



NATIONAL TAX AND
CUSTOMS ADMINISTRATION

ARCHIVUM



NEMZETI ADÓ- ÉS VÁM HIVATAL

ZÖLD SZÁM:
06-80/200-789

INTRODUCTION

Dear Readers,

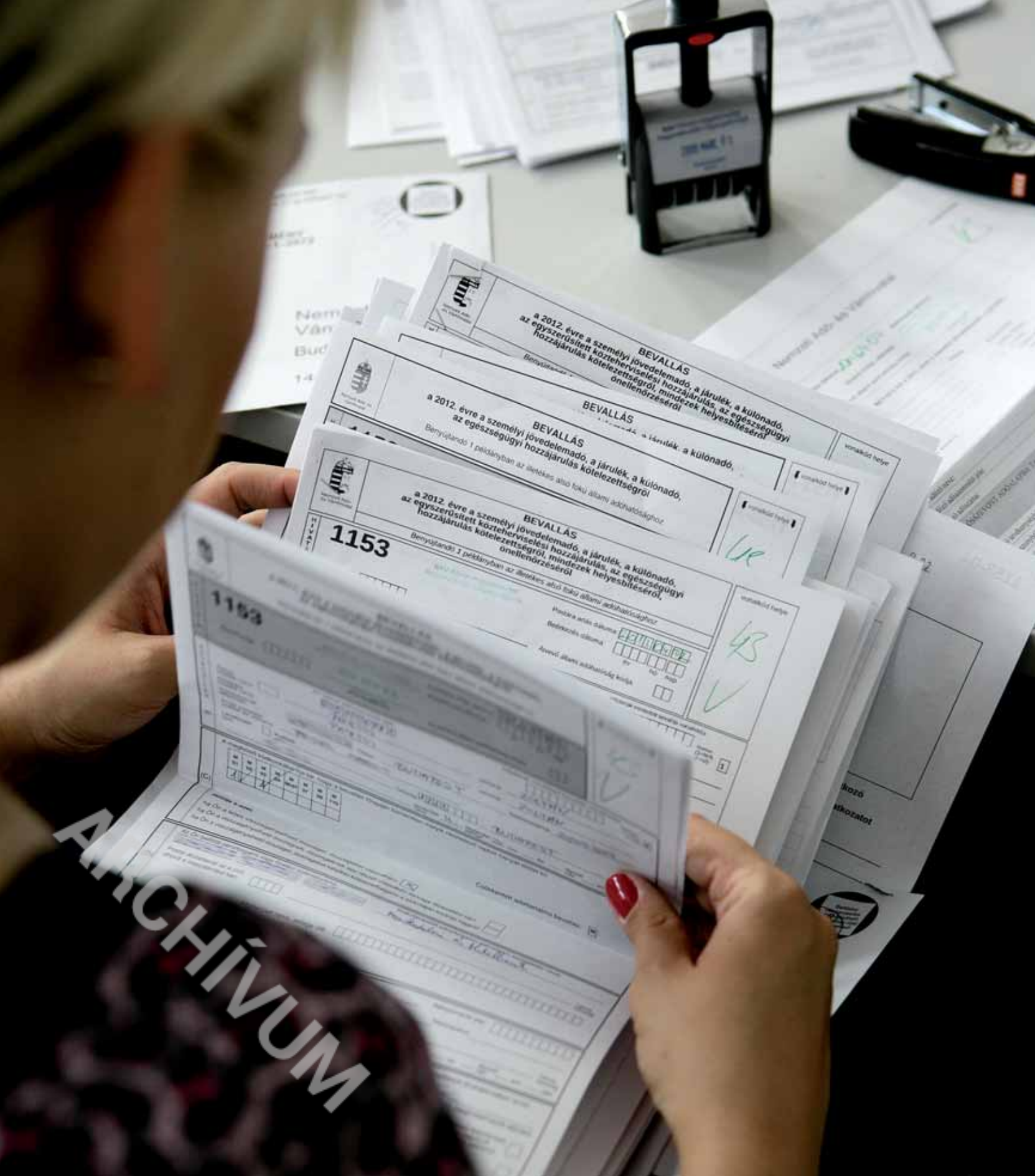
In the past year you were introduced to the results of the first year of operation of the National Tax and Customs Administration – an organization which came into being on 1 January 2011 through the merger of the Tax and Financial Control Administration and the Hungarian Customs and Finance Guard. I gladly present to you this current edition of the publication launched last year, thereby creating somewhat of a tradition.

The collection of budget revenues, the successful representation of the interests of public finances, the high quality service of citizens and clients, strengthening the competitiveness of Hungarian economy, the acceleration of procedures, the fast and transparent management duties, the cultivation of organizational traditions and the recognition of the staff of the NTCA were all priority objectives of 2012. This publication will give you a glimpse of the aggregate data of 2012 arising as a result of the team work of our clients and the NTCA, the collected revenues, the audit results, gambling supervision and investigation, the success of our recovery operations, our IT field, our international relations and cultural assets.

We hope that the study of this publication describing our work will help you form a picture of the versatility of organizational operations and results.

dr. Ildikó Vida
President





Nem
Van
Bud
14

BEVALLÁS
a 2012. évre a személyi jövedelemadó, a járulékok, a különadó,
az egyszerűsített közteherviselési hozzájárulás, az egészségügyi
hozzájárulás kötelezettségeiről, mindezek helyesbítéséről
Bejelentendő

BEVALLÁS
a 2012. évre a személyi jövedelemadó, a járulékok, a különadó,
az egészségügyi hozzájárulás kötelezettségeiről
Bejelentendő 1 példányban az illetékes állami adhatóságokhoz

BEVALLÁS
a 2012. évre a személyi jövedelemadó, a járulékok, a különadó,
az egyszerűsített közteherviselési hozzájárulás, az egészségügyi
hozzájárulás kötelezettségeiről, mindezek helyesbítéséről
Bejelentendő 2 példányban az illetékes állami adhatóságokhoz

