



Ministerstvo financí  
ČESKÉ REPUBLIKY

# Compliance or enforcement?

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# Compliance vs. enforcement 1/2

- **Taxpayers**
  - **who would like fulfil they tax duties**
    - Assisting compliance
  - **who not**
    - enforcement
- **Hard to determine to which group the taxpayer belongs**
  - **More information**
    - Better risk analysis – better determination
    - Higher administrative costs for taxpayers



## Compliance vs. enforcement 2/2

- **VAT control statement and electronic register of sales**
  - **Not only enforcement but**
  - **Acquire of data for risk analysis → better determination of good taxpayers**
    - Less audits of taxpayers who fulfil tax obligations correctly
    - Targeted tax audits
    - Open way for some simplified treatments (such as lump-sum tax)



# More space for compliance

- **Simple tax system**
  - Principle based legislation
  - Based in the tax theory
- **Neutral tax system**
  - Less motivation to use different (purpose-built) legal instrument
  - Fair system (similar thing taxed same way)
- **Electronization + standardization → automatization**
  - Lower administration and transaction costs
  - Online data flow
  - New dimension of assisting compliance → Virtual tax office
    - prepopulated tax returns
    - Automatic alerts ...



**Thank you for your attention.**