

TAX TRIBUNE

MAGAZINE

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DELIVERS MAJOR SUCCESS

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DURING COVID-19

NORWAY:
NUDGES IN DIGITAL TAX
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MARC BUGNON

FOREWORD

Recently, IOTA celebrated its 25th anniversary. Publications of various kinds have played an important role over the years in supporting the organisation's goal of sharing knowledge between members. And this magazine is a great example of how to share that knowledge not only with our members, but also with the wider international tax community to connect us across borders.

In this issue, readers can enjoy a variety of topics, including online cadastral maps and taxation, taxation of the car trading business, or how nudging techniques can improve tax compliance. As partnerships play an important role in IOTA's life, the authors also discuss some joint initiatives in this issue, such as ISORA or VITARA. Just like the other issues of the Tax Tribune magazine, the 42nd edition proves how colourful the field of taxation really is.

Moreover, my colleagues already started organising the 26th IOTA General Assembly to be held in the city of Zurich on 29-30 June 2022. I am proud and look forward to welcoming IOTA Delegates to this beautiful place, which is always worth a trip.

I am confident that we can soon return to a new normal where knowledge sharing can take place in person again.

Stay safe, stay healthy!



Marc Bugnon
President of IOTA



MULTI-AGENCY VITARA DELIVERS MAJOR SUCCESS IN TRAINING SENIOR TAX ADMINISTRATION LEADERS

by Tamas Kulcsar, Technical Assistance Advisor International Monetary Fund

The Virtual Training to Advance Revenue Administration (VITARA) is a significant multi-agency capacity development project which aims to develop and deliver a suite of online courses targeting senior tax administration professionals around the globe.

Initiated in 2020, under the auspices of the Revenue Mobilization Thematic Fund, VITARA is a joint endeavor of IOTA and its three partner organizations, the Inter-American Center of Tax Administrations (CIAT), the International Monetary Fund (IMF) and the Organisation for Economic Co-operation and Development (OECD).

Offering high-quality and easily accessible online courses on a wide range of tax administration topics, VITARA addresses the increasing demand for practical knowledge on revenue administration issues. VITARA is a new tool in the toolbox of the participating organizations to support countries' domestic revenue mobilization (DRM) efforts through developing and strengthening capabilities of tax administrations. Being a digital product, VITARA's importance is magnified by the ongoing

pandemic, and its ramifications such as travel restrictions, lockdowns and working from home arrangements.

Courses forming Part A of the VITARA curriculum focus on tax administration management issues such as strategic management, reform management, organization, governance, HR and performance management as well as compliance risk management. The short and modular courses offer senior leaders and executives assistance among others with creating and delivering medium-term strategic plans for their tax administrations, designing and implementing multi-year modernization projects, restructuring their organization, establishing an internal governance framework and managing external oversight relationships, creating and implementing an IT strategy, introducing or improving compliance

risk management in their organization as well as using their HR departments more strategically.

Building on the core management topics, Part B of the curriculum will aim to deliver another nine courses on core tax administration functions (from taxpayer registration, services, filing and payment to dispute resolution) in the future.

Following the official launch of the project at the IOTA 25th General Assembly, the first three VITARA courses (Strategic Management, Reform Management Fundamentals and Reform Management Specific Topics) were released during the period of July - September 2021. The participation rates in these initial releases were staggering. More than 1,600 active learners enrolled in the modules representing an average

Course	Upcoming Release date
Strategic Management	January 2022
Reform Management Fundamentals	January 2022
Reform Management Specific Topics	January 2022
Institutional Governance	May 2022
Organization	May 2022
Human Resource Management	May 2022
Information Technology and Data Management	May 2023
Performance Management	May 2023
Compliance Risk Management	May 2023

of 544 participants per course. The project's global and inclusive nature is shown by the fact that participants enrolled from over 120 countries, mostly from developing nations. Yet, tax officials from advanced economies were equally represented.

The average pass ratio of the three courses was 76 percent. The learning gain reached 20 percent on average, which is high considering the strong pre-module knowledge level of the senior participants. VITARA targets leaders of tax administrations, and thus it is no surprise that most participants had more than ten years of work experience. The first courses also achieved very high satisfaction rates (around 95%). Their content was characterized by the learners as very practical, and useful. The design of the courses was described as agile and the platform hosting them was easy to navigate. Utilizing various learning methods from videos, exercises, testimonial interviews to reading materials, the vast majority of the participants noted that the courses provided an overall great learning experience.

As a successful interorganizational project, VITARA is a prime example of effective cooperation among international bodies in designing and delivering a high-end digital training product in the tax administration domain.

ISORA DATA GOES PUBLIC FOR THE FIRST TIME IN HISTORY

by IOTA Secretariat

Since December 2019 IOTA has been in the Chair of the ISORA Executive Council and the ISORA Technical Working Group. At the IOTA Secretariat, Johannes Stipsits, International Taxation Expert, is the responsible ISORA manager. In this article, we are interviewing Johannes about ISORA.

The following article contains extracts of Episode 11.4 of the TADAT Podcast.

