

The page features several large, overlapping geometric shapes in magenta and grey. A large magenta triangle is at the top left, and a large grey triangle is at the top right. A smaller magenta square is on the left side, and a smaller grey square is on the right side. A magenta diamond is positioned in the lower right area. Thin grey lines connect the corners of these shapes, creating a grid-like structure.

Republic of Macedonia
Ministry of Finance
PUBLIC REVENUE OFFICE

STRATEGIC PLAN 2019-2021

Prepared and published by:

Public Revenue Office
Bul. "Kuzman Josifovski – Pitu" No.1, 1000 Skopje
www.ujp.gov.mk
info@ujp.gov.mk

Date of publishing:

31.12.2018 година

Editors:

Sector for Strategic Planning, Analysis and Statistics

Design and desk top publishing:

Dragica Nikoloska - Sector for Support of the Director and Public Relations

Title:

Strategic Priorities of the Public Revenue Office for the period 2019-2021

Ref.No: 16-7612/2

http://www.ujp.gov.mk/mk/osnovni_dokumenti/category/112

2019 © Public Revenue Office

The material is intended for non-commercial purposes of the Public Revenue Office. Copying, replication, and use of this material for commercial purposes is not permitted. When using data from publications of the Public Revenue Office it is necessary to quote the source.

CIP - Каталогизација во публикација
Национална и универзитетска библиотека "Св. Климент Охридски", Скопје

354.21.075.5:336.22(497.7)"2019/21"

STRATEGIC priorities of the public revenue office for the period
2019-2021 [Електронски извор]. - Skopje : Public revenue office, 2019

Начин на пристап (URL):

http://www.ujp.gov.mk/mk/osnovni_dokumenti/category/112. - Текст во PDF
формат, содржи 27 стр. - Наслов преземен од екранот. - Опис на изворот на
ден 06.02.2019

ISBN 978-608-4866-02-2

а) Управа за јавни приходи - Стратешки планови - Македонија - 2019-2021
COBISS.MK-ID 109548298

CONTENT

INTRODUCTION	4
VISION.....	5
MISSION.....	5
MANDATE AND COMPETENCIES OF THE PUBLIC REVENUE OFFICE	6
SPECIFICITY OF THE PUBLIC REVENUE MANAGEMENT	7
ORGANIZATIONAL STRUCTURE OF THE ADMINISTRATION	10
PLAN FOR IMPLEMENTATION OF THE PROGRAM.....	11

INTRODUCTION

The strategic priorities of the Public Revenue Office (PRO) include the core development components which implementation is planned for the period 2019-2021. The document provides the general guidelines as priority goals, the measures to be taken for their realization and the activities that, with consistent application by the employees and adequate funding, will ensure not only the realization of the basic mission and vision of the institution, but will also be the basis for building of a modern tax administration with high reputation and integrity among the taxpayers and among the local and international public - confidence in the professionalism, efficiency, transparency and service orientation.

MISSION - OBJECTIVE OF THE PUBLIC REVENUE OFFICE

The objective of the Public Revenue Office of Republic of Macedonia is to ensure high quality of services for the taxpayers, simplified tax procedures for timely and accurate compliance, including fair and efficient collection of taxes and other public duties.

VISION

The Public Revenue Office's vision is to become a model for a professional organization recognizable according to best practices and quality standards.

In order to achieve our vision, we continue to strengthen the administrative capacity and to raise the quality standards in our work. We started to introduce a new climate in the work of the tax administration, which implies a quality and transparent operation and responsibility for the results.

The Public Revenue Office creates a single policy for improving the quality of services, providing simplified tax procedures for timely and accurate fulfillment of obligations and a fair and efficient collection of taxes and other public duties in the Republic of Macedonia.

In performing its business activities, the PRO is committed to nurture an open and responsible approach to taxpayers, employees, state institutions, international organizations and the entire social community.

MANDATE AND COMPETENCIES OF THE PUBLIC REVENUE OFFICE

The Public Revenue Office functions only on the territory of the Republic of Macedonia. Pursuant to the Law on Public Revenue Office, it performs administrative and other professional matters related to the scope of its operations, as well as issues arising from the special tax laws. The Public Revenue Office operatively implements the tax policy, maintains the single tax register and tax records of taxpayers, receives tax returns, assess, collects and performs refund of taxes, social contributions from salary and other public duties, performs inspection supervision, provides assistance to taxpayers for fulfilling their tax obligations, monitors and analyzes the functioning of the tax system and makes proposals for its improvement, cooperates with tax authorities from other countries, and provides an international legal assistance in tax matters.

The specificity of the Public Revenue Office is manifested through its significant role in providing funds in the Budget of the Republic of Macedonia, thus ensuring the fulfillment of the state functions, and which, depending on the competences, in the last years are around 62% -68% of the projected Revenues of the Basic Budget and Funds. By extending the competencies over the collection of misdemeanor fines and penalties, such contribution is increased.



SPECIFICITY OF THE PUBLIC REVENUE MANAGEMENT

The legal framework for the work of the PRO, the general tax regulation and the tax administrative procedure are defined in two acts - the Law on Public Revenue Office and the Law on Tax Procedure. The mentioned legal framework provides the possibility of strengthening the administrative capacity for implementing the legislation and for combating tax evasion.

