1. Basic Information

1.1 CRIS Number 2006/018-176.04.01
Twinning light HU/2006/IB/FI/01 TWL

1.2 Title: Improvement of the efficiency of risk-based selection of taxpayers for audit

1.3 Sector: Public Finance

1.4 Location: Hungary, Hungarian Tax Administration Office

2. Objectives

2.1 Overall Objective(s)
To increase budget revenues by modernization of the tax administration procedures and by preventing tax evasion, especially through fighting against VAT fraud

2.2 Project purpose
Improving the tax authority’s audit selection procedure of VAT-payers, and to continue developing the selection supporting IT systems

To develop a software product facilitating the use of available data for deeper analysis, with special view of enhancing the efficiency of the domestic modelling work designed to determine risk factors in auditing taxpayers.

2.3 Justification
The need to continuously improve the efficiency of tax administration has been underlined in the "Comprehensive monitoring report on Hungary’s preparations for membership" from 2003, in Chapter 10: “The administrative capacity of the tax administration needs to be improved and the current pace of ongoing efforts to set up an IT system has to be strengthened, which would ensure stable state revenues by the efficient collection of VAT also through the stimulation of voluntary compliance. The project’s result would also enable the tax administration to exchange data with other MSs with regard to suspected fraudsters.

3. Description

3.1 Background and Justification
The government decision 1214/2002 (XII. 28.) decided on the Hungarian Information Society Strategy (and the Technical Strategy for Finances) to be elaborated for the e-government. (see Annex 5)

Besides the need to apply the system of random selection, Section (6) of paragraph 90 of the Act XCI of 2003 on tax procedures stipulates that a targeted selection system must also be used, in the course of which taxpayers have to be selected for audit on the basis of their tax returns and other data filed, of previous audit findings as well as of the checking, analysis and collation of information obtained from third parties.

The system of random selection of taxpayers for audit was introduced in 2001. In addition, a pre-refund selection system has been put in place in order to check whether the VAT refund claims are justified or not. This, however, examines only risk factors implied in that particular refund claim.
The Audit Modernisation Project (EKP), launched in 2005, is aimed at reorganising the existing information system of the audit process by working out the conceptual framework of a new system through redesign and continuous development.

The ultimate aim is to develop a software application that can establish the correlation between the findings of audits conducted by the tax authority in former years and the data of the taxpayers available to the tax administration from other sources. ‘Learning’ from the findings of this process, this technique is then capable of showing the probability level of a major tax evasion case at taxpayers that have not yet been audited. This indicator then shows the taxpayer-related risk level.

3.2 Linked activities

Project No.: HU9803-01
The overall objective of this Hungarian-Austrian twinning project was to prepare for the accession to the European Union. The project contained 7 components, out of which one aimed at adopting the existing procedures of the Hungarian Tax Administration to European best practices (blueprint, gap analysis, needs analysis, business change management plan).

Project No.: HU9905-01
Title: Assistance with the ‘Adaptation of the Financial Acquis and Harmonisation of the Hungarian Tax System with the Accession Requirements’. The wider objective of this programme was the transposition and effective implementation of the Internal Market and Financial Acquis concerning finance and taxation with assistance of a Finnish Pre-Accession Advisor (PAA).

These PHARE-funded projects concentrated onto other areas (e.g. Harmonisation of the Hungarian tax system), and so far we have no experiences as regards projects aiming at the development of selection systems.

3.3 Results

- Acquiring experience on the operation of risk models with other European revenue administrations;
- Familiarity with, and application of, risk assessment, modelling methods and procedures that have already proved to be efficient;
- Defining risk factors that can be used (or adapted) with efficiency;
- Inference model that allows the taxpayers’ risk level to be established by making use of information available to the tax authority;
- Developing a software application that facilitates decision-making based on the above quoted model, which would enable risk values to be attached regularly and automatically for hundreds of thousands of taxpayers.

3.4 Activities

3.4.1 Twinning Light

Scope of the twinning assignment: to get in-depth view of European methods successfully applied so far (learning best practice) and to get information on the risk factors amenable to use with efficiency. More specifically:

- Seminars and workshops to get an in-depth view of European methods successfully applied so far (learning best practice) and to get information on the risk factors amenable to use with efficiency;
- Study tours to see and map up risk analysis in use with tax offices of other countries;
- Determining hypothetical risk factors eligible for use in risk analysis;
Preparing a methodological recommendation for the analytical and modelling techniques to be applied;
Revising by the Tax Administration prepared specification for the software technique.
The requested services are a kick-off meeting, seminars, 3 study visits, and a closing seminar.

