1. **Basic Information**
   1.1. Title: Tax Administration capacity building
   1.2. Sector: Taxation
   1.3. Location: Ankara – Turkey
   1.4. Duration:

2. **Objectives**
   2.1. *Overall objective*

   The overall objective of this project is to improve the tax revenue collection capacity and efficiency of the Turkish Tax Administration in order to effectively implement the tax acquis.

   2.2. *Project purpose*

   2.2.1. Implementation of IT-based, comprehensive intelligence and information system to support the effective use of risk analysis, taxpayer selection as well as computer audit techniques and in so doing to underpin tax compliance.

   2.2.2. Establishment of effective information methods and tools for better taxpayer service and to ensure an equal interpretation of the tax laws throughout the country.

2.3. **Accession Partnership (AP) and National Programme for the Adoption of the Acquis (NPAA) Priorities**

   AP – Short Term Priority – Cp. Taxation states that: “Modernise and strengthen the tax administration with a view to increasing taxpayers’ compliance and to improve the collection of tax revenues.”

   AP - Medium term priority - Cp. Financial and budgetary provisions states that “Strengthen the administrative capacity for the collection of VAT and customs duties and establish effective instruments to combat fraud.

   2.3.1. **Harmonization of Turkish tax legislation with EU directives**

   Turkey has embarked on several tax law changes to progressively adapt to EU directives in the field of taxation. Presently a gap analysis is being conducted for determining additional legislation change that may be needed in the future.

   2.3.2. **Modernisation of the Turkish tax administration**
As per AP and NAPP Turkey is embarked on a continuous effort to modernise and strengthen its tax administration so as to increase taxpayer’s compliance and to improve collection of tax revenues.

In this respect, the following priorities in the field of taxation have been highlighted by the NPAA:

a) Controlling tax losses and evasion,

b) Using further computer and information technologies, in particular, for the development of an effective audit strategy, such as the necessary computer infrastructure for electronic information flow, taxpayer database, electronic accounting and declaration, and data warehouse including the third parties’ information, which can better support General Directorate of Revenues (GDR) activities.

c) Introduction of new harmonized audit procedures based on a systematic risk analysis

d) Ensuring the voluntary compliance of taxpayers with the tax system by organising and developing tax control system, providing a good quality service to taxpayers, improving relations between taxpayers and tax administration and informing taxpayers about new procedures and regulations.

e) Making the tax administration’s organisational structure more functional.

NPAA also indicates that more projects will be developed to encourage the voluntary compliance of taxpayers and improve large taxpayer services, and, therefore, to improve the revenue collection capacity of the Turkish taxes authority.

This project is designed to address these two issues.

Finally, although 2002 Regular Report for Turkey commended that Turkey has made substantial progress with aligning its tax legislation with the acquis, improvement of the administrative capacity to apply the acquis still needs special attention.

The MOF is now preparing with the assistance of the EU a full-fledged Action Plan to continue the improvement and alignment of its tax legislation with EU directives and to strengthen the capacity and efficiency of the Tax administration.

2.4. **Contribution to National Development Plan**

Not applicable in the context of this project

2.5. **Cross Border Impact**
3. Description

3.1. Background and justification

The project originated from the acute need of the Ministry of Finance to improve both the services to the taxpayers and to develop more co-ordinated and efficient procedures for tax control and auditing. This is in line with the Strategic Plan issued by the Ministry of Finance in September 2003 to serve as the base of a full fledge reform of the tax administration so as to come closer to EU practice in the field of tax administration and to achieve a rationalised and simplified tax system and tax administration procedures.

Among the various actions needed to reach the objectives defined in the Strategic Plan for improved efficiency and effectiveness of the tax administration, the two following actions were identified which to constitute the core of this project:

i. Establishment of a Taxpayer Education, Information and Assistance Organization
ii. Development of a Risk-Management Based Tax Audit Selection System

Another objective of the Strategic Plan is the establishment of a modern and integrated Information Technology Support System, including the following elements relevant to the project:

i. Technical Development and Support for Information Matching of Third Party Information
ii. Expanded Access to Centralized Database by Tax Offices
iii. Expanded Use of Third Party Information

These strategic objectives are in line with the EU fiscal blueprints and their implementation will greatly contribute to reduce existing gaps.

General Directorate of Revenues (GDR) has already prepared an action plan for 2004, based on the Strategic Plan. The action plan covers the most important reform issues, namely the following changes that will provide the project with the adequate organizational environment to optimise its benefits to the tax authorities:

i. The creation of a large taxpayer unit
ii. A reform of the regional, provincial and local tax offices’ structure
iii. The development of an internal control and audit function
iv. A program to develop ways and means to identify and control informal business activities and transactions that constitute large losses for the tax system.

v. A program to optimise the existing data warehouse capacity for the purpose of building a computer assisted system of risk management.

The Ministry of Finance of Turkey is presently going through a detailed gap analysis of its tax system along the lines recommended by the EU fiscal blueprints and described in the Guidance note for taxation reform and Modernisation Programme for CEEC's. This gap analysis is conducted by a team of EU consultants in close cooperation with the Tax authorities and will also serve as a base for a medium term Action Plan. This action plan is derived from the Strategic Plan of the Ministry of Finance adopted in September 2003 and will be based on the concept of global business management change aiming at

(i) Continuing the alignment of Turkish tax laws with EU directives
(ii) Increasing the efficiency of the tax system so as to optimise tax receipts within the macro-economic context of Turkey
(iii) Increasing the efficiency of the tax administration and collection.

It is to be noted that several progresses and needs upon which this project could be safely established have been realized during the last years in improving tax administration. These progresses cover two fields relevant to the project.

The establishment of a computerized data warehouse

During the last ten years the General Directorate of Revenues (GDR) has undertaken major modernisation efforts to improve its administrative capacity in implementing the tax system. These efforts has been concentrated (i) in the development of a computerised management information system through enlarging the IT infrastructure of the GDR and the Tax Auditing Board (TAB), and (ii) in extending tax offices services to the tax payers so as to increase self compliance.

Since 1999, the IT unit of the GDR has implemented a large computerised data warehouse system collecting all information relating to the status of tax payers and to the transactions they conduct through banks or the real estate registry or the car registry. Through the system (called VEDOP I) more than 34 million ID number has been attributed to tax payers (effective or potential).