The International Survey on Revenue Administration or ISORA, is a jointly developed online tax administration survey. The survey has evolved over time and is the largest database of tax administration information available with more than a hundred and fifty participants. Developing the survey jointly through the ISORA partnership, between CIAT, IOTA, IMF, OECD and the ADB, as contributing partners, has meant that a single, common survey can be deployed to a larger group of tax administrations leading to more comparable data on tax administration.

Different ISORA partners may apply different approaches to reviewing and editing the data provided by tax administrations. Could you please explain the IOTA's approach?

Johannes Stipsits: We provide our countries with comprehensive support starting right from the preparation of the data collection process and ending with actually using data from the survey. We directly support our countries and regularly communicate with the nominated ISORA coordinators. We offer them assistance in the data collection process and review the data they entered into the online platform. After several checks and comparisons, with data from ISORA and other sources,

as well as cross-checking with data provided in previous years, we are able to assist them in improving the quality of their data. In addition to this hands-on support, we offer special training sessions, together with other ISORA partners, so that ISORA participants can get first insights into the changes made to the survey, and be provided with guidance and recommendations, from an efficient collection process that ensures high-quality data. They can also discuss areas of use for ISORA data, exchange strategies for stimulating use and creating a buy-in with management, discuss challenges and best practices related to ISORA, completion and use' and finally, encourage networking among ISORA stakeholders. For ISORA 2020 and



“What’s in Your Toolbox?” The International Survey on Revenue Administration (ISORA)

Episode 11.4: Episode 4 of the “What’s in Your Toolbox?” special podcast series, introduces the International Survey on Revenue Administration or ISORA. The survey has evolved over time and is the largest database containing tax administration information available with more than a hundred and fifty participants. Developing the survey jointly through the ISORA partnership has meant that a single, common survey can be deployed to a larger group of tax administrations leading to more comparable data on tax administration. This episode explores how ISORA data is leveraged and the impact of the exercise on both tax administrations and capacity development providers.

In this Episode:



Go Nagata
Public Management Specialist (Taxation), Sustainable Development and Climate Change Department, Asian Development Bank



Santiago Díaz de Sarralde Miguez
Tax Studies and Research Director, Inter-American Center of Tax Administrations (CIAT)



Elizabeth Gavin
Senior Economist Revenue Administration Division 2, Fiscal Affairs Department, IMF



Andrew Masters
Deputy Division Chief Revenue Administration Division 2, Fiscal Affairs Department, IMF



Johannes Stipsits
International Tax Administration Advisor, IOTA



Oliver Petzold
Advisor Forum on Tax Administration Secretariat Organisation for Economic Cooperation and Development

ISORA

2021, three YouTube tutorial videos links produced by the OECD have also been shared with the participants, starting from the introduction, including the sign-in process, to the online platform, the management of the ISORA correspondents, and introductions for entering the data collection process. This initiative was highly appreciated by all countries.

What are the benefits of ISORA and of participating in ISORA to IOTA tax administrations?

Johannes Stipsits: ISORA provides access to a large set of entities and high-quality tax administration data. Allow me to mention some of them: data from revenue collections, management, budget, HR, filing and payment, enforcement, audit, and dispute resolution. The survey is very important for IOTA members. It presents tax administrations' strengths to the rest of the tax community. Which gives others the opportunity to ask for advice so that they can become as successful. By comparing tax administrations virtually with other tax administrations, slicing and dicing the data to look at different segments and areas, they can discover where there is room for improvement and who might be able to advise them. They can measure, compare, and make benchmark checks on their performance with ISORA and improve the organizational and administrative processes, and find appropriate solutions for underperformance in particular areas. In the international community of tax administrations, they all benefit from others getting better at their job. It's not a competition. Tax policy is another matter, of course, but that is not covered by the ISORA.

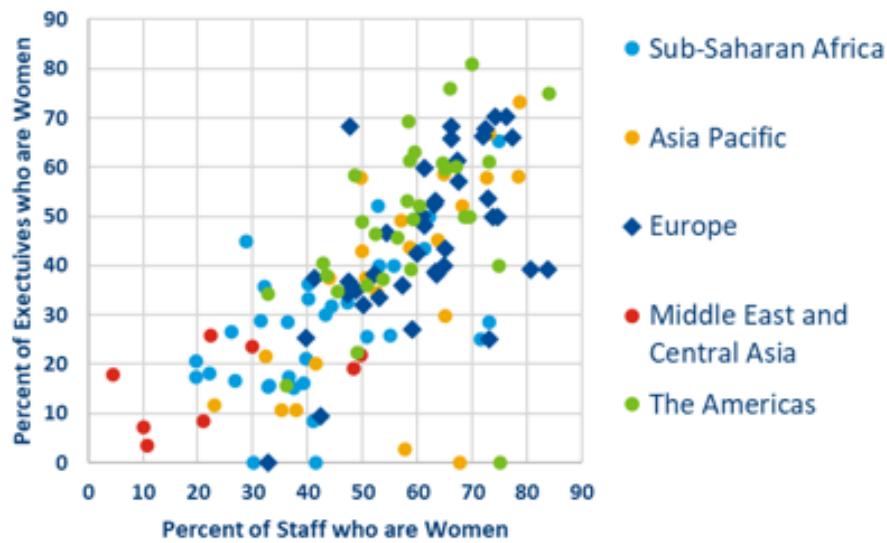
How are the data and survey results used and published?

