

Simplification of the tax reporting obligations for employers in Hungary

Final Report (Deliverable 5)

Technical Support Instrument

Supporting reforms in 27 Member States



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Introduction

The Directorate-General for Structural Reform Support of the European Commission has issued a call for tenders on 29 March 2021 for “Simplification of the tax reporting obligations for employers in Hungary” (REFORM/SC2021/026). EY submitted its proposal for the opportunity on 30 April 2021, and subsequently won the engagement.

The project was funded by the European Union via the Technical Support Instrument and implemented by EY in cooperation with the Directorate-General for Structural Reform Support of the European Commission.

The present document, Deliverable 5, is the Final report presenting a concise description of the tasks performed and the deliverables achieved (and conclusions made).

1. Inception report (Deliverable 1)

An Inception report was compiled with the aim to outline the details of the methodological approach applied, along the deliverables and sub-deliverables stipulated in the Request for Service. The approach has been agreed on through meetings held with the Ministry of Finance (MoF) following the kick-off meeting.

Apart from methodology, the Inception report also included the presentation of our suggested project governance (focusing on the timeline, project team structure and the stakeholder map) and of our quality plan.

The final version of the Inception Report was prepared in consultation with the MoF and DG REFORM. It was formally approved on 15 September 2021.

2. Technical report on the single-channel provision of data by employers (Deliverable 2)

The present chapter aims to outline the tasks and deliverables (including our main conclusions) related to Deliverable 2, focusing on the concept of the planned - single-channel and event-based - employment-related data provision system.

2.1 Analysis of the current data provision system

Related sub-deliverables of the task:

- ▶ Sub-deliverable 2.1: A report summarising our key findings related the analysis of the current framework
- ▶ Sub-deliverable 2.2: A comprehensive list of data provision forms in scope and their respective details

Analysis of the current framework

Full compliance with employment related reporting requirements requires substantial resources from Hungarian enterprises. The costs of submissions and data provision related to the employer's role are considerably high; in 2018, they amounted to 22% of total administrative costs (corresponding to HUF 91.87 billion annually, at the level of the national economy).

This level of administrative burden is partly attributable to the fact that the current non-standard (but to a major extent electronically operated) reporting system—applying a periodic approach, adjusted to the operating logic of public authorities and to their deadlines—is inefficient for a number of reasons:

- ▶ A number of public authorities require reporting through various systems (and data provision forms), based on different intervals;
- ▶ requested data are often very similar and overlapping;
- ▶ the role of online data verification is limited in the reporting process, resulting in many avoidable errors identified in the course of official checks (and subsequent manual consultation between public authorities and employers);
- ▶ processing databases are operated in isolation, they are typically not connected;
- ▶ no meaningful feedback is provided to reporting entities, employees lack basic methods to check data being provided on them.

We separately assessed the suboptimal elements of the system on the basis of two criteria: importance regarding the source of the extent of the administrative burden and manageability of the given factor within the current logical environment. The analysis gave rise to the following conclusions:

- ▶ Neither of the suboptimal elements we identified are manageable within the current logical framework purely by modification of processes or regulation.

- ▶ Substantial progress can be achieved in relation to six of the thirteen factors identified through IT development within the current logical framework; this, however, is insufficient for the remaining seven factors, for which a logical paradigm shift is needed. In terms of severity, all of the most critical factors (a total of 5 factors with a value of 4 or 5), except for one, can only be managed with a logical paradigm shift. An event-based approach can provide a genuine solution for these.

List of data provision forms in scope

Additionally, we created a comprehensive list with the data provision forms under the scope of the project, including the relevant authority, those responsible for data provision and the frequency or the deadline of the data provision in question.

Data provision form	Relevant authority/Participant	Responsible for data provision	Frequency / deadline
2108	National Tax and Customs Administration (NTCA)	Employer, paying agent	Monthly / until the 12th day of the following month
2158	National Tax and Customs Administration (NTCA)	Self employed persons, primary producers	Monthly / until the 12th day of the following month Quarterly (primary producers)
2108INT	NTCA	Foreign employer	Monthly / until the 12th day of the following month
T1041	NTCA	Employer, who employs the insured person	event-based
T1042E	NTCA	Employer, who employs simplified employee	event-based
T1041INT	NTCA	Foreign employer who is not registered in Hungary, but who employs the insured person	event-based
T1044D	NTCA	Employer, who employs school cooperative members	event-based
TMUNK	NTCA	Employer, who employs temporary workers	event-based
MÁTI - Additional leave statement summary form for the father	Hungarian State Treasury (HST)	Employer	quarterly / until the 31 st of March, the 30 th of June, the 30 th of September, and the 31 st of December
OSAP no. 1117 - Workforce expense	Hungarian Central Statistical Office (HCSO)	Employer	annually / until the 31 st of May of the following year
OSAP no. 1405 - Individual wages and earnings	HCSO	Employer	annually / until the 15 th of March of the following year
OSAP no. 2009 - Quarterly employment report	HCSO	Employer	quarterly / until the 12 th day of the following quarter

Data provision form	Relevant authority/Participant	Responsible for data provision	Frequency / deadline
OSAP no.2241 - Annual employment report	HCSO	Employer	annually / until the 1 st of March of the following year
E-Jelent - in case of passive care	National Health Insurance Fund (NHIF)	Social security disburser	Announcement of passive care is event-based
EB-21	HST	Social security disburser	monthly / until the 12 th day of the following month
OSAP no. 1514. Monthly Health Insurance Statistical Report	HST	Social security disburser	monthly / until the 11 th day of the following month
OSAP no. 2395. Report of closed incapacitated for work cases	HST	Social security disburser	quarterly / until the 11 th day of the following quarter
OSAP no. 2396. Report on baby care benefit recipients	HST	Social security disburser	quarterly / until the 11 th day of the following quarter
OSAP no. 1914. Report on recipients of childcare benefit and adoption benefit	HST	Social security disburser	quarterly / until the 11 th day of the following quarter ¹
K36 ('108) - MRP organization	NTCA	Employer	annually/ until the 31 st of January of the following year
K91 simplified tax (Ekho)	NTCA	Employer	annually / until the 31 st of January of the following year
Tax allowances	Employer	Employee	event based
Special data provision for civil servants, public servants, non-profit organizations and school associations	NTCA, HCSO, NHIF	Organizations, associations Organizations and associations do not have reporting obligation toward NHIF	annually, quarterly, monthly
<i>Rehabilitation contribution - Form 01</i>	NTCA	Employer, paying agent	<i>quarterly / until the 20th day of the month after the quarter, the difference by 25th day of February after the actual tax year</i>

¹ Paralell to the implementation of the e-PELL project, the EB-21 Paying Agency accounting and the 4 OSAP data reporting services, which are the responsibility of the Hungarian State Treasury, will be discontinued in this form. The social security payment offices will provide a single - individual, social security number based - data reporting to the health insurance company on a monthly basis. The e-PELL system is currently planned to operationalize on 01.07.2023; the related legislative proposals will be submitted to the legislator in the Autumn 2022 legislative cycle

2.2 Analysis of international best practices

Related sub-deliverables as per the Request for Service

- ▶ Sub-deliverable 2.3: Benchmark analysis of international best practices

We conducted a benchmark analysis in order to understand international best practices of similar reform cases. We selected Australia and the Netherlands for the analysis.

Australia

In Australia, the Single Touch Payroll (STP) system was announced in 2014, contributing to the Australian government's commitment to decrease red tape by AUS \$1 billion per year. The introduction of STP has three main elements contributing to the successful implementation:

- ▶ **The phasing of the implementation by company size:** STP was introduced in two stages. The first stage included employers with 20 or more employees, while later they included small employers with less than 20 employees.
- ▶ **The involvement of stakeholders:** A considerable number of discussions was held with many stakeholders, including a pilot program. One of the most important stakeholder groups was the digital software providers who developed the STP-enabled softwares. The insight from stakeholders also shaped the regulatory aspect of the introduction, by making the real time reporting mandatory, while the real time payment remained voluntary.
- ▶ **The extensive engagement of the ATO:** The ATO's involvement in the process ensured that the STP responds to the problems it aimed to tackle. It cooperated closely with the service providers and the employers of different sizes. ATO prepared extensive communication materials regarding STP, supporting employers in using the new system.

Both the STP and the prospective Hungarian single channel data provision system aim to improve the business environment of the country by reducing taxation-related administrative burdens of employers and by increasing revenue collection and compliance, but some characteristics are different as the Hungarian system has more ambitious goals.

The Netherlands

The Dutch and the Hungarian systems similarly aim to reduce data reporting burdens on companies, by standardising data labelling.

Through the Dutch example, it becomes clear that any standardisation should only be introduced with the involvement of stakeholders. On the one hand, it is important to make the transition as smooth as possible for the new joiners and, on the other hand, to ensure that no data is lost during the process. Moreover, as introducing such a new system involves a lot of preparation and complications, it is a long process for which government coordination is essential.

2.3 Design of the new concept of data provision

Related sub-deliverables as per the Request for Service

- ▶ Sub-deliverable 2.4: A conceptual design of the single-channel data provision model
- ▶ Sub-deliverable 2.5: A feasibility study on potential technological solutions
- ▶ Sub-deliverable 2.6: A gap analysis of the current state model and the target state model
- ▶ Sub-deliverable 2.7: A transition concept about reaching the future state
- ▶ Sub-deliverable 2.8: A business case

Conceptual design of the new system

As a conclusion of the conceptual description of the future single-channel data provision system, the following main features have been identified:

- ▶ reporting processes are adapted to the operation of employers (while also taking into account the needs of public authorities);
- ▶ data provision is linked to events in place of periodicity;
- ▶ employers are only required to provide data related to an event or change, not to previously reported unchanged characteristics, thus significantly reducing redundancy in data provision;
- ▶ single-channel reporting is implemented, i.e data are provided once, in a single form to a central system, from which public organisations can directly access the data relevant to them, considerably reducing the volume of data reporting obligations for employers, as certain data (e.g. sickness data for social security institutions) and data provisions (e.g. statistical data) will no longer be required under the new system;
- ▶ public authorities use the central system to prepare their necessary statements for themselves from event data;
- ▶ public authorities would also record relevant information, authentic data currently managed on paper and/or unavailable online within the central system;
- ▶ employers and employees can also access event data related to them.

Feasibility study on potential technology solutions

In the framework of the project, two possible technological solutions for the implementation of the new system were examined: 1) a private (closed, permission-based) distributed ledger technology (DLT) based on a "proof of authority" consensus mechanism and 2) a solution based on centralized data processing and storage (KAF). The main advantages and disadvantages of these two solutions are as follows:

- ▶ Benefits of the DLT: provides high-quality and preventive security solutions, the built-in nature of the technology guarantees the authenticity and distribution of data at nodes operated by the authorities.

- ▶ Disadvantages of the DLT: being a new technology, the solution is immature, there are no standards yet, there is uncertainty in terms of scalability and transaction processing speed, and the storage capacity requirement is also higher than the other technological solution.
- ▶ Benefits of the KAF: mature architecture and technical solutions are available, implementation and operational risks can be well assessed, professional competency is available, the system can be easily scaled using cloud-based technologies and microservices.
- ▶ Disadvantages of the KAF: The integrity of the data is ensured by the quality of the operation, the detection of compromise is of a detective nature, there are no independent guarantees of the authenticity of the data provision.

The new system is realistically feasible with both technologies; the two solutions are comparable for development costs. In terms of data storage, in the case of DLT, a larger data storage capacity requirement shall be expected if event data is stored in a blockchain.

The means of managing data protection rules is key to the feasibility of the centralised reporting concept. Due to the single-channel data provision, in the case of both technological versions, all data ranges are physically stored in one database, therefore it should be investigated whether data encryption and authorization management provide sufficient protection from the data protection and legal point of view, so that only designated data controllers have access to a given data range.

Based on the analysis of the technological advantages and disadvantages of DLT, we proposed a hybrid architecture version, which combines the advantages of the two technological solutions while trying to eliminate their disadvantages. The basic essence of the model is that, while the event data related to natural persons and employers are stored in a centralized database with the technology offered by KAF (with encryption and strong access protection solutions), the validated hash codes formed from event data would be stored separately in blockchains (using the DL technology). Supplementing the solution using purely KAF technology with the DLT increases the complexity of the project, but it provides the additional feature that the authenticity of the data provision is independently ensured and can always be verified due to the internal nature of the technology.

Gap analysis of the current and target models

Based on the gap analysis of the current and target models, the following key benefits of the event-based, single-channel reporting system have been identified:

- ▶ **Reduction of the volume of reporting obligations for employers:** the new system eliminates the need of certain data (e.g. paper based sick pay data) and reporting (e.g. statistical data provision) and reduces the frequency of others (e.g. reporting of legal relationship data).
- ▶ **Reduction in the number of incorrectly reported data, improved data quality:** substantive data verification is performed before the sending of events (with use of data already available to the public authority), preventing the provision of formally or logically incorrect data. This reduces the time needed for manual consultations for both public authorities and data providers.
- ▶ **Enhanced transparency:** Employers and employees have access to provided data.
- ▶ **Enhanced sense of comfort for judicial bodies and public authorities:** The interpretation of terms will become clear and consistent; therefore it will be easier to report in a law-abiding manner.
- ▶ **Greater accuracy of provided data:** By way of providing data at a basic level, there will be fewer “estimated” data within the system.

- ▶ **It will be easier for employers to prepare for legislative changes:** In the course of legislative changes, event-based logic forces proposers to provide accurate definitions and manage correlations.
- ▶ **Significantly improved quality of IT system integration between employers and public authorities:** this opens the way for automating reporting processes.
- ▶ **Reporting assisted by modern user interfaces:** creation of web applications, mobile applications, API interfaces for supporting data provision.
- ▶ **Enhanced technological standard and reliability of data sharing between public authorities:** cessation of the secondary reporting system between public authorities.
- ▶ **The long-term integration of official public administration IT systems (by digitising data collection) reduces administrative burdens.**
- ▶ **As a long-term goal, the new system creates a potential for providing customer-oriented services.**
- ▶ **Also as a long-term goal, the new system also creates potential for integrating innovative technologies** (e.g. data repository integration, automatic case support).

Transition concept

Regarding the transition to the event-based data reporting system, the introduction of such a complex system in a single phase is not realistic, as the volume of development and the degree of change carries significant risk. There are a number of possible solutions for phased introduction based on international examples; moreover, phasing can be supplemented with various concessions, services (grace period, support of reporting entities with cheap software solutions).

Business case

As per the estimations, the cost of the development, introduction, and support of the new system is close to 30 billion Hungarian forints. This does not include the cost of public administration IT system developments, which are essential at subsequent stages.

The reform will offer quantifiable benefits in terms of administrative burden for employers, with an average reduction of 42.6 percent of time needed for companies to provide employment data at the national level. This represents a financial saving of HUF 20 billion per year and at the level of the national economy, which means that the estimated payback period for the total development costs is less than 18 months (not taking into account the cost of the system improvements required by the authorities in the future).

During the preparation of the Technical report on the single-channel data provision system, we held workshops with several stakeholders to incorporate their perspectives in the concept.

The main stakeholders were public authorities affected by the future system. We mapped their priorities and requirements for the sake of a smooth operation of the system. The involved public authorities were the following:

- ▶ Ministry of Finance
- ▶ Ministry of Interior
- ▶ Ministry for Innovation and Technology

- ▶ National Tax and Customs Administration
- ▶ Hungarian Central Statistical Office
- ▶ National Health Insurance Fund Administration
- ▶ Hungarian State Treasury
- ▶ National Authority for Data Protection and Freedom of Information

We also interviewed private sector participants somehow impacted by the reform - i.e. payroll service providers, payroll software developers or employers. The goal of the interviews was to understand the main pain points of the current data collection and data provision. The actors involved were the following:

- ▶ SAP Hungary Kft.
- ▶ NEXON Kft.
- ▶ Swiss Post Solutions Gmbh Hungary
- ▶ Accounto Magyarország Kft.
- ▶ Aloha Informatika Kft.
- ▶ RSM Hungary
- ▶ Kulcs-Soft Nyrt.

Due to its novelty, we also held separate discussions around the potential benefits and drawbacks of the distributed ledger technology (DLT). We invited entities active regarding the topic: Blockchain Hungary, the Hungarian National Bank, the Budapest University of Technology and Economics, and the Hungarian State Treasury.

The final version of Deliverable 2, including all sub-deliverables, was prepared in consultation with the MoF and DG REFORM. It was formally approved on 25 January 2022.

3. Technical report specifying the architecture and the requirements for the new IT solution (Deliverable 3)

Building on the concept of the new data provision system (Deliverable 2), the present chapter aims to outline the tasks and deliverables (including our main conclusions) related to Deliverable 3, which further elaborated on the concept, highlighting the regulatory and technological challenges the new system will have to overcome as well as presenting the business and IT requirements.

3.1 Define the business requirements

Sub-deliverables as per the Request for Service

- ▶ Sub-deliverable 3.1: Business requirements of the new system

Business requirements

As part of the deliverables, we elaborated on the crucial functions of the new system as follows:

- ▶ **Simplified identification** - in contrast to the current system, data providers will have fewer identifiers to manage thanks to the support of the relevant specialised system.
- ▶ **Complex checks prior to data submission** - prior to data submission, complex checks will be carried out, backed up by a comparison of the data from public administration IT systems, previously submitted events and payment events to be submitted together. Complex checks will significantly improve the quality of the data sent to public authorities, thereby substantially reducing the number of incorrect data submissions and the administrative burden on both public authorities and employers due to manual corrections of errors afterwards.
- ▶ **Data provision forms transformation** - based on the built-in functionality of the data reporting system, public authorities can continue to use the current data provision forms, albeit on a temporary basis, while employers can become independent of the data provision forms.
- ▶ **Use of data from public administration IT system** - in addition to eligibility checks, the data reporting system will channel in data already available in the public administration IT systems, so that employers do not have to report them again. This reduces the burden on employers and contributes to the principle of data economy, as reporting agents have fewer personal data to process.

Moreover, the functional requirements of the new system were determined, thus defining its functionality, including system interfaces, data, reporting, notification and other technical requirements (such as archiving, rights management, performance).

Case study of the new model

To demonstrate the operation of the new event-based data provision system, we developed a case study with events related to a fictive natural person. In seven selected events, the data need of the new logic, the checks and correction processes embedded and the overall flow of the process was presented, highlighting the advantages of the new data provision scheme in comparison to the current system.

Governance model

The preparation, implementation and operation of the envisaged new data provision system pose significant professional management and administrative coordination challenges. Given that the project will require the active involvement of a number of governmental organisations, the establishment of an inter-ministerial consortium management structure and the appointment of a dedicated government commissioner are necessary to ensure the successful implementation of the reform. The consortium should include representatives from the Ministry of Finance, NTCA, HCSO, HST, NHIF, Ministry of Interior, Digital Hungary Agency Zrt. and any other data hosting organisations. As part of the governance model, we also elaborated the main tasks of the different stakeholders.

3.2 Define the IT requirements

Sub-deliverables as per the Request for Service

- ▶ Sub-deliverable 3.2: Elaborated design of the target architecture of the proposed IT architecture and an architecture roadmap
- ▶ Sub-deliverable 3.3: A list of required IT specifications of the new system
- ▶ Sub-deliverable 3.4: IT development and implementation plan

Design of the proposed IT architecture

The proposed IT architecture is based on the event-based data provision platform (EMAP), which provides a connection between employers, employees, and state authorities, which can be used to ensure the event-based performance of mandatory data provision related to employment. In addition, it gives employees the opportunity to share their data with their employer, and as an authentic storage space, it supports access to the provided event data for those entitled to it.

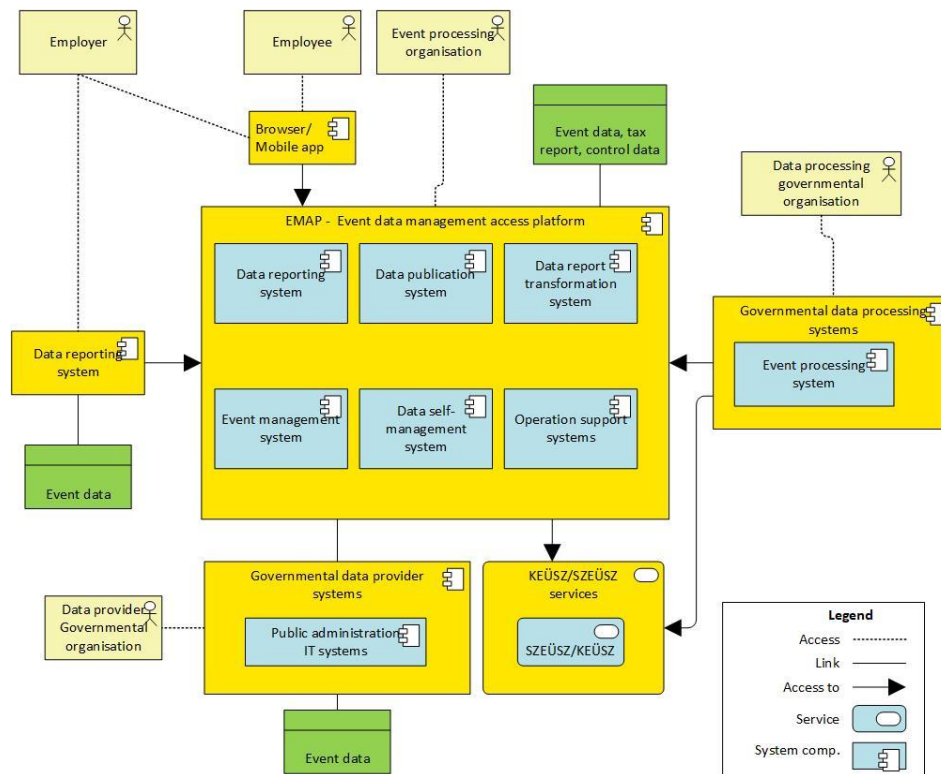
The new system of data provision is based on the fact that a significant number of employers record the data of elementary events in their payroll system from the outset - in their case, the data recording process remains the same, the data provision is implemented within the payroll system through its integration with the EMAP. For companies that do not have a payroll system (and do not outsource payroll), the EMAP offers a web interface and a mobile application to fulfill the data provision obligation.

The main software elements of the future system are:

- ▶ **Employer data provision systems:** payroll systems prepared for automatic data provision or browser-based web and mobile applications;
- ▶ **EMAP - Event-based Reporting Platform:** the newly implemented central system that receives data provision from various parties and makes relevant event data available to data processing organizations (authorities);

- ▶ **State reporting systems:** existing public administration IT systems, which, based on legislation or the employee's authorization, submit the data of specific events to the EMAP and make it accessible to the employer and other public authorities entitled to it;
- ▶ **State data processing systems:** existing public administration IT systems, which receive and process the employer's data provision from EMAP, return the employee's authenticated data to EMAP, and perform additional administrative tasks.

The figure below demonstrates the proposed IT architecture of the event-based data provision system:



IT specification requirements of the new system

We also elaborated on the IT-related specification requirements of the new system, distinguishing between six different types of the non-functional requirements (with 100 requirements overall). The broader categories identified are the following:

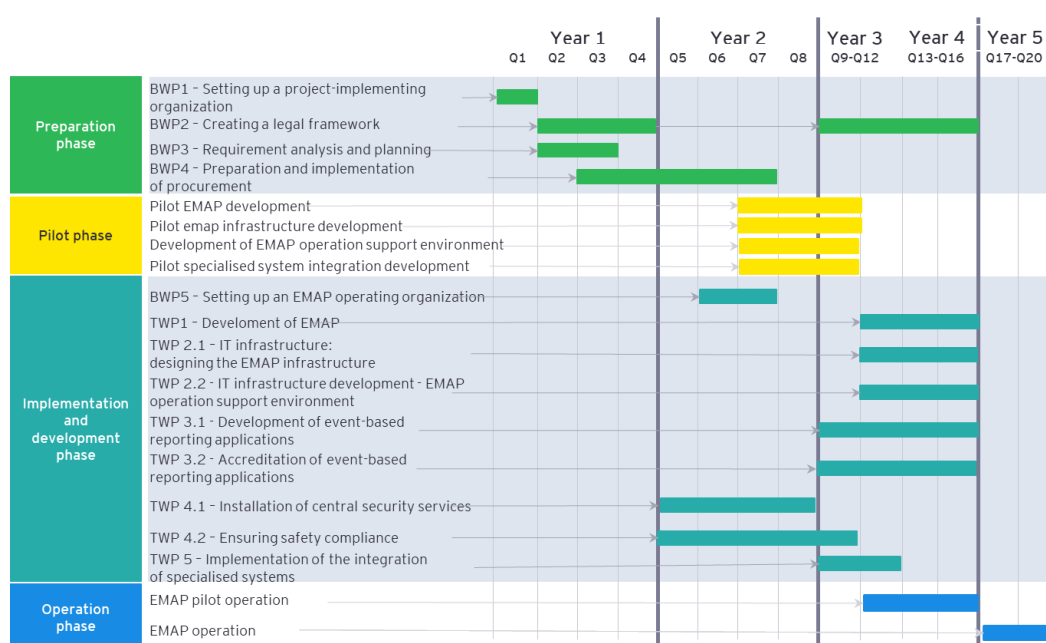
- ▶ Compliance with the legislative framework;
- ▶ Architectural requirements (infrastructure, interfaces and physical accessibility);
- ▶ Security requirements (e.g. logging, encryption and protection of communication);
- ▶ Operational requirements (e.g. identification, handling of inactivity and error messages, failed login, remote management);
- ▶ Implementation requirements (e.g. ergonomics of the platform, language and user-friendliness of the UI, user identification, source code, encrypted data storage, built-in help feature);
- ▶ Data security requirements (e.g. anonymization and pseudonymization, encryption solutions, integrity of the system, continuous availability, principle of limited data storage time, data interconnectivity).

IT development and implementation plan

The introduction of the system consists of four phases:

- ▶ preparation phase;
- ▶ pilot phase;
- ▶ implementation and development phase;
- ▶ operational phase.

According to estimation, preparations for the new reporting system require three years; the pilot system could be launched in the second half of the 3rd year, if certain conditions are met (clear support by senior management, flexibly cooperating stakeholders, and efficient project management). The key preparatory activities are the following: project administration tasks, legislative amendments, procurement tasks, development tasks. The figure below contains the proposed timetable of the different work packages under the four respective phases.



During the preparation of Deliverable 3, we held thematic workshops with the public authorities and private companies involved previously in the project. The workshops focused on the following topics:

- ▶ Key functionalities of the new system, presented through a case study;
- ▶ Data protection aspects of the new system (with the involvement of the National Data Asset Management Agency, the National Data Economy Knowledge Center, and the National Infocommunications Service Company);
- ▶ Future governance structure of the new data provision system (besides the aforementioned public authorities, the Digital Government Agency Hungary, IdomSoft Zrt. and the newly established Digital Hungary Agency were also involved).

Once the working document of D3 was prepared, the Ministry of Finance launched a 3-week long public consultation, publishing the document on a publicly available website in order to receive

feedbacks from the wider audience. The relevant comments received were incorporated, thus finalizing Deliverable 3.

The final version of Deliverable 3, including all sub-deliverables, was prepared in consultation with the MoF and DG REFORM. It was formally approved on 30 June 2022.

4. Consolidated data dictionary (Deliverable 4)

Deliverable 4 aimed at accelerating the reform process by 1) identifying and assessing the data elements currently provided by employers; 2) identifying the desired data elements for the new model; and finally 3) preparing a consolidated data dictionary between the lists of existing and the future data elements.

Sub-deliverables as per the Request for Service

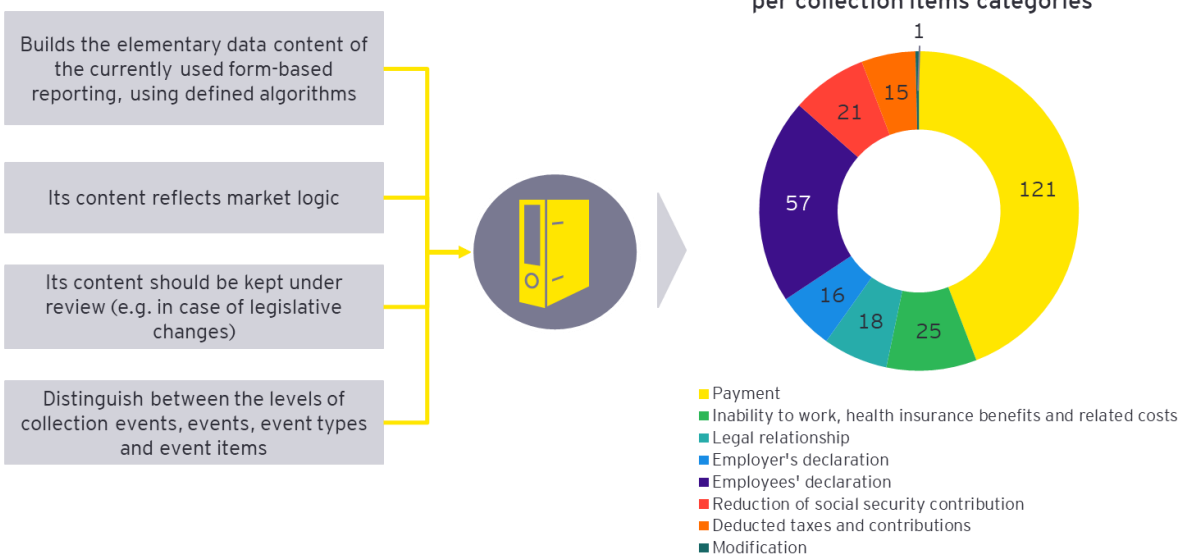
- ▶ Sub-deliverable 4.1: The assessment of relevant data elements
- ▶ Sub-deliverable 4.2: Comprehensive list of the future data elements
- ▶ Sub-deliverable 4.3: A consolidated data dictionary between the lists of existing and the future data elements

As a first step, all the current data provision forms in the scope of the current project were mapped, listing their code, name, purpose, frequency of provision, relevant public authority and most importantly their data elements. Upon completion, we identified overlaps in the data elements to assess the potential for reducing redundancy.

Secondly, an event catalogue was prepared, containing all the relevant employment-related events, which form the basis of the new data provision system. The event catalogue included the code, name and data elements of each event. Due to the complexity of the database created, we held several discussions with the Ministry of Finance in order to ensure user-friendly and transparent structure.

The graph below summarizes the characteristics of the final event catalogue, as well as the breakdown of event items per main categories:

Characteristics of the events catalogue



Finally, the link (i.e. the data dictionary) between the current and the future data elements was created, ensuring that no data element will be lost or overlooked by the introduction of the new system. The algorithms used presented how the complex data requirements of the current system can be automatically generated from the (event-based) data elements of the new data provision logic.

All three sub-deliverables were updated during the course of the project, as from 1 January 2022, some of the data provision forms in our scope were modified. Our goal was to showcase how the event catalogue can be easily adapted to the changing data provision requirements.

During the creation of Deliverable 4, besides continuous discussions with the Ministry of Finance and the National Tax and Customs Administration, we also held workshops with the public authorities and private actors listed beforehand. The aim of these discussions was twofold: to ensure the comprehensiveness of the data dictionary, and to maximize the alignment of the event catalogue to the logic of the business processes.

5. Final report (Deliverable 5)

As part of Deliverable 5, we held a closing workshop on 13 July at the premises of the Ministry of Finance to gather all the main public stakeholders and present them the results of the project. The event brought together senior officials from all related public sector organisations instrumental in the implementation of the project, should the government make a positive decision on it.

The organisations invited were the following:

- ▶ Prime Minister's Office;
- ▶ Ministry of Finance;
- ▶ Ministry of Interior;
- ▶ Ministry of Technology and Industry;
- ▶ Ministry for Economic Development;
- ▶ National Tax and Customs Administration;
- ▶ National Bank of Hungary;
- ▶ Hungarian State Treasury;
- ▶ Hungarian Central Statistical Office;
- ▶ National Health Insurance Fund of Hungary;
- ▶ Hungarian National Authority for Data Protection and Freedom of Information.

The agenda of the workshop was the following:

- ▶ Greetings and opening speech of Mr. Norbert Izer (Ministry of Finance)
- ▶ Greetings and opening speech of Ms. Elka Ilyova (DG REFORM)
- ▶ Presentation of the project results (Mr. Péter Tóth, Ministry of Finance, colleagues from EY and Stratis)
- ▶ Q&A session
- ▶ Closing remarks of Mr. Norbert Izer (Ministry of Finance) and of Ms. Elka Ilyova (DG REFORM)

The opening remarks emphasized the importance of the project and how this TSI project contributed to the kick-start of this complex reform initiative. Both the Ministry of Finance and DG REFORM underlined their satisfaction in terms of the work done, especially given the tight timeframe available. Both called upon further cooperation between the vast number of stakeholders in order to succeed in implementing the new data provision system envisaged in the project.

Following the opening remarks, experts from EY and Stratis presented the results of the project, going through the processes, main functionalities, IT architecture and expected advantages of the new system.

The Ministry of Finance then put emphasis on the next steps. Accordingly, only with an efficient governance model (i.e. inter-ministerial consortium management structure, appointment of a dedicated government commissioner, clear support by senior management of the stakeholders, flexible cooperation, efficient project management) can the first results be yielded as part of the pilot project by the second half of the 3rd year.

In the Q&A session, the overwhelming feedback was positive in terms of the work done and the ambitions for the future - all the participants reassured their commitment to continue the fruitful cooperation.

As part of Deliverable 5, the factsheet prepared during the inception phase was also updated to summarize the results of the project and potential impacts of the new system envisaged.



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