## КЫРГЫЗ РЕСПУБЛИКАСЫНЫН КМ Т Н КАРАШТУУ МАМЛЕКЕТТИК САЛЫК ИНСПЕКЦИЯСЫ



ГОСУДАРСТВЕННАЯ НАЛОГОВАЯ ИНСПЕКЦИЯ ПРИ ПРАВИТЕЛЬСТВЕ КЫРГЫЗСКОЙ РЕСПУБЛИКИ

## STATE TAX INSPECTION UNDER THE GOVERNMENT OF KYRGYZ REPUBLIC

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Ms. Noy Siackhachanh Director Governance, Finance and Trade Division East and Central Asia Department Asian Development Bank

Dear Ms. Siackhachanh,

The State Tax Inspection under the Government of the Kyrgyz Republic testifies to you the deep respect and directs a brief information on the work spent with a view of modernization and automation of tax service of the Kyrgyz Republic, for participation in work of a seminar «Simplification of trade and electronic management», organized in Republic of Korea on 5-8 December 2005.

The State Tax Inspection under the Government of the Kyrgyz Republic, taking an opportunity, renews assurances of the high respect and hopes for the further fruitful cooperation.

The appendix on 2 sheets.

Yours faithfully,

## **Deputy Director**

E.Kaldybaev

The State Tax Inspection under the Government of the Kyrgyz Republic is the important element in financial and economic system of the state, and brings the

essential contribution in keeping stability in the sovereign Kyrgyz Republic during all existence.

Carrying out direct work on gathering taxes in the budget of the republic and carrying out the control over observance of the tax laws, protection of economic interests of the country the State Tax Inspection under the Government of the Kyrgyz Republic taking direct participation in social and economic development of the Kyrgyz Republic.

New economic attitudes, objective and rigid laws of the market economy have compelled to start reforming of tax system. Reforms have been directed on creation of essentially new system of the tax gathering which must operate effectively in new market conditions.

With acceptance Tax Code of the Kyrgyz Republic on 1 July 1996 the first stage of realization of tax reform is finished, the organizational part of activity of tax services and an economic basis of the taxation has changed. The procedure of commissioning of taxes, kinds of taxes, rights and duties of tax bearers, forms and methods of the tax control, the responsibility of participants of tax attitudes, etc. have been established.

Now it has been developed "The Concept of development of tax service of the Kyrgyz Republic for 2005-2010". As a result of acceptance and realization of this Concept will be increasing incomes in the republican budget.

Overall objectives of the Concept of development of tax service are definition of the basic directions promoting to create maximum favorable economic conditions for activity of business and inflow of direct investments into a national economy, performance of the state development programs. For this purpose it is necessary: (i) To achieve stable tax revenues due to increase of a gathering of taxes and reduction of cases of their non-payment;

(ii) To improve service of tax bearers, and create them comfortable conditions for performance of tax obligations by them;

(iii) To increase efficiency of functioning of the most tax service.

Basis of carrying out of this reform is realization of the following strategic tasks:

- Reforming and perfection of the tax laws;
- Perfection of a Management of tax service;
- Development of an information and technical policy of tax service;
- Development of material and technical base of tax service.

Now it is prepared the project of the new "Tax Code of the Kyrgyz Republic and the Concept of automation of tax service" which assumes introduction of modern information technologies, change policy of organizational and methodical work for creation of complex system of administration and introduction in practice of activity of tax bodies of the Kyrgyz Republic at all levels.

The goals are next:

- To raise trustworthy, reliability, speed, efficiency of gathering and processing of the information;
- To raise the analysis, quality of system and actualization of methodological, normative and legal base;
- Maximum to limit opportunities of influence of subjective factors;
- To increase a professionalism of staff of tax services for work in conditions of wide use of new information technologies and means;
- Anticipatory development of applied software product on the basis of the analysis and optimization of legal and methodical base;
- Concentration of material resources on priority directions and target use of financial assets;
- To raise opportunities of revealing of various falsifications on the basis of modern methods of the analysis of the collected information.
- To provide an opportunity of information interaction with adjacent public services of the Kyrgyz Republic and with similar services of other states participants of EurAsEC up-to-date information technologies.

The Concept of automation of tax service stands on three basic platforms:

- 1. System and methodology analysis and process of tax gathering, accounting and the reporting;
- 2. The technical complex intended to the maximal exception of the human factor (the inspector of tax service) from process of administration of tax gathering;
- 3. Computerization of process of granting full and a trustworthy information about system of tax service, reports on activity of tax service, granting of the information on subjects of economic activities (completeness of the information of the answer depends on the status of required object).

The concept of Automation and computerization of tax service is a basis for development and stage-by-stage introduction during 2005-2010 and the further prospect of the advanced information technologies, the software and the computer equipment on creation and development of harmoniously advanced computer system of administration of tax gathering and payments in the Kyrgyz Republic.