The IT system is now being further developed through a new plan called VEDOP II, aiming at (i) generalising computerisation in all tax offices of the Republic and (ii) making the warehouse computerised database more complete, efficient and users friendly for the tax officials administering the tax system. During this new phase, the data warehouse will be enriched with much more information about taxpayers, which will allow the tax administration to compare and crosscheck the information in its own database with those coming from the third parties.
Given the importance of the various types of data entered on a continuous basis in the computer data base and taking into account the various types of information available, a computer assisted audit selection process has become a priority. In this respect, it should be noted that the Tax Auditing Board and the GDR have developed some risk indicators to select tax payers to be audited, but are not yet able to take advantage of all information available in the data warehouse. The Co-ordination Committee, chaired by the Minister of Finance, to co-ordinate the annual audit plans of GDR & TAB, as well as the Financial Inspection Board, is also in great need of such a risk management tool to be able to carry efficiently its mission.

There is also an obvious need to reinforce the capacity of the tax administration to analyse data available taking into account the overall macro-economic situation as well as the situation and the various economic productive sectors. Presently, due to the lack of personnel neither the risk management of taxpayers is conducted in a systematic way nor is it appraised on a continuous basis. There is no systematic profiling of the taxpayer population and no capacity to analyse all relevant taxpayer specificities. This project consists of two sub-components, one respectively dealing with the implementation of an integrated Risk management system for tax payers control and the other dealing with establishment of the Taxpayer Call Centre serving to both Turkish and foreign taxpayers.

In this respect, although tax auditors in Turkey enjoy a high qualification, there is no comprehensive and integrated system of risk management and audit selection process. Several different units at the central, regional and local level of the Ministry of Finance have tax auditing authority. This is why there is an urgent need for an integrated Risk Management system, as well as the need to rationalize and strengthen internal auditing process of these different units through achieving an in-depth knowledge of the different categories of taxpayers and their behaviour in different parts of the country and their different business activities. Thus the system should be IT-based processing comprehensive intelligence and information data ensuring a systematic and effective identification (selection) of non-compliant taxpayers and widespread use of computerised procedures in auditing.

On the other hand, the improvement of taxpayer services and promotion of the voluntary compliance of taxpayers are the stated priorities of the MOF tax strategy as a mean of enhancing the tax collection capacity. Although there are small-scale taxpayer services to assist in filing the tax returns in the form of help-desks at the local levels and some information is accessible via the web page of the Ministry, there is no overall system of assistance to the taxpayers. There is a need for a strong unit to which will serve as a contact point facilitating the access of national and foreign customers and their representatives by telephone, in writing and by e-mail to tax information and provide other services (reminders, suggestions and complaints through toll-free line).

Using the fiscal blueprint of the European Union as a benchmark, the General Directorate for Revenue (GDR) is committed to enhance the taxpayer services by establishing a contact point facilitating the access to tax information by telephone, in writing and by e-mail. GDR will also allocate the staff specifically for this purpose to provide services such as reminders, suggestions, complaints so as to develop much more demand driven approach to taxpayer services.
The project is intended to supply additional software for data processing adapted to the large set of data to be processed (see IT needs assessment Report) and supplying the General Directorate for Revenue (GDR) and the Tax Auditing Board (TAB) with a capacity to take advantage of all information gathered in the data warehouse and to build the risk management system for auditing taxpayers to be operated at the central level of GDR and to integrate the auditing work of the various regional and local units in charge of auditing.

In terms of hardware, the Tax auditing board is in need of additional equipment capacity for networking and data storage, as well as MIS. These needs have been included in the list of hardware equipment needed.

The project will also finance the hardware and software needs of the Call Centre.

Both sub-components will need a large technical assistance and training package described here under.

Improvements of services to taxpayers

The GDR has also developed substantial efforts to improve its relations with the taxpayers. The web page of the GDR is now making available to tax payers all tax laws and the main tax regulations issued by the MOF. Several brochures are also available at the local tax offices explaining how to fill tax returns for different types of taxes. Tax offices’ employees are available to sit with taxpayers having difficulties to understand their tax obligations and how to comply with them. Given the pressure that this is putting on local tax offices, mainly during the period of submitting tax returns, the GDR needs to create a Call Centre that will make life easier for both the taxpayers and the tax employees.

3.2. Sector rationale

The improvement and alignment of the administration of taxes is a priority sector in Turkey for several reasons. Among the most important reasons to put emphasis on the improvement of the tax system are (i) the need to continue macro-economic stabilization efforts and efforts to balance the Turkish budget through increase tax receipts (ii) the need to encourage foreign and domestic investment in Turkey through the implementation of a tax environment which would be aligned with such environment in the EU and major industrialized countries.

3.3. Results of the project

The results to be obtained from the two sub-components of the project can be described as follows.

Sub-component 1: Computerized Audit System:
Implementation of an IT-assisted, comprehensive intelligence and information system to support the effective use of risk analysis, taxpayer selection as well as computer assisted audit techniques and in so doing to underpin tax compliance.

Such a system is intended (i) to enable the concerned tax authorities to develop much more customer and sector-oriented tax policies by an in-depth analysis of the taxpayer population (ii) to make better, effective and productive audit plans for its auditor units, (iii) to direct auditing activities to more productive tax areas, in particular large scale taxpayers (iv) to decrease tax fraud and evasion.

Through the activities conducted under this sub-component the following results are expected to be achieved:

a. In-depth knowledge of the taxpayer population by region, type of business, legal status, volume of business, etc.

b. Widespread use of computerised procedures in auditing

c. Ensuring of a systematic and effective identification (selection) of non-compliant taxpayers

d. Appropriate risk assessment models developed, installed and tested for the use of GDR

e. Priority modules (Risk Analysis/Selection, Risk Profiling/Filtering and General Audit Support) of the computerised audit system developed, implemented, tested and fully operational to facilitate control of tax compliance

f. The special risk assessment models for the beneficiary of the TAB developed to audit and monitor big-scale taxpayers that pay a significant portion of taxes collected.

g. The TAB auditor’s accession to the tax information database in the GDR for internal intelligence and information system to be the basis of the special risk analysis models.

h. Training needs assessed, training programme developed concerning the risk analyses methods, and the use of the system to be established for the need of GDR and The TAB.

