

TAX ADMINISTRATION
DIAGNOSTIC ASSESSMENT TOOL

Performance Assessment Report

Tadatopia Assessment

Henry Avery, Freud McMillan, Manohar Raja and
Johannes Gatsby

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PREFACE

As part of the piloting phase in the development of the Tax Administration Diagnostic Assessment Tool (TADAT) the Tax Administration of Tadatopia (TAP) agreed to host a pilot assessment.

The pilot assessment of the system of tax administration for Tadatopia was undertaken during the period January 5 to January 19, 2015. During the mission the assessment team used TADAT Field Guide Version 5.0.

TADAT provides an assessment baseline of the country's tax administration system performance that can be used to determine reform priorities, and, with subsequent repeat assessments, highlight reform achievements.

The assessment team comprised Messrs. Henry Avery, (head of the team); Freud McMillan, Manohar Raja and Johannes Gatsby.

A draft performance assessment report was presented to the senior management team of TAP at the close of the mission.

ABBREVIATIONS AND ACRONYMS

AG	Auditor General
CCUIA	Central Coordination Unit for Internal Audit
CIT	Company Income Tax
DG	Director General
EC	European Commission
EFD	Electronic Fiscal Device
FATCA	Foreign Account Tax Compliance Act
FAD	Fiscal Affairs Department
FTE	Full Time Equivalent
GDP	Gross Domestic Product
IMF	International Monetary Fund
IRB	Independent Review Board
IT	Information Technology
KAS	Tadatopia Agency of Statistics
TBRA	Tadatopia Business Registration Agency
TPST	Tadatopia Pension Savings Trust
MOF	Ministry of Finance
OECD	Organization of Economic Co-operation and Development
PAYE	Pay As You Earn
PIT	Personal Income Tax
POA	Performance Outcome Area
RMD	Risk Management Division
SAK	Statistics Agency of Tadatopia
TADAT	Tax Administration Diagnostic Assessment Tool
TAP	Tax Administration of Tadatopia
Tp	Tadatopian pound
UNDP	United Nations Development Program
VAT	Value Added Tax
VKME	TAP Performance Management Information System

EXECUTIVE SUMMARY

This assessment captures and measures critical outcomes of TAP's operations against international good practice in reliance upon evidence provided to the TADAT mission team. In recent years, TAP has made major progress in developing and implementing modern tax administration practices under the strategic guidance of a committed management team. Significant challenges will, however, require continuing TAP attention, especially to build a stronger compliance culture across all segments of the taxpayer population through a judicious balance of audit, compliance, and taxpayer service initiatives. TAP may find this assessment helpful in prioritizing and addressing those challenges and may benefit from a further assessment to monitor progress of ongoing modernization and reform strategies, using the TADAT framework, in coming years.

The results of the TADAT assessment for TAP follow, including the identification of the main strengths and weaknesses.

Strengths

- Taxpayer registration process is sound
- High level compliance risks are identified and actioned
- Extensive information is provided to educate taxpayers and support voluntary compliance
- The disputes resolution system is independent and robust
- External oversight of tax administration is solid
- All important reports and strategic plans are readily accessible to the public

Weaknesses

- Ineffective procedures for monitoring filing and payment of major taxes
- Weak arrears management compounded by failure to write off uncollectible debts
- Weak monitoring of tax disputes and their outcomes
- Limited analysis of the impacts of compliance risk mitigation initiatives.

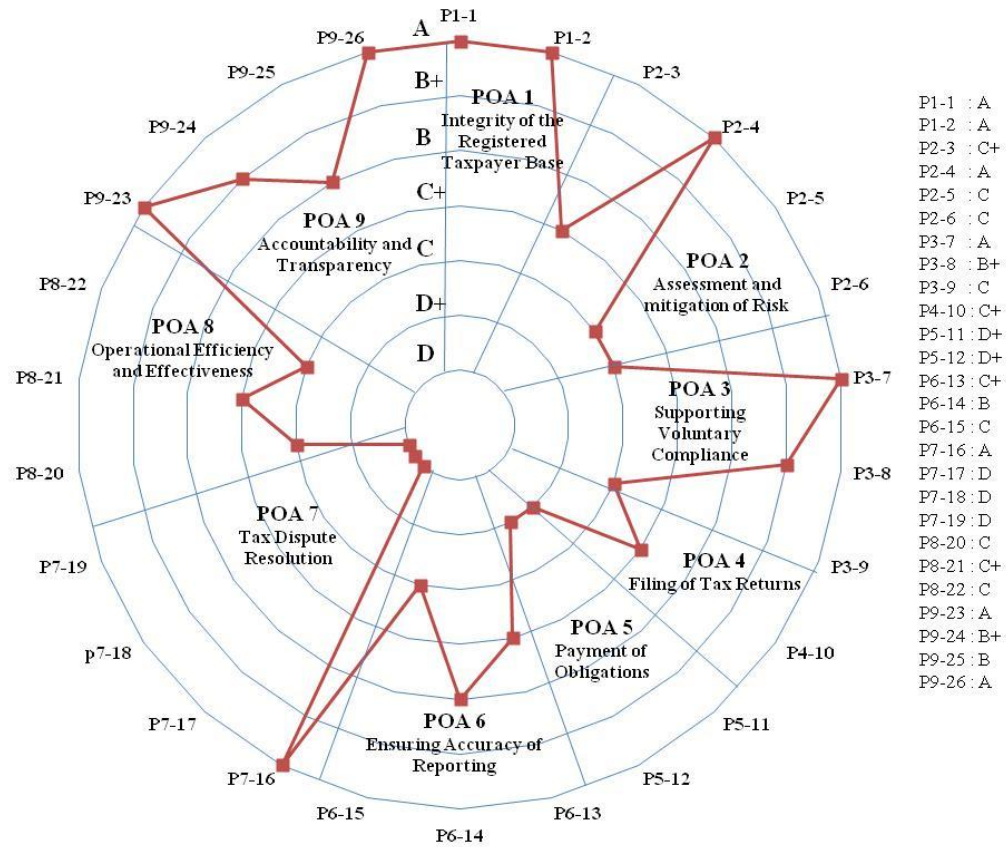
Table 1 provides a summary of performance scores given in respect of key components of the country's system of tax administration. The scoring is structured around the TADAT framework's nine performance outcome areas (POAs) and 26 high level indicators critical to tax administration performance. An 'ABCD' scale is used to score each indicator; with 'A' representing the highest level of performance and 'D' the lowest.

Table 1. TAP: Summary of TADAT Performance Assessment

INDICATOR	SCORES 2015	SUMMARY EXPLANATION OF ASSESSMENT
POA 1: INTEGRITY OF THE REGISTERED TAXPAYER BASE		
P1-1. Accurate and reliable taxpayer information.	A	The registration process follows good international practice and the taxpayer database is sound. Efforts are made to keep it as accurate as possible.
P1-2. Knowledge of the potential taxpayer base.	A	There is a wide range of initiatives undertaken to detect unregistered businesses.
POA 2: RISK MANAGEMENT		
P2-3. Identification, assessment, ranking, and quantification of compliance risks.	C+	TAP relies on a limited number of sources of intelligence and research initiatives in preparing its Risk Response Plans. However, TAP follows a structured approach to risk assessment using a sound risk management methodology.
P2-4. Mitigation of risks through a compliance improvement program.	A	Compliance improvement measures to address high level risks are both identified and actioned.
P2-5. Monitoring and evaluation of compliance risk mitigation activities.	C	Quantification of compliance impact is partial and feedback to policy making ad hoc.
P2-6. Identification, assessment, and mitigation of institutional risks.	C	TAP has limited processes in place to address institutional risks.
POA 3: SUPPORTING VOLUNTARY COMPLIANCE		
P3-7. Scope, currency, and accessibility of information.	A	TAP provides taxpayers with extensive information using various channels.
P3-8. Time taken to respond to information requests.	B+	TAP responds to all requests from taxpayers and intermediaries within 30 days but performance against service standards is not published.
P3-9. Monitoring of taxpayer perceptions of service.	C	Only limited methods are used to obtain feedback on service delivery from taxpayers.
POA 4: FILING OF TAX RETURNS		
P4-10. On-time filing rate.	C+	On time filing rates for CIT and VAT are low.
POA 5: PAYMENT OF OBLIGATIONS		
P5-11. Timeliness of payments.	D+	48 percent of VAT payments were made by the due date, representing 79 percent of the value of total VAT payments.
P5-12. Stock and flow of tax arrears.	D+	Arrears management is weak and requires major attention.
POA 6: ENSURING ACCURACY OF REPORTING		
P6-13. Use of tax audits and other initiatives to detect and deter inaccurate reporting.	C+	The design of TAP's audit program and other initiatives to address risks of inaccurate reporting are relatively sound. The impact evaluation of the audit program is ad hoc while there is none for non-audit initiatives.
P6-14. Coverage of automated information cross-checking.	B	There is fairly good coverage of automated information from third parties.
P6-15. Monitoring the extent of inaccurate reporting.	C	Several studies on the extent of inaccurate reporting have been undertaken, but limited use of these was made to design interventions.

INDICATOR	SCORES 2015	SUMMARY EXPLANATION OF ASSESSMENT
POA 7: TAX DISPUTE RESOLUTION		
P7-16. Existence of an independent, workable, and graduated dispute resolution process.	A	A graduated mechanism for administrative and judicial review is available to taxpayers and is used. The determination of all taxpayer objections is separate from, and independent of the audit process.
P7-17. Stock and flow of dispute cases.	D	Comprehensive data on the value of disputed tax liabilities are not available.
P7-18. Time taken to resolve disputes.	D	TAP's service delivery standard of 60 days for determining objections, set out in legislation, does not meet standards for international good practice.
P7-19. Dispute outcomes are acted upon.	D	Dispute outcomes are monitored but, to date, have not been taken into account in the formulation of policy, legislation, and administrative procedures.
POA 8: OPERATIONAL EFFICIENCY AND EFFECTIVENESS		
P8-20. Achievement of tax revenue outcomes.	C	Revenue collections were above budgeted targets for only one of the past three fiscal years.
P8-21. Use of efficient collection and reporting systems.	C+	Withholding arrangements are in place, but systematic use of third party information for verification purposes is limited. Only taxpayer identification data is pre-filled in tax returns. TAP collects through electronic payment 63 percent of the total value of CIT, PIT and VAT.
P8-22. Efficiency of processing and accounting systems.	C	TAP meets the VAT refunds processing deadline set out in the law but this deadline does not meet international good practice.
POA 9: ACCOUNTABILITY AND TRANSPARENCY		
P9-23. External oversight of the tax administration.	A	The external oversight of TAP's operational and financial performance is robust. The investigative process for alleged maladministration is sound.
P9-24. Level of internal controls.	B+	The internal audit function is reasonably effective and regulated by law. However, internal audit controls are weak. The staff integrity assurance mechanism is effective.
P9-25. Public perception of integrity.	B	The level of public confidence in TAP is moderately good.
P9-26. Publication of activities, results, and plans.	A	TAP publishes its strategic plan, annual business plan and annual report.

Figure 1. Tadatopia: Distribution of Performance Scores



I. INTRODUCTION

This DRAFT report documents the results of the TADAT assessment conducted in Tadatopia during the period January 5 to January 19, 2015.

The report is structured around the TADAT framework of nine POAs and 26 high level indicators critical to tax administration performance that are linked to the POAs. 51 measurement dimensions are taken into account in arriving at each indicator score. A four-point ‘ABCD’ scale is used to score each dimension and indicator:

- ‘A’ denotes strong performance (i.e. performance that meets or exceeds international good practice).
- ‘B’ represents sound performance (i.e. a healthy level of performance but a rung below international good practice).
- ‘C’ means weak performance relative to international good practice.
- ‘D’ denotes inadequate performance, and is applied when the requirements for a ‘C’ rating or higher are not met. Furthermore, a ‘D’ score is given in certain situations where there is insufficient information available to assessors to determine and score the level of performance. For example, where a tax administration is unable to produce basic numerical data for purposes of assessing operational performance (e.g., in areas of filing, payment, and return and refund processing) a ‘D’ score is given. The underlying rationale is that the inability of the tax administration to provide the required data is indicative of deficiencies in its management information systems and performance monitoring practices.

For further details on the TADAT framework, see Attachment I.

Some points to note about the TADAT diagnostic approach are:

- TADAT assesses the performance outcomes achieved in the administration of the major direct and indirect taxes critical to central government revenues, specifically corporate income tax (CIT), personal income tax (PIT), value added tax (VAT), and Pay As You Earn (PAYE) amounts withheld by employers (which, strictly speaking, are remittances of PIT). By assessing outcomes in relation to administration of these core taxes, a picture can be developed of the overall condition of a country’s tax administration.
- TADAT assessments are evidence based (see Attachment V for the sources of evidence applicable to the assessment of Tadatopia tax administration system).

- TADAT is not designed to assess special tax regimes, such as those applying in the natural resource sector. Nor does it assess customs administration.
- TADAT provides an assessment within the existing revenue policy framework in a country, with assessments highlighting performance issues that may be best dealt with by a mix of administrative and policy responses.

The aim of TADAT is to provide an objective assessment of the health of key components of the system of tax administration, the extent of reform required, and the relative priorities for attention. TADAT assessments are particularly helpful in:

- Identifying the relative strengths and weaknesses in tax administration systems, processes, and institutions.
- Facilitating a shared view among all stakeholders (country authorities, international organizations, donor countries, and technical assistance providers).
- Setting the reform agenda (objectives, priorities, reform initiatives, and implementation sequencing).
- Facilitating management and coordination of external support for reforms, and achieving faster and more efficient implementation.
- Monitoring and evaluating reform progress by way of subsequent repeat assessments.

II. COUNTRY BACKGROUND INFORMATION

A. Country Profile

General background information on Tadatopia and the environment in which its tax system operates is provided in the country snapshot in Attachment II.

B. Data Tables

Numerical data gathered from TAP and used in this TADAT performance assessment are contained in the tables comprising Attachment III.

C. Economic Situation

Tadatopia uses the Tadatopian pound (Tp) as its currency. Tadatopia's citizens are among the poorest in the region with a per capita GDP (PPP) of \$8,000 in 2014. An unemployment rate of 45 percent encourages emigration and fuels a significant informal, unreported economy. Final consumption has remained above 90 percent of GDP over the last decade, largely financed by remittances and donor-financed activities. Remittances from the diaspora are estimated to account for up to 15 percent of GDP, and donor-financed activities and aid for approximately 10 percent. Household consumption has averaged 69 percent of GDP over the last decade, two-third of which consists of imported goods. The industrial sector is weak and economic activities in the private sector – trade, retail, restaurants and construction – are mainly small-scale operations¹.

Most of Tadatopia's population of about 3.8 million lives in rural towns outside of the capital, Kilok. Near-subsistence farming is common due to the inefficient use of small plots, limited mechanization, and lack of technical expertise. Mining of lead, zinc, nickel, chrome, aluminum, magnesium, and production of a wide variety of construction materials once formed the backbone of industry, but output has declined because of ageing equipment and insufficient investment.

Tadatopia's electricity supply is limited and unreliable due to technical and financial problems and poses a major obstacle to economic development. However, the Ministry for Energy and Mines is negotiating the construction of two new power plants, rehabilitation of an old plant, and the development of a coal mine that could supply them all.

Tadatopia maintained a healthy budget balance until 2010, when government expenditures climbed sharply, primarily focused on capital spending on infrastructure projects. Capital spending averaged 39 percent of total public spending between 2010 and

¹ Ibid.

2014. Tadatopia recently introduced a new fiscal rule which aims to ensure that fiscal deficits and public debts are maintained at sustainable levels².

In 2013, Tadatopia signed a Free Trade Agreement with Tadatia and is negotiating liberalization of trade with its neighbors in the region.

Exports comprise mining and processed metal products, scrap metals, leather products, machinery, appliances, prepared foodstuffs, beverages and tobacco, vegetable products, textile and textile articles.

D. Main Taxes

The main central taxes of Tadatopia and their respective percentages of total tax revenue collected by the Tax Administration of Tadatopia (TAP) for 2014 are Value Added Tax (VAT) 45.1 percent, Corporate Income Tax (CIT) 21.7 percent, and Personal Income Tax (PIT) 33.2 percent (comprising withholding tax 22.2 percent and individual businesses 11.0 percent). Since January 2009, the VAT rate has been 18 percent whilst PIT is banded from 5 to 15 percent and CIT is 15 percent. Property taxes are collected by municipalities and account for 1 percent of total tax revenues. Mandatory pension contribution – 6.5 percent on gross salary paid by employer and 6.5 percent by the employee as withholding amounted in 2014 to 2.3 percent of GDP or 30.1 percent of total revenues (tax and social contributions) collected by TAP. A notable feature of Tadatopia's tax system is its high dependence on VAT and excise on imports - collected by the Tadatopia Customs, approximately 16.7 percent of GDP, and more than twice the total revenues (tax and social contributions) collected by TAP. There has been a significant shift in 2014 towards increased revenues from direct taxes, both in absolute terms and as a proportion of total tax revenues. This adjustment may be a sign of slight improvement in labor market formality.

Further details on tax revenue collections are provided in Table 1 of Attachment III.

E. Institutional Framework

The Tax Administration of Tadatopia (TAP) was formed in January 2002 to collect and administer central government taxes. TAP is also responsible for the collection and compliance management of the mandatory pension contributions on behalf of the Tadatopia Pensions Savings Trust (TPST). However, VAT on imports and all excise (on both domestic and imported goods) is the responsibility of the Tadatopia Customs Administration which collects about 70 percent of total tax revenues. The Government has set up a committee recently to examine the feasibility of integrating the revenue functions of TAP and Customs.

An organizational chart of the tax administration is provided in Attachment IV.

² Ibid.

F. International Information Exchange

Tadatopia is not a member of the Organization of Economic Co-operation and Development (OECD) Global Forum on Transparency and Exchange of Information for Tax Purposes. However, the TAP has ten Double Taxation agreements in force³.

³ www.tadatopia-tap.org

III. ASSESSMENT OF PERFORMANCE OUTCOME AREAS

A. POA 1: Integrity of the Registered Taxpayer Base

A fundamental initial step in administering taxes is taxpayer registration and numbering. Tax administrations must compile and maintain a complete database of citizens and businesses that are required by law to register; these will include individual and business taxpayers in their own right, as well as others such as employers with withholding responsibilities. Registration and numbering of each taxpayer underpins key administrative processes associated with filing, payment, assessment, and collection.

Two performance indicators are used to assess POA 1:

- *P1-1—Accurate and reliable taxpayer information.*
- *P1-2—Knowledge of the potential taxpayer base.*

P1-1: Accurate and reliable taxpayer information

For this indicator two measurement dimensions assess: (1) the adequacy of information held in the tax administration's registration database and the extent to which it facilitates management of taxpayer filing and other compliance; and (2) the accuracy of information held in the database. Assessed scores are shown in Table 2 followed by an explanation of reasons underlying the assessment.

Table 2. P1-1 Assessment

Measurement Dimensions	Scoring Method	Score 2015	
P1-1-1. The adequacy of information held in respect of registered taxpayers and the extent to which the registration database supports effective compliance management.	M1	A	A
P1-1-2. The accuracy of information held in the registration database.		A	

The registration process follows good international practice and the taxpayer database is sound. Any physical or juridical person who has a tax liability is required by law to register for a fiscal number, which is a unique taxpayer identification number applicable to all taxes.⁴ Registration of taxpayers is located on a centralized, computerized database which contains all relevant details about the taxpayer, including nature of business, location, turnover, taxpayer segment and economic sector. For legal persons the fiscal number is derived after a business number is issued by the Tadatopia Business Registration Agency (TBRA). For physical persons, the civil registry provides the basis for registering taxpayers and providing fiscal numbers. The IT portal provides a single view of the taxpayer which shows a taxpayer's compliance history, arrears, and information on their obligations for all core taxes. The IT system generates a variety of

⁴ For instance, for VAT, any business with an annual turnover of above 50,000 Tps is required to register. Voluntary registration for VAT is also allowed.

national statistics and provides a national view on filing, payments, and other important data for different categories of taxpayers. This is an important management tool in designing effective national compliance management strategies.

Efforts are made to keep the database as accurate as possible. Legal provisions in the Law on Tax Administration Procedures require TAP to remove from the register taxpayers that have become inactive. Inactive records are routinely tracked and these are reported in the TAP website. Routine exchange of third party information from TBRA, civil registry and TPST are used to update inactive taxpayers. When registering new taxpayers, relevant information, including bank account, national identification number, and other business details are checked. In some cases, this is followed up with visits to new businesses to check the authenticity of new registrants. The registered taxpayer database is frequently updated through extensive use of third party information from the TBRA, Labor Department, TPST, Tadatopia Customs and municipalities. The call center follows up with late-filers and non-filers, and if it is found that a business has closed, or a taxpayer is deceased or has moved, this information is passed to the regional tax office which then initiates the deregistration process. When a taxpayer is deregistered for VAT or has a fiscal number withdrawn, the details are published on the TAP website.

P1-2: Knowledge of the potential taxpayer base

This indicator measures the extent of tax administration efforts to detect unregistered businesses and citizens. The assessed score is shown in Table 3 followed by an explanation of reasons underlying the assessment.

Table 3. P1-2 Assessment

Measurement Dimension	Scoring Method	Score 2015
P1-2. The extent of initiatives to identify those who are required to register for one or more taxes but fail to do so.	M1	A

There is a wide range of initiatives undertaken to detect unregistered businesses.

TAP systematically uses third party information from other government agencies including Tadatopia Customs, TBRA, Civil Registry, TPST, municipalities, the property tax register and motor vehicle registry and Central Bank of Tadatopia to match information and detect new businesses. Inspectors routinely visit new markets, construction sites and malls to detect new businesses that have not registered. These activities are included in the annual Risk Response Plan. TAP conducts “fiscalization” campaigns where inspectors go to new places of businesses and informs potential taxpayers on the procedure to register with TBRA and get a fiscal number. For instance, in Kilok regional TAP office, around 200 new cases were discovered and registered in this manner during 2014. Research studies have been conducted on behalf of TAP by the Crown Agents and World Bank, and, on behalf of Tadatopia Agency of Statistics (TAS), by Tadatopia Institute to analyze the extent of the informal economy and the tax gap. These have been published.

B. POA 2: Assessment of Risk

Tax administrations have little choice but to embrace risk management practices, simply because no tax administration has sufficient capacity to verify the correct liability of each and every taxpayer. To chase every last tax dollar would also impose unacceptable dead weight compliance costs on the economy. Risk assessment therefore plays an important part in shaping administrative approaches—and the way resources are used—to maximize tax compliance across the business and wider community. In addition to compliance risks, institutional risks such as IT system failure and loss of confidential taxpayer data also need to be managed.

Four performance indicators are used to assess POA 2:

- *P2-3—Identification, assessment, ranking, and quantification of compliance risks.*
- *P2-4—Mitigation of risks through a compliance improvement program.*
- *P2-5—Monitoring and evaluation of compliance risk mitigation activities.*
- *P2-6—Identification, assessment, and mitigation of institutional risks.*

P2-3: Identification, assessment, ranking, and quantification of compliance risks

For this indicator two measurement dimensions assess: (1) the process used to identify, assess, and prioritize taxpayer compliance risks; and (2) the process used to estimate the scale of tax revenue leakage. Assessed scores are shown in Table 4 followed by an explanation of reasons underlying the assessment.

Table 4. P2-3 Assessment

Measurement Dimensions	Scoring Method	Score 2015	
P2-3-1. The extent of intelligence gathering and research to identify compliance risks in respect of the main tax obligations.	M1	C	C+
P2-3-2. The process used to assess, rank, and quantify taxpayer compliance risks.		A	

TAP follows a structured approach to risk assessment using a risk management methodology developed inside the agency following OECD principles. Each year in accordance with its Compliance Strategy, TAP prepares a Risk Response Plan to identify, assess, and prioritize compliance risk for all core taxes across the main taxpayer obligations (registration, filing, payment, and accuracy of reporting) and covering all key taxpayer segments. Risks are identified through analysis and research undertaken by the Risk Management Division (RMD), intelligence gathering, and consultation with managers and staff in nine regional offices and Large Taxpayers Department.

TAP has to date relied, however, on a limited number of sources of intelligence and a limited number of research initiatives in preparing its Risk Response Plans. While

results of completed audits are monitored, no random audits are undertaken by TAP to measure compliance levels in different economic sectors. TAP has access to, and uses, third party information from government agencies such as Customs and the Treasury, and from the Central Bank of Tadatopia. In recent years, TAP has benefited from significant research on tax gap and “shadow economy” issues undertaken by agencies such as the World Bank, EU, bilateral donors, Crown Agents, and the Tadaoptia Institute. Nonetheless, the agency has not investigated topical compliance issues involving profit shifting and aggressive tax planning by high-wealth and high-income taxpayers, nor examined environmental factors influencing taxpayer attitudes and behaviors in Tadatopia.

TAP is able to readily identify “high” risk cases on the basis of potential revenue leakage. Potential revenue leakage is one of a number of risk factors that TAP has included in its risk assessment model.

P2-4: Mitigation of risks through a compliance improvement program

This indicator examines the extent to which the tax administration has formulated a compliance program to address identified risks. The assessed score is shown in Table 5 followed by an explanation of reasons underlying the assessment.

Table 5. P2-4 Assessment

Measurement Dimension	Scoring Method	Score 2015
P2-4. The degree to which the tax administration mitigates assessed risks to the tax system through a compliance improvement program.	M1	A

Compliance improvement measures to address high level risks are both identified and actioned. The Risk Response Plan provides not only a detailed description of major risks but also the strategic initiatives that will be taken to address them. This Plan covers all the core taxes, all major taxpayer segments, and all taxpayer obligations (registration, filing, payments, and reporting). Regional offices assigned to undertake these initiatives are required to report on their implementation on a quarterly basis and an annual report is prepared on the execution of each Risk Response Plan.

P2-5: Monitoring and evaluation of compliance risk mitigation activities

This indicator looks at the process used to monitor and evaluate mitigation activities. The assessed score is shown in Table 6 followed by an explanation of reasons underlying the assessment.

Table 6. P2-5 Assessment

Measurement Dimension	Scoring Method	Score 2015
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P2-5. The process used to monitor and evaluate the impact of compliance risk mitigation activities.	M1	C
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Quantification of compliance impact is partial and feedback to policy making is ad hoc. Given TAP's limited resources, it is only possible to quantify the compliance impacts of some mitigation initiatives. Nevertheless, the RMD uses the annual report which documents the results of mitigation activities as a major input to the development of the Risk Response Plan for the following year. When feedback provided on mitigation activities indicates the need for policy and/or legislative changes to address high-risk compliance issues, TAP senior managers bring those issues to the attention of the MOF and Government on an *ad hoc* rather than routine basis.

P2-6—Identification, assessment, and mitigation of institutional risks

This indicator examines how the tax administration manages institutional risks. The assessed score is shown in Table 7 followed by an explanation of reasons underlying the assessment.

Table 7. P2-6 Assessment

Measurement Dimension	Scoring Method	Score 2015
P2-6. The process used to identify, assess, and mitigate institutional risks.	M1	C

TAP has limited processes in place to address institutional risks albeit in a less structured manner. The IT department has established back-up servers in Tungust, in case there is a failure of the servers located in TAP headquarters. TAP's skilled IT specialists have already defended its IT systems from cyber-attack. Regarding risks to its HQ building, TAP management has recognized the need to build a new and more secure HQ to accommodate both TAP and Customs management but is now waiting upon approval of a new location and related funding from Government. Inappropriate behavior of officials (including the release of confidential taxpayer information) is covered by TAP's Code of Conduct. TAP has a dedicated unit – Division of Professional Standards established in 2007 – to monitor staff behavior and to deal with cases of inappropriate conduct.

C. POA 3: Supporting Voluntary Compliance

Tax administrations must adopt a service-oriented attitude toward taxpayers, ensuring that taxpayers have the information and support they need to meet their obligations and claim their entitlements under the law. Because few taxpayers use the law itself as a primary source of information, advice, and assistance from the tax administration plays a crucial role in bridging the knowledge gap. Taxpayers expect that the tax administration will provide summarized, understandable advice on which they can rely.

Traditional service delivery methods—such as walk-in enquiry centers, telephone, and letters—are giving way to e-products and services. Tax administrations are increasingly adopting service delivery channel strategies aimed at eliminating or at least shifting taxpayer service demand from costly to more cost efficient service channels. Self-service via the Internet is considerably cheaper and easier to support than in-person and telephone enquiries.

Three performance indicators are used to assess POA 3:

- *P3-7—Scope, currency, and accessibility of information.*
- *P3-8—Time taken to respond to information requests.*
- *P3-9—Monitoring of taxpayer perceptions of service.*

P3-7: Scope, currency, and accessibility of information

For this indicator three measurement dimensions assess: (1) whether taxpayers have the information they need to meet their obligations; (2) whether the information available to taxpayers reflects the current law and administrative policy; and (3) how easy it is for taxpayers to obtain information and advice. Assessed scores are shown in Table 8 followed by an explanation of reasons underlying the assessment.

Table 8. P3-7 Assessment

Measurement Dimensions	Scoring Method	Score 2015	
P3-7-1. The range of information available to taxpayers to explain, in clear terms, what their obligations and entitlements are in respect of each core tax.	M1	A	A
P3-7-2. The degree to which information is current in terms of the law and administrative policy.		A	
P3-7-3. The ease by which taxpayers obtain information and advice from the tax administration.		A	

TAP provides to taxpayers extensive information using various channels. TAP supports voluntary compliance through various channels including a taxpayer portal, website, YouTube, television, radio, call center, and walk-ins at local offices. The public is provided with information that explains what are the taxpayer's obligations and entitlements on registration, filing, payment, and reporting. Information across all core

taxes is tailored to the needs of key taxpayer segments. TAP routinely conducts tax seminars for new businesses and other taxpayer segments when the need arise, for example, when there is a change in the tax law and/or administrative procedures. Education programs are also provided for schools and students.

The internet is a major channel for distributing information to taxpayers. Since Tadatopia has the highest rate of internet access and usage across the region⁵, most taxpayer information is available through the website. Information on the website is in English. A wide range of pamphlets, brochures, and guides exists and is available to download from the webpage. Taxpayers can communicate with TAP through a personalized web-portal. Information and services on this portal can be tailored to the needs of individual taxpayers or taxpayer segments and include e-filing of tax returns.

Information is current in terms of the law and administrative policy for all core taxes. Procedures are in place for dedicated staff to regularly and systematically update public information when changes to the law and administrative procedures occur.

Taxpayers can obtain information on all core tax obligations easily. Information is available on the web page and in printed materials. There is a documented service delivery channel strategy outlined in the Strategic Plan 2010-15 aimed at shifting taxpayer service to more cost efficient channels. The Compliance Strategy contains initiatives for increasing voluntary compliance through a range of activities.

P3-8: Time taken to respond to information requests

This indicator measures the level of responsiveness of the tax administration to requests *by taxpayers and tax intermediaries for information and advice. Two measurement dimensions are used to assess the extent to which: (1) service delivery standards exist in relation to meeting taxpayer and intermediary requests for information and advice; and (2) the tax administration responds in a timely way to requests by taxpayers and tax intermediaries (e.g., public accountants engaged by taxpayers to assist in return preparation) for information and advice. The assessed score is shown in Table 9 followed by an explanation of reasons underlying the assessment.*

Table 9. P3-8 Assessment

Measurement Dimension	Scoring Method	Score 2015	
P3-8-1. The existence of service delivery standards in relation to meeting taxpayer and intermediary requests for information and advice.	M1	B	B+
P3-8-1. Time taken to respond to taxpayer and intermediary requests (received via letter and email) for information and advice.		A	

⁵ 76.6 percent of Tadatopia population uses internet. Source: InternetWorldStats.com

TAP has customer service delivery standards in place. However, neither the standard nor performance against this standard is published for the taxpayers' information and use. Service delivery standards in relation to meeting taxpayer and intermediary request for information and advice are covered in operational procedures and administrative instructions. Performance is routinely monitored but only for internal use.

TAP responds to all requests from taxpayer and intermediaries within 30 days. Responses to request are provided either by letter or by e-mail.

P3-9: Monitoring of taxpayer perceptions of service

For this indicator, two measurement dimensions assess: (1) the extent to which the tax administration seeks taxpayer and other stakeholder views of service delivery; and (2) whether findings from perception surveys and other feedback are taken into account in the design of taxpayer service programs and products. The assessed scores are shown in Table 10 followed by an explanation of reasons underlying the assessment.

Table 10. P3-9 Assessment

Measurement Dimensions	Scoring Method	Score 2015	
P3-9-1. The quality and frequency of methods used to obtain performance feedback from taxpayers.	M1	C	C
P3-9-2. The extent to which taxpayer input is taken into account in the design of taxpayer service programs and products.		C	

A variety of methods are used to obtain feedback from taxpayers. However, only one perception survey has been conducted so far. TAP uses workshops, seminar and other methods to obtain performance feedback from taxpayers. Evaluation forms are used at workshops to get feedback from taxpayers. In 2012, TAP conducted a perception survey focusing on a limited number of service areas.

TAP takes into account taxpayers' inputs in the design of service programs and products on an *ad hoc* basis. Due to methodological challenges the results from the 2012 perception survey lacked the desired level of reliability and provided limited feedback on taxpayer perceptions.

D. POA 4: Filing of Tax Returns

Filing of tax returns is a principal means by which a taxpayer's tax liability is established and becomes due and payable. Filed returns may be paper-based or in electronic form, and may be filed by taxpayers themselves or via tax intermediaries (e.g., public accountants engaged by taxpayers to assist in return preparation and filing). Filing enforcement is a necessary function of tax administration, and good practice is to have processes in place to quickly identify and follow up taxpayers who have failed to file returns when due.

The following performance indicator is used to assess POA 4:

- P4-10—On-time filing rate.

P4-10: On-time filing rate

A single performance indicator, with four measurement dimensions, is used to assess POA 4. Within this framework the aim is to measure the on-time filing rate for CIT, PIT, VAT, and PAYE withholding returns. A high on-time filing rate is indicative of effective compliance management including, for example, provision of convenient means to file returns (especially electronic filing facilities), simplified return forms, and strong enforcement action against those who fail to meet their filing obligations. Assessed scores are shown in Table 11 followed by an explanation of reasons underlying the assessment.

Table 11. P4-10 Assessment

Measurement Dimensions	Scoring Method	Score 2015
P4-10-1. The number of CIT returns filed by the statutory due date in percent of the total number of returns expected from registered CIT taxpayers.	M2	C
P4-10-2. The number of PIT returns filed by the statutory due date in percent of the total number of returns expected from registered PIT taxpayers.		B
P4-10-3. The number of VAT returns filed by the statutory due date in percent of the total number of returns expected from registered VAT taxpayers.		C
P4-10-4. The number of PAYE withholding returns filed by employers by the statutory due date in percent of the total number of PAYE returns expected from registered employers.		B

On time filing rates for CIT and VAT are low. The on-time filing rates for PIT and PAYE withholding are satisfactory. For PIT and PAYE withholding 75 and 78 percent of

the expected returns were filed on time respectively in 2014. For CIT and VAT, few taxpayers file on time. For CIT and VAT, 59 and 57 percent respectively of the expected returns were filed on time. See Tables 2, 3, and 4 in Attachment III.

E. POA 5: Payment of Obligations

Taxpayers are expected to pay taxes on time. Tax laws and administrative procedures specify payment requirements, including: deadlines (due dates) for payment, who is required to pay, and payment methods. Depending on the system in place, payments due will be either self-assessed or administratively assessed. Failure by a taxpayer to pay on time results in imposition of interest and penalties and, for some taxpayers, legal debt recovery action. The aim of the tax administration should be to achieve high rates of voluntary on-time payment and low incidence of tax arrears.

Two performance indicators are used to assess POA 5:

- P5-11—Timeliness of payments.
- P5-12—Stock and flow of tax arrears.

P5-11: Timeliness of payments

This indicator assesses the extent to which payments are made on time (by number and by value). For TADAT measurement purposes, VAT payment performance is used as a proxy for on-time payment performance of core taxes generally. A high on-time payment percentage is indicative of sound compliance management including, for example, provision of convenient payment methods and effective follow-up of overdue amounts. Assessed scores are shown in Table 12 followed by an explanation of reasons underlying the assessment.

Table 12. P5-11 Assessment

Measurement Dimensions	Scoring Method	Score 2015	
P5-11-1. The number of VAT payments made by the statutory due date in percent of the total number of payments due.	M1	D	D+
P5-11-2. The value of VAT payments made by the statutory due date in percent of the total value of VAT payments due.		B	

Evidence provided by the TAP indicates a mixed picture of VAT payment compliance. While only 48 percent of VAT payments were made by the due date (20th day of the following month), 79 percent of the value of total VAT payments due were made on time. See Table 5 in Attachment III.

P5-12: Stock and flow of tax arrears

This indicator examines the extent of accumulated tax arrears. Two measurement dimensions are used to gauge the magnitude of the administration's tax arrears inventory: (1) the ratio of end-year tax arrears to the denominator of annual tax collections; and (2) the more refined ratio of end-year 'collectible tax arrears' to annual

collections.⁶ A declining trend in these ratios over time would likely suggest improved debt collection performance and/or payment compliance. A third measurement dimension focuses on the extent of unpaid tax liabilities that are more than a year overdue. Here, a high percentage may indicate poor debt collection practices and performance given that the rate of recovery of tax arrears tends to decline as arrears get older. Finally, a fourth measurement dimension looks at the state of debtor caseloads (i.e. is the number of debt cases increasing, decreasing, or stable?). Assessed scores are shown in Table 13 followed by an explanation of reasons underlying the assessment.

Table 13. P5-12 Assessment

Measurement Dimensions	Scoring Method	Score 2015	
P5-12-1. The value of total tax arrears at fiscal year-end in percent of total tax revenue collections for the fiscal year.	M2	D	D+
P5-12-2. The value of collectible tax arrears at fiscal year-end in percent of total tax revenue collections for the fiscal year.		C	
P5-12-3. The value of tax arrears more than 12 months' old in percent of the value of all tax arrears.		D	
P5-12-4. The number of tax arrears cases at fiscal year-end in percent of the number of cases at the start of the year.		C	

Arrears management is weak and requires major attention. On average, the end-year stock of arrears represents 58.4 percent of annual tax collection for the 2012-14 period. The bulk of these arrears (77 per cent on average over that same three year period) comprise tax arrears older than 12 months. These numbers reflect, *inter alia*, ongoing challenges for the TAP to deal with a large stockpile of uncollectible tax debts (including those of socially-owned enterprises managed by the Privatization Fund) which have been carried forward for many years. Importantly, while collectable tax arrears represented 15.2 percent of annual collections on average for the same period, the 2014 figure for this category of debts (18.8 percent of annual collections) clearly highlights the likelihood of increasing problems in the management of collectible arrears. The average ratio of the number of arrears cases at the end of the year compared with those at the start of the year was 104.6 percent for the 2012-14 period. While there was a significant increase (14.7 percent) in the stockpile of tax arrears cases at end-2012, end-year case numbers for the 2013 and 2014 years have remained relatively stable (37,018 and 37,255 respectively for those years). See Tables 6 and 7 in Attachment III.

⁶ For purposes of this ratio, 'collectible' tax arrears is defined as total domestic tax arrears excluding: (a) amounts formally disputed by the taxpayer and for which collection action has been suspended pending the outcome, (b) amounts that are not legally recoverable (e.g., debt foregone through bankruptcy), and (c) arrears otherwise uncollectible (e.g., the debtor has no funds or other assets).

F. POA 6: Accuracy of Reporting

Tax systems rely heavily on complete and accurate reporting of information by taxpayers in tax returns. Tax administrations therefore need to regularly monitor tax revenue losses from inaccurate reporting and take a range of actions to improve compliance. These actions typically include tax audit and other verification activities (e.g., cross-checking of information with third-party sources), taxpayer assistance and education (covered earlier in POA 3), and other non-audit initiatives.

If well designed and managed, tax audit programs can have far wider impact than simply raising additional revenue from discrepancies detected by tax audits. Detecting and penalizing serious offenders serve to remind all taxpayers of the consequences of inaccurate reporting.

Non-audit initiatives can also play an important role in addressing risks of inaccurate reporting. These may include use of rulings to provide answers in real time about the tax treatment of specific transactions, and/or development of more open and collaborative working relationships with tax intermediaries and taxpayers (especially large taxpayers) to deal with areas of uncertainty (e.g., entering advance pricing agreements with corporate taxpayers specifying the transfer pricing method that the taxpayer will apply to its related-company transactions).

Also prominent in modern tax administration is high-volume automated cross-checking of amounts reported in tax returns with third party information. Because of the high cost and relative low coverage rates associated with traditional audit methods, tax administrations are increasingly using technology to screen large numbers of taxpayer records to detect discrepancies and encourage correct reporting.

Finally, on the issue of monitoring the extent of inaccurate reporting across the taxpayer population generally, a variety of approaches are being used, including: use of tax compliance gap estimating models, both for direct and indirect taxes; random audit surveys; and advanced analytics using large data sets (e.g., predictive models, clustering techniques, and scoring models) to determine the likelihood of taxpayers making full and accurate disclosures of income.

Against this background, three performance indicators are used to assess POA 6:

P6-13—Use of tax audits and other initiatives to detect and deter inaccurate reporting.

P6-14—Coverage of automated information cross-checking.

P6-15—Monitoring the extent of inaccurate reporting.

P6-13: Use of tax audits and other initiatives to detect and deter inaccurate reporting

For this indicator, two measurement dimensions provide an indication of the nature and scope of the tax administration's tax audit program and the extent of non-audit initiatives

undertaken to address risks associated with inaccurate reporting. Assessed scores are shown in Table 14 followed by an explanation of reasons underlying the assessment.

Table 14. P6-13 Assessment

Measurement Dimensions	Scoring Method	Score 2015	
P6-13-1. The nature and scope of the tax audit program in place to detect and deter inaccurate reporting	M2	B	C+
P6-13-2. The extent of non-audit initiatives undertaken to address risks associated with inaccurate reporting.		C	

TAP's audit program is quite robust but the impact evaluation is *ad hoc*. The Risk Response Plan and the Operational Plan for 2015 identify the key risks in reporting, and tax audit covers all core taxes and all key taxpayer segments. Audit cases are selected on the basis of assessed risks identified and prioritized in the Risk Response Plan.

TAP uses a variety of audit methods. These include comprehensive audit of taxpayers, especially large taxpayers and single issue audits based on risks that are identified either by the risk model or from information provided by other agencies such as the police. However, the impact evaluation of audits on the level of taxpayer compliance is *ad hoc*.

While there is no systematic evaluation of the impact of audit program, the Annual Progress Report for 2014, shows that audits conducted in 2014 resulted in 49.7 million Tps additional revenue, broken down by taxpayer segment (e.g., 20.7 million Tps additional revenue from large taxpayers). As a result of checks, visits, and fines levied, 2,091 businesses were required to register, meet TAP filing and payment requirements, and install approved cash registers.

TAP has in place a fairly good program of non-audit initiatives to address risks of inaccurate reporting, but there is no analysis of the impact of these initiatives. The law on Tax Administration and Procedures envisages both public rulings and individual rulings to be issued by the Director General of TAP. In the TAP headquarters, there is a designated unit that provides clarifications and rulings. TAP issues both public rulings on issues that need clarifications, as well as individual advance rulings on specific transactions on which taxpayers may request a ruling. The public rulings are binding on TAP but not on the taxpayers. Individual rulings for specific transactions are binding on both parties. The public rulings are published on the website and disseminated through manuals, brochures and taxpayer education seminars. In 2014, TAP issued 5,156 public notifications and 10,619 individual rulings⁷. The public rulings cover all taxpayer

⁷ The TADAT assessment team was shown several samples of individual rulings, including one relating to a large multinational company and another relating to a medium-sized business.

segments and all taxes, but the individual ruling requests generally deal with CIT and VAT issues raised by large and medium taxpayers. As of now, TAP does not conduct any impact evaluation of these initiatives on taxpayer compliance.

P6-14: Coverage of automated information cross-checking

For this indicator, two measurement dimensions examine the extent to which returns filed by PIT and VAT taxpayers are cross-checked against third party and other information. Assessed scores are shown in Table 15 followed by an explanation of reasons underlying the assessment.

Table 15. P6-14 Assessment

Measurement Dimensions	Scoring Method	Score 2015
P6-14. The extent of automated cross-checking to verify information reported in returns.	M1	B

There is fairly good usage of automated information from third parties. TAP utilizes information from employers, social security agencies, customs and banks, as well as from the Central Bank of Tadatopia and the vehicle registration office. However, Tadatopia does not have a stock exchange and, therefore, cannot gather information on share transactions. An e-procurement initiative is being established by the government which will allow automated transfer of information on government procurement. With customs, there is online exchange of information on a routine basis. Employers submit monthly and annual returns of PIT and social security contributions withheld from salaries. These are final withholdings. Banks send annual returns of tax withheld from interest paid to account holders, and issue withholding certificates to them. Similarly, companies send annual returns of tax withheld from dividends paid to shareholders, and also issue withholding certificates. Both dividend and interest withholdings are final.

P6-15: Monitoring the extent of inaccurate reporting

This indicator examines the soundness of methods used by the tax administration to monitor the extent of inaccurate reporting in returns. The assessed score is shown in Table 16 followed by an explanation of reasons underlying the assessment.

Table 16. P6-15 Assessment

Measurement Dimension	Scoring Method	Score 2015
P6-15. The soundness of the method/s used by the tax administration to monitor the extent of inaccurate reporting.	M1	C

Several studies on the extent of inaccurate reporting have been undertaken, but limited use of these was made to design interventions. In the last three years, TAP has had the benefit of independent tax gap analysis done Crown Agents, the World Bank,

experts from Norengia, and an analysis of the informal sector by the Tadatopia Institute (Tadatopia think tank). The World Bank and Tadatopia Institute analyses are published. These cover all the core taxes and main taxpayer segments. In the TAP Operational Plan for 2014, the information from these analyses, for instance on the estimation that there were 60,000 to 70,000 unregistered employees, was used for developing the strategy to deal with this problem. A goal was set to increase the number of registered employees by five percent in 2015.

G. POA 7: Tax Dispute Resolution

This POA deals with the process by which a taxpayer seeks an independent review, on grounds of facts or interpretation of the law, of a tax assessment resulting from an audit. Above all, a tax dispute process must safeguard a taxpayer's right to challenge a tax assessment and get a fair hearing. The process should be based on a legal framework, be made aware to taxpayers, be easily accessible, guarantee transparent independent decision-making, and resolve disputed matters in a timely manner.

Four performance indicators are used to assess POA 7:

- P7-16—Existence of an independent, workable, and graduated resolution process.
- P7-17—Stock and flow of dispute cases.
- P7-18—Time taken to resolve disputes.
- P7-19—Degree to which dispute outcomes is acted upon.

P7-16: Existence of an independent, workable, and graduated resolution process

For this indicator three measurement dimensions assess: (1) the extent to which the tax administration's review process is truly independent; (2) the extent to which a dispute may be escalated to an independent external tribunal or court where a taxpayer is dissatisfied with the result of the tax administration's review process; and (3) the extent to which taxpayers are informed of their rights and dispute procedures. Assessed scores are shown in Table 17 followed by an explanation of reasons underlying the assessment.

Table 17. P7-16 Assessment

Measurement Dimensions	Scoring Method	Score 2015	
P7-16-1. Whether the mechanism for reviewing objections is independent of the audit process.	M2	A	A
P7-16-2. The extent to which an appropriately graduated mechanism of administrative and judicial review is available to taxpayers and is used.		A	
P7-16-3. Whether information on the dispute process is published, and whether taxpayers are explicitly made aware of it.		A	

The determination of tax objections by the Appeals Department is separate from, and independent of the audit. The clear organizational and physical separation of appeal and audit functions in TAP ensures the autonomy of the Appeals Division's objections review process. The objectivity of the review process is also confirmed by the high percentage (approximately 40 percent as reported by the head of the Appeals Division) of audit assessments that are modified by the Appeals Division.

A graduated mechanism for administrative and judicial review is available to taxpayers and is used by them. Filing of an objection with TAP's Appeals Division is

now the only formal administrative review process available to taxpayers. Until December 2012, taxpayers could appeal to a quasi-judicial body, the Independent Review Board (IRB), if dissatisfied with a decision of TAP's Appeals Division. From January 2013, the role of the IRB was transferred to the Fiscal Division of the Administrative Department of the District Court. Taxpayers dissatisfied with an Appeals Division decision on an objection must now go directly to the District Court to seek a review of that decision. Further rights of appeal of a District Court decision are available through Tadatopia's judicial system. Taxpayers may also seek redress of any grievance arising out of TAP decision through the Office of the Taxpayer Advocate located in TAP Headquarters but this process is less formal and not subject to judicial review.

Information on dispute processes is readily available and taxpayers are explicitly made aware of those processes. The tax administration provides detailed information on the taxpayer's appeal rights and dispute processes: (1) on the TAP website; (2) in the Tax Handbook and two pamphlets explaining taxpayer rights and obligations and TAP audit processes; and (3) in a package of explanatory documents included with assessment notices. These sources provide comprehensive information on the steps to be taken to dispute a tax assessment, related time limits for the filing of an objection and for TAP to provide a decision on that objection, and further rights of appeal through the judicial system.

P7-17: Stock and flow of dispute cases

The two measurement dimensions of this indicator assess: (1) the magnitude of tax disputes, by value; and (2) movements in dispute case volumes over time (i.e. are they increasing, decreasing, or stable?). Assessed scores are shown in Table 18 followed by an explanation of reasons underlying the assessment.

Table 18. P7-17 Assessment

Measurement Dimensions	Scoring Method	Score 2015	
P7-17-1. The value of tax in dispute at fiscal year-end in percent of total tax revenue collections for the fiscal year.	M2	D	D
P7-17-2. The number of objections and judicial appeal cases at fiscal year-end relative to the number of cases at the start of the year.		D	

Data on the value of only some disputed tax liabilities are available. Data on taxes, fines and penalties in dispute on cases subject to review in the Fiscal Division of the District Court are available. TAP does not, however, maintain data (including end-of-year data) on the value of taxes, fines and penalties that are the subject of review by the Appeals Division since all appeals are required by law to be finalized within a 60 day deadline.

Objection caseloads have increased very significantly. The number of objection cases

on hand at the end of the year increased significantly in both the 2013 and 2014 years (to 26 and 93 cases respectively for those years). According to the Appeals Division's manager, the 2014 year in particular saw a dramatic increase in the objections case load for the Division with 554 cases filed in that year compared with 420 in 2013.

P7-18: Time taken to resolve disputes

For this indicator, two measurement dimensions gauge the level of responsiveness of the tax administration and judiciary in resolving disputes. Assessed scores are shown in Table 19 followed by an explanation of reasons underlying the assessment.

Table 19. P7-18 Assessment

Measurement Dimensions	Scoring Method	Score 2015
P7-18. The time taken to determine objections.	M1	D

TAP's service delivery standard of 60 days for determining objections, set out in legislation, does not meet standards for international good practice. Under Article 77, paragraph 4 of the Law on Tax Administration and Procedures (2010), the Appeals Division is required to issue a decision on a taxpayer's objection within sixty days. The Appeals Division manager reported that all objections are finalized between 50 and 59 days. However, good international practice would require the TAP service delivery standard for processing of objections be reduced to 30 days.

P7-19: Degree to which dispute outcomes are acted upon

This indicator looks at the extent to which dispute outcomes are taken into account in determining policy, legislation, and administrative procedure. The assessed score is shown in Table 20 followed by an explanation of reasons underlying the assessment.

Table 20. P7-19 Assessment

Measurement Dimension	Scoring Method	Score 2015
P7-19. The extent to which tax administration responds to dispute outcomes.	M1	D

Dispute outcomes are monitored but, to date, have not been taken into account in the formulation of policy, legislation, and administrative procedures. TAP's Legal Department (of which Appeals is one of three divisions) monitors the results of objections and the outcomes of court cases. However, because the TAP has limited resources and is not yet a fully mature tax administration, the Legal Department has not yet identified any decisions that would require policy, legislative or administrative changes.

H. POA 8: Effectiveness and Efficiency of Tax Administration

In addition to achieving annual budget revenue targets, pressure is on tax administrations to achieve high levels of operational efficiency generally. Governments have become more performance focused, and citizen and business expectations and demands for quality services are growing. Tax administrations must not only optimize performance of existing processes but also find new efficiency gains in two areas in particular: (1) use of more efficient collection systems; and (2) optimal use of staff and other resources on core functions.

Three performance indicators are used to assess POA 8:

- *P8-20—Achievement of tax revenue outcomes.*
- *P8-21—Use of efficient collection and reporting systems.*
- *P8-22—Efficiency of processing and accounting systems.*

P8-20: Achievement of tax revenue outcomes

This indicator assesses tax administration performance in meeting annual budget revenue targets. The assessed score is shown in Table 21 followed by an explanation of reasons underlying the assessment.

Table 21. P8-20 Assessment

Measurement Dimension	Scoring Method	Score 2015
P8-20. Extent to which tax revenue outcomes are met.	M1	C

Revenue collections were above budgeted targets for only one of the past three fiscal years. The value of revenues collected for fiscal year 2012 was 99.3 percent of the target and for 2013 revenue was above target. From 2013 to 2014, revenue collections increased by 3.5 percent, but were still below the budgeted revenue projections, which increased dramatically (by 18 percent).

P8-21: Use of efficient collection and reporting systems

The four measurement dimensions of this indicator gauge the extent to which the tax administration uses acknowledged efficient collection systems (e.g., withholding at source) and exploits modern technologies to transform operations, particularly in areas of filing and payment. Assessed scores are shown in Table 22 followed by an explanation of reasons underlying the assessment.

Table 22. P8-21 Assessment

Measurement Dimensions	Scoring Method	Score 2015	
P8-21-1. The extent to which withholding at source, third party reporting, and pre-filing of income tax returns is used.	M2	C	C+
P8-21-2. The efficiency of filing and payment design.		A	
P8-21-3. The extent to which electronic filing arrangements are available and used by taxpayers and intermediaries.		C	
P8-21-4. The extent to which electronic payment arrangements are available and used by taxpayers.		C	

Withholding arrangements are in place, but systematic use of third party information to verify the accuracy of information reported by taxpayer is limited. Only basic taxpayer identification data is pre-filled in the tax returns. Withholding arrangements are in place for employment income, interest on bank accounts, and company dividends. The TAP receives third party information from private and public agencies, but its use for large scale automatic information matching for verification purposes is limited. Pre-filing of tax returns based on third party information is restricted to basic details about the taxpayer and does not contribute significantly to reduced taxpayers' efforts for filing.

Filing and payment systems are well designed and strike a balance between minimizing taxpayer compliance costs and ensuring steady flows of tax revenue to the government. Filing and payment frequency for all core taxes takes account of the revenue significance of different segments. For example, businesses registered for VAT with an annual turnover of 50,000 Tps or less may file quarterly.

Electronic filing and payment arrangements are available for all core taxes, yet there is still room to increase the rate of electronic filing and payment for PIT not withheld at source. Electronic filing and payment systems are available for all core taxes. The 2014 e-filing rates were high for CIT (88 percent), VAT (97 percent) and PAYE withholding - returns (99 percent). The e-filing rate for PIT is lagging (44 percent) though there was a major increase in the e-filing rate in 2014 compared to 12 percent in 2013. The 2014 e-payment rate for PIT in the case of self-employed was 26 percent. TAP collects through electronic payment 63 percent of the total value of CIT, PIT, and VAT. Details are provided in table 11 of Attachment III.

P8-22: Efficiency of processing and accounting systems

For this indicator two measurement dimensions assess the level of efficiency in maintaining the system of revenue accounts and processing VAT refund claims. Assessed scores are shown in Table 23 followed by an explanation of reasons underlying the assessment.

Table 23. P8-22 Assessment

Measurement Dimensions	Scoring Method	Score 2015	
P8-22-1. The time taken to post accounting transactions to the taxpayer ledger.	M2	B	C
P8-22-2. Time taken to process VAT refund claims.		D	

All transactions are posted to the taxpayer ledger by batch processing. All transactions for all tax types are posted to the taxpayer ledger within 48 hours.

TAP meets the VAT refunds processing deadline set out in the law but this deadline does not meet international good practice. According to the law, the standard for processing VAT refunds is 60 days. For 2014 TAP met this standard in 99.11 percent of total cases. However, good international practice would require paying VAT refunds within 30 days. TAP managed to process 45 percent within 30 days. See table 10 in Attachment III for details.

I. POA 9: Accountability and Transparency

Accountability and transparency are central pillars of good governance. Their institutionalization reflects the principle that tax administrations should be answerable for the way they use public resources and exercise authority. To enhance community confidence and trust, tax administrations should be openly accountable for their actions within a framework of responsibility to the minister, government, parliament, and general public.

Four performance indicators are used to assess POA 9:

- P9-23—External oversight of the tax administration.
- P9-24—Level of internal controls.
- P9-25—Public perception of integrity.
- P9-26—Publication of activities, results, and plans.

P9-23: External oversight of the tax administration

Two measurement dimensions of this indicator assess: (1) the extent of independent external oversight of the tax administration's operations and financial performance; and (2) the investigation process for suspected wrongdoing and maladministration. Assessed scores are shown in Table 24 followed by an explanation of reasons underlying the assessment.

Table 24. P9-23 Assessment

Measurement Dimensions	Scoring Method	Score 2015	
P9-23-1. The extent of independent external oversight of the tax administration's operations and financial performance.	M2	A	A
P9-23-2. The investigation process for suspected wrongdoing and maladministration.		A	

The external oversight of TAP's operational and financial performance is robust.

The Auditor General (AG) reports directly to the parliament. The AG's office conducts an annual audit of TAP's functions including revenue collection, expenditure management, HR issues, procurement, and operational issues (e.g., audit, arrears situation, debt collection, etc.). The audit report is presented to the Parliamentary Committee on Audits to which the Minister of Finance or Director General (DG) of TAP may be summoned to answer questions. The audit report is published on the website of the AG and contains the findings, the response of the TAP and AG's recommendations. The report also contains a list of actions taken by TAP in response to the recommendations of the previous year's audit report.

There is an independent and impartial ombudsman to whom taxpayers can complain about any wrongdoing or maladministration by TAP officials. This allows

an impartial resolution of service- related, procedural, or administrative disputes. The ombudsman conveys his/her findings to the DG of TAP and the Minister of Finance. The Minister may then create a panel to address the concerns based on the recommendations of the ombudsman. The Minister of Finance has designated the MOF's Division on Statistics to monitor, on a quarterly basis, compliance by TAP on these matters. In addition to the ombudsman, taxpayers can also take their complaints to the Minister of Finance or to the Economic Crimes Department, depending on the nature of alleged maladministration.

An anticorruption agency for the entire country reports directly to the parliament. The agency develops separate strategies for TAP and other agencies that it oversees. The agency investigates cases of corruption against tax officials and determines remedial actions which could include, *inter alia*, termination of service or reprimand. Criminal cases are sent to the prosecutor general. The reports of the agency are published and contain actions to be taken TAP to address the alleged misconduct. TAP reports compliance on a quarterly basis.

There is systematic monitoring and reporting to senior TAP management of the action taken to address misconduct. The DG holds weekly management meetings, which may discuss specific issues raised by the anticorruption agency or the ombudsman.

P9-24: Level of internal controls

For this indicator, three measurement dimensions assess: (1) the adequacy of internal controls to protect the systems of administration from error and fraud; (2) the level of assurance provided by internal audit; and (3) staff integrity assurance mechanisms. Assessed scores are shown in Table 25 followed by an explanation of reasons underlying the assessment.

Table 25. P9-24Assessment

Measurement Dimensions	Scoring Method	Score 2015	
P9-24-1. Adequacy of internal controls to protect the systems of administration from error and fraud.	M2	C	B+
P9-24-2. The level of assurance provided by internal audit.		A	
P9-24-3. Staff integrity assurance mechanisms.		A	

Internal controls within TAP are weak. Each departmental line manager in TAP is responsible for internal control operations within his/her jurisdiction. For instance, the IT department has its own internal control manual that defines access privileges and mechanisms to provide an audit trail. The audit department's audit manual defines the roles, responsibilities, and the approval processes for team leaders and inspectors. Managers are responsible for ensuring compliance. Despite the existence of internal control manuals for the line departments, actual implementation of controls is not well

documented. During discussion with the authorities, the team was told that most departments had weak internal controls. Documentation is generally paper-based although some is in electronic form. Such documentation is only reviewed on an *ad hoc* basis.

The internal audit function is reasonably effective and regulated by law that applies to all public bodies in Tadatopia. The Ministry of Finance has a Central Coordination Unit for Internal Audit (CCUIA) which is responsible for the supervision of internal audit units in all public bodies. It receives quarterly reports from each of them. The Internal Audit Unit in TAP reports directly to the Director General, and has a staff of four certified auditors, including the Head. If required, the Unit in TAP can request additional resources from the CCUIA. The Unit is required by law to prepare an annual audit plan in line with the strategic plan and based on (i) an analysis of previous year's actions, and (ii) monitoring of new assessed risks. Each year, the Unit conducts about ten internal audits which cover expenditure management, procurement, internal financial management and all key operations. These are done in accordance with the internal audit manual. The findings are discussed with concerned departments and an action plan is drawn up for the implementation of recommendations. For instance, in 2014 the Unit found that the number of visits had increased and the number of audits had decreased. The Unit also found that the increase in visits was largely ineffective. According to the head of the Internal Audit Unit, the management has generally acted upon the internal audit findings and recommendations.

Staff integrity is assured by a separate Division for Professional Standards which reports directly to the Executive Office of the DG. The Division investigates all cases of misconduct and coordinates its activities with the Tadatopia anticorruption agency and with other enforcement agencies. Cases of corruption and other misconduct are taken to the disciplinary committee to adjudicate. The Division is also involved in preventive measures, including background checks of new employees and training of existing staff on ethics, conduct rules, conflict of interest issues, and sanctions for misconduct. It prepares statistics on cases where professional conduct was breached. The Division also monitors and processes conflict of interest situations. Staff is required to report conflict of interest situations to their supervisor so that the management can advise the concerned staff on a course of action and remedial steps.

P9-25: Public perception of integrity

This indicator measures the level of public confidence in the tax administration. The assessed score is shown in Table 26 followed by an explanation of reasons underlying the assessment.

Table 26. P9-25 Assessment

Measurement Dimension	Scoring Method	Score 2015
P9-25. Level of public confidence in the tax administration.	M1	B

The level of public confidence in TAP is moderately good. The United Nations Development Program (UNDP) sponsored Tadatopia Public Pulse Survey⁸, which measures the level of satisfaction in public institutions, shows that only about 28 percent of persons interviewed thought that corruption was prevalent in TAP. Of the 14 public institutions examined, TAP figured in the top third in terms of public perception. According to another survey⁹ of 652 enterprises, conducted by the American Chamber of Commerce in Tadatopia together with the Tadatopia Foundation for Open Society, 19 percent of businesses thought that legal interpretations given by TAP were biased while 81 percent felt they were fair or somewhat fair. On the effort to address informality, 66 percent felt TAP addressed it but not sufficiently and 34 percent felt TAP did not address it. As to transparency in TAP, 84 percent felt it was very transparent, transparent or somewhat transparent and 16 percent felt it was not transparent. On the occurrence of corruption, only 9 percent reported presence of corruption.

P9-26: Publication of activities, results, and plans

For this indicator, two measurements dimensions assess: (1) the extent to which the financial and operational performance of the tax administration is reported; and (2) the extent to which there is publication of the tax administration's future directions and plans. Assessed scores are shown in Table 27 followed by an explanation of reasons for underlying the assessment.

Table 27. P9-26 Assessment

Measurement Dimensions	Scoring Method	Score 2015	
P9-26-1. The extent to which the financial and operational performance of the tax administration is reported.	M2	A	A
P9-26-2. The extent to which there is publication of the tax administration's future directions and plans.		A	

TAP publishes its strategic plan, annual business plan and annual report. Tadatopia laws require TAP to make an annual report of its financial and operational performance each fiscal year. The TAP annual report is presented to the Minister of Finance, the Government, and the Parliament. The report covers all the main tax operations, including collection, audit, registration and filing, and covers all tax types. The report is made public. In addition, the annual plan, strategic plan and business plan are all made public on the website. The reports include comparison of data from past years.

⁸ "Tadatopia Public Pulse Survey". UNDP

⁹ "State of Business in Tadatopia: Challenges and Opportunities for Doing Business in Tadatopia". Tadatopia Foundation for Open Society and American Chamber of Commerce in Tadatopia, Krilok, June 2014.

Attachment I. TADAT Framework

Performance outcome areas

Performance of a country's tax administration systems, processes, and institutions can be assessed by reference to nine outcome areas:

- **Integrity of the registered taxpayer base:** Registration of taxpayers and maintenance of a complete and accurate taxpayer database is fundamental to effective tax administration.
- **Management of risks to the tax system:** Compliance with the tax laws improves when the tax administration is alert to compliance risks and effective in taking corrective action to mitigate the effects of the risks.
- **Support given to taxpayers to help them comply:** Usually, most taxpayers will meet their tax obligations if they are given the necessary information and support to enable them to comply voluntarily.
- **On-time filing of tax returns:** Timely filing is essential because the filing of a return is the principal means by which a taxpayer's tax liability is established and becomes due and payable.
- **On-time payment of taxes:** Non-payment and late payment of taxes affects government budgets. Collection of tax arrears is costly and time consuming.
- **Accuracy of information reported in tax returns:** Tax systems rely heavily on complete and accurate reporting of information in tax returns. Audit and other verification activities detect discrepancies (e.g., undisclosed income) and penalize offenders, and serve to remind all taxpayers of the consequences of inaccurate reporting.



- **Adequacy of dispute resolution processes:** Independent and accessible review mechanisms safeguard a taxpayer's right to challenge a tax assessment and get a fair hearing.
- **Efficiency and effectiveness of operations:** As governments become more performance focused, greater demands are placed on tax administrations to operate more efficiently and effectively. Citizen and business expectations of receiving quality services must also be met.
- **Accountability and transparency:** As public institutions, tax administrations are answerable for the way they use public resources and exercise authority. Community confidence and trust is enhanced when there is open accountability for administrative actions within a framework of responsibility to the minister, government, parliament, and general community.

Indicators and associated measurement dimensions

A set of 26 high-level indicators critical to tax administration performance are linked to the performance outcome areas. It is these indicators that are scored and reported on. A total of 51 measurement dimensions are taken into account in arriving at the indicator scores. Each indicator has between one and four measurement dimensions.

The indicators are oriented towards assessing performance outcomes, although in some cases outputs are used as proxies for outcomes. As far as possible, TADAT avoids measuring inputs and enabling factors that contribute to outcomes (e.g., organizational structures, human resources, administrative budgets, information technology, and legislation).

Repeated assessments will provide information on the extent to which a country's tax administration is improving.

Scoring methodology

The assessment of indicators follows the same approach followed in the Public Expenditure and Financial Accountability (PEFA) diagnostic tool so as to aid comparability where both tools are used.

Each of TADAT's 60 measurement dimensions is assessed separately. The overall score for an indicator is based on the assessment of the individual dimensions of the indicator. Combining the scores for dimensions into an overall score for an indicator is done using one of two methods: Method 1 (M1) or Method 2 (M2). For both M1 and M2, the four-point 'ABCD' scale is used to score each dimension and indicator.

Method M1 is used for all single dimensional indicators and for multi-dimensional indicators where poor performance on one dimension of the indicator is likely to undermine the impact of good performance on other dimensions of the same indicator (in other words, by the weakest link in the connected dimensions of the indicator).

Method M2 is based on averaging the scores for individual dimensions of an indicator. It is used for selected multi-dimensional indicators where a low score on one dimension of the indicator does not necessarily undermine the impact of higher scores on other dimensions for the same indicator.

Attachment II. Tadatopia - Country Snapshot

Geography	<p>Tadatopia is situated in the central part of Gymnosia. In the Southwest, it is bordered by Magnolia, in the West by Gladiola, in the North by Clovia and in the East and Southeast by Mercureland.</p> <p>Tadatopia covers a surface area of approx. 110,900 km² and is characterized by an average altitude of 500 m above sea level. The lowest point of Tadatopia is located at an elevation of 297 m. The country rises up to the highest point in the West of Tadatopia – Tungust at 2,565 m.</p> <p>The country's infrastructure is well developed. A fully developed road network does exist and, in general, the roads are in good conditions.</p> <p>(Source: http://www.Tadatopia-mining.org/Tadatopia_web/en/Tadatopia/geography.html)</p>
Population	1.824 million. (Source: http://data.worldbank.org/country/Tadatopia)
Adult literacy rate	91.9 percent of persons aged 15 and over can read and write. (Source: CIA World Factbook)
Gross Domestic Product	US\$ 7.485 billion (2014 est.) Source: https://www.cia.gov/library/publications/the-world-factbook/fields1
Per capita GDP	US\$ 8,000 (2014 est.) (Source: https://www.cia.gov/library/publications/the-world-factbook/fields/25)
Main industries	Mineral mining, construction materials, base metals, leather, machinery, appliances, foodstuffs and beverages, textiles (Source: https://www.cia.gov/library/publications/the-world-factbook/fields/207)
Communications	<ul style="list-style-type: none"> - Internet users: 76.6percent penetration. (Source: http://www.internetworldstats.com/Gymnosia2v) - Mobile phone subscribers: 562,000 (Source: CIA World Factbook 2007) - Telephone main lines in use 106,300 (Source: CIA World Factbook 2007)
Main taxes	VAT, excises and trade taxes. (Source: 2013 Article IV Consultation—Staff Report, International Monetary Fund Report). TAP manages VAT, PIT, CIT and Pension Contributions.
Tax-to-GDP	<u>Taxes and other revenues</u> : to GDP: 25.6 percent. 2013 est. (Source: https://www.cia.gov/library/publications/the-world-factbook)
Unemployment rate:	30.9 percent (2013 est.) 45 percent (2012 est.) Tadatopia has a large informal sector that may not be reflected in these data. (Source: https://www.cia.gov/library/publications/the-world-factbook)
Number of taxpayers	CIT:3,293 (Active taxpayers 2013). PIT: 165,247 (Active taxpayers 2013). VAT: 11,181 (Active taxpayers 2013). (Source: TAP)
Main collection agency	Tax Administration of Tadatopia (TAP) Customs Administration (Import VAT)
Financial Year	Calendar year.

Attachment III. Data Tables

A. Tax Revenue Collections

Table 1. Tax Revenue Collections, 2012-14			
	2012	2013	2014
In million Tps			
Budgeted TAP revenue target (including pension contributions)	400.0	421.0	498.0
Total collections by TAP	396.9	425.3	430.6
CIT	65.1	65.9	65.8
PIT- Individual businesses	27.3	29.0	33.5
PIT- tax on wages	60.1	61.3	67.4
VAT domestic collections	131.4	149.2	136.9
Pension contributions	113.0	119.8	130.6
In percent of total tax revenue collections			
Total TAP revenue collections	100	100	100
CIT	16.4	15.5	15.2
PIT	22.0	21.2	22.8
VAT domestic collections	33.1	35.1	31.7
Pension contributions	28.5	28.2	30.3
In percent of GDP			
Total TAP revenue collections	5.8	5.9	5.44
CIT	1.3	1.3	1.18
PIT	1.8	1.8	1.81
VAT domestic collections	2.7	2.9	2.45
Pension contributions	2.3	2.3	2.3
Nominal GDP in million Tps	4,916.2	5,148.7	5,580.5

B. Filing of Returns

Table 2. On-time Filing of CIT and PIT Returns for the 2014 Income Year			
Tax Type	Number of returns filed on-time ¹	Number of returns expected to be filed ²	On-time filing rate ³ (In percent)
CIT	8978	15354	59
PIT	93971	124629	75

Explanatory notes:

¹ 'On-time' filing means returns filed by the statutory due date for filing.

² 'Expected' returns means the number of CIT and PIT returns that the tax administration expected to receive from registered CIT and PIT taxpayers that were required by law to file returns.

³ The 'on-time filing rate' is the number of returns filed by the statutory due date in percent of the total number of returns expected from registered taxpayers, i.e. expressed as ratios:

- The CIT on-time filing rate is: $\frac{\text{Number of CIT returns filed by the due date}}{\text{Number of returns expected from registered CIT taxpayers}} \times 100$
- The PIT on-time filing rate is: $\frac{\text{Number of PIT returns filed by the due date}}{\text{Number of PIT returns expected from registered PIT taxpayers}} \times 100$

Table 3. On-time Filing of VAT Returns During 2014			
Month	Number of returns filed on-time ¹	Number of returns expected to be filed ²	On-time filing rate ³ (In percent)
January	6118	12819	48
February	6614	12955	51
March	8573	13074	66
April	6547	13218	50
May	7163	13307	54
June	10159	13396	76
July	6995	13441	52
August	8790	13519	65
September	7102	13583	52
October	6639	13640	49
November	8652	13648	63
December	7322	13621	54
Full year total	90674	160291	57

Explanatory notes:

¹ 'On-time' filing means returns filed by the statutory due date for filing.

² 'Expected returns' means the number of VAT returns that the tax administration expected to receive from registered VAT taxpayers that were required by law to file returns.

³ The 'on-time filing rate' is the number of VAT returns filed by the statutory due date in percent of the total number of returns expected from registered VAT taxpayers, i.e. expressed as a ratio:

$$\frac{\text{Number of VAT returns filed by the due date}}{\text{Number of returns expected from registered VAT taxpayers}} \times 100$$

Table 4. PAYE Withholding Returns Filed by Employers During 2014			
Month	Number of returns filed on-time ¹	Number of returns expected to be filed ²	On-time filing rate ³ (In percent)
January	20308	26007	78
February	20748	26148	79
March	19710	26366	75
April	19684	26501	74
May	20431	26630	77
June	20684	26644	78
July	20451	26593	77
August	19924	26616	75
September	20986	26683	79
October	22506	26560	85
November	20626	26386	78
December	21500	26211	82
Full year total	247558	317345	78
Explanatory notes: ¹ 'On-time' filing means returns filed by the statutory due date for filing. ² 'Expected returns' means the number of PAYE withholding returns that the tax administration expected to receive from registered employers with PAYE withholding obligations that were required by law to file returns. ³ The 'on-time filing rate' is the number of PAYE withholding returns filed by employers by the statutory due date in percent of the total number of PAYE withholding returns expected from registered employers, i.e. expressed as a ratio: $\frac{\text{Number of PAYE withholding returns filed by the due date}}{\text{Number of PAYE withholding returns expected from registered employers}} \times 100$			

C. Payments

Table 5. VAT Payments Made During 2014			
	VAT payments made on-time ¹	VAT payments due ²	On-time payment rate ³ (In percent)
Number of payments	28,542	59,280	48
Value of payments (in Tps)	107,744,770.66	136,939,023	79
Explanatory notes: ¹ 'On-time' payment means paid on or before the statutory due date for payment. ² 'Payments due' include all payments due, whether self-assessed or administratively assessed (including as a result of an audit). ³ The 'on-time payment rate' is the number (or value) of VAT payments made by the statutory due date in percent of the total number (or value) of VAT payments due, i.e. expressed as ratios: <ul style="list-style-type: none"> The on-time payment rate by number is: $\frac{\text{Number of VAT payments made by the due date}}{\text{Total number of VAT payments due}} \times 100$ The on-time payment rate by value is: $\frac{\text{Value of VAT payments made by the due date}}{\text{Total value of VAT payments due}} \times 100$ 			

D. Domestic Tax Arrears

Table 6. Value of Tax Arrears, 2012-14¹

	2012	2013	2014
	In Tps		
Total tax arrears at end of fiscal year ² (A)	206,995,815.74	250,269,968.23	276,374,358.27
Of which: Collectible ³ (B)	51,903,469.83	58,549,877.76	81,720,423.83
Of which: Uncollectible	155,092,345.91	191,720,090.47	194,653,934.44
Tax arrears that are more than 12 months' old (C)	174,942,250.61	174,724,195.35	212,018,084.29
	In percent		
Ratio of (A) to total annual tax revenue collections (from Table 1) ⁴	52.2	58.9	64.2
Ratio of (B) to total annual tax revenue collections (from Table 1) ⁵	13.1	13.7	18.8
Ratio of (C) to (A) ⁶	84.6	69.8	76.7

Explanatory notes:

¹ Data in this table will be used in assessing the value of tax arrears relative to annual collections, and examining the extent to which unpaid tax liabilities are significantly overdue (i.e. older than 12 months).

² 'Total tax arrears' include tax, penalties, and accumulated interest.

³ 'Collectible' tax arrears is defined as the total amount of domestic tax, including interest and penalties, that is overdue for payment and which is not subject to collection impediments. Collectible tax arrears therefore generally exclude: (a) amounts formally disputed by the taxpayer and for which collection action has been suspended pending the outcome, (b) amounts that are not legally recoverable (e.g., debt foregone through bankruptcy), and (c) arrears otherwise uncollectible (e.g., the debtor has no funds or other assets).

⁴ i.e. $\frac{\text{Value of total tax arrears at end of fiscal year}}{\text{Total tax collected for fiscal year}} \times 100$

⁵ i.e. $\frac{\text{Value of collectible tax arrears at end of fiscal year}}{\text{Total tax collected for fiscal year}} \times 100$

⁶ i.e. $\frac{\text{Value of tax arrears >12 months' old at end of year}}{\text{Value of total tax arrears at end of fiscal year}} \times 100$

Table 7. Number of Tax Arrear Cases, 2011-14¹

	2011	2012	2013	2014
Number of tax arrears cases at end of fiscal year ²	32,922	37,798	37,018	37,255

Explanatory notes:

¹ Data in this table will be used to examine movements in arrear case volumes over time to assess whether caseloads are increasing, decreasing, or stable.

² For countries with integrated taxpayer accounting systems an arrear 'case' will generally equate to a 'taxpayer'; the taxpayer may have a single tax debt or several debts for different tax types. For tax administrations without integrated accounting systems, an arrear 'case' is likely to be reported separately for each tax type, in which situation it is possible for a taxpayer to have multiple arrear cases.

E. Tax Dispute Resolution

Table 8. Value of Tax in Dispute, 2012-14			
	2012	2013	2014
	In Tps		
Total tax in dispute at end of fiscal year ¹ (A)			
Of which: relates to objections ²			
Of which: relates to judicial appeals ³	1,820,452	9,904,734	7,840,134
	In percent		
Ratio of (A) to total annual tax revenue collections (from Table 1) ⁴			
<p>Explanatory notes:</p> <p>¹ 'Tax in dispute' is defined as tax, interest, and penalties disputed by the taxpayer by way of objection or judicial appeal.</p> <p>² An 'objection' refers to the first stage in attempting to resolve a tax dispute; it is handled <i>within</i> the tax administration.</p> <p>³ A judicial appeal occurs when a taxpayer is dissatisfied with the tax administration's decision on an objection and subsequently appeals to an independent external tax tribunal or court to review the case.</p> <p>⁴ i.e. $\frac{\text{Value of tax in dispute at end of fiscal year}}{\text{Total annual tax revenue collections for the fiscal year}} \times 100$</p>			

Table 9. Number of Tax Dispute Cases, 2011-14 ¹				
	2011	2012	2013	2014
Number of unfinalized cases at end of fiscal year				
Of which: relate to objections	13	13	26	93
Of which: relate to judicial appeals				
<p>Explanatory note:</p> <p>¹ Data in this table will be used to examine movements in tax dispute case volumes over time to assess whether caseloads are increasing, decreasing, or stable.</p>				

F. Operational Efficiency

Table 10. Processing of Refunds, Objections, and Correspondence 2014¹

	Processing standard (In calendar days) ²	Actual result
Processing of VAT refunds	30	99.11% within 60 days 45% within 30 days
Processing of objections	30	
Processing of correspondence	30	100%

Explanatory notes:

¹ Data in this table will be used to assess processing efficiency of:

- VAT refund claims.
- Objections—where an ‘objection’ is defined as the first stage in the formal dispute resolution process. Objections (also known in some countries as ‘complaints’ and ‘administrative appeals’) are reviewed by the tax administration, as opposed to an independent external review body (i.e. tribunal or court).
- Correspondence—where ‘correspondence’ relates to the sending of a substantive reply to a letter or email enquiry from a taxpayer seeking information or advice on a routine matter (e.g., the deductibility of a work-related expense).² TADAT assessments apply a time-based standard of 30 calendar days.

³ For example, the tax administration may process 92 percent of VAT refund claims within the time-based standard set for processing.

Table 11. Use of Electronic Services, [2012-14]¹

	2012	2013	2014
	Electronic filing² (In percent of all returns filed)		
CIT	-	42	88
PIT	-	12	44
VAT	45	91	97
PAYE withholding (returns filed by employers)	65	99	99
	Electronic payments³ (In percent of total number of payments received)		
CIT	-	4	56
PIT	-	2	26
VAT	46.30	84.17	55
PAYE withholding (remitted by employers)	34.76	60.39	81
	Electronic payments (In percent of total value of payments received)		
CIT	-	2.3	45
PIT	0	4.4	47.7
VAT	89.9	84.2	83.8
PAYE withholding (remitted by employers)	34.8	60.4	56.8

Explanatory notes:

¹ Data in this table will provide an indicator of the extent to which the tax administration is using modern technology to transform operations, namely in areas of filing and payment.

² For purposes of this table, electronic filing involves facilities that enable taxpayers to complete tax returns on-line and file those returns via the Internet.

³ Electronic payment methods include Internet payments, phone banking, and direct debit.

Attachment IV. Organizational Chart

Attachment V. Sources of Evidence

Indicators	Sources of Evidence
P1-1. Accurate and reliable taxpayer information.	<ul style="list-style-type: none"> • Field observation at Kilok tax office. Observation of the taxpayer register/ IT system. • Screen dump of IT registration system for taxpayers. • Web site used to advise about registration requirements for businesses and individuals. • Brochures available in hard and soft copy to advice taxpayers about registration requirements. • Tax Administration of Tadatopia: Handbook. Questions & Answers. • Examples of brochures and pamphlets and other written information materials. • Website of tax administration: www.TAP-tdp.org regarding registration. • Website of Tadatopia Business Registration Agency regarding business registration: www.arbk.org/en/Business-registration. • Field observation of the IT system to understand how third party information flows into the TAP database for taxpayer registration. • Website of Tadatopia Pension Savings Trust: www.trustitp.org.
P1-2. Knowledge of the potential taxpayer base.	<ul style="list-style-type: none"> • Annual Business Report for 2010. • Annual Business Report for 2014. • Screen shot of a typical taxpayer registration database from Kilok regional tax office (identity of taxpayers is not indicated for confidentiality reason). • Field observation in the Kilok regional office and the call center in Krilok to discuss how new businesses and non-filer cases are detected during field visits by inspectors, how new applicants for fiscal number are verified, and how old/invalid records are identified. • World Bank Study on the level of tax gap and noncompliance in Tadatopia: "Tadatopia Public Finance Review – Fiscal Policies for a Young Nation", June 2014. World Bank, Washington, DC. • Tadatopia Institute analysis of the level of informality in Tadatopia: "To Pay or Not to Pay – A Business Perspective of Informality in Tadatopia", 2013. Tadatopia Institute. Krilok, Tadatopia. • Crown Agents study on Tax Gap in Tadatopia, 2011.
P2-3. Identification, assessment, ranking, and quantification of compliance risks.	<ul style="list-style-type: none"> • Tax Administration of Tadatopia: TAP's Strategic Plan 2012-15. • Tax Administration of Tadatopia: Compliance Strategy 2012-2015. • Presentation on IT based Risk Assessment Model of Tax Administration of Tadatopia. • Various reports on tax gap and shadow economy issues commissioned by international and bilateral agencies and by the Central Bank of Tadatopia.
P2-4. Mitigation of risks through a compliance improvement program	<ul style="list-style-type: none"> • Tax Administration of Tadatopia: Detailed Risk Response Plans 2013 and 2014.
P2-5. Monitoring and evaluation of compliance risk mitigation activities.	<ul style="list-style-type: none"> • Reports on the Implementation of the Risk Response Plan 2013 and 2014. • Examples of recommended changes addressed to MOF in above reports.
P2-6. Identification, assessment, ranking, and quantification of institutional risks.	<ul style="list-style-type: none"> • Discussions with TAP senior managers responsible for IT, buildings, property and human resources issues.

Indicators	Sources of Evidence
P3-7. Scope, currency, and accessibility of information.	<ul style="list-style-type: none"> • Tax Administration of Tadatopia web page (atk-ks.org) • Internetworldstats.com • Tax Administration of Tadatopia: Handbook. Questions & Answers. • A wide range of examples of Notice to Taxpayer like "TAP updates business lists published in the web-site" and "The norms for interests has been decreased for delayed payments" • A wide range of examples of brochures and pamphlets and other written information materials like Q&A for all core taxes, information on tax debt and information about the taxpayers advocate. • Tax Administration of Tadatopia "Strategic Plan 2010-2015" • Tax Administration of Tadatopia "Compliance Strategy 2012-2015" • Taxpayer Communication Plan 2015. • Taxpayer Communication Plan 2014. • Service Center Activity Report April 2015. • Service Center Operational Plan 2015. • Objectives and Action Plan for Service Department 2015.
P3-8. Time taken to respond to information requests.	<ul style="list-style-type: none"> • Examples of operational procedures and administrative instructions. • There is monitoring and internal reporting of performance against procedures and administrative instructions. Performance is not publicly reported. • Call Center report 01.04.2015-30.04.2015.
P3-9. Monitoring of taxpayer perceptions of service.	<ul style="list-style-type: none"> • Pre Mission Questionnaire. Table 10 Processing of Refunds, Objections, and Correspondence. • Workshops, round tables or economic chambers are used to get feedback from taxpayers and intermediates.
P4-10. On-time filing rate.	<ul style="list-style-type: none"> • Numerical data in Tables 2, 3 and 4 in Attachment III.
P5-11. Timeliness of payments.	<ul style="list-style-type: none"> • Numerical data in Table 5 of Attachment III.
P5-12. Stock and flow of tax arrears.	<ul style="list-style-type: none"> • Numerical data in Tables 6 and 7 of Attachment III.
P6-13. Use of tax audits and other initiatives to detect and deter inaccurate reporting.	<ul style="list-style-type: none"> • Call Center Activity Report. Outbound calls 2015. • Tax Administration of Tadatopia: Compliance Strategy 2012-2015. • Statistic report on audits from TAP system Kilok tax office. • Statistic report on visits from TAP system Kilok tax office. • TAP Detailed Audit Response Plan 2015 • Annual Report on Implementation of Risk Response Plan for 2014. • TAP Strategic Plan for 2012-2015. • TAP Annual Report 2014. • Public Ruling Decision No. 05/2014 on Taxation of benefits in Kind – Meals for Employees, November 25, 2014 (example of public ruling). • Public Ruling Decision No. 06/2014 on Taxation of Pensions in Case of Withdrawal from TPST, December 20, 2014 (example of public ruling). • Individual rulings - 4 specimens of advance rulings - reference numbers: E-i09/2014; E-70/2014; E-117/2014; E-125/2014 (examples of individual rulings – identity of taxpayers is not indicated for confidentiality reason). • Website of tax administration: www.TAP-tdp.org regarding public rulings, clarifications and notifications.
P6-14. Coverage of	<ul style="list-style-type: none"> • Field enquiry in Kilok regional tax office with the head of the audit

Indicators	Sources of Evidence
automated information cross-checking.	department and auditors to examine extent of information cross-matching.
P6-15. Monitoring the extent of inaccurate reporting.	<ul style="list-style-type: none"> • Annual Business Report for 2010. • Annual Business Report for 2014. • World Bank study (see POA 1) • Tadatopia Institute study (see POA 1) • Crown Agents study (see POA 1).
P7-16. Existence of an independent, workable, and graduated dispute resolution process.	<ul style="list-style-type: none"> • Tax Administration of Tadatopia : Appeals Manual: June 2013 • Information on appeal rights and the dispute process is provided on the TAP website and in a package of materials included with audit assessment notices. • Two readily available pamphlets on 1) general taxpayer's rights and obligations and 2) rights and obligations arising when a taxpayer is subject to audit both set out taxpayer's appeal rights.
P7-17. Stock and flow of dispute cases.	<ul style="list-style-type: none"> • Numerical data in Table 9 in Attachment III.
P7-18. Time TAPen to resolve disputes.	<ul style="list-style-type: none"> • Article 77 of the Law on Tax Administration and Procedures (2010). • Discussions with Appeals Division manager.
P7-19. Dispute outcomes are acted upon.	<ul style="list-style-type: none"> • Discussions with the Legal Department manager.
P8-20. Achievement of tax revenue outcomes.	<ul style="list-style-type: none"> • Numerical data in Table 1 in Attachment III.
P8-21. Use of efficient collection and reporting systems.	<ul style="list-style-type: none"> • Field observation at Kilok tax office. • Numerical data in Table 11 in Appendix III.
P8-22. Efficiency of processing and accounting systems.	<ul style="list-style-type: none"> • Numerical data in Table 10 in Attachment III.
P9-23. External oversight of the tax administration.	<ul style="list-style-type: none"> • Audit Report of the Year Ending December 31, 2013. Office of the Auditor General. Krilok, Tadatopia. http://www.oag-rks.org/repository/docs/RaportiAuditimit_TAP_2013_Eng_63783.pdf • Website of ombudsman for the role and responsibilities of Ombudsperson of Tadatopia : http://www.ombudspersonTadatopia.org/
P9-24. Level of internal controls.	<ul style="list-style-type: none"> • Internal Audit Report on "Tax and Intelligence", December 29, 2014 (example of a report of the Internal Audit Unit of TAP). • Internal Audit Manual, Volumes 1 and 2.
P9-25. Public perception of integrity.	<ul style="list-style-type: none"> • "Tadatopia Public Pulse Survey No. 6", August 2013. UNDP, Krilok, Tadatopia. • "State of Business in Tadatopia: Challenges and Opportunities for Doing Business in Tadatopia". Tadatopia Foundation for Open Society and American Chamber of Commerce in Tadatopia, Krilok, June 2014.
P9-26. Publication of activities, results, and plans.	<ul style="list-style-type: none"> • Website of tax administration: www.TAP-tdp.org regarding publication of annual reports, strategic plans and annual plans. • Annual Business Report for 2010. • Annual Business Report for 2014. • Tax Administration of Tadatopia. Strategic Plan 2010-2015 • Annual Plan for 2015. • Annual Work Report for 2014.

