

Jordan

Technical Assistance in Fiscal Year 2019

Banking Supervision (September 16-20, 2018):

METAC continued its CD to the Central Bank of Jordan on stress test techniques, to allow the supervisors to better identify situations where a bank may face risks that might jeopardize its solvency and liquidity. The training also covered micro stress-testing and solutions to issues the Central Bank of Jordan staff are facing with respect to their use of the Next Generation solvency and liquidity models, as well as the correlations between risks and their impacts on stress-test outcomes.

Public Financial Management (May 1–8, 2018):

The 2017 Public Investment Management Assessment (PIMA) highlighted the need to strengthen the capacity to identify and manage fiscal risks arising from PPP contracts. A METAC expert joined a FAD mission to assess the exposure to PPP contracts and propose measures to improve the capacity to manage related fiscal risks. The expert identified the PPP contracts that might pose a fiscal risk and proposed a full stock-take to identify and quantify specific risks within each contract. In addition, he suggested a framework to strengthen the oversight of proposed PPP projects at the ex-ante stage together with institutional responsibilities. Finally, he advised on several ongoing monitoring and reporting measures, the implementation of which would significantly improve the sustainability and management of fiscal risks from Jordan's PPPs.

Revenue Administration (July 15-26, 2018, November 25-December 6, 2018, January 6-17, 2019, April 23-26, 2019):

METAC helped the Jordanian Income and Sales Tax Department (ISTD) develop a tax dispute framework where disputes are recorded and monitored, outcomes are evaluated, and actions are taken, resulting in the avoidance or reduction of future disputes. A time-limited action plan for implementation of the framework was proposed. METAC also advised the authorities on other actions, which would help reduce the number of tax appeals, including external consultation, independent internal review, improved advice and increased certainty for taxpayers.

METAC assisted the ISTD of Jordan in developing a formal binding ruling mechanism. This is part of an ongoing project in tax administration reform supported by METAC, which aims to establish a system for issuing formal binding public and private rulings that provide taxpayers with certainty on how the tax administration will apply the tax law. A mission provided ISTD with (i) updated timeline for the implementation of a binding rulings system, including a legal framework, and (ii) roles and functions of the newly established Rulings Steering Committee to oversee implementation.

METAC assisted the ISTD in developing a CIP. This activity is part of an ongoing project in revenue administration supported by METAC to establish an effective risk management function, where identified tax compliance risks are addressed through appropriate mitigation strategies. Specifically, METAC advised the ISTD on: (i) adopting improved governance arrangements where progress in compliance strategies is reported, and (ii) operational improvements, including training, and assessing and communicating priorities within the ISTD. A detailed plan to

continuously improve development and refinement of compliance was provided. During the visit the METAC expert held a workshop on the key elements and approaches to measuring compliance, which was attended by twenty-nine ISTD staff.

METAC revenue advisor participated in a FAD lead diagnostic mission to Jordan. The mission undertook a high-level review of the tax administration, which included: (i) organizational structure, headquarters roles and responsibilities, and the field network, (ii) operation of the service and enforcement functions undertaken, the level of information technology support available and the progress on obtaining and using access to third-party information, and (iii) compliance strategies adopted across taxpayer segments. The mission held high-level discussions with senior officials on the authorities' reform objectives and the expected timetable. The mission provided the authorities with recommendations on actions that would generate additional revenue in the short and medium term, and advised on priority areas for further tax administration reforms.

Statistics (July 8-12, 2018, February 24-28, 2019, April 14-25, 2019):

METAC assisted the Department of Statistics in finalizing the 2013 SUTs and integrating them in the national accounts system, thus improving the quality of GDP and related national accounts aggregates. A mission reviewed and assessed the ongoing compilation process and helped the staff to balance the differences between resources and uses by product, and input and output by activity. The mission also provided training on the use of automatic procedures to remove small unbalances. The approaches to integrate the 2013 SUT results with the existing annual account series were discussed, and recommendations provided.

METAC evaluated current practices in the compilation of national accounts and proposed improvements to concepts definitions and methodologies. It also developed the knowledge capacity of staff to improve current practices.

METAC assisted Jordan in developing SUTs for 2016. These tables will be used to provide a benchmark GDP estimate and to produce input-output tables for economic modelling purposes. This is a key milestone in Jordan's progress in modernizing the compilation of its national accounts to produce more accurate GDP figures.