

F I S C A L A F F A I R S D E P A R T M E N T

Jamaica

TADAT Performance Assessment Report

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Munawer Khwaja

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Fiscal Affairs Department

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TADAT is a collaborative undertaking of the following partners:



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ABBREVIATIONS AND ACRONYMS

AEOI	Automatic Exchange of Information
AGD	Auditor General Department
BCP	Business Continuity Plan
BIA	Business Impact Analysis
CARTAC	Caribbean Regional Technical Assistance Center
CG	Commissioner General
CIT	Corporate Income Tax
COJ	Companies of Jamaica
COVID-19	Corona Virus Disease
CSFL	Compliance Stop Filer Leads
CTMS	Central Treasury Management System
DCG	Deputy Commissioner General
DTA	Double Taxation Agreements
EOIR	Exchange of Information Upon Request
ERU	Employee Relations Unit
FAD	Fiscal Affairs Department
FATCA	Foreign Account Tax Compliance Act
FDMU	Forensic Data Mining Unit
GCT	General Consumption Tax
GDP	Gross Domestic Product
GOJ	Government of Jamaica
HCR	Human Capital Risks
HR	Human Resources
HRM&D	Human Resources Management & Development
IAD	Internal Audit Directorate
IAU	Internal Audit Unit
ICAJ	Institute of Chartered Accountants Jamaica
IDB	Inter-American Development Bank
IIT	Individual Income Tax
IMF	International Monetary Fund
JMD	Jamaican Dollar
MCAA	Multilateral Competent Authority Agreement
MOCA	Major Organized Crime and Anti-Corruption
MOFPS	Ministry of Finance and Public Service
MOU	Memorandum of Understanding
NIDS	National Identification System
OECD	Organization for Economic Cooperation and Development
OPD	Office of Public Defender
PAYE	Pay As You Earn
PEFA	Public Expenditure and Financial Accountability
PESTEL	Political, Economic, Sociological, Technological, Legal and Environmental Analysis

PIT	Personal Income Tax
POA	Performance Outcome Area
RAiS	Revenue Administration Information System
RFI	Rapid Financing Instrument
RMM	Revenue Management Module
RPD	Revenue Protection Department
RPO	Response Point Objective
RTO	Recovery Time Objective
SCT	Special Consumption Taxes
SCT	Special Consumption Taxes
SOP	Standard Operating Procedures
SSD	Strategic Services Division
TA	Technical Assistance
TADAT	Tax Administration Diagnostic Assessment Tool
TAJ	Tax Administration of Jamaica
TIEA	Tax Information Exchange Agreements
TRN	Taxpayer Registration Number
USD	United States Dollar
VAT	Value Added Tax
WB	World Bank
WEO	World Economic Outlook

PREFACE

An assessment of the system of the Tax Administration of Jamaica (TAJ) was undertaken during the period September 13 to 28, 2021, using the Tax Administration Diagnostic Assessment Tool (TADAT). TADAT provides an assessment baseline of tax administration performance that can be used to determine reform priorities, and, with subsequent repeat assessments, highlight reform achievements.

The assessment team was led by Mr. Paulo Paz (International Monetary Fund (IMF) – Fiscal Affairs Department (FAD)) and included Mr. Frode Lindseth (Tax Advisor, Caribbean Technical Assistance Center (CARTAC) IMF), Mr. Gerardo Reyes-Tagle (Inter-American Development Bank (IDB)), Messrs. Gord Hawkes and Munawer Khwaja (IMF-FAD experts). Because of travel restrictions due to COVID-19, this assessment was conducted virtually. Ms. Jodi Ho Lung, from the IDB’s Kingston Office, provided valuable on-the-ground support. Mr. David Rosenblatt, IDB Headquarters, provided input to the Economic Situation section in the Introduction section of the report.

The assessment team met with TAJ management and staff, including: Mr. Ainsley Powell, Commissioner General; TAJ senior and middle management; and a cross-section of operational staff. A virtual field visit was made to the St. Andrew Revenue Service Centre office conducted by Ms. Ho Lung through a video conferencing. The team also held discussions with Mr. Cranston Morgan, from the Revenue Protection Department of the Ministry of Finance and Public Service (MOFPS); Mr. Herbert Mackenzie, Deputy Public Defender of the Office of Public Defender; and statutory directors from the Parliamentary Integrity Commission.

The assessment team expresses its appreciation to the TAJ’s senior management team and staff for their active engagement and participation during the TADAT assessment. The assessment team would like to convey their sincere gratitude to Mr. Hank Williams, Deputy Commissioner General (Strategic Services Division) for gathering all the documentary evidence and data tables, and coordinating the numerous virtual meetings with TAJ officials.

A draft performance assessment report of the in-country assessment was presented to TAJ management at a virtual exit meeting on September 28, 2021. The authorities agreed with the draft report without additional comments. The PAR has been reviewed and cleared by the TADAT Secretariat.

EXECUTIVE SUMMARY

In 2015 the Jamaican tax administration volunteered to serve as a pilot for the TADAT framework. The TAJ has since witnessed and made significant changes to its operations, which are positively reflected in the scoring of this assessment. During the initial assessment, the TAJ was transitioning from a legacy system (Integrated Computerized Tax Administration System - ICTAS) to a more robust Revenue Administration Information System (RAiS). The RAiS has provided the TAJ with greatly improved compliance capabilities for taxpayer registration and better data cross-matching, interfacing with other systems, report generation, risk scoring, and compliance identification and tracking. There is still untapped utilization of the RAiS, which could assist in automating some of the TAJ's verification and compliance activities, for example, in its GCT refund verification program.

Considerable positive shifts have been made in managing and reporting on the compliance and operational risks position the TAJ needs to understand better, mitigate and address both the anticipated and unanticipated revenue risks. The efforts employed by the TAJ to address taxpayer needs and to ensure business continuity during the pandemic are real examples of its ability to pivot, and a testament to its risk management capabilities. Embracing technology and the various media platforms has strengthened the management of voluntary compliance, which is reflected in the improvements in POA 3 and other outcome areas.

The TADAT assessment results also serve to uncover broader systemic issues within a tax administration. In the case of the TAJ, the TADAT results show lower scores associated with on-time filing rates, accurate reporting, the size and age of debt and the disputes cases inventory. Poor results in these areas typically point to issues elsewhere in the organization. TADAT assessment results must be considered holistically, ensuring that improvements enhance accountability, transparency and integration with other government institutions and the broader system of taxation.

Overall, the TAJ has shown remarkable improvement over six years since the 2015 assessment. Across 25 similar indicators, TAJ improved in 14, had the same score for 5, and experienced reduced scores in 6. Seven new indicators in the 2019 version of the TADAT framework were not assessed in 2015, and it is impressive to witness such progress over a short period of time. Notwithstanding, there are still opportunities for improvement but, armed with these results, the TAJ is well situated to continue even more strongly with its ongoing reforms.

The results of the TADAT assessment of the TAJ follow, including the identification of the main strengths and weaknesses.

Strengths

- Risk management is embraced strongly as necessary to a healthy tax administration culture.
- RAiS is a robust integrated tax administration management system and serves as the backbone to the current compliance management strength of the TAJ
- Support for voluntary compliance is comprehensive, including considerable and easily accessible e-services
- Engagement and education of the taxpayer community is extensive and multi-faceted
- Cross-matching of considerable amounts of third-party data help to inform compliance strategies
- Taxpayers are provided with an accessible, independent, and objective disputes framework
- Strong audit quality assurance mechanisms are in place
- Internal and external audit programs provide broad oversight of the TAJ
- The revenue management system and tax revenue forecasting are robust

Weaknesses

- Filing compliance efforts lack impact on compliance levels
- Growth of disputes inventory impedes timely resolution of cases
- Size, growth and age of tax debt is significant
- Management of operational risks is in its early stages
- The GCT refund program lacks automated risk assessment and preferential treatment to low-risk taxpayers mechanisms
- No tax gap analysis has been conducted in more than five years
- Mechanisms for assurance of staff integrity, maladministration and suspected wrongdoing are weak both within the TAJ and by way of external monitoring
- Annual reports are not published. Although annual compliance management plans are prepared, multi-year strategic plans do not exist
- TAJ's accounting system (RAiS) does not interface with the MOFPS accounting system

Table 1 provides a summary of performance scores, and Figure 1 is a graphical snapshot of the distribution of scores. The scoring is structured around the TADAT framework's nine performance outcome areas (POAs) and 32 high-level indicators critical to tax administration performance. An 'ABCD' scale is used to score each indicator, with 'A' representing the highest level of performance and 'D' the lowest.

Table 1. Jamaica: Summary of TADAT Performance Assessment

Indicator	Score 2015	Scores 2021	Summary Explanation of Assessment
POA 1: Integrity of the Registered Taxpayer Base			
P1-1. Accurate and reliable taxpayer information.	C	B	<p>The information held in a centralized taxpayer database meets standards of good international practice.</p> <p>Documented procedures are applied routinely to ensure the accuracy of the database, but the crosschecking of information against third-party data is not undertaken on a large-scale basis.</p>
P1-2. Knowledge of the potential taxpayer base.	C	B	<p>Actions are routinely undertaken to identify unregistered businesses and individuals using third-party data, but there has been no inspection program of business premises in recent years.</p>
POA 2: Effective Risk Management			
P2-3. Identification, assessment, ranking, and quantification of compliance risks.	C	A	<p>Intelligence gathering and research on compliance risks are comprehensive.</p> <p>The process adopted to assess, rank, and quantify compliance risk is sound.</p>
P2-4. Mitigation of risks through a compliance improvement plan.	B	A	<p>A comprehensive compliance improvement plan to mitigate identified risks to the tax system exists.</p>
P2-5. Monitoring and evaluation of compliance risk mitigation activities.	D	A	<p>Compliance risk mitigation strategies are monitored and evaluated.</p>
P2-6. Management of operational risks.	C	C	<p>The TAJ has a structured process to identify, assess and mitigate operational risks. However, the Business Impact Analysis focuses on the ICT system only, and staff is not regularly trained in operational risk management roles/responsibilities.</p> <p>The external review and testing of the BCP are conducted on an ad hoc basis.</p>
P2-7. Management of human capital risks.	NA	D	<p>The TAJ has a formal process for addressing human capital risks; however, no substantive periodic review is conducted.</p> <p>The status of human capital risks and related mitigation actions are evaluated.</p>
POA 3: Supporting Voluntary Compliance			

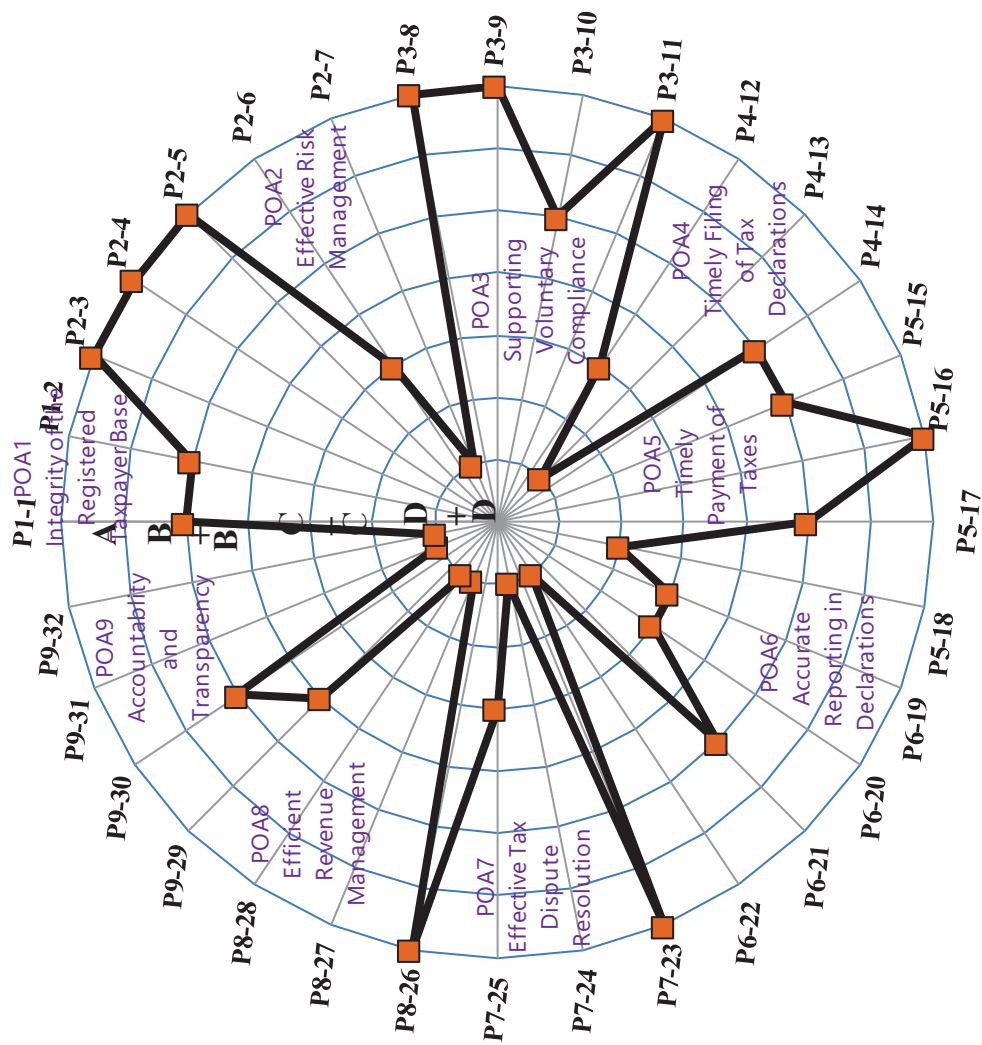
Indicator	Score 2015	Scores 2021	Summary Explanation of Assessment
P3-8. Scope, currency, and accessibility of information.	B	A	TAJ provides wide-ranging information, using various media to explain obligations and entitlements across all core taxes. Information is current and easily and freely accessed from a wide variety of information sources (mainly using electronic media). Pro-active taxpayer education programs are used for students and people starting businesses.
P3-9. Time taken to respond to information requests.	B+	A	The standard adopted by the TAJ for response to telephone inquiries is well within the 6-minute standard of the TADAT framework.
P3-10. Scope of initiatives to reduce taxpayer compliance costs.	NA	B	Simplified procedures and reporting exist for small taxpayers and individuals, including forms and publication reviews to ensure accuracy, and an online taxpayer portal operates that operates 24x7. TAJ does not have pre-filled tax declarations.
P3-11. Obtaining taxpayer feedback on products and services.	B	A	Performance feedback on taxpayer services and service channels is obtained regularly through multiple means. Taxpayer perceptions include an external contracted bi-annual survey.
POA 4: Timely Filing of Tax Declarations			
P4-12. On-time filing rate.	D	C	On-time filing rates are very low for CIT and PAYE, and a little better for IIT, GCT and SCT taxes.
P4-13. Management of non-filers.	NA	D	The IT system automatically identifies stop-filers and generates notifications to taxpayers. Procedures to enforce filing have not been formalized to-date.
P4-14. Use of electronic filing facilities.	NA	B	Taxpayers extensively use electronic filing, which is mandatory and available for all core taxes. 80 percent of SCT tax returns, and more the 87 percent of other taxes, are electronic.
POA 5: Timely Payment of Taxes			
P5-15. Use of electronic payment methods.	NA	B	Electronic payment of taxes is available and used for all core taxes, but the rate for PAYE and large taxpayers is below good international standards.
P5-16. Use of efficient collection systems.	NA	A	TAJ makes full use of withholding and advance payments to support the collection of taxes.
P5-17. Timeliness of payments.	D	B	On-time payment rates for GCT are high for the value of GCT payments due and low for the number of payments made.

Indicator	Score 2015	Scores 2021	Summary Explanation of Assessment
P5-18. Stock and flow of tax arrears.	D+	D+	There is a lack of historical data on tax arrears stock, and the existing stock of tax arrears for the most current fiscal year is comprised mostly of old debt.
POA 6: Accurate Reporting in Declarations			
P6-19. Scope of verification actions taken to detect and deter inaccurate reporting.	D+	C	TAJ applies a comprehensive audit plan but does not consider high areas of risk. Audit selection is not fully centralized. Auditors use the audit manual for general audits, but there are none for specific economic sectors. The quality of audits is monitored and presented in senior management meetings. The reports used to monitor the audit function do not meet TADAT norms. TAJ does not survey the impact of audits on compliance, professionalism or competence.
P6-20. Use of large-scale data-matching systems to detect inaccurate reporting.	D	C	TAJ gathers third-party information for large-scale automated cross-checking. These third-party sources do not include banks, and other required groups, such as other jurisdictions.
P6-21. Initiatives undertaken to encourage accurate reporting.	NA	B	The tax system in Jamaica offers both public and private binding rulings for all core taxes; however, the tax law does not provide for cooperative compliance agreements.
P6-22. Monitoring the tax gap to assess inaccuracy of reporting levels.	B	D	TAJ has not used any analytical models or methodologies to estimate the size and composition of the tax gap in more than five years.
POA 7: Effective Tax Dispute Resolution			
P7-23. Existence of an independent, workable, and graduated dispute resolution process.	B	A	There is a graduated mechanism of administrative and judicial review. The TAJ dispute mechanism is independent - the objections unit is a separate function from that of audit. Taxpayers are aware of their right to dispute notices of assessment.
P7-24. Time taken to resolve disputes.	D	D	Time taken to complete administrative reviews fails to meet the minimum requirements of good international practice.
P7-25. Degree to which dispute outcomes are acted upon.	C	C	Dispute outcomes are monitored on an ad hoc basis.

Indicator	Score 2015	Scores 2021	Summary Explanation of Assessment
POA 8: Efficient Revenue Management			
P8-26. Contribution to government tax revenue forecasting process.	D	A	Tax revenue collections are fully accounted for, monitored against expectations, and analyzed to inform government revenue forecasting. TAJ forecasts GCT refund levels, monitors the stock of tax losses carried forward and tax expenditures.
P8-27. Adequacy of the tax revenue accounting system.	D+	D	The TAJ automated accounting system meets the Government standards but does not interface with the MOFPS revenue accounting system. There are no regular audits on the accounting system to ensure it is aligned with tax laws.
P8-28. Adequacy of tax refund processing.	D+	D	TAJ does not apply a risk-based verification system to refund GCT input tax credits nor does it use fast-track treatment approaches for low-risk taxpayers. The time taken to pay or offset GCT refunds fails to meet good international practice. Interest is paid on approved refunds that are unpaid for over 90 days.
POA 9: Accountability and Transparency			
P9-29. Internal assurance mechanisms.	A	C+	The TAJ has an independent internal audit unit that meets international standards. The Code of Conduct is disseminated. However, the internal staff integrity mechanism within TAJ is not mature. There is no unit solely devoted to internal affairs or reporting directly to the CG or DCG.
P9-30. External oversight of the tax administration.	B+	B	The Auditor General of Jamaica provides oversight of TAJ's operational and financial performance. The Public Defender exists but receives a trivial number of complaints on TAJ. Three external institutions provide anti-corruption monitoring (Revenue Protection Department of MOFPS, Integrity Commission, and Major Organized Crime Anti-corruption Agency). The latter two have not investigated cases involving TAJ staff. There is no evidence of regular monthly monitoring and reporting to the TAJ senior management.
P9-31. Public perception of integrity.	D	D	TAJ does not survey public confidence in the tax administration, and only surveys concerning customer satisfaction about e-services are conducted—these are not made public.

