



REVENUE  
SERVICE

GEORGIA REVENUE  
SERVICE STRATEGY  
2025-2030

**THE STRATEGY OF THE  
REVENUE SERVICE FOR  
2025-2030**

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## INTRODUCTION

This document represents the long-term vision of the Revenue Service of the Ministry of Finance of Georgia for the development of the Georgian tax and customs system in 2025-2030. It provides an analysis of the strategic position of the Revenue Service and outlines the main strategic goals that the Revenue Service plans to achieve in 2025-2030 in the direction of further improving the tax and customs administration process.

By achieving the strategic objectives set forth in this document, the Revenue Service will contribute to the effective implementation of the “Vision 2030 Development Strategy of Georgia”. The Revenue Service’s strategy is aligned with the long-term fiscal policy of the Ministry of Finance of Georgia, the Medium-Term Revenue Strategy (MTRS), and other relevant strategic documents defining sectoral policy.

The opportunities arising from technological progress in the modern world, economic and social trends, hybrid threats faced by Georgia and other countries of the world, the changing environment caused by geopolitical tensions and the growing risks arising from it, as well as global challenges related to foreign trade, require new approaches and solutions. On the one hand, what is at stake is the creation of the most favourable environment for the business sector with simplified and optimized digital services, and on the other hand, it is equally crucial to ensure the effective administration of customs formalities and budget revenues in Georgia. The Revenue Service plays a key role in this process, and our goal is to implement this function in an exemplary manner, utilizing the maximum potential of modern and innovative technologies, and becoming leaders in the region in the digitalization of public services and business processes. In response to the aforementioned factors, challenges, opportunities, and needs, the Revenue Service has developed a strategy for further modernization.

This Strategy, based on the experiences of the world’s leading tax and customs administrations, technological advances, and future trends, is aimed at improving the process of tax and customs administration in the country, strengthening the institutional capabilities of the Revenue Service, its digitalization and modernization. It is obvious that these goals cannot be achieved in isolation, without cooperation with other partner jurisdictions and international organisations. Accordingly, in 2025-2030, the Revenue Service will further strengthen the area of international cooperation and support for integration processes in the European Union.

Georgia is striving to become a full member of the European Union by 2030. Therefore, the Revenue Service is committed to ensuring the full harmonization of the tax and customs administration processes with European standards, compliance of employees’ knowledge and competencies with the minimum requirements for EU tax and customs administrations, and strengthening the spirit of European cooperation in the organisational culture.

This document defines the strategic directions for the development of an organisation that carries out tax and customs administration in the country, and therefore is an essential guide for taxpayers, business associations and other stakeholders in the process of developing their strategic documents.

## ABOUT THE REVENUE SERVICE

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The Revenue Service is a legal entity of public law, established in accordance with the legislation of Georgia and under the jurisdiction of the Ministry of Finance of Georgia. The Revenue Service, within the scope of its functions and duties, carries out tax and customs administration throughout the country, including sanitary, phytosanitary, and veterinary border quarantine control, as well as partial passport control at vehicle customs checkpoints.

Given that more than 90% of state budget revenues are generated from tax revenues, the effective functioning of the Revenue Service is crucial for maintaining the fiscal sustainability of the country. Based on the above, the Revenue Service relies on the best international experience and practice in the implementation of its main function — tax and customs administration. In particular, the administrative process is based on measures aimed at increasing the level of voluntary compliance with tax requirements by taxpayers and persons crossing the border. The Revenue Service actively implements preventive control mechanisms, seeks to minimize the burden of tax compliance for taxpayers, and encourages law-abiding behaviour. As a result of the reforms implemented in this area in recent years, the Revenue Service has transformed from a tax collection authority into a business partner in the process of voluntary payment of taxes, with whom it is easy to interact. All this leads to a high level of public confidence in the Revenue Service, which is due to fair tax administration, high quality, and accessibility of services offered to taxpayers.

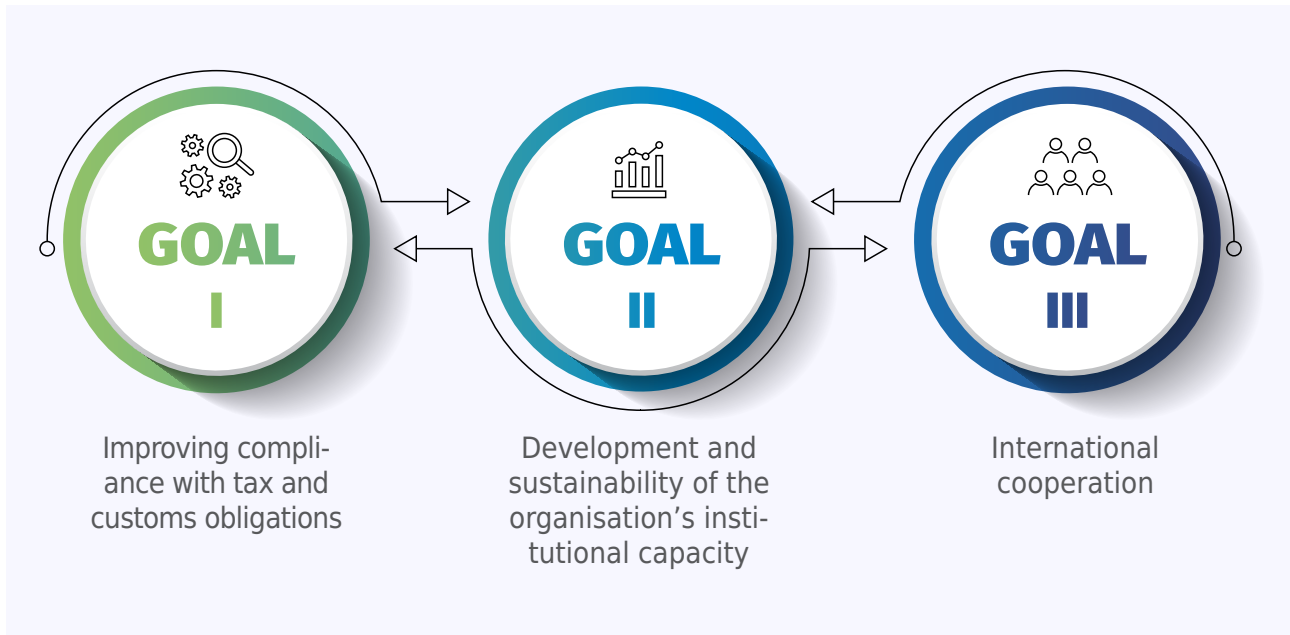
The above results will be achieved through the introduction of a modern management system and approaches, as well as increased innovation. The organisational structure of the Revenue Service has been formed taking into account the experiences of leading tax and customs administrations. The Revenue Service has a hybrid organisational structure, namely, the structure is divided on a functional basis, with certain signs of orientation to the category of taxpayers. Structural divisions are divided into head offices and operational departments. Proper division of functions and effective coordination are key to the success of the Revenue Service.

Maintaining what has been achieved and its further development requires the Revenue Service to analyse and evaluate current trends and take them into account in future activities. This is precisely the purpose of developing this document and a prerequisite for its successful implementation.