- With the amendments to the Law on Audio and Audiovisual Media Services (“Official Gazette of the Republic of Macedonia” No. 132 from 20.09.2017), the obligation for the Broadcasting fee has been abolished, thus the competence of the Public Revenue Office for assessing and collecting the Broadcasting fee has ended at September 2017, which was an inadequate administrative burden on the Public Revenue Office.
- With the Law on Amending the Law on the Public Revenue Office (“Official Gazette of the Republic of Macedonia” No. 35 from 23.02.2018), a new additional competence was introduced to the Public Revenue Office, which is related to the control of the accuracy of the employees in the public sector registry through control of the monthly calculations for integrated collection. This additional competence shall be applied for three months from the day of entry into force of this Law, i.e. on 23.02.2018. Regarding this new competence of the Public Revenue Office, in order to exchange data between the Public Revenue Office and the Ministry of Information Society and Administration, with the Law on Amendment to the Law on Tax Procedure (“Official Gazette of the Republic of Macedonia”, No. 35 from 23.02. 2018) is made an addition to the provision that regulates the tax secrecy in the work of the Public Revenue Office, that is, the secrecy is not considered impaired even when exchanging data that the Public Revenue Office performs with the Ministry of Information Society and Administration in accordance with the Law on employees in the public sector.
- The Law on Amendment to the Law on Contributions from Compulsory Social Insurance (“Official Gazette of the Republic of Macedonia” No. 35 from 23.02.2018) introduced an obligation for the taxpayer for calculation and payment of contributions - employer from the public sector in accordance with the Law on employees in the public sector, to harmonize the data on taxpayers for payment with the register of employees in the public sector, before submitting the monthly calculation. At the same time, this Law introduced an obligation for the Public Revenue Office, in addition with the exchanges of data with the institutions for compulsory social insurance on the contributions and the Personal Income Tax according to the law, to exchange as well data with the authorities and institutions for the taxpayers for calculation and payment of contributions and the taxpayers for payment of contributions for which according to the law makes control by the monthly calculations for integrated collection. These amendments shall be applied

three months after the date of entry into force of this Law, i.e. on the day of its publishing in the “Official Gazette of the Republic of Macedonia” on 23.02.2018.

- From 01.01.2018 the Law on Amending the Law on Personal Income Tax has entered into force (“Official Gazette of the Republic of Macedonia” No. 190 from 25.12.2018 and the Rulebook on the Manner for Calculating and Payment of Advance Payments of Personal Income Tax, form, content and the manner of submitting and approving the electronic calculation of income and tax (“Official Gazette of the Republic of Macedonia” No. 197 from 29.12.2018), which establishes the framework for submitting electronic tax returns for each payment of income to a natural person - individual (other than salary) by the payer and for each income that a natural person - individual realizes from another natural person - individual in the country and abroad. From 01.01.2018 the new electronic system of the PRO e-Personal tax is <https://e-pdd.ujp.gov.mk> is put in function, through which a service to the taxpayers is provided for preparation and submission of electronic calculations for income and tax with direct input or loading of data prepared with appropriate structure, whereby the system ensures the accuracy of the data in the electronic calculation based on the built-in controls and submits an automatic electronic payment order to the payment operations carriers.
- With the amendments to the Law on Prevention of Money Laundering and Financing of Terrorism (“Official Gazette of the Republic of Macedonia No. 120 from 29.6.2018”), to the PRO is entrusted a new non-tax authority, to supervise organizers of games of chance, legal and natural persons - individuals who perform the following services: mediation in real estate transactions, providing advice in the field of taxes and legal entities that carry out the activity of receiving in pledge movable property and real estate in accordance with the Law. Namely, Article 48 of the Law envisages the following: (1) It is prohibited to pay cash and goods in the amount of Euro 2,000 or more in MKD equivalent in the form of one or more obviously related transactions, which is not done through a bank, savings house or through an account in another institution that provides payment services. (2) The entities that are authorized by law for registration of securities, other property or legal affairs, or for reporting or performing transfer of money, securities or other property, may make such registration or transfer only if the client files proof that the transfer of money above the amount referred to in paragraph (1) of this Article is performed through a bank, a savings house or through an account in another institution that provides payment services. (3) The prohibition referred to in paragraph (1) of this Article shall not apply to organizers of games of chance. Based on the foregoing, the Public Revenue Office is obliged, in accordance with its competencies, to supervise legal entities and natural persons - individuals regarding the application of the ban on cash payments in the amount of Euro 2,000 or more in MKD counter-value with all taxpayers that perform cash turnover. The amendments to the law will contribute to improving the efficiency of the PRO in the course of work for the international exchange of tax information with foreign tax authorities referring to the “beneficial owner”.

- In accordance with the Methodology for Strategic Planning and Preparation of the Annual Work Program of the Government of the Republic of Macedonia at the Government session held on 10.07.2018, two Guidelines were adopted and published in the “Official Gazette of the Republic of Macedonia” no. 131 from 17.07.2018, and which entered into force the next day on 18.07.2018. With the first Guideline on the manner of acting of the ministries and other state administration bodies in the process of preparation of the strategic plan and the annual work plan is specified the manner of their actions in the process of the strategic plan and the annual work plan, and with the second Guideline for the manner of acting of the ministries and other state administration bodies in the process of monitoring, evaluation and reporting on the implementation of the strategic plan and the annual work plan is more precisely prescribed the manner of their acting in the process of monitoring, evaluating and reporting on the implementation of the strategic plan and the annual work plan
- The Law on Amending the Law on Minimum Wage in the Republic of Macedonia (“Official Gazette of the Republic of Macedonia”, No. 132/17 as well as No. 140/18) foresees an increase in the amount of the minimum wage, as well as provision of financial assistance to employers for the payment of the minimum wage, i.e. the PRO from 2017, is in charge of administering employers’ requests for providing financial assistance in the monthly salary calculation referring to 2017, 2018 and 2019 for data processing and verification whether the condition in the Law are met, and notification of the employers (through the Declaration of acceptance of the calculation) for approved payment of financial assistance. For persons for whom the requirements of the Law have been met, the PRO shall submit data to the Ministry of Labor and Social Policy for the payment of the financial assistance. The purpose of the financial support for salary growth in the higher amount of the minimum wage (hereinafter: the financial support) is to encourage employers to pay the salaries of workers in a higher amount than the minimum wage stipulated by this law, to improve the economic standard and encouraging economic growth and development in the Republic of Macedonia.

STRUCTURE OF THE PUBLIC REVENUE OFFICE

Current structure: The Public Revenue Office is a state administrative body within the Ministry of Finance with the capacity of a legal entity.

As of 31.12.2017, the number of employees in the Public Revenue Office is 1.230.

From 1st of January, 2017, enabled by the amendments to the acts for internal organization and systematization of the work posts in the PRO, the operations within the scope of the Public Revenue Office are performed through: General Directorate Skopje; Large Taxpayers Office; Regional Directorates (6) - located in Skopje, Bitola, Prilep, Shtip, Strumica and Tetovo; Branch offices (17) - located in Ohrid, Struga, Resen, Kavadarci, Veles, Negotino, Kumanovo, Kriva Palanka, Kochani, Vinica, Sveti Nikole, Berovo, Gevgelija, Radovish, Gostivar, Kicevo and Debar; Service points (7) - located in Demir Hisar, Makedonski Brod, Krushevo, Kratovo, Delchevo, Probishtip and Valandovo; Mobile service points served the other municipalities where there is no financial justification for their continued location.

Planned changes: To continue with the strengthening of the capacities of the tax administration for administering tax revenues and contributions and for providing quality customer services, improving the skills and knowledge of tax officials, managing the changes to support the tax reforms and modernization - electronic tax administration. To continue with the development and restructuring of the work processes for the new tax integrated IT system; - introducing conditions for HARDWARE for the new integrated IT system of the PRO; - introduction of conditions for SOFTWARE for the new integrated IT system of the PRO; - introduction of methodology for quality assurance for the new integrated IT system, including supporting the risk management process (functional and non-functional risk, risk of introducing hardware and software solutions and the risk of their compliance); - development and introduction of a risk assessment system. Ensuring smooth functioning and long-term stability of the system in the event of a crisis.

PROGRAMS 2019-2021

For the period 2019-2021, the Public Revenue Office has set the following priorities within its competencies:

Program 1: Strengthening administrative capacity

Program 2: Fight against the tax fraud and gray economy

Program 3: Public Finance Management - Revenue Mobilization

PLAN FOR IMPLEMENTATION OF A PROGRAMME

A: Justification and design of the Programme

Justification: The programme stems from:

1. Programme of the Government of the Republic of Macedonia for the period 2018-2020
2. National “Public Finance Reform Management Programme 2018-2021” (December 2017)
3. IPA II “Sectoral planning document for the reform of the public financial management sector” (Draft, March 2017)
4. Annual Action Program of the Republic of Macedonia for 2018 on EU Support to Public Financial Management (PFM)(February 2018)
5. Annual Report of the Center for Excellence in Finance (CEF) for 2017 (11.07.2018)
6. Report on the progress of the Republic of Macedonia to the European Commission for 2018 (April 17, 2018)
7. National Program for the Adoption of the Acquis of the European Union (NPAA) Revision 2019-2021 (No. 01-52 / 31, from 08.05.2018) as well as detailed GAP Analysis of the EC Report
8. Draft conclusions of the 14th meeting of the Subcommittee on Trade, Industry, Customs and Taxation (Brussels, 23.11.2017)
9. Report “Public Expenditure and Financial Accountability Assessment in the Republic of Macedonia (PEFA)”, Ministry of Finance and DFC International Consultants (December, 2015)
10. Revenue management reform - progress and next steps - IMF Department of fiscal affairs (May 2018)
11. Economic Development Programme (draft version)
12. Cash reduction strategy (draft version March 2018)
13. Strategy for reducing the gray economy (March 2018)
14. Tax Reform Strategy 2018-2021 (Draft version)
15. The Economic Reform Programme (PER) “European Commission (April 2018)
16. PRO strategic plan 2018-2020
17. Budget of the Republic of Macedonia for 2019 (Proposal)
18. Public Procurement Plan of the Public Revenue Office for 2019 (Draft)
19. Annual Employment Plan for 2019 (Draft)

Program 1:
STRENGTHENING ADMINISTRATIVE CAPACITY

Objective of the Programme: Capacity building of the tax administration for administering tax revenues and contributions and providing quality customer services, improving skills and knowledge of tax officers, managing changes in support of tax reform and modernization - electronic tax administration.

