

# TAX ADMINISTRATION Strategic-Plan 2017 - 2021



GENERAL  
DIRECTORATE  
OF TAXES

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# PART I

## Introduction

Central Tax Administration is a specialized state authority, under the dependence of Minister of Finance for the creation, provision and collection of tax revenues, social and health insurance contributions.

## Vision:

A modern and efficient tax administration in the service of society, to ensure a high level of transparency and improvement of services, becoming a key source of revenue for the Albanian state.

## Mission:

Central Tax Administration administers the collection of tax revenues and social contributions, encouraging voluntary compliance and asking all to appreciate and respect the legal obligations.

## Principles and values:

Central Tax Administration employees play an important role in achieving the goals of the Administration and preserving its integrity.

Central Tax Administration aims to increase public confidence through the development and guaranteeing an organizational culture based on the following principles:

- » Implementation of law, equality and justice;
- » Responsibility, honesty, transparency;
- » Effectiveness, efficiency, reliability.

During the implementation of the law and regulations, the Central Tax Administration is based on high standards of conduct and fundamental values, such as:

- » Service quality;
- » Honesty and trust;
- » Motivation and development of human potential;
- » Teamwork and cooperative spirit.

Central Tax Administration employees in their daily work are responsible for implementing these values and behavior as it directly affects its image. Application of these principles and values is a key factor in all aspects of the Administration:

## ABOUT THE INSTITUTION

- » In its capacity as an executive authority at central level;
- » In its capacity as an employer;
- » When interacting with customers and their representatives;
- » When interacting with key interested parties.

## ABOUT THE EMPLOYEES

- » During the interaction with customers and their representatives;
- » During the interaction with each other;
- » In each individual action that they do, which can affect the central tax administration and its reputation.

Central Tax Administration integrity is guaranteed by the ethical standards of conduct, priorities and annual plans, financial management and control, security information management, performance and evaluation control, internal audit and disciplinary committees.

## Strategic goals

Central Tax Administration aims to provide income to finance social policy and sustainable development in social and economic life of the country.

Central Tax Administration creates the necessary conditions for citizens and businesses, to understand their legal obligations and fulfill them easily with minimal cost.

Central Tax Administration protects the economic stability of the country and citizens identifying taxpayers who do not fulfill their legal obligations, and exerting all the force of law to these taxpayers.

Objectives and measures to implement the mission of the Central Tax Administration are based on the conviction that voluntary fulfilment is enabled only when all functions for customer service, tax control and collection of arrears will be treated as a set of actions interdependent and based on the risk management model.

Central Tax Administration actively participates in the Committees the European Commission holds about taxation.

The strategic goals of the Central Tax Administration with regard to human resources and renewal of information technology are to enable more efficient work and improved services to taxpayers.

Finally, this Strategic Plan aims to achieve maximum efficiency through management sustainability and adaptation of existing procedures, based on minimal organizational changes.

Central Tax Administration is responsible for ensuring the trust of society on the revenue system. In order for it to successfully carry out its functions, all employees of the Central Tax Administration must behave according to the principles, values and high standards declared by the Administration.

Voluntary compliance model is the cornerstone of this strategic plan. This model is a structured approach to enable the Central Tax Administration to use and manage the factors that influence the behavior of taxpayers regarding their compliance of obligations in accordance with the fiscal legal framework.

The behavior of taxpayers is affected by numerous economic, social and psychological factors, the latter associated more with the culture itself, which includes learned behaviors, beliefs, views, values and ideals that are features of a certain society or a population where the taxpayer conducts its activity. The specific business environment that interacts with customers, suppliers, creditors, banks, public entities themselves, etc., also significantly influences the performance model.

The purpose of application of the fulfillment model targets and aims to increase the number of entities operating, who voluntarily decide, in accordance with tax legislation, to register as a taxpayer in the Republic of Albania, as well as to recognize and implement required tax legislation.

Selection of appropriate instruments to manage risks, as well as understanding the reasons why certain groups of taxpayers are not in accordance with tax legislation and social contributions, shall enable the administration to use and focus its resources efficiently. That is why the Administration is putting into operation of Risk Management as a model of promoting compliance with tax legislation and social contributions, but also to identify potential cases that constitute risk associated with fair competition and equal treatment.

Performance indicators have been developed to assess the implementation of the Strategic Plan.

# PART 2

## Strategic objectives and their achievement

### Strategic objective 1:

#### Guaranteeing assistance for voluntary compliance

##### Sub-objective 1.1.

**Offering quality services and reducing the administrative burden in the payment of taxes and social contributions.**

- » Maintenance and development of services that correspond to modern technology and to facilitate the use of these services by the taxpayers of the Tax Administration;
- » Insurance of a complete information, understandable and accessible in time about fulfillment;
- » The expansion of electronic communications between clients and the Tax Administration;
- » Study of the level of taxpayers' expectations and satisfaction of the services provided in order to develop new services and improve existing ones;
- » The development of services based on the requirements, opportunities and behavior of different taxpayers' groups;
- » The easing of administrative procedures and requirements for taxpayers of Tax Administration, taking into account, inter alia, their size and simplification of the statements and forms;
- » Introduction and development of an approach that will encourage voluntary compliance by regular taxpayers who unintentionally make mistakes, and the implementation of tax enforcement or setting penalties only for those taxpayers who deliberately do not comply with tax legislation;
- » Provide reimbursement of VAT under the terms of legislation in force
- » Provision of electronic services for taxpayers using electronic identification.