## REVIEW OF THE STRATEGY FOR 2021-2024

The Strategy of the Revenue Service for 2025-2030 is based on a review of the implementation of the previous Strategy for 2021-2024 and various related thematic strategies<sup>1</sup> and takes them into account, analysing the difficulties, risks, and achievements that have arisen during its implementation.

Taking into account the main function of the Revenue Service, increasing the level of voluntary compliance has also become a fundamental basis of the Strategy for 2021-2024. The Strategy included 3 goals:



The achievement of the strategic goals for 2021-2024 was influenced by the threats that arose as a result of the global economic crisis caused by the pandemic of the novel coronavirus infection (COVID-19) in the country. In particular, the Revenue Service took an active part in the implementation of the anti-crisis plan of the Government of Georgia aimed at facilitating the rapid recovery of economic activity in the post-pandemic period, supporting business development and stimulating the economic sectors that were the most vulnerable to the pandemic.

In order to achieve strategic goals, significant reforms have been implemented in the service since 2021, which have contributed to improving compliance with tax and customs legislation, improving the quality and accessibility of services provided by the Revenue Service, improving the administration of large taxpayers, and improving the tax debt management system.

The introduction of approaches to risk management of compliance with the requirements of legislation in the Revenue Service was accompanied by significant relevant institutional reforms. The organisational structure of the Service has changed: the headquarters and field operational units have been identified, and their roles have been distributed.

<sup>1</sup> "Strategy for raising awareness of current and potential taxpayers, as well as persons crossing the border, in the tax and customs sphere for 2022-2024", "Strategy for the development of the Revenue Service for 2021-2024", "Strategy for the administration of large taxpayers for 2022-2024", "Debt Management Strategy for 2022-2024", "Strategy for promoting and improving the administration of disputed violations for 2022", "Information Technology Strategy of the Revenue Service and Investment Plan for 2020-2022", "Long-term concept for the development of consulting services for 2022-2024".

An important step in terms of institutional capacity development was the structural reorganisation of the Head Office, where the Reform and Planning Department was merged with the Analytical Department. As a result of this change, strategic planning, reform development, compliance risk management, project management, evaluation, monitoring, reporting and information provision of these processes have become closely linked to each other, as they are centrally-implemented, under the same roof.

The Revenue Service switched to a hybrid model of organisational management — in parallel with the functional division of the structure, the Office of Large Taxpayers was created as part of the Audit Department. Since 2021, the Service has created a qualitatively new monitoring structure for large taxpayers: the Council for the Administration of Large Taxpayers has been established, the concept of a large taxpayer has been clarified, and their population has been determined. Large taxpayers were ranked by risk, and the administration process for large taxpayers was significantly improved. The main principle of the Office of Large Taxpayers is to increase the level of compliance based on mutual cooperation.

The Revenue Service has implemented a system for evaluating and monitoring performance. An operational planning manual has been created, as a result of which the operational planning process has become more structured and systematic.


In order to increase the level of compliance with tax and customs obligations, the Revenue Service has refined the process of developing and implementing compliance strategies. Risk management programs for compliance with regulatory requirements have been introduced. The purpose of these programs is to identify potential violations by taxpayers in real-time and prevent illegal behaviour at an early stage. The implementation of these programs has increased the level of compliance of voluntary taxpayers and contributed to the growth of budget revenues. In addition, the subsequent introduction/expansion of preventive control mechanisms has significantly improved the image of the Revenue Service in the eyes of the public and contributed to an increase in the level of trust in it. Despite the success of these programs, there is still potential for further improvement and the introduction of other preventive measures.

The Revenue Service has begun to actively use behavioural approaches to increase the level of voluntary compliance with tax requirements by taxpayers. In particular, based on the study of taxpayers' behaviour, the Revenue Service strives to encourage legitimate behaviour and, using modern approaches, to maximally prevent cases of tax evasion caused by a taxpayer's mistake or ignorance. In addition, to assess the level of taxpayers' behaviour, a taxpayer behaviour rating has been introduced, which allows taxpayers to familiarize themselves with and improve the compliance rating assigned to them by the Revenue Service.

One of the effective ways to increase the level of voluntary compliance with tax legislation is to increase taxpayers' awareness of tax and customs legislation. To this end, significant steps have been taken to increase access to information for stakeholders. The Information and Methodological Hub of the Revenue Service has been established ([infohub.rs.ge](http://infohub.rs.ge)), where information about changes in tax and customs legislation is actively published. In order to raise awareness of current and potential taxpayers, meetings with target groups were constantly held, and situational guides and videos were prepared. In order to prevent taxpayers from making mistakes, public decisions were made on the identified problematic taxation issues.

In order to increase the level of voluntary compliance, it is of particular importance to improve the quality and accessibility of services provided by the Revenue Service. New electronic/digital services have been developed, accompanied by active information campaigns to raise awareness of taxpayers. This allowed the Revenue Service to reduce the number of service centres. In addition, in order to assess the level of satisfaction with the services and their further development, a unified feedback system has been implemented for almost all services provided.

Despite the aforementioned reform, some taxpayers still choose direct, non-electronic communication channels when communicating with the Revenue Service. Accordingly, in order to stimulate remote service and self-service, it is important to continue further development of electronic services and electronic communication channels.



It is worth mentioning that the Revenue Service has started using artificial intelligence in some services. A chatbot was introduced. In order to introduce modern scientific and technical achievements into the work of the Service, work continues on the automation of customs processes using machine learning and robotics technologies. The Robot Customs Officer project has been implemented and is operating in a pilot mode. However, at the same time, it is worth mentioning that the use of modern technologies, in the context of ongoing technological progress, is still an urgent task and remains one of the priorities of the Revenue Service.

The priority of the strategy of increasing the level of voluntary compliance with tax legislation is to improve one of the main obligations of taxpayers — timely payment of taxes. To this end, the Revenue Service places special emphasis on improving the tax debt collection system. As a result of the measures implemented as part of the tax debt management reform in 2021-2024, a Debt Management Department was established, the debt management system was refined, and debt collection indicators were significantly improved. However, the volume of tax arrears of more than 1 year and unsecured debts is still a challenge.

In response to modern challenges, to enhance informed decision-making and strategic planning capabilities, as well as to properly identify and manage risks, the Revenue Service invests significant resources in the creation and development of reliable, comprehensive, and fast databases. For these purposes, the Revenue Service developed a data warehouse that integrates data from the information system of tax administration and third parties and provides an opportunity for their analytical processing.


The hostilities that have begun in the region have particularly strengthened the role of the Revenue Service in the process of enforcing international sanctions. In this regard, the Revenue Service, in collaboration with partner jurisdictions, actively monitors the implementation of sanctions and promptly exchanges information.

Considering the above, the Revenue Service has intensified the process of further improving the customs system. The modernization of the customs risk management system has begun, which involves the integration of modern analytical programs into the customs risk management program and the development of a system for the preliminary exchange of customs information. In this regard, it is worth mentioning the signing of a technical document between Georgia, Azerbaijan, and Turkey with the aim of introducing automatic preliminary customs information exchange systems.

