

# FINAL REPORT

## PROVISION OF SUPPORT TO THE GREEK REVENUE ADMINISTRATION



BTC REF: GRE150041T\_EU-TFGR4  
EU REF: VS/2015/0059

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*The report is prepared in line with Article 4 of the Special Conditions of the Agreement and Article 3.7 of Annex II, General Conditions.*

## Acronyms

AEOs	Authorized Economic Operators
Enabel	Belgian Development Agency
EC	European Commission
EU	European Union
GC	General Conditions
GSPR	General Secretariat for Public Revenue
HWIAC	High Wealth Individual Audit and Collection Center
IAPR	Independent Authority of Public Revenue
MoF	Ministry of Finance
MoU	Memorandum of Understanding signed the European Commission on behalf of the Eurogroup, the European Central Bank (ECB) and the International Monetary Fund (IMF) as part of the Economic adjustment programme for Greece (August 2015)
OECD	Organisation for Economic Cooperation and Development")
RA	Revenue Administration
sMoU	Supplemental Memorandum of Understanding (4th Review of the ESM Programme)
SRSS	Structural Reform Support Service
TA	Technical assistance or Technical assistant
TFGR	Task Force for Greece
TMOU	Technical Memorandum of Understanding (22 March 2018)
TS	Technical Support
UNECE	United Nations Economic Commission for Europe
WCO	World Customs Organisation

*Disclaimer: this document has been produced with the financial assistance of the European Union. The views expressed herein can in no way be taken to reflect the official opinion of the European Union.*

## Summary of the Action

Intervention name	Provision of support to the Greek Revenue Administration
Intervention Code	BTC REF: GRE150041T_EU-TFGR4 EU REF: VS/2015/0059
Location	Greece
Budget	1 999 616 EUR
Funding source	100% EU
Type of contract	EU P.A. Grant agreement (version 05/2015)
Partner Institution	Structural Reform Support Service (SRSS)
Implementation period	18/07/2015 – 17/07/2018
Target groups	The Secretary General for Public Revenue for the revenue administration and the services of the GAO (General Accounting Office) of the Greek Ministry of Finance.
Impact	The capacity of the SGPR and the revenue administration (or on GAO as regards PFM) to manage and successfully implement parts of the reform agenda is strengthened.
Overall Objective	To improve the functioning of the Greek revenue administration (Greece's national priority as set out in the current economic adjustment program) and Public Financial Management.
Specific Objective	To strengthen the administrative capacity of GSPP and its operational capabilities in specific fields of revenue administration and to strengthen the management capacity of the SGPR in implementing the reform agenda and to strengthen the PFM capacity of the Greek authorities.
Results	The resident or intermittent experts provide TA to the Greek authorities in selected areas of revenue administration (such as audit of HWI-HISE; audit strategy, debt collection, fight against excise [fuel and tobacco smuggling] fraud and against VAT fraud, build-up of a policy and legislation function inside the tax administration, etc.) and PFM (e.g. the articulation with the overall administrative reform, such as the role of General Directorates for Financial Services or the nature and scope of GAO's support and coordination role for General Government entities, etc.). This should enhance both the administrative capacity, in particular the operational capability of the Greek revenue administration as well as the management capacity of the SGPR in implementing the reform agenda in these areas, provided of course that the underlying assumptions materialize and identified risks do not negatively affect the TA project. The administrative capacity in the PFM would equally be enhanced, subject to the same assumptions.
Period covered by the report	18/07/2015 – 17/07/2018 (Final report)

## 1. Background and overview

1. The Agreement was signed on July 17, 2015 and an Amendment No. 1 was signed on June 15, 2017 to provide some precisions on the actions implemented and an Amendment No. 2 was signed on 15 December 2017 to replace Annex III with a revised Budget of the Action (reallocation of headings).
2. Section III provides an assessment of progress to date in four parts: (a) a summary of the project proposal; (b) a narrative overview of progress made through the end of the project, including activities undertaken, outputs delivered, risks and mitigation actions and results achieved; (c) an assessment of the extent to which objectives and outcomes have been achieved; and (d) notes for future work.
3. Section III provides an overview of the financial status of the project through end of the project, including the utilization of the budget (in line with Annex III of the Agreement), and a full list of missions undertaken in the reporting period.
4. Assets: no assets were acquired under the project; therefore, a transfer of assets to the beneficiary was not required.

## 2. Final assessment

### 2.1. Project and Implementation Description

#### 2.1.1. Historical background of technical assistance provided to the Greek Customs administration

1. The Greek Revenue Administration has been undertaking fundamental reforms since 2011. Building and enhancing the administration capacity of the Revenue Administration is a key objective of the Greek Authorities and is directly linked to delivering sustainable public finances, which was Pillar I of the ESM programme negotiated between the Greek authorities and the representatives of the lenders: European Commission (EC), European Central Bank (ECB) and International Monetary Fund (IMF) and the European Stability Mechanism (ESM).
2. In this context, technical support has been provided in order to build administration capacity and enhancing competences, skills and processes with the final objective to improve the functioning of the Greek Revenue Administration, public revenue collection and debt management as well as, more specifically, core functions of the Revenue Administration such as - Audit of High-Wealth Individual and High-Income Self-employed Taxpayers, audit of large taxpayers, tax and customs investigation and also establish in-house training capacity.
3. This process was initially supported by the European Commission and in particular by the Structural Reform Support Service ("SRSS"), the service which absorbed the Task Force for Greece ("TFGR") in July 2015, associating Commission services (in particular

#### 2.1.2. Summary of Project Proposal

1. The provision of technical assistance continued in 2015-2017 mainly under the PA Grant Agreement VS/2015/0059: "Technical assistance support for the Greek Revenue administration and PFM in Greece." was a phased project. This project provided technical support to the

Greek authorities in the area of Revenue Administration). Overall, certain selected aspects of the overall Revenue administration reform and core functions of the Revenue Administration for which the Greek authorities required and requested targeted technical support in order to improve the functioning of the IAPR (formerly "GSPR") have been addressed.

Specifically, the project assisted the Greek authorities in the following:

- developing an overarching compliance strategy which would build capacity in the field of taxpayer audit and integrate/refine the activities of key Directorates such as the Audit Directorate, Large Business Office (Kemeep) and Taxpayer Compliance Directorate. A resident adviser provided this support over the period April 2014 to May 2018;
- supporting the High Wealth Individual Audit Centre to build-up the capacity, skills and tools necessary to successfully run a modern service for audit of high-wealth individuals and high-income self-employed taxpayers in Greece, and the development of a training strategy.

Support was provided in this respect by a resident advisor from January 2016 to August 2018 and complemented by several short term expert visits to consolidate the resident advisor's work in selected operational as well as organizational areas (4 short term expert visits);

- advising on how to automate debt collection, delivering technical support on filing, registration, payment and tax collection in general, towards an improved revenue administration with a tax debt collection function in place and properly operating.

The support in this respect took the form of a resident advisor from April 2016 to August 2018.

- supporting the restructuring of DIPAE/YEDDE and to refocus YEDDE to be a specialized investigation center with professionalized investigation functions in place and properly working. Advising on how to build up the competence and capacity in the areas of risk assessment and analysis within DIPAE and develop techniques to fight VAT fraud - especially Missing Trader Intra-Community (MTIC) fraud.

The support took the form of a resident advisor from April 2016 to August 2018 and a Fiscalis short term expert mission in November 2016.

- from a Custom perspective, advising on the introduction of new legislation to combat smuggling, arranging training and working visits covering key strategic areas and the monitoring and driving of specific procurements.

The support in this respect took the form of a resident advisor from August 2016 to July 2018.

2. The Technical Support (TS) provided in 2015-2016 tried to deepen the axes of the aforementioned project.

As regards support to the fight against tax fraud and tax investigation function, a key area of intervention consisted in providing advice and expertise on how to deal with the stock of prosecutor orders that must be given priority residing in YEDDE. Staff faced the threat of personal prosecution if they were considered to have failed to comply. YEDDE were highly

affected by the exponential increase in the number of prosecutor referrals to YEDDE during 2016 and first semester 2017 that delayed the development of an effective risk-based investigation and audit program. Technical support was provided to refocus YEDDE on prioritized investigations and intelligence-led activities and to accelerate the procurement of an advanced detection software to identify potential VAT MTIC fraud.

Support to the audit function and more particularly the high wealth individual audit function was delivered on four main areas : (i) familiarization with new audit methods (implementation of IAM, risk analysis mechanism, IT tool); (ii) development of new relationship with the taxpayer (VDI procedure, ....); (iii) implementation of a “new structure” under the public Prosecutor to deal with the cases to be audited; and (iv) developing a more effective audit mission in the HWIAC (increase the number of completed audits and assessed amounts).

As regards debt collection, support to the legislative and regulation framework and administrative processes to strengthen debt collection, in particular by adopting good international practices (e.g. automated and cost-efficient debt collection tools);

From a customs perspective, advising on the introduction of legislation designed to control the domestic tobacco supply chain, and so reduce smuggling. In addition, the procurement of scanning equipment was closely monitored.

In addition, technical support focused on providing project leadership in the design and implementation of a national voluntary disclosure initiative which aimed to promote voluntary compliance without alienating the general body of compliant taxpayers.

Finally, technical support was delivered to assist the implementation of a tax and customs academy within the IAPR.

3. Technical support in 2017 focused on consolidating ongoing capacity-building measures and also began to incorporate a new role coordinating the work of three other resident experts working with the IAPR in the fields of Collection, High Wealth Audit and Investigations. There was also a expansion of work with the EC Tax Policy team, helping identify necessary tax reforms and assisting the IAPR in the delivery of MoU commitments.

As regards fight against tax fraud and tax investigation, the emphasis was placed on the restructuring of DIPAE/YEDDE and to provide work related hands-on training to build up competence and capacity in the areas of risk assessment and analysis within DIPAE. The ultimate objective was to develop a systematic and structured approach to tackle tax evasion in different risk areas but also to develop an investigation strategy and a risk-based investigation and audit program with risk assessment procedures to identify and address sectors with revenue at risk and, finally, to develop a risk based prioritization process for case selection and create investigation techniques for each targeted sector in operational plans to be integrated in the business plan.

As regards debt collection, technical support in 2017 focused on supporting the development of the National Collection Strategy, helping the implementation of a strategic program of bankruptcy and liquidation actions against recalcitrant debtors, supporting write off of tax debt/ restructuring of uncollectible debt, support restructuring of tax payment obligations, supporting legislative work on KEDE alignment with civil procedures, promoting and supporting

amendments to the TPC (e.g.: Statute of limitations and enterprise managers joint liabilities), and on the development of some targeted initiatives to strengthen the debt collection function.

A number of key areas were addressed as regards the customs and excise administration: a lot of work was done to assist the Administration tackle smuggling by the introduction of supply chain controls for domestic cigarette manufacturers. Initially working towards voluntary agreements but latterly changing to a legislative remedy. The procurement of scanners was closely monitored throughout the period with regular reporting to the institutions enabling forcing action to be taken as required. Advice was provided on a regular basis to the Mobile Units (KOE) with the intention of improving their processes and procedures. Similarly, advice was also given to assist in the setting up of the multi-agency Co-Ordination Operational Centre (SEK).

4. During the reference period covered by the project, specialized advice (beyond customs reorganization strictly speaking) was provided in relation to all the work areas detailed at 12 which continued to progress throughout the remaining period, with the exception of the procurement of scanning equipment which was successfully completed in November 2017. In addition, a Working Group was set up under the guidance of TA to critically review the way Customs handles intelligence with a view to improvement and modernization; other specifically tasked Working Groups are also planned. To refining how minor infringements are dealt with TA has examined the relevant legislation and suggested an alternative system, this is being considered and developed. A publicity campaign on the dangers of illicit cigarettes is planned based on a paper researched by TA and covering all the salient points. The procurement of a fuel marker system is now being closely monitored with regular updates to the Institutions.
5. The support provided took the form of long term expertise provided by Resident advisors. Short-term expert visits were also delivered and the technical support help provided assist the Greek tax administration in identifying experts from their home customs and tax administrations and organizing Fiscalis 2020 for sharing knowledge and good practices in some specific and targeted areas (see details below).
6. This project was part of a broader package of that ENABEL (ex-BTC) is providing to the Greek government to improve Revenue Administration in Greece and for which ENABEL (ex-BTC) continues to work with the European Commission. Since 2014, ENABEL (ex-BTC) has been providing extensive Technical Support (TS) to Greece to improve the Revenue Administration and to support reforms in core areas of the Revenue Administration.

### 2.1.3. Implementation

#### Revenue Administration (RA) – Customs Administration

1. This project financed 5 long-term experts as resident advisors attached to the Revenue Administration of the GSPR the then IAPR for the following periods respectively:
  - A corporate tax specialist from HMRC's Large Business directorate, Mr. Tom Parr, was attached for the period April 2014-May 2018;



- A specialist in tax audit of High Wealth Individuals and training from the French Tax Administration, Mr. Jean-François BLAZY, who was attached for the period January 2016 to August 2018;
  - A specialist in tax debt collection and management from the Portuguese Tax Administration, Mr. Manuel António de Bessa Vieira, who was attached for the period August 2016 to July 2018
  - A specialist in tax audit, investigations and fight against fraud from the Swedish Tax Administration, Mr. Håkan Olsson who was attached for the period April 2016 to August 2018
  - A specialist in customs and excise administration from the HMRC, Stephen Henderson, who was attached for the period August 2016 to August 2018
2. In addition to the Long-term expert, the project facilitated the organization of short term expert missions for the period using the funds of the Fiscalis 2020 programme:
- 6-9 October 2014 Workshop on Advance Pricing Agreements (APAs) delivered by specialists from the UK's APA team;
  - 26-27 March 2018 Workshop on Transfer Pricing Risk Assessment using specialist software;
  - 14-16 november 2016 in the area of VAT fraud with Belgian VAT experts, Yannic Hulot and Fabian Desmedt;
  - 29- 31 March 2016 on “the implementation of the tax and customs academy” by Hervé Grosskopf from France;
  - 23 - 27 January 2017 on “train the trainers session” by Patricia Filliard from France and Michaël Roeckaerts from Belgium;
  - 13 - 17 March 2017 on “train the trainers session” by Patricia Filliard from France and Michaël Roeckaerts from Belgium;
  - 4 - 8 September 2017 on “train the trainers session” by Michaël Roeckaerts from Belgium.

Hervé Grosskopf, as a former Director of the French public accountancy Academy, drew up a state of play and the first recommendations related to the implementation of the tax and customs academy and, Patricia Filliard and Mickaël Roeckaerts, as tax trainers in France and in Belgium, led the three train the trainers' sessions on educational methods addressed to potential occasional trainers, permanent trainers and the Academy's board.

3. Delivery of some of the above Technical Support was in addition performed by dedicated external providers in targeted areas and in particular concerning improvements of tools and process. For instance, a team from a well-known provider of Transfer Pricing software gave a two-day workshop on use of their products in October 2017 to IAPR staff involved in international taxation.

## 2.2. Overview of Progress and Results Achieved

### 2.2.1. Overview

1. The Technical Support under this project mainly focused on assisting the Revenue Administration in the reorganization and modernization of its core functions at a mature stage of implementation. At the highest level, this involved the drafting and publication of a taxpayer compliance plan in 2017 identifying the main compliance risks facing the IAPR and recommending effective responses to each identified risk. TA helped the IAPR develop an effective plan based around the main taxpayer segments and this will continue to evolve and inform the authority's key compliance actions across the main directorates.

As regards support to audit and tax investigation functions, this involved a process of intervention in various key topics: technical support on specific issues concentrated on the restructuring of DIPAE and YEDDE to perform intelligence-led activities with an effective risk-based investigation and audit program in accordance with good international practice. The technical support's main focus were to strengthen the competence and capacity within DIPAE in the areas of risk assessment, analysis and evaluation. It also involved the development of operational processes for risk assessment and procedures to identify and address sectors with revenue at risk and develop audit and investigation techniques for each sector.

As regards the customs and excise administration function, it involved significant technical support advice on the introduction of a viable Strategic Plan for Customs to enhance effectiveness. Also, following advice and guidance by technical support the drafting and introduction of new legislation to combat smuggling. Lastly, through technical support monitoring and driving key procurement projects have either been completed or are at an advanced stage.

