



TAX COMMITTEE UNDER THE GOVERNMENT OF
THE REPUBLIC OF TAJIKISTAN

DIGITAL DEVELOPMENT OF THE TAX SERVICES IN THE REPUBLIC OF TAJIKISTAN

Dushanbe 2024

DIGITAL TECHNOLOGIES IN TAX ADMINISTRATION

Grant Project No. D835-TJ “Operation Tax Reform”

Assistance to the practical implementation of the program for the development of tax administration for 2020-2025, adopted on December 30, 2019 by the resolution of the Government of the Republic of Tajikistan.

Project Targets:



- Improving the quality of tax services
- Simplification of the tax system
- Improving voluntary compliance with tax laws
- Project start: 2021
- Completion: 2026



The principle of customer centricity:

Improving efficiency through sustainability principles, customer focus and digitalization

TAX REFORM OPERATION



50mil.\$

Financed for implementation by the World Bank, implementation started from 2022.

Project Accomplishments:

- Digital online business environment provides:
More than 40 tax services, more than 50 service modules.

IT: Tracking of transactions and relationships (Online KCP, IT VAT accounting).

- Digital standardization of taxpayer service:
In accordance with Art. 167 of the Tax Code of the RT.
- Unified Digital Infrastructure (API): integration with banks and provision of state control, customs guarantees.
- Settlement Automation and Communications: Mode Automating the Settlement of Liabilities and Reporting.
- Development of relational capital with the taxpayer:
Horizontal tax monitoring.





AMOUNTS OF TAX ACCOUNTING AND ADMINISTRATION

Growth Factors:

THE GROWTH OF BUSINESS ACTIVITY AND STARTUPS:



- Increase in transactions and document turnover
- Growth of international settlements
- Share of non-cash payments



- E-commerce
- Growth of international business
- Growth of foreign trade transactions
- Digitalization of business and households

Average growth of economically active population: **-2,8%** per year



DIGITALIZATION OF TAX ADMINISTRATION

43

TAX SERVICES:

- Fiscal transparency
- Speed of interaction
- Data security
- Analytics and information
- Electronic document management

DIGITALIZATION TECHNOLOGIES:

- Cloud data
- Open Interfaces (APIs)
- Electronic payments
- Neural Networks and AI

AUTOMATIZATION:

- Collection and registration of data
- Accounting of taxpayers and their information profile
- IT-technologies of tracing Information flows and goods
- Electronic document circulation
- IT-infrastructure information flows, electronic reporting, analytics
- IT dialog with taxpayer
- Digital ecosystem of two-way communication with the taxpayer

TAX SERVICES ON THE PLATFORM OF THE TAX COMMITTEE

Quality and satisfaction with tax services is assessed by in online mode according to the standards of the Tax Code of the Republic of Tajikistan

IT profile of the taxpayer:

Personal cabinet, e-FF, unified state register, electronic certificates.

Transaction Tracking: Business connections and communications

Electronic document management:

- New generation online KCP
- online warehouse
- VAT accounting automation

Automation of calculations and reporting:

Calculation of certain types of taxes:
Transportation, real estate, agricultural tax.
Electronic filing of statements:
Payment of taxes through the ES system

IT dialog with the taxpayer.

Online counselor, electronic library, electronic filing of complaints and appeals, applications for benefits, public information on defaulters.

E-COMMERCE AS AN OBJECT OF THE TAX ADMINISTRATION

32

foreign organizations registered with the Tax Code of the Republic of Tajikistan.

Personal cabinet for foreign taxpayer:
Online registration, submitting reports, sending letters.

4

types of taxes:

automating the calculation of amounts and filling out declarations, for 2022 - increase of collected taxes by more than 2 times

Perspectives:

- Further integration of the digital environment of electronic transactions and tax administration.
- Development of services for taxpayers.
- Development of digital information services and communication with participants of international supply chains with the participation of Republic of Tajikistan.