Indicator	Score 2015	Scores 2021	Summary Explanation of Assessment
P9-32. Publication of activities, results and plans.	C+	D	<p>TAJ's annual performance reports are not made public and disseminated only on the intranet.</p> <p>TAJ does not prepare a multi-year strategic plan but publishes its annual National Compliance Plans on its website.</p>

Figure 1. Jamaica: Distribution of Performance Scores



INTRODUCTION

This report documents the results of the TADAT assessment of the Tax Administration of Jamaica (TAJ) conducted virtually during the period September 13 to 28, 2021, and subsequently reviewed by the TADAT Secretariat. The report is structured around the TADAT framework of nine POAs and 32 high-level indicators critical to tax administration performance that is linked to the POAs. Fifty-five measurement dimensions are taken into account in arriving at each indicator score. A four-point 'ABCD' scale is used to score each dimension and indicator:

- 'A' denotes performance that meets or exceeds international good practice. In this regard, for TADAT purposes, a good practice is taken to be a tested and proven approach applied by a majority of leading tax administrations. It should be noted, however, that for a process to be considered 'good practice', it does not need to be at the forefront or vanguard of technological and other developments. Given the dynamic nature of tax administration, the good practices described throughout the field guide can be expected to evolve over time as technology advances and innovative approaches are tested and gain wide acceptance.
- 'B' represents sound performance (i. e. , a healthy level of performance but a rung below international good practice).
- 'C' means weak performance relative to international good practice.
- 'D' denotes inadequate performance and is applied when the requirements for a 'C' rating or higher are not met. Furthermore, a 'D' score is given in certain situations where there is insufficient information available to assessors to determine and score the level of performance. For example, where a tax administration is unable to produce basic numerical data for purposes of assessing operational performance (for example, in areas of filing, payment, and refund processing) a 'D' score is given. The underlying rationale is that the inability of the tax administration to provide the required data is indicative of deficiencies in its management information systems and performance monitoring practices.

For further details on the TADAT framework, see Attachment I.

1. Some points to note about the TADAT diagnostic approach are:

- TADAT assesses the performance outcomes achieved in the administration of the major direct and indirect taxes critical to central government revenues, specifically corporate income tax (CIT), personal income tax (PIT), value added tax (VAT) , domestic excise tax (with a focus is on those registered domestic excise taxpayers who trade in the category of goods/services that contribute 70 percent of the total domestic excise revenue by value), and Pay As You Earn (PAYE) amounts withheld by employers (which, strictly speaking, are remittances of PIT). By

assessing outcomes in relation to administration of these core taxes, a picture can be developed of the relative strengths and weaknesses of a country's tax administration.

- TADAT assessments are evidence based (see Attachment V for the sources of evidence applicable to the assessment of TAJ).
- TADAT is not designed to assess special tax regimes, such as those applying in the natural resource sector. Nor does it assess customs administration.
- TADAT provides an assessment within the existing revenue policy framework in a country, with assessments highlighting performance issues that may be best dealt with by a mix of administrative and policy responses.

2. The aim of TADAT is to provide an objective assessment of the health of key components of the system of tax administration, the extent of reform required, and the relative priorities for attention. TADAT assessments are particularly helpful in:

- Identifying the relative strengths and weaknesses in tax administration.
- Facilitating a shared view among all stakeholders (country authorities, international organizations, donor countries, and technical assistance providers).
- Setting the reform agenda (objectives, priorities, reform initiatives, and implementation sequencing).
- Facilitating management and coordination of external support for reforms and achieving faster and more efficient implementation.
- Monitoring and evaluating reform progress by way of subsequent repeat assessments.

I. COUNTRY BACKGROUND INFORMATION

A. Country Profile

General background information on Jamaica and the environment in which its tax system operates are provided in the country snapshot in Attachment II.

B. Data Tables

Numerical data gathered from the authorities and used in this TADAT performance assessment is contained in the tables comprising Attachment III.

C. Economic Situation

Jamaica is a lower-middle-income country, where real GDP increased by an average of 1 percent annually since the 1980s, prior to the Corona Virus Disease (COVID-19) pandemic. Jamaica's per capita GDP reached 5,370 US dollars (USD) in 2019,¹ after falling from 2012 through 2018. The country's economic performance has been driven by several endemic and one-off factors, including a history of economic policies that led to inflation and output volatility, government over-borrowing, debt and financial crises, as well as factors beyond the country's control. The latter were driven by adverse weather conditions (including droughts), volatile external demand, and natural disasters. The country has also experienced political and social unrest, high crime rates, and economic informality. Productivity growth has been stagnant over the past several decades, further limiting increases in potential output. By the beginning of the 2010s, the country was experiencing one of the world's highest debt burdens (peaking at over 146 percent of Gross Domestic Product (GDP) in 2013) and had few alternatives to deep and meaningful reform of economic policies, institutions, and markets.

Against this backdrop, the country has made tremendous progress in macroeconomic stabilization, institutional reform, and policy prudence since 2013. Since entering into an IMF-supported program under the Extended Fund Facility in 2013, and, subsequently, a 36-month Stand-By Arrangement that concluded successfully in late 2019, Jamaica's economic policies, institutional capacity, and related outcomes have improved markedly. Guided by the quantitative and structural objectives of these IMF-supported programs and both financial and technical support from the IDB and other partners, notable achievements since 2013 include: (i) a sustained improvement in fiscal balances; (ii) a reduction of the public debt-to-GDP ratio from 146 percent

¹ World Development Indicators database, available at <https://datatopics.worldbank.org/world-development-indicators/>.

to 94 percent (at end-March 2020);² (iii) a shift from a managed to floating exchange rate regime; (iv) implementation of a functioning inflation targeting framework in 2017; and (v) strong improvement in fiscal and external buffers.

Jamaica is a tourism-dependent economy that has been severely affected by the COVID-19 pandemic. The impact has been substantial, particularly given that nearly a third of total output and employment are linked to the tourism sector. In this context, after successfully graduating from long-term IMF support in November 2019, the Government of Jamaica (GOJ) requested emergency assistance from the IMF under the Rapid Financing Instrument (RFI) in March of 2020. The RFI—equal to about US\$520 million—is being used to reinforce reserves of the central bank.

Jamaica's economic output is heavily weighted towards the services sector, which accounts for about 60 percent of GDP in 2020, with industry and agriculture accounting for the remaining 40 percent.³ The services sector includes activities such as financial and insurance services, telecommunications, the business process outsourcing sector, and tourism. Of these, the tourism sector is most significant, accounting for an average of about 60 percent of total exports (from 2015 to 2019) as well as an average of about 33 percent of GDP⁴ and 30 percent of total employment over the same period⁵.

The population living below the poverty line was 12.6 percent in 2018⁶ (latest available data)—a marked improvement over the recent past. Poverty rates fell by 40 percent between 2015 and 2018,⁷ mainly owing to successful economic stabilization and lower unemployment. Urban areas recorded lower poverty rates than rural regions, with the Greater Kingston Metropolitan Area registering a poverty rate of about 9 percent versus about 15 percent for rural areas.

Recent growth data and estimates (IMF, World Economic Outlook [WEO], April 2021) confirm a real GDP deceleration of -10.2 percent for 2020, followed by a projected rebound over the medium term. Assumptions underpinning the latest IMF projections are for a

² It is worth noting, however, that the severe shock to output in FY2020/21—estimated at 12 percent of GDP—has driven an increase in the public debt to GDP ratio for the first time since 2013. Final estimates for this increase were not available at the time of this writing.

³ World Bank Development Indicators database, available at <https://datatopics.worldbank.org/world-development-indicators/>.

⁴ Reflecting both tourism's direct and indirect contributions to output, based on data from the World Travel and Tourism Council.

⁵ Mission team calculations, based on World Trade and Tourism Council data, available from World Bank Development Indicators database.

⁶ 2018 Jamaica Survey of Living Conditions, available at <https://www.pioj.gov.jm/product/jamaica-survey-of-living-conditions-jslc-2018/>.

⁷ Jamaica Survey of Living Conditions.

recovery of tourism activity over the next two years. Against this backdrop, projections envision a return to pre-crisis levels of nominal economic output by the end of FY2023.

Tax revenues reached 27.3 percent of GDP in FY19/20, prior to the pandemic. This figure represents a 1.6 percent of GDP increase since FY2016/17.⁸ As part of the social support measures enacted during the COVID crisis, the government lowered the General Consumption Tax (GCT) rate from 16.5 percent to 15 percent. There was also a decline in the asset tax rate. The recession and tax measures contributed to a nearly 12 percent decline in tax revenues in FY2020/21 third supplementary budget estimates compared to FY2019/20. Revenues are projected to return to FY2019/20 nominal levels in FY2021/22.

D. Main Taxes

The core taxes collected by the TAJ are the Corporate Income Tax (CIT), Individual Income Tax (IIT),⁹ General Consumption Tax (GCT),¹⁰ and the Special Consumption Tax (SCT).¹¹ Withholding provisions are in place for Pay as You Earn (PAYE). CIT and IIT are governed by the Income Tax Act, 1955, while the GCT, which is, in effect, a Value Added Tax (VAT), is governed by the General Consumption Tax Act, 1991. The GCT Act, 1991, also regulates excise duties in Jamaica, while the Excise Duty Act, 1942 was repealed. Total tax revenue contribution is 17.1 percent of GDP. As of FY2020/21, GCT is the largest contributor to tax revenues at 50.3 percent of total tax revenues, including net GCT on domestic supplies at 27.4 percent and GCT on imports at 22.9 percent of total tax revenues, respectively. CIT contributes 19.8 percent of total tax revenues, while IIT (excluding PAYE) contributes 1.5 percent. PAYE accounts for 20.4 percent of total tax revenues, while domestic excise accounts for 8.0 percent. The Ministry of Labour and Social Security has responsibility for collecting contributions and the administration of benefits under the National Insurance Scheme Act, 1966.

Further details on tax revenue collections are provided in Table 1 of Attachment III.

E. Institutional Framework

The TAJ is responsible for administering all domestic taxes, rates and fees in Jamaica under the supervision of the MOFPS. It was established under the Tax Administration of Jamaica Act, 2013 as the primary government collection agency and carries out all the functions that are necessary to: (i) improve voluntary compliance, through service, education, and enforcement; and (ii) modernize TAJ, in terms of people, processes, technology and physical structure. The operating budget of the TAJ for FY2020/21 is 12.45 billion Jamaican dollars (JMD). TAJ has dual reporting;

⁸ IMF staff report for the Rapid Financing Instrument.

⁹ IIT corresponds to the Personal Income Tax (PIT).

¹⁰ GCT is a Value Added Tax (VAT). Both GCT and VAT expression have been used interchangeably in this report.

¹¹ SCT is an Excise on domestic transactions and duties, governed by the GCT Act.

as a semi-autonomous revenue authority, it functionally reports to the MOFPS (which also approves salaries, investments, and sale of investments), while a Board of Directors oversees its general administration.

The Commissioner General (CG) is the chief executive officer of TAJ and is responsible for its day-to-day administration and management. The Governor-General appoints the CG on the recommendation of the Minister of Finance. The CG is assisted by four Deputy Commissioners General (DCGs) in charge of the following departments: (i) Legal Support; (ii) Operations; (iii) Management Services; and (iv) Strategic Services. In addition, the following officers directly report to the CG: Chief Internal Auditor, Chief Communications Officer, Chief Executive Coordinator, and Chief Technical Adviser. The staff complement of the TAJ for the year ended 2020/21 was 2,226. The TAJ consists of 29 tax offices, each supervised by one of the four Revenue Service Centres. A Large Taxpayer Office is located at the St. Andrew Revenue Service Centre, and 13 medium and eight small taxpayer offices at different locations.

The TAJ's organizational chart is provided in Attachment IV.

F. Current Status of Tax Administration Reform

TAJ has benefited from significant changes, which has helped improve the effectiveness and efficiency of its operations. Through the support of the IDB, the Government of Jamaica is currently establishing a secure National Identification System (NIDS) for Jamaican citizens and legal residents. TAJ is in the process of implementing new business processes to facilitate the integration of the NIDS into its applications. The expansion of online service options is extensive, for example, direct funds transfer automation, driver's license renewal, motor vehicle registration certificate renewal, a Mobile App for payment of property tax and fees for police records, motor vehicle fitness and traffic tickets, online application for GCT registration and issuance of tax compliance certificates. The St. Andrew Revenue Service Centre recently received ISO9001:2015 certification from the National Certification Body of Jamaica. At the time of the TADAT assessment (September 2021), TAJ was conducting preliminary activities to secure ISO9001:2015 certification for three other locations: Spanish Town, May Pen, and Falmouth tax offices.

On the tax policy side, work is proceeding to amend the Revenue Administration Act to introduce Automatic Exchange of Information (AEOI) and Rules for Electronic Service and Filing. Amendments to the Income Tax Act are being drafted to introduce Country-by-Country Reporting.

G. International Information Exchange

Jamaica has signed Double Taxation Agreements (DTAs) with 24 countries. These DTAs have clauses on bilateral exchange of information. In addition, Jamaica has concluded Tax Information Exchange Agreements (TIEA) with nine countries. Jamaica is party to a Model 1

Intergovernmental Agreement with the USA, whose objective is to improve international tax compliance and implement of the Foreign Account Tax Compliance Act (FATCA). Jamaica is a member of the Organization for Economic Cooperation and Development's (OECD) Global Forum on Transparency and Exchange of Information for Tax Purposes.

The Mutual Administrative Assistance Convention is in force and Jamaica was rated as "largely compliant" for both Round 1 and Round 2 of the Exchange of Information upon Request (EOIR) protocol. Jamaica has committed to automatic exchanges commencing in 2022 and is in the process of implementing its domestic legislation in this regard, as well as signing the Multilateral Competent Authority Agreement (MCAA) which will facilitate AEOI. A proposal for signing and Cabinet ratification of the Convention to Implement Tax Treaty Measure to Prevent Base Erosion and Profit Shifting (Multilateral Instrument) is underway.

II. ASSESSMENT OF PERFORMANCE OUTCOME AREAS

A. POA 1: Integrity of the Registered Taxpayer Base

A fundamental initial step in administering taxes is taxpayer registration and numbering. Tax administrations must compile and maintain a complete database of businesses and individuals that are required by law to register; these will include taxpayers in their own right, as well as others such as employers with PAYE withholding responsibilities. Registration and numbering of each taxpayer underpin key administrative processes associated with filing, payment, assessment, and collection.

Two performance indicators are used to assess POA 1:

- P1-1—Accurate and reliable taxpayer information.
- P1-2—Knowledge of the potential taxpayer base.

P1-1: Accurate and reliable taxpayer information

For this indicator two measurement dimensions assess: (1) the adequacy of information held in the tax administration's registration database and the extent to which it supports effective interactions with taxpayers and tax intermediaries (that is, tax advisors and accountants); and (2) the accuracy of information held in the database. Assessed scores are shown in Table 2 followed by an explanation of reasons underlying the assessment.

Table 2. P1-1 Assessment

Measurement dimensions	Scoring Method	Score 2021
P1-1-1. The adequacy of information held in respect of registered taxpayers and the extent to which the registration database supports effective interactions with taxpayers and tax intermediaries.	M1	A
P1-1-2. The accuracy of information held in the registration database.		B

The registered taxpayer database meets all the standards of good international practice.

The Revenue Administration Information System (RAiS) database is centralized and computerized. The registration subsystem interfaces with other subsystems for tax filing, payment, and audit. The database contains all relevant information^{12,13} allowing frontline staff with a whole-of-taxpayer view, including identity of related parties and associated entities¹⁴ across all taxes. The RAiS generates many management information reports by entity type, taxpayer segment,¹⁵ economic sectors and tax types.¹⁶ The system enables quick identification and tracking of inactive taxpayers and allows for the deregistration of taxpayers who have ceased economic activities.¹⁷ Inactive taxpayers are highlighted and followed up without the need for deactivation. All individuals and businesses are required to register as soon as they start an economic activity.

Each registered taxpayer has a unique, high integrity, 9-digit Taxpayer Registration

Number (TRN) that includes a check digit. Persons are also required to obtain a TRN for non-tax purposes such as getting a driver's license, government contract, passport, or social security benefits, even if they are not liable to pay taxes. Businesses registering (using the "Superform")¹⁸ with the Companies Office of Jamaica (COJ) are issued a TRN, which is then automatically transmitted to the TAJ's database. The registration information and linked subsystems are used to generate and send tax declarations and withholding tax certificates to taxpayers.¹⁹ The subsystem provides secure online access for taxpayers to register businesses and update their information

¹² Demonstration of the screen showed that information in the registration database includes basic details such as name, address, contact details, date of birth/incorporation, nature of business, industry classification segment (large, medium, small, micro), name and contact details of intermediaries, main shareholders, subsidiary/associated companies and branches, and employer's national insurance number. It also shows what taxes the taxpayer is registered for, as well as link to filing and payment history.

¹³ (i) Screenshot - Company A - Business activity codes for branches; (ii) Screenshot - Company A - Profiles Screen; (iii) Screenshot - Company A - Registration Details Screen.

¹⁴ Screenshot - Company A - Affiliations- owners, intermediaries etc. jpg

¹⁵ Screenshot - Company A - showing segments - Large Taxpayer Classification

¹⁶ Screenshot - Taxes for which taxpayer is liable - RAiS. jpg

¹⁷ Deregistration is a documented, 5-stage process (sections 25A to 32A of the GCT Act).

¹⁸ Superform – Form BRF V10 5. pdf (at [https://www. orcjamaica.com/CompForms/Form%20BRF%20v10%205. pdf](https://www.orcjamaica.com/CompForms/Form%20BRF%20v10%205.pdf))

¹⁹ Sample - Registration data used for declaration notice. docx

through the e-Service of RAiS. ²⁰ There is also an audit trail of user access to the system, and a few staff are granted access to the registration system based on job requirements. Staff access is approved at the supervisor level. ²¹

Documented procedures are applied routinely to ensure the accuracy of the taxpayer database and identify and deregister inactive taxpayers. However, crosschecking of information against third party databases is done on a smaller scale. The RAiS system routinely tracks filing and payment compliance to identify stop filers for all core taxes. Taxpayers who are found through investigation to be, for example, deceased, unemployed or, if in business, closed, are removed from the taxpayer register or marked as inactive. Table 2 of Attachment III and actual demonstration of the RAiS database show that the registration subsystem is routinely updated for accuracy.

Deregistration of GCT taxpayers is documented 5-stage process (sections 25A to 32A of the GCT Act). ²² Deregistration is initiated by the taxpayer or tax officials based on information from audit or other compliance actions and carried out by the Operations Division or the Management Strategy Division. Once approved, several work items are generated for the tax officials, including a pre-deregistration check, which, when completed, will allow deregistration in the system. ²³ The accuracy of information for corporate taxpayers, such as the nature of business and business address, is authenticated by cross-checking information from the COJ and banks. This cross-checking is conducted on a case-by-case basis by the Forensic Data Mining Unit to identify duplicate or bogus registrations. Both the TAJ's Annual Registration Report 2019-20²⁴ and the external ISO-9001:2015 Audit Report²⁵ show satisfaction with the registration database's level of accuracy. See Table 2 of Attachment III.

P1-2: Knowledge of the potential taxpayer base

This indicator measures the extent of tax administration efforts to detect unregistered businesses and individuals. The assessed score is shown in Table 3 followed by an explanation of reasons underlying the assessment.

²⁰ Taxpayers create a portal log in and apply for e-Service registration for added security. Once registered, taxpayers can use the secure e-Service portal.

²¹ Screenshot – Audit log of user access.

²² GCT Act 1991, sections 25A to 32A.

²³ Annual Registration Report FY 2019/20 (pp 19-23)

²⁴ Annual Registration Report FY 2019/20

²⁵ ISO-9001 Audit Report No. 180 (pp 42-44)- October 2019. pdf

Table 3. P1-2 Assessment

Measurement dimension	Scoring Method	Score 2021
P1-2. The extent of initiatives to detect businesses and individuals who are required to register but fail to do so.	M1	B

Actions taken to identify businesses and individuals that fail to register are reflected in Annual Reports. ^{26, 27} However, there has been no program of inspection of business premises in recent years. ²⁸ To identify potential non-registrants, TAJ has implemented a program of routine cross-verification of information against third-party data (for example, from customs, government procurement agencies, large private contracts, property registry, and motor vehicle registry), and from tax declarations and audits. Data from health insurance companies and pathology labs are also reviewed to determine the registration status of physicians and surgeons. In FY2020/21, 15,774 new taxpayers were registered under this program, and 3,621 were deregistered, giving a net registration increase of 12,153 new taxpayers. ²⁹ The Annual Registration Report provides a detailed breakdown of new registrations by tax type, segment, and industry/economic activity type.

B. POA 2: Effective Risk Management

Tax administrations face numerous risks that have the potential to adversely affect revenue and/or tax administration operations. For convenience, these risks can be classified as:

- Compliance risks—where revenue may be lost if businesses and individuals fail to meet the four main taxpayer obligations (i. e. registration in the tax system; filing of tax declarations; payment of taxes on time; and complete and accurate reporting of information in declarations); and
- Institutional risks—where tax administration functions may be interrupted if certain external or internal events occur, such as natural disasters, sabotage, loss or destruction of physical assets, failure of IT system hardware or software, strike action by employees, and administrative breaches (for example, leakage of confidential taxpayer information which results in loss of community confidence and trust in the tax administration). For TADAT purposes, institutional risk is divided into two components. These are:
 - *Operational risk*—refers to disruptive actions that destroy or affect part or all of the

²⁶ TAJ's Annual Report 2020-21

²⁷ Annual Registration Report FY 2019-20

²⁸ Although the authorities mentioned that street surveys were conducted pre-COVID, no evidence was submitted to demonstrate the nature and extent of this activity.

²⁹ Annual Registration Report FY 2019/20.

administration's assets and resources, such as buildings, IT, and other equipment, data and records; and

- *Human capital risk*—refers to interruptions that affect the tax administration arising out of capability, capacity, compliance, cost and connection (engagement) gaps of and by its employees.

Risk management is essential to effective tax administration and involves a structured approach to identifying, assessing, prioritizing, and mitigating risks. It is an integral part of multi-year strategic and annual operational planning.

Five performance indicators are used to assess POA 2:

- P2-3—Identification, assessment, ranking, and quantification of compliance risks.
- P2-4—Mitigation of risks through a compliance improvement plan.
- P2-5—Monitoring and evaluation of compliance risk mitigation activities.
- P2-6—Management of operational (i. e. , systems and processes) risks.
- P2-7—Management of human capital risks.

P2-3: Identification, assessment, ranking, and quantification of compliance risks

For this indicator two measurement dimensions assess: (1) the scope of intelligence gathering and research to identify risks to the tax system; and (2) the process used to assess, rank, and quantify compliance risks. Assessed scores are shown in Table 4 followed by an explanation of reasons underlying the assessment.

Table 4. P2-3 Assessment

Measurement dimensions	Scoring Method	Score 2021	
P2-3-1. The extent of intelligence gathering and research to identify compliance risks in respect of the main tax obligations.	M1	A	A
P2-3-2. The process used to assess, rank, and quantify taxpayer compliance risks.		A	

Intelligence gathering and research on compliance risks is comprehensive. A Political, Economic, Sociological, Technological, Legal and Environmental (PESTEL) analysis created the framework to study key external factors outside the TAJ's control that could affect operations positively or negatively. The FY2022/2023 PESTEL Analysis³⁰ covered the operational environment present in Jamaica, including the impact of COVID-19. The TAJ uses both internal and external sources to identify compliance risks. Data from external third-party providers are collected

³⁰ FY2022/2023 - Pestel Analysis. docx

through the IT infrastructure and made available through the RAIS system, allowing for data-matching with internal data sources. (See POA 6 for more details).

The last tax gap study was undertaken in 2015 under the IMF Fiscal Affairs Department Revenue Administration Gap Analysis Program, focusing on the compliance and policy gaps for GCT.³¹ The TAJ is in the process of searching for external support to undertake a new tax gap study to determine the policy and compliance tax gap for all tax types and build in-house capacity to undertake tax gap studies moving forward.³²

The process adopted to assess, rank, and quantify compliance risk is sound. A

comprehensive tax compliance risk register exists.³³ The risk register forms the basis for assessing and prioritizing compliance risks, covering core taxes, main taxpayer obligations, segments, and economic sector. For FY2021/2022 a new approach has been introduced,³⁴ which through a single document, presents all risk leads generated in RAIS analyzed by the Forensic Data Mining Unit (Strategic Planning & Research Branch). Fourteen risk-based leads have been generated for FY2021/2022, and risk assessment and response implementation covers multiple years.

P2-4: Mitigation of risks through a compliance improvement plan

This indicator examines the extent to which the tax administration has formulated a compliance improvement plan to address identified risks. The assessed score is shown in Table 5 followed by an explanation of reasons underlying the assessment.

Table 5. P2-4 Assessment

Measurement dimension	Scoring Method	Score 2021
P2-4. The degree to which the tax administration mitigates assessed risks to the tax system through a compliance improvement plan.	M1	A

A comprehensive compliance improvement plan to mitigate identified risks to the tax system exists. Several documents and sources constitute the compliance improvement plan^{35,36,37,38} and include planned mitigation actions in respect of all core taxes, all taxpayer

³¹ Jamaica IMF RA-GAP Tax Gap Analysis Report - April 2015. pdf

³² Technical Cooperation - Research Activities. docs

³³ 1st qrt FY21_22_Tax Compliance Risk Register as at July 31_2021. xlsx

³⁴ FY21 22 Risk Based Programme Leads. docx

³⁵ Compliance Risk Register

³⁶ National Compliance Plan

³⁷ Screenshots of the RAIS system, the third-party data, and the data warehouse

³⁸ Compliance Plan – Special Consumption Tax. pdf

obligations and key taxpayer segments. The program is fully-resourced with key staff from Strategic Services and Operations.

P2-5: Monitoring and evaluation of compliance risk mitigation activities

This indicator looks at the process used to monitor and evaluate compliance mitigation activities. The assessed score is shown in Table 6 followed by an explanation of reasons underlying the assessment.

Table 6. P2-5 Assessment

Measurement dimension	Scoring Method	Score 2021
P2-5. The process used to monitor and evaluate the impact of compliance risk mitigation activities.	M1	A

Compliance risk mitigation strategies are monitored and evaluated. In tandem with senior management across the organization, the Deputy Commissioners General for Operations and Strategic Services Division undertake quarterly compliance management reviews. The National Compliance Meeting³⁹ ensures active involvement from senior management in approving risk mitigation strategies. The TAJ monitors progress and evaluates the impact of risk mitigation initiatives of taxpayer services and education, registration, filing and payment, and audit.^{40,41,42,43}

P2-6: Management of operational risks

This indicator examines how the tax administration manages operational risks other than those related to human resources. The assessed score is shown in Table 7 followed by an explanation of reasons underlying the assessment.

Table 7. P2-6 Assessment

Measurement dimensions	Scoring Method	Score 2021	
P2-6-1. The process used to identify, assess and mitigate operational risks.	M1	C	C
P2-6-2. The extent to which the effectiveness of the business continuity program is tested, monitored and evaluated.		C	

The TAJ has a structured process to identify, assess and mitigate operational risks;⁴⁴

³⁹ TOR for National Compliance Meeting. pdf

⁴⁰ Filing & Payment Annual Report FY 2019-20. docx

⁴¹ Registration Annual Report FY 19-20. docx

⁴² Taxpayer Service & Education. docx

⁴³ Audit & Investigation Annual Report FY 2019-20. docx

⁴⁴ Annual ERM Report - FY20 21. docx

however, the Business Impact Analysis (BIA) focuses only on the ICT system. Monthly revisions of the Enterprise Risk Register^{45,46} covering several categories of risks, including operational risks identified, feed into an annual update to the Business Continuity Plan (BCP)⁴⁷ as part of the TAJ's planning process. The BIA^{48,49} is limited to the ICT system and is updated regularly throughout the year. Plans exist for the TAJ to reach out to external stakeholders for support in implementing BIA as a part of the operational risk framework. Business continuity exercises are conducted regularly, at least annually, tailored to specific staff responsibilities, and the results are documented. Senior management endorses and takes ownership of the BCP, but staff are not trained and tested in operational risk management roles.

The maximum amount of time and the minimum of data/information needed to restore business operations after a disruptive incident is estimated in the BCP. These are referred to as Recovery Time Objective (RTO) and Response Point Objective (RPO), and are detailed in the business continuity plans across the organization.⁵⁰

The TAJ does not have in-house mandatory organization-wide operational risk management training of staff that train and test staff on their roles and responsibilities. Staff members are offered the opportunity to undertake such training from external vendors, but training is not mandatory. Training material is being developed based on the approved BCP, and draft training material was presented during the mission.

The TAJ evaluates the effectiveness of the BCP at least twice a year;⁵¹ however, external review and testing is carried out on an ad hoc basis. Senior management monitors the BCP's implementation and the impact of risk mitigation initiatives, which is updated as required throughout the year. Recommendations from internal and external audits are also implemented. Business continuity exercises for ICT staff are conducted at least every year, using the Occupant Emergency Response Plan, approved by the TAJ, and last reviewed in 2017.⁵²

P2-7: Management of human capital risks

This indicator examines how the tax administration manages human capital risks. The assessed score is shown in Table 8 followed by an explanation of reasons underlying the assessment.

⁴⁵ Enterprise Risk Register and Dashboard Report.xlsx

⁴⁶ Validated Risks and Responses HRM&D (DCG) (00000004). docx

⁴⁷ Business Continuity Management Plan. v1. pdf

⁴⁸ RAIS Disaster Plan May 7 2021. docx

⁴⁹ Disaster Plan- BC RIM Sub-plan. docx

⁵⁰ RAIS Disaster Plan May 7 2021. docx

⁵¹ Internal Audit Report - Audit of Business Continuity 04. 06. 2021 - with management responses.doc

⁵² Occupant Emergency Response Plan April 22 2017

Table 8. P2-7 Assessment

Measurement dimensions	Scoring Method	Score 2021	
P2-7-1. The extent to which the tax administration has in place the capacity and structures to manage human capital risks.	M1	D	D
P2-7-2. The degree to which the tax administration evaluates the status of human capital risks and related mitigation interventions.		A	

The TAJ has a formal process to address Human Capital Risks (HCR) in all core human resource operations. The Human Resource Management & Development (HRM&D) Branch is responsible for human resource management,⁵³ including managing HCR. The TAJ uses ISO Risk Management Standards to identify, assess, prioritize, and manage human capital risks.⁵⁴ The process is described in the Enterprise Risk Management Framework. Within TAJ, the Enterprise Risk Management Unit delivers training in human resource risk for the staff of HRM&D Branch to understand the HCR framework and requirements. The last external review of the human resource operations and systems was conducted in 2015 by the Auditor General.

No substantive evidence was provided to support that an external review of the human resource operations and system was conducted at least once in the last seven years. The assessment team confirmed that managers/supervisors are trained in managing human resource risks through mandatory training and when transitioning into a senior position. The Senior Leadership Team meets quarterly to review human resource risks and discuss mitigation measures. TAJ staff are required to participate in a robust performance management process⁵⁵ guided by the TAJ's Performance Management Policy. The Policy document is communicated to staff through sensitization sessions and coaching workshops conducted by HRM&D. All staff are required to sign-off on performance agreements which are reviewed once a year.^{56,57}

The TAJ evaluates the status of human capital risks and related mitigation interventions. Annual Enterprise Risk Reports,⁵⁸ which include HCR evaluation, are prepared. The risk reports are submitted directly to senior management. These cover all the key human capital risk elements in

⁵³ HRM Policy Document. pdf

⁵⁴ HRM&D Risk Identification (Self-Assessment) ER Section Final March 23. docx

⁵⁵ Performance management Appeal Process. pdf

⁵⁶ Supervisory Staff PER Template - effective April 2019 NOT FOR CIRCULATION.xlsx

⁵⁷ Amended Employee Performance Factors Version 7 September 2019. pdf

⁵⁸ Annual ERM Report - FY20 21. docx and Enterprise Risk Register and Dashboard Report.xlsx

the five-risk category (capability, capacity, compliance, cost, and connection).^{59,60,61,62}

C. POA 3: Supporting Voluntary Compliance

To promote voluntary compliance and public confidence in the tax system, tax administrations must adopt a service-oriented attitude toward taxpayers, ensuring that taxpayers have the information and support they need to meet their obligations and claim their entitlements under the law. Because few taxpayers use the law itself as a primary source of information, assistance from the tax administration plays a crucial role in bridging the knowledge gap. Taxpayers expect that the tax administration will provide summarized, understandable information on which they can rely.

Efforts to reduce taxpayer costs of compliance are also important. Small businesses, for example, gain from simplified record keeping and reporting requirements. Likewise, individuals with relatively simple tax obligations (for example, employees, retirees, and passive investors) benefit from simplified filing arrangements and systems that eliminate the need to file.

Four performance indicators are used to assess POA 3:

- P3-8—Scope, currency, and accessibility of information.
- P3-9—Time taken to respond to information requests.
- P3-10—Scope of initiatives to reduce taxpayer compliance costs.
- P3-11—Obtaining taxpayer feedback on products and services.

P3-8: Scope, currency, and accessibility of information

For this indicator four measurement dimensions assess: (1) whether taxpayers have the information they need to meet their obligations; (2) whether the information available to taxpayers reflects the current law and administrative policy; (3) how easy it is for taxpayers to obtain information. Assessed scores are shown in Table 9 followed by an explanation of reasons underlying the assessment.

⁵⁹ Non Supervisory Staff PER - effective April 2019. xlsx

⁶⁰ TAJ SARA Salary Scales 2017 - 2021. pdf

⁶¹ Employee Satisfaction Survey Questionnaire. pdf

⁶² Sample HR Career Opportunities. pdf

Table 9. P3-8 Assessment

Measurement dimensions	Scoring Method	Score 2021	
P3-8-1. The range of information available to taxpayers to explain, in clear terms, what their obligations and entitlements are in respect of each core tax.	M1	A	A
P3-8-2. The degree to which information is current in terms of the law and administrative policy.		A	
P3-8-3. The ease by which taxpayers obtain information from the tax administration.		A	

TAJ provides wide-ranging information, using a variety of media and support approaches to explain obligations and entitlements across all core taxes. The TAJ website⁶³ and Facebook page⁶⁴ provide information for the core taxes⁶⁵ (IIT, CIT, PAYE and GCT) across all obligations (registration, filing, reporting and payment) and entitlements (for example, GCT refunds and the right to dispute). Information is tailored to taxpayer segments⁶⁶ (for example, smaller businesses), sectors (for example, financial sector and real estate sector),⁶⁷ intermediaries (accountants),⁶⁸ and disadvantaged taxpayers (Special Taxpayer Assistance Program -STAP, at the TAJ Customer Care Centres).⁶⁹ "How To" segments and publications covering a range of topics can be found on the TAJ website,⁷⁰ Facebook page and/or YouTube channel.⁷¹ The TAJ participates in business expos and provides localized advisory services upon request.⁷² In person services are available during business hours at 29 offices across the country. The TAJ also has a comprehensive school program on teaching taxes that has been recognized by the OECD⁷³ in its source book on taxpayer services. In FY2020/21 the TAJ launched a Mobile App giving users the ability to query and pay property taxes while "on-the-go," and it is expected that the app will be expanded to allow for

⁶³ Linkages_social_media.docx - Tax Administration Jamaica - TAJ Portal (jamaicatax.gov.jm)

⁶⁴ Linkages_social_media.docx - Tax Administration, Jamaica | Facebook

⁶⁵ This excludes SCT which is managed by a small program within the TAJ that provides specialized and personalized service to the excise community. Information is not broadly available but rather is communicated on a more one-to-one basis.

⁶⁶ Linkages_social_media.docx - [Businesses - TAJ Portal \(jamaicatax.gov.jm\)](http://jamaicatax.gov.jm)

⁶⁷ Linkages_social_media.docx - [TAJ Presentations - TAJ Portal \(jamaicatax.gov.jm\)](http://jamaicatax.gov.jm) (TAJ Presentations to industry groups)

⁶⁸ Additional evidence - POA3. docx - MoU with Institute of Chartered Accountants of Jamaica (ICAJ)

⁶⁹ Linkages_social_media.docx - Individuals - TAJ Portal (jamaicatax.gov.jm) (special needs and disadvantaged persons)

⁷⁰ Linkages_social_media.docx - <https://www.jamaicatax.gov.jm/web/guest/how-to>.

⁷¹ Linkages_social_media.docx - Document containing many links to Twitter, YouTube, Facebook and media releases.

⁷² Advisory_Request_form.pdf

⁷³ OECD – Building Culture, Compliance and Citizenship.

payment of other core taxes.

Information is current and taxpayers are made aware of changes in the law or administrative policies before they take effect. Changes to the law, procedures, and policies are subject to a communication strategy directed to parties that are most impacted. A media release is prepared if the change affects a broad community, and a technical and/or web advisory is issued⁷⁴ (SMS messaging may also be employed). Facebook, Instagram and Twitter are also used to push messages pertaining to new laws and policy/procedural changes. Stakeholder groups are consulted on changes to legislation or the implementation of new laws, such as the Institute of Chartered Accountants Jamaica (ICAJ). A Memorandum of Understanding (MOU)⁷⁵ exists with the ICAJ that states that they will be consulted on changes to legislation and policies where possible. Sector specific changes typically involve discussions with sector representation for example, financial groups.⁷⁶ TAJ subject-matter experts from the technical specialist group (legal) work with the communications group to ensure the accuracy of updates to publications and website material.

Information is easily and freely accessed from a wide variety of information sources. The TAJ provides information through multiple channels with a heavy reliance on electronic media (Facebook⁷⁷, YouTube⁷⁸, Twitter⁷⁹, Instagram⁸⁰, the TAJ website⁸¹, and hosted webinars⁸²). Information sources include technical advisories, rulings, practice notes, fact sheets and Frequently Asked Questions (FAQs). Face-to-face interaction with the TAJ occurs at all 29 offices across the country, which provide extended service during particularly heavy periods throughout the year. The teaching taxes programs are available to young Jamaicans through primary to post-secondary education institutions. TAJ sponsors an annual debate at the university level on the role of taxation in the community.⁸³ Service delivery channel plans are explained, monitored, and reported in the Annual Report and National Compliance Plan.