1153

1163

ARCHÍVUM

red nail

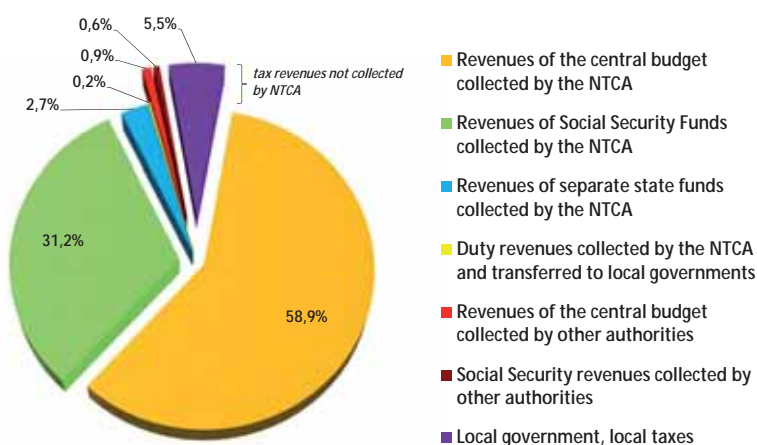
REVENUES

The National Tax and Customs Administration considers the lawful and successful collection of revenues from taxes, duties and customs duties – as stipulated in the Act on Budget and serving to cover community expenses – its priority task. NTCA is responsible for the collection of 92% of the tax related revenues of the budget.

NTCA accounts in 2012 – taking every tax and tax related revenues into account – yielded a net income of ten trillion two hundred eighteen billion HUF which is a 10 per cent (924 billion HUF) increase in comparison to last year's results.

A significant part of this year's surplus (around 818 billion HUF) came from the increase of income from the so-called primary tax types – predominantly from value added tax, social security contributions, health contributions, personal income tax and excise tax. A salient increase originated from value added tax, the income from which surpassed revenues of last year by 528 billion HUF. The increases were the results of changes in legal provisions and are not accountable by changes in the economy. Besides the raise of the general tax rate, the 75 days rule of tax refund introduced in 2012 also played a role in the increase. Moreover, the tax amounts that had been refunded in 2011 as a result of the European Commission's decision had significantly reduced the amount of income in 2011 – which serves as the base of comparison.

The distribution of tax and tax related revenues of the Treasury in 2012



Tax and tax related revenues collected by NTCA organizations 10,527 billion HUF, which constitutes the 93 % of the tax revenues of the Treasury.

Net income from the most important tax types and duties managed by the NTCA in 2012

Name	Bank account balance (billion HUF)		Index (%)
	2011	2012	
Personal Income Tax	1 382,8	1 498,4	108,4
Value Added Tax	2 219,5	2 747,4	123,8
Corporation Tax	316,6	342,3	108,1
Social Security Contributions	3 185,3	3 302,8	103,7
Health Contributions	54,3	108,8	200,4
Excise Tax	875,1	929,4	106,2
National Health Product Tax	0,0	19,1	–
Green Tax	19,8	56,4	284,8
Branch Supertaxes	171,9	165,6	96,3
Separate tax of financial institutions	186,4	84,9	45,5
Simplified Entrepreneurial Tax (EVA)	172,3	146,5	85,0
Total revenues from the most important tax types and duties	8 584,0	9 401,6	109,5
Total amount of revenues managed by the NTCA and bound by targets	9 294,0	10 218,0	109,9

SERVICE PROVIDING ADMINISTRATION

In accordance with our strategic objectives we have further intensified the service provision profile of our administration in the second year of the merger. The range of our services has been expanded; the quality of our existing services has been continuously enhanced to make it possible for our clients to comply with their tax liabilities in the most comfortable, yet lawful way. Customer services are being operated in several points of the country so that citizens can receive professional information and instant assistance in conducting their tax and customs affairs at the same place which saves time and expenses for them. Our customer services operate with longer office hours twice a week to facilitate comfortable and simple administration, and appointments with our colleagues can be fixed via the internet which minimizes waiting time. At the beginning of the year certain customer services posted a Quick Response (QR) code, thus using the most modern method of disseminating information. Clients with smartphones can read the code and access important information as well as information leaflets posted on internet with their cell phones.

The electronic conduct of affairs is gaining ground in the field of issuing various certificates as well: around one-fifth of all tax, income and residence certificates were issued electronically. Customer service offices which enable debit card payments to settle debts are in continuous operation. The e-mail and telephone systems disseminating general information (TCC) are gaining popularity with our taxpayers which fact is shown by the significantly higher frequency of calls in comparison with previous data. The effectiveness of the so-called Taxpayers Information and Administration System (ÜCC) has reached 93% on national average. Orientation about the changes in tax legislation is also facilitated by the 174 instructional and information leaflets posted on the NTCA website. Several agreements with professional organizations have been renewed. New memoranda of understanding have also been concluded – among others – for the execution of environmental regulations and the enforcement of the principles of sustainable development.

The uniform register of NTCA clients (AÜT) began to operate. Clients have the opportunity to check their data kept by the customs authority in the uniform register within the framework of the eBev service available through the client gate. A great advantage of the use of AÜT is the simplified issue of customs identification (VPID) numbers significantly easing administrative burdens. As a result of the introduction of uniform data sheets, the VPID number can be applied for simultaneously with the tax identification code; therefore, taxpayers are not required to attend customs directorates as well.

The Current Account Information System (FIR) – which was prepared in 2012 – has been available since 2 January 2013 for clients in a form modified by pre-testing results. Consequently, clients can now simultaneously check their taxation and customs current accounts.

A uniform tax and customs authority image and format has been established through the standardization of the electronic

The salient data of our providing services

- 5.4 million operating tax subjects belong to our client base.
- Keeping a record of 9.5 million current accounts.
- Approximately 2.6 million clients turned to our customs services personally.
- The TCC system received approximately 1.3 million calls.
- More than 97 thousand taxpayers conducted their tax affairs successfully in the ÜCC system.
- The administration received and processed 27.7 million tax returns and other provisions of data.
- The number of export, import and goods transit procedures exceeded 1.5 million.
- Site visits on our web page exceeded 25 million.