Sub-project 2: Taxpayer Call Centre:

The establishment of effective information methods and tools for better taxpayer service through an easy contact point within the tax administration, specifically established for provision quality and first-step services for the taxpayers to supply standardized information about tax liabilities and other tax issues. The creation a call centre will assist the taxpayers by a customer-friendly call centre to (i) collect and answer the complaints of taxpayers (ii) answer their information request promptly (iii) remind them of their tax obligations.

Through the activities conducted under this sub-component the following results are expected to be achieved:
1. A call centre solely dedicated to serve to the taxpayers
2. A functional and operational call centre to service domestic and foreign taxpayers and inform them of all their duties and obligations.
3. Taxpayer Call Centre’s performance model (blueprint) developed covering its statute, structure and functional links.
4. For the good service of the centre, the rules and procedures developed for polite and precision telephone conversation
5. Job descriptions prepared for the staff of Taxpayer Call Centre (TCC)
6. A model of taxpayer consultation process control system allowing to clarify the calling time and content of consultations
7. Criteria for evaluation of TCC services
8. Training programme developed and provided for the TCC staff and for training of the trainers to ensure the sustainability of house training.
9. Information packages, booklets, brochures prepared for the taxpayers informing them about the activities, services, working style and hours of TCC, and training package and TCC staff manual setting out the principles of consultations by telephone.

3.4. Activities:

There are two sub-projects, each with a distinct institution building component and separate investment components. The activities for each sub-project are listed below and summarised in Table No.1 and Table No.2.

3.4.1 Twinning and Training Package

Sub-project 1: Computerised Audit System:

- Revision of legal acts regulating control of tax compliance, computer audit of electronic accounting and invoicing, etc. reviewed and redrafted as necessary.
- Analysing of the existing administrative structures as regards tax control analysed and proposals for modernisation developed.
- Establishing of organisational and methodological standards in the area of computer audit
- Analysing of the currently used approach to risk management evaluated and proposals for the introduction of the modern risk analysis and taxpayer selection techniques as well as for the general audit support tools prepared.
- Preparation of appropriate modules of the computerised audit system developed and implemented as required by the GDR and TAB, and technical documentation (terms of reference) for the EC service contract drafted.
- Analysing of the training needs carried out, training programme developed concerning the use the new system
- Study visit to EU countries

*Scope of the twinning (task of the RTA)*
One RTA with good administrative skills and good knowledge of written and spoken English for 24 months. The RTA will possess the following qualifications:

- Practical experience in project management area;
- Good knowledge of the audit selection system and some experience in this area.

The RTA will be responsible for co-ordination of the project activities and the inputs of the STEs; therefore s/he should have experience in project management and excellent interpersonal skills.

**Required inputs**

One RTA with good administrative skills and good knowledge of written and spoken English for 24 months and a group of seven-eight STEs for a total of 68 person/months.

**Short and medium term experts**

A group of STEs will be responsible for specific tasks as summarised in the following table:

<table>
<thead>
<tr>
<th>Twinning and Training package</th>
<th>RTA p/m</th>
<th>STEs p/m*</th>
</tr>
</thead>
<tbody>
<tr>
<td>RTA responsible for project administration</td>
<td>24 p/m</td>
<td></td>
</tr>
<tr>
<td><strong>STE1</strong> Review of the existing administrative structures as regards tax control and preparation of written proposals for modernisation. Assistance in the development of organisational and methodological standards in the area of computer audit.</td>
<td></td>
<td>6 p/m</td>
</tr>
<tr>
<td><strong>STE2&amp;3</strong> Preparation of written proposals on implementation and development of the risk management system and taxpayers' profiling</td>
<td></td>
<td>8 p/m</td>
</tr>
<tr>
<td><strong>STE4</strong> Analysis of training needs, development of the training programme, provision of training. Training should consist of training of system administration and training of the end users.</td>
<td></td>
<td>12 p/m</td>
</tr>
<tr>
<td><strong>STE5&amp;6</strong> Development and implementation of the computerised audit system, preparation of terms of reference, system requirements for the service contract.</td>
<td></td>
<td>12 p/m</td>
</tr>
<tr>
<td><strong>STE7&amp;8</strong> Review of the existing audit procedures and selection for audit procedures make proposals for modernisation.</td>
<td></td>
<td>6 p/m</td>
</tr>
<tr>
<td><strong>Sub-project total:</strong></td>
<td><strong>68 p/m</strong></td>
<td></td>
</tr>
</tbody>
</table>

TEs required might vary depending from the consultations with the twinning partner. The exact schedule of inputs, their exact duration and technical specification will be determined during preparation of the Twinning Covenant.

**STE1** will review the existing administrative structures as regards tax control and will prepare proposals for modernisation. The expert will also be expected to assist in the development of organisational and methodological standards in the area of computer audit.

**STE5s2&3** will prepare and submit written recommendations on implementation and development of the risk management system and taxpayers profiling
STE4 will analyse training needs, developing training programme, providing the training. Training should consist of training of system administrators and training of the end users.

STEs5&6 will be responsible for monitoring and quality assurance in the process of development and implementation of the risk management system, and also will assist in preparation of the terms of reference, system requirements for the service contract.

STEs7&8 will be reviewing the existing audit procedures and selection for audit procedures, and preparing the proposals for modernisation.

All the STEs should all be fluent in English and should be capable of providing training covering workshops, classroom training, on-the-job training as well as personal advice at a high level in the institutions involve

Sub-project 2: TA service contract for a Taxpayer Call Centre:

- Written proposals prepared concerning the structural changes of the GDR, taking into account the foreseen functions of TCC
- Taxpayer Call Centre’s performance model (blueprint) developed covering its statute, structure and functional links, principles of staff control. Such a blueprint would be a precondition for the effective work of the TCC;
- A model of taxpayer consultation process control (monitoring) system allowing to monitor time, form and content of consultations, as well as precision and politeness when providing responses to taxpayers developed;
- Operational rules and methods developed for the staff of the TCC on the provision of consultations by telephone;
- Evaluation of TCC capacity in terms of human resources.
- Job descriptions prepared for the staff of TCC (for each functional position within the Centre’s structure);
- Assistance provided in drawing up a list of necessary professional qualifications for the Taxpayer Call Centre’s staff;
- Criteria for evaluation of GDR’s performance with regard to provision of consultations to taxpayers drafted;
- EC tender dossiers regarding supplies contract drafted, and appropriate technical equipment and software necessary for efficient functioning of the TCC purchased, installed, tested and fully operational;
- EC tender dossiers regarding service contract drafted, and appropriate databases and information systems of the GDR adapted to the effective and competent provision of services to taxpayers by the staff of TCC;
- Training programme including train-the-trainer module prepared concerning the provision of consultations by telephone (covering psychological and social contacts issues).
- Training package entitled Consultations by telephone (trainer’s guide, trainees’ guide, set of practical activities for trainers and trainees) prepared.
• Communication plan and information packages for taxpayers and tax officials concerning the establishment of the TCC and its operations developed.

