



INTERNATIONAL MONETARY FUND

Middle East Regional Technical Assistance Center



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The IMF’s Middle East Regional Technical Assistance Center concluded a Workshop on “Tax Expenditures in the Middle East and North Africa: Current Practice and Way Forward”

The workshop, held jointly with the IMF’s Fiscal Affairs Department in Rabat during December 3-4 and attended by 23 participants from 9 METAC member countries, evaluated the current practices of reporting on tax expenditures in the MENA region, and discussed recent international trends. Only one country publishes an analytical report on tax expenditures, which broadly follows international practice; another includes a summary table of tax expenditure estimates in its annual budget. Nearly all countries reported that they face significant tax compliance risks associated with the provision of tax incentives. Participants agreed that the practice of publishing an analytical report on tax expenditures will significantly improve fiscal transparency and the policy debates on domestic revenue mobilization and the cost-effectiveness of tax incentives. METAC stands ready to assist its members in making the publication of tax expenditures part of their fiscal transparency framework, and in adapting their compliance strategies to incorporate the risks associated with tax expenditures.