



NATIONAL TAX AND
CUSTOMS ADMINISTRATION

2015

ARCHÍVUM



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NEMZETI ADÓ- ÉS VÁMHIRVATAL

W WELCOME

Dear Reader!

Year 2015 opened a new chapter in the history of taxation in Hungary. The restructuring of the National Tax and Customs Administration has commenced. The service provider profile of the tax administration, known for its strict authority for the past thirty five years, has already begun to show last year. Undeniably, work still needs to be done in this respect. Our role model must be the realization of the „Swedish model“ where – however strange this may sound – the tax administration is the most popular administrative authority.

My colleagues lived up to their responsibilities even in the context of organizational changes as the revenue targets of 2015 had been fulfilled. This achievement required commitment at work besides the embarking of the economy on a growing course.

Tax revenues of the central budget in 2015 exceeded the originally planned budget target by HUF billion HUF. A significant part of this surplus is accountable to the whitening of the economy in which – besides the growing number of fair taxpayers – the role of the employees of the NTCA is undeniable.

The statistical data on the following pages will bear out the above and show that the better known disciplinary profile of the NTCA gave a good performance. As the guardian of the interests of the budget, the tax administration collected budget revenues. Tax auditors uncovered more than HUF 1,000 billion in concealed taxes with the amount of sanctions included. Based on the accomplishments, the international interest in our audit support systems is understandable. Tax administrations of the European Union Member States are mostly curious about the experiences from EKAÉR and online cash registers. If you study the data of this publication you will see the reason why several countries intend to adopt our two “wonder weapons” for whitening the economy. The publication will make the importance of service provider profile of the state tax authority clear to even those who lack the skills of an analyst. The NTCA does feature among the administrative authorities with the largest numbers of clients in 2015. Our client services were visited by around 2.7 million cli-

ents in person. We could successfully enter the competition of the most visited websites as well with 18 million instances of surfing on our webpage.

I propose that the following pages be studied by everyone wishing to get a glimpse of the versatile activities of the largest office of the Hungarian public administration.



*András Tállai
Commissioner for NTCA, Deputy Minister*

R REVENUES

In respect of revenues, 2015 was a favourable year for the National Tax and Customs Administration of Hungary (NTCA). The total budgeted revenues amounted to HUF 12,337.8 billion, which exceeded the performance of 2014 by HUF 851.1 billion, i.e. 7.4%. Thus the targets of the different tax types, updated

during the year, were surpassed by 3.9%, i.e. HUF 464.6 billion. The majority of the surplus was due to increases in revenues from social security contributions, value-added tax, personal income tax, excise taxes and corporate tax.

The revenue positions of the budget were primarily influenced

Net returns from featured tax types and contributions

Name	Targets for 2015 (HUF billion)	Turnover balance (HUF billion)		Index (%)	Performance (%)
		Year 2014	Year 2015		
	1.	2.	3.	4.=3./2.	5.=3./1.
Personal income tax	1 639.7	1 589.1	1 688.6	106.3	103.0
Value-added tax**	3 220.4	3 035.6	3 285.7	108.2	102.0
Corporate tax	341.4	394.8	548.8	139.0	160.7
Returns from social security contributions + social contribution tax*	3 982.9	3 784.7	4 054.9	107.1	101.8
Healthcare contribution	161.8	152.8	166.4	108.9	102.8
Contribution payable to the National Land Fund Management Organisation	141.8	135.8	145.0	106.8	102.3
Vocational training contribution	63.1	60.9	65.3	107.2	103.5
Excise tax**	951.5	918.9	998.4	108.7	104.9
Return on customs collection cost	11.0	11.0	13.4	121.8	121.8
Public duty	120.0	120.3	136.4	113.4	113.7
Financial transaction duty	206.2	277.9	207.7	74.7	100.7
Simplified entrepreneurship tax	83.8	96.8	89.4	92.4	106.7
Specific tax of small taxpayers	56.3	42.2	54.4	128.9	96.6
Small enterprise tax	16.4	12.7	11.0	86.6	67.1
Tax and contribution revenues in total	10 996.3	10 633.5	11 465.4	107.8	104.3
Total revenues allocated to targets managed by NTCA	11 873.2	11 486.7	12 337.8	107.4	103.9

* Revenues materializing in NTCA accounts only (actual revenue adjusted by the amount accounted by the Pension Fund as advance payment)

** Modified target

by the sales opportunities determined by the general external and internal circumstances of management, profitability and income outflow. The underlying external and internal processes of the economy allowed revenues from both income-based taxes and turnover-based taxes to increase.

Informing clients, accelerating and simplifying administration and extending the range of our services are priority tasks of the NTCA.

Client-oriented authority

- The clientele of the NTCA comprises of 5.5 million taxpayers.
- NTCA sent 1.6 million current account statements by post in 2015.
- Approximately 2.7 million clients visited our customer service offices in person.
- The TCC system received 1.2 million calls.
- Over 138 thousand cases were successfully managed via the ÜCC (Customer Information and Administrative) system.
- The authority received and processed 22.7 million returns and data disclosures.
- The number of customs proceedings approximated 1.7 million.
- Our homepage was visited on 18 million occasions by our clients.





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shop gap

A ACTIVE TAXPAYERS

At the end of 2015, the number of active taxpayers exceeded 1.8 million, and at the end of the year an increase of approximately five percent was registered in the number of private limited companies in operation, and there was a two percent increase in private entrepreneurs conducting business activities in comparison with the year before.

As a part of the tax registration procedure 26,201 new companies were screened. As a result, 877 taxpayers were not allowed to commence their business activities, because the NTCA finally rejected their applications for tax numbers. Regarding the changes in the identity of the executive officers and members of operating companies as well, impediments occurred due to which NTCA had to conduct the proceeding in 11,925 cases.