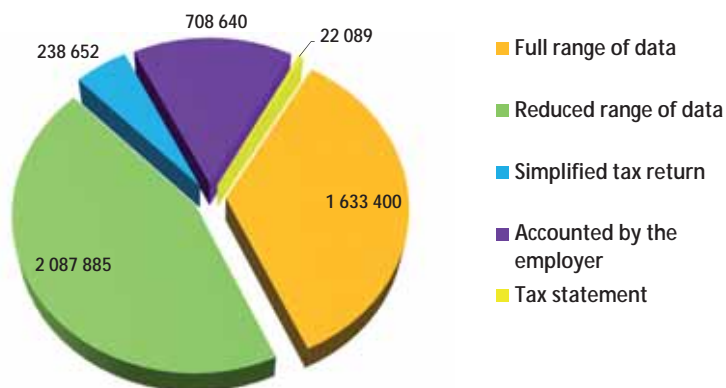
data sheets for the declaration of tax types managed by the customs field. Filling out tax returns is facilitated by the General Data Sheet Completion programme. A joint NTCA Authority Gate has been opened which makes also the acceptance of customs certificates possible.

The liability affecting the largest number of taxpayers is the submission of personal income tax returns which was complied with by 4.69 million private individuals in 2012. Besides the standard tax return, taxpayers have the option to file simplified returns, returns with a reduced range of data and tax statements. The success of tax returns with a reduced range of data – as introduced in previous years – is shown

by the fact that more than half of all personal income tax returns are now filed by using this type.

News items or information about NTCA or taxation appeared on almost 23,500 occasions in various media in Hungary. Our administration strives to influence the tax payment attitudes of society by using the entire spectrum of modern communicational tools. Enhancing tax awareness, the presentation of the necessity and significance of tax payment, the recognition of compliant taxpayer behaviour and the condemnation of infringements are all relevant here. It can now be considered an established tradition that the NTCA takes part in cultural and

Distribution of personal income tax returns in 2012



professional programmes targeting various age groups and audiences with the purpose of presenting and promoting tax and customs administrative, as well as investigative work. Besides the continuous service of clients, the new, integrated website of the NTCA has replaced the internet interfaces of the predecessor organizations. The number of site visits have exceeded 25 million, the number of downloads from the eligible 8.5 thousand programmes was more than 36 million. The personal tax calendar is also available on the website which indicates the tax return deadlines for the given taxpayer in a customized manner.





A AUDIT OPERATIONS

Employees of the NTCA achieved significant results in the fields of reduction of losses of the state budget, the general and proportionate sharing of taxation, the protection of decent players of the economy and the creation of the conditions of fair market economy in 2012 as well.

Audits in 2012 as well targeted the elimination of various forms of tax evasion and the monitoring of high-risk economic processes and behavioural patterns from the point of view of tax revenues. The strategic objectives were drawn up to focus audits on taxpayers posing significant risks and to be continuously and intensively present in areas frequented by taxation. Legislative changes provided the NTCA with a complex set of instruments, thus NTCA was in a position to conduct audits of high risk taxpayers with a higher efficiency. The newly introduced institution of tax registration prevents the appearance of new waves of taxpayers establishing for the purpose of tax frauds. Intensified tax authority supervision is another new option to render the operation of certain taxpayers – not excluded from the system of taxation and deemed risky from the point of view of taxation – under supervision for a limited period of time in the initial phase of their operation and following certain changes in their management defined in legal provisions.

The deletion of the tax numbers of more than 6 thousand bogus companies was initiated following more than 58 thousand risk management operations launched after tax registration procedures and another 2.5 thousand companies were rendered under intensified tax authority supervision.

Another novelty is the application of instalment transfers which is connected to pre-remittance audits and reduces the interests due in case of late payments by the administration. The administration took measures for the remittance of 11.4 billion HUF in the course of almost 100 instances of pre-remittance audits in this way.

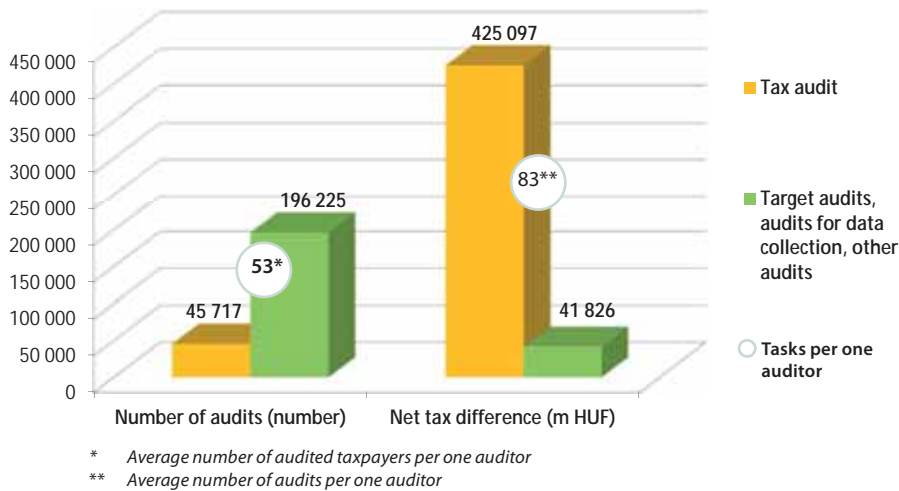
In justified cases, operators were jointly audited by customs guards and tax auditors. On the one hand, this gave a more comprehensive picture of operators; on the other, it facilitated professional integration, since the joint work made the exchange of work

methods and other practical professional knowledge possible. As a result of European Union and national efforts for the simplification of customs procedures, more and more emphasis is placed on subsequent controls. 85% of all subsequent controls ended with the adoption of decisions until the end of December 2012 entailing the imposition of penalties amounting to 466 million HUF. Customs directorates executed the examination of more than 18 thousand declarations of goods in the course of subsequent examinations of declarations. The total amount of customs duties, VAT, green tax and customs authority sanctions imposed as a result of these examinations was 1.4 billion HUF. Cooperation with other professional fields and partner organizations is necessary for performing the tasks of the excise au-

The salient data of audit operations

- 242 thousand completed tax audits affected altogether 154 thousand taxpayers, the aggregate net tax difference revealed were almost 470 billion HUF. On the basis of audits, penalties with a total amount of 256 billion were imposed.
- In the course of subsequent customs and customs declaration controls the customs directorates imposed penalties amounting to 1.8 billion HUF altogether.
- More than 18 thousand customs declarations were subsequently controlled.
- Almost 6.5 million controls were completed in the excise field, the amount of penalties imposed as a result of infringements exceeded 7 billion HUF.
- Almost 5 thousand metal tax, green tax and national health product tax examinations were performed.
- Public administrative penalties were imposed in more than 10 thousand infringement cases detected in the course of road traffic controls.
- Law enforcement organizational units detected 16.6 thousand contraventions.