⁷⁴ Linkages_social_media.docx - TAJ to Introduce Sixth Phase of Mandatory e-Filing Requirement in January 2020 - Tax Administration Jamaica - TAJ Portal (jamaicatax.gov.jm)

⁷⁵ Additional evidence - POA3. docx

⁷⁶ Additional evidence - POA3. docx - TAJ Webinar –Implementation of the Common Reporting Standard (CRS) for Financial Institutions <https://www.youtube.com/watch?v=8cXA5X6xJP5>

⁷⁷ Linkages_social_media.docx - <https://www.facebook.com/jamaicatax>

⁷⁸ Linkages_social_media.docx - https://www.youtube.com/watch?v=9CDO0_e-Bk

⁷⁹ Linkages_social_media.docx - https://twitter.com/JamaicaTax?ref_src=twsrc%5Egoogle%7Ctwcamp%5Eserp%7Ctwgr%5Eauthor

⁸⁰ Linkages_social_media.docx - <https://www.instagram.com/jamaicataxonline/?hl=en>

⁸¹ Linkages_social_media.docx - <https://www.jamaicatax.gov.jm/>

⁸² Linkages_social_media.docx - TAJ to Increase Taxpayer Education through Webinar Series – Jamaica Information Service (jis.gov.jm)

⁸³ Additional evidence - POA3. docx - TAJ sponsored Tax Moot

P3-9: The time taken to respond to requests for information.

This indicator examines how quickly the tax administration responds to requests by taxpayers and tax intermediaries for information (for this dimension, waiting time for telephone enquiry calls is used as a proxy for measuring a tax administration's performance in information requests generally). Assessed scores are shown in Table 10 followed by an explanation of reasons underlying the assessment.

Table 10. P3-9 Assessment

Measurement dimension	Scoring Method	Score 2021
P3-9: The time taken to respond to taxpayers and tax intermediaries' requests for information.	M1	A

The telephone enquiries standard adopted by the TAJ is well within the 6-minute standard of the TADAT framework. Service standards have been specified in the Citizen Charter relative to written correspondence, e-mails, in-person visits, and telephone enquiries. Performance levels against the standards were not available except for telephone. The TAJ's call center system (Avaya Contact Management System) offers instant access to a menu of enquiry options upon completion of dialing. It is configured to monitor the number of calls answered within a standard of 20 seconds and does not identify the number of calls answered within the 6 minutes. The data provided in Attachment III table 3 shows 62.3 percent of calls answered for the TAJ's 20-second standard. In light of this, and to assess calls answered within 6 minutes, the TADAT team members undertook random calling of the call center and found that the average time to respond was 28 seconds, indicating that all calls were answered within the TADAT's six-minutes standard.⁸⁴ Therefore, using professional judgment, the team concluded that TAJ meets and exceeds the TADAT assessment standard. See Table 3 of Attachment III.

P3-10: Scope of initiatives to reduce taxpayer compliance costs

This indicator examines the tax administration's efforts to reduce taxpayer compliance costs. Assessed scores are shown in Table 11 followed by an explanation of reasons underlying the assessment.

Table 11. P3-10 Assessment

Measurement dimension	Scoring Method	Score 2021
P3-10. The extent of initiatives to reduce taxpayer compliance costs.	M1	B

⁸⁴ Length of calls. xlsx - Excel document detailing random calls

Simplified procedures and reporting exist for small taxpayers, but there are no pre-filled tax declarations in place. Small businesses (self-employed) are permitted and encouraged to maintain simple books and records,⁸⁵ and the TAJ extends simplified filing requirements through the completion of the S04 return.^{86,87} The TAJ offers small business-specific seminars, advisory services, and information sessions.⁸⁸ Taxpayers and their representatives have 24/7 access to the TAJ taxpayer portal, which provides account updating, e-filing and e-payment capabilities. Misunderstandings of the law policies and/or procedures identified through multiple sources are monitored to identify opportunities to improve TAJ products and services.^{89,90} Other measures employed by the TAJ to reduce or minimize compliance costs include a variety of payment options including Direct Funds Transfer, publication of tax rulings that have broad applicability through the provision of practice notes,^{91,92} and the ability to share taxpayer information across government departments through a single form (SuperForm). The simplified procedures adopted by the TAJ do not include pre-filled returns.

P3-11: Obtaining taxpayer feedback on products and services

For this indicator, two measurement dimensions assess: (1) the extent to which the tax administration seeks taxpayer and other stakeholder views of service delivery; and (2) the degree to which taxpayer feedback is taken into account in the design of administrative processes and products. Assessed scores are shown in Table 12 followed by an explanation of reasons underlying the assessment.

Table 12. P3-11 Assessment

Measurement dimensions	Scoring Method	Score 2021	
P3-11-1. The use and frequency of methods to obtain performance feedback from taxpayers on the standard of services provided.	M1	A	A
P3-11-2. The extent to which taxpayer input is taken into account in the design of administrative processes and products.		A	

⁸⁵ Schedule_1_Details_of_Trading.pdf

⁸⁶ Linkages_social_media.docx - <https://youtu.be/6srdciM92g0>How to file Income Tax and (1110) S04 - YouTube

⁸⁷ Additional evidence - POA3. docx - Video Tutorial to filing the S04 <https://www.youtube.com/watch?v=U5beBoXeDAU>

⁸⁸ Linkages_social_media.docx - TAJ to Introduce Sixth Phase of Mandatory e-Filing Requirement in January 2020 - Tax Administration Jamaica - TAJ Portal (jamaicatax.gov.jm)

⁸⁹ TAXPAYER SERVICE & EDUCATION. docx - The 2018/2019 Taxpayer Service and Education report details identification processes to identify misunderstandings of law and policies and solutions.

⁹⁰ July 7 2021_OrganizationalDevelopment SOPs - June 2 2021 _July 14 2021DRAFT. pdf - Standard Operating Procedures for Design/Redesign of Legislated forms

⁹¹ practice_notes_mbt_050417.pdf

⁹² Linkages_social_media.docx - [Practice Notes - TAJ Portal \(jamaicatax.gov.jm\)](http://jamaicatax.gov.jm)

Performance feedback on taxpayer services and service channels is obtained regularly through multiple means. Perception surveys are conducted regularly – in-house surveys are conducted annually, and externally commissioned surveys are conducted bi-annually.⁹³ Surveys are statistically valid and cover businesses and individuals. Web polls and customer feedback systems are reported to exist within each of the TAJ offices.⁹⁴ Meetings with stakeholder groups are held regularly, including with ICAJ (twice a year), the taxation committee (every two months), and other specific bodies.⁹⁵ Public presentations on various tax issues are made to various groups and sectors, and feedback surveys are conducted often. Regular feedback is also provided and monitored through the social media sites where TAJ has a presence – Facebook, Instagram and Twitter. Survey results are not publicly available.

Taxpayer input is sought on changes to forms, publications and the TAJ website through focus group participation and other means, such as the Institute of Accountants. The TAJ forms design team uses taxpayer feedback and accesses stakeholders to provide input on proposed changes to forms.^{96,97} Currently, the website portal is undergoing modifications on which focus group input is being sought. The MOU with the ICAJ is also an example of the proactive nature of the TAJ in seeking and securing input from third parties on any proposed changes impacting taxpayers.⁹⁸

D. POA 4: Timely Filing of Tax Declarations

Filing of tax declarations (also known as tax returns) remains a principal means by which a taxpayer's tax liability is established and becomes due and payable. As noted in POA 3, however, there is a trend towards streamlining preparation and filing of declarations of taxpayers with relatively uncomplicated tax affairs (for example, through pre-filing tax declarations). Moreover, several countries treat income tax withheld at source as a final tax, thereby eliminating the need for large numbers of PIT taxpayers to file annual income tax declarations. There is also a strong trend towards electronic filing of declarations for all core taxes. Declarations may be filed by taxpayers themselves or via tax intermediaries.

⁹³ Customer Satisfaction Survey - Market Research Report

⁹⁴ TAXPAYER SERVICE & EDUCATION. docx – Sections Customer Feedback System and Customer Satisfaction Survey.

⁹⁵ ADDITIONAL EVIDENCE - POA3. docx - TAJ formalizes relationship with Institute of Chartered Accountants | Loop Jamaica (loopnews.com)

⁹⁶ July 7 2021_OrganizationalDevelopment SOPs - June 2 2021 _July 14 2021DRAFT. pdf - Standard Operating Procedures of Forms Design Team.

⁹⁷ Additional evidence - POA3. docx - MOU with ICAJ

⁹⁸ Additional evidence - POA3. docx - TAJ and ICAJ Sign MOU to Strengthen Collaboration on Tax Matters – Jamaica Information Service (jis. gov. jm) Links to MOU with ICAJ.

It is important that all taxpayers who are required to file do so, including those who are unable to pay the tax owing at the time a declaration is due (for these taxpayers, the first priority of the tax administration is to obtain a declaration from the taxpayer to confirm the amount owed, and then secure payment through the enforcement and other measures covered in POA 5).

Three performance indicators are used to assess POA 4:

- P4-12—On-time filing rate.
- P4-13—Management of non-filers
- P4-14—Use of electronic filing facilities.

P4-12: On-time filing rate

A single performance indicator, with four measurement dimensions, is used to assess the on-time filing rate for CIT, PIT, VAT and domestic excise tax, and PAYE withholding declarations. A high on-time filing rate is indicative of effective compliance management including, for example, provision of convenient means to file declarations (especially electronic filing facilities), simplified declarations forms, and enforcement action against those who fail to file on time. Assessed scores are shown in Table 13 followed by an explanation of reasons underlying the assessment.

Table 13. P4-12 Assessment

Measurement dimensions	Scoring Method	Score 2021
P4-12-1. The number of CIT declarations filed by the statutory due date as a percentage of the number of declarations expected from registered CIT taxpayers.	M2	D
P4-12-2. The number of PIT declarations filed by the statutory due date as a percentage of the number of declarations expected from registered PIT taxpayers.		C
P4-12-3. The number of VAT declarations filed by the statutory due date as a percentage of the number of declarations expected from registered VAT taxpayers.		C
P4-12-4. The number of domestic excise tax declarations filed by the statutory due date as a percentage of the number of declarations expected from registered domestic excise taxpayers.		C
P4-12-5. The number of PAYE withholding declarations filed by employers by the statutory due date as a percentage of the number of PAYE declarations expected from registered employers.		D
		C

Taxpayers generally do not file tax declarations on time. On-time filing rates for CIT (57.1 percent for all and 83 percent for large taxpayers) and PAYE (33.2 percent) are below the TADAT framework thresholds for a C score. The ratio for the IIT, despite being low (57.2 percent), suffices for a C score. Other core taxes perform slightly better, like the GCT (77.3 percent for all taxpayers

and 93.8 percent for large taxpayers), and the SCT (69.8 percent for all taxpayers and 95 percent for large taxpayers). Large taxpayers performed better than other taxpayer segments for GCT and SCT. Corporate taxpayers reportedly face challenges in meeting the filing deadline due to the limited supply of public accountants to handle all the corporate accounts on time. See Tables 4 to 10 in Attachment III.

P4-13: Management of non-filers

This indicator measures the extent to which taxpayers who have failed to file declarations when due are managed. The assessed score is shown in Table 14 followed by an explanation of reasons underlying the assessment.

Table 14. P4-13 Assessment

Measurement dimension	Scoring Method	Score 2021
P4-13. Action taken to follow up non-filers.	M1	D

The RAiS automatically identifies stop-filers, and the system generates notifications to taxpayers. Compliance Stop Filer Leads (CSFL - SO4 and ITO2) reside in the Discovery Module of RAiS under the Income Tax Stop Filer Lead Queue for the respective Revenue Service Centre (RSC) and Tax Offices.⁹⁹ The Assistant General Managers can assign the CSFL to their managers, and the managers can send the leads to the Medium Priority Compliance Officers. The RAiS system automatically generates late-filing penalties for stop-filers.

Actions to identify and follow-up on stop-filers do not meet TADAT standards. Many of the stop-filer procedures followed by the TAJ could be considered good international practices (for example, follow-up dates within seven days, telephone calls, notifications, summons, etc.). However, these procedures have not been formalized, as recommended by the TADAT framework.¹⁰⁰

P4-14: Use of electronic filing facilities

This indicator measures the extent to which declarations, for all core taxes, are filed electronically. Assessed scores are shown in Table 15 followed by an explanation of reasons underlying the assessment.

⁹⁹ See: Stop Filer Lead Programme for Missing SO4 and ITO2 and Company A CRM screen showing Large Taxpayer Classification.

¹⁰⁰ See the Compliance Process Standard Operation Procedures and the Stop Filer Lead Programme for Missing SO4 and ITO2 drafts. Also, the Deregistration Programme Guide FY2021-2022; the Filing and Payment Compliance Missing Obligation Programme and the Filing and Payment Compliance Analysis for Fiscal Year Ending 31st March 2020.

Table 15. P4-14 Assessment

Measurement dimension	Scoring Method	Score 2021
P4-14. The extent to which tax declarations are filed electronically.	M1	B

Jamaican taxpayers use electronic filing extensively. Electronic filing is mandatory and available for all core taxes.¹⁰¹ TAJ reports that at least 80 percent of declarations are filed electronically for each of the core taxes, and 99 percent of large taxpayers file core tax declarations electronically (see Table 11 in Attachment III). The TAJ invests in a public education program, including traditional media, social media, town halls, seminars, and workshops. They also provide 'How-To' documents on their website, and personalized client service is available in-person, by telephone and email. The TAJ has plans to expand e-filing to include information from third parties to auto-populate returns.

E. POA 5: Timely Payment of Taxes

Taxpayers are expected to pay taxes on time. Tax laws and administrative procedures specify payment requirements, including deadlines (due dates) for payment, who is required to pay, and payment methods. Depending on the system in place, payments due will be either self-assessed or administratively assessed. Failure by a taxpayer to pay on time results in imposition of interest and penalties and, for some taxpayers, legal debt recovery action. The aim of the tax administration should be to achieve high rates of voluntary on-time payment and low incidence of tax arrears.

Four performance indicators are used to assess POA 5:

- P5-15—Use of electronic payment methods.
- P5-16—Use of efficient collection systems.
- P5-17—Timeliness of payments
- P5-18—Stock and flow of tax arrears.

P5-15: Use of electronic payment methods

This indicator examines the degree to which core taxes are paid by electronic means without the direct intervention of bank staff or tax administration, including through electronic funds transfer (where money is electronically transferred via the Internet from a taxpayer's bank account to the Government's account), credit cards, and debit cards. Assessed scores are shown in Table 16

¹⁰¹ See: October 31, 2016 Mandatory e-Filing January 2017; Mandatory e-filing bulletins; Mandatory E-filing banner; Paying and filing online; and March 31 2015. Employers Annual Return.

followed by an explanation of reasons underlying the assessment.

Table 16. P5-15 Assessment

Measurement dimension	Scoring Method	Score 2021
P5-15. The extent to which core taxes are paid electronically.	M1	B

Electronic payment is available and used for all core taxes but the rate for PAYE and large taxpayers is below good international standards. E-payment is available through a variety of channels, including electronic transfers or Direct Funds Transfer from any bank or by using credit card, debit card or electronic check.^{102, 103, 104} Electronic payments by value are highest for special consumption tax (domestic excise tax) at a rate at 99.8 percent followed by CIT (92.9 percent), GCT (92.1 percent), IIT (89.1 percent) and PAYE (58.2 percent). For large taxpayers, the value of payments received through e-payments is 96.7 percent for all core taxes. See Table 11 in Attachment III.

P5-16: Use of efficient collection systems

This indicator assesses the extent to which acknowledged efficient collection systems—especially withholding at source and advance payment systems—are used. Assessed scores are shown in Table 17 followed by an explanation of reasons underlying the assessment.

Table 17. P5-16 Assessment

Measurement dimension	Scoring Method	Score 2021
P5-16. The extent to which withholding at source and advance payment systems are used.	M1	A

The TAJ makes full use of withholding and advance payment arrangements to support collection of taxes. Withholding and advance payment regimes are in place for IIT and CIT, and withholding is in place for interest and dividend income.¹⁰⁵ For some special services, arrangements are in place for customers to withhold tax and transfer it to the TAJ.

P5-17: Timeliness of payments

¹⁰² eServices – Make a payment. pdf

¹⁰³ Information on how to use Direct Banking to pay taxes available at <https://jis.gov.jm/new-payment-option-for-taxpayers/>

¹⁰⁴ Information on how to use Direct Funds Transfer to pay taxes available at <https://jis.gov.jm/taj-implements-new-procedures-for-direct-funds-transfer/>

¹⁰⁵ Income Tax Act.

This indicator assesses the extent to which payments are made on time (by number and by value). For TADAT measurement purposes, VAT payment performance is used as a proxy for on-time payment performance of core taxes generally. A high on-time payment percentage is indicative of sound compliance management including, for example, provision of convenient payment methods and effective follow-up of overdue amounts. Assessed scores are shown in Table 18 followed by an explanation of reasons underlying the assessment.

Table 18. P5-17 Assessment

Measurement dimensions	Scoring Method	Score 2021	
P5-17-1. The number of VAT payments made by the statutory due date in percent of the total number of payments due.	M1	B	B
P5-17-2. The value of VAT payments made by the statutory due date in percent of the total value of VAT payments due.		A	

On time payment rates for GCT are high both by number of payments and by value of GCT due. Statutory payments requirements and enforcement provisions are regulated in the respective Tax Acts.¹⁰⁶ The number of GCT payments made by the statutory due date in percent of the total number of payments due is 77.3 percent (below good international practice standards) for all taxpayers and 93.7 percent for large taxpayers. The value of GCT payments made by the statutory due date in percent of the total value of GCT payments due is 98.3 percent for all taxpayers and 99 percent for large taxpayers. While timeliness of the value GCT payments for all taxpayer meets criteria for an A-score, the timeliness by large taxpayers falls into the range for a B-score. See Table 12 in Attachment III.

P5-18: Stock and flow of tax arrears

This indicator examines the extent of accumulated tax arrears. Two measurement dimensions are used to gauge the size of the administration's tax arrears inventory: (1) the ratio of end-year tax arrears to the denominator of annual tax collections; and (2) the more refined ratio of end-year 'collectible tax arrears' to annual collections.¹⁰⁷ A third measurement dimension looks at the extent of unpaid tax liabilities that are more than a year overdue (a high percentage may indicate poor debt collection practices and performance given that the rate of recovery of tax arrears tends to decline as arrears get older). Assessed scores are shown in Table 19 followed by an explanation of reasons underlying the assessment.

¹⁰⁶ Income Tax Act, General Consumption Tax Act and Revenue Administration Act.

¹⁰⁷ For purposes of this ratio, 'collectible' tax arrears is defined as total domestic tax arrears excluding: (a) amounts formally disputed by the taxpayer and for which collection action has been suspended pending the outcome, (b) amounts that are not legally recoverable (e. g. , debt foregone through bankruptcy), and (c) arrears otherwise uncollectible (e. g. , the debtor has no funds or other assets).

Table 19. P5-18 Assessment

Measurement dimensions	Scoring Method	Score 2021	
P5-18-1. The value of total core tax arrears at fiscal year-end as a percentage of total core tax revenue collections for the fiscal year.	M2	C	D+
P5-18-2. The value of collectible core tax arrears at fiscal year-end as a percentage of total core tax revenue collections for the fiscal year.		D	
P5-18-3. The value of core tax arrears more than 12 months old as a percentage of the value of all core tax arrears.		D	

There is a lack of historical data on tax arrears stock, and the existing stock of tax arrears for the most current fiscal year is comprised of mostly old debt. As TAJ found some anomalies in the tax arrears reporting system, authorities have replaced the old system, used for FY2018/19 and FY2019/20, with a new one used for FY2020/21. Information on the total core tax arrears at fiscal year-end was provided by both reporting systems, but the old tax arrears report system does not provide information on the value of collectible core tax arrears at fiscal year-end or the value of core tax arrears more than 12 months old, resulting in a 'D' score for the second and third dimensions. The new IT reporting system shows a high stock of tax arrears older than 12 months, which comprises 86.2 percent of the total value of tax arrears. See Table 13 in Attachment III.

F. POA 6: Accurate Reporting in Declarations

Tax systems rely heavily on complete and accurate reporting of information by taxpayers in tax declarations. Tax administrations therefore need to regularly monitor tax revenue losses from inaccurate reporting, especially by business taxpayers, and take a range of actions to ensure compliance. These actions fall into two broad groups: verification activities (for example, tax audits, investigations, and income matching against third party information sources) and proactive initiatives (for example, taxpayer assistance and education as covered in POA 3, and cooperative compliance approaches).

If well designed and managed, tax audit programs can have far wider impact than simply raising additional revenue from discrepancies detected by tax audits. Detecting and penalizing serious offenders serve to remind all taxpayers of the consequences of inaccurate reporting.

Also prominent in modern tax administration is high-volume automated crosschecking of amounts reported in tax declarations with third-party information. Because of the high cost and relative low coverage rates associated with traditional audit methods, tax administrations are

increasingly using technology to screen large numbers of taxpayer records to detect discrepancies and encourage correct reporting.

Proactive initiatives also play an important role in addressing risks of inaccurate reporting. These include adoption of cooperative compliance approaches to build collaborative and trust-based relationships with taxpayers (especially large taxpayers) and intermediaries to resolve tax issues and bring certainty to companies' tax positions in advance of a tax declaration being filed, or before a transaction is actually entered into. A system of binding tax rulings can play an important role here.

Finally, on the issue of monitoring the extent of inaccurate reporting across the taxpayer population generally, a variety of approaches are being used, including: use of tax compliance gap estimating models, both for direct and indirect taxes; advanced analytics using large data sets (for example, predictive models, clustering techniques, and scoring models) to determine the likelihood of taxpayers making full and accurate disclosures of income; and surveys to monitor taxpayer attitudes towards accurate reporting of income.

Against this background, four performance indicators are used to assess POA 6:

- P6-19—Scope of verification actions taken to detect and deter inaccurate reporting.
- P6-20—Use of large-scale data-matching systems to detect inaccurate reporting.
- P6-21—Initiatives undertaken to encourage accurate reporting.
- P6-22—Monitoring the tax gap to assess inaccuracy of reporting levels.

P6-19: Scope of verification actions taken to detect and deter inaccurate reporting

For this indicator, four measurement dimensions provide an indication of the nature and scope of the tax administration's verification program. Assessed scores are shown in Table 20 followed by an explanation of reasons underlying the assessment.

Table 20. P6-19 Assessment

Measurement dimensions	Scoring Method	Score 2021
P6-19-1. The nature and scope of the tax audit program in place to detect and deter inaccurate reporting.	M1	C
P6-19-2. The extent to which the audit program is systematized around uniform practices.		C
P6-19-3. The degree to which the quality of taxpayer audits is monitored.		A
P6-19-4. The degree to which the tax administration monitors the effectiveness of the taxpayer audit function.		C

The TAJ adopts annual national tax audit planning,^{108, 109} using a range of audit types and covering all core taxes and taxpayer segments but does not prioritize higher risk areas nor consider the impact of audits on taxpayer compliance. The Forensic Data Mining Unit (FDMU) uses third-party data to analyze the tax returns to be audited and generates data to be sent to the Audit and Investigation Unit, which prepares the audit plan and programs. The audit plan encompasses IIT, CIT, GCT, PAYE, and SCT. For the SCT,¹¹⁰ monitoring involves tax officials working permanently at the taxpayers' premises and following standard operational procedures (SOPs). Despite being comprehensive, the audit plan covers all taxpayer segments and business activities indiscriminately, without prioritizing economic sectors of higher risks, and it does not evaluate the impact of audits on taxpayer compliance.

TAJ has a unit specialized in selecting audit cases for all offices; local offices, however, use both centralized and local case selection. Under the Strategic Service Division, the Audit and Investigation Unit develops centralized analysis, which are sent to the Regional Operations Divisions to carry out the audits. As identified in the Annual Audit and Investigation Program Review FY 2020/21,¹¹¹ the selection of audit cases by the local offices surpasses the limit of ten percent¹¹² for all taxes and, in the Large Taxpayer Office, exceeds 75 percent for both income tax and GCT.

The TAJ created a comprehensive audit manual for general audit cases and has plans to develop specific manuals related to the main economic sectors and industries. Audit SOPs¹¹³ describe preparing for and conducting an audit case, creating a taxpayer profile, analyzing the information from all sources, managing audit files, and working papers, and advising the taxpayer about the audit, findings, and rights and procedures. Although there is a decision to institutionalize specific audit manuals for the major sectors and industries, these are currently in the planning stages.

The Quality Review Unit regularly reviews completed audits for quality and issues reports on the findings, which are taken into account to improve audit program delivery. Under the Operations Division, the Quality Review Unit follows a structured work plan,¹¹⁴ and adheres to

¹⁰⁸ See Annual Audit and Investigation Program Review 2020-21. docx.

¹⁰⁹ See Audit Plan 2021-22. xls.

¹¹⁰ See SCT Report – Manager. xls, Supervisors Monthly Reports July 2021 Revised. xls, and Operations Division Performance Review Report (SCT). xls evidence.

¹¹¹ See Annual Audit and Investigation Programme Review 2020-21. docx report, tables 5, 12, and 28.

¹¹² TAJ has defined that 10 percent of audit could follow local selection of cases.

¹¹³ See Conducting Audits and Assessment – Field and Desk April 2021. docx.

¹¹⁴ See Quality Review Work Plan 2021-2022. doc.

SOPs.¹¹⁵ It issues checklists,¹¹⁶ reports,^{117,118} and scoring¹¹⁹ (satisfactory& above, improvement needed or unsatisfactory), which are used to assess the quality of the audits. Results are presented in senior management meetings^{120,121} to standardize and monitor the audit process, develop audit training, and support future audit work plans.

The TAJ senior management meet quarterly to monitor audit outputs and take actions to improve the audit function; however, these meetings do not meet all TADAT standards.

Chaired by the Operations and Strategic Services Divisions, the quarterly National Compliance Meetings,¹²² serve as the forum to monitor the performance of the audit function (for example, the number and amount of additional assessments, the time spent on audits, and the various audit types, taxpayer segments, programs, and offices involved).^{123,124} Constraints and strategies are part of the discussions, and TAJ decides on actions to be carried out to improve the audit function.¹²⁵ The Annual Audit reports^{126,127} provides a more comprehensive view, including objections received and the percentage of these settled in favor of or against TAJ, the effectiveness of the audit function, and the results of the Intelligence and Investigation Unit, whose mandate includes the reduction of the informal economy and the prosecution of criminal cases. However, the monitoring does not include audit outputs versus collections, percentage of audit closures without adjustments or with reduced assessment, and the average of elapsed time spent in cases where no additional taxes were charged. The TAJ has not conducted any taxpayer surveys to review the professionalism and the competence of the tax auditors.

P6-20: Use of large-scale data-matching systems to detect inaccurate reporting.

For this indicator, one measurement dimension provides an indication of the extent to which the tax administration leverages technology to screen large numbers of taxpayer records against third-party information to detect discrepancies and encourage correct reporting. Assessed scores are shown in Table 21 followed by an explanation of reasons underlying the assessment.

¹¹⁵ See Quality Review March 30 2020 SOP. Docx.

¹¹⁶ See Quality Review Check Sheet QR 1 RAiS. xls.

¹¹⁷ See Quality Review Thomas April 14 2020. docx.

¹¹⁸ See File review C. Gordon August 25 2021 Audit. pdf.

¹¹⁹ See Analysis of Scores by RSC – August 2021. xls.

¹²⁰ See Presentation – Audit Standardization Committee Final May 5 2021. pptx

¹²¹ See Quality Review Unit Performance Review March 2021. pptx

¹²² NCM – Agenda – September 7 Audit Objection. docx

¹²³ LTO NCP Presentation 4th Quarter 2020 2021. pptx

¹²⁴ Presentation Audit Template – MBRSC (1st Quarter) 2021. pptx

¹²⁵ NCM – Audit May 5 2021 Action Items. docx

¹²⁶ Annual Audit and Investigation Programme Review FY 2020-21. docx

¹²⁷ Audit & Investigation Annual Report FY 2019-20. docx

Table 21. P6-20 Assessment

Measurement dimension	Scoring Method	Score 2021
P6-20. The extent of large-scale automated crosschecking to verify information reported in tax declarations.	M1	C

The TAJ gathers third-party information from various external sources to perform large-scale automated cross-checking¹²⁸ against information reported in tax declarations.

Taxpayers use the RAIS system^{129,130} not only to file tax declarations but also to upload third-party data to allow data matching.¹³¹ Information is provided by more than 100 large-size entities¹³², including: (i) large GCT registrants; (ii) employers;¹³³ (iii) government agencies - for example, customs, Ministry of Labour and Social Security, Registrar of Companies of Jamaica, National Water Commission, and others; (iv) health providers; and (v) large distributors.

Information other than their own tax declarations are not available from banks and other financial institutions. TAJ does not receive stock exchange, shareholder, or real estate property transactional data. Information from online vendors can be received if they are among the large taxpayers sending third-party information. Jamaica is moving towards the international exchange of data in tax matters; the country is active with FATCA and is preparing to adopt the Common Reporting Standard. TAJ will start both submissions for FATCA and Global Forum on Transparency and Exchange of Information for Tax Purposes by September 2022. Currently, it is not benefiting from information from other jurisdictions.

P6-21: Initiatives undertaken to encourage accurate reporting

This indicator assesses the nature and scope of cooperative compliance and other proactive initiatives undertaken to encourage accurate reporting. Assessed scores are shown in Table 22 followed by an explanation of reasons underlying the assessment.

¹²⁸ Screenshot of the data matching. png

¹²⁹ Screenshot of the RAIS system

¹³⁰ Screenshot of the data matching 2. png

¹³¹ Screenshot of the third-party upload. png

¹³² Screenshot of the data warehouse. png

¹³³ SO1 - Employer's Monthly Statutory Remittance Payroll Deductions, which unifies information from the following sources: National Housing Trust, National Insurance Scheme, Human Employment and Resource Training. Available at <https://www.jamaicatax.gov.jm/web/guest/payroll1>.

Table 22. P6-21 Assessment

Measurement dimension	Scoring Method	Score 2021
P6-21. The nature and scope of proactive initiatives undertaken to encourage accurate reporting.	M1	B

The TAJ offers both public and private rulings for all core taxes. Section 12 of the Tax Administration Jamaica Act (2013)¹³⁴ stipulates that Practice Notes¹³⁵ issued by the Commissioner General is binding on the CG and officers of the TAJ. Section 13 of the same law allows taxpayers to seek a private ruling, which, once issued, binds the CG and officers of TAJ to the interpretation provided therein.

The tax law in Jamaica does not offer cooperative compliance agreements. A cooperative compliance agreement is a voluntary arrangement between the tax administration and a taxpayer, particularly large taxpayers, aimed at improving the working relationship by reducing legal uncertainty, creating a level playing field, and reducing the costs to both TAJ and the taxpayer.

P6-22: Monitoring the tax gap to assess inaccuracy of reporting levels

This indicator examines the soundness of methods used by the tax administration to monitor the extent of inaccurate reporting in declarations. The assessed score is shown in Table 23 followed by an explanation of reasons underlying the assessment.

Table 23. P6-22 Assessment

Measurement dimensions	Scoring Method	Score 2021
P6-22. The soundness of tax gap analysis method/s used by the tax administration to monitor the extent of inaccurate reporting.	M1	D

TAJ does not monitor the extent of revenue losses from inaccurate reporting. Since April 2015, when the IMF conducted a GCT gap study (covering the period between 2008 and 2013), no compliance gap studies have since been undertaken for GCT or other core taxes. TAJ has not developed any analytical models or methodologies to estimate the size and composition of the tax gap.

¹³⁴ Tax Administration Act, 2013.

¹³⁵ <https://www.jamaicatax.gov.jm/web/guest/practice-notes> and Example of a Practice Note – TAP PN version final.pdf.

G. POA 7: Effective Tax Dispute Resolution

This POA deals with the process by which a taxpayer seeks an independent review, on grounds of facts or interpretation of the law, of a tax assessment resulting from an audit. Above all, a tax dispute process must safeguard a taxpayer's right to challenge a tax assessment and get a fair hearing. The process should be based on a legal framework, be known and understood by taxpayers, be easily accessible, guarantee transparent independent decision-making, and resolve disputed matters in a timely manner.

Three performance indicators are used to assess POA 7:

- P7-23—Existence of an independent, workable, and graduated dispute resolution process.
- P7-24—Time taken to resolve disputes.
- P7-25—Degree to which dispute outcomes are acted upon.

P7-23: Existence of an independent, workable, and graduated resolution process

For this indicator three measurement dimensions assess: (1) the extent to which a dispute may be escalated to an independent external tribunal or court where a taxpayer is dissatisfied with the result of the tax administration's review process; (2) the extent to which the tax administration's review process is truly independent; and (3) the extent to which taxpayers are informed of their rights and avenues of review. Assessed scores are shown in Table 24 followed by an explanation of reasons underlying the assessment.

Table 24. P7-23 Assessment

Measurement dimensions	Scoring Method	Score 2021	
P7-23-1. The extent to which an appropriately graduated mechanism of administrative and judicial review is available to, and used by, taxpayers.	M2	A	A
P7-23-2. Whether the administrative review mechanism is independent of the audit process.		A	
P7-23-3. Whether information on the dispute process is published, and whether taxpayers are explicitly made aware of it.		A	

Legislation and operational procedures ensure a graduated mechanism of administrative and judicial review. All taxpayers are afforded the right to natural justice and procedural fairness in disputing notices of assessment under both the ITA and GCTA. Within 30 days of receiving a notice of assessment, the taxpayer has the right to dispute the assessment. Under the GCTA, the TAJ has six months to rule on the objection. Where a taxpayer is in disagreement with the decision of the TAJ, the taxpayer may appeal to the Commissioner of Taxpayer Appeals within 30

days of receipt of the decision. The third level of the appeals process affords the taxpayer the right to appeal to the Revenue Court within 30 days of the date of receiving the Commissioner's decision. Appeals to the Revenue Court must be limited to the grounds stated in the notice of objection. Taxpayers are knowledgeable about and avail themselves of the TAJ dispute mechanisms this is supported by the high volume of cases in the disputes inventory (see Attachment III Table 14) and perception survey results.¹³⁶ Perceptions show that the system of dispute resolution is sound.¹³⁷

The TAJ dispute resolution mechanism is independent and objective. The objections unit is a separate function from audit reporting directly to the CG through a Technical Specialist.¹³⁸ The unit is responsible for providing an objective review of the law and facts under dispute without any influence from the audit function. Administrative review procedures are documented and applied.¹³⁹

Taxpayers are aware of their right to dispute notices of assessment. Information on the objections process is available on the TAJ website,¹⁴⁰ cited in assessment notices and is conveyed by auditors in their exit interviews with taxpayers.¹⁴¹

P7-24: Time taken to resolve disputes

This indicator assesses how responsive the tax administration is in completing administrative reviews. Assessed scores are shown in Table 25 followed by an explanation of reasons underlying the assessment.

Table 25. P7-24 Assessment

Measurement dimensions	Scoring Method	Score 2021
P7-24. The time taken to complete administrative reviews.	M1	D

Time taken to complete administrative reviews fails to meet the minimum requirements of acceptable international good practice. Only a very small percentage of administrative reviews are completed within 90 days. None are completed within 30 or 60 days. See Table 14 in Attachment III.

¹³⁶ Revenue Appeals Customer Satisfaction Survey 2019 - Revised RAD Customer Satisfaction Survey (2019). docx

¹³⁷ Customer Satisfaction 2020_Descriptive Stats. xlsx

¹³⁸ TAJ Organization Chart

¹³⁹ SOP - Objection Final_feb262021. doc (SOP for Objections)

¹⁴⁰ Draft Update of Citizen Charter JUNE 2020. docx and [Citizen's Charter - TAJ Portal \(jamaicatax.gov.jm\)](http://Citizen's Charter - TAJ Portal (jamaicatax.gov.jm))

¹⁴¹ Conducting Audits and Assessments - Field and Desk-April 28 2021 (1). doc (SOP for the audit function)

P7-25: Degree to which dispute outcomes are acted upon

This indicator looks at the extent to which dispute outcomes are taken into account in determining policy, legislation, and administrative procedure. The assessed score is shown in Table 26 followed by an explanation of reasons underlying the assessment.

Table 26. P7-25 Assessment

Measurement dimension	Scoring Method	Score 2021
P7-25. The extent to which the tax administration responds to dispute outcomes.	M1	C

Dispute resolution outcomes are monitored on an ad hoc basis. Dispute outcomes are monitored by the objections unit and suggested changes or modification to legislation, policies or procedures are escalated to the Senior Technical Committee for consideration.^{142, 143} Outcomes of individual disputes are not published however, the subject to which the dispute is germane can be published. Monitoring is purportedly done on an ad hoc basis.

H. POA 8: Efficient Revenue Management

This POA focuses on three key activities performed by tax administrations in relation to revenue management:

- Providing input to government budgeting processes of tax revenue forecasting and tax revenue estimating. (As a general rule, primary responsibility for advising government on tax revenue forecasts and estimates rests with the Ministry of Finance. The tax administration provides data and analytical input to the forecasting and estimating processes. Ministries of Finance often set operational revenue collection targets for the tax administration based on forecasts of revenue for different taxes.)¹⁴⁴
- Maintaining a system of revenue accounts.
- Paying tax refunds.

Three performance indicators are used to assess POA 8:

¹⁴² IROC Terms of Reference - Senior Leadership Team. pdf - IROC Terms of Reference (Interpretations, Rulings and Opinions Committee)

¹⁴³ Forward Contracts - FX gains & losses Edited April 21. docx (identified as part of disputes outcomes review)

¹⁴⁴ It is common for Ministries of Finance to review budget revenue forecasts and related tax collection targets during the fiscal year (particularly mid-year) to take account of changes in forecasting assumptions, especially changes in the macroeconomic environment.

- P8-26—Contribution to government tax revenue forecasting process.
- P8-27—Adequacy of the tax revenue accounting system.
- P8-28—Adequacy of tax refund processing.

P8-26: Contribution to government tax revenue forecasting process

This indicator assesses the extent of tax administration input to government tax revenue forecasting and estimating. The assessed score is shown in Table 27 followed by an explanation of reasons underlying the assessment.

