SCREENING CHAPTER 16
TAXATION

COMPUTERISATION

Country Session: The Republic of TURKEY
11-12 July 2006

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DATA WAREHOUSE (VERIA)

VERIA

- The system processing of the collected data from operational units, public institutions and external resources to cope with unregistered economy and tax evasion.

- Turkish Revenue Administration (TRA) started the project of VERIA with VEDOP-2 in 2004.

- Need for software programs to analyse data for auditing purposes.

- TRA is working on developing special programs to analyse data.

AIMS OF VERIA

- Generating a strong and effective management structure by using tecnological infrastructure and audit system,

- Identifying unregistered taxpayers and transactions,

- Controlling and classification of declarations,

- Cross-checking of taxpayers notifications,

- Determining profile of taxpayers and their tendency,

- Calculation of sectoral averages,

- Producing statistical information and reports for auditing and management.
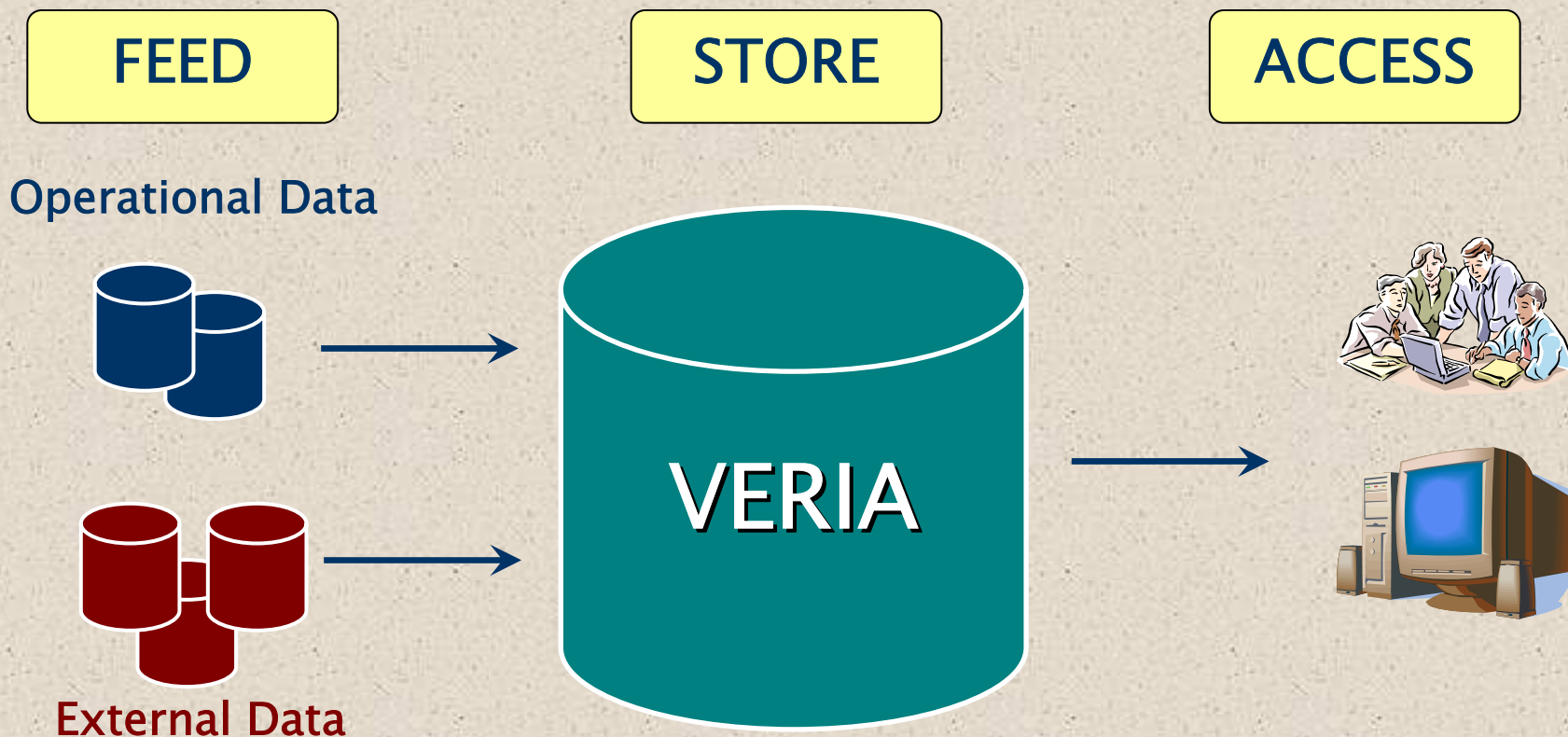
SYSTEM COMPONENTS