The project contributed to the successful observance of commitments agreed between Greece and its lenders particularly as regards the following:

2. The following outcomes were achieved per reform areas as defined by the project proposal:
  - The development of the KEMEEP (Large Business Office) into a competent directorate capable of addressing audit issues in the large business sector
  - The development of the Audit Directorate into a modern Risk Assessment center unencumbered by outside pressures and free to use limited resources in a targeted and cost-effective manner
  - The IAPR and its component directorates are supported by a framework of laws and procedures consistent with international good practice and specifically developed to address local priorities in the field of taxation
  - As regards debt collection: (i) strong progress in recovery procedures and set-up of a 4-year National Collection Strategy, (ii) development of an Out of the Court Workouts mechanism for the settlement of debts, (iii) reform of IT systems started (December 2017), (iv) reform of Administrative tools and procedures implemented (Triage, Debtors profiling and prioritization – March to June 2018), (v) professionalization of the tax debt

collection function, (vi) improvement of tax arrears collection and of tax compliance, (vi) compliance with the KPIs and increase of the collection of old arrears, and, finally, (vii) increase of the enforcement capacity

- The introduction of Tobacco Supply Chain Legislation
- The successful setting up of the Co-Ordination Operational Centre (SEK)
- The advancement of the procurement of a Fuel Marker System
- Assistance in the preparation of the Customs Strategic Plan 2018-2020

Achievement		Comments and implications	Completion date
1	Completion of a Taxpayer Compliance Strategy for the IAPR in accordance with international best practice. Appendix 20, 21	This was an important MoU requirement and consumed considerable TA time through weekly meetings with the project team. It was completed on time with very favourable feedback from the institutions	March 2017
2	Successful Completion of a Voluntary Disclosure Initiative (VDI) which was drafted to international standards with TA assistance. The VDI was the most successful in modern Greek history, generating revenues of over €360m in the initial phase. A.57 L.4446/2017 Appendix 12,13,14,15	This project was completed with intensive support from TA, both in the design of the legislation passed in 2017 and throughout subsequent months. Apart from the positive effect on tax revenues, thousands of previously non-compliant taxpayers were encouraged to engage with the IAPR and start a new relationship based on trust and cooperation The Greek appeal courts benefited from a huge reduction in dispute hearings as taxpayers chose to agree terms with the tax authority rather than proceed to litigation.	July 2017
3	Legislation has been passed through Parliament establishing a new government agency to deal with tax related investigations ordered by Public Prosecutors. L.4512/2018	This was a fundamental reform which addressed a serious structural problem within the IAPR. The various Prosecutors in Greece used the tax authority as their investigative organ, undermining its independence and placing impossible demands on its resources. The problem was identified by TA and highlighted to the institutions as a key reform action. Appendix 5	
4	A TA designed risk assessment project addressing the Hotels industry has provided unprecedented insights into the	A significant feature of this project was that the IAPR followed TA advice and presented its work to industry bodies. Two meetings were held with the Greek Tourism Confederation (SETE)	Ongoing

Achievement		Comments and implications	Completion date
	extent of tax evasion in a particular sector and represents the IAPR's first attempt to follow international best practice by engaging with taxpayers on a sectoral approach. Appendix 8	who not only endorsed the IAPR work, but volunteered to work with the tax authority in helping improve tax compliance among its members.	
5	Organisation and delivery of training in international tax. Twenty Kemeep auditors and staff from the Audit Directorate were trained in preparation for the UK Institute of Taxation's Advanced Diploma in International Taxation (ADIT) in June 2017 (Paper 1 Principles of International Taxation).	This was an important step in developing the professionalism and credibility of Transfer Pricing specialists within the KEMEER. It's a measure of their increased confidence that a number of the trained staff are now helping the IAPR deliver EU-sponsored Transfer Pricing training to another international tax jurisdiction.	June 2017
6	Strengthening of the Debt collection function	<ul style="list-style-type: none"> <li>•Collection of tax arrears increased by 140% (2014-2017), or 162% in April 2018 homologous 2014.</li> <li>•Amounts recovered projected to 5.9/6.0 billion 2018.</li> <li>•Formation of new arrears reduced by 11% (2016-2017 end year).</li> <li>•Reduction of arrears gross portfolio and debtors in two consecutive last two months.</li> <li>•Results over 100% on all KPI's – May 2018.</li> <li>•The percentage of debtors under effective enforcement Increased from 44,76% (end 2015) to 64,5% (April 2018).</li> <li>•Implementation of a National Collection Strategy – March/2017</li> <li>•Support the definition of the end-to-end debt collection system – procurement advertised on December/2017.</li> <li>•Support the write-off of uncollectible taxes – October/2016.</li> </ul>	2017 (see details beside)
2	Improving tax legislation	<ul style="list-style-type: none"> <li>•Support the implementation of the out-of-court workout mechanism for the settlement of debts – May/2017 (several milestones).</li> <li>•Reform of Stamp Duties legislation</li> <li>•Reform the administrative framework on tax write-off – articles 82/82A KEDE - amendments in preparation.</li> <li>•Revision of managers liabilities – article 50 TPC</li> <li>•Revision of the statute of Limitation on Collection – article 51 TPC</li> </ul>	

Achievement		Comments and implications	Completion date
		<ul style="list-style-type: none"> <li>•Reform of ENFIA zone values - Law to be enacted in June/2018</li> <li>•Revision of the guarantees regime on taxpayer's re-registration - adding CEO's to article 11 TPC.</li> </ul>	
7	Reforming administrative procedures	<ul style="list-style-type: none"> <li>•Implementation of the disclosure of lists with the name of tax debtors – November/2017</li> <li>•Implementation of the Fiscal Lottery – December/2017</li> <li>•Integration of the insolvency lodging procedures in the recovery process – December/2018</li> <li>•Out of court workouts mechanism – several milestones (Ministerial Decisions, Circulars, Triage tools, IT platform)</li> <li>•Guidelines for the creation of the Fiscal Valuations Unit</li> <li>•Backing the integration of KEAO collection functions in IAPR towards an Unified Collection System – Decision on November/2017.</li> <li>•Promoting the direct central steering of DOY's accordingly with best practices. October/2016</li> <li>•Revamping the seizing procedures of bank accounts and commercial credits.</li> <li>•Promoting the definition of KPI's and staff motivational mechanisms.</li> </ul>	2017 (see details beside)
8	Strengthening the HWI audit function	<ul style="list-style-type: none"> <li>- Training of tax auditors from HWIAC: <ul style="list-style-type: none"> <li>o About 150 through the Greek Tax academy (IAM, IT tool for auditing, accountancy basic rules, ...)</li> <li>o 9 through the French tax academy (3 seminars on audit, collection and VAT)</li> </ul> </li> <li>- Results 2015/2017: +95% of completed audits, +13% of assessed amounts.</li> <li>- Implementation of the VDI procedure, with a direct impact on the HWIAC activity</li> <li>- Implementation of a "new structure" under the public Prosecutors with a direct impact on the HWIAC</li> </ul>	2016-2017-2018  05-06/2016  2017  2018
9	Risk assessment function developed	<ul style="list-style-type: none"> <li>- Preparation and issuance of "secret" guidelines</li> </ul>	07/2016

Achievement		Comments and implications	Completion date
10	Audit cases developed and implemented	<ul style="list-style-type: none"> <li>- Methodologies and techniques developed: <ul style="list-style-type: none"> <li>o training module on IAM related to businesses</li> <li>o IAM training developed by the Tax academy related to individual taxpayers for HWIAC staff</li> </ul> </li> <li>- IT tool developed related to the automation of audit procedures (cross-checking of bank accounts data and income declared)</li> <li>- Training developed particularly for HWIAC staff on this new IT tool</li> </ul>	12/2017  10/2016 05/2018  12/2016  01-02-03/2017
11	Key components of the Customs and Tax Academy developed	<ul style="list-style-type: none"> <li>- State of play and first recommendations by H. Grosskopf</li> <li>- Establishment of the Academy within the IAPR</li> <li>- Housing concession law.</li> <li>- Action plan drafted</li> <li>- Induction training programs drafted</li> <li>- About 50 training modules developed</li> <li>- Academy's induction training regulation</li> <li>- Amendment of the IAPR implementation law</li> <li>- 3 train the trainers sessions</li> <li>- Planification of recruitment/induction training</li> <li>- Sending 9 Greek employees to France for 3 short term seminars (VAT, audit, collection)</li> <li>- Sending 8 Greek employees to France attending the 1 year induction training</li> <li>- Working visits to France: <ul style="list-style-type: none"> <li>o Governor's board to the French General Directorate of Public Finance</li> <li>o Academy's team to the French tax academy</li> </ul> </li> <li>- Twinning protocol signature with the French tax academy</li> </ul>	03/2016  10/2016 08/2017 12/2016 10-11/2016 2017-2018 05/2018 07/2018? 01/2017 03/2017 09/2017 05/2018 05-06/2016  3 in 2016 3 in 2017 2 in 2018  05/2016  07/2018  07/2018?
12	Proposing Tobacco Supply Chain Legislation	The first part of the legislation was enacted in May 2018 with the second part before Parliament in June 2018. This legislation was suggested by TA, it's ground breaking and a	June 2018

Achievement		Comments and implications	Completion date
		major step forward in controlling the supply chain, limiting the opportunity for smuggling. It will have an impact not only in Greece but throughout the EU.	
13	Assistance in the Formation of SEK	SEK is a multi-agency co-ordination center and with the assistance of TA has quickly become an effective tool in combatting the smuggling of excisable goods by harnessing the combined abilities of several law enforcement agencies. It has, after only a few operational months, achieved the largest seizures of illicit cigarettes in Europe this year.	To May 2018 (ongoing)
14	Fuel Marker Procurement	The procurement of a fuel marker system will greatly reduce the incidence of smuggling of low and zero-rated fuel products, this is currently a major problem in Greece. However, the process has been very difficult with constant interference from other Ministries which resulted in an alternative proposal being put forward. By analyzing that proposal and drawing on examples from across Europe TA was able to clearly demonstrate that the IAPR proposal was the only sensible option. TA also arranged advice from HMRC that has helped to shape the coming tender process. Signing of the JMD by all Ministries will be completed in June when the actual tender process can begin.	June 2018 (ongoing)
15	Customs Strategic Plan	TA had significant input in the preparation of a viable Customs Strategic Plan and in shaping the way the Plan will be implemented between now and December 2020. The aspirations of the Plan are ambitious but achievable. TA has assisted further by identifying several key areas within the Plan that require special attention and suggested protocols for Working Groups to tackle these specific issues. The Plan remains to be agreed by the Governor and the Board of the IAPR, but there are believed to be no issues.	Plan Completed April 2018 (ongoing to December 2020)
16	Tax investigation function reorganized – Restructuring of DIPAE and YEDDE	The restructuring of DIPAE/YEDDE is done and the Investigation functions are in place and operating Creation of two specialized sub-directorates for investigations in region Attika and Thessaloniki investigating crimes of tax evasion cases as defined in article 66 TPC  Creation of two teams in DIPAE, one to handle intelligence and analysis and one with IT-	Completed July 2018

Achievement		Comments and implications	Completion date
		<p>support (Forensic science)</p> <p>Increasing of staff to YEDDE, recruitment ongoing. Recently forty auditors were recruited to Thessaloniki</p> <p>Offices in Thessaloniki, Patras and Ioannina procured</p> <p>Decreased number of offices in the regions</p>	
17	To build up the competence and capacity in the areas of risk assessment, analysis within DIPAE and develop operational process for risk assessment techniques	<p>Concept of Compliance Risk Management and revenue at risk areas as a practical model introduced – IAPR reform action plan 2018-2020 “the Blueprints”</p> <p>A short term Investigation strategy developed and implemented</p> <p>Risk assessment procedures to identify and address sectors with revenue at risk developed and implemented</p> <p>Four operational plans for sectors with revenue at risk created and implemented in YEDDE’s action plan for 2018</p> <p>Cooperation with Tax Compliance Directorate on sectors with revenue at risk established</p> <p>A risk based prioritization process for cases developed and implemented</p> <p>Relevant risk criteria for each operational plan for identified sector with revenue at risk and a risk scoring mechanism develop and implemented</p> <p>Laws of a “new structure” under public Prosecutors to handle all prosecutor orders in place</p> <p>Strategy and guidelines related to the return of prosecutor orders developed and implemented</p> <p>Good progress in the area of risk assessment and building up the analysis competence and capacity within DIPAE</p>	To May 2018 (ongoing)
18	Operational process with investigation and audit techniques developed	Investigation techniques for each operational plan for identified sector with revenue at risk developed and implemented.	2018



Achievement	Comments and implications	Completion date
	<p>Good results in the pilot audits from sectors with revenue at risk targeted in the Action plan 2018.</p> <p>Strategy for burden of proof and evidence reporting obligations for deliberate tax evasion regarding false invoices developed and implemented</p> <p>Concept of using information from a preventive audit to select and perform a full scoop audit introduced</p> <p>IAPR project to identify tax evasion in a high risk sector (hotels) using open sources initiated and ongoing</p> <p>Preparation and presentation to the Governor of a draft Circular on Indirect Audit methods of the Hotels Sector</p> <p>Inventory and prioritization of prosecutor orders finalized. Return of prosecutor orders ongoing, &gt;4 500 TINs will be sent back in May-June 2018</p> <p>Strategy and guidelines on the impact of Council of state court ruling Circular B 113065/2017 – Statutes of limitations developed and implemented</p> <p>Good progress in results executed in in YEDDE services 2017 which was presented on IAPR's website and in several media reports</p>	
19	<p>Develop techniques to fight VAT fraud - especially Missing Trader Intra-Community (MTIC) fraud</p> <p>Internal fast track procedure to deregister missing traders and investigation techniques to deregister missing traders developed and implemented</p> <p>Improved risk criteria's to identify potential missing traders developed and implemented</p> <p>Improved results in YEDDE with more deregistered missing traders and less forgone revenue.</p> <p>Creation of two team in Athens and Thessaloniki specialized in VAT fraud with emphasis on strengthening investigation capacity to detect carousel fraud</p> <p>An advanced software, TNA, to identify and facilitate fast deregistration of suspected missing traders is being developed in cooperation with EUROFISC. TNA will be operational in last quarter 2018</p> <p>Operational plan for Tourist cruising ships</p>	2018

Achievement	Comments and implications	Completion date
	(NEPA), focus on VAT, developed and implemented	

### 2.3. Details on some specific achievements:

#### Enhancement of Audit Capacity (General)

The expert identified in 2014 that the tax authority's audit function had effectively been appropriated by the various public prosecutors in Greece. These officers of the Justice ministry referred thousands of audit cases to the tax authority each year without any coordination between themselves and without any consideration of the resource implications of their actions. The result was that the tax authority (particularly its audit directorates such as Kemeep, HWIAC, Yedde) was overwhelmed with cases of often questionable value which it was compelled to audit. Throughout 2014 and 2015, the expert built up a body of evidence to demonstrate the dysfunctionality of this arrangement and convinced the institutions to recognize the scale of the problem and insist upon a solution. This resulted in a MoU requirement for the Greek government to create a new investigative body which would have sole responsibility for dealing with Prosecutor's referrals. This body has now been established in law and its structure has been agreed with significant expert assistance. Its operation will have a profoundly positive effect on the audit capacity of the IAPR. The independence of the authority has been greatly enhanced and it will finally be able to select audit cases based on measurements of risk balanced against available resources.

#### Voluntary Disclosure Initiative (VDI)

The success of the Voluntary Disclosure Initiative has also been important in developing audit capacity. The headline success is that 88085 taxpayers declared €373m of revenues under the scheme, but it's also notable that 6426 of those taxpayers had received an audit order. That number represents almost 25% of the IAPR's annual audit capacity. The fact they no longer need to be audited has helped ease audit resource pressures throughout the tax authority.

This was an important area of Technical support work and involved numerous meetings and exchanges over an extended period of almost two years. This included a high-level meeting between TA and the Deputy Finance Minister. The latter wanted to introduce a number of incentive measures which were opposed by the experts on grounds of legality and strategy. Considerable diplomacy was required in order to reach an agreement acceptable to all stakeholders.

#### VDI : summary results

VDI until 31/7/2017	Number of declarations	Number of (TIN)	Total declared	Main & additional Tax
Audit order and preliminary assessment	8,018	1,951	870,322,970	98,444,997
Audit order without preliminary assessment	16,742	4,475	1,241,270,509	104,935,467
No audit order	290,842	96,792	2,596,921,723	170,553,553
	<b>315,602</b>	<b>88,085</b>	<b>4,708,515,202</b>	<b>373,934,017</b>

## **Risk Assessment**

Technical support has devoted considerable resources to developing risk assessment capacity, primarily in the Audit Directorate but also in the Taxpayer Compliance Directorate. In the former directorate, extensive training was provided in Transfer Pricing risk assessment, indirect audit methods and use of financial ratios as indicators of tax evasion. This was carried out through a regular series of training workshops and informal meetings and discussions. In fact, a very good relationship has been established between the Audit Directorate and the experts and most initiatives and projects are discussed together before proceeding to implementation stage.

An equally strong relationship exists between the experts and the Tax Compliance Directorate. The experts designed a risk assessment project into the Hotels sector which was executed in the TCD with Technical Support ('TS') oversight and involvement in staff training. It compared the summer VAT declarations of some 2500 hotels with an occupancy profile drawn up by the TCD over the same period (using online booking platforms, telephone calls and spot checks). This project identified hundreds of hotels engaged in significant levels of tax evasion. Most have been selected for audit, but some amended their tax declarations following a simple phone call from the TCD (are you sure this latest declaration is correct...). Declarations amended in this way resulted in additional VAT receipts of €4m *before* any audit work commenced. Perhaps more importantly, the project resulted in two meetings between the IAPR and TS and the Greek Tourism Confederation (SETE). These meetings were extremely productive and resulted in SETE endorsing the project methodology and committing to work with IAPR on improving voluntary compliance amongst its members. Such collaboration between the IAPR and external stakeholders was unprecedented and represented an important step in developing a broader understanding of compliance work within the IAPR.