3.4.2 Investment component:

Sub-project 1: Computerised Audit System:

The GDR and TAB will require technical support for the development, implementation and management of a computerised audit system, which would guarantee efficient, transparent risk analysis and management; well-organised audit planning and IT support for audit. The indicative list of IT system modules and necessary hardware is provided in Annex 3. The EC-funded implementation of the Computerised Audit System will be conducted in two tendering operation (one service contract one supply contract). Tender documentation will be prepared in the framework of the twinning contract.

Sub-project 2: Taxpayer Call Centre:

The EC-funded technical equipment and development of IT system for the TCC will be acquired in two tendering operations, namely – one Service and one Supply contracts. The initial technical preparations for the sub-project have been completed, and the preliminary equipment list is provided in Annex 5. However, the final list of equipment will be prepared with the advice of respective STEs.

These additional service contracts (TA) will include the following:

• Service Contract - reconstruction, development and implementation of current software system (necessary data collection, grouping, search system, established and maintained links with other data bases) and technical training for users and administrators of the system.

The supplies contract will include procurement of the following equipment:

• Telecommunication equipment for TCC;
• Computer equipment for TCC.

3.5. Linked activities:

The MOF maintains a continuous dialogue on Tax legislation and administration with the IMF and the World Bank.

Turkey is benefiting from a large IMF assistance package (12.8 billion SDR); the 7th review has now been completed for the release of the last trench. There is a continuous dialogue with this institution to increase tax receipts and improve the efficiency the tax system.

In 2001, the World Bank has conducted an in-depth study of the Turkish tax system in the context of appraising a “Programmatic and Public Sector Adjustment Loan”. A special
Aide-Memoire called “Towards a strategy for an improved tax system” (dated December 2001) has focused on the needs to rationalize the tax system and increase the efficiency of the tax administration. Subsequent to this Aide-Memoire, the MOF has issued its “mission objectives” and strategy for the future in 2003 to which we have referred here above.

The World Bank has granted Turkey in 2002 a Second Programmatic Financial and Public Sector Adjustment Loan for an amount of $ 1.35 billion to continue support of the Government’s financial and public reform program. In the field of taxation, the key priority of this loan is a further deepening of structural fiscal policies for sustainable fiscal adjustment. Another priority for the public sector is the broadening of the public expenditure management reform program and the strengthening of public sector governance.

The EU has also financed in 2002 a project for the “Alignment of the Turkish Public Internal Financial Control System”.

The present project has no direct link with World Bank and IMF financing supplied to Turkey, but is indirectly contributing to achieve recommended reforms and actions through the institutional building and capacity strengthening of the tax authorities that this project will achieve.

3.6. Lessons learned

Turkey has a very long established tradition in Public administration and namely in Tax management. However, Turkey request to become member of the EU, in addition to the recent financial crisis that have affected its economic performance, have increased the need for a modernization of its tax administration. Progresses have been made in the field of alignment with EU legislation and directives, but alignment in the field of public sector and public finance management is still to be developed. The project for the “Alignment of the Turkish Public Internal Financial Control System” was a first step in this direction. This second project is addressing the Tax administration needs.

4. Institutional framework

The co-beneficiaries institutions for this project will be the General Directorate of Revenues (GDR) and the Tax Auditing Board (TAB) under the lead beneficiary organization, the Ministry of Finance.

The General Directorate of Revenues (GDR), which operates within the Ministry of Finance with more than 1000 tax offices throughout the country and 40,000 personnel, is mainly in charge of the enforcement of tax laws as well as preparing and implementing the state revenue policy. It is also responsible for auditing at central and local levels through a specialized unit of Tax inspectors. A large IT unit is in charge of the development of the taxpayers’ database; it is complemented by an Intelligence unit that process important information gathered (real estate transactions, credit cards operations and bank transactions, purchase of cars, VAT declarations, third party declarations, etc.). It will be merged with the IT central unit in charge of the implementation of VEDOP II.
Revenue controllers at the central unit of the GDR are well equipped in IT hardware and management information system for their own work.

The TAB performs its duties as consultancy and tax auditing unit in the Ministry of Finance. Headquarter of TAB is in Ankara and it has three acting groups in Ankara, Istanbul and in Izmir consisting of 273 acting tax auditors. The Board is also a source of high-ranking administrators for the Minister of Finance. The Board is mainly in charge of tax auditing of large-scale enterprises. The main target group of the Board is about 5000 enterprises, which pay a approximately %70 of all tax revenues. The Board reports directly to the Minister of Finance under the provisions of articles of establishment, statutory decree and regulations. Its IT capacity in terms of equipment and software is, however, limited and needs to be upgraded and expanded.

The Board performs its duties on behalf of the Minister of Finance. It also has a Research and Development Unit, which closely observes the economic indicators within a sectorial approach and prepare sectorial reports to observe target taxpayer groups. However, this unit as well as Research and Statistics unit at the GDR are in need of additional capacity to be able to analyse the various data gathered and the results of audits conducted, as well as to conduct various types of taxpayers profiling.

While the GDR will be in charge of the project, and as the project will benefit both institutions and as there are two different sub-components, a Coordination (or Steering) Committee should be formed to secure the adequate implementation of the project by all units concerned within TAB & GDR.

A high level and experienced tax official should chair this Committee. It should include a representative from the Revenue controllers and a representative from TAB. It would also be advisable that the IT unit and the Intelligence Unit at the GDR, as well as the IT unit at TAB and at the Revenue Controllers unit would send representatives to the Committee. A representative from the regional offices and one from the local offices should also be included in the Committee. Representative of the EU office in Ankara will also be member of this Committee, as well as the Head of the Project Management Unit (see below).

It is expected that the project will accelerate the efforts being done at the GDR & TAB to coordinate and integrate tax auditing methodology at the Central, regional and local level of the Tax Administration in Turkey. It will also lead to greater consistency in administrative regulations issued by the MOF and GDR concerning Tax administration through the implementation of the Call Centre whereby standardized answers will have to be given to taxpayers concerning their tax obligations and the ways to comply with them. This will also influence the practice of Controllers and Auditors at all level of the Tax Administration.