Johannes Stipsits: Our members, tax administrations, use ISORA data individually, depending on the purpose. ISORA is getting more and

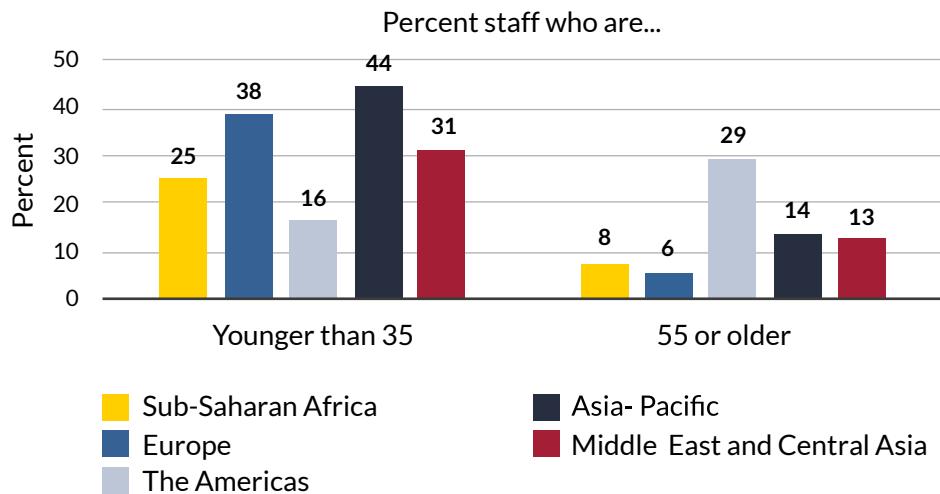
more valuable for them in their daily work because it provides time-series data. After three rounds of ISORA, they can now begin to identify trends. ISORA supports them in the daily decision-making process. For example, if administrations are thinking about implementing a new approach, they can use ISORA to identify other tax administrations that have already implemented something similar and ask them for advice. Starting with ISORA 2020, all data that is provided by a hundred fifty-six tax administrations in ISORA 2020 was made public after an initial period of exclusive access to the participants and partners. The data went public on 30th November 2021. This is the first time in ISORA history, I must say, that all data has become available to the

public. So for everybody.

The full version of the podcast about how ISORA data is leveraged is available on TADAT's website.¹



ISORA Data on Proportions of younger staff and staff nearing retirement



ISORA Data on Percent executives who are women

¹<https://www.tadat.org/podcasts>

HMRC CAPACITY BUILDING PEER-TO-PEER THROUGH INTERNATIONAL LOCKDOWNS

by Rachel Hughes, Capacity Building Unit Lead
Her Majesty's Revenue & Customs, United Kingdom

HMRC's Capacity Building Unit (CBU) launched in 2014 and had to rapidly react to the circumstances set by the global pandemic and international lockdowns. Although travel restrictions are being lifted, the CBU is adapting lessons learnt during this period, such as the potential offered by remote work.

What is Capacity Building?

HMRC's Capacity Building Unit (CBU) works globally with peer revenue organisations to develop shared capacity across all tax administration functions. Functions vary greatly from Human Resource Management to Technical International Taxation and Tax Transparency to Data Analysis and Interpretation skills, to name a few. Delivered predominantly through the peer-to-peer model, capacity building work involves specialists in their area of tax administration working with counterparts (peers) overseas to support the development and delivery of skills and knowledge sharing. The core purpose of HMRC's Capacity Building work, to promote economic development, remains unchanged since the CBU launched in 2014 as an initiative of the UK's G8 Presidency in 2013. The focus of the CBU is to undertake activities that promote economic development and inclusive growth. This supports countries to reduce reliance on aid by strengthening domestic revenue mobilisation through fairness, stability and voluntary compliance.

The Coronavirus Lockdown Challenge
In March 2020 when the UK Prime Minister announced a work from home where possible instruction to the nation the work of the Unit was immediately 'grounded'. Working face-

to-face with peers in their own offices overseas to understand the context and unique challenges of administering taxes in-country became impossible. Spending time alongside colleagues overseas, navigating the technology available in their organisations to fully appreciate the scope and definition of what was needed by way of peer-to-peer activity disappeared. With no idea how long the situation would persist (who knew what the coming months held in store!) the future of capacity building work instantly became very uncertain. It was immediately apparent that we needed to shift our approach and expectations and we needed to do it quickly. Set against a backdrop of the UK lockdown activity and pending economic impact of the pandemic brought home the intended consequences of CBU activity even more loudly, the need to support strengthening domestic revenue mobilisation.