Attachment VI. Mission Work Schedule

Date/ Time	Subject	Objective/s	Team Member/s	Responsible departments	Location
Day 1 (AM) May 5 9AM- 10:30	Opening meeting and presentation	<ol style="list-style-type: none"> 1. Acquaint senior officials with the objectives, processes, and outputs of the TADAT diagnostic approach (this may entail a short presentation by the mission team of the TADAT framework). 2. Discuss the mission work schedule. 3. Respond to questions and issues raised. 	All, EA lead	DG Deputy DG for operational compliance Deputy DG or supporting services Director of Modernization, Planning and Analyze Director of IT	Conference room in HQ of TAP, 1 st Floor
Day 1 May 5 10:30- 12:00	Data validation meeting	<ol style="list-style-type: none"> 1. Review numerical data and other information gathered in accordance with the pre-mission questionnaire. 2. Discuss data-related issues with the authorities. 	All, EA lead	Manager of the Division for Planning and Analyze senior IT analyst Manager of the Division for education and service to taxpayer Manager of the Division of Tax Policies and Procedures	Conference room in HQ of TAP, 1 st Floor
Day 1 May 5 1:15PM- 4PM	POA 1 meeting: Integrity of the Registered Taxpayer Base	Gather information and evidence to score POA 1. P1-1. Accurate and reliable taxpayer information: <ul style="list-style-type: none"> • <i>The adequacy of information held in respect of registered taxpayers and the extent to which the registration database supports effective compliance management.</i> • <i>The accuracy of information held in the registration</i> 	All, MR – lead, FM - back	Director of the Department for Education and Services to Taxpayers Manager of the Division for education and service to taxpayer	Conference room in HQ of TAP, 1 st Floor

Date/Time	Subject	Objective/s	Team Member/s	Responsible departments	Location
		<p>database.</p> <p>P1-2. Knowledge of the potential taxpayer base:</p> <ul style="list-style-type: none"> <i>The extent of initiatives to detect businesses and individuals who are required to register but fail to do so.</i> 		Director of IT	
Day 2 May 6 9AM	POA 2 meeting: Assessment and Mitigation of Risks	<p>Gather information and evidence to score POA 2.</p> <p>P2-3. Identification, assessment, ranking, and quantification of compliance risks:</p> <ul style="list-style-type: none"> <i>The extent of intelligence gathering and research to identify compliance risks in respect of the main tax obligations.</i> <i>The process used to assess, rank, and quantify taxpayer compliance risks.</i> <p>P2-4. Mitigation of risks through a compliance improvement program:</p> <ul style="list-style-type: none"> <i>The degree to which the tax administration mitigates assessed risks to the tax system through a compliance improvement program.</i> <p>P2-5. Monitoring and evaluation of compliance risk mitigation activities:</p> <ul style="list-style-type: none"> <i>The process used to monitor and evaluate the impact of compliance risk mitigation activities.</i> <p>P2-6. Identification, assessment, and mitigation of institutional risks:</p> <ul style="list-style-type: none"> <i>The process used to identify, assess, and mitigate institutional risks.</i> 	All, JC – lead, FM - back	<p>Director of Modernization, Planning and Analyze</p> <p>Manager of the Division of Risk Management</p>	Conference room in HQ of TAP, 1 st Floor
Day 2	POA 3 meeting:	Gather information and evidence to score POA 3.	All FM – lead,	Director of the Department for Education and Services to	Conference room in HQ of TAP, 1 st

Date/Time	Subject	Objective/s	Team Member/s	Responsible departments	Location
May 6 1:30PM-4PM	Supporting Voluntary Compliance	<p>P3-7. Scope, currency, and accessibility of information:</p> <ul style="list-style-type: none"> <i>The range of information available to taxpayers to explain, in clear terms, what their obligations and entitlements are in respect of each core tax.</i> <i>The degree to which information is current in terms of the law and administrative policy.</i> <i>The ease by which taxpayers obtain information and advice from the tax administration.</i> . <p>P3-8. Time taken to respond to information requests:</p> <ul style="list-style-type: none"> <i>The existence of service delivery standards in relation to meeting taxpayer and intermediary requests for information and advice.</i> <i>The time taken to respond to taxpayer and intermediary requests (received via letter and email) for information and advice.</i> <p>P3-9. Monitoring of taxpayer perceptions of service:</p> <ul style="list-style-type: none"> <i>The use and frequency of methods to obtain performance feedback from taxpayers.</i> <i>The extent to which taxpayer input is taken into account in the design of taxpayer service programs and products.</i> 	JG-back	<p>Taxpayers</p> <p>Manager of the Division for education and service to taxpayer</p> <p>Director of IT</p>	Floor
Day 3 May 7 9AM-	POA 4 meeting: Filing of Tax Returns	<p>Gather information and evidence to score POA 4.</p> <p>P4-10. On-time filing rate:</p> <ul style="list-style-type: none"> <i>CIT.</i> 	All, FM – lead MR - back	<p>Director of Modernization, Planning and Analyze</p> <p>Deputy DG for operational</p>	Conference room in HQ of TAP, 1 st Floor

Date/Time	Subject	Objective/s	Team Member/s	Responsible departments	Location
12PM		<ul style="list-style-type: none"> • <i>PIT.</i> • <i>VAT.</i> • <i>PAYE.</i> 		<p>compliance – representative of Manager of Enforced Collection.</p> <p>Director of the Department for Education and Services to Taxpayers</p> <p>Manager of the Division for Planning and Analyze</p>	
Day 3 May 7 13:30 PM-4PM	POA 5 meeting: Payment of Obligations	<p>Gather information and evidence to score POA 5.</p> <p>P5-11. Timeliness of payments:</p> <ul style="list-style-type: none"> • <i>The number of VAT payments made by the statutory due date in percent of the total number of payments due.</i> • <i>The value of VAT payments made by the statutory due date in percent of the total value of VAT payments due.</i> <p>P5-12. Stock and flow of tax arrears:</p> <ul style="list-style-type: none"> • <i>The value of total core tax arrears at fiscal year-end in percent of total core tax revenue collections for the fiscal year.</i> • <i>The value of collectible core tax arrears at fiscal year-end in percent of total core tax revenue collections for the fiscal year.</i> • <i>The value of core tax arrears more than 12 months' old in percent of the value of all core tax arrears.</i> <p><i>The number of core tax arrear cases at fiscal year-end in percent of the number of core tax arrear cases at the start of the year.</i></p>	All, JG- lead FM-back	<p>Deputy DG for operational compliance - representative of Manager of Enforced</p> <p>Director of Modernization, Planning and Analyze</p> <p>Manager of the Division for Planning and Analyze</p>	Conference room in HQ of TAP, 1 st Floor

Date/Time	Subject	Objective/s	Team Member/s	Responsible departments	Location
Day 4 May 8 9AM-12PM	POA 6 meeting: Ensuring Accuracy of Reporting	<p>Gather information and evidence to score POA 6.</p> <p>P6-13. Use of tax audits and other initiatives to detect and deter inaccurate reporting.</p> <ul style="list-style-type: none"> <i>The nature and scope of the tax audit program in place to detect and deter inaccurate reporting.</i> <i>The extent of non-audit initiatives undertaken to address risks associated with inaccurate reporting.</i> <p>P6-14. Coverage of automated information cross-checking:</p> <ul style="list-style-type: none"> <i>The extent of automated cross-checking to verify information reported in returns.</i> <p>P6-15. Monitoring the extent of inaccurate reporting.</p> <ul style="list-style-type: none"> <i>The soundness of the method/s used by the tax administration to monitor the extent of inaccurate reporting.</i> 	All, MR – lead JG-back	<p>Deputy DG for operational compliance</p> <p>Manager of the Division of Tax Policies and Procedures</p>	Conference room in HQ of TAP, 1 st Floor
Day 4 May 8 1:30PM-4PM	POA 7 meeting: Tax Dispute Resolution	<p>Gather information and evidence to score POA 7.</p> <p>P7-16. Existence of an independent, workable, and graduated dispute resolution process:</p> <ul style="list-style-type: none"> <i>Whether the mechanism for reviewing objections is independent of the audit process.</i> <i>The extent to which an appropriately graduated mechanism of administrative and judicial review is available to taxpayers and is used.</i> <i>Whether information on the dispute process is published, and whether taxpayers are explicitly made</i> 	All JG-lead MR-back	<p>Director of legal and appeals department</p> <p>Manager of the Appeals Office</p>	Conference room in HQ of TAP, 1 st Floor

Date/Time	Subject	Objective/s	Team Member/s	Responsible departments	Location
		<p><i>aware of it.</i></p> <p>P7-17. Stock and flow of dispute cases:</p> <ul style="list-style-type: none"> <i>The value of tax in dispute at fiscal year-end in percent of total tax revenue collections for the fiscal year.</i> <i>The number of objections and judicial appeal cases at fiscal year-end relative to the number of cases at the start of the year.</i> <p>P7-18. Time taken to resolve disputes:</p> <ul style="list-style-type: none"> <i>The time taken to determine objections.</i> <p>P7-19. Degree to which dispute outcomes are acted upon.</p>			
Day 5 May 11	POA 8 meeting: Operational Efficiency and Effectiveness	<p>Gather information and evidence to score POA 8.</p> <p>P8-20. Achievement of tax revenue outcomes.</p> <p>P8-21. Use of efficient collection and reporting systems:</p> <ul style="list-style-type: none"> <i>The extent to which withholding and third party reporting systems are used.</i> <i>The efficiency of filing and payment design.</i> <i>The extent to which electronic filing arrangements are available and used by taxpayers and intermediaries.</i> <i>The extent to which electronic payment arrangements are available and used by taxpayers.</i> <p>P8-22. Efficiency of processing and accounting systems:</p> <ul style="list-style-type: none"> <i>The time taken to post accounting transactions to the taxpayer ledger.</i> <i>The time taken to process VAT refund claims.</i> 	All, FM-lead MR-back	<p>Deputy DG for operational compliance</p> <p>Director of Modernization, Planning and Analyze Rafah Hani, Director of TI</p> <p>Director of the Department for Education and Services to Taxpayers</p> <p>Manager of the Division of Tax Policies and Procedures</p>	Conference room in HQ of TAP, 1 st Floor

Date/Time	Subject	Objective/s	Team Member/s	Responsible departments	Location
Day 5 May11 (PM) 1:30PM-4PM	POA 9 meeting: Accountability and Transparency	<p>Gather information and evidence to score POA 9.</p> <p>P9-23. External oversight of the tax administration:</p> <ul style="list-style-type: none"> <i>The extent of independent external oversight of the tax administration's operations and financial performance.</i> <i>The investigation process for suspected wrongdoing and maladministration.</i> <p>P9-24. Level of internal controls:</p> <ul style="list-style-type: none"> <i>The adequacy of internal controls to protect the systems of administration from loss, error, and fraud.</i> <i>The level of assurance provided by internal audit.</i> <i>Staff integrity assurance mechanisms.</i> <p>P9-25. Public perception of integrity:</p> <ul style="list-style-type: none"> <i>The level of public confidence in the tax administration.</i> <p>P9-26. Publication of activities, results and plans:</p> <ul style="list-style-type: none"> <i>The extent to which the financial and operational performance of the tax administration is reported.</i> <i>The extent to which there is publication of the tax administration's future directions and plans.</i> 	All, MR-lead JG-back	<p>Deputy DG for supporting services</p> <p>Manager of the Division for professional Standards</p> <p>Director of the Internal Audit Unit</p> <p>Director of the Department for Education and Services to Taxpayers</p>	Conference room in HQ of TAP, 1 st Floor
May 13	Visit to the regional tax office	Gather additional information/evidence and confirm understanding of systems, processes, institutional arrangements etc. in order to complete final scoring and PAR preparation.	All		
May 14	Visit to the Call Centre	<ul style="list-style-type: none"> Gather additional information/evidence and confirm understanding of systems, processes, institutional arrangements etc. in order to complete final scoring 	All	Team Leader – Call Center	Call Center – Krilok

Date/Time	Subject	Objective/s	Team Member/s	Responsible departments	Location
		and PAR preparation.			
May 14	Meeting donors	<ul style="list-style-type: none"> • Donor meeting 		Ms. Anguil Veri	Donor office
May 15-17	Mission internal work—final assessment and preparation of the PAR	<ul style="list-style-type: none"> • Review evidence. • Assess each indicator and measurement dimension against the field guide scoring criteria. • Prepare the PAR using the PAR template. 			
May 18	PAR delivery	<ul style="list-style-type: none"> • Deliver the draft PAR to the authorities 	All, EA lead	DG and his executive team	Conference room in HQ of TAP, 1 st Floor
May 19	Exit meeting	<ul style="list-style-type: none"> • Present the mission's assessment and explain the reasons underlying the scores given. • Discuss the assessment. • Explain the post-mission phase and invite written comments on the draft PAR (to be provided to the mission team within 21 calendar days) 		DG and his executive team	Conference room in HQ of TAP, 1 st Floor
May 19	Meeting with Minister of Finance	<ul style="list-style-type: none"> • Presentation of mission findings 	All, EA lead		

TADAT is a collaborative effort of the following partners:

