2018-2022

Ministry of Finance Strategic Plan

2018-2022

MINISTRY OF FINANCE STRATEGIC PLAN

No matter how great the political and military victories,
they cannot be enduring unless they are crowned with
economic victories.

Gazi M. Kemal

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Minister's Address

Our Ministry continues to pursue a transparent, citizen-focused and participatory fiscal approach that makes no compromise in fiscal discipline in line with its principles of responsibility and accountability, with the aim being to avoid the adverse effects of recent global developments.

Assuming a pioneering role in making our country a leader among the world's economies and reaching the 2023 targets, our Ministry attaches importance to the fair and efficient increase of public revenues from reliable and sustainable sources. In addition, efforts are being made to allocate resources in line with the policy priorities that have been determined, to use them efficiently, effectively and economically, and to avoid any waste of resources in the public sector.

Within the scope of the Strategic Plan for 2018–2022, and as part of our government's objectives for growth, our intention is to strengthen macroeconomic stability, develop human capital, activate the labor market, increase capacity to develop technology and to innovate, strengthen the physical infrastructure and improve institutional quality.

To this end, we shall:

- continue to implement programs that support public investments, production and exports, while maintaining fiscal discipline,
- allocate more resources to R&D and innovation, and to the provision of qualified human resources,
- prioritize expenditures aimed at public infrastructure investments, incentives, regional development and education, supporting growth by gradually lowering the savings-investment deficit in the public sector, and
- accelerate our efforts to raise the quality of human capital and labor, increase high value-added production, improve the business and investment environment, and increase the institutional quality in the public sector.

I expect all the departments of the Ministry to work towards our strategic goals and objectives, and believe in our ability to successfully implement this Plan. I would like to thank all of the Ministry personnel for their contribution to and participation in the preparation of the Plan, including all of the stakeholders who shared their views and suggestions with us.

Naci AĞBAL
Minister of Finance

Top Manager's Address

The rapid changes witnessed around the world have made reforms in the field of public administration a necessity. As access to information becomes easier and the significance of this increases, it becomes even more important to keep our citizens informed, as the owners of public resources. This has increased the importance of fiscal transparency, accountability and strategic management, and as a consequence, reforms have been made in this area.

With the implementation of strategic planning, public administrations have gained a transparent and accountable structure that has brought about a need to increase the quality of service, and the efficient, effective and economical use of resources, allowing them to carry out their duties in a planned manner.

In this time period, our Ministry prepared and implemented successfully the 2008–2012 Strategic Plan, which it followed up with the 2013-2017 Strategic Plan as a continuation. In these periods, significant gains were made both in the development of public fiscal management and in its implementation.

In the light of these achievements, our Ministry has prepared a Strategic Plan for the 2018–2022 period, taking a rational and innovative perspective based on common sense.

I would like to thank all my colleagues who worked on the 2018–2022 Strategic Plan of the Ministry of Finance during its preparation, within the framework of a strategic management perspective.

H. Abdullah KAYA
Undersecretary

1- Our Organization

1.1.

Duties and Authorities

The duties assigned to the Ministry of Finance by Decree Law No. 178 on the Organization and Duties of the Ministry of Finance are as follows:

- To help prepare the fiscal policy, and to implement the fiscal policy,
- To provide legal counseling and judicial services to public administrations included within the general budget, and to administrations with special budgets, upon request,
- To develop and implement expenditure policies and to provide services for the preparation and implementation of the Government budget, as well as monitoring and guiding its implementation,
- To keep public accounts and to perform accounting services,
- To improve the income policy,
- To manage state-owned assets, to determine management principles related to public assets and the real estate of public institutions and organizations, and to carry out other related procedures in this regard,
- To draft, or to participate in the drafting of laws or other legislation related to all kinds of revenue and expenditure transactions,
- To follow the work of international organizations related to the services provided by the Ministry, to draft Ministry communiqués related to such works, to carry out activities both at home and abroad,
- To review and approve the operation and investment programs of institutions related to the Ministry, and to monitor and audit their activities according to annual programs,
- To determine principles and procedures related to the laundering of the proceeds of crime,
- To determine and enforce basic policies and strategies for the examination and inspection of taxes,
- To perform the duties assigned to the Ministry of Finance by various laws, and
- To monitor, evaluate, examine, inspect and audit the performance of the above-mentioned duties.

In addition, the Ministry of Finance is authorized to make the necessary arrangements regarding the implementation of the provisions of Law No. 5018 and of Law No. 5436, as an amendment to the same Law.

1.2.

Organizational Structure

The organization of the Ministry of Finance comprises central, provincial and overseas institutions, as well as affiliated, related and associated agencies.

➢ The Central Organization of the Ministry

The central organization of the Ministry comprises the main service units, as well as advisory and inspection units and auxiliary units.

Our Ministry's main service units are as follows:

- ✓ Chief Legal Adviser's Office and General Directorate of Judicial Procedures
- ✓ General Directorate of Budget and Fiscal Control
- ✓ General Directorate of Public Accounts
- ✓ General Directorate of Revenue Policies
- ✓ General Directorate of Public Property
- ✓ Financial Crimes Investigation Board
- ✓ European Union and Foreign Relations Department

Our Ministry's advisory and inspection units are:

- ✓ Tax Inspection Board
- ✓ Strategy Development Unit
- ✓ Advisors to the Minister
- ✓ Press and Public Relations Advisors

Our Ministry's auxiliary units are:

- ✓ General Directorate of Personnel
- ✓ Department of Administrative and Financial Affairs
- ✓ Department of Data Processing
- ✓ Principal Clerk's Office

Our Ministry's affiliated organizations are:

- ✓ Revenue Administration
- ✓ Privatization Administration
- ✓ General Directorate of the National Lottery
- ✓ Guarantee Fund

Our Ministry's related organizations are:

- ✓ General Directorate of State Supplies Office
- ✓ Public Oversight, Accounting and Auditing Standards Authority

Our Ministry's associated organization are:

- ✓ Public Procurement Authority

➢ The Provincial Organization of the Ministry

The provincial organization of the Ministry carries out its activities through the Provincial Treasuries at a provincial level, and the County Revenue Offices at a county level.

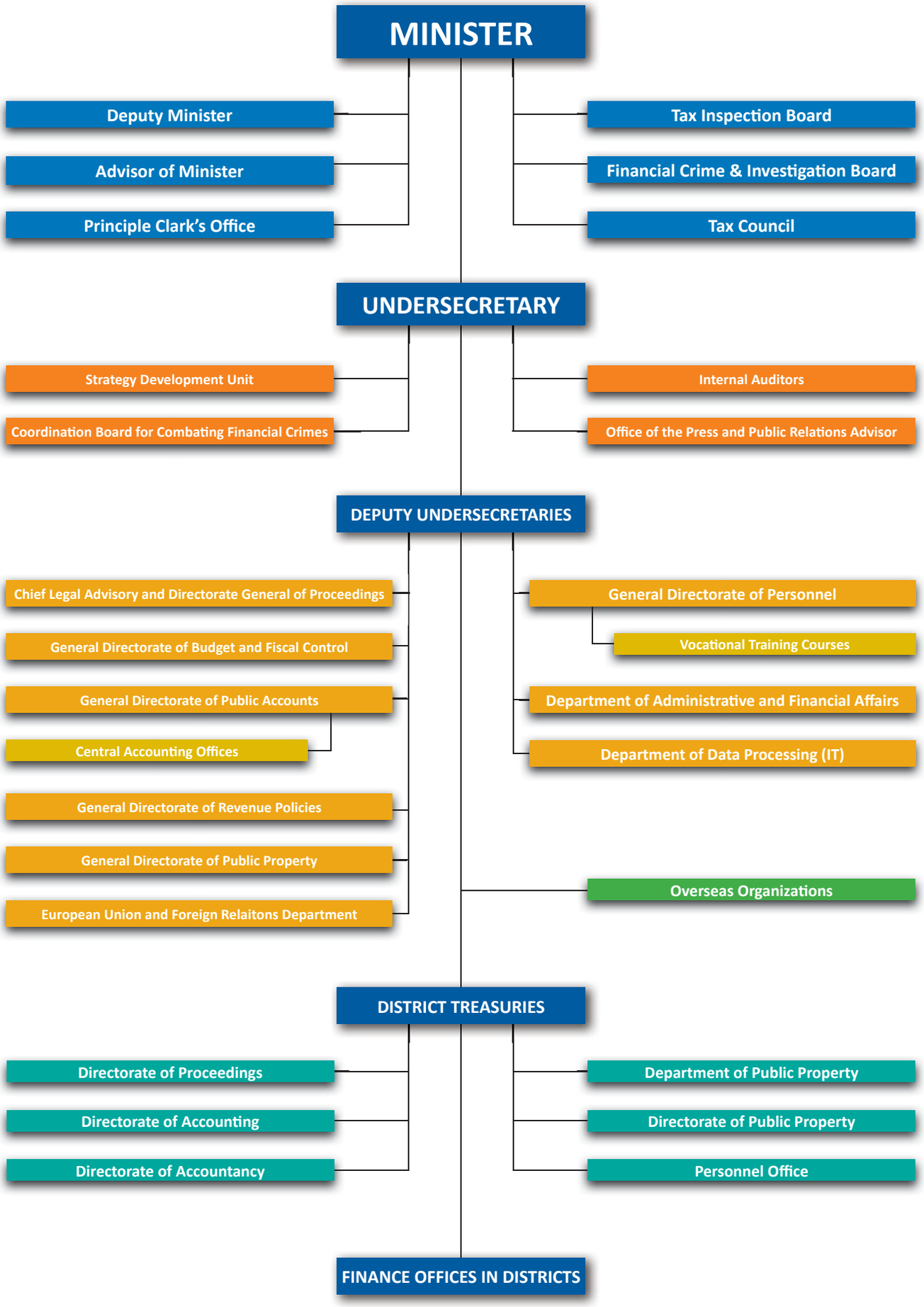
Provincial Treasuries comprise:

- ✓ National Property Department,
- ✓ Accounting,
- ✓ Payroll,
- ✓ National Property,
- ✓ Judicial Procedures, and
- ✓ Personnel Offices;

At county level, there are County Property Offices, as well as National Property Offices in certain counties within particular provinces.

➢ Overseas Organization of the Ministry

The overseas organization of our Ministry includes permanent representative offices in numerous countries, and offices of financial advisers and finance attachés within embassies and consulates general.


MINISTER
Deputy Minister
Advisor of Minister
Principle Clark's Office
Tax Inspection Board
Financial Crime & Investigation Board
Tax Council
UNDERSECRETARY
Strategy Development Unit
Coordination Board for Combating Financial Crimes
Internal Auditors
Office of the Press and Public Relations Advisor
DEPUTY UNDERSECRETARIES
Chief Legal Advisory and Directorate General of Proceedings
General Directorate of Budget and Fiscal Control
General Directorate of Public Accounts
Central Accounting Offices
General Directorate of Revenue Policies
General Directorate of Public Property
European Union and Foreign Relaitons Department
General Directorate of Personnel
Vocational Training Courses
Department of Administrative and Financial Affairs
Department of Data Processing (IT)
Overseas Organizations
DISTRICT TREASURIES
Directorate of Proceedings
Directorate of Accounting
Directorate of Accountancy
Department of Public Property
Directorate of Public Property
Personnel Office
FINANCE OFFICES IN DISTRICTS

2- Our Mission and Vision

Our Mission

To develop, implement and monitor fiscal policy in a participatory manner.

Our Vision

To be an innovative and pioneering Ministry

- ✓ Not compromising on fiscal discipline,
- ✓ Providing optimality in the level and distribution of fiscal burden within fairness,
- ✓ Maximizing social benefit in the utilization of public resources,
- ✓ Having qualified human resources, using information technologies effectively,
- ✓ Based on transparency, accountability, and participation principles,

to support a strong economy, sustainable development, and a stable growth environment.

3- Our Fundamental Principles and Values

- **Commitment to National Values**
- **Economy, Efficiency and Effectiveness**
- **Being Citizen Focused**
- **Integrity and Trustworthiness**
- **Accountability**
- **Transparency**
- **Participation**
- **Fairness and Equality**
- **Being Proactive**
- **Social and Environmental Responsibility**
- **Being Solution-Oriented**
- **Consistency**
- **Predictability**
- **Merit and Expertise**
- **Innovation**
- **Dynamism**
- **Discipline and Diligence**

4- Situation Analysis (SWOT)

Strengths

- Experience and knowledge
- Qualified human resource
- Competence in fiscal management and control
- Strong technological infrastructure
- Long-established corporate culture
- Effective tax inspection
- Consulting capacity
- Extensive provincial organization
- Strong collaboration and communication with stakeholders
- Efficient risk assessment

Weaknesses

- Ineffectiveness of delegation mechanism
- Poor collaboration
- Demand-focused approach to work
- Inadequate human resources in terms of quantity
- Cautious attitude towards change
- Institutional culture that prioritizes an approach focused on legislation

Opportunities

- Strong and robust economic structure
- Preeminent importance of fiscal discipline in economic policy
- Requests for services of high quality
- The restructuring process in the public sector
- Public fiscal management reform
- Increased emphasis on competency
- Presidential government system
- Information society and the e-transformation process
- Changing the understanding of inspection

Threats

- Little room for maneuver in fiscal policies
- Normalization of monetary policy in developed countries
- Increasing protectionism in foreign trade
- Rapid growth and complexity of virtual commerce
- Increasing international tax competition
- Delay in expected recovery in the global economy
- Increased and diversified geopolitical risks
- Misuse of information technologies
- Global warming and environmental threats