Building Opportunities

Defining and delivering peer-to-peer activity in technical areas of taxation or tax administration from a distance is a challenge for all involved. Advances in technology of course have made so much more possible. I'm sure in the last few months we've all suffered a little bit of video conference fatigue, however at the same time the opportunities have

been surprising for many involved in CBU activities. Technology in this way became our new best friend. The team navigated many levels of security restrictions and gaps in the availability of technology and connectivity, as would be expected when working through multiple international tax administrations across the world. Building up working relationships and trust remotely meant allowing more time to get those crucial early discussions to work for everyone. Working in this field relies heavily on building rapport and getting to know the person behind the skill-set or job title is so very important to building trust, working remotely this was difficult make no mistake. With a little more time, patience and understanding of unique local challenges, including those with technology, solutions and opportunities emerged from a global pandemic many of us would have thought impossible outside of the world of films.

Delivery across peer groups as well as one-to-one activities were built up and delivered, colleagues who otherwise may not have opportunity to build networks with their neighbouring tax administration peers have been involved in shared online delivery of capacity building activities. New connections and more frequent communication emerged from the unexpected global crisis.

The Future

As travel restrictions begin to lift around the globe and travel resumes, the CBU is looking again at adapting and shifting the approach taken to best work with peers around the globe. In doing this it's impossible to not reflect on the last eighteen to twenty months and see how far we've come. It's an exciting future for the delivery of peer-to-peer capacity building work globally. Armed with the knowledge that remote activity that previously would have seemed at best a potential addition and at worst impossible has become an asset to us all, the possibilities have grown in our field. The ability to maintain the closest working partnerships, whether in the UK or in the offices of our overseas peers, through technology that we've all become familiar with is a fantastic future outlook to have. We'll always benefit hugely from face-

to-face interactions and experiencing the context and environment of peers is a crucial part of building understanding in capacity building but the new 'hybrid' option for delivery available and now proven presents a very exciting future indeed for HMRC and other tax administrations working to build economic development and inclusive growth.



ANNE-LISE BREIVIK, ANDERS HABBESTAD AND MARTIN NILSSKOG

INCREASING SELF-REPORTING BY USING NUDGES IN A DIGITAL TAX RETURN

by Anne-Lise Breivik, Anders Habbestad and Martin Nilsskog, Analysts
Norwegian Tax Administration

In the spring of 2021, the Norwegian Tax Administration introduced a new interactive tax return form. One of the functions in the new tax return form is real-time guidance as taxpayers are filing their tax returns through so-called nudging.

The nudges are meant to draw attention to conditions in the tax return that the taxpayer should take a closer look at. What kind of nudges the taxpayer receives depends on specifics in their tax return. This helps to keep the number of nudges down and relevant to each taxpayer. It may be, for example, that the person has filled in an amount that seems unusually high or low, that the person may be entitled to a deduction, or that there is extra information that the tax authority may need to obtain from the individual.

! Remark

Number of km appears to be high. Is the number of kilometres correct?

Figure 1. This nudge was given to taxpayers that claimed travel deductions and reported an unusually high number of kilometres between their home and workplace.

Specifically, the nudges appear as textboxes in the tax return. An example of a nudge is shown in figure 1. In the new tax return form, items are grouped by subject, e.g., salary and equivalent benefits, and taxpayers may click on a card to edit it or add new cards for items that are not prefilled. The nudges will appear either at the top of the tax return form, or next to the card that they are topically related to.

Another example of a nudge that was given in the tax return informed taxpayers that they had to self-report on deductions for work-related travel. Normally, this is prefilled based on the deductions reported in the previous tax return, but due to the Covid-19 pandemic, this was not prefilled for the income year 2020. Though most taxpayers had significantly less work-related travel, many still had enough to qualify for the deduction.

The nudges are a form of guidance and not a requirement that taxpayers have to follow, and the purpose of the nudges is to provide the taxpayers with the information they need for filing the tax return correctly. To this end the guidance is adapted to the individual, as the nudges are triggered either by something the taxpayer does in the tax return or by information the Tax Administration holds about the person.

Randomized controlled experiment to examine the effects of nudging

To study the effects of the nudging on reporting, analysts at the Norwegian Tax Administration ran a randomized controlled experiment in the 2021 tax filing period. In the experiment, for a selection of nudges, taxpayers are randomized into a treatment and a comparison group. The treatment group receives the nudges, given that they are relevant for their tax affairs,

while the comparison group does not receive the nudges, even though they would be equally relevant to them.

This way, we can estimate the effects of the nudges, as the randomization of taxpayers into the two groups ensures that there are no differences in background characteristics such as gender and age between the groups. Any differences in reporting must therefore be due to the nudging.

Nudging has a large effect on self-reporting

Results from the randomized controlled experiment show that the nudges had a large effect on self-reporting by the taxpayers. More taxpayers self-report, and the reporting is more accurate. We see increases in self-reporting of between 8 and 64 percentage points due to the nudges examined in the randomized controlled experiment. The increased self-reporting in turn results in a net increase in the tax base.

One nudge that was a part of the randomized controlled experiment urged taxpayers who had sold real estate to assess whether the sale was subject to tax. Generally, gains from selling a property are taxable, while losses are tax deductible. Using real estate sales records, the Tax Administration nudged the taxpayers that had sold a property, but not reported either gains or losses on

the sale. The goal of the nudge was to get the taxpayers to report the result of the property sale, regardless of whether it was sold with a gain or loss. The results show that the nudge was effective in increasing self-reported gains and losses on property sales. In the treatment group, a total of 45 percent of the taxpayers reported, compared to 37 percent of the taxpayers in the comparison group. The question of sales thus led to a statistically significant increase in reporting of a total of 8 percentage points. The total effect on the tax on the tax base was a net increase in reported taxable income of around NOK 110 million (approx. 11 million EURO).

