

## Systems in synch: **Curbing** tax fraud in Croatia

*Tax evasion is a big problem across the globe and affects Croatia, as well. The country's accession to the European Union has also demanded more qualified and well-trained officials who are capable of performing international taxation obligations on a daily basis.*

To help matters, the project "Strengthening the capacity of Croatian Tax Administration in the field of exchange of information related to Savings Directive" provided intensive training and improved the exchange of information between Croatia and European Union Member States.

These new skills will increase the efficiency of the administration, leading to a higher degree of "indirect profitability" such as improved tax compliance and taxpayer services as well as reduced costs.

### KEEPING UP WITH THE SAVINGS DIRECTIVE

The Croatian Administration together with its French twinning partner further developed the existing tax system by improving procedures and establishing more efficient monitoring and managing systems. The partners also aligned existing strategic and procedural documents in the field of exchange of information with the European Union's Savings Directive.

"The training programme has taught our staff how to get to grips with the international exchange of information which is a necessary skill for complying with the rules of the Savings Directive," said Dubravka Sekulić Grgić, Assistant Director General at the Croatian Tax Administration. "The practical manual and set of guidelines that were prepared by our French partners have been particularly useful for all of us in our daily work."

### A MORE EFFICIENT ADMINISTRATION

The positive effects of this project will really begin to be felt once Croatia becomes an EU Member State and this new knowledge is being implemented on a daily basis.



There will also be no need to submit various enclosures to the tax return form as staff will be able to obtain such documents through the automatic exchange of information with other administrations.

## Instrument for Pre-accession Assistance (IPA)

## Croatia

IPA – AN INVESTMENT IN EUROPE. AN INVESTMENT IN PUBLIC ADMINISTRATION REFORM.

Considering that the annual personal income tax return is submitted by over 1.1 million people in Croatia, this simplification will result in significant savings, both for the citizen and the administration.

Due to the simplified working procedures, staff will also work more effectively. This in turn will contribute to

both taxpayers' satisfaction and efficiency of business operations.

This project is crucial for achieving one ultimate goal: making it easier for Croatians to pay their taxes on time.

### PROJECT DETAILS –

Strengthening the capacity of Croatian Tax Administration in the field of exchange of information related to Savings Directive

#### Partners:

French General Directorate of Public Finances  
Croatian Tax Administration (Ministry of Finance)

**Total cost in €:** 230,000

**EU Contribution in €:** 230,000 (100%)

**Start date:** October 2010

**End date:** June 2011

**Results:** Croatian Tax Administration up to speed with Savings Directive, effective exchange of information

**Techniques:** Capacity building, improved guidelines for staff

