**NATIONAL REVENUE AGENCY**



**STRATEGIC PLAN**

**2021 – 2025**

**Sofia, 2021**

**Mission:**

**The National Revenue Agency administers the payment of taxes and social security contributions, encouraging voluntary compliance with obligations and requiring everyone to do what is due by law**

**Vision:**

**Modern and efficient revenue administration at the service of society**

**Principles and values**

The National Revenue Agency strives for high public trust and builds and maintains an organisational culture based on the following principles:

* **Legality, equality and justice**
* **Responsibility, integrity, transparency**
* **Efficiency, effectiveness, affordability, reliability**

When applying the law and the rules, the National Revenue Agency observes clear standards of conduct and basic values, such as:

* **Quality service and active communication**
* **Partnership and trust**
* **Motivation and development of human potential**
* **Teamwork and corporate spirit**

**Context and strategic intentions**

The National Revenue Agency (NRA) has a key role in the economy by ensuring equal application of tax and social security requirements for all persons and entities, administering national tax revenues, compulsory social security contributions and fees for financing public policies and sustainable development of the state.

The steadily growing revenues administered by the NRA over the years and the improvements in the levels of voluntary compliance are encouraging signs that our strategies and approaches are working. On the other hand, in the conditions of constantly changing internal and external environment, the NRA recognises a number of requirements to which the society expects an adequate response. Our strategic intention for 2021-2025 is to continue to improve our approaches to promote the voluntary compliance by stating even more strongly our conviction that the partnership approach of interaction with citizens and businesses will allow us to realise even more effectively our own intentions in line with the expectations and participation of society and specific target groups. The main challenge before us, as a revenue administration, is to achieve a common understanding and corresponding actions of the citizens and of each individual employee regarding the need for partnership and shared responsibility for providing the revenues for the functioning of the state. By supporting and providing a high level of accessibility and complete information about the customer requirements, our ambition is to provide high quality services, but also for the customers to understand the meaning and logic of the regulations and the compliance with them. We will strictly and adequately apply the legal provisions to all persons and entities that violate the norms in order to ensure justice in society, fair competition and equal conditions for all citizens and businesses.

Providing affordable, secure and easy-to-use services in line with the new technologies is essential for our customers to be able to fulfil their legal obligations easily, cheaply and voluntarily. We will continue to expand and improve our services, including electronically, both in the event of legislative changes and in accordance with customer expectations. We are focusing our efforts on reducing the administrative burden even more by further developing the forms of communication – whether electronically, by phone or mail.

In order to develop our approaches to promote voluntary fulfilment of obligations, in the new strategic plan we are further developing the partnership approach for collection of overdue liabilities based on the behaviour and profile of the debtors. The guiding principle here is that through their actions, all employees of the NRA must support clients, especially those who find themselves in temporary difficulty to fulfil their obligations due to ignorance or misunderstanding of the legal requirements. We will apply the full force of the law to systemic violators and those who deliberately do not follow the rules, and in cases of criminal behaviour, we will work together with the law enforcement agencies to impose fair punishments.

Accelerated digital transformation and combination of digital technologies is one of the most influential factors that have entered all spheres of public and economic life. The ubiquitous development of digital technologies imposes the need to rethink and exploit their exceptional potential to improve interaction with our customers, partners, as well as within the organisation itself, which is essential for the mission and image of the NRA.

The crises of the last two years have confirmed the growing importance of digitalisation in all aspects of the economy, society and government. In these changed realities, the NRA is aware of the increased public expectations and its responsibility in the technological aspect for further facilitation of the access to services and communication with citizens, businesses and partners, as well as for information security.

Along with the development of digital technologies, we are witnessing unprecedented economic and social consequences and related changes in the behaviour of the debtors. Trade and financial services are becoming faster and more easily accessible, as well as more frequently used, with a large volume of transactions now being made electronically. In these new conditions, new markets and innovative business models are emerging, new supply chains are created and, in the context of digitalisation, new risks and challenges to the compliance with the tax legislation appear. Along with the traditional challenges related to the compliance with the social security obligations, the modern social and economic processes in the states have a significant impact on the labour market, incl. changes and emergence of new professions and forms of hiring persons that are testing the existing approaches and processes. At the same time, a number of businesses and citizens find it difficult to comply with and pay their taxes and social security obligations. Thus, along with the traditional risks, we observe both changes in existing and already assessed risks and the emergence of new risks and risk persons and entities in terms of compliance with obligations. In order to be adequate to the new realities, we need to maintain the already difficult balance between quickly assessing changes in risks, adapting our plans and actions related to their treatment, and at the same time guaranteeing budget revenues.