5- Ministry of Finance's Strategic Planning Framework

STRATEGIC GOAL	STRATEGIC OBJECTIVE	STRATEGY	PERFORMANCE INDICATOR
S.G.1 To lead the Determination of Fiscal Policies Through a Participatory and Integrated Approach and Managing Resources Based on 3E	S.O.1. To ensure a sustainable public fiscal stability taking into account public revenue and expenditure quality, without compromising fiscal discipline	1.1. To complete the works on Income Tax Law which bases public financing on solid foundations and broadens the tax base	• Tax Revenues / General Budget Revenues (Percent) • Taxes Received from Income, Earnings and Capital Income / Tax Revenues (Percent) • Number of exceptions, exemptions, discounts, etc. recommended to be abolished every year (Number, Cumulative) • Ratio of investment expenditures to CAB (Percent) • Percentage of Interest Expenditures to CAB (Percent) • Rate of CAB Expenditures Covered by Tax Revenues (Percent) • Ratio of R&D expenditures to CAB (Percent) • Number of expenditure areas reviewed (Number, Cumulative) • Ratio of Central Administration budget deficit to GDP (Percent) • Ratio of Central Administration's Non-Interest Expenditures to GDP (Percent)
		1.2. To conduct harmonization studies (secondary legislation) in accordance with the new Income Tax Law	
		1.3. To evaluate the efficiency of exceptions, exemptions, discounts etc. within the scope of tax expenditures; to identify those that are ineffective and to propose legislative amendment for legal regulations	
		1.4. To provide financial support for projects and works aimed at providing savings in current expenditures	
		1.5. To review expenditure areas in detail and to make necessary analyses	
		1.6. To prioritize public expenditures focusing on growth-oriented economic efficiency	
	S.O.2. To develop a tax system through predictable revenue policies that are sensitive to global developments, increasing the competitiveness of the national economy and ensuring fairness in the distribution of the tax burden	2.1. To complete works on a more effective, efficient and fair Income Tax Law that increases the competitiveness of the national economy	• Ratio of Taxes Received from Income, Earnings and Capital Income to GDP (Percent) • Indirect Taxes / GDP (Percent) • Ranking of the Istanbul Finance Center on the International Financial Centers Index (Index Order) • Number of improvements in international index orders (Number, Cumulative)
		2.2. To conduct harmonization studies (secondary legislation) in accordance with the new Income Tax Law	
		2.3. To implement VAT reforms to alleviate the indirect tax burden on businesses	
		2.4. To complete the works on the Law on the Istanbul International Finance Center, which aims at enhancing the competitiveness of the national economy in global financial markets	
		2.5. To avoid enforcing unannounced tax regulations without obtaining stakeholder feedback over the short and medium term, to allow a reasonable time for transition to new tax regulations	

STRATEGIC GOAL	STRATEGIC OBJECTIVE	STRATEGY	PERFORMANCE INDICATOR
	S.O.3. Within the framework of fiscal discipline, to devise and support expenditure policies that ensure sustainable growth and economic and social welfare by rationalizing public expenditures, and to ensure that public resources are used to increase the quality of the public services that are offered	3.1. To switch to a budgeting system that is based on the program approach in the resource allocation process 3.2. To make arrangements for gradual cost-benefit/cost-effectiveness analyses in the resource allocation process 3.3. To make arrangements to cut public expenditure and to review public expenditure areas 3.4. To protect public fiscal stability in the recruitment of civil servants 3.5. To develop participatory and collaborative methods and approaches in fiscal decisions and practices 3.6. To update Law No. 5018 within the scope of being adapted to the new period 3.7. To create a contemporary vehicle management system in order to ensure the effective use of vehicles by public administrations and to revise the Vehicle Law within this regard 3.8. To increase the transfers to be made from the Central Administration Budget by giving priority to disadvantaged groups in the resource allocation process	• Ratio of social transfers made from the Central Administration Budget to CAB (Percent)Ratio of economic incentives and subsidies to CAB (Percent) • Number of arrangements made related to resource utilization (Number, Cumulative) • Completion rate of program-based performance budget project (Percent) • The number of cost-benefit/cost-effectiveness analyses assessed in the resource allocation process (Number, Cumulative)
S.G.1 To lead the Determination of Fiscal Policies Through a Participatory and Integrated Approach and Managing Resources Based on 3E	S.O.4. To manage Treasury-owned real estate with an effective approach, considering the needs of the economy and stakeholders	4.1. To increase revenues from the management of Treasury-owned real estate 4.2. To establish a revenue-based performance management system 4.3. To improve and develop policies related to the settlement of ownership issues 4.4. To carry out transaction processes in an electronic environment 4.5. To start using an e-Procurement system 4.6. To increase the number of services provided to citizens through e-Government 4.7. To determine the most appropriate and effective areas of use by classifying Treasury-owned real estate 4.8. To realize and extend practices aimed at integrating unregistered areas into the national economy 4.9. To expand the Treasury-owned real estate portfolio offered for investment and employment purposes 4.10. To improve administrative capacity to meet the needs of the economy rapidly 4.11. To extend the integration process to facilitate the sharing of data related to allocated Treasury-owned real estate with public administrations	• Percentage of increase in Property revenues compared to the previous year (percent) • The ratio of implementation of Revenue-Based Performance Management System (Percent) • Number of Treasury-owned real estate sold/transferred for the settlement of ownership issues (Number, Cumulative) • Ratio of transaction processes carried out in an electronic environment to total work processes (Percent) • Number of real estate assets put on sale through the website of the institution (Number, Cumulative) • Ratio of number of contracts awarded through e-procurement system to total number of awarded contracts (Percent) • Number of services provided through e-Government (Number, Cumulative) • Completion rate of the classification works (Percent) • Amount of Treasury-owned real estate registered to Treasury from non-registered areas (Square Meters, Cumulative) • Number of Treasury-owned real estate assets in the portfolio under the investment incentive legislation and attraction centers program (Number, Cumulative) • Number of institutions integrated into the MEOP system (Number, Cumulative)

STRATEGIC GOAL	STRATEGIC OBJECTIVE	STRATEGY	PERFORMANCE INDICATOR
S.G.1 To lead the Determination of Fiscal Policies Through a Participatory and Integrated Approach and Managing Resources Based on 3E	S.O.5. To strengthen and monitor fiscal management and internal control systems in public administrations within the scope of the central harmonization function, to increase the quality of human resources in this area, to carry out economic and fiscal studies	5.1. To update legislation on internal control and pre-fiscal control 5.2. To develop guides and software aimed at increasing capacity of public administrations to implement risk management 5.3. To develop a guide for strengthening the pre-fiscal control practices of public administrations 5.4. To follow the fiscal management and internal control capacities of public administrations in an electronic environment 5.5. To develop cooperation between our Ministry and strategy development units and cooperation between the strategy development units themselves 5.6. To carry out national and international studies in fiscal management 5.7. To collaborate internationally to increase the quality of human resources 5.8. To develop training opportunities for public fiscal management 5.9. To conduct economic and fiscal research	• Number of revised regulations within the central harmonization function (Number, Cumulative) • Number of tools developed in the field of public fiscal management and internal control (Number, Cumulative) • Ratio of public administrations within the Central Administration whose fiscal management and internal control procedures have been assessed (Percent) • Number of conferences organized to increase cooperation with strategy development units (Number, Cumulative) • Ratio of training demands of other public administrations met in the current year (Percent) • Ratio of personnel working in the field of public financial management in public administrations who will be trained (Percentage, Cumulative) • Number of training programs (Number, Cumulative) • Number of analyses made (Number, Cumulative) • Number of countries being cooperated (Number, Cumulative) • Total number of national and international researches conducted regarding public fiscal management (Number, Cumulative)
S.G.2 To ensure that the accounting services are managed more effectively and the fiscal reports and statistics are prepared and presented in accordance with international	S.O.6. To transfer accounting services to related administrations and to increase the level of compliance of administrations within general management with accounting regulations	6.1. To transfer accounting services to the related public administrations to increase the effectiveness and supervision of accounting services and management responsibilities 6.2. To switch to a system of accounting units without a cashier's desk in order to increase the effectiveness and supervision of accounting services 6.3. To conduct training activities for accounting practitioners within the framework of harmonization of accounting practices with central regulations 6.4. To ensure that accounting services in public administrations are carried out by certified personnel 6.5 To increase the level of compliance with accounting regulations with the Government Accounting Standards 6.6. To develop norms and standards for accounting practices of public administrations within the central scope of general management and to extend inspection activities	• Ratio of accounting services transferred to relevant public administrations (Percent) • Closing rate of cashier's desks in accounting units (Percent) • Number of personnel trained in accounting as a part of efforts to adapt to central regulations and practices function (Number, Cumulative) • Number of accounting officers who have received certificates (Number, Cumulative) • Ratio of Published Government Accounting Standards for which full compliance with accounting regulations has been achieved (Percent) • Ratio of accounting units serving public administrations within the scope of general management subjected to audits in terms of compliance with norms and standards (Percent)

STRATEGIC GOAL	STRATEGIC OBJECTIVE	STRATEGY	PERFORMANCE INDICATOR
S.G.2 To ensure that the accounting services are managed more effectively and the fiscal reports and statistics are prepared and presented in accordance with international	S.O.7. To implement the Integrated Public Fiscal Management Information System	7.1. To determine e-documents and interoperability standards for public fiscal management	• Rate of completion of the Integrated Public Fiscal Management Information System (Percent) • Establishment of a new public accounting information system based on e-documents (Percent) • Rate of payment and collection transactions of accounting units through banks within the scope of Central Administration (Percentage) • Rate of conversion of documents related to the expenditure process into e-document format (Percent)
		7.2. To establish a new Government Accounting Information System based on e-documents	
		7.3. To increase the level of integration of the banking system regarding payment and collection transactions performed by accounting units	
		7.4. To launch the e-guarantee system	
		7.5. To create the e-procurement infrastructure	
		7.6. To create new data sets to support decision support processes	
	S.O.8. To fully align fiscal statistics and fiscal reports with international standards and to increase transparency and accountability in fiscal reporting	8.1. To ensure that fiscal statistics are accurate and explanatory	• Statistical error showing the difference between net balance and net fiscal balance lower than 3‰ of GDP (per thousand) • Number of control sets integrated into the system to prevent data entry errors (Number, Cumulative) • Ratio of non-consolidated amounts in the balance sheet of the general management sector to the total amount of the balance sheet (Percent) • Number of fiscal analysis reports produced related to fiscal statistics (Number, Cumulative) • Number of reports prepared by public administrations within the scope of general management regarding public private partnerships (Number, Cumulative)
		8.2. To increase the reliability and quality of statistics tables by integrating control sets into the system to prevent potential errors made by officers who enter data into the Public Expenditure and Accounting Information System (PIS)	
		8.3. To determine mutual transactions, which are subjected to consolidation, made between the public administrations within the scope of the general management sector and to remove them from the consolidated fiscal statistical tables	
		8.4. To prepare a special report on public-private partnership practices of public administrations within the scope of general management and to share them with the public	
		8.5. To prepare the Fiscal Statistics Regulation in order to ensure the transparency and reliability of fiscal statistics	
		8.6. To identify changes to accounting policies that will increase the level of compliance of fiscal statistical reports with international standards and to carry out reporting activities in this respect.	
S.G.3 To fight against the informal economy and to reduce financial crimes	S.O.9. To create tax policies that deter non-compliant taxpayers and support voluntary tax compliance	9.1. To conduct legislative studies to determine and amend provisions of tax laws that lead to informal economy	• Number of legislative arrangements to expand the formal economy (Number, Cumulative)
		9.2. To complete the works on new Tax Procedure Law	
		9.3. To carry out the harmonization works (secondary legislation) in accordance with the new Tax Procedure Law	

STRATEGIC GOAL	STRATEGIC OBJECTIVE	STRATEGY	PERFORMANCE INDICATOR
S.G.3 To fight against the informal economy and to reduce financial crimes	S.O.10. To fight against the informal economy through tax inspections	10.1. To improve risk analysis and electronic inspection capacity	• Number of taxpayers examined (Number) • Rate of increase in the examined tax base (Percent) • Ratio of tax examinations derived from Risk Analysis System within all tax examinations (Percent) • Number of Special Consumption Tax Taxpayers tracked under continuous supervision (Number) • Number of units audited through the use of electronic auditing methods (Number) • Duration of training provided for tax inspectors during the year (Hour) • Duration of training, seminars and lectures organized for external stakeholders (Hour) • Number of training and informational videos prepared (Number, Cumulative)
		10.2. To increase the training duration provided for Tax Inspectors	
		10.3. To increase efficiency in tax examinations through e-inspection methods	
		10.4. To organize training sessions, seminars and conferences on taxpayer rights and obligations for external stakeholders and to prepare training and informational videos	
		10.5. To develop audit methods to guide the functioning of the administration	
	S.O.11. To carry out an effective combat based on laundering of proceeds of crime, preventing the financing of terrorism, and providing an economic security	11.1. To increase legal, administrative and technical capacity and competences in fighting against the financing of terrorism and laundering of proceeds of crime	• Number of suspicious transaction reports received in the current year (number) • Number of taxpayers inspected in the current year (Number) • Completion period of the analyses and evaluations carried out within the scope of MASAK, in line with requests submitted by Judicial Authorities within the scope of the Law No. 5549 (Month) • Number of training sessions and workshops organized with stakeholders (Number, Cumulative) • Number of data types collected in MASAK (Number, Cumulative)
		11.2. To increase the number of data types and quality of data collected and accelerate the transfer process of these data	
		11.3. To make risk-focused strategic analyses of money laundering and financing for terrorism based on economic security through mass data by strengthening the infrastructure of information technologies	
		11.4. To strengthen inspection capacity	
		11.5. To complete the analyses and evaluations for the laundering and terror financing in a more short period of time	
		11.6. To increase the number of training activities for stakeholders	
		11.7. To carry out effective and proactive works in terms of cooperation and coordination	
		11.8. To maintain efforts regarding compliance with the international standards	
S.G.4 To provide effective, efficient and solution-oriented legal counseling and judicial services	S.O.12. To increase the efficiency of litigation and enforcement follow-up processes and to improve solution-oriented review capacity	12.1. To reduce the number of cases per Treasury Lawyer	• Ratio of number of cases won to the number of cases adjudicated (Percent) • Rate of completion of requests for opinion within one month (Percent) • Number of lawsuits and enforcement files per Treasury Lawyer (Number) • Number of training / conferences organized to increase the efficiency of judicial services (Number, Cumulative) • Number of queries made via METOP (Number)
		12.2. To organize a training seminar to increase the efficiency of judicial services	
		12.3. To increase cooperation with internal and external stakeholders in the handling of	
		12.4. To improve the integration capacity of the systems related to the METOP system	
		12.5. To develop alternative methods for judicial services	

STRATEGIC GOAL	STRATEGIC OBJECTIVE	STRATEGY	PERFORMANCE INDICATOR
S.G.5 To increase institutional capacity	S.O.13. To establish the strategic management concept, to change the management and organizational structure and to develop an organizational culture	13.1. To review the management concept and organizational structure and to suggest proposals for change in order to provide the effective implementation of strategic management 13.2. To prepare annual reports for monitoring and evaluation of the Strategic Plan 13.3. To provide training on the adoption of the internal control system, to organize surveys and to assess the results 13.4. To reduce and prevent risk factors by carrying out improving works on occupational health and safety 13.5. To follow international developments regarding issues related to the Ministry's area of responsibility and to enhance its representative power on international platforms	• Preparation of a Strategic Plan evaluation report (Number, Cumulative) • Rate of monitoring of indicators within the Strategic Plan (percent) • Elimination rate of the identified related to occupational health and safety (Percent) • Total number of Ministry personnel participating in the Fiscalis Program activities (Number, Cumulative)
	S.O.14. To increase and improve the quality and quantity of personnel of the Ministry in accordance with the human resources management perspective	14.1. To analyze the Ministry's training needs and to make the necessary plans 14.2. To encourage the Ministry's personnel to be appointed as trainers 14.3. To provide standardized training for personnel related to their areas of responsibility 14.4. To dynamically monitor the qualifications of the Ministry's personnel 14.5. To increase the number of Ministry personnel	• Average annual training time per person (center-province) (Hours) • Number of training needs analyses performed (Number, Cumulative) • Number of standard training documents generated (Number, Cumulative) • Number of reports prepared for the quantitative determination of personnel needs of the Ministry (Number, Cumulative) • Occupancy rate of the Ministry's organization (Percent)
	S.O.15. To establish a common information infrastructure, taking into consideration the e-Government integration in order to ensure the transfer of the services offered by the Ministry's units to an electronic environment	15.1. To establish and ensure the use of common rules and services defining the roles and functions of the central and provincial organizations of the Ministry 15.2. To deduplicate the Ministry's e-mail, network and active directory structure, and to increase the level of harmony between information systems 15.3. To determine the rules to be complied regarding the information security 15.4. To ensure all of the services provided by the Ministry to the public and its stakeholders are accessible through the e-Government system 15.5. To ensure the application of quality standards to be determined during the software development processes of our Ministry	• Number of services provided by the Ministry via the e-government portal (Number, Cumulative) • Rate of deduplication of e-mail, network and active directory structure (Percent) • Ratio of number of services supported in an electronic environment to the number of services in the IT Department (Percent)

6- Strategic Goals-Objectives-Strategies-Indicators

Strategic Goal 1

To lead the Determination of Fiscal Policies through a Participatory and Integrated Approach and Managing Resources Based on 3E

EXPLANATION:

Adopting a fiscal policy with an integrated and participatory approach to achieve the goal of economic growth and development will ensure that this policy is formulated together with stakeholders, thus ensuring that the problems and needs of the parties are fully and comprehensively considered and effective solutions are provided.

