



Ministerio
**de Economía
y Finanzas**

DGI | DIRECCIÓN
GENERAL
IMPOSITIVA

Experience of the Tax Administration of Uruguay in the provision of digital tax services in the framework of Business Continuity in response to COVID-19

July 30th 2020



BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

Agenda

1. Pre Covid-19 context
2. Covid-19 Appearance in Uruguay and measures
3. DGI's Business Continuity Solution
4. Business Continuity – Four axis strategy
5. Strategy implementation
6. Summary



BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT



1. Pre Covid-19 context

March

1

- New President and government officials took office
- Government promotes a policy of restriction of expenses and investments for all public offices
- New authorities appointed for the tax administration
- Most compliance procedures can be completed or started online
- Solid IT infrastructure
- Available Business Continuity Solution approved in 2018
- E-Invoice solution that comprises more than 82% of commercial activity
- Main production processes are robotized
- Experimental Chatbot and AI processes for some services



BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

2. Covid-19 appearance in Uruguay

March

13

to

March
26

Government initial measures:

- Health emergency state declared (13)
- Border closure and quarantine for passengers from risk countries (16)
- Suspension of all school classes and public shows (16)
- Voluntary quarantine advisory to prevent virus spread (18)
- Ban on entry of non citizens and exit of citizens/residents (25)
- Exhortation to implement telework, shift systems and eventually closure of public offices
- Mandatory 15% budget reduction for all Public Offices



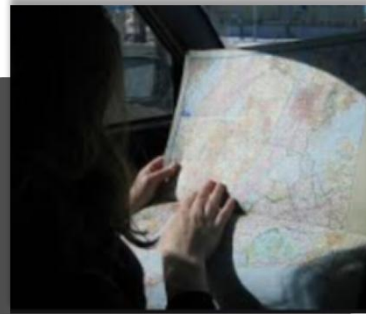
BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

3. DGI's Business Continuity Solution

March

16

DGI has a **Business Continuity Solution** that allows it to guarantee the recovery of the critical operations associated with the **Voluntary Collection** process, in case of registering any type of contingency that affects it, and managing an eventual crisis



Plans



People



Infrastructure & Resources

Business Continuity Policy

Activation Procedure

Governance Structure

Criteria and guidelines for preparing BIAs



4. Business Continuity, 4 axis strategy

March

16

to

July

Contingency

Any situation that results in the interruption of any of the critical processes of the organization, which cannot be solved within the established tolerance window, applying the usual response procedures.



BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

5.1 Adapted BCP



- Amendments to existing plan considering the different nature of pandemics compared to one-off events
- Quick and clear decisions were taken including changes in original priorities with special focus on low cost solutions
- Remote working for BCP core functions including call-routing in call center and server and systems maintenance
- Security adaption to handle a distributed workforce
- Staff redeployment and training for carrying out a new functions
- Laptops redeployment to staff working in BCP functions and use of VPNs in home PCs
- Deploy of a videoconferencing solution to suport meetings and training (Cisco Webex)



5.2 Communication & Assistance



- Easy navigation to new services information on our website
- Expansion of online services, mailboxes and back office systems to receive and process requests
- Open offices with limited face-to-face attention hours
- Expansion of online services, mailboxes and back office systems to receive and process requests
- Call center longer opening hours including work from home option
- New channels developed for personal income tax campaign, including authentication mechanisms



BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT



5.3 Compliance Flexibility



- Extension of deadlines for the payment of taxes and submission of affidavits for SMEs
- Deferral of payments for small taxpayers under minimum VAT regime (six equal, consecutive, interest-free installments)
- Priority to tax refunds process
- Additional flexibility in debt financing plans
- Suspension of debt recovery procedures
- Suspension of any new audits, request to finish audits in progress
- Other control actions focused in improving the quality of information, updating and correcting the registry

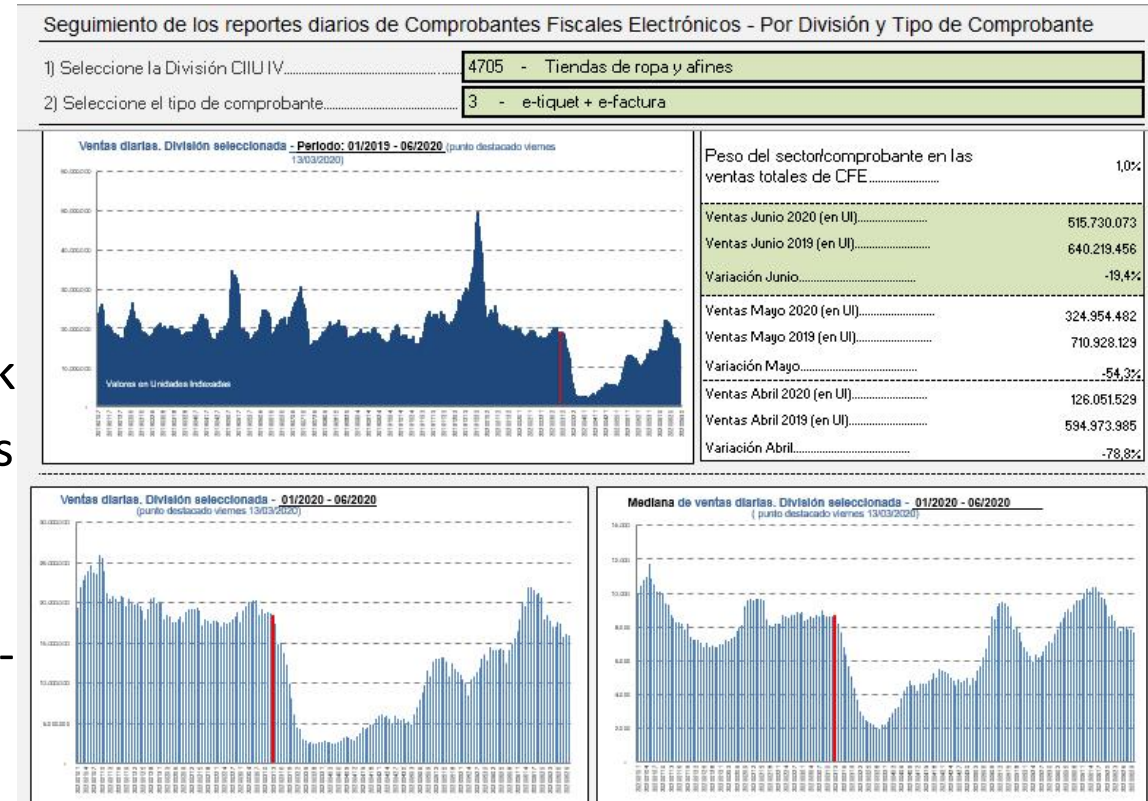


BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

5.4 Revenue Monitoring



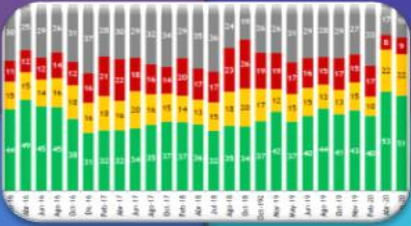
- Different instruments were developed to monitor compliance and payment risks.
- E-Invoice data monitor allows tracking of global economic activity
- New indicator to follow the behavior of unemployment insurance and loss of work
- Increase in frequency and number of tools used to monitor the economic activity
- Revenue projections were adjusted, preparing a new preventive plan using e-Invoice



BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

6. Summary

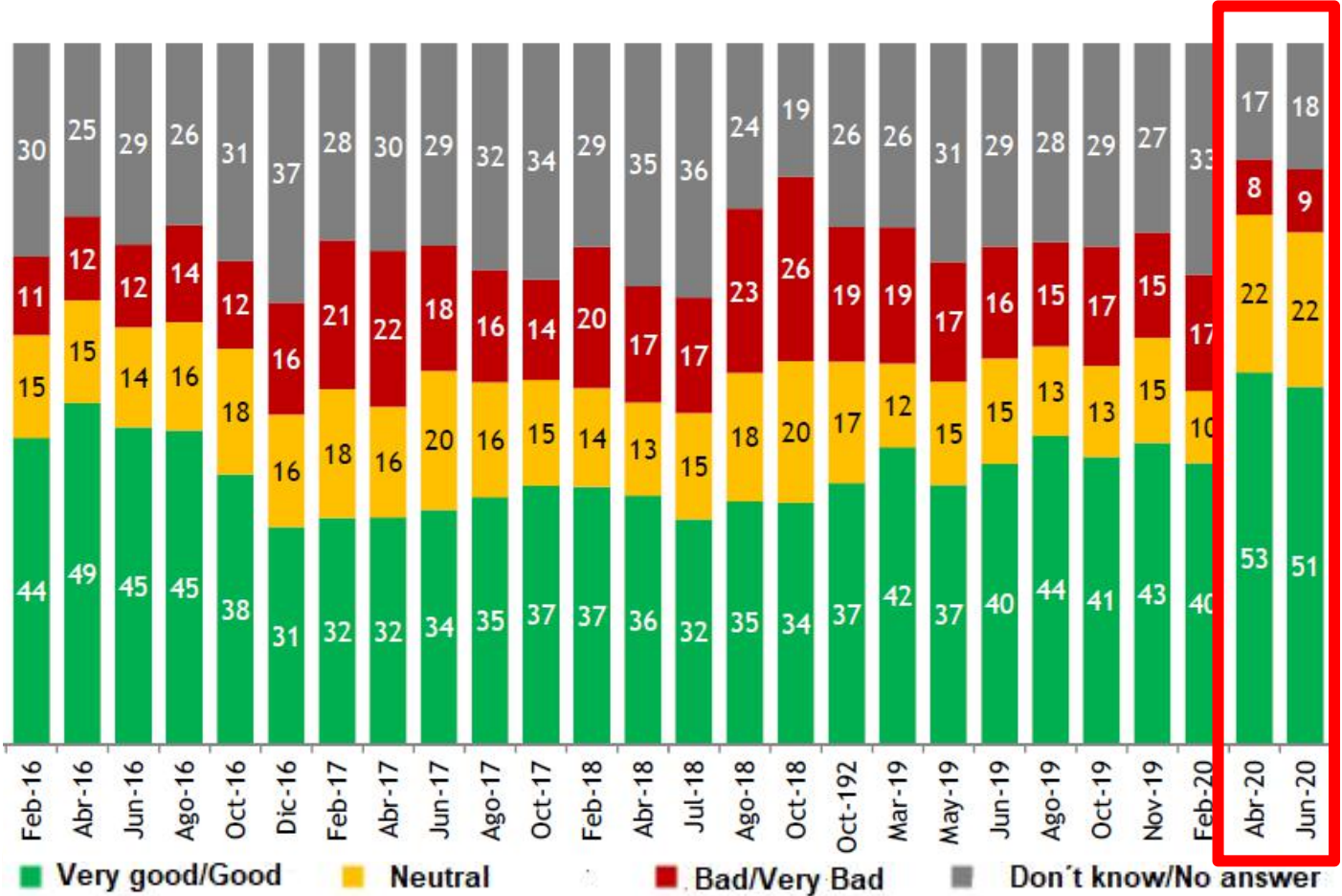
<p>BCP</p> <ul style="list-style-type: none"> Working in business continuity is mandatory, not optional Become resilient organizations Return to normality, adopting changes 	<p>Communication & Assistance</p> <ul style="list-style-type: none"> +54% calls answered in Call Center 50% of taxpayers use email channel +38% online Income tax affidavits (*) +33% Money returned (*) 										
<p>Compliance</p> <ul style="list-style-type: none"> Focus on flexibility and protection on small & medium business Fewer or no benefits for large corporations or public enterprises 	<p>Revenue 2020 vs 2019</p> <table border="1"> <tr><td>March</td><td>+4.2%</td></tr> <tr><td>April</td><td>-11.5%</td></tr> <tr><td>May</td><td>-19.6%</td></tr> <tr><td>June</td><td>-8.0%</td></tr> <tr><td>July (est)</td><td>-8.0%</td></tr> </table>	March	+4.2%	April	-11.5%	May	-19.6%	June	-8.0%	July (est)	-8.0%
March	+4.2%										
April	-11.5%										
May	-19.6%										
June	-8.0%										
July (est)	-8.0%										



(*) 40 days of Income Tax campaign



Public opinion survey of DGI's Service



BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

Thank you very much



BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT