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Regional Workshop on Adaptable IT Solutions for Digital Tax Administration

Digitalization is a central pillar in tax administrations' reform programs to support domestic revenue mobilization and improve tax governance. The digital transformation can help in broadening the tax base and making tax collection and taxpayer services more transparent, fair, and inclusive, while enhancing compliance risk management. However, member countries—especially fragile and conflict-affected states (FCS)—face steep challenges in digitalization, including inadequate financial, human, technical, and administrative capacity, as well as limited analysis/ access to internal/ external data. This calls for robust and affordable solutions that can be implemented under the given constraints.

The IMF's Kontaktu solution is a multi-language tool for digital tax administration that includes functionality for electronic filing and payment of taxes. It has been developed by the IMF for use in Fragile and Conflict-Affected States (FCS) with paper-based systems, limited data availability and technical, administrative, and financial capacity. In operation, Kontaktu can be accessed through multiple channels (e.g., desktop computers and mobile phones) and hosted in commercial clouds or on-site using government servers. The platform is delivered free of cost and includes source code and manuals, providing FCS countries with a flexible option to support the digitalization of core tax administration functions.

To assist three member countries—Iraq, Libya, and Yemen—in their efforts to digitalize tax administration, METAC and the IMF's Fiscal Affairs Department (FAD) will deliver a regional workshop that will explore the potential for implementation of the Kontaktu platform for digital tax administration. The event will take place in Amman, Jordan, August 17-21, 2024.

The workshop follows a joint FAD-METAC webinar held with Iraq, Libya, and Yemen in April 2024, titled '*Digitalization as an Imperative: Regional Challenges, Good Practices, and Innovative Developments.*' The three countries' tax administrations expressed strong interest in the 'Kontaktu' solution presented during the webinar.

The workshop will allow participants to assess Kontaktu's viability for use in their own countries. Since the adoption of an IT solution for core digital functions has long-term strategic implications, a wide range of subjects must be addressed, both technical and non-technical: institutional arrangements, legislation, reform plans, human resources, and technological aspects. The workshop will serve as a forum to examine these issues and provide an illustrative roadmap for Kontaktu deployment.