5. Detailed Budget

The overall budget of the two sub-components is estimated as follows.
<table>
<thead>
<tr>
<th>Project Components</th>
<th>Investment Support</th>
<th>Institution Building</th>
<th>Total EC (I + IB)</th>
<th>National Co financing</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Computer Audit System</strong></td>
<td>2 175 000</td>
<td>1 610 000</td>
<td>3 785 000</td>
<td>725 000</td>
<td>4 510 000</td>
</tr>
<tr>
<td>Twinning and Training</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Package</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment in development</td>
<td>1 155 600</td>
<td>1 155 600</td>
<td>385 200</td>
<td>1 540 800</td>
<td></td>
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<tr>
<td>Investment in hardware</td>
<td>1 019 400</td>
<td>1 019 400</td>
<td>339 800</td>
<td>1 359 200</td>
<td></td>
</tr>
<tr>
<td><strong>2. Taxpayer Call Centre</strong></td>
<td>753 750</td>
<td>660 000</td>
<td>1 413 750</td>
<td>251 250</td>
<td>1 665 000</td>
</tr>
<tr>
<td>TA and Training Package</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adapting appropriate</td>
<td>292 500</td>
<td>290 000</td>
<td>97 500</td>
<td>390 000</td>
<td></td>
</tr>
<tr>
<td>databases and information</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>systems</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment in purchase and</td>
<td>461 250</td>
<td>465 000</td>
<td>153 750</td>
<td>615 000</td>
<td></td>
</tr>
<tr>
<td>installation of telecommunication, computer equipment.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>2 928 750</td>
<td>2 270 000</td>
<td>5 198 750</td>
<td>976 250</td>
<td>6 175 000</td>
</tr>
</tbody>
</table>

**Turkish co-financing**

Premises for the Taxpayer Call Centre will be provided before the Twinning package commences. However, if reconstruction of premises for Taxpayer Call Centre takes more time than expected, it will definitely be completed by the start of supplies for the Investment component of TCC.

Sub-project 1: Computerised Audit System:

Additionally, €0.720 Million co-financing is foreseen in the Investment component for the development of the computerised audit system. Estimate of expenditure for the development of the computerised audit system is already prepared by GDR and TAB, but since the activities of investment component will start only in 2005, this expenditure will be included in the budget of the Ministry of Finance only for the year 2005. Around 6 million € has been budgeted in the VEDOP II Project for the tax data warehouse which will also be the base for the risk management system.

Sub-project 2: Taxpayer Call Centre:

The Turkish side will co-finance the expenses related to the supply and installation of the necessary telecommunication and computer equipment, and adapting appropriate databases and information systems of the GDR for the operation purposes of TCC. The related expenses are total €0.250 Million €.

6. Implementation arrangements
6.1 Implementing Agency

The Central Finance and Contract Unit (CFCU) will be the implementing Agency and will be responsible for all procedural aspects of tendering, contracting and payment of the project activities.

The GDR will provide office accommodation and the usual equipment facilities for the project. All required training will be conducted in the GDR Training Centre.

Central Finance and Contracts Unit (CFCU)

N. Ercan TORTOP
PAO
Phone: +90 -312- 285 2002
Fax: +90 -312- 285 96 24
e-mail: ercan.tortop@cfcu.gov.tr

6.2. Twinning

The Project Management Unit will be the counterpart for the Twinning project. To ensure smooth operations, the GDR and TAB will provide office accommodation and the usual office equipment to the project. It will also contribute to covering the expenses of seminars in Turkey and of local travel. All required training will be conducted in the Training Centre of the GDR and TAB. Provision of all necessary assistance as regards the preparation of technical documentation for the EC service contract will be expected in the framework of the Twinning component.

Member States interested in obtaining more information should contact to GDR.

Tendering, contracting and disbursement of the technical assistance as well as of the supply contracts will be implemented strictly in accordance with DIS procedures. Technical assistance (TA) and fund allocation will be provided through the service contracts for acquisition the short term expertise and training needed outside the Twinning arrangement for the Risk management system as well as taxpayers’ services for the Call Centre.

6.2.1 Contact Details of the GDR:

The General Director of Revenues: Osman Arıoğlu
Address: Gelirler Genel Müdürlüğü, İlkeçim Cad. 06100 Bakanlığı-Ankara
Bülent Taş, Deputy Director General of Revenues (Phone: 415 3251)
Coşkun Kılıç, Head of Department (Phone: 415 3359)
Mürüfet Nohut, The Chief of the Section (Phone: 415 3472)
6.2.2 Contact Details of the TAB:

Mahmut Vural, The President of The Tax Auditing Board,
The Tax Auditing Board, İlkadım Cad. 06100 Bakanlıklar-Ankara,
Phone: 90 312 415 1168/11 94
Serdar Koyutürk, Senior Tax Auditor, Phone: 90-312 434 51 02
Çiğdem Çekçéoğlu, Tax Auditor, Phone: 90-312 434 51 02

6.3. Non Standard aspects

As the project will benefit both institutions and as there is two different sub-components, the following arrangements should be made for project implementation and coordination.

6.3.1 Creation of a Coordination Committee

Given the fact that two different tax units are concerned with the project, it is advisable that a Committee be formed between these two units. In addition, both units will benefit from the Twinning arrangement and it will be necessary to have a coordinated a joint position in relation to the various technical assistance needs that will supplied through the twinning arrangement.

A high level and experienced tax official should chair this Committee. It should include a representative from TAB. It would also be advisable that the IT unit and the Intelligence Unit at the GDR, as well as the IT unit at TAB would send representatives to the Committee.

6.3.2 Creation of a Project Management Unit

The success of the project requires also that the beneficiaries will create a Project Management Unit (PMU) to implement the project. An experienced Turkish Tax official with exposure to international cooperation procedures and mechanisms should be appointed to head the PMU and secure the maximum benefits from the Twinning arrangements.

GDR and TAB should provide for the PMU budget. Office space should also be available for EU experts and consultants that will assist in the project.