Audits by the audit field in 2012



On several occasions joint audit operations took place in several points of the country with the purpose of a more profound mapping of the range of obligors and the detection of concealed income in the fields of metal tax, green tax and national health product tax. Our directorates paid priority attention to the control of entities involved in metal trade and the elimination of illegal premises due to their impact on budget revenues and also on public opinion.

In the course of controlling road traffic, law enforcement units of the NTCA imposed administrative penalties in cases

thority and enforcing excise legal regulations. The excise professional field conducted around 211 thousand examinations in 2012 supplemented by about 6.3 million third country border controls. The NTCA staff detected 61.7 thousand infringements in the excise field in the past year.

In 29 thousand instances of seizures, goods with a total value amounting to more than 2 billion HUF were seized by the NTCA – the largest proportion of which consisted of means of transport, alcoholic beverages and cigarettes.

exceeding last year's data by a two-third. Among detected contraventions – just like in previous years – customs contraventions prevailed. The objects of perpetration were characteristically excise goods, primarily tobacco products. Passenger traffic crossing external borders exceeded 25 million individuals, whereas vehicle traffic amounted to more than 6.5 million vehicles.

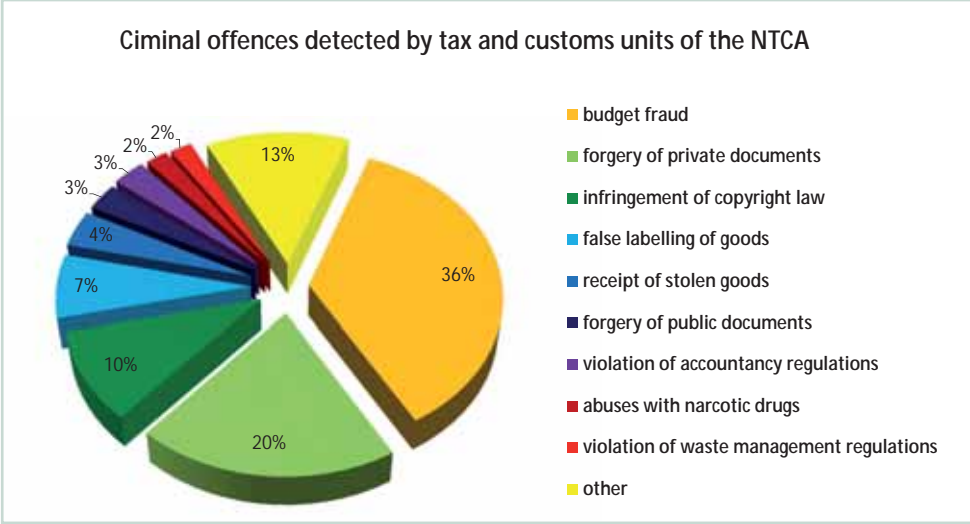
Tax and customs units of the NTCA detected more than 5 thousand cases where a suspicion of criminal offence arose. The to-



tal value of perpetration involved in these cases was 58 billion HUF. Almost 40% of all detected criminal offences were budget frauds. Other significant portions of them are forgeries of private documents and infringements of copyright law, however. Around 4 thousand criminal reports were filed in 2012. The investigation of criminal offences rendered in the NTCA's scope of authority were executed by the criminal affairs unit of the NTCA.

The Forensic Institute – which is an NTCA unit having a nationwide authority – directly and indirectly contributed to successfully securing revenues for the organization by means of its on-site controls carried out with cars functioning as mobile labs, analyses performed in the Institute, and professional opinions issued in the course of its expert operations. Besides continuous requests coming from NTCA organizational units, courts and external investigation authorities regularly request the appointment of the Institute as the expert authority. The administration treats the excise control of alcohol and mineral oil products as a priority. The aim is the ever more compre-

hensive detection of illegally circulated distillates, fighting fuel tourism back and filtering illegal trade. On the basis of more than 6 thousand samples taken from mineral oil and alcohol products in the course of on-site controls by the mobile service in 2012, the detection of goods of inappropriate quality or classification and goods withdrawn from taxation took place in more than two hundred cases. More than 7 thousand laboratory tests were performed in the Institute. The issue of European Binding Tariff Information and Binding Origin Information as well as Binding Tariff Classification of excise products are also among the tasks of the Forensic Institute.



DEBT RECOVERY OPERATIONS

The main function of the NTCA's debt management and execution operations is the continuous revision and reduction of debt stocks and the collection tax debts unpaid until deadlines stipulated by law in order for securing the revenues of the budget. NTCA acts in a consistent, legal and fair way against entities which do not comply with their payment obligations voluntarily, and accumulate debts. These operations involve debt management, executions, the adoption of judgements in payment relief requests, as well as bankruptcy, liquidation and winding-up procedures.

