Supporting Capacity Development of Tax Administrations in South East Europe Project

3 What will the project address
4 What will make the project activities unique
5 Who will benefit
6 It is all about people
7 Who will support the learning agenda
8 Learning opportunities in 2015
10 Can you find all the hidden words
11 How to participate
12 CEF at a glance
Dear colleagues,

We are grateful to your organizations for your commitment to our learning programs on tax administration and tax policy. Feedback from your colleagues, who have attended our courses, confirms that they find our learning programs useful and relevant to their work. They also acknowledge the added value of our learning approach, which is based on experience sharing, allowing participants to compare their practices with others, thus learning with and from each other.

As you know, it is through our learning programs where we as a regional training center see our contribution to supporting reform efforts in South East Europe (SEE). Understanding regional challenges and responding to them, while focusing on country specifics in implementation, are the key success factors of CEF operations. This has allowed us to develop high-quality, timely, and relevant learning programs.

In December 2013 we organized a High Level Dialogue on Tax Administration and Tax Compliance where we discussed with you and your colleagues current challenges for tax administrations along with possible responses to these challenges. After the event we approached our donor partners with a project proposal initiative capturing the regional specific capacity development needs and priorities that you and other revenue authorities across SEE shared with us at the occasion. This effort has resulted in the launch of the Supporting Capacity Development of Tax Administrations in South East Europe Project.

We invite you to browse through this brochure or visit www.cef-see.org/tax to learn more about the project, its objectives and activities.

We would like to thank you for your continuous support for our activities and welcome you back to the CEF.

Yours,
Mira Dobovišek, CEF Director

What will the project address

Tax administrations are increasingly looking for ways to improve the efficiency of revenue collection and to achieve compliance at minimum costs, both for taxpayers and the administrations themselves. Intensive efforts are invested in improving the overall compliance with tax laws, and sustaining confidence in the tax system and administration. In this context, many tax administrations across SEE have begun to introduce specific procedures under which they can deliver tax compliance risk management.

To support them in these efforts, we have designed the Supporting Capacity Development of Tax Administrations in South East Europe project. The project builds on the CEF’s learning program on taxation by carefully linking individual activities into a coherent annual training plan, and tailors them to specific regional capacity development needs and priorities. Its overall objective is to contribute to strengthening of beneficiary institutions’ capacity in implementing the EU’s recommendations under which the revenue authorities can deliver tax compliance risk management.

The project also aims to respond to the challenge that is closely related to the current economic difficulties where in many cases the tax administrations in the countries most affected by the economic crisis have suffered severe cutbacks in their budgets for training and are frequently unable to attend training events, citing the lack of funding.

This two-year training and networking project will be initially delivered in 2015-2016 through 14 cross-country participatory and experience-based learning and networking activities with an option to be extended to five years, depending on favorable results and availability of further financing.
What will make the project activities unique

The project activities will use the latest thinking and best practices that are also promoted by international organizations, including the European Commission, International Monetary Fund, and Organisation for Economic Cooperation and Development. They will be supplemented by SEE regional practitioners’ insights into what is required to maintain and consolidate taxpayer compliance, moving them into a direction most relevant to participants and their organizational contexts.

Project activities will not be delivered in a conventional setting where experts come to lecture and participants come to listen. Instead, significant inputs from participants will be expected, including case study work and discussion. The lecturers’ role will be to stimulate participants to reflect upon and structure their own reflections on possible ways of making modern compliance strategies work, while also sharing their personal experiences. The idea behind here is to offer tax officials easily accessible profiles of countries’ tax systems, and the policies adopted to improve those systems, which eventually could inspire reforms at home.

Who will benefit

The project is designed for officials at different professional levels representing revenue authorities of Albania, Armenia, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Kosovo, Macedonia, Moldova, Montenegro, Romania, Serbia, Slovenia, Turkey, and Ukraine. The diversity of the participants’ origin will allow for the project activities to be a one-stop avenue for the valuable exchange of ideas and country experiences.
Who will support the learning agenda

Angelique van Haasteren
Ministry of Finance, the Netherlands
The Ministry of Finance of the Netherlands supports the CEF tax training program because it aims to contribute to strengthened capacities of tax administrations in countries of the Dutch constituencies in the International Monetary Fund, the World Bank, and the European Bank for Reconstruction and Development (also countries served by the CEF) by enhancing skills of tax officials and supporting them in their reform efforts. In this way it supports our policy of targeted knowledge transfer and a genuine exchange of views and experiences with the ministries of finance in our constituency countries.

Steffen Normann Hansen
IMF Tax Administration Reform Advisor for SEE
The International Monetary Fund (IMF) provides technical assistance in tax administration to most of the countries served by the CEF with the aim to help strengthen administrative capacity. The current focus is on improving management approaches, streamlining organizations structures, implementing modern compliance management methods and strengthening IT systems and business processes. Through these activities, IMF experts gain valuable knowledge on training shortcomings across the region. When this information is then shared with the CEF and used for designing training programs that are crucial for the participating countries and at the same time support IMF technical assistance in the field, we have established a clear win-win situation for all parties involved.