Significant progress has been made in developing and maintaining the institutional capacity of the Revenue Service. Special attention was paid to the development of human capital. The human resource management system has been improved. In particular, the employee assessment system was changed, an employee motivation policy was introduced, a professional development policy was created, and a risk assessment of human capital was carried out. As a result of the measures implemented, the employee turnover rate has significantly decreased.

The development and success of an organisation depend on the competence of its employees and the effective use of their intellectual resources. Employees of the Revenue Service are required to demonstrate their commitment to the values of the Revenue Service in their daily activities. Accordingly, one of the strategic directions of the Revenue Service's activities in 2025-2030 will be the development of employee competencies and capabilities, as well as the strengthening organisational culture.

The Revenue Service is one of the leading government agencies in Georgia for the implementation of an organisational risk management system. The introduction of an institutional risk management system in the Revenue Service began in 2022 with the approval of a risk management policy and the creation of risk registers for head departments. In accordance with the Organisational Risk Management Policy, the Revenue Service gradually ensures the development of principles for making informed and risk-weighted decisions and the formation of a risk management process as an integral part of managerial responsibility.



An important step towards the development of institutional capacity was the introduction of a project management system in the Revenue Service. As a result of the measures taken, the management of current projects in the Revenue Service is carried out according to a unified methodology. In addition, the project progress reporting system is an effective monitoring tool.

The process of developing analytical databases of the Revenue Service is closely related to their safe and ethical use. In order to comply with the basic requirements of the Law of Georgia on Information Security, the Service has updated the information security policy and related documents. It is noteworthy that in 2023, the Revenue Service passed an international audit to assess confidentiality and data protection before starting the exchange of information on financial accounts in tax matters, as a result of which the current approach of the Revenue Service to information security management was recognized as adequate for the participation in information exchange projects.

International cooperation is a key component of the successful functioning and development of modern tax administration. The exchange of international experiences is a crucial factor in improving existing processes and developing new opportunities. To this end, within the framework of the Strategy for 2021-2024, the Revenue Service actively interacted with partner tax administrations, as well as using various regional and international formats/platforms. The country has hosted a number of important international events, in particular, the annual meeting of the Global Forum on Transparency and Exchange of Information for Tax Purposes of the Organization for Economic Cooperation and Development (OECD). In addition, for the first time in the history of the Revenue Service, Georgia became President of the Intra-European Organisation of Tax Administrations (IOTA) in 2023, and in the next year - Chair of the Belt and Road Initiative Tax Administration Cooperation Mechanism. The international legal framework for information exchange has been expanded. Georgia has actively participated in the process of implementing the automated exchange of information (Common Reporting Standard - CRS). The new Computerized Transit System (NCTS) has been implemented at the national level, and the relevant legal procedures for putting NCTS into operation internationally from 1 February 2025 have been completed. Negotiations have begun on the construction of a joint Georgian-Azerbaijani customs checkpoint.

Harmonization with European tax and customs legislation and best practices is of great importance on Georgia's path to integration into the European Union. To this end, the Revenue Service has joined the fiscal and customs programs of the European Union. The grants received by the Revenue Service under these programs are the means of financing activities that meet the priorities identified by the European Union.

Most of the tasks planned to achieve the main strategic goals of the Revenue Service in 2021-2024 were successfully implemented. In addition, the implementation of projects initiated in these priority areas will continue, and their completion is scheduled for 2025-2030. In the future, considerable attention will be given to reinforcing the reforms implemented within the framework of the Strategy for 2021-2024.

## STRATEGY DEVELOPMENT PROCESS

The new Revenue Service Strategy for 2025-2030 has been developed by the Analytical Department of the Revenue Service based on an analysis of the current strategic position of the Service, current global trends, as well as the experiences of leading tax and customs administrations.

Internal and external stakeholders were actively involved in the development of the strategy. All structural divisions of the Revenue Service were involved in the planning process. In addition, to ensure compliance with the future strategic goals of the Ministry of Finance, meetings were held with the relevant structural units of the Ministry of Finance of Georgia. The purpose of the interactions with stakeholders was to evaluate the results of the 2021-2024 Strategy and identify problematic issues and possible difficulties.

The external stakeholders involved in the process included business associations, audit, and tax consulting companies, as well as international donor organisations supporting the Revenue Service, and the non-governmental sector. During the planning process, the needs of taxpayers in the process of tax and customs administration and the possibilities of reducing the burden of compliance were identified, as well as future priorities for supporting international organisations and their possible role in achieving the strategic goals of the Revenue Service.

Taking into account the analysis, the results obtained and the best international practices, ideas for improving the functioning of tax and customs administration were discussed. The areas and directions have been identified, the improvement and strengthening of which are most relevant to the needs of stakeholders. Since further improvement of administration is impossible without taking into account current trends and challenges in the world, the experience, problems, and future strategic steps of developed tax and customs administrations were studied and discussed.

It is worth noting that this document is a strategic document for the institutional development of the Revenue Service, the objectives of which must correspond to the main priority areas identified in the national and sectoral strategic documents of the country<sup>2</sup>. To ensure consistency of the new strategic directions with the existing priorities, the following strategic documents were analysed: "Vision 2030 Development Strategy of Georgia", "Medium-term Revenue Strategy of the Ministry of Finance MTRS", "Public Finance Management Reform Strategy 2023-2026", "Integrated Border Management Strategy of Georgia for 2023-2027", etc.

In addition to the above-mentioned strategic framework documents, this Strategy is based on assessments and recommendations made at various times by partner international organisations<sup>3</sup>, many of which are reflected in the goals and objectives set by this Strategy.

In addition, the development of this Strategy took into account the strategic development frameworks, guidelines and studies developed by administrations of developed countries and international organisations<sup>4</sup>, as well as the experience and practice of developed tax and customs administrations (Australia, New Zealand, Singapore, etc.).

<sup>2</sup> Ordinance №629 of the Government of Georgia on Approval of the Rules for the Development, Monitoring and Evaluation of Political Documents, dated 20.12.2019.

<sup>3</sup> Assessments and recommendations issued as part of technical assistance from the International Monetary Fund (IMF) and the World Bank (WB).

<sup>4</sup> EU Customs Reform Concept and Roadmap for the Development of Electronic Systems in the EU", "Tax Packages Adopted by the European Commission for Fair and Simple Taxation", "European Union Tax Competence Framework", studies and recommendations of the OECD, IMF and ADB on modern development and digital transformation of tax administrations, etc.

# MISSION, VISION AND VALUES



is to effectively mobilize budget revenues and protect the customs territory to promote the country's sustainable economic development, ensure a fair and transparent business environment, and the well-being of the population of Georgia.

we create a simple, user-friendly environment by strengthening human capital, introducing modern technologies, innovative approaches, digitizing the organisation and data-based solutions, and promoting voluntary compliance with norms and fair international trade.



## VALUES



the fulfilment of duties assigned by law, in accordance with high professional standards.



ensuring interaction with stakeholders and transparency of information



the actions of each employee are based on the principles of honesty, fairness, and responsibility.



the introduction of modern and effective approaches using advanced technologies.

