

Development of Tax Monitoring as a New Form of Tax Control in Russia

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Abstract—This article discusses a new form of interaction between the taxpayer and tax authorities tax monitoring. It is noted that tax monitoring is used for the largest taxpayers as a pilot project. As features of this form are: current control online, voluntary, availability of selection criteria for the implementation of the procedure and rules of interaction between the taxpayer and the tax authority. Only in 2017. Tax monitoring was used by 14 taxpayers, with the transition to the procedure using qualitative and quantitative criteria discussed in the article. The main positive aspect of the application of tax monitoring is the abolition of on-site and in-house tax audits against the taxpayer. At the same time, like any new project, tax monitoring has 4 main problems, the main one is not the complete abolition of tax audits, which reduces the attractiveness for taxpayers. At the same time, the following measures are proposed to improve the process: development of common standards and formats of information exchange, as well as the formalization of approaches to checking the effectiveness of the internal control system of taxpayers on taxes and the further development of a risk-based approach to tax audits.

Keywords—Tax control, Tax monitoring, Taxpayers, Tax authorities.

I. INTRODUCTION

The procedure of tax control is introduced on the territory of the Russian Federation from 01.01.2015 FTS of Russia continues to implement the enhanced interaction of taxpayers and tax authorities. The Federal tax service of Russia has clearly formulated the purpose of introducing the Institute of tax monitoring - the formation of the optimal for the Russian model of the Institute of preliminary tax clarification based on the analysis, increasing transparency of law enforcement of the Russian Federation on taxes and fees, a significant improvement in the perception of investors business climate. According to the Federal tax service of Russia, about 2,000 taxpayers fall under the law. In 2016, seven participants were approved from the submitted applications for participation in tax monitoring, in 2017 the number of applications increased significantly, and the decision to conduct tax monitoring was made in respect of 14 new participants.

In 2017, the participants of tax monitoring will be organizations operating in the field of:

- oil production and production of oil products (members of the group of PJSC "Rosneft", LLC "Zapolyarneft»);
- natural gas production (members of NOVATEK group»);
- production and trade (LLC "russol" LLC "Unilever Rus»);
- production and transmission of electrical energy and thermal energy (JSC "Inter»);
- rendering of services of communication, broadcasting and television (OJSC "MegaFon", JSC "MTS»);
- implementation of financial activities (JSC Bank "National Clearing Center", LLC "h-es-bi-si Bank (RR)").

II. DISCUSSION

According to the tax authorities, the Institute of tax monitoring will solve the following tasks: to improve the predictability of tax payments; to timely identify gaps and conflicts in the legislation on taxes and fees; to reduce the cost of tax audits, court costs in connection with the reduction of tax disputes, as well as to ensure an increase in the level of legal culture of taxpayers; to reduce the number of on-site tax audits, as the taxpayer will comply fully with tax legislation.

The subject of tax monitoring is formulated for two categories of taxpayers:

- For all categories of taxpayers, tax agents, payers of taxes and insurance premiums, except for the participants of the consolidated group of taxpayers – the correctness of the calculation (deduction), completeness and timeliness of payment (transfer) of taxes, fees, insurance premiums, the obligation to pay (transfer) which in accordance with the tax code is assigned to the taxpayer (payer of the fee, the payer of insurance contributions, tax agent) - organization of the tax;
- For the participants of the consolidated group of taxpayers - the correctness of the determination of income and expenses for the purposes of calculation and payment of corporate income tax.

When carrying out tax control it is necessary to observe a number of principles, the most important is to comply with the

legal procedure, as the tax legislation contains a clear mechanism for the implementation of tax control, the requirements for the registration of procedural documents drawn up during the events. Failure to comply with procedural requirements is the basis for the cancellation of decisions of the tax authority. The main principles of tax monitoring in Russia include:

- voluntary participation in tax monitoring is a right, not an obligation of the taxpayer as it is provided in the Desk and on-site tax audit. Tax monitoring is the first form of tax control, which is declarative and voluntary (article 105.27 of the tax code.);
- limited participation-not all taxpayers can participate in the procedure, only those who meet the quantitative and qualitative requirements;
- expansion of information exchange between taxpayers and tax authorities;
- exemption from other forms of tax control;
- the possibility of obtaining clarification from tax authorities on challenging tax plan transactions in your organization.

The first question that arises at the mention of tax monitoring-which organizations can use it. The Tax code of the Russian Federation provides for quantitative criteria that allow to switch to the use of tax monitoring:

The amount of the taxes (VAT on domestic transactions excise tax on domestic transactions, the tax on profit of organizations, tax on extraction of mineral resources) for the calendar year preceding the year in which seem to be a statement about the conduct of tax monitoring is not less than RUB 300 million.;

The total amount of income received according to the annual accounting (financial) statements of the organization for the calendar year preceding the year in which the application for tax monitoring is submitted is not less than 3 billion rubles.;

The total value of assets according to the accounting (financial) statements of the organization as of December 31 of the calendar year preceding the year in which the application for tax monitoring is submitted, is not less than 3 billion rubles.