The appropriate design, implementation and supervision of instruments used while formulating fiscal policy will enhance the efficiency of the resulting policy, and will ensure the continuation of sustainable stability. Strengthening the capacity for policy development in public finance will also support this process.

Efforts will be accelerated to achieve the objectives of allocating, monitoring and evaluating resources with an understanding which protects the policy priorities and needs of the public sector and which is based on economic, efficiency and efficiency (3E) that will increase economic growth potential and sustain fiscal discipline.

The fiscal discipline and the achievements thereof make a significant contribution to economic stability and growth. The aim in this regard is to minimize uncertainties for businesses in the economy without compromising on fiscal discipline; and creating an environment that is healthier and more predictable for entrepreneurs, which will increase production and tax revenues.

In the field of tax policy, which is an important component of fiscal policy, it is important to take into consideration the fiscal area to be formed through studies aimed at broadening the tax base and the possibility of implementing new policies, and ensuring the predictability and stability of tax regulations.

Our Ministry will continue to work meticulously to fulfill its responsibilities in obtaining and using public resources economically, efficiently and effectively. To this end, our efforts will be continued to increase the efficiency of expenditures through reviews of existing expenditure programs, to increase the quality of public revenues and expenditures, and to use public properties for the generation of income, hence integrating them with the economy in order to ensure that we can maintain fiscal discipline and create more fiscal areas.

Strategic Objective 1

To ensure a sustainable public fiscal stability taking into account public revenue and expenditure quality, without compromising fiscal discipline

EXPLANATION:

Obtaining public revenues from sound and sustainable sources will contribute to ensuring sustainable public fiscal stability through public fiscal discipline. It is important that public expenditures that are funded by public revenues be channeled so as to create added value for the economy. Thereby, sustained fiscal balance and fiscal discipline, as well as the permanency of public revenues, will be assured, and the collected resources will be returned back to the economy through public expenditures.

Work on the new Income Tax Law will be completed taking into consideration best practices from international examples, and supporting high value-added production, thus creating a solid base for public financing.

Efforts will be made to identify and eliminate tax incentives, exceptions and exemptions from tax expenditures if they are ineffective in terms of their economic and social benefits.

An effective and equitable distribution of resources and resource savings in this context is very important for our economy, as is the case in all developed economies. The use of public financial resources in an economical way will provide added value to the economy, and fiscal support will be provided for projects and activities aimed at reducing current expenditures, which will encourage and direct public administrations to move ahead with this understanding.

It is aimed to increase the efficiency of resource allocation and expenditure processes by carrying out cost-benefit / cost-effectiveness analyses in the budget allocation process. By reviewing expenditure areas to be determined, public resources will be used to a greater effect on the basis of the savings concept.

In this way, cost / benefit balance will be achieved in the use of public resources and funds, which in turn will bring maximum benefit in the public services provided.

Improved resource allocation and utilization processes through a more effective implementation of fiscal policy will add value to the economy.

STRATEGIES:

- To complete works on the Income Tax Law, which bases public financing on solid foundations and broadens the tax base

- To conduct harmonization studies (secondary legislation) in accordance with the

new Income Tax Law

- To evaluate the efficiency of exceptions, exemptions, discounts, etc. within the scope of tax expenditures; to identify those that are ineffective and to propose legislative amendment for legal regulations

- To provide financial support for projects and works aimed at providing savings in current expenditures

- To review expenditure areas in detail and to make any necessary analyses

- To prioritize public expenditures that focus on growth-oriented economic efficiency

INDICATOR	CURRENT VALUE*	2022
Tax Revenues / General Budget Revenues (Percent)	87.8	90
Taxes Received from Income, Earnings and Capital Income / Tax Revenues (Percent)	31.0	31.5
Number of exceptions, exemptions, discounts, etc. recommended to be abolished every year (Number, Cumulative)		15**
Ratio of investment expenditures to CAB (Percent)	12.4	13
Percentage of Interest Expenditures to CAB (Percent)	8.5	8.6
Rate of CAB Expenditures Covered by Tax Revenues (Percent)	77.3	80
Ratio of R&D expenditures to CAB (Percent)	0.77	0.9
Number of expenditure areas reviewed (Number, Cumulative)	3	10**
Ratio of Central Administration budget deficit to GDP (Percent)	2.0	Below 3
Ratio of Central Administration Non-Interest Expenditures to GDP (Percent)	20.3	20

*2017 year-end realization estimate.
**Refers to the value to be attained during the Plan period.

Strategic Objective 2

To develop a tax system through predictable revenue policies that are sensitive to global developments, increasing the competitiveness of the national economy and ensuring fairness in the distribution of the tax burden

EXPLANATION:

The importance of a tax system that takes into account global economic developments, increases the competitiveness of economic actors in terms of international activities and thus facilitates investment, production, employment, and exports is increasing day by day.

Establishing a socially accepted taxation system that can adapt quickly to economic changes and that can support competitiveness will ensure a more positive response to negative developments in the global arena over the long-term, and minimize the impact of vulnerabilities. To this end, attention will be paid to systematically taking, evaluating and reporting the opinions and recommendations of all segments of society.

In addition, studies of global and national economies, adaptation to internal and external balances in the formulation of a feasible fiscal policy, and the sustainability of this equilibrium will continue in this period in order to develop predictable income policies.

In order to increase our international competitiveness in line with the long-term strategic objectives and policies of our country for the term of the Strategic Plan:

- A more effective, efficient, fair and taxpayer-focused Income Tax System will be created that aims sustainable economic development, supports high value-added production, and is aligned with examples of international best practices.
- The Value-Added Tax Law will be revised to encourage a formal economy, to increase production and investment, and to remove red tape without creating a fiscal burden on businesses.
- Works on the Law on the Istanbul International Finance Center will be completed to ensure our country can become a regional and global finance center with a high competitive power.
- Participation and predictability will be increased in the tax regulations to be put into effect, and tax compliance will be strengthened with the application of reasonable transitional periods for tax regulations, and by sharing the draft legislation with the public in due time.

STRATEGIES:

- To complete the works on a more effective, efficient and fair Income Tax Law that increases the competitiveness of the national economy

- To conduct harmonization studies (secondary legislation) in accordance with the new Income Tax Law

- To implement VAT reforms to alleviate the indirect tax burden on businesses

- To complete the works on the Law on the Istanbul International Finance Center, which aims at enhancing the competitiveness of the national economy in the global financial markets

- To avoid enforcing unannounced tax regulations without obtaining stakeholder feedback over the short and medium term, and to allow a reasonable time for transition to new tax regulations

INDICATOR	CURRENT VALUE*	2022
Ratio of Taxes Received from Income, Earnings and Capital Income to GDP (Percent)	5.3	6
Indirect Taxes / GDP (Percent)	11.4	11.0
Ranking of the Istanbul Finance Center in the International Financial Centers Index (Index Order)	78	Top 50
Number of Improvements in International Index Orders (Number, Cumulative)	1	5**

*Forecast for the end of 2017 actualization.
**Refers to the value to be attained during the Plan period.

Strategic Objective 3

Within the framework of fiscal discipline, to devise and support expenditure policies that ensure sustainable growth and economic and social welfare by rationalizing public expenditures; and to ensure that public resources are used to increase the quality of the public services that are offered

EXPLANATION:

It is aimed to allocate resources and to monitor and evaluate the policy priorities of the public sector based on 3E with an understanding of their needs, and to increase the economic growth potential and sustain fiscal discipline during the Plan period.

Our Ministry will continue working to establish a participatory budget policy in support of sustainable growth in cooperation with the relevant administrations, and to ensure that the gaps in the implementation of Public Fiscal Management and Control Law No. 5018 are eliminated, and that it is fully implemented with all its elements.

In the public expenditure policy, within the framework of the medium-term budgeting approach and resource allocation and usage based on policy priorities, a budget structure dealing with the public services through a program approach will started to be used, future financial burdens will be taken into account in the process of incorporating new expenditure programs into the budget, and attention will be paid to the determination of appropriations for goods and services procurement with a zero-based budgetary principle in the budget preparation process. Furthermore, cost-benefit analyses will be used in public expenditure decision-making processes, and similar goods and services will be supplied through common procurement methods.

On the other hand, policies aimed at prioritizing expenditures that support economic growth will be developed, and disadvantaged social segments will continue to be protected during resource allocation.

In addition, participatory methods and approaches will be developed on fiscal decisions and practices in cooperation with other actors in fiscal management and in strategy development units.

STRATEGIES:

- To switch to a budgeting system that is based on the program approach in the resource allocation process

- To make arrangements for gradual cost-benefit / cost-effectiveness analyses in the resource allocation process

- To make arrangements to cut public expenditures and to review public expenditure areas

- To observe public fiscal stability in the recruitment of civil servants

- To develop participatory and collaborative methods and approaches in fiscal decisions and practices

- To update Law No. 5018 within the scope of being adapted to the new period

- To create a contemporary vehicle management system in order to ensure the effective use of vehicles by public administrations, and to revise the Vehicle Law within this regard

- To increase transfers from the Central Administration Budget by giving priority to disadvantaged groups in the resource allocation process

INDICATOR	CURRENT VALUE*	2022
Ratio of social transfers made from Central Administration Budget to CAB (Percent)	6,8	7,2
The ratio of economic incentives and subsidies to CAB (Percent)	5,5	4,2
Number of arrangements made related to resource utilization (Number, Cumulative)	2	6**
Completion rate of program-based performance budget projects (Percent)	85	100
The number of cost-benefit / cost-effectiveness analyses assessed in the resource allocation process (Number, Cumulative)	0	10**

*Estimated 2017 year-end realization.
**Refers to the value to be attained during the Plan period.

Strategic Objective 4

To manage Treasury-owned real estate with an effective approach, considering the needs of the economy and stakeholders

EXPLANATION:

The management of the Treasury-owned property with an effective stakeholder-focused approach; the rapid provision of real estate, taking into account the demands of natural persons and public and private legal entities based on alternative areas of utilization; increasing the quality of the services offered to our citizens; and reducing the red tape in transactions are among our main priorities.

In order to increase the contribution of income obtained from the management of the Treasury-owned real estate to the budget in the coming period, revenue-generating activities will be prioritized and more Treasury-owned real estate will be integrated into the economy. In this direction, a revenue-based performance management system will be established, revenue targets will be determined separately for provincial organizations, by taking into consideration data for the past period and regional conditions, and actualization will be monitored and evaluated online on a monthly basis.

New methods will be developed to accelerate and improve existing practices related to the settlement of property problems arising from citizens' rights to Treasury-owned property, as well as restrictions on shareholding and similar rights.

Moving processes into an electronic environment is one of our main projects in this period, with the aim of speeding up processes and meeting stakeholder requests in a shorter period of time. Red tape will be significantly reduced and transactions will be completed in a much shorter period of time by shifting correspondence with the provincial organizations from hard copy to an electronic system.

In line with the increase in e-Government services in our country, infrastructure works have been initiated in order to start using e-tender application, especially real estate sales tenders, and a significant proportion of real estate sales tenders will be made through the e-procurement method in the coming period. This way, tender applications will be facilitated, and more citizens will be able to participate in tenders within a more competitive environment. Meanwhile, citizens will be able to apply for Treasury-owned property through e-Government portals, and will be able to inquire their existing debts.

An efficient decision support system will be established by classifying Treasury-owned real estate according to their actual situation and purpose of use, and the most appropriate and efficient areas of use will be determined.

Non-registered land to be integrated into the economy will be determined, and studies will be carried out to ensure the registration of such lands on behalf of the Treasury.

In addition, the Treasury-owned real estate portfolio, created to promote investment and employment, will be expanded to provide support for strong and sustainable growth. To this end, real estate of optimal size and deemed suitable for investment will be determined in provinces and offered to investors.

Activities such as increasing the quality and quantity of personnel and improving hardware and equipment will be expanded to improve administrative capacity, in line with the efforts to manage Treasury-owned real estate in line with the needs of the economy.

Integration works have been initiated for the sharing data related to real estate with public administrations that have been allocated Treasury-owned real estate; all the general and special budget administrations will be included in the integration process within the scope of Law No. 5018 in the coming period; and administrations will be provided with access to current data regarding the property allocated to them, and any changes will be followed.

