

Cooperation and compliance in times of fiscal consolidation



**THE NATIONAL AGENCY
FOR FISCAL ADMINISTRATION - ROMANIA**

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**Ministry of Public Finance
National Agency for Fiscal Administration**



Role of tax auditors as representatives of tax authorities

- Rapid & efficient collection of budget revenues
- Preventing tax fraud by stimulating voluntary COMPLIANCE
- COOPERATION with the European tax administrations and bodies in view of the prevention and fight against trans-border fraud
- Providing assistance to taxpayers
- Using IT solutions for specific processes like exchange of information and cooperation with other tax administrations, judicial authorities and anti-money laundering authorities.



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- **Fiscal consolidation** - a policy aimed at reducing government deficit and debt accumulation.
 - Tax fraud – a big impediment in times of fiscal consolidation when the Member States need to increase revenues and to cut expenditure
- **Cooperation** – between national administrations in Member States is needed in order to fight against tax fraud and tax evasion

Examples:

- EU VAT FORUM - a forum set up by the European Commission where representatives of both business and tax authority try to improve the way VAT works in practice



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Examples

- FISCALIS - EU cooperation programme enabling national tax administrations to create and exchange information and expertise. It allows developing and operating major trans-European IT systems in partnership, as well as establishing various person to person networks by bringing together national officials from across Europe.;
- Administrative cooperation concerns the tax and customs administration of EU MS cooperating with one another to share information;
- TIN(tax identification numbers) on Europe – practical instrument to improve administrations cooperation in the area of direct taxation. EU TIN help to overcome difficulties in identifying the taxpayers engaged in cross-borders operations.



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Cooperation

Ways to improve cooperation :

- Strengthening existing tools
- Ensuring high levels of taxpayers compliance
- Tackling trends and schemes of tax fraud and tax evasion
- Enhancing exchange of information



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Compliance

Ways to improve taxpayers compliance:

- Higher assistance to taxpayers
- Lower tax rates
- Creating legislative means to voluntary compliance (advanced tax rulings)
- Assistance programmes for taxpayers
- Simplify laws and procedures

As a consequence of the lack of compliance business tax liabilities become tax debts in times of fiscal consolidation.



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