# STRATEGIC GOALS

THE REVENUE SERVICE HAS ESTABLISHED 4 STRATEGIC GOALS FOR THE PERIOD **2025-2030**. TO ACHIEVE THESE GOALS, THE REVENUE SERVICE HAS OUTLINED 22 SPECIFIC OBJECTIVES

## GOAL

1

**DIGITAL TRANSFORMATION AND IMPROVEMENT OF COMPLIANCE**

OBJECTIVE 1.1

Strengthening the tax risk management process

OBJECTIVE 1.2

Development of a customs risk management and preliminary information exchange system, as well as enforcement of international sanctions

OBJECTIVE 1.3

Integration with taxpayers' internal business systems, development of advanced and automatic declaration mechanisms

OBJECTIVE 1.4

Improving the administration of large taxpayers

OBJECTIVE 1.5

Development of digital platforms and services that meet the needs of stakeholders

OBJECTIVE 1.6

Tax education and raising public awareness

OBJECTIVE 1.7

Improvement of the mechanism for tax control and dispute resolution

OBJECTIVE 1.8

Improvement of the tax debt management system

OBJECTIVE 1.9

Modernization of the information technology management process

## GOAL

2

**MODERNIZATION OF INFORMATION TECHNOLOGY SYSTEMS AND STRENGTHENING OF ANALYTICAL CAPABILITIES**

OBJECTIVE 2.1

Modernization of the information technology management process

OBJECTIVE 2.2

Modernization of existing systems and ensuring their operational efficiency

OBJECTIVE 2.3

Introduction of modern and innovative technologies

OBJECTIVE 2.4

Proper technical support of information systems

OBJECTIVE 2.5

Development of the Revenue Service data warehouse and improvement of data quality

OBJECTIVE 2.6

Development of an automated analytical reporting system

## GOAL

3

DEVELOPMENT OF  
THE INSTITUTIONAL  
CAPACITY OF THE  
ORGANISATION

ნაშთადა  
3.1

Strengthening human capital and strengthening organisational culture

ნაშთადა  
3.2

Strengthening the corporate governance system

ნაშთადა  
3.3

Strengthening the information security system and protecting data confidentiality

ნაშთადა  
3.4

Improving infrastructure

## GOAL

4

INTERNATIONAL  
COOPERATION

ნაშთადა  
4.1

Expanding the scope of bilateral and multilateral formats of cooperation and technical assistance

ნაშთადა  
4.2

Support for integration processes with the European Union

ნაშთადა  
4.3

Facilitating the process of integration with the EU's electronic customs and tax systems

# GOAL 1

## DIGITAL TRANSFORMATION AND IMPROVEMENT OF COMPLIANCE

The development of digital technologies is radically changing existing business processes and the traditional model of customer-enterprise relationships, leading to the disappearance of old industries and the emergence of new business models. These achievements open up new opportunities not only for businesses but also for tax administrations. This is the basis for the future model of tax administration “Tax Administration 3.0: Digital Transformation of Tax Administration”, developed by the Organization for Economic Cooperation and Development (OECD), which represents the next stage in the development of paper-based tax administration models and partially digital models of tax administration. The purpose of the new model is to use digital technologies to ensure the efficiency and effectiveness of the main tax administration processes. Globally, tax and customs authorities are at different stages of development in terms of the introduction of digital technologies.

The implementation of the principles of the “Tax Administration 3.0” model means: refined and efficient tax administration; high standards of data protection and transparency; minimizing the burden of compliance on taxpayers; establishing principles of integrated digital thinking and improving analytical capabilities in tax administration.

In 2025-2030, the Revenue Service, as an organisation with modern principles of tax administration, will focus on implementing the basic principles of the “Tax Administration 3.0” model, achieving full digitalization and, thus, modernizing the organisation.

The speed and efficiency of implementing digital transformation are crucial factors in determining the success of the Revenue Service in the medium term. By 2030, the Revenue Service desires to become part of the ecosystem of taxpayers by introducing tax compliance mechanisms into taxpayers’ internal business systems. As a result, the illegal behaviour of taxpayers will be reduced, the level of compliance will increase, and, most importantly, all this will be achieved with minimal expenditure of resources by the Revenue Service.

Based on the above, the main strategic goal of the Revenue Service is digital transformation and the improvement of compliance. To achieve this goal, the Service has outlined 9 objectives.

## OBJECTIVE 1.1

### STRENGTHENING THE TAX RISK MANAGEMENT PROCESS

Strengthening the tax risk management process is crucially important to improve compliance. This requires the development of the Service's capabilities to identify and respond to tax risks in real-time. Special attention will also be paid to the further development of preventive control mechanisms. To this end, the Service sets itself the task in 2025-2030 to share the experience of modern tax administrations, to ensure the further development of the risk management function of compliance by strengthening the analytical capabilities of employees and introducing new approaches to improve compliance with legal requirements.

The growing internationalization of the economy and e-business development trends pose a significant challenge to the tax risk management process. New, innovation-based business models and digital technologies require tax administrations to respond quickly to current trends in order to provide taxpayers with timely information on tax approaches and minimize the burden of compliance on taxpayers.

In order to maintain a simple and fair tax administration environment, the Revenue Service will continue to actively issue methodological guidelines, situational guides, public decisions, and facilitate taxpayers' access to them. These preventive control mechanisms establish a unified approach to taxation, reduce the misinterpretation of legislation, and create a predictable tax environment.

Economic development and internationalization increase the probability of using transnational schemes for tax evasion. Therefore, the Revenue Service will pay special attention to cooperation with other partner jurisdictions in the risk management process, as well as the effective use of tax information obtained through bilateral and multilateral exchange mechanisms in the risk management process. The practice of conducting joint tax audits with partner jurisdictions will be introduced. The risk management function for internationally controlled operations will be strengthened. Special attention will be paid to international taxation issues. In order to avoid double taxation, the Revenue Service, together with partner jurisdictions, will continue to activate mutual coordination mechanisms. Preliminary agreements on operations under international control will be further developed and activated. Through these approaches, the Revenue Service will help create an attractive environment for foreign investors and simplify international business for residents of Georgia.

## OBJECTIVE 1.2:

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### DEVELOPMENT OF A CUSTOMS RISK MANAGEMENT SYSTEM AND PRELIMINARY INFORMATION EXCHANGE AND ENFORCEMENT OF INTERNATIONAL SANCTIONS

Georgia is a country with an open economy and significant transit functions. Accordingly, the development of customs risk management and preliminary information systems is of particular importance to the Revenue Service. To this end, in 2025-2030, the Revenue Service will introduce new customs risk management programs and develop mechanisms for the preliminary exchange of customs information with partner countries.

Due to the ongoing Russian-Ukrainian hostilities in the region, the role of the Revenue Service in the process of ensuring compliance with international sanctions has increased significantly. In the following years, the Service will continue to actively monitor the movement of suspicious goods and ensure effective enforcement of the imposed sanctions, while maintaining the most simplified customs procedures for taxpayers.

The active monitoring of the behaviour of participants in the international trade supply chain will be continued and improved using modern data analysis methods, including artificial intelligence, to prevent transnational crime, money laundering, strategic trade, harming the economic interests of the country and the security of the population and the environment.