The recovery of tax and customs debts remains a priority objective in the second year of the integrated organization; therefore, the range of executive operations has been continuously expanded. The fast transfer of information regarding execution requests, the suspension or resumption of execution procedures and liquidations was ensured by communication channels between tax units, customs units and the Directorate General for Deployment in 2012 as well. Through modern channels of information, executors receive notifications from partner organizations about seizable properties without delay;

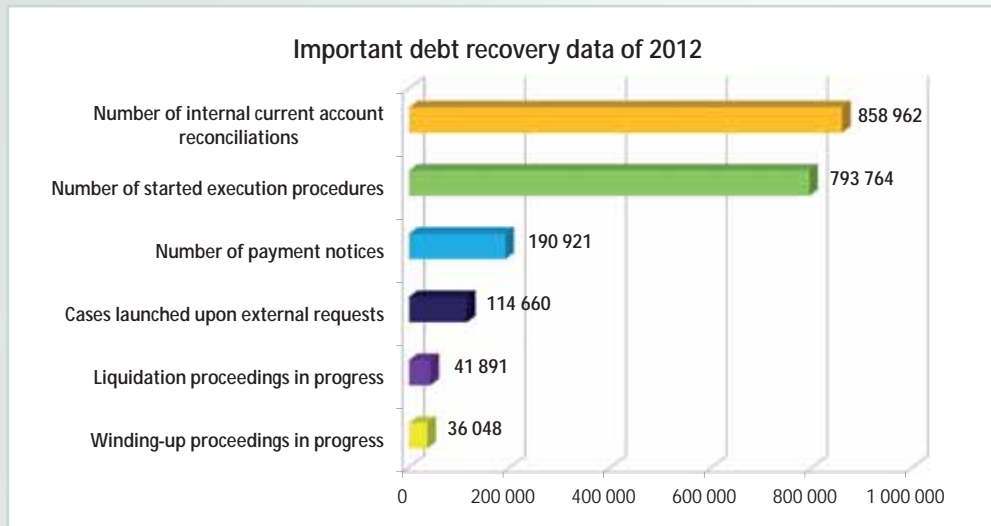
and therefore can attend the premises of seizures in time. Due to the organization of concentrated joint operations, forms of cooperation were continuously expanded. Taxpayers accumulating customs debts usually have tax debts as well; nevertheless, their willingness or ability to pay further deteriorated in comparison with earlier periods. Based on our experience it can be established that cases drag on longer than they used to, which is mainly accountable to financial problems of enterprises and private individuals and to the lack of executable property, thereby debt stocks are further accumulated. The increase of debts involved in liquidation operations and the debt stocks in winding-up proceedings show that the impacts of the financial-economic crisis are still not gone.

The administration performs executions within its own scope of authority and on the basis of requests from external organizations. External requests are supplemented by executive operations conducted in the framework of European Union administrative assistance. The administration collected debts under 125 legal titles upon external requests, almost half of which involved the most effectively collectible legal titles: stu-

The salient data of debt recovery operation

- About 910 thousand execution procedures were initiated in a value of almost 1,070 billion HUF.
- Due to the recovery operations, debts amounting to 346 billion HUF were settled.
- The NTCA launched about 5.6 thousand liquidation procedures.
- More than 14 thousand electronic auctions were performed by the administration.
- About 26 thousand of the 150 thousand payment relief applications were submitted electronically.
- The entire debt stock due to the NTCA amounted to 2,078 billion HUF in the end of 2012.





dent loan debts, road penalty debts due to the Police and liabilities due to local governments.

The number of newly initiated execution cases was lower in 2012 than in the previous year. The number of executions in progress however increased in all areas (tax and customs executions, recovery conducted upon requests and cases involving unrecoverable debts) except for payment relief cases.

Executions were characteristically launched by administrative operations of the NTCA. Operations the most successful out of these operations were the transfer orders (executions by collection) initiated by authority, which added up to the half of all the income execution. More than a fourth of executive income

came from voluntary payments performed after executive operations. A significant source of executive income was generated as a result of authority carryovers.

Since 1 January 2009 in cases where the taxpayer's registry shows overpayments – in addition to their tax debts, public debts to be collected as taxes and procedural fees –, the tax authority is allowed to account the overpayment to cover for the registered debts with simultaneously informing the taxpayer. This is beneficial for taxpayers as late payment fees are no longer accumulated after the date of the carryover.

There was a significant increase in the income generated from payment stoppage and claim expropriation, the average



amount collected from collection executions and payment stoppages also rose in 2012. The number of distress sales significantly increased as well.

The so-called underlying obligations and asset security measures came to be more accentuated as means of strengthening tax compliance. The amount of debts with underlying obligations was about one and a half times larger; the NTCA started almost four thousand of such cases in 2012. The number of asset security measures decreased in comparison with the previous year as the number of seizable vehicles was smaller.

The objective behind granting payment relief – in cases where legal conditions are present – is to enable the taxpayer to fully settle their accumulated debts within a reasonable time and thus subsequently be able to comply with their tax payment obligations on the long run. Those taxpayers who are unable to pay their tax debts due to legitimate reasons may be exempted from their entire debt stock or a part of it. In these procedures it is in the shared interest of both the NTCA and the taxpayers that a judgement beneficial to both parties should be adopted on these requests and that the debt is settled in a satisfactory way. The number of electronically submitted requests has been dynamically increasing as a result of the change in legal regulations.

The NTCA assists taxpayer orientation as well as the transparency of economy by making databases available on its website. The list of those whom are under executive procedures is updated weekly; while the database of taxpayers having had significant tax arrears that have been accumulated for the previous 180 days is posted four times a year.

The Electronic Auction Interface (EÁF) operated on the NTCA website enhances the efficiency of auctions and filters potential abuses. The moveable and immovable properties of taxpayers with arrears are being auctioned on this interface. The integration of the tax and customs administrations made it possible to have items of property seized by the customs and criminal affairs units auctioned off. More and more financial institutions take the opportunity to auction real estates on EÁF.

The number of liquidation and winding-up proceedings made a leaping increase in 2012, the debt stock under liquidation however significantly decreased in spite of the considerable volume of new debts. The authorized transfer of high value claims to the Hungarian Claims Management Ltd. is behind this phenomenon.

The number of involuntary deregistration procedures introduced on 1 March 2012 is dynamically increasing.





ARCHÍVUM

GAMBLING SUPERVISION

The activities of the gambling supervisory unit include the authority licensing of gambling facilities, the authority control of gambling organizers and operators, the registration tasks related to these, and the imposition of penalties on infringements. Besides, it is the task of the gambling supervisory unit to fight back illegal gambling and participate in the efforts against money laundering.

NTCA issued almost 2,600 authority licenses for the operation and organization of gambling facilities in 2012. The number of gambling rooms operating with authority licenses decreased in comparison with last year's data: in the end of 2012 there were only 24 of such establishments.