More than

581

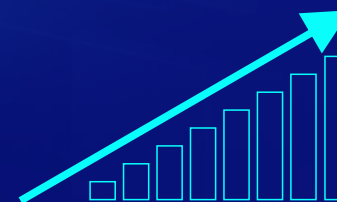
thousands of personal accounts for filing reports:

38% individuals.

97.0% legal entities.

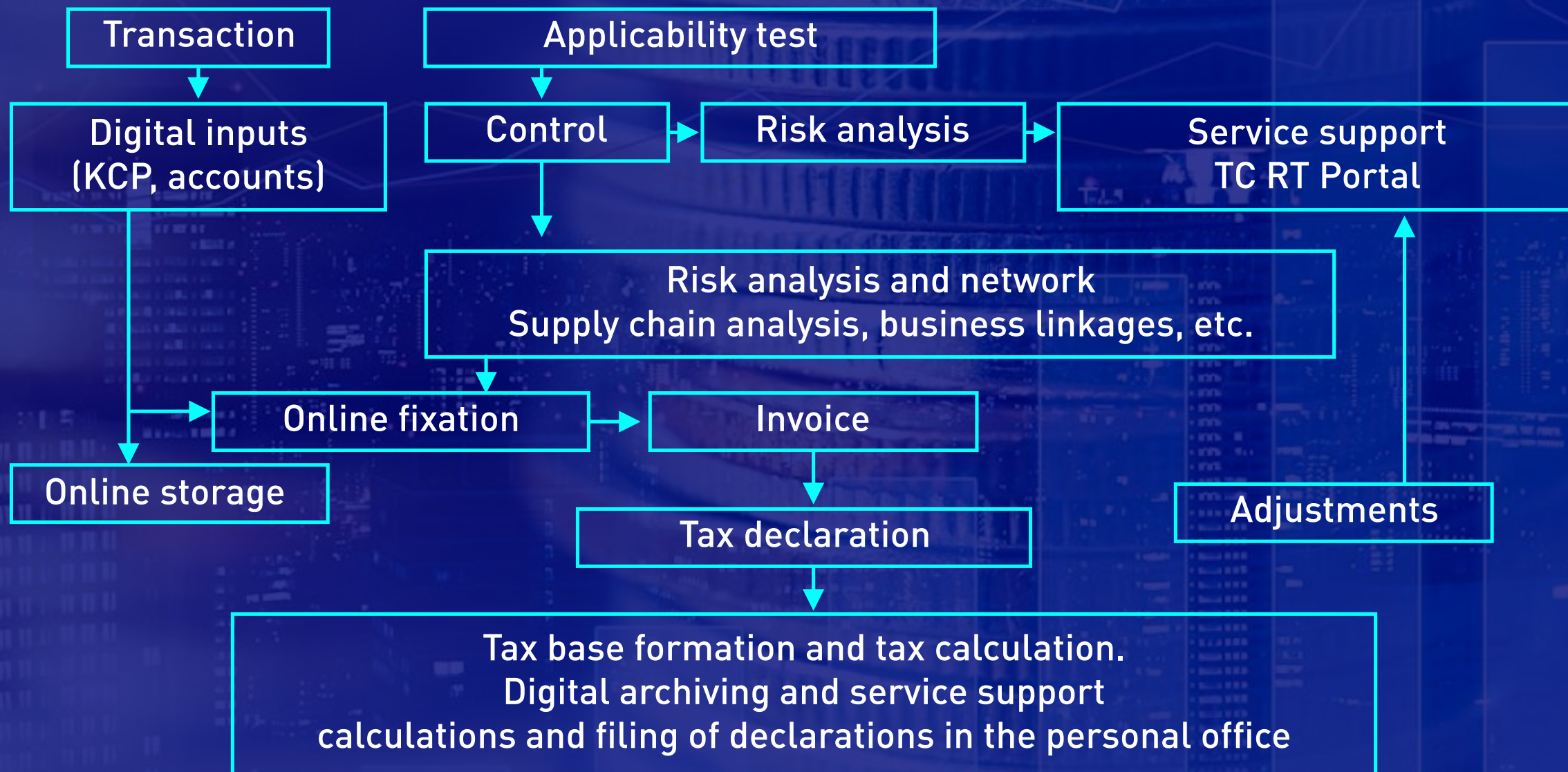
82% individual

entrepreneurs.



TRANSACTION TRACING TECHNOLOGY

Automation of VAT administration



OPTIMIZATION OF THE TAX ADMINISTRATION

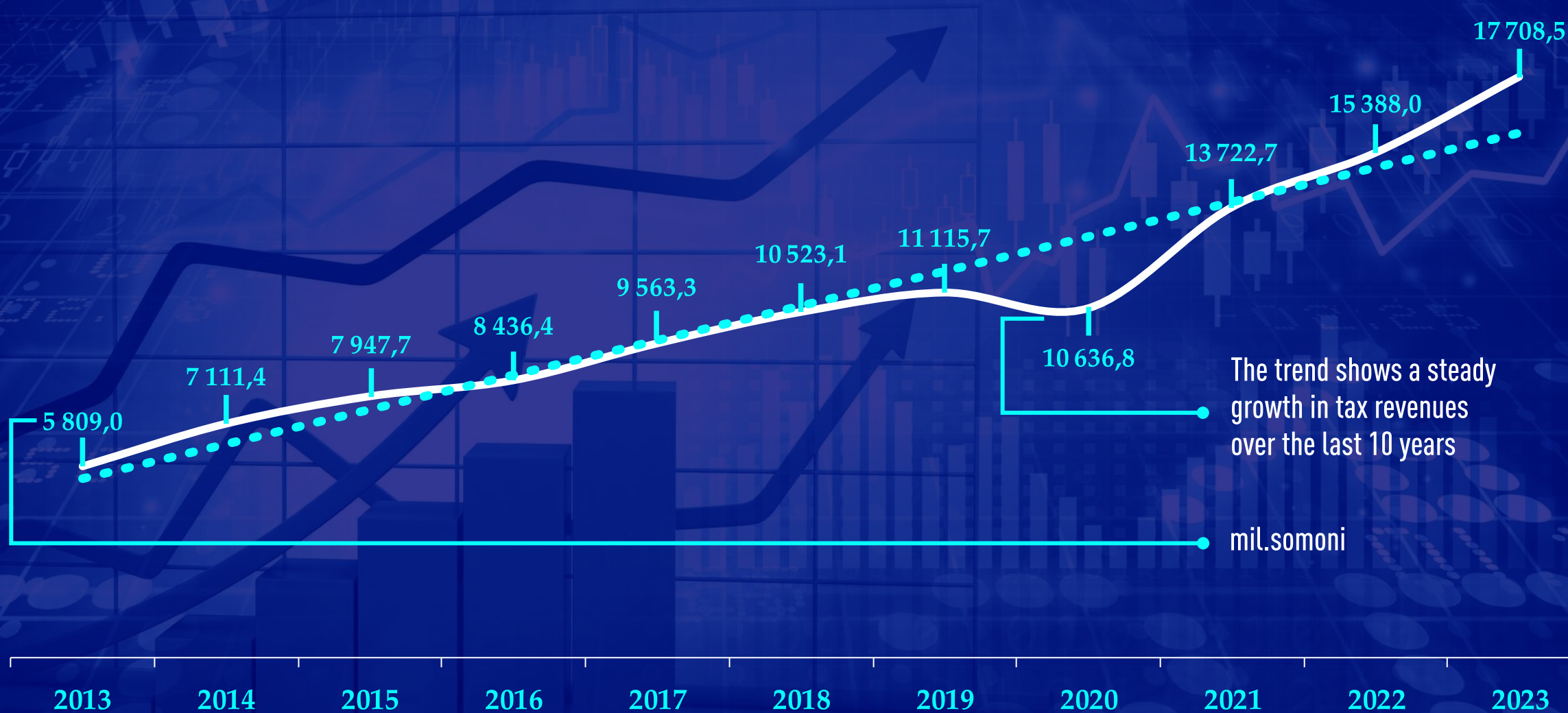
Improving the efficiency of tax administration of the Republic of Tajikistan:

- Reduction in the total number of tax audits
- Reducing the maximum time interaction of the taxpayer after filing a return (50 days)
- Reduction of field tax audits
- Reducing the tax gap
- Growth of pre-trial settlement of tax disputes
- Reduction of transaction costs administration and control along the chain "taxpayer - tax committee - stakeholders"



Indicators of tax collection - finance Tax revenues in the budget of the Republic of Tajikistan - stable - growth dynamics

DYNAMICS OF TAX REVENUES OF THE REPUBLIC OF TAJIKISTAN



STAGES OF TAX ADMINISTRATION REFORM OF THE TAX ADMINISTRATION



EVOLUTION OF CONCEPTS

Analog services

Step 1

- Low level of IT technologies
- Tax audit as the main tool
- Administrative coercion as interaction and communication

Step 2

- Increased use of IT technologies
- Horizontal tax monitoring
- Risk-oriented approach in conducting audits

Step 3

- Formation of the principle of “tax service”
- Tax counseling and information exchange
- Orientation on voluntary fulfillment of obligations

Step 4

- Integration and “blurring” of the boundaries of tax services with associated business infrastructure and administration services
- Transaction in the digital environment

EVOLUTION OF CONCEPTS

Analog services

Traditional tax control:

Tax monitoring. Tax administration based on on “horizontal” interaction.
Expansion of information interaction and feedback with the taxpayer.

Tax Service:

The result of ideological and digital transformation.
Expansion of functionality and integration of functions.

EVOLUTION OF DIGITAL TAX SERVICES

Control function of the tax administration:

- | Tax control
- | Tax service
- | Expansion and humanization of interaction with the taxpayer

Digitalization of tax services:

- | Creating a system of tax services
- | Tax service
- | Digitalization of transactions and formation of electronic business interaction services

Integrated superservices - a development perspective:

- | Integration of tax administration services with methodological and IT support for digital transactions





DIGITALIZATION OF THE CIVIL LAW TRANSACTION

Digitalization of civil law transactions and tax administration as a basis for a unified digital geo-economic space.

THE DIGITALIZATION OF THE CIVIL LAW TRANSACTION:

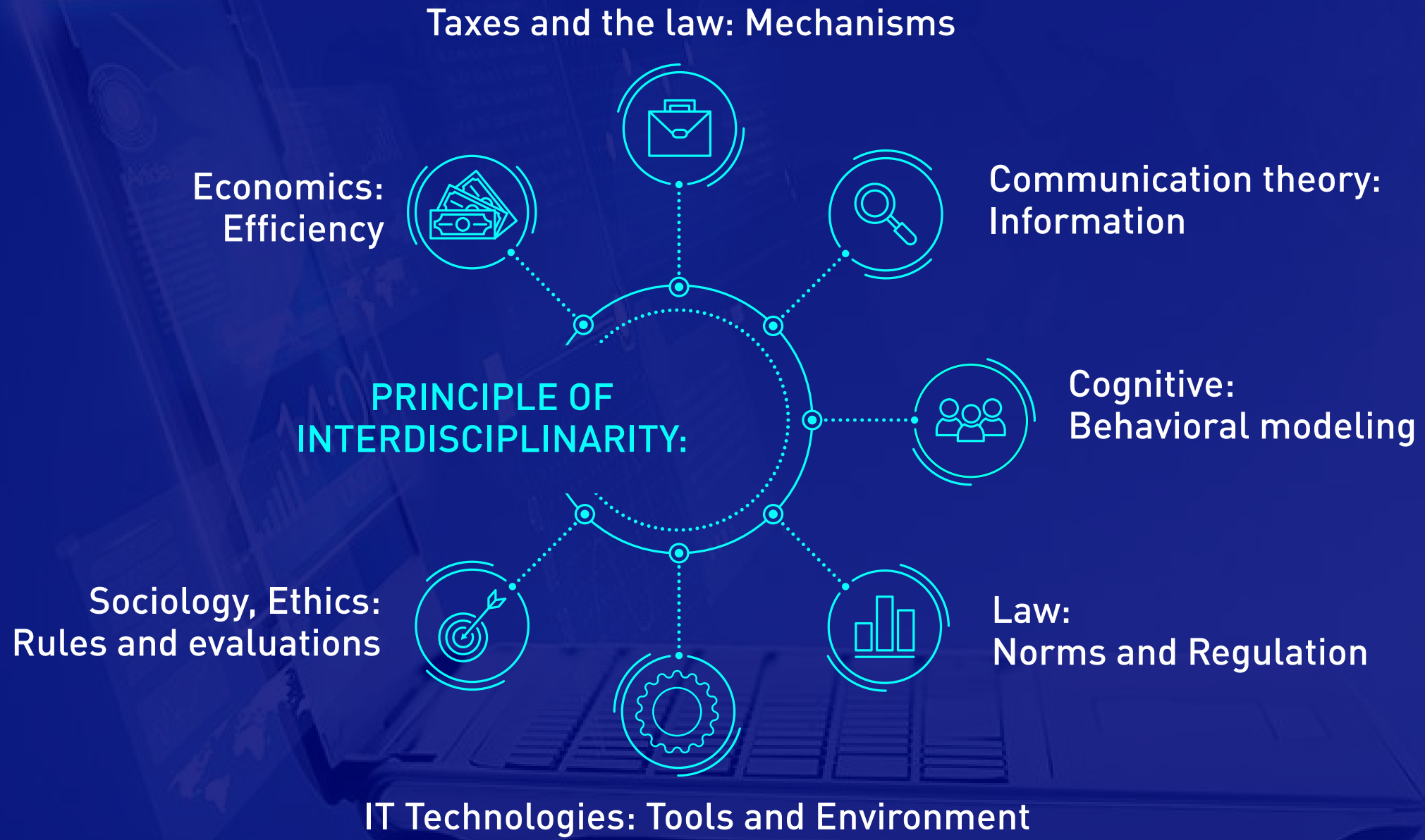
- Unified digital innovation environment
- Unified digital environment of technologies and resources
- Digital landscape of economic culture
- A single digital environment for trade
- Unified digital investment environment

DIGITALIZATION OF THE TAX ADMINISTRATION:

- A unified digital environment for the distribution of benefits and value
- Digital tax landscape
- Digital social landscape
- Unified digital control environment
- Digital tax services and services



FORMATION OF A DIGITAL SUPER SERVICE IN TAX ADMINISTRATION



COMMUNICATION IN A DIGITALLY INTEGRATED SUPERSERVICE POTENTIAL COMMUNICATORS

COMMUNICATION ACT REALIZED IN THE TAX SERVICE SPACE

- Society and social institutions
- Social control
- Ethical and ideological control
- Subjects of tax administration
- Inter-State contacts and tax coordination associations
- Formation of information assets
- Digital interaction space
- Markets and financial institutions
- Cross-sectoral and spatial business alliances, value chains
- Investors and sources of innovation
- Taxpayers
- Non-state taxpayer support infrastructure

INFORMATION ASSETS IN DIGITAL TAX SUPERSERVICES

Information assets of digital tax services - an innovative service product in tax administration

- ▶ Quantitative databases of taxpayers
Automated taxpayer accounting and online monitoring
- ▶ Databases of sectoral, spatial and financial micro and macro indicators
Data of taxpayers in online mode. Electronic document management.
Online cash register. Automatic calculation of taxes
- ▶ Tax and social “profiles” of the taxpayer. Behavioral model.
Tax burden history.
 - Data processing
 - Digital Tax Passport*
 - Digital social responsibility passport

INFORMATION ASSETS IN DIGITAL TAX SUPERSERVICES

Information assets of digital tax services - an innovative service product in tax administration

- ▶ Transaction database in a digital environment.
Transaction group - movement along the supply and value chain
Digital Integrated Superservice:
Civil law transaction in a digital environment:
Full Cycle*
- ▶ Results of data analysis and subsequent processing
(statistical indicators on the website of the NC RT)
- ▶ **BIG DATA**
Big Data Analytics. Tax authorities as a data provider to markets
and public institutions

INFORMATION ASSETS IN DIGITAL TAX SUPERSERVICES

Information assets of digital tax services - an innovative service product in tax administration

- ▶ **Modeling and scenario analysis of data**
Scenario-based information support for the taxpayer: modeling the behavioral trajectory
- ▶ **Data Prediction**
Data derived from the use of neural networks and artificial intelligence:
Strategic decision support
- ▶ **Data formed and accumulated in the system of tax services, delivered to interested users**

INFORMATION ASSETS OF DIGITAL TAX SERVICES

STAND-ALONE PRODUCT IN THE SERVICE DELIVERY SYSTEM

SUBJECTS OF TAX ADMINISTRATION (TAXPAYERS AND TAX AUTHORITIES)

Information on economic and tax rationality and safety of transactions.

Counterparty verification, tax monitoring, chat bot, etc.), automatic tax calculation, transaction tracking.

Transaction security guarantees in the digital environment.
Scenarios for optimizing the tax burden (tax calculator, AI and neural network analysis)

FINANCIAL CAPITAL INFRASTRUCTURES, INVESTMENT, INNOVATION

Tax Committee - provider of data to economic systems and capital markets. Information assets delivered to the market as a tool to stimulate and grow added value in the macroeconomy. Value added in macroeconomics. Information assets as a tool stimulation and attraction investments at the taxpayer level

SECTORAL AND SPATIAL BUSINESS LANDSCAPES

Information assets as a basis for regulating production cooperation, sectoral distribution resources. Source for managing and modeling business landscapes of the country and allied associations

NATIONAL AND ALLIED MARKETS AND REGULATORS

Aggregate information assets generated as a result of data exchange between CIS member states.
Can be transformed into a single national super-array of data and serve as information privileged access of participants to markets, resources and operations as a digital communication super-service

INFORMATION ASSETS OF DIGITAL TAX SERVICES:

- Development of economic culture
- Improvement of economic efficiency

Taxpayers

- Efficient allocation of capital and communications
- Expansion of information outreach

Investors



Markets

- Value added generation in the economy
- Creation of new production chains

Subjects of regulation

- Ensuring intergovernmental relations
- Sustainability of social effects and tax compliance

INFORMATION TECHNOLOGY TOOLS

to ensure the functional evolution of tax services:
the future for implementation

IT

Tax service

<p>Digital platforms Cloud computing / remote computing resources</p>	<p>Quantitative databases of taxpayers, Databases of industry, spatial and financial micro - and macro-indicators. Digital tracing systems.</p>
<p>Big Data</p>	<p>Databases of industry, spatial and financial micro- and macro-indicators, Analyzing large arrays. Tax authorities as a supplier of big data to markets and public institutions.</p>
<p>Artificial Intelligence. Neural networks</p>	<p>Scenario-based information support of the taxpayer: Behavioral trajectory modeling.</p>
<p>Distributed Registry/Blockchain / Smart contract</p>	<p>Services to ensure the security and reliability of information, services for the distribution of financial resources, infrastructure for providing guarantees in capital raising scenarios or other types of transactions. Other types of transactions.</p>
<p>support systems decision-making</p>	<p>Digital tax passport, digital passport of social responsibility, support of strategic decisions of taxpayers.</p>



**TAX COMMITTEE UNDER THE GOVERNMENT OF THE
REPUBLIC OF TAJIKISTAN**

THANK YOU FOR YOUR ATTENTION!