

Revenue Administration

Technical Assistance in Fiscal Year 2016

In revenue administration, METAC has focused on broadening and deepening the scope of TA provided to member countries. In Tax Administration the principal focus has been on introducing the newly launched Tax Administration Diagnostic Assessment Tool (TADAT), and in this regard METAC has: (i) participated in a HQ-led TADAT assessment of the Egyptian Tax Authority; (ii) in cooperation with USAID, conducted a TADAT assessment of the Income and Sales Tax Department in Jordan; and (iii) held a regional workshop and two national workshops (in Jordan and Lebanon) to provide TADAT training to tax administration and ministry of finance officials.

FY16 has also seen the expansion of TA provided in the area of Customs Administration. METAC's involvement with Customs administrations has increased significantly in recent years. The first engagement with Jordan Customs took place in FY15, and in Sudan in FY16. Engagement with West Bank Customs has been initiated in FY16 and will commence in FY17. It is expected that in all cases (including Egypt) this will continue in future years, and that coverage across the METAC region will be expanded, particularly in the area of supporting more effective Risk Management, both for revenue protection and for national/regional security purposes.

Afghanistan:

The METAC Resident Advisor joined the IMF Afghanistan Country Team to evaluate whether the Structural Benchmark in tax administration had been met.

Egypt:

METAC resident advisor joined a HQ-led TADAT assessment of the Egyptian Tax Authority, and a subsequent HQ mission to define a framework for future TA support. The TADAT assessment has been used to develop a coordinated TA program for IMF HQ, METAC and other development partners.

It has recently been announced that the introduction of value-added tax (VAT) will take place imminently, and a METAC mission was undertaken to review implementation plans and identify priority areas for pre- and post-implementation support.

The Resident Advisor led a diagnostic review of the Egyptian customs authority (ECA) to assess the status of customs administration and provide advice on the customs reform strategy and modernization program. The mission also assessed future TA needs and priorities.

Following the diagnostic review of the ECA organization review, METAC undertook a mission to support the development of a new ECA organizational structure that aligns with the new Egyptian Customs law and reflects international good practice in customs administration.

Jordan:

In preparation for a TADAT assessment of the Income and Sales Tax Department (ISTD) METAC, in conjunction with the TADAT Secretariat and United States Agency for International Development (USAID), METAC delivered a national TADAT workshop in Amman. This was attended by 24 senior staff from the ISTD. A full TADAT assessment was then conducted by a joint METAC-USAID team, in which the workshop participants were actively involved as counterparts.

A METAC mission was undertaken to evaluate current impediments to maintaining an accurate and up-to-date taxpayer register, and make recommendations to address the impediments identified based on international good practice.

For Jordan Customs, a METAC mission provided assistance in defining a 'target' intelligence function based on international good practice, as a basis for enhanced risk management and operational effectiveness.

Lebanon:

A METAC expert reviewed the current level of information available regarding the reasons for non-compliant taxpayer behavior, and made recommendations on how to improve the gathering and use of such information as a basis for setting compliance strategy.

METAC also provided an expert to review current practices for raising assessments and making adjustments to taxpayers' returns in cases where fraudulent behavior is suspected, or supporting documents and records are inadequate.

Sudan:

METAC undertook its first engagement with the Sudan Customs Authority to assess the key challenges faced in implementing the World Trade Organization (WTO) valuation standards, and assess the current situation and priorities for future TA.

One of the key recommendations of this initial engagement was the introduction of risk management on a more formalized basis, which was acted upon immediately. A subsequent METAC mission undertook an assessment of the pilot implementation of the enhanced risk management arrangements at Khartoum International Airport.

West Bank and Gaza:

A METAC expert visited the West Bank tax authorities to support the development of a detailed specification of the reporting requirements for the revenue management system that maximizes the benefits to be derived for the purposes of revenue management and macro-fiscal analysis.

A METAC mission reviewed the current file preparation practices in use in the tax directorates, and assessed the extent to which they meet the forensic requirements for successful prosecution of tax litigation cases. The purpose was to support the effective and efficient recovery of outstanding tax liabilities through better application of the legal process.