

# Dmitry Volvach



*Mr. Dmitry Volvach  
Deputy commissioner of the  
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BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

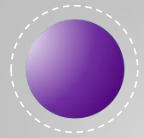
FUTURE OF TAX ADMINISTRATION

# FTS OF RUSSIA PERSPECTIVE



**D. Volvach**

Deputy Commissioner of the FTS of Russia



## What the Federal Tax Service is today?

**157.5 ML.**

TAXPAYERS

**84**

REGIONAL INSPECTORATES

**4 373,2 m<sup>2</sup>**

SPACE

**3.5 ML.**

LEGAL ENTITIES

**868**

LOCAL INSPECTORATES

**600**

SERVER RACKS

**4.04 ML.**

INDIVIDUAL ENTREPRENEURS

**162 K**

STAFF MEMBERS

**4,5 MW**

CAPACITY



## Journey of the FTS of Russia

### From 2020: Voluntary compliance

- ✓ **Digitalization of VAT cycle up to online cash registers (VAT gap decreased by 19 times)**
- ✓ **Tax monitoring implemented within taxpayers' system (30% of annual tax revenue)**
- ✓ **Digital tax regime for the self-employed (40% of newly registered individuals never declared income before)**
- ✓ **Online cash registers provides high quality data available in real-time (USD 45 B sales transactions monthly)**
- ✓ **Data quality and integrity ensured wider government**
- ✓ **Reducing/ pre-filling for individuals and some business taxes**
- ✓ **Personal online accounts providing with real-time picture of their tax affairs**

### To 2025: Seamless compliance by design

#### Paperless ecosystem

- ⊕ Improving business efficiency by approx. USD 50 B reduction in OpEx
- ⊕ Smart contracts settle tax liabilities in real-time
- ⊕ Opportunities for cross-border connectivity

#### New engagement model for large businesses

- ⊕ 90% of tax revenue at stake
- ⊕ Quality is assured at transactional level and improvement of tax certainty

#### Software incorporating tax rules for all SME and micro businesses

- ⊕ High quality of real-time data for ALL transactions
- ⊕ Assessment and collection of taxes in seamless manner when transaction occurs

#### Digital Identity registry

- ⊕ The access point for cross-governmental data on ALL-natural persons and households for Digital Identities
- ⊕ Easier access to public services and cost reduction

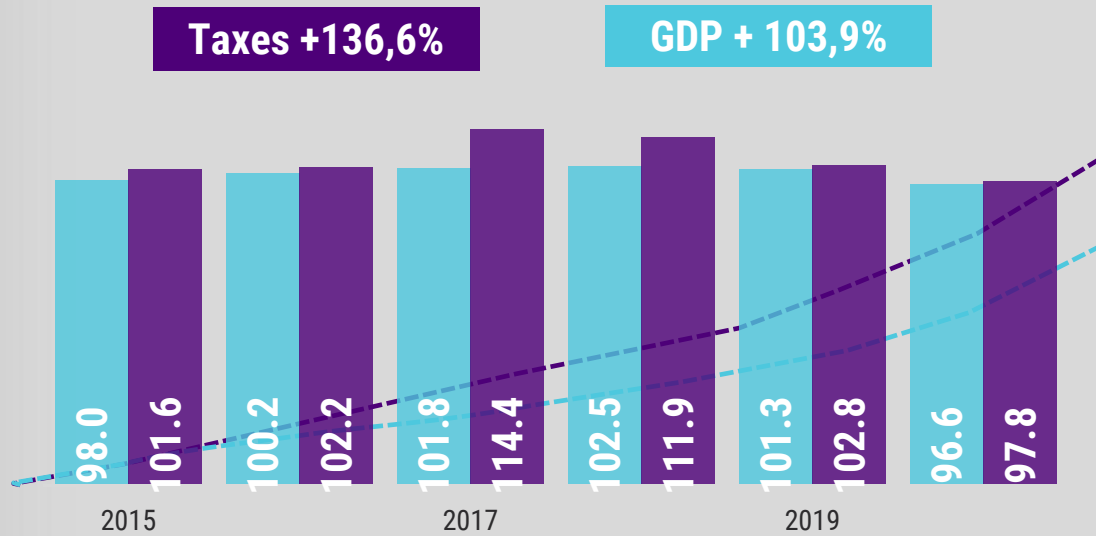
#### Taxpayers access point App

- ⊕ Single tax payment getaway
- ⊕ 100% automated requests process incl. «real-life situations»
- ⊕ Autonomous tax algorithm available and implemented informing persons on tax liabilities and refunds

