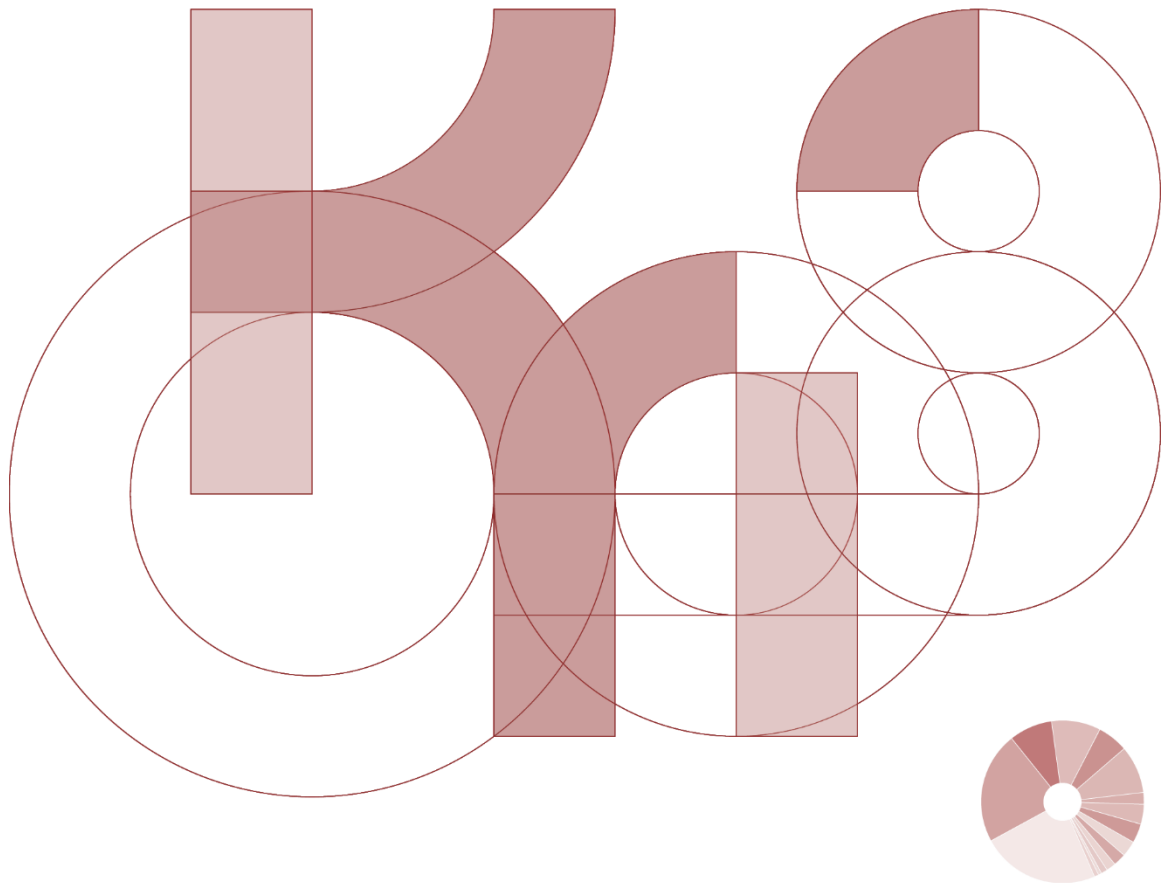


# Directions of Operation and Development of the **National Revenue Administration** for 2017-2020





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## Introduction

*Directions of Operation and Development of the National Revenue Administration for 2017-2020* is a document defining the objectives of the National Revenue Administration (NRA) in the years 2017-2020, as well as indicators for their measurement and reporting rules. The document is consistent with the *STRATEGY FOR RESPONSIBLE DEVELOPMENT and MULTIANNUAL FINANCIAL PLAN OF THE STATE*.

### **NRA mission:**

Ensuring stable, efficient and sustainable public finance and a high quality of provided services

## **Mission**

Defining operation and development directions is essential for the efficient and effective implementation of the tasks assigned to the NRA which is responsible, in particular, for the collection of tax and customs liabilities and inspection of the correctness of compliance with the obligations associated with public duties and has a considerable impact on the level of budgetary revenue and, thereby on the strengthening of public finance stability.

Modern revenue administration should ensure friendly service and support to individual taxpayers and businesses in fulfilment of their tax and customs obligations.

Activities coordinated by the NRA and the Ministry of Finance aiming at enhancing tax collection and limiting shadow economy which has so far significantly impaired budget revenue, will have a positive impact on the public finance. Accordingly, a single, joint mission for the Ministry of Finance and the NRA has been adopted:

*Ensuring stable, efficient and sustainable public finance and a high quality of provided services*

## **Vision**

### **NRA vision:**

- modern
- effective in tax enforcement
- enjoying public confidence
- supporting fair individual taxpayers and businesses
- combating tax and customs fraud
- protecting the market and the society

The majority of taxpayers fulfils their tax and customs obligations in a reliable way and respects the law. While designing and developing its services, the NRA will focus exactly on such fair individual taxpayers and businesses. It is also important that the continuous growth in the number of diligent and fair individual taxpayers and businesses is provided for, owing to the partnership-based cooperation of tax officers and their clients, and that the NRA ensures adequate assistance to them in the fulfilment of their duties.

However, there are entities which deliberately avoid their obligations towards the state by failing to pay taxes and customs duties. This makes it difficult for the state to fulfil all its declarations and commitments towards the society; the number of public services and investments decreases and it is more difficult to provide for equal opportunities of citizens for better life. Therefore, the NRA should endeavour to detect and punish those guilty of such cases and recover claims.