Tina Žagar
Center of Excellence in Finance
I have been working closely with content experts to design high-quality, practical and participant-centered learning events which will address crucial components of modern tax administration. As knowledge exchange facilitators, we will be guiding tax officials along the learning journey and encourage them to share their competences and insights actively with others. The goal is to allow participants to find a personal meaning for their learning and identify opportunities for applying their new knowledge. This, however, would not be possible without our reliable partners who share our commitment to respond timely to the capacity development needs of the regional tax authorities. We are grateful for this continuous support and believe this project is the first step in our joint efforts of future coordination and development of the training agenda on taxation issues in SEE.

The Supporting Capacity Development of Tax Administrations in South East Europe project is primarily supported by the Dutch Ministry of Finance, Center of Excellence in Finance (CEF), International Monetary Fund (IMF) and Assistance Technique France (Adetef).
Learning opportunities

Developing an Effective Taxpayer Audit Program

This course has been designed to address the role and value of the tax audit program within the compliance risk management process. It will examine key factors that need to be in place when planning for an effective taxpayer audit program. The course will also give an overview of different methods and techniques available for determining and verifying taxpayer's financial affairs, in which turn allows tax administrations to correctly assess their tax liabilities. Specific aspects concerning the audit context – administrative assessment versus self-assessment – will also be covered. In addition, the issue of how to develop a strategic and operational tax audit plan and how to monitor and assess its effectiveness will be explored.

Tackling Tax Evasion and Avoidance

After an overview of the differences between the concepts of tax avoidance and tax evasion, the course will familiarize participants with different approaches and measures that tax authorities can use to effectively combat and reduce the scope of tax evasion and avoidance. In particular, it will look into the use of preventive versus repressive measures. It will also discuss ways of improving the efficiency of information exchange between tax administrations in order to combat tax avoidance and tax evasion practices. Possible ways to raise taxpayers' confidence in the tax system by fostering transparency and improving tax services, and the behavioral aspects related to tax evasion will also be covered.

Modern Approaches to Tax Compliance

This course provides a detailed overview of the principles and practices under which revenue authorities can deliver tax compliance risk management through the framework set out in the European Commissioner’s Compliance Risk Management Guide for Tax Administrations (2010). Specific aspects concerning the risk management process model identification, assessment and prioritization of risks, resource allocation, information technology systems and data analysis tools, etc.) will be covered. In addition, the issue of how to develop a strategic and operational tax audit plan and how to monitor and assess its effectiveness will be explored.

Combating VAT Fraud

The course will highlight the harmful effects that result from the lack of transparency and effective information exchange, and illustrate the procedures and controls to be implemented to combat the VAT carousel or missing trader fraud. Since tax evasion has been identified as a major cause of lost revenues and it has become a big risk, part of the course will be devoted to VAT evasion with immovable and movable property, as experienced in many countries.

Transfer Pricing

This workshop focuses on the complex issue of transfer pricing and the misuse of transfer pricing as a tool for tax evasion and avoidance by multinational corporations. The course discusses how tax administrations can adopt and effectively implement transfer pricing rules in accordance with the arm’s-length principle in order to reduce the likelihood of taxation avoidance and evasion, opportunities for corruption, and other malpractices.

Strengthening Management Skills

Managing people, planning, communicating, delegating, motivating, managing performance, problem solving, and understanding team dynamics are some of the key skills that managers need. This workshop is designed for managers to develop their tools and skills for effective people management. It is a practical program to help managers get the best performance from their staff in a climate of ongoing changes, economic challenges and uncertainties.

The learning activities for 2015 will be identified after a careful review of the learning activities delivered in 2015 and will be customized to the emerging needs of the beneficiaries. For more information please visit www.cef-see.org/tax.

The dates and titles of workshops are subject to change. Please consult our website for the most up-to-date calendar and list of offerings.
Can you find all the hidden words

Audit
Compliance
Risk
Management
Avoidance
Evasion
Trader
Missing
Fraud
Large
Taxpayers
Office
Transfer
Pricing
Vat

How to participate

No fee will be charged for officials working in the public sector. All learning events will be delivered in English (if not otherwise communicated).

For each event, the costs of travel and accommodation for two participants from Armenia, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Macedonia, Montenegro, Romania, and Ukraine will be covered by the Dutch Ministry of Finance.

Additional participants from the abovementioned 10 countries or applicants from other beneficiary country (Albania, Kosovo, Serbia, Slovenia, and Turkey) will have to cover their own expenses or be sponsored by other sources, e.g. their sending or sponsoring institutions.
CEF at a glance

We are a leading regional capacity development institute located in Ljubljana, Slovenia. We were established in 2001 by the Slovenian Government within the framework of the Stability Pact for South East Europe.

Our mission
To promote awareness of international standards and best practice in public financial management and central banking by organizing specialized learning events, encouraging knowledge sharing and research, and providing technical assistance.

Key values that define and guide us in all that we do
- transparency and accountability
- respect and alignment with regional needs and priorities
- focus on ensuring that the results of our work are sustainable by delivering high-quality learning programs and participating in regional projects

Our advantage
We understand that we need to combine expertise in public financial management and central banking and contextual specifics of countries we work with, but also to have a good comprehension of how reforms take place, and how to nourish and expedite learning among individuals, institutions, and countries in the region.

We serve
Ministries of finance and central banks of Albania, Bosnia and Herzegovina, Bulgaria, Kosovo, Macedonia, Moldova, Montenegro, Romania, Serbia, and Slovenia as well the Ministry of Finance of Croatia, and the Prime Ministry Undersecretariat of Treasury of Turkey.

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