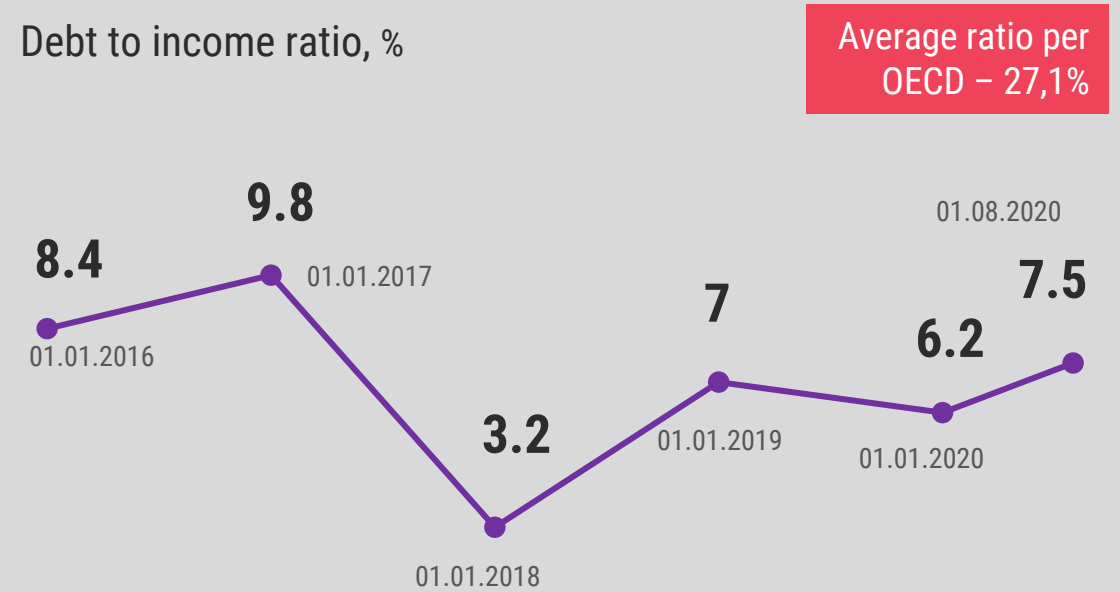


## FTS of Russia: Digital Transformation at a glance

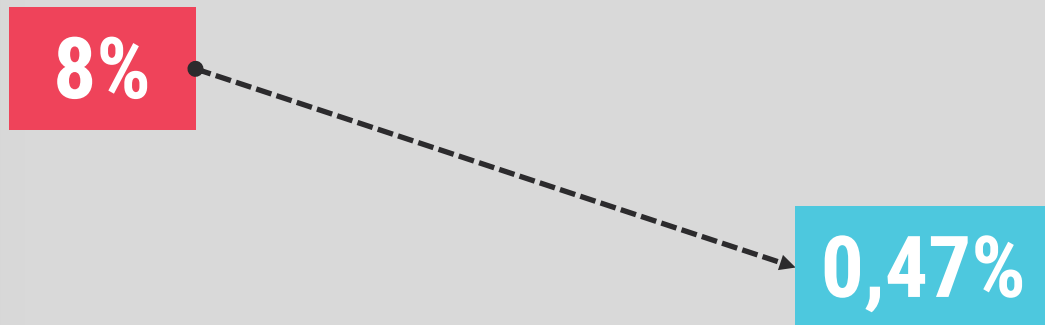
Consolidated tax revenue and GDP dynamics 2015-2019



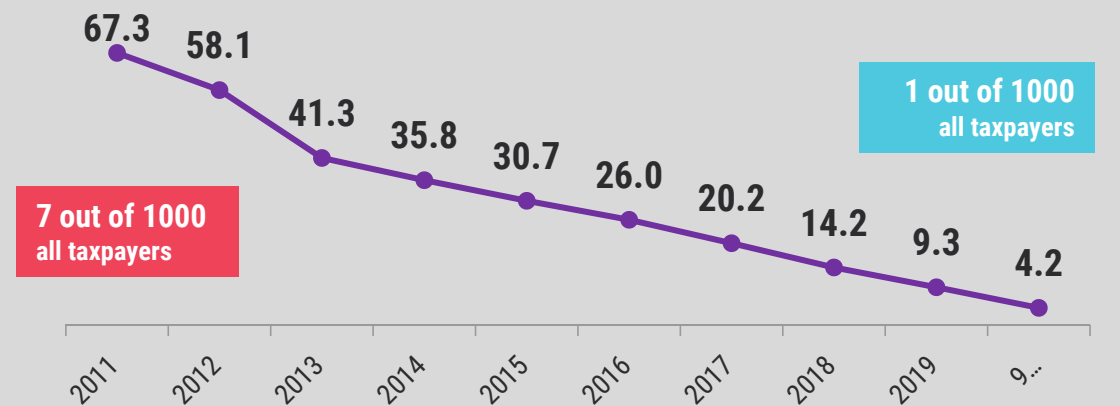
Debt to income ratio, %



VAT gap reduction



Field audits dynamic, thousands





## FTS of Russia: International cooperation framework

# Building capacity in the world of taxes



**Forum on Tax  
Administration**



CIS

**Digital Transformation  
Community of Interest**