In respect of the taxpayers choosing different forms of paying taxes, the number of taxable persons choosing the specific tax of small taxpayers increased by seven percent in case of private entrepreneurs, and the number of taxpayers choosing cash turnover accounting has increased by 16 percent last year. As of the introduction of the Standard Representation Data Form ('EGYKE Data Form') on 17 July 2015, permanent proxies or representatives may submit only one form to announce

their power of representation, or any change therein or the termination thereof. An extended version was created in December 2015, which contains not only all powers of representation which may be announced in the taxation field, but all new legal titles and case types being in use in the customs field as well. Since the introduction of the data form, NTCA was notified of 11,866 full representatives.

On 31 December 2015, NTCA was in contact with 8,600 economic organizations holding an excise licence. These economic organizations undertook excise activities in a total of 11,200 business establishments. The authority issued 816 tax warehouse licences, 110 framework licences and 633 other licences in 2015. The number of taxpayers requesting their admission to and those already listed in the database of taxpayers without any public debts ('KOMA') grew significantly in comparison with 2014. At the end of the year, the database contained 129,205 taxpayers, while a year earlier this number was 91,303. The reasons underlying this increase are the applications for exemptions from the obligation to provide guarantees in the Electronic Road Transport Control System (EKÁER), and the reporting obligations of municipal officials.

Number of the operating taxpayers (pcs)	Year 2014	Year 2015	Index (%)
Total operators	719 416	714 389	99.30
Priority categories:			
Limited liability company/partnership	371 952	368 439	99.06
Private limited company	5 372	5 631	104.82
Limited partnership	135 227	129 505	95.77
Other organisations	206 865	210 814	101.91
Private entrepreneurs	397 662	405 972	102.09
Private individuals with a tax number	690 931	697 271	100.92
Operating taxpayers (persons)	1 808 009	1 817 632	100.53

PROVIDING INFORMATION

By the end of the year, 2,683 thousand clients had visited the customer service offices in person, which is 10 percent more than it had been a year earlier. Their main focus was the administration related to their returns and requests for information about other services. 490 thousand clients requested information, 398 thousand of them requested a certificate of the tax authority, and almost 1,113 thousand clients requested other services. A return or petition was submitted by 682 thousand clients. The administration of cases of foreign residents without a registered office or place of residence in Hungary increased significantly, too, by 19 percent, and exceeded 15,000 people. The number of taxpayers of special jurisdictions (11,000) also increased by 24 percent in customer service offices. 2.3 million postal inpayment money orders were issued, which is a 22 percent decrease due to the headway of electronic payment.

In 2015, 452 thousand tax authority certificates were issued. The number of requests for a certificate submitted electronically was 297 thousand, 216 thousand of which were issued in an electronic format by the NTCA. Payments with a debit card were made on 67,574 occasions, of a total value of HUF 1.6 billion. The customs and finance guard directorates issued 31 certificates.

In the e-mail and telephone system providing general information (TCC), 1,188 thousand calls were initiated by clients, which amounts to an increase of more than seven percent in comparison with the previous year. Most of the calls covered taxpayers' questions in connection with EKAÉR. The system still works with outstanding efficiency (of 99.7 percent). 28,115 of the 28,251 e-mails requesting information were replied by the directorates, and they also administered the affairs of the senders of 11,580 traditional mails sent by post.

As a result of the 162 thousand calls initiated in the Customer Information and Administrative System (ÜCC) 138 thousand cases were successfully administered, which means an increase of 12 percent as compared to the previous year. The efficiency

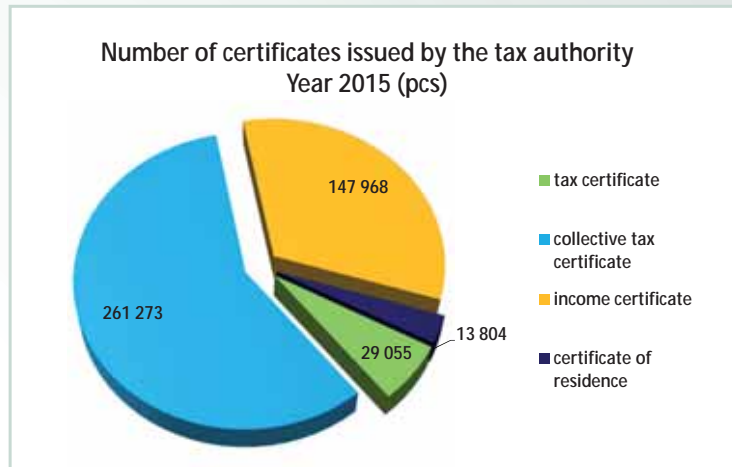
of answering calls is outstanding, 97.9 percent. 16,009 applications for PIN codes required to use the system were submitted last year. In addition, further 190 thousand applications were submitted to the NTCA in the personal income tax returns. At the moment, 324,718 taxpayers have a PIN code. The option to modify client ID numbers is a new service offered by the system. The central unit of the excise sector received 232 requests for professional opinion; 200 of these involved questions regarding the provisions of excise-related laws, and 32 of them were questions in connection with the act on reducing smoking prevalence among young people and retail of tobacco products (Tobacco Act).

The NTCA's sole and authenticated system supporting the management of the taxpayers' current accounts is the Centralized Standard System of Current Accounts (CEF), which has been operating since 1 January 2016. In the course of the integration of current accounts, the data of over 11 thousand clients were synchronised in the preparation phase of the system in 2015.

The NTCA had sent the current account statements and the notices of default penalties with respect to 2014 to the taxpayers by 31 October 2015. These 1,594 thousand current account statements included 75 thousand statements of economic organizations, and 1,519 thousand statements of private individuals and private entrepreneurs. The NTCA sent 41,600 customs balance statements in 2015.

The taxpayers submitted 130,182 requests in total for payment reliefs, including cases continuing from the previous year; this is 16.8 percent less than in 2014. Without the continuing requests, 121,700 requests were received involving a total amount of HUF 216 billion.

In 2015, the number of import customs procedures approximated 575 thousand, while the number of export customs procedures exceeded 609 thousand, and there were 474 thousand customs transit procedures.



Forensic Institute

The Forensic Institute of the National Tax and Customs Administration carries out on-site and analytical examinations, and draws up and issues professional opinions.

Last year 4,078 samples were sent to the Institute, 84 percent of which were items sent by the directorates. About 88 percent of them were related to excise and customs procedures, but samples coming in from criminal and other procedures were also examined. Unknown substances were identified in 238

cases (pharmaceuticals, psychoactive substances, drugs, pesticides and other substances). 35 of the samples which were found suspicious at the airport turned out to contain a psychoactive substance (mostly a synthetic cannabinoid); drugs were identified on 11 occasions. 58 of the 2,793 mineral oil samples did not meet the requirements in the examinations conducted in the mobile laboratories operated by the Institute. 2,792 on-site examinations of alcohol products were conducted, and the mobile laboratories identified products illegally excluded from taxation or of unsatisfactory quality in 137 cases.





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PRESS AND COMMUNICATIONS

The major topics of the NTCA's press releases primarily addressed the EKÁER system, the online cash register system, cigarette smuggling, illegal metal trade, and VAT frauds on food products.

A major topic of press communication was the personal income tax return in the first six months of the year. Several instances of illegal activities of temporary staffing agencies, crimes committed with metal industry products and of so-called corporate sinkhole cases were revealed.

The NTCA participated in numerous events as an exhibitor in 2015 as well. It took part – among others – in the Tourism Exhibition, the 5th Jubilee Beer Festival, the Volt Festival, the Sziget Festival, in the Szeged Youth Days, the Wine Festival of the Buda Castle, and the Pálinka and Sausage Festival of the Buda Castle. The NTCA stand was popular in all venues; visitors could get information for example about the customs and excise regulations related to passengers, and participate in quizzes and sweepstakes.

The number of visitors of the NTCA website exceeded 17.9 million, and its 587 programs were downloaded on 34.3 million occasions in 2015. 213 up-to-date contents were posted on the NTCA's official Facebook page, launched in 2013, and these were visited by almost 1.7 million people altogether. The mobile application available on all mobile platforms was downloaded by 2,599 users until the end of 2015.

Number of publications by the WEB Secretariat (www.nav.gov.hu) in 2015

Media/topic	Total
Publication	1 441
electronic mail	501
Number of homepage (www.nav.gov.hu) visitors	17 944 768
Number of programs (average)	587
Number of downloads from programs	34 343 904





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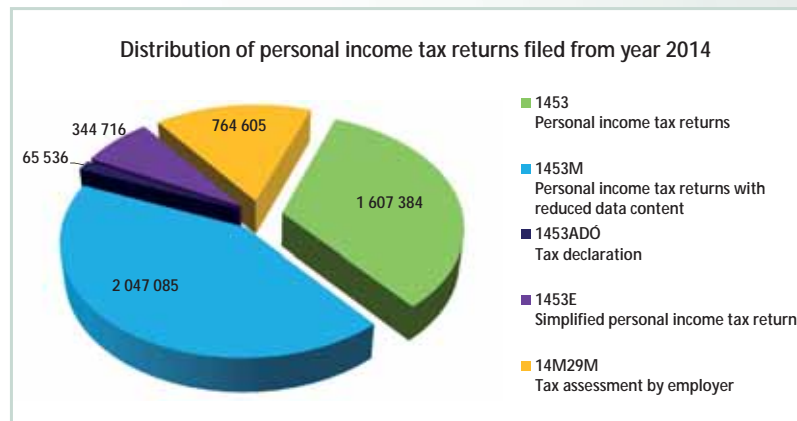
R RETURNS AND DATA DISCLOSURES

In 2015, NTCA received 22.7 million returns and data disclosures; 17 million returns were submitted electronically by taxpayers. A total of 2.6 million control data disclosures were received.

In 2015 4.8 million personal income tax returns were received in total by the NTCA.

Subjects of value-added tax submitted itemized domestic VAT summary statement to NTCA. Almost 18,000 taxpayers were affected by 27,000 taxpayer queries on the query interface of the report.

31,881 registration numbers were issued for food and beverage vending machines by the NTCA.



<i>Number of returns and data disclosures received (pcs)</i>		
Period	Year 2014	Year 2015
Corporate tax	100 040	108 067
Green tax returns	196 902	205 710
Excise returns	454 635	501 223
Return substituting a return with zero data content	840 677	839 366
VAT	3 358 435	3 550 186
Personal income tax	4 791 597	4 782 859
Contribution and employer's personal income tax return	8 327 159	8 340 471
Other	4 545 553	4 339 475
Total	22 614 998	22 667 357

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A AUDITS

High-standard IT supported risk management and selection plays an important role in the control operations of the NTCA, and the application of “desk-audit”, as well as the test methods used in the cooperation between the tax, the customs and the criminal field are becoming more and more important in the preparation of audits.

The live operation of the Compliance Risk Management Framework (JOKER) was launched in 2015, improving the efficiency of risk analysis following tax registration. Taxpayers who have been rendered under risk management are most often rated as posing moderate risk from the viewpoint of initial risk. Based on the rating of operating risk 1,823 taxpayers were finally rendered under enhanced supervision of the tax authority, and the tax numbers of 144 taxpayers were deleted.

The tax directorates had conducted 237.6 thousand audits and inspections by the end of December. The audit sector handled the inspections related to online cash registers and EKÁER reports with priority.

The directorates detected a net tax difference of HUF 592 billion, HUF 450 million of which has finally been assessed. The completed inspections concerned a total of 155 thousand taxpayers - more than in previous year. The amount of the sanctions imposed – due to a stricter penalizing policy – increased by 24.3 percent in comparison with the previous year, and slightly exceeded HUF 564 billion.

The EKÁER system of tracking the transport of goods came into effect on 1 January 2015.

On average, taxpayers recorded almost 1 million reports per month; however, in more than one-third of these cases, the EKÁER number was recorded subsequently, by the authority. 24,700 inspections were conducted to control compliance with tax liabilities arising from EKÁER, and default penalties of HUF 160.4 million were imposed. A total tax difference of HUF

2.1 billion was detected by the 494 tax audits conducted by using EKÁER data, and default penalties of HUF 193 million were imposed in the course of 17,100 audits focusing on the fulfilment of particular tax liabilities.

The fulfilment of tax liabilities related to online cash registers was audited in 80,000 cases, 17 percent of the cases were closed

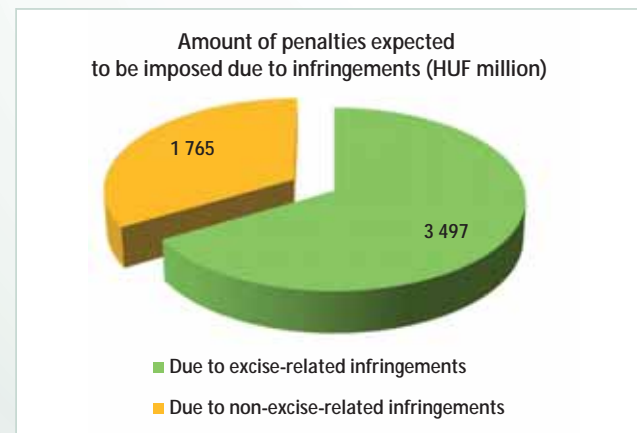
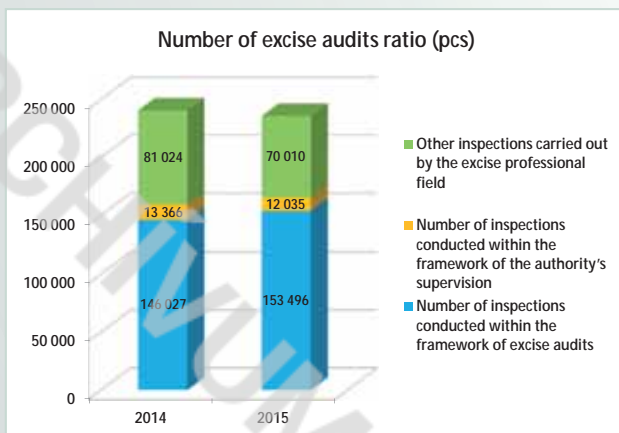
Data of the audits performed by the NTCA in 2015

- Some 156 thousand taxpayers were affected by 237.6 thousand completed tax audits, and a net tax difference of a value of HUF 592 billion was detected. The amount of sanctions exceeded HUF 564 billion.
- About 500 tax audits were conducted by using EKÁER data, and these detected a delinquent tax of a value of HUF 2.1 billion.
- 80,000 inspections related to online cash registers resulted in default penalties of a total value of HUF 1.2 billion.
- Almost 235.5 thousand inspections were completed in the excise field, and the amount of penalties expected to be imposed due to the infringements detected is about HUF 5.3 billion.
- In 2015, nearly 2,400 metal trade controls were conducted.
- Due to infringements detected in the course of road controls, administrative penalties were imposed in 8,600 cases of a value of HUF 1.1 billion.
- Over 13,000 inspections were conducted by the Gambling Supervisory Department and resulted in penalties of HUF 826 million in total.



with an assessment, and default penalties of HUF 1.2 billion were imposed. In three-thirds of the inspections, the tax inspectors reviewed the fulfilment of receipt and invoice issue obligations. The data of the OPG data market were mostly used by the “classic” operative fields, but they were also analysed by other fields, such as the EKÁÉR groups, and the subsequent audit field also made assessments by using the traffic data received. During the course of subsequent audits initiated ex officio by the customs directorates of the NTCA, sanctions of a total of HUF 1.237 billion were imposed in 2015. The excise field conducted 235.5 thousand audits in 2015. The number of excise inspections was 153.5 thousand. The number of supervisory audits of the authority was 12,000 and the number of other audits was 70,000. Products were seized in 10,307 cases in a value of HUF 892 million. Alcohol (40.03%), means of transport (19.8%) and cigarettes (17.7%) accounted for the highest proportion. The officers of this sector detected 30,738 infringements, 15,859 of which were excise-related. The total issuable amount

of the penalty was 5,262 million HUF. The patrols of the NTCA imposed administrative penalties in 8,585 cases, of a value of HUF 1.1 billion in the course of road controls. The customs and finance guard authorities of the NTCA detected 2,725 contraventions (including 2,171 contraventions within their scope of competence) of a perpetration value of HUF 136 million and a seizure value of HUF 139 million. Pursuant to the act on metal trade, the customs authorities acting as the metal trade authority conducted 2,378 metal trade inspections in 2015, 44 percent of which resulted in administrative proceedings. The number of penalties finally imposed reached 1,150, and their total value amounted to HUF 1.2 billion. The NTCA participated in international operations on 14 occasions in the course of the year, the focuses of which were detecting unauthorized transport, curbing motor vehicle crimes, the control of cross-border shipment of (hazardous) waste, the exclusion of goods involved in smuggling, counterfeiting or the violation of copyrights, detecting precursors and new psychoactive substances, and the action against illegal tobacco trade.





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GAMBLING SUPERVISION

The Gambling Supervisory Department of the NTCA issued 245 authority licences for organizing games of chance in 2015. At the end of 2015, 8 casinos and 10 card rooms were in operation.

The gambling supervision sector conducted more than 13,000 inspections, adopted 509 decisions on imposing penalties, and imposed penalties of more than HUF 826 million in total, typically due to unlicensed operation of gaming facilities and organization of games.

The NTCA ordered to render internet sites unavailable (for a period of 90 days) in a total of 331 cases (internet blocking). This means blocking homepages concerned by unlicensed or-

ganization of games of chance. In 154 cases, penalties of HUF 641.5 million were imposed due to unlicensed organization of games of chance under various domain names.

<i>Number of the issued licenses</i>	
Drawing	48 licenses
Betting	10 licenses
Casino	181 licenses
Online gambling	-
Card room	6 licenses



DEBT RECOVERY ACTIVITY

The number of execution actions increased again in 2015, the directorates initiated more execution proceedings, involving a significantly higher amount than in previous years. Recovery was primarily focusing on issuing authority transfer orders (collection), proven to be the most effective and fastest way, last year as well. In addition to executions initiated under its own competence, special attention had to be paid to external requests, the number of which significantly increased. The majority of these debts are of smaller amounts, and are far from the volume of recoverable outstanding tax liabilities.

The NTCA collected debts of HUF 408.5 million from taxpayers from its own execution of taxes, contributions and customs, as well as executions made on request, as a result of 1.3 million execution proceedings in 2015. Revenues of approximately HUF 4.9 billion were collected from taxpayers concerned by liquidations and bankruptcy proceedings.

The NTCA collected other public debts of HUF 6.8 billion for other agencies on request. Last year, four new legal titles (waste disposal contribution, student loan 2, repayable national grant, support paid to a municipal governments) were added to the list of legal titles. At the moment, the NTCA handles cases related to the requests of external agencies under 138 legal titles.

The total amount of arrears of the NTCA decreased from HUF 2,590 billion of 31 December 2014 to HUF 2,453 billion within a year. The arrears of operating economic organizations – over which the NTCA has control – decreased by 21.5 percent.

A vast number of proceedings of involuntary deregistration and deletion of the tax number were initiated against enterprises not pursuing any activity in 2015. The companies concerned by involuntary deletion played an increasing role in reducing the total amount of arrears of operating enterprises. The termination proceedings, such as winding up or proceedings of involuntary deregistration against non-operating companies handled by courts are outside the control of NTCA, and still tend to be very lengthy, thus the uncollectable debts of in-

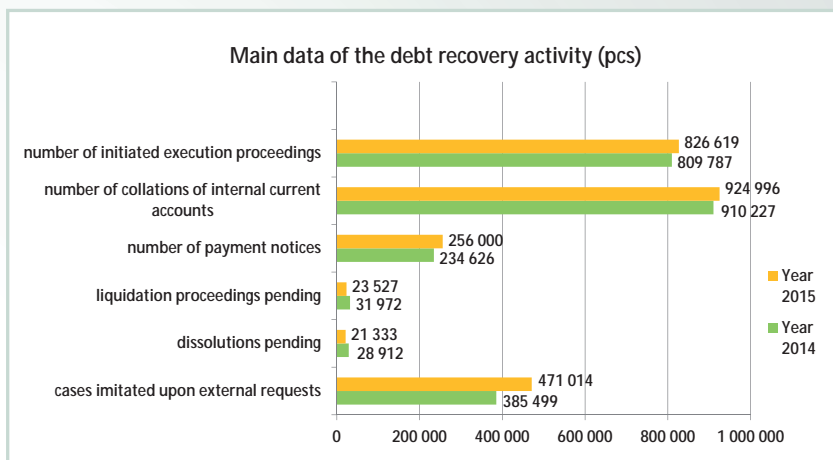
active companies are written off rather slowly, and a significant part of them will not be eliminated in the short term.

The amount of the arrears of operating economic organizations is only 11.9 percent of the total arrears; the arrears of private individuals, the collection of which is less effective, is 9.1 percent. Regarding the management of unrecoverable debts, the NTCA cancelled debts of HUF 94.3 billion due to the period of limitation, the majority of which had been declared as unrecoverable earlier. This is 58.2 percent less than that of the base-year. Cancellations primarily concerned private individuals, the vast majority (83 percent) were default penalties, fines, VAT or personal income tax.