##### Sub-objective 1.2

**Increasing public awareness helping to develop the culture of highest voluntary compliance and meaning of the Tax Administration's role in society.**

- » Strengthening the role of committees in the Directorate General of Tax Administration, to assist in the uniform application of tax legislation, and to ensure better services to taxpayers;
- » Organization of awareness campaigns for specific groups of taxpayers in order to prevent such errors or omissions in the application of tax legislation and social contributions;
- » Continuous and oriented communication towards the public and various groups of taxpayers;
- » Active cooperation with the media;
- » Prepare and update on a continuous basis a series of questions and answers for publication on the website;
- » Timely review of proposals, reports and signals from the media in order to improve the activity of the organization;
- » Greater transparency to the public by conducting regular publications of the performance of the Central Tax Administration;
- » Development and implementation of training programs related to tax culture and social security in secondary and higher education.

##### Sub-objective 1.3

#### Implementation of methodologies and unifying practices

- » Design of proposals for legal changes aimed at simplifying the tax system;
- » Adaptation of the internal rules of the Tax Administration to facilitate fulfillment by taxpayers;
- » Design and implementation of continuous and updated methodological opinions for the uniform application of legislation;
- » Analysis of legal issues related to taxation in order to promote best practices;
- » Improving cooperation with the Administrative Courts;
- » Informing employees of the Tax Administration in real time to changes in tax and social insurance legislation.

### Strategic Objective 2:

#### Effective implementation of tax and social insurance legislation, and investigation of cases of tax fraud

##### Sub-objective 2.1

#### Implementation of the compliance strategy of risk management

- » Improving the analysis and evaluation of important risks of noncompliance with tax legislation;
- » Development and implementation of sectoral fulfillment projects and the reduction of risk;
- » Expanding the capacity to examine data from different sources during the risk analysis of tax fulfillment;
- » The use of sources of information from third parties (Customs, Banks, DGRTS etc.); and ensure that any information be integrated in the control model becoming a factor for risk assessment
- » Regular monitoring of performance levels.
- » Capacity strengthening and continuous cooperation with businesses aiming to obtain a complete data base

##### Sub-objective 2.2

#### Further improvement of the tax control and tracking of tax fraud

- » The tax audit focused on the taxpayer, risks and economic sectors which have generated significant losses in the state budget;
- » Development of new methods of analyzing the data electronically during the tax audit;
- » Support the wide use of electronic invoices;
- » Adding formulas to the controlling model to increase its effectiveness in identifying risky taxpayers
- » Develop capacity for monitoring and controlling electronic transactions;
- » Improving the capacity to control high-risk tax products to verify electronic data in the chain of transactions;
- » Improving the quality of controls. Updating control procedures to ensure their performance on time and according to standards;
- » Developing the capacity for detection of tax fraud by using and analyzing information from different sources, and creating profiled teams;
- » Using the approach for the prevention of tax fraud based on continuous monitoring and communication with taxpayers, in order to stimulate voluntary and timely correction of irregular conduct;
- » Capacity building of staff of the Directorate of Control in DLT, based on sectors of the economy.
- » Increased cooperation with other interactive institutions tracking tax crime.

**Sub-objective 2.3**    **Efficient and effective collection of debt**

- » Increasing the opportunities for analysis of data from various sources on risk assessment of taxpayer's behavior with outstanding liabilities.
- » Treatment of public debt collection in accordance with the behavior and the type of outstanding liabilities by the taxpayers;
- » Using methods that will ensure payment of outstanding voluntary obligations in order to avoid the commencement of the implementation of austerity measures;
- » Special monitoring for performance of the stock of debt and review of the tax enforcement process
- » Further expansion of the tax information system of automation of processes dealing with debt collection.

**Strategic objective 3:****Tax Administration organizational progress and development of human capacities****Sub-objective 3.1**    **Application of methods and systems to manage a modern TA**

- » Improve strategic planning, budgeting, operational planning, project management and resource planning;
- » Evaluation of the results of the work of the Tax Administration and analysis of administrative expenses (operating costs);
- » Beginning, qualitative development and implementation of externally financed projects with a focus on the European Union's financial instruments;
- » Improving Management System of Information Security;
- » Development and use of a performance management system. Improving the self-assessment system based on the EFQM excellence model. Making changes following the cycle Plan-Implement-Control-Act;
- » Develop an internal communication and initiatives for creating a spirit of trust between employees of Administration;
- » Exchange of experiences, study and implementation of best international practices regarding the management systems;
- » Implementation of a dedicated anti-corruption program;
- » Improving the environment for physical security, developing modern systems for security and control.

**Sub-objective 3.2**    **Capacity development and employees' motivation**

- » Development and implementation of an efficient system for evaluating and compensating employees according to performance results;
- » Developing and maintaining a work environment that raises the confidence of employees, motivation and job satisfaction;
- » Improving and maintaining the welfare of employees;
- » The implementation of training programs for newly appointed directors as well as the experienced ones.
- » Assessing the efficiency and effectiveness of such training;
- » Improving the process of career development and opportunities offered;
- » The organization of high-level management in the Tax Administration.
- » Development of long-term programs for professional training and career development of employees.