Nudging in real-time is an effective tool

that the Tax Administration will develop further

Nudging in real-time is an effective tool for increasing self-reporting, and with the help of this tool we get more accurate taxpayer reporting. The Norwegian Tax Administration will continue to develop the use of nudging, and insights from this randomized controlled experiment are key in this work.



STEFANO LATINI

ITALY'S ONLINE CADASTRAL MAPS SYSTEM OFFERS A MUCH WIDER AND INCLUSIVE APPROACH

by Stefano Latini, Press Officer
Italian Revenue Agency

Accessing spatial knowledge networks with digital-maps is becoming a service increasingly used by public administrations, private companies and international organizations. Indeed, "Geospatial" is moving from a special expert domain to a common data source that is adapted for specific data science use cases, often with fiscal relevance.

Thanks to digital transformation, maps with their different levels of abstraction according to their transmission tasks may now offer strategies to enhance processing performance, due to its abstraction, persistent references of map features through different scales (abstractions) and improvement to the transmission of spatial information, which includes the transmission interfaces as well as geo-communication. A The cadastral and land registry is a developing tool that fiscal administrations all over the world have been using to exploit and develop offers. An increasingly agile, automated and simple service to millions of users, citizens and taxpayers.

Thanks to the new consultation services, enriched by editable and reusable data options, Italian cadastral maps have become more increasingly versatile for users who operate through the two online consultation services of the Revenue Agency, the Web map Service (WMS) and the Geoportal. Essentially in addition to dynamically navigating the cadastral maps, it's now also possible to modify the acquired data and reuse it for commercial use, provided source is cited. Thanks to that, the data can be used more easily and in different areas of application, ranging from local taxation to territorial governance and urban planning, from property

valuation to transfer of real rights, from emergency management to environmental protection and enhancement of cultural heritage.

The new geoportals strategic role beyond the map - In the context of the current technological revolution, the definition of "geoportal" goes beyond purely mapping. Quick access to real estate, land and property data is today a fundamental element that produces speedy estimated valuations. Such access can be guaranteed by the Internet and geographical information system (GIS) technologies allowing one to present and send data concerning real estate. For these



reasons, a geoportal, also referred to as a map-portal, is the most popular form of spatial data presentation using GIS techniques. As the definition says, a geoportal is a website that provides access to spatial data services. These allow one to search for, browse through, download, transform and launch other services connected with spatial data. A sort of big and rapid database able to release multiple highly needed data and information to millions of people and professionals.

Online geographical information to consult and use – As above mentioned, the Revenue Agency provides two services for consulting the cadastral cartography: the standard international Web Map Service (WMS), that make possible to create dynamic maps that integrate the cadastral cartography with any other geographical data, and the Cadastral Cartographic Geoportal (<https://geoportale.cartografia.agenziaentrate.gov.it>), which allows you to search for any particle through its identifier. Through these services, based on the latest technologies, citizens, businesses, professionals and public administrations can dynamically navigate through 300.000 cadastral maps, encompassing over 85 million parcels and 18 million buildings.

What changes with the new license CC-BY 4.0 - from today, users can also reuse the information for commercial purposes and making changes, as long as the source is cited. In fact, to meet the needs of operators, the Revenue Agency has adopted the CC-BY 4.0 user license, which allows for a wider use of data than the previously provided license. In details, now it will be possible to share, copy and redistribute the material in any medium or format and to adapt, remix, transform, and build upon the material for any purpose, even commercial. Indeed, this inclusive openness is guaranteed under the following terms:

Attribution - You must give appropriate credit, provide a link to

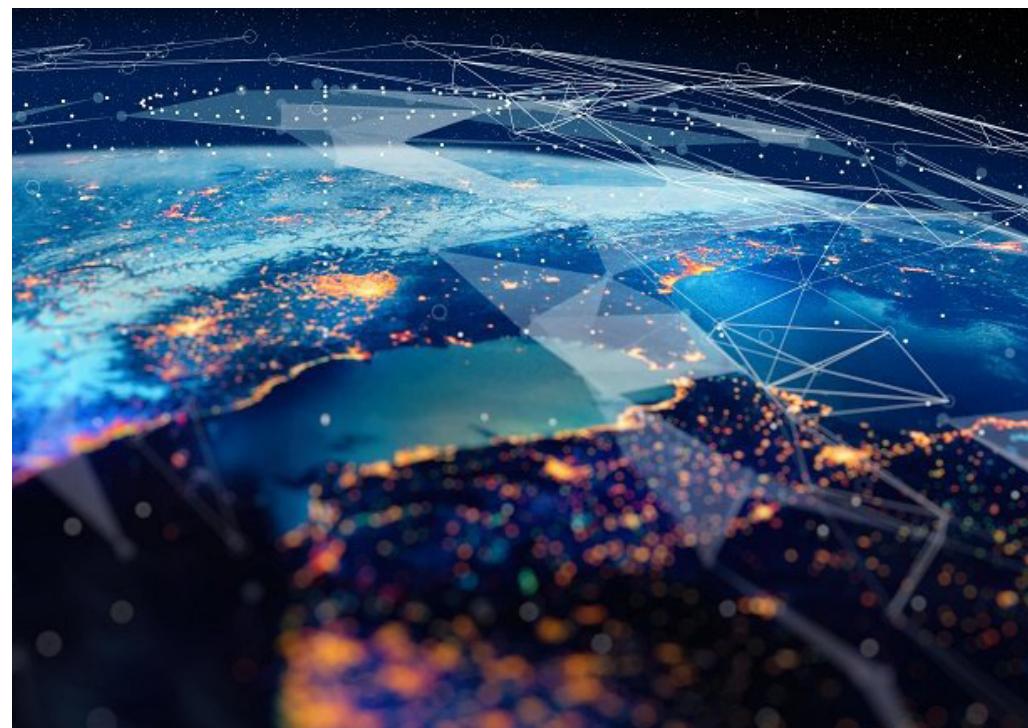


the license, and indicate if changes were made. You may do so in any reasonable manner, but not in any way that suggests the licensor endorses you or your use;

No additional restrictions - You may not apply legal terms or technological measures that legally restrict others from doing anything the license permits.

Map update in real time - The information that can be acquired via WMS and the Geoportal is updated

in real time with the technical documents transmitted electronically by professionals and experts: every day about 1.500 geometric updating documents are recorded in the cadastral archives that move about 3.000 cadastral parcels, whose data can be freely consulted with through the online services a few hours after the update.



GREATER TRANSPARENCY IN A SECOND HAND CAR TRADING BUSINESS

by Rolandas Puncevičius, Senior Adviser of Control Department
State Tax Inspectorate under the Ministry of Finance of the Republic of Lithuania

According to the data of the Lithuanian State Tax Inspectorate (STI, lithuanian – Valstybinė mokescių inspekcija, VMI), the used car trade, the repair and car part trade sector is classified as one of the highest risk sectors for tax evasion. Based on the results of a concluded study in 2018, the VAT gap within the sector was more than 38 million euros. Therefore, STI is especially keen on performance monitoring and control activities within the sector and is always on the lookout for tools or means to reduce the scale of the shadow economy.

Key problem: fictitious transactions

Since 2018, the present sector has seen 2.2 thousand checks during which instances of more than 8.8 million Euros of additional payable taxes were declared. Furthermore, during the monitoring and control period, taxpayers declared additional payable taxes of 700 thousand Euros.

The most common infringements were as follows: unregistered trade of used cars, unjustifiable application of the 0 percent VAT rate, keeping of VAT return forms, hidden income. However, the key problem within the car trade sector was fictitious transactions.

Fictitious transactions allow specifying a much lower sales price for the car within the sales agreement, as well as counterfeit sales agreements (kaufvertrags) for the purchase of a foreign car. By counterfeiting the information of the seller, these sales agreements specify that the used car has been purchased directly from a person living abroad and this allows for the omission of the information of the real seller who - in turn - is able to avoid legal and financial liability.

These cases allow for an unfair advantage within the used car market

over honest salespersons, providing for unfair conditions and competition, as well as a significant impact towards the scale of shadow economy. These cases also undermine the final buyer - who without their knowledge - aids in the counterfeiting of documents. This way the buyer becomes a part of the financial scheme for the omission of payable tax, suffers losses while trying to sell the purchased car, as well as losing any right to guarantees.

Vehicle owner's declaration code: the mean of traceability

In order to resolve the problem of unfair salespersons operating within the used car trade sector, a cross-institutional working group has been formed in which STI was an active participant. The working group reached a significant milestone: starting from May of 2021, a new accounting framework for vehicle owners (TPSAIS) has been developed with changes in the legislation for all cars present within the country to bear a unique vehicle owner declaration code (SDK, lithuanian – savininko deklaravimo kodas). The code allows connecting a specific car and tracing it back to the owner within the Republic of Lithuania.



Prior to the entry of the vehicle to the Republic of Lithuania, the owner of vehicle is required to have a valid SDK. The registration and sale of vehicle is not allowed without SDK and it is required to be published in all vehicle advertisements. Key part: the system allows for the monitoring and recording of the actual change in ownership of the car. Both the buyer and the seller must declare the sale and transfer of the rights of ownership of the car towards the new owner by generating a new SDK.

Following the implementation of the new system, the possibility of performing monitoring and control activities to a much broader scope became available. SDK monitoring and checks-ups are not only performed by STI but also by five additional institutions: Police, Customs, Financial

Crime Investigation and State Border Guard Service, as well as the Lithuanian Transport Safety Administration. Monitoring and control activities are performed on roads, car trade lots and marketplaces, as well as by checking internet advertisements on respective portals and social networks.

Initial results

Following the implementation of SDK, a tolerance period until the 1st of September was given as well, aiming to help the owners of cars to transfer to the new system. The goal of the performed monitoring and control activities was not to fine but inform vehicle owners. By checking more than 6 thousand vehicles on roads and parking lots and more than 22 thousand of vehicle advertisements on the internet, almost 21 thousand of total cases of missing SDK and/or failure in public disclose of the SDK were found. The offenders received warnings and their information was logged for repeat investigations following the end of the tolerance period.

The newly implemented system has resulted in a positive impact within just a couple months of launch. The system helped to reduce the scale of shadow economy within the car trade sector. This was highlighted by the increase in the number of salespersons undertaking registered activities in vehicle trade: by comparing the month of October of this year to the same month of the year 2020, the registered number of car trade activities increased to 411 citizens and 176 companies this year.

Following the end of the tolerance period, TPSAIS highlighted 22 persons possibly engaged in the operation of unregistered car trade. During the monitoring and control activities, 109 thousand Euros of undeclared income was disclosed. Furthermore, six persons have registered their conducted operations in the car trade.

By checking internet advertisements,

a number of persons publishing an invalid SDK were found. For example, following the identification of an internet advertisement with a fake SDK a fictitious purchase operation was organized and took place. The person responsible for selling and showing the car not only offered to specify a much lower price for the sale of the car within the sales agreement but also to conclude the sale by signing a 'kaufvertrag' from the Netherlands which was filled in and signed by the same person in place of the actual foreignperson. A pre-trial investigation by the law enforcement authority was started for the aforementioned case.

Development of new control tools

SDK provides the possibility to identify persons offering cars for sale from the very beginning of the trade process, as well as for specific vehicles (in accordance to their make and VIN number) and offered sales price. TPSAIS allows for checking this data against the data received from other sources (e.g., market price, database performing roadworthiness tests) and the implementation of a new analysis

system based on it.

Implementation of a new system is also planned in the near future that would allow for the evaluation of the authenticity of the price entered within the sales agreement and persons. Persons - possibly specifying a fictitious price within the sales agreement - will have to justify the aforementioned price. STI will also focus their attention more on sales agreements concluded under 'kaufvertrags' and will aim to check the authenticity of such sales agreements by close cooperation with the new owners of the purchased car.

Finally, a new system for car owner will have a significant impact towards the development of a fair-trade market. SDK is not only a tool allowing for the control and monitoring authorities to identify the car salespersons causing the greatest breaches within the sector but will also allow the persons purchasing the car to check, whether the car to be purchased is declared correctly and the salesperson is acting in accordance with the requirements.



A NATURAL TALENT AT BOTH SIDES OF THE CAMERA-LENSES

by Dr. Mónika Szente, Head of Unit
National Tax and Customs Administration, Hungary

Taking pictures of good quality has not been the privilege of a small group of people since the emergence of smartphones. It is a widespread and popular free time activity all over the world, millions of pictures are snapped every day, but only a fraction of them are able to bring out the special feeling of natural talent.

Dr. Violetta Papp Domány, who works for the National Tax- and Customs Administration of Hungary (NAV), is one of the hobby-photographers whose pictures have a message which is hard to formulate into words. Looking at her photos the social sensitivity and artistry is noticeable

Her picture „Woman & Horse” won Merit Award in the Open Category at the Photo Competition 2020 organised by the International Police Association (IPA), she was the only award winner from Hungary. The photos sent to the competition have been released around the world and were exhibited at the IPA World Congress 2021.

Violetta, tell me about the awarded picture, please.

I took this photo of a dear friend of mine and her beloved horse, I wanted to capture the emotional bond between them. It is hard to shoot humans with animals. Before taking pictures with the horse, we gave it food to keep it calm during the photo shoot. The „Woman & Horse” displays special feelings, in addition to the close connection between a human and an animal, it reflects the inner charm and grace of a „WOMAN”.

What does taking pictures mean to you?

Taking pictures means joy, happiness and self-expression for me. In my

pictures, I love to present the inherent beauty, power and endurance of women, which are also the characteristics of my everyday life.

Why did you choose this theme?