Activity 1: 2-day Kick-off meeting in Hungary (2 experts and 10-15 participants)
- Exploration of current situation (legislation, organisation structure and processes)
- Drawing up statement of affairs

Activity 2: 5-day seminar in Hungary (2 experts and 10-15 participants)

Activity 3: 5-day study visit in the MS (5 participants)
- Acquisition of experience

Activity 4: 5-day study visit in the MS (5 participants)
- Acquisition of experience

Activity 5: 5-day study visit in the MS (5 participants)
- Acquisition of experience

Activity 6: 10-day seminar in Hungary (2 experts and 10-15 participants)
- Discussion of experience gained during the study visit

Activity 7: 3-day closing seminar in Hungary (2 experts and 10-15 participants) to evaluate the Twinning project in terms of:
- Expectations
- Results achieved
- Future development
- The need for further assistance

- Guaranteed results:
  - Definitions of adaptable risk factors;
  - Acquiring best practice as regards the techniques in analysis and modelling to be used;
  - Familiarity with definitions of criteria to be employed in risk analysis;
  - Revising the elaborated technical specification for software.

- Tasks of the Twinning Light expert:
  - An expert delivering seminars, workshops and study tours, and familiarity with the best practice being used in the MS;
  - To provide technical assistance on the applicability of the different analytical methods;
  - To advise on how to define risk factors;
  - To assist in preparing the methodological recommendation and the technical software specification;
  - Reports arising from seminars, study tours and workshops on risk analysis methodologies in practical use;
  - To revise technical specification for software and participating in the tendering procedure;

- Profile of the Twinning Light expert:
  - Personal experience (at least 2 years) in improving selection activity for audit and in risk-analysis
  - Extensive experience and competence (at least 3 years) in the tax and financial control area
  - Expertise with on the job training and daily knowledge transfer
  - Fluency in oral and written English
  - Computer skills
- **Operating environment:**
The experts should spend 7 months at the Hungarian Tax and Financial Control Administration providing on-site expertise. They will be provided with office space and office equipment necessary for their job. The Department for Audit will support the work of the experts by providing staff for the project purpose.

3.4.2 Service (Software development)
The purpose of the service component is to develop a software (integrating into models) of a decision-making support capable of automatically forming risk values. Besides to formulate input data for modelling, to carry out analysis and establish the risk factors to be included into the modelling process and to form risk values of the economic entities subject to VAT and to load them onto the combined screening interface of the categorising system.

The expert should have:

- personal experience (at least 5 years) and extensive competence in the area of the software development, risk-analysing and modelling software.
- will provide technical assistance on developing a software, formulating input data for modelling, carrying out analyses and establishing the risk factors and practical training for those using the software.
- prepare the user manual and the reports arising from the practical trainings.
- should have expertise with on the job training and daily knowledge transfer.
- fluency in oral and written English and computer skills.

As a result of the project should be user-friendly software to analyse risk factors in a structured manner, the risk factors to be comprises into the modelling work, inference models for use in finding out risk values for taxpayers with different activities and magnitudes of operation, risk values for hundreds of thousands of VAT subjects and a user manual.

3.5 Lessons learned
The earlier PHARE-funded projects concentrated on other areas (e.g. harmonisation of the Hungarian tax system), and so far we have no experiences in projects that aim to develop selection systems for audit.

Improvement of the efficiency of risk-based selection of taxpayers for audit will improve the overall efficiency of VAT related audits. Thus, state budget revenues will be increased by the modernization of tax administration as an efficient and targeted-oriented audit system could contribute to a more optimal use of audit resources and to the prevention of tax evasion, and the fight against VAT fraud.

4. Institutional Framework
The beneficiary of the project is the Hungarian Tax and Financial Control Administration. The Hungarian Tax and Financial Control Administration (acronym ‘APEH’) is basically in charge of collecting taxes related to the central state budget. The legal status, scope and organisational set-up of this body had been specified in the Act LXV of 2002. It is an economically independent state administration body with nation-wide scope of authority and working under supervision by the Ministry of Finance. The task of APEH is to establish, assess, collect, recover, enforce, record, refund and audit the statutorily specified taxes and contributions in favour of the state budget, Pension Insurance Fund, and Health Insurance Fund.
Headquarter of the Hungarian Tax and Financial Control Administration is responsible for supervision. Therefore the HQ of the Hungarian Tax and Financial Control Administration will coordinate and pilot implementation of the project on the local and regional level.

A Project Steering Committee is to be established to facilitate the purposes and processes of the project by the International Department, the Audit Department and the IT Control and Operation Department with a Project Leader and a Project Co-ordinator. This committee will also include representatives of the NAC and the CFCU: The steering committee is coming together to plan for optimal use of the project’s resources, to coordinate activities where appropriate, and to plan for integrated development of the project. The meetings of the steering committee will be held in every 3 months at the Hungarian Tax and Financial Control Administration.

**Project Leader / Contact person:**
Mr. Miklós Kok  
Head of International Department  
Hungarian Tax and Financial Control Administration  
Address: Széchenyi u. 2.  
H-1054 Budapest  
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Fax: (+361) 428-5374  
E-mail: kok.miklos@apeh.hu

**Project Co-ordinator:**
Ms. Klára Gilányi  
Liaison Officer – International Department  
Hungarian Tax and Financial Control Administration  
Address: Széchenyi u. 2.  
H-1054 Budapest  
Phone: (+361) 428-5510  
Fax: (+361) 428-5374  
E-mail: gilanyi.klara@apeh.gov.hu

5. Detailed Budget (million EUR)

<table>
<thead>
<tr>
<th>TF support</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TF support</td>
</tr>
<tr>
<td>Twinning Light</td>
<td>-</td>
</tr>
<tr>
<td>Service (Software development)</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL</td>
<td>-</td>
</tr>
</tbody>
</table>

(*) contributions from National, Regional, Local, Municipal authorities, FIs, loans to public entities, funds form public enterprises  
(**) private funds, FIs loans to private entities

*The ratio between the Transition Facility and co-financing is binding and has to be applied to the final contract price. The national co-financing part of the budget does not include VAT, which will be paid separately from the Hungarian State budget.  
Government co-financing related to the twinning component is allocated to cover the necessary counterpart costs arising from the implementation of the twinning.  
The study visits will be co-financed at least for travelling cost (800 EUR / person / study visit).*
6. Implementation Arrangements

6.1 Implementing Agency

The Implementing Agency of the project is the CFCU. The CFCU will be the Contracting Authority and in that capacity will issue and evaluate tenders, conclude contracts and authorize the treasury to make contractually related payments. The Director of the CFCU will act as PAO of the project. His contacts are:

**PAO:** Mr. Gábor Rónaszéki, Director of CFCU  
Address: Bajcsy-Zsilinszky út 42-46.  
Phone: (+361) 327-2800, 327-2810  
Fax: (+361) 327-2802, 327-2803  
E-mail: ronaszeki.gabor@cfcu.gov.hu

The Hungarian Tax Administration Office will be responsible for the technical part of the project in terms of design, evaluation follow up and monitoring. The Head of the International Department will act as Senior Program Officer. His contacts are:

**SPO:** Mr. Miklós Kok, Head of the International Department  
Address: Széchenyi u. 2.  
Phone: (+361) 428-5375  
Fax: (+361) 428-5374  
E-mail: kok.miklos@apeh.hu

6.2 Twinning Light

One Twinning Light contract will be concluded in the project.

**Beneficiary institution:** 
Hungarian Tax and Financial Control Administration  
Address: Széchenyi u. 2.  
Phone: (+361) 428-5375  
Fax: (+361) 428-5374  
E-mail: kok.miklos@apeh.hu

**Contact person:**  
Mr. Miklós Kok  
Hungarian Tax and Financial Control Administration  
Address: Széchenyi u. 2.  
Phone: (+361) 428-5375  
Fax: (+361) 428-5374  
E-mail: kok.miklos@apeh.hu

6.3 Non-standard aspects

The national public procurement rules and Twinning Manual will be strictly followed.

