A METAC expert visit advised the Income and Sales Tax Department on the development of risk-based tax audit processes, including application of diverse audit types with appropriate audit duration. The expert reviewed current processes of risk-based case selection and audit programs, and advised on how to improve them. In addition, the expert provided guidance on the establishment of a sectoral specialization for audits and outlined the next steps for further development of the tax audit process, including overcoming existing structural barriers for effective audit process.

Another METAC expert visit followed up on the 2018 recommendations for improving the management of tax disputes, which aim is to develop an independent and effective tax dispute resolution process. Guidance was provided to the tax department on the design and implementation of such mechanism, independently from the audit process, including identifying the changes needed to the organization and procedures. In addition, the visit identified the leading causes for the high levels of disputes, and provided guidance on how to improve effectiveness in addressing them.

METAC participated in a mission to Jordan led by the IMF Fiscal Affairs Department. The mission provided a high-level review of the structure, operations, and performance of the Income and Sales Tax Department (ISTD) and the Customs Department. It recommended steps to modernize the two administrations in the medium-term, followed up on implementation of advice on revenue-generating actions from earlier recommendations, and identified further potential short-term actions. The mission also reviewed the governance framework underpinning special economic zones and its impact on revenue administration, and recommended enhancement of coordination between ISTD and Customs for managing the compliance of businesses operating in the zones. It also reviewed the institutional arrangements and capability at ISTD and Customs to manage major reform programs.

This second activity, undertaken remotely by METAC, pursued support to ISTD in implementing binding public and private rulings system, which will provide taxpayers with greater certainty on how to manage their tax affairs. The activity provided the ISTD with further guidance on how best to refine and improve the earlier action plan. It also advised on making clear guidance around the operation of the rulings system available to taxpayers and suggested improvements to ensure consistent decision making across the institution.

**Statistics** (June 30-July 11, August 22-26; September 15-26; October 13-24, December 1-12)

As part of a series of support activities to the Department of Statistics in compiling supply, use, and input-output tables for 2016, METAC provided further assistance in the following areas: refining estimates of trade and transportation margins and net taxes on products; aiding the staff to balance products; illustrating how to document balancing adjustments and set up a template for staff to follow; and fully installing and setting up the IMF’s supply and use tables balancing tool.

METAC assisted and advised the Department of Statistics of Jordan in their plans to implement comprehensive improvements to the existing CPI methodology, with changes at both the elementary and upper level aggregations. The Department will implement a modified version of the Laspeyres price index based on short-term movements using a geometric instead of an arithmetic version. In addition, the index reference period (base year) will be updated to 2018. The
Department of Statistics also wants to build a new IT production system for index calculation and data storage which will include making use of new tablets for data collection.

METAC also supported the Department of Statistics in compiling supply-use and input-output tables for 2016, through a series of intensive activities. Significant progress has been made, and it is expected that a full set of tables will be completed by the end of 2019.

METAC continued its assistance to the Department of Statistics of Jordan in compiling supply-use and input-output tables for 2016. The mission assisted with documenting the sources and methods used to compile SUT, and conducted outreach to major users to sensitize them to the work done and explain the methodology and uses of SUT and IOT. The mission also assisted with developing the back-casting strategy for publication of the 2008-2016 GDP time series.