Equipment:

- Sybase IQ data storage machine
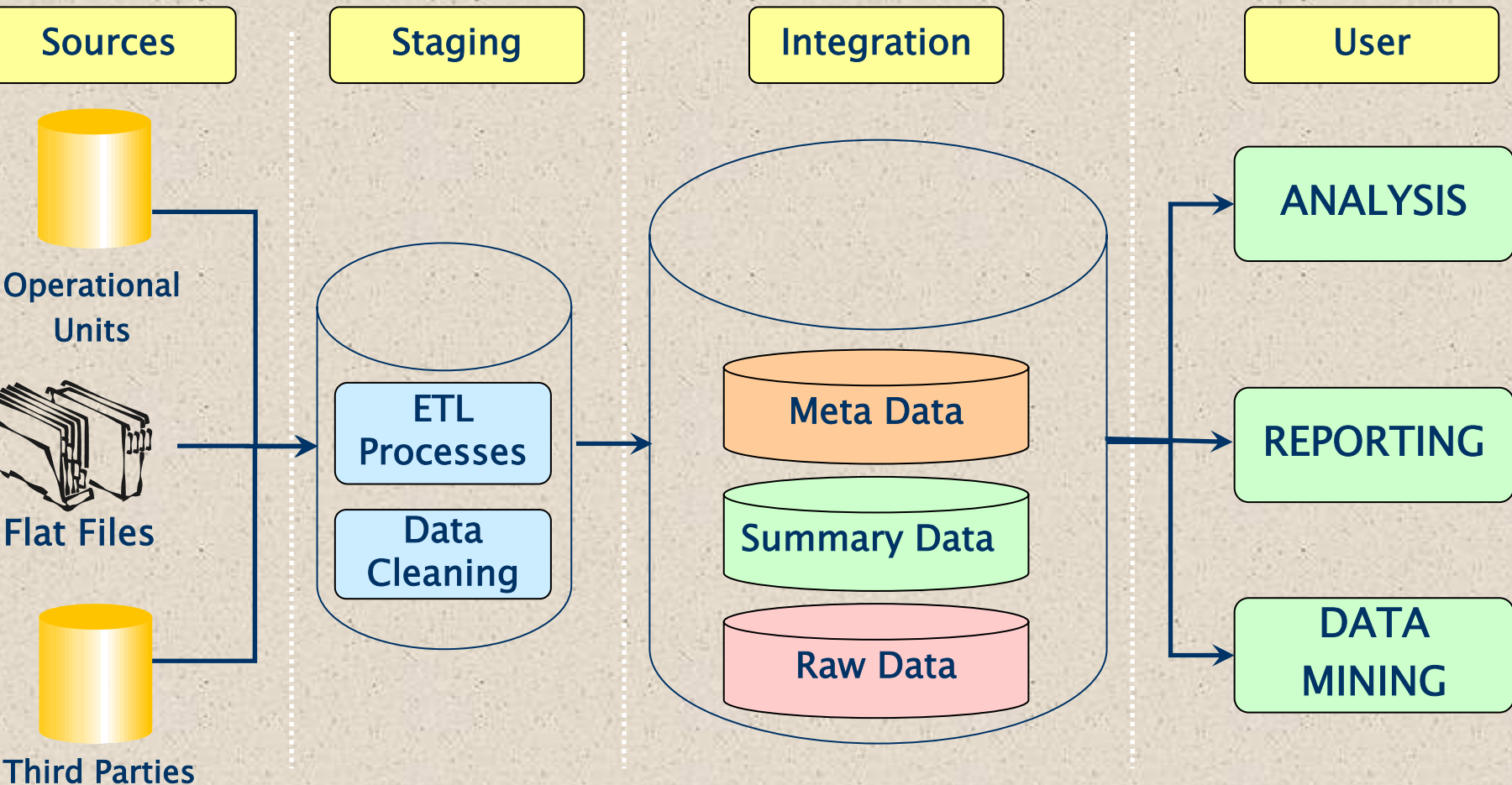- Staging machine

Software:

- Datawarehouse Software (Sybase IQ)
- ETL Software (Business Objects Data Integrator)
- Data Modelling Instrument (Sybase Power Designer)
- Datawarehouse Reporting and Analysis Instuments (Business Objects, Web Intelligence)