Table 27. P8-26 Assessment

Measurement dimensions	Scoring Method	Score 2021
P8-26. The extent of tax administration input to government tax revenue forecasting and estimating.	M1	A

Tax revenue collections are fully accounted for, monitored against expectations, and analyzed to inform government revenue forecasting.¹⁴⁵ The Strategic Services Division (SSD) monitors and provides monthly and quarterly reports on gross and net tax revenue collections by core tax type to the MOFPS' Tax Policy Division and the Accountant General.¹⁴⁶ Tax revenue estimates assess the impact on revenue of proposed tax law changes to assist the government in determining the possible impact of new revenue measures on the government's budget. The TAJ produces a forecast for net tax revenues, the results of which are matched against the MOFPS targets, and seeks to address any issues in meeting them.

TAJ forecasts GCT refund levels, monitors the stock of tax losses carried forward by taxpayers and tax expenditures. To ensure that enough revenue funds are available, the SSD provides monthly monitoring reports on GCT refunds. A monthly Refunds Statement is prepared to show the aggregate refund claims received vs. refund payments issued and the corresponding balance for GCT. TAJ monitors the stock of tax losses through the Discovery Module in RAiS. It also produces inputs for the Tax Expenditure Statement, pulled from the RAiS system via a script.

P8-27: Adequacy of the tax revenue accounting system

¹⁴⁵ See: Revenue Forecast various fiscal year; Domestic Revenue Performance various years; Revised Forecast Quarter update various years; Income Tax Continuous Loss Script; Refunds forecast; Processing GCT RT Refund Claims; and Tax Expenditures Statement TES various years.

¹⁴⁶ TAJ reports to the MOFPS on variances in actual collections from forecasts using the Monthly Domestic Revenue Report, which includes analysis against targets and factors contributing to the revenue performance to date.

This indicator examines the adequacy of the tax revenue accounting system. Assessed scores are shown in Table 28 followed by an explanation of reasons underlying the assessment.

Table 28. P8-27 Assessment

Measurement dimension	Scoring Method	Score 2021
P8-27. Adequacy of the tax administration's revenue accounting system.	M1	D

The TAJ automated accounting system meets GOJ standards. The system facilitates taxpayer and revenue accounting and supports cash-based operations, compatible with GOJ accounting operations. The Global Financial Management System (GFMS) / Central Treasury Management System (CTMS) environment of the MOFPS relies on information provided by the RAiS system.¹⁴⁷ The system generates a breakdown of revenue classifications based on revenue collected by TAJ. The GFMS captures the information every morning and transfers it to the Revenue Management Module (RMM). The Treasury Officer accesses and reviews the classifications and authorizes posting. On average, the TAJ posts all liabilities and payments within 12-24 hours, and taxpayers have e-access to a monthly statement of their tax liabilities and credit balances via RAiS. Regular audits on the system are not carried out, and only specific changes and updates made to the RAiS system are audited by the Internal Audit Unit to ensure it aligns with the tax laws and meets government accounting standards.

The accounting system does not interface with the MOFPS revenue accounting system. The exchange of information is currently done through email. Serious problems may arise from the inherent risks associated with the absence of a dedicated interface negatively impacting both systems. All liabilities and related payments were posted in taxpayers' accounts every night, after the system runs.¹⁴⁸

P8-28: Adequacy of tax refund processing

For this indicator, two measurement dimensions assess the tax administration's system of processing VAT refund claims. Assessed scores are shown in Table 29 followed by an explanation of reasons underlying the assessment.

¹⁴⁷ See: TAJ Extend sweeping arrangement; UAT Report Tax Payment Portal; UAT INCRS; UAT RAiS service pack; User testing TRN update; Stamp duty data conversion to RAiS report; and IT system INCRS access review.

¹⁴⁸ UAT – RAiS Service Pak. pdf

Table 29. P8-28 Assessment

Measurement dimensions	Scoring Method	Score 2021	
P8-28-1. Adequacy of the VAT refund system.	M2	D	D
P8-28-2. The time taken to pay (or offset) VAT refunds.		D	

TAJ does not apply a risk-based verification system to refund GCT input tax credits. GCT declarations are automatically triggered for net credit (that is, when input credits exceed tax collected). The refund, once requested,¹⁴⁹ may be used to offset automatically against other periods for the same tax type. However, taxpayers must claim separately in writing for the refund and specifically request that the tax credit be used to offset against other tax types. There are neither special arrangements in place for managing GCT refund claims for regular exporters (for example, fast-track treatment based on risk criteria), nor an automated pre-issue verification system. All GCT refund claims are processed by an auditor.

The time taken by TAJ to pay or offset GCT refunds fails to meet good international practice. GCT refunds are paid from the Consolidated Fund. Only half of the refund claims, by number of cases and 46 percent by value are paid, offset or declined within 30 calendar days. Interest is paid on approved refunds which are unpaid over 90 days.¹⁵⁰ Before issuing any refund, the system checks four criteria, including if there are no outstanding returns/ tax arrears from the same account being refunded. See Attachment III Table 15.

I. POA 9: Accountability and Transparency

Accountability and transparency are central pillars of good governance. Their institutionalization reflects the principle that tax administrations should be answerable for the way they use public resources and exercise authority. To enhance community confidence and trust, tax administrations should be openly accountable for their actions within a framework of responsibility to the minister, government, legislature, and the general public.

Four performance indicators are used to assess POA 9:

- P9-29—Internal assurance mechanisms.
- P9-30—External oversight of the tax administration.

¹⁴⁹ The taxpayer needs to indicate in the tax declaration his/her intention of either receiving a refund or offsetting it against liabilities in the same tax type.

¹⁵⁰ Refund Request Status as March 31, 2021.xls, VAT refunds 20-21.xls and GCT Refund.xls.

- P9-31—Public perception of integrity.
- P9-32—Publication of activities, results, and plans.

P9-29: Internal assurance mechanisms

For this indicator, two measurement dimensions assess the internal assurance mechanisms in place to protect the tax administration from loss, error, and fraud. Assessed scores are shown in Table 30 followed by an explanation of reasons underlying the assessment.

Table 30. P9-29 Assessment

Measurement dimensions	Scoring Method	Score 2021	
P9-29-1. Assurance provided by internal audit.	M2	A	C+
P9-29-2. Staff integrity assurance mechanisms.		D	

The TAJ has an independent internal audit unit that meets international standards of good practice. The establishment of the Internal Audit Unit (IAU) is set out in the Financial Administration and Audit Act.¹⁵¹ The internal audit procedures are laid out in the GOJ Internal Audit Manual.¹⁵² The unit consists of 22 staff members of whom 19 are auditors including the Chief Internal Auditor, who reports functionally to the Audit Committee of the TAJ Board and administratively to the CG. The terms of reference of the IAU are outlined in the Internal Audit Charter which specifies the Unit's functional and organizational independence and audit scope.¹⁵³ IAU prepares an annual audit plan designed to provide audit coverage across all key TAJ operations in effectively and efficiently. The plan identifies inefficiencies in business processes, where internal controls are weak and need strengthening, and verifies the accuracy and integrity of the tax administration system.¹⁵⁴ It also prepares quarterly and annual reports of its findings and recommendations.¹⁵⁵

Regular training is provided by the Internal Audit Directorate (IAD) of the MOFPS and the TAJ Training Unit. Staff have several years of experience in financial audits, performance audits and ISO audits. IAU prepares a yearly training program detailing the training needs of the unit and audit staff are trained regularly.¹⁵⁶ The IAD of the MOFPS conducts an independent review of

¹⁵¹ Financial Administration and Audit Act_2012.pdf

¹⁵² GOJ Internal Audit Manual 2002.pdf

¹⁵³ Internal Audit Unit Charter.pdf

¹⁵⁴ (i) Audit Risk Plan 2020-2021. pdf; (ii) Audit Risk Plan 2021_2022.

¹⁵⁵ (i) Internal Audit First Quarter Report 2021 to 2022. pdf; (ii) IAU Year Ended Report 31 March 2021.pdf

¹⁵⁶ IAU Staff Qualification and Training.xlsx

the IAU once every 5 years.¹⁵⁷ The IAU maintains a repository of internal controls policies and procedures from all areas of operation in the form of SOPs, which are updated by the Organisation Development Section of TAJ.¹⁵⁸ IT system controls are in place and audit trails of user access is robust including existence of system-generated reports. IAU provides good internal surveillance of the RAiS system.¹⁵⁹

The TAJ has a code of conduct that is communicated to all staff. However, the internal staff integrity mechanism is weak. The Code of Conduct¹⁶⁰ explicitly informs employees of the standard of conduct that is expected along with the offer of employment which is signed and kept in their personal files.¹⁶¹ It is made available via the Intranet and it is provided to each employee on the first day of employment during the onboarding exercise conducted by Human Resource Management Unit. Additionally, sensitization sessions are conducted from time-to-time by the Employee Relations Unit (ERU).¹⁶²

There is no unit solely devoted to internal affairs reporting directly to the CG or DCG. No integrity statistics are maintained or made public. The ERU, which handles disciplinary proceedings for staff misconduct, is not solely devoted to internal affairs, manages other staff-related issues, and does not have investigative powers. ERU reports to the HRM&D Directorate, which then reports to the DCG for Management Services. The TAJ HR Policy clearly highlights procedures for disciplinary proceedings.¹⁶³ Allegations of serious staff misconduct are referred to the Revenue Protection Division (RPD) in the MOFPS. The RPD handles cases of corruption, linked to tax fraud, for Jamaica Customs Agency and TAJ, is external to the TAJ, and only investigates misconduct cases that involve revenue losses. Once a criminal court determines a crime is committed by a TAJ staff member, the RPD recommends dismissal of the individual.¹⁶⁴ RPD also interacts with other enforcement bodies including police, Major Organized Crime and Anti-Corruption Agency (MOCA) and the Integrity Commission. No integrity-related statistics were presented to the assessment team.

¹⁵⁷ The last independent assessment was conducted in 2014. However, because of the postponement due to the pandemic, the next review is scheduled for January 2022 – March 2022.

¹⁵⁸ For example: (i) MOFPS Financial instructions and audit acts_2017. pdf; (ii) SOP-Receipting and Processing Payments (Online and Inline). pdf; (iii) SOP- Filing and Processing Returns (Online and Inline). pdf; (iv) SOP- Conducting Audit and Assessments (Field and Desk); (v) SOP-Taxpayer Registration (Individuals and Organization). pdf; (vi) GOJ-asset-management-policy-2020.pdf

¹⁵⁹ (i) IT System (INCRS) Access Review. pdf; (ii) Internal Audit of IT -UAT- INCRS. pdf; (iii) Internal Audit of IT UAT- RAiS Service Pack 2021. pdf; (iv) Internal Audit UAT Report_ Tax Payment Portal. pdf; (v) Internal Audit report -User Testing - TRN update.pdf

¹⁶⁰ TAJ Code of conduct.pdf

¹⁶¹ Staff-Orders-for-Public-Service 2004.pdf

¹⁶² Training RPD-TAJ-2019to2021. docx

¹⁶³ TAJ HR Policy (including disciplinary proceedings) 2018. pdf

¹⁶⁴ RPD Recommendation for dismissal 2019 (1) . docx; RPD Recommendation for dismissal 2019 (2). docx

P9-30: External oversight of the tax administration

Two measurement dimensions of this indicator assess: (1) the extent of independent external oversight of the tax administration's operations and financial performance; and (2) the investigation process for suspected wrongdoing and maladministration. Assessed scores are shown in Table 31 followed by an explanation of reasons underlying the assessment.

Table 31. P9-30 Assessment

Measurement dimensions	Scoring Method	Score 2021	
P9-30-1. The extent of independent external oversight of the tax administration's operations and financial performance.	M2	A	B
P9-30-2. The investigation process for suspected wrongdoing and maladministration.		C	

The Auditor General's Department (AGD) provides independent external oversight of TAJ's operational and financial performance. The responsibilities and authority of the Auditor General are detailed in the Constitution and the Financial Administration and Audit Act.¹⁶⁵ It provides annual audits of all government ministries, departments and agencies including TAJ in accordance with professional and ethical standards based on a Strategic Business Plan.¹⁶⁶ The AGD issues reports on TAJ's operational performance¹⁶⁷ as well as the use of public resources.¹⁶⁸ The TAJ provide responses to the AGD's findings. The findings are published on the AGD's website¹⁶⁹ and are also presented to Parliament through the Public Accounts Committee (PAC) where the hearings are public.

The Office of Public Defender (OPD) investigates complaints of maladministration from citizens and reports systemic problems to the Parliament.¹⁷⁰ However, it receives a trivial number of complaints on TAJ. Although the OPD website allows citizens to make complaint on its portal, it received only one complaint in 2018-19 and five complaints in 2017-18.^{171, 172} OPD office usually

¹⁶⁵ Financial Administration and Audit Act_2012. pdf

¹⁶⁶ Auditor-General-Department-Strategic Business Plan -2019_2022. pdf

¹⁶⁷ Auditor General Compliance Audit Report on TAJ 2018-19. pdf

¹⁶⁸ Auditor General's TAJ's Audited Appropriation Accounts - FY 2018-2019. pdf

¹⁶⁹ https://auditorgeneral.gov.jm/reports/?_sf_s=TAJ

¹⁷⁰ The Public Defender Act 1999. It repealed the Ombudsman Act, and thus created a hybrid body as an independent Commission of Parliament, that not only investigates maladministration but also investigates allegations of constitutional breaches, and where necessary seek appropriate redress.

¹⁷¹ <https://opd.gov.jm/wp-content>

¹⁷² Public Defender Brochure. pdf

indicates taxpayers look for a lawyer, once they don't have power to enforce or sanction against TAJ.

External mechanisms for investigation of allegations of suspected wrongdoing and maladministration exist but are weak. There are three institutions dealing with anticorruption monitoring - RPD in the MOFPS, Integrity Commission,¹⁷³ and Major Organized Crime Anti-corruption Agency (MOCA) of which the latter two have not investigated any cases involving TAJ staff. RPD investigates only cases that involve revenue loss, but not other cases of misconduct. RPD also carries out background checks on all public sector officers and makes recommendations to the CG in relation to disciplinary actions following court decisions on staff involvement in corruption. There is no evidence of regular monthly monitoring and reporting to the TAJ senior management.

P9-31: Public perception of integrity

This indicator examines measures taken to gauge public confidence in the tax administration. The assessed score is shown in Table 32 followed by an explanation of reasons of the assessment.

Table 32. P9-31 Assessment

Measurement dimension	Scoring Method	Score 2021
P9-31. The mechanism for monitoring public confidence in the tax administration.	M1	D

No public perception surveys are carried out to monitor public confidence in the tax administration. Every two years, TAJ contracts Market Research Limited to conduct a survey concerning customer satisfaction with respect to e-Services carried out by TAJ; however the surveys do not report on the level of public confidence in the tax administration.¹⁷⁴ The results of the conducted surveys are not made public.

P9-32: Publication of activities, results, and plans

Two measurement dimensions of this indicator assess the extent of: (1) public reporting of financial and operational performance; and (2) publication of future directions and plans. Assessed scores are shown in Table 33 followed by an explanation of reasons underlying the assessment.

¹⁷³ The Integrity Commission Act, 2017. pdf

¹⁷⁴ TAJ Customer Service Report 20-21. pdf

Table 33. P9-32 Assessment

Measurement dimensions	Scoring Method	Score 2021	
P9-32-1. The extent to which the financial and operational performance of the tax administration is made public, and the timeliness of publication.	M2	D	D
P9-32-2. The extent to which the tax administration's future directions and plans are made public, and the timeliness of publication.		D	

The TAJ prepares Annual Reports of its operational and financial performance but these are not published. ¹⁷⁵ The reports are presented to the TAJ Board of Management and to the MOFPS. The annual reports of TAJ and the MOFPS are available only on their respective intranet sites. ¹⁷⁶

The TAJ does not prepare a multi-year strategic plan but publishes its annual National Compliance Plans on its website. ¹⁷⁷ The National Compliance Plan identifies the annual program for compliance activities but does not provide a medium-term perspective. ¹⁷⁸

¹⁷⁵ (i) TAJ's FY19 20 Annual Performance Report.docx; (ii) TAJ's FY18-19 Annual Performance Report.docx

¹⁷⁶ MOFPS Annual Report 2018-19. PDF (on intranet)

¹⁷⁷ https://www.jamaicatax.gov.jm/documents/10194/9534829/National_Compliance_Plan_FY2021_Final_052021.pdf/bbc342d6-455c-b9ca-5541-712de63e9d39

¹⁷⁸ (i) TAJ National Compliance Plan (2018-19). pdf; (ii) TAJ National Compliance Plan (2019-20). pdf

Attachment I. TADAT Framework

Performance outcome areas

TADAT assesses the performance of a country's tax administration system by reference to nine outcome areas:

1. **Integrity of the registered taxpayer base:** Registration of taxpayers and maintenance of a complete and accurate taxpayer database is fundamental to effective tax administration.
2. **Effective risk management:** Performance improves when risks to revenue and tax administration operations are identified and systematically managed.
3. **Supporting voluntary compliance:**
Usually, most taxpayers will meet their tax obligations if they are given the necessary information and support to enable them to comply voluntarily.
4. **On-time filing of declarations:** Timely filing is essential because the filing of a tax declaration is a principal means by which a taxpayer's tax liability is established and becomes due and payable.
5. **On-time payment of taxes:** Non-payment and late payment of taxes can have a detrimental effect on government budgets and cash management. Collection of tax arrears is costly and time consuming.
6. **Accurate reporting in declarations:** Tax systems rely heavily on complete and accurate reporting of information in tax declarations. Audit and other verification activities, and proactive initiatives of taxpayer assistance, promote accurate reporting and mitigate tax fraud.
7. **Effective Tax Dispute Resolution:** Independent, accessible, and efficient review mechanisms safeguard a taxpayer's right to challenge a tax assessment and get a fair hearing in a timely manner.
8. **Efficient revenue management:** Tax revenue collections must be fully accounted for, monitored against budget expectations, and analyzed to inform government revenue forecasting. Legitimate tax refunds to individuals and businesses must be paid promptly.
9. **Accountability and transparency:** As public institutions, tax administrations are answerable for the way they use public resources and exercise authority. Community confidence and trust are enhanced



when there is open accountability for administrative actions within a framework of responsibility to the minister, legislature, and general community.

Indicators and associated measurement dimensions

A set of 32 high-level indicators critical to tax administration performance are linked to the performance outcome areas. It is these indicators that are scored and reported on. A total of 55 measurement dimensions are taken into account in arriving at the indicator scores. Each indicator has between one and five measurement dimensions.

Repeated assessments will provide information on the extent to which a country's tax administration is improving.

Scoring methodology

The assessment of indicators follows the same approach followed in the Public Expenditure and Financial Accountability (PEFA) diagnostic tool so as to aid comparability where both tools are used.

Each of TADAT's 55 measurement dimensions is assessed separately. The overall score for an indicator is based on the assessment of the individual dimensions of the indicator. Combining the scores for dimensions into an overall score for an indicator is done using one of two methods: Method 1 (M1) or Method 2 (M2). For both M1 and M2, the four-point 'ABCD' scale is used to score each dimension and indicator.

Method M1 is used for all single dimensional indicators and for multi-dimensional indicators where poor performance on one dimension of the indicator is likely to undermine the impact of good performance on other dimensions of the same indicator (in other words, by the weakest link in the connected dimensions of the indicator).