Success indicators of the Programme: Increasing the level of satisfaction of tax service users and PRO staff, improving the voluntary collection of tax revenues and contributions and managing tax debts.

The programme is: *(note the type of the programme)* horizontal vertical

Subprogrammes (components) of the Programme:	
<p>Subprogramme 1: Quality Management System</p>	<p>Performance Indicator:</p> <ul style="list-style-type: none"> • Number of harmonized documents / records with the ISO quality management system • % of the satisfaction of the users of PRO services • % of the satisfaction of the employees in the PRO
<p>Subprogramme 2: Compliance risk management</p>	<p>Performance Indicator:</p> <ul style="list-style-type: none"> • % of the realization of the educational programs envisaged in the Annual Plan for education of the Tax Academy • % of used allocated funds for FISCALIS 2020 • (IOTA) Number of approved participation of events by the PRO/ number of events foreseen in the IOTA Annual Program that the PRO can participate at • (CEF) Number of applications submitted by the PRO / Number of accepted CEF applications according to the CEF Annual Program • (TAIEX) Number of applications submitted by the PRO / Number of approved TAIEX applications / Number of implemented TAIEX applications
<p>Subprogram 3: Compliance risk management</p>	<p>Performance Indicator:</p> <ul style="list-style-type: none"> • % of the increase in self-taxation in current in relation to the previous year

B: Plan for implementing the programme

Subprogramme 1: Quality Management System – Implementation plan

Activity	Responsibility	Consulted	Time frame		Needed resources by years							
			Start (m/y)	End (m/y)	Human			Financial (MKD)				
					2019	2020	2021	2019	2020	2021		
1.1.1 Certification of PRO (ISO 9001: 2015)	Representative of quality management + Sectors											
Procurement of services introducing of certification in accordance with the international standard ISO 9001:2015 (System for quality management)	Sector for common affairs		2019	2020	Budget 300,000							
Trainings ISO 9001: 2015 Quality Management System, trainings for internal trainers	Tax Academy + Sector for common affairs Representative of quality management								Budget 600,000	Budget 600,000	Budget 600,000	
Harmonization of procedures / documents / records with a quality management system	Sectors + PPK											
1.1.2 Exploring the satisfaction of taxpayers by an independent agency	Sector for Taxpayer Services and Taxes		2019	2020					Budget 1.000.000			
1.1.3 Continuing the project User-oriented environment	Sector for common affairs + Regional Offices + General Directorate		2019	2021					Budget 30.000.000	Budget 30.000.000	Budget 30.000.000	
1.1.4 Consolidation of workstations and other network equipment - procurement of IT equipment	Directorate of Information Technology		2018	2021					Budget 18,000,000	Budget 15.000.000	Budget 15.000.000	
1.1.5 Increasing the security of the PRO systems (hardware and software)	Directorate of Information Technology		2018	2020						Budget 62.000.000		
1.1.6 Maintenance of information equipment (hardware and system software)	Directorate of Information Technology + Sector for common affairs		2019	2021					Budget 7,000,000	Budget 7,000,000	Budget 7,000,000	
1.1.7 Raising the flow capacity of communication equipment	Directorate of Information Technology		2018	2019					Budget 12.000.000			
1.1.8 Establishment of a data warehouse Consolidation of databases from existing IT systems / subsystems into a single database (preparation of data for transition objectives to a new integrated IT system)	Directorate of Information Technology Sector for Registration and Assessment of Taxes, Sector for Collection and Debt Management, General Tax Inspectorate		2018	2019					Budget 6,000,000	Budget 6,000,000	Budget 6,000,000	

1.1.9 New website of PRO www.ujp.gov.mk	Directorate of Information Technology + Sector for Support of the Director and Public Relations + Sector for Taxpayer Services and Taxes		2019	2020					Budget 1.200.000	
Total activities in year I:9							B	74,900,000		
Total activities in year II: 4									121,800,000	
Total activities in year III:1										58,600,000
TOTAL for subprogramme 1: 14										



**Subprogramme 2:
Human resource management and capacity building of employees through education and exchange of experience**

