

Bratislava 19.10.2016
Číslo: 162/2016

Vážený pán štátny tajomník,

v nadväznosti na Váš list zo dňa 06.09.2016, ktorým ste požiadali o oficiálne stanovisko RRZ k navrhovanej zmene aktuálne platnej metodike zaznamenávania aktuálneho výnosu dane z pridanej hodnoty (DPH), Vám v prílohe predkladám stanovisko RRZ.

S pozdravom



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Príloha: Stanovisko RRZ

VAT revenue recording modification – CBR assessment

The Council for Budget Responsibility (CBR) has been asked¹ to assess the proposal of the Ministry of Finance (MF) and the Statistical Office (SO) to modify the present recording of value added tax (VAT) revenues in the National Accounts. Slovak Authorities propose to change the currently applied time-adjusted cash method and attribute VAT revenues to those periods, to which they actually economically relate.

As required by Eurostat, the new method should guarantee the control over and the transparency of VAT refunds and payments decomposition as well as the timeliness of good estimates for quarterly reporting and April notifications. In order to demonstrate stability and accuracy of the data, Slovak authorities agreed on a testing period with regular progress reports.

The latest progress report was prepared by MF in August 2016. Despite of the progress achieved, the report revealed issues concerning current data quality provided by the Financial Administration of the Slovak Republic (FA SR). Data issues relate mainly to the period of IT failure or the introduction of a new IT system. However, MF concluded that discrepancies could occur also in the future.

CBR appreciates efforts of both authorities (MF, SO) to improve the accuracy of VAT revenue recording in the testing period and would like to highlight the quantity and quality of work that has been done on this issue, including regular publication of monthly “adjusted time series”.

CBR would like to emphasize that the proposed methodology is generally preferable to the current methodology. While the current methodology is based on aggregate cash data, which are currently easily available on regular basis, their economic interpretation is weaker. The current methodology does not allow for adjustments, when there is a temporary or even permanent change in the way VAT is refunded. The proposed methodology captures the economic reality much better as it should fully take into account the impact of IT failures, internal decisions of FA SR or changes in the legislation. CBR agrees that the new method is more demanding on the data quality. Significant investments into new IT infrastructure within FA SR in recent years could be fully utilized for this purpose. From that point of view, the data reporting could be improved in the future. Thus, current discrepancies could be explored more in depth and if necessary, simplifying rules could be applied to reduce existing discrepancies to the satisfactory level. CBR is convinced that further work and more intensive cooperation with FA SR could lead to systematically more precise data.

Therefore, CBR recommends to continue using the current methodology of VAT revenue accrualisation (i.e. simple fixed time period adjusted cash). However, CBR encourages MF a SO to continue exploring the ways to improve data quality or/and proposed methodology. CBR suggests testing the data quality and reconsidering the implementation of the proposed methodology in future again.

¹ Letter received on 9 September 2016.