DATA WAREHOUSE STRUCTURE

FEED

STORE

ACCESS

Operational Data

VERIA

External Data

DATA WAREHOUSE ARCHITECTURE

Sources

Staging

Integration

User

Operational Units

Flat Files

Third Parties

ETL Processes

Data Cleaning

Meta Data

Summary Data

Raw Data

ANALYSIS

REPORTING

DATA MINING

Data From Operational System (VEDOP)

Declarations

- Income Tax

- Corporation Tax

- Value Added Tax

- Witholding Tax

- Excise Duty

Other

- Central Taxpayer Registry Data

- Assessment and Collection of Revenues

- Vehicle Registry

- Information on Shareholders of Corporation and Members of Board of Directors.

DATA RECEIVED FROM PUBLIC INSTITUTIONS

Land Registry Administration	**Taxpayers purchasing and selling properties**
State Supply Office	**Taxpayers selling goods and services to State Supply Office**
Undersecretariat for Customs	**Data in customs declarations**

DATA RECEIVED FROM BANKS and FINANCIAL INSTITUTIONS

- Data on sales via POS and imprint machines and credit cards,
- Purchase / sale of all type of bills, bonds and other securities,
- Gold purchase / sale transactions,
- Repo / backward repo transactions,
- Forward transactions and option contracts.

DATA TRANSFER METHOD and PERIOD

Transfer Method

- Data is transfered through internet or by means of electronic media instruments (CD or DVD).

- The system established to receive data through internet is called BTRANS. Small size information is mostly transfered via BTRANS.

- Big size information is transfered on DVDs.

Transfer Frequencies

- Daily, Monthly, Quarterly, Annually.

Notifications (Form Ba and Form Bs)

Taxpayers keeping their books on double entry method have to submit Form Ba and Form Bs for purchases and sales of the previous year.

Form Ba	Purchases over 30.000 NTL (≈ 18.180 €) from one taxpayer in previous year.
Form Bs	Sales over 30.000 NTL (≈ 18.180 €) to one taxpayer in previous year.

Comparison of Form Ba & Bs

- Purchase and sale amounts of taxpayers are cross checked.

- In case of inconsistency, related data is controlled.

- After all controls, taxpayers declaring inconsistent amounts of sale and purchase become subject to auditing.

FUTURE PLANS

- Incorporating new information sources to the system.

- Integration with the other databases.

- Generating new and effective analysis.

- Using all functions of e-Government to achieve fast data communication.
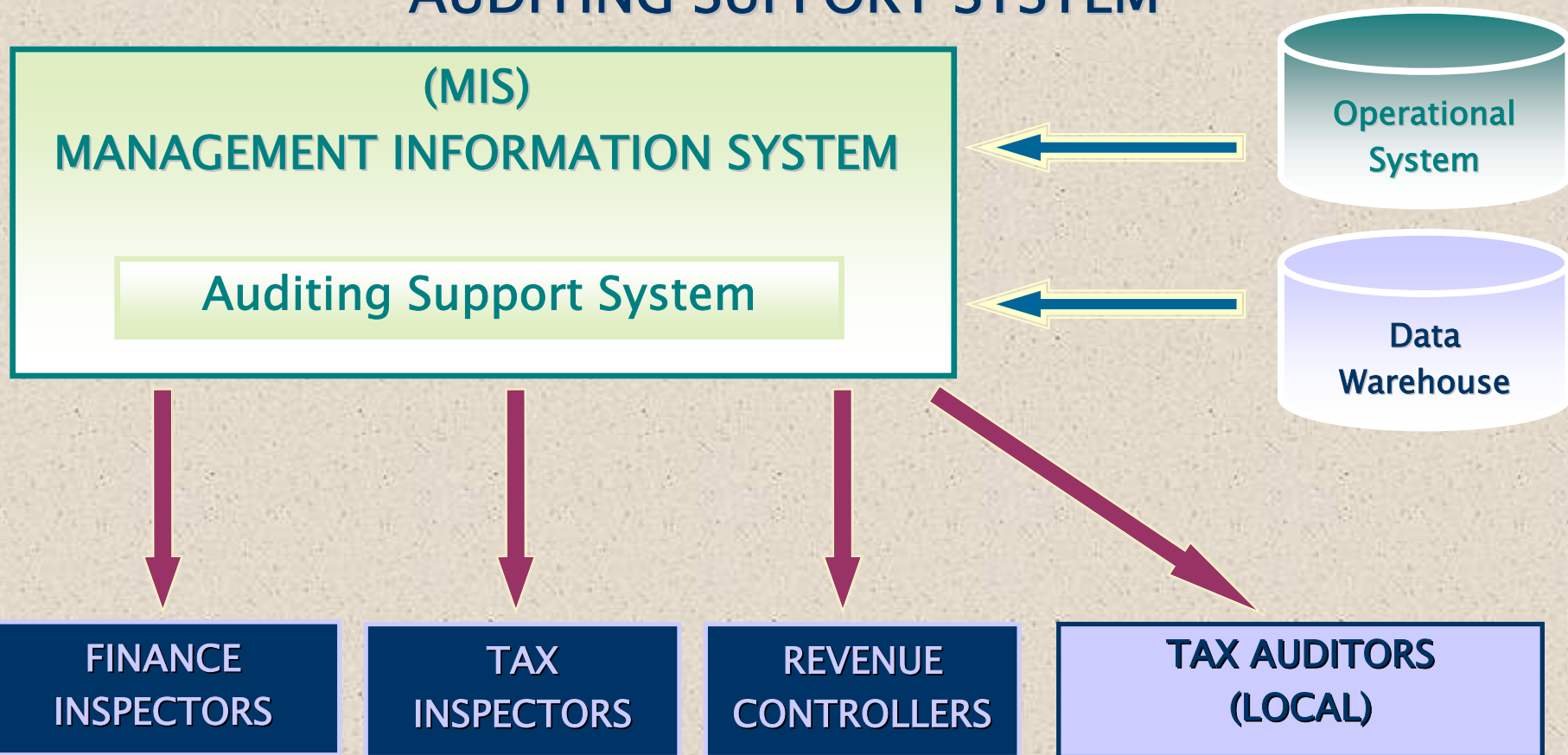
AUDITING SUPPORT SYSTEM