Activity	Responsibility	Consulted	Time frame		Needed resources by years							
			Start (m/y)	End (m/y)	Human			Financial (MKD)				
					2019	2020	2021	2019	2020	2021		
1.2. Monitoring of the changes and processes in human resource management	Colegium + Sector for human resources	Ministry of finance + Ministry of information society and administration										
1.2.1 Strengthening the staff of the Public Revenue Office with new 35 employments; 70 reallocations (380,875 EUR)	Sector for human resources	Ministry of finance + Ministry of information society and administration	2019	2021				Budget 23,500,000	Budget 23,500,000	Budget 23,500,000		
1.2.2 Purchase of human resource management software	Directorate of Information Technology + Sector for human resources + Sector for common affairs + Sector for Financial Affairs		2019	2020				Budget 600,000				
1.2.3 Improve the plans for education of taxpayers and strengthen the capacity of the employees through education	Tax Academy + Colegium		2019	2021				Budget 1,000,000 MKD				
1.2.4 Improving the manner of planning, execution and evaluation of education	Tax Academy		2019	2021				Budget 1,600,000 MKD	Budget 1,600,000 MKD	Budget 1,600,000 MKD		
1.2.5 Specialized training for IT staff	Tax Academy + Directorate of Information Technology		2019	2021				Budget 2,000,000	Budget 2,000,000	Budget 2,000,000		
1.2.6 Participation in EU programs and technical assistance from international organizations (IOTA; FISCALIS 2020; CEF; TAIEX; International Monetary Fund).	Sector for international cooperation + Sector for human resources + Sector for common affairs + Sector for Financial Affairs (for IOTA, FISCALIS 2020 CEF TAIEX) Colegium + Sector for international cooperation (for IMF)		2019	2021				Membership Contribution IOTA: 475,000 Other expenses IOTA 750,000 FISCALIS 2020: 3,400,000 IPA 2 National Fund 1,500,000 +PRO budget for entry ticket 2,000,000 TAIEX 200,000	Membership Contribution IOTA: 475,000 Other expenses IOTA 750,000 FISCALIS 2020 3,700,000 IPA 2 National Fund 1,400,000 + PRO budget for entry ticket 2,400,000 TAIEX 200,000	Membership Contribution IOTA: 475,000 Other expenses IOTA 750,000 TAIEX 200,000		
Total activities in year I:6							B	30,200,000	28,500,000	27,100,000		
Total activities in year II: 6							Other.	6,825,000	7,525,000	1,425,000		
Total activities in year III:5							Tottal	37,025,000	36,025,000	28,525,000		
TOTAL for subprogramme 2: 17												

**Subprogram 3:
Compliance Risk management**

Activity	Responsibility	Consulted	Time frame		Needed resources by years						
			Start (m/y)	End (m/y)	Human			Financial (MKD)			
					2019	2020	2021	2019	2020	2021	
1.3.1 Staffing of the Compliance Risk Management Unit	Compliance Risk Management Unit		2018	2019							
1.3.2 Strengthening the analytical skills of the employees in the unit through appropriate trainings	Compliance Risk Management Unit		2019	2021							
1.3.3 Establishing of standards and methods for comprehensive change management	Compliance Risk Management Unit		2019	2021							
Total activities in year I:3											
Total activities in year II: 2											
Total activities in year III:2											
TOTAL for subprogramme 3: 7											



Programme 2:

FIGHTING FOR PREVENTION AND PROTECTION OF TAX FRAUDS AND FORMALIZATION OF NON-FORMAL ECONOMY

Purpose of the Program: Establishing an efficient institutional structure, processes and mechanisms for detecting and combating tax fraud, for identifying and formalizing the informal economy.

Success indicators of the Program: Defined model of cooperation of the Public Revenue Office with the Financial Police, Financial Intelligence Office and other investigative bodies in cases of tax fraud, adopted action plan for detection and treatment of the informal economy, unified handling of tax inspectorates in carrying out controls under the tax laws for which the PRO has jurisdiction.

The programme is: *(note the type of the programme)*



horizontal



vertical

Subprogrammes (components) of the Program:

<p>Subprogramme 1: Promotion of activities aimed at combating tax fraud and formalizing the informal economy</p>	<p>Performance Indicator:</p> <ul style="list-style-type: none">• Established a cooperation model of the PRO with the Financial Police and other investigative bodies in cases of tax fraud.• Realization of the goals and activities of the adopted national Action Plan for formalizing the informal economy and Strategy for dealing with cash payments according to the defined time frame.• The sole action of the tax inspectorates in carrying out controls under the Law on Registration of Cash Payments and Controls of Unregistered Taxpayers.• Realization of the goals and activities of the adopted national Action Plan for formalizing the informal economy and Strategy for dealing with cash payments according to the defined time frame.
---	---

B: Plan for implementing the programme

Subprogram 1: Promoting activities aimed at fighting for protection and prevention of tax fraud and formalizing the informal economy										
Activity	Responsibility	Consulted	Time frame		Needed resources by years					
			Start (m/y)	End (m/y)	Human			Financial (MKD)		
					2019	2020	2021	2019	2020	2021
2.1.1 Improving the cooperation between the PRO, the Financial Intelligence Agency and the Financial Police (and other investigative bodies) in the fight against tax fraud	General Tax Inspectorate		2018	2020						
2.1.2 Implement activities related to the Strategy for handling cash payments	General Tax Inspectorate		2018	2019						
2.1.3 Preparation and adoption of a procedure for registration, change of data and deletion of a taxpayer (UJP-RDO)	Sector for Registration and Assessment of Taxes + General Tax Inspectorate		2018	2019						
2.1.4 Implementation of activities from the Action Plan for formalization of the informal economy 2018-2020 (Strategy of formalization of the informal economy)	Sector for Taxpayer Services and Taxes + Sector for Registration and Assessment of Taxes + General Tax Inspectorate		2018	2021						
2.1.5 Electronic Commerce Specialization of employees in the Tax Inspectorate and Sector for Information Technology. Identification of tools and methods for collecting data related to e-commerce, using of the data, their processing, identifying of the risk, and detecting risky taxpayers	General Tax Inspectorate + Directorate for Information Technology		2019	2021						
2.1.6 Preparation and adoption of the Guidelines on the manner of handling by the Public Revenue Office in the implementation of the Law on Prevention of Money Laundering and Financing of Terrorism	General Tax Inspectorate		2019	2021						
2.1.7 Improvement of the Risk Evaluation System (RES) in the rules for risk and maintenance of the system	General Tax Inspectorate + Directorate for Information Technology		2019	2021				Budget 3,000,000	Budget 3,000,000	Budget 3,000,000
2.1.8 Improving the functionality of the application "Tax Inspectorate" and upgrading according to the additional competences of the PRO	General Tax Inspectorate + Directorate for Information Technology		2019	2021						