The issues indicated above allow for determining the NRA vision:

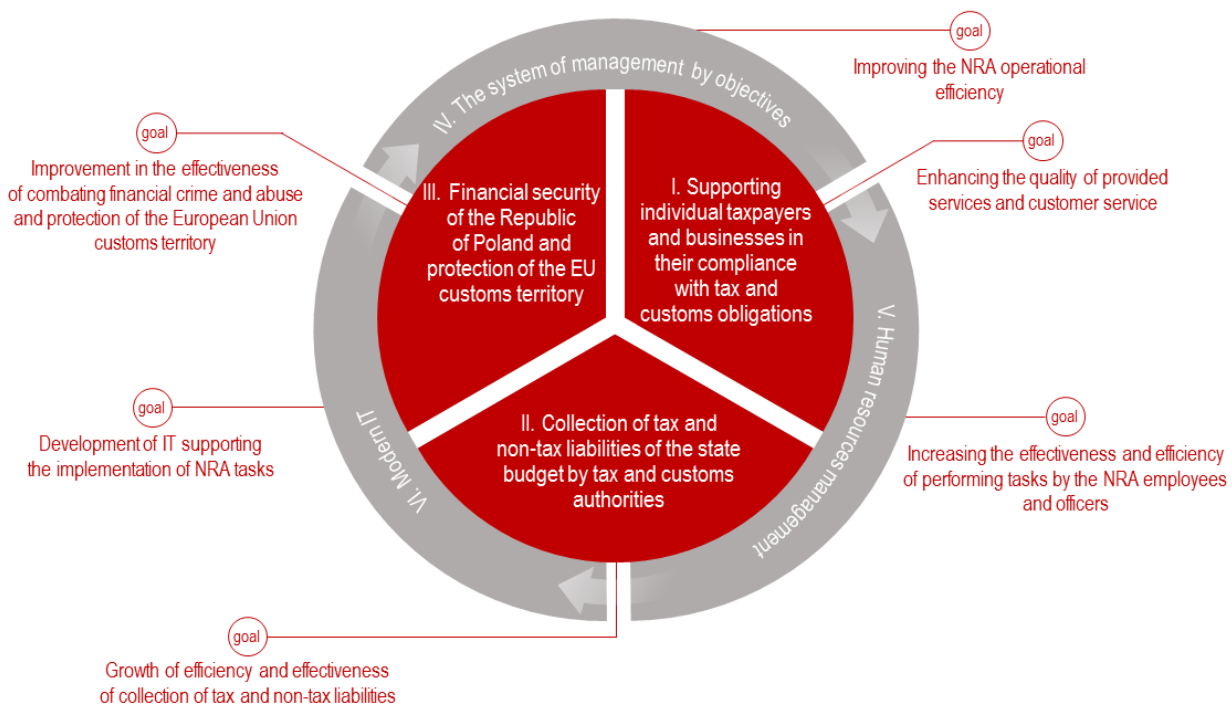
*The National Revenue Administration is a modern organisation, effective in tax enforcement and enjoying public confidence, supporting fair individual taxpayers and businesses, combating tax and customs fraud as well as protecting the market and the society.*

# Directions of Operation and Development

The main task of the NRA is to provide for a modern and friendly compliance with tax and customs obligations. Moreover, the NRA will focus on efficient service of individual taxpayers and businesses as well as on providing consistent tax and customs information. It will also ensure financial security of the Republic of Poland and protection of the European Union customs area security, through combating shadow economy, economic crime, including tax fraud and enforcing non-tariff requirements.

The minister competent for public finance matters shall define four-year directions of NRA operation and development with the aim of ensuring the efficient and effective implementation of the NRA tasks and the high quality of its operation. Those directions respond to the current situation related to the collection of public duties; they also meet the state's needs in relation to the revenue administration and the expectations of the society.

**Figure 1.: Diagram of NRA directions of operation and development**



## Direction I:

Supporting individual taxpayers and businesses in their compliance with tax and customs obligations

Increasing the level of customer satisfaction: **to 60% of good and very good assessments**



Reducing the time allocated by economic operators to comply with tax obligations: **CIT - 42 h/year**  
**VAT - 59 h/year**



## Goals to be achieved in the years 2017-2020

### Goal:

**Enhancing the quality of provided services and customer service**

Customers' expectations and needs must be at the heart of interest. They will also provide the basis for introducing improvements. The key values offered to clients include: availability, modern nature and usefulness of the services as well as the high quality of the service.

The manner of performing tasks and providing services shall change towards a business-oriented, customer-friendly approach and management in the revenue administration. That is why, for many years the tax and revenue administration as well as customs service have been undertaking measures oriented towards the enhancement of customer service quality. Those measures should be continued so that confidence to the state and its institutions can be strengthened through the growth of NRA customers' satisfaction.

