



TAX RISK ANALYSIS

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Tax Digitalization Online
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Future of Tax Digitalization -Panel

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Strategic Goals of the Tax Administrations:

General Overview

- ❖ Legal certainty!
- ❖ Uniform procedures!
- ❖ Increase of tax compliance!
- ❖ Prevention of non tax compliance!
- ❖ Encouraging the use of methods and tools for increasing tax compliance!
- ❖ Timely detection and suppression of tax frauds!
- ❖ Timely exchange of information!
- ❖ Higher level of digitalization!
- ❖ Optimisation of using repression instruments as tax audit and enforcement!
- ❖ Analysing the possibilities of using new technologies as blockchain, DLT, ML, AI...

New business models (sharing, collaborative, gig economy...)



Covid – 19 Global Pandemic



The increasing use of cryptocurrencies, developing of CBDC, crypto asset markets regulation

Security, quality and transparency of data



Challenges

Increase of quantity of the data and collecting the data in the real time



Increasing the transparency and trust of taxpayers in the tax administration

Reduction of the timeframe regarding the exchange of information between countries



The need of increasing of online services by taxpayers

More sophisticated, speedy and cross-border tax frauds



Measures and Tools

Legal frame for taxation of the income from new bussiness models

Legal frame for the cryptocurrencies including taxation

Legal measures and e-services for increasing tax compliance

Compliance Risk Management System

Advanced analytics: predictive and prescriptive

Data management – main rules

Timely exchange of information between countries (or better yet direct access!)

Using of advantages of the new technologies in tax matters
Digitalization and automatization

Compliance Risk Management System (CRMS)

WHAT:

RMS system scores behaviour of taxpayers

HOW:

Identifies gradations of risky behavior

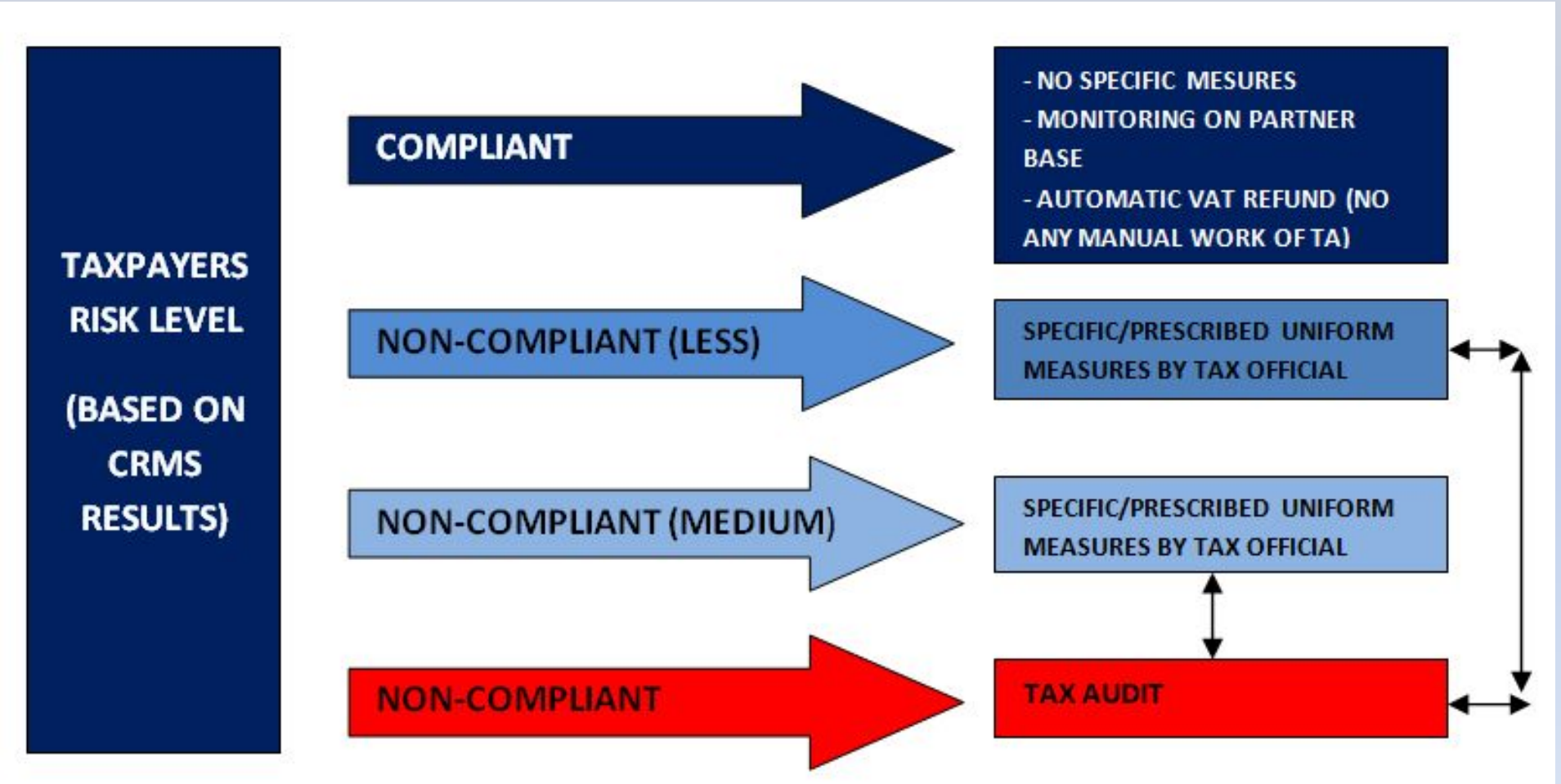
WHY:

