Integration of customs and tax IT systems and the role of IT in information exchange between tax and customs authorities

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Organization of the NTCA

Before 2011
- Hungarian Tax and Financial Control Administration
- Hungarian Customs and Finance Guard

1 January 2011
- National Tax and Customs Administration (NTCA)

1 January 2016
- Reorganization of the NTCA
Legal background

- Legal basis: Act CXXII of 2010 on the National Tax and Customs Administration (NTCA)
- The deed of foundation of the NTCA was signed by the President of Hungary
- As of 1 January 2011 the Customs and Finance Guard and the Tax and Financial Control Administration were merged into one organization
- 1 January 2016: The reorganization of the NTCA - Government Regulation no. 485/2015. (XII.29.) on the competence of the organizational units of the National Tax and Customs Administration
• IT is indispensable for daily tasks of modern tax and customs administrations.
• It makes easier the work within the organization and to keep contact with clients, and partner authorities.
• NTCA has the largest information technological system in Hungarian public administration.
Interoperability of IT systems and the role of IT in information exchange between tax and customs authorities
## IT systems of NTCA

<table>
<thead>
<tr>
<th>Common use (TAX-CUSTOMS) systems</th>
<th>Integrated TAX-CUSTOMS systems</th>
<th>Non-integrated TAX systems</th>
<th>Non-integrated CUSTOMS systems</th>
<th>CRIMINAL systems</th>
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<tbody>
<tr>
<td>e.g. Electronic Trade and Transport Control System (EKAER)</td>
<td>e.g. tax payer/economic operator-reference data system</td>
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Applications at NTCA

Main professional applications

- **Data warehouse**
  - Supporting liquidation and enforcement processes
  - Supporting audit and risk analysis functions
  - Supporting processes related to tax and customs procedures
  - Supporting current account and payment procedures
  - Supporting tax return and form processing
  - Supporting processes related to taxpayer and client records
  - Supporting administration and document management processes
  - Supporting processes related to tax and customs procedures

- **External (client) service**
  - Supporting processes related to taxpayer and client records
  - Supporting current account and payment procedures
  - Supporting tax return and form processing

- **Apps supporting IT functions**
  - Customs specific
  - Criminal IT
  - Technical apps supporting operation of systems
  - Supporting HR functions

- **Apps providing security functions**
  - Apps supporting customer service functions

- **Apps supporting intranet publication, portal functions, mailing, and team work**
Integration of IT systems

- **Integration of systems of professional fields** --> Assessing the applications supporting the same processing phases, eliminating redundancies

- **Development of uniform taxpayer reference data** --> Elaboration of such database — containing taxpayers/economic operators’ data — which supports the processing of customs declarations, tax returns entailing tax levy and imposition of customs duty

- **Integration of current account** --> Evolving uniform current account system at NTCA level, which enables to display and retrieve taxpayers’ obligations and payments data, and also to carry out current account procedures (transactions)
Collecting and sharing data

- Data warehouse VPX data market
  - Export and import procedures of Hungarian taxpayers from CDPS
  - Data originating from Member State’s data service on Hungary related customs procedures carried out in other Member States

- IOP searches
  - Searches for CDPS, NCTS, ECS, ÁRUREG (goods registration system) and EMCS data upon predefined parameters in order to support Directorates’ activity

- NAVIR (management information system)
  - Indicators serving for measurement and evaluation of organizational performance measurement and evaluation

- Serving regular or case by case searching needs of different professional fields (tax, customs, criminal) by data selection

- Data exchange with foreign customs authorities
Use of data for risk analysis purposes

• **Immediate, process integrated** risk analysis of declared data (CDPS, NCTS, ECS, ICS, ÁRUREG, EKAER) → makes immediate measures possible

• **Ex-post risk analysis** in a wider range of data on the basis of the data stored in the data warehouse (currently operating in tax systems and EKAER, extension to the customs systems is planned) → makes detailed and in-depth analysis possible

• **Feedback** of findings of ex-post risk analysis considering as risk indicators in the immediate, process integrated risk analysis
Thank you for your kind attention!