for continuous electronic communication of taxpayers with the PRO for automatic transfer of data from the fiscal system equipment in the form of daily financial reports (GPRS)

Receiving quick and accurate information on sales will decrease the need for direct controls at the taxpayers’ premises with regard to cash-registration and redirecting the human capacity of the PRO towards more essential controls.



The function of the integrated automated system for continuous electronic communication with the PRO with taxpayers that have a system of fiscal equipment shall be to automatically transfer data from the fiscal system equipment in the form of daily financial reports to the PRO information system. The system shall be installed by placing GPRS devices on the equipment of the taxpayers and the costs for this shall be covered by the Government of the RM. Once it is established, the process of cash-registration in the Republic of Macedonia will be finalised.



By improving the taxpayer services, the trust that the taxpayers have in the PRO as a professional institution prepared to assist them and able to efficiently solve tax issues grows, and it will also ensure more voluntary submitting of tax returns.

Continuing the process of training taxpayers for voluntary and legal compliance with their tax obligation without the intervention of the PRO

Further educating taxpayers on tax issues will increase the number of timely and accurate tax returns and tax payment.

In order to achieve this goal, written material is continued to be prepared, seminars organised, as well as other educational and informative meetings with taxpayers and interest groups.

Due care shall be given to the education of preschool, elementary school and high-school age and a special programme for vocational economic and legal schools shall be prepared.

A plan and programme for citizens' education shall be prepared, in accordance with the structure of taxpayers in every municipality separately and shall be implemented through the Tax Service Desks.

Continuing the development of electronic services

Increasing the use of e-services, and especially increasing the number of submitted tax returns.

This measure means that methods of electronic communication with taxpayers shall be developed for all issues that the PRO deals with, and this shall be done by having the possibility to inspect the tax cards for the taxpayers that have decided to submit their tax returns electronically and preparing an e-tax calculator for a certain target group. In order to increase the number of taxpayers, especially small and medium taxpayers and citizens that submit their tax returns electronically, an intensive campaign and training shall be organised.

ORGANIZATION OF LEARNING AND KNOWLEDGE



Taking care of the staff and producing professional staff shall allow the PRO to become a desired place of employment for people with high potential who shall invest their whole capacity in upgrading the work of the PRO.

Improving the structure of the personnel, the working conditions and incentives

Increasing the number of the employees and increasing their satisfaction and motivation.

Once the programmes for employment of young highly educated staff and with the system of transfer of employees from technical and non-essential functions (data processing, etc.) to essential work positions, the quality of and efficiency of the operation of the PRO will also be affected.

In the upcoming period, special attention will be dedicated to the complete implementation of the Code of Conduct of Tax Officers by strengthening the professionalism and integrity of the personnel, and for the purpose of objective evaluation of the performance results of individuals, performance measures and standards shall be established and monitored.

The working conditions of the personnel shall continuously improve, especially in 2012 and 2013 and shall provide optimal conditions for development of modern work processes.

Organising systematic education for the personnel

With this the number of educated tax officers is increased and this will increase the efficiency of the operation and once the Training Academy for the personnel is established in the region, it will be possible to exchange international experience.



The goal of the PRO Training Strategy is to support the reorganisation of the institution and the new business processes of key functions, and the needs for training for the work and management in order to improve the skills and abilities of the personnel on all levels which shall bring improvement in the performance and the services, of voluntary compliance with the tax obligations of taxpayers and enforced collection, when necessary.

The training strategy goes through four development phases before the realisation of the final goal – Regional Tax Academy (RDA):

- *First phase* – establishing internal training by experts to the management on management skills, the personnel performing audits, assessment and collection of taxes and other functions needed for working with taxes and tax procedures;
- *Second phase* – to establish a Training Academy for the employees, designed to provide the best training and accommodation of the participants;
- *Third phase* – the Academy shall extend the training programme to other interested users: tax advisors, financial institutions, state authorities, training for taxpayers; and
- *Fourth phase* – the Academy shall be transformed into a Regional Tax Academy and East European Centre of best practices for the tax administration which will be possible when the Academy overcomes the internal needs of the PRO and the needs of interested users in the country.

To be able to start the activities, it is necessary to prepare a project budget, to equip the space provided for the RDA and to establish a database for recording and monitoring the results of the carried out training per employee.



PLACE IN THE INTERNATIONAL COMMUNITY



The international ranking of the tax administration and exchange of data and experiences at international level shall speed up the process of modernisation of the PRO and the carrying out of European practices.

Avoiding double taxation or no-taxation and data exchange on tax fraud

Increase of the number of signed and ratified international agreements, but also bilateral agreements that shall be followed and the necessary data exchanged needed for fighting tax fraud and tax evasion.

The process of application of the international agreements to prevent double taxation or non-taxation, the developing of the introduced system, training of the personnel on application of international agreements and the withheld tax and updating of the website of the PRO with this topic continues in the following period and the intention is to apply all OECD methods.

The system for exchange of data used for preventing and detecting tax fraud and financial crime is further strengthened. The technical base of the exchange of data will also be developed by purchasing the appropriate hardware and software which will provide continuous information flow with the EU countries.

Exchange of data on VAT within the EU system VIES

For the purpose of continuous exchange of data on VAT in the EU member states in accordance with law, it is necessary to establish a Communications Office for Exchange of VAT data. For this purpose the appropriate hardware and software base for VIES will be purchased, staff will be appointed and trained in accordance with EU standards in the period immediately prior to the accession of the country into the community.



Cooperation with international institutions, organisations and the tax administrations of the EU member states and other countries

Increase of the possibilities for using of international experiences for the purpose of decreasing tax fraud of international origin.

The co-operation with international institutions and organisation continues and is extended in order to establish a stabile framework for co-operation and this will open the possibility to apply and participate in projects which are part of their annual programmes and to organise donor conferences.

Co-operation with tax administrations of the EU member states and other non-EU states shall be done through bilateral co-operation, organising coordinated cross-border inspections with the tax administrations of the neighbouring countries and exchange of information between the Balkan tax administrations, as well as early prevention of new forms of tax evasion.

European integration

Supporting the process of compliance of the PRO with the working standards used in the tax administrations in EU-member states and contributing to the overall activities of the country in the processes of quicker European integration.

As part of the European Integration Process activities of the PRO are carried out for preparation of the NPAA Programme and for monthly notification of the Secretariat for European Issues and the EU Office in the Republic of Macedonia on the degree of realisation of the NPAA Programme; implementing of the IPA Programme, implementation of the FISCALIS Programme, preparation of sub-committees within the Committee for Association and Stabilisation and Communication and Coordination of the activities within DG TAXUD.

* * *

In the period 2011-2013, 105 new recruitments are planned – 35 per year. The newly employed persons shall be allocated according to needs.

In order to achieve the vision of the PRO for the period 2011-2013, it is envisioned that financial assets in the amount of 850.800.000 MKD will be required of which 744.300.000 MKD in 2011, 42.600.000 MKD in 2012 and 63.900.000 MKD in 2013.

The mentioned amounts of the assets in the planning period 2011-2013 shall be allocated to various organisational parts of the PRO, according to the plan and the needs for the following purposes: Regional Tax Academy – 61.000.000 MKD, installing GPRS on fiscal equipment – 492.000.000 MKD, software – 20.000.000 MKD, hardware – 90.000.000 MKD, renewing space – 28.000.000 MKD, printing publications, forms, tax acts, envelopes and similar items – 32.000.000 MKD and new recruitments - 127.800.000 MKD.

PUBLIC REVENUE OFFICE

Bul. „Kuzman Josifovski - Pitu” No.1, 1000 Skopje
phone + 389 (0) 2 3299 500; fax + 389 (0) 2 3281 010
e-mail: info@ujp.gov.mk
www.ujp.gov.mk

This publication is also available on our website
http://www.ujp.gov.mk/en/osnovni_dokumenti/category/447

2011 © Public Revenue Office

This material is for non-commercial use of the Public Revenue Office. Any coping, printing and use of this material for commercial purposes are prohibited. When using information from the Public Revenue Office publications, the original source must be mentioned.



www.ujp.gov.mk