6.4 Contracts

- Twinning Light Contract at the amount of 0,119 MEUR.
- Service (Software development) at the amount of 0,307 MEUR.
7. Implementation Schedule

<table>
<thead>
<tr>
<th>Component</th>
<th>Start of tendering</th>
<th>Start of Project Activity</th>
<th>Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Twinning Light</td>
<td>Sept 2006</td>
<td>Jan 2007</td>
<td>June 2007</td>
</tr>
</tbody>
</table>

8. Sustainability
All supported investment actions are sustainable in the long term. The IB component contributes to the effective functioning of the Hungarian Tax and Financial Control Administration. Future maintenance and operation costs will be covered from the Hungarian national budget.

The Hungarian Tax and Financial Control Administration will be responsible for the implementation and coordination of the project. Besides, each unit involved in the project work, will have to appoint a special person responsible for the implementation of the project. Project implementation will not interfere with day-to-day activities of the involved units. It is planned that the results of the project will contribute to the overall improvement of the efficiency of the tax administration.

9. Conditionality
All conditions set out in the Project Fiche are met.
# Annex 1: Logframe Matrix

**LOGFRAME PLANNING MATRIX FOR PROJECT: Improvement of the efficiency of risk-based selection of taxpayers for audit**

<table>
<thead>
<tr>
<th>Programme name and number</th>
<th>Contracting period expires:</th>
<th>Disbursement period expires:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>November 2008</td>
<td>November 2009</td>
</tr>
<tr>
<td></td>
<td>Total budget: 0.426 MEUR</td>
<td>TF contribution: 0.349 MEUR</td>
</tr>
</tbody>
</table>

## Overall objective
To increase budget revenues by modernization of the tax administration procedures and by preventing tax evasion, especially through fighting against VAT fraud.

The budgetary revenues should be increased at least to 53.5% by 2009.

### Sources of Verification
- Budgetary final settlement of accounts

## Project purpose
- Improving the tax authority’s audit selection procedure of VAT-payers, and to continue developing the selection supporting IT systems.
- To work out a software product facilitating the use of available data for deeper analysis, with special view of enhancing the efficiency of the domestic modelling work designed to determine risk factors in auditing taxpayers.

**Objectively verifiable indicators**
- Growth in detected tax concealments by 2009
- Rise in number of frauds revealed by 2009

**Sources of Verification**
- Statistical statement on the tax gap detected
- Statistical statement on the number of frauds detected

**Assumptions**
- Stable macro-economic environment
- Stable statutory environment

## Results
- Familiarity with, and use of, risk analysis and modelling methods proved efficient
- Risk factors adaptable
- *Inference model* which, using the information available to the tax office, determines the risk level of taxpayers
- Decision-supporting software which, based on the model, regularly and automatically determines the risk values for hundreds of thousands of taxpayers

**Objectively verifiable indicators**
- Software is ready to function by the end of 2008
- 10-15 trained specialists by the end of 2008
- Number of study-tour target countries (3 countries)
- Number of risk analysis procedures learnt
- Number of risk factors investigated
- 1 user manual I at disposal by the end of 2008

**Sources of Verification**
- Implementation Status Report
- Seminars, study-tours, work-shop reports;
- Definition, criteria to be involved into risk analysis
- Progress report

**Assumptions**
- Smooth and stable operation of the tax administration
- Commitment of the staff to the use of the new system in their daily work
- Availability and contract-based performance of the partner in the development process
- Adequate IT infrastructure / network is available and is in use

## Activities
- Seminars, study-tours, work-shops to gain familiarity with the methods and risk factors found to be the best ones
- To determine the analytical methods and hypothetical risk factors to be applied
- Preparing technical specification
- Performing analyses, model-ling, control
- Developing the software forming the risk value
- Practical training of software users

**Means**
- Twinning Light
- Service
  - (Software development)

**Assumptions**
- Appropriate project management staff
- Human resource that is able to use the software
- Motivation of persons involved in the project does not decrease during the project duration
- Implementation takes place as scheduled
- Timely and proper availability of all necessary data
Preconditions

- Close cooperation among divisions of tax administration
- No legislative hindrances
- Individual commitment
- The organisation is culturally open to the new solution
Annex 2: Detailed Implementation Chart