STRATEGIES:

- To increase revenues from the management of Treasury-owned real estate
- To establish a revenue-based performance management system
- To improve and develop policies related to the settlement of ownership issues
- To carry out transaction processes in an electronic environment
- To start using an e-Procurement system
- To increase the number of services provided to citizens through e-Government portals
- To determine the most appropriate and effective areas of use by classifying Treasury-owned real estate
- To realize and extend practices aimed at integrating unregistered areas into the national economy
- To expand the Treasury-owned real estate portfolio offered for investment and employment purposes
- To improve administrative capacity to meet the needs of the economy rapidly
- To extend the integration process to facilitate the sharing of data related to allocated Treasury-owned real estate with public administrations

INDICATOR	CURRENT VALUE*	2022
Percentage increase in Property revenues compared to the previous year (percent)	16,52	15
Ratio of implementation of the Revenue-Based Performance Management System (Percent)	90	100
Number of Treasury-owned real estate sold/ transferred for the settlement of ownership issues (Number, Cumulative)	539.000	635.000
Ratio of transaction processes carried out in an electronic environment to total work processes (Percent)	25	90
Number of real estate assets put on sale through the website of the institution (Number, Cumulative)	8.500	60.000
Ratio of number of contracts awarded through the e-procurement system to the total number of contracts awarded (Percent)	0	90
Number of services provided through e-Government (Number, Cumulative)	0	8
Completion rate of the classification works (Percent)	0	100
Amount of Treasury-owned real estate registered to Treasury from non-registered areas (Square Meters, Cumulative)	25.000.000	100.000.000
Number of Treasury-owned real estate assets in the portfolio under the investment incentive legislation and attraction centers program (Number, Cumulative)	1.000	5.000
Number of institutions integrated into the MEOP system (Number, Cumulative)	21	Number of institutions listed in Law No. 5018 and Schedules I and II

*Estimated 2017 year-end realization

Strategic Objective 5

To strengthen and monitor fiscal management and internal control systems in public administrations within the scope of the central harmonization function; to increase the quality of human resources in this area; to carry out economic and fiscal studies

EXPLANATION:

Our Ministry has been tasked with developing methods, standards and instruments related to fiscal management and internal control in order to ensure that public administrations use their resources based on a 3E in accordance with the established objectives and policies, and give account.

In this context;

- Implementation tools will be developed and regulations on fiscal management and internal control will be revised.
- Meetings, workshops, conferences and training sessions will be held for managers and staff working in the field of fiscal management and internal control, and the number of personnel holding internationally recognized certification will be increased.
- Fiscal management and internal control practices of public administrations will be monitored, evaluated and reported through the tools to be developed.

In this rapidly developing and changing world, accessing information in time and adapting quickly to new developments is a necessity for the information age, and so it has become vital that developments in the global economy and in the international arena, as well as reforms and regulations in the field of public fiscal management, are communicated in time and in full to all stakeholders in the public fiscal management area, especially those within the Ministry.

In this regard, it has become of particular importance to closely monitor developments in that area, to establish and implement high-quality training programs that are suited to the needs of all actors in the field of public fiscal management, and to provide advisory and research services.

Additionally, in order to increase the capacity to achieve this objective, it is necessary to:

- Develop the public fiscal management system and to support reforms,
- Train the necessary qualified human resources that are suited to the information society,
- Determine the standards for planned training in terms of best practices in the field of public fiscal management,
- Determine training needs and carry out certification and training programs,
- Gain professional knowledge, skills and application competences,
- Collaborate with international organizations, leading educational institutions and foreign experts,
- Organize and implement training projects at international and national levels, and
- Organize seminars, conferences and workshops, as our main activities.

After achieving this objective, we will be able to provide guidance to other public administrations by carrying out economic and fiscal studies, while also enhancing the efficiency of all actors involved in public fiscal management. This will contribute to increasing the efficiency and effectiveness of public fiscal management as a whole.

STRATEGIES:

- To update legislation on internal and pre-fiscal control
- To develop guides and software aimed at increasing the capacity of public administrations to implement risk management strategies
- To develop a guide for strengthening pre-fiscal control practices of public administrations
- To follow the fiscal management and internal control capacities of public administrations in an electronic environment
- To develop cooperation between our Ministry and strategy development units, and cooperation between the strategy development units themselves
- To carry out national and international studies in fiscal management
- To collaborate internationally to increase the quality of human resources
- To develop training opportunities for public fiscal management
- To conduct economic and fiscal research

INDICATOR	CURRENT VALUE*	2022
Number of revised regulations within the central harmonization function (Number, Cumulative)	0	3**
Number of tools developed in the field of public fiscal management and internal control (Number, Cumulative)	1	3**
Ratio of public administrations within Central Administration whose fiscal management and internal control procedures have been assessed (Percent)	0	60
Number of conferences organized to increase cooperation with strategy development units (Number, Cumulative)	4	15**
Ratio of training demands of other public administrations met in the current year (Percent)	0	90
Ratio of personnel working in the field of public financial management in public administrations who will be trained (Percentage, Cumulative)	0	30**
Number of training programs (Number, Cumulative)	0	25**
Number of analyses made (Number, Cumulative)	0	10**
Number of countries being cooperated (Number, Cumulative)	0	5**
Total number of national and international researches conducted regarding public fiscal management (Number, Cumulative)	0	20**

*Estimated 2017 year-end realization.
**Refers to the value to be attained during the Plan period.

Strategic Goal 2

To ensure that the accounting services are managed more effectively and the fiscal reports and statistics are prepared and presented in accordance with international standards

EXPLANATION:

With the transformation witnessed in public fiscal management, concepts such as fiscal transparency and accountability are now at the forefront. The most important elements of fiscal transparency and accountability are providing the public with accurate, consistent and reliable information about revenues, expenditures, assets and liabilities, and monitoring and reporting the results of fiscal transactions in accordance with international standards.

Our Ministry has important duties in identifying the rules related to accounting and reporting to be applied in public administrations within the general administration, in accordance with the established accounting and reporting standards, and publishing fiscal statistics while ensuring the effective functioning of the decision-making, control and accountability processes, fiscal reporting and finalization of accounts.

Presenting clear, transparent and comparable data and information to all our stakeholders, both nationally and internationally, in order to ensure that the accounting and reporting system is at the desired level, is one of our main areas of activity. In this context, the level of compliance with the accounting regulations of the administrations within the scope of general administration will be increased, and a well-functioning expenditure and accounting information infrastructure will be established in accordance with these regulations and principles of interoperability.

By ensuring accurate, reliable, standardized and continuous data production, reports will be published that permit the easy monitoring of public accounts, allowing citizens to be actively involved in the accountability process.

In addition, the quality of fiscal statistics will be improved by developing fiscal analysis techniques in the public sector, thus making it an important and effective instrument of the fiscal management function. The level of compliance of the public accounting system with national and international standards will be increased, and the results of fiscal transactions will be monitored on a real-time basis and reported to the public and decision-makers.

Within the framework of the fiscal transparency and accountability concepts, accounting services will be transferred to the related public agencies, with the aim being to increase the effectiveness and supervision of such services, and to ensure the full functioning of accounting services in providing reports to management with emphasis on the setting of the norms and standards, harmonization and analysis functions of the Ministry's accounting services.

In this context:

- A project aimed at removing the need for a cashier's desk will be carried in order to provide that the expenditure transactions are made via a process-oriented approach and ensure that the fiscal transactions provided by the accounting units (collections and payments) are made through the banking system.
- The new accounting information system will be integrated into the pre-accounting fiscal processes of the expenditure units. In accordance with the new accounting concept, records will be kept by individual administrations and the accounting services will be provided by these administrations. Accounting units that operate within the strategy units of the relevant administrations will be established. The financial and social rights of personnel assigned to accounting units will be preserved in the process of transferring accounting services to the related administrations.
- Fiscal analysis reports will be produced to contribute to the 3E-based management of public administrations within the general administration.
- The integration of public fiscal management information systems will be ensured through the establishment of interoperability standards.

information systems will be ensured by setting interoperability standards.

Strategic Objective 6

To transfer accounting services to the related administrations and to increase the level of compliance of administrations within general management through accounting regulations

EXPLANATION:

Within the framework of the concepts of fiscal transparency and accountability, accounting services will be transferred to the relevant public administrations with the aim of enhancing the efficiency and supervision of accounting services, and to bring into force the function of accounting services to provide information to management.

In this context, project on accounting without a cashier's desk will be implemented since the funds will be paid through the banking system. Additionally, the accounting units will gradually be transferred after the process-driven "New e-Document-Based Government Accounting Information System" that supports end-to-end complete electronic financial transactions is put into use, and fiscal analysis reports will be generated that contribute to the 3E-based management of public administrations.

Training programs will be organized for public administrations within the general management in order to increase their level of compliance with the accounting regulations.

It will be ensured that accounting services are provided by certified accounting professionals.

Accounting units of public administrations within the general management will be monitored in terms of compliance with accounting standards, within the scope of the guidance and supervision function.

Differences between the general management's financial statements and those of international standards will be identified, and the necessary legislative amendments will be made to eliminate such differences, leading to international standards in reporting being met.

During the Plan period, the specification of norms and standards, harmonization and analysis functions will be emphasized in the Ministry's accounting services.

STRATEGIES:

- To transfer accounting services to the related public administrations to increase the effectiveness and supervision of accounting services and management responsibilities

- To switch to a system of accounting units without a cashier's desk in order to increase the effectiveness and supervision of accounting services

- To conduct training activities for accounting practitioners within the framework of harmonization of accounting practices with central regulations

- To ensure that accounting services in public administrations are carried out by certified personnel

- To increase the level of compliance with accounting regulations with Government Accounting Standards

- To develop norms and standards for accounting practices of public administrations within the central scope of general management, and to extend inspection activities.

INDICATOR	CURRENT VALUE*	2022
Ratio of accounting services transferred to relevant public administrations (Percent)	0	100
Closing rate of cashier's desks in accounting units (Percent)	0	100
Number of personnel trained in accounting as a part of efforts to adapt to central regulations and practices function (Number, Cumulative)	2.000	10.000**
Number of accounting officers who have received certificates (Number, Cumulative)	7.680	8.930
Ratio of Published Government Accounting Standards for which full compliance with accounting regulations has been achieved (Percent)	48	90
Ratio of accounting units serving public administrations within the scope of general management that are subjected to audits in terms of compliance with norms and standards (Percent)	10,8	100

*Estimated 2017 year-end realization.
**Refers to the value to be attained during the Plan period.

Strategic Objective 7

To implement the Integrated Public Fiscal Management Information System

EXPLANATION:

Our country's 2023 vision objectives require that economic and fiscal policies be addressed in an integrated manner, and that the resources of the country to be managed and evaluated on the basis of 3E. Considering this information and communication age, the most important way of achieving this aim is to design a structure in which the information management systems of public administrations support functional processes related to fiscal management, working in interaction with each other, and providing reports and information to relevant parties and decision makers when necessary.

To this end, the Integrated Public Fiscal Management Information System Policy Document and Action Plan was entered into force in July 2017 as a part of the "Establishment of an Integrated Public Fiscal Management Information System" project within the Program for the Rationalization of Public Expenditures included in the Priority Transformation Programs under the Tenth Development Plan (2014–2018).

Within the framework of the relevant Action Plan, and under the coordination of our Ministry, a process-oriented approach will be adopted in the automation systems used in the stages from the start of the preparation of the budget law to the legislation of the final accounts by the Turkish Grand National Assembly which is applicable to all public administrations, particularly those that are part of the Central Administration, and an integrated information system incorporating new technological capabilities, such as e-document, e-signature, e-archive and e-invoice, will be created in collaboration with all stakeholders of fiscal management.

The basic functions of our fiscal management system, being macroeconomic forecasting and planning, fiscal planning, budget preparation, budgetary transactions and budget implementation, cash management, debt management, revenue management, public personnel management, asset management, accounting and fiscal reporting, monitoring and evaluation, and inspection processes, will be integrated based on the principle of interoperability.

The activities to be carried out in the process of integrating these functional processes will be conducted in accordance with the actions and work schedule laid down in the Integrated Public Fiscal Management Information System Policy Document and Action Plan, in collaboration with relevant stakeholders.

Furthermore, the level of control in expenditure processes will be increased through the creation of an integrated expenditure and accounting information system, allowing processes related to fiscal transactions to be completed faster and statistical analysis methods to be more widely used in decision-making processes. Furthermore, costs will be reduced by ensuring efficiency in resource utilization through the increased use of electronic documents.

STRATEGIES:

- To determine e-documents and interoperability standards for public fiscal management
- To establish a new Government Accounting Information System based on e-documents
- To increase the level of integration of the banking system regarding payment and collection of transactions performed by accounting units
- To launch the e-guarantee system
- To create the e-procurement infrastructure
- To create new data sets to support decision support processes

INDICATOR	CURRENT VALUE*	2022
Rate of completion of the Integrated Public Fiscal Management Information System (Percent)	20	100
Establishment of a new public accounting information system based on e-documents (Percent)	80	100
Rate of payment and collection transactions of accounting units through banks within the scope of Central Administration (Percentage)	60	100
Rate of conversion of documents related to the expenditure process into e-document format (Percent)	10	100

*Estimated 2017 year-end realization.

Strategic Objective 8

To fully align fiscal statistics and fiscal reports with international standards, and to increase transparency and accountability in fiscal reporting

EXPLANATION:

The GFSM 2014 system was launched in 2015 within the scope of the Government Fiscal Statistics Manual (GFSM), which is the basis for the reporting of statistical data at an international level. Work is underway to address the findings of the Fiscal Transparency Evaluation published by the IMF for Turkey.

The transparency and accountability of fiscal statistics will be ensured with the aim of increasing compliance with international standards, and providing information to domestic and international users of statistics in the same format and content.

Fiscal statistics reports will be produced in accordance with GFSM 2014 to report and record underground and surface resources.

Fiscal reports of public administrations, which form the basis for the preparation of fiscal statistics, will be monitored for regular public announcement.

Actuarial accounts will be ensured to be recorded by the Social Security Institution.

In order to increase the transparency and accountability of fiscal statistics, the Fiscal Statistics Regulation study will be completed and fiscal statistics in the general government sector and sub-sectors will be made available to the public. The Fiscal Statistics Regulation and a set of tables that are in full compliance with the GFSM 2014, and which have been delivered to the IMF, will be posted on the website of our Ministry.

Errors made by public administrations in accounting records will be minimized through the accounting system to be developed. Effective communication among public administrations will be ensured through the system and mutual errors in accounting records will be avoided. In addition, the records of some administrations within the general management will be accessed so that the fiscal statistics tables will be published more accurately and reliably, and made available to the public.

A special report on public-private partnership practices in public administrations within the scope of the general management will be prepared and presented to the public.

STRATEGIES:

- To ensure that fiscal statistics are accurate and explanatory

- To increase the reliability and quality of statistics tables by integrating control sets into the system to prevent potential errors made by officers who enter data into the Public Expenditure and Accounting Information System (PIS)

- To identify mutually performed transactions among public administrations that are part of the general management sector, and to remove them from the consolidated fiscal statistical tables

- To prepare a special report on the public-private partnership practices of public administrations within the scope of the general management, and to share them with the public

- To prepare the Fiscal Statistics Regulation in order to ensure the transparency and reliability of fiscal statistics

- To identify changes to accounting policies that will increase the level of compliance of fiscal statistics reports with international standards, and to carry out reporting activities in this respect

INDICATOR	CURRENT VALUE*	2022
Statistical error showing the difference between net balance and net fiscal balance lower than 3‰ of GDP (per thousand)	0,07	0,05
Number of control sets integrated into the system to prevent errors in data entry (Number, Cumulative)	160	200
Ratio of non-consolidated amounts in the balance sheet of the general management sector to the total amount of the balance sheet (Percent)	1	0,8
Number of fiscal analysis reports produced related to fiscal statistics (Number, Cumulative)	1	10**
Number of reports prepared by public administrations within the scope of Central Administration regarding public-private partnerships (Number, Cumulative)	1	5**

*Estimated 2017 year-end realization.
**Refers to the value to be attained during the Plan period.

Strategic Goal 3

To fight against the informal economy and to reduce financial crimes

EXPLANATION:

The informal economy is defined as "economic activities that occur outside the knowledge of the government". This situation undermines the effectiveness of the macroeconomic and generally "compensatory" policies followed by the government aimed at ensuring both economic growth and stability. Growth in the informal economy leads to a decline of the government's tax revenues, causing the formal economy to contract. The informal economy may be an outcome of fiscal, economic or social factors, as well as legal and administrative shortfalls.

As a part of the efforts to fight against the informal economy, regulations that deter the informal economy and increase confidence in the public sector will be put into effect, and inspection processes will be carried out in the electronic environment to increase the effectiveness and efficiency of inspections.

The fight against the informal economy will contribute to the improvement of many macroeconomic factors, including economic stability, income distribution, and employment in the medium and long-term, and will increase the level of economic efficiency while boosting public revenues. Our Ministry will resolutely continue its efforts to expand the formal economy and shrink the informal economy in this period through the action plans that it has been implementing as a part of this understanding.

There will be an active struggle against corruption, which hinders competition, slows economic growth, reduces tax revenues and increases poverty by destroying income distribution, leads to wasted public resources, undermines confidence in public institutions, their managers and the justice system, and brings about a moral decline in society.

The constant development and diversification of economic activities and relationships, alongside the deepening of financial markets, the emergence of new financial instruments, the advances in information technologies and globalization make it difficult to identify the geographical boundaries of financial crimes. Coordination and cooperation between institutions as part of the fight against financial crimes will be carried out, and efforts will be made to contribute to the formation of a general information and communication policy in the public sector. The fight against financial crimes will be maintained more effectively by ensuring that IT systems include mechanisms that work in cooperation with each other.

Another factor possessing a risk in terms of the formal economy is the activities of the proceeds of crime. These activities have a negative impact on the integration of financial institutions with the economy, and at the same time, undermine the functioning and stability of the economy by weakening the financial strength of some sectors. For this reason, risk-focused analyses and inspections will be carried out, training activities among stakeholders will be enhanced, proactive efforts will be made to encourage cooperation and coordination, and the necessary regulations will be put into effect in order to intensify the fight against financial crimes.

Strategic Objective 9

To create tax policies that deter non-compliant taxpayers and support voluntary tax compliance

EXPLANATION:

Our Ministry will maintain its efforts to reduce the informal economy in this period within the scope of the action plans. Efforts will be made to review the relevant legislation, to expand the formal economy and to identify regulations related to the informal economy.

Public institutions and organizations, private sector representatives, non-governmental organizations and all stakeholders will continue to be cooperated in order to identify factors that have an impact on the decline of tax revenues resulting from the informal economy.

Works on the creation of a new, simplified Tax Procedure Law that reinforces taxpayers' rights, promotes compliance with tax regulations and deters non-compliance will be completed.

New regulations to be put into effect will make the Tax Procedure Law simpler, more plain and easier to understand, and the costs of tax compliance will be reduced, comprehensive regulations on taxpayer rights will be put into force, disputes will be resolved in a short time, and tax fines will be applied as deterrents to encourage voluntary compliance.

STRATEGIES:

- To conduct legislative studies to determine and amend the provisions of the tax laws that lead to the informal economy

- To complete the works on new Tax Procedure Law

- To carry out harmonization works (secondary legislation) in accordance with the new Tax Procedure Law

INDICATOR	CURRENT VALUE*	2022
Number of legislative arrangements to expand the formal economy (Number, Cumulative)	3	5**

*Estimated 2017 year-end realization.
**Refers to the value to be attained during the Plan period.

Strategic Objective 10

To fight against the informal economy through tax inspections

EXPLANATION:

In the fight against the informal policy, tax inspections will be carried out objectively in compliance with the income policy and macroeconomic objectives and based on risk analysis. Effective and efficient tax inspections to be carried out through the Risk Analysis System will identify informal transactions, and efforts will be made to subject them to taxation. In the Risk Analysis System, all-round information, data and statistics will be used to analyze the activities of taxpayers in terms of groups and sectors, and comparisons will be made. In this way, risks and degrees will be determined objectively by the risky sectors and taxpayers.

Training sessions, seminars, conferences and video presentations targeting external stakeholders will be organized to raise awareness about the rights and obligations of taxpayers.

Inspection capacity will be strengthened by enhancing the means of electronic inspection, and more taxpayers, activities and sectors will be investigated.

In addition, we will continue to focus on human resources with the aim of strengthening inspection capacity and training to ensure that our staff can fulfill their duties in line with principles of efficiency. Electronic inspection methods will be used more frequently to ensure the efficient functioning of the administration.

STRATEGIES:

- To improve risk analysis and electronic inspection capacity
- To increase the training duration provided for Tax Inspectors
- To increase efficiency in tax examinations through e-inspection methods
- To organize training sessions, seminars and conferences on taxpayer rights and obligations for external stakeholders and to prepare training and informational videos
- To develop audit methods to guide the functioning of the administration

INDICATOR	CURRENT VALUE*	2022
Number of taxpayers examined (Number)	50.000	70.000
Rate of increase in the examined tax base (Percent)	10	10
Ratio of tax examination derived from Risk Analysis System within all tax examinations (Percent)	18	30
Number of Special Consumption Tax Taxpayers tracked under continuous supervision (Number)	11	50
Number of units audited through the use of electronic inspection methods (Number)	120	200
Duration of training provided for tax inspectors during the year (Hour)	5.805	7.000
Duration of training, seminars and lectures organized for external stakeholders (Hour)	70	200
Number of training and informational videos prepared (Number, Cumulative)	5	20

*Estimated 2017 year-end realization.

Strategic Objective 11

To carry out an effective combat based on the prevention of laundering of proceeds of crime and the financing of terrorism, and providing economic security

EXPLANATION:

Like many other countries, it is aimed to maintain an effective fight against the laundering of the proceeds of crime and the financing of terrorism in order to provide an effectively functioning economy and a clean society.

The laundering of the proceeds of crime occurs when the source of revenues obtained through criminal acts is concealed, and its actual source is changed to give the impression that such revenues are legal. The main purpose of making a distinction between money laundering and the primary offense, as the source of the former, is to prevent crimes committed for financial gain by depriving the persons who benefit from the proceeds of crime of such revenues. In this way, the fight against money laundering is also an important means of preventing the underlying crimes. Similarly, destroying the financial resources of terrorist organizations and obstructing the channels of distribution of obtained funding are of vital importance in the fight against terrorism, which is one of the most significant problems in our country. In this context, our main objective in the fight against the financing of terrorism is to identify the funding sources of terrorist organizations, to monitor the movements of finances, and to prevent the means and ways through which terrorist organizations are funded.

In line with this objective, in an effort to turn our Ministry's Financial Crimes Investigation Board (MASAK) into a more powerful financial intelligence unit, it will be restructured by increasing its legal, administrative and technical capacity and competence within the framework of current needs.

In this context, efforts will be made to:

- Increase the quantity and quality of the different forms of data collected by MASAK, and to accelerate the transfer processes of such data,
- Conduct strategic analyses focusing on economic security through the use of bulk data, and to strengthen the information technology infrastructure as a preventive measure in the struggle against money laundering, terrorism and its financing, and to share them with related institutions,
- Ensure that the process of cooperation with law enforcement, intelligence, judicial and other related bodies is proactive and more effective in order to ensure the fight against financial crimes is carried out in a more effective, efficient and timely manner,
- Extend MASAK's coordination roles in the prevention of laundering and the financing of terrorism,
- Complete analyses and evaluations of tips and reports highlighting suspicious transactions indicating the laundering of the proceeds of crime and the financing of terrorism in a more timely manner,
- Organize training and workshops on "preventive measures" for obliged groups as well as carrying out similar one-to-one and guidance-focused activities with each responsible party in order to provide more reliable Suspicious Transaction Reports,
- Carry out works for the non-financial sectors, as well as the participatory works undertaken in the drawing up of standards for the reporting of suspicious transactions within the financial sector and to undertake joint projects with law enforcement and intelligence units, and
- Make the necessary legislative amendments within the scope of compliance with international standards

STRATEGIES:

- To enhance legal, administrative, and technical capacity and competences in fighting against financing of terrorism and laundering of proceeds of crime

- To increase the number of data types and quality of data collected and to accelerate the transfer process of these data

- To make risk-focused strategic analyses for money laundering and the financing of terrorism based on economic security through mass data by strengthening the infrastructure of information technologies

- To strengthen inspection capacity

- To complete the analyses and evaluations for the laundering and terror financing in a more short period of time

- To increase the number of training activities for stakeholders

- To carry out effective and proactive works in terms of cooperation and coordination

- To maintain efforts regarding compliance with the international standards

INDICATOR	CURRENT VALUE*	2022
Number of suspicious transaction reports received in the current year (number)	150.000	150.000
Number of taxpayers inspected in the current year (Number)	105	150
Completion of the analyses and evaluations carried out within the scope of MASAK in line with requests submitted by Judicial Authorities within the scope of the Law No. 5549 (Month)	4	2
Number of training sessions and workshops organized with stakeholders (Number, Cumulative)	20	100**
Number of data types collected in MASAK (Number, Cumulative)	105	125

*Estimated 2017 year-end realization.
**Refers to the value to be attained during the Plan period.

Strategic Goal 4

To provide effective, efficient and solution-oriented legal counseling and judicial services

EXPLANATION:

It is essential that legal counseling and judicial services be provided in an effective, efficient and solution-oriented manner, as protecting the rights and interests of the Treasury is the primary objective when pursuing lawsuits involving public administrations.

Within the framework of Statutory Decree No. 659, public administrations can receive legal services from legal advisers and lawyers to be employed by their legal units and, if necessary, from our Ministry, upon request.

Our Ministry will continue to carry out its activities to protect the rights and interests of the public through lawsuits and enforcement proceedings that it pursues on the public's behalf, or on behalf of other administrations, and to assist in reaching fair and swift verdicts with minimum cost in accordance with the law, to alleviate the burden on the courts, and to reach peaceful settlements based on rights and interests.

Strategic Objective 12

To increase the efficiency of litigation and enforcement follow-up processes and to improve solution-oriented review capacity

EXPLANATION:

During the Plan period, efforts will be made to accelerate judicial processes, and cooperation with related administrations will be increased in the handling of lawsuits. Verdicts will be ensured to be fulfilled as soon as possible and the collection of the funds will be accelerated. Furthermore, the number of cases per lawyer will be reduced.

Efforts aimed at ensuring that court fees and costs are paid through the systems in place and reducing related transactions will be accelerated. Systems that are integrated with METOP will be used more effectively.

Public administrations will continue to be guided in their works and actions through legal advice. Judicial opinion programs and the Journal of Supreme Court Rulings will continue to be made available to Treasury lawyers.

STRATEGIES:

- To reduce the number of cases per Treasury lawyer
- To organize a training seminar to increase the efficiency of judicial services
- To increase cooperation with internal and external stakeholders in the handling of lawsuits
- To improve the integration capacity of the systems related to the METOP system
- To develop alternative methods for judicial services

INDICATOR	CURRENT VALUE*	2022
Ratio of number of cases won to the number of cases adjudicated (Percent)	68	81
Rate of completion of requests for opinion within 1 month (Percent)	90	98
Number of lawsuits and enforcement files per Treasury Lawyer (Number)	639	300
Number of training seminars / conferences organized to increase the efficiency of judicial services (Number, Cumulative)	1	10**
Number of queries made via METOP (Number)	132.000	250.000

*Estimated 2017 year-end realization.
**Refers to the value to be attained during the Plan period.

Strategic Goal 5

To increase institutional capacity

EXPLANATION:

The development of institutional capacity aims at continually increasing the quality and quantity of human resources and the physical and technological assets of an administration in order to provide managerial, human and technological capabilities that help achieve the established goals and objectives. In this respect, increasing the institutional capacity of our Ministry to attain all of its goals and objectives has been adopted as a separate strategic goal in the Plan.

Within the scope of this goal, we aim to:

- Improve the strategic management, organizational structure and organizational culture of our Ministry in order to increase the quality of provided services and to establish a citizen-oriented management structure,
- Increase the quality and quantity of the Ministry's personnel in line with the human resources management perspective,
- Increase the level of harmony between the information and communication infrastructure used by the central and provincial organizations of the Ministry.

during the term of the Plan.

Strategic Objective 13

To establish a strategic management concept; to change the management and organizational structure; and to develop an organizational culture

EXPLANATION:

The strategic management is a concept that supports administrations in establishing the goals and objectives that they want to achieve by analyzing their current situation and includes the ways of reaching these goals as well as monitoring and evaluating the entire process. To this end, mechanisms will be established primarily in the Ministry for the effective and efficient management of the strategic management cycle throughout the term of the Plan.

The monitoring and evaluation of the Plan is of critical importance in increasing the effectiveness of the Strategic Plan and in guiding the decisions taken at an operational level. Within this framework, a monitoring and evaluation model has been designed that is planned to be put into operation during the Plan period. The efficiency of the system will be enhanced through annual monitoring and through evaluation reports to be prepared making use of this model.

Central and Provincial Internal Control Action Plans will continue to be implemented with a great care to increase the scope and quality of the internal control system.

The organizational structure of the Ministry will be monitored constantly, and necessary administrative structures will be established in line with service delivery requirements and any changes in legislation.

In addition to these, activities aimed at improving institutional compliance regarding occupational health and safety will be carried out, and the level of awareness of the central and provincial personnel will be increased. During the Plan period, training related to occupational health and safety will continue, medical examinations will be performed and detected risks will be eliminated in order to create a healthy and safe work environment. Furthermore, the level of awareness of the employees will be increased through printed brochures, guides and other sources in this regard.

Furthermore, international developments related to the Ministry's area of responsibility will be followed meticulously and the Ministry's representative capacity at international platforms will be enhanced.