To effectively manage the risks associated with the compliance with the law and to achieve the behaviour desired, we will deploy both communication and control measures and will work in collaboration with the public and key partners in national and international context. We will expand the implementation of preventive actions and provide support to citizens and businesses for the correct compliance with legal obligations emphasising on communication, assistance to persons with disabilities, constant monitoring and timely and voluntary correction of misconduct. In cases where preventive actions are not sufficient, a key lever for compliance with legal requirements and fulfilment of obligations is the implementation of impartial control based on risk analysis and aimed at risk industries and individuals. Organised tax evasion schemes and acts constituting tax and social security crimes will be reported to the law enforcement authorities and investigated with the assistance of the NRA in the interest of justice, the rule of law, the equal treatment and the predictable economic environment.

In the context of digitalisation, we will take action to improve the compliance with tax and social security requirements by dialogue and cooperation with business organisations in the field of e-commerce, including the transformation from conventional to electronic audits. We will continue to improve the quality of the control process by further developing processes and procedures, training teams, educating citizens and businesses and continuous monitoring of the legality of all our actions.

To achieve our goals, we are communicating continuously and intensively with many partners from the public and private sectors. Electronic exchange and access to information between partner organisations are becoming more and more important for the effective and coordinated cooperation. We maintain both partnership agreements and access to our information systems up to date. Interdepartmental cooperation in the field of tax crime detection is of particular importance for preserving the integrity of the fiscal system. Internationally, the quality of the information exchanged, the joint control actions, as well as other commitments of the NRA arising from the membership in the European Union and other international organisations, are a priority. We will deepen our partnership with academia and researchers, as well as with industry, employers and professional organisations to optimise our activities.

Proper understanding of the role of the NRA and improving public confidence requires high financial, as well as tax literacy and culture, and although they are primarily the personal responsibility of every citizen, we understand our essential role in pursuing targeted policies and measures to enhance tax culture. We consider the increase of the level of financial literacy of the citizens, on the one hand, as an investment in the development of human resources, and on the other hand, as a factor for increasing the public welfare and ensuring sustainable economic and social development.

The persons in our organisation are essential for the application of the approaches chosen and our success. In order to face the challenges of the future, we must constantly develop comprehensive competencies. Moreover, in the conditions of shortage of trained personnel, including due to turnover and retirement, we need to upgrade the measures to ensure continuity and transfer of knowledge. The NRA encourages and supports each employee to apply the values and principles adopted. The basis of institutional integrity is the professional and personal authority of each of us. Our efforts will be aimed at maintaining high professional and personal integrity. We will support each individual to achieve the best they are capable of in order to have a full and valuable role in the organisation. It is necessary to introduce new and effective ways to attract and retain trained employees with an appropriate profile in order to provide complex and comprehensive activities, incl. business and statistical analysis, as well as with solid IT expertise. The development of digital technologies requires adequate and timely measures on our part, incl. increasing the knowledge and skills of our employees and customers to work with them.

We will continue to develop approaches, strategies and structures to ensure that we maintain the capacity and capabilities to be able to respond adequately and consistently to the behaviour of citizens and businesses.

We realise that the development and maintenance of business processes, consistent with the needs and expectations for better interaction between the government, citizens and business, are essential to improve key performance indicators, results and trust in the revenue agency. Creating effective preconditions for achieving results and maintaining a high level of trust presupposes timely rethinking and redesign of business processes to adequately respond to changes in business models and trends in socio-economic, social and technological development.

In the coming years we will focus our efforts on research and implementation of innovative approaches for better planning and management of resources to achieve the goals set.

We will continue to invest in technology as a means of ensuring stability, consistency and high standards in every aspect of our activity and especially in the work and communication with our customers. We will upgrade the existing and develop innovative and dynamic information systems to protect the leading position of the NRA in the provision of real-time services and automated processes.

The ambitions and strategic intentions of the National Revenue Agency in the new Strategic Plan of the NRA for the period 2021-2025 are set in three strategic objectives directing the efforts to improve the performance of obligations and are addressed both externally to society and each client individually and internally to employees, processes and systems. The strategy aims to ensure a balance between short-term and long-term objectives, financial and non-financial indicators, basic and auxiliary functions and parameters, external and internal components of the organisation.

