

VI Promotion of Administrative Work Efficiency

~Promotion of administrative work efficiencies using ICT~

The “e-Government Establishment Plan” was decided in July 2003, and initiatives are progressing in the entire government. The government is using ICT in administrative operations and revising its system, to enhance convenience for the people, and for more simple, efficient, reliable and transparent administrative operations.

For implementing various measures, ministries and agencies created a medium term plan to optimize operations and ICT systems aiming at overall optimization, and are working according to that plan.

1 Optimization of operations and systems

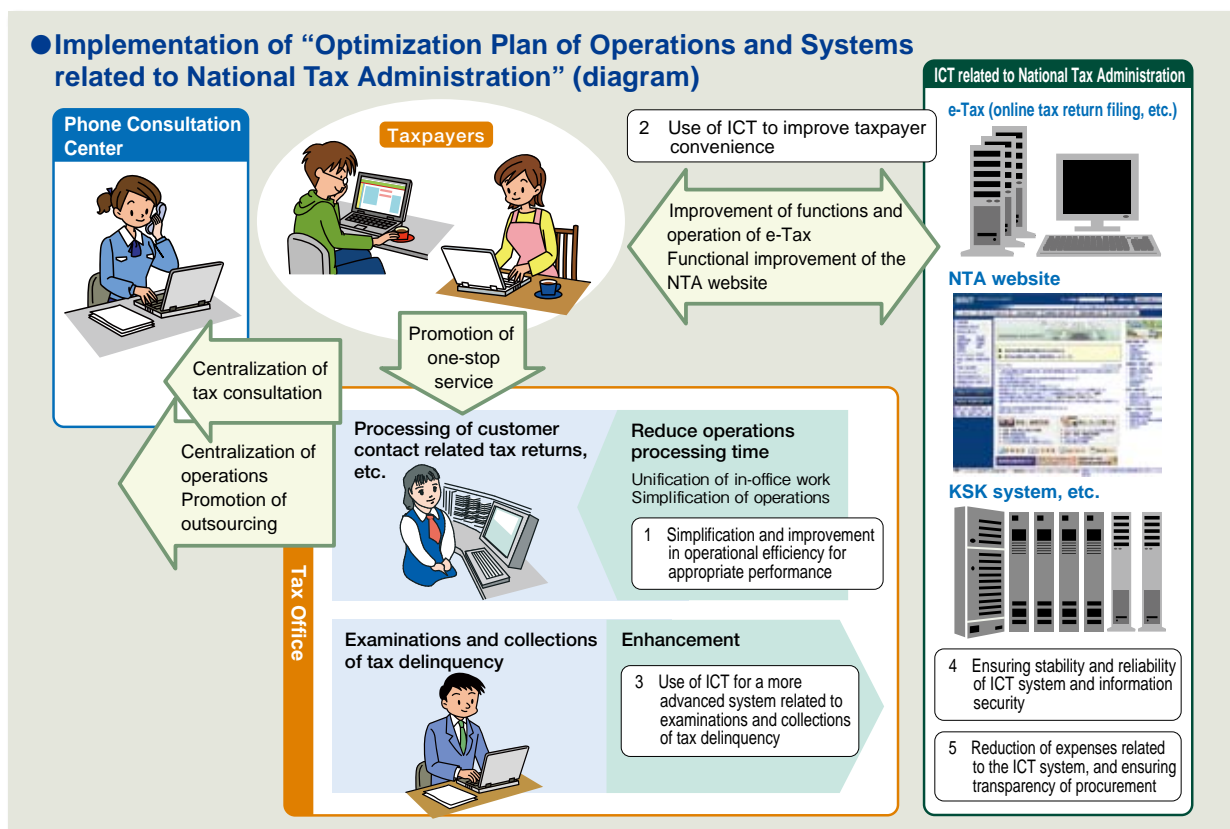
~FY2010 cost reduction effect by optimization initiative amounts to approximately ¥6.4 billion~

Based on the “e-Government Establishment Plan” decided in July 2003, the NTA adopted the basic principles of: ① Simplification and improvement in operational efficiency for appropriate performance, ② Improvement in the convenience of taxpayers by utilization of ICT, ③ Sophistication of the system related to examinations and collections of tax delinquency through the utilization of ICT, ④ Ensuring stability and reliability of ICT system and information security, ⑤ Reduction of ICT system related expenses and ensuring transparency of procurement. The NTA used these principles to form the “Optimization Plan of Operations and Systems related to National Tax Administration,” which was decided and published in March 2006 (revised in February 2012), and has worked on optimization of operations and systems in accordance with this plan.

Looking at initiatives over the past year, there were large improvements in simplification and improvement in operational efficiency, by utilizing digital data stored in e-Tax, etc.

Regarding improvement of the convenience to taxpayers, we have continued working towards the introduction of online return filing for gift tax since last year.

Regarding reduction of ICT-related expenses and ensuring transparency of procurement, the NTA is also moving towards turning the KSK System into an open system¹, integrating equipment when replaced



¹ Turning into open systems means to shift to the use of systems with a high degree of interchangeability that can accept multiple widely available products rather than relying on specific manufacturer.

or updated, etc.

By completing all measures mentioned in the optimization plan, we estimate annual reductions of approximately ¥ 17.3 billion in costs, and approximately 137,000 working-days in total operation processing time. The cost reduction effect by means of measures actually taken for FY2010 amounted to approximately ¥ 6.4 billion.

Ensuring stability and reliability of ICT system and information security

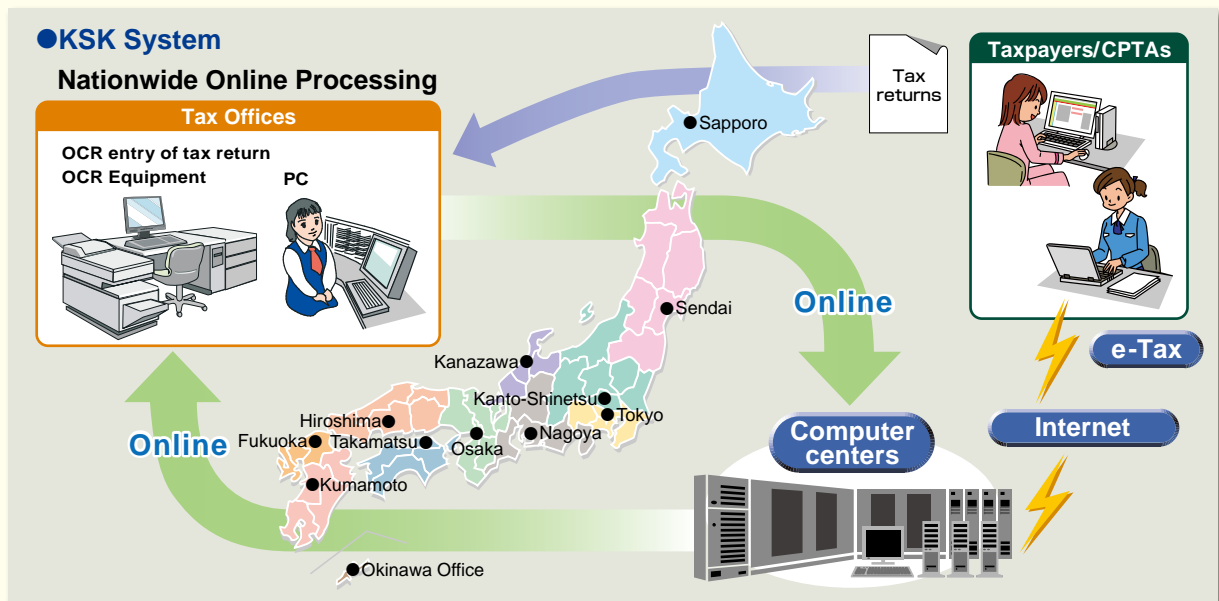
Because the national tax-related operations are closely connected to public rights and obligations, failure in its ICT system is likely to have a large impact on citizens and impair the credibility of tax administration. Therefore, the NTA is working to maintain stable operation of ICT systems related to national taxes by regularly updating ICT equipment.

At the computer center which stores data for e-Tax and the KSK System, the NTA built an information security management system (ISMS)¹ which complies with international standards, and in 2007 obtained certification based on the ISMS compliance evaluation system (certification based on ISO/IEC27001:2005 & JISQ27001:2006).² Obtaining certification led to development and strengthening of the information security management system for the entire national tax system. This also enhanced staff awareness of information security, as they work to operate the system with awareness and a sense of mission.

KSK System

The KSK System, which links all Regional Taxation Bureaus and Tax Offices, is a computer system introduced to handle a variety of different administrative tasks. The entry of tax returns, tax payment records, and a variety of information enables the centralized administration of national taxes receivable. Analyzed data are used in tax examination and collection of delinquent tax. The computer system centralizes information management across geographical regions and items of taxes, to achieve sophisticated, efficient administration constituting the basis of tax administration.

The full-fledged development of the KSK System was started in 1990. The NTA phased in the introduction of the KSK System starting in 1995, and nationally in 2001.



1 An Information Security Management System is an organizational initiative to implement the planning, operation, review and improvement which are required in order to maintain a situation of appropriate management for confidentiality and completeness and usability of information assets which should be protected.

2 ISO/IEC27001:2005 is one of the standards created by the International Organization for Standardization. This became a global standard for information security management systems in October 2005. JISQ 27001:2006 is a Japanese domestic standard published in May 2006, corresponding to ISO/IEC27001.