



Observatory on the Protection of Taxpayers' Rights

Below you will find a questionnaire filled in by Daniel Deak, Former Professor at the *Corvinus University* and OPTR National Reporter of Hungary.

This set of questionnaires comprises the National Reporter's assessment of the country's practice during 2024 in protecting taxpayers' rights and the level of fulfilment of the minimum standards and best practices on the practical protection of taxpayers' rights identified by Prof. Dr. Philip Baker and Prof. Dr. Pasquale Pistone at the 2015 IFA Congress on "The Practical Protection of Taxpayers' Fundamental Rights."

OPTR - 2024 Questionnaire 1 - Country Practice

Dear National Reporter,

I would like to thank you for your participation in the IBFD's Observatory on the Protection of Taxpayers' Rights (OPTR).

This form collects the information on the practical implementation in domestic law of legal procedures, safeguards and guarantees associated with taxpayers' rights in a wide range of situations for the practical protection of taxpayers' rights, as monitored by the IBFD Observatory on the Protection of Taxpayers' Rights.

We kindly ask you to assess assertively (yes/no) the level of practical implementation of said procedures, safeguards and guarantees associated with taxpayers' rights in your country. When answering, please bear in mind the actual practice regarding each situation, regardless of whether a given procedure, safeguard or guarantee has been formally adopted in your country.

This form should be filled in as soon as any of the events mentioned above occurs and edited as many times as necessary to cover all relevant developments occurred in 2024, until no later than 10 January 2025. We appreciate very much your cooperation in this regard.

Feel free to contact us for any clarification you may need. We look forward to your valuable contribution to this remarkable project.

Kind regards,

Dr Sam van der Vlugt
Scientific Coordinator
IBFD Observatory on the Protection of Taxpayers' Rights.

* Better if filled in using Google Chrome © or Mozilla Firefox ©

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Name: *

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Affiliation *

☐ Taxpayers / Tax Practitioners

☐ Tax Administration

☐ Judiciary

☐ (Tax) Ombudsperson

☒ Academia

☐ Other:

Questionnaire 1 - Country Practice

Instructions:

1. Please answer all questions. The form will not allow you to continue/submit your responses until you have answered all questions.
2. For assertive questions, please answer with "yes" or "no" by clicking on the corresponding button.
3. For questions that require you to specify a period of time (namely, Q. 26 and Q. 45), please select the time applicable in your country to carry out the procedures indicated in the questions in practice, within the options provided.
4. For questions with more than one possible answer (namely, Q. 56), please check all necessary boxes to reflect better the practical situation of your country regarding the issue, by clicking on them.
5. When completed, please submit the survey.
6. Once you have submitted the survey, you will receive an email acknowledging your participation in the OPTR and providing a backup of your answers.

7. The email will also include an "edit your survey" link, in case you want to modify any of your answers. You will receive this email every time you submit partial responses.

8. An option to quit the survey and save your answers is provided at the end of each section.

9. If answering partially, please select "Yes" at the end of the section in which you are to submit your partial answers to the survey. To edit/complete your answers later, please use the "edit your response" link sent to your email after submitting this survey.

10. For editing your answers, please use the last "edit your response" link provided to you via email. Please bear in mind that this is the only way the system will acknowledge your previous answers. If you use a link other than the last one provided, some (or all) changes might not be retrieved by the system.

11. When clicking on the last "edit your response" link, the system will lead you to the front page of the survey. Click on "Next" as many times as needed to get to the section you want to continue in. Once you have reached said section, please remember to change your answer to the question "Do you want to save your results and quit?" to "No", in order to be able to continue.

Area 1 - Identification of taxpayers, issuing tax returns and communicating with taxpayers

1. Do taxpayers have the right to see the information held about them by the tax authority? *

☒ Yes

☐ No

2. If yes, can they request the correction of errors in the information? *

☒ Not applicable (click here if you answered "No" to the previous question)

☐ Yes

☐ No

3. Is it possible in your country for taxpayers to communicate electronically with the tax authority? *

☒ Yes

☐ No

4. If yes, are there systems in place to prevent unauthorised access to the channel of communication? *

☒ Yes

☐ No

5. In your country, is there a system of "cooperative compliance" / "enhanced relationship" which applies to some taxpayers only? *

☐ Yes

☒ No

5A. If yes, are there rules or procedures in place to ensure this system is available to all eligible taxpayers on a non-preferential/non discriminatory/non arbitrary basis? *

☒ Not applicable (click here if you answered "No" to question 5)

☐ Yes

☐ No

6. Are compliance obligations imposed on third parties subject to limits that ensure they are necessary and proportionate? *

☒ Yes

☐ No

7. Are there special arrangements for individuals who face particular difficulties (e.g. the disabled, the elderly, other special cases) to receive assistance in complying with their tax obligations? *

☒ Yes

☐ No

7A. Are there special arrangements in circumstances of force majeure? *

☐ Yes

☒ No

7B. If yes to 7A, do said arrangements operate automatically? *

☒ Not applicable (click here if you answered "No" to question 7A)

☐ Yes

☐ No

Do you want to save your results and quit? *

If "Yes", please submit the form. If "Yes", bear in mind that there are still several questions that need to be answered later. To edit/complete your answers later, please use the "edit your response" link sent to your email after submitting this form. If not, click "Next" to continue.

☐ Yes

☒ No

Area 2 - The issue of tax assessment

8. Does a dialogue take place in your country between the taxpayer and the tax authority before the issue of an assessment in order to reach an agreed assessment? *

☐ Yes

☒ No

9. If yes, can the taxpayer request a meeting with the tax officer? *

☒ Not applicable (click here if you answered "No" to question 8)

☐ Yes

☐ No

10. If a systematic error in the assessment of tax comes to light (e.g. the tax authority loses a tax case and it is clear that tax has been collected on a wrong basis), does the tax authority act ex officio to notify all affected taxpayers and arrange repayments to them? *

☒ Yes

☐ No

Do you want to save your results and quit? *

If "Yes", please submit the form. If "Yes", bear in mind that there are still several questions that need to be answered later. To edit/complete your answers later, please use the "edit your response" link sent to your email after submitting this form. If not, click "Next" to continue.

☐ Yes

☒ No

Area 3 - Confidentiality and data protection

N.B. From 2024 all questions of this area also refer to data protection

11. Is information held by your tax authority automatically encrypted? *

☒ Yes

☐ No

11A. Do data protection rights apply to all information held by tax authorities? *

☒ Yes

☐ No

11B. If yes to 11A, does it include the right to access data and correct inaccuracies? *

☒ Yes

☐ No

☐ Not applicable (click here if you answered "No" to question 11A)

11C. If yes to 11A, is all data (at some point) destroyed once its purpose has been fulfilled? *

- ☒ Yes
- ☐ No
- ☐ Not applicable (click here if you answered "No" to question 11A)

12. Is access to information held by the tax authority about a specific taxpayer accessible only to the tax official(s) dealing with that taxpayer's affairs? *

- ☐ Yes
- ☒ No

13. If yes, must the tax official identify himself/herself before accessing information held about a specific taxpayer? *

- ☒ Not applicable (click here if you answered "No" to question 12)
- ☐ Yes
- ☐ No

14. Is access to information held about a taxpayer audited internally to check if there has been any unauthorised access to that information? *

- ☒ Yes
- ☐ No

14A. If yes to 14, are victims of an unauthorised disclosure entitled to be informed and paid a *
compensation?

- ☐ Yes
- ☒ No
- ☐ Not applicable (click here if you answered "No" to question 14)

15. Are there examples of tax officials who have been criminally prosecuted in the last decade for unauthorised access to taxpayers' data? *

- ☒ Yes
- ☐ No

15A. Are tax officials entitled to work remotely? *

- ☒ Yes
- ☐ No

15B. If yes to 15A, are equivalent measures taken to ensure confidentiality and data protection to the ones that apply when the official is working from a tax office? *

- ☒ Yes
- ☐ No
- ☐ Not applicable (click here if you answered "No" to question 15A)

15C. If yes to 15B, are those measures audited? *

- ☐ Yes
- ☒ No
- ☐ Not applicable (click here if you answered "No" to question 15A & 15B)

16. Is information about the tax liability of specific taxpayers publicly available in your country? *

- ☐ Yes
- ☒ No

16A. If yes to 16, is access limited only to those who have a legitimate interest? *

- ☐ Yes
- ☐ No
- ☒ Not applicable (click here if you answered "No" to question 16)

16B. Can information held by tax authorities be supplied to other authorities? *

- ☒ Yes
- ☐ No

16C. If yes to 16 B, is the supply to other public authorities permitted only when authorised by law and with appropriate safeguards? *

- ☒ Yes
- ☐ No
- ☐ Not applicable (click here if you answered "No" to question 16B)

17. Is "naming and shaming" of non-compliant taxpayers practised in your country? *

- ☒ Yes
- ☐ No

17A. If yes to 17, is personal data that places the individual at risk not disclosable? *

- ☐ Yes
- ☒ No
- ☐ Not applicable (click here if you answered "No" to question 17)

18. Is there a system in your country by which the courts may authorise the public disclosure of information held by the tax authority about specific taxpayers (e.g. habeas data or freedom of information)? *

- ☐ Yes
- ☒ No

18A. Is there legislation that protects whistleblowers that disclose confidential information held by revenue authorities (or third parties holding data for tax purposes)? *

☒ Yes

☐ No

19. Is there a system of protection of legally privileged communications between the taxpayer and its advisors? *

Please provide separately (via optr@ibfd.org) an annex with the actual wording of relevant excerpts of your country's legislation regarding this matter. Technically accurate translations of such material into English, if possible, would be very appreciated. Thank you.

☒ Yes

☐ No

20. If yes, does this extend to advisors other than those who are legally qualified (e.g. accountants, tax advisors)? *

Please provide separately (via optr@ibfd.org) an annex with the actual wording of relevant excerpts of your country's legislation regarding this matter. Technically accurate translations of such material into English, if possible, would be very appreciated. Thank you.

☐ Not applicable (click here if you answered "No" to question 19)

☐ Yes

☒ No

20A. Are there mandatory disclosure requirements (e.g. mandatory disclosure of tax planning arrangements)? *

☒ Yes

☐ No

20B. If yes to 20A, are those mandatory disclosure obligations so drafted as not to affect the relations with professional advisers? *

☐ Yes

☒ No

☐ Not applicable (click here if you answered "No" to question 20A)

Do you want to save your results and quit? *

If "Yes", please submit the form. If "Yes", bear in mind that there are still several questions that need to be answered later. To edit/complete your answers later, please use the "edit your response" link sent to your email after submitting this form. If not, click "Next" to continue.

☐ Yes

☒ No

Area 4 - Normal audits

21. Does the principle ne bis in idem apply to tax audits (i.e. that the taxpayer can only receive one audit in respect of the same taxable period)? *

☒ Yes

☐ No

22. If yes, does this mean only one audit per tax per year? *

- ☐ Not applicable (click here if you answered "No" to question 21)
- ☐ Yes
- ☒ No

23. Does the principle audi alteram partem apply in the tax audit process (i.e. does the taxpayer have to be notified of all decisions taken in the process and have the right to object and be heard before the decision is finalised)? *

- ☒ Yes
- ☐ No

23A. If yes to 23, does this principle also apply to online meetings? *

- ☒ Yes
- ☐ No
- ☐ Not applicable (click here if you answered "No" to question 23)

24. Does the taxpayer have the right to request an audit (e.g. if the taxpayer wishes to get finality of taxation for a particular year)? *

- ☐ Yes
- ☒ No

25. Are there time limits applicable to the conduct of a normal audit in your country (e.g. the audit must be concluded within so many months)? *

☒ Yes

☐ No

26. If yes, what is the normal limit in months? *

⌵ Dropdown

1. There is no limit (click here if you answered "No" to question 25)

2. 1-3 months

3. 4-6 months

4. 7-9 months

5. 10-12 months

6. 13-15 months

7. 16-18 months

8. 19-21 months

9. 22-24 months

10. More than 24 months

27. Does the taxpayer have the right to be represented by a person of its choice in the audit process? *

☒ Yes

☐ No

28. May the opinion of independent experts be used in the audit process? *

☒ Yes

☐ No

29. Does the taxpayer have the right to receive a full report on the conclusions of the audit at the end of the process? *

☒ Yes

☐ No

29A. Once a tax audit is completed, are there rules that prevent further evidence being collected, further arguments being put forward and no further tax charges being brought? *

☒ Yes

☐ No

30. Are there limits to the frequency of audits of the same taxpayer (e.g. in respect to different periods or different taxes)? *

☐ Yes

☒ No

Do you want to save your results and quit? *

If "Yes", please submit the form. If "Yes", bear in mind that there are still several questions that need to be answered later. To edit/complete your answers later, please use the "edit your response" link sent to your email after submitting this form. If not, click "Next" to continue.

☐ Yes

☒ No

Area 5 - More intensive audits

31. Is the principle nemo tenetur applied in tax investigations (i.e. the principle against self-incrimination)? *

☐ Yes

☒ No

32. If yes, is there a restriction on the use of information supplied by the taxpayer in a subsequent penalty procedure/criminal procedure? *

☒ Not applicable (click here if you answered "No" to question 31)

☐ Yes

☐ No

33. If yes to nemo tenetur, can the taxpayer raise this principle to refuse to supply basic accounting information to the tax authority? *

- ☒ Not applicable (click here if you answered "No" to question 31)
- ☐ Yes
- ☐ No

34. Is there a procedure applied in your country to identify a point in time during an investigation when it becomes likely that the taxpayer may be liable for a penalty or a criminal charge, and from that time onwards the taxpayer's right not to self-incriminate is recognised? *

- ☒ Yes
- ☐ No

35. If yes, is there a requirement to give the taxpayer a warning that the taxpayer can rely on the right of non-self-incrimination? *

- ☐ Not applicable (click here if you answered "No" to question 34)
- ☐ Yes
- ☒ No

36. Is authorisation by a court always needed before the tax authority may enter and search premises? *

- ☐ Yes
- ☒ No

37. May the tax authority enter and search the dwelling places of individuals? *

☒ Yes

☐ No

38. Is a court order required before the tax authority can use interception of communications (e.g. telephone tapping or access to electronic communications)? *

☐ Yes

☒ No

38A. Does access to bank information for tax purposes require prior judicial authorisation? *

☐ Yes

☒ No

39. Is there a procedure in place to ensure that legally privileged material is not taken in the course of a search? *

☒ Yes

☐ No

39A. If evidence is collected as a result of a search that was not authorised by the judiciary is ^{*} that evidence admissible?

☒ Yes

☐ No

39B. If digital data is copied or removed, are there provisions to ensure that this does not ^{*} affect the normal operation of the electronic information system?

☒ Yes

☐ No

Do you want to save your results and quit? ^{*}

If "Yes", please submit the form. If "Yes", bear in mind that there are still several questions that need to be answered later. To edit/complete your answers later, please use the "edit your response" link sent to your email after submitting this form. If not, click "Next" to continue.

☐ Yes

☒ No

Area 6 - Reviews and appeals

Please provide separately (via optr@ibfd.org) an annex with the actual wording of relevant excerpts of your country's legislation regarding this matter. Technically accurate translations of such material into English, if possible, would be very appreciated. Thank you.

40. Is there a procedure for an internal review of an assessment/decision before the taxpayer appeals to the judiciary? *

☒ Yes

☐ No

40A. Do taxpayers have an alternative of taking an appeal to an arbitration tribunal in place of the tax courts? *

☐ Yes

☒ No

41. Does the taxpayer need permission to appeal to the first instance tribunal? *

☐ Yes

☒ No

42. Does the taxpayer need permission to appeal to the second or higher instance tribunals? *

☐ Yes

☒ No

43. Is it necessary for the taxpayer to bring his case first before an administrative court to quash the assessment/decision, before the case can proceed to a judicial hearing? *

☐ Yes


☒ No

44. Are there time limits applicable for a tax case to complete the judicial appeal process? *

☐ Yes

☒ No

45. If yes, what is the normal time it takes for a tax case to be concluded on appeal? *

 Dropdown

1. There is no limit (click here if you answered "No" to question 44)
2. 1-3 months
3. 4-6 months
4. 7-9 months
5. 10-12 months
6. 13-15 months
7. 16-18 months
8. 19-21 months
9. 22-24 months
10. More than 24 months

46. Are there any arrangements for alternative dispute resolution (e.g. mediation or arbitration) before a tax case proceeds to the judiciary? *

☒ Yes

☐ No

46A. Does a taxpayer have the right to request an online hearing or object to it? *

☒ Yes

☐ No

47. Is there a system for the simplified resolution of tax disputes (e.g. by a determination on the file, or by e/filing)? *

☒ Yes

☐ No

48. Is the principle audi alteram partem (i.e. each party has a right to a hearing) applied in all tax appeals? *

☒ Yes

☐ No

49. Does the taxpayer have to pay some/all the tax before an appeal can be made (i.e. solve et repete)? *

☐ Yes

☒ No

50. If yes, are there exceptions recognised where the taxpayer does not need to pay before appealing (i.e. can obtain an interim suspension of the tax debt)? *

☒ Not applicable (click here if you answered "No" to question 49)

☐ Yes

☐ No

51. Does the loser have to pay the costs in a tax appeal? *

☐ Yes

☒ No

52. If yes, are there situations recognised where the loser does not need to pay the costs (e.g. because of the conduct of the other party)? *

☒ Not applicable (click here if you answered "No" to question 51)

☐ Yes

☐ No

53. If there is usually a public hearing, can the taxpayer request a hearing in camera (i.e. not in public) to preserve secrecy/confidentiality? *

☐ Yes

☒ No

54. Are judgments of tax tribunals published? *

☒ Yes

☐ No

55. If yes, can the taxpayer preserve its anonymity in the judgment? *

☐ Not applicable (click here if you answered "No" to question 54)

☒ Yes

☐ No

Do you want to save your results and quit? *

If "Yes", please submit the form. If "Yes", bear in mind that there are still several questions that need to be answered later. To edit/complete your answers later, please use the "edit your response" link sent to your email after submitting this form. If not, click "Next" to continue.

☐ Yes

☒ No

56. Does the principle ne bis in idem apply in your country to prevent either: *

- ☒ The principle does not apply in my country
- ☐ The imposition of a tax penalty and the tax liability
- ☐ The imposition of more than one tax penalty for the same conduct
- ☐ The imposition of a tax penalty and a criminal liability

57. If ne bis in idem is recognised, does this prevent two parallel sets of court proceedings arising from the same factual circumstances (e.g. a tax court and a criminal court)? *

- ☐ Not applicable (click here if you answered "No" to question 56)
- ☐ Yes
- ☒ No

58. If the taxpayer makes a voluntary disclosure of a tax liability, can this result in a reduced or a zero penalty? *

- ☐ Yes
- ☒ No

58A. Is there a legislative cap to prevent interest, penalties and surcharges to exceed the amount of tax due? *

- ☒ Yes
- ☐ No

Do you want to save your results and quit? *

If "Yes", please submit the form. If "Yes", bear in mind that there are still several questions that need to be answered later. To edit/complete your answers later, please use the "edit your response" link sent to your email after submitting this form. If not, click "Next" to continue.

☐ Yes

☒ No

Area 8 - Enforcement of taxes

59. Is a court order always necessary before the tax authorities can access a taxpayer's bank *
account or other assets?

☐ Yes

☒ No

60. Does the taxpayer have the right to request a deferred payment of taxes or a payment in *
instalments (perhaps with a guarantee)?

☒ Yes

☐ No

Do you want to save your results and quit? *

If "Yes", please submit the form. If "Yes", bear in mind that there are still several questions that need to be answered later. To edit/complete your answers later, please use the "edit your response" link sent to your email after submitting this form. If not, click "Next" to continue.

☐ Yes

☒ No

Area 9 - Cross-border situations

61. Does the taxpayer have the right to be informed before information relating to him is exchanged in response to a specific request? *

☐ Yes

☒ No

62. Does the taxpayer have a right to be informed before information is sought from third parties in response to a specific request for exchange of information? *

☐ Yes

☒ No

63. If no to either of the previous two questions, did your country previously recognise the right of taxpayers to be informed and was such right removed in the context of the peer review by the Forum on Transparency and Exchange of Information? *

☐ Not applicable (click here if you answered "No" to either question 61 or question 62)

☒ Yes

☐ No

64. Does the taxpayer have the right to be heard by the tax authority before the exchange of information relating to him with another country? *

☐ Yes

☒ No

65. Does the taxpayer have the right to challenge before the judiciary the exchange of information relating to him with another country? *

☐ Yes

☒ No

65A. If information is sought from a third party, does that third party have the right to challenge the legality of the request before the judiciary? *

☐ Yes

☒ No

65B. Is exchange of information prohibited with any state if it is foreseeable that the data would be used in a way that is repressive or that it would undermine the protection of fundamental rights? *

☐ Yes

☒ No

66. Does the taxpayer have the right to see any information received from another country that relates to him? *

☒ Yes

☐ No

66A. In the event of a leak of confidential information, is exchange of information with that state suspended? *

☐ Yes

☒ No

66B. Are there time-limits after which data that has been exchanged are to be destroyed or anonymously archived? *

☐ Yes

☒ No

67. Does the taxpayer have the right in all cases to require a mutual agreement procedure is initiated? *

☐ Yes

☒ No

68. Does the taxpayer have a right to see the communications exchanged in the context of a mutual agreement procedure? *

☒ Yes

☐ No

68A. Does a taxpayer have a right to be given a statement of reasons how a solution was reached through mutual agreement procedures? *

☐ Yes

☒ No

Do you want to save your results and quit? *

If "Yes", please submit the form. If "Yes", bear in mind that there are still several questions that need to be answered later. To edit/complete your answers later, please use the "edit your response" link sent to your email after submitting this form. If not, click "Next" to continue.

☐ Yes

☒ No

Area 10 - Legislation

69. Is there a prohibition on retrospective tax legislation in your country? *

☒ Yes

☐ No

70. If no, are there restrictions on the adoption of retrospective tax legislation in your country? *

☒ Not applicable (click here if you answered "Yes" to question 69)

☐ Yes

☐ No

71. Is there a procedure in your country for public consultation before the adopting of all (or most) tax legislation? *

☒ Yes

☐ No

72. Is tax legislation subject to constitutional review which can strike down unconstitutional laws? *

☒ Yes

☐ No

Do you want to save your results and quit? *

If "Yes", please submit the form. If "Yes", bear in mind that there are still several questions that need to be answered later. To edit/complete your answers later, please use the "edit your response" link sent to your email after submitting this form. If not, click "Next" to continue.

☐ Yes

☒ No

Area 11 - Revenue practice and guidance

73. Does the tax authority in your country publish guidance (e.g. revenue manuals, circulars, etc.) as to how it applies your tax law? *

☒ Yes

☐ No

74. Does your country have a generalised system of advanced rulings available to taxpayers? *

☒ Yes

☐ No

75. If yes, is it legally binding? *

☐ Not applicable (click here if you answered "No" to question 74)

☒ Yes

☐ No

76. If a binding ruling is refused, does the taxpayer have a right to appeal? *

☒ Yes

☐ No

77. If your country publishes guidance as to how it applies your tax law, can taxpayers acting in good faith rely on that published guidance (i.e. protection of legitimate expectations)? *

☐ Not applicable (click here if you answered "No" to question 76)

☐ Yes

☒ No

Do you want to save your results and quit? *

If "Yes", please submit the form. If "Yes", bear in mind that there are still several questions that need to be answered later. To edit/complete your answers later, please use the "edit your response" link sent to your email after submitting this form. If not, click "Next" to continue.

☐ Yes

☒ No

Area 12 - Institutional framework for protecting taxpayers' rights

78. Is there a taxpayers' charter or taxpayers' bill of rights in your country? *

Please provide separately (via optr@ibfd.org) an annex with the actual wording of relevant excerpts of your country's legislation regarding this matter. Technically accurate translations of such material into English, if possible, would be very appreciated. Thank you.

☐ Yes

☒ No

79. If yes, are its provisions legally effective? *

Please provide separately (via optr@ibfd.org) an annex with the actual wording of relevant excerpts of your country's legislation regarding this matter. Technically accurate translations of such material into English, if possible, would be very appreciated. Thank you.

☒ Not applicable (click here if you answered "No" to the previous question)

☐ Yes

☐ No

80. Is there a (tax) ombudsman / taxpayers' advocate / equivalent position in your country? *

☐ Yes

☒ No

81. If yes, can the ombudsman intervene in an on-going dispute between the taxpayer and the tax authority (before it goes to court)? *

☒ Not applicable (click here if you answered "No" to question 80)

☐ Yes

☐ No

82. If yes to a (tax) ombudsman, is he/she independent from the tax authority? *

☒ Not applicable (click here if you answered "No" to question 80)

☐ Yes

☐ No

83. Is there a taxpayers' charter or taxpayers' bill of rights in your country? *

Please provide separately (via optr@ibfd.org) an annex with the actual wording of relevant excerpts of your country's legislation regarding this matter. Technically accurate translations of such material into English, if possible, would be very appreciated. Thank you.

☐ Yes

☒ No

84. If yes, are its provisions legally effective? *

Please provide separately (via optr@ibfd.org) an annex with the actual wording of relevant excerpts of your country's legislation regarding this matter. Technically accurate translations of such material into English, if possible, would be very appreciated. Thank you.

- ☒ Not applicable (click here if you answered "No" to the previous question)
- ☐ Yes
- ☐ No

85. Is there a (tax) ombudsman / taxpayers' advocate / equivalent position in your country? *

- ☐ Yes
- ☒ No

86. If yes, can the ombudsman intervene in an on-going dispute between the taxpayer and the tax authority (before it goes to court)? *

- ☒ Not applicable (click here if you answered "No" to question 85)
- ☐ Yes
- ☐ No

87. If yes to a (tax) ombudsman, is he/she independent from the tax authority? *

- ☒ Not applicable (click here if you answered "No" to question 80)
- ☐ Yes
- ☐ No

Do you want to save your results and quit? *

If "Yes", please submit the form. If "Yes", bear in mind that there are still several questions that need to be answered later. To edit/complete your answers later, please use the "edit your response" link sent to your email after submitting this form. If not, click "Next" to continue.

☐ Yes

☒ No

Area 13 - Artificial Intelligence (AI)/Automated Analytical Systems (AAS)

88. Are taxpayers who are subject to a tax compliance procedure that involves AI/AAS informed of that fact? *

☐ Yes

☐ No

☒ Not applicable (in case no AI/AAS is used)

89. In communications between a tax authority and a taxpayer that employs AI/AAS, is it stated that the tax authorities is represented only by a machine? *

☐ Yes

☐ No

☒ Not applicable

90. If a decision relating to tax administration has been taken by the use of AI/AAS, is the taxpayer provided with basic details of the procedure applied? *

- ☐ Yes
- ☐ No
- ☒ Not applicable

91. Do the tax authorities publish details of the type of AI/AAS employed with specific information about the purpose for which they are used? *

- ☐ Yes
- ☒ No

92. Does a system exist for voluntary registration of AI/AAS? *

- ☐ Yes
- ☒ No

93. If yes to 92, does the tax authority register all AI/AAS tools or algorithms with that system? *

- ☐ Yes
- ☐ No
- ☒ Not applicable (click here if you answered "No" to question 92)

94. Are decisions that may have a significant impact on a taxpayer taken exclusively by AI/AAS? *

- ☐ Yes
- ☐ No
- ☒ Not applicable

95. If decisions impacting a taxpayer are taken by AI/AAS, are they overseen by a suitably qualified individual before the decision is notified? *

- ☐ Yes
- ☐ No
- ☒ Not applicable

96. If an audit employs material generated by AI/AAS, is that material available to taxpayers and their advisors? *

- ☐ Yes
- ☐ No
- ☒ Not applicable

97. If yes to 96, is an explanation provided and does the taxpayer have an effective remedy against unlawful or inaccurate use of AI/AAS? *

- ☐ Yes
- ☐ No
- ☒ Not applicable (click here if you answered "No" to Question 96)

98. Do tax authorities publish guidance notes explaining the way in which they use AI/AAS? *

- ☐ Yes
- ☒ No

99. If revenue authorities use AI/AAS, do they publish guidelines and points of contact for taxpayers who have questions or concerns about those procedures? *

- ☐ Yes
- ☐ No
- ☒ Not applicable

100. Does the tax administration appoint a senior official with overriding responsibility for AI/AAS in the tax administration? *

- ☐ Yes
- ☐ No
- ☒ Not applicable

OPTR - 2024 Questionnaire 2 - Standards of Protection

Dear National Reporter,

I would like to thank you for your participation in the IBFD Observatory on the Protection of Taxpayers' Rights (OPTR).

This form collects the information on developments occurred in 2024 regarding the implementation of 57 minimum standards and 44 best practices, distributed into 86 benchmarks, for the practical protection of taxpayers' rights as monitored by the OPTR.

We kindly ask you to provide an impartial, non-judgmental summary of events occurred in 2024 that in your opinion affect the level of compliance of a given minimum standard/best practice in your country. These events may include, without limitation, legislation enacted, administrative rulings and/or circulars issued, case law and tax administration practices implemented, among others, as requested by this form.

In ALL cases back up your assertions with the relevant documentary materials, and provide full details for identifying the documents related to the reported developments. Either a (soft) copy or internet links to make said documents available (and therefore, quotable) are greatly appreciated.

You are also kindly required to assess whether the events you described represent either a step towards or a step away from the practical implementation of the given minimum standard/best practice in your country. Full instructions are provided below.

This form should be filled in as soon as any of the events mentioned above occurs and edited as many times as necessary to cover all relevant developments occurred in 2024, until no later than 10 January 2025. We appreciate very much your cooperation in this regard.

Feel free to contact us for any clarification you may need. We look forward to your valuable contribution to this remarkable project.

Kind regards,

Dr Sam van der Vlugt
Scientific Coordinator
IBFD Observatory on the Protection of Taxpayers' Rights.

* Better if filled in using Google Chrome © or Mozilla Firefox ©

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Reporters' info

Name: *

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☐ Taxpayers / Tax Practitioners

☐ Tax Administration

☐ Judiciary

☐ (Tax) Ombudsperson

☒ Academia

☐ Other:

Instructions

1. Please answer all questions. The form will not allow you to continue/submit your responses until you have answered all questions.

2. All questions are two or three-tiered (namely, either with parts "MS" and/or "BP", and "S"). They comprise a minimum standard (MS) and /or a best practice (BP), and a "summary of relevant facts in 2024" (S). The latter is a space for providing a summarized account on facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way.

3. Please Indicate, by clicking on the corresponding button, whether there was an improvement or a

decrease of the level of compliance of the relevant standard/best practice in your country in 2024. If there were no changes, please indicate so by clicking on the corresponding button.

4. In ALL cases where an assessment of either improvement or decrease is reported, please refer the relevant novelties in the space provided under "summary of relevant facts in 2024", for each question. Please give a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. In case there is nothing to report for a given minimum standard/best practice, please answer "no changes".

5. If any, make additional, non-judgmental commentaries at the space provided under "summary of relevant facts in 2024".

6. In ALL cases back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcomed to send us these materials to our email: optr@ibfd.org.

7. When completed, please submit the survey.

8. Once you have submitted the survey, you will receive an email acknowledging your participation in the OPTR and providing a backup of your answers.

9. The email will also include an "edit your survey" link, in case you want to modify any of your answers. You will receive this email every time you submit partial responses.

10. An option to quit the survey and save your answers is provided at the end of each section. This survey has 12 sections, as many as those identified by Baker and Pistone in their 2015 IFA General Report.

11. If answering partially, please select "Yes" at the end of the section in which you are to submit your partial answers to the survey. To edit/complete your answers later, please use the "edit your response" link sent to your email after submitting this survey.

12. For editing your answers, please use the last "edit your response" link provided to you via email. Please bear in mind that this is the only way the system will acknowledge your previous answers. If you use a link other than the last one provided, some (or all) changes might not be retrieved by the system.

13. When clicking on the last "edit your response" link, the system will lead you to the front page of the survey. Click on "Next" as many times as needed to get to the section you want to continue in. Once you have reached said section, please remember to change your answer to the question "Do you want to save your results and quit?" to "No", in order to be able to continue.

Area 1 - Identification of taxpayers, issuing tax returns and communicating with taxpayers

Please provide separately (via optr@ibfd.org)
an annex with the actual wording of relevant excerpts of your country's
legislation regarding this matter. Technically accurate translations

of such material into English, if possible, would be very appreciated.
Thank you.

1 (MS). Implement safeguards to prevent impersonation when issuing a unique identification number *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

1. (BP) Methods of identifying taxpayers should employ the highest levels of identification security, including dual authentication (without imposing an excessive burden on taxpayers to log in when accessing private information or engaging in communication with the revenue authorities) *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

1 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

2 (MS). The system of taxpayer identification should take account of religious sensitivities *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

2 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

3 (MS). Impose obligations of confidentiality on third parties with respect to information gathered by them for tax purposes *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

3 (BP). Where tax is withheld by third parties, the taxpayer should be excluded from liability if * the third party fails to pay over the tax

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

3 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

4 (MS). Where pre/populated returns are used, these should be sent to taxpayers to correct * errors.

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

4 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

5 (MS). Provide a right to access to taxpayers to personal information held about them, and a right to correct inaccuracies. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

5 (BP). Publish guidance on taxpayers' rights to access information and correct inaccuracies *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

5 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

6 (MS). Where communication with taxpayers is in electronic form, institute systems to prevent impersonation or interception *

- ☐ No changes
- ☐ Shifted away
- ☒ Shifted towards

6 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

7 (MS). Where a system of "cooperative compliance" operates, ensure it is available on a non-discriminatory and voluntary basis *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

7 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

8 (MS). Provide assistance for those who face difficulties in meeting compliance obligations, including those with disabilities, those located in remote areas, and those unable or unwilling to use electronic forms of communication *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

8 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

9 (MS). Compliance obligations on third parties should only be imposed where necessary and in all cases the burden imposed on third parties should be proportionate and not excessive *

- ☒ No Changes
- ☐ Shifted away
- ☐ Shifted towards

9 (S). Summary of relevant facts in 2024.

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

10 (MS). In circumstances of force majeure (e.g. pandemics / natural disasters), mechanisms should automatically apply to relieve taxpayers of compliance obligations that have become excessively difficult due to the circumstances. The point at which such circumstances start to apply and cease to apply should be clearly and publicly announced *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

10 (S). Summary of relevant facts in 2024.

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

11 (BP). Tax compliance obligations should be designed so as to ensure that taxpayers can fulfil their compliance obligations without excessive cost and without the compulsory use of a tax agent, due regard being had to the type of taxpayer (individual / corporate / others) and to the complexity of the taxpayer's tax affairs *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

11 (S). Summary of relevant facts in 2024.

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

12 (MS). Compliance obligations on third parties should only be imposed where necessary *
and in all cases the burden imposed on third parties should be proportionate and not excessive

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

12 (S). Summary of relevant facts in 2024.

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

Do you want to save your results and quit? *

If "Yes", please submit the form. If "Yes", bear in mind that there are still several questions that need to be answered later. To edit/complete your answers later, please use the "edit your response" link sent to your email after submitting this form. If not, click "Next" to continue.

☐ Yes

☒ No

Area 2 - The issue of tax assessment

Please provide separately (via optr@ibfd.org)
an annex with the actual wording of relevant excerpts of your country's
legislation regarding this matter. Technically accurate translations
of such material into English, if possible, would be very appreciated.
Thank you.

13 (BP). Establish a constructive dialogue between taxpayers and revenue authorities to ensure a fair assessment of taxes based on equality of arms *

☒ No changes

☐ Shifted away

☐ Shifted towards

13 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

14 (BP). Use e-filing to speed up assessments and correction of errors, particularly systematic errors

*

- ☐ No changes
- ☒ Shifted away
- ☐ Shifted towards

14 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

15 (MS). Where a tax assessment indicates a repayment is due, that repayment should be made without undue delay or unnecessary formalities. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

15 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

Do you want to save your results and quit? *

If "Yes", please submit the form. If "Yes", bear in mind that there are still several questions that need to be answered later. To edit/complete your answers later, please use the "edit your response" link sent to your email after submitting this form. If not, click "Next" to continue.

- ☐ Yes
- ☒ No

Area 3 - Confidentiality and data protection

Please provide separately (via optr@ibfd.org) an annex with the actual wording of relevant excerpts of your country's legislation regarding this matter. Technically accurate translations of such material into English, if possible, would be very appreciated. Thank you.

16 (MS). Provide a specific legal guarantee for confidentiality and data protection, with sanctions for officials who make unauthorised disclosures (and ensure sanctions are enforced).

*

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

16 (MS). Encrypt information held by a tax authority about taxpayers to the highest level attainable.

*

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

16 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

17 (MS). Introduce an offence for tax officials covering up unauthorised disclosure of confidential information. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

17 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

18 (MS). Restrict access to data to those officials authorised to consult it. For encrypted data, use digital access codes. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

18 (MS). Ensure an effective fire-wall to prevent unauthorised access to data held by revenue authorities. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

18 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

19 (MS). Data protection rights apply to all information held by tax authorities. This includes rights to access data and correct inaccuracies and the destruction (or anonymous archiving) of all data once its purpose has been fulfilled. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

19 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

20 (MS). Audit data access periodically to identify cases of unauthorised access. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

20 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

21 (MS). Introduce administrative measures emphasizing confidentiality to tax officials. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

21 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

22 (MS). Where tax officials are permitted to work remotely (e.g. from home), equivalent measures should be taken to ensure confidentiality and data protection as if the official were working from a tax office. The measures taken to ensure confidentiality and data protection should be audited on a regular basis. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

22 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

23 (MS). Appoint data protection/privacy officers at senior level and local tax offices. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

23 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

24 (MS). If a breach of confidentiality occurs, investigate fully with an appropriate level of seniority by independent persons (e.g. judges). *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

24 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

25 (MS). Introduce an offence for tax officials and others covering up unauthorised disclosure of confidential information

*

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

25 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

26 (MS). Taxpayers who are victims of unauthorised disclosure of confidential information *
should be entitled: a) to be informed as soon as possible of the unauthorised disclosure; and
b) to full compensation, including damages (in cases where tax authorities and third parties
have not maintained adequate standards of data protection).

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

26 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

27 (MS). Exceptions to the general rule of confidentiality should be explicitly stated in the *
law, narrowly drafted and interpreted. Data held by tax authorities (or third parties for tax
purposes) should only be accessible to those who can show a legitimate interest in access to
that data

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

27 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

28 (MS). Information held by a tax authority (or by third parties for tax purposes) should not be supplied to other public authorities unless the transfer is authorised by law and there are appropriate safeguards (e.g. a requirement of judicial authorisation). *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

28 (BP). Require judicial authorisation before any disclosure of confidential information by revenue authorities *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

28 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

29 (MS). If "naming and shaming" is employed, ensure adequate safeguards (e.g. judicial authorisation after proceedings involving the taxpayer). *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

29 (BP). If "naming and shaming" is employed by any governmental body on the basis of tax information, then personal data that places the individual at risk (e.g. the individual's home address) should not be disclosed. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

29 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

30 (BP). Legislation should protect whistleblowers in appropriate cases (including where the information disclosed demonstrates that a crime has been committed), in particular where the whistleblower discloses breaches of confidentiality and data protection by revenue authorities (and by third parties holding data for tax purposes). *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

30 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

31 (MS). No disclosure of confidential taxpayer information to politicians, or where it might be * used for political purposes.

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

31 (BP). Parliamentary supervision of revenue authorities should involve independent * officials, subject to confidentiality obligations, examining specific taxpayer data, and then reporting to Parliament.

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

31 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

32 (MS). Freedom of information legislation should allow a taxpayer to access information relevant to the tax system and how it impacts on that taxpayer (including all information about themselves). However, access to information by third parties should be subject to stringent safeguards: only if an independent tribunal concludes that the public interest in disclosure outweighs the right of confidentiality, and only after a hearing where the taxpayer has an opportunity to be heard. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

32 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

33 (MS). If published, tax rulings should be anonymised and details that might identify the taxpayer removed. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

33 (BP). Anonymised tax rulings should be published to allow taxpayers to understand administrative practices. This should be subject to exceptions where publication would be potentially damaging to the taxpayer concerned *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

33 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

34 (BP). Anonymise all tax judgments and remove details that might identify the taxpayer. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

34 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

35 (MS). Legal professional privilege should apply to tax advice. *

Please provide separately (via optr@ibfd.org) an annex with the actual wording of relevant excerpts of your country's legislation regarding this matter. Technically accurate translations of such material into English, if possible, would be very appreciated. Thank you.

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

35 (BP). Privilege from disclosure should apply to all tax advisors (not just lawyers) who supply similar advice to lawyers. Information imparted in circumstances of confidentiality may be privileged from disclosure. *

Please provide separately (via optr@ibfd.org) an annex with the actual wording of relevant excerpts of your country's legislation regarding this matter. Technically accurate translations of such material into English, if possible, would be very appreciated. Thank you.

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

35 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

36 (MS). Where tax authorities enter premises which may contain privileged material, arrangements should be made (e.g. an independent lawyer) to protect that privilege. *

Please provide separately (via optr@ibfd.org) an annexe with the actual wording of relevant excerpts of your country's legislation regarding this matter. Technically accurate translations of such material into English, if possible, would be very appreciated. Thank you.

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

36 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

37 (MS). Mandatory disclosure requirements (if adopted) should be clearly drafted and only * apply to cases in which such disclosure is strictly necessary and proportionate. The disclosure obligation should not operate to adversely affect the relationship with professional advisors and other third parties to a disproportionate extent.

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

37 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

Do you want to save your results and quit? *

If "Yes", please submit the form. If "Yes", bear in mind that there are still several questions that need to be answered later. To edit/complete your answers later, please use the "edit your response" link sent to your email after submitting this form. If not, click "Next" to continue.

- ☐ Yes
- ☒ No

Area 4 - Normal audits

Please provide separately (via optr@ibfd.org) an annex with the actual wording of relevant excerpts of your country's legislation regarding this matter. Technically accurate translations of such material into English, if possible, would be very appreciated.

Thank you.

38 (MS). Audits should respect the following principles: (i) Proportionality. (2) Ne bis in idem * (prohibition of double jeopardy). (3) Audi alteram partem (right to be heard before any decision is taken). (4) Nemo tenetur se detegere (principle against self/incrimination). Tax notices issued in violation of these principles should be null and void.

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

38 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

39 (MS). In application of proportionality, tax authorities may only request for information that * is strictly needed, not otherwise available, and must impose least burdensome impact on taxpayers.

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

39 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

40 (BP). In application of ne bis in idem the taxpayer should only receive one audit per taxable period, except when facts that become known after the audit was completed. *

- ☒ No changes
- ☐ Shift away
- ☐ Shift towards

40 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

41 (MS). In application of audi alteram partem, taxpayers should have the right to attend all relevant meetings with tax authorities (assisted by advisors), the right to provide factual information, and to present their views before decisions of the tax authorities become final. This should apply equally to on-line meetings. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

41 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

42 (MS). In application of nemo tenetur, the right to remain silent should be respected in all tax audits. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

42 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

43 (BP). Tax audits should follow a pattern that is set out in published guidelines. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

43 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

44 (BP). A manual of good practice in tax audits should be established at the global level. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

44 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

45 (BP). Taxpayers should be entitled to request the start of a tax audit (to obtain finality). *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

45 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

46 (MS). Where tax authorities have resolved to start an audit, they should inform the taxpayer

*

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

46 (BP). Where tax authorities have resolved to start an audit, they should hold an initial meeting with the taxpayer in which they spell out the aims and procedure, together with timescale and targets. They should then disclose any additional evidence in their possession to the taxpayer.

*

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

46 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

47 (MS). Taxpayers should be informed of information gathering from third parties. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

47 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

48 (MS). For normal audits there should be a limitation period for the start of the audit; this should only be extended where information comes to light that could not reasonably have been obtained previously. Once an audit has commenced, it should be conducted with a view to achieving certainty and finality as soon as reasonable, and adequate resources should be devoted to achieving that objective. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

48 (BP). Reasonable time limits should be fixed for the conduct of audits. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

48 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

49 (MS). Technical assistance (including representation) should be available at all stages of the audit by experts selected by the taxpayer. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

49 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

50 (MS). The completion of a tax audit should be accurately reflected in a document, notified * in its full text to the taxpayer.

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

50 (BP). The drafting of the final audit report should involve participation by the taxpayer, * with the opportunity to correct inaccuracies of facts and to express the taxpayer's view.

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

50 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

51 (MS). Once a tax audit is completed, no further evidence should be collected or included, * no further arguments brought forward by the tax authorities, and no further tax charges brought, unless in exceptional circumstances (e.g. where information comes to light that the taxpayer has concealed).

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

51 (BP). Following an audit, a report should be prepared even if the audit does not result in * additional tax or refund.

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

51 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

Do you want to save your results and quit? *

If "Yes", please submit the form. If "Yes", bear in mind that there are still several questions that need to be answered later. To edit/complete your answers later, please use the "edit your response" link sent to your email after submitting this form. If not, click "Next" to continue.

☐ Yes

☒ No

Area 5 - More intensive audits

Please provide separately (via optr@ibfd.org) an annex with the actual wording of relevant excerpts of your country's legislation regarding this matter. Technically accurate translations of such material into English, if possible, would be very appreciated. Thank you.

52 (BP). More intensive audits should be limited to the extent strictly necessary to ensure an effective reaction to non-compliance. *

☒ No changes

☐ Shifted away

☐ Shifted towards

52 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

53 (MS). If there is point in an audit when it becomes foreseeable that the taxpayer may be liable for a penalty or criminal charge, from that time the taxpayer should have stronger protection of his right to silence, and statements from the taxpayer should not be used in the audit procedure. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

53 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

54 (MS). Entering premises should be authorised by the judiciary. Judicial supervision of the search should be available at all times. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

54 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

55 (MS). Authorisation within the revenue authorities should only be in cases of urgency, and subsequently reported to the judiciary for ex-post ratification. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

55 (BP). Evidence obtained as a result of a search that was not authorised by the judiciary *
should not be admissible.

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

55 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

56 (MS). Inspection of the taxpayer's home should require authorisation by the judiciary and *
only be given in exceptional cases.

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

56 (BP). Where tax authorities intend to search the taxpayer's premises, the taxpayer should * be informed and have an opportunity to appear before the judicial authority, subject to exception where there is evidence of danger that documents will be removed or destroyed.

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

56 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

57 (BP). Access to bank information for tax purposes (including automatically-supplied * information) should require judicial authorisation.

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

57 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

58 (MS). Authorisation by the judiciary should be necessary for the interception of telephone communications and monitoring of internet access. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

58 (BP). Specialised offices within the judiciary should be established to supervise the interception of telephone communications and monitoring of internet access. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

58 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

59 (MS). Seizure of documents or data held on computer drives should be subject to a requirement to give reasons why seizure is indispensable, and to fix the time when the documents and data will be returned; seizure should be limited in time. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

59 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

60 (BP). If data are held on a computer hard drive, then a backup should be made in the presence of the taxpayer's advisors and the original left with the taxpayer. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

60 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

61 (BP). If digital data is copied or removed, it should be done in a way that does not prevent or affect the normal operations of the electronic information system. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

61 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

62 (MS). Where invasive techniques are applied, they should be limited in time to avoid a disproportionate impact on taxpayers. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

62 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

Do you want to save your results and quit? *

If "Yes", please submit the form. If "Yes", bear in mind that there are still several questions that need to be answered later. To edit/complete your answers later, please use the "edit your response" link sent to your email after submitting this form. If not, click "Next" to continue.

☐ Yes

☒ No

Area 6 - Reviews and appeals

Please provide separately (via optr@ibfd.org) an annex with the actual wording of relevant excerpts of your country's legislation regarding this matter. Technically accurate translations of such material into English, if possible, would be very appreciated. Thank you.

63 (BP). E-filing of requests for internal review to ensure the effective and speedy handling of *
the review process.

☐ No changes

☐ Shifted away

☒ Shifted towards

63 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

64 (MS). The right to appeal should not depend upon prior exhaustion of administrative reviews. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

64 (BP). Taxpayers may have an alternative of taking an appeal to an arbitration tribunal in place of the tax courts. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

64 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

65 (MS). Taxpayers should have a remedy to accelerate or terminate (including through reference to mediation or ADR) reviews and appeals in cases of excessive delay. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

65 (BP). Reviews and appeals should not exceed two years. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

65 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

66 (MS). Audi alteram partem should apply in administrative reviews and judicial appeals. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

66 (BP). The review or appeal of tax decisions should not place on the taxpayer an excessive or impossible burden of evidence. This should apply, in particular, where the burden is on the taxpayer to prove a negative (e.g. to prove the absence of motive) or to prove facts that occurred significantly in the past (e.g. more than 10 years previously).

*

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

66 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

67 (MS). Where tax must be paid in whole or in part before an appeal, there must be an effective mechanism for providing interim suspension of payment.

*

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

67 (BP). An appeal should not require prior payment of tax in all cases. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

67 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

68 (BP). The state should bear some or all of the costs of an appeal, whatever the outcome. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

68 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

69 (MS). Legal assistance should be provided for those taxpayers who cannot afford it. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

69 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

70 (MS). Taxpayers should have the right to request the exclusion of the public from a tax appeal hearing. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

70 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

71 (MS). Taxpayers should have the right to request an online hearing or to object to an online hearing. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

71 (MS). Tax judgments should be published. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

71 (BP). If tax judgments are published, the taxpayer should be able to ensure anonymity (or at least the removal of confidential information). *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

71 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

Do you want to save your results and quit? *

If "Yes", please submit the form. If "Yes", bear in mind that there are still several questions that need to be answered later. To edit/complete your answers later, please use the "edit your response" link sent to your email after submitting this form. If not, click "Next" to continue.

- ☐ Yes
- ☒ No

Area 7 - Criminal and administrative sanctions

Please provide separately (via optr@ibfd.org) an annex with the actual wording of relevant excerpts of your country's legislation regarding this matter. Technically accurate translations of such material into English, if possible, would be very appreciated. Thank you.

72 (MS). Proportionality and ne bis in idem should apply to tax penalties. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

72 (BP). The cumulative effect of penalties, interest and surcharges should not exceed the amount of tax due (and should only reach this amount in cases of the most serious violations). *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

72 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

73 (BP). Where administrative and criminal sanctions may both apply, only one procedure and one sanction should be applied. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

73 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

74 (BP). Voluntary disclosure should lead to reduction of penalties. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

74 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

75 (MS). Sanctions should not be increased simply to encourage taxpayers to make voluntary disclosures.

*

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

75 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

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☐ Yes

☒ No

Area 8 - Enforcement of taxes

Please provide separately (via optr@ibfd.org) an annex with the actual wording of relevant excerpts of your country's legislation regarding this matter. Technically accurate translations of such material into English, if possible, would be very appreciated. Thank you.

76 (MS). Collection of taxes should never deprive taxpayers of their minimum necessary for living. *

☒ No changes

☐ Shifted away

☐ Shifted towards

76 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

77 (BP). Authorisation by the judiciary should be required before seizing assets or bank accounts *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

77 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

78 (MS). Taxpayers should have the right to request delayed payment of arrears. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

78 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

79 (BP). Bankruptcy of taxpayers should be avoided, by partial remission of the debt or structured plans for deferred payment. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

79 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

80 (MS). Temporary suspension of tax enforcement should follow natural disasters. *

Please provide separately (via optr@ibfd.org) an annex with the actual wording of relevant excerpts of your country's legislation regarding this matter. Technically accurate translations of such material into English, if possible, would be very appreciated. Thank you.

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

80 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

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- ☐ Yes
- ☒ No

Area 9 - Cross-border situations

Please provide separately (via optr@ibfd.org) an annex with the actual wording of relevant excerpts of your country's legislation regarding this matter. Technically accurate translations of such material into English, if possible, would be very appreciated.

Thank you.

81 (MS). The requesting state should notify the taxpayer of cross-border requests for information, unless it has specific grounds for considering that this would prejudice the process of investigation. The requested state should inform the taxpayer unless it has a reasoned request from the requesting state that the taxpayer should not be informed on grounds that it would prejudice the investigation. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

81 (BP). The taxpayer should be informed that a cross-border request for information is to be made. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

81 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

82 (MS). The taxpayer should have a right to bring a legal challenge to test the legality of the request for exchange of information. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

82 (BP). Where a cross-border request for information is made, the requested state should also be asked to supply information that assists the taxpayer. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

82 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

83 (BP). Provisions should be included in tax treaties setting specific conditions for exchange *
of information.

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

83 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

84 (MS). If information is sought from third parties, judicial authorisation should be *
necessary and the third party should have a right to bring a legal challenge to test the legality
of the request for exchange of information (on the same grounds as the taxpayer).

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

84 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

85 (MS). In the case of exchange of information on request, the taxpayer should be given access to information received by the requesting state (unless there are good justifications for not doing so). *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

85 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

86 (BP). Information should not be supplied in response to a request where the originating cause was the acquisition of stolen or illegally obtained information. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

86 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

87 (BP). A requesting state should provide confirmation of confidentiality to the requested state. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

87 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

88 (MS). A state should not be entitled to receive information if it is unable to provide independent, verifiable evidence that it observes high standards of data protection. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

88 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

89 (MS). In the event of a leak of confidential information or data held by the tax authority of a requesting state, all exchange of information with that state should be suspended until verifiable evidence has been provided that the cause of the leak has been permanently rectified. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

89 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

90 (MS). Data protection safeguards should apply to all exchanges of information. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

90 (BP). For automatic exchange of financial information, the taxpayer should be notified of the proposed exchange in sufficient time to exercise data protection rights. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

90 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

91 (MS). The taxpayer should be notified of an exchange of information and given sufficient time to exercise data protection rights (including the right to correct inaccurate data). *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

91 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

92 (MS). Time limits should apply to the retention of data that is exchanged (and the data should be destroyed or anonymously archived within this time limit). *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

92 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

93 (MS). No exchange of information should be permitted with respect to any state if it is reasonably foreseeable that the recipient state will use the data in a way that is repressive or that would undermine the protection of fundamental rights. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

93 (BP). No exchange of information should be permitted with respect to any state if that state does not guarantee adequate data protection in its law and in practice. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

93 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

94 (MS). Taxpayers should have a right to request initiation of mutual agreement procedure. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

94. (BP). Where mutual agreement procedure (or arbitration following mutual agreement procedure) reaches a solution or fails to reach a solution, the taxpayer should be given a statement of reasons how that solution was reached (or why no solution was reached). *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

94 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

95 (MS). Taxpayers should have a right to participate in mutual agreement procedure by being heard and being informed as to the progress of the procedure. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

95 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

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- ☐ Yes
- ☒ No

Area 10 - Legislation

Please provide separately (via optr@ibfd.org) an annex with the actual wording of relevant excerpts of your country's legislation regarding this matter. Technically accurate translations of such material into English, if possible, would be very appreciated. Thank you.

96 (MS). Retrospective tax legislation should only be permitted in limited circumstances which are spelt out in detail (and that respect the rule of law and the principle of legitimate expectation). *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

96 (BP). Retrospective tax legislation should ideally be banned completely. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

96 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

97 (BP). Public consultation should precede the making of tax policy and tax law. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

97 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

98 (MS). All tax legislation should be reviewed on a regular basis to ensure that it supports the gradual realisation of the rights set out in the International Covenant on Economic Social and Cultural rights. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

98 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

99 (MS). All tax legislation should be reviewed on a regular basis to ensure that it is consistent with the realisation of the UN Sustainable Development Goals.

*

- ☒ No changes.
- ☐ Shifted away
- ☐ Shifted towards

99 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

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☐ Yes

☒ No

Area 11 - Revenue practice and guidance

Please provide separately (via optr@ibfd.org)
an annex with the actual wording of relevant excerpts of your country's
legislation regarding this matter. Technically accurate translations
of such material into English, if possible, would be very appreciated.
Thank you.

100 (MS). Taxpayers should be entitled to access all relevant legal material, comprising
legislation, administrative regulations, rulings, manuals and other guidance. *

☐ No changes

☐ Shifted away

☒ Shifted towards

100 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

101 (MS). Where legal material is available primarily on the internet, arrangements should be made to provide it to those who do not have access to the internet. *

- ☐ No changes
- ☐ Shifted away
- ☒ Shifted towards

101 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

102 (MS). Where a state has a system of advance rulings, they should be binding on the tax authorities (unless based on an incorrect presentation of the relevant circumstances). *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

102 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

103 (MS). Where a taxpayer relies upon published guidance of a revenue authority which subsequently proves to be inaccurate, changes should apply only prospectively. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

103 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

Do you want to save your results and quit? *

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☐ Yes

☒ No

Area 12 - Institutional framework for protecting taxpayers' rights

Please provide separately (via optr@ibfd.org)
an annex with the actual wording of relevant excerpts of your country's
legislation regarding this matter. Technically accurate translations
of such material into English, if possible, would be very appreciated.
Thank you.

104 (MS). Adoption of a charter or statement of taxpayers' rights should be a minimum standard. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

104 (BP). A separate statement of taxpayers' rights under audit should be provided to taxpayers who are audited. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

104 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

105 (BP). A charter or statement of taxpayers' rights should be legally enforceable. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

105 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

106 (BP). A taxpayer advocate or ombudsman should be established to scrutinise the operations of the tax authority, handle specific complaints, and intervene in appropriate cases. Best practice is the establishment of a separate office within the tax authority but independent from normal operations of that authority. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

106 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

107 (BP). The organisational structure for the protection of taxpayers' rights should operate at local level as well as nationally. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

107 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

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☐ Yes

☒ No

Area 13 - Artificial intelligence / Automated analytical systems

Please provide separately (via optr@ibfd.org) an annex with the actual wording of relevant excerpts of your country's legislation regarding this matter. Technically accurate translations of such material into English, if possible, would be very appreciated. Thank you.

108 (MS). All taxpayers who are subject to a tax compliance procedure that involves artificial intelligence or automated analytical systems should be informed that such procedures will be applied. *

☒ No changes

☐ Shifted away

☐ Shifted towards

108 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

109 (MS). All communications between a tax authority and a taxpayer that employ artificial intelligence / automated analytical systems (e.g. via “chatbots” or automated correspondence) should state whether the tax authority is represented only by a machine or whether there is (or has been) human intervention. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

109 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

110 (MS). Where any decision relating to tax administration has been taken in respect of a taxpayer by the use of artificial intelligence / automated analytical systems, the taxpayer should be informed of that fact together with basic details of the procedure that has been applied. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

110 (BP). Where any decision relating to tax administration has been taken in respect of a taxpayer by the use of artificial intelligence / automated analytical systems, the taxpayer should be given full details of the criteria and algorithms that were used to reach that decision. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

110 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

111 (BP). Tax authorities should publish details of the types of artificial intelligence / automated analytical systems employed by the revenue authority with specific details about the purposes for which the artificial intelligence / automated analytical systems are being used. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

111 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

112 (BP). Where a system exists for voluntary registration of artificial intelligence / automated analytical systems tools or algorithms the tax authority should register all such tools and algorithms it employs. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

112 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

113 (MS). No decisions that may have a significant impact on a taxpayer may be taken exclusively by artificial intelligence/automated analytical systems. All decisions affecting a taxpayer should be overseen by a suitably qualified individual before the decision is notified. This applies both to decisions by the tax authorities and by judicial authorities. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

113 (BP). No decisions impacting a taxpayer should be taken exclusively by artificial intelligence / automated analytical systems. All decisions affecting a taxpayer should be overseen by a suitably qualified individual before the decision is notified. This applies both to decisions by the tax authorities (in connection with audits and reviews) and by judicial authorities. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

113 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

114 (MS). When an audit (or a more intense audit) employs any material generated by artificial intelligence / automated analytical systems, the material generated should be made available to taxpayers and their advisers, together with an explanation of how the material was derived by artificial intelligence / automated analytical systems. The taxpayer's legal remedies should be effective against unlawful or inaccurate use of artificial intelligence / automated analytical systems. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

114 (BP). Where artificial intelligence / automated analytical systems are to be employed by a tax authority (e.g. to identify under-declarations or evasion of tax), any taxpayers who may be impacted (which may include all taxpayers) should be given prior warning of the proposed action and given an opportunity to make voluntary disclosure (without any additional potential penalty). *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

114 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

115 (MS). All revenue authorities should publish guidance notes explaining the ways in which they use artificial intelligence / automated analytical systems in connection with tax compliance and administration, together with guidelines for the use of those procedures and points of contact for taxpayers who have questions or concerns about those procedures. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

115 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

116 (MS). Algorithms used by tax authorities should not use criteria that are foreseeably likely to have a discriminatory or distortive or disproportionate effect on the decisions taken as a consequence of the use of those algorithms. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

116 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

117 (MS). Where the use of artificial intelligence / automated analytical systems by a tax authority risks infringing any fundamental rights (e.g. the right to privacy) additional safeguards for those should be required. *

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

117 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

118 (MS). All tax administrations should appoint a senior official with overriding responsibility *
for the use of artificial intelligence / automated analytical systems in tax administration by
that tax authority.

- ☒ No changes
- ☐ Shifted away
- ☐ Shifted towards

118 (S). Summary of relevant facts in 2024

Only if answered "shifted away" or "shifted towards", please give here a summarized account of facts (legislation enacted, administrative rulings, circulars, case law, tax administration practices), in a non-judgmental way. Specify if some content is no longer applicable, due to other developments. If applicable, indicate whether the fact reported is under a minimum standard or fully complies with the best practice. IN ALL CASES please back up your assertions with the relevant documentary materials. While it is not mandatory, a short summary of such materials in English is appreciated. You are welcome to send us these materials to our email: optr@ibfd.org. Thank you.

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Google Forms

Wien, 12 October 2024

OPTR - 2024 Questionnaire 1 - Country Practice
Email h10293dea@ella.hu

Reporters' info DSc (Doctor Academiae Scientiarum Hungariae)

Name: Daniel Deak

Country: HU

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Preliminary notes:

1.

The Hungarian government first declared a state of emergency in March 2020, which has been extended by Parliament repeatedly and for various reasons without interruption, for the last time, until 18 May 2025. Individual regulations of laws and decrees are applicable in times of emergency regime differently. They may have also affected tax procedural legislation but, in practice, not materially.

2.

On 29 October 2024, the government submitted to the parliament a draft law (No. T/9724) on comprehensive changes in individual tax laws. The Finance Ministry draft was available for public consultation for less than a week. The provisions of the amending law will take effect with various exceptions on the day following promulgation in the official gazette. The draft amendment is associated with the country's budgetary crisis. It is unclear whether the bill comprises the tax law provisions for 2025 or is a new bill to rectify the 2024 laws.

3.

Two tax procedural law institutions are worth mentioning, although no questions cover them. Compliance investigations provide an alternative to regular audit procedures. In turn, the verification of authenticity is associated with anti-avoidance legislation.

(a)

Tax authorities can investigate taxpayers through tax audits and compliance investigations. Currently, compliance investigations account for almost 93% of tax inspections. The tax authority acts as a negotiating partner in compliance investigations, drawing the taxpayer's attention to possible illegal tax treatment and the possibility of correcting it through self-audits.

Under Sec. 91. (1) Air. on legal compliance investigation, the tax authorities may, in the context of a compliance investigation, before the end of the return period,

- may verify that the taxpayer has complied with specific tax obligations provided for by law, that he has complied with them in due time and a manner suitable for the assessment, declaration and payment of tax;
- collect data to establish the accuracy and authenticity of the information, facts and circumstances contained in its records and the taxpayer's records and returns;
- verify the accuracy of economic events; and
- collect data to support its control activities, particularly establishing and maintaining an estimation database.

(b)

A genuineness test is regulated in determining the arm's length price, but its scope for tax authorities is unlimited. The tax authorities will classify contracts, transactions and other similar acts according to their authentic content. This is the requirement to qualify the contract according to its content (authenticity clause). A parallel principle is the requirement to exercise the right for its intended purpose (prohibition of abuse of right) and the requirement to qualify the transaction according to its economic result.

Under Sec. 176 Art. Art. on verification of authenticity

- at the request of the Minister responsible for tax policy, the tax authorities may, to the extent and in the manner necessary for the adoption of a decision, carry out a preliminary examination of the authenticity of the data and circumstances indicated in the application and in the annexes, documents, analyses, studies, statements, calculations and descriptions attached to that, by applying the rules governing the control of tax administration, and
- the tax authorities' examination of authenticity does not create a period closed for inspection.

Area 1 – Identification of taxpayers, issuing tax returns and communicating with taxpayers

For questions 1-2, see the 2023 report.

3. Is it possible in your country for taxpayers to communicate electronically with the tax authority?

Yes.

The Eüsztv. will cease to apply from 1 September 2024. However, the Government Decree 451/2016 (19. XII.) on the detailed rules of electronic administration (Eüszvhr.; <https://njt.hu/jogszabaly/2016-451-20-22>), established based on Eüsztv., is in force. The Eüsztv. was replaced by Act CIII of 2023 on the digital state and providing digital services (DÁPtv.; <https://njt.hu/jogszabaly/2023-103-00-00>).

Under Sec. 19 DÁPtv., legal persons are subject to electronic communication with the public authorities, and the rest of the taxpayers have a right to enter the official electronic system. Since this autumn, Hungarian citizens can use DÁP (Digital Citizenship) app to prove their identity and use the app to log in to government websites and apps that ask for identification. Natural persons may be obliged by law to manage their official affairs electronically.

4. If yes, are there systems in place to prevent unauthorised access to the channel of communication?

Yes.

To provide services, the provider shall ensure that no unauthorised persons can access the data generated while providing [Sec. 59 (2)(b) Eüszvhr.].

For Question 5, see the 2023 report.

5A Are compliance obligations imposed on third parties subject to limits that ensure they are necessary and proportionate?

Yes.

In general, the tax authorities organise their activities in the interests of professionalism, efficiency, and cost-effectiveness so that, without prejudice to the requirements for clarifying the facts, the procedure can be concluded as quickly as possible and at the least cost to the taxpayer, other participants in the procedure, and the tax authority (Sec. 2 Air.). The proportionality principle also refers to third parties.

6. If yes, are there rules or procedures in place to ensure this system is available to all eligible taxpayers on a non-preferential/non discriminatory/non arbitrary basis?

Yes.

The tax authorities must always act in good faith, without discrimination, and in accordance with the law (Sec. 3 Air.).

7 For Question 7, see the 2023 report.

7A Are there special arrangements in circumstances of force majeure?

In general, not.

Exceptionally, however, under Sec. 15 (3) Avt., the tax authorities may suspend enforcement actions (e.g., asset seizure) if a taxpayer is impacted by *force majeure*. Under (4), the tax authorities shall assess, among other things, a natural disaster or an industrial disaster affecting the debtor and occurring during the enforcement proceedings as one of the reasonable circumstances giving rise to the suspension.

7B If yes to 7A, do said arrangements operate automatically?

No.

Under Sec 15 (1) Avt., tax authorities may decide on suspension *ex officio*, Exceptionally even if the taxpayer requests it.

Area 2 – The issue of tax assessment

For Questions 8-10, see the 2023 report.

Area 3 – Confidentiality and data protection

11. Is information held by your tax authority automatically encrypted?

Yes, it is.

Although the law does not provide for encryption, the tax authorities shall ensure that secrets and other data protected by law are not disclosed to the public or unauthorised persons

and that the protection of such protected data as defined by statute is ensured in the tax authority's proceedings [Sec. 123 (2) Art.].

11A Do data protection rights apply to all information held by tax authorities?

Yes.

Under Sec. 127 (1) Art., a tax secret is a fact, data, circumstance, decision, order, certificate or any other document relating to taxation.

11B If yes to 11A, does it include the right to access data and correct inaccuracies?

Yes.

Under Sec. 97 (2) Air., the taxpayer has the right to inspect the documents generated during the audit after prior consultation with the tax authorities, to request clarification of the findings, to comment on them, to submit motions for evidence, to examine the minutes and to comment on them within fifteen days of the delivery of the minutes, or thirty days in the case of a tax audit.

11C If yes to 11A, is all data (at some point) destroyed once its purpose has been fulfilled?

Yes.

Under Sec. 124 (1) Art., the tax authorities shall record and retain the data they become aware of until the right to tax enforcement expires. The tax authorities shall record and may check personal data to identify natural persons as taxpayers and establish and monitor their tax liability. Section Sec. 123A Art. provides that where the tax authorities become aware of personal data that are not indispensable for clarifying the facts of the case during the data backup carried out during the audit procedure, they shall delete such data without delay or, if immediate deletion is not possible or would involve a disproportionate effort concerning the effective conduct of the audit procedure, limit the processing of such data following the provisions on the protection of personal data.

Under Sec. 20 (a)(ab) Infotv., to enforce the natural person's right to erasure, the controller shall promptly erase the personal data of the data subject where the purpose for which the data were collected has ceased to exist or the further processing of the data is no longer necessary for the purposes for which the data were collected.

For Questions 12-15, see the 2023 report.

15A Are tax officials entitled to work remotely?

Yes.

See: Act CXXX of 2020 on the legal status of the staff of NAV (NAVtv.), Sec. 127-228.

15B If yes to 15A, are equivalent measures taken to ensure confidentiality and data protection to the ones that apply when the official is working from a tax office?

Yes.

See Sec. 127 (8) of NAVtv.

15C 15C. If yes to 15B, are those measures audited?

No.

16. Is information about the tax liability of specific taxpayers publicly available in your country?

No.

However, persons in public service must publish their assets declaration. Politicians are obliged regularly to make a declaration of assets under the legal rules as follows:

- Act XXXVI of 2012 on parliament; Sec. 90 on the declaration of assets of members of parliament;
- Act CXXV of 2018 on government administration; Sec. 183-184 on the declaration assets of senior political office-holders;
- Act CLII of 2007 on certain obligations of persons in public service; Sec 2-16 on the declaration of assets.

16A If yes to 16, is access limited only to those who have a legitimate interest?

Not applicable.

16B Can information held by tax authorities be supplied to other authorities?

Yes.

See in detail Sec. 131 Art.

16C If yes to 16 B, is the supply to other public authorities permitted only when authorised by law and with appropriate safeguards?

Yes.

How the supply of information to other public authorities is permitted is defined by Sec. 131 Art through 31 Paragraphs in much detail.

For Question 17, see the 2023 report.

17A If yes to 17, is personal data that places the individual at risk not disclosable?

No.

Although Sec. 131 Art. on the supply of information to other public authorities consists of more than 30 Paragraphs, no such provision can be found in Hungarian law.

For Question 18, see the 2023 report.

18A Is there legislation that protects whistleblowers that disclose confidential information held by revenue authorities (or third parties holding data for tax purposes)?

Yes. See Act XXV of 2023 on complaints, notification of public interest, whistleblowing and the rules for reporting abuse, Sec. 41-49.

For Questions 19-20, see the 2023 report.

20A Are there mandatory disclosure requirements (e.g. mandatory disclosure of tax planning arrangements)?

Yes, exceptionally, in international relations.

See in cross-border cases Aktv., Sec. 43U-43Z.

20B If yes to 20A, are those mandatory disclosure obligations so drafted as not to affect the relations with professional advisers?

No. See Aktv., Sec. 4 (9) on intermediaries. Point 2 of this Paragraph includes professional advisers.

Area 4 – Normal audits

For Questions 21-23, see the 2023 report.

23A If yes to 23, does this principle also apply to online meetings?

Yes. See DÁPtv. and Eüszvhr.

For Questions 24-29, see the 2023 report.

29A Once a tax audit is completed, are there rules that prevent further evidence being collected, further arguments being put forward and no further tax charges being brought?

Yes. See: Air. 124 (3), (6).

For Question 30, see the 2023 report.

Area 5 – More intensive audits

For Questions 31-37, see the 2023 report.

38. Is a court order required before the tax authority can use interception of communications (e.g., telephone tapping or access to electronic communications)?

No, not applicable.

Sec 59 of NAVtv regulates the use of communications interception. This section provides for using an instrument subject to judicial authorisation to gather secret information in criminal procedures. Tax authorities cannot use communications interception in a tax audit because it can only be used in criminal procedures.

See the judiciary practice:

- 3291/2021. (VII. 22.) AB, ABH, 1921, p. 1820, (13), [http://public.mkab.hu/dev/dontesek.nsf/0/2593b6a2e2616570c1258709005be33a/\\$FILE/3291_2021_AB_határozat.pdf](http://public.mkab.hu/dev/dontesek.nsf/0/2593b6a2e2616570c1258709005be33a/$FILE/3291_2021_AB_határozat.pdf); and

- C-419/14 *WebMindLicenses*, ECLI:EU:C:2015:832, operative part, (d), <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:62014CJ0419>.

For the literature, see Daniel Deak, "Az Európai Bíróság ítélete a joggal való visszaélésről adóügyekben; A joggal való visszaélés bizonyíthatósága és az adóhatóságok közötti koordináció" (The judgment of CJEU on the abuse of law in tax matters: Proof of the abuse of law and coordination between the tax authorities), *Jogesetek Magyarázata*, Vol. VII, No. 3/2016, pp. 61-68.

38A Does access to bank information for tax purposes require prior judicial authorisation?

No.

No such provisions exist in Hungarian tax law. Financial institutions must provide information to the tax authorities in cases provided for by the law. Otherwise, they are subject to business and bank secrecy. Under Sec. 159 (8) Hit., business secrets held by financial institutions will not be infringed to implement FATCA. Under (8a), business secrets will not be infringed to comply with OECD Common Reporting Standards. Under Sec. 161 (2)(h), banking secrets held by financial institutions will not be infringed upon in terms of communication with the tax authorities.

For Question 39, see the 2023 report.

39A If evidence is collected as a result of a search that was not authorised by the judiciary is that evidence admissible?

Yes.

For an explanation, see Question 38 *supra*.

39B If digital data is copied or removed, are there provisions to ensure that this does not affect the normal operation of the electronic information system?

Yes.

See Act L of 2013 on electronic information security. Under the law, principles ensure data integrity, availability, and confidentiality in central and local public electronic systems. See Sec 1 (1) Points 14b on electronic information systems, 26 on cyber security, 47 on closed-loop information systems.

Area – 6 Reviews and appeals

For Question 40, see the 2023 report.

40A Do taxpayers have an alternative of taking an appeal to an arbitration tribunal in place of the tax courts?

No. There is no such relevant provision of law.

For Questions 41-46, see the 2023 report.

46A Does a taxpayer have the right to request an online hearing or object to it?

Yes. See Kp. Sec. 29.

47 Is there a system for the simplified resolution of tax disputes (e.g. by a determination on the file, or by e/filing)?

Yes. See Kp. Sec. 124-126 on simplified public administrative proceedings.

For Questions 48-55, see the 2023 report.

Area 7 - Criminal and administrative sanctions

56 Does the principle *ne bis in idem* apply in your country to prevent either:

- | | |
|--|-----|
| - The principle does not apply in my country | No. |
| - The imposition of a tax penalty and the tax liability | No. |
| - The imposition of more than one tax penalty for the same conduct | No. |
| - The imposition of a tax penalty and a criminal liability | No. |

In special cases, it can apply as discussed in Question 21.

57 If *ne bis in idem* is recognised, does this prevent two parallel sets of court proceedings arising from the same factual circumstances (e.g. a tax court and a criminal court)?

No.

Although Hungarian law does not preclude applying the principle (see also Question 21 above), it cannot apply to tax and criminal court proceedings arising from the same factual circumstances because the state's tax and criminal claims differ.

For Question 58, see the 2023 report.

58A Is there a legislative cap to prevent interest, penalties and surcharges to exceed the amount of tax due?

Yes, but only in case of administrative penalty. See Sec. 220 (1) Art.

Area 8 – Enforcement of taxes

For Questions 59-60, see the 2023 report.

Area 9 - Cross-border situations

For Questions 61-62, see the 2023 report.

63. If no to either of the previous two questions, did your country previously recognise the right of taxpayers to be informed and was such right removed in the context of the peer review by the Forum on Transparency and Exchange of Information?

Yes.

For Questions 64-65, see the 2023 report.

65A If information is sought from a third party, does that third party have the right to challenge the legality of the request before the judiciary?

No. No Hungarian legal provisions are to be found in this respect.

65B Is exchange of information prohibited with any state if it is foreseeable that the data would be used in a way that is repressive or that it would undermine the protection of fundamental rights?

No, not applicable. The answer may be yes, but no relevant provision substantiates an answer in the affirmative in the Hungarian law.

For Question 66, see the 2023 report.

66A In the event of a leak of confidential information, is exchange of information with that state suspended?

No, not applicable. No relevant provision can be found in the Hungarian law in that respect.

66B Are there time-limits after which data that has been exchanged are to be destroyed or anonymously archived?

No. No relevant provisions can be found in the Hungarian law. However, general tax secrecy rules may provide data protection.

For Questions 67-68, see the 2023 report.

68A Does a taxpayer have a right to be given a statement of reasons for how a solution was reached through mutual agreement procedures?

No.

Area 10 - Legislation

For Questions 69-71, see the 2023 report.

72. Is tax legislation subject to constitutional review which can strike down unconstitutional laws?

Yes. However, the Constitutional Court's scope of review on tax laws is sharply restricted. Fundamental Law of Hungary, Article 37 (4) provides that, as long as the public debt exceeds half of the total gross domestic product, the Constitutional Court may review the conformity with the Fundamental Law of the laws on the central taxes, duties and levies, duties and taxes, as well as on the central conditions of local taxes only in connection with the right to life and human dignity, the right to the protection of personal data, the right to freedom of thought, conscience and religion, or the rights related to Hungarian citizenship, and may annul them for infringement of these rights.

The public debt is expected to grow to 74% of GDP by 2024. It is far more than would be allowed under EU requirements. On 26 July 2024, following the Commission's proposal, the EU Council adopted decisions establishing the existence of excessive deficits for Belgium, France, Hungary, Italy, Malta, Poland and Slovakia.

Area 11 - Revenue practice and guidance

For Question 73, see the 2023 report.

74. Does your country have a generalised system of advanced rulings available to taxpayers?

Yes. It does (Sec. 164, 174 Art.).

The taxpayer may request a tax ruling. Based on the facts and data provided by the taxpayer, the minister responsible for tax policy determines the taxpayer's tax obligation or the absence of it in respect of a specific question or questions relating to (existing or future) tax obligations or the absence of the same specified in the request. The tax ruling procedure is subject to a fee of eight million forints on a standard basis, and twelve million forints in the case of an urgent procedure. A specific procedure applies to rulings determining the prices applicable in related party transactions (APAs).

For Questions 75-77, see the 2023 report.

Area 12 - Institutional framework for protecting taxpayers' rights

For Questions 78-82, see the 2023 report.

83 Is there a taxpayers' charter or taxpayers' bill of rights in your country?

No.

84 If yes, are its provisions legally effective?

Not applicable.

85 Is there a (tax) ombudsman / taxpayers' advocate / equivalent position in your country?

No.

86 If yes, can the ombudsman intervene in an on-going dispute between the taxpayer and the tax authority (before it goes to court)?

Not applicable.

87 If yes to a (tax) ombudsman, is he/she independent from the tax authority?

Not applicable.

Area 13 – Artificial intelligence (AI), automated analytical systems (AAS)

Questions 88-100 are in Hungary not applicable. However, some relevant information is produced below.

- The prime minister has tasked the minister of National Economy with implementing EU legislation on artificial intelligence in Hungary. The deadline for submission is 30 November 2024.

(1301/2024 (IX. 30.) Government Decision on the measures necessary for the implementation of the Regulation of the European Parliament and of the Council on Artificial Intelligence)

(Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024, laying down harmonised rules on Artificial Intelligence and amending Regulations (EC) No 300/2008, (EU) No 167/2013, (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1139 and (EU) 2019/2144 and Directives 2014/90/EU, (EU) 2016/797 and (EU) 2020/1828 (Artificial Intelligence Act), OJ L 2024/1689, 12.7.2024)

- Government Decree 465/2017 (XII. 28.) on the detailed rules of the tax administration procedure

Sec. 46 This chapter shall apply to

(a) through the electronic identification service

(aa) the consultation of the taxpayer's tax account,

(ab) the display of data on the supplementary statement,

(ac) the display of data relating to the registration and settlement of tax security,

(b) for payment transactions made by credit card and

(c) the payment to be made to the tax authorities in one lump sum using a payment solution provided by a payment service provider connected to the Electronic Payment and Settlement System (EPS) and holding a payment account of the taxpayer who is obliged to open a payment account (from now on referred to as "house bank").

- Government Decision 1080/2022 (II. 23.) on the Artificial Intelligence Working Group ("MIMCS") of the tax authorities is in force (but not directly applicable to citizens). The tax authorities already have extensive databases. MIMCS research projects refer to
- supporting the control of cross-border freight traffic with the aid of AI detection of X-ray images
- analysis of online cash register (OPG) data
- analysis of the "unusualness" of invoice data
- identification of the main activity of enterprises
- identification of auditors' clientele of accountants and
- estimate administrative costs based on accounting, payroll, consultancy invoice data, and data from professional staff contribution returns.

(<https://nav.gov.hu/mimcs/bemutakozas/bemutakozas>)

Wien, 1 November 2024

OBSERVATIONS ON THE QUESTIONS POSED, QUESTIONNAIRE 1

Preliminary note:

1.

This is my second year participating in the comparative taxpayers' rights project. However, I am still uncertain about the classification terminology. As I understand it, the term "no changes" should mean that the 2024 Hungarian laws did not change compared to the 2023 ones. This is true for almost all questions.

The term "shifted towards" should mean improving Hungarian laws compared to the 2023 ones. In other words, the 2024 laws have shifted towards the international standards. The term "shifted away" should suggest that the Hungarian laws were in 2023 on international standards, but they shifted away (moved away) from them in 2024.

2.

Several times, a Question (MS) and a Question (BP) in the same block do not associate. Further, two Questions (MS) in the same block can also follow each other.

21 Does the principle *ne bis in idem* apply to tax audits (i.e., the taxpayer can only receive one audit for the same taxable period)?

This question cannot be answered in Hungarian tax law by yes or no. Although my answer is yes, repeated and review audits can also occur. They still need to be solved in close legal conditions. The principle fully applies in criminal law. It is a legal guarantee of the principle of *ne bis in idem* in very particular respect that, when auditing a legal relationship of taxable persons affecting tax liability, the tax authority may not qualify the same legal relationship that has already been qualified for one taxpayer, differently for the other taxpayer.

Another example of no clear-cut answer is that tax law sanctions can be used simultaneously with criminal law sanctions for the same irregularity. However, tax and criminal law relationships are arguably different. This standpoint is also reflected in the judiciary practice.

56 Does the principle *ne bis in idem* apply in your country to prevent either:

- | | |
|--|-----|
| - The principle does not apply in my country | No. |
| - The imposition of a tax penalty and the tax liability | No. |
| - The imposition of more than one tax penalty for the same conduct | No. |
| - The imposition of a tax penalty and a criminal liability | No. |

As I read the question,

- the principle can apply, but only in exceptional cases
- the imposition of a tax penalty and the tax liability can apply simultaneously
- the imposition of more than one tax penalty for the same conduct is possible
- the imposition of a tax penalty and a criminal liability simultaneously is possible.

The question is more than embarrassing because it is far from being clear. Tag phrases containing answer choices are not homogeneous. The first clause does not fit the logic of the question; the others do. This logical fallacy confuses the respondent.

For question 66, providing "no" answers is technically impossible.

Questions 88-100 do not appear in the Google form, so the whole form cannot be fully completed.

OBSERVATIONS ON THE QUESTIONS POSED, QUESTIONNAIRE 2

1 (MS) Implement safeguards to prevent impersonation when issuing a unique identification number

The term impersonation needs to be clarified. It is assumed that it refers to a tax ID that can only be used for tax purposes.

Questions 9 and 12 are the same.

63 (BP) E-filing of requests for internal review to ensure the effective and speedy handling of the review process

The meaning of the term internal is unclear to me in the question's context.

64 (MS) The right to appeal should not depend upon prior exhaustion of administrative reviews

The statement subject to the question above may refer first to judiciary proceedings and then to administrative remedies. However, the term appeal is considered to be part of administrative remedies. The terms of appeal and review need to be clarified.

Given that the respondents come from civil law countries, there needs to be more clarity between English and their legal doctrines and terminology. Because English terms are mainly not equivalent to the legal terminology of civil law countries, applying English requires care and, frequently, separate explanations. Ignoring this methodological problem, the questions will sometimes be vague or misleading.

67 (MS). The requesting state should notify the taxpayer of cross-border requests for information, unless it has specific grounds for considering that this would prejudice the process of investigation. The requested state should inform the taxpayer unless it has a reasoned request from the requesting state that the taxpayer should not be informed on grounds that it would prejudice the investigation.

67 (BP). The taxpayer should be informed that a cross-border request for information is to be made.

As I read it, the two questions are the same, the only difference being that the first one is more detailed.

Budapest, 16 January 2024

OPTR - 2023 Questionnaire 1 - Country Practice
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Questionnaire 1 - Country Practice

Preliminary note:

The Hungarian government first declared a state of emergency in March 2020, which has been extended by Parliament repeatedly and for various reasons without interruption until the end of May 2024. In an emergency regime, the government can issue decrees overriding laws. Thus, even annual budgets have been adopted by government decree (although subsequently confirmed by Parliament). Such government measures may have also affected tax procedural legislation but, in practice, not materially. Tax procedural regulations are not affected, but, for example, the so-called extra profit taxes of 2022-23 have been introduced by the state of emergency government decrees.

Area 1 - Identification of taxpayers, issuing tax returns and communicating with taxpayers

1. Do taxpayers have the right to see the information held about them by the tax authority?

Yes, they do [Act CLI of 2017 on the tax administrative rules of procedure (Air.), <https://njt.hu/jogszabaly/2017-150-00-00>], Sec. 42].

For the judiciary practice, see K. 700.085/2020/34, (31) on the taxpayers' right to be heard. The judgment relies on C-189/18 *Glencore* case, ECLI:EU:C:2019:861, (41), <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:62018CJ0189>.

2. If yes, can they request the correction of errors in the information?

Yes, they can. [Air. Sec. 97 (2)] The taxpayer has the right to inspect the documents generated during the audit after prior consultation with the tax authorities, to request clarification of the findings, to comment on them, to submit motions for evidence, to examine the minutes and to comment on them within fifteen days of the delivery of the minutes, or thirty days in the case of a tax audit.

3. Is it possible in your country for taxpayers to communicate electronically with the tax authority?

Yes.

4. If yes, are there systems in place to prevent unauthorised access to the channel of communication?

Yes. See Act CCXXII of 2015 on general rules for electronic administration and trust services (Eüsztv. <https://njt.hu/jogszabaly/2016-121-00-00>), and Government Decree No. 451 of 2016 (19. XII.) (<https://njt.hu/jogszabaly/2016-451-20-22>) on the detailed rules for electronic administration. Eüsztv. was replaced by Act CIII of 2023 on the digital state and specific rules of digital services (DÁP) from 1 January 2024.

5. In your country, is there a system of "cooperative compliance" / "enhanced relationship" which applies to some taxpayers only?

No.

6. If yes, are there rules or procedures in place to ensure this system is available to all eligible taxpayers on a non-preferential/non discriminatory/non arbitrary basis?

Not applicable.

7. Are there special arrangements for individuals who face particular difficulties (e.g., the disabled, the elderly, other special cases) to receive assistance in complying with their tax obligations?

Yes.

The guardianship authority shall decide on the appointment of a support person for an adult who needs help in managing his or her affairs and making decisions due to a minor loss of discernment upon his or her request to avoid limiting his or her capacity to act [Act V of 2013 on Civil Code (Ptk.), <https://njt.hu/jogszabaly/2013-5-00-00>, Sec. 2:38 (1)]. Under Air. Sec. 41, to facilitate assisted decision-making that does not affect acting capacity, a support person appointed by the guardianship authority following the Civil Code,

- is entitled to present at all procedural steps, including hearings, at the same time as the aided person during the proceedings, but his or her absence shall not prevent the performance of procedural steps and the continuation of the proceedings,
- to facilitate making a statement or providing information, he or she may consult with the person assisted in a manner that does not disturb the conduct of procedural steps.

Besides, starting business entities are advised by particular methods, and the tax authorities assist them. They advise all taxpayers through various channels by addressing their queries (Act CL of 2017 on the taxation rules – "Art.", <https://njt.hu/jogszabaly/2017-150-00-00>, Sec. 256-258).

Area 2 - The issue of tax assessment

8. Does a dialogue take place in your country between the taxpayer and the tax authority before the issue of an assessment in order to reach an agreed assessment?

No. The tax authorities must assess the tax payable in arrears during a tax audit. In the audit process, the parties will communicate, but there will be no negotiation. The tax authorities will decide what decision to take. Therefore, dialogue between the parties is precluded in this respect (Air. Sec. 97-99).

9. If yes, can the taxpayer request a meeting with the tax officer?

Not applicable.

10. If a systematic error in the assessment of tax comes to light (e.g., the tax authority loses a tax case and it is clear that tax has been collected on a wrong basis), does the tax authority act *ex officio* to notify all affected taxpayers and arrange repayments to them?

Yes. Under Air. Sec. 120, the tax authorities amend or revoke an infringement decision that higher authorities or an administrative court have not ruled. The taxpayer may be notified of the decision to amend or rescind within one year of the date on which the decision becomes final, and the taxpayer may be notified of the decision until the right to tax assessment has expired.

Under Air. Sec. 128, where the tax authorities' decision is subsequently found to be unlawful, the superior tax authorities may take supervisory action on request or *ex officio*, provided no court has yet ruled on the tax authorities' decision. The supervisory authorities may then instruct the underlying tax authorities to initiate a new procedure.

The tax or supervisory authorities that issue a decision or take action shall establish rights or liabilities only for the taxpayers in an individual case. These decisions do not affect third-party taxpayers. If the applicable legislation is changed, it is now of general application.

Area 3 - Confidentiality

11. Is information held by your tax authority automatically encrypted?

Yes, it is [Art. Sec. 123 (2)].

12. Is access to information held by the tax authority about a specific taxpayer accessible only to the tax official(s) dealing with that taxpayer's affairs?

No. The tax authorities must provide information to various public bodies (e.g., the pension insurance body, the public employment service or the Office of Economic Competition). The tax authorities are entitled to inform other tax authorities of tax-related data, facts, circumstances or documents within its competence that are subject to the obligation of confidentiality if it is possible or likely to lead to the discovery of a tax (or customs duty) or tax deficiency, the determination of its recoverability or the conduct of tax administration procedures.

In the framework of the article on the exchange of information of an international treaty on the avoidance of double taxation, the Hungarian competent authorities may provide the competent authorities of the foreign state with personal data on natural persons which are contained in its records or which it is allowed to obtain under domestic law, to implement the provisions of the convention, ensure the taxing rights of the foreign state or avoid double taxation, to identify, assess, control, take evidence or clarify the facts [Art. Sec. 131 (17)].

13. If yes, must the tax official identify himself/herself before accessing information held about a specific taxpayer?

Not applicable.

14. Is access to information held about a taxpayer audited internally to check if there has been any unauthorised access to that information?

Yes. It regulates what is to be done by the tax authorities to handle data protection incidents [Regulation of the president of NAV (National Tax and Customs Office) No. 2047/2023/ELN on the protection of personal data and the publicity of data of public interest (19 Sep. 2023), Sec. 56-58].

15. Are there examples of tax officials who have been criminally prosecuted in the last decade for unauthorised access to taxpayers' data?

Yes, meeting cases that can be known from the press is not precluded.

16. Is information about the tax liability of specific taxpayers publicly available in your country?

No, it is not (unfortunately).

17. Is "naming and shaming" of non-compliant taxpayers practised in your country?

Yes, it is [Art. Sec. 150, 157 (1), 260, 263, 264, 264A, 267 (2)]. The tax authorities classify a taxpayer registered in the business register, a group taxpayer or a VAT-registered taxpayer by examining whether the criteria for a reliable taxpayer or a taxpayer at risk are met. The tax authorities classify a risky taxpayer as a registered taxpayer, a tax group or a VAT-registered taxable person who is not in liquidation or compulsory liquidation and for whom certain conditions are met.

Every quarter, the tax authorities publish on its website the name (designation), domicile, registered office, place of business, tax number, amount of the tax deficit and the amount of the tax penalty imposed on taxpayers who are not in bankruptcy, liquidation or compulsory liquidation, in a publication list of taxpayers with a large tax deficit or tax debt. The tax authorities provide a query interface for taxpayers' data with large tax deficits and debts. The tax authorities also publish a separate list of undeclared employees. Furthermore, the tax authorities maintain and publish a database of taxpayers with no public debt.

18. Is there a system in your country by which the courts may authorise the public disclosure of information held by the tax authority about specific taxpayers (e.g., *habeas data* or freedom of information)?

No.

19. Is there a system of protection of legally privileged communications between the taxpayer and its advisors?

Yes, in respect of registered lawyers. A lawyer must only hand over documents generated during their professional activity if the handover is required by a specific law (e.g., Art.). These documents are subject to the obligation to keep records and documents directly evidencing the verification of complying with accounting and tax liabilities.

The yearly accounts and the direct analytical documents (e.g., invoices and VAT-analytical documents) must be transmitted. The related contracts, the factual drafts, and the documentation relating to consulting with clients and the lawyer's deposits need not, and must not, be disclosed to the tax authorities [Act LXXVIII of 2017 on the lawyer's activity (Üttv.), <https://njt.hu/jogszabaly/2017-78-00-00>, Sec. 9 (1)-(3)].

For the judiciary practice, see 3223/2018. (VII. 2.) AB, ABH 2018. p. 1173 (47), [http://public.mkab.hu/dev/dontesek.nsf/0/038fb398d8b7115dc125825e004334bf/\\$FILE/3223_2018_AB_határozat.pdf](http://public.mkab.hu/dev/dontesek.nsf/0/038fb398d8b7115dc125825e004334bf/$FILE/3223_2018_AB_határozat.pdf), on the tax and criminal law consequences of infringing fiscal secrecy rules. See also 1/2013 KMJE, 26 June 2013 on administrative proceedings, in which the parties must be given full access to the fiscal secrecy used in the decisions reviewed by a court. If this is not allowed, tax evidence that cannot be disclosed cannot be used as evidence.

20. If yes, does this extend to advisors other than those who are legally qualified (e.g., accountants, tax advisors)?

No, it does not. Tax advisors and accountants must to keep business secrets without a privilege comparable to lawyers.

Area 4 - Normal audits

21. Does the principle *ne bis in idem* apply to tax audits (i.e. that the taxpayer can only receive one audit in respect of the same taxable period)?

Yes.

Hungary's criminal law explicitly protects the *ne bis in idem* principle. Hungary's interpretation of *ne bis in idem* is more nuanced in administrative procedures, including tax matters. The principle applies, but it is subject to exceptions. This means that an individual might face separate administrative penalties (e.g., fines or tax assessments) and criminal sanctions (e.g., tax evasion) as long as these are not for the same aspect of the offence.

Under Act XXXVII of 2013 on the rules of international public administrative cooperation (Aktv.), <https://njt.hu/jogszabaly/2013-37-00-00>, Sec. 42I (2), subject to the mutual agreement procedure, judicial proceedings or proceedings for imposing administrative and criminal penalties may be initiated or continued in Hungary in connection with the same case.

A repeated audit [Air. Sec. 92], then a review audit [Sec. 93 (1)-(4)] can follow a regular audit. In many ways, administrative and criminal investigation procedures can be intertwined (e.g., evidence obtained in criminal proceedings is used in administrative proceedings, the lawfulness of which is not self-evident). However, it can be argued that sanctions in criminal proceedings are not legally the same as sanctions in administrative proceedings. The judicial practice is quite intensive in the field under discussion. See Bf.II. 589/2018/26. EBD 2019.09.B16, (13), (27)]; Kfv.V.35.359/2022/2, (9), (20); and Kfv.I.35.080/2023/3, (11) on unsuccessful reference to the principle *ne bis in idem*.

In the context of the so-called compliance verification, the tax authorities may verify whether the taxpayer has complied with specific tax obligations provided for by law even before the end of the return period. They also review declaration and payment of tax, data

collection to establish the data's veracity or authenticity, facts and circumstances, and verify the integrity of economic events [Air. Sec. 91 (1)-(2)].

In a repeated audit procedure, regarding a tax return period closed by a tax audit, tax liability and budget support may be re-examined at the request of the taxpayer if clarification of the new fact or circumstance discovered by the taxpayer would result in a change of the findings of the previous audit, provided that the new fact or circumstance was not previously available to the taxpayer and could not have been available to the taxpayer in the case of a *bona fide* procedure, or the taxpayer did not know about it and could not have known about it in the case of a *bona fide* procedure.

In a review audit procedure, the superior body audits if the minister responsible for tax policy has ordered the review of a period already closed by an audit or if the representative body of the municipality has initiated a review of a period already closed by a regular tax audit. A new fact or circumstance is, in particular, a new fact or data affecting the tax assessment contained in the reply received from the foreign tax authorities, provided that the tax authorities have completed the tax audit without a reply from the foreign tax authorities. A review audit may not be ordered if six months have elapsed since the conditions for its order were met.

It is a legal guarantee of the principle of *ne bis in idem* in particular respect that, when auditing a legal relationship of taxable persons affecting tax liability, the tax authorities may not classify the same legal relationship that has already been classified and is subject to an audit differently for each taxpayer. The findings concerning one taxable person must be considered *ex officio* when auditing the other (Sec. 100).

22. If yes, does this mean only one audit per tax per year?

No.

23. Does the principle *audi alteram partem* apply in the tax audit process (i.e. does the taxpayer have to be notified of all decisions taken in the process and have the right to object and be heard before the decision is finalised)?

Yes, it does. Under Air. Sec 97 (2)-(3), the taxpayer has the right to inspect the documents generated during the audit after prior consultation with the tax authorities, to request clarification of the findings, to comment on them, to submit motions for evidence, to examine the minutes and to comment on them within fifteen days of the delivery of the minutes, or thirty days in the case of a tax audit. For the judiciary practice, see Kfv.V.35.347/2022/2, (15) on the taxpayer's opportunity to exercise the right of accessing the documents gathered by the tax authorities about the taxpayer in the context of referring to the *Glencore* case.

24. Does the taxpayer have the right to request an audit (e.g., if the taxpayer wishes to get finality of taxation for a particular year)?

No, under Hungarian tax law, they have not.

25. Are there time limits applicable to the conduct of a normal audit in your country (e.g., the audit must be concluded within so many months)?

Yes, they are [Air. Sec. 94 (1)(a), (4), (5)]. As a rule, an audit deadline is ninety days for regular and repeated audits and one hundred and twenty days for taxpayers with the highest tax performance. For the judiciary practice, see Kfv.I.35.391/2022/6.

26. If yes, what is the normal limit in months?

Yes but not in months but ninety days.

27. Does the taxpayer have the right to be represented by a person of its choice in the audit process?

Yes, they do [Air. Sec. 14 (1)-(7)]. For the judiciary practice, see 3/2021. (I. 7.) AB, [http://public.mkab.hu/dev/dontesek.nsf/0/d152fe24220ac0d3c12585ad005bc5c8/\\$FILE/3_2021_AB_határozat.pdf](http://public.mkab.hu/dev/dontesek.nsf/0/d152fe24220ac0d3c12585ad005bc5c8/$FILE/3_2021_AB_határozat.pdf), ABH 2021. p. 190, (82) on the constitutional requirements of the taxpayer's representation by lawyers in the context of the Fundamental law of Hungary, Article XXVIII (1) on the fair trial principle and Üttv. Sec. 20 on the limits of lawyers' activity.

28. May the opinion of independent experts be used in the audit process?

Yes, it may [Air. Sec. 66 (1), (7)]. In tax administration procedures, an expert must be heard, or an expert opinion must be requested, with a minimum of fifteen days' notice, if unique expertise is required to establish a significant fact or other circumstance in the case and the tax authorities in charge do not have the appropriate expertise. Private expert evidence is of particular importance in many tax litigation cases. The new Code on Civil Procedure (Act CXXX of 2016 – "Pp.", <https://njt.hu/jogszabaly/2016-130-00-00>) has introduced fundamental changes to the rules governing specialist (private expert) evidence, which should also be applied in tax litigation and are, therefore, worthwhile [Sec. 302 (1)]. For the judiciary practice, see Kfv.V.35.285/2022/8, (66)-(67) on using private expert opinion in applying a double tax convention.

29. Does the taxpayer have the right to receive a full report on the conclusions of the audit at the end of the process?

Yes, they do [Air. Sec. 115 (1)].

30. Are there limits to the frequency of audits of the same taxpayer (e.g., in respect to different periods or different taxes)?

No.

The Hungarian tax authority (NAV - National Tax and Customs Administration) can initiate a tax audit at its discretion. The frequency of audits may depend on various risk factors, such as the size of the taxpayer, their compliance history, the complexity of their tax filings, and any potential red flags in their financial transactions.

Area 5 - More intensive audits

31. Is the principle *nemo tenetur* applied in tax investigations (i.e. the principle against self-incrimination)?

No, only in tax criminal procedures.

32. If yes, is there a restriction on the use of information supplied by the taxpayer in a subsequent penalty procedure/criminal procedure?

Not applicable.

33. If yes to *nemo tenetur*, can the taxpayer raise this principle to refuse to supply basic accounting information to the tax authority?

Not applicable.

34. Is there a procedure applied in your country to identify a point in time during an investigation when it becomes likely that the taxpayer may be liable for a penalty or a criminal charge, and from that time onwards the taxpayer's right not to self-incriminate is recognised?

Yes.

Under Sec. Air. 115 (2), where the tax authorities initiate criminal proceedings, a separate report is drawn up. The tax authorities do not provide the taxpayer with the report initiating the criminal proceedings. From the time it turns into a criminal procedure onwards, the taxpayer, now under charge in criminal proceedings, has the right not to self-incriminate themselves [Act XC of 2017 on criminal procedure (Be.), <https://njt.hu/jogszabaly/2017-90-00-00>, Sec. 7 (3)].

35. If yes, is there a requirement to give the taxpayer a warning that the taxpayer can rely on the right of non-self-incrimination?

No, there is not.

See Air. Sec. 115 (2) supra. The lack of warning is because the tax administration's procedures and criminal procedures are formally strictly separated. This circumstance can be disadvantageous to the taxpayer where the evidence collected in the tax administration's procedure is used in criminal procedure to charge the taxpayer.

36. Is authorisation by a court always needed before the tax authority may enter and search premises?

No, it is not. Instead, a search of premises is subject to the prosecutor's authorisation. It need not be authorised in advance [Air. Sec. 112 (2)].

37. May the tax authority enter and search the dwelling places of individuals?

Yes, it may [Air. Sec. 102 (1)-(2)].

38. Is a court order required before the tax authority can use interception of communications (e.g., telephone tapping or access to electronic communications)?

As a rule, it is not, but in exceptional cases, yes. It is regulated by Sec 59 of the Act CXXII of 2010 on the National Tax and Customs Administration (NAV tv.), <https://njt.hu/jogszabaly/2010-122-00-00>. Sec. 59 provides for the use of an instrument subject to judicial authorisation. Tax authorities cannot use the interception of communications in a tax audit because it can only be used in criminal procedures. Due to insufficient safeguards, interception records obtained during secret information gathering cannot be used in a tax administration's procedure.

See the judiciary practice: 3291/2021. (VII. 22.) AB, ABH, 1921, p. 1820, (13), [http://public.mkab.hu/dev/dontesek.nsf/0/2593b6a2e2616570c1258709005be33a/\\$FILE/3291_2021_AB_határozat.pdf](http://public.mkab.hu/dev/dontesek.nsf/0/2593b6a2e2616570c1258709005be33a/$FILE/3291_2021_AB_határozat.pdf); C-419/14 *WebMindLicenses*, ECLI:EU:C:2015:832, operative part, (d), <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:62014CJ0419>. For the literature, see Daniel Deak, "Az Európai Bíróság ítélete a joggal való visszaélésről adóügyekben; A joggal való visszaélés bizonyíthatósága és az adóhatóságok közötti koordináció" (The judgment of CJEU on the abuse of law in tax matters: Proof of the abuse of law and coordination between the tax authorities), *Jogesetek Magyarázata*, Vol. VII, No. 3/2016, pp. 61-68.

39. Is there a procedure in place to ensure that legally privileged material is not taken in the course of a search?

Yes. Air. on on-site inspections does not explicitly provide for compliance with confidentiality rules. However, the tax authorities are bound to the rule on protecting fiscal secrecy [Art. Sec. 127 (3)], and the legislation on certain professions also provides for professional privilege during an on-site inspection [Üttv. Sec. 13 (1)].

Area 6 - Reviews and appeals

40. Is there a procedure for an internal review of an assessment/decision before the taxpayer appeals to the judiciary?

Yes.

Under Air. Sec. 118, taxpayers can appeal against the first instance decision of the tax authorities. The taxpayer can, in turn, challenge the final decision of the second instance tax authorities in court [Sec. 130 (1)].

41. Does the taxpayer need permission to appeal to the first instance tribunal?

No. There is no such relevant provision of law.

42. Does the taxpayer need permission to appeal to the second or higher instance tribunals?

No. There is no such relevant provision of law.

43. Is it necessary for the taxpayer to bring his case first before an administrative court to quash the assessment/decision, before the case can proceed to a judicial hearing?

No, it is not. Following the superior tax authorities' final decision, the taxpayer can file an action against the final administration's decision before the court acting in public administrative matters and ask for hearings. Unless not asked, judgments will be taken

without hearings [Act I of 2017 on the administrative procedural code (Kp.). See <https://njt.hu/jogszabaly/2017-1-00-00>, Sec. 77 (2)].

44. Are there time limits applicable for a tax case to complete the judicial appeal process?

No, they are not. Courts are not bound to a legal deadline to decide on its merits. While Hungarian law does not specify a strict deadline by which the courts must conclude a tax case appeal, they are generally expected to process cases within a reasonable timeframe. However, complex cases may take longer, and delays in the judicial system are not uncommon.

45. If yes, what is the normal time it takes for a tax case to be concluded on appeal?

Not applicable.

46. Are there any arrangements for alternative dispute resolution (e.g., mediation or arbitration) before a tax case proceeds to the judiciary?

Yes, but only exceptionally. Under Aktv. Sec. 42, the EC Arbitration convention is applicable as provided for by Act XXXVI of 2006 on the promulgation of the Convention on the elimination of double taxation in connection with the adjustment of profits of associated enterprises (Arbitration convention Vtv.), <https://njt.hu/jogszabaly/2006-36-00-00>. Aktv. – referring to Vtv. – provides an alternative dispute resolution, not to mention the possibility of an alternative dispute resolution under the EU law.

47. Is there a system for the simplified resolution of tax disputes (e.g., by a determination on the file, or by e-filing)?

No. One exceptional provision can be mentioned. Under 77 (1) Kp., if no party has requested a hearing and the court does not consider it necessary, the court shall decide on the case's merits without a hearing.

48. Is the principle *audi alteram partem* (i.e. each party has a right to a hearing) applied in all tax appeals?

Yes. In Hungary, the tax authorities are required to allow taxpayers to be heard during any tax dispute or appeal. This ensures that individuals or entities have the right to respond to allegations, present evidence, and make their arguments before the tax authority decides.

However, the superior tax authorities do not organise hearings because they purely decide, based on legal considerations, whether the resolution under appeal is lawful. Where the facts should be clarified, the superior tax authorities instruct the lower tax authorities to take a new procedure from scratch [Sec. 127 (1)-(5) Air.]. In court, the principle can apply.

49. Does the taxpayer have to pay some/all the tax before an appeal can be made (i.e. *solve et repete*)?

No. Under Sec. 62 Art., the tax is only payable within fifteen days of the tax authorities' final decision, after unsuccessful appeal, if any.

50. If yes, are there exceptions recognised where the taxpayer does not need to pay before appealing (i.e. can obtain an interim suspension of the tax debt?)

Not applicable.

51. Does the loser have to pay the costs in a tax appeal?

No, they do not. The state or the local government incurs costs in tax administration procedures [Air. Sec. 134 (1)]. The taxpayers' costs, if any, are payable by the taxpayers themselves (3).

52. If yes, are there situations recognised where the loser does not need to pay the costs (e.g., because of the conduct of the other party)?

Not applicable.

53. If there is usually a public hearing, can the taxpayer request a hearing in camera (i.e. not in public) to preserve secrecy/confidentiality?

No. No legal provision provides for addressing such a request.

54. Are judgments of tax tribunals published?

Yes, they are, but in an anonymised way [Sec 4 (1) of 4/2021 (III. 12.) OBH instruction on implementing the tasks incumbent on courts in connection with the anonymisation and publication of court decisions], <https://birosag.hu/obh/szabalyzat/42021-iii-12-obh-utasitas-birosagi-hatarozatok-anonimizalasaval-es-kozzetetelevel>. The publication is sometimes sporadic and does not imply all judgments in practice (<https://birosag.hu/ugyfeleknek/birosagi-hatarozatok-gyujtemeny>).

55. If yes, can the taxpayer preserve its anonymity in the judgment?

Yes, they can. Otherwise, see question 54 supra.

Area 7 - Criminal and administrative sanctions

56. Does the principle *ne bis in idem* apply in your country to prevent either

- the imposition of a tax penalty and the tax liability,
- the imposition of more than one tax penalty for the same conduct, and
- the imposition of a tax penalty and a criminal liability?

Yes. The *ne bis in idem* principle is respected in the Hungarian tax law, provided the principle is taken literally. Notably, administrative and criminal proceedings can be intertwined with each other. For further information in detail, see Question 21 above.

57. If *ne bis in idem* is recognised, does this prevent two parallel sets of court proceedings arising from the same factual circumstances (e.g., a tax court and a criminal court)?

Yes, to the extent that the judiciary practice suggests respecting the *ne bis in idem* principle. See also Question 21 above.

58. If the taxpayer makes a voluntary disclosure of a tax liability, can this result in a reduced or a zero penalty?

No. However, under Art. Sec. 216, if the taxpayer waives the right of appeal against the first-instance decision on the ex-post tax assessment and pays the excess tax by the due date, he or she is exempt from paying fifty per cent of the tax penalty imposed.

Area 8 - Enforcement of taxes

59. Is a court order always necessary before the tax authorities can access a taxpayer's bank account or other assets?

No. Tax enforcement is based on a tax enforcement document that is a debit note. Based on a final tax authority resolution, the tax authorities may release a payment notice to the debtor. If the tax authorities' request is unsuccessful, or if the circumstances make it inappropriate to apply the request, they may directly initiate enforcement [Act CLIII of 2017 on the enforcement procedures implemented by the tax authorities (Avt.), Sec. 29 (1), Sec. 30 (1)], <https://njt.hu/jogszabaly/2017-153-00-00>.

60. Does the taxpayer have the right to request a deferred payment of taxes or a payment in instalments (perhaps with a guarantee)?

Yes, they do [Art. Sec. 198 and 201].

Area 9 - Cross-border situations

61. Does the taxpayer have the right to be informed before information relating to him is exchanged in response to a specific request?

No. Interestingly, it is impossible to consult the file of a request from another state in the framework of an international exchange of information [Air. Sec. 43 (1)(b)]. In general, the tax authorities' order may limit access to documents relating to the supply of information until the audit has begun if it is likely that disclosure of their contents would frustrate subsequent audit [Air. Sec. 43 (2)]. The taxpayer may inspect the request sent in the framework of an international exchange of information and reply to it after receipt of the reply [Sec. 43 (3)].

62. Does the taxpayer have a right to be informed before information is sought from third parties in response to a specific request for exchange of information?

No. No special legal regulation affects the information sought from third parties. Otherwise, for the rules of how the taxpayer can be informed in cross-border cases, see Question 1.

63. If no to either of the previous two questions, did your country previously recognise the right of taxpayers to be informed and was such right removed in the context of the peer review by the Forum on Transparency and Exchange of Information?

Yes, Hungary is a party to the forum, but no Hungarian activity is published. Hungary recognises the right of taxpayers to be informed under Air. Sec. 43, but not without limitation.

64. Does the taxpayer have the right to be heard by the tax authority before the exchange of information relating to him with another country?

No. They can only get access to the information exchanged subsequently. Legal regulation does not cover the right to be heard.

65. Does the taxpayer have the right to challenge before the judiciary the exchange of information relating to him with another country?

No.

66. Does the taxpayer have the right to see any information received from another country that relates to him?

Yes. See Question 1 above.

67. Does the taxpayer have the right in all cases to require a mutual agreement procedure is initiated?

No, they do not. Taxpayers can initiate a procedure by filing a complaint with the competent Hungarian authorities, but they do not have the right to enforce a mutual agreement procedure [Aktv. Sec. 42H (1), Sec. 42I (1)-(2)].

68. Does the taxpayer have a right to see the communications exchanged in the context of a mutual agreement procedure?

Yes, following the request for information and receiving the answer for it. For a more detailed answer, see the answers given in this area above.

Area 10 - Legislation

69. Is there a prohibition on retrospective tax legislation in your country?

Yes. Even the Hungarian legal practice seems to be stricter than international practice. First, the law on legislation provides for the prohibition of retroactive legislation [see Act CXXX of 2010 on legislation (Jat.), Sec. 2 (2), <https://njt.hu/jogszabaly/2010-130-00-00>, and the judicial practice: Kfv.II.37.800/2016. EBH 2018. K.2 on specific conditions of applicability of the principle prohibiting retroactive legislation]. Besides, an early Constitutional Court resolution is a landmark decision. It derives from the principle of the rule of law [25/1992. (IV. 30.) AB, ABH 1992, p. 131, https://media.alkotmanybirosag.hu/2017/06/1992_025_314_i_tuh_mk.pdf].

It is prohibited to apply tax law to legal relations developed and completed before the new law enters into force (prohibition of retroactivity). However, under Art. Sec 271 (7), procedural tax rules can apply to legal relations developed but not completed before the new law enters into force (application of retrospective law).

70. If no, are there restrictions on the adoption of retrospective tax legislation in your country?

Not applicable.

71. Is there a procedure in your country for public consultation before the adopting of all (or most) tax legislation?

Yes, in theory [see Act CXXXI of 2010 on public participation in preparing legal rules (Jet.)], <https://njt.hu/jogszabaly/2010-131-00-00>. Nevertheless, in practice, the law on public consultation needs to be revised. The EU has also condemned the Hungarian government for a lack of adequate consultation in the so-called conditionality procedure [see Council Implementing Decision (EU) 2022/2506 of 15 December 2022 on measures for the protection of the Union budget against breaches of the principles of the rule of law in Hungary, OJ L 325, 20.12.2022, p. 94, (54-(58))], <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32022D2506>. Civil organisations say about the government's sham measures in the field of public consultation (Position statement of ten civil organisations, 27 July 2022; <https://helsinki.hu/latszatintezkedesek-a-kormany-tarsadalmi-egyeztetesrol-szolo-javaslataban/>).

72. Is tax legislation subject to constitutional review which can strike down unconstitutional laws?

Yes.

Area 11 - Revenue practice and guidance

73. Does the tax authority in your country publish guidance (e.g., revenue manuals, circulars, etc.) as to how it applies your tax law?

Yes [Air. Sec. 6]. For example, the tax authorities released an administration information guidance implying what to do booklets on initial tasks, student years, job, family, property matters, business, retirement years or inheritance (<https://nav.gov.hu/adozas-mindenkinek/ugyintezeshez>). A phone-based information service (Art. Sec. 258). After registration, a taxpayer can ask questions, receive information, and even manage their tax matters (e.g., arrange for paying the tax debt by phone).

Customer services are readily available online. The tax authorities are also willing to give non-binding advice in writing for no consideration to applicants. Besides, asking for an advance ruling in exchange for a fee is possible before implementing complicated structures.

74. Does your country have a generalised system of advanced rulings available to taxpayers?

Yes. It does (Art. Sec. 164 and Sec. 174).

75. If yes, is it legally binding?

Yes, it is. Advance rulings are legally binding before the tax authorities in audit, provided that the facts will not depart from those filed with the authorities. This

circumstance can trigger some disputes because the tax authorities can challenge in practice if the facts followed by the taxpayer are identical to those filed upon asking for an advance ruling. The ruling cannot be followed longer once legal rules or international agreements change the case on its merits (Art. Sec. 170).

76. If a binding ruling is refused, does the taxpayer have a right to appeal?

Yes, they can go to court (Art. Sec. 168).

77. If your country publishes guidance as to how it applies your tax law, can taxpayers acting in good faith rely on that published guidance (i.e. protection of legitimate expectations)?

No, they cannot.

Area 12 - Institutional framework for protecting taxpayers' rights

78. Is there a taxpayers' charter or taxpayers' bill of rights in your country?

No.

79. If yes, are its provisions legally effective?

Not applicable.

80. Is there a (tax) ombudsman / taxpayers' advocate / equivalent position in your country?

No.

81. If yes, can the ombudsman intervene in an on-going dispute between the taxpayer and the tax authority (before it goes to court)?

Not applicable.

82. If yes to a (tax) ombudsman, is he/she independent from the tax authority?

Not applicable.

Budapest, 16 January 2024

OPTR - 2023 Questionnaire 2 - Standards of Protection
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Area 1 - Identification of taxpayers, issuing tax returns and communicating with taxpayers

1 (MS). Implement safeguards to prevent impersonation when issuing a unique identification number

Yes, all the above comply with MS.

1 (S). Summary of relevant facts in 2023

Various types of taxpayers are provided with a tax ID. It cannot be used or published but for tax purposes. The tax authorities are obliged to fiscal secrecy rules under Art. Sec. 123 (2). For the judiciary practice, see 6.K.700.060/2023/5, (62)-(63) on the tax authorities providing local governments with information on tax matters subject to fiscal secrecy.

2 (MS) The system of taxpayer identification should take account of religious sensitivities

Yes, it complies with MS.

2 (S). Summary of relevant facts in 2023

See my response to Question 1 above. Eüsztv. was replaced by Act CIII of 2023 on the digital state and specific rules of digital services (DÁPtv.) from 1 January 2024. However, there are independent tax IDs.

3 (MS). Impose obligations of confidentiality on third parties with respect to information gathered by them for tax purposes

Yes. Under Sec. 127 (3) Art., any person who, upon providing, recording, processing, auditing, tax assessment, tax and advance tax deduction, tax collection, tax enforcement, other statutory tasks or statistical use, becomes aware of fiscal secrets or other secrets in connection with his/her duties, shall be obliged to keep them confidential. The tax authorities shall be bound to secrecy regarding all documents, data, facts, and circumstances they become aware of during their official procedures. For the judiciary practice, see Pfv.IV.21.135/2017/10 on the eligibility of tax relief as public money due to the payment of part of the corporate tax in favour of a company; 1.K.701.044/2022/7, (14)-(16) on the conflict between fiscal secrecy held by the authorities and the taxpayer's right to access documents about them.

3 (BP). Where third parties withhold tax, the taxpayer should be excluded from liability if the third party fails to pay over the tax

Yes, depending on circumstances. Under Sec. 218 (2) and (3) Art., if the employer (or the paying agent) fails to comply with the obligation to assess, deduct and, in connection with this, file a return of personal income tax on the individual person or fails to do so under the law, the tax authorities shall assess the unpaid tax on the particular person, but the tax penalty and the late payment penalty on the employer (payer) under the rules applicable to the employer (payer). The tax authorities also assess the tax shortfall, the tax penalty, and the late payment penalty against the employer (paying agent) if the employer (paying agent) has deducted the tax advance, tax and contributions from natural persons but has not fulfilled its obligation to file the related tax return. For the judiciary practice, see Kfv.V.35.407/2022/7, (80) on the paying agent's responsibility for failing to assess the genuineness of the payee's tax residency.

3 (S). Summary of relevant facts in 2023

See the explanations above.

4 (MS). Where pre/populated returns are used, these should be sent to taxpayers to correct errors.

Yes, the Hungarian law complies with MS.

4 (S). Summary of relevant facts in 2023

Under Sec. 11 (2)(b) of the Act CXVII of 1995 (Szjtv.) on personal income tax (<https://njt.hu/jogsabaly/1995-117-00-00>), the individual corrects, completes or agrees with the information in the draft tax return sent by the tax authorities. The agreement with the information in the draft tax return shall be deemed the individual's final tax return. See also Sec. 12B –12D of the same Act.

5 (MS). Provide a right to access to taxpayers to personal information held about them, and a right to correct inaccuracies.

Yes, Hungarian law complies with MS.

5 (BP). Publish guidance on taxpayers' rights to access information and correct inaccuracies

Yes. There is no separate information guide concerning taxpayers' rights to access information and correct inaccuracies. Still, the tax authorities' website has widely accessible information addressed to taxpayers, including ordinary individuals. The tax authorities also offer detailed annual income tax return instructions in a booklet.

5 (S). Summary of relevant facts in 2023

Under Sec. 97 (2) Air., the taxpayer has the right to inspect the documents generated during the audit after prior consultation with the tax authorities, to request clarification of the findings, to comment on them, to submit motions for evidence, to examine the minutes and to

comment on them within fifteen days of the delivery of the minutes, or thirty days in the case of a tax audit.

6 (MS). Where communication with taxpayers is in electronic form, institute systems to prevent impersonation or interception

Yes, the Hungarian law complies with MS.

6 (S). Summary of relevant facts in 2023

Under Sec. 123 (2) Art., the tax authorities shall ensure that secrets protected by law and other data protected by law are not disclosed to the public or disclosed to unauthorised persons and that the protection of such protected data as defined by law is ensured in the procedure of the tax authorities. Furthermore, under Eüsztv. Sec. 37 (4), the employees of the regulated electronic administration service provider shall be bound by a duty of confidentiality concerning the data obtained, and protection shall survive the termination of an employment relationship.

7 (MS). Where a system of "cooperative compliance" operates, ensure it is available on a non-discriminatory and voluntary basis

No. It does not operate in Hungary.

7 (S). Summary of relevant facts in 2023

Not applicable.

8 (MS). Provide assistance for those who face difficulties in meeting compliance obligations, including those with disabilities, those located in remote areas, and those unable or unwilling to use electronic forms of communication

Yes.

8 (S). Summary of relevant facts in 2023

The guardianship authorities shall decide on the appointment of a support person for an adult who needs help in managing his or her affairs and making decisions due to a minor loss of discernment upon his or her request to avoid limiting his or her capacity to act [Ptk. Sec. 2:38 (1)]. Under Air. Sec. 41, to facilitate assisted decision-making that does not affect acting capacity, a support person appointed by the guardianship authority following the Civil Code,

- is entitled to present at all procedural steps, including hearings, at the same time as the aided person during the proceedings, but his or her absence shall not prevent the performance of procedural steps and the continuation of the proceedings,
- to facilitate making a statement or providing information, he or she may consult with the person assisted in a manner that does not disturb the conduct of procedural steps.

Besides, starting business entities are advised by particular methods, and the tax authorities assist them. They advise all taxpayers through various channels by addressing

taxpayers' queries (Art. Sec. 256-258). Individuals are not obliged to use electronic communication concerning income tax liability.

The tax authorities mentor starting business entities, operate a telephone-based customer service station, and make taxpayers' data queries available. Furthermore, under Eüsztv. Sec. 26, the body providing electronic administration shall publish the information necessary for or supporting the electronic administration of matters. The body providing electronic administration shall inform the customer of the possibility of electronic administration supplied by it, also in the case of non-electronic administration, at least at the time of the first contact. The electronic administration body shall, independently or in cooperation with other electronic administration bodies, provide customer services accessible by telephone and other electronic means.

Area 2 - The issue of tax assessment

9 (BP). Establish a constructive dialogue between taxpayers and revenue authorities to ensure a fair assessment of taxes based on equality of arms

Yes. Dialogue is not precluded, but the Hungarian tax law does not comply with BP at a few points.

9 (S). Summary of relevant facts in 2023

Under Sec. 118 Air., the tax authorities' decision on tax assessment may be challenged by appeal. A reasoned administrative order may also be challenged, but only in a few cases, for example, against the order terminating the audit procedure or against the order restricting the taxpayers' right to access specific official documents [Sec. 122 (3)].

To make matters worse, under Sec. 97 (2) Air., the taxpayer receives thirty days to submit comments on the minutes closing a tax audit. The time limits for submitting comments shall expire. Namely, upon the appeal proceedings initiated, it is not allowed to bring forward new facts or to refer to new evidence other than grounds for nullity, of which the appellant was aware before the expiry of the time limit for submitting comments, but did not submit the fact or did not refer to the evidence despite the tax authorities' request. Under Kp. 78 (4), before the court, the applicant or the interested party may rely on a fact or circumstance that existed but the administrative body did not take into account in the last procedure despite having referred to it or if the applicant was not aware of it or did not rely on it through no fault of its own.

10 (BP). Use e-filing to speed up assessments and correction of errors, particularly systematic errors

Yes.

10 (S). Summary of relevant facts in 2023

See Eüsztv. on electronic communication.

Area 3 - Confidentiality

11 (MS). Provide a specific legal guarantee for confidentiality, with sanctions for officials who make unauthorised disclosures (and ensure sanctions are enforced).

No. Hungarian law has no explicit legal guarantee for confidentiality. In appeal, the taxpayer may yet challenge possible unauthorised disclosures.

11 (BP). Encrypt information held by a tax authority about taxpayers to the highest level attainable.

No. Such encryption is unknown to the public and is not covered by the Hungarian tax law.

11 (S). Summary of relevant facts in 2023

Not applicable.

12 (MS). Introduce an offence for tax officials covering up unauthorised disclosure of confidential information.

Yes. An offence for tax officials ensues criminal law consequences in Hungarian law.

12 (S). Summary of relevant facts in 2023

Under Act C of 2012 on the penal code (Btk.), <https://njt.hu/jogszabaly/2012-100-00-00>, Sec. 219 on the misuse of personal data, any person who, for financial gain or causing substantial damage and in violation of the statutory provisions governing the protection and processing of personal data, is engaged in the unauthorised and inappropriate processing of personal data, or fails to take measures to ensure the security of data, is guilty of a misdemeanour punishable by imprisonment not exceeding one year. The criminal penalty shall also be imposed upon any person who, in violation of the statutory provisions governing the protection and processing of personal data, fails to notify the data as required and thereby imposes significant injury to the interests of another person or persons. The penalty shall be imprisonment not exceeding three years for a felony if the misuse of personal data is committed by a public official or when using a public mandate. For the judiciary practice, see criminal law judgment B.811/2017/8 on misuse of fiscal secrets.

13 (MS). Restrict access to data to those officials authorised to consult it. For encrypted data, use digital access codes.

Yes.

13 (BP). Ensure an effective fire-wall to prevent unauthorised access to data held by revenue authorities.

No. The tax authorities are obliged to ensure data protection and freedom of information. However, no firewall exists.

13 (S). Summary of relevant facts in 2023

Under regulation of the president of NAV (National Tax and Customs Office) No. 2047/2023/ELN on the protection of personal data and the publicity of data of public interest (19 Sep. 2023), the data subject's rights are as follows: the taxpayer's right to be informed of the processing of their data, the right to request the rectification, erasure or restriction of the processing of their data, the right to object to the processing of their data by NAV, the right to challenge the infringement of the client's rights and the right to appeal to NAIH (National Data Protection and Information Freedom Authority) or a court against a NAV decision concerning the processing of their data.

14 (MS). Audit data access periodically to identify cases of unauthorised access.

No.

14 (S). Summary of relevant facts in 2023

Audit cases are internally listed (https://nav.gov.hu/kozadat/altalanos_kozzeteteli_lista/3_1_a_mukodes_torvenyessege_ellen_orzesek/vizsgalatok_ellenorzesek_lista), but their data contents are unavailable to the public. Furthermore, audit data are not suitable for identifying cases of unauthorised access.

15 (MS). Introduce administrative measures emphasizing confidentiality to tax officials.

No. Tax authorities are obliged to protect fiscal secrecy. There are still no separate administrative measures to emphasise confidentiality to tax officials, not to mention the regulation of the president of NAV No. 2047/2023/ELN.

15 (BP). Appoint data protection/privacy officers at senior level and local tax offices.

Yes. NAV has data protection officers appointed by the NAV president. They have to report to the president.

15 (S). Summary of relevant facts in 2023

See regulation of the president of NAV (National Tax and Customs office) No. 2047/2023/ELN.

16 (MS). If a breach of confidentiality occurs, investigate fully with an appropriate level of seniority by independent persons (e.g., judges).

Yes. The tax authorities investigate data protection incidents experienced in a hierarchical system.

16 (S). Summary of relevant facts in 2023

Under the regulation of the president of NAV (National Tax and Customs office) No. 2047/2023/ELN, if any person becomes aware that an unauthorised access, disclosure, transmission, or other unauthorised disclosure of personal data has occurred or may have happened, either accidentally or intentionally, they should immediately inform the head of the data controller or a data protection officer. Within 48 hours, this officer shall notify the tax authorities' president, who decides on the action to be taken in response to the incident.

The NAV data protection officer shall investigate the data protection incident and prepare a report on the investigation for the President. The report shall include the number and type of data affected by the personal data breach, the date, circumstances, and effects of the breach, and the measures taken to remedy it. Based on the data in the investigation report, the NAV data protection officer shall keep a register of data protection incidents.

17 (MS). Provide remedies for taxpayers who are victims of unauthorised disclosure of confidential information.

Yes. As discussed in Question 13, the right to challenge the infringement of the client's rights and the right to appeal to NAIH is provided for in the regulation of the president of NAV No. 2047/2023/ELN.

17 (S). Summary of relevant facts in 2023

See the explanation above.

18 (MS). Exceptions to the general rule of confidentiality should be explicitly stated in the law, narrowly drafted and interpreted.

Yes.

18 (S). Summary of relevant facts in 2023

See Art. Sec. 128 on using fiscal secrecy for good cause, Paragraph (1). Further, the tax authorities provide information under the relevant provisions of double tax conventions [Sec. 131 (17)].

Besides, under Act CCXXXVII of 2013 on credit institutions and financial enterprises (Hit.), <https://njt.hu/jogszabaly/2013-237-00-00>, Sec. 159 (8), business secrets held by financial institutions will not be infringed to implement FATCA. Under Sec. (8a), business secrets will not be infringed to comply with OECD Common Reporting Standards. Under Sec. 161 (2)(h), banking secrets held by financial institutions will not be infringed concerning communication with the tax authorities. See the literature: Sándor Ádám Nagy, "Az adótitok mint adóhatósági kötelezettség" (Fiscal secrecy as the tax authorities' obligation), *Adó*, Vol. XXXIV (11/2019).

19 (MS). If "naming and shaming" is employed, ensure adequate safeguards (e.g., judicial authorisation after proceedings involving the taxpayer).

Yes. Although the tax authorities classify taxpayers without separate authorisation by the higher authorities, taxpayers can challenge classification before the higher tax authorities. Decisions of these tax authorities can be challenged before the courts.

19 (BP). Require judicial authorisation before any disclosure of confidential information by revenue authorities

No.

19 (S). Summary of relevant facts in 2023

Not applicable.

20 (MS). No disclosure of confidential taxpayer information to politicians, or where it might be used for political purposes.

Yes. The fiscal privacy of politicians and non-politicians is similarly protected by tax law. No explicit tax law provisions concerning it are in effect in Hungarian tax law.

20 (BP). Parliamentary supervision of revenue authorities should involve independent officials, subject to confidentiality obligations, examining specific taxpayer data, and then reporting to Parliament.

No.

20 (S). Summary of relevant facts in 2023

Not applicable.

21 (MS). Freedom of information legislation may allow a taxpayer to access information about himself. However, access to information by third parties should be subject to stringent safeguards: only if an independent tribunal concludes that the public interest in disclosure outweighs the right of confidentiality, and only after a hearing where the taxpayer has an opportunity to be heard.

Yes.

21 (S). Summary of relevant facts in 2023

Under Sec. 14-24 of the Act CXII of 2011 (Infotv.), <https://njt.hu/jogszabaly/2011-112-00-00>, someone affected by the treatment of data about themselves has the right to be informed, get access, correct the data treated, and restrict the treatment of data about themselves. The data subject may initiate an investigation by NAIH to examine the lawfulness of the controller's action if the controller restricts or refuses to exercise specific rights. See also the judiciary practice: Pfv.IV.21.251/2021/8, (30) on unlawful data treatment.

22 (MS). If published, tax rulings should be anonymised and details that might identify the taxpayer removed.

No. Tax rulings are not published because they constitute fiscal secrecy.

22 (BP). Anonymize all tax judgments and remove details that might identify the taxpayer

Yes. Under Sec 4 (1) of 4/2021 (III. 12.) OBH instruction on implementing the tasks incumbent on courts concerning the anonymisation and publication of court decisions, the Hungarian judiciary system fulfils its constitutional obligation by making decisions widely accessible. The courts have been fulfilling this obligation by electronic means in addition to

the traditional forms of communication. In publishing these decisions, the courts must also respect the requirements of personal data protection, and the law ordered the deletion of specific data from decisions published electronically.

22 (S). Summary of relevant facts in 2023

See 4/2021 (III. 12.) OBH instruction.

23 (MS). Legal professional privilege should apply to tax advice.

Yes. Under Üttv. Sec. 9 (1)-(2) and Sec. 13 (1), lawyers should not disclose information to the tax authorities, but the identity of the clients and the amount of the commission fee can be known. A lawyer must hand over documents generated during their professional activity if the handover is required by a specific law (e.g., Art.). Accordingly, the client's identity and the commission fee can be known. The related contract, the factual draft, and the documentation relating to the deposits and the information on their content, including the tax advice given, must not be disclosed to the tax authorities.

23 (BP). Privilege from disclosure should apply to all tax advisors (not just lawyers) who supply similar advice to lawyers. Information imparted in circumstances of confidentiality may be privileged from disclosure.

No. The Civil Code includes among the persons' rights the protection of the right to private secrets, which includes, in particular, the protection of correspondence, professional secrets and business secrets. A trade secret is any fact, information, other data or compilation thereof which is not publicly known or not easily accessible to the persons engaged in the economic activity concerned, the acquisition, use, or disclosure of which by unauthorised persons would harm or jeopardise the legitimate financial, economic or market interests of the right holder (Ptk. Sec. 2:46). Tax consultants' organisations shall treat any information that comes to their knowledge during their work as confidential.

Although there are registered tax consultants [Government Decree No. 263/2018 (20.12.2018) on the registration and further training of tax consultants and certified tax consultants]; <https://njt.hu/jogszabaly/2018-263-20-22>], they do not form a professional chamber. They are only members of professional associations, which are civil law associations. Therefore, they do not enjoy professional privileges similar to lawyers.

23 (S). Summary of relevant facts in 2023

See Ptk. Sec. 2:46, Üttv. Sec. 9 (1), Sec. 13 (1) and 3223/2018. (VII. 2.) AB decision (56) on the tax authorities that face a double requirement in the tax administration procedure: they act in the public interest in exercising their general powers while ensuring the client's participation.

24 (MS). Where tax authorities enter premises which may contain privileged material, arrangements should be made (e.g. an independent lawyer) to protect that privilege.

Yes.

24 (S). Summary of relevant facts in 2023

Air. Sec. 64 on on-site inspections does not explicitly provide for compliance with confidentiality rules. However, Art. Sec. 123-124 are applicable, and the legislation on specific professions also provides for the professional secrecy of clients during an on-site inspection. See also: Üttv. Sec. 9 (1)-(2) on the lawyer's privilege.

Area 4 - Normal audits

25 (MS). Audits should respect the following principles: (1) Proportionality. (2) *Ne bis in idem* (prohibition of double jeopardy). (3) *Audi alteram partem* (right to be heard before any decision is taken). (4) *Nemo tenetur se detegere* (principle against self/incrimination). Tax notices issued in violation of these principles should be null and void.

Yes.

25 (S). Summary of relevant facts in 2023

Under the Fundamental Law of Hungary, <https://njt.hu/jogszabaly/2011-4301-02-00>, Article I (3), the rules on fundamental rights and obligations shall be laid down by law. A fundamental right may be restricted to the extent strictly necessary to ensure the exercise of another fundamental right or to protect a constitutional value in proportion to the aim pursued and with due regard for the essential content of the fundamental right.

The principle of proportionality is explicitly reflected in the tax administration procedure, i.e., in the principle of individual assessment (Air. Sec. 4). Accordingly, the tax authorities shall consider the facts of the case, assess all evidence according to its weight, and base their decision on an accurate and fair assessment of the facts.

The *ne bis in idem* principle is respected in Hungarian tax law, provided it is taken literally. However, as an explicit exception, under Aktv. Sec. 42I (2), judicial proceedings or proceedings for imposing administrative and criminal penalties may be initiated or continued in Hungary in connection with the same case, subject to the mutual agreement procedure.

A regular audit can be followed by a repeated and then a review audit (Air. Sec. 92 and 93, respectively). There is also a problem that administrative and criminal proceedings can, in many ways, be intertwined (e.g., evidence obtained in criminal proceedings is used in administrative proceedings, which is not legally self-evident). However, it can be argued that sanctions in criminal proceedings are not legally the same as sanctions in public administrative procedures.

It is a legal guarantee of the principle of *ne bis in idem* in particular that, when auditing a legal relationship of taxable persons affecting tax liability, the tax authorities may not classify the same legal relationship that has already been treated and is subject to an audit differently for each taxpayer. The findings made in the case of one taxable person are not subject to an audit in the case of another taxpayer. For the prohibition of different classifications of legal relationships, see Air. Sec. 100.

The principle of *audiatur et altera pars* is not explicit in Hungarian tax law, but the taxpayer has extensive rights in the tax audit procedure, such as the right to make comments (Air. Sec. 97 on taxpayers' rights in a tax audit procedure). The *nemo tenetur se detegere* principle does not appear in Hungarian tax law but criminal law.

Various legal sources substantiate the above explanation. *Nota bene*, the judgment of No. Pfv. IV. 21.175/2017. BH 2018. 49, (19) can illustrate the proportionality principle in tax matters. The *ne bis in idem* principle appears in the judgment No. Kfv.V.35.359/2022/2, (9) and (20), and No. Kfv.I.35.080/2023/3, (11).

For applying the principle *audiatur at altera pars* in the judiciary practice, see Kfv.V.35.347/2022/2, (3), (15). For the literature concerning the same principle, see Ágnes Czine, *A tisztességes bírósági eljárás: audiatur et altera pars*. HVG-ORAC, Budapest, 2020. For the *nemo tenetur* principle applicable in criminal law, see Judit Jacsó, "Strafprozessrechtliche Regelung des *nemo tenetur* Grundsatzes in Ungarn", *Publicationes Universitatis Miskolcensis. Sectio Juridica et Politica*, Vol. 35 (2017), at p. 151.

26 (MS). In applying proportionality, tax authorities may request only information that is strictly needed and not otherwise available, and they must impose the least burdensome impact on taxpayers.

Yes.

26 (S). Summary of relevant facts in 2023

See Question 25 above.

27 (BP). In the application of *ne bis in idem*, the taxpayer should only receive one audit per taxable period, except when facts become known after the audit is completed.

Yes. The Hungarian law complies with BP. However, see reservations in Question 25.

27 (S). Summary of relevant facts in 2023

See Question 25 above.

28 (MS). In application of *audi alteram partem*, taxpayers should have the right to attend all relevant meetings with tax authorities (assisted by advisors), the right to provide factual information, and to present their views before decisions of the tax authorities become final.

Yes, as discussed in Question 25.

28 (S). Summary of relevant facts in 2023

See Air. Sec. 97 on the taxpayer's access to the documents of tax audit at least at the end of the audit. See also Question 25 above.

29 (MS). In application of *nemo tenetur*, the right to remain silent should be respected in all tax audits.

Yes, but in criminal proceedings. See also question 25 above.

29 (S). Summary of relevant facts in 2023

See question 25 above.

30 (BP). Tax audits should follow a pattern that is set out in published guidelines.

Yes. The tax authorities publish a timely audit plan for the year.

30 (S). Summary of relevant facts in 2023

See the recent guidelines here:

https://nav.gov.hu/ugyfeliranytu/adotraffipax/Kiemelt_ellenorzesi_temakorok/A_NAV_2023._evi_ellenorzesi_terve.

31 (BP). A manual of good practice in tax audits should be established at the global level.

No. Hungary has no reference to such a manual.

31 (S). Summary of relevant facts in 2023

Not applicable.

32 (BP). Taxpayers should be entitled to request the start of a tax audit (to obtain finality).

No, they are not. A tax audit starts *ex officio*. However, the taxpayer may voluntarily correct the tax, the tax base and the budgetary support.

If the taxpayer discovers before the tax authorities begin their audit that the tax base, tax, and budget support have not been determined according to the law, or if their return is incorrect regarding the tax base or budget support due to a calculation error or a spelling error, they may amend their return using a self-audit. No self-assessment shall be deemed to be made if the taxpayer has lawfully exercised the option the law allows and would change this through a self-assessment.

32 (S). Summary of relevant facts in 2023

See Air. Sec. 96 on starting a tax audit and Art. 54 (1) and (3) on the taxpayer's self-revision.

33 (MS). Where tax authorities have resolved to start an audit, they should inform the taxpayer

Yes. Under Air. Sec. 96, a tax audit shall begin with the delivery of the prior notification or, failing this, with the delivery of the credentials, a copy thereof or the presentation of the general credentials. Where the taxpayer or their representative, agent or employee refuses to accept the credentials, the audit shall begin with the recording and signing of a report to that effect in the presence of two official witnesses.

33 (BP). Where tax authorities have resolved to start an audit, they should hold an initial meeting with the taxpayer in which they spell out the aims and procedure, together with

timescale and targets. They should then disclose any additional evidence in their possession to the taxpayer.

No.

33 (S). Summary of relevant facts in 2023

See Air. Sec. 96 (1).

34 (MS). Taxpayers should be informed of information gathering from third parties.

Yes.

34 (S). Summary of relevant facts in 2023

Suppose the tax authorities support the investigation's findings with the results of a related investigation at another taxpayer or with data or evidence obtained during such investigation. In that case, the taxpayer must be informed in detail of the report or decision and the part of the data or evidence concerning the taxpayer that was discovered during the related investigation. See Air. Sec. 97 (3). For the judiciary practice, see AB 3223/2018 (2 July 2018), ABH 1992, p. 27, on the extent to which the records of related investigations carried out by the tax authorities may be disclosed to the taxpayer, according to Air. Sec. 97 (3).

35 (BP). Reasonable time limits should be fixed for the conduct of audits.

Yes.

35 (S). Summary of relevant facts in 2023

See Air. Sec. 94.

36 (MS). Technical assistance (including representation) should be available at all stages of the audit by experts selected by the taxpayer.

Yes.

36 (S). Summary of relevant facts in 2023

Under Air. Sec 97 (1)(c), taxpayers can choose a representative.

37 (MS). The completion of a tax audit should be accurately reflected in a document, notified in its full text to the taxpayer.

Yes.

37 (BP). The drafting of the final audit report should involve participation by the taxpayer, with the opportunity to correct inaccuracies of facts and to express the taxpayer's view.

Yes. Before the audit's final report, taxpayers may have comments. Following the final report and closing the tax audit, taxpayers have 30 days to make comments. Following this deadline, taxpayers forfeit their right to make comments definitively. The length and type of this deadline are severe challenges for taxpayers, primarily where representatives do not assist them.

37 (S). Summary of relevant facts in 2023

See Air. Sec. 96 (1) and Sec. 97 (2).

38 (BP). Following an audit, a report should be prepared even if the audit does not result in additional tax or refund.

Yes.

38 (S). Summary of relevant facts in 2023

Under Air. Sec. 115 (1), the tax authorities shall record its findings in a report. Under Sec. 117 (1), in the event of a tax audit, the tax authorities will decide on the findings irrespective of the audit's outcome.

Area 5 - More intensive audits

39 (BP). More intensive audits should be limited to the extent strictly necessary to ensure an effective reaction to non-compliance.

No changes.

Yes. There are targeted audits of business activities carrying a significant budgetary risk and of taxpayers with the highest tax performance (these are two different categories).

39 (S). Summary of relevant facts in 2023

See the recent guidelines here:

https://nav.gov.hu/ugyfeliranytu/adotraffipax/Kiemelt_ellenorzesi_temakorok/A_NAV_2023._evi_ellenorzesi_terve.

40 (MS). If there is point in an audit when it becomes foreseeable that the taxpayer may be liable for a penalty or criminal charge, from that time the taxpayer should have stronger protection of his right to silence, and statements from the taxpayer should not be used in the audit procedure.

Yes. If the tax authorities initiate criminal proceedings, they draw up a separate report. However, they do not provide the taxpayer with the report initiating the criminal proceedings.

40 (S). Summary of relevant facts in 2023

See Air. Sec. 115 (2).

41 (MS). Entering premises or interception of communications should be authorised by the judiciary.

Yes. As a rule, it should not, except in exceptional cases in criminal procedures, as regulated by Sec 59 of NAV tv.

41 (S). Summary of relevant facts in 2023

According to Sec. 51 (1), secret information collection is a particular activity carried out by NAV that involves the restriction of the inviolability of the private home, the protection of private privacy, the protection of the confidentiality of correspondence and the protection of personal data, and is carried out by the authorised bodies of the NAV without the knowledge of the person concerned. The bodies of NAV authorised to carry out secret information collection (Section 54)

- may use a person who cooperates with NAV on a confidential basis to obtain information (a whistleblower);
- may collect and verify information by keeping the real purpose of the procedure secret, by using a financial investigator or undercover investigator who conceals their identity;
- secretly observe a person, a dwelling, other premises, a fenced place, a public place or a place open to the public, or a vehicle, collect information on what has happened and record what has been observed employing technical equipment;
- replace a person, if necessary to safeguard their life or physical integrity, with a financial investigator, excluding a non-professional financial investigator; or
- obtain the data necessary to establish communication on an electronic communication device or information system, identify the electronic communication device or information system, or set its whereabouts.

According to Sec. 59 (1), an instrument subject to judicial authorisation may be used if

- there are reasonable grounds for believing that the information to be obtained is indispensable to the attainment of the specified objective and cannot be accepted by other means and
- its use does not result in a disproportionate restriction of a fundamental right of the person concerned or another person about the objective to be achieved.

Under (2), the following means of obtaining secret information may be used subject to judicial authorisation:

- (a) secret research,
- (b) remote surveillance of a place,
- (c) clandestine inspection of a consignment,
- (d) interception of communications, and
- (e) covert surveillance of an information system.