The NTCA does not refund the amounts reclaimed in returns managing cash flows, and on requests for remittance or carrying over, if the taxpayer has any outstanding tax liability or any public debt to be recovered as taxes. The withheld amount was over HUF 26.2 billion in 2015. 97 percent of the total amount

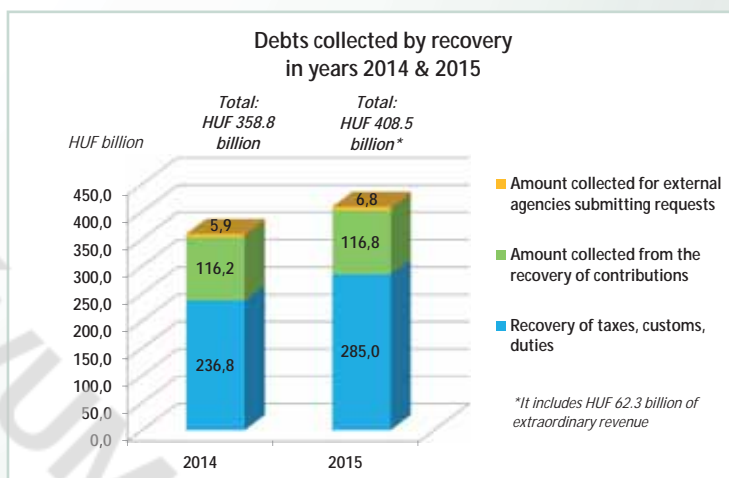
Data of the tax arrears recovery activity of the NTCA

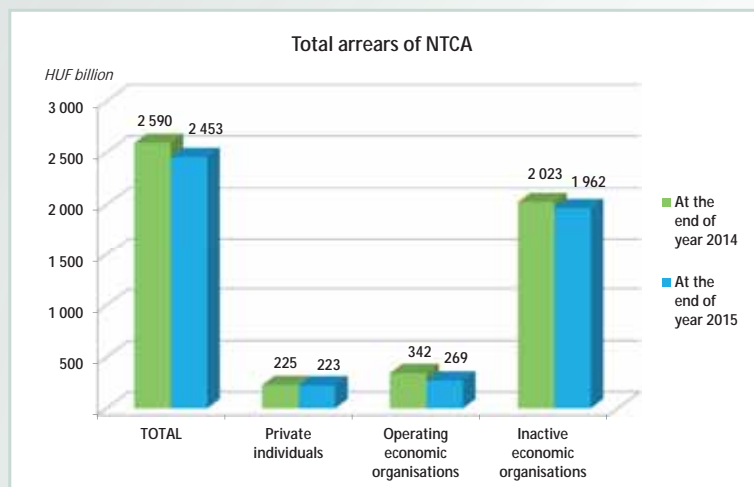
- Some 1.3 million debt recovery proceedings were initiated in 2015.
- As a result of the debt recovery activity, debts of HUF 408.5 million were collected.
- The NTCA conducts recovery operations for external agencies under 138 different legal titles.
- The tax directorates proposed 6,851 liquidations in 2015.
- Liquidations and bankruptcy proceedings resulted in revenues of approximately HUF 4.9 billion.
- The authority conducted almost 17,000 electronic auctions.
- The total amount of arrears of NTCA approximated HUF 2.5 billion at the end of 2015.



was composed of the items withheld for outstanding liabilities of tax types registered on the current accounts at the NTCA. Pursuant to the act on public finances, the amount of the outstanding tax liability of the beneficiary shall be withheld from the budgetary subsidies payable to natural persons and legal persons outside public finances up to the amount of the subsidy by the Agricultural and Rural Development Agency in case of agricultural subsidies, or by the Hungarian State Treasury in case of other subsidies, based on the data disclosure of the NTCA, and the relevant budgetary account shall be credited with it. On the basis of the data disclosure, the State Treasury transferred HUF 2.3 billion and the Agricultural and Rural Development Agency transferred HUF 2.7 billion to NTCA last year. The list of taxpayers subject to enforcement is updated on a weekly basis on the internet site of the NTCA, while the list of taxpayers with significant outstanding tax liabilities for 180 days is

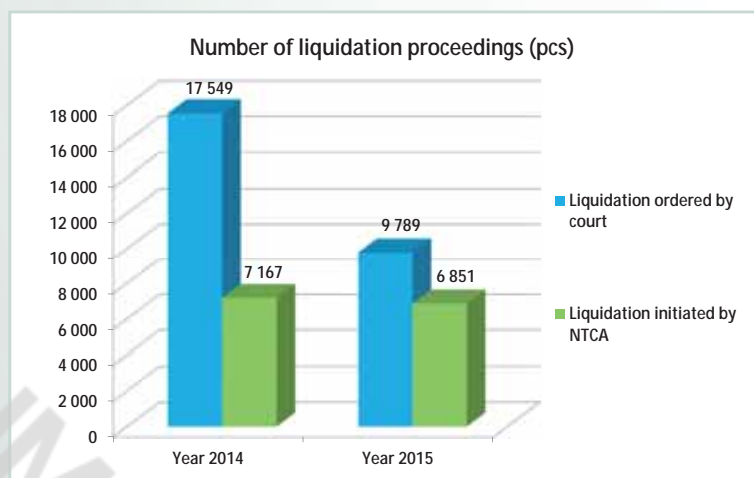
updated on a quarterly basis. The number of execution cases was between 175-185 thousand last year, instead of the earlier 160-170 thousand cases; at the end of December 2015, 178 thousand economic organizations were included in the published list. The number of taxpayers with significant outstanding tax liabilities for 180 days included in the internet list decreased by 1.8 percent in comparison with that of the previous year. The number of economic organizations increased by 8.9 percent, while the number of private individuals decreased by 9.5 percent. In the currently published list, there are 3,597 private individuals and 3,086 economic organizations; their debt is HUF 1,540 billion in total, 380 billion of which is registered as bad debt. The tax directorates proposed 6,851 liquidations in 2015, while courts ordered 9,789 liquidations. The arrears management of private individuals was made more effective by the introduction of the electronic system of requests