## OBJECTIVE 1.3:

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### THE INTEGRATION OF TAXPAYERS WITH INTERNAL BUSINESS SYSTEMS, DEVELOPMENT OF PRE-AND AUTOMATIC DECLARATION MECHANISMS

The integration of taxpayers with internal business systems, that is, the connection of the taxpayer with business/financial accounting systems, is crucial for effective digital transformation. This allows for real-time risk management, reduces the burden on taxpayers to comply with regulatory requirements, and increases the efficiency of the Revenue Service.

In order for taxpayers to report (declare) to the Revenue Service as effectively as possible, tax returns must be simple, the data must be kept to the minimum required for reporting and must be as pre-filled as feasible.

The integration of the Revenue Service with taxpayers' internal systems, as well as the automatic exchange of information with financial institutions, payment service providers, and government agencies, will allow the Revenue Service to introduce mechanisms for pre-filing and automatic filing of declarations. This will reduce the efforts and resources of taxpayers to ensure compliance and make it more difficult for them to commit non-compliant behaviour.

## OBJECTIVE 1.4:

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### IMPROVING THE ADMINISTRATION OF LARGE TAXPAYERS

Large taxpayers make a significant contribution to the formation of the national budget, and the tax risks associated with them are much larger and more complex. To improve the administration process of this category of taxpayers, the Revenue Service has already established an Office of Large Taxpayers, which, by providing highly qualified services and timely responding to tax risks, ensures support to taxpayers to voluntarily comply with their obligations. Completely new approaches are being introduced aimed at increasing voluntary compliance with tax requirements through close, open, and transparent cooperation with taxpayers.

Given the importance of the segment, in 2025-2030, the Revenue Service will once again dedicate particular attention to improving the administration process for large taxpayers, and new innovative approaches will be introduced. Based on the achievements of digital transformation, the services offered to this category of taxpayers and their level of compliance with the requirements will be improved.

## OBJECTIVE 1.5:

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### DEVELOP DIGITAL PLATFORMS AND SERVICES THAT MEET THE NEEDS OF STAKEHOLDERS

Digital transformation is a new opportunity to develop services that meet the needs of stakeholders. In 2025-2030, the Service will actively implement the achievements of digital technologies to provide taxpayers with more personalized services, which will improve the quality and accessibility of the services provided. In addition, digital platforms for interaction with taxpayers will be actively implemented.

In the coming years, the Revenue Service's efforts will be focused on creating a simpler and more modern tax environment that will minimize the cost of complying with tax laws. Compliance costs tend to be significantly higher for small businesses than for large taxpayers and multinational companies. Accordingly, the Revenue Service will pay special attention to the quality of services offered to young and innovative enterprises, ensuring maximum simplicity of tax administration for them and minimizing compliance costs.

There is a significant potential for digital transformation in customs administration. It includes the electronification and automation of customs formalities. Electronic data exchange systems and physical documents will be replaced by digital versions. This will reduce the risks of errors and/or illegal behaviour, thereby increasing the effectiveness of the customs administration system.

## OBJECTIVE 1.6:

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### TAX EDUCATION OF THE POPULATION AND RAISING AWARENESS

Increasing the level of tax education and awareness of the population is crucially important to improve the level of voluntary compliance with tax requirements. Timely informing taxpayers about changes in tax and customs legislation reduces the likelihood of making mistakes. In addition, informing the public about the existence of a fair tax system in the country and the transparency of the expenditure of taxes paid increases the motivation of taxpayers to behave in accordance with the law.

Therefore, improving the level of tax education and awareness of the population has always been and will always be one of the priorities of the Revenue Service in 2025-2030. In addition, the Service will try to maximize the use of digital capabilities in the process of informing the public.

## OBJECTIVE 1.7:

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### DEVELOPMENT OF ECOSYSTEMS BASED ON OPENNESS, PARTNERSHIP AND TRUST

The effectiveness of tax and customs authorities depends on the public's trust in them. As an organisation with high social responsibility, the Revenue Service will continue to make its activities as public as possible in 2025-2030, ensure widespread implementation of the principles of accountability to society, and develop a trust-based ecosystem.

## OBJECTIVE 1.8:

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### IMPROVING THE MECHANISM OF TAX CONTROL AND DISPUTE RESOLUTION

The high public confidence in the Revenue Service is due to the fairness of tax control and the availability of an effective dispute resolution system. Taxpayers are obliged to fulfil their basic tax obligations in good faith, declare taxes in a timely and correct manner, and pay them on time. Most of them do just that. However, unfortunately, the behaviour of all taxpayers does not comply with the law. In this case, the Revenue Service is obliged, along with various control measures, to conduct tax audits. Tax audits strengthen trust in the fairness of the tax system, as they ensure an equal level of playing conditions, protecting honest taxpayers from other taxpayers who do not comply with the law and do not pay their fair share of the state budget. In addition, effective tax control plays a preventive role in avoiding illegal behaviour in the future. However, it is worth noting that tax audits are one of the most expensive tax control measures for both the Service and the taxpayer. Therefore, in the coming years, the Revenue Service will continue to work on improving tax control mechanisms by making maximum use of digital transformation capabilities. In particular, the Revenue Service will introduce electronic audits, minimizing the resources spent by taxpayers during the implementation of tax control procedures and reducing their impact on taxpayers' operational activities.

As noted above, taxation is based on voluntary compliance with the requirements and must, whenever possible, be based on trusting, positive and harmonious relations between taxpayers and the tax administration. However, the reality often turns out to be different, and sometimes the opinions of taxpayers and tax authorities differ, which leads to disputes. Disputes, especially judicial ones, require a lot of time and money. Such disputes must be avoided whenever possible, but if this is not possible, their prompt resolution helps to minimize costs for both taxpayers and the Revenue Service.

Cooperative tax control and a fair dispute resolution system will encourage taxpayers to comply with their tax and customs obligations and increase the level of voluntary compliance with tax requirements in the country.

## **OBJECTIVE 1.9:**

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### **IMPROVING THE TAX DEBT MANAGEMENT SYSTEM**

One of the priorities of the Revenue Service is to ensure voluntary compliance with tax legislation by taxpayers by establishing principles of fair tax administration. In this regard, timely payment of taxes is of particular importance.

Timely and full payment of taxes is an essential component of tax administration. The payment process is currently very simple and completely electronic, and the rates of timely payment are high. However, the Revenue Service will continue to work in this direction in order to offer taxpayers even more flexible and diverse payment methods along with the development of payment systems. In addition, in cooperation with financial institutions, the Revenue Service will direct its efforts towards creating a more simplified and accessible tax system. The Service will work on improving the mechanism for informing taxpayers about the expected tax obligations at an early stage. Behavioural approaches will be used when interacting with taxpayers.

Despite the measures taken, the Revenue Service still expects taxpayers to have tax arrears, so its efforts will also be aimed at improving the efficiency of the tax debt collection system. International mechanisms for collecting tax arrears will be utilized. Measures to prevent taxpayers from leaving unsecured debts for the purpose of tax evasion will be improved.