**Sub-objective 3.3**    **Maintaining optimal processes and structure of the Tax Administration**

- » Using a systematic approach to select and adapt structures or processes through the analysis of efficiency and effectiveness of the organizational changes, including cost-benefit analysis and measurement of the effectiveness of the implementation of those changes;
- » Development of a system for the efficient analysis of regional directorates, including analysis of regions with higher administrative costs;
- » Development of systems for financial management and control, including annual review and update existing orders in time, guidelines, procedures, rules on the functioning and other rules of the Tax Administration, in connection with their implementation, overlapping and quality;
- » Organization of regular and periodic analysis of the performance of the Central Tax Administration on basic and auxiliary functions in order to identify opportunities for improvement;
- » Development and implementation of standards related to all activities of the Tax Administration;
- » Improving the quality of the Tax Administration Information Systems. Establishment of a system to assess the accuracy of the data managed by the Tax Administration;
- » Switching to electronic document management in accordance with legal provisions;
- » Development of computer infrastructure of the Central Tax Administration and information systems, in order to ensure availability, reliability and security of data and information.

**Sub-objective 3.4**    **Development and improvement of partnerships**

- » Implementing a structured approach in relation to the review, prioritization, expansion and update of Administration partnerships with other authorities;
- » Increasing electronic interaction and exchange of information with other administrations, including integrated administrative model of services, and participation in national projects;
- » Participation in the development and growth of the contribution of the Central Tax Administration of E-Governance activities in Albania;
- » Creating electronic cooperation and interaction with EU Member States, institutions of the EU, and other countries;
- » The effective implementation of the commitments of the Administration in connection with its participation in international agreements and programs and bilateral agreements;
- » The positioning of the Tax Administration on the world map of Tax Administrations.

**Sub-objective 3.5.**    **Modernization and renovation of premises**

- » Ensuring appropriate working conditions and modern facilities for employees of Administration;
- » Provision of adequate and professional work tools;
- » Taking necessary actions to control energy use and equipment with technical certificates of Administration owned facilities. Taking the necessary measures to ensure a high level of efficiency of use of energy while reducing environmental impact by reducing consumption of resources;
- » Improving the capacities of regional archives, supplying them with automated systems that will allow maximum use of space, increasing the efficiency of storage management process.



# PART 3

## – Key performance indicators

### Annex 1 – Key performance indicators

No.	Indicators
IP1	Implementation of the annual income plan by type of income.
IP2	Cost of tax administration (Money spent on money collected).
IP3	The number of statements filed on time by individuals.
IP4	The number of statements filed on time by enterprises.
IP5	Satisfaction level of taxpayers in the interaction with the Tax Administration (survey results).
IP6	The size of the tax gap by type of risk.
IP7a	Reducing the risk of taxpayers' behavior, after treatment - reducing the number of taxpayers at risk.
IP7b	Reducing the risk of taxpayers' behavior, after treatment - reduction of damage.
IP8	The number of actions, controls, in which Electronic Data analysis is used.
IP9	The number of taxpayers with debt to total number of taxpayers.
IP10	The number of taxpayers who have paid taxes within legal deadline, to the general taxpayers' number who have declared a liability.
IP11	The ratio of liabilities paid within the deadline to the total liabilities stated.
IP12	Level of employees' satisfaction vs. institution and directors (results from the survey based on the factors of motivation).
IP13	The number of cases appealed to the total number of controls carried out.
IP14	Number of controls partially or fully rejected by a final decision to the total number of controls appealed.
IP15	The number of corrected statements as a result of actions of control.
IP16	The number of controls carried out to taxpayers performing electronic commerce.
IP17	The number of notices sent to taxpayers in order to prevent fraud and the promotion of voluntary correction.
IP18	Number of meetings held with taxpayers in order to prevent fraud and the promotion of voluntary correction.
IP19	Value and corrected number of statements by the taxpayers as a result of notices sent or meetings held with them.
IP20	Processing time of applications for refund
IP21	The total number of assisted taxpayers (telephone / face to face)
IP22	Total number of electronic clicks (internet, etc.)
IP23	The total number of completed counseling visits
IP24	The number of educational seminars conducted
IP25	Estimated tax value from control (for types of control)
IP26	The paid value of the tax accessed by the Control
IP27	How many cases of control have been referred (monthly) in the Directorate of Tax Investigation (value)
IP28	The number of new businesses registered
IP29	Number of individuals (employees) registered

## Annex 2

### Relation of objectives with TADAT's recommendations

Strategic objective	Sub-objective	Activities	Term	Responsible structures	TADAT Recommendation
Guaranteeing the assistance for voluntary compliance	1.1. Offering quality services and reducing the administrative burden in paying taxes and social contributions	– Maintenance and development of services that correspond to modern technology and to facilitate the use of these services by the taxpayers of the Tax Administration;	2021	Directorate of Taxpayer Services, Department of Information Technology, Legal Department.	POA 3 “Supporting voluntary compliance” POA4 “Tax declaration in time” POA9 “Accountability and transparency”, “Public perception of integrity”
		– Insurance of a complete information, understandable and accessible in time about fulfillment;	2017		
		– The expansion of electronic communications between clients and the Tax Administration;	2018		
		– Study of the level of taxpayers’ expectations and satisfaction of the services provided in order to develop new services and improve existing ones;	IN CONTINUANCE		
		– The development of services based on the requirements, opportunities and behavior of different taxpayers’ groups;			
		– The easing of administrative procedures and requirements for taxpayers of Tax Administration, taking into account, inter alia, their size and simplification of the statements and forms;			
		– Introduction and development of an approach that will encourage voluntary compliance by regular taxpayers who unintentionally make mistakes, and the implementation of tax enforcement or setting penalties only for those taxpayers who deliberately do not comply with tax legislation;	2017		
		– Provision of electronic services for taxpayers using electronic identification.	2018		
		– Provide reimbursement of VAT under the terms of legislation in force			

Strategic objective	Sub-objective	Activities	Term	Responsible structures	TADAT Recommendation
	1.2. Increasing public awareness helping to develop the culture of highest voluntary compliance and meaning of the Tax Administration's role in society.	<ul style="list-style-type: none"> <li>Strengthening the role of committees in the Directorate General of Tax Administration, to assist in the uniform application of tax legislation, and to ensure better services to taxpayers;</li> <li>Organization of awareness campaigns for specific groups of taxpayers in order to prevent such errors or omissions in the application of tax legislation and social contributions;</li> <li>Continuous and oriented communication towards the public and various groups of taxpayers;</li> <li>Active cooperation with the media;</li> <li>Prepare and update on a continuous basis a series of questions and answers for publication on the website;</li> <li>Timely review of proposals, reports and signals from the media in order to improve the activity of the organization;</li> <li>Greater transparency to the public by conducting regular publications of the performance of the Central Tax Administration;</li> <li>Development and implementation of training programs related to tax culture and social security in secondary and higher education.</li> </ul>	2017   2017  IN CONTINUANCE  2019	Directorate of Taxpayer Service	POA 3 "Supporting voluntary compliance" POA8 "Effective management of revenues" POA9 "Accountability and transparency",
	1.3. Implementation of methodologies and unifying practices	<ul style="list-style-type: none"> <li>Design of proposals for legal changes aimed at simplifying the tax system;</li> <li>Adaptation of the internal rules of the Tax Administration to facilitate fulfillment by taxpayers;</li> <li>Design and implementation of continuous and updated methodological opinions for the uniform application of legislation;</li> <li>Analysis of legal issues related to taxation in order to promote best practices;</li> <li>Improving cooperation with the Administrative Courts;</li> <li>Informing employees of the Tax Administration in real time to changes in tax and social insurance legislation.</li> </ul>	IN CONTINUANCE	Legal Directorate, Directorate of Taxpayer Service	POA 7 "Resolving tax disputes efficiently", "The existence of an independent, functional and proven process of dispute resolution"

Strategic objective	Sub-objective	Activities	Term	Responsible structures	TADAT Recommendation
Effective implementation of tax and social insurance legislation, and investigation of cases of tax fraud	2.1. Implementation of the fulfillment strategy of risk management	– Improving the analysis and evaluation of important risks of noncompliance with tax legislation;	IN CONTINUANCE	Risk Management Directorate, Directorate of Taxpayer Service, the Directorate of Information Technology, Directorate of refunds Directorate of Control, Directorate of Debt Collection, Directorate of Tax Investigations	POA 1 “Integrity of registered taxpaying base” POA 2 “Effective Risk Management”
		– Development and implementation of sectoral fulfillment projects and the reduction of risk;	2017		
		– Expanding the capacity to examine data from different sources during the risk analysis of tax fulfillment;	2018		
		– The use of sources of information from third parties (Customs, Banks, DGRTS etc.); and ensure that any information be integrated in the control model becoming a factor for risk assessment	2020		
		– Regular monitoring of performance levels.	IN CONTINUANCE		
		– Capacity strengthening and continuous cooperation with businesses aiming to obtain a complete data base			
	2.2. Further improvement of the tax control and tracking of tax fraud	– The tax control focused on the taxpayer, risks and economic sectors which have generated significant losses in the state budget;	2017	Risk Management Directorate, Directorate of Taxpayer Service, the Directorate of Information Technology, Legal Directorate, Directorate of Control, Directorate of Tax Investigations	POA 2 “Effective management of risk” POA 3 “Supporting voluntary compliance” POA 6 “Accurate reporting on statements” POA9 “Accountability and transparency”
		– Development of new methods of analyzing the data electronically during the tax audit;	2019		
		– Support the wide use of electronic invoices;	2018		
		– Adding formulas to the controlling model to increase its effectiveness in identifying dangerous taxpayers			
		– Develop capacity for monitoring and controlling electronic transactions;	2019		
		– Improving the capacity to control high-risk tax products to verify electronic data in the chain of transactions;	2019		
		– Improving the quality of controls. Updating control procedures to ensure their performance on time and according to standards;	2020		
		– Developing the capacity for detection of tax fraud by using and analyzing information from different sources, and creating profiled teams;	2018		
		– Using the approach for the prevention of tax fraud based on continuous monitoring and communication with taxpayers, in order to stimulate voluntary and timely correction of irregular conduct;	2017		
		– Capacity building of staff of the Directorate of Control in DLT, based on sectors of the economy.	IN CONTINUANCE		
		– Increased cooperation with other interactive institutions tracking tax crime.			

Strategic objective	Sub-objective	Activities	Term	Responsible structures	TADAT Recommendation
Tax Administration organizational progress and development of human capacities	2.3. Efficient and effective collection of debt	<ul style="list-style-type: none"> <li>Increasing the opportunities for analysis of data from various sources on risk assessment of taxpayers behavior with outstanding liabilities.;</li> <li>Treatment of public debt collection in accordance with the behavior and the type of outstanding liabilities by the taxpayers;</li> <li>Using methods that will ensure payment of outstanding voluntary obligations in order to avoid the commencement of the implementation of austerity measures;</li> <li>Special monitoring for performance of the stock of debt and review of the tax enforcement process</li> <li>Further expansion of the tax information system of automation of processes dealing with debt collection.</li> </ul>	2017 2018 2017  2020	Directorate of Risk Management and Directorate of Debt Collection	POA 2 "Effective management of risk" POA 3 "Supporting voluntary compliance" POA 5 "Paying taxes within the deadline"
	3.1. Application of methods and systems to manage a modern TA	<ul style="list-style-type: none"> <li>Improve strategic planning, budgeting, operational planning, project management and resource planning;</li> <li>Evaluation of the results of the work of the Tax Administration and analysis of administrative expenses (operating costs);</li> <li>Beginning, qualitative development and implementation of externally financed projects with a focus on the European Union's financial instruments;</li> <li>Improving Management System of Information Security;</li> <li>Development and use of a performance management system. Improving the self-assessment system based on the EFQM excellence model. Making changes following the cycle Plan-Implement-Control-Act;</li> <li>Develop an internal communication and initiatives for creating a spirit of trust between employees of Administration;</li> <li>Exchange of experiences, study and implementation of best international practices regarding the management systems;</li> <li>Implementation of a dedicated anti-corruption program;</li> <li>Improving the environment for physical security, developing modern systems for security and control.</li> </ul>	IN CONTINUANCE 2019 2017 2018 2020 2017 2017 IN CONTINUANCE	Directorate of Human Resources, Project Management Directorate, Directorate of Information Technology, Legal Directorate, Anti-Corruption Directorate, Directorate of Administration.	POA 2 "Effective management of risk" POA9 "Accountability and transparency", "Public perception of integrity"

Strategic objective	Sub-objective	Activities	Term	Responsible structures	TADAT Recommendation
	3.2. Capacity development and employees' motivation	<ul style="list-style-type: none"> <li>Development and implementation of an efficient system for evaluating and compensating employees;</li> <li>Developing and maintaining a work environment that raises the confidence of employees, motivation and job satisfaction;</li> <li>Improving and maintaining the welfare of employees;</li> <li>The implementation of training programs for newly appointed directors as well as the experienced ones. Assessing the efficiency and effectiveness of such training;</li> <li>Improving the process of career development and opportunities offered</li> <li>The organization of high-level management in the Tax Administration.</li> <li>Development of long-term programs for professional training and career development of employees.</li> </ul>	IN CONTINUANCE	Directorate of Human Resources, the Directorate of Administration.	POA 2 "Effective management of risk" "Identification, assessment, ranking and mitigation of institutional risk"
	3.3. Maintaining optimal processes and structure of the Tax Administration	<ul style="list-style-type: none"> <li>Using a systematic approach to select and adapt structures or processes through the analysis of efficiency and effectiveness of the organizational changes, including cost-benefit analysis and measurement of the effectiveness of the implementation of those changes;</li> <li>Development of a system for the efficient analysis of regional directorates, including analysis of regions with higher administrative costs;</li> <li>Development of systems for financial management and control, including annual review and update existing orders in time, guidelines, procedures, rules on the functioning and other rules of the Tax Administration, in connection with their implementation, overlapping and quality;</li> <li>Organization of regular and periodic analysis of the performance of the Central Tax Administration on basic and auxiliary functions in order to identify opportunities for improvement;</li> <li>Development and implementation of standards related to all activities of the Tax Administration;</li> <li>Improving the quality of the Tax Administration Information Systems. Establishment of a system to assess the accuracy of the data managed by the Tax Administration;</li> <li>Switching to electronic document management in accordance with legal provisions;</li> <li>Development of computer infrastructure of the Central Tax Administration and information systems, in order to ensure availability, reliability and security of data and information.</li> </ul>	2018 2017 IN CONTINUANCE 2019 2018 2019 IN CONTINUANCE	All Directorates and Internal Audit Directorate.	POA 1 "The integrity of the registered taxpayer base", "Accurate and reliable information for the taxpayer" POA 3 "Supporting voluntary compliance" POA 6 "Report of the exact statements" POA 8 "Fruitful management of income", "Suitability of accounting system of tax revenues"



Objektivi strategjik	Nën objektivi	Aktivitetet	Afati	Strukturat Përgjegjëse	Rekomandimi i TADAT
	3.4. Development and improvement of partnerships	<ul style="list-style-type: none"> <li>Implement a structured approach in relation to the review, prioritization, expansion and update of Administration partnerships with other authorities;</li> <li>Increasing electronic interaction and exchange of information with other administrations, including integrated administrative model of services, and participation in national projects;</li> <li>Participation in the development and growth of the contribution of the Central Tax Administration of E-Governance activities in Albania;</li> <li>Creating electronic cooperation and interaction with EU Member States, institutions of the EU, and other countries;</li> <li>The effective implementation of the commitments of the Administration in connection with its participation in international agreements and programs and bilateral agreements;</li> <li>The positioning of the Tax Administration on the world map of Tax Administrations.</li> </ul>	IN CONTINUANCE 2018 IN CONTINUANCE 2021 IN CONTINUANCE 2020	Project Management Directorate, Directorate of Information Technology, Legal Directorate	POA9 "Accountability and transparency"
	3.5. Modernization and renovation of premises	<ul style="list-style-type: none"> <li>Ensuring appropriate working conditions and modern facilities for employees of Administration;</li> <li>Provision of adequate and professional work tools;</li> <li>Taking necessary actions to control energy use and equipment with technical certificates of Administration owned facilities. Taking the necessary measures to ensure a high level of efficiency of use of energy while reducing environmental impact by reducing consumption of resources;</li> <li>Improving the capacities of regional archives, supplying them with automated systems that will allow maximum use of space, increasing the efficiency of storage management process.</li> </ul>	IN CONTINUANCE 2019 2020	Directorate of Administration	

## Annex 3

Relation of the strategic plan with the budget.

## OBJEKTIVI I

Guaranteeing the assistance for voluntary compliance								
Sub-objective	Activities	Term	IP	Responsible structures	TADAT Recommendation	Costs in (000/ ALL)	Years	
1.1 Offering quality services and reducing the administrative burden in paying taxes and social contributions	- Maintenance and development of services that correspond to modern technology and to facilitate the use of these services by the taxpayers of the Tax Administration;	2021	IP 5	Directorate of Taxpayer Services, Department of Information Technology, Legal Department.	POA 3 “Supporting voluntary compliance” POA4 “Tax declaration in time” POA9 “Accountability and transparency”, “Public perception of integrity”	211,765	Year 2017	
	- Insurance of a complete information, understandable and accessible in time about fulfillment;	2017	IP3 IP4 IP5 IP10			109,160	Year 2018	
	- The expansion of electronic communications between clients and the Tax Administration;	2018	IP5 IP22			21,160	Year 2019	
	- Study of the level of taxpayers’ expectations and satisfaction of the services provided in order to develop new services and improve existing ones;	NE VAZHDEMESI	IP18			12,320	Year 2020	
	- The development of services based on the requirements, opportunities and behavior of different taxpayers’ groups;					12,320	Year 2021	
	- Introduction and development of an approach that will encourage voluntary compliance by regular taxpayers who unintentionally make mistakes, and the implementation of tax enforcement or setting penalties only for those taxpayers who deliberately do not comply with tax legislation;	2017						
	- Provision of electronic services for taxpayers using electronic identification.		IP20					
	- Provide reimbursement of VAT under the terms of legislation in force	2018	IP5					
						366,725	Total	
						Financing source	State Budget	

Sub-objective	Activities	Term	IP	Responsible structures	TADAT Recommendation	Costs in (000/ALL)	Years
<b>1.2</b> Increasing public awareness helping to develop the culture of highest voluntary compliance and meaning of the Tax Administration's role in society.	- Strengthening the role of committees in the Directorate General of Tax Administration, to assist in the uniform application of tax legislation, and to ensure better services to taxpayers;	2017		Directorate of Taxpayer Service	“POA 3 “Supporting voluntary compliance” POA8 “Effective management of revenues” POA9 “Accountability and transparency”, “	204,000	Year 2017
	- Organization of awareness campaigns for specific groups of taxpayers in order to prevent such errors or omissions in the application of tax legislation and social contributions;	In continuance				204,000	Year 2018
	- Continuous and oriented communication towards the public and various groups of taxpayers;	2017	IP21 IP23			202,000	Year 2020
	- Active cooperation with the media;	In continuance				200,000	Year 2021
	- Prepare and update on a continuous basis a series of questions and answers for publication on the website;					<b>1,014,000</b>	<b>Total</b>
	- Timely review of proposals, reports and signals from the media in order to improve the activity of the organization;					Financing source	State Budget
	- Greater transparency to the public by conducting regular publications of the performance of the Central Tax Administration;						
	- Development and implementation of training programs related to tax culture and social security in secondary and higher education.	2019	IP24				

Sub-objective	Activities	Term	IP	Responsible structures	TADAT Recommendation	Costs in (000/ALL)	Years
<b>1.3</b> Implementation of methodologies and unifying practices	- Design of proposals for legal changes aimed at simplifying the tax system;	IN CONTINUANCE		Legal Directorate, Directorate of Taxpayer Service	POA 7 "Resolving tax disputes efficiently", "The existence of an independent, functional and proven process of dispute resolution"	11,223	Year 2017
	- Adaptation of the internal rules of the Tax Administration to facilitate fulfillment by taxpayers;					11,225	Year 2018
	- Design and implementation of continuous and updated methodological opinions for the uniform application of legislation;					11,225	Year 2019
	- Analysis of legal issues related to taxation in order to promote best practices;		IP13			11,225	Year 2020
	- Improving cooperation with the Administrative Courts;		IP14			11,225	Year 2021
	- Informing employees of the Tax Administration in real time to changes in tax and social insurance legislation.					<b>56,123</b>	<b>Total</b>
						Financing source	State Budget

## OBJEKTIVI 2

Effective implementation of tax and social insurance legislation, and investigation of cases of tax fraud							
Sub-objective	Activities	Term	IP	Responsible structures	TADAT Recommendation	Costs in (000/ALL)	Years
2.1 Implementation of the fulfillment strategy of risk management	- Improving the analysis and evaluation of important risks of noncompliance with tax legislation;	≡ 2017	IP6	Risk Management Directorate, Directorate of Taxpayer Service, the Directorate of Information Technology, Directorate of refunds Directorate of Control, Directorate of Debt Collection, Directorate of Tax Investigations	POA 1 "Integrity of registered taxpaying base" POA 2 "Effective Risk Management"	18,173	Year 2017
	- Development and implementation of sectoral fulfillment projects and the reduction of risk;		IP7a IP7b			18,175	Year 2018
	- Expanding the capacity to examine data from different sources during the risk analysis of tax fulfillment;	2018	IP8			18,175	Year 2020
	- The use of sources of information from third parties (Customs, Banks, DGRTS etc.); and ensure that any information be integrated in the control model becoming a factor for risk assessment	2020				18,175	Year 2021
	- Regular monitoring of performance levels.	≡ 2020	IP7a IP7b IP28 IP29			90,873	Total
	- Capacity strengthening and continuous cooperation with businesses aiming to obtain a complete data base					Financing source	State Budget

Sub-objective	Activities	Term	IP	Responsible structures	TADAT Recommendation	Costs in (000/ALL)	Years
<b>2.2</b> Further improvement of the tax control and tracking of tax fraud	- The tax control focused on the taxpayer, risks and economic sectors which have generated significant losses in the state budget;	2017	IP7a IP7b IP10 IP11 IP14 IP15	Risk Management Directorate, Directorate of Taxpayer Service, the Directorate of Information Technology, Legal Directorate, Directorate of Control, Directorate of Tax Investigations	POA 2 "Effective management of risk" POA 3 "Supporting voluntary compliance" POA 6 "Accurate reporting on statements" POA9 "Accountability and transparency"	206,780	Year 2017
	- Development of new methods of analyzing the data electronically during the tax audit;		IP8			95,600	Year 2018
	- Support the wide use of electronic invoices;		IP8			15,140	Year 2019
	- Adding formulas to the controlling model to increase its effectiveness in identifying dangerous taxpayers		IP16			15,840	Year 2020
	- Develop capacity for monitoring and controlling electronic transactions;		IP16 IP25			15,840	Year 2021
	- Improving the capacity to control high-risk tax products to verify electronic data in the chain of transactions;	2019	IP8 IP16			<b>349,200</b>	<b>Total</b>
	- Improving the quality of controls. Updating control procedures to ensure their performance on time and according to standards;	2020	IP16 IP26			Financing source	State Budget / Donors
	- Developing the capacity for detection of tax fraud by using and analyzing information from different sources, and creating profiled teams;	2018	IP27				
	- Using the approach for the prevention of tax fraud based on continuous monitoring and communication with taxpayers, in order to stimulate voluntary and timely correction of irregular conduct;	2017					
	- Capacity building of staff of the Directorate of Control in DLT, based on sectors of the economy.	2017	IP25				
	- Increased cooperation with other interactive institutions tracking tax crime.	In continuance					

Sub-objective	Activities	Term	IP	Responsible structures	TADAT Recommendation	Costs in (000/ALL)	Years
<b>2.3</b> Efficient and effective collection of debt	- Increasing the opportunities for analysis of data from various sources on risk assessment of taxpayers behavior with outstanding liabilities.;	2017	IP7a	Directorate of Risk Management and Directorate of Debt Collection	POA 2 "Effective management of risk" POA 3 "Supporting voluntary compliance" POA 5 "Paying taxes within the deadline"	11,894	Year 2017
	- Treatment of public debt collection in accordance with the behavior and the type of outstanding liabilities by the taxpayers;	2018	IP9			11,895	Year 2018
	- Using methods that will ensure payment of outstanding voluntary obligations in order to avoid the commencement of the implementation of austerity measures;	2017	IP10			11,895	Year 2019
	- Special monitoring for performance of the stock of debt and review of the tax enforcement process		IP7a			57,895	Year 2020
	- Further expansion of the tax information system of automation of processes dealing with debt collection.		IP11			11,895	Year 2021
		2020				<b>105,474</b>	<b>Total</b>
						Financing source	State Budget

## OBJEKTIVI 3

Tax Administration organizational progress and development of human capacities							
Sub-objective	Activities	Term	IP	Responsible structures	TADAT Recommendation	Costs in (000/ALL)	Years
<b>3.1</b> Application of methods and systems to manage a modern TA	- Improve strategic planning, budgeting, operational planning, project management and resource planning;	In continuance	IP1	Directorate of Human Resources, Project Management Directorate, Directorate of Information Technology, Legal Directorate, Anti-Corruption Directorate, Directorate of Administration	POA 2 "Effective management of risk" POA9 "Accountability and transparency", "Public perception of integrity"	12,900	Year 2017
	- Evaluation of the results of the work of the Tax Administration and analysis of administrative expenses (operating costs);	2019	IP2			7,200	Year 2018
	- Beginning, qualitative development and implementation of externally financed projects with a focus on the European Union's financial instruments;	2017				7,900	Year 2019
	- Improving Management System of Information Security;	2018				8,600	Year 2020
	- Development and use of a performance management system. Improving the self-assessment system based on the EFQM excellence model. Making changes following the cycle Plan-Implement-Control-Act;	2020				8,600	Year 2021
	- Develop an internal communication and initiatives for creating a spirit of trust between employees of Administration;	2017	IP12			<b>45,200</b>	<b>Total</b>
	- Exchange of experiences, study and implementation of best international practices regarding the management systems;	2017				Financing source	State Budget
	- Implementation of a dedicated anti-corruption program;	In continuance					
	- Improving the environment for physical security, developing modern systems for security and control.						



Sub-objective	Activities	Term	Responsible structures	Costs in (000/ALL)	Years				
3.2 Capacity development and employees' motivation	- Development and implementation of an efficient system for evaluating and compensating employees;	IN CONTINUANCE			Year 2017				
	- Developing and maintaining a work environment that raises the confidence of employees, motivation and job satisfaction;				Year 2018				
	- Improving and maintaining the welfare of employees;				Year 2019				
	- The implementation of training programs for newly appointed directors as well as the experienced ones. Assessing the efficiency and effectiveness of such training;				Year 2020				
	- Improving the process of career development and opportunities offered				Year 2021				
	- The organization of high-level management in the Tax Administration.				<b>Total</b>				
	- Development of long-term programs for professional training and career development of employees.				State Budget				
				6,910	7,000	7,200	7,200	7,200	<b>35,510</b>

Sub-objective	Activities	Term	IP	Responsible structures	TADAT Recommendation	Costs in (000/ALL)	Years	
<b>3.3</b> Maintaining optimal processes and structure of the Tax Administration	- Using a systematic approach to select and adapt structures or processes through the analysis of efficiency and effectiveness of the organizational changes, including cost-benefit analysis and measurement of the effectiveness of the implementation of those changes;	2018	IP2	All Directorates and Internal Audit Directorate.	POA 1 “The integrity of the registered taxpayer base”, “Accurate and reliable information for the taxpayer” POA 3 “Supporting voluntary compliance” POA 6 “Report of the exact statements” POA 8 “Fruitful management of income”, “Suitability of accounting system of tax revenues”	58,000	Year 2017	
	- Development of a system for the efficient analysis of regional directorates, including analysis of regions with higher administrative costs;	2017				47,400	Year 2018	
	- Development of systems for financial management and control, including annual review and update existing orders in time, guidelines, procedures, rules on the functioning and other rules of the Tax Administration, in connection with their implementation, overlapping and quality;	In continuance				46,700	Year 2019	
	- Organization of regular and periodic analysis of the performance of the Central Tax Administration on basic and auxiliary functions in order to identify opportunities for improvement;	2019	56,000			Year 2020		
	- Development and implementation of standards related to all activities of the Tax Administration;		<b>264,100</b>			Year 2021		
	- Improving the quality of the Tax Administration Information Systems. Establishment of a system to assess the accuracy of the data managed by the Tax Administration;	2018	IP1 IP2			Financing source	<b>Total</b>	State Budget
	- Switching to electronic document management in accordance with legal provisions;	2019						
	- Development of computer infrastructure of the Central Tax Administration and information systems, in order to ensure availability, reliability and security of data and information.	In continuance	IP5					

Sub-objective	Activities	Term	IP	Responsible structures	TADAT Recommendation	Costs in (000/ALL)	Years
<b>3.4</b> Development and improvement of partnerships	- Implement a structured approach in relation to the review, prioritization, expansion and update of Administration partnerships with other authorities;	In continuance		Project Management Directorate, Directorate of Information Technology, Legal Directorate	POA9 "Accountability and transparency"	8,042	Year 2017
	- Increasing electronic interaction and exchange of information with other administrations, including integrated administrative model of services, and participation in national projects;	2018	IP8			8,042	Year 2018
	- Participation in the development and growth of the contribution of the Central Tax Administration of E-Governance activities in Albania;	In continuance	IP5			8,042	Year 2019
	- Creating electronic cooperation and interaction with EU Member States, institutions of the EU, and other countries;	2021				8,042	Year 2020
	- The effective implementation of the commitments of the Administration in connection with its participation in international agreements and programs and bilateral agreements;	In continuance				8,042	Year 2021
	- The positioning of the Tax Administration on the world map of Tax Administrations.	2020				<b>40,210</b>	<b>Total</b>
						Financing source	State Budget

Sub-objective	Activities	Term	Strukturat Përgjegjëse	Kosto në (000/lekë)	Year
<b>3.5</b> Modernization and renovation of premises	- Ensuring appropriate working conditions and modern facilities for employees of Administration;	In continuance	Directorate of Administration	17,180	Year 2017
	- Provision of adequate and professional work tools;			17,180	Year 2018
	- Taking necessary actions to control energy use and equipment with technical certificates of Administration owned facilities. Taking the necessary measures to ensure a high level of efficiency of use of energy while reducing environmental impact by reducing consumption of resources;	2019		18,000	Year 2019
				18,000	Year 2020
				18,000	Year 2021
	- Improving the capacities of regional archives, supplying them with automated systems that will allow maximum use of space, increasing the efficiency of storage management process.	2020		<b>88,360</b>	<b>Total</b>
				Financing source	State Budget



GENERAL  
DIRECTORATE  
OF TAXES

Str. "Gjin Bue Shpata",  
Tirana-Albania  
[www.tatime.gov.al](http://www.tatime.gov.al)