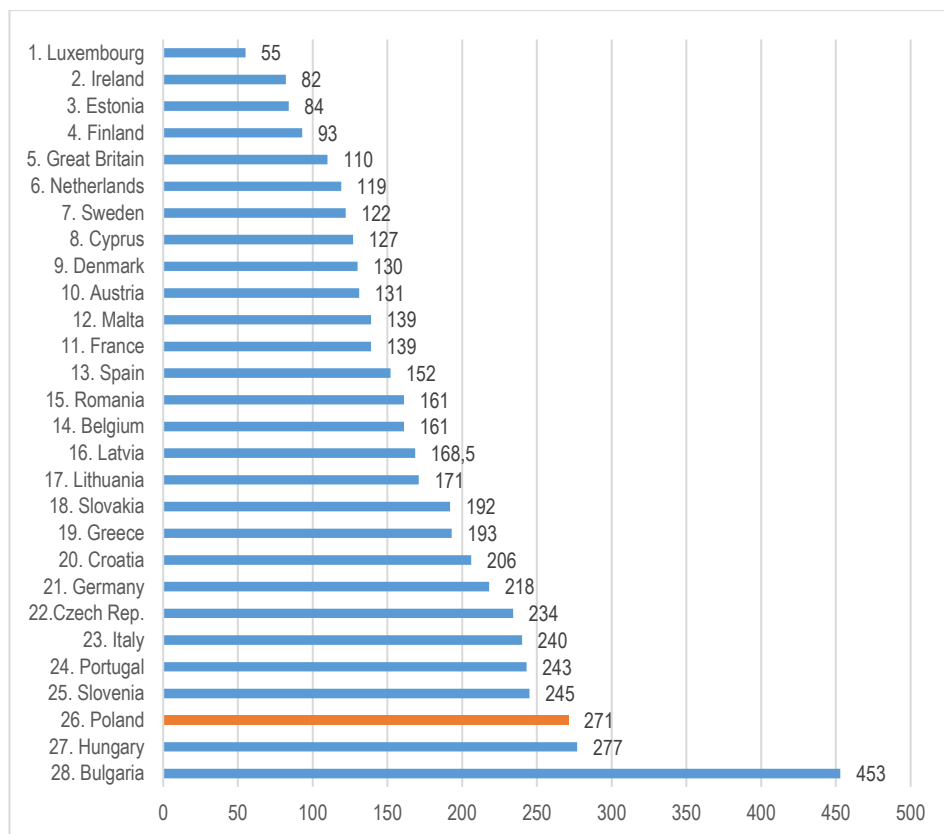
A higher level of care for customers will be possible with the simultaneous raising of awareness among employees and officers of the customs and revenue service (NRA employees and officers) regarding the responsive role towards individual taxpayers and businesses.

### **Reducing the time allocated to comply with tax obligations**

In accordance with the data presented in: *DOING BUSINESS 2017* report, the number of hours allocated by an economic operator in 2015 for activities associated with the preparation, filling in forms and payment of three main duties (CIT, VAT and payroll taxes and contributions to social security) in Poland amounted to the total of 271 hours, including 70 hours spent on activities related to CIT, 98 hours - to VAT and 103 hours - to payroll taxes and contributions to social security. This result places Poland on the 26<sup>th</sup> position among the European Union member states. In the middle of the rate, such countries as Romania and Belgium are placed, with 161 hours, whereas the average number of hours for the European Union member states in 2015 amounted to approx. 175.5. Poland intends to reduce the time allocated by economic operators for

activities related to CIT and VAT by approx. 40% in 2020 as compared to 2015, i.e., respectively, to 42 and 59 hours.

**Figure 2.: Number of hours per year allocated by an economic operator for issues related to the compliance with tax obligations in the European Union member states<sup>1</sup>**



The NRA will investigate possibilities of further simplification and automation of services as well as the efficiency of IT systems, reducing customer service time, harmonisation of issuing interpretations of tax law regulations and simplification of tax forms. Enhancing the competence and promoting polite and customer-friendly communication among NRA employees and officers will be also an important issue.

### Diversified support to taxpayers

NRA operations will focus on supporting voluntary compliance with the tax and customs obligations. Those groups of taxpayers who are affected by frequent amendments to the tax or customs law should be supported and groups facing difficulties in law interpretation, which may lead to making

**More tax returns submitted electronically: up to the total of 85%**



<sup>1</sup> Based on: Doing Business 2017, European Union (EU).



unconscious mistakes, should be identified. Such groups should be supported by offering uniform and full information via all available communication channels (e.g. phone, written form, electronic channels) and addressing an education offer in the scope of tax and customs. Owing to the enhancement of tax law awareness, more effective collection of taxes and customs duties will be possible.

### Measures to improve the quality of taxpayers service

- behavioural training for civil servants and promoting polite and customer-friendly communication with individual taxpayers and businesses,
- management of uniformity of information and tax interpretations and improvement of case-law quality,
- development and implementation of NRA customers' segmentation model and defining specific criteria of service provided to the largest economic entities (and natural persons with high revenue),
- strengthening processes of the customer service management, including the tax refund process,
- development of a basket of NRA services and standards of performing individual services,
- conducting information campaigns and educational programmes which will help individual taxpayers and businesses understand and comply with tax obligations or reduce the number of potential errors,
- improving and modernising the technology of border checks, simultaneously maintaining the market protection function, which will enable to reduce the execution time of business processes by NRA clients,
- improving processes associated with trading in goods and border checks through expanding the scope of matters which NRA customers will be able to handle electronically.

**Goal:**  
**Growth of efficiency and effectiveness of collection of tax and non-tax liabilities**

Improvement of effectiveness of tax and customs law enforcement as well as combating crime and financial abuse is of significant importance for tightening of the tax system. Tax liabilities collected by NRA authorities are essential for the implementation of measures arising from the *RESPONSIBLE DEVELOPMENT STRATEGY AND MULTIANNUAL FINANCIAL PLAN OF THE STATE*.

**Limiting economic crime**

Losses of the state budget due to not collected tax and non-tax liabilities collected by NRA authorities arise, inter alia, from activities of organised criminal groups. They commit such offences as carousel fraud, smuggling of goods, aggressive tax optimisation, failure to register by individual taxpayers and businesses as well as failure to disclose taxable sources of revenue. Such behaviours of individual taxpayers and businesses also affect the level of tax gap in Poland which is one of the highest in the European Union in the scope of VAT. A significant tax gap also refers to CIT and PIT. This indicates challenges in the scope of improving the collection of public duties the NRA will have to face.

**Reducing the VAT gap**

In accordance with the European Commission report called: *STUDY ON REPORT ON THE VAT IN THE UE-28 MEMBER STATES*, in 2014 Poland was ranked 21<sup>st</sup> among 27 European Union countries, with the VAT gap (% VTTL<sup>2</sup>) at a level of 24.08% (against 25.38% in 2013). The average of the EU member states, excluding Croatia amounted to 16.28% in 2014 (17.86% in 2013). The data presented in the report show that the position of Poland in the ranking of the European countries decreased year by year: in 2010 Poland was ranked 16<sup>th</sup>, in 2011 – 17<sup>th</sup>, whereas in 2012 and 2013 – 19<sup>th</sup>. According to the plans, our country should reduce the VAT gap by 2020 to the average level reached by countries participating in the survey, i.e. 10.4% of the level recorded by the Netherlands in 2014. Until then, the annual promotion of Poland's position in the ranking is assumed.