Auditing Support System is a part of the Management Information System (MIS).

Auditing Units have on-line connection to IT Centre.

Auditors have access to all information about taxpayers via Auditing Support System.

- Taxpayer Registry Data,
- Shareholders of corporations,
- Declarations,
- Notifications,
- Collections,
- Tax refunds.

AUDITING SUPPORT SYSTEM

(MIS)
MANAGEMENT INFORMATION SYSTEM

Auditing Support System

Operational System

Data Warehouse

| FINANCE INSPECTORS | TAX INSPECTORS | REVENUE CONTROLLERS | TAX AUDITORS (LOCAL) |

ALL AUDITING UNITS HAVE SEPARATE AUTOMATION SYSTEMS

TAX AUDITORS AUTOMATION SYSTEM (VEDOS)

AUTOMATION OF TAX AUDITORS OFFICES (VEDOS)

VEDOS, the automation system of Tax Auditors' Offices, covers;

- Assignment of tasks,

- Preparation of business documents and reports,

- All documents of Report Control Commissions (ROK),

- All documents of Conciliation Commission,

- Electronic filing of all documents and reports.

FACILITIES PROVIDED BY VEDOS

- preparing effective auditing plans,

- ensuring integrity between Tax Auditors Office and tax auditors,

- enhancing data sharing in system,

- enhancing monitoring and evaluation of performance of tax auditors,

- providing quick access to tax auditing results,

- ensuring access to and collection of information from VEDOP and other systems.

STANDARDISATION OF
THE OFFICE & AUDITING PROCEDURES

- Standardisation of filing procedure and official documents,

- Creation of files on taxpayer basis,

- Standardisation of works of tax auditors,

- Standardisation of all kinds of auditing correspondances and reports,

- Standardisation of the production of statistics,

- Facilitation of the evaluation of the reports and correction of the mistakes.

INFORMATION SHARING IN THE SYSTEM

Auditors have access to:

- all existing information about taxpayers through VEDOP,

- all previous reports about taxpayers,

- previous sector reports (model reports), with the approval of ROK,

- legislation and regulations,

- internet.

DECISION SUPPORT SYSTEM FOR MANAGERS

- Background search about taxpayers can be made.

- Auditing results based on sector and tax type can be obtained.

- Workloads, current tasks and number of files of each tax auditor can be monitored by the office, when required.

- Work of ROK can be monitored.

- Tasks and reports with lapse of time can be monitored.

- Statistics of tax auditors and tax offices can be obtained.

DIGITAL RECORD KEEPING SYSTEM

&

E–INVOICE

(EMKAS)

Digital Record Keeping System includes:

- Preparation,

- Transferring to authorised government offices,

- Controlling,

  of accounting entries in electronic environment, by using information technology.

  How Did We Start?

  Big companies (especially mobile phone and electricity companies) demanded not to issue second copie of invoice, but to keep them in electronic environment.

CRITERIA OF DIGITAL RECORD KEEPING

- Intensive coordination and cooperation among public organizations,

- Existence of required system in public organizations and companies,

   - computer hardware and software requirements,

- Existence of required implementation capacity of taxpayers,

   - satisfactory level of qualified human resource and technological capacity,

- Developing security procedures,

   - providing security procedures that will preserve undeniable and unchangeable nature of the electronic records.

Studies up to date

- Standarts of all books and documents in the framework of Tax Procedure Law have been determined,

- XML has been decided as data transfer format,

- XML Scheme Definitions (XSD) for all documents have been generated,

- Procedures of system have been determined,

- Security policies of digital record keeping have been determined.

FUTURE PLAN FOR EMKAS

Beginning (2006)

Taxpayers preparing large amount of documents will be involved in the system (*realised*).

Developing (2008)

Taxpayers having tax credit over specified amount will be obliged to prepare electronic accounting entries.

Extension (2010)

Taxpayers meeting necessary criteria will be allowed to keep digital records.
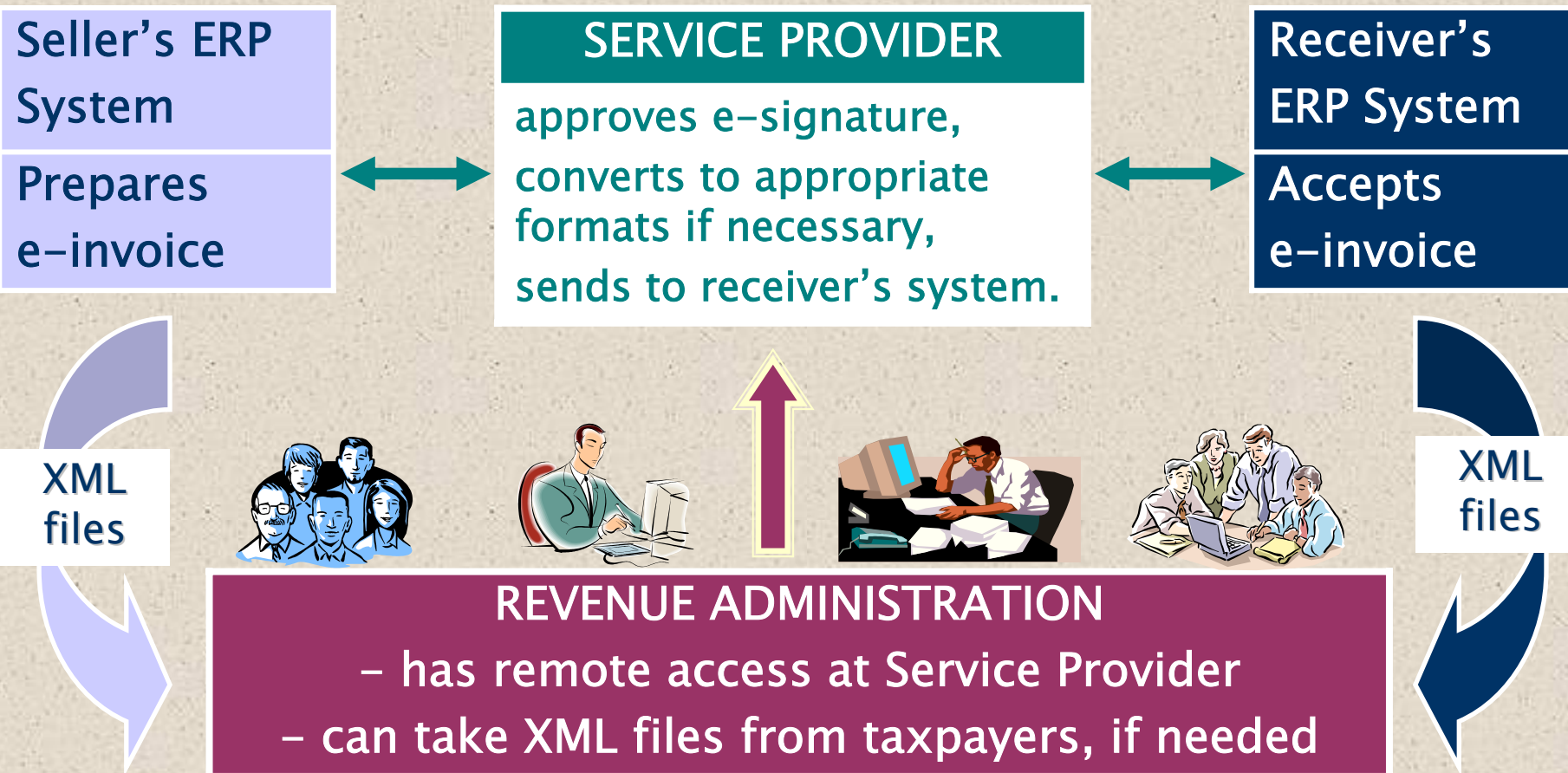
ELECTRONIC INVOICING

"main goal in the short term"

EU & E- INVOICING

Directive 77/388/EEC, Value Added Tax
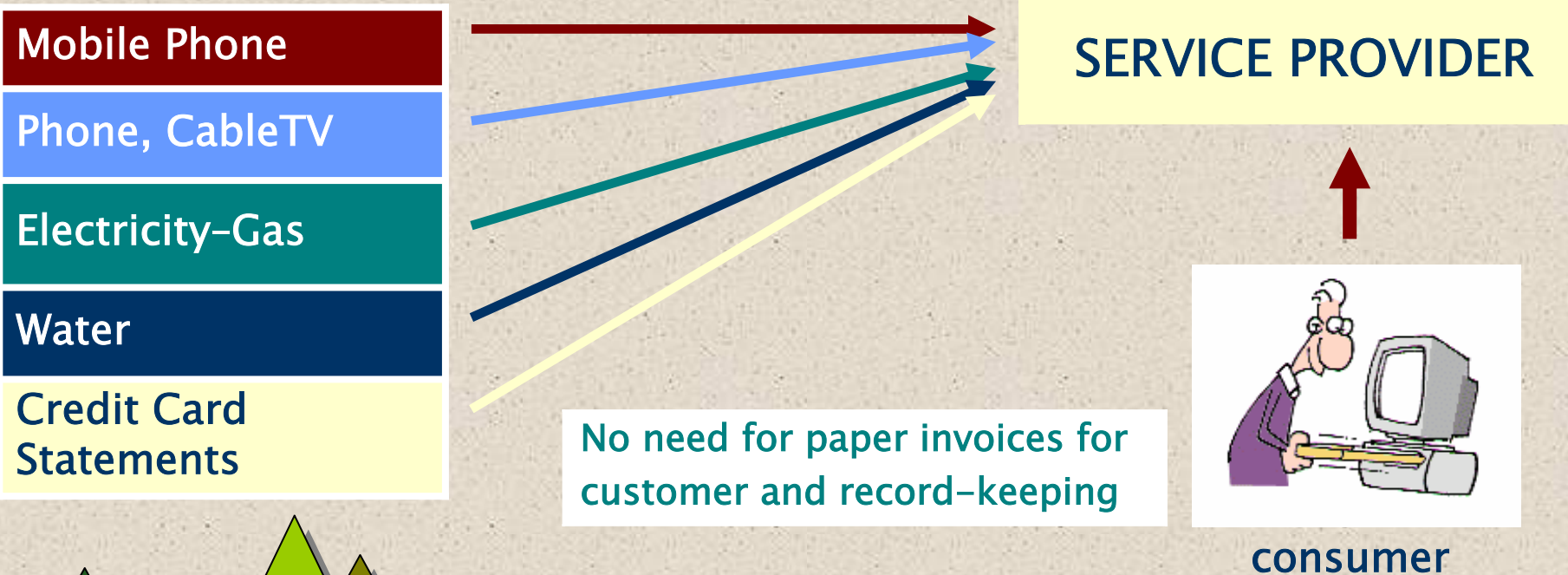
Directive 2001/115/EC, Use of E-invoicing

Directive 1999/93/EC, Advanced Electronic Signature

B2B SOLUTION

Seller's ERP System

Prepares e-invoice

⟷

SERVICE PROVIDER

approves e–signature, converts to appropriate formats if necessary, sends to receiver's system.

⟷

Receiver's ERP System

Accepts e–invoice

XML files

XML files

REVENUE ADMINISTRATION
– has remote access at Service Provider
– can take XML files from taxpayers, if needed

B2C SOLUTION

Mobile Phone
Phone, CableTV
Electricity–Gas
Water
Credit Card Statements

SERVICE PROVIDER

No need for paper invoices for customer and record-keeping

consumer

Consumers can access their invoices by using their personal and unique accounts

THANKS...