## GOAL 2

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### MODERNIZATION OF INFORMATION TECHNOLOGY SYSTEMS AND STRENGTHENING OF ANALYTICAL CAPABILITIES

In the context of economic development and an ever-changing environment, the efforts of the Revenue Service will be directed at constantly improving the level of compliance with the law. In addition, the Revenue Service considers the development of the digital economy and new business models as an opportunity to improve tax and customs administration and reduce the burden on taxpayers to comply with the law. Digital transformation requires the availability of appropriate information technology resources and the development of advanced analytical capabilities.

The use of advanced analytics features becomes of special importance in the context of collecting large amounts of data. As a result of the development of the digital economy, tax and customs authorities are accumulating a database, the effective use of which largely determines the possibility of achieving their strategic goals.

Based on the above, in order to achieve digital transformation, one of the strategic goals of the Revenue Service in 2025-2030 will be the modernization of information technology systems and the strengthening of analytical capabilities. To achieve this goal, 6 objectives have been identified, to which the efforts and resources of the Revenue Service will be directed in the coming years.

#### OBJECTIVE 2.1:

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##### MODERNIZATION OF THE INFORMATION TECHNOLOGY MANAGEMENT PROCESS

In the coming years, the Service's priority task will be to introduce internationally recognized standards and best practices in the development of information technology systems and in the information technology management process in general. Based on the above, the following will be implemented in response to existing challenges:

- ▶ Standardization of processes in the IT system;
- ▶ Ensuring compliance with international standards: At various times, within the framework of technical assistance from international organisations, taking into account the recommendations given to the Revenue Service, appropriate measures will be taken to implement COBIT and ITIL standards in the maintenance process and in application and infrastructure development;
- ▶ Identification of certification needs in terms of sustainability, continuity and management of IT systems;
- ▶ Step-by-step transition to the upper levels of the CMMI- Capability Maturity Model Integration.

Achieving the above goal ensures compliance with modern approaches to the information technology management system in the workplace, which is one of the necessary conditions for digital transformation.

To modernize the information technology system, it is especially important to ensure a unified long-term information technology development plan and simplify the process of making informed decisions regarding IT project management. To this end, the Revenue Service will implement a number of measures in the coming years. In particular, the functional modernization of the Information Technology Centre will be carried out, its role and importance will increase not only at the stages of implementation, but also during the initiation and planning of current or planned projects with an IT component; An Information Technology Development Council will be established to coordinate the management of current IT projects within the Service, and a unified IT project management methodology will be developed and improved.

Special attention will be paid to studying the needs of the structural units of the Revenue Service and responding accordingly. A mechanism for monitoring the work performed and its effectiveness, as well as a special group to support the Centre's systems and services, will be formed.

## **OBJECTIVE 2.2:**

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### **MODERNIZATION OF EXISTING SYSTEMS AND ENSURING THEIR OPERATIONAL EFFICIENCY**

A prerequisite for the modernization of information technology systems is to update existing systems and ensure their sustainability. To accomplish this task, the Revenue Service will conduct a thorough audit of the systems to be replaced in 2025-2030 to identify and prioritize critical functions and modules, retrain employees, if necessary, modernize existing systems and ensure their operational efficiency.

## **OBJECTIVE 2.3:**

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### **INTRODUCTION OF MODERN AND INNOVATIVE TECHNOLOGIES**

In order to increase the efficiency of the tax and customs administration process, expand the capabilities of system users, and optimize resources, the introduction of modern and innovative information and communication technologies will be one of the priorities for the coming years.

To achieve this goal, in order to improve the administration of processes in the Revenue Service, maximize the digitalization of tax and customs formalities, optimize/automate business processes and effectively use the IT infrastructure of the Service, technologies such as artificial intelligence and machine learning (AI/ML), DevOps, Cloud technologies, biometric identification, etc. will be introduced and developed as needed.

The implementation of this task will be carried out in stages: by assessing technological needs and forming an appropriate technological development plan, which will identify those areas in which the introduction of new technologies will be most effective and profitable. In addition, this process will be supported by appropriate human resources as needed (hiring new employees and/or retraining existing ones).

## OBJECTIVE 2.4:

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### PROPER TECHNICAL SUPPORT FOR INFORMATION SYSTEMS

One of the fundamental aspects of the successful and efficient work of the Revenue Service is to provide employees with appropriate technical equipment. Based on the above, in order to maintain the continuity of the Revenue Service, as well as to fulfil the plans outlined in this Strategy, outdated equipment will be phased out, purchased licences will be renewed, and technical equipment or various licenced software products will be upgraded, the acquisition of which will be essential to overcome existing challenges and achieve the goals and objectives rapidly and effectively, including the introduction of innovative technologies.

In order to maintain business continuity, minimize and timely eliminate threats arising from obsolete and malfunctioning equipment, the issue of creating reserve stocks of certain equipment will be regulated in accordance with relevant research and best practices.

In order to properly deploy and maintain the information and communication infrastructure, as well as ensure the continuity of its operation, certain processes will be formalized, and rules for organizing and deploying local computer networks across the Revenue Service will be developed.

## OBJECTIVE 2.5:

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### DEVELOPMENT OF THE REVENUE SERVICE DATA WAREHOUSE AND IMPROVEMENT OF DATA QUALITY

For tax and customs administrations, the data warehouse not only simplifies data access and information analysis across the organisation but also facilitates advanced data analytics and provides enhanced opportunities for informed decision-making and strategic planning. The development of the data warehouse is a fundamental step for tax administrations on the way to digital transformation. As part of the digital transformation, the tax administration can be transformed into a data-driven agency capable of effectively managing large amounts of data and using them to improve services provided to taxpayers and optimize operational activities.

The main directions of data management as an organisational asset will be data security, confidentiality and quality, which will be ensured at all stages of the information flow formation (data generation, storage, use and disposal).

Ensuring and maintaining data quality is an ongoing process in which it is important to prioritize key data and achieve data quality indicators in relation to priority information, which include: data accuracy, completeness, consistency, traceability, updatability, timeliness, ease of use, etc.

To ensure data quality, both technical verification tools and any relevant information obtained as part of operational activities must be used.

In response to modern challenges and for timely identification and management of tax risks, it is necessary to create a basic foundation by forming a reliable, comprehensive and fast database, on which modern search, visualization, targeting and various analytical programs will then be built.

To ensure the availability of data, increase work efficiency, improve reporting and facilitate the process of informed decision-making, a specialized data warehouse development group has been established in the Analytical Department of the Revenue Service. Significant efforts and resources

will be devoted to its development in the coming years. One of the priorities of the Revenue Service will be the further development of the data warehouse of the Revenue Service. The search and integration of new data sources in this area will continue.

To increase the effectiveness of decisions made, it is necessary to automate the relevant calculations as much as possible and use all the advantages of machine learning and artificial intelligence. To this end, considerable attention will be paid to the study and practical implementation of modern approaches to data storage and processing. In parallel with the existing approach, the introduction and use of non-relational databases, including so-called graph databases, will significantly improve the advanced analytics capabilities available at work.

In order to improve data management capabilities and meet the growing need for processing large amounts of diverse information, it is necessary to attract and retain appropriate human resources and develop practical skills for analytical purposes. It must also be noted that in addition to traditional professions and skills, the modern tax authority requires specialists in increasingly diverse and specific fields, including information technology, big data processing, statistics, analytics, data science, machine learning, econometrics, behavioural research and so forth. Based on the above, considerable attention will be paid to the training of relevant tax and customs officials to ensure the effective use and management of the data warehouse.

At the same time, relevant employees must be provided with the simplest possible access to information and appropriate software necessary for their work, in order to enable descriptive, diagnostic, inferential, and predictive effective analytical work. This, in turn, requires the creation and subsequent support of an appropriate technical and technological infrastructure. To find a solution that meets the needs of the Service, the best practices of tax/customs administrations from different countries will continue to be studied and analysed, as well as the tools, technologies and functionality they use.

## **OBJECTIVE 2.6:**

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### **DEVELOPMENT OF AN AUTOMATED ANALYTICAL REPORTING SYSTEM**

Taking into account the growing demand for data analysis and reporting in the Revenue Service, it is necessary to use a formal, standardized approach to data management and effective use. The creation of a unified methodology for creating automated analytical reports is another important initiative to improve data analysis and reporting capabilities. A single approach is crucial to ensure consistency, accuracy, and efficiency, and defines what type of information and how data must be handled across departments for specific business purposes.

The standardization of the reporting process will ensure that all stakeholders have reliable and timely information that is necessary for informed decision-making and strategic planning. However, it will also add more transparency and predictability to the process, ensuring that only employees with the appropriate functions will be able to use the necessary pre-prepared information, and the search capabilities and functionality of various modules (registers) will not be overloaded to search for this information.

# GOAL 3

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## DEVELOPMENT OF THE INSTITUTIONAL CAPACITY OF THE ORGANISATION

The achievement of the strategic goals of the Revenue Service is closely tied to the development of its organizational capabilities. To reach this goal, it is essential to focus on developing human capital, strengthening organizational culture, and ensuring the necessary infrastructure. A qualified, innovation-driven, and motivated workforce is the foundation for achieving the Revenue Service's objectives. Therefore, between 2025 and 2030, the Revenue Service will prioritize the development of its institutional capacity, with four key objectives to be identified.

### OBJECTIVE 3.1:

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#### ENHANCING HUMAN CAPITAL AND STRENGTHENING ORGANISATIONAL CULTURE

The success of any organisation hinges on the ability of its employees to respond to changing environmental conditions, take appropriate measures and ensure the successful development of the organisation. Investments in the development of human capital will remain a cornerstone for the Revenue Service as it pursues its goals in an evolving environment. To achieve this:

- ▶ Modern and strategic human resource management systems will be introduced, which will facilitate the transition from an operational human resource management system to a strategic human capital development system;
- ▶ Advanced digital technologies will be introduced for the processes of employee selection, performance evaluation and employee development, which will facilitate data-based decision-making in human resource management and the optimisation of the workforce and processes.
- ▶ Clearer, objectively measurable criteria for the selection of employees will be established;
- ▶ Comprehensive job descriptions will be developed and the most important components of the work will be identified;
- ▶ Key positions in the Revenue Service will be identified and a mechanism for employee development and retention will be developed;
- ▶ Retraining and advanced training programs for employees will be improved. Special attention will be paid to developing employee skills such as digital awareness and data analysis. Electronic learning platforms will be introduced and developed, as well as staff qualifications will be provided through international trainings, seminars and workshops;
- ▶ To increase the attractiveness of work, motivational programs, a diverse, equal and inclusive employment system will be developed, and employment policies that take into account the interests of the family will be promoted;

- ▶ Increasing women's participation in the workforce, encouraging their leadership and professional development will be promoted.

The digital transformation of the Revenue Service requires the availability of appropriate human capital. In this regard, one of the priorities of human resource management will be to ensure the availability of appropriate personnel in the workplace and the implementation of the principles of digital thinking. Special attention will be paid to attracting/retaining qualified programmers, business analysts, data analysts, data engineers, cybersecurity specialists, as well as international taxation specialists, creating a competitive environment for existing employees and developing their capabilities.

Given the country's ambition to fully integrate into the European Union by 2030, the efforts of the Revenue Service in the coming years will be aimed at ensuring that the skills of its employees meet the requirements set out in the EU tax and customs competence system.

By creating a favourable environment for the development of human resources, the Revenue Service will become the best employer in society, a place where everyone will be proud and where everyone will be welcome to work.

For the further development of the Revenue Service, it is important that its employees share and support the values of the Revenue Service in their daily activities. To this end, the Revenue Service will prioritise strengthening organisational culture, promoting its core values, and encouraging ethical behaviour across the workforce.

## OBJECTIVE 3.2:

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### STRENGTHENING THE CORPORATE GOVERNANCE SYSTEM

A modern, advanced government agency must continuously develop its corporate governance system. To achieve operational efficiency, it is critically important to improve internal control systems, introduce modern approaches to monitoring and reporting, and develop the existing management model. In this regard, special attention will be given to the development of the Revenue Service's head offices and equipping it with necessary personnel to ensure that head offices define the correct strategic direction for the Revenue Service and that the operational departments work in coordination to achieve the set goal.

Digital transformation and the changing environment create new challenges and associated risks. The Revenue Service has several internal systems, the proper functioning of which is crucial for the successful achievement of the goals of the Service. In addition, the Revenue Service plays a special role in ensuring the financial stability of the country. Special attention will be paid to strengthening the organisational risk management system. To achieve this, the Revenue Service will focus on improving the internal risk management system of the organisation and implement a business continuity policy, as well as improve strategic and operational risk management in 2025-2030.

## OBJECTIVE 3.3:

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### STRENGTHENING THE INFORMATION SECURITY SYSTEM AND DATA PRIVACY PROTECTION

Given the volume of information and data processed by the Revenue Service, information security and data protection are crucial internal issues. Tax/customs authorities are frequently targeted by cyberattacks, making data security even more important. The planned digital transformation increases the importance of these functions and raises the volume, complexity and value of the data that the Revenue Service will manage. Moreover, the introduction and expansion of international information exchange systems with the European Union and other countries increases the need to strengthen information security and personal data protection systems.

Considering its role in the process of processing and analysing critical data, and ensuring proper control over confidentiality, integrity and availability of information, the Revenue Service will implement the information security standard - ISO 27001 in 2025-2030.

## OBJECTIVE 3.4:

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### INFRASTRUCTURE IMPROVEMENT

The development of an organisation's institutional capacity is closely linked to the enhancement of its infrastructure. Creating a productive working environment for employees and providing effective services to taxpayers is impossible without ensuring that the infrastructure aligns with modern standards. For this purpose, in 2025-2030, the Revenue Service will make significant investments in the modernisation of its material and technical base, paying special attention to the support of information technology and the development of customs infrastructure.

# GOAL 4

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## INTERNATIONAL COOPERATION

Georgia is significantly influenced by events in neighbouring countries and global economic processes. On the one hand, the regional and global geopolitical situation directly affects the growth of foreign trade and the associated risks, and on the other hand, the constant development of information technology, along with numerous opportunities, increases risks and threats.

The Revenue Service is aware that due to the transnational nature of the problems and threats faced by customs and tax administrations, it is impossible to counter these problems and threats solely with the help of our own knowledge, experience and resources.

Given that the challenges and threats faced by customs and tax authorities are often similar, international cooperation, exchange of experience, familiarisation with best practices and approaches, as well as the introduction of internationally proven tools are the best way to solve these types of problems. In an increasingly globalized and digital world economy, the effectiveness of the Revenue Service will largely depend on cooperation with foreign partners and the introduction of international best practices.

It is also worth mentioning that digital transformation and the development of advanced analytical capabilities are on the agenda of almost all leading tax and customs administrations in the coming years. Accordingly, the exchange of experience and technical assistance in this area is of particular importance.

Based on the above, as in previous years, international cooperation will continue to be one of the strategic goals of the Service in 2025-2030. To achieve this goal, 3 objectives have been set.

### OBJECTIVE 4.1:

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#### EXPANDING THE SCOPE OF BILATERAL AND MULTILATERAL FORMATS OF COOPERATION AND TECHNICAL ASSISTANCE

The development of tax and customs administration is unfeasible in isolation, without the exchange of best practices and experience with partner jurisdictions. This is especially important given the strategic goal of digital transformation. It is invaluable to share the experience of countries that have achieved success in implementing digital transformation, and to use their mistakes and accomplishments to achieve strategic goals. To this end, in 2025-2030, the Revenue Service will continue to actively use bilateral and multilateral formats and expand the scope of technical assistance. In particular:

- ▶ The Revenue Service will strengthen cooperation with partner states, relevant agencies of various countries, as well as regional and international organisations. The Revenue Service expresses willingness to share information about its successful practices and expand the international legal framework for information exchange.

- ▶ The Revenue Service continues to support the implementation of international obligations of Georgia. Among them, priority is given to the commitments made under the Association Agreement between Georgia and the European Union, which includes not only alignment with European directives and regulations, accession to international conventions and the implementation of international principles of tax/customs policy and administration, but also their effective management.

## **OBJECTIVE 4.2:**

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### **SUPPORT OF INTEGRATION PROCESSES WITH THE EUROPEAN UNION**

Georgia's ambitious plan is to successfully join the European Union (EU). In 2023, the country was officially granted the status of a candidate for EU membership. Joining the European Union will bring Georgia many advantages, including the Revenue Service, but the country will have to overcome many challenges in order to meet the criteria for membership and become a member. It includes legal reforms, in particular, harmonization with EU directives, the introduction of new regulations, administrative reforms related to the modernization of processes and procedures, modernization of the country's information systems and ensuring connection with EU information systems. It is equally important to support the implementation of the principles of transparency, good governance and fair tax competition in the tax sphere, as stipulated in the Association Agreement.

The most important objective of this goal is the full implementation of the directives and regulations governing tax/customs policy and tax administration necessary for joining the European Union, which includes investments in infrastructure and human capital necessary for the implementation of the directives and regulations. This implies measures by both the Ministry of Finance and the Revenue Service to harmonize indirect and direct taxes and customs procedures.

For this purpose, in 2025-2030, the Revenue Service will ensure full harmonization of tax and customs administration with EU standards by effectively using EU fiscal and customs programs and timely informing taxpayers to ensure compliance with new requirements.


## **OBJECTIVE 4.3:**

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### **FACILITATING THE PROCESS OF INTEGRATION WITH THE EU'S ELECTRONIC CUSTOMS AND TAX SYSTEMS**

For the Revenue Service, as well as for the Government of Georgia as a whole, compliance with the obligations assumed under the Association Agreement with the European Union is a top priority. It's true especially now that the granting of candidate status has brought an unprecedented opportunity for Georgia, we must make the most of this opportunity and take swift steps to accelerate the process of integration with the European Union at this new stage.

Based on all of the above, taking into account one of the most important strategic priorities of the Revenue Service, active work will continue on the implementation and continuous updating of the "New Computerized Transit System (NCTS)" at the international level. For example, the introduction of simplified declarations (including the reflection of data in the declarant's records) and common declaration mechanisms, etc. Information systems in the tax sphere will be constantly



updated and improved in parallel with the introduction of transparency standards and amendments to these standards.

In order to facilitate the process of integration with the EU's electronic customs and tax systems and the proper implementation of the relevant preparatory activities, first of all, it is necessary to conduct a survey and analysis of the EU's tax and customs systems, as well as systems related to sanitary, phytosanitary and veterinary border control, identifying those systems that need to be developed/integrated that is mandatory for EU members, as well as the systems that can be introduced/joined by non-member states. This process will include, among other things, the identification of EU requirements for common electronic systems, the functionality, standards and technologies of these systems, as well as relevant weaknesses/inconsistencies in our systems.

In addition to the above, an appropriate action plan will be developed, which will determine the priority of the systems and the measures that need to be taken to prepare them for future connection/implementation.

## STRATEGY IMPLEMENTATION AND EVALUATION OF THE IMPLEMENTATION RESULTS

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The main mechanism for implementing this strategy is the annual action plans developed by the Revenue Service. In particular, the current state of the Revenue Service will be assessed in stages, and based on this assessment, the main directions necessary to achieve the strategic goals set by the Revenue Service will be determined. These areas will be recorded as activities in the annual action plans.

The activities defined by the Strategy will be funded mainly from the budget of the Revenue Service, however, for the effective implementation of the Strategy, if necessary, the involvement of international partners and donor organisations and active cooperation with them will be ensured, especially in terms of accumulation of relevant knowledge and implementation of international best practices. In the field of information technology, the Revenue Service will give priority to the development of capabilities within the Revenue Service, however, at the same time, for the successful implementation of various tasks, the possibility of outsourcing certain work will be considered, which will allow the Revenue Service to focus on the effective use of internal resources to perform basic tasks, and to solve other, minor, but important tasks, in particular including the attraction of qualified specialists and staff with relevant experience for conducting independent research.

The best way to achieve strategic goals is to constantly monitor their implementation and respond quickly in case of deviations from the plan. In this regard, special importance is attached to the correct definition of key indicators for the implementation of the Strategy and an objective assessment of the results of their achievement.

Given the complexity of the goals set by the Revenue Service, the Revenue Service will measure the success of the strategy based on methodologies developed by reputable international organisations, such as the Digital Transformation Maturity Model developed by the Organization for Economic Cooperation and Development (OECD), Tax Administration Diagnostic Assessment Tool Accreditation (TADAT), the Capability Maturity Model Integration (CMMI), the World Customs Organization (WCO), and others. In addition, when assessing the achievement of strategic goals for which there is no internationally recognized methodology, the Revenue Service will rely on internal analysis, as well as on research conducted by local independent organisations.

In addition to the above, the Revenue Service will evaluate 3 important indicators for the implementation of the 2025-2030 Strategy based on independent research:

- ▶ The level of satisfaction of taxpayers with the services provided by the Service;
- ▶ Taxpayers' and the public's trust in the Revenue Service;
- ▶ The level of tax awareness.

Based on an assessment of the strategy implementation, the Revenue Service will gradually set interim targets and develop action plans to achieve them.

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