2.1.9 Implementation of the four minimum standards (5, 6, 13 and 14) of the BEPS Inclusive Framework	Ministry of finance/PRO (General Tax Inspectorate + LTO + Sector for Registration and Assessment of Taxes+ Sector for International Sooperation)		2018	2020							
Total activities in year I:9										3,000,000	
Total activities in year II: 7											3,000,000
Total activities in year III:5											3,000,000
TOTAL for subprogramme 1: 21											



Programme 3:

PUBLIC FINANCES MANAGEMENT - MOBILIZATION OF REVENUES

Programme Objective: Improve the collection of tax revenues and ensure the long-term stability of IT systems in case of crisis.

Programme Performance Indicators: Improved tax services and procedures and ensuring the stability of the PRO systems in case of crisis.

The programme is: *(note the type of the programme)* horizontal vertical

Expected results (components) of the Program:

Simplification of tax procedures, including reporting and payment, by reducing the number of administrative procedures and costs, improving tax services in order to support independent calculation and quality information for all stakeholders, as well as ensuring long-term financial stability of the PRO system in case the crisis.

New software

New hardware

Subprograms (components) of the Program:	
<p>Subprogram 1: Improved stability, efficiency and quality of the revenue collection system (tax system and policy)</p>	<p>Performance Indicator:</p> <ul style="list-style-type: none"> • % of digitized tax services (2018-40%; 2019-40%; 2022-60%; 2024-80%); • Issuance of a pre-populated annual tax return by the PRO • Restructured work processes for the new integrated tax IT system • HARDWARE for the new integrated tax IT system • SOFTWARE for the new integrated tax IT system • Provided Quality control - technical support for the implementation of the new integrated IT system • Maintaining a risk assessment system - SPR for tax control
<p>Subprogram 2: Improved administration and debt management</p>	<p>Performance Indicator:</p> <ul style="list-style-type: none"> • Total tax debts / Total annual revenue collection • Debt over 12 months old / Total tax debt
<p>Subprogram 3: Establishment of a Disaster Recovery Center</p>	<p>Performance Indicator:</p> <p>Continuity of work processes and stability of the PRO electronic systems for data and work processes in case of crisis</p> <ul style="list-style-type: none"> • 2017 - Partial Back-up of data enabled; • 2022 - 80% continuity of work processes; • 2024 -100% continuity of working processes)

B: Plan for implementing the programme

Subprogram 1: Improved stability, efficiency and quality of the revenue collection system (tax system and policy)

Activity	Responsibility	Consulted	Time frame		Needed resources by years					
			Start (m/y)	End (m/y)	Human			Financial (MKD)		
					2019	2020	2021	2019	2020	2021
3.1.1 Development and restructuring of the work processes for the new tax integrated IT system (preparation and delivery of modeled business processes (BPM2 in the new IT system ("TO-BE"))	PRO Directorate for Information Technology +Project Team+ Sectors	Ministry of finance/Ministry of information society and administration	2017	2019				IPA II 18,435,600 MKD Budget 1,600,000 MKD		
3.1.2 Issuing a Pre-populated annual tax return by the PRO	Sector for Registration and Assessment of Taxes + Directorate for Information Technology		2019	2019						
3.1.3 Establishment of a new IT system hall (Budget total 3.000.000 MKD = Design and design supervision of IT system hall 300.000 MKD; Supervision during the execution of works for renovation of IT system hall 300.000 MKD; Renovation of IT system hall 2.400.000 MKD)	Sector for Common Affairs + Directorate for Information Technology + Management		2018	2019				Budget 3,000,000 MKD		
3.1.4 Procurement of IT equipment for upgrade and maintenance of the system	Directorate for Information Technology + Sector for Common Affairs + Tax Functions.		2018	2021				Budget		
- Upgrading and maintenance of: e-personal tax			2019	2021				12,000,000 MKD		
- Upgrade and maintenance of E-Taxes			2019	2021				7,000,000 MKD		
- Upgrading of the application for registry and tax accounting			2019	2021				5,000,000 MKD		
- Implementation of the existing IT sub-systems and equipment of the PRO			2019	2021				5,000,000 MKD		
- Implementation and maintenance of the system for games of chance - NIS (5,000,000 MKD)								5,000,000 MKD		
- Upgrade of the e-auctions system								2,000,000 MKD		
3.1.5 New system / update of the GPRS	PRO	Ministry of finance	2019	2021				Budget 5,000,000		
3.1.6 New tax integrated IT system SOFTWARE Total EUR 6,400,000 = IPA 3,700,000 EUR, National co-financing Budget 2.700.000 Euros)	Directorate for Information Technology + Sector for Common Affairs	EU Delegation / Ministry of finance/ PRO	2018	2021				Budget 166,600,000 IPAII 228.290.000		