## **Enhancement of Audit Capacity (Large Business Audit Centre -Kemeep)**

Over the last 4 years there have been four directors in the Kemeep. To some extent, each new appointment derailed progress, as the process of building trust and reaching agreement on strategic matters had to begin afresh. Nevertheless, over the same four-year period the Kemeep has managed to collect additional revenues from audit of over €1bn. It is by far the main contributor to audit revenues in the IAPR, accounting for over 50% of total income from audits. The experts have helped implement a training strategy in the directorate and a body of auditors is beginning to develop expertise in international tax issues such as transfer pricing. Some, in fact, have acquired internationally recognized tax qualifications (ADIT) as a result of TS training and are helping deliver transfer pricing training to the tax administration of another country, under an EU twinning project.

A dedicated transfer pricing team has been established in the Kemeep at the instigation of TA and there are now 45 active TP audits in the Directorate (8 in 2016). These cases will take time to feed into revenue outputs, but they are being conducted in a methodical manner and are focused primarily on the identified tax risks. To ensure consistency of approach, the expert has helped develop a TP audit methodology based around OECD guidelines. This document now provides the standard template for Kemeep TP audit work.

The new focus on specific risks is a result of TA advice and represents a marked departure from previous Kemeep audit procedures, which invariably were formulaic and tried to address a portfolio of standard risks. The results were that audits were superficial and auditors wasted time on issues which were unlikely to produce additional revenues. Now, as a result of TS input, auditors consider a risk matrix for each case and work to address only the most important risks. It is also recognized that

complicated TP cases may take 1-2 years to complete whereas previously auditors were pressurized to conclude cases within 6-8 weeks.

The experts have successfully argued that poor quality superficial audit work will invariably end in a successful taxpayer appeal. Such a philosophy now underpins the Directorate's audit work. On the advice of TS, assessments are more realistic and the measure of audit success is seen to be the amounts collected, not the amounts assessed. Other directorates, particularly Collection, have benefited from this change in strategy. On average over 2014 and 2015, the Kemeep assessed €2bn of additional taxes each year. This was entirely driven by unrealistic targeting and inevitably it distorted the success rates of Collection staff. Most of the assessments were uncollectible and achieved nothing but add to the overall stock of outstanding debt.

2016	TAXIS ASSESSMENT-COLLECTION				TOTAL COLLECTION FROM YEARS PRIOR TO THE YEAR OF REFERENCE	TOTAL COLLECTION FROM THE YEAR OF REFERENCE
	FINAL (ARCHIVE)	MONTH OF 1 <sup>ST</sup> ASSESSMENT	ASSESSMENT	COLLECTION		
<b>FULL SCOPE</b>	185	185	€478,595,503.61	€81,895,315.34	€36,737,034.26	€118,632,349.60
<b>PARTIAL SCOPE</b>	121	122	€116,304,936.37	€79,884,709.05	€36,090,744.51	€115,975,453.56
<b>TOTAL</b>	<b>306</b>	<b>307</b>	<b>€594,900,439.98</b>	<b>€161,780,024.39</b>	<b>€72,827,778.77</b>	<b>€234,607,803.16+</b>
2017	TAXIS + VDI COLLECTION (Including 206 VDI cases with a total assessment of €157.345.405,02 and total collection of €149.833.141,63)				TOTAL COLLECTION FROM YEARS PRIOR TO THE YEAR OF REFERENCE	TOTAL COLLECTION FROM THE YEAR OF REFERENCE
	FINAL (ARCHIVE)	MONTH OF 1 <sup>ST</sup> ASSESSMENT	ASSESSMENT	COLLECTION		
<b>FULL SCOPE</b>	292	299	€814,126,218.83	€151,245,269.12	€52,893,094.40	€204,138,363.52
<b>PARTIAL SCOPE</b>	115	117	€140,440,953.73	€54,851,658.22	€10,103,958.23	€64,955,616.45
<b>TOTAL</b>	<b>407</b>	<b>416</b>	<b>€954,567,172.56</b>	<b>€206,096,927.34</b>	<b>€62,997,052.63</b>	<b>€269,093,979.97 ++</b>
<b>COMPARISON BETWEEN THE YEARS</b>	<b>+33.0%</b>		<b>+60.5%</b>			<b>+14.7%</b>
<p>Note: Following the Council of State rulings, a large number of cases was prescribed under the Statute of Limitations, resulting in our inability to assess and collect the taxes resulting from audits already carried out. This was of tremendous "cost" to our service both in terms of time spent and in the assessment &amp; collection of significant amounts, especially through the VDI, where the collectability rate is very high.</p> <p>+ During 2016 the Kemeep had to carry out a large number of VAT repayment audits. This resulted in reduced repayments of €100m which are not reflected in the collection statistics. A reduced repayment has the same outcome on government revenues as an additional (paid) assessment, however.</p> <p>++ This figure excludes KEMEER companies which paid additionally assessed taxes through the VDI in 2017 in order to benefit from reduced penalties. The figure was in excess of €150m.</p>						

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The expert has also helped organize Kemeep audit resources into 'clusters of expertise'. Auditors with particular experience of certain sectors (banking, pharmaceuticals, etc.) are referred cases relevant to their experience and allocated to work as mentors to less experienced colleagues. Meetings between these experienced auditors and risk assessment colleagues in the Audit Directorate have also been arranged by TA, in order that the existing sectoral awareness within IAPR is used to the best effect.

In an attempt to mitigate the Kemeep's sometimes confrontational approach to large business, TS spend a lot of effort developing the idea of 'horizontal compliance' and delivered numerous briefings on the customer relationship model used in the large business sector in countries such as the UK and the Netherlands. This work led to the creation of a special 'customer relations' department and the appointment of an experienced auditor as departmental head. This role has helped initiate work in identifying compliant large business customers and exploring ways of enhancing their relationship with the IAPR.

The expert has also provided a sound rationale to extend the scope of Kemeep coverage. Analysis of audit work by TS provided evidence that companies with turnovers between €10m-€20m were effectively escaping audit scrutiny in Greece. The neglect of such an important sector of the economy was a serious issue and TS managed to have such companies brought within the Kemeep's audit competence. From January 2018, they are now included in the risk assessment profiling carried out by the Audit Directorate and suitable cases will be audited by the Kemeep.

### **Broader Compliance Initiatives**

An important Memorandum requirement identified by the institutions was that the IAPR prepare an acceptable Taxpayer Compliance Plan to inform and guide its overall strategy for improving tax compliance within Greece. TS was largely responsible for delivering this product, which was developed over an extended period. A project team was established (with TS membership) and TS provided examples of other national Taxpayer Compliance Strategies and published technical papers on the purpose and desired format of such strategies. The project team met every week and developed a document which set out the main compliance challenges facing the IAPR with a coherent framework of responses to each challenge. TS was instrumental in introducing new analytical methodologies to help identify tax gap issues and develop ways to address key risks. One example of this process involved the analysis of corporate taxpayers in Greece which revealed that by far the greatest part of the sector belonged in the €10-20m turnover segment. This group represented a large proportion of economic activity in Greece, but it received virtually no audit scrutiny. The mitigation response was to increase the scope of the Large Business Office (Kemeep) and allow it to audit this sector in addition to its existing taxpayer base.

The completed strategy document was singled out for particular praise by the institutions.

### **Overall Legislative Framework**

A large part of TS resource was spent working with the Institutions and IAPR in finding ways to improve the overall legislative environment. Some legal amendments were mandated by the institutions, some were independent IAPR initiatives and some were initiated on the recommendation of TS. In all cases, TS played a major role in the drafting process and was closely involved in both in negotiations with internal and external stakeholders. Successful changes were implemented to primary and secondary legislation in areas such as;

- Transfer Pricing
- Mergers and Acquisitions
- VAT securities
- Taxation of the shared economy
- Penalties and Fines

Important work was also done regarding an MoU obligation to develop a fairer property tax (ENFIA) based on the objective market value of properties. TS worked closely with a selected international property tax expert throughout 2018, working on the ground to organize missions, accompanying the expert throughout his visits and dealing with a variety of logistical issues. The work (still ongoing) has been very successful and had not only helped introduce to a more equitable system of property taxation, but has also led put in place legal measure to establish a new Greek property valuation unit.

#### **Co-Ordination of other seconded experts**

This role was designed to help facilitate improved levels of communication and greater coordination with the IAPR's Governor's office. Hopefully, both objectives were achieved. Regular reports were submitted summarizing developments in each expert's field as well as real-time updates on matters likely to be of particular and urgent interest. Regular meetings were simultaneously held with the Governor's office to ensure he was updated on progress across key areas.

A feature of the coordination role was that it allowed regular team meetings to be held between the seconded experts. Even on an informal basis, these meetings helped generate a useful exchange of views and allowed the experts a greater awareness of reform progress across the IAPR as a whole. Equally importantly, it helped build a sense of cohesion and mutual support between the experts.

#### **Strengthening of the HWI audit function - Audit cases developed and implemented - Risk assessment function developed: (i.e. the final report 2016 sent to BTC/SRSS – Annex 84)**

The overall change of climate in 2016 (replacement of the HWIAC board and of the Governor of IAPR), inevitably caused some instability in the operation of the HWIAC. Nevertheless, it was an opportunity to start a new and genuine cooperation with the new management of the HWIAC and create the conditions for technical assistance to run smoothly as of 2017 (bi weekly meetings).

Despite the legal instability (particularly on statute of limitation issues) and thanks to the new VDI procedure implemented in January 2017 under the guidance of TA with an extension till the end of October 2017, the HWIAC made very good progress in terms of completed audit numbers and assessed amount. The VDI procedure facilitated the completion of cases, even though the new case law on the statute of limitation had a negative impact on the assessed amount by reducing the number of audited years to 5 for all the cases from the public Prosecutors on remittances abroad (affecting more than 80% of the completed cases audited on 12 or 15 years by the HWIAC). However, it's regrettable that the Greek central administration didn't take the VDI collection figures into account for the HWIAC collection KPI, as this would have greatly improved it (the impact of the VDI procedure on collection was estimated by the HWIAC at more than 55 M €).

#### **HWIAC figures:**

Year	2015	2016	2017
Number of completed cases	488	252	953
Assessed amount (million)	417	472	473
Collected amount (million)	63	59	57(*)
Collection rate (KPI)	15,3%	12,66%	12,04%(*)

(\*) without VDI figures

The efforts made in respect to working methods under the guidance of TS, were reflected in several training sessions in cooperation with the Greek tax academy on IAM related to individual taxpayers, accountancy basic rules and IT tool for auditing (to cross-check bank accounts data and tax returns figures). In the same way, 9 employees, including 3 from HWIAC, attended three one week seminars in the French tax academy on audit, VAT and collection in the framework of a cooperation agreement between Greece and France. With the help of TS, there followed 2 presentations to the Large Debtors Unit and the HWIAC staff of the French Mutual administrative assistance mechanism and the French cooperation on collection issues between audit teams and services in charge of collection.

However, in the few cases where the tax auditors of the HWIAC use the IAM, they use almost exclusively one of the 3 IAM methods concerning the individual taxpayers (« T account method ») and the implementation of the IAM related to businesses is still underway (necessity of an administrative circular -ongoing-). A training module was drafted by TS on the “mark-up” and the “Unit and Volume” methods.

Furthermore, throughout the period of time concerned, the HWIAC remained overwhelmed by the load of cases to be audited and referred to it by the public prosecutors’ offices (about 80% of the activity). Without a greater control over its own strategic direction, the HWIAC is unable to organize its resources in an effective manner. This was one of the reasons why the IAM were under used by the HWIAC. In this regard, TA participated in the thinking process to change the relations between Public Prosecutors and the Tax administration regarding the identification and prosecution of serious tax evasion cases. The implementation of a “new structure” (Financial Crime Investigation Service) reporting to the Minister of finance and under the guidance of the Public Prosecutors to conduct preliminary investigations on tax evasion crimes is ongoing (transfer of old cases from HWIAC, appointment of staff, ...). Nevertheless, the HWIAC is still very concerned about its role in respect to audits after the findings’ reports from this “structure” (1 month to hold an oral and adversarial debate with the taxpayer, indispensable to the tax audit procedure) and about the impact it may have on their staff (40/190 employees from HWIAC seem interested in the “new structure”).

#### **The implementation of a tax and customs Academy:**

Since the director’s appointment mid May 2017, TS has been continuously assisting her in up-dating and moving forward all issues relative to the implementation of the tax and customs academy’s action plan until the effective opening in a dedicated building in the coming months. A lot of progress has been made on all fronts since the appointment of the Academy’s board despite all administrative complications from the Greek side. Very productive Thursday weekly meetings with the board of the academy.

*Legal provision draft:* the derogation provision concerning continuous training, remuneration and working hours of occasional trainers, accountability of trainees leaving the service prematurely, establishment of an educational Board (members and remuneration), certificates of attendance system, cooperation with EKDDA, are still under discussion with assistance provided by me. All

subjects have been discussed extensively with TS; on many occasions the French dedicated legislation was made available to the Academy's Board. At this stage of the discussion, differences in the views between the Academy's board, the Governor's Office and the Institutions on the educational board (membership) and the remuneration of the occasional trainers. The last draft was presented in April 2017 to the Institutions with the TA comments and this crucial legislation should be voted before the end of July 2018. In the same way, the Academy's induction training regulation was written under my guidance and published in May 2018 and TS participated in the drafting of a plan for IAPR recruitment/induction training issues as well after very productive discussions with HR department representatives and some Academy's employees.

*Housing:* thanks to many meetings with the General Directorate of Financial Services (particularly with the Directorate of procurements, logistics and buildings) since mid-May 2017, that TS has contributed to, things have moved on, particularly the 30 year concession of the Academy's building through an "housing Committee" (August 2017). Several visits by TA to the building located in Ilioupoli close to the metro station. As requested by the Secretary General of public property, a simple additional decision on behalf of the Deputy Minister of finance was necessary but sufficient in March 2018 to determine who had decision making power in relation to the building before starting very technical studies through tendering processes. This has seriously slowed down the process. Result: calls for tender mechanism through the SG of Public Property and on-site works are still underway, the building is not going to be ready before the end of 2018. This is a crucial issue now. The training equipment (computers, desks, ...) have already been delivered and stored thanks to the diligence of the Directorate of procurement, equipment and buildings.

*Training material:* resulting from my cooperation with the six permanent trainers in charge of drawing up the programs of the tax administration's induction training in October and November 2016, in line with the conclusions of a working group in charge of the implementation of the future tax and customs academy. Through several, long discussions with TS and after the 3 train the trainers sessions, the permanent trainers' new team (appointed in April 2017) seems to have finally accepted the necessity to draft training modules in the form of texts and not only Power Points, and in a standard format. Discussion started with the DG taxation on cooperation with potential occasional trainers (to help the permanent trainers draw up the training material and implement a proof reading or supervising system): to date no real results (an invitation related to the occasional trainers was sent in May 2018 to the DG tax staff to assess their interest potentially for the posts). In the meantime, the training modules' drafting work is being continued by permanent trainers under TA supervision and guidance (proofreading and advice on the format and the content).

As planned, TS is drafting a training module on "conflict management between the tax auditor and the taxpayer". The e-learning system is being drafted in the framework of a working group, under the supervision of the Piraeus University – to date no more news (numerous material constraints, in particular assessing quality and availability of dedicated equipment, not resolved so far). Organization of three train the trainers sessions in 2017 with 39 trainees and the cooperation of 2 short term experts from France and Belgium – jointly run by TA..

#### **Strengthening of the Debt collection function**

- Collection of tax arrears increased by 140% (2014-2017), or 162% in April 2018 homologous 2014.
- Amounts recovered projected to 5.9/6.0 billion 2018.
- Formation of new arrears reduced by 11% (2016-2017 end year).
- Reduction of arrears gross portfolio and debtors in two consecutive last two months.
- Results over 100% on all KPI's – May2018.



- The percentage of debtors under effective enforcement Increased from 44,76% (end 2015) to 64,5% (April 2018).
- Implementation of a National Collection Strategy – March/2017
- Support the definition of the end-to-end debt collection system – procurement advertised on December/2017.
- Support the write-off of uncollectible taxes – October/2016

#### **Reforming administrative procedures in the debt collection area**

- Implementation of the disclosure of lists with the name of tax debtors – November/2017
- Implementation of the Fiscal Lottery – December/2017
- Integration of the insolvency lodging procedures in the recovery process – December/2018
- Out of court workouts mechanism – several milestones (Ministerial Decisions, Circulars, Triage tools, IT platform)
- Guidelines for the creation of the Fiscal Valuations Unit
- Backing the integration of KEAO collection functions in IAPR towards an Unified Collection System – Decision on November/2017.
- Promoting the direct central steering of DOY's accordingly with best practices. October/2016
- Revamping the seizing procedures of bank accounts and commercial credits.
- Promoting the definition of KPI's and staff motivational mechanisms.

#### **Tobacco Supply Chain Legislation**

This was a TS initiative designed to combat smuggling; it's taken a great deal of time and effort to convince the Administration of the necessity and effectiveness of such legislation. The research was done by TS based on existing agreements between the global manufacturers and the EU. Initially agreements were sought but when this proved ineffective TS encouraged the move towards legislation and has assisted, guided and supported the Administration throughout the process. The first part of the law was passed in May 2018 with the second portion due before Parliament in June 2018.

#### **Arranging Assistance for the IAPR**

Throughout the period TS has arranged training courses, working visits and advice from HMRC and the French Customs to enhance the advice and support provided in country. Written advice from HMRC on fuel markers has made the Administration aware of different ways of tendering. The Ex Post Controls Seminars in Athens and Thessaloniki highlighted the importance of the effective use of such measures. A recent Intelligence Seminar assisted the Intelligence Working Group and SEK to consider how they will develop their work. It also emphasized the importance of robust procedures and a strong legal framework. Working visits to France have increased the IAPR's knowledge of the importance of AEO's as well as controls and audits. A visit to the UK helped inspire the Media & Communications Team, particularly regarding social media. TS has liaised with the IMF by helping to arrange visits to HMRC to learn about Change Management and Staff Appraisals.

#### **Monitoring the Progress of the Mobile Units (KOE)**

The Mobile Units were formed as part of the re-organization of Customs. TS has continued to monitor their progress and assisted their development by reducing bureaucracy and introducing simplified procedures. TS offered extensive advice on the Rules of Procedures that govern the work

of the Units and training has been given in Ex Post Control and the Intelligence Handling. TS has provided regular reports to the Institutions on the evolution of the Mobile Units.

### **Co-Ordination Operational Centre (SEK)**

The setting up of the Centre was an sMOU commitment and TS has played an active part in this by introducing valuable intelligence sources and advice on procedures. Training was given covering the handling of intelligence, staff awareness of intelligence issues and how to deal with sensitive intelligence gathering techniques. To assist the Institutions TS has reported regularly on the preparation of the Centre's Business Plan, the installation of an information system and staffing levels. SEK is fully operational and has achieved the highest cigarette seizures in Europe for the current year.

### **Monitoring the Procurement of a Fuel Marker System**

Fuel markers are another sMOU commitment and TS has reported regularly on the procurement. TS has provided assistance by acting as a conduit between the IAPR and HMRC who have provided advice on how such a procurement should progress. TS assisted the Administration when another Ministry put forward an alternative proposal; by analyzing the available information and researching how the European Commission had dealt with similar situations TS was able to offer sound advice to resolve the problem. A Joint Ministerial Decision will be finalized in the near future.

### **Monitoring the Procurement of Scanning Equipment**

Scanning equipment is a vital tool in combatting all types of smuggling but the procurement of such equipment has been a long and difficult process spanning some considerable time. By close TS monitoring of the procurement and regular reporting to the Institutions, allowing them to take well informed appropriate action, it was possible to drive the process forward and complete the purchase of the equipment and the training of the operators broadly in line with the suggested time scale.

### **IAPR Blueprint & Customs Strategic Plan**

TS has worked closely with the IMF to ensure good engagement with the Blueprint by Customs. In addition, TA has assisted the IMF by arranging a number of Blueprint related working visits. Assistance and guidance has been given to the DG Customs in the preparation of a Strategic Plan to be considered by the Governor and Board of the IAPR. Through the Plan TS has identified a number of strategic areas where immediate action is required and suggested that working groups be set up to address the issues. The groups will all work in a phased manner adhering to a template formulated by TA. By continuing to liaise with the IMF TS will ensure there is no conflict between the two bodies of work.

### **Intelligence Working Group**

TS identified intelligence as an area where Customs needs to improve and set up a working Group to critically examine the issue. The Group was tasked by TA and will operate to a phased template designed for them. TS has assisted by providing examples of good working practices and arranged for an HMRC Intelligence Officer to meet with them prior to the Intelligence Seminar. Meetings with other members of the intelligence community will be arranged but already the working group is making good progress as the first phase of their task nears completion.

## Spot Fines

By meeting and listening to officers from the Mobile Units TS became aware that minor infringements generate a great deal of paperwork and are unnecessarily time consuming. TS took advice from the Greek Police and HMRC before analyzing the existing legislation. The result is a detailed paper proposing that “spot fines” be introduced where the infringement is small. TS has had initial discussions and gained the support of the Governor’s advisors; the recommendation will now be discussed with other Ministries in the coming months.

## Illicit Cigarette Publicity Campaign

This is a TS initiative to make the public aware of the consequences of buying illicit cigarettes. TS carried out extensive research and produced a paper covering all aspect of the problem from the health implications, to the effect on the legitimate industry and the nation’s economy, through to identifying illicit product. It’s take some time to gather the necessary support but the Administration are now enthusiastic and motivated and have expanded the original concept to include graphics and videos rather than a simple narrative message.

## 2.4. Implementation issues and risks, and measures to mitigate them

### Political commitment and capacity to absorb the technical support

1. The last four years have seen an incredible transformation of the Greek legal code and the tax authority’s organisational structures. It’s unlikely that any national tax administration would have been able to absorb such changes without experiencing difficulties. Greece is no exception and the transition to a stable and mature operational phase will continue to present challenges. Technical Support has been instrumental in helping promote change and it will continue to play an important role in driving the process forward.

External Risk Analysis and Mitigation Efforts	
Risk	Did this risk exist (or any other risk)? Mitigation approach taken (illustration & comment)
<b><i>Lack of political support.</i></b>	<p><i>There was political disagreement on the structure and terms of the VDI, in that the TS recommendations were seen as offering insufficient incentives. The Mitigation approach was to constantly emphasize that TS advice was based on international best practice and had produced successful historical outcomes. The ultimate success of the VDI was seen as justification of this approach.</i></p> <p>YEDDE got off a very slow start when it was established in 2014. At the beginning of 2016 there were lack of influx of staff and yet no offices in Thessaloniki, Patras and Ioannina. These difficulties can be traced back to a lack of support, including an apparent lack of political support, for the establishment of an investigation unit within IAPR. During 2017 onwards there has been a</p>

	<p>positive change. The leadership within DIPAE and YEDDE now feel a strong support from the Governor in the restructuring of the directorates.</p> <p>Lack of political support was initially considered to be a limiting factor for the Supply Chain Legislation, but by working with the Institutions this risk was mitigated.</p>
<p><b><i>Lack of management support and commitment.</i></b></p> <p><i>Resistance from senior managers and managers and difficulty to mobilise management levels within the IAPR given other priorities</i></p>	<p><i>Radical change can produce uncertainty and in the field of audit many senior staff have been forced to set aside the working practices of many years and learn to implement new legislation and new procedures. Inevitably, some people have responded to these challenges by demonstrating resistance and recidivist instincts to revert to the old laws.</i></p> <p><i>This undoubtedly is a risk area and can only be mitigated through continual education and training. The failures of the previous tax regime are well documented; TA must work to educate senior management in the potential benefits of reform.</i></p> <p>A lot of new laws and working methods have been established in the field of audits. The implementation of them will change the existing audit culture within IAPR. As a result these major changes, many experienced managers and auditors feel insecure and oppose the reforms and want to return to old laws and working methods.</p> <p>This risk can be mitigated through education of managers and employees to a deeper understanding of the need for reforms and the benefits of them. To change the mind-set of a person and an organisational culture takes time and there is a need for continuity and patience during the implementation.</p> <p>TS has always enjoyed a good working relationship with the Director General of Customs and this relationship has been a key factor in ensuring buy in from her senior leadership team.</p>
<p><b><i>Lack of capacity to obtain results.</i></b></p> <p><i>The IAPR absorption capacity is a risk due to the extensive reform agenda &amp; strategic plan implementation and other priorities</i></p>	<p><i>The IAPR will not become a highly functioning administration overnight and it's possible all reforms will be not fully implemented in the short term. If a saturation point is reached, then TA must help identify the key reform areas and ensure they are implemented in order of priority. The overall framework for change is in place; the timeline for implementation may require a degree of</i></p>

	<p><i>pragmatism and an acknowledgement of the scale of change in recent years.</i></p> <p><i>The DIPAE and YEDDE could not implement an effective risk-based investigation program under the former arrangements with prosecutors when thousands of audit orders was sent to them. To mitigate this risk TA initiated a MoU requirement for the Greek government to create a new investigative body, the new structure, which would have sole responsibility for dealing with Prosecutor's referrals. This body has now been established in law</i></p> <p>Lack of capacity is an ever-present risk. Whilst there is a willingness to engage and develop frequently there are simply no suitable officers with the required skills and spare capacity to assist or be deployed.</p> <p>Had the co-ordination center, SEK, not been an sMOU commitment it would not be fully operational. Although plans exist to recruit this problem will persist in the medium and possibly long term.</p>
<p><b><i>Delays in mobilizing the IAPR internal specialized capacity</i></b></p>	<p>Risks related to the restructuring of YEDDE and DIPAE:</p> <ul style="list-style-type: none"> <li>- The recruitment of competent staff to DIPAE and YEDDE in Athens so that they can cope with the defined objectives for the new sub directorate specialized on serious tax evasion. Possible mitigation of the risk is the new HR strategy includes recruitment of 900 staff to IAPR of which some will probably be recruited to YEDDE. There are also discussion ongoing regarding a merger of DOY's that will make it possible to transfer auditors to YEDDE.</li> <li>- There are few specialists in the area of risk assessment and analysis within DIPAE and it's a huge risk for YEDDE's operations if losing one of them. Recruitment of analysts and IT-specialists to DIPAE is vital to mitigate this risk.</li> <li>- There is a need for new bigger offices in Athens and Thessaloniki. Procurement procedure ongoing with several call of interest published. So far no suitable offers received. A better budget for rent can solve the issue.</li> <li>- There is still shortcomings in technical equipment of which some is expensive e.g. equipment for forensic science in DIPAE and cars</li> </ul>

	<p>for YEDDE. A cooperation agreement was done with the Hellenic Police for assistance with forensic science as a short term solution. On longer term budget resources have to be allocated</p> <p>The mobile units, KOE, remain chronically understaff and therefore are not fully operational. There is an existing commitment to have all the Units up to complement by the end of 2018. However, with the current general staff shortages this will be difficult to achieve</p>
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#### Operational support

2. Operational support was readily available throughout the lifetime of the contract. The directors of the main audit centres encouraged their staff to assist TA and there was a strong willingness to provide TA with all necessary support. This was true at all levels of the administration, including the Governor's office and his advisers.

If there were shortcomings, they were the operational shortcomings experienced by the IAPR staff in general. For instance, the tax authority has an under-resourced IT capacity (a problem being addressed by a TA project) and TA often experienced problems securing fast responses to data requests.

On audit issues, technical assistance was provided through the cooperation with the board of HWIAC and the Audit Directorate. Depending on the subjects, discussions were held and decisions taken during the bi weekly meetings within the HWIAC (with the Director or sub-directors and sometimes directly with the employees and/or under the direct instructions of the dedicated advisors to the audit Directorate (participation in several working groups). The most important issues were directly discussed between the successive Directors of audit and the TA team as a whole (to promote a common approach of TA). The impact of the implementation of the "new structure" under the public Prosecutors on the staff and the activity of HWIAC (loss of 40 jobs?) seriously disrupted the relationship with the employees of HWIAC in recent months.

On debt collection issues, operational support was available during the major part of contract lifetime. The support of Debt Collection and LDU departments were always in place. On the last months however, the departments started to be absorbed by the sMoU commitments in delay and that impacted the capacity to assume initiatives with TS.

If by the side of the TS direct counterparts there was always support, on the hand of providing information we experienced a short willingness to provide data in time. This was due to an under-resourced IT capacity mainly, but also to the usual difficulties of different departments mobilization (e.g.: e-gov/MIS, external communication department) and the channelling of information only after IAPR cabinet approval.

3. As regards investigation, The TS was dependent on the operational capacity of DIPAE and YEDDE, and the leadership of DIPAE and YEDDE region Attica together with analysts and supervisors have been key counterparts in the work.

## 2.5. Priorities for the coming period

1. The reform and modernization of audit functions will be reviewed and assessed in the context of the overall organizational structure of the IAPR. The effectiveness of the organizational structure will be examined to assess whether administration core functions are professionalized and effective administration capacity as well as improved taxpayers' services are achieved.
2. Specific focal areas in the period ahead will be :
  - Continuing to refine the Taxpayer compliance plan/blueprint
  - Ensure that the New Structure to deal with Prosecutor's cases develops operationally as planned. The importance of this issue has already been highlighted. It's crucial that the new structure develops a proper memorandum of understanding with the IAPR so that the two bodies address serious tax evasion in a coherent and joined up manner.
  - Continue to build capacity in the field of audit with particular emphasis on indirect audit methods and transfer pricing ;
  - Work with the Audit Directorate to further develop risk assessment procedures and implement a detailed analytical survey of completed audits to help identify key problems. The pressure on resources caused by Prosecutor's cases has impeded proper analysis of completed audits and hopefully this necessary work may now begin properly.
  - Work to identify possible tax loss from employers' withholding taxes and develop specialist audit capacity in this field. This is uncharted territory for the IAPR. It's a potential high-risk sector which needs to be thoroughly analyzed and resourced as appropriate.
  - As regards debt collection:
    - Adoption of an Evaluations and Accountability Framework
    - Completing the Enforcement System
    - IT - Acquisition of full control over data, IT resources and IT projects
    - Modernization of the information acquisition systems, interoperability and risk assessment
  - Accompanying the establishment of the Customs & Tax Academy as regards (i) finalizing the implementation of the first induction training session related to newcomers; (ii) finalizing the cooperation process with DGs tax and customs as regards the continuous training (providing occasional trainers and assistance with the training modules drafting and supervising mechanism); (iii) finalizing the availability of the dedicated new building; accompanying the implementation of the new tax audit strategy as regards (iv) monitoring the full implementation and the operation of the "new structure" under the public Prosecutor; (v) continuing advice on risk assessment strategy and particularly concerning the high-wealth individual taxpayers and high-income self-employed (i.e. closer to its target demographic); (vi) accompanying the full implementation of the IAM related to businesses (drafting a

circular) and the full use of IAM related to individual taxpayers; (vii) improving collaboration and interaction between tax audit and collection.

- As regards tax investigations: The implementation of the restructuring of DIPAE and YEDDE will be reviewed and assessed in the context of the overall organizational structure of the IAPR. The effectiveness of the organizational structure will be examined to assess whether the new institutional framework is effectively working as regards the core functions of DIPAE and YEDDE.
- As regards customs and excise administration, a great deal of progress has been made but there is still room for improvement and development, much of this will be achieved through the ambitions of the IAPR Blueprint and the implementation of the Customs Strategic Plan between now and the end of 2020.
- Particular attention should be devoted to (i) implementing Management Indicators and the Customs Strategic Plan; (ii) accompanying the establishment of the Customs & Tax Academy as regards the development of specific modules in xxx; (iii) continued capacity building in Revenue Administration to ensure that reforms priorities are achieved; (iv) advice on the management of intelligence, in particular developing intelligence sources and the effective evaluation, enhancement and dissemination of intelligence by supporting the work of the Intelligence Working Group; (v) modernization of procedures for xx units and Directorates; (vi) advice on certain aspects of xx(vii) advice on enhanced specialization of staff; (viii) process reengineering; and (ix) enhancement of the regions' role in order to support the headquarters' directives; (x) continue to support the development of KOE through training and exploring the introduction of Spot Fines; (xi) continue to support the development of SEK and clarify legal gateways for the exchange of intelligence; (xii) monitor and drive the procurement of a Fuel Marker System; (xiii) support and assist the Illicit Cigarette Public Awareness Campaign.

## 2.6. Project Assessment

### Audit function and Large Business Sector

#### Project Objective

Objectives	Verifiable Indicators	S <sup>2</sup>	Comments on Achievements
Help the IAPR drive improvements in Tax Compliance, with particular focus on Audit Procedures and the Large Business Sector.	The working practices of the IAPR follow the precepts of international best practice. Outputs improve to reflect more efficient working practices.		Strong progress has been made across a range of areas. Risk assessment is more targeted and levels of cooperation between various directorates are much improved thanks to TA intervention.  In the Large Business Office (KEMEER), revenues collected from audits for the first four months of 2018 are the best on record since the Directorate was established. At 30.04.2018, €197m had been collected from Audit work. This is very encouraging evidence of smarter working.