 **Strategic objectives and activities for their achievement**

**Strategic objectives of the**

**National Revenue Agency**

**2021 – 2025**

1. **Assisting clients in fulfilling their obligations**
2. **Development of the organisation and motivation of the employees**
3. **Development of information and communication technologies, data management and sharing, and achieving a high level of network and information security**

**Strategic objective 1:**

**Assisting clients in fulfilling their obligations**

**Sub-objective 1.1. Assisting voluntary fulfilment of obligations**

1. Facilitating businesses and citizens to communicate electronically. Expanding and increasing the quality of the electronic services in accordance with the new technologies.
2. Providing consultations and timely explanation to the citizens, businesses, partners and employees of the NRA regarding the changes in the tax and social security legislation.
3. Reducing the administrative burden and expanding the channels of communication in defining, declaring and paying public debts, as well as in providing administrative services.
4. Developing and introducing new requirements, regulations and electronic services in dialogue with citizens and businesses.
5. Optimising the process of recovering overpaid amounts by simplifying the refund or use of the overpaid amounts for subsequent payments.
6. Implementing and extending preventive measures with regard to citizens and businesses - sending notification letters, e-mails, SMS, meetings, information campaigns and other activities to stimulate the fulfilment of obligations.
7. Applying an approach for fraud prevention through constant monitoring and dialogue with citizens and businesses in order to correct misconduct timely and voluntarily.
8. Supporting voluntary payment by persons in difficulty under preferential terms, including job retention and lawful employment.
9. Motivating proposals for change of the legislation for reduction of the complexity of the tax-insurance system.

**Sub-objective 1.2. Control for compliance with the law and fight against fraud**

1. Implementation of control based on risk management.
2. Regular updates of risk industries and segments / groups in view of new activities related to digitalisation and changes in the environment.
3. Timely notification of the obligated persons for established risk events that have occurred in their activity.
4. Applying an approach for effective monitoring and control of e-commerce.
5. Increasing the share of control activities and proceedings with data analysis in electronic format.
6. Achieving better transparency and efficiency of control activities, including the process of combating tax fraud.
7. Improving the quality of audit proceedings, incl. the validity of the acts and their support with sufficient and appropriate evidence, in order to ensure their stability. Planning of each control proceedings in order to complete it on time.
8. Constant monitoring and control over risk industries and individuals in order to timely detect and intercept organised schemes for tax and/or insurance frauds.
9. Increasing the efficiency of the process of counteracting tax fraud and raising the awareness of taxpayers by notifying them of the mechanisms and indications of tax fraud in order to avoid them.
10. Analysis of the tax and insurance practice in order to achieve uniform application of the legislation.

**Sub-objective 1.3. Interaction and communication with customers with overdue liabilities**

1. Implementation and improvement of a differentiated approach for collection of overdue public liabilities according to the amount, type and age of the public liability of the person and assessment of the risk for its collection.
2. Constant monitoring and communication with persons with liabilities with high fiscal impact.
3. Expanding the possibilities for electronic exchange of electronic documents and information with liable persons and third parties in the enforcement proceedings.
4. Improving the efficiency of mutual assistance in debt collection in the European Union (EU) through more complete and expanded use of the information received by the agency from various sources.
5. Adaptation of the internal rules of the NRA to facilitate the fulfilment of obligations.

**Sub-objective 1.4. Maintaining and expanding partnerships**

1. Applying a structured approach to review, prioritise, expand and update the NRA's partnerships with other bodies and organisations.
2. Increasing the share of electronic interaction and exchange of information with other administrations in connection with the implementation of comprehensive administrative services, as well as participation in national projects relating thereto.
3. Strengthening the forms of partnership and the effect of joint actions with branch, civil and non-governmental organisations, incl. and citizens, to achieve equality of debtors and compliance with the law.
4. Increasing the effectiveness of interdepartmental cooperation in the field of tax crime detection.
5. Work with partner organisations to implement a single mandatory e-mail address for correspondence as part of the e-governance.
6. Effective implementation of the NRA's commitments arising from the membership in the European Union, international organisations, international treaties, bilateral agreements and programs. Enhanced electronic interaction and cooperation with the Member States and EU institutions and with other countries.
7. Cooperation with national and international institutions to expand the capacity of the NRA for analysis and innovation.
8. International cooperation in support of the effective functioning and development of the administration through exchange of good practices and expertise and improved interaction with international partners.

