

# Reducing the Administrative Burden in Bulgaria: Single Entry Point for Reporting Fiscal and Statistical Information<sup>\*</sup>

*Diana Yancheva, Karmen Iskrova*  
(National Statistical Institute of Bulgaria (NSI), Bulgaria)

**Abstract:** This paper performs the results of the implementation of a “Single Entry Point” project in Bulgaria, which main aims were to reduce the response burden and to improve the quality of statistical information. The project started with the signing of an agreement between the National Statistical Institute and the National Revenue Agency for avoiding the duplication in the collection of microdata and for using the processed information by both institutions. A new online information system was developed and implemented by NSI of Bulgaria as a pillar of the project.

**Key words:** data collection; microdata; online data transmission

**JEL code:** C81

## 1. Introduction

One of the main priorities of the National Statistical System in Bulgaria is to reduce the response burden and at the same time to improve the quality of statistical information. A great achievement in this area was the implementation of the project “Single Entry Point for Reporting Fiscal and Statistical information”. This project is an element of NSI strategy for reducing the administrative burden as well of governmental program for simplification and reducing the administrative burden in the country. Following the Portugal experience, the National Statistical Institute (NSI) and the National Revenue Agency (NRA) signed a bilateral agreement for implementation of the project “Single Entry Point” for reporting Fiscal and Statistical information. The project was realized on the basis of the developed by National Statistical Institute a new Information System “Business statistics” (ISBS) which provides online collection of annual reports of all economic active enterprises, containing a set of accounting and statistical questionnaires.

## 2. What Is “Single Entry Point”

According to the Accounting law and the Law on statistics the enterprises were obliged to provide in both institutions (NSI and NRA) with similar annual reports based on the annual accounting systems of the enterprises. This was considered as an aggravating factor for the business. After starting the project, the organization for

---

<sup>\*</sup> Presented in 2011, BLUE-ETS Conference, Heerlen.

Diana Yancheva, Deputy President, National Statistical Institute of Bulgaria; research areas/interests: business statistics. E-mail: [DYancheva@nsi.bg](mailto:DYancheva@nsi.bg).

Karmen Iskrova, State Expert, National Statistical Institute of Bulgaria; research areas/interests: business statistics. E-mail: [KIskrova@nsi.bg](mailto:KIskrova@nsi.bg).

submission of annual reports was changed. Now the respondents can submit their annual reports in one place - on paper, in the NRA offices (along with their paper annual tax return) or using ISBS. In accordance with the signed agreement, the paper reports are submitted by NRA offices to the Regional Statistical offices for entering into the ISBS and obtaining an integrated database. In this way, it is possible to build a so-called “Data warehouse” and the gathered information can be used for the purposes of both institutions. During the period 2009-2013 more and more respondents assessed the advantages of electronic submission and the number of provided online annual reports had increased significantly.

### 3. Main Objectives of the Realization of the Project

- Reducing the response burden;
- Multipurpose use of the collected data by the NRA and NSI;
- Improving the quality of the collected information;
- Improving the timeliness of the results;

### 4. Conditions for the Realization of the Project

#### 4.1 Identification Number of Enterprises

The identification number of each enterprise from the Trade Register is identical to that in the Statistical Business Register. This identification code is used in all information systems, which is guaranteed by the national legislation. The uniform coding enables micro-data linking of one and the same enterprise from different information systems.

#### 4.2 Electronic Signature

The electronic submission of annual reports and annual tax returns are possible through using the electronic signature (digital certificate). The connections between user’s PCs and the servers of the system are encrypted (via SSL—*Secure Sockets Layer*).

#### 4.3 Related European and National Legislation

The project is developed in accordance with the European legislation and is conformed to the requirements of the following European Regulations:

- Regarding **Industrial production statistics (Prodcom)**—Regulations EC №3924/91, 912/2004, 937/2007, 163/2010, 860/2010.
- Regarding **Structural Business Statistics (SBS)**—Regulations EC №58/97, 1893/2006, 295/2008, 250/2009, 251/2009, 275/2010.
- Regarding **Foreign Affiliates Statistics (FATS)**—Regulations EC №716/2007, 364/2008, 747/2008, 837/2009.
- Regarding **Statistics on Science and technology**—Regulation EC №753/2004.
- Regarding **Innovation Statistics**—Regulation EC №1450/2004.
- Regarding **Business Register**—Regulation EC №177/2008, 192/2009, 1097/2010.

The national legal framework includes: the Law on statistics, the National Statistical Program, the Law on Corporate Income Tax, the Law on Income Tax of Individuals and the signed agreement for cooperation between the NSI and the NRA.

#### **4.4 Statistical Confidentiality**

In accordance with the national and EU legislation it is necessary to ensure the protection of the collected micro-data. Compliance with and calculation of primary and secondary confidentiality in the dissemination of data is required.

### **5. The Steps of Building the “Single Entry Point”**

- To define the scope and the content of the data that has to be submitted;
- To ensure that definitions and concepts used in the reports are identical for both institutions—NRA and NSI;
- To introduce amendments in the legal acts related to the fiscal and statistical obligations of business;
- To build up the concept of SBS data warehouse ensuring the common use of the data that fits the specific purposes of each institution;
- To build up the Information System “Business Statistics”;
- To organize public awareness campaign and training sessions for accountants and business associations;
- To promote the electronic data submission instead of the paper based one.

All this steps were realized by establishing a working group with leading experts from the NSI and the NRA. The main aim of the group was to harmonize the definitions and concepts of used indicators in accordance with the requirements of EU and national legislation. The proposals are coordinated to Ministry of Economy, Ministry of Finance, National insurance institute, professional business associations, Association of Professional Accounting firms and other interested institutions.

### **6. ISBS as a Tool of Implementing the Project “Single Entry Point”**

The system provides online collection of annual reports of all economic active enterprises, containing a set of accounting and statistical questionnaires. The system was released on 1st January 2009, as its building took 12 months.

#### **6.1 ISBS Is a Web-based Application Using Free of Charge Standard Web-browsers and Programs without Need of Installation of Any Paid Software**

The system is available on the Internet through the websites of NSI and NRA. For the proper functioning of the ISBS is necessary to have installed the following software:

- Web-browsers-Microsoft Internet Explorer (7 or 8); Mozilla Firefox (2.0.0, 2.3.0, or 3.5.6) or Google Chrome;
- Adobe Reader (8.0 or newer) for reading the pdf forms.

#### **6.2 ISBS Is a Highly Efficient System Using the Modern Data Base Servers and Application Servers Which Allows Simultaneous Work of Thousands of Users**

The user application is built using the most efficient and modern Java technologies (Oracle ADF Rich Faces + ADF Business Components). The powerful ICT infrastructure guarantees the best quality of Internet access and the operation under high pressure. Many users can introduce data from their annual reports in the system at the same time.

#### **6.3 The System Can Be Upgraded and Modified at Any Time When the Data Requirements Are Changed or Simplified**

The system is open and could be changed at any time if it is necessary. As there is permanent feedback

provided by respondents who are mostly graduated accountants, some changes have been made as a result of their constructive suggestions. The connections with the respondents are done by phones or e-mail addresses published on the website of the NSI. Everybody can obtain methodological and/or technical assistance from qualified experts. Upon completion of the campaign, the system will be updated and prepared for the next year.

#### **6.4 Automatic Determination of the Principal Activity by Using the “Top-down” Method**

The enterprises indicate any performed activities and their respective shares in the volume of the turnover. On this basis, the system calculates their principal activity for the reference year by using the “top-down” method.

#### **6.5 The System Could Be Easily Integrated with Other Information Systems**

Online integration is realized with the NRA system for submitting tax declarations by using a common technology Platform Oracle (Oracle Fusion Middleware Package), which allows the two systems to be integrated with other information systems, including those of other technology platforms (Informix etc.).

#### **6.6 The System Allows Obtaining Statistical Outputs in Various Formats—XLS, PDF, XML, HTML, RTF and CSV**

For the convenience of users of the collected information and its future use for statistical analysis, the system allows to obtain statistical outputs in various formats—XLS, PDF, XML, HTML, RTF and CSV.

### **7. Advantages of the Realization of the Project “Single Entry Point”**

#### **7.1 It Saves Time and Resources of the Enterprises**

The annual reports could be still submitted on paper but the business already has a choice—queues in front of the desks or online access from the office. The information system is developed in accordance with the national accounting standards and the data is obtained at the end of the year. Data is entered manually but only primary cells—all amounts are automatically calculated and could be compared with the results of the accounting programs. The identification data and those referring to the previous year appear automatically with a possibility to be changed, if necessary. If there are any errors they are displayed after the validation of the reports with the appropriate cells and the conditions which are not met. Each item has a unique code in the system.

#### **7.2 Multipurpose Use of the Collected Data by the NRA and the NSI**

Collecting the same data from different institutions has been ceased. The data from ISBS is processed and made available to the NRA in all required aggregate levels. The system calculates the data for Structural Business Statistics (SBS), Foreign Affiliates Statistics (FATS), Industrial production (Prodcorn), Statistics on Science and Technology, Innovation Statistics, Labour Market Statistics, Business Demography, Environment statistics etc. The final aggregate data is published on the website of the NSI and is available for everyone.

#### **7.3 The Enterprises Can Submit Their Annual Reports throughout the Day and Night with Uninterrupted Online Access**

According to the national legislation the system is available for submission of reports from 1st January to 30th April each year, as the respondents fill out their reports for the preceding year, so called reference year. The online access in this period is uninterrupted, 24 hours, including weekends and holidays. The reports can be completed without limit of time, with the possibility of breaks and partial filling of different forms or parts of them. After the successful completion of the work each enterprise obtains a unique ID code.

#### **7.4 The Enterprises Can Access Their Already Submitted Reports at Any Time, Including the Reports from the Previous Years**

After 30th April the system is locked for submission of the data but the respondents can see and print their reports for each year since 2008 at any time. They can not change the data for the reference year after 30th April or the data for the previous years. This can be done only by an authorized expert in NSI if there is a valid reason for a revision of the data.

#### **7.5 The Quality of the Information Increases due to the Automatic Arithmetic and Logical Controls of the Input Data**

The data quality is ensured by the system of arithmetic and logic controls among the items in each form and between the forms in the report (micro data linking). The rules are two types—mandatory and recommended. The mandatory controls have to be met for successful completion of the report. The recommended controls remind for potential flaws, but the report can be finished with them. It is made automatically and there are messages describing the problems and associated indicators and forms, which should be corrected.

#### **7.6 The Time for Data Processing Is Reduced and the Information Productivity Is Increased by Using the Modern Information Technologies**

After successful completion of the report for each enterprise, the system calculates the full set of SBS indicators. The output tables with required indicators and aggregate levels are defined once and can be obtained immediately after closing the system or when any adjustments of the data are made. In this way the time for production of preliminary SBS data will be reduced from t+11 months to t+7 months. This is achieved by using the modern Java technologies.

#### **7.7 Data Can Be Submitted by the Enterprise or by Chartered Accountants Duly Authorized on Behalf of Enterprise (Especially Important for SMEs)**

### **8. Ongoing Work and Future Plans**

#### **8.1 Developing the ISBS**

The system is constantly evolving. It is forthcoming to include the six sets of annual reports for all kind of financial enterprises. In this way the system will cover all businesses and their results will be received in a short time and with guaranteed quality.

#### **8.2 Improving Cooperation and Communication between Statistical and Administrative Authorities**

The National Statistical Institute of Bulgaria is continuing its efforts to improve the cooperation with other authorities, which collect or need the similar information. Other governmental institutions are also interested in the opportunity to obtain the processed data they need, without having to collect it. The NSI plays the leading methodological and coordinating role in this process.

### **9. Other Measures for Reducing Administrative Burden in Statistics**

- Better use of ICT is the main tool for lowering the burden;
- Harmonizing the definitions and classifications used in different information systems;

It is essential to ensuring that enterprises feel the impact of the reduction efforts. All requests for statistical information include a short explanation of why the information is important. The enterprises have an option to receive feedback on the results of the surveys.