Such quantitative criteria are very appropriate for tax monitoring and allow you to constantly monitor the largest payers of taxes, fees and contributions to the budget. The principle of increasing the efficiency of tax control is implemented. Currently, the tax authorities aim to reduce the cost of tax control measures and improve its quality and efficiency. It can be assumed that the Pareto principle is implemented here, the essence of which is 20% of the effort gives 80% of the result, and the remaining 80% of the effort is only 20% of the result.

Qualitative indicators can be attributed to the discrepancy procedure of information interaction between the prescribed format and requirements to the rules of information interaction. Internal control system established requirements for the organization of the internal control system. The period for which the tax monitoring is carried out is a calendar year (article 105.26, paragraph 4 of the tax code), with the period 1 January of the year of the period and ends 1 October of the year following the

specified period. For example, the taxpayer filed an application for the conduct of tax monitoring in 2016 and the tax authorities took a positive decision, so the procedure will operate in the period from 01.01.2017 on 01.10.2018 G.

The main advantage of the taxpayer's application of tax monitoring can be attributed to the abolition of on-site and in-house tax audits. However, there are exceptions to any rule.

The second advantage of the use of the organization of tax control can be attributed to the fact that when conducting tax monitoring a tax authority shall not have the right to direct the organization of the reasoned opinion on issues related to the implementation of the control of conformity of the prices applied by the organization in controlled transactions with market prices. In addition, there are a number of positive aspects of the application of tax monitoring for the taxpayer:

- Reducing tax risks;
- Reduction of uncertainty in the interpretation of tax legislation;
- The possibility of obtaining free advice of a specialist on taxation.

At the same time, tax relations are not only taxpayers, but also tax authorities. The positive aspects of the application of the tax monitoring procedure for the tax authorities include:

- Permanent tax control of the largest taxpayers who are the main taxpayers in the Russian budget;
- Increasing transparency of the law enforcement of the Russian Federation on taxes and fees;
- Significant improvement in investors ' perception of the business climate;
- Simplification of the tax audit procedure;
- Reducing the risks of illegal tax evasion schemes for taxpayers;
- Ensuring timely and complete reflection of tax liabilities of taxpayers;
- Reduction of expenses for tax audits, court costs due to reduction of tax disputes.

Tax monitoring is a new stage in the relations between the taxpayer and the tax authorities, many aspects have not yet been finalized and the mechanisms are not debugged, but undoubtedly the introduction of the tax monitoring procedure will have a positive impact on the volume of revenues to the tax revenue budget.

The main problems of the application of tax monitoring include:

- Lack of possibility to use monitoring by medium and small enterprises. At the same time, the mechanical transfer of the mechanism of tax monitoring of large enterprises to small and medium businesses is impossible, it is necessary to adapt to new conditions;
- Not used to monitor compliance with market prices;

- Not a complete abolition of tax audits;

The risks of security in the study of the information base of the taxpayer are not regulated. Thus, in the long term until 2020, the Authors propose the following:

Development of common standards and formats of information exchange. In the tax monitoring mode, the taxpayer can choose between two possible formats of information interaction — to provide the tax authority with direct access to its information system or to provide information in electronic form. Both options provide for the possibility of organizing various ways of information transfer to the tax authority and using a variety of electronic formats (xls, doc, pdf, jpg, etc.) and their combinations. In international practice, the standardized structure and format of data transfer to tax authorities — the so - called standard audit file for tax (or SAFT-file) - are widely used. The structure and content of the information in the SAFT file allow the tax authority to obtain the information necessary for effective tax audit, full implementation of analytical procedures and minimize additional requests for documents. This standard has already been adopted as mandatory for use in a number of OECD countries (e.g. Portugal, France). In addition, it is intended to be used for the organization of international exchange of information between the tax authorities of OECD countries. Taking into account the recent trends in the development of international tax information exchange, it is impossible to exclude the use of a similar standard for building information exchange within the framework of tax monitoring in Russia

Development and formalization of approaches to the audit of the internal control system of taxpayers on taxes. Using the results of the work of the internal control system, with the development and developments of practical experience in the application of principles of evaluation of the internal control system during tax audits will be developed a unified methodology and approaches to evaluating the effectiveness of these systems on the basis of the results of the pilot projects and international standards (COSO, etc.) already operating in several countries.

III. CONCLUSION

The use of statistical methods in tax audits. The rules of information exchange on tax monitoring provide for the possibility of self-determination by the organization of the volume,

principles of selection of information and documents for the tax authority, subject to the disclosure of information about its internal control system. In the development of this principle, methods of statistical analysis of taxpayers' data have become widespread in the international practice of tax administration. Such methods allow the tax authorities to significantly reduce the amount of information requested and verified by limiting the procedures for verification by selective testing of high-risk areas. Statistical methods are usually used in automated tax control systems that allow to process and test significant amounts of tax information effectively.

Further development of a risk - based approach to tax audits. The practice of applying tax monitoring should give impetus to the study by the tax authorities of the key business processes of taxpayers in the main sectors of the economy at a qualitatively new level and, as a result, lead to a significant reduction in the number of studied issues in the framework of the audit and the further development of a risk-based approach to the As a result, we can expect a General reduction in the number of tax disputes and litigation, labor and other costs of tax authorities and taxpayers on tax administration, establishing a permanent and constructive dialogue between them, increasing mutual trust.

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