### Detailed Implementation Chart

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
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<th>2007</th>
<th></th>
<th>2008</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Twinning Light</td>
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<td></td>
<td></td>
<td>D</td>
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<tr>
<td>Service</td>
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<td></td>
<td></td>
<td>D</td>
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<tr>
<td>(Software</td>
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<tr>
<td>development)</td>
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</table>

- **D**: Design (15% grey)
- **T**: Tendering and contracting (25% grey)
- **I**: Implementation (50% grey)
Annex 3: Cumulative Contracting and Disbursement Schedule

Cumulative Contracting and Disbursement Schedule for TF 2006 *
*(million EUR)*

<table>
<thead>
<tr>
<th>Component 1 &amp; 2</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
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<tr>
<td></td>
<td>III</td>
<td>IV</td>
<td>I</td>
<td>II</td>
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<tr>
<td>Contracting</td>
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<td>0,119</td>
<td>0,119</td>
<td>0,349</td>
</tr>
<tr>
<td>Twinning Light</td>
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<td>0,119</td>
<td>0,119</td>
<td>0,119</td>
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<tr>
<td>Service</td>
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<td>0,230</td>
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<tr>
<td>(Software developement)</td>
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<tr>
<td>Disbursement</td>
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<td>0,04</td>
<td>0,08</td>
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</tr>
<tr>
<td>Twinning Light</td>
<td>0,02</td>
<td>0,04</td>
<td>0,08</td>
<td>0,119</td>
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<tr>
<td>Service</td>
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<td>(Software developement)</td>
<td></td>
<td></td>
<td></td>
<td>0,230</td>
</tr>
</tbody>
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* Only TF Funds
Annex 4: Relevant legislation

Community legislation

6. 98/527/EC, Euratom: Commission Decision of 24 July 1998 on the treatment for national accounts purposes of VAT fraud (the discrepancies between the theoretical VAT receipts and actual VAT receipts);

National legislation

1. Act LXV of 2002 on the Legal status, Scope of activities and Organisational set-up of the Hungarian Tax and Financial Administration;
2. Act XCI of 2003 on the Rules of Taxation (rights & obligations of tax payers and the tax authority);
3. Act LXXIV of 1992 on Value Added Tax;
Annex 5: Technical Strategy for Finances

The Hungarian Information Society Strategy (HISS)
Strategy Part for State Administration
Technical Strategy for Finances

By announcing its intention to join the European Union, Hungary marked the path which it intends to follow in the future. The European process of development is clearly progressing towards a knowledge-based (new) economy and information society. Hungary’s accession will, for a long while, determine the framework which will have an impact on the development of our society and economy. If we are not properly prepared and remain merely passive observers or only follow the changes which will occur from a distance, we shall benefit less from the process. Our disadvantage will, sooner or later, turn into dependence, or, in a worst case scenario, into a subordinate status. Reducing our shortfall is in our common interest: enhancing the competitiveness of the economy will lead to an improvement in the quality of life in Hungary, while for the community as a whole it will improve the competitive status of the European region in relation to the North American and Far East regions.

The Hungarian Information Society Strategy (HISS) is a strategy for helping the economy and the society to catch up with European rate of development. In its objectives and solutions, it follows the European values and courses of action, while considering specific Hungarian characteristics and possibilities. HISS reckons that broadening the application of information and communications technologies is the key to Hungary’s success. The wide-ranging application of these technologies and their eventual transformation into a production force would guarantee the modernization of the economy, the enhancement of efficiency and competitiveness, and through these a new level of development, that is the objectives of the information society.

The objectives of HISS and the programmes aiming to implement those are fully adjusted to the strategy and strategic programmes of the European Union, the eEurope+ and the eEurope 2005 action plans. This enables us to join those programmes of the Community which support the eEurope (e.g. IST, eContent, eSafety, IDA, etc.), and it also enables us to use the EU’s Structural Funds as resources for the construction of the information society.

In analysing the changes of transition to an information society, the HISS model identifies the two fundamental pillars of modernization as the modernization of processes and the modernization of services. The former represents the modernization of the internal working of processes in the broadest sense (“back office”), while the latter means the perfection of those functions of the same processes that are available to a wide range of users (“front office”). The use of information and communication technologies is of primary importance in the case of both pillars.