The licenses issued for gambling rules and slot machines are no longer valid in accordance with a legal provision which stepped into force on 10 October 2012. The operation of slot

machines is now reduced to a rather small area; that is, three casinos in the whole country. Following the large scale prohibition of operating slot machines, internet pages began to be flourishing. These web terminals are now under extensive control by the NTCA and unlicensed gambling organizers are made to pay penalties in order to fight illegal operation back. In 2012 gambling supervision conducted altogether 17 thousand authority controls, which is substantially more than last year's figure, and adopted 1.5 thousand decisions of imposing penalties with total penalties amounting to 426 million.

As a result of the above procedures a net income in excess of 1 billion HUF was generated. In respect of the distribution of the amount above, 300 million HUF were collected from license fees, 600 million HUF came from control fees and 100 million HUF income was generated from penalties.





ARCHÍVUM

pac roborant

ADAM

Mea

IGARE

THE FIELD OF CRIMINAL AFFAIRS

The Criminal Affairs Directorate General performs the prevention, detection and investigation of crimes rendered into NTCA's scope of authority by the Act on Criminal Proceedings. The Financial Intelligence Unit operating under the supervision of the Vice-President for Criminal Affairs performs the tasks assigned in the Act on the Prevention and Combating of Money Laundering and Terrorist Financing.

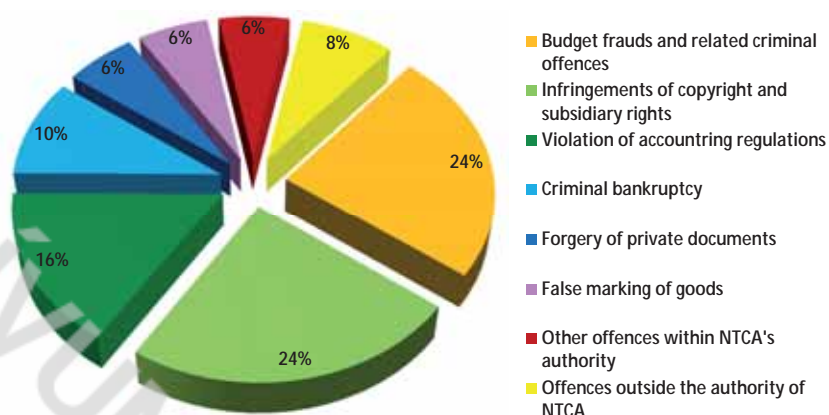
The operation of the criminal investigators of the NTCA constitutes a special sphere in law enforcement since – besides the competence and knowledge in general criminology – it also requires special knowledge in the fields of law and economy. The scopes of competence of Hungarian law enforcement units have been recently streamlined; therefore, the criminal affairs unit of the NTCA is the investigation authority in criminal offences which put budget revenues in jeopardy and in infringements against intellectual property. A highlighted task of the criminal affairs unit is to facilitate the recovery of the damage

caused by criminal offences to the largest extent possible by means of its measures; thereby contributing to securing budget revenues. Besides modern investigative techniques, this also requires continuous cooperation with other authorities of the public administration, the professional and civil spheres.

In 2012 the financial investigators of the Criminal Affairs Directorate General detected more than 14.4 thousand criminal offences, the value of perpetration of which was 121 billion HUF, and out of those the number of offences within the scope of NTCA's authority exceeded 13 thousand with a value of perpetration of 113 billion HUF.

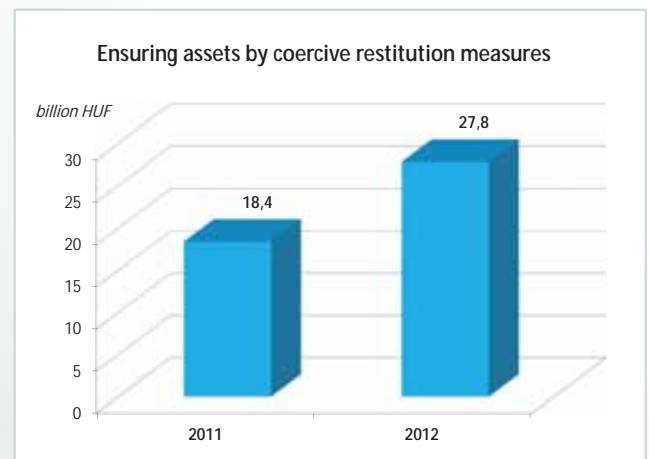
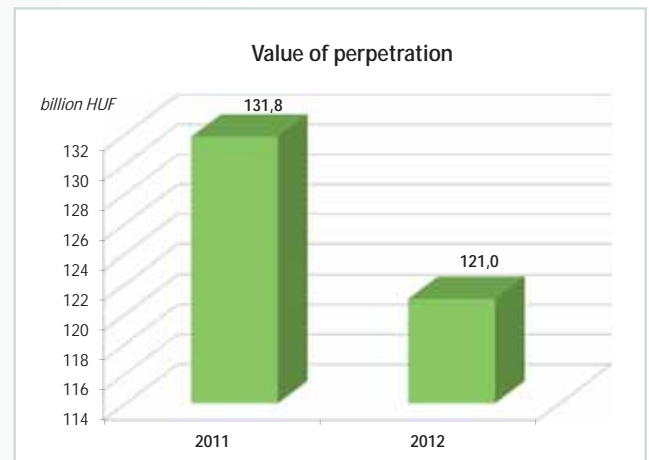
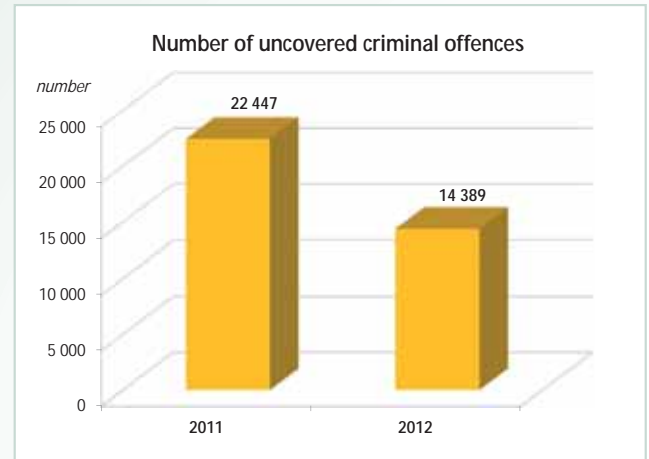
Budget frauds, and within those, primarily tax frauds constituted the most significant part of the damage caused by perpetrators of financial and economic criminal offences detected by the criminal unit of the NTCA in 2012. Last year, the total value of infringements perpetrated against the Hungarian state and detected by financial investigators amounted to 94.9 billion HUF.