STRATEGIES:

- To review the management concept and organizational structure and to suggest proposals for change in order to provide the effective implementation of strategic management

- To prepare an annual report for the monitoring and evaluation of the Strategic Plan

- To provide training on the adoption of the internal control system, to organize surveys and to assess the results

- To reduce and prevent risk factors by carrying out improving works on occupational health and safety

- To follow international developments regarding issues related to the Ministry's area of responsibility, and to enhance its representative power on international platforms

INDICATOR	CURRENT VALUE*	2022
Preparation of a Strategic Plan evaluation report (Number, Cumulative)	0	5**
Rate of monitoring of indicators within the Strategic Plan (percent)	87,5	100
Elimination rate of the identified risks related to occupational health and safety (Percent)	40	100
Total number of Ministry personnel participating in the Fiscalis Program activities (Number, Cumulative)	62	120

*Estimated 2017 year-end realization.
**Refers to the value to be attained during the Plan period.

Strategic Objective 14

To increase and improve the quality and quantity of personnel of the Ministry in accordance with the human resources management perspective

EXPLANATION:

One of the functions of human resources management is the development of existing human resources. To this end, the quality of the human resources of the Ministry will be improved and this will contribute to the development of the institutional capacity.

In the direction of the objective of increasing the quality of human resources, training needs of the personnel will be determined and planned. In this way, trainings required by the personnel and their career development opportunities will be increased.

The efficiency of human resources will be elevated by increasing their level of knowledge and skills by expanding upon the training programs that are currently available to them. Participants will receive a standard training having the same content in the training programs to be provided.

As the planning within the framework of human resources management and employment of appropriate personnel will contribute to achieving the objectives and goals of the Ministry, planning activities in this area will be given importance, and efforts will be made to increase the number of personnel.

The determination of standards to ensure balance in the distribution of human resources among units within in the Ministry organization and the enhancement of cooperation among those units will also improve human resources and increase institutional capacity.

STRATEGIES:

- To analyze the Ministry's training needs and to make the necessary plans
- To encourage the Ministry's personnel to be appointed as trainers
- To provide standardized training for personnel related to their areas of responsibility
- To dynamically monitor the qualifications of the Ministry's personnel
- To increase the number of Ministry personnel

INDICATOR	CURRENT VALUE*	2022
Average annual training time per person (Hour)	8[1]	5
Number of training needs analyses performed (Number, Cumulative)	0	5**
Number of standard training documents generated (Number, Cumulative)	0	40**
Number of reports prepared for the quantitative determination of the personnel needs of the Ministry (Number, Cumulative)	0	5**
Occupancy rate of the Ministry's organization (Percent)	49,6	55

*Estimated 2017 year-end realization.
**Refers to the value to be attained during the Plan period.

[1] Average duration of training has increased after the addition of mandatory Occupational Health and Safety training required to be provided for all personnel as per Law No. 6331.

Strategic Objective 15

To establish a common information infrastructure, taking into consideration the e-Government integration in order to ensure the transfer of services offered by the Ministry's units to an electronic environment

EXPLANATION:

Common rules and services will be established to ensure the minimum standards in the works on the transfer of services provided by services under the functions and duties of the central and provincial organizations of the Ministry to an electronic environment and on providing these services via e-Government infrastructure.

All necessary actions will be taken to ensure that the common rules and services that have been established are used by the units, and any necessary support will be provided to this end.

All integration and development works to be carried out within the Ministry will be consistent with international standards, and will be based on the Information Policy / Standards / Procedures and Service Management standards of the Ministry.

E-service processes will be defined to increase service quality, and information systems will be developed, expanded upon and integrated into the system in line with the common standards, architecture and infrastructure.

Efforts aimed at facilitating the works and transaction processes of the employees of the Ministry, and to create an e-office environment will be given fresh impetus.

It will be ensured that the services provided to citizens and the Ministry's stakeholders are made available from a single point through the e-Government system in a fast and reliable manner.

STRATEGIES:

- To establish and ensure the use of common rules and services defining the roles and functions of the central and provincial organizations of the Ministry

- To deduplicate the Ministry's e-mail, network and active directory structure, and to increase the level of harmony between information systems

To determine the rules to be complied regarding the information security

- To ensure all of the services provided by the Ministry to the public and its stakeholders are accessible through the e-Government system

- To ensure the application of quality standards to be determined during the software development processes of our Ministry

INDICATOR	CURRENT VALUE*	2022
Number of services provided by the Ministry via the e-government portal (Number, Cumulative)	7	20
Rate of deduplication of e-mail, network and active directory structure (Percent)	10	100
Ratio of number of services supported in an electronic environment to the number of services provided in the IT Department (Percent)	15	90

*Estimated 2017 year-end realization.

7- Strategic Objective-Unit Relationship

OBJECTIVES	VDK	MASAK	SGB	BAHUM	BÜMKO	MUH	GEP	MİLE	PERGEN	ABDİD	İMİD	ÖKA	BİDB	BHİM
S.O.1. To ensure a sustainable public fiscal stability taking into account public revenue and expenditure quality, without compromising fiscal discipline					X		X							
S.O.2. To develop a tax system through predictable revenue policies that are sensitive to global developments, increasing the competitiveness of the national economy and ensuring fairness in the distribution of the tax burden							X							
S.O.3. Within the framework of fiscal discipline, to devise and support expenditure policies that ensure sustainable growth and economic and social welfare by rationalizing public expenditures, and to ensure that public resources are used to increase the quality of the public services that are offered					X									
S.O.4. To manage Treasury-owned real estate with an effective approach, considering the needs of the economy and stakeholders								X						
S.O.5. To strengthen and monitor fiscal management and internal control systems in public administrations within the scope of the central harmonization function, to increase the quality of human resources in this area, to carry out economic and fiscal studies					X				X					
S.O.6. To transfer accounting services to related administrations and to increase the level of compliance of administrations within general management with accounting regulations						X								
S.O.7. To implement the Integrated Public Fiscal Management Information System						X								
S.O.8. To fully align fiscal statistics and fiscal reports with international standards, and to increase transparency and accountability in fiscal reporting						X								
S.O.9. To create tax policies that deter non-compliant taxpayers and to support voluntary tax compliance							X							
S.O.10. To fight against the informal economy through tax inspections	X													
S.O.11. To carry out an effective combat based on laundering of proceeds of crime, preventing the financing of terrorism, and providing an economic security		X												
S.O.12. To increase the efficiency of litigation and enforcement follow-up processes and to improve solution-oriented review capacity				X										
S.O.13. To establish the strategic management concept, to change the organizational management structure and to develop an organizational culture	X	X	X	X	X	X	X	X	X	X	X	X	X	X
S.O.14. To increase and improve the quality and quantity of personnel of the Ministry in accordance with the human resources management perspective									X					
S.O.15. To establish a common information infrastructure, taking into consideration the e-Government integration in order to ensure the transfer of the services offered by the Ministry's units to an electronic environment													X	

8- Cost Estimation For 2018–2022

Cost Estimate for 2018–2022 Period						
		2018	2019	2020	2021	2022
GOAL 1	To lead the Determination of Fiscal Policies Through a Participatory and Integrated Approach and Managing Resources Based on 3E	317.744.966	342.138.748	365.424.109	414.509.557	446.012.283
OBJECTIVE 1	To ensure a sustainable public fiscal stability taking into account public revenue and expenditure quality, without compromising fiscal discipline	4.094.887	4.442.706	4.774.186	5.137.024	5.527.438
OBJECTIVE 2	To develop a tax system through predictable revenue policies that are sensitive to global developments, increasing the competitiveness of the national economy and ensuring fairness in the distribution of the tax burden	2.583.900	2.796.750	3.001.185	24.542.490	26.407.720
OBJECTIVE 3	Within the framework of fiscal discipline, to devise and support expenditure policies that ensure sustainable growth and economic and social welfare by rationalizing public expenditures, and to ensure that public resources are used to increase the quality of the public services that are offered	13.393.457	14.551.792	15.650.772	16.840.231	18.120.088
OBJECTIVE 4	To manage Treasury-owned real estate with an effective approach, considering the needs of the economy and stakeholders	294.669.000	317.084.000	338.488.000	364.213.088	391.893.283
OBJECTIVE 5	To strengthen and monitor fiscal management and internal control systems in public administrations within the scope of the central harmonization function, to increase the quality of human resources in this area, to carry out economic and fiscal studies	3.003.722	3.263.500	3.509.966	3.776.723	4.063.754
GOAL 2	To ensure that the accounting services are managed more effectively and the fiscal reports and statistics are prepared and presented in accordance with international	677.128.000	730.272.500	785.643.000	845.351.868	909.598.610
OBJECTIVE 6	To transfer accounting services to related administrations and to increase the level of compliance of administrations within general management with accounting regulations	453.675.760	489.282.575	526.380.810	566.385.752	609.431.069
OBJECTIVE 7	To implement the Integrated Public Fiscal Management Information System	176.053.280	189.870.850	204.267.180	219.791.486	236.495.639
OBJECTIVE 8	To fully align fiscal statistics and fiscal reports with international standards and to increase transparency and accountability in fiscal reporting	47.398.960	51.119.075	54.995.010	59.174.631	63.671.903
GOAL 3	To fight against the informal economy and to reduce financial crimes	828.291.200	908.517.500	976.446.230	988.429.759	1.000.701.773
OBJECTIVE 9	To create tax policies that deter non-compliant taxpayers and support voluntary tax compliance	1.096.200	1.186.500	1.273.230	1.369.995	1.474.115
OBJECTIVE 10	To fight against the informal economy through tax inspections	800.179.000	877.066.000	942.824.000	952.252.240	961.774.762
OBJECTIVE 11	To carry out an effective combat based on laundering of proceeds of crime, preventing the financing of terrorism, and providing an economic security	27.016.000	30.265.000	32.349.000	34.807.524	37.452.896
GOAL 4	To provide effective, efficient and solution-oriented legal counseling and judicial services	197.794.000	212.976.000	227.388.000	244.669.488	263.264.369
OBJECTIVE 12	To increase the efficiency of litigation and enforcement follow-up processes and to improve solution-oriented review capacity	197.794.000	212.976.000	227.388.000	244.669.488	263.264.369
GOAL 5	To increase institutional capacity	185.271.000	206.643.500	233.862.000	251.635.512	270.759.811
OBJECTIVE 13	To establish the strategic management concept, to change the management and organizational structure and to develop an organizational culture	39.026.000	39.264.000	42.170.000	45.374.920	48.823.414
OBJECTIVE 14	To increase and improve the quality and quantity of personnel of the Ministry in accordance with the human resources management perspective	54.347.000	58.687.000	62.819.000	67.593.244	72.730.331
OBJECTIVE 15	To establish a common information infrastructure, taking into consideration the e-Government integration in order to ensure the transfer of the services offered by the Ministry's units to an electronic environment	91.898.000	108.692.500	128.873.000	138.667.348	149.206.066
	General Administrative Expenses	525.439.834	569.211.752	610.167.661	656.540.403	706.437.474
Total Amount of Funds Earmarked for Strategic Goals		**2.731.669.000**	**2.969.760.000**	**3.198.931.000**	**3.401.136.587**	**3.596.774.320**

9- The Strategic Plan Monitoring And Evaluation Model

In our Ministry, the Strategic Plan monitoring and evaluation model refers to the process in which the realization status of the performance indicators is determined within the scope of the performance programs which are the annual application stages of the plan, the results are analyzed at the end of the year, the necessary measures are taken and all of these stages are reported.

In order to increase the effectiveness of the monitoring and evaluation model during the Plan period, the Strategy Development Unit (SDU), Strategy Development Board (SDB) and the Strategic Planning Steering Committee (SPSC) plan to continue their activities in the following areas.

Strategy Development Unit:

- To consolidate the data entered by the units within the SGB.net system
- To prepare monitoring and evaluation reports
- To coordinate monitoring and evaluation activities, and to provide secretarial services for the process

Strategic Planning Steering Committee:

- To evaluate the reports that have been consolidated by the Strategy Development Unit (SDU)
- To report problems and come up with solution proposals determined within the scope of the reports to the SDB

Strategy Development Board:

- To review and assess annual monitoring and evaluation reports, as well as quarterly monitoring reports
- To determine the measures to be taken.

Data pertaining to the indicators included in the 2018–2022 Strategic Plan of the Ministry of Finance will be entered into the SGB.net system by the Ministry's units on a quarterly basis. Furthermore, follow-up reports will include the realization data of the previous year, targeted value and periodically realized objectives.

For the monitoring and evaluation process, various control mechanisms have been included in the system into which the data entries are made to increase the effectiveness, consistency and continuity of the Strategic Plan implementation. Thus, the reliability of the information provided by the expenditure units will be ensured.

The SDU will report on its monitoring and evaluation activities related to the information entered into the system and its interviews with the different units. The quarterly monitoring reports prepared by the SDU and the annual monitoring and evaluation report will be audited by the SPSC, and the final versions of the said reports will be presented to the SDB.

The performance results obtained through the monitoring reports are planned to be assessed at a meeting organized by the SDB at the end of the first six-month period, and it is planned to take actions and to come up with solutions to potential deviations.

The annual monitoring and evaluation report on the distribution of funds and expenditures allocated for the fulfillment of strategic objectives and targets, the results of the measurement of performance indicators against the target, the sources of data, the reasons for any deviations from the target, the actions planned to be taken to address such deviations and the problems encountered in performance management will be assessed at the SDB's year-end meeting.

The created performance data detailed in the monitoring and evaluation reports is made public through management activity reports, in accordance with the principles of transparency and accountability.

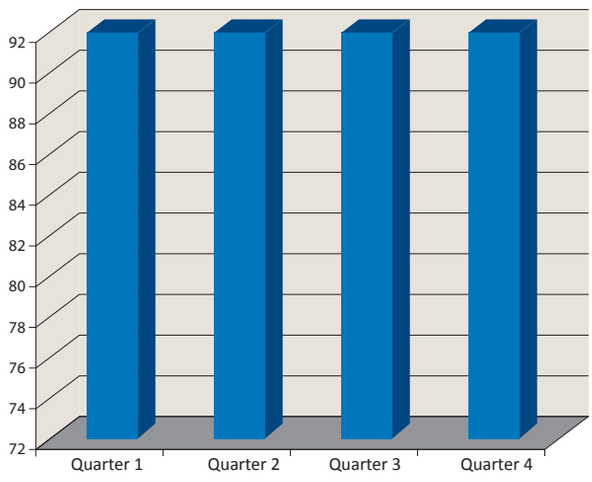
In addition, the strategic management system is planned to gain a more efficient structure with the integration of the SGB.net performance monitoring module with the different information systems used in the Ministry throughout the Plan period.

REPORT ON MONITORING THE REALIZATION OF PERFORMANCE INDICATORS	
Year	2016
Unit	12.01.00.23 / STRATEGY DEVELOPMENT UNIT
Performance Goal	Strategic management, human resources, organizational structure and technological infrastructure will be developed.
Strategic Goal	To Increase Institutional Capacity
Strategic Objective	To develop strategic management, human resources, organizational structure, technological infrastructure and institutional culture

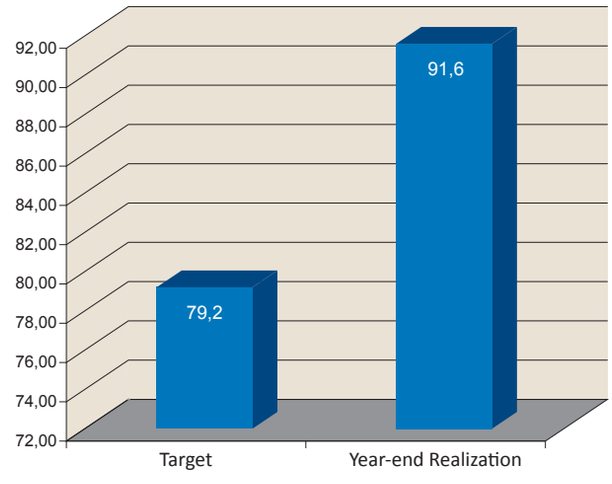
Performance Indicator	Goal	Realized				Year-end Realization	Percentage of the Realization of Objective (%)	Objective Deviation Ratio (%)	Level of Achievement of Objective
		Quarter 1	Quarter 2	Quarter 3	Quarter 4				
Rate of monitoring of indicators in the Strategic Plan (percent)	79,20	91,60	91,60	91,60	91,60	91,60	115,66	15,66	Target Exceeded

Definition	Indicating which indicators in the Ministry's Strategic Plan are monitored through performance programs.
Source of Indicator	Strategic Management and Internal Control Department
Analysis of Performance Results	Target Exceeded
Reason for Deviation	There has been an increase in the number of indicators shown in the Strategic Plan that were monitored in 2016.
Actions to be taken Against Deviations	This ratio will be calculated with more care in the coming year.

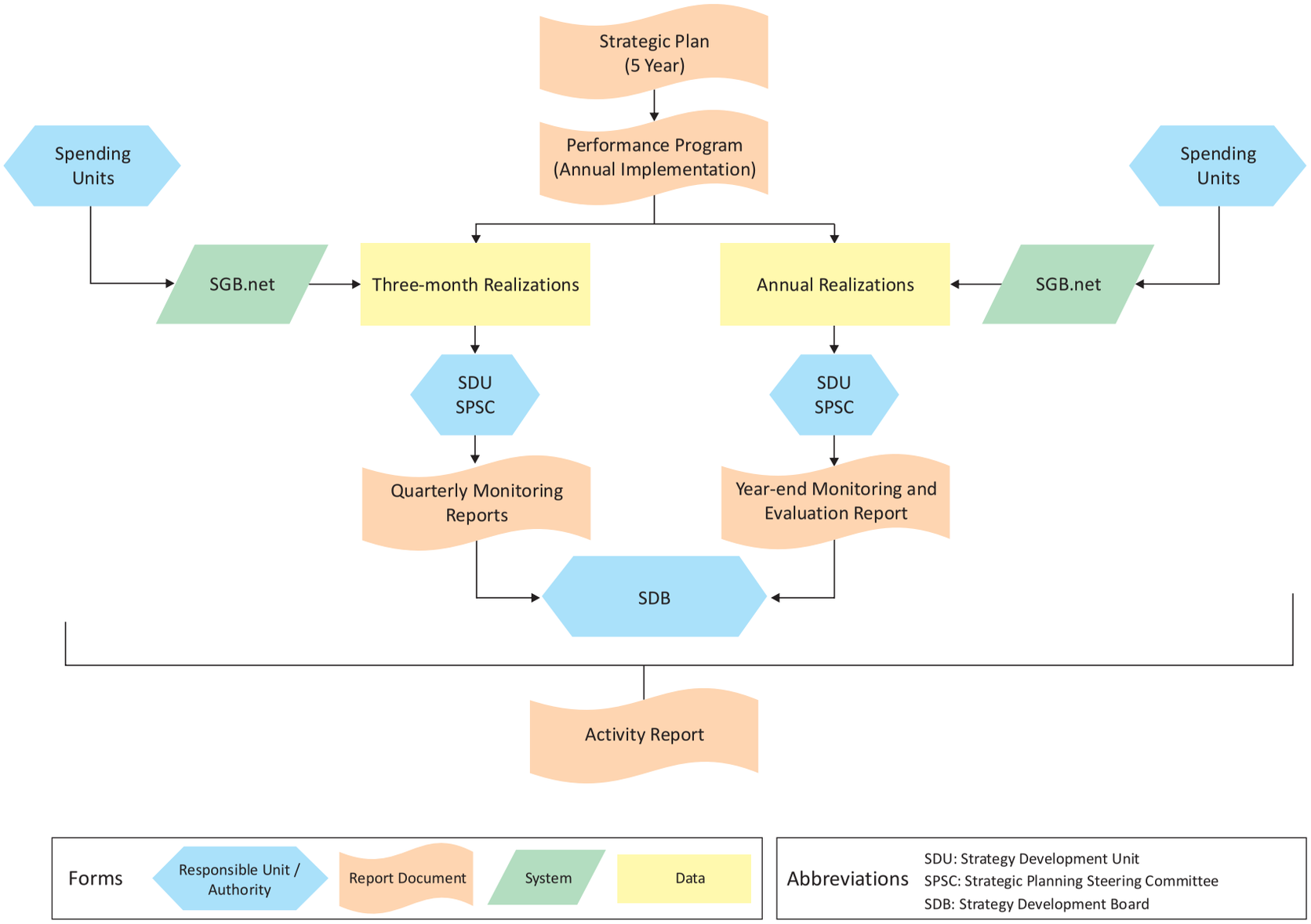
Realization of Performance – Three-Month



Targeted Performance - Year-End Realization



MONITORING AND EVALUATION MODEL



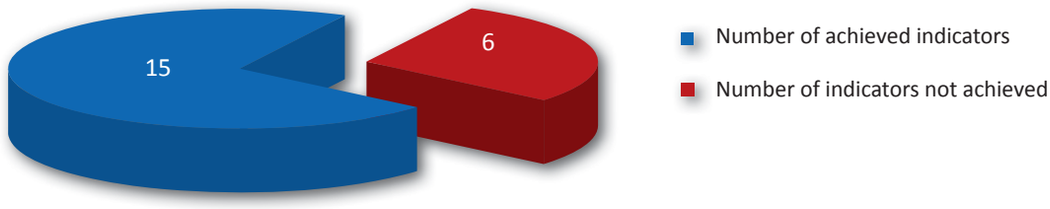
Annex 1- Evaluation Of The Strategic Plan For 2013–2017

The Ministry of Finance's Strategic Plan for 2013–2017 has been prepared using participatory methods that take advantage of the enthusiasm that accompanied the sweeping changes ushered in with the public fiscal management reforms, the experience gained in the field of strategic management and our country's vision for 2023.

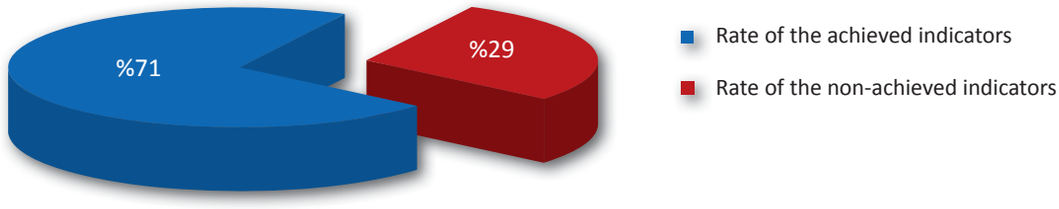
The Plan contained 4 strategic goals, 9 strategic objectives, 42 strategies and 24 performance indicators. These indicators were included in annual performance programs, and their realization status was monitored on a quarterly basis.

A total of 71 percent of the performance indicators determined in the Strategic Plan were achieved between 2013 and 2016.

Strategic Plan Indicators 2013–2016 Period Achievement Status (Number)



Achievement Status of Strategic Plan Indicators for 2013-2016 (Percent)



The summary information on the activities carried out within the scope of the objectives and targets included in the Strategic Plan are given below. Details and actual data from the Plan period can be accessed from the Ministry's Operating Reports and in different documents posted on the Ministry website (www.maliye.gov.tr).

Outcomes of the Implementation of Strategic Plan for 2013-2017																	
Number	Performance Indicator	Unit	Goal				Realization				Performance					
			2013	2014	2015	2016	2013	2014	2015	2016	2013	2014	2015	2016	Average	
Strategic Goal 1: To expand the tax base in a fair and predictable manner																
1	Decline in Tax spending / GDP (percent)	GELPOL	0,2	0,2	0,12	0,2	0,06	0,02	0,02	-0,14	30,00	10,00	16,67	-70,00	-3,33	
2	Share of direct taxes within total taxes (percent)	GELPOL	50,24	50,66	52,1	53,28	50,06	51,66	51,73	53,00	99,64	101,97	98,91	99,47	100,00	√
Strategic Goal 2: To create a tax system which is simple and responsive to global developments and which increases competitiveness																
3	Improvements in international benchmarking (number)	GELPOL	2	2	2	2	2	2	2	-	100,00	100,00	100,00	-	100,00	√
Strategic Goal 3: To render resource allocation and utilization processes more effectively, while giving due consideration to fiscal discipline and sustainable growth																
4	Share of Central Administration budget deficit in GDP (percent)	BÜMKO	-2,2	-1,9	-1,1	-1,3	-1,2	-1,3	-1,2	-1,1	145,45	136,84	90,91	115,38	122,15	√
Strategic Goal 4: To ensure that public resources are managed, monitored and reported effectively																
5	Number of Published State Accounting Standards for which full compliance with accounting regulations has been achieved (number)	MUH	3	-	-	7	2	-	-	7	66,60	-	-	100	83,30	
Strategic Goal 5: To manage public properties proactively in line with the needs of the economy																
6	Percentage increase in revenues obtained from the disposal of real estate (percentage)	MILE	-	-	5	5	-	-	17	-0,23	-	-	342,80	-4,60	169,10	√
7	Number of real estate assets for which a notice has been put up pursuant to Supplementary Article 3 of Law numbered 4706, and for which a preliminary permit has been issued to investors after the posting of such a notice (number)	MILE	60	70	75	75	39	38	51	617	65,00	54.28	68,00	822,67	318,56	√
8	Surface area of immovable properties disposed of pursuant to Supplementary Article 3 of Law numbered 4706 (square meters)	MILE	1.500.000	1.650.000	1.750.000	2.000.000	8.740.716	6.000.675	5.263.760	36.110.169	582,71	363,67	300,79	1.805,51	763,17	√
9	Number of new jobs anticipated to be created by using real estate disposed after a preliminary permit under Supplementary Article 3 of Law numbered 4706 (number)	MILE	-	-	2.000	2.000	-	-	556	702	-	-	27,80	35,10	31,45	

Strategic Goal 6: To boost and expand the formal economy																
10	Percentage increase in the number of taxpayers examined (percent)	**VDK**	10	10	10,0	10	52	-22,60	6,13	-4,56	520,00	-226,00	61,30	-45,60	77,43	
11	Rate of increase in the examined tax base (Percent)	**VDK**	10	10	5,0	20	36,5	37	25,6	-53,93	365,00	370,00	512,00	-269,65	244,34	√
12	Reducing the percentage of the informal economy (points)	**GELPOL**	0,2	0,2	0,2	1	0,7	-0,7	0,6	-	350,00	-350,00	-300,00	-	-100,00	
Strategic Goal 7: To effectively fight against the laundering of the proceeds of crime and the financing of terrorism																
13	Number of suspicious transaction reports received (number)	**MASAK**	10.000	14.000	30.000	60.000	25.592	36.483	74.221	132.570	255,92	260,59	247,40	220,95	246,22	√
14	Number of taxpayers audited (Number)	**MASAK**	90	90	90	90	130	88	78	96	144,44	97,77	86,66	106,67	108,89	√
15	Number of lawsuits related to files / Number of complaints related to files (percent)	**MASAK**	85	85,0	85,0	75	60	70	85	96,88	70,58	82,36	100,00	129,17	95,53	√
Strategic Goal 8: To increase effectiveness in the provision of judicial and legal counseling services																
16	Ratio of the number of cases won to the number of cases adjudicated (Percent)	**BAHUM**	61	62	63	66	56,9	70,3	69	71,29	93,28	113,39	109,52	108,02	106,05	√
17	Ratio of the number of cases adjudicated to the total number of lawsuits (Percent)	**BAHUM**	25	14	18	19	19,4	18,3	17	13,13	77,60	101,66	94,44	69,11	85,70	
18	Ratio of the number of legal opinions provided to the number of legal opinions sought (percent)	**BAHUM**	100	100,0	100	100	100	100	100	100	100,00	100,00	100,00	100,00	100,00	√
Strategic Goal 9: To develop strategic management, human resources, organizational structure, technological infrastructure and institutional culture																
19	Rate of monitoring of indicators in the Strategic Plan (percent)	**SGB**	81	81	86	79,2	81	81	86	91,6	100,00	100,00	100,00	115,70	103,93	√
20	Increase in the share of investment in information technologies within the Ministry's budget (percent)	**SGB**	41,7	26	37,5	31,8	42	30,8	42	37,7	100,72	118,46	112,00	118,55	112,43	√
21	Per capita annual training hours*	**PERGEN**	-	-	-	3	-	-	0,13	11,40	-	-		380,00	380,00	√
Indicators Not Monitored																
22	Number of administrations using public fiscal management information system	**MUH**	-	-	-	-	-	-	-	-	-	-	-	-		
23	Number of researches conducted in the field of public finance	**-**	-	-	-	-	-	-	-	-	-	-	-	-		

*There are 24 indicators in the 2013–2017 Strategic Plan of the Ministry of Finance. However, data related to the "average duration of training for central personnel" and the "average duration of training for provincial personnel", have been monitored within the scope of "annual training hours per person" since 2016. For this reason, 23 indicators are given on the above table.

SO1:

To expand the Tax Base in a Fair and Predictable Manner[1]

- The Draft Law on Revenue Tax has been prepared aimed at establishing a more effective and equitable tax system and broadening the scope of taxation.
- Legislation related to exceptions, exemptions and discounts was analyzed and an inventory was established. Institutions and organizations that will provide such data were identified and administrative arrangements were made regarding the supply of data.
- Exceptions that are no longer applicable within tax expenditures were reviewed and a draft law was prepared.
- Efforts are under way to increase the self-generated revenues of local administrations and to ensure compliance with the tax system.
- The VAT rate for some houses sold at extreme prices, despite a floor area of less than 150 square meters, has been adjusted based on tax paying capacity.
- The tax exemption on real estate income, granted to wealthy taxpayers who receive rents for the rent of houses, has been abolished to ensure tax justice.
- As regards the taxation of passenger vehicles, a new taxation system has been introduced that takes into account the tax base of the vehicle, as well as the engine cylinder capacity.
- The practice of collecting stamp duty from more than one copy of a contract has been abolished, meaning that stamp duty and notary fees are collected for only one copy.

SO2:

To Create a Tax System which is Simple and Responsive to Global Developments and which Increases Competitiveness

- The review of the Tax Procedure Law, aimed at facilitating adaptation to the rapidly changing economic environment, has been completed.
- The tax burden on investments, production, exports, employment and financing has been reduced to strengthen the competitive nature of our economy and to further improve the business environment.
- Transaction costs have been reduced and processes have been simplified.
- A Super Incentive Model has been developed to encourage project-based investments aimed at facilitating the necessary investments to ensure our country achieves its long-term macroeconomic targets.
- The incentive system has been rendered more effective, with the rate of contribution to investments during the investment period being increased to 80 percent for all regions and investments. For investments exceeding TL 500 million, VAT has become possible to be refunded that cannot be deducted due to construction works in the past. The application of an inflation index related to the amount of investment discounts carried forward into the following years has been made possible.

[1] Explanations on the implementation results of the Strategic Plan for 2013–2017 were provided based on data obtained in May 2017.

- Incentives to encourage design activities, such as R&D, have been initiated.
- The minimum number of personnel required for an institution to be defined as an R&D center has been reduced from 30 to 15.
- Tax incentives related to R&D have been transferred to the main legislation and uniform application is ensured.
- R&D and design centers generating high-quality R&D and design work are offered a further 50 percent R&D discount, depending on their performance.
- Access to finance has been made easier for R&D and design enterprises.
- Customized R&D and design activities have been included within the scope of the incentives.
- Goods imported for R&D projects have been exempted from customs duty, surcharge, stamp duty and fees.
- 50 percent of the gains from the commercialization of R&D activities are exempted from income and corporate income tax.
- 50 percent of the capital expenditure calculated with respect to the increase in cash capital is allowed to be deducted in tax returns. This rate has been increased to 75 percent for industrial investments with incentive certificates.
- As regards to investments with incentive certificates, purchases of software and intangible rights can be made without paying VAT. Transactions involving the acquisition of hi-tech companies and the procurement of new machinery and equipment for use in manufacturing operations are exempted from stamp duty and fees.
- Loans used for financing investments in machinery and equipment in the manufacturing sector are exempted from BITT.
- Interest-free financial institutions have been brought to the same level as other financial institutions in terms of the cost of borrowing arising from taxation.
- In order for our country to be a center of attraction on a global scale, corporate regional management centers have been granted exemption from corporate income tax and ambiguities have been eliminated.
- The scope of services enjoying export incentives for tax purposes has been expanded, and tax incentives are now provided also for product testing, certification, data processing, data analysis and vocational training.
- In the event of a merger of SMEs holding industrial registration certificates and engaged in production, corporate income tax will be limited to only 5 percent for 3 years.
- Greater incentives are provided for investments made in the manufacturing sector in 2017 in terms of the corporate income tax, and the VAT paid on construction expenses can now be refunded.
- The social security premiums, income tax and stamp duty required to be paid for each employee hired in 2017 have been paid by the government.

SO3:

To render resource allocation and utilization processes effectively, while giving due consideration to fiscal discipline and sustainable growth

- The "Draft Guidelines for Program Structure and Rationale" have been published informing of the principles and guidelines for the development of a program structure and the rationale for public administrations, and work in this regard is continuing.
- A Citizen Budget Guide has been published to help citizens understand the budget process, showing budget expenditure areas and how such expenditures are funded.
- Efforts have been made to carry out cost-benefit and cost-effectiveness analyses into the use of public funds.
- Work has been undertaken to supply the goods and services needed by public administrations through a common procurement method.
- Public Internal Control Guidelines have been published to ensure that the internal control system, which strengthens decision-making processes and contributes to the effective use of resources, is well understood and is being effectively implemented by public administrations.
- Work on new legislation to ensuring that internal auditing activities are being carried out effectively within public administrations has been completed.
- The draft Public Vehicles Law has been prepared to ensure the legitimacy and effectiveness of the acquisition and use of vehicles in the public sector.
- Financial support has been provided for projects and works aimed at cutting down on current expenditures, aimed at encouraging public administrations to save money.

SO4:

To ensure that public resources are managed, monitored and reported effectively

- Works have been initiated on the Integrated Public Fiscal Management Information System, which will cover the process starting from the preparation of the budget law for the Central Administration to the Grand National Assembly's legislation of the final accounts.
- Works concerning electronic documents have been undertaken and legislation has been amended to permit the production of documents in an electronic environment.
- A web-based accounting software and a compatible information system have been created as a result of the works to establish templates for the automated creation of accounting records.
- The Public Vehicles Management and Information System has been established and made available to administrations to facilitate the more effective and efficient management of vehicles owned by public administrations.
- Works have been carried out to establish standards in accounting practices and to increase the quality of fiscal statistics.
- Preparation of financial tables for the individual administrations that receive funds from the general budget has been initiated.
- General administration fiscal statistics are being drawn up and issued quarterly and annually in accordance with the common standards recognized by the IMF, EU and UN.

SO5:

To manage public properties proactively in line with the needs of the economy

- Works aimed at converting to a fully automated national real estate trade and transaction system have been continuing as part of the National Real Estate Automation Project (MEOP).
- Our official website has been upgraded based on a supply-oriented management concept, and real estate portfolios have been created to allow an increase in the number of real estate assets posted on notice boards, and take offers for Treasury-owned real estate in an electronic environment.
- The “Sharing of Information on Allocated Real Estate with Related Administrations” Project has been initiated, for which the “Institution Allocation Application” has been developed on the organizational website. This application allows public administrations to access information about the immovable properties allocated to them.
- A Geographical Information Systems (GIS) infrastructure has been established and data on the coordinates of Treasury-owned real estate has been inputted into the GIS system, while satellite images of real estate assets have started to be used in all our works and transactions.
- As of the end of 2015, works to create an inventory of the real estate registered with land registration offices in the name of the Treasury had been completed and included in accounting records based on assessed property tax. Works aimed at updating the information about such real estate based on their actual values are continuing.
- Inventories of social amenities such as holiday resorts, camps and training facilities belonging to public institutions and organizations have been drawn up as part of the preparations to integrate them into the national economy.
- The sale of real estate within the scope of 2-B began, and is being successfully implemented.
- Works have been carried out to sell the agricultural land belonging to the Treasury.
- By amending legislation related to the direct leasing of agricultural land owned by the Treasury to their users, the lease transactions of farmers have been facilitated, and they have become eligible for agricultural subsidies.

SO6:

To boost and expand the formal economy

- We have contributed to the Action Plan to Combat the Informal Economy Strategy.
- In addition to our efforts to identify informal transactions and to ensure their taxation, studies have been conducted in the field of combating organized tax evasion.
- Withheld Tax Returns and Social Security Institution Declarations have been combined in a single platform.
- The Special Consumption Tax (SCT) is assessed ex officio if alcoholic beverages and tobacco products with no special label or marking are discovered.
- A regulation has been enforced to prevent the lower calculation of the SCT by declaring the purchase prices of motor vehicles lower than the actual cost.

- VAT exceptions on precious gems has been abolished, and they have been excluded from the scope of the SCT.
- As a result of amendments to the Notaries Public Law, data held by the Union of Turkish Public Notaries has been made available to the institutions / organizations concerned to contribute to the prevention of informal transactions.
- Work has been completed to bar persons with criminal convictions from hiring undocumented workers or those found guilty of tax evasion from bidding on public procurement projects.
- To ensure the effectivity of tax inspections and the fight against informal transactions, investments focusing on the administrative, technological, and human resources capacity of the Tax Inspection Board, and works to create an inspection structure that safeguards taxpayers' interests have been continuing.
- In order to raise awareness about taxes and taxpayer rights, the Tax Inspection Board (VDK) Taxpayers Portal has gone online.
- A Computer-Aided Audit and Risk Analysis Center has been launched to ensure that tax inspections can be performed more effectively through a Risk Analysis System.
- The Council of Ministers has been authorized to grant tax deductions with respect to all transactions where the Internet and other information technologies are used, as part of the works to prevent informal transactions.

SO7:

To effectively fight against the laundering of the proceeds of crime and the financing of terrorism

- Our financial system has been rendered extremely protected and resistant to money laundering and the financing of terrorism through the institutions created and the measures taken.
- Training activities to raise awareness of preventive measures in the fight against the laundering of the proceeds of crime and the financing of terrorism among staff of taxpayer organization groups engaged in financial and non-financial industries, and training activities to ensure the implementation of such measures, have continued extensively.
- In the context of preventive measures, explanatory guides and brochures on the identification of customers, suspicious transaction reporting, and the identification of the beneficiary have been prepared and published.
- Within the scope of the efforts to prevent the laundering of the proceeds of crime and the financing of terrorism, activities in the presence of the Financial Action Task Force (FATF), the EGMONT Group and other international organizations have been actively pursued.
- Law No. 6415 on the Prevention of Financing of Terrorism and secondary related legislation have been put into effect to ensure efficiency in the fight against the financing of terrorism by determining the principles and procedures regarding the implementation of the United Nations Security Council Resolutions in national legislation, and to align our legislation with international standards.

SO8:

To increase effectiveness in judicial and legal counseling services

- During the Plan period, efforts to integrate with the National Judicial Network Project, Land Registry Cadastral Information System, Tax Office Automation System, Social Security Institution and the Identity Sharing System have been completed, contributing to the acceleration of processes regarding lawsuits and enforcement proceedings pursued on behalf of our Ministry and other administrations.
- Each year, an average of 115,000 lawsuits and enforcement proceedings are pursued and finalized. As part of the process of pursuing lawsuits, priority is accorded to the interest of the Treasury, although the rights and interests of individuals are also taken into consideration.
- An average of 5,500 opinions were expressed to our Ministry's units and other administrations every year in relation to the settlement of disputes through peaceful and amicable means, and other legal issues falling within the scope of our legal counseling duties.

SO9:

To develop Strategic Management, Human Resources, Organizational Structure, Technological Infrastructure and Institutional Culture

- During the Plan period, performance programs have been monitored and reported through performance indicators, and the public has been kept informed through activity reports.
- Work has been carried out regarding the transition to the human resources management perspective.
- Between 2013 and 2016, 79 of the Ministry's personnel were sent abroad for academic studies in order for them to benefit from foreign education opportunities (postgraduate programs and other programs) and to increase the number of individuals who will benefit from this opportunity.
- In-service training programs have been organized to increase the productivity of personnel, to improve their professional knowledge, skills and attitudes, to prepare them for higher positions and to ensure their competence in the provision of services.
- The institutional capacity of the Ministry has been developed in human resources terms by recruiting Finance Specialists and Tax Inspectors to work in the central organization of our Ministry, as well as Revenue Specialists to work in provincial organizations.
- As part of the modernization and development of information technology processes, the IT management approach has been modified.

Considering the activities and works carried out during the Plan period, as mentioned above, it can be concluded that the Ministry has worked with great efforts and has been successful in its endeavors during the period in question.

That said, negative developments such as geopolitical downturns and economic slowdowns have prevented activities related to some objectives from being completed. This has been taken into consideration during the preparatory work for the creation of a new plan, and so some activities that could not be completed have been included in the Strategic Plan for 2018–2022 with revised content.

Annex 2- Preparation Process For The Ministry Of Finance's 2018–2022 Strategic Plan

The Ministry of Finance's Strategic Plan for 2018–2022 has been developed with a participatory approach, aiming at the establishment of fiscal transparency and accountability based on a strategic management approach in the public sector. The Plan preparation process started in May 2016 and continued until May 2017, and a working plan and schedule have been created as part of the Plan preparation works.

Firstly, a directive was issued with the purpose of ensuring the compliance of the work with applicable regulations. The directive contained information on the importance of the work to be carried out, its justification/legal basis, and the commitment of all stakeholders, as well as the structure of the working groups.

To carry out works related to the drawing up of a Strategic Plan:

The **Strategy Development Board (SDB),** chaired by the Undersecretary of the Ministry of Finance, and including also Deputy Undersecretaries and Unit Managers, will assist in the determination of the mission, vision, objectives, targets and policies of the Ministry, and will direct further works,

The **Strategic Planning Steering Committee (SPSC),** consisting of unit managers not below the level of head of department, will guide the works, will discuss the issues presented to it by the Strategic Planning Working Group, and will make decisions,

The **Strategic Planning Working Group (SPWG),** consisting of representatives of all units that can coordinate Strategic Planning activities in the expenditure unit that they represent, will carry out strategic planning studies within all units of our Ministry.

It is thus ensured that strategic planning activities are carried out with the maximum participation of the central and provincial organizations of our Ministry. The new teams have identified the needs of the Ministry in the plan preparation process, and have decided upon the steps to be taken in order to ensure that the Plan is completed as scheduled.

First, a situation analysis was carried out to ensure that more reliable results could be obtained from the latter stages of the Strategic Plan, and the Ministry's current areas of activity, legal obligations, products and services, resources, stakeholders and beneficiaries were determined.

A SWOT analysis, formed the basis of the identification of goals, objectives and strategies, was conducted to determine the Ministry's strengths, weaknesses, opportunities and threats, based on a participatory approach.

The strategic planning work continued with the identification of the mission, vision and policy priorities of the Ministry. In this direction, information was first obtained from the units regarding the activities carried out within the preceding Plan period aimed at meeting the strategic objectives and targets, after which, proposals were received on policy priorities, objectives and targets for the new period. In the light of the obtained information, draft versions of the main components of the Plan were developed, this draft document was shared with the units and feedback was received.

Within this process, meetings with broad-based working groups were held in accordance with the work schedule, a draft document was drawn up and the progress was assessed.

To ensure maximum ownership, the draft was presented to the esteemed Undersecretary and the Deputy Undersecretaries, and it was decided to move on to the final stage of the work.

For the clarification of the works, three meetings were held with the participation of the SDB and SPSC to finalize the mission, vision, policy priorities and strategies, and recommendations were

made in this regard. After each meeting, opinions and suggestions were received from each unit about the main components of the Plan and added to the draft document. Within the framework of the coordination of planning activities, the SDU Plan Working Team has held 15 meetings and the Plan has been finalized.

The Ministry's Strategic Plan for the 2018-2022 period, which was prepared after reviewing all of the contributions made during the process, and has taken into account the lessons learned from the previous strategic planning works, has been submitted to the Minister for approval.