Method M2 is based on averaging the scores for individual dimensions of an indicator. It is used for selected multi-dimensional indicators where a low score on one dimension of the indicator does not necessarily undermine the impact of higher scores on other dimensions for the same indicator.

Attachment II. Jamaica - Country Snapshot

Geography	Jamaica is an island country situated in the Caribbean Sea, it is the third-largest island of the Greater Antilles. The island, 10,990 square kilometers in area, lies about 145 kilometers south of Cuba, and 191 kilometers west of Hispaniola, the island containing the nation-states of Haiti and the Dominican Republic. Jamaica is the fifth-largest island country in the Caribbean, and Kingston is the capital and largest city.
Population	2. 9 million inhabitants Source: World Population Prospects, 2019. United Nations
Adult literacy rate	88. 1 percent of the population overall, aged 15 years and older, are literate. 92. 7 percent of all women, and 83. 4 percent of men aged 15 years and older are literate. (Source: UNESCO)
Gross Domestic Product	US\$14. 6 billion at current prices (Source: World Economic Outlook, April 2021)
Per capita GDP(nominal)	US\$4,665 for 2020 (Source: World Bank) US\$5,328 projected for 2021(Source: IMF)
Main industries	Tourism (30 percent), agriculture (6. 6 percent), mining (4. 1 percent), and manufacturing (29. 4 percent) (Source: World Atlas)
Communications	Internet access: 68 percent of the population in 2018 Mobile phone: 97 percent in 2020 (Source: World Bank – International Telecommunication Union)
Main taxes	GCT (or VAT), CIT, IIT, PAYE and Domestic Excise
Tax-to-GDP	17. 1 percent (including CIT, IIT, PAYE, GCT & domestic excise)
Number of taxpayers	As of FY 2020/21-> CIT: 22,235; IIT: 195,612; PAYE: 42,377; GCT: 11,004; and Domestic Excise: 65
Main collection agency	Tax Administration of Jamaica
Number of staff in the TAJ	2,226
Financial Year	April - March

Attachment III. Data Tables

A. Tax Revenue Collections

Table 1. Tax Revenue Collections, [Fiscal Year 2018/9 - 2020/21] ¹			
	2018/19	2019/20	2020/21
In JMD '000			
National budgeted tax revenue forecast²	485,349,132	513,435,300	469,183,653
Total tax revenue collections	481,621,423	514,294,153	462,600,500
Corporate Income Tax (CIT)	61,323,137	68,282,792	66,049,195
Individual Income Tax (IIT)	5,164,890	5,827,865	5,083,838
Pay As You Earn (PAYE) withholding by employers	58,037,301	66,670,144	67,956,829
General Consumption Tax (GCT)[1]	187,896,976	201,801,324	167,463,561
- <i>General Consumption Tax (GCT)</i> —gross domestic collections	109,604,996	117,307,807	101,108,211
- <i>General Consumption Tax (GCT)</i> —collected on imports	87,202,000	92,497,500	76,271,993
- <i>General Consumption Tax (GCT)</i> —refunds paid	-8,910,020	-8,003,983	-9,916,643
Special Consumption Tax (SCT) on domestic transactions	25,904,849	30,339,739	26,726,674
Special Consumption Tax (SCT) —collected on imports	51,164,700	52,168,300	44,678,000
Social contribution collections	67,501,346	74,995,165	71,628,749
Other domestic taxes ³	92,129,570	89,203,989	84,642,403
In percent of total tax revenue collections			
Total tax revenue collections	100.0	100.0	100.0
Corporate Income Tax (CIT)	12.7	13.3	14.3
Individual Income Tax (PIT)	1.1	1.1	1.1
Pay As You Earn (PAYE) withholding by employers	12.1	13.0	14.7
General Consumption Tax (GCT) net	39.0	39.2	36.2
- <i>General Consumption Tax (GCT)</i> —gross domestic collections ¹⁷⁹	22.8	22.8	21.9
- <i>General Consumption Tax (GCT)</i> —collected on imports ¹	18.1	18.0	16.5
- <i>General Consumption Tax (GCT)</i> —refunds paid ¹	-1.9	-1.6	-2.1
Special Consumption Tax (SCT) —collected on domestic transactions	5.4	5.9	5.8
Special Consumption Tax (SCT) —collected on imports	10.6	10.1	9.7
<i>Social contribution collections</i>	14.0	14.6	15.5
Other domestic taxes	19.1	17.3	18.3
In percent of GDP			
Total tax revenue collections	23.5	24.2	23.7
Corporate Income Tax (CIT)	3.0	3.2	3.4
Individual Income Tax (PIT)	0.3	0.3	0.3
Pay As You Earn (PAYE) withholding by employers	2.8	3.1	3.5
General Consumption Tax (GCT) net	9.2	9.5	8.6
- <i>General Consumption Tax (GCT)</i> —gross domestic collections	5.3	5.5	5.2
- <i>General Consumption Tax (GCT)</i> —collected on imports	4.2	4.4	3.9
- <i>General Consumption Tax (GCT)</i> —refunds paid	(0.4)	-0.4	-0.5
Special Consumption Tax (SCT) —collected on domestic transactions	1.3	1.4	1.4
Special Consumption Tax (SCT) —collected on imports	2.5	2.4	2.3
<i>Social contribution collections</i>	3.3	3.5	3.7
Other domestic taxes	4.5	4.2	4.3
Nominal GDP in JMD '000	2,053,279,000	2,121,087,000	1,948,549,000
Explanatory notes:			
¹ This table gathers data for three fiscal years in respect of all domestic tax revenues collected by the tax administration at the national level, plus VAT and excise tax collected on imports by the customs and/or other agency.			
² This forecast is normally set by the MOFPS with input from TAJ and, for purposes of this table, should only cover the taxes listed in the table. The final budgeted forecast, as adjusted through any mid-year review process, is used.			
³ Other domestic taxes collected at the national level by the tax administration include, for example, property taxes, financial transaction taxes, and environment taxes.			

¹⁷⁹ Social Contributions are collected on behalf of the respective agencies by TAJ and are not included in the targeted collections. No target is set for these contributions. Property tax is collected by TAJ on behalf of the Ministry of Local Government.

B. Movements in the Taxpayer Register

Table 2. Movements in the Taxpayer Register, FY2018/2019 – 2020/2021

(Ref: POA1)

	Registered taxpayers ¹ [A]	Taxpayers otherwise not required to file ² [B]	Taxpayers Expected to File [C] = [(A) – (B)] ³	Memorandum items ⁴ [D]	
				New Registrations [D1]	Taxpayers deregistered during year [D2]
2018/2019					
Corporate income tax	19,463	0	19,463	1,788	632
Individual I income tax	172,960	5,471	167,489	17,136	146
PAYE withholding (# of employers)	40,637	0	40,637	2,220	1,458
General Consumption Tax	18,285	141	18,144	1,374	811
Special Consumption Tax ⁵	204	168	36	21	5
Other taxpayers					
2019/2020					
Corporate income tax	20,619	0	20,619	2,073	457
Individual I income tax	184,479	5,444	179,035	16,701	124
PAYE withholding (# of employers)	41,399	0	41,399	2,332	1,354
General Consumption Tax	18,707	146	18,561	781	8,338
Special Consumption Tax ⁵	52	19	33	33	1
Other taxpayers					
2020/2021					
Corporate income tax	22,235	0	22,235	1,972	268
Individual I income tax	195,612	3,858	191,754	14,608	112
PAYE withholding (# of employers)	42,377	0	42,377	2,158	1,001
General Consumption Tax	11,004	129	10,875	744	648
Special Consumption Tax ⁵	65	31	34	25	3
Other taxpayers					
Explanatory Notes:					
¹ A registered taxpayer who is in the tax administration's taxpayer database.					
² Taxpayers not required to file declarations ³ means taxpayers who are registered but are currently not required to file by law or regulation and are explicitly flagged in the automated tax administration system.					
³ Expected filing calculations to be used in Indicator P4-12.					
⁴ Taxpayer register activity information.					
⁵ For purposes of a TADAT assessment, the focus is on those registered domestic excise taxpayers who trade in goods/services that contribute 70 percent of the total domestic excise revenue by value.					

C. Telephone Enquiries

(Ref: POA 3)

Table 3. Telephone Enquiry Call Waiting Time (2020/2021)			
Month	Total number of telephone enquiry calls received	Telephone enquiry calls answered within 20-second waiting time Telephone enquiry calls answered within 6 minutes' waiting time	
		Number	In percent of total calls
April 2020	8,963	4,131	46. 1
May 2020	12,715	6,322	49. 7
June 2020	14,447	9,740	67. 4
July 2020	11,899	9,149	76. 9
August 2020	11, 473	8,339	72. 7
September 2020	10,822	8,205	75. 8
October 2020	8,636	6,586	76. 3
November 2020	9,930	8,076	81. 3
December 2020	8,333	6,752	81. 0
January 2021	10,439	7,389	70. 8
February 2021	13,072	8,205	62. 8
March 2021	21,885	5,960	27. 2
12-month total	142,614	88,854	62. 3

Call answer within 20 Seconds

D. Filing of Tax Declarations

Table 4. On-time Filing of CIT Declarations for 2020/2021

(Ref: POA 4)

	Number of declarations filed on-time ¹	Number of declarations expected to be filed ²	On-time filing rate ³ (In percent)
All CIT taxpayers	13,661	23,924	57. 1
Large taxpayers only	912	1,094	83. 4

Explanatory notes:

¹ 'On-time' filing means declarations (also known as 'returns') filed by the statutory due date for filing (plus any 'days of grace' applied by the tax administration as a matter of administrative policy).

² 'Expected declarations' means the number of CIT declarations that the tax administration expected to receive from registered CIT taxpayers that were required by law to file declarations.

³ The 'on-time filing rate' is the number of declarations filed by the statutory due date as a percentage of the total number of declarations expected from registered taxpayers, i. e. expressed as a ratio:

$$\frac{\text{Number of CIT declarations filed by the due date}}{\text{Number of declarations expected from registered CIT taxpayers}} \times 100$$

Table 5. On-time Filing of IIT (PIT) Declarations for 2020/2021

Number of declarations filed on-time ¹	Number of declarations expected to be filed ²	On-time filing rate ³ (In percent)
58,432	102,114	57. 2

Explanatory notes:

¹ 'On-time' filing means declarations (also known as 'returns') filed by the statutory due date for filing (plus any 'days of grace' applied by the tax administration as a matter of administrative policy).

² 'Expected declarations' means the number of PIT declarations that the tax administration expected to receive from registered PIT taxpayers that were required by law to file declarations.

³ The 'on-time filing rate' is the number of declarations filed by the statutory due date as a percentage of the total number of declarations expected from registered taxpayers, i. e. expressed as a ratio:

$$\frac{\text{Number of PIT declarations filed by the due date}}{\text{Number of PIT declarations expected from registered PIT taxpayers}} \times 100$$

Table 6. On-time Filing of GCT (VAT) Declarations—All GCT taxpayers
Fiscal Year 2020/2021

Month	Number of declarations filed on-time ¹	Number of declarations expected to be filed ²	On-time filing rate ³ (In percent)
April 2020	7,312	9,567	76. 4
May 2020	7,119	9,592	74. 2
June 2020	7,656	9,623	79. 6
July 2020	7,744	9,699	79. 8
August 2020	7,723	9,744	79. 3
September 2020	7,823	9,802	79. 8
October 2020	7,694	9,872	77. 9
November 2020	7,857	9,958	78. 9
December 2020	7,952	10,029	79. 3
January 2021	7,483	10,085	74. 2
February 2021	7,272	10,211	71. 2
March 2021	7,884	10,267	76. 8
12-month total	91,519	118,449	77. 3

Explanatory notes:

¹ 'On-time' filing means declarations filed by the statutory due date for filing (plus any 'days of grace' applied by the tax administration as a matter of administrative policy).

² 'Expected declarations' means the number of VAT declarations that the tax administration expected to receive from registered VAT taxpayers that were required by law to file declarations.

³ The 'on-time filing rate' is the number of VAT declarations filed by the statutory due date as a percentage of the total number of declarations expected from registered VAT taxpayers, i. e. expressed as a ratio:

$$\frac{\text{Number of VAT declarations filed by the due date}}{\text{Number of declarations expected from registered VAT taxpayers}} \times 100$$

Table 7. On-time Filing of GCT Declarations—Large taxpayers only
Fiscal Year 2020/2021

Month	Number of declarations filed on-time ¹	Number of declarations expected to be filed ²	On-time filing rate ³ (In percent)
April 2020	511	541	94. 5
May 2020	506	541	93. 5
June 2020	513	542	94. 6
July 2020	514	542	94. 8
August 2020	519	542	95. 8
September 2020	508	543	93. 6
October 2020	511	542	94. 3
November 2020	506	542	93. 4
December 2020	500	542	92. 3
January 2021	504	542	93. 0
February 2021	492	541	90. 9
March 2021	511	541	94. 5
12-month total	6,095	6,501	93. 8

Explanatory notes:

¹ 'On-time' filing means declarations filed by the statutory due date for filing (plus any 'days of grace' applied by the tax administration as a matter of administrative policy).

² 'Expected declarations' means the number of VAT declarations that the tax administration expected to receive from large taxpayers that were required by law to file VAT declarations.

³ The 'on-time filing rate' is the number of VAT declarations filed by large taxpayers by the statutory due date as a percentage of the total number of VAT declarations expected from large taxpayers, i. e. expressed as a ratio:

$$\frac{\text{Number of VAT declarations filed by the due date by large taxpayers}}{\text{Number of VAT declarations expected from large taxpayers}} \times 100$$

Table 8. On-time Filing of SCT (Domestic Excise Tax Declarations) [for those excise tax goods/services categories contributing, by value, 70 percent of total domestic excise tax] Fiscal year 2020/2021			
Month	Number of declarations filed on-time ¹	Number of declarations expected to be filed ²	On-time filing rate ³ (In percent)
April 2020	23	32	71.9
May 2020	22	32	68.8
June 2020	23	32	71.9
July 2020	23	33	69.7
August 2020	23	33	69.7
September 2020	23	33	69.7
October 2020	23	33	69.7
November 2020	25	33	75.8
December 2020	22	33	66.7
January 2021	24	33	72.7
February 2021	21	33	63.6
March 2021	23	34	67.6
12-month total	275	394	69.8
Explanatory notes: ¹ 'On-time' filing means declarations filed by the statutory due date for filing (plus any 'days of grace' applied by the tax administration as a matter of administrative policy) by registered domestic excise tax taxpayers who contribute up to 70 percent, by value, of the total domestic excise tax revenue. ² 'Expected declarations' means the number of excise tax declarations that the tax administration expected to receive from registered domestic excise tax taxpayers (the focus is on those registered domestic excise taxpayers who trade in the categories of goods/services that contribute 70 percent of the total domestic excise revenue by value) that are required by law to file excise tax declarations. ³ The 'on-time filing rate' is the number of excise tax declarations filed by taxpayers by the statutory due date as a percentage of the total number of excise duties declarations expected from registered domestic excise tax taxpayers who trade in the categories of goods/services that contribute 70 percent of the total domestic excise revenue by value, i. e. expressed as a ratio: $\frac{\text{Number of domestic excise tax declarations filed by the due date}}{\text{No. of domestic excise tax declarations expected from registered domestic excise tax taxpayers}} \times 100$			

Table 9. On-time Filing of SCT (Domestic Excise Tax Declarations)—Large taxpayers only
Fiscal Year 2020/2021

Month	Number of declarations filed on-time ¹	Number of declarations expected to be filed ²	On-time filing rate ³ (In percent)
April 2020	10	10	100
May 2020	10	10	100
June 2020	10	10	100
July 2020	9	10	90
August 2020	9	10	90
September 2020	9	10	90
October 2020	9	10	90
November 2020	10	10	100
December 2020	9	10	90
January 2021	10	10	100
February 2021	9	10	90
March 2021	10	10	100
12-month total	114	120	95

Explanatory notes:

¹ 'On-time' filing means declarations filed by the statutory due date for filing (plus any 'days of grace' applied by the tax administration as a matter of administrative policy) by large taxpayers registered for domestic excise tax.

² 'Expected declarations' means the number of excise tax declarations that the tax administration expected to receive from ALL large taxpayers registered for domestic excise tax and are required by law to file excise tax declarations.

³ The 'on-time filing rate' is the number of excise tax declarations filed by large taxpayers by the statutory due date as a percentage of the total number of excise duties declarations expected from large taxpayers registered for domestic excise tax taxpayers, i. e. expressed as a ratio:

$$\frac{\text{Number of domestic excise tax declarations from large taxpayers filed by the due date}}{\text{No. of domestic excise tax declarations expected from active large taxpayers registered for domestic excise tax}} \times 100$$

Table 10. On-time Filing of PAYE Withholding Declarations (filed by employers)
Fiscal Year 2020/2021

Month	Number of declarations filed on-time ¹	Number of declarations expected to be filed ²	On-time filing rate ³ (In percent)
April 2020	12,140	40,008	30. 3
May 2020	12,632	40,055	31. 5
June 2020	13,318	40,088	33. 2
July 2020	13,349	40,187	33. 2
August 2020	13,382	40,308	33. 2
September 2020	13,473	40,399	33. 3
October 2020	13,891	40,490	34. 3
November 2020	14,364	40,568	35. 4
December 2020	13,967	40,640	34. 4
January 2021	13,740	40,595	33. 8
February 2021	14,054	42,606	33. 0
March 2021	15,933	42,487	37. 5
SO2 March 2021	15,933	42,487	37. 5
12-month total	180,176	530,918	33. 9

Explanatory notes:

¹ 'On-time' filing means declarations filed by the statutory due date for filing (plus any 'days of grace' applied by the tax administration as a matter of administrative policy).

² 'Expected declarations' means the number of PAYE withholding declarations that the tax administration expected to receive from registered employers with PAYE withholding obligations that were required by law to file declarations.

³ The 'on-time filing rate' is the number of PAYE withholding declarations filed by employers by the statutory due date as a percentage of the total number of PAYE withholding declarations expected from registered employers, i. e. expressed as a ratio:

$$\frac{\text{Number of PAYE withholding declarations filed by the due date}}{\text{Number of PAYE withholding declarations expected from registered employers}} \times 100$$

E. Electronic Services

(Ref: POAs 4 and 5)

Table 11. Use of Electronic Services, ¹			
	[2018/19]	[2019/20]	[2020/21]
	Electronic filing² (In percent of all declarations filed for each tax type)		
CIT	84.8	99.9	100.0
IIT	29.3	76.0	97.6
PAYE (Withholding)	79.1	100.0	100.0
GCT	95.6	91.1	87.6
SCT (for all registered taxpayers)	85.0	87.0	80.0
Large taxpayers (all core taxes)	97.0	99.0	99.0
	Electronic payments³ (In percent of total number of payments received for each tax type)		
CIT	37.0	42.1	54.8
IIT	38.2	43.3	57.3
PAYE (Withholding)	16.7	23.7	42.7
GCT	40.2	46.3	58.8
SCT (for all registered taxpayers)	85.6	83.3	89.5
Large taxpayers (all core taxes)	69.5	75.7	80.3
	Electronic payments (In percent of total value of payments received for each tax type)		
CIT	87.3	89.4	92.9
IIT	82.2	84.1	89.1
PAYE (Withholding)	31.0	41.2	58.2
GCT	86.0	87.3	92.1
SCT (for all registered taxpayers)	99.8	99.8	99.8
Large taxpayers (all core taxes)	93.9	94.9	96.7

Explanatory notes:

¹ Data in this table will provide an indicator of the extent to which the tax administration is using modern technology to transform operations, namely in areas of filing and payment.

² For purposes of this table, electronic filing involves facilities that enable taxpayers to complete tax declarations online and file those declarations via the Internet.

³ An electronic payment is a payment made from one bank account to another via electronic means without the direct intervention of bank staff instead of using cash or check, in person or by mail. Methods of electronic payment include credit cards, debit cards, and electronic funds transfer (where money is electronically transferred via the Internet from a taxpayer's bank account to the Treasury account). Electronic payments may be made, for example, by mobile telephone where technology is used to turn mobile phones into an Internet terminal from which payments can be made.

F. Payments

(Ref: POA 5)

Table 12. GCT (VAT) Payments Made During FY2020/2021

	GCT payments made on-time ¹		GCT payments due ²		On-time payment rate ³ (In percent)	
	All VAT payers	Large VAT payers	All VAT payers	Large VAT payers	All VAT payers	Large VAT payers
Number of payments	91,518	6,100	118,425	6,513	77. 3	93. 7
Value of payments <i>JMD('000)</i>	89,914,078	68,005,124	91,432,158	68,705,500	98. 3	99. 0

Explanatory notes:

¹'On-time' payment means paid on or before the statutory due date for payment (plus any 'days of grace' applied by the tax administration as a matter of administrative policy).

²'Payments due' include all payments due, whether self-assessed or administratively assessed (including as a result of an audit).

³The 'on-time payment rate' is the number (or value) of VAT payments made by the statutory due date in percent of the total number (or value) of VAT payments due, i. e. expressed as ratios:

- The on-time payment rate by number is: $\frac{\text{Number of VAT payments made by the due date}}{\text{Total number of VAT payments due}} \times 100$

- The on-time payment rate by value is: $\frac{\text{Value of VAT payments made by the due date}}{\text{Total value of VAT payments due}} \times 100$

G. Domestic Tax Arrears

(Ref: POA 5)

Table 13. Value of Tax Arrears, Fiscal Years 2018-2021

	2018/19	2019/20	2020/21
	JMD		
Total core tax revenue collections (from Table 1) ² (A)	343,254,723	369,628,353	341,650,507
Total core tax arrears at end of fiscal year ³ (B)	125,537,140	113,785,918	134,882,714
Of which: Collectible ⁴ (C)	-	-	15,296,810
Of which: More than 12 months' old (D)	-	-	119,535,155
	In percent		
Ratio of (B) to (A) ⁴	36. 6	30. 8	39. 5
Ratio of (C) to (A) ⁵	-	-	4. 5
Ratio of (D) to (B) ⁶	-	-	88. 6

Explanatory notes:

¹ Data in this table will be used in assessing the value of core tax arrears relative to annual collections and examining the extent to which unpaid tax liabilities are significantly overdue (i. e. older than 12 months).

² For purposes of the denominator in this Table, **total core tax revenue collections includes the following:** CIT, PIT, PAYE, net VAT, Excise on domestic taxes, SCC (where it is a major source of revenue) and other domestic taxes. **It excludes excise duty on imports.**

³ 'Total core tax arrears' include tax, penalties, and accumulated interest.

⁴ 'Collectible' core tax arrears is defined as the total amount of domestic tax, including interest and penalties, that is overdue for payment and which is not subject to collection impediments. Collectible core tax arrears therefore generally exclude: (a) amounts formally disputed by the taxpayer and for which collection action has been suspended pending the outcome, (b) amounts that are not legally recoverable (for example, debt foregone through bankruptcy), and (c) arrears otherwise uncollectible (for example, the debtor has no funds or other assets).

⁵ i. e. $\frac{\text{Value of total core tax arrears at end of fiscal year (B)}}{\text{Total core tax collected for fiscal year (A)}} \times 100$

⁶ i. e. $\frac{\text{Value of collectible core tax arrears at end of fiscal year (C)}}{\text{Total core tax collected for fiscal year (A)}} \times 100$

⁷ i. e. $\frac{\text{Value of core tax arrears > 12 months' old at end of year (D)}}{\text{Value of total core tax arrears at end of fiscal year (B)}} \times 100$

N. B. Core tax revenue collections will differ from Table 1. TAJ does not monitor arrears of social contributions

H. Tax Dispute Resolution

(Ref: POA 7)

Table 14. Finalization of Administrative Reviews
Fiscal Year 2020/2021

Month	Number of administrative review cases				Finalized within 30 days		Finalized within 60 days		Finalized within 90 days	
	Stock at beginning of month [A]	Received during the month [B]	Finalized during the month [C]	Stock at end of month [D] = [A + B - C]	Number [E]	In percent of total [F] = [E / D]	Number [G]	In percent of total [H] = [G / D]	Number [I]	In percent of total [J] = [I / D]
April 2020	1,524	126	25	1,625	n/a	n/a	n/a	n/a	2	0.12
May 2020	1,625	64	39	1,650	n/a	n/a	n/a	n/a	2	0.12
June 2020	1,650	106	62	1,694	n/a	n/a	n/a	n/a	6	0.35
July 2020	1,694	21	66	1,649	n/a	n/a	n/a	n/a	10	0.61
August 2020	1,649	68	56	1,661	n/a	n/a	n/a	n/a	9	0.54
September 2020	1,661	94	90	1,665	n/a	n/a	n/a	n/a	13	0.78
October 2020	1,665	42	81	1,626	n/a	n/a	n/a	n/a	16	0.98
November 2020	1,626	79	72	1,633	n/a	n/a	n/a	n/a	0	0.00
December 2020	1,633	70	45	1,658	n/a	n/a	n/a	n/a	3	0.18
January 2021	1,658	65	41	1,682	n/a	n/a	n/a	n/a	1	0.06
February 2021	1,682	79	61	1,700	n/a	n/a	n/a	n/a	3	0.18
March 2021	1,700	48	146	1,602	n/a	n/a	n/a	n/a	16	1.00

I. Payment of GCT (VAT) Refunds

(Ref: POA 8)

Table 15. GCT (VAT) Refunds (2020/2021) (Ref: POA 8)					
	Number of cases	In JMD	# of cases	Rec. & Paid within 2020/2021	# of cases
Total GCT refund claims received (A)	6,012	15,676,237,501. 19			
Total GCT refunds paid ^{1, 6}	5,390	9,907,392,348. 56	4,573	6,850,540,248. 03	817
Of which: paid within 30 days (B) ²	2,778	3,795,563,144. 31	2,700	3,538,102,281. 31	78
Of which: paid outside 30 days	2,612	6,111,829,204. 25	1,873	3,312,437,966. 72	739
- Principal		5,780,939,154. 29		3,240,074,497. 35	
- Interest ⁷	995	330,890,049. 96	526	72,363,469. 37	469
Total GCT refund claims declined ³	462	4,540,016,912. 47			
Of which: declined within 30 days (C)	282	3,485,218,864. 27			
Of which: declined outside 30 days	180	1,054,798,048. 20			
Total GCT refund claims not processed ⁴	977	4,358,043,810. 06			
Of which: no decision taken to decline refund	396	501,968,146. 08			
Of which: approved but not yet paid or offset	581	3,856,075,663. 98			
In percent					
Ratio of (B+C) to (A) ⁵	50. 9	46. 4	49. 6 ⁸	44. 8 ⁸	

Explanatory note:

¹ Include all refunds paid, as well as refunds offset against other tax liabilities.

² TADAT measures performance against a 30-day standard.

³ Include cases where a formal decision has been taken to decline (refuse) the taxpayer's claim for refund (for example, where the legal requirements for refund have not been met).

⁴ Include all cases where refund processing is incomplete—i.e. where (a) the formal decision has not been taken to decline the refund claim; or (b) the refund has been approved but not paid or offset.

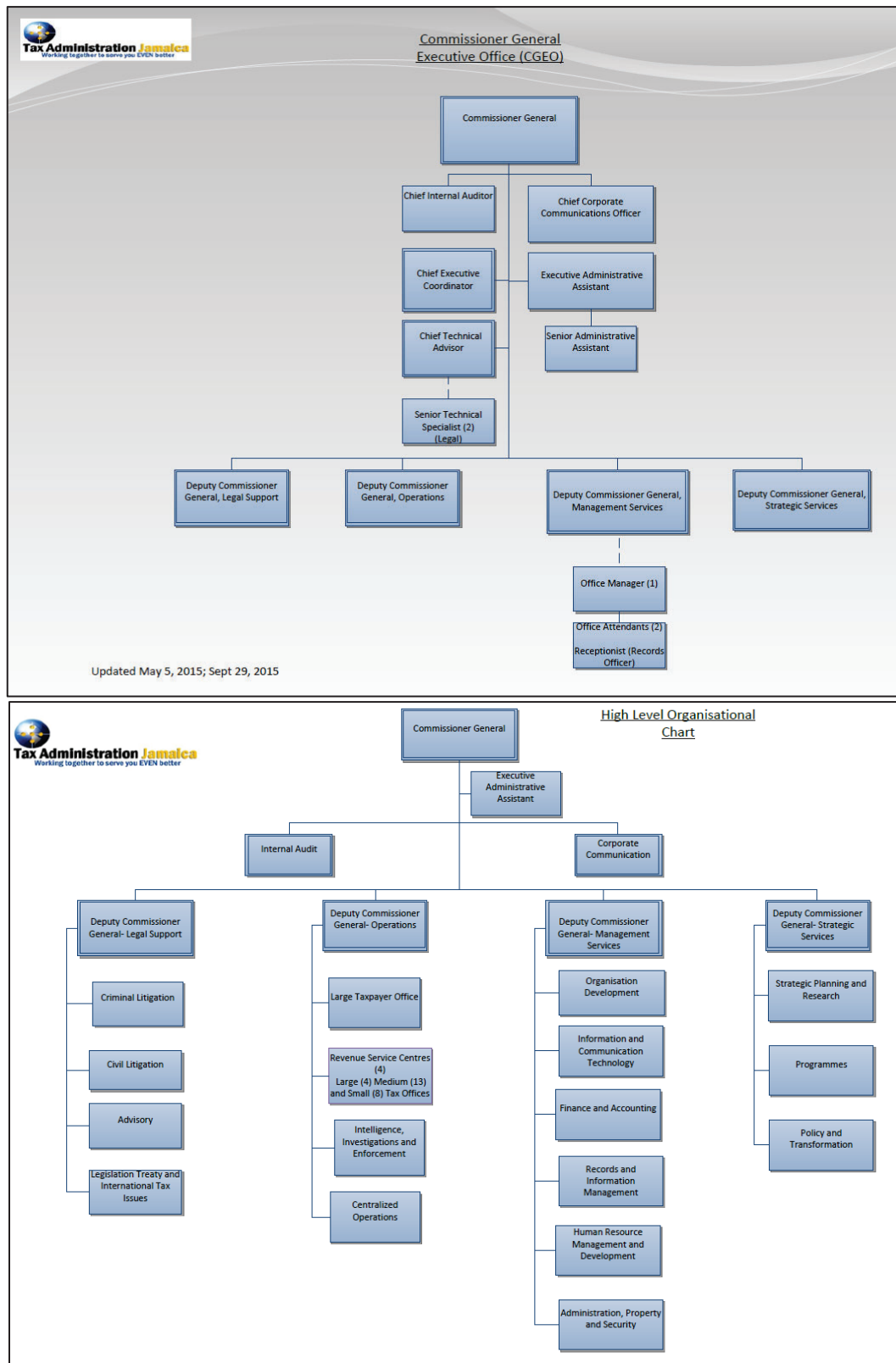
⁵ i.e.
$$\frac{\text{Value of VAT refunds paid within 30 days (B)} + \text{VAT refunds declined within 30 days (C)}}{\text{Value of all VAT refund claims received}} \times 100$$

6. VAT refund paid also consists of claims received prior to fiscal year 2020/2021.

7. Refund claims paid with interest

8. Ratio Calculated with refund claims received and paid within fiscal year 2020/2021.

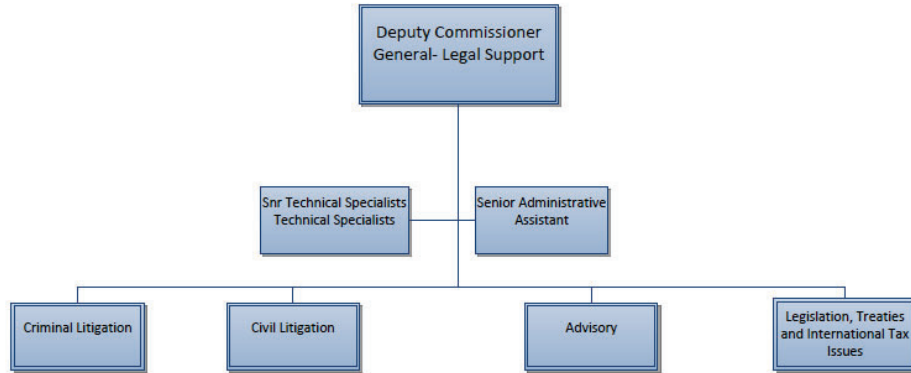
Attachment IV. TAJ Organizational Chart





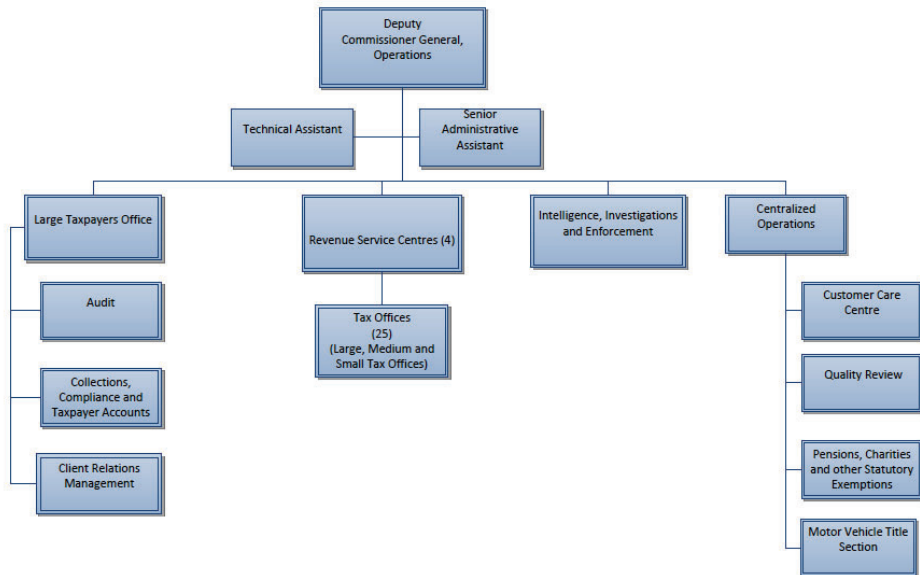
Tax Administration Jamaica
Working together to serve you EVEN better

Legal Support Division

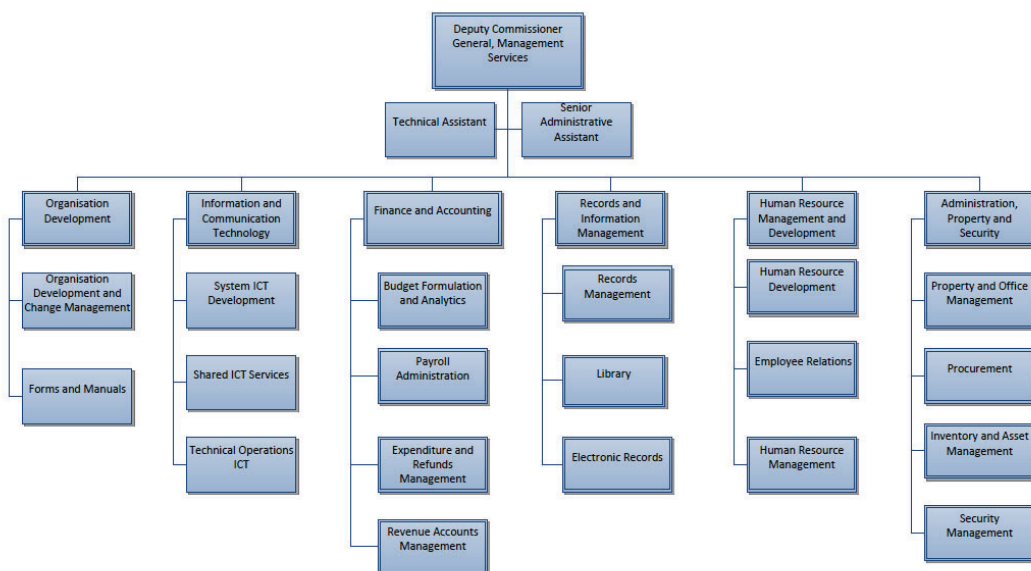


Tax Administration Jamaica
Working together to serve you EVEN better

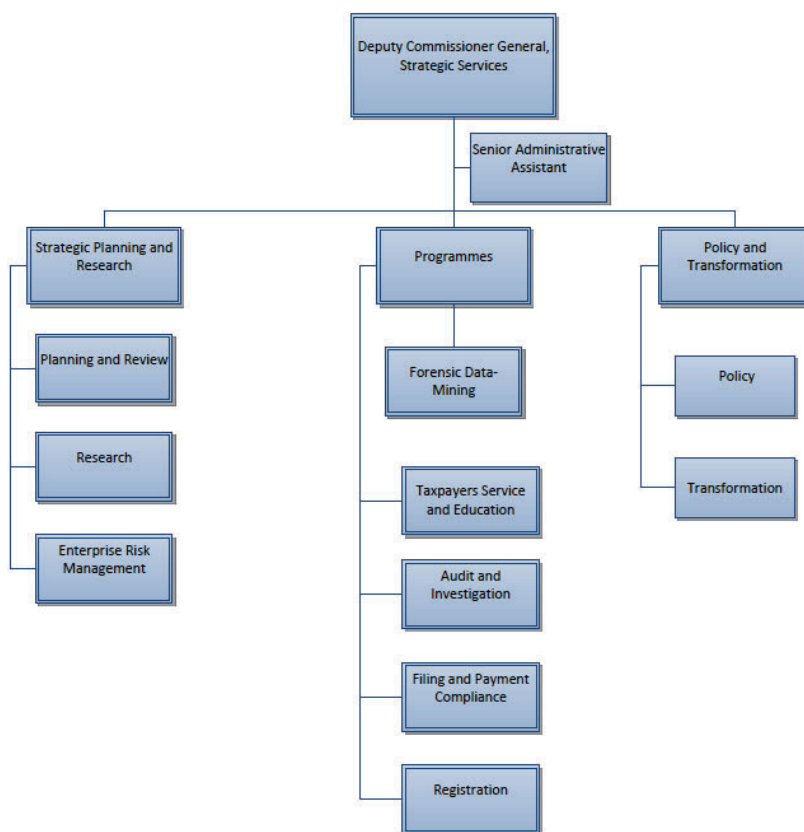
Operations Division



Management Services Division



Strategic Services Division



Attachment V. Sources of Evidence

Indicators	Sources of Evidence
P1-1. Accurate and