**Sub-objective 1.5. Effective communication to raise the culture of compliance and understanding of the role of the NRA in the public life**

1. Increasing the share and expanding the methods for explaining the legislation among different groups of the population.
2. Implementation of information campaigns and initiatives to encourage customers and partners for the timely introduction and use of electronic services.
3. Active communication with the society and interaction with the media.
4. Performing sociological surveys of the public opinion on the activities of the NRA and identifying measures to improve the image of the Agency.
5. Participation in educational initiatives for the formation of financial literacy and active citizenship in the adolescent and active population in terms of tax and social security rights and obligations and the formation and implementation of the state budget.
6. Familiarising society with the ethical norms of behaviour set in the Code of Ethics of the employees of the National Revenue Agency.
7. Raising the tax culture on tax and insurance fraud and building intolerance to them.
8. Reporting the activity of the NRA to the public to achieve a higher level of transparency.

**Strategic objective 2:**

**Development of the organisation and motivation of the employees**

**Sub-objective 2.1. Application of modern methods and systems for management and maintenance of the NRA optimal processes and structure**

1. Comprehensive review and improvement of the business process model. Consideration and adaptation of the model to the development of the environment. Analysis of the current procedures in order to optimise the processes and reduce the document flow.
2. Creation and implementation of quality standards for the results from all activities in the procedures, and instructions for work in the NRA.
3. Review of the workload and efficiency by functions and structural units in connection with changes in the environment and redistribution of resources.
4. Review and assessment of the current state of the organisational structure of the NRA and the distribution of functions and business processes.
5. Development of the capacity of the NRA for prevention of corrupt practices. Development of a map of the zones with high corruption risk. Periodic update of the plan for anti-corruption measures in the NRA. Maintaining high professional and personal morale and reducing opportunities for corrupt practices.
6. Effective implementation of the Code of Ethics of the NRA employees to ensure compliance with the principles and values of the agency by both managers and employees.
7. Development and implementation of a feedback system from employees on the competencies and skills of the managers.
8. Increasing managerial capacity and building on leadership skills.
9. Identification and application of good practices. Applying a systematic approach to planning, implementing and evaluating improvements.
10. Development, adaptation and continuous improvement of the rules and framework for the organisation of work in remote mode and flexible working hours.
11. Development of sustainable corporate social policy.

**Sub-objective 2.2. Linking the provision of resources with the implementation of the priorities of the NRA**

1. Achieving a flexible approach in planning and allocating the NRA budget in order to ensure priority activities of the NRA at the expense of obsolete needs.
2. Increasing the efficiency and effectiveness of the utilisation of the budget resources of the NRA.
3. Implementation of a financial framework allowing monitoring of the degree of achievement of the set key indicators of the NRA in the program budget of the Ministry of Finance.
4. Improving the project management process. Building a project planning system based on pre-defined priorities. Introduction of an electronic process for management of a portfolio of projects and programs.
5. Upgrading the process of planning and decomposing the objectives, setting indicators and target values.

**Sub-objective 2.3. Selection, motivation and training of employees**

1. Improving the rules and mechanisms for personnel selection. Preliminary training of the personnel to work in the National Revenue Agency, raising their qualification and skills and opportunities for mobility.
2. Annual analysis of the necessary profile of the specialists for overall improvement of the agency's activity in the field of business analysis, statistics and data analysis, information technologies, information security, etc.
3. Building lasting and effective partnerships with secondary and higher education institutions. Creation and introduction of training programs for training of the personnel of the revenue administration.
4. Creating long-term programs for professional training, career development and mobility of employees of the Agency.
5. Development of internal communications, including achieving a higher level of transparency of the management decisions.
6. Development of a mechanism for inclusion of employees from the territorial structures of the NRA in the process of preparation and implementation of projects and giving suggestions for improving the activity.
7. Increasing the digital competence of the employees, including achieving a higher level of cybersecurity.
8. Development and implementation of a program for retention of competent and trained employees. Improving the career development system.
9. Development of the program for continuity and sharing of knowledge for more effective adaptation of the newly appointed employees.
10. Achieving a motivating level of employee remuneration.
11. Providing social benefits for the employees.

**Sub-objective 2.4. Improving the material base and logistical support, and ensuring physical security**

1. Organisation of the workspace, incl. technical provision of conditions for mixed mode of operation (remote and face-to-face).
2. Update of the concept for management and development of the NRA archive.
3. Ensuring the physical security of the employees, customers and property of the NRA through security guards and technical security systems.
4. Improving the approach for logistical support in all units of the NRA.
5. Construction and maintenance of adequate material base, accessible for persons with disabilities.
6. Ensuring good working conditions, modern technical and material security of the NRA employees.