Enables mass-based detection of types of risky behavior, increases taxpayers' trust in tax administration, increases compliance with tax laws, establishes uniform procedures, focuses on risky taxpayers.

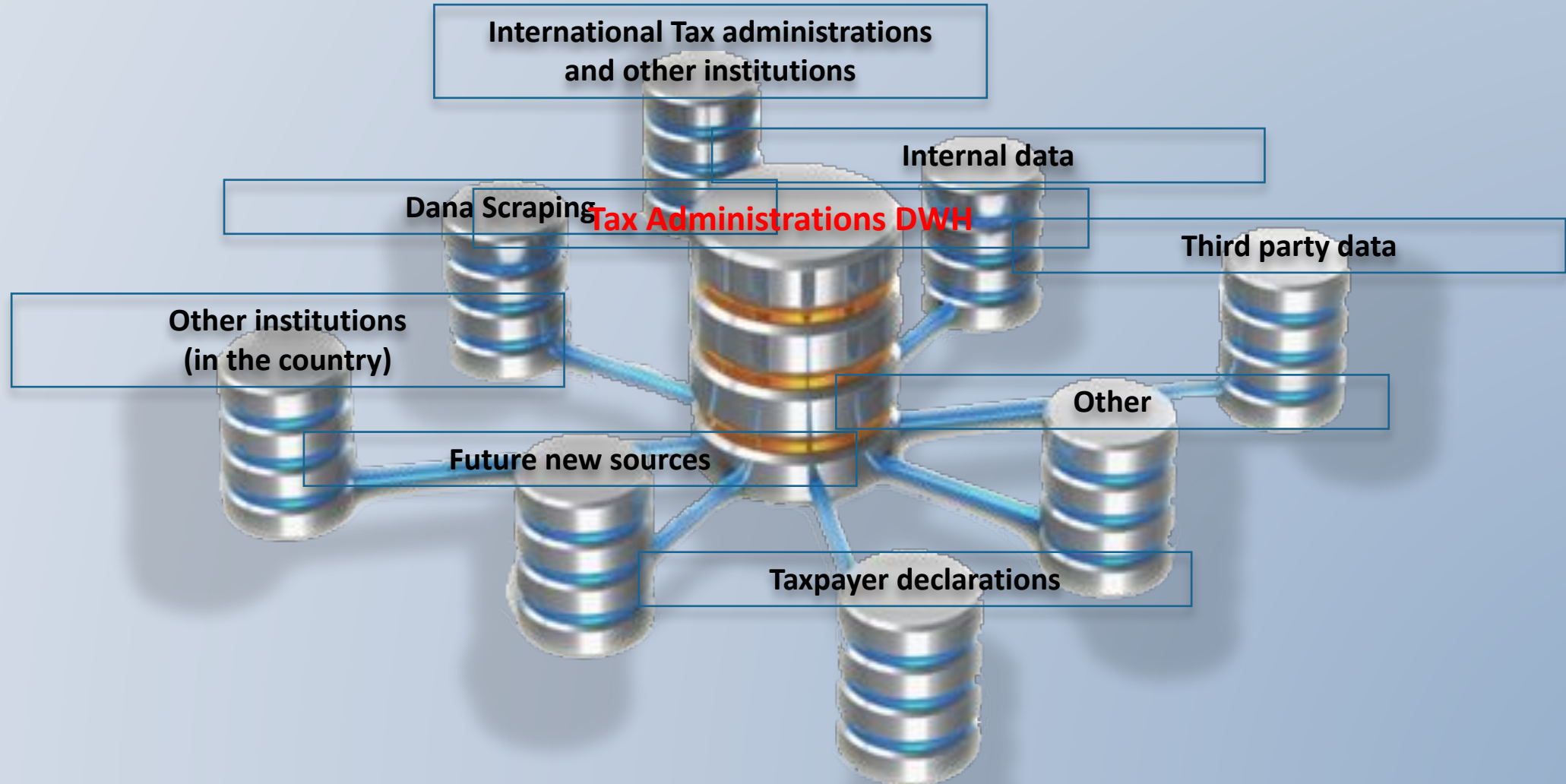
Benefits of CRMS

- Classification of taxpayers in predefined risk categories based on their behaviour
- Recognising the taxpayers who have preference to risk – through a process for developing predictive analysis
- Automated process of VAT refund and other automation
- Optimisation of audit capacity to the most risky taxpayers
- Focus on monitoring of specific risky areas
- Transparency of selection of taxpayers for external audit
- Reducing internal risks
- Other

Compliance Risk Management System – Croatian example



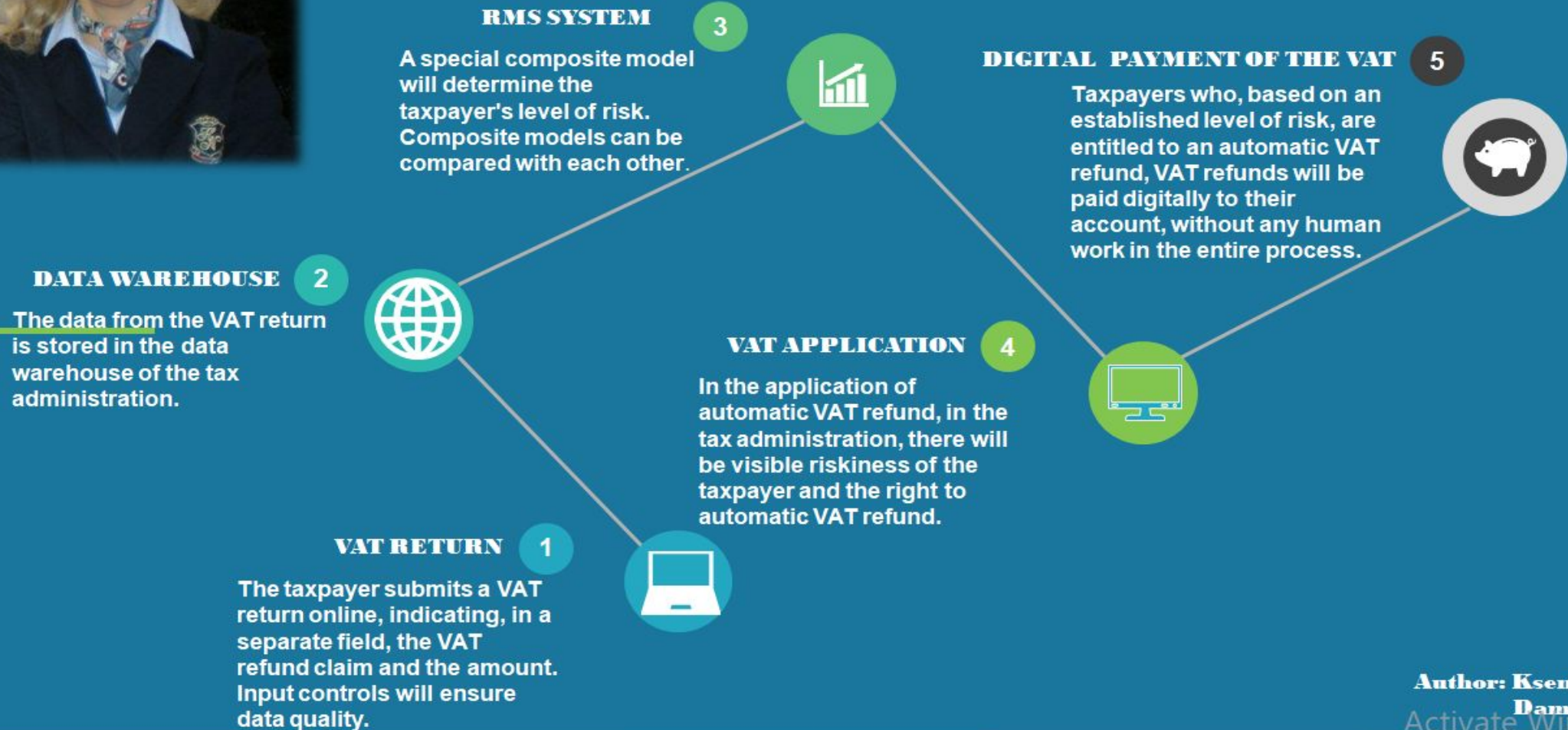
Data Collection





AUTOMATIC VAT REFUND

ONE OF THE SOLUTION



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SIMPLICITY

The tax system, tax procedures and tax collection require simplicity. The tax system should be easily applicable.

TECHNOLOGY

Using the benefits of new technologies (blockchain, DLT, ML, AI, robotics ...), digitalization and automation of tax procedures, is imperative. Legislation and technology must be compatible.

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LAB

THE TAX SYSTEM OF THE NEW DIGITAL ERA

Four corners

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RLC

LESS ADMINISTRATIVE BURDEN

The simplicity of the tax system and the use of technology must aim to reduce the administrative burden and costs for taxpayers.

REASONABLE LEVEL OF COMPLIANCE

If the level of compliance is a "wall" that taxpayers find difficult and expensive to achieve, the result is their "escape" into non-compliance. Simplicity, technology and reduced administrative burden should ensure a reasonable level of compliance.



Thank you for your attention!