For the improvement of processes the strategy divides the fields of intervention the following way in respect of both pillars:

- Content and services, Infrastructure, Knowledge and skills, Legal and social environment,
- Research and Development and Equal opportunities.
The largest field of intervention is that of **Content and services**, which is further divided into the following key areas:

*Economy, Public administration, Culture, Education, Health, Environment,*

which are concerned with the development of the content aspects of the services provided in the corresponding areas of application.

By becoming the user of the latest info-communication tools, the government and public administration can speed up the development of the information society in a manifold and effective way. With the new IT applications, they encourage the players of the economy and the private sphere to use the tools of the 21st century. In turn, the services of e-public administration promote the spread of electronic services in the private sphere too.

**Financial resources** no doubt attract the greatest attention among the means of the strategy. This attention is focused primarily on state and community resources. Given that HISS primarily expects market players to realize its objectives, in its funding it also considerably relies on private capital. Resources from the central budget are necessary partly to raise and channel private capital and party to finance tasks which cannot be implemented on a market basis. One of the advantages of the accession to the European Union is that Hungary will be able have access to the *EU’s Structural Funds* or *other EU funds* to finance its developments. The necessary *contribution of the state* to these resources will be covered by the central budget.

The **1214/2002 (XII.28.) government decision** decided on the **Hungarian Information Society Strategy (HISS)** to be introduced.

With a view to preparing the strategy, the Ministry for Informatics and Communications (IHM) issued a recommendation in which the Strategy was broken down into smaller ones, their extent was specified, along with prescriptions in form and contents.

The aim in preparing the **Technical Strategy for Finances** is to determine and outline new directions of development designed to implement a novel form of relationship between state and society in a way *more efficient* and *more purpose-oriented* than previously. The strategy is destined to provide assistance for private persons and enterprises in making use of the advantages inherent in information society via a simple access to the state-run services available. By implementing the strategy, major costs savings can be achieved both for state institutions and the society as a whole.

Important central cost savings result from the simplified business management procedures, made possible by the use of electronically recorded identified and checked source data.

The investigation carried on when planning the technical strategy extended to the following institutions:

- **Tax and Financial Control Administration,**
- National Command of the Customs and Finance Guard;
- Hungarian State Treasury,
- Government Dept Management Agency Ltd.,
- Treasury property Directorate.

From among the organisations just quoted, the most important tasks present themselves for the **Hungarian Tax and Financial Control Administration**. This is in line with the tendency characteristic of developed countries, indicating that the major part of the electronically provided services within state administration arise from the activities being performed by the tax offices.
Keeping in mind EU expectations, the following conclusions have been achieved:

- the longer or shorter term goals and the strategic concepts of the institutions under investigation are in accord with the aims set out for the development of an information society and for the exploitation of such possibilities;
- among the current service provisions of the institutions there are several ones that meet the demands of an information society;
- the technical/professional conditions to do away with differences between expectations by an information society and the current level of service provisions are already available, but there are no funds available for this purpose.

The Hungarian Tax and Financial Control Administration, as one of the largest Hungarian software development centres (with 200 co-workers or so being involved in software development), does design solutions which can also be used with other institutions. The Hungarian Tax and Financial Control Administration possesses appreciable experience in developing electronic services capable of processing large masses of data as well, while, at the same time, meeting requirements in efficiency, security and comfort. This existing experience might be of great use to the entire Hungarian public administration, provided it becomes available to this latter one. From the view of the tax evasion the most important electronic service is the electronic support to tax audit.

**Electronic support to tax audit (FKPÜ09)**

*Current situation:* Tax payments are audited partly by way of using data electronically in the Hungarian Tax and Financial Administration data bases, and partly in the form of on-site checks with IT tools, but mostly by way of using paper-based information.

*Classification:* Sectoral

*External dependence:* Legislative amendments

*Advantages:* Tax auditing requires less personal presence/participation both by the taxpayer and by the Hungarian Tax and Financial Administration. There is possibility to conduct several audits over the same time span, which promotes the development of a legally compliant taxation practice.

*Risks:* -

*Priority:* high

*Finishing time:* 1 year

*Input costs (in mn. Forints):* 150

*In charge:* Funding: Ministry of Finance

Coordination: -

Execution: Hungarian Tax and Financial Control Administration

Control: -

*Success criteria:* The percentage rate of electronically conducted tax audits keeps rising, and so does the number of audits performed each year.