The distribution of uncovered criminal offences by the NTCA's investigation services





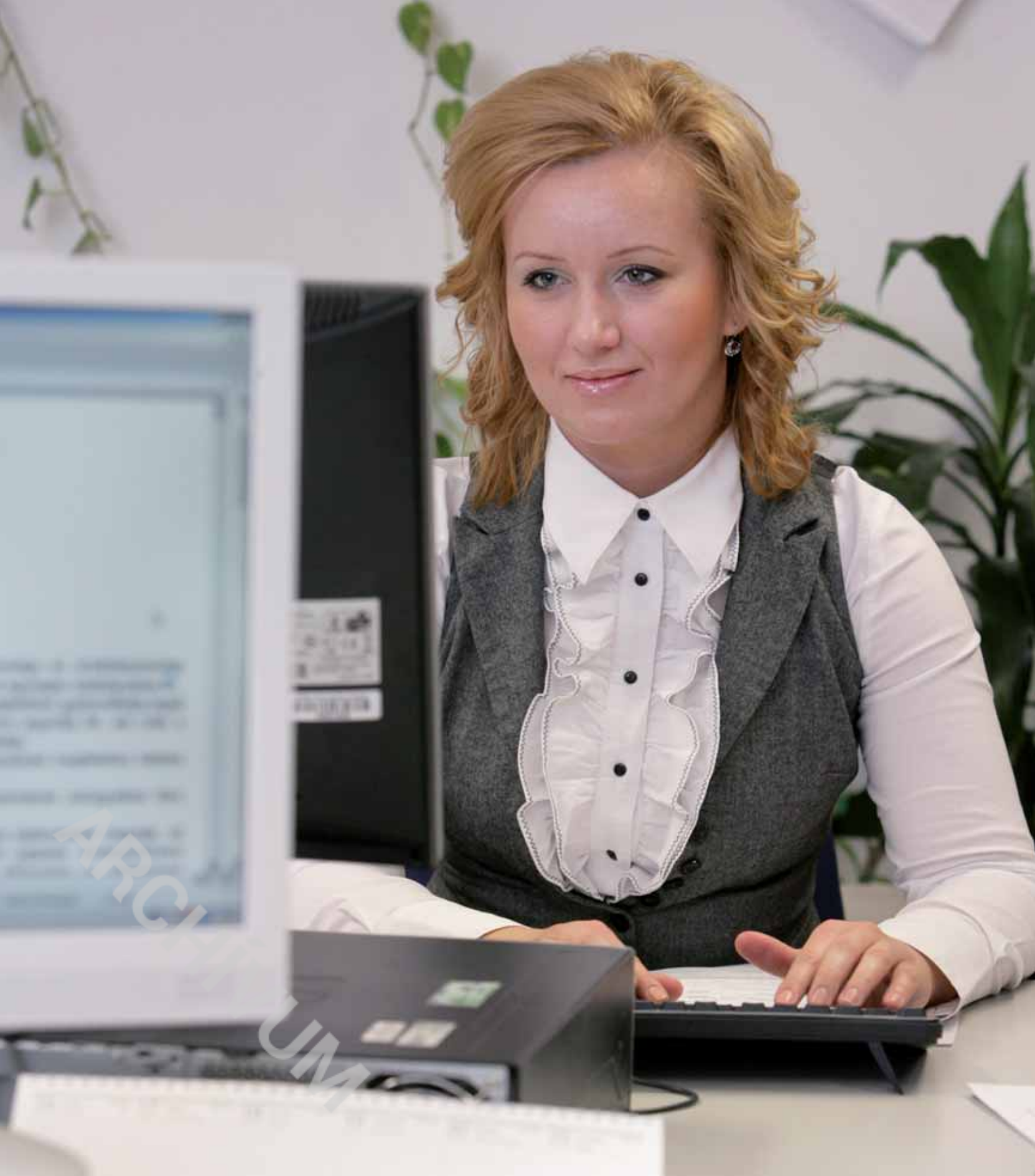
Aggregate data of criminal procedures conducted by the criminal affairs field of the NTCA





The blockage of the assets of criminals was set as a priority objective by the Criminal Affairs Directorate General in 2011 already. This is important for the purposes both alleviating the damage suffered by the state and preventing the perpetration of further crimes. The value of damage precautionary measures was more than one and a half as large as in 2011. Whereas two years ago the authority managed to recover about 18.5 billion HUF from criminals damaging the central budget; in 2012 this value rose by almost ten billion HUF, and the total value of financial coercive measures amounted to 27 billion and 817 million HUF.





INFORMATION TECHNOLOGY

Nowadays information technology has come to be indispensable in many areas of life, and a tax and customs administration could hardly operate without it either. Numerous processes – the registry of incoming files, the tasks of data provision, the adoption of decisions and resolutions for instance – are performed with IT support; which – on the one hand – eases the work of the organization, on the other, it facilitates contact maintenance with clients and also partner organizations. It is among the tasks of the IT field of the NTCA to complete the organizational merger by integrating all systems used in daily work; besides it also needs to continuously adapt the organization to changes in the legal environment through IT developments.

The NTCA has the largest IT system in the Hungarian public administration. The IT field has a complex data asset management strategy to facilitate the management, operation and development of the data stocks at the organization. This is the base along the lines of which the organization performs its basic tasks. The application of modern information technology solutions is the foundation of cooperation with partner organizations, contact maintenance with clients and the provision of services.

In 2012 the Single Register of Tax Subjects and Clients (AÜT) was created and introduced which uniformly lists the clients of the predecessor organizations thereby laying the foundations for the integration of yet other systems. A uniform application for the query of data stored in the current account systems of the two predecessor administrations – called Current Account Information System (FIR) – has been created which is capable of showing standardized information stored in the current account management applications operating in two different environments.

The rehabilitation card register has been introduced which has been receiving requests for the issue of rehabilitation cards

from the Central Administration of National Pension Insurance and, subsequently, from the National Office for Rehabilitation and Social Affairs, and produces those cards as well.

The National Telecommunications Stem Network (NTG) – servicing more than 300 premises of the NTCA – has been reconstructed in 2012. The technical developments involved practically all premises of the NTCA; as a result, the permeability of the entire network was significantly improved, connection speed of particular premises was increased tenfold. The first two phases of the Network Modernization Project (HKP) were implemented, almost 10 thousand new cable connection points were established and the outdated active local network devices (switches) were substituted in the taxation units. In the customs field, the substitution of routers made the necessary encryption of data possible in premises with increased bandwidth.

As of 15 February 2012 the electronic notifications related to simplified customs procedures (EBEJ) were implemented nationally as well as the IT developments making their automatic risk analysis and processing possible.

IT developments of the Integrated Sample Management System affecting sampling and sample management techniques of the NTCA have been finished; consequently the electronically supported uniform sampling application has been provided to the customs professional field.

The Electronic Payroll (eBér) has been introduced through which employees can access their payroll electronically. Thus, the previous paper-based delivery system of payroll documents has been replaced which is an important measure from an environmental point of view as well.

In 2012 around 88 percent of tax returns have been submitted by taxpayers electronically, this high proportion also goes to show the fundamental role that IT plays in the administration.

INTERNATIONAL RELATIONS

The results of the international operations of the NTCA are hard to be expressed in terms of numbers; nevertheless, expanding the administration's system of international cooperation directly and indirectly contributes to the increase in budget revenues.

As a result of the 2012 activities of the NTCA's international field the administration achieved outstanding successes in the international arena of enforcing interests. The management of the various financial assistance programmes published by the European Union (External Borders Fund, ISEC 2009 and Hercule II 2011) was carried on with after the integration in 2012 as well. The administration took part in the work of the WCO (World

Customs Organization) and IOTA (Intra-European Organisation of Tax Administrations) in the past year too.

Bilateral relations with other states of the region and regional cooperation schemes, such as the Visegrad Group (V4) or the Quadrilaterale (Q4) group carry an outstanding significance in the European Union. In 2012 the NTCA intensified cooperation with Romania and Slovakia in the tax, customs and criminal affairs fields, as well as collaboration with Ukraine and Croatia in the customs field. The international field of the NTCA initiated agreements regarding the transfer of tax confidential data for audit purposes with several other countries; besides, it contacted the Czech, the Italian, the Austrian and the Polish administrations



with the purpose of concluding agreements on the transfer of customs confidential data for control purposes. In respect of institutionalized cooperation schemes (V4 and Q4) relations were made more dynamic. Besides the meeting of the customs directors of the Visegrad Group, the functioning of working groups is also excellent leading to palpable results in the area of fighting back abuses with mineral oil for instance. Application opportunities in the European Union were continuously monitored as a result of which the administration won subsidies of substantial amounts of money in 2012 as well. As a result of the consistent activities in the field of applications and grants, and by making use of the Customs 2013 and Fiscalis 2013 programmes of the EU, the administration contributed to the alleviation of the burdens of the national budget. Employees of the NTCA took part in 303 foreign missions and received foreign guests in several domestic events in the past year in the framework of the Customs 2013 and Fiscalis 2013 projects of the EU. The training of 23 NTCA officers was implemented in a project managed by the NTCA with a budget of 216,733 EUR and with the purpose of sharing experience between experts of EU Member States and the Europol in the subject of laundering proceeds from drug trade in the framework of the 2009 programme of the „Prevention of and fight against crime“ (ISEC).

The most significant result of 2012 is that the administration managed to reinforce regional international cooperation in the fields of tax, customs and financial investigations and created more profound professional relations with primarily the Slovak, Romanian and Croatian administrations.



ARCHIVUM



C CULTURAL ASSETS

The Wind Orchestra of the Customs and Finance Guard – founded as a permanent professional orchestra in 1942 and having had a nationwide recognition and popularity – carried on to operate after the establishment of the NTCA and celebrated the 70th anniversary of its foundation in 2012. In the course of the past seventy years, the orchestra was invited to perform to national and international audiences and its performances always met with universal acclaim. The high standard concerts and the prestigious uniform appearance of the orchestra enhances the recognition of the organization.

In 2012 the orchestra gave concerts in events like the Sziget Festival, the official state celebrations on 20th of August, and the 6th Saint Matthew Day Wind Orchestra Festival. The orchestra performed on several events upon request of the Association of Customs Settlements and took an active part in the International Wind Orchestra Conductors' Competition – an event with a panel of internationally acclaimed experts.

The celebratory concert held in the Palace of Arts saw a programme compiled by the conductors of the Orchestra consisting of high standard and popular compositions. The uniqueness of the stage image was created by a series of pictures projected on a giant screen and depicting the seventy years of history of the Wind Orchestra.

The exhibitions of the Museum of Hungarian Customs and Tax History were attended by almost 10 thousand people in 2012. Last year was the 100th anniversary of building the art nouveau style Schiffer Mansion located in the “Museum Mile” and hosting the permanent exhibition of the history of the Finance Guard. The museum aspires to show the history of Hungarian finances from the foundation of the state until today. Besides the permanent exhibition, the maintainer of the collection joined such events as the Picnic of Museums, the Night of Museums, the Day of Cultural Heritage and the Sziget Festival. In 2012 the museum further expanded its collection: 427 items were donated by 35 persons for the purposes of the exhibition, 200 items were received through official transfer from 19 organizational units of the NTCA, and 11 items were bought to enrich the collection. Besides, the Museum assisted the work of eleven researchers.

The programmes of the Picnic of Museums, the Sziget Festival, the Law Enforcement Days in Kőbánya and the Museum Nights in Kecskemét gave an opportunity to almost a hundred thousand people to get to know the Customs Guard and Taxation History Museum, play with toys, have pictures taken of themselves posing in uniforms, or on customs and finance guard service motorcycles and in interiors reminiscent of the 1960s and 70s.