6.4 Contracts

There are six tenders foreseen for the implementation of this project activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of Twinning Covenant for the Computerised Audit System</td>
<td>€ 1.61 Million</td>
</tr>
<tr>
<td>Value of TA contract for TCC</td>
<td>€ 0.66 Million</td>
</tr>
</tbody>
</table>
Value of Investment component of the development and implementation of the Computerised Audit System: (EC + cofinancing) € 1.54 Million

Value of Investment component of the Computerised Audit System Hardware (EC + co financing) € 1.36 Million

Value of Investment component for adapting appropriate databases and information systems for the operation purposes of TCC: (EC + co-financing) € 0.39 Million

Value of Investment component of telecommunication, computer equipment for TCC: (EC + co-financing) € 0.61 Million

7. Implementation schedule

<table>
<thead>
<tr>
<th>Component</th>
<th>Start of Tendering</th>
<th>Start of Project Activity</th>
<th>Project Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Twinning for the Computerised Audit System</td>
<td>4Q/04</td>
<td>3Q/05</td>
<td>3Q/07</td>
</tr>
<tr>
<td>TA for TCC</td>
<td>4Q/04</td>
<td>3Q/05</td>
<td>1Q/07</td>
</tr>
<tr>
<td>Service (TA) for the Computerised Audit System</td>
<td>4Q/05</td>
<td>2Q/06</td>
<td>3Q/07</td>
</tr>
<tr>
<td>Service Contract for TCC adapting appropriate databases and information systems of the STI for the operation purposes of TCC</td>
<td>4Q/05</td>
<td>2Q/06</td>
<td>1Q/07</td>
</tr>
<tr>
<td>Supply for Computerised Audit System</td>
<td>3Q/06</td>
<td>1Q/07</td>
<td>2Q/07</td>
</tr>
<tr>
<td>Supply for TCC (telecommunication, computer equipment)</td>
<td>2Q/06</td>
<td>3Q/06</td>
<td>4Q/06</td>
</tr>
</tbody>
</table>

8. Equal opportunity
Equal participation by men and women in the project will be assured. There will be no bias in relation to gender, ethnic origin, religious or political affiliation.

9. Environment

No impact and not relevant

10. Rates of return

Not relevant

11. Investment criteria

The present investment will considerably accelerate the progresses already achieved in the GDR, namely in terms of IT capacity and warehousing of taxpayers’ information on electronic support available to tax auditors. It will have a catalytic effect on a faster and more efficient implementation of the strategic objectives of the MOF in terms of implementing and administering the tax system.

12. Conditionality and sequencing

12.1. Conditionality

a) Creation of the Project Management Unit by the end of August 2004 to carry out the operational functions, assist and monitor the various implementation phases and report to the CC.

b) GDR and TAB budget for 2005 will include necessary appropriations for the domestic financing needed to implement both sub-component

c) In addition the Turkish Tax authorities are committed to securing the appropriate domestic funding for the tax reform drive being actually implemented to continue tax harmonisation, improve tax administration and collection.

12.2. Sequencing

The overall time framework for the project realisation will be as follows:

<table>
<thead>
<tr>
<th>July 2004</th>
<th>Beginning of internal preparation of the project</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 2004</td>
<td>Tendering for Twinning arrangement</td>
</tr>
<tr>
<td></td>
<td>Tendering TA for the TCC</td>
</tr>
<tr>
<td>August 2005</td>
<td>Finalisation of the Twinning arrangement</td>
</tr>
<tr>
<td>December 2005</td>
<td>Tendering TA for the Computerised Audit System</td>
</tr>
<tr>
<td>December 2005</td>
<td>Tendering TA for TCC</td>
</tr>
<tr>
<td>September 2006</td>
<td>Tendering Supply for Computerised Audit System</td>
</tr>
</tbody>
</table>
April 2006 | Tendering Supply for TCC  
July 2007 | Completion of project for Computerised Audit System  
January 2007 | Completion of project for TCC

The detailed timetable is contained in Annex II.

Annexes to Project Fiche

1. Logical framework matrix in standard format  
2. Detailed implementation chart  
3. Indicative List of the IT Modules of the Computerised Audit System  
4. Indicative List of Services and Equipment for Taxpayer Call Centre  
5. Strategic Plan of General Directorate of Revenue  
6. 2004 Action Plan General Directorate of Revenue
## Programme Name and number

**Improve the Tax Revenue Collection Capacity and Efficiency of the General Directorate of Revenue through Implementation of the Computerised Audit System and the Establishment of Taxpayer Call Centre**

**Contracting Period Expires:** 1Q/2007  
**Disbursement Period Expires:** 3Q/2007

**Total Budget:** € 6.175 Mil  
**EC Budget:** € 5.199 Mil.

### Overall Objective

Improve the tax revenue collection capacity and efficiency of the Turkish Tax Administration in order to effectively implement the tax acquis.

### Project Purpose

- Implementation of IT-based, comprehensive intelligence and information system to support the effective use of risk analysis, taxpayer selection as well as computer audit techniques and in so doing to underpin tax compliance.
- Establishment of effective information methods and tools for better taxpayer service and to ensure an equal interpretation of the tax laws throughout the country.

### Objectively Verifiable Indicators

**Budget revenue increased due to improved voluntary tax compliance related to better tax service and tax control systems**

**Source of Verification**
- Regular European Commission order to effectively implement the tax acquis
- Surveys

### Assumptions

- Government approval to the Project.
- Continued Governmental commitment to the Accession objectives.

### Objectively Verifiable Indicators

**Computerised Audit System**

- **Enacted legal texts**
- **Tax control procedures standardised and better audit quality guaranteed**
- **Computerised audit tools used to support a systematic and effective identification of non-compliant taxpayers, well-managed tax control procedures and widespread use of computerised procedures in auditing**
- **Taxpayer Call Centre**
- **TCC established and used as one of the effective tools for taxpayer service and tax information purposes.**

**Source of Verification**
- **Publication of legislation and regulations**
- **Performance reports of the GDR**
- **TCC performance reports**
- **Public opinion & business surveys**
- **Taxpayer Call Centre’s tax officials opinion surveys (about their working environment)**

### Assumptions

- Government’s commitment to maintain hardware and software of newly created databases in the future.