3.1.7 New Tax Integrated IT System HARDWARE New Tax Integrated IT System HARDWARE (Total 1,178,282 EUR, of which IPA 1,000,000 EUR, National Co-financing Budget 178,282 EUR)	Directorate for Information Technology + Sector for Common Affairs		2018	2021						Budget 11,000,000 MKD IPA II 61,700,000 MKD	
3.1.8 Technical support for quality assurance for modernizing of a tax IT system (IPA 300,000 EUR)	Directorate for Information Technology + Sector for Common Affairs		2018	2019					IPA II 18,500,000 MKD		
Total activities in year I:8							B	45,600,000	177,600,000		
Total activities in year II: 4							IPA	36,935,600	290,290,000		
Total activities in year III:4							Total	82,535,600	467,890,000		
TOTAL for subprogramme 1: 16											

Subprogramme 2: Improved administration and debt management

Activity	Responsibility	Consulted	Time frame		Needed resources by years						
			Start (m/y)	End (m/y)	Human			Financial (MKD)			
					2019	2020	2021	2019	2020	2021	
3.2.1 Strengthening the efficiency and effectiveness of debt collection procedures	Sector for Collection and Debt Management		2018	2020							
Applying of modern methods for early identification and quick intervention to newly emerging debt											
-Profiling of debtors and proper application of all means of debt collection with each debtor, according to his risk of payment											
-Improving the framework (law, procedures, organization, standards, etc.) to ensure greater efficiency for debt collection											
3.2.2 Improved tax debt management	Sector for Collection and Debt Management		2018	2020							
- Assessment of the real value of the collectable tax debt and the compliance of the recorded debt with the actual situation											

-Precising of the criteria and procedure for conducting procedures for write-off of outstanding and outdated debt, prompt delivery of the write-off										
3.2.3 Development of debt management software and debt collection procedures	Sector for Collection and Debt Management + Directorate for Information Technology		2019	2020					Budget 3,000,000 MKD	
Total activities in year I:3									3,000,000	
Total activities in year II: 3										
Total activities in year III:0										
TOTAL for subprogramme 2: 6										

Subprogram 3: Establishment of a Disaster Recovery Center

Activity	Responsibility	Consulted	Time frame		Needed resources by years							
			Start (m/y)	End (m/y)	Human			Financial (MKD)				
					2019	2020	2021	2019	2020	2021		
3.3.1 Establishment of a Disaster Recovery Center that will provide full back-up of the data and work processes of the PRO Providing location and spatial conditions for the Center outside Skopje (Objective 2019 - Provision of Spatial Conditions)		Ministry of Finance, Ministry of Internal Affairs, Customs administration, EU	2019	2019								
3.3.2 Purchase of hardware and software (Objective 2019 - Technical specification prepared; 2020 - Signed agreement, 2022 - Established Disaster Recovery Center).			2020	2022						Budget 11,000,000 IPAI 61.700.000		
Total activities in year I:2									Budget	11,000,000		
Total activities in year II: 1									IPAI	61,700,000		
Total activities in year III:1									Total II year		72,700,000	
TOTAL for subprogramme 3: 4												

For the foreseen development and implementation of the new programs in accordance with the strategy for the period 2019-2021, the Public Revenue Office envisages employment of 35 persons per year in the next three years, not counting the employment for compensation for the natural outflow of personnel (death, retirement). Newly employed persons will be deployed according to the needs.

In order to realize the vision of the PRO in the period 2019-2021, without the IPA projects, it is envisaged that financial resources will be needed in the amount of 573,300,000 MKD, 153,700,000 MKD in 2019, 330,900,000 MKD in 2020 and 88,700,000 MKD in 2021

RISKS ON THE LEVEL OF THE STRATEGIC PLAN

RISKS ON THE LEVEL OF THE STRATEGIC PLANH	PROBABILITY OF OCCURRENCE OF RISK (Large, Medium, Small)	THE INFLUENCE OF THE RISK ON THE REALIZATION OF THE OBJECTIVES (Large, Medium, Small)	MEASURES FOR RISK MANAGEMENT
Not fulfilling the basic function of collection of public fees/ duties and the demands of the government reform and other institutions due to non-implemented modernization processes with significant investments in the functionality and integrity of the IT system	Large	Large	<ul style="list-style-type: none"> • Develop and restructure the work processes in a way that will enable cost-effective operation. • Delegating of managerial responsibility in accordance with the Law on Public Internal Financial Control for realization of reform initiatives aimed at further modernization of the PRO. • Improving the system of internal audits/ controls for realization of the activities related to the collection of revenues and timely preparation of reports for collection of public revenues (taxes and contributions)
Untimely adoption of legal changes affecting the work of the PRO	Large	Large	<ul style="list-style-type: none"> • Initiating amendments to the laws • Participation in the adoption of the amendments to the laws • Preparation of procedures and instructions for work
Discrepancy between the Strategic Plan with the Public Procurement Plan and the Financial Plan	Large	Large	Monitoring planning, budgeting and accomplishment through financial reporting
Lack of experienced and committed people to implement the changes	Large	Large	Strengthening the capacity of employees through education and exchange of experience
Inability to attract and retain talented and dedicated staff, especially a lack of IT staff	Large	Large	Strengthening the staff of the PRO, and especially the IT staff through new employments and appropriate redeployments /rewards
Absence or inefficiency of training plans and human resource development	Large	Large	Harmonization of training needs and human resources development with the plan of the Tax Academy
Lack of procedures or improper application of quality control procedures	Large	Large	Preparation of procedures for each PRO process
Disrespect of the principle of continuity of work	Large	Large	The HR Sector to undertake activities for deployment of human resources - new employees in order to ensure continuity in the functions
Disrespect of the principle of continuity of work	Large	Large	The IT sector to control of the continuity of the work
Not introducing the compliance risk management	Large	Large	Filling in the Compliance Management Unit with appropriate staff, as well as establishing standards and methods for change management