In addition to the discussion above, see the sources of judiciary practice as follows: Decision of No. 2/2007. (I. 24.) AB, ABH 2007, https://media.alkotmanybirosag.hu/2017/06/2007_i_1_1125.pdf, p. 65, Para. IV.3.6.2 on the constitutional requirements of the secret gathering and use of information; 4.Bf.311/2022/30, (84) on the conditions of secret gathering of information; C-419/14 *WebMindLicenses*, ECLI:EU:C:2015:83290, Paragraphs 90-91.

42 (MS). Authorisation within the revenue authorities should only be in cases of urgency, and subsequently reported to the judiciary for ex-post ratification.

No. There is no such practice in Hungary.

42 (S). Summary of relevant facts in 2023

See Question 41 above.

43 (MS). Inspection of the taxpayer's home should require authorisation by the judiciary and only be given in exceptional cases.

The prosecutor's prior authorisation is necessary.

43 (BP). Where tax authorities intend to search the taxpayer's premises, the taxpayer should be informed and have an opportunity to appear before the judicial authority, subject to exception where there is evidence of danger that documents will be removed or destroyed.

No. There are analogous rules, however, where the competent public prosecutor replaces the judiciary.

43 (S). Summary of relevant facts in 2023

Inspection of the taxpayer's home does not require authorisation by the judiciary. Instead, the prosecutor's prior authorisation is necessary [Sec. 112 (2) Air.].

The tax authorities notify the taxpayer by order before the search [Sec. 112 (2) Air.]. The taxpayer can object to the tax authorities' orders with the higher tax authorities [Sec. 112 (10) Air.].

44 (BP). Access to bank information should require judicial authorisation.

No. No such provisions exist in Hungarian tax law. Financial institutions must provide information to the tax authorities in cases provided for by the law. Otherwise, they are subject to business and bank secrecy.

44 (S). Summary of relevant facts in 2023

Under Sec. 161 (2)(h) Hit., banking secrets held by financial institutions will not be infringed in cases of communication with the tax authorities.

45 (BP). Authorisation by the judiciary should be necessary for the interception of telephone communications and monitoring of internet access. Specialised offices within the judiciary should be established to supervise these actions.

No.

45 (S). Summary of relevant facts in 2023

See Question 41 above.

46 (MS). Seizure of documents should be subject to a requirement to give reasons why seizure is indispensable, and to fix the time when documents will be returned; seizure should be limited in time.

No. The tax authorities can keep documents taken away until the end of the audit. An obligation to give reasons for seizure does not exist.

46 (S). Summary of relevant facts in 2023

See Air. Sec. 103. According to it, If there are reasonable grounds to suspect that the supporting documents, books, records, electronic data, information and other documents subject to inspection will be destroyed, they must be collected against a receipt, with a copy if necessary, taken in a suitably for identification, and, if there is a risk of the circumstances of the business activity being changed, the circumstances found on the spot must be recorded in a report.

47 (BP). If data are held on a computer hard drive, then a backup should be made in the presence of the taxpayer's advisors and the original left with the taxpayer.

Yes.

47 (S). Summary of relevant facts in 2023

See Air. Sec. 103 (1).

48 (MS). Where invasive techniques are applied, they should be limited in time to avoid a disproportionate impact on taxpayers.

No. Hungarian law does not authorise tax authorities to use invasive inspection methods, although the law is silent on this question.

48 (S). Summary of relevant facts in 2023

Not applicable.

Area 6 - Reviews and appeals

49 (BP). E-filing of requests for internal review to ensure the effective and speedy handling of the review process.

Yes.

49 (S). Summary of relevant facts in 2023

Under Eüsztv. Sec. 3 (1), in Hungary, the customer shall have the right to electronically settle his case before the body providing electronic administration in the manner provided for in this Act. Under Sec. 9 (1), persons acting as customers must administer all matters electronically, provided that they are an economic entity, the state, local government, budgetary bodies, a prosecutor, notary, public body, other administrative authorities, and the client's legal representative. Under Sec. 9 (3), natural persons cannot be

obliged to use electronic communication unless provided by law. Under Sec. 13 (1), communication is electronic if the customer or the body providing electronic administration makes their declaration or decision.

50 (MS). The right to appeal should not depend upon prior exhaustion of administrative reviews.

No. In Hungarian law, the tax authorities' decisions are subject to appeal in the first instance. Having exhausted administrative remedies, taxpayers can go further to file an action before the court if they have remained unsatisfied with the administrative procedure. Not before.

50 (S). Summary of relevant facts in 2023

Under Air. Sec. 119 (1), remedies procedures on request are the following: appeal, supervisory procedure, and judiciary proceedings. Under Sec. 130 (1), administrative proceedings may be brought before the court concerning a final decision of the tax authorities.

51 (BP). Reviews and appeals should not exceed two years.

Yes.

51 (S). Summary of relevant facts in 2023

Under Air. Sec. 124 (1), an appeal can be lodged against the tax authorities' first instance decision within thirty days of a subsequent assessment. Under Sec. 127 (3), the time limit for taking a second instance decision is sixty days from receipt of the file from the first instance authorities.

52 (MS). *Audi alteram partem* should apply in administrative reviews and judicial appeals.

Yes.

52 (S). Summary of relevant facts in 2023

See Question 25.

53 (MS). Where tax must be paid in whole or in part before an appeal, there must be an effective mechanism for providing interim suspension of payment.

No. Not applicable.

53 (BP). An appeal should not require prior payment of tax in all cases.

Yes, it should not.

53 (S). Summary of relevant facts in 2023

Yes, payment is suspended by law. Under Air. Sec. 74 (1)-(2), the tax authorities's decision is final unless it is appealed. Under Sec. 125, the appeal has a suspensive effect on enforcing the decision.

54 (BP). The state should bear some or all of the costs of an appeal, whatever the outcome.

Yes.

54 (S). Summary of relevant facts in 2023

The state or the local government holding its tax authorities incurs the costs of tax administration procedures [Air. Sec. 134 (1)]. The taxpayers' costs, if any, are payable by the taxpayers themselves Sec. 134 (3).

55 (MS). Legal assistance should be provided for those taxpayers who cannot afford it.

Yes. Under Air. Sec 14 (1), where taxpayers are not legally required to act in person, their legal representative or someone authorised may work in their place. An independent law was adopted to establish a system of institutions for socially disadvantaged people to receive professional legal advice and procedural legal representation to enforce their rights and resolve their disputes. Legal assistance is available to the needy in extrajudicial procedures, public administrative and judicial proceedings and criminal procedures.

55 (S). Summary of relevant facts in 2023

See the preamble of the Act LXXX of 2003 on legal assistance (Jst.).

56 (MS). Taxpayers should have the right to request the exclusion of the public from a tax appeal hearing.

No. In an appeal procedure, no new evidence can be proposed; it is merely devoted to a legal review. The superior authorities do not hold hearings. So, taxpayers will not be heard in an appeal procedure.

56 (S). Summary of relevant facts in 2023

See Air. Sec. 124 (3).

57 (MS). Tax judgments should be published.

Yes.

57 (S). Summary of relevant facts in 2023

See Question 22 above.

Area 7 - Criminal and administrative sanctions

58 (MS). Proportionality and *ne bis in idem* should apply to tax penalties.

Yes.

58 (S). Summary of relevant facts in 2023

See Question 25 above.

59 (BP). Where administrative and criminal sanctions may both apply, only one procedure and one sanction should be applied.

No. There are independent tax administrative and criminal proceedings. Both of them may be intertwined and ended, by applying sanctions, and arguing that tax and criminal law relationships differ from each other. However, judicial practice and literature emphasise that the more thorough application of the principle is desirable.

59 (S). Summary of relevant facts in 2023

See Question 25 above.

60 (BP). Voluntary disclosure should lead to reduction of penalties.

Yes, under specific conditions. If the taxpayer waives the right of appeal against the first-instance decision on the ex-post tax assessment and pays the excess tax due by the due date, they are exempt from paying fifty percent of the tax penalty imposed.

60 (S). Summary of relevant facts in 2023

See Art. Sec. 216.

61 (MS). Sanctions should not be increased simply to encourage taxpayers to make voluntary disclosures.

Yes, they should not.

61 (S). Summary of relevant facts in 2023

Not applicable.

Area 8 - Enforcement of taxes

62 (MS). Collection of taxes should never deprive taxpayers of their minimum necessary for living.

Yes.

62 (S). Summary of relevant facts in 2023

Under Avt. Sec. 6, enforcement measures shall be taken which least restrict the debtor regarding the principle of proportionality. Under Sec. 96 (3), taking an insurance measure (e.g., freezing of funds) must not jeopardise the livelihood of the debtor and their close relatives. For the judiciary practice, see Kpkf.V.39.652/2020/2. (11) reconciling with each other, enforcing public debt and the taxpayer's private interest in preserving liquidity.

63 (BP). Authorisation by the judiciary should be required before seizing assets or bank accounts

No.

63 (S). Summary of relevant facts in 2023

Under Art. Sec. 239, where the tax authorities impose a default penalty on a natural person or a taxpayer who is not a natural person for carrying out an activity as a sole trader without a tax number, they may seize the assets of the activity carried out, the results of the production of the goods, and the stock of goods – except for perishable goods and live animals – up to the amount of the penalty imposed, as security for the amount of the penalty. Under Art. Sec. 43 (1), the seizure of immovables, including the seizure of financial accounts claims, can be carried out simultaneously with the initiation of the enforcement procedure or at any time after that. In these cases, no authorisation by the judiciary is legally required.

64 (MS). Taxpayers should have the right to request delayed payment of arrears.

Yes.

64 (S). Summary of relevant facts in 2023

Under Art. Sec. 198 (1), payment deferral and payment by instalments may be granted on request by the taxpayer and the person liable to pay the tax. Deferral or payment by instalments may be granted if the payment difficulty is not imputable to the applicant or if they have acted in such a way as could reasonably be expected. Furthermore, the payment difficulty should be temporary, and subsequent tax payments should be likely. For the judiciary practice, see Kfv.VI.35.126/2022/13, [25] on the consideration that the examination of imputability can be waived in the context of allowing instalment payments. However, the temporary nature of financial difficulties is still a condition that the plaintiff should have proven.

65 (BP). Bankruptcy of taxpayers should be avoided, by partial remission of the debt or structured plans for deferred payment.

Yes.

65 (S). Summary of relevant facts in 2023

Under Art. Sec. 201, based on an application by a natural person, the tax authorities may reduce or waive tax debts owed by the natural person and the debt for fines or additional taxes if payment of such debts would seriously jeopardise the livelihood of the taxpayer and their dependents. The tax authorities may make the reduction conditional on paying part of the tax debt, depending on the taxpayer's ability to pay. The tax authorities may not discharge or reduce the tax of another person. The tax authorities may, in exceptional cases, also reduce or waive the surcharge or penalty due, mainly where payment of the amount would make it impossible for a natural person, legal entity or other organisation to carry on a business activity.

66 (MS). Temporary suspension of tax enforcement should follow natural disasters.

Yes.

66 (S). Summary of relevant facts in 2023

Under Sec. 26A of the Act XCIII of 1990 (the Fees Act or "Itv."), <https://njt.hu/jogszabaly/1990-93-00-00>, the acquisition of another immovable property (or the corresponding immovable property right) in place of a dwelling destroyed or irreparably damaged due to a natural disaster is exempt from the property transfer duty under specific conditions. Otherwise, government decrees on tax payment facilities may take place from time to time.

Area 9 - Cross-border situations

67 (MS). The requesting state should notify the taxpayer of cross-border requests for information, unless it has specific grounds for considering that this would prejudice the process of investigation. The requested state should inform the taxpayer unless it has a reasoned request from the requesting state that the taxpayer should not be informed on grounds that it would prejudice the investigation.

No.

67 (BP). The taxpayer should be informed that a cross-border request for information is to be made.

No.

67 (S). Summary of relevant facts in 2023

Under Air. Sec 43 (3), the taxpayer may consult the request sent in the framework of an international exchange of information and the reply after receipt. Not before.

68 (BP). Where a cross-border request for information is made, the requested state should also be asked to supply information that assists the taxpayer.

No.

68 (S). Summary of relevant facts in 2023

Not applicable.

69 (BP). Provisions should be included in tax treaties setting specific conditions for exchange of information.

No.

69 (S). Summary of relevant facts in 2023

As a rule, Hungarian double tax conventions do not include specific information exchange conditions provisions.

70 (MS). If information is sought from third parties, judicial authorisation should be necessary.

No.

70 (S). Summary of relevant facts in 2023

Not applicable.

71 (BP). The taxpayer should be given access to information received by the requesting state.

Yes.

71 (S). Summary of relevant facts in 2023

See Question 67 above.

72 (BP). Information should not be supplied in response to a request where the originating cause was the acquisition of stolen or illegally obtained information.

Yes.

72 (S). Summary of relevant facts in 2023

According to Air. Sec. 58 (2), unlawful evidence may not be used in tax administration procedures. Under Pp. Section 269, unlawful evidence may not be used, but it may be used if the court, after discretion, decides to allow its use; furthermore, following the provisions of Kp. Sec. 6, the background legislation to Kp. is Pp. Hence, using unlawful evidence in tax administration procedures is categorically prohibited. However, it can be used in public administrative proceedings before the court, subject to the court's discretion.

73 (BP). A requesting state should provide confirmation of confidentiality to the requested state.

No. Hungarian tax law is silent in this respect.

73 (S). Summary of relevant facts in 2023

Not applicable.

74 (MS). A state should not be entitled to receive information if it is unable to provide independent, verifiable evidence that it observes high standards of data protection.

No. Hungarian tax law is silent in this respect.

74 (S). Summary of relevant facts in 2023

Not applicable.

75 (BP). For automatic exchange of financial information, the taxpayer should be notified of the proposed exchange in sufficient time to exercise data protection rights.

No.

75 (S). Summary of relevant facts in 2023

See Question 67 above.

76 (BP). Taxpayers should have a right to request initiation of mutual agreement procedure.

No, they do not.

76 (S). Summary of relevant facts in 2023

Taxpayers can initiate a procedure by filing a complaint with the competent Hungarian authorities. Aktv. Sec. 42H provides that if the complaint is accepted by both the Hungarian competent authorities and the competent authorities of the other states concerned, the dispute may be settled by mutual agreement between the Hungarian competent authority and the competent authorities of the other States concerned.

Where the competent authorities of the contracting states concerned have reached an agreement on how to settle the dispute, the Hungarian competent authorities shall notify the person concerned of this by decision out of turn after the date of the mutual agreement. A decision based on a mutual agreement becomes final and binding on the Hungarian competent authorities and the tax authorities if the person concerned accepts the mutually agreed decision within the time limit set out in the mutual agreement between the competent authorities of the states concerned.

77 (MS). Taxpayers should have a right to participate in mutual agreement procedure by being heard and being informed as to the progress of the procedure.

Yes.

77 (S). Summary of relevant facts in 2023

Sec. 42H Aktv., a mutual agreement procedure does not provide for a right to participate in a mutual agreement procedure by being heard and informed of the procedure's progress. Sec. 42H Aktv. does not provide for a right to participate in a mutual agreement procedure by being heard and informed as to the progress of the procedure.

Area 10 - Legislation

78 (MS). Retrospective tax legislation should only be permitted in limited circumstances which are spelt out in detail.

Yes.

78 (BP). Retrospective tax legislation should ideally be banned completely.

No. The Hungarian practice is not far from it. Nevertheless, perfect compliance with it would lead to absurdity.

78 (S). Summary of relevant facts in 2023

From a constitutional law perspective, the Hungarian legislative practice seems stricter than its international counterpart. First, the law on legislation provides for the prohibition of retroactive legislation [Jat. Sec. 2 (2)]. Besides, there is an early Constitutional Court resolution that is noteworthy. According to the Constitutional Court, it derives from the principle of the rule of law [25/1992. (IV. 30.) AB, ABH 1992, p. 131]. The practice generated by this Constitutional Court decision has been effective even currently (Kfv.II.37.800/2016. EBH 2018. K.2).

Taxpayers must fulfil procedural obligations (e.g., those to declare and pay) even to comply with the new law, which applies to social relationships developed before it entered into force. This phenomenon is retrospective effect but not retroactive. It means applying tax law to social relations developed and completed before the new law enters into force (prohibition of retroactivity) is prohibited. Still, procedural tax rules can apply to legal relations developed but not completed before the new law enters into force (application of retrospective law). See for that Art. Sec. 271 (6)-(7).

The Hungarian law is much more rigid than the ECtHR position taken in *M.A.-M. and 34 others v Finland*, a leading case. Notably, retroactive legislation is not necessarily considered the infringement of Article 1 of Protocol No. 1 (Paris, 20 March 1952) to ECHR (Rome, 4 November 1950), <https://rm.coe.int/168006377c>.

The real question is how to balance between private and public interests. It is in the public interest that tax legislation should reflect redistributive justice. It is also essential, however, to protect vested rights.

79 (BP). Public consultation should precede the making of tax policy and tax law.

Yes. This conception is not challenged in Hungary on paper. In practice, however, the Hungarian government fails to adhere to it.

79 (S). Summary of relevant facts in 2023

See Jet. Furthermore, see „The Government’s bill on public consultation does not offer real solutions“, *Hungarian Helsinki Committee et al.*, Budapest, 27 July 2022. (<https://helsinki.hu/en/the-governments-bill-on-public-consultation-does-not-offer-real-solutions/>); European Parliament resolution of 15 September 2022 on the proposal for a Council decision determining, according to Article 7 (1) of the Treaty on European Union, the existence of a clear risk of a serious breach by Hungary of the values on which the Union is founded.

Area 11 - Revenue practice and guidance

80 (MS). Taxpayers should be entitled to access all relevant legal material, comprising legislation, administrative regulations, rulings, manuals and other guidance.

Yes.

80 (S). Summary of relevant facts in 2023

As the Hungarian tax system is highly complicated, exacerbated by the inflation of laws, and because of the system's extreme volatility, access to the above sources of information helps only experts. The laypeople are almost hopeless in finding their way in a legal jungle.

81 (MS). Where legal material is available primarily on the internet, arrangements should be made to provide it to those who do not have access to the internet.

Yes.

81 (S). Summary of relevant facts in 2023

As under Eüsztv. Sec. 9 (1), legal persons are subject to electronic communication with the public authorities, and the rest of the taxpayers have a right to enter the official electronic system; obstacles to on-site access have been devalued. However, yearly income tax returns may also be filed on-site, even if the users' number is probably meagre, mainly because of the proliferation of pre-filed income tax forms.

Due to the proliferation of the black and grey economy, billions of HUF and millions of Hungarian tax residents remain out of the tax system. Thus, they are not registered for tax purposes nor file these persons' tax returns.

82 (MS). Binding rulings should only be published in an anonymised form

No.

82 (S). Summary of relevant facts in 2023

See Question 22 above.

83 (MS). Where a taxpayer relies upon published guidance of a revenue authority which subsequently proves to be inaccurate, changes should apply only prospectively.

Yes.

83 (S). Summary of relevant facts in 2023

No Hungarian legal provision provides a solution for the problem.

Area 12 - Institutional framework for protecting taxpayers' rights

84 (MS). Adoption of a charter or statement of taxpayers' rights should be a minimum standard.

No.

84 (BP). A separate statement of taxpayers' rights under audit should be provided to taxpayers who are audited.

No.

84 (S). Summary of relevant facts in 2023

Not applicable.

85 (BP). A taxpayer advocate or ombudsman should be established to scrutinise the operations of the tax authority, handle specific complaints, and intervene in appropriate cases. Best practice is the establishment of a separate office within the tax authority but independent from normal operations of that authority.

No.

85 (S). Summary of relevant facts in 2023

Hungary does not know such institutions. An ombudsman is instituted with two deputy ombudsman's in Hungary. As its responsibility is to deal with fundamental rights only, taxation is not a subject in which the ombudsman would be competent.

In June 2021, the Hungarian ombudsperson was reclassified by GANHRI from status "A" membership to status "B" membership (<https://ganhri.org/?s=SCA+recommendation+for+Hungary>; https://helsinki.hu/wp-content/uploads/2021/07/MHB_NHRI_arnyekjelentes_18022021.pdf) because the Hungarian ombudsman, Mr Ákos Kozma, and his office are only partially compliant with the so-called UN Paris principles. The consequence of downgrading is that the Hungarian ombudsman has no voting rights and cannot hold office in the World Federation, can only attend Federation meetings as an observer, and cannot actively participate in the work of the UN Human Rights Council.

See European Parliament resolution of 15 September 2022 on the proposal for a Council decision determining, according to Article 7 (1) of the Treaty on European Union, the existence of a clear risk of a serious breach by Hungary of the values on which the Union is founded, Council Implementing Decision (EU) 2022/2506 of 15 December 2022 on measures for the protection of the Union budget against breaches of the principles of the rule of law in Hungary, OJ L 325, 20.12.2022, p. 94.

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86 (BP). The organisational structure for the protection of taxpayers' rights should operate at local level as well as nationally.

Yes.

86 (S). Summary of relevant facts in 2023

In principle, a single system of Hungarian law is put in place. In practice, local governments have been deprived in the past four or five years of significant funds and a long line of their original competencies. Besides, Hungary faces severe problems with the rule of law.