### Objectively Verifiable Indicators

**Computerised Audit System**

- **Turkish legislation reviewed and necessary recommendations documented**
- **Administrative tax control tools (improved administrative structures, modernised risk analysis, taxpayer selection techniques, organisational and methodological standards to carry out computer auditing procedures etc.) documented**
- **50 tax auditors and 35 official trained in using computerised audit system, 12 IT specialists trained in administration and maintenance of the system. An IT-based system in support of fiscal control developed, installed, tested and operational at the required quality and time, as planned**
- **Taxpayer Call Centre**
- **Current administrative structures in the field of taxpayer service reviewed and proposals for the establishment of TCC documented.**
- **Proposals for methodological and information packages submitted and documented.**
- **Staff recruited approx. 130 officials trained in operating the Taxpayer Call Centre’s IT system, 8 tax officials additionally trained in operating performance monitoring system.**
- **Existing databases adjusted, hardware, software, telecommunication and office equipment procured, delivered, installed, tested and operational at the required quality and time.**

**Source of Verification**
- **Project reports.**
- **Equipment delivery, system implementation documents.**
- **Training material, training evaluation reports**
- **Reports drafted by CFCU, EC Delegation in Ankara, RTAs and Project leaders**

### Assumptions

- **Adequate provision from state budget**
- **Trained staff can be retained**

### Objectively Verifiable Indicators

**Computerised Audit System**

- **Review and redrafting of legislation on control of tax compliance and audit administrative tools documented.**
- **Assessment of risk management, development of modern risk analysis and taxpayer selection techniques as well as organisational and methodological standards to carry out computer auditing procedures, elaboration of general audit support tools**
- **Analysis of training needs, provision of training on risk analysis, audit selection, audit planning and documentation by means of the computerised audit system.**
- **Design and implementation of computerised audit system (TCC) established and used as one of the effective tools for taxpayer service and tax information purposes.**

**Source of Verification**
- **Service contracts.**
- **Taxpayer Call Centre**
- **Service contracts.**
- **Supply contract.**

### Assumptions

- **Adequate staff recruited**
- **Skilled staff can be retained**
- **Successful start and smooth implementation of the project**
- **Adequate provision from state budget**

### Objectively Verifiable Indicators

**Computerised Audit System**

- **One Twinning arrangement covering 1 RTA for (21 m/m), and 8 STEs (65 p/m).**
- **1 Service contract.**
- **1 Supply contract.**

**Taxpayer Call Centre**

- **Service contracts.**
- **Supply contract.**

### Assumptions

- **Adequate provision from state budget**

### Activities

**Computerised Audit System**

- Review and redrafting of legislation on control of tax compliance and audit administrative tools.
- Assessment of risk management, development of modern risk analysis and taxpayer selection techniques as well as organisational and methodological standards to carry out computer auditing procedures, elaboration of general audit support tools.
- Analysis of training needs, provision of training on risk analysis, audit selection, audit planning and documentation by means of the computerised audit system.
- Design and implementation of computerised audit system.

**Taxpayer Call Centre**

- Development of proposals for setting up a Taxpayer Call Centre (structure, main functions, etc), its staff qualification requirements and performance monitoring system.
- Development of proposals on the methodological guidelines and information packages for the staff of Taxpayer Call Centre, preparation and publishing the material.
- Preparation and publishing the information material on operations of the established TCC.
- Analysis of training needs, development of training scheme, and provision of training.
- Designing and development of IT systems.
- Assemble, install and test delivered telecommunication, computer equipment.

### Means

**Computerised Audit System**

- **One Twinning arrangement covering 1 RTA for (21 m/m), and 8 STEs (65 p/m).**
- **1 Service contract.**
- **1 Supply contract.**

**Taxpayer Call Centre**

- **Service contracts.**
- **1 Supply contract.**

### Assumptions

- **Adequate staff recruited**
- **Skilled staff can be retained**
- **Successful start and smooth implementation of the project**
- **Adequate provision from state budget**

### Results

**Institution building: Computerised Audit System**

- Computerised Audit System implemented.
- Necessary legal framework allowing tax authorities to conduct a computerised audit developed and administrative tax control tools prepared.
- Training needs analysis carried out and relevant training delivered.

**Institution Building: Taxpayer Call Centre**

- Taxpayer Call Centre established.
- Recommendations on the structural changes within GDR ready.
- Performance model of a Taxpayer Call Centre developed and documented, information material regarding the Taxpayer Call Centre operations elaborated, published and disseminated among the taxpayers.
- Training need analyses carried out and relevant training delivered.

**Investment: Computerised Audit System**

- IT-based audit and risk assessment system developed, installed, tested and fully operational.

**Investment: Taxpayer Call Centre**

- Design and implementation of computerised audit system.
- Databases adjusted to facilitate prompt and qualitative telephone services; computer, telecommunication and office equipment procured, delivered, installed, tested and fully operational.

### Activities

**Computerised Audit System**

- Review and redrafting of legislation on control of tax compliance and audit administrative tools documented.
- Assessment of risk management, development of modern risk analysis and taxpayer selection techniques as well as organisational and methodological standards to carry out computer auditing procedures, elaboration of general audit support tools.
- Analysis of training needs, provision of training on risk analysis, audit selection, audit planning and documentation by means of the computerised audit system.
- Design and implementation of computerised audit system.

**Taxpayer Call Centre**

- Development of proposals for setting up a Taxpayer Call Centre (structure, main functions, etc), its staff qualification requirements and performance monitoring system.
- Development of proposals on the methodological guidelines and information packages for the staff of Taxpayer Call Centre, preparation and publishing the material.
- Preparation and publishing the information material on operations of the established TCC.
- Analysis of training needs, development of training scheme, and provision of training.
- Designing and development of IT systems.
- Assemble, install and test delivered telecommunication, computer equipment.
### Detailed Implementation Chart for the Project Annex 2

*Improve the Tax Revenue Collection Capacity and Efficiency of the General Directorate of Revenue and Tax auditing Board through Implementation of the Computerised Audit System and the Establishment of Taxpayer Call Centre*

<table>
<thead>
<tr>
<th>Year</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Month</td>
<td>7 8 9 10 11 12</td>
<td>1 2 3 4 5 6 7 8 9 10 11 12</td>
<td>1 2 3 4 5 6 7 8 9 10 11 12</td>
<td>1 2 3 4 5 6 7 8 9 10 11 12</td>
</tr>
<tr>
<td>Twinning for Computerised Audit System</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TA for TCC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TA for the Computerised Audit System</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TA for TCC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supply for Computerised Audit System</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supply for TCC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **DESIGN**
- **TENDERING**
- **IMPLEMENTATION**
### Indicative List of the IT system modules of the Computerised Audit System