of financial institutions (EBT). The communication channel established between the NTCA and financial institutions made access to the required information, mainly to bank account details, easier. The directorates sent 3.21 million requests to financial institutions, which is an increase of 38.5 percent compared with 2014. In relation to the tax professional activity, 15,854 auctions ended in 2015, which is 11.9 percent less than in the previous year. The success rate increased for both moveable and immoveable properties. The decrease witnessed in the number of foreclosures is directly connected with the law amendment which came into force on 30 April 2015, according to which the tax authority may not auction off any arable land; the agricultural administrative agency is entitled to sell lands of this kind. The auctioning of properties seized or confiscated by the customs and criminal field still works effectively, although

their number is significantly less. The directorates continued to advertise properties which were more marketable and interesting for a special circle of buyers, primarily vehicles and products bound to metal trade licence. 385 of the 494 auctions ended successfully in 2015; only 94 of them were unsuccessful, and the rest of the auctions were terminated for other reasons. The appraised value of the properties sold was about HUF 154 million, the purchase price reached HUF 135 million, thus the efficiency of sale was 87.9 percent. No residential buildings were auctioned on the basis of a request of an external agency. The NTCA did not receive any requests for auctioning any residential buildings which complied with the conditions set in new legislation, and, on the other hand, due to the eviction moratorium related to the settlement of the real estate loan crisis.





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CRIMINAL AFFAIRS

The tax professional, as well as the customs and finance guard agencies of the NTCA explored the suspicion of 4,434 criminal offences, the perpetration value exceeds HUF 67 billion. Typically the suspicion of the criminal acts of budget fraud, the use of forged private documents, and dealing in stolen goods arose. The NTCA reported 3,387 criminal offences to the investigative authorities.

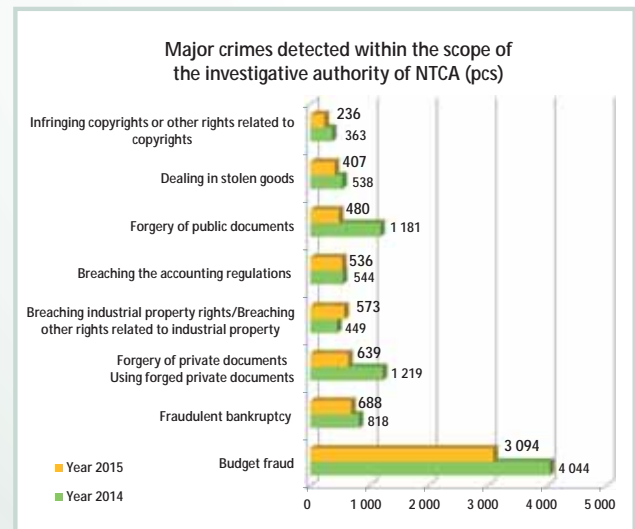
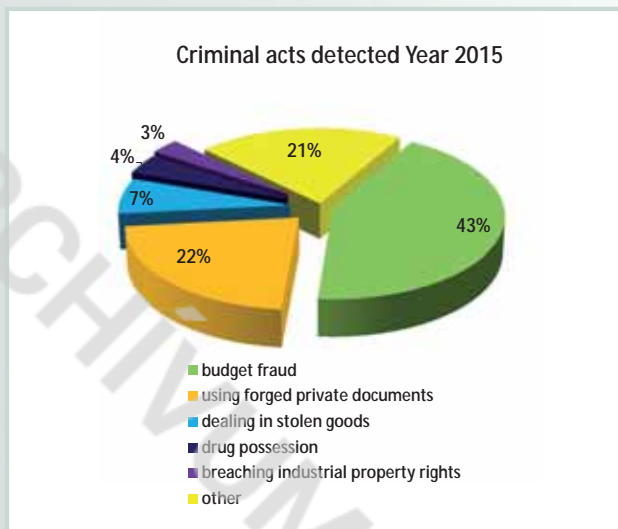
The criminal sector of the NTCA initiated criminal proceedings on the suspicion of 7,672 criminal offences in 2015; the number of criminal offences within its competence was 6,961.

40.3 percent of the criminal offences detected were budget frauds.

Within one year

- the number of budget frauds decreased from 4,044 to 3,094,
- the number of cases of forging public documents decreased from 1,181 to 480,

- the number of cases of fraudulent bankruptcy decreased from 818 to 688,
- the number of cases of forging private documents and using forged private documents decreased from 1,219 to 639,
- the number of cases of dealing in stolen goods decreased from 538 to 407,
- the number of cases of infringing copyrights or other rights related to copyrights decreased from 363 to 236,
- the number of criminal acts of breaching the accounting regulations decreased from 544 to 536,
- the number of cases of breaching industrial property rights increased from 449 to 573,
- the number of cases of abuse against social security, social or other welfare benefits increased from 95 to 114.



The perpetration value of the criminal offences detected amounted to HUF 136.6 billion, and the perpetration value of criminal offences of budgetary fraud was about HUF 131 billion. The amount of underwriting was about HUF 6.7 billion in 206 cases.