RISKS ON THE LEVEL OF PROGRAMME

RISKS ON THE LEVEL OF PROGRAMME 1	PROBABILITY OF OCCURRENCE OF RISK (Large, Medium, Small)	THE INFLUENCE OF THE RISK ON THE REALIZATION OF THE OBJECTIVES (Large, Medium, Small)	MEASURES FOR RISK MANAGEMENT
Inability to attract and retain talented and dedicated staff	Large	Large	<ul style="list-style-type: none"> • Select employees with integrity and loyalty • Correct/right choice of employees for remuneration • Developing an internal act and signing a contract with a trained employee who will be obliged for a certain period after the education to remain in the PRO and to show results
Unsustainability of the PRO IT system	Large	Large	<ul style="list-style-type: none"> • Providing a budget for procurement of a new IT system
Non-compliance with ISO 9001: 2015 quality management system	Large	Large	Provision of services to an accredited certification body for certification of the quality management system according to the international standard ISO 9001: 2015 in the PRO. <ul style="list-style-type: none"> • Training for internal trainers • Processing Procedures according to ISO 9001: 2015 Quality Management System
Decreased confidence of the taxpayers towards the PRO	Large	Large	Exploring the satisfaction of taxpayers by an independent house <ul style="list-style-type: none"> • Timely delivery of services • Giving accurate data • Appropriate treatment of taxpayers
Unequal treatment of performed trainings by function in PRO	Large	Large	Estimation of training needs between the HR Sector and the Tax Academy <ul style="list-style-type: none"> • Inclusion of all functions in the performed trainings
Selection of unsuitable persons for a particular training	Large	Large	Evaluation of the contribution of the participants from the performed trainings <ul style="list-style-type: none"> • Performing of specialized trainings
Failure to manage the risk of compliance	Large	Large	<ul style="list-style-type: none"> • Equipping the compliance risk management unit

RISKS ON THE LEVEL OF PROGRAMME 2	PROBABILITY OF OCCURRENCE OF RISK (Large, Medium, Small)	THE INFLUENCE OF THE RISK ON THE REALIZATION OF THE OBJECTIVES (Large, Medium, Small)	MEASURES FOR RISK MANAGEMENT
Lack of a mechanism for detecting and combating tax fraud	Large	Large	<ul style="list-style-type: none"> • Establishment of cooperation between the PRO and the financial police and other investigative organs • Establish a Cash Payments Management Strategy • Cooperation with Banks
Incomplete records of taxpayers for registration and deregistration from the taxpayer register	Large	Large	<ul style="list-style-type: none"> • Acquisition of information from third parties • Use of appropriate tools in assessing revenues in e-commerce
Lack of mechanisms for determining revenues generated through e-commerce	Large	Large	<ul style="list-style-type: none"> • Acquisition of information from third parties • Use of appropriate tools in assessing revenues in e-commerce
Uninformedness, lack of training of tax inspectors on the manner of acting in cases of e-commerce	Large	Large	<ul style="list-style-type: none"> • Organising trainings for new trading methods
No single treatment of the tax inspectors	Large	Large	<ul style="list-style-type: none"> • Quality control of the Minutes of external control in accordance with the existing Procedures for work

RISKS ON THE LEVEL OF PROGRAMME 3	PROBABILITY OF OCCURRENCE OF RISK (Large, Medium, Small)	THE INFLUENCE OF THE RISK ON THE REALIZATION OF THE OBJECTIVES (Large, Medium, Small)	MEASURES FOR RISK MANAGEMENT
The capacity of IT equipment is not sufficient to provide support for all planned activities of the PRO	Large	Large	<ul style="list-style-type: none"> • Providing funds for implementing a new tax integrated IT system
Inefficient electronic communication with taxpayers	Medium	Medium	<ul style="list-style-type: none"> • Providing continuous/uninterrupted information transfer
Inaccessible tax (mobile) counters to all settlements	Medium	Medium	<ul style="list-style-type: none"> • Maximal utilization of mobile counters (vehicles)
Failure to implement all prescribed compulsory collection measures	Large	Large	<ul style="list-style-type: none"> • Timely informing of the taxpayers regarding their debt • Utilizing all prescribed compulsory collection measures
Loss of data due to not provided back-up system	Large	Large	<ul style="list-style-type: none"> • Establishment of a Disaster Recovery Center







www.ujp.gov.mk



info@ujp.gov.mk



kontaktcentar.ujp.gov.mk



etax-fl.ujp.gov.mk



e-pdd.ujp.gov.mk



e-aukcii.ujp.gov.mk