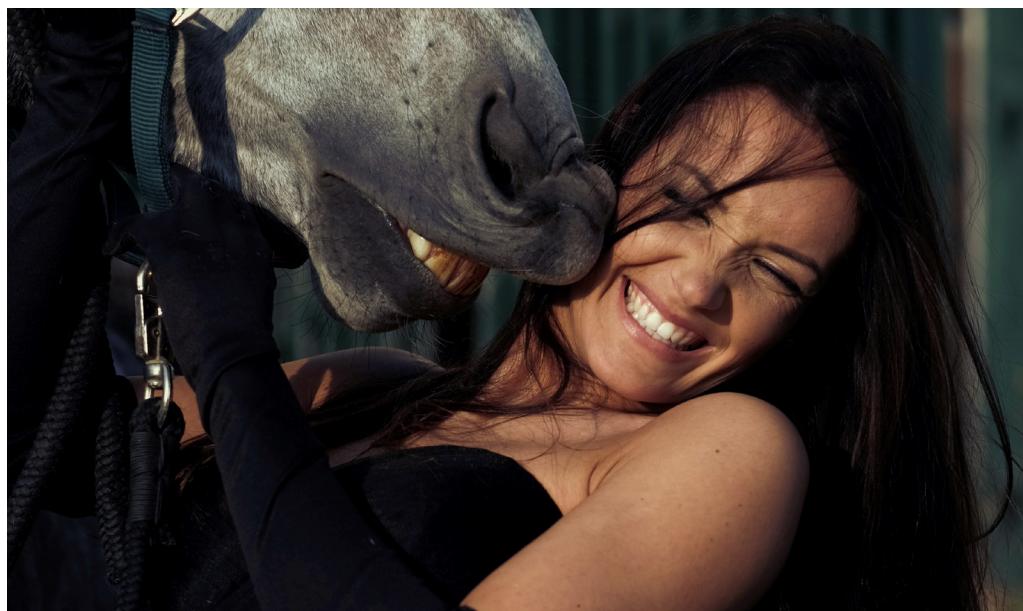
Five years ago, life was very difficult for me as a woman. During my recovery from cancer, I took a camera and started to capture the feelings of women's faces. The topic choice, which was not conscious at the very beginning, helped me to recover. Photography opened up for me a part of the world which I had not known before. I made many new friends and learnt how to watch people from a different point of view. Now, I consciously look for the hidden feelings in the faces and try to present them in an unconventional

way. My favourite topics are sports and glamour, but I am brave enough to take pictures of more challenging and difficult topics.

Violetta has continued improving her skills, and in the last few years, she learnt a lot from her mentor who discovered her talent on the social media. The hard work has been rewarded, and she has been invited to take pictures not only of informal occasions by family and friends but also of official events.

Which was the most memorable event to which you have contributed as a photographer?

I would mention two events when I had the opportunity to take pictures at the Hotel Hilton in Budapest. One



was an exhibition organised with the title „World is a Rainbow” where drawings that had been made by children with Down syndrome were displayed and I made „happiness” portraits of those children. At another event I took pictures of women who were ill or who had suffered limb loss, they were in fancy dress and walking on an imaginary runway. It was heart-warming and delightful to present that people suffering from diseases and people with disabilities could be beautiful and live full lives.

Do you like showing your photographs and participating in competitions?

Oh yes, I do not think that taking pictures is an end in itself. I would like to give other people joy and happiness with my pictures as well as motivating them – mainly women – to be brave enough to show their inherent hidden sides. I have more pictures awards, I won first and second prizes in national competitions. I participated at two exhibitions. In 2016 my pictures were shown at the gallery of NAV as part of a national exhibition, and one year later my hometown, Bonyhád, organised a one-person exhibition for me.

Violetta works for the Tax and Customs Directorate of Tolna County of the NAV, her office is located in Szekszárd, which is the centre of Tolna County in the Southern part of Hungary. Her strong and well-organised family background helps her to do her best both in the world of work and hobbies. Her husband is a general practitioner in her hometown, they have two beautiful daughters, Letti (17) and Bella (14).

Taking pictures needs a lot of time. How could you manage to do a great job in your family, work and hobbies?

My husband supports and encourages me all the time. Our teenager daughters were happy when their mother started taking pictures, they love to be my models in pictures having a „girly” or even surprising themes. Besides the trips to the venue of the photo shoots, me and my husband spend a lot of time

on bike, our common hobby is road cycling, sometimes our daughters or friends join us to have a nice trip. Of course, I feel tired sometimes and then I slow down and have a rest with my family. I think I have managed to establish harmony, we live in a really sweet home where I can find a balance quickly and go to work powerful and eagerly every day.

Which role do your hobbies play in your work at the tax office?

I have to meet new duties in my everyday work at the office because of the challenging legal background, therefore I have been training myself for some years deliberately, now I am learning communication. I take strength from photography and sports for all of this. I like contributing to the colourfulness of the office world, not just with my pictures. I have written some articles in internal magazines and websites and took portraits of some managers within the NAV organisation. I like participating in events and sports programmes organised by the NAV where I have my camera with me, of course.

You like not only to take pictures, you also appear as a model on the other side of the camera.

Oh yes, the world of beauty and femininity has always been part of my life. I found myself in the last round of the Miss Universe Hungary when I was 19 years old, and I won a regional beauty contest. These days, in my free time I like to also model in the cool and attractive world of pin-up and rockabilly.

How did you show up into the middle of this not too common world? What were you impressed by?

The world of pin-up has been a part of my life for a year. A nice friend of mine drew my attention to the national pin-up beauty contest, which took place at the international Oldtimer Show in Budapest. I registered for this competition with the feelings

of respect and nostalgia, it brought back heart-warming memories from my childhood. When I was a little girl, my parents put the records of Elvis and the other rockabilly stars on the turntable, and I danced to them. I needed more pictures to enter this contest, we started to take them last year. I enjoyed every second of the photo shoot, even though that time was hard, too. It turned out that my mother had an incurable disease, but this contest gave her incredible joy and gave me power to care for her until the last days of her life in addition to my responsibilities at home and in the office.

How did the competition go for you? Are you planning to continue?

I won third place in 2021 and got a special public prize because the elements of the pin-up style had best reflected me. Me and my small team are planning to compete in the international pin-up beauty contest in 2022 as well.





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