

PART 4. PERSONNEL MANAGEMENT

1. Staff Employment

Taking into account the estimated number of retiring staff each year, NTA recruits new staff every April as follows.

(1) Level I Recruitment Examination for National Officials

NTA recruits several staff members as executive candidates from applicants who have passed Level I Recruitment Examination for National Officials, mainly targeting university graduates.

The number of new staff recruited through this test in FY2003 was 8 (including 2 females).

(2) Recruitment Examination for National Taxation Specialists

The Recruitment Examination for National Taxation Specialists mainly targets university graduates. The number of new staff recruited through this test in FY2003 was 580 (including 150 females).

(3) Level III (Tax Administration) Recruitment Examination for National Officials

The Level III Recruitment Examination mainly targets high school graduates.

The number of new staff recruited through this test in FY2003 was 359 (including 179 females).

All three tests are held by National Personnel Authority (a bureau under the jurisdiction of the Cabinet).

2. Composition of Staff

The number of NTA employees is 54,585 as of October 1, 2002. The breakdown is as follows:

		Number	Ratio (%)
By gender:	Men	47,540	87.1
	Women	7,045	12.9
	Total	54,585	100.0
By age	29 and below	7,459	13.6
	30 to 24	10,004	18.3
	35 to 39	9,208	16.9
	40 to 44	8,307	15.2
	45 to 49	8,105	14.9
	50 to 54	7,188	13.2
	55 and over	4,314	7.9
	Total	54,585	100.0

3. Training

Since tax administrative tasks require highly professional expertise, NTA provides various training programs, including training sessions for new hires, in order to enhance capabilities of NTA staff.

As the central organization for staff training, NTA is furnished with a National Tax College (NTC), which has Central Institute and 12 branches around the country.

(1) Training at National Tax College (see Table 39)

NTA assigns selected staff members to NTC as professors and instructors. Many university professors are also assigned to NTC as lecturers. NTC provides the training programs stated below.

a. Training for officials who have passed the Level III (Tax Administration) Recruitment Examination for National Officials

(a) Primary Course

This course is for newly employed officials who have passed the Level III (Tax Administration) Recruitment Examination for National Officials. The trainees attend intensive training at NTC's regional branches for 13 months starting immediately after employment. All trainees are required to live in dormitories.

The training course consists of the following activities:

- i) Basic subjects and liberal arts including law and economics to acquire necessary knowledge,
- ii) Specialized subjects including tax law, bookkeeping and accounting to gain knowledge and skills necessary as taxation official,
- iii) Group guidance to foster common sense and awareness as civil servant, and
- iii) Physical education and cultural activities to build up sound spirit and body.

(b) Basic Training for New Staff

NTA provides this 3-month-long course at NTC branches for new employees who have working experience at tax office for 11 months after completing the primary course. This basic training aims at gaining essential knowledge and skills for tax officials. Trainees are divided into small groups, which respectively specialize in individual taxation, property taxation, corporate taxation, and revenue management and collection.

The curriculum focuses on expertise in tax law.

(c) Advanced Course I

This course is for staff who have 7 years or more working experience at NTA and have passed internal selection test. The course provides 1-year program at the Central Institute. Trainees are divided into small groups, which respectively specialize in individual taxation, property taxation, corporate taxation, liquor taxation, and revenue management and collection.

The curriculum mainly consists of technical subjects (such as tax law, accounting, bookkeeping and financial statements), basic subjects such as law and economics, and other subjects necessary to acquire specialized in-depth knowledge that will enable trainees to become key staff in tax administration.

b. Training for officials who have passed the Recruitment Examination for National Taxation Specialists

(a) Basic Training Course

This course is for newly recruited officials who have passed the Recruitment Examination for National Taxation Specialists. The course provides 4-month program at the Central Institute.

The curriculum mainly consists of specialized subjects such as tax law, accounting and bookkeeping to provide basic knowledge and skills as tax officials.

(b) Advanced Course II

This course is for staff who have working experience at NTA after attending the basic training. The course lasts for 7 months. The trainees are divided into small groups that respectively specialize in individual taxation, property taxation, corporate taxation and revenue management and collection.

The curriculum puts emphasis on technical subjects, such as tax law, accounting, bookkeeping and financial statements, to provide necessary professional knowledge as experts on national taxes.

c. Training for officials who have passed the Level I Recruitment Examination for National Officials

(a) Basic Training

NTA provides this 1-week course at the Central Institute for newly employed Level I Examination officials immediately after joining NTA.

This training course includes basic lectures on NTA's organization structure and functions.

(b) Training Course in Advanced Tax Business

The 1-month training course, for staff officials with 2 years' working experience, is conducted at NTC Central Institute. Income Tax Law, Consumption Tax Law, bookkeeping and accounting, and business analysis are the main subjects in this course.

(c) Special Training Course for Prospective Administrators

This course is provided for staff officials who have 3 years' working experience at NTA. The course lasts for 3 months, and the curriculum especially focuses on issues in tax law. The purpose is to cultivate a higher level of knowledge and understanding of tax administration matters.

(d) Correspondence Training Course in Tax Accounting

This course is provided through correspondence for staff officials with 2 years' working experience. The subjects include bookkeeping and financial statements.

d. Other Training Programs

(a) Research Course

This course targets selected officials for 1 year and 3 months at NTC Central Institute. Trainees engage in independent research on a specific topic, through which they acquire a high level knowledge of professional theories and techniques. The results of the research are published as a thesis.

The curriculum allows trainees to attend lectures on law and other subjects at universities or graduate schools to support their research.

(b) International Tax Seminar

NTC Central Institute provides this seminar to develop professional knowledge and skills in international taxation laws and international taxation survey methods. The aim is to improve their technical expertise in taxation on overseas transaction to cope with increasingly globalized economy.

i) Basic Course

The basic course is provided for staff who have a certain years of working experience as tax officials and have passed internal selection test. The course lasts for 2 months and focuses on acquiring basic knowledge related to international taxation affairs, including international practices and international tax laws.

ii) Practical Course

The Practical Course, lasting 4 months, is provided for selected staff officials who have successfully completed the Basic Course (including the General Course). This program consists of two courses: the International Negotiation Specialist Course and the International Examination Specialist Course.

The curriculum mainly consists of technical lectures on international taxation. Each course puts emphasis on the following subjects.

- International Negotiation Specialist Course

Training is given in English conversation and specialist subjects, such as international taxation systems, with the main aim of cultivating the ability to conduct international liaison duties.

- International Examination Specialist Course

Training is given in specialist subjects such as international taxation survey methods and international transaction practices, with the main aim of cultivating superior ability to examine overseas transactions.

(c) Short-Term Training Courses

These courses are for officials working at regional taxation bureaus and tax offices. The training lasts for a relatively short period and is organized separately for each specialty within NTA. It is provided both at the Central Institute and at its branches.

i) Short-Term Training at the Central Institute

Short-term training at the Central Institute is provided mainly for staff officials of regional taxation bureaus to acquire necessary high-level knowledge and skills for smooth and efficient professional work, or for the supervision of tax office staff.

ii) Short-Term Training at Branches

Short-term training needed for fulfillment of duties is, in principle, conducted at branches to promote the capability and qualification of officials according to their length of service or hierarchical bracket (their post).

- By length of service

This comprehensive training is provided for staff officials to maintain and promote their professional abilities in tax examinations, etc. The training is divided into Courses I to IV in accordance with their length of service.

- By post

Supervisor Training is given to newly assigned Chief Examiners, Chief Revenue Officers of tax offices and others. It provides them with knowledge and skills they need as supervisors. Practical training is also conducted for staff officials of tax offices, according to their post, so that they may acquire the expertise and skills needed for their current respective specialties.

(d) Correspondence Training Course

Correspondence training provides accounting course (at the Central Institute) and English course (at the Branches) to help employees with self-study. These courses are for NTA officials working at the head office, regional taxation bureaus and tax offices.

Table 39: Number of Trainees on Courses at the National Tax College

Category	Course	Period (FY 2001)	Year and Number of Trainees																	
			1950	1955	1960	1965	1970	1975	1980	1985	1990	1994	1995	1996	1997	1998	1999	2000	2001	2002
Training at the Central Institute	Advanced Course I (for High School Graduates)	1 year	171	198	200	200	207	400	500	500	499	500	500	500	500	500	500	500	500	500
	Basic Training (for College Graduates)	4 months	-	-	-	-	-	362	531	510	807	530	583	599	503	480	530	418	414	428
	Advanced Course II (for College Graduates)	7 months	-	-	-	-	-	200	316	546	618	878	757	891	547	563	550	492	978	907
	Special Training for Prospective Managerial Staff	3 months	-	-	-	-	-	15	-	17	10	17	8	7	8	7	4	5	-	-
	Research Course	15 months	-	-	-	19	20	20	19	20	20	21	21	21	22	22	22	24	27	28
	International Tax Seminar Basic Course	2 months	-	-	-	-	-	-	50	50	70	100	100	99	100	100	150	150	300	300
	International Tax Seminar Practical Course	4 months	-	-	-	-	-	-	15	20	20	48	48	48	48	70	70	100	100	100
	Short-term Training	3 to 90 days	1,339	1,073	1,198	1,839	1,828	1,786	1,452	1,271	1,477	1,480	1,551	1,584	1,585	1,556	1,581	1,714	1,884	2,010
	Correspondence Course	6 months	1,642	820	-	786	527	535	554	651	836	841	863	855	819	850	740	364	489	344
Training at the Branches	Primary Course (for High School Graduates)	13 months	886	753	557	1,423	1,658	1,097	1,094	1,608	1,518	526	549	501	405	415	374	284	258	275
	Basic Training for New Staff (for High School Graduates)	3 months	-	-	-	-	1,458	1,463	901	988	1,961	1,055	526	-	542	498	400	413	372	280
	Short-term Training	approx. 1 to 14 days	12,762	6,155	4,401	5,812	5,497	8,416	7,285	5,246	6,424	6,708	7,447	7,028	6,797	6,594	6,628	5,806	4,523	8,392
	Correspondence Course	7 to 9 months	23,041	361	339	-	232	264	356	298	189	184	80	80	-	338	328	379	370	364

Note: The figures are the number of graduates or number of trainees who completed the course.

(2) On-the-job training

Regional taxation bureaus, tax offices and tax office blocks conduct on-the-job training. This training consists of various specialized subjects and general subjects that are necessary to cope with ever changing taxation environments.

4. Appointments

In promoting and appointing officials, NTA carefully considers various factors such as officials' ability, aptitude, past performance and personal circumstances, aiming to increase administrative efficiency. NTA does not routinely apply the 'seniority rule.' To this end, supervisors are required to record personal circumstances of their subordinates and evaluate their working performance once a year. Evaluations are used as basic documents to conduct appropriate personnel management that considers the actual conditions of individual subordinates. In addition, a system has been introduced whereby individual officials submit a report on their personal circumstances so that supervisors will be able to accurately understand personal circumstances of their subordinates.

5. Salaries

NTA officials engaged in tax assessment, collection and other duties are paid according to the Salary Schedule for Taxation Service as bound by law.

The Salary Schedule for Taxation Service sets out 11 grades according to the complexity, difficulty and degree of responsibility presented by the duties. Newly appointed staff officials who have graduated from the NTC Primary Course are ranked as Grade 1, while tax office district directors are usually ranked between Grades 9 and 11. Government posts that fall into the respective grades are determined, as well as the overall numbers of officials in each grade, by the National Personnel Authority.

In promoting staff officials to the next grade up, NTA takes several factors into consideration. These factors include the requirements of an assignment, the number of years of experience and the number of years during which the official has remained in one grade, along with such factors as personal ability and performance.

Officials who have excellent service records receive pay increases in the form of a special raise or diligence allowance.

6. Administrative Ethics

National Public Service Law and Regulations of National Personnel Authority, as well as National Public Service Administrative Ethics Law and the Rules on Administrative Ethics, stipulate the standards for discipline of staff officials.

NTA endeavors to promote self-discipline and integrity in its staff officials to ensure that they maintain an ethical stance in their duties and to deal strictly with any misconduct.

In view of the importance of tax administration in government affairs, an Internal Inspector system has been established within NTA. Internal Inspectors not only take measures to detect signs of misconduct and deal with them appropriately, but also strive to prevent misconduct to maintain the trust of taxpayers in the tax authorities.

There are currently 120 Internal Inspectors in NTA. They are appointed by the Commissioner, and most are dispatched to regional taxation bureaus and Okinawa Regional Taxation Office.