#### Project Outcomes



Outcomes Description	Verifiable Indicators	Completion Date	P <sup>1</sup>	S <sup>2</sup>	Comments on Achievements
Coordination role overseeing the work of resident experts in the fields of core taxation, acting as liaison between the TA team and other stakeholders such as the Governor of IAPR, BTC, IMF, ECFIN, etc.	Written reports, feedback from individual experts, management perception.				Meetings were held with each expert on a regular basis. Written summaries on progress in their particular field were provided to SRSS management. Constant support was provided to other experts and an emphasis placed on developing a joined-up approach regarding provision of TA to the IAPR. Meetings were held with the Governor's office on a regular basis to provide feedback on TA work and act as a conduit for any issues which may require wider discussion.
Provision of technical and policy advice to the respective Directors of Audits and Tax Compliance in order to improve audit procedures and general compliance strategies throughout the IAPR.	Ongoing operation of a TA-designed project into compliance in the Hotels industry. Delivery of a series of workshops on Indirect Audit Methods to Audit Directorate staff and Governor's advisers. Appendix 7,8 TA assistance in the preparation of Circulars/Decisions (see annex). TA organization of a cross-directorate working group formed to tackle BEPS issues (particularly PEs). TA preparation and presentation to Governor of a draft Circular on Indirect Audit of the Hotels Sector. Appendix 7 Sharing of International Best	Ongoing  Jan-June 2018  Various  Sept 2017 onwards  May June 2018			Weekly meetings were held with each Director with whom TA has developed a strong relationship based on cooperation and trust. A tangible outcome of this TA has been increased levels of cooperation between two directorates with over-lapping competences who historically had operated in isolation.  TA has helped develop a greatly enhanced risk assessment capacity within these directorates, building awareness of financial ratios analysis and indirect audit techniques. Much work has also be done in encouraging identification of non-filers (simple informal economy and also more involved issues such as Permanent Establishments).

Outcomes Description	Verifiable Indicators	Completion Date	P <sup>1</sup>	S <sup>2</sup>	Comments on Achievements
	Practices (HMRC Manuals, OECD Risk Assessment Guidelines). Appendix 23				
Work in partnership with the Director of Large Business (Kemeep) to help develop the Directorate into a properly functioning audit center for large corporate enterprises	<p>LTAC functions and tools, developed, in place and professionalized. A Transfer Pricing strategy has been put in place and a training plan implemented. The Kemeep functions within the overarching strategy of the IAPR compliance plan.</p> <p>All Key Performance Indicators achieved</p> <p>Selected auditors trained in preparation for ADIT certificate 'Principles of International Taxation'.</p> <p>Training Workshops arranged with outside partners (BvD, HMRC)</p> <p>Appendix 22,23,24,25,26</p> <p>Sharing of International Best Practices (HMRC Manuals, OECD Risk Assessment Guidelines).</p>	Ongoing			<p>Provision of regular advice to the Director (and his staff) on technical issues such as case selection and allocation of auditor resource.</p> <p>Identification of staff training needs and provision of training</p> <p>Development with the Tax Academy and Kemeep of a specific training module on accountancy rules.</p> <p>The Kemeep now has a dedicated TP enquiry team which works closely with TA. The Kemeep collection figures from Audit comfortably exceed the combined audit results off all other Audit centers.</p>

Outcomes Description	Verifiable Indicators	Completion Date	P <sup>1</sup>	S <sup>2</sup>	Comments on Achievements
	Appendix 24				
Design, Codification and Implementation of a Voluntary Disclosure Programme	<p>Legislation was drafted and passed through Parliament in Jan 2017.</p> <p>Previously undeclared revenues of €360m+ were voluntarily declared by taxpayers under the terms of the VDI and paid over to the state by the completion date of July 2017</p> <p>Appendix 12,13,14,15</p>	<p>Jan-July 2017 (Final Stage)</p> <p>July-Dec 2017 (Secondary Stage)</p>			<p>The TA support measures consisted of:</p> <ul style="list-style-type: none"> <li>• Advising on the efficacy of possible tax incentive measures and clarifying international best practice in the area of voluntary disclosure ;</li> <li>• Agreeing and helping draft legislation to implement the disclosure initiative;</li> <li>• Working in cooperation with government officials to execute an effective communication strategy that would ensure taxpayers understood both the mechanics and rationale of the programme.</li> </ul> <p>The outcome was that previously non-compliant taxpayers were provided with an incentive and mechanism to correct inaccurate declarations.</p>
Project to improve tax compliance in the short-term rental economy	<p>Legislation developed with TA guidance and passed through Parliament</p> <p>Appendix 3,4</p>				<p>This activity involved</p> <ul style="list-style-type: none"> <li>• TA joining IAPR staff in meetings with legal representatives of International Digital Platform companies.</li> <li>• TA participating in internal workshops to develop appropriate legislative responses</li> <li>• TA communicating the reforms to the Institutions and securing their agreement.</li> </ul>

Outcomes Description	Verifiable Indicators	Completion Date	P <sup>1</sup>	S <sup>2</sup>	Comments on Achievements
Taxpayer Compliance Strategy for IAPR finalised and approved by institutions	Compliance Plan Published. Appendix 20,21	March 2017			The development of a Taxpayer Compliance Plan was an obligation requested by the Institutions. A comprehensive plan was developed with significant TA guidance which involved weekly meetings with a Project Team. A key assumption of the plan was that its analysis and strategy would underpin all IAPR compliance responses. The plan would continue to evolve as the overall risk profile evolved, so the Project Team remains active.
Partnership working with Institutions and IAPR on the design and development of effective tax legislation.	TA policy input and practical advice on a range of legal provisions, including, inter alia, amendments to Articles 10,11,18 and 19 of the Tax Procedure Code. Appendix 1, 2,19,27	2017-2018			SRSS TA has an important role acting as an intermediary between the institutions and IAPR in this context, helping ensure that the needs of all parties are acknowledged in the drafting of legislation.
Liaise/Coordinate with IMF TA	Regular meetings and exchanges with IMF resident to ensure consistency of approach and integrated strategic objectives.	Ongoing			The merits of a joined up and consistent TA message are self-evident. The maintenance of a regular dialogue was an operational necessity.
Ad Hoc responses to requests from the authorities on technical issues.	Benchmarking papers provided on international practice regarding Stamp Duties, Personal Liabilities and Tax Incentive legislation. App.9,10,11,16	Various			These exercises were important in helping the IAPR legal team develop an understanding of international best practice when drafting Greek domestic legislation.
Authorship of Chapters on Audit Issues in Joint EC/IMF Mission Reports	Published IMF/EC Reports 2016 and 2017				TA provided specialist on the ground information to the joint mission teams and ensured recommendations were based on a sound understanding of the

Outcomes Description	Verifiable Indicators	Completion Date	P <sup>1</sup>	S <sup>2</sup>	Comments on Achievements
on Greek tax authority					tax authority and its needs.

### High Wealth Individual Audit and Tax & Customs Academy

#### PROJECT OBJECTIVE

Objectives	Verifiable Indicators	S <sup>2</sup>	Comments on Achievements
An improved revenue administration with (i) a tax audit strategy, particularly relevant to HWI taxpayers, and (ii) a training strategy established	<p>HWI audit function in place and professionalized</p> <p>Appropriate organizations and key implementation regulations in place</p> <p>Performance indicators</p> <p>Tax and customs Academy in place</p>		<p>Despite the fact that the tax audit mission and particularly the high wealth individual audit mission faced a number of difficulties both in terms of organisational (overburdened by the cases from the public Prosecutors) and legal issues (legal instability), significant developments were achieved during the last 3 years:</p> <ul style="list-style-type: none"> <li>- Familiarisation with new audit methods (IAM, risk analysis mechanism, IT tool);</li> <li>- New relationship with the taxpayer (VDI procedure, ...);</li> <li>- New structure under the public Prosecutor to deal with the cases to be audited.</li> <li>- A more effective audit mission in the HWIAC (increase the number of completed audits and assessed amounts).</li> </ul> <p>However, the results could still be greatly improved, particularly by the use of IAM and in regard to the collection management after audit.</p> <p>Furthermore, the implementation of a tax and customs academy, as a priority, is a strong signal of the interest in human resources and their professionalization despite all administrative complications which delay full implementation at the moment.</p>

#### PROJECT OUTPUT

Outcomes Description	Verifiable Indicators	Completion Date	P <sup>1</sup>	S <sup>2</sup>	Comments on Achievements
Audit management system designed and in line with international good practices	<p><i>Administrative decisions and circulars published</i></p> <ul style="list-style-type: none"> <li>- Statute of limitation issues (i.e. CoS rulings) – circular B 113065/2017</li> </ul>	15/09/2017			Advice on clarifying the implication of the new rules related to the number of years to be audited after the decisive CoS rulings reducing the scope of most tax audits to 5 years

Outcomes Description	Verifiable Indicators	Completion Date	P <sup>1</sup>	S <sup>2</sup>	Comments on Achievements
for the tax audit function in general		22/12/2016			(definition of “new evidence”). HWIAC is the most concerned by this decision affecting 80% of the audited cases, as they have always audited 12 or 15 years. Huge impact to be followed on the assessed amount in the coming years.
	<i>Proposed legal amendments and/or legislations</i> - Implementation of a Voluntary Disclosure Initiative (VDI) procedure – L4446/2016 art 57 to 61 Annexes 34 - 58	17/01/2018			Participation in the thinking process (collective work of TA) for drafting the provisions of the VDI procedure, particularly through a benchmarking procedure against France. Unfortunately, in 2017, it was impossible to officially compute the impact of such a procedure on the HWIAC collection results, although it was directly concerned and this mechanism enabled it to complete a greater number of cases.
	- Implementation of a “New structure” under public Prosecutors – L4512/2018 art 63 Annexes 33 - 59	ongoing			Participation in the thinking process (collective work of TA) to change the relations between Public Prosecutors and the Tax administration, in accordance with the existing systems in other countries. Benchmarking procedure against France. HWIAC is still very concerned about its role in respect to audits after the future findings’ reports from this structure and about the impact the latter may have on its staff. Implementation still under way (transfer of cases and staff).
		ongoing			

Outcomes Description	Verifiable Indicators	Completion Date	P <sup>1</sup>	S <sup>2</sup>	Comments on Achievements
	<ul style="list-style-type: none"> <li>- Liability of companies' managers procedures Annex 56</li> <li>- Stamp/duties mechanism Annex 57</li> </ul>	ongoing			After drafting a high level memo on practices and legislation in France, these issues are under study with the aim of amending the current legislation in the coming months.
	<ul style="list-style-type: none"> <li>- The implementation of a new tax return Annex 9</li> </ul>	ongoing			Participation in the discussion process (collective work of TA) on the creation of a new income tax return form related to professional activities (the various parts of the document: content and format). Benchmarking procedure against France.
	<ul style="list-style-type: none"> <li>- Implementation of a penalty reductions mechanism after the expiration of the VDI procedure. Amendment Annex 41</li> </ul>	ongoing			Participation in the discussion process (collective work of TA) through a benchmarking procedure against France.
	<i>IAPR performance data</i> <ul style="list-style-type: none"> <li>- KPI's Annexes 7 - 26</li> </ul>	May-June 2016			Participation in the discussion process on KPIs with the Institutions' representatives and the tax administration authorities. Identification of the limits of the indicator on collection of HWIAC (to compare the amounts collected during a year to the number of cases audited during the same year).
	<i>TA Review reports</i> <ul style="list-style-type: none"> <li>- Bi-weekly meeting with the Director of HWIAC Annex 5</li> </ul>	Sept-Oct 2016			Monitoring of the HWIAC's activity related to the current problems (results, staff, working methods, specific cases, ...).
	<ul style="list-style-type: none"> <li>- Implementation of a relationship between</li> </ul>	ongoing			Linked with Jeroen Weijers' missions. Benchmarking against

Outcomes Description	Verifiable Indicators	Completion Date	P <sup>1</sup>	S <sup>2</sup>	Comments on Achievements
	<p>HWIAC and DRU (Dispute Resolution Unit) Annexes 4 - 40</p> <ul style="list-style-type: none"> <li>- Short term training courses in the French tax academy related to collection, VAT and audit procedures</li> <li>- Presentations of the Mutual administrative assistance mechanism and cooperation on collection issues between KEFOMEPE and services in charge of collection (documentation in French and in Greek) Annexes 60 to 64</li> <li>- Relationship between the Directorate of International affairs and the HWIAC Annex 30</li> <li>- Risk management unit and internal audit service activities Annexes 36 – 38</li> <li>- HR policy / remuneration mechanism Annex 39</li> </ul>	<p>ongoing</p> <p>ongoing</p>			<p>France.</p> <p>According to an agreement with France, 9 Greek employees from the HWIAC, LDU and VAT Directorate, divided into 3 seminars (on VAT, audit procedures and collection procedures) in the French tax Academy.</p> <p>The courses above mentioned led to the preparation of presentations by the trainees under my guidance, on selective topics they were taught in France, to their colleagues and their Directors in the HWIAC and the LDU.</p> <p>Such relationships must be facilitated and intensified.</p> <p>After drafting a high level memo on practices and organisation in France, no significant change on these issues.</p> <p>Participation in the thinking process with the Institutions and the Greek authorities on a remuneration mechanism through a benchmarking procedure against France.</p>
Case selection procedure,	<p><i>New legislation</i></p> <ul style="list-style-type: none"> <li>- Number of “fresh”</li> </ul>	19/05/2017			Participation in the discussion process with the



Outcomes Description	Verifiable Indicators	Completion Date	P <sup>1</sup>	S <sup>2</sup>	Comments on Achievements
operational process for risk assessment techniques developed	<p>cases to be audited – Law 4472/2017</p> <p><i>Administrative guidelines</i></p> <ul style="list-style-type: none"> <li>- Risk analysis /prioritization procedure – “secret” guidelines Annex 2</li> </ul>	07/2016			<p>Institutions’ representatives and the tax administration authorities in order to find a mechanism focusing on “fresh cases to be audited” with the aim to facilitate the audit and collection procedures.</p> <p>Participation in the thinking process with the audit Directorate team on a risk analysis/prioritization mechanism. Discussion on the most relevant criteria related to businesses and individual taxpayers, and the risk scoring mechanism. The results and final decisions remained a “secret” to the TA.</p>
Operational process, tax audit and investigation techniques developed	<ul style="list-style-type: none"> <li>- The implementation of IAM: support to the use of IAM related to individual taxpayers (training plan with tax Academy) and to implement IAM on businesses (training module + technical files, roadmap on a draft circular). Annexes 44 to 51 - 76</li> <li>- Circular on IAM related to businesses</li> <li>- IT tool related to automation of audit</li> </ul>	<p>Oct 2016 May 2018</p> <p>Dec 2017</p> <p>April 2018</p>			<p>Despite the important work in this area in 2012-2013, particularly with regard to training courses by 2 French experts, it’s clear that these methods are under used. Several renewed efforts in cooperation with the Tax academy: integration into the induction training program drafted, organization of several courses related to individual taxpayer procedures with participation of the technical assistance as an observer, drafting of a training module and a roadmap on a draft circular related to businesses by the technical assistance. Implementation of IAM still under way.</p> <p>Participation in the thinking process with the audit</p>

Outcomes Description	Verifiable Indicators	Completion Date	P <sup>1</sup>	S <sup>2</sup>	Comments on Achievements
	procedure – Guidelines Annex 34	ongoing       Nov. 2016			Directorate team on “a cross check of bank accounts against tax returns” over the period 2002-2014 and concerning 1,2 million natural persons. It's an audit tool which is aimed to reduce the time scale for individual audits by at least six months. It was under the control of the Public Prosecutors. The technical assistance attended as an observer in a dedicated training session and supported the HWIAC in the use of this tool. The interest of such an IT tool was curtailed by the CoS rulings mentioned above.
Implementation of the Tax and customs academy as a priority	<p><i>Specific report by TA</i> Organization of a short term mission with M Grosskopf (expert from France) in order to implement a tax and customs academy. Annex 65</p> <p>A new MoU priority</p> <p><i>Administrative Decision published</i> Establishment of the Tax and Customs Academy within the IAPR - FEK B3411 art 4A Annex 75</p> <p><i>TA Review reports</i> - Weekly meeting with the Academy's board</p> <p>- Drafting of an organization chart – functioning of the Academy Annexes 77 to 83 - 74</p>	<p>March 2016</p> <p>Dec 2016</p> <p>24/10/2016</p> <p>Sept 2016</p> <p>Dec 2016</p>			<p>The state of play and the first recommendations.</p> <p>The 1st formal act translating this intention considered as a priority by the Governor of IAPR.</p> <p>To discuss on the implementation of the Academy at large.</p> <p>TA guidance on the choices through several meetings and unformal discussions, although TA didn't participate in the working</p>

Outcomes Description	Verifiable Indicators	Completion Date	P <sup>1</sup>	S <sup>2</sup>	Comments on Achievements
	<ul style="list-style-type: none"> <li>- Drafting of an action plan – up-dating Annexes 8 - 10</li> </ul>				<p>group in charge of this work. Formal comments from TA on these first documents sent by the Greek working group.</p> <p>Guidance on the drafting of this document, updated on a monthly basis for the Institutions.</p>
Implementation of the Tax and customs academy: drafting of the legal framework	<p><i>Administrative decisions published:</i></p> <ul style="list-style-type: none"> <li>- The induction training regulation – Decision 1075014 Annex 54</li> </ul> <p><i>New legislation:</i></p> <ul style="list-style-type: none"> <li>- Amendment of the IAPR Law 4389/2016 Annexes 27 – 32 - 66</li> </ul>	<p>15/05/2018</p> <p>June or July 2018?</p>			<p>Written under my guidance following the discussions during the weekly meetings with the Academy's board and employees. Some issues remain still not addressed (the supervising and proof reading of the training modules mechanism, ...).</p> <p>All these issues have been under extensive discussion with the board of the Academy since September 2017. The most important and urgent subjects have been identified and this has resulted in a different perception and understanding of at least some of them. However, differences in the views between the Academy's board and the Governor's Office became evident quite early in the drafting process and my advice was not completely followed.</p>
Implementation of the Tax and customs academy : the financing issues	<p><i>TA Review reports</i></p> <p>Find the best financing mechanism.</p> <p>Annex 6</p>	ongoing			The discussion with EKDDA (national administrative academy) still underway concerning the access to a part of the European structural funds allocated to Greece.
Implementation of the Tax and customs academy : the	<p><i>New legislation and circular:</i></p> <ul style="list-style-type: none"> <li>- The concession law – 4484/2017 art 63</li> </ul>	01/08/2017			Thanks to many meetings with the General Directorate of Financial Services, that I contributed

Outcomes Description	Verifiable Indicators	Completion Date	P <sup>1</sup>	S <sup>2</sup>	Comments on Achievements
delivery of the dedicated building	<p>Annex 52</p> <ul style="list-style-type: none"> <li>Ministerial Decision 0006474 (Ministry of finance)</li> </ul> <p>Annex 53</p> <p><i>TA Review reports</i></p> <ul style="list-style-type: none"> <li>The public tender mechanism related renovation works and security certificates.</li> </ul> <p>Annex 67</p> <ul style="list-style-type: none"> <li>The space allocation of the new building</li> </ul> <p>Annex 37</p>	<p>28/03/2018</p> <p>April 2018</p> <p>2017-2018</p>			<p>to, things have moved on.</p> <p>Benchmarking procedure against France. The call for tenders mechanism through the SG of Public Properties has seriously slowed down the process. Given the on-site works the building is not going to be ready before the end of 2018.</p> <p>Several visits to the building located in Ilioupoli close to the metro station. Participation in the thinking process for the optimization of the available spaces' use.</p>
Implementation of the Tax and customs academy: the draft of the educational material (methodology and objectives)	<ul style="list-style-type: none"> <li>Induction training programs for Tax and Customs administrations are developed</li> </ul> <p>Annex 42</p> <ul style="list-style-type: none"> <li>Training material developed</li> </ul> <p>Annex 43</p>	<p>Oct-Nov 2016</p> <p>2017-2018</p>			<p>Resulting from my cooperation with the six permanent trainers in charge of drawing up the programs of the tax administration's induction training, in line with the conclusions of a Greek working group and on the basis of the French and German models.</p> <p>Under my supervision and guidance (proofreading and advice on the format and the content), about 50 training modules related to the 2d phase of the tax induction training program ("specialization phase") were completed according to a planning sent in Oct. 2017. To date, it remains for them to write the training modules of the 1st induction training program phase ("common phase") with the help of a team of occasional trainers – still</p>

Outcomes Description	Verifiable Indicators	Completion Date	P <sup>1</sup>	S <sup>2</sup>	Comments on Achievements
	<p>The draft of 2 training modules by TA on:</p> <ul style="list-style-type: none"> <li>- IAM for businesses “mark-up” and “volume and unit” methods Annexes 44 to 51</li> <li>- “the conflict management between the tax auditor and the taxpayer” Annexes</li> </ul>	<p>Dec 2017</p> <p>ongoing</p>			<p>under discussion with the head of tax administration.</p> <p>In the framework of the IAM development (above) and the drafting of the induction training program.</p> <p>As agreed during the induction training program drafting phase.</p>
Implementation of the tax and customs academy: the establishment of a human resources policy	<ul style="list-style-type: none"> <li>- The implementation of the appointment procedures: board, administrative staff and permanent trainers Annex 31</li> <li>- The job and role description within the Academy – Decision FEK B 4227 Annex 55</li> <li>- A plan of IAPR recruitment/induction training issues Annex 68</li> </ul>	<p>May-June 2017</p> <p>April 2017</p> <p>01/12/2017</p>			<p>The first permanent trainers’ team has been largely renewed through an individual interview, by applying only part of the advice given by the technical assistance. The appointment of the Academy’s board allowed me to have dedicated and more involved interlocutors.</p> <p>Participation in the developing process, to be enhanced and monitored. The remuneration issue is a very sensitive one particularly with the permanent trainers, who feel like the redheaded stepchild of the system (to be discussed with Dave Carr -IMF- under the “competency framework” workshop).</p> <p>Participation in the discussion process between the HR Department and the Tax and customs academy. The legal issues (the time</p>

Outcomes Description	Verifiable Indicators	Completion Date	P <sup>1</sup>	S <sup>2</sup>	Comments on Achievements
		May 2018			frame to organise the selection exam, the deadlines for recruitment after the exam, the status of the trainees during the induction training, the MoU target on recruitment) and the Academy's constraints (the training capacities related to the new building and capacity – maximum 13 classrooms with 25 people + 1 amphitheatre with 150 people) and the number of permanent or occasional trainers.
Implementation of a Tax and customs academy: teams of educational professionals established	- 3 x 1 week train the trainers sessions (occasional and permanent trainers) Annexes 11 to 25 – 28 - 29	Jan. 2017 March 2017 Sept. 2017			With the cooperation of 2 experts from France and Belgium + resident TA. Training on educational methods concerning potential occasional trainers, permanent trainers and the Academy's board (Total of 39 trainees).
To provide the opportunity for some Greek employees to attend a 1 year induction training in the French tax academy in order to acquire new working methods	- the selection process Annex 1  - the recognition by the IAPR of the experience gained during the induction training in France Annex 3	May 2016 Oct. 2016 Oct. 2017  Oct 2017			In relation with the French Institute of Athens and the French tax academy, organization of the selection process: individual interviews and a written exam (Total of 12 candidates and 8 selected).  Thanks to my multiple interventions with the Governor's board and Human Resources Directorate, the 3 first Greek trainees could choose a new post (without promotion) that should recognise the experience gained during their French experience: one of them in the Dispute Resolution Unit annex of Thessaloniki, one in the HWIAC team of Thessaloniki and one in the DOS (international affairs

Outcomes Description	Verifiable Indicators	Completion Date	P <sup>1</sup>	S <sup>2</sup>	Comments on Achievements
					Directorate).
Implementation of the tax and customs academy: to learn on-site from the experience of the French tax academy	- the organization of a first working visit with the Governor of IAPR and his board to the French General Directorate of Public Finance Annexes 69 - 70	May 2016			Official working visit to the French tax academy and the French central Administration by 5 Greek representatives.
	- the organization of a 2 day working visit with 6 representatives from the Greek tax and customs academy Annexes 71 - 72	July 2018			Working visit to the French tax academy by 6 representatives of the Greek tax academy (3 permanent trainers, 1 administrative employee and 2 heads of Department).
	- the signature of a twinning protocol	July 2018?			One of the most important goals of the working visit mentioned above.

#### PROJECT MILESTONES

Milestone Description	Completion Date	Comments on achievements
Tax audit strategy:		
- VDI procedure	2016-2017	Achieved
- IAM procedures:		
o Training module related to businesses	12/2017	Achieved
o Training courses	09/2016- 05/2018	Achieved
o Roadmap on hotel project	05/2018	A circular is ongoing related to businesses in general
- New structure under public Prosecutors	2018	The implementation is ongoing (transfer of cases from HWIAC, appointment of staff,..)
The Greek Tax and customs academy:		
- Short term mission by M Grosskopf: state of play and recommendations	03/2016	Achieved
- Establishment of the Academy within the IAPR	10/2016	Achieved
- The action plan draft	12/2016	Achieved
- The appointment of the board members and the permanent trainers	04-05-06/2017	Achieved
- The tax and customs induction training programs draft	10-11/2016	Achieved
- 3 train the trainers sessions (39	01-03-09/2017	Achieved

Milestone Description	Completion Date	Comments on achievements
trainees) - The concession law on housing - Training modules drafting for the specialized phase of the induction training programs	08/2017 2017-2018	Achieved Ongoing related to the training modules for the “common phase” of the induction training programs
- Academy’s induction training regulation - Amendment of the IAPR implementation law	05/2018 07/2018?	Achieved Ongoing
The cooperation with the French tax academy: - Participation in the 1 year induction training of 8 Greek employees - The signature of a twinning protocol with the Greek tax academy	07/2018?	Achieved for the 2 first years. Ongoing for the 3 coming years Ongoing

### **Debt collection function**

#### **PROJECT OBJECTIVE**

Objectives	Verifiable Indicators	S <sup>2</sup>	Comments on Achievements
An improved revenue administration with a tax debt collection function in place and properly operating	Tax Debt collection function in place and professionalized		<u>National Collection Strategy</u> Strong progress has been made across Debt Collection function and Recovery procedures. A national collection strategy with a four years vision is now in place and is being implemented accordingly with the projected timeframe. For the first time it is provided in a document, the internal vision of the entire business, the desired goals and the program to mitigate risks, promote compliance and tackle evasion in the end of the fiscal process. The recovery units are now working oriented by the strategy and pursuing quantified indicators. The results achieved in 2017 particularly in the recovery of old arrears, and the 2018 results until May, demonstrate the success of the plan defined by the Collection Directorate and TA, and also by the Institutions. <a href="https://www.aade.gr/sites/default/files/2017-04/statigiko_sxedio_2017_2020.pdf">https://www.aade.gr/sites/default/files/2017-04/statigiko_sxedio_2017_2020.pdf</a> ; <i>Annexes; 201703-NCS 1-final draft National Collection Strategy 20 02 2017_3_en (comments Manuel).docx; 201704-Summary National Collection Strategy 29_3_2017_en.docx; 201702-NCS-Contributions for the National Collection Strategy.pdf; 201704-National Collection Strategy-29_03_2017_revised_en-31032017.pdf; (all other annexes with “NCS” in the name).</i>



Objectives	Verifiable Indicators	S <sup>2</sup>	Comments on Achievements
	Appropriate organizations and key implementations regulations in place		<p><u>Out of the Court Workouts mechanism for the settlement of debts</u></p> <p>Greece didn't have and expedite mechanism to allow the restructuring of enterprises, out of the court, when debts arising from taxes and social security contributions are significant. The envisaged process arises among a severe financial and economic crisis where the insolvency mechanism is outdated and virtually inoperant. The drafted law is complex mainly because its innovate character collided with the existent legal and administrative framework and by the inexistence of a close cooperation between enterprise organizations and the public administration, that didn't provide a natural owner for the administration of the mechanism. The secondary legislative process continues and there is the commitment of full operation before 31/12/2018. The input of TA was decisive, namely for the constitution of the platform for interaction with the debtors, the triage and viability assessment methodology and with solutions to accommodate the system with the Recovery core business functions.</p> <p><a href="https://www.taxheaven.gr/laws/law/index/law/813">https://www.taxheaven.gr/laws/law/index/law/813</a>  <i>Annexes: 201608Annex-2-082016-PolicyPaper_OCW_clean_draft1-SRSSTA.docx.docx; 201710-OCW operationalization-suggestions.docx; 201709-Contributions to the OCW IMF TA report.docx; 201709-OCW-IMF EC TA review Master v3 docx.msg; 201611Annex 4 - OCW-VC-Questions to experts (MV) comments.docx; 201611A3b-OCW_Summary table - VC for Greece; (all other annexes with "OCW" in the name).</i></p> <p><u>Reform of IT systems started (December 2017)</u></p> <p>The major bottleneck of the Greek tax administration is the flow and use of information. The IT system is weak and outdated. The TA contributed with presentation of good practices and experience, for the definition of the principles that will govern the construction of the end-to-end debt collection system that is expected to start operations in June 2020. The new system will provide full dematerialization of the recovery process, interaction with all stakeholders anytime and anywhere 24/24 hours, digital interoperability with entities and taxpayers, automation and centralization of the enforcement actions, and automatic outputs. The system will provide a full</p>

Objectives	Verifiable Indicators	S <sup>2</sup>	Comments on Achievements
	Performance indicators achieved or surpassed		<p>vision of the taxpayer/debtor, instead of the debt, and its management inside its cluster.  <a href="http://www.aade.gr/prokeryxeis-diagonismoi/dpdyky-aade-1179682-ex-2017">http://www.aade.gr/prokeryxeis-diagonismoi/dpdyky-aade-1179682-ex-2017</a>  <i>Annexes: 201702-Workshop presentation-End to end Deb Collection IT system.pdf; 201702-End to end debt collection IT system - Meeting report - 13-02-2017.docx; 201710-end to end collection presentation.pdf; 201710-end to end Meeting 19102017 - end to end debt collection system.docx; 201712-End to end debt collection system - procurement announcemnt.msg; (all other annexes with "Endo to End" in the name).</i></p> <p><u>Reform of Administrative tools and procedures implemented (Triage, Debtors profiling and prioritization – March to June 2018)</u>  TA contributed for the rationalization and efficiency of the Recovery process. By implementing the use of triage methodologies and the prioritization of cases, it was possible to allocate the scarce resources to the most important cases with consequent improvement of the amounts collected. The methodology also allowed the rational justification of write-off proposals with inherent reduction of the debt portfolio.  <i>Annexes: 201706-170621final draft LDU Circular Triage 20.06.17_en.docx; 201802 - 46 - Triage - FINAL Report on Triage 31.01.18_en.docx; 201709-OCW Triage of Large debtors methodology state of play Circulars article 16-3 and 15-21 Data on submissions.msg; 201803 - IMF SB - Collection Enforcement(4).msg; 201801-Prioritization of enforcement cases - IMF SB on debt collection enforcement.msg; (all other annexes with "Triage" in the name).</i></p> <p>The confirmation of the effective improvement of the tax debt collection function of revenue administration is obtained face the collected amounts and the change in KPI's. The following indicators show that tax debt collection function is in place and properly operating.  <u>Tax arrears collection improved</u>  <i>Collection of tax arrears increased by 140% (2014-2017), or 162% in April 2018 homologous 2014. Amounts recovered represent 10% of state total fiscal income (5.2 billion on 2016, 5.1 billion 2017, 5.9/6.0 billion 2018-projected (2.35 billion accrued in</i></p>

Objectives	Verifiable Indicators	S <sup>2</sup>	Comments on Achievements
			<p>May/2018);  <a href="#">Annexes/Data Indicators) HISTORICAL DATA ON Debt Collection_2018.xlsx</a>; <a href="#">Monthly Collection 2012-2018.xlsx</a></p> <p><u>Tax compliance improved</u>  <i>Formation of new arrears reduced by 11% (2016-2017 end year)</i>  <i>(source: AADE 2016 &amp; 2017 December collection tables)</i>  <a href="#">Annexes/Data Indicators)</a></p> <p><u>The growth trend of the debt portfolio was inverted</u>  <i>Reduction of arrears gross portfolio and debtors on the consecutive last two months: (source: AADE May/2018 collection tables)</i>  <a href="#">Annexes/Data Indicators/ tax_admin_ 2018 April ANAPTHΣH GREEK ENGLISH.xlsx)</a></p> <p><u>Compliance with KPI's achieved</u>  <i>Results over 100% on all KPI's agreed with troika (May/2018); (source: AADE May/2018 collection tables)</i>  <a href="#">Annexes/Data Indicators/ Institutions analysis of Tax Administration Monitor - Results of KPI as of April 2018.pdf</a>; <a href="#">tax_admin_ 2018 April ANAPTHΣH GREEK ENGLISH.xlsx</a>; <a href="#">2018-06-18 KPI 2018 assessment .xlsx</a></p> <p><u>Increase of efficiency in the collection of old arrears</u>  <i>Since July 2017, collection of old arrears is surpassing every month the collected amounts of new arrears.</i>  <a href="#">Annexes/Data Indicators/ HISTORICAL DATA ON Debt Collection_2018.xlsx</a>; <a href="#">Monthly Collection 2012-2018.xlsx</a>; <a href="#">Institutions analysis of Tax Administration Monitor - Results of KPI as of April 2018.pdf</a></p> <p><u>Increase of the enforcement capacity</u>  <i>The percentage of debtors under effective enforcement Increased from 44,76% (end 2015) to 64,5% (April 2018). (source: tax_admin_ 2018 April ANAPTHΣH GREEK ENGLISH</i>  <a href="#">Annexes/Data Indicators/ Institutions analysis of Tax Administration Monitor - Results of KPI as of April 2018.pdf</a>; <a href="#">tax_admin_ 2018 April ANAPTHΣH GREEK ENGLISH.xlsx</a>; <a href="#">2018-06-18 KPI 2018</a></p>

Objectives	Verifiable Indicators	S <sup>2</sup>	Comments on Achievements
			<a href="#">assessment .xlsx</a>

#### PROJECT OUTPUT

Outcomes Description	Verifiable Indicators	Completion Date	P <sup>1</sup>	S <sup>2</sup>	Comments on Achievements
Strategy developed towards the creation of a strong debt management and enforcement system for the IAPR	Debt National Collection Strategy developed <a href="https://www.aade.gr/sites/default/files/2017-04/statigiko_sxedio_2017_2020.pdf">https://www.aade.gr/sites/default/files/2017-04/statigiko_sxedio_2017_2020.pdf</a> ; Annexes; 201703-NCS 1-final draft National Collection Strategy 20 02 2017_3_en (comments Manuel).docx; 201704-Summary National Collection Strategy 29_3_2017_en.docx; 201702-NCS-Contributions for the National Collection Strategy.pdf; 201704-National Collection Strategy-29_03_2017_revised_en-31032017.pdf; (all other annexes with "NCS" in the name).	March 2017			This is an important document that gave focus in the implementation of a strategy until 2020
	Development of and Out of the Court Workouts mechanism for the settlement of debts <a href="https://www.taxheaven.gr/laws/law/index/law/813">https://www.taxheaven.gr/laws/law/index/law/813</a> Annexes: 201608Annex-1-082016-OCW-OCBRNP - Out of the Court Business Restructuring Negotiation Platform; 201608Annex-2-082016-PolicyPaper_OCW_clean_draft1-SRSSTA.docx.docx; 201710-OCW operationalization-suggestions.docx; 201709-Contributions to the OCW IMF TA report.docx; 201709-OCW-IMF EC TA review Master v3 docx.msg; 201611Annex 4 - OCW-VC-Questions to experts (MV) comments.docx; 201611A3b-OCW_Summary table - VC for Greece; (all other annexes with "OCW" in the name).	May 2017 to December 2018			This project continues under implantation since 2016. It's a very complicated piece of legislation for which Greece was not prepared. Legislation adaptation and promotion of the administrative ownership is on the way.
	Recommendation for amendment of legislation on write-off of public claims (limit grounds for interruption and suspension) 201710-(statute of limitation - to Maria P) Write-off - Distinction between collectible and non collectible.docx; 201705-Write-Offs legislation establishing clear criteria of non-collectability of tax claims.msg; 201704-Write-offs - quarantining and write off of debts in SS and IAPR.pdf; 201703-Review of write-off Kede and SS legislation-mail.pdf; (all	October 2016 to December 2018			TA demanded in 2016 and before other missions did the same, the revision of the write-off procedures by changing some

Outcomes Description	Verifiable Indicators	Completion Date	P <sup>1</sup>	S <sup>2</sup>	Comments on Achievements
	<p><i>other annexes with "write-off" in the name).</i></p> <p>Reform of liabilities framework to allow for acting against persons liable for the obligations of legal persons (jointly liable persons)  <i>Annexes: 201710-comments on TPC versus sMoU - JOINT AND SEVERAL LIABILITY article 50 amendment.docx; 201610Annex7-Proposals for sMoU on Liabilities and Insolvency.docx; 201705-Meeting 23052017-NCS-Write-offs-Statute of Limitation-Joint Liabilities.docx; 201709-Amend if necessary TPC framework on actions to regularly revert against persons who are jointly and severally liable for the liabilities of legal persons.msg; 201802 - 35-a - Liability of directors-comparative analysis.docx; (all other annexes with "liabilities" in the name).</i></p> <p>Uniform posting / publication of information of large debtors with debts towards the State and the SSFs and annual updating of the list, in accordance with the applicable legislative framework  <a href="https://www.aade.gr/sites/default/files/2017-10/pol_1158_2017_0.pdf">https://www.aade.gr/sites/default/files/2017-10/pol_1158_2017_0.pdf</a>  <a href="https://www.aade.gr/dl_assets/dos/ofeilfp2017_1.html">https://www.aade.gr/dl_assets/dos/ofeilfp2017_1.html</a>  <a href="https://www.aade.gr/dl_assets/dos/ofeilnp2017_1.html">https://www.aade.gr/dl_assets/dos/ofeilnp2017_1.html</a></p> <p>Monitoring of settlements and immediate enforcement of collection against defaulting debtors  <i>201610Annex-1-EMSDM-Enforcement Measures Support Decision Map.xlsx; 201703-Proactive Communication Action for Small debts - 30 to 500 euros.msg; 201703-Proactive Communication Action for Small debts - 30 to 500 euros.xlsx; 201705-Data-Action for small debts - 30 to 500 euro 10.4.2017.xlsx; 201609Annex 1 - bank account seizure - findings.docx</i></p>	<p>October 2016 to December 2018</p> <p>November 2017</p> <p>October 2016; March 2017</p>			<p>details on the statute of limitation, namely the interruption rules. This request was taken in the sMoU and was adopted in the IAPR business plan for 2018.</p> <p>TA identified an economic risk and unjustified and inoperant framework for operating the joint and severally liabilities of enterprise managers for the debts of enterprises. TA worked closely with the authorities and proposed the set of principles to govern a fair third parties liabilities basis. This was taken in the sMoU and authorities are in process of its revision.</p> <p>The name and shame lists are inductive of voluntary compliance. PT was the pioneer in Europe using this tool. TA promoted its use that was also an</p>

Outcomes Description	Verifiable Indicators	Completion Date	P <sup>1</sup>	S <sup>2</sup>	Comments on Achievements
	<p>Speed up the process for designation of claims as uncollectable  <a href="https://www.prosvasis.com/top-news/item/1373-pol-1008-2017">https://www.prosvasis.com/top-news/item/1373-pol-1008-2017</a>; 201704-Write-offs - quarantining and write off of debts in SS and IAPR.pdf; 201705-Data-Action for small debts - 30 to 500 euro 10.4.2017.xlsx</p> <p>Operationalization of the e-auctions system 201611A5a-Final draft - Auctions.docx; 201611A5-Auctions 39 KEDE Revision Price of first bid.docx; 201611A5b-AuctionsNotes - Commercial value - CCP-KEDE.docx; 201801-Auctions-Summary of meeting on Monday concerning KEDE alignment with CCP.msg; 201710-Auctions Kede ammendment- article 78 law 4472 2017 .msg; 201802 - 4 - Circular on - Modifications to procedure of auctions conducted 4512-2018 26_1_2018_EN.docx; 201705-Auctions-Information on the Prohibition of Auction after seizure of a residence (principle of proportionality).pdf</p> <p>IAPR performance data and indicators improved</p> <ul style="list-style-type: none"> <li>Collection of tax arrears increased by 140% (2014-2017), or 162% in April 2018 homologous 2014. Amounts recovered represent 10% of state total fiscal income (5.2 billion on 2016, 5.1 billion 2017, 5.9/6.0 billion 2018-projected (2.35 billion accrued in May/2018); Annexes/Data Indicators) HISTORICAL DATA ON Debt Collection_2018.xlsx; Monthly Collection 2012-2018.xlsx</li> <li>Formation of new arrears rate reduced by 11% (2016-2017 end year) (source: AADE 2016 &amp; 2017 December collection tables) Annexes/Data Indicators/</li> </ul>	<p>January 2018</p> <p>November 2016 to March 2018</p> <p>December 2015 December 2016 December 2017 May 2018</p>			<p>sMoU deliverable.</p> <p>In the absence of the projected end-to-end debt collection systems, TA provided practical guidelines and tools combining debts, debtors, possible assets and activity data in order to allow the central steering of the collection units and its feeding with the necessary information for immediate enforcement. The increase of the number of debtors under enforcement facing the KPI, demonstrate the success of this approach.</p> <p>TA contributed for the rationalization and efficiency of task of designating debts as uncollectible, even under the present write-off framework, namely in relation to small debts.</p> <p>Since November</p>

Outcomes Description	Verifiable Indicators	Completion Date	P <sup>1</sup>	S <sup>2</sup>	Comments on Achievements
	<ul style="list-style-type: none"> <li>Reduction of arrears gross portfolio and debtors on the consecutive last two months: (source: AADE May/2018 collection tables) <i>Annexes/Data Indicators/tax_admin_ 2018 April ANAPTHΣH GREEK ENGLISH.xlsx</i>)</li> <li>Results over 100% on all KPI's agreed with troika (May/2018); (source: AADE May/2018 collection tables) <i>Annexes/Data Indicators/ Institutions analysis of Tax Administration Monitor - Results of KPI as of April 2018.pdf; tax_admin_ 2018 April ANAPTHΣH GREEK ENGLISH.xlsx; 2018-06-18 KPI 2018 assessment .xlsx</i></li> <li>The percentage of debtors under effective enforcement Increased from 44,76% (end 2015) to 64,5% (April 2018). (source: tax_admin_ 2018 April ANAPTHΣH GREEK ENGLISH) <i>Annexes/Data Indicators/ Institutions analysis of Tax Administration Monitor - Results of KPI as of April 2018.pdf; tax_admin_ 2018 April ANAPTHΣH GREEK ENGLISH.xlsx; 2018-06-18 KPI 2018 assessment .xlsx</i></li> </ul>				<p>2016, TA worked with the GSPR/IAPR cabinet and Collection Directorate in the revision of KEDE aiming the operationalization of enforced auctions. The goal was achieved in January 2018 by aligning KEDE with CCP.</p> <p>The Technical Assistance provided from 2015 to 2018 did positively impacted the collected amounts and other compliance KPI's. demonstrate. The following indicators show that tax debt collection function is in place and properly operating. (source: AADE 2016 &amp; 2017 December and April 2018 collection tables)</p> <p>(source: source: AADE 2016 &amp; 2017 December collection tables <i>Annexes/Data Indicators</i>)</p>

Outcomes Description	Verifiable Indicators	Completion Date	P <sup>1</sup>	S <sup>2</sup>	Comments on Achievements
					<p>Reduction of arrears gross portfolio and debtors on the consecutive last two months: (source: AADE May/2018 collection tables)</p> <p>Results over 100% on all KPI's agreed with troika (May/2018); (source: AADE May/2018 collection tables)</p> <p>The percentage of debtors under effective enforcement Increased from 44,76% (end 2015) to 64,5% (April 2018). (source: tax_admin_2018 April ANAPHΣH GREEK ENGLISH)</p>
Enabling legislative and regulation framework and operational process developed and in place to strengthen debt collection	<p>Screening and risk assessment of legislation and regulations completed with key recommendations delivered:</p> <ul style="list-style-type: none"> <li>- Write-offs <i>201710-(statute of limitation - to Maria P) Write-off - Distinction between collectible and non collectible.docx; 201705-Write-Offs legislation establishing clear criteria of non-collectability of tax claims.msg; 201704-Write-offs - quarantining and write off of debts in SS and IAPR.pdf; 201703-Review of write-off Kede and SS legislation-mail.pdf; (all other annexes with "write-off" in the name).</i></li> <li>- Joint and severally Liabilities <i>Annexes: 201710-comments on TPC versus sMoU - JOINT AND SEVERAL LIABILITY article 50 amendment.docx; 201610Annex7-Proposals for sMoU on Liabilities and</i></li> </ul>	<p>Under revision</p> <p>Dec./2018</p>			<p>Article 36 and 39 KEDE were revised and published.</p> <p>Articles 82 and 82A KEDE are under revision process</p>



Outcomes Description	Verifiable Indicators	Completion Date	P <sup>1</sup>	S <sup>2</sup>	Comments on Achievements
	<p><i>Insolvency.docx; 201705-Meeting 23052017-NCS-Write-offs-Statute of Limitation-Joint Liabilities.docx; 201709-Amend if necessary TPC framework on actions to regularly revert against persons who are jointly and severally liable for the liabilities of legal persons.msg; 201802 - 35-a - Liability of directors-comparative analysis.docx; (all other annexes with "liabilities" in the name).</i></p> <p>- Statute of Limitation  <i>201702-Statute of Limitation – The article 51 TPC .docx; 201702-Statute of Limitation – The article 51 TPC .docx; 201711-Statute of limitation for collection(1) .msg; 201710-Statute of Limitation-1.msg; 201702Period of Limitation - Report20170206-Period of Limitation and Insolvency procedures; 201705-Meeting 23052017-NCS-Write-offs-Statute of Limitation-Joint Liabilities.docx</i></p> <p>- Lodging of Insolvency requests  <i>201609Annex - 2 - Instructions Manual for Administrative Insolvency Lodging Request.pdf; 201706-CONSEQUENCES RE Publication of names of debtors.msg; 201806 - epixeirisiako_sxedio_aade_2018_1.pdf; 201806 - IAPR Business Plan 2018.msg; 201806 - IAPR Business Plan Priority Intervention 2.docx</i></p> <p>- Recommendations for adoption of SAF-T  <i>201804 - Working visit to Portuguese Tax Administration - SAF-T Electronic Audits Fraud Detection and Electronic communication of invoice information(2).msg; 201805 - SAF-T - IOTA-papers-  collaboration_with_the_tsp_portugal_final_updated pdf.msg; 201806 - SAF-T - PT Divergencies Manual.msg</i></p> <p>- Recommendations for Electronic receipting and Invoicing of Liberal professionals and freelancers  <i>201610Annex4-Proposal for Invoicing-Receipting system for liberal and freelancers.pdf; 201806 - SAF-T - PT Divergencies Manual.msg; 201612A4-Compliance and Collection - Using electronic Means.docx; 201701 - SAF-T - fears scheme for self-employed might cause revenue shortfall.msg; 201805- SAF-T Electronic Accountancy .msg;</i></p>	Operational by 03/08/2017			<p>Article 50 TPC, relating managers liabilities for debts of enterprises is under revision process</p> <p>Article 51 TPC and Articles 82 and 82A KEDE relating Statute of limitation and its interruption rules are under revision process TA did promote the implementation of a current Insolvency requests lodging for tax debts reasons, when there is no possibility to call the debtor to pay. That was done technically and throughout a lobbying process near the authorities and institutions, demonstrating the inaccurate interpretation of legislation done</p>

Outcomes Description	Verifiable Indicators	Completion Date	P <sup>1</sup>	S <sup>2</sup>	Comments on Achievements
	<p>-Supporting the Ministry of Economy on the key functions of the OCW platform for interaction with taxpayers</p> <p><a href="#">201611 - SIREVE out-of-court mechanism's eligibility criteria.msg</a></p>				<p>by authorities and the logical outcome. (it is now programmed in IAPR's 2018 Business Plan for Dec./2018)</p> <p>TA also promoted the adoption of the SAF-T file as a standard in accountancy. This is deemed necessary in order to advance to the automatic exchange of information and interoperability. Equally, because freelancers represent about 30% of Greek labor force, it was identified a strong risk evasion and accordingly PT experience, proposed the adoption of a receipting mechanism throughout an IAPR Clarence platform with benefits also to the taxpayers.</p> <p>The input of TA was decisive, for the construction of the platform for interaction with the debtors. A direct advise and</p>

Outcomes Description	Verifiable Indicators	Completion Date	P <sup>1</sup>	S <sup>2</sup>	Comments on Achievements
					demonstration was given to the Ministry of Economy.
Enabling legislative and regulation framework and operational process to strengthen other areas of Tax Administration & Assisting the Commission in its technical assistance support for the design and implementation of the reform of the Tax and Customs' Administration in Greece	<p>Reevaluation of zones for determination of objective value accordingly market values for ENFIA and other taxation purposes.  <a href="#">ENFIA - IAPR - POL. 1008 /10-01-2018</a>  <a href="#">Administrative codification of provisions of Single Property Tax (ENFIA);</a>  <a href="#">Annexes: 201705-ENFIA-Immovable Properties</a>  <a href="#">Evaluation_manual_vs_2.0_EN.DOC; 201705-ENFIA-Immovable Property Zoning</a>  <a href="#">Proceedures Manual.doc; 201705-ENFIA-Ordinance on Immovable proprieties zone values_EN.DOC; 201802 - 26-Enfia (2).msg; 201711-ENFIA Chrono diagram.msg; 201711-ENFIA Meeting on IAPR preparations for ENFIA preparations.msg; 201705-ENFIA-Property valuation - Evaluators remuneration.msg;</a>  <a href="#">201806 - ENFIA -PROPERTY VALUATION - Prior Action completed .msg; (other annexes with "ENFIA" in the name.</a></p> <p>Establishment of the Immovable Properties Fiscal valuation unit  <a href="#">201805 - Follow-up on constitution of the Valuations Unit.msg; 201806 - ENFIA - PROPERTY VALUATION - Prior Action completed</a></p> <p>Registration and re-registration of taxpayers - Article 10 and 11 TPC  <a href="#">2010804 - Proposed draft provisions for Re-registration.docx; 201803 - ON TIME FW SB on VAT.msg; 201804 - Registration and Re-Registration-Update SB on VAT(3).msg; 201805 - Deregistration SB on VAT.msg</a></p> <p>Revision of Legislation on Tax incentives  <a href="#">201805 - comments on Business Tax Incentives.msg; 201805 Tax Incentives.msg</a></p> <p>Legislation on Public Prosecutors intervention on tax administration prioritization of audit cases  <a href="#">201704-Public Prosecutors - Comparative analysis.pdf</a></p> <p>Proposing adding CEO's to article 11 TPC (IMF SB)  <a href="#">201806 - MOU Prior Actions(extended to cases, where the CEO or a board member of</a></p>	<p>Completed May/2018</p> <p>June/2018</p> <p>June/2018</p>			<p>TA also worked closely with the authorities and institutions on the revision of the zones values for ENFIA and other taxes purposes. The advice and revisions of proposals provided were done in close synchronization with the peripatetic expert professor W.McCluskey, and the Institutions.</p> <p>The same assistance was provided for the constitution of the Valuation Unit, having in mind the recent model adopted in PT, and the experience of the carried general evaluation of the country and subsequent periodic revisions.</p> <p>The TA experts often cooperated in</p>

Outcomes Description	Verifiable Indicators	Completion Date	P <sup>1</sup>	S <sup>2</sup>	Comments on Achievements
	<i>the legal person)</i>				transversal areas, as it is the cases of Tax Incentives and intervention of PP in the tax arena.  TA was decisive in the identification of flaw in the framework of indirect responsibilities relating with re-registration of taxpayers for VAT purposes and constitutions of new enterprises. TA promoted the change of paradigm from stakeholders to managers. The institutions agreed with TA proposal and the authorities adopted it.
Training courses developed	Organization of an international video conference for the Institutions and IAPR managers on OCW <i>201611 - Material Video Conference on OCW (SIREVE).msg; 201611 - Video Conference OCW.msg; 201611 - Video Conference on OCW (SIREVE).msg;</i> Workshop on the end-to-end debt collection system for the Debt Collection, Strategic Planning and Tax Administration Directorates. <i>201702-Workshop presentation-End to end Deb Collection IT system.pdf; 201702-End to end debt collection IT system - Meeting report - 13-02-2017.docx</i> Organizing the participation of the Debt Collection Directorate on the "Innovation in	December 2016  March 2017			All issues addressed in a timely manner.  The workshop was important for the definition of ToR for IT tender by the IAPR  The workshop impacted positively in the development of the debt

Outcomes Description	Verifiable Indicators	Completion Date	P <sup>1</sup>	S <sup>2</sup>	Comments on Achievements
	<p>the Field of Collection and Recovery of Taxes and Fines" (joint IOTA - EU Fiscalis 2020 Programme—OECD FTA workshop”  <a href="#">201704-Workshop-Innovation in the Field of Collection and Recovery of Taxes and Fines (joint IOTA - EU Fiscalis 2020 Programme - OECD FTA workshop.pdf</a></p> <p>IAPR Training  - Initial Training of 63 auditors in the tax collection procedures  Athens, 23.04.-04.05.2018  <a href="https://www.aade.gr/sites/default/files/2018-05/aprilios_2018.pdf">https://www.aade.gr/sites/default/files/2018-05/aprilios_2018.pdf</a></p> <p>- Training of 7 IAPR officers on uncollected debts and targeting by IAPR Services  Athens, 29.03.2018  <a href="https://www.aade.gr/sites/default/files/2018-04/martios_2018_ekped.pdf">https://www.aade.gr/sites/default/files/2018-04/martios_2018_ekped.pdf</a></p> <p>- Training of 7 IAPR officers on uncollected debts and targeting by IAPR Services  Athens, 26.02.2018  <a href="https://www.aade.gr/sites/default/files/2018-04/fevrouarios_2018_ekpaideftika.pdf">https://www.aade.gr/sites/default/files/2018-04/fevrouarios_2018_ekpaideftika.pdf</a></p>	<p>19-21 April 2017</p> <p>23.04 to 04.05.2018</p> <p>29.03.2018</p> <p>26.02.2018</p>			<p>management strategy</p> <p>The trained officers contributed strongly for the prosecution of the collection objectives and KPI's</p>

#### PROJECT MILESTONES

Milestone Description	Completion Date	Comments on achievements
Out of the Court Workout legislation	July 2017	Achieved
National Collection Strategy	March 2017	Achieved
Definition of the end-to-end debt collection system	December 2017 February 2018	Public tender published Evaluation committee in functions
IAPR Bussiness Plan - 2017	May 2017	Published
IAPR Bussiness Plan - 2018	March 2018	Published
OCW - LAW 4469/2017 of 03.05.2017 Out-of-Court Workout for the settlement of business debts and other provisions	May 2017	Published
OCW - MIN.FIN - POL.1105/ 14.07.2017 Specification of criteria for the vote of the State in the context of the Out-of-Court - implementation of article 15 paragraphs 1 to 13 of L. 4469/2017	July 2017	Published
Circular on Out of the Court Workouts mechanism for the settlement of debts		Published

Milestone Description	Completion Date	Comments on achievements
Operation of the OCW platform on EGEDIX	August 2017	Operational

### Customs and Excise administration

#### PROJECT OBJECTIVE (CA)

Objectives	Verifiable Indicators	S <sup>2</sup>	Comments on Achievements
To improve the functioning of the IAPR, in particular the Customs Administration	<p>The introduction of more effective procedures and a Strategic Plan to enhance the effectiveness of the Customs Administration. In addition, assist with:</p> <ul style="list-style-type: none"> <li>• New legislation</li> <li>• Provide training and advice.</li> <li>• Monitor &amp; drive procurements.</li> <li>• Customs modernization.</li> </ul>		<p>Significant progress has been achieved in a number of strategic areas, for example:</p> <ol style="list-style-type: none"> <li>1. Tobacco Supply Chain Legislation is at an advanced stage.</li> <li>2. A number of relevant training courses and study visits have been arranged.</li> <li>3. Key procurement projects have either been completed or are at an advanced stage.</li> <li>4. Simplified procedures have either been adopted or are being actively researched.</li> <li>5. Specific work areas are being critically appraised with a view to being modernized and improvement.</li> </ol>

#### PROJECT OUTCOMES

Outcomes Description	Verifiable Indicators	Completion Date	P <sup>1</sup>	S <sup>2</sup>	Comments on Achievements
Reduce tobacco smuggling by the introduction of supply chain control legislation.	<p>TA initiated project. Paper prepared with detailed proposition that was discussed and approved by Governor. Substantial TA input into the drafting of initial agreements. TA advice on negotiating with tobacco manufacturers. Decision to pursue legislation supported by TA with significant input into the content of the draft</p>	Projected July 2018			<p>The Due Diligence part of the legislation was enacted by Parliament in May 2018 (Gazette: 1813/21-5-2018) and the National Customs Code has been amended (Gazette: 84/15-5-2018). The remainder of the Legislation will go before Parliament in June 2018.</p>

Outcomes Description	Verifiable Indicators	Completion Date	P <sup>1</sup>	S <sup>2</sup>	Comments on Achievements
	legislation. TA analysis on the amendments made by the Council of State. Feedback to Institutions				
Arrange Assistance for the IAPR.	<p>The following training courses and working visits etc. have been arranged during the period:</p> <ul style="list-style-type: none"> <li>• Advice from HMRC on vehicle valuations (6/17)</li> <li>• Advice form HMRC on Fuel Markers (ongoing)</li> <li>• Media &amp; Communications (UK 11/17)</li> <li>• Ex Post Controls, Athens (HMRC/French Customs 11/17)</li> <li>• Intelligence &amp; Audit (France 12/17)</li> <li>• *Change Management (UK 2/18)</li> <li>• *Staff Appraisals (UK 3/18)</li> <li>• AEO (France 4/18)</li> <li>• Ex Post Controls, Thessaloniki (HMRC/French Customs 5/18)</li> <li>• Intelligence Handling (HMRC 5/18)</li> </ul> <p>*Assist IMF by acting as single point of contact in arranging HMRC training</p>	Ongoing			Exposure to information and working practices in other tax administrations has assisted the ongoing change/modernization process particularly with Ex Post Controls, Blueprint work and Fuel Markers.

Outcomes Description	Verifiable Indicators	Completion Date	P <sup>1</sup>	S <sup>2</sup>	Comments on Achievements
Monitor the progress of the new Mobile Units (KOE)	KOE's were set up as part of the TA initiative to re-organise Customs. TA monitoring of progress and reporting to the Institutions. TA input to simplify procedures and reduce paperwork when no infringement is detected. (See also Spot Fines) TA input into draft Rules of Procedures. Participation by KOE Officers in relevant training events arranged by TA.	Ongoing			Significant progress has been made to improve the working practices of the Units. Attendance at training events has improved their knowledge of Ex Post Controls and Intelligence Handling.
Co-Ordination Operational Centre (SEK)	The formation of SEK is an sMOU commitment. TA has monitored progress in the formation of the Unit, including staffing and the preparation of a Business Plan, reporting regularly to the Institutions. TA has introduced SEK to a number of valuable sources of intelligence to assist operational activity. TA advice and information on how staff must deal with the receipt of intelligence, staff awareness. Participation in the Intelligence Handling Seminar in May 2018. Advice from TA on sensitive intelligence gathering techniques. Visit to HMRC to learn about Intelligence and Command & Control is being arranged.	Ongoing			Although SEK remains understaffed TA has reported this to the Institutions resulting in pressure being exerted on the Administration. A Business Plan and Information System are now in place, which were both sMOU commitments. SEK has developed a good intelligence gathering and evaluation capacity, this is ongoing. SEK is achieving excellent operational results with the highest seizures of illicit cigarettes in Europe.
Monitoring & Reporting on the Procurement of a Fuel Marker	TA has arranged for advice to be received from HMRC experts in the UK. TA assisted by providing a detailed analysis of an alternative proposal from	Ongoing (Projected Completion Date March 2019)			Although the project is slightly behind schedule constant TA monitoring has minimized delays. A Joint Ministerial Decision allowing the tender process to



Outcomes Description	Verifiable Indicators	Completion Date	P <sup>1</sup>	S <sup>2</sup>	Comments on Achievements
System	the Finance Ministry enabling this to be dismissed. TA has monitored progress and reported regularly to the Institutions, so they are aware of progress and issues as these arise.				begin will be completed in June 2018.
Monitoring & Reporting on the Procurement of Scanning Equipment.	The procurement of scanning equipment is an sMOU commitment. TA has monitored progress and reported regularly to the Institutions, so they are aware of progress and issues as these arise.	Completed October 2017			The scanning equipment was purchased, the staff trained and the equipment deployed within a reasonable time of the sMOU target date. By receiving information from TA, the Institutions were able to take appropriate action at the appropriate time, thereby keeping the project on track.
IAPR Blueprint & Customs Strategic Plan	TA has liaised with the IMF to ensure Customs buy in to the Blueprint Project and has made sure there's no overlapping of effort. TA has assisted the IMF by arranging training relevant to the Blueprint's implementation. TA has provided advise and input on the content of the Customs Strategic Plan. TA identified areas within the Customs Strategic Plan that require immediate attention. Working Groups have been suggested to resolve these issues. TA has provided a template promoting a phased approach for adoption by the Working Groups clearly defining their work areas.	Ongoing (Projected completion by December 2020)			Customs buy in to the aspirations of the IAPR Blueprint. The preparation of a viable Customs Strategic Plan, to be considered by the Governor and Board of the IAPR. Acceptance of the recommendation that several Working Groups be formed. A lack of confliction between the aims of the Customs Strategic Plan and the Blueprint.
Intelligence Working Group	TA identified the need for an Intelligence Working Group to improve the gathering and handling of intelligence. TA prepared a protocol defining the work areas of the Group including a phased approach to the	Ongoing			The working Group has been constituted and populated by officers recommended by TA. The Working Group has almost completed the first phase of its work, a critical assessment of current practices.

Outcomes Description	Verifiable Indicators	Completion Date	P <sup>1</sup>	S <sup>2</sup>	Comments on Achievements
	<p>task.</p> <p>The Working Group has been tasked by TA.</p> <p>TA has assisted the Group and the wider Customs intelligence community by arranging a two-day Intelligence Seminar.</p> <p>TA advised and provided an example of a standardised form for intelligence evaluation and dissemination.</p> <p>TA has advised the on the need for universal staff awareness of intelligence.</p> <p>TA is arranging meetings with similar law enforcement units.</p>				
Spot Fines	<p>By meeting with the KOE Officers TA established the procedures for minor infringements are too bureaucratic and time consuming.</p> <p>TA took advice from the Greek Police and HMRC to ascertain how they deal with such cases.</p> <p>TA reviewed the existing legislation and prepared a paper proposing a system to introduce Spot Fines without a significant legislative change.</p> <p>TA proposals discussed with the Governor's advisers.</p> <p>TA arranging meeting with Anti-Corruption and the Ministry of Justice.</p>	Ongoing			<p>By listening to the KOE Officers TA identified a serious problem.</p> <p>Through an analysis of the existing law and preparing a detailed proposition TA has been able to overcome initial resistance and gain the support of the Governor's advisers.</p>
Illicit Cigarette Public Awareness Campaign.	<p>This is a TA initiative.</p> <p>TA carried out extensive research and prepared a paper detailing the numerous issues associated with illicit cigarettes, such as health, economic impact and identifying illicit products,</p>	Ongoing (Projected completion by December 2018)			<p>Although there was an initial delay, by preparing a well-researched and comprehensive paper TA has been able to convince the Administration to take up the project and there's now considerable enthusiasm within the Governor's Office and the State Laboratory who</p>

Outcomes Description	Verifiable Indicators	Completion Date	P <sup>1</sup>	S <sup>2</sup>	Comments on Achievements
	this will form the basis of the Public Awareness Campaign.				are preparing graphics and video clips to complement the TA text.

#### ACHIEVEMENTS

Achievement		Comments and implications	Completion date
1	Proposing Tobacco Supply Chain Legislation	The first part of the legislation was enacted in May 2018 with the second part before Parliament in June 2018. This legislation was suggested by TA, it's ground breaking and a major step forward in controlling the supply chain, limiting the opportunity for smuggling. It will have an impact not only in Greece but throughout the EU.	June 2018 (?)
2	Assistance in the Formation of SEK	SEK is a multi-agency co-ordination centre and with the assistance of TA has quickly become an effective tool in combatting the smuggling of excisable goods by harnessing the combined abilities of several law enforcement agencies. It has, after only a few operational months, achieved the largest seizures of illicit cigarettes in Europe this year.	To May 2018 (ongoing)
3	Fuel Marker Procurement	The procurement of a fuel marker system will greatly reduce the incidence of smuggling of low and zero-rated fuel products, this is currently a major problem in Greece. However, the process has been very difficult with constant interference from other Ministries which resulted in an alternative proposal being put forward. By analyzing that proposal and drawing on examples from across Europe TA was able to clearly demonstrate that the IAPR proposal was the only sensible option. TA also arranged advice from HMRC that has helped to shape the coming tender process. Signing of the JMD by all Ministries will be completed in June when the actual tender process can	June 2018 (ongoing)

Achievement		Comments and implications	Completion date
4	Customs Strategic Plan	begin. TA had significant input in the preparation of a viable Customs Strategic Plan and in shaping the way the Plan will be implemented between now and December 2020. The aspirations of the Plan are ambitious but achievable. TA has assisted further by identifying several key areas within the Plan that require special attention and suggested protocols for Working Groups to tackle these specific issues. The Plan remains to be agreed by the Governor and the Board of the IAPR, but there are believed to be no issues.	Plan Completed April 2018 (ongoing to December 2020)

#### PROJECT MILESTONES

Milestone Description	Completion Date	Comments on achievements
Preparation of Discussion Paper on Tobacco Supply Chain Security.	December 2016	The paper started the process that led to the Supply Chain Legislation the second part of which will go before Parliament very soon. The first portion, Due Diligence, has already entered into law with the National Customs Code amended.
Procurement of Scanning Equipment	October 2017	This was a very difficult and time-consuming process, but the equipment is vital to combatting smuggling.
Since July 2016 a variety of advice, practical assistance and training has been provided and arranged. This has covered a large number of mainly Customs issues from handling intelligence and simplification of procedures through to the procurements of scanners and the Illicit Cigarette Public Awareness Campaign.	Throughout the period of the contract.	

#### P<sup>1</sup> – Priority

H - High M - Medium O - Other

#### S<sup>2</sup> - Achievement Scale

4 – Fully Achieved 3 – Largely Achieved 2 – Partially Achieved 1 – Not Achieved

### 3. Financial overview

#### 3.1. Budget utilization

A-Total budget of the Action	1.999.616,00 EUR
B-First prefinancing	520.000,00 EUR
C- Further prefinancing instalment	1.040.000,00 EUR
D-Total direct eligible costs (maximum 326.810,00 EUR)	1.867.285,56 EUR
E-Total indirect eligible costs (7% of D)	130.709,99 EUR
F-Final Amount for the EU Contribution to be paid to BTC = (D+E) - (B+C)	437.995,55 EUR

For more detailed information, see the financial report attached to this narrative report.

#### 3.2. Contact information of counterpart authorities

Revenue Administration

Name: Governor Mr. George Pitsilis

Agency: Independent Authority for Public Revenue

E-mail: [gj.pitsilis@aade.gr](mailto:gj.pitsilis@aade.gr)

## 4. List of Annexes

Annex 1: “Expertise for support of the Greek administration reform” – final report