<sup>2</sup> VTTL (VAT Total Tax Liability) – percentage of potential VAT revenue.

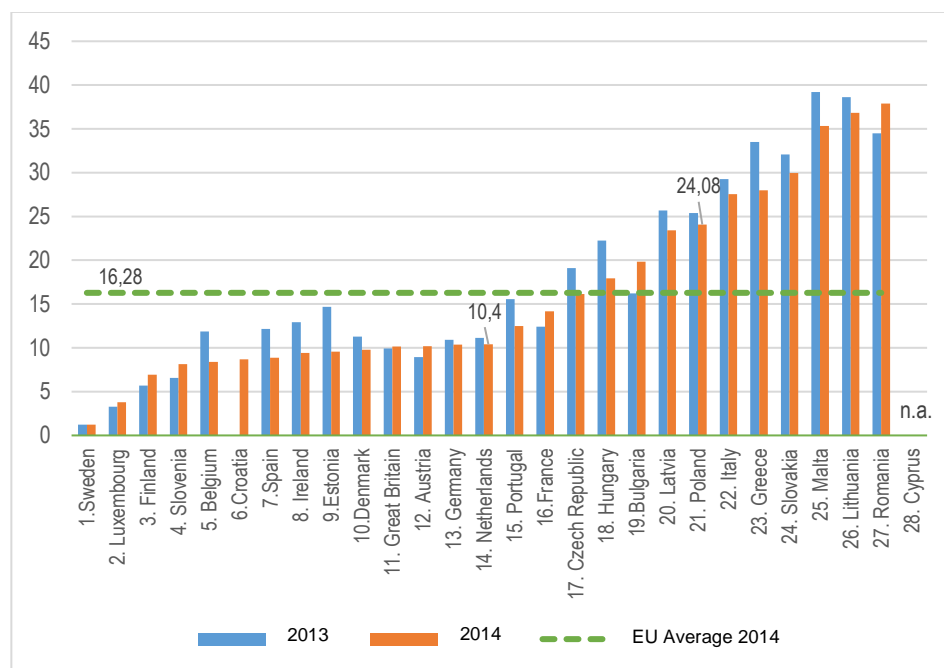
**Direction II:**

Collection of tax and non-tax liabilities of the state budget by tax and customs authorities

Reducing the VAT gap to the average level of EU countries: **to the level of 10.4 % VTTL**



Figure 3.: VAT gap (% VTTL) for the European Union countries<sup>3</sup>



Growth in efficiency of liabilities enforcement: to the level of 33% of amounts covered by instruments permitting enforcement



In order to achieve such a serious reduction of the tax gap, the NRA will focus on the effective counteracting of tax fraud, improving the efficiency of identifying inaccurate activities of individual taxpayers and businesses and the swiftness of response to such irregularities, as well as more efficient enforcement of tax liabilities and combating financial and economic crime.

#### Measures to facilitate reducing the tax gap

- developing the methodology for VAT gap estimation and assumptions for the measurement of the PIT, CIT and excise tax gap,
- increasing the effectiveness of enforcement measures through the improvement of the process of arrears recovery and reducing the response time to arising arrears,
- implementing mechanisms for cooperation with selected key taxpayers in the scope of horizontal monitoring, namely, focusing on good relations between a tax authority and a taxpayer, to result in signing an agreement on due compliance with tax obligations as well as detecting risk based on the tax control framework,

<sup>3</sup> Based on: Study on Report on the VAT in the UE-28 Member States.

- centralising the process of analysis and appointing entities for inspection,
- establishing the Register of Public Law Liabilities.

**Goal:**  
**Improvement in the effectiveness of combating financial crime and abuse and protection of the European Union customs territory**

Individual taxpayers and businesses expect the state to pursue effective combating of financial and economic fraud. In order to strengthen social feeling of reliability and confidence in public institutions, they are required to undertake more effective measures to improve the compliance with the tax and customs law regulations and the protection of the European Union market. It involves reducing of shadow economy, VAT fraud and so-called tax carousels as well as eliminating illegal goods - trading in such goods shall deplete the state budget and infringe fair competition rules. The society also expects the NRA to prevent introducing dangerous goods to the European Union territory and protect the cross-border inflow of goods posing a threat to human and animal life and health. For the purpose of more effective combating of financial crime and fraud as well as protection of the European Union market, better use of human, financial and organisational resources of the NRA is also necessary. This will enable a higher effectiveness of inspections with less intervention in legal economic processes.

**Measures to strengthen combating crime and abuse as well as the protection of the European Union market**

- developing the methodology for estimation of smuggling level for the freight traffic, implementing security control standards for the freight traffic as well as detection and combating crime and abuse,
- enhancing the effectiveness of application of non-invasive control tools (e.g. X-ray equipment) at border cross-points,
- improving the cooperation with Polish law enforcement agencies and foreign tax and customs administrations in the scope of detection and combating tax and customs fraud,
- centralising the process of analysis and selecting entities for inspection,

**Direction III:**

Financial security of the Republic of Poland and protection of the EU customs territory

**Growth in detection rate of excise crime and offence:  
to the level of 1.7% of budgetary revenue from this tax**



- implementing mechanisms to enable complete operational-identification activities to combat economic crime,
- introducing new IT solutions to support combating economic crime, including: the platform for the exchange of information on tax fraud schemes and increasing the probability of detecting irregularities in the taxpayer's documentation,
- implementing a list of taxpayers removed from the VAT register,
- increase in inspection effectiveness,
- implementing solutions to enable fast depriving of perpetrators and conscious participants of tax and customs crimes of any benefits gained from such activity,
- introducing and developing of the monitoring system for the carriage of goods associated with the highest risk of tax fraud,
- increasing the detection rate of infringements of regulations related to goods for which trading is subject to bans or restrictions pursuant to the regulations of the Polish or European Union law or international treaties,
- active measures and strengthening of the NRA position on the international arena, in particular, in Central and Eastern Europe.