<table>
<thead>
<tr>
<th>Title/Description</th>
<th>Indicative Phare Budget</th>
<th>Indicative National Co-financing</th>
<th>Total Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Risk Analysis/Selection Module</strong>&lt;br&gt;The purpose of a Risk Analysis/Selection module is to support the tax administration in selecting a subset of the taxation base for further analysis or audit. A Selection system will allow the tax authorities to define criteria for extracting a subset of the taxation base that corresponds to the established policy for selection of taxpayers for audit. The criteria can involve both risk profiling results and other general data for the taxation objects. The system shall be able to retrieve data for a specific taxpayer. It shall be possible to compile a list of taxpayers by applying criteria to the taxpayer data and risk profiles in the database. It shall also be possible to further refine a list of taxpayers by applying further criteria to the taxpayer data and risk profiles for the taxpayers in the list. The result of running the Selection module is a list of taxation objects. The Selection module will take the available (and relevant) data from tax data warehouse system and possibly from other databases along with the result from the screening as the basis for picking taxpayers to a list according to the criteria entered for a particular selection.</td>
<td>€ 680,000</td>
<td>€ 220,000</td>
<td>€ 900,000</td>
</tr>
<tr>
<td>Hardware Component&lt;br&gt;- Unix Server, Disk Array, switch</td>
<td>€ 300,000</td>
<td>€ 100,000</td>
<td>€ 400,000</td>
</tr>
<tr>
<td>Activities:&lt;br&gt;System development, installation, testing and summary of results, technical training for users and administrators of the system and hardware necessary for running the system</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Risk Profiling/Filtering</strong>&lt;br&gt;Risk profiling is a process related to a taxable object, i.e. an individual or a company. The Risk profiling processes all taxpayers in the Risk profiling batch. A single taxpayer is processed at a time. Available data are retrieved from the tax database, and applicable knowledge bases are applied to these data in order to derive observations and Risk-values. The purpose of the risk profiling system is to establish a Risk-value indicating the priority of a taxpayer when selecting taxpayer for audit. The risk profiling system will derive data/observations for a taxation object. Derived data and the Risk-value will state the values for aspects of interest for the selection process to identify taxpayers to audit. The primary result of the risk profiling system will be the risk profile as stated by the Risk-value and the related observations: 1) lists of inconsistencies; 2) lists of indicators. The Risk-values and the observations would be stored in the result database. Risk profiling could be applied to a taxpayer at several points in time – risk profiling of an incoming tax return in search of internal inconsistencies; risk profiling before the assessment of</td>
<td>€ 340,000</td>
<td>€ 110,000</td>
<td>€ 450,000</td>
</tr>
</tbody>
</table>
the taxation object in order to make sure, that those internal inconsistencies, which should be corrected before the assessment, do not exist. Risk profiling with the purpose of deriving data will be used for audits or selection.

**Hardware Component**
- Olap Tools (Desktop Computers), Routers

<table>
<thead>
<tr>
<th>Activities:</th>
<th>System development, installation, testing and summary of results, technical training for users and administrators of the system and hardware necessary for running the system</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| General Audit Support | The purpose of the General Audit Sub-system is to support the Tax Auditing Board in actually carrying out an audit. The system supports both those audits conducted at the offices of the tax administration and those audits conducted at the taxpayers premises (so-called field audits). When a taxpayer has been selected with the support of the selection system, the assigned auditor will be able to electronically request the relevant audit data (the so-called case data) from a workstation connected to the regional local area network (LAN). The case data will then automatically be transferred from the main taxpayer databases to the auditor’s workstation where after the auditor will be able to undertake the audit with the support of the system. |

**Hardware Component**
- Database Server (4 unit), Application server (1 unit), Desktop Computers (290 unit), Network printers (20 unit), Scanner (10 unit), portable scanner printer (50 unit), modem (5 unit), firewall (1 unit), password decoder (4 unit), switch (5 unit), routers (5 unit)

<table>
<thead>
<tr>
<th>The General Audit Support covers the following prime areas:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Access to and overview of downloaded data about the taxpayer</td>
</tr>
<tr>
<td>2. Simple and complex analysis tools for the taxpayer data</td>
</tr>
<tr>
<td>3. Planning, quality assurance and structurisation tools (audit planning and documentation tools)</td>
</tr>
<tr>
<td>4. Access to law texts and integration with office automation tools</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Activities:</th>
<th>System development, installation, testing and summary of results, technical training for users and administrators of the system and hardware s</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TOTAL</th>
<th>€ 2,417,900</th>
<th>€ 830,100</th>
<th>€ 3,248,000</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th></th>
<th>€ 139,000</th>
<th>€ 43,100</th>
<th>€ 182,100</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th></th>
<th>€ 140,800</th>
<th>€ 50,000</th>
<th>€ 190,800</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th></th>
<th>€ 580,100</th>
<th>€ 197,000</th>
<th>€ 777,100</th>
</tr>
</thead>
</table>
## Indicative list of services and equipment for Taxpayer Call Centre

<table>
<thead>
<tr>
<th>Technical Assistance Component</th>
<th>Indicative EC Budget</th>
<th>Indicative National Co-financing</th>
<th>Total Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software development (data collection, grouping, search system, established and maintained links with other data bases) development, installation, testing and summary of results, and technical training for users and administrators of the system</td>
<td>€ 290,000</td>
<td>€100,000</td>
<td>€ 390,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Supplies Component</th>
<th>Indicative EC Budget</th>
<th>Indicative National Co-financing</th>
<th>Total Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephone equipment (telephone ports, ear–phones, telephone lines, network equipment, internet connection)</td>
<td>€ 85,000</td>
<td>€ 25,000</td>
<td>€ 110,000</td>
</tr>
<tr>
<td>Automatic call distribution system, conversation recording equipment, calls statistic and monitoring equipment, etc.</td>
<td>€ 110,000</td>
<td>€ 40,000</td>
<td>€ 150,000</td>
</tr>
<tr>
<td>Industry standard PC hardware, DB servers, software</td>
<td>€ 250,000</td>
<td>€ 80,000</td>
<td>€ 330,000</td>
</tr>
<tr>
<td>50 cabins</td>
<td>€ 20,000</td>
<td>€ 5,000</td>
<td>€ 25,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>€ 755,000</td>
<td>€ 250,000</td>
<td>€ 1,005,000</td>
</tr>
</tbody>
</table>