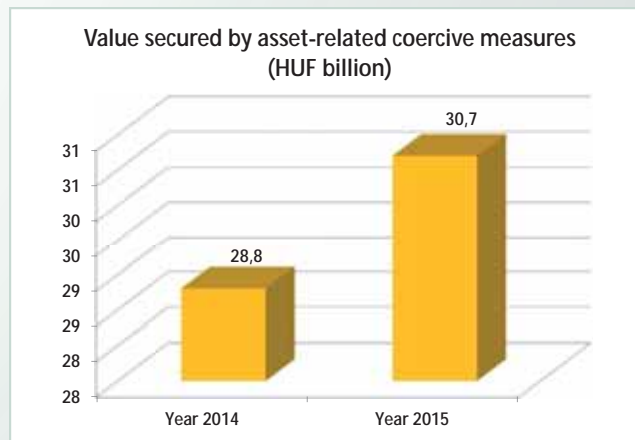
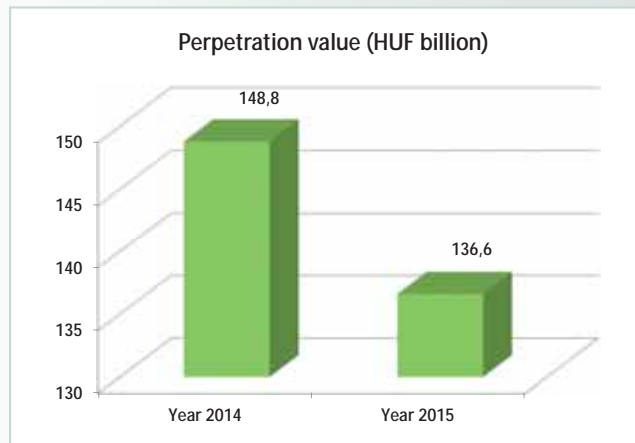
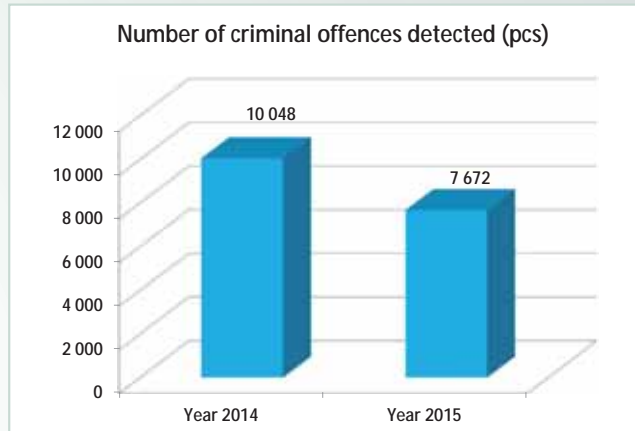
A criminal proceeding was introduced in the experimental phase in the case of 73 crimes, therefore the decrease of budgetary revenues in the value of over HUF 2.1 billion was prevented. In pending criminal proceedings, the amount of underwriting totalled HUF 30.7 billion, which implies a 22.5 percent recovery of damages.

The Office of Goods and Exhibits Management of the NTCA offered seized products of a value of HUF 218.3 million for charity in 2015, and products of a value of 63.6 million were received by the Charity Council.

The Hungarian Financial Intelligence Unit received 10,500 reports, requests, notifications and information, and sent requests or information to domestic and foreign agencies on 976 occasions. The Unit conducted 165 inspections and took measures in 1,116 cases.



Aggregated data of criminal proceedings conducted by the criminal professional field of NTCA





INTERNATIONAL RELATIONS

With the opportunities presented by the programmes of EU Fiscalis and Customs 2020, and by taking advantage of tenders, the NTCA actively contributed to decreasing the burdens of the national budget in 2015 as well.

Neighbouring states enjoyed priority in maintaining and developing bilateral relationships, and NTCA managed to deepen the existing relationships with other third countries as well. It is a significant international success that two new agreements (Croatian customs data exchange agreement, FATCA cooperation framework agreement) were signed.

The NTCA actively took part in the work of the Intra-European Organisation of Tax Administrations (IOTA) in 2015 too. IOTA accepted two of the three Hungarian proposals added to its work programme, and incorporated them in the work programme for the year 2016, and the professional event organised together with NTCA in Budapest closed was also a success. By making extensive use of the tools provided by IOTA, the professionals of the NTCA had the opportunity to monitor the latest international trends of the tax profession and to expand their international tax professional relationships in 2015 as well.

The NTCA organised the meeting of the heads of the tax administrations of EU Member States (G28) for the second time, in which the European Committee, IOTA, OECD, and the representatives of EU Member States participated.

Not only did the NTCA gain useful knowledge from other countries, but it also shared its experiences with the experts of interested foreign co-organizations. For example, the on-line cash registers and EKÁER were presented to the experts of Slovakia, the Czech Republic and the United Kingdom. The Austrian co-authority was interested in, among others, the

PANORÁMA system, developed by Hungary, with the help of which the retrievability, visualisation and presentation of data in tax authority databases may open new horizons in this field.





ORSZÁGOS NEMZETKÖZI
SPORTNAP

ARCHIVUM

CULTURE, SPORT

The permanent exhibitions of the Hungarian Customs and Tax History Museum attracted considerable interest. The permanent exhibition charting the history of the Finance Guard was visited by almost 3,000 people, while the collection on the history of taxation was attended by 150 visitors.

The Orchestra of the Finance Guard participated in a total of 140 events. The most important performances included a guest performance in the International Convention of the Association of Settlements named Customs in Mytna (Vámosfalva), Slovakia; the event titled 'Marketplace Nostalgia' in Nehru Park, Budapest; the 9th Festival of Wind Orchestras on Saint Matthew's Day; the

opening ceremony of István Széchenyi - Europe Courtyard; the celebratory concerts on the occasion of the International Customs Day, Day of Civil Servants, National Holiday of 23 October and the Christmas concert in Saint Stephen Basilica.

Major sport events organised by the NTCA in 2015 were NTCA's 4th National Sports Day, Fitness Festival, 14th László Oravecz Indoor Football Memorial Tournament, 5th National Fishing Competition, National Volleyball and Streetball Competition, Sports May Day, Danube Water Tour and Family Sports Day, Mecsek Walking Performance Tour, Budapest Five Men Football Championship, Shooting competitions, Bowling competitions.