**Direction IV:**  
The system of  
management by  
objectives

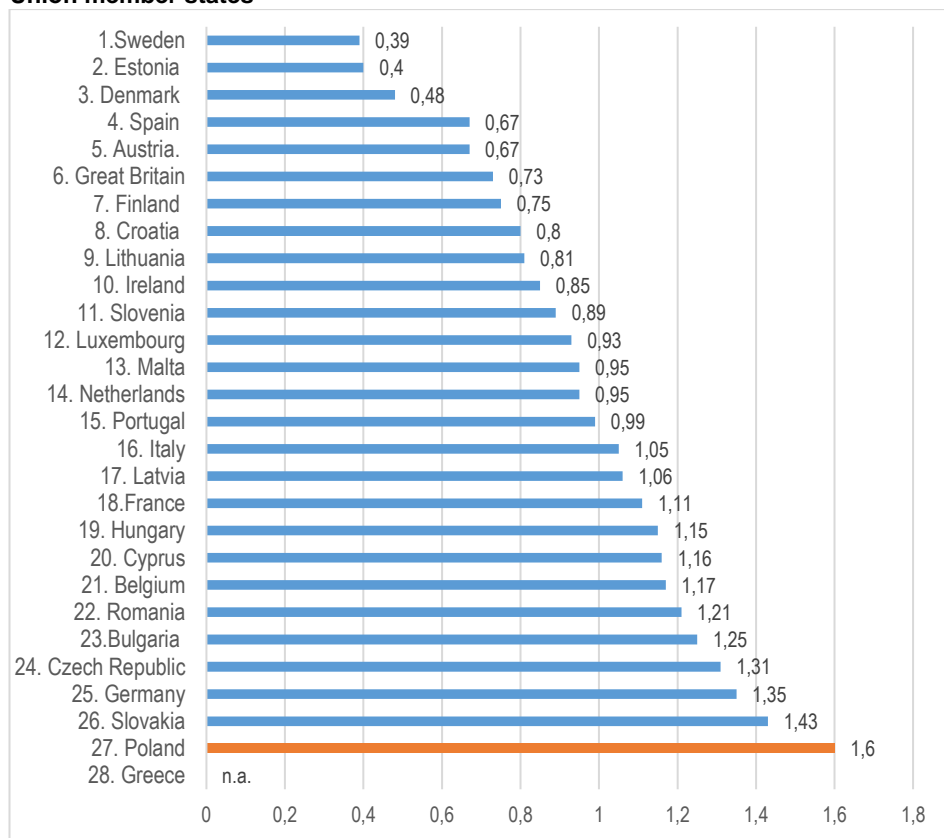
**Goal:**  
**Improving the NRA operational efficiency**

A modern organisation is required to act effectively and economically.

The NRA needs a complex and integrated management system based on management by objectives in the area of services, processes and projects.

One of the basic NRA tasks is to increase the efficiency of collecting tax and non-tax liabilities, with simultaneous optimisation of its operating costs and ensuring a high quality of services.

**Figure 4.: Administrative costs of tax collection in percentage for the European Union member states<sup>4</sup>**



In accordance with the data presented in: *TAX ADMINISTRATION 2015, COMPARATIVE INFORMATION ON OECD AND OTHER ADVANCED AND EMERGING ECONOMIES* report, Poland was in the last position, with the value of the indicator at a level of 1.6%, among 27 European Union countries<sup>5</sup> as it regards administrative costs of tax collection (according to the data for 2013). According to the assumptions, following the annual promotion in the ranking of the European countries, Poland strives to reach the middle level of the ranking. Moreover, owing to the NRA, our country will reduce administrative costs of tax collection by approx. 40%, so that PLN 1 of expenses falls to each PLN 77 of revenue in 2020.

Enhancing the level of NRA operation cost effectiveness: **to the level of PLN 77 of revenue falling to PLN 1 of expenses**



#### Measures to facilitate reducing tax collection costs

- development and implementation of the integrated governance model in the NRA which will comprise: the NRA customers and their needs and expectations, goals, tasks, services, processes, resources (human, information, financial, tangible) as well as rules regulating operations,

<sup>4</sup> Based on: Tax Administration 2015, Comparative Information on OECD and Other Advanced and Emerging Economies.

<sup>5</sup> No data from Greece were included in the report.

- development of the methodology and tools integrating management of strategic, operational and project goals,
- development of NRA Basket of Services and its dissemination among customers,
- development and implementation of consistent methodologies of building architecture, modelling, measuring and optimisation of processes,
- updating of the ownership structure concept, services, processes and projects as well as resources in the NRA,
- development and implementation of the Architecture of NRA Processes to comprise its overall activity;
- introducing tools gathering and delivering dynamic data as well as governance information on operations and the implementation status of NRA goals.

#### Direction V:

Human resources management

**Consistent system of staff management: fully implemented in 2020**



#### Goal:

**Increasing the effectiveness and efficiency of performing tasks by the NRA employees and officers**

The establishment of the NRA through integration of three independently operating services, i.e. tax administration, Customs Service and revenue control requires that all activities and tools associated with personnel management are coherent and adapted to the organisation needs and capacity.

The main objective up to 2020 in the area of human resources management (HRM) in the NRA is the development and implementation of consistent and modern governance solutions. The target HRM model will comprise, in particular, the incentive-based remuneration system for NRA employees and officers, to be linked with the work efficiency measurement system and support management by objectives.

The integral part of the model will also comprise solutions to guarantee professionalism and formation of ethical attitude of NRA employees and officers. These are issues directly translating into the NRA image and citizens' confidence in the state and its institutions. It is necessary that the HRM model is supported by the knowledge management system and relevant IT tools which will strengthen efficient execution of processes and ensure fast access to data and information. The new solutions will enable a professional analysis of activities at individual positions as well as defining of the role of individual NRA employees and officers in the implementation of the goals. In-depth analysis of any barriers which hamper obtaining and exceeding the assumed efficiency level to NRA

employees and officers is also important, as well as a possibility to determine standards and assign success measures.

It can be expected that management of efficiency of NRA employees and officers, supported by professional IT tools, will not only result in the growth of budgetary revenue but also will have a positive impact on satisfaction of NRA employees and officers and, consequently, in further development of the NRA.

### Measures to improve the quality of work and service in the NRA

- development and implementation of a consistent staff management system,
- development of an incentive-based remuneration scheme for NRA employees and officers, relying on the evaluation of the effectiveness and efficiency of tasks execution,
- building assumptions to the system aimed at measuring the efficiency of work and service at individual positions,
- enhancing the professionalism and strengthening ethical attitudes among NRA employees and officers.

### **Goal: Development of IT supporting the implementation of NRA tasks**

Taxpayers expectations, an extensive catalogue of services and frequent legislative changes require that the development of IT tools for customer service and supporting NRA employees and officers in their daily work and service will be particularly important for NRA development. This development will be supported by all NRA development directions adopted within the outlook up to 2020.

The expansion of the environment to be used for the provision of public electronic services associated with the collection of liabilities and ensuring the security of international transactions, will enable supporting a NRA customer in fulfilling tax and customs obligations. It will also contribute to reducing the costs of fulfilling public law obligations, both on the part of a individual taxpayers and an businesses and on the part of the NRA. More e-services provided by revenue administration will consequently allow for faster dealing with the issues, which will enhance the image of revenue administration.

**Direction VI:**  
Modern IT



New electronic services:  
**3 related to customs duties**  
**4 related to tax collection up to 2020**



### **Faster information means more effective combating of shadow economy**

The development of digital communication channels facilitates conducting the economic activity and increases economic competitiveness. It also increases availability of information and improves its exchange with other administrations, the European Commission and cooperating institutions as well as limits the flow of paper documents. Faster information flow also means a higher effectiveness of the state control measures aiming at reducing the shadow economy.

Fast technological progress in the economy motivates NRA to undertake innovative measures. In order to develop digital channels of communication with customers, which will facilitate their activity, modernisation of existing and building of new e-services will be required.

In addition, analytical tasks assigned to the NRA cause that efficient access to data will be the key issue. At the first stage, current information platforms and databases will be analysed both in terms of consistency and standardization of their content as well as a possibility of integration and consolidation.

At the same time, the NRA will improve the management of IT systems, to ensure their higher efficiency and optimise costs of maintenance and development in the IT area.

### Measures to improve the IT area and information flow

- development of a target model of corporate architecture
- implementation of new and modernisation of existing e-services,
- development of IT systems to support internal processes (e.g. ERP class system in the scope of HRM),
- integration and development of databases and development of analytical tools,
- identification and development of key competence in the IT area,
- adjustment or building IT solutions compliant with the Union Customs Code,
- modernisation of the border check technology oriented towards acceleration of NRA customers' business processes, maintaining the protection of the European Union market against the inflow of goods infringing limitations and bans.

## **Implementation of the Directions of Operation and Development of the National Revenue Administration for 2017-2020**

Measures defined herein should be carried out taking into consideration the project approach, in accordance with the solutions determined by the Minister of Economic Development and Finance for governmental administration sectors – budget, public finance and financial institutions. This will ensure the compliance of projects launched with the determined directions of operations and development and support their implementation in accordance with the adopted assumptions.

### **Monitoring and Reporting**

The Head of the National Revenue Administration (Head of NRA) shall be responsible for supervising and monitoring the *Directions of Operation and Development of the National Revenue Administration for 2017-2020*. In case of any risks related to their timely implementation, the Head of NRA shall be bound to provide the Minister of Economic Development and Finance with information on those risks and associated remedial measures.

By March 15 of each year, the Head of NRA will present a report on the status of implementation of goals and measures defined herein, undertaken in the preceding year. The report will contain, in particular, information concerning the level of achieving the value of the indicators and potential proposals of measures aimed at ensuring the effective implementation of the document.

### **Evaluation and amendments**

Considering the effectiveness of implementation of the *Directions of Operation and Development of the National Revenue Administration for 2017-2020*, the evaluation of the document will be carried out on an annual basis. Its results will serve as recommendations to introduce potential amendments to the document. This process is required for the NRA measures to be able to deal with changing external conditions as well as meet social expectations and the expectations of the Ministry of Finance management board.

The evaluation will cover, first of all, the compliance of this document with the strategic objectives of the state indicated in binding documents of

strategic nature, including the *Strategy for Responsible Development* and *Multiannual Financial Plan of the State*.

In case of significant changes related to the major state objectives and external conditions (arising from legal and organisational changes), the evaluation of the document will be performed more frequently than once a year.

The unit coordinating the evaluation and introducing amendments in the document shall be the unit of the Ministry of Finance responsible for strategic planning coordination.

## Goal measurement indicators

Indicator	Measure ment unit	Baseline value (base year)	Target value (year of achieving)	Data source	Definition of indicator
<b>Direction I - Supporting individual taxpayers and an businesses in their compliance with tax and customs obligations</b>					
Goal: Enhancing the quality of provided services and customer service					
Customers' satisfaction level	%	46 <sup>6</sup> (2016)	>=60 and a growth by at least 5 percentage points year-on- year (annually)	unit responsible for customer service and key clients	Percentage of good and very good assessments, based on the annual survey ordered by the MF entitled : Report of opinion survey
Time allocated by an economic operator for activities associated with tax obligations	hours per year	CIT: 70 VAT: 98 (2015 <sup>7</sup> )	downward tendency (annually)  CIT: 42 VAT: 59 (2020)	unit responsible for tax policy	number of hours per year allocated by an economic operator for activities associated with CIT and VAT tax obligations , based on the data submitted to the World Bank for the needs of drawing up the "Doing Business" report as regards the indicator; Time required to comply with 3 major taxes
Position in the ranking of EU member states - time in a year allocated for activities related to the compliance with tax obligations	position	26 (2015 <sup>8</sup> )	upgrade in the ranking <sup>9</sup> (annually)  14 <sup>10</sup> (2020)	unit responsible for tax policy	upgrade in comparison to the previous year in the ranking created on the basis of "Doing Business" reportand the indicator: Time required to comply with 3 major taxes
Telephone conversations conducted by consultants of the National Revenue Administration assessed as correct	%	>=80 (2016)	upward tendency (annually)  >=85% (2020)	unit responsible for tax collection	ratio of telephone conversations assessed as correct to the number of all assessed telephone conversations

<sup>6</sup> Based on CBOS communication no. 133/2016 concerning the survey on the "Assessment of public institutions", related to activity of tax administration; the survey did not comprise the Customs Service.

<sup>7</sup> Based on the data submitted to the World Bank for the needs of drawing up the "Doing Business 2017" report.

<sup>8</sup> Based on Doing Business 2017.

<sup>9</sup> Refers to rankings created for 2017 and subsequent years.

<sup>10</sup> Due to 2 year gap between the data collection and publication, information about final position in 2020 will be presented in the report published in 2022.

Indicator	Measurement unit	Baseline value (base year)	Target value (year of achieving)	Data source	Definition of indicator
Average time of tax declaration handling calculated in import and exports in Celina and AES systems	minutes	50 (2017)	downward tendency (annually) 35 (2020)	unit responsible for customs duties	time calculated in minutes, in import - from the moment of submission of the declaration to the system to the moment of receiving information on completing the verification activities and readiness of the authority to release the goods, subject to payment/securing the liability, and in export - from the moment of submission of the declaration to the system to the moment of receiving information on release of the goods
Average time of tax proceedings initiated on request of a taxpayer	days	32.60 (2016)	downward tendency (annually) <24 (2020)	unit responsible for tax collection	indicator – total duration of completed selected tax proceedings initiated on request of a party, divided by the number of completed selected tax proceedings initiated on request of a party
Tax returns submitted electronically	%	77.3 (2016)	upward tendency (annually) >=85 (2020)	unit responsible for tax collection	ratio of tax returns submitted electronically to overall number of tax returns
<b>Direction II - Collection of tax and non-tax liabilities of the state budget by tax and customs authorities</b>					
Goal: Growth of efficiency and effectiveness of collection of tax and non-tax liabilities					
Level of VAT gap	%	24 <sup>11</sup> (2014 <sup>12</sup> )	downward tendency (annually) 10.4 (2020)	unit responsible for macroeconomic policy	Based on the report entitled: “Study on Report on the VAT in the UE-28 Member States”, in compliance with the indicator: VAT Gap as a percent of the VTTL; evaluation based on MF estimates contained in the <i>Multiannual Financial Plan of the State</i>
Position in the ranking of EU member states - VAT gap	position	21 (2014 <sup>13</sup> )	upgrade in the ranking <sup>14</sup> (annually) 14 <sup>15</sup> (2020)	unit responsible for macroeconomic policy	upgrade in relation to the previous year in the ranking created based on the report entitled “Study on Report on the VAT in the UE-28 Member States” and the VAT Gap as a percent of the VTTL indicator

<sup>11</sup> VTTL.

<sup>12</sup> Based on: Study on Report on the VAT in the UE-28 Member States.

<sup>13</sup> See above

<sup>14</sup> Refers to rankings created for 2017 and subsequent years.

<sup>15</sup> Due to the publication of the report with 2-year delay in relation to the data presented, information on the target position of Poland in the ranking in 2020 will be known in 2022.

Indicator	Measurement unit	Baseline value (base year)	Target value (year of achieving)	Data source	Definition of indicator
Ratio of revenue execution	%	100.42 (2016)	>=100 (annually)	unit responsible for tax collection	the sum of executed amounts of revenues from taxes and non-tax liabilities collected by tax and customs authorities, calculated cumulatively from the beginning of a year to the end of the reporting period against the amount of income planned in the Budget Act for a given year
Level of the amount of revenue due to liabilities constituting State budget income in relation to the level of the amount of budgetary liabilities	%	93.67 (2016)	upward tendency (annually) 97 (2020)	unit responsible for tax collection	level of budgetary revenue less the surcharges / level of budgetary liabilities less deductions and outstanding liabilities as at the end of the previous year x 100%
Amount of tax arrears covered by active instruments permitting enforcement	PLN M	7,995 (2016)	downward tendency (annually) 6,000 (2020)	unit responsible for tax collection	amount of arrears in tax offices, covered by active instruments permitting enforcement as at the end of the reporting period
Efficiency of liabilities enforcement	%	31.43 (2016)	>=33 and a growth by at least 2 percentage points year-on-year (annually)	unit responsible for tax collection	ratio of amounts of enforced liabilities to amounts covered by instruments permitting enforcement to be handled
Accuracy of analyses in the scope of planning and appointing entities for inspection	%	83.55 (2016)	upward tendency (annually) 90 (2020)	unit responsible for risk analysis in relation to negative phenomena in the scope of NRA competence	indicator determining in percentage the accuracy of planning and appointing entities for inspection, showing the percentage share of positive inspections (i.e. decreased by the number of inspections with no result) in the total number of inspections executed

Indicator	Measurement unit	Baseline value (base year)	Target value (year of achieving)	Data source	Definition of indicator
<b>Direction III - Financial security of the Republic of Poland and protection of the EU customs territory</b>					
Goal: improvement in the effectiveness of combating financial crime and abuse and protection of the European Union customs territory					
Relative growth in detection rate of excise crime and offence	%	1.5 (2016)	upward tendency (annually) 1.7 (2020)	unit responsible for combating economic crime in cooperation with the unit responsible for tax collection	ratio of irregularities disclosed by Customs and Tax Control Offices (value of secured excise products) to the budgetary revenue from this tax
Percentage of disclosed smuggling of tobacco products at border-crossing points	%	35 (2016)	upward tendency (annually) 40 (2020)	unit responsible for combating economic crime	ratio of the number of disclosed cigarettes smuggled in personal cars to the volume of cigarettes smuggled in personal cars estimated based on statistical surveys
Seized consignments of goods subject to prohibitions and restrictions	pcs	1800 (2016)	10% growth (annually)	unit responsible for customs duties	number of disclosed seized consignments of goods subject to prohibitions and restrictions
Growth in the quantity of detected illegal tobacco products exceeding the change of the quantity of smoked illegal cigarettes	%	disclosures - 0.539 bln consumption 3.131 bln (2016)	2% growth (annually)	unit responsible for combating economic crime in cooperation with the unit responsible for control and economic analysis ALMARES Research Institute	difference between the ratio of disclosed tobacco products (yoy) and the ratio of smoked illegal cigarettes (yoy)
Absolute value of negative differences in intra-Community acquisitions of goods	EUR bln	11.915 (2016)	at least 5% decline (year-on-year) 9.705 (2020)	unit responsible for control and economic analysis	the sum of negative calculation results: WNT value from EU members states declared for statistical purposes by Poland for CN8 commodity codes, less the WDT value to Poland declared for statistical purposes by the EU member states for CN8 commodity codes, increased by the adjustment coefficient defined as the estimated WNT value, other than subject to INTRASTAT obligations in Poland

Indicator	Measurement unit	Baseline value (base year)	Target value (year of achieving)	Data source	Definition of indicator
Absolute value of negative differences for intra-Community supplies of goods	EUR bln	12.636 (2016)	at least 5% decline (year-on-year) 10.292 (2020)	unit responsible for control and economic analysis	the sum of negative calculation results: WNT value from Poland declared for statistical purposes by EU member states for CN8 commodity codes, less the WDT value to the EU member states declared for statistical purposes by Poland for CN8 commodity codes, increased by the adjustment coefficient defined as the estimated WNT value, other than subject to INTRASTAT obligations in other EU member states



Indicator	Measurement unit	Baseline value (base year)	Target value (year of achieving)	Data source	Definition of indicator
<b>Direction IV - The system of management by objectives</b>					
Goal: Improving NRA operating efficiency					
Cost-effectiveness of NRA operations	PLN/ PLN 1 (PLN of revenue equals to PLN 1 of expenditures)	56.53 (2016)	upward tendency (annually) 77 (2020)	unit responsible for budget	ratio of the level of revenue from all taxes, customs duties, fees and other public law liabilities collected by the NRA to the total amount of expenditures incurred for NRA operations
Position in the ranking of EU member states - Cost-effectiveness of NRA operations	position	27 (2013 <sup>16</sup> )	upgrade in the ranking <sup>17</sup> (annually) 14 <sup>18</sup> (2020)	unit responsible for strategic management and implementation	upgrade in relation to the previous year in the ranking based on the "Tax Administration 2015, Comparative Information on OECD and Other Advanced and Emerging Economies" and the indicator: Administrative costs for tax administration/net revenue collected
Implemented model of NRA integrated management	-	0 (2016)	1 (2020)	unit responsible for strategic management and implementation	logical indicator where 0 means 'no' and 1 means 'yes'
<b>Direction V – Human resources management</b>					
Goal: Increasing the effectiveness and efficiency of performing tasks by NRA employees and officers					
Implemented consistent system of staff management in the NRA	-	0 (2016)	1 (2020)	unit responsible for NRA human resources	logical indicator where 0 means 'no' and 1 means 'yes'
Implemented competence model in the NRA	-	0 (2016)	1 (2019)	unit responsible for NRA human resources	logical indicator where 0 means 'no' and 1 means 'yes'
Implemented system of work efficiency measurement	-	0 (2016)	1 (2019)	unit responsible for NRA human resources	logical indicator where 0 means 'no' and 1 means 'yes'
<b>Direction VI - Modern IT</b>					
Goal: Development of IT supporting the implementation of NRA tasks					
Making new electronic services available in the customs area	pcs	0 (2016)	at least 3 (2020)	unit responsible for customs duties	difference in the number of services in the customs territory executed electronically in 2019 and in the base year - 2016

<sup>16</sup> Based on: Tax Administration 2015, Comparative Information on OECD and Other Advanced and Emerging Economies.

<sup>17</sup> Refers to rankings created for 2017 and subsequent years.

<sup>18</sup> Due to the publication of the report with 2-year delay in relation to the data presented, information on the target position of Poland in the ranking in 2020 will be known in 2022.

Indicator	Measurement unit	Baseline value (base year)	Target value (year of achieving)	Data source	Definition of indicator
Making new electronic services available in the tax collection area	pcs	0 (2016)	at least 3 (2018) at least 4 <sup>19</sup> (2019)	unit responsible for tax collection	difference in the number of services aggregated by subjects (e-JPK, e-VAT, e-ZOK, e-CIT) in the area of tax collection performed electronically, respectively, in 2018 and 2019 and in the base year - 2016

<sup>19</sup> Target value of the indicator calculated cumulatively.