

STRATEGIC PLAN 2022–26

AREAS OF STRATEGIC FOCUS

Strategic objectives during the period of the Strategic Plan 2022-2026 include: (1) Strengthening revenue collection and reducing the tax gap—maximizing revenue collected and payable under Kosovo's revenue laws (2) Modernizing the Tax Administration—implementation of a new information technology management system, modernization of our organizational structures, and (3) building our staff and institutional capacity to respond to our new environment.

STRENGTHEN REVENUE COLLECTION AND REDUCE THE TAX GAP

- Increase revenue collections by expanding economic activity after COVID-19 by tackling tax evasion in support of Government fiscal objectives.
- Advance the development of methodology and techniques for measuring the tax gap to better understand the degree of non-compliance.
- Define priority compliance strategies to address revenue loss and reduce the tax gap, including addressing tax abuses in the informal economy and improving VAT compliance.

PROVIDE CONTEMPORARY INFORMATION TECHNOLOGY SYSTEMS, PROCESSES AND TOOLS

- Fully complete the development and progressive deployment of the new core tax administration information technology system in accordance with the IT project implementation plan.
- Finetune the new system, undertake remediation of identified defects, and undertake system maintenance and modifications during the warranty period.
- Ensure a skilling program is developed by the vendor to support staff with the new technology and changed work processes prior to the implementation of the new system.
- Further develop digital (online) services and interactions to make it easy for taxpayers to comply with their obligations.

IMPROVE THE COMPLIANCE OF LARGE TAXPAYERS

- Ensure effective management of those taxpayers that account for the large share of tax revenues.
- Expand the criteria for determining the number of taxpayers administered by the Large Taxpayer Department (LTD) to include strategically significant taxpayers.
- Develop a specific LTD risk management capability including developing specific risk filters (financial and tax specific) relevant to large businesses.
- Secure support from development partners/donors to build transfer pricing capacities.
- Increase the number of audit staff through targeted external recruitment and address training and development needs in LTD, including building technical skills and audit capacity.

ADOPT INTERNATIONAL PRACTICES FOR CORE PROCESSES

- Redesign basic work processes in line with developments in leading tax administrations, to increase our effectiveness.
- Audits
- Implement the Audit Improvement Strategy 2020-2022 to modernize audit processes, techniques and skills.
- Enforcement Collection
- Apply new mandatory collection work processes; implement collection strategies to ensure that new debts are caught and repaid on time and to reduce large debt stock.
- Continuously improve the practice of debt collection taking into account developments in other tax administrations.

STRENGTHEN REGISTRATION, FILING, CORRECT REPORTING AND PAYMENT COMPLIANCE

- Expand the process for identifying, assessing, prioritizing, and mitigating compliance risks to cover significant risks for all tax types and to ensure that taxpayers meet their obligations and (1) register correctly in the tax system; (2) submit tax returns on time; (3) report fully and accurately their tax liabilities; and (4) pay obligations on time.
- Build data analysis and analytics capacity to support compliance risk identification by identifying non-declarants and underreported revenues.
- To increase the access and use of third party data by other institutions to strengthen compliance risk identification.
- Continue to improve the integrity of the taxpayer registration database by removing inactive taxpayers, duplicate records and fixing incorrect accounts.

ADOPT MODERN ORGANIZATIONAL STRUCTURES AND OPTIMIZE THE USE OF RESOURCES

- Develop options to modernize the regional office network to reflect modern tax administration practices.
- Develop a medium-term implementation plan after considering the benefits of different organizational plan options.
- Discuss with the Government the issue of changes in legal barriers regarding civil service rules, to enable the implementation of organizational reforms.
- Reallocate officials who are dismissed after automation of organizational structure improvements and changes in work practices to address TAK priorities and new risks.

TAK MISSION:

To collect taxes and contribute to support the public interest and the well-being of the citizens of Kosovo

PROVIDE CONTEMPORARY TAXPAYER SERVICES

- Develop electronic services online and interactive tools to enable taxpayers to complete online transactions and further reduce the need for face-to-face contact.
- Continuously improve guidance and advice to taxpayers on registration, filing and payment obligations for all tax types through updates to the TAK website, tax calendars, brochures and fact sheets, business visits and outreach programs, online seminars and workshops, the use of media and social media; and outbound calls to new business and new to employing.
- Publish the draft Taxpayer Charter setting out taxpayers' rights and responsibilities when dealing with TAK to strengthen mutual trust and respect.

GROW THE CAPACITY AND SKILLS OF OUR STAFF

- Identify future workforce requirements (number of staff and key staff) to meet our strategic objectives and identify key gaps; develop a plan to skill and redeploy staff to address identified key gaps.
- Develop short- and medium-term skill development and recruitment programs to address key priority areas including information technology, data analysis, taxpayer audit, leadership, and managerial skills.

VALUES

PROFESSIONALISM AND PERSONAL ACCOUNTABILITY
committed to the highest standards of achievement

TAK VISION:

To be credible and respected, as well as to be comparable to the leading tax administrations in Europe

STRENGTHEN THE TAK MANAGEMENT FRAMEWORK

- Monitor the progress of the Strategic Plan to ensure that reforms bring the expected results.
- Adopt a project management process to monitor progress with key reforms
- Develop a process for identifying, assessing, and managing institutional risks to minimize the impact on TAK outcomes.
- Strengthen ties with other tax administrations to identify good international practices, capacity development support and training and development opportunities.
- Work closely with development partners including participation in the European Union's Fiscalis Programme covering training activities and capacity building.
- Support the government's annual legislative program through involvement in Working Groups
- Recommend changes to existing tax laws
- Work with the MoF on the automatic exchange of information and steps to advance measures from the Basic Erosion and Profit Relocation Project (BEPS).

STRENGTHEN INTERNAL CONTROLS, PROFESSIONALISM AND INTEGRITY

- Fully implement the Integrity Improvement Plan 2021-23 to ensure high level of integrity and professionalism.
- Adopt other strategies to mitigate integrity risks, including strengthening the Code of Ethics and Conduct, as well as procedures related prevent conflict of interest.
- Strengthen integrity by implementing standards and procedures and through regular training and seminars in order to be embedded in all actions of TAK officials, promoting transparency and excellence in service.

RESPECT

treating colleagues and taxpayers with dignity

TRANSPARENCY

means openness to taxpayers and stakeholders



FROM GENERAL DIRECTOR

Strategic Plan 2022-2026 provides clear direction and focus of our activities over the next 5 years. The plan is designed to help the TAK achieve its vision to be credible and respected as well as be comparable to the leading tax administrations in Europe. It sets out how we will respond to the changing demands on our administration and provides strategies, priorities and activities we will focus on to achieve our goals and our mission.

The Plan highlights our 3 strategic goals to ensure the TAK can deliver sustainable improvements in revenue collection to meet Government's fiscal objectives, modernize tax administration and ensure TAK has the staff capability and necessary expertise to respond to the complexities of modern tax administration. During the planning period, we will advance a number of reform initiatives to build a modern and effective tax administration. These initiatives will guide the design of specific strategies and actions in our annual operational and strategic plans.

An integral part of the realization of our plan is the contribution of our staff. I am proud of their professionalism and dedication and look forward to our joint journey and our support for country building and economic growth for the benefit of all the people of Kosovo.