**Strategic objective 3:**

**Development of information and communication technologies, data management and sharing, and achieving a high level of network and information security**

**Sub-objective 3.1. Maintaining a high-tech level and developing the information systems and the information and communication infrastructure of the NRA**

1. Renovation and maintenance of the information and communication infrastructure of the NRA.
2. Development of the computer infrastructure and information systems of the NRA in order to ensure the accessibility, reliability and security of data and information.
3. Commissioning and implementation of innovative software solutions that meet international standards and requirements.
4. Administration and management of system integration processes.
5. Updating the system software and the information systems.
6. Provision and implementation of a technical solution for unified and proper signing of electronic documents in the Agency, in accordance with Regulation (EU) No. 910/2014.
7. Maintenance and development of hardware and software assets ensuring the continuity of the work process when working remotely as a permanent opportunity for employees.
8. Participation of the NRA in building and supporting the functioning of the e-governance of the state.
9. Joining the Unified Centre for Ensuring the Continuity of Electronic Administrative Services administered by the Ministry of Finance.
10. Joining the Unified Centre for Archival Copies administered by the State e-Governance Agency (SEGA).
11. Joining the Unified Reserve Centre administered by SEGA.

**Sub-objective 3.2. Ensuring a high general level of network and information security**

1. Improving the information security management system of the information assets of the NRA. Ensuring reliable protection of the information systems.
2. Integration of new technologies to reduce security risks and threat management. Technical support for employees working remotely.
3. Building secure access to digital assets, regardless of where the asset is located and where it is accessed.
4. Building and maintaining capacity for management and control of cybersecurity.

**Sub-objective 3.3. Generating, managing and sharing data and knowledge as a strategic asset of the organisation**

1. Implementation and development of a data management system allowing optimisation of activities, creation of new and improvement of existing services, reduction of costs for the administration and clients.
2. Increasing the level of protection of personal data and tax and social security information.
3. Continuous development of the Management Information System (MIS).
4. Development of client profiles allowing the application of uniform criteria and prioritisation of appropriate actions to achieve the effectiveness of actions and optimal use of available resources.
5. Creation of a public register for verification of the risk profile of the liable persons.

**Key performance indicators**

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| **No.** | **Indicator**  |
| K1 | Implementation of the annual revenue plan by type of revenue |
| K2 | Income per 1 BGN expense  |
| K3 | Share of electronic exchange with customers  |
| K4 | Satisfaction of the NRA clients from their interaction with the NRA (results from a sociological survey) |
| K5 | Amount of tax gap  |
| K6 | Relative share of overpaid amounts recovered through a simplified procedure or used for subsequent payments |
| K7 | Number of cases where overpaid amounts have been reimbursed through a simplified procedure or used for subsequent payments |
| K8 | Relative share of liable persons with overdue liabilities compared to the total number of liable persons |
| K9 | Relative share of the liable persons who have repaid their liabilities within the statutory term in relation to the total number of persons with a liability to pay throughout the year |
| K10 | Relative share of the liabilities repaid within the statutory term in relation to the total amount of the liabilities declared during the year |
| K11 | Reduction of the balance of overdue liabilities |
| K11 | Number of persons and amount of paid liabilities as a result of meetings/letters sent  |
| K12 | Relative share of persons who have fulfilled the commitments undertaken for payment of overdue liabilities |
| K13 | Relative share of the contested revision acts  |
| K14 | Relative share of the acts revoked fully or partially at the administrative stage of appeal /registration acts, acts for deduction and refund, acts for de-registration under the VAT Act, etc./, incl. under the procedure of Article 155, Paragraph 4 of Tax-Insurance Procedure Code |
| K15 | Relative share of revision acts wholly or partly revoked by the final instance |
| K16 | Number of corrective declarations submitted as a result of control activities and proceedings conducted  |
| K17 | Number of control proceedings against persons engaged in e-commerce  |
| K18 | Relative share of persons who have voluntarily corrected their behaviour after sending letters |
| K19 | Number of meetings held with liable persons in order to prevent fraud and encourage timely and voluntary correction of misconduct. |
| K20 | Amount of the corrections made by the persons as a result of letters sent, telephone negotiations conducted and meetings held with them. |
| K21 | Satisfaction of the employees of the organisation as an employer (results from a sociological survey on the main motivating factors), including: |
| K22 | Share of employees satisfied with the social measures provided by the employer |
| K23 | Share of employees satisfied with the working conditions |
| K24 | Share of employees satisfied with the career development opportunities |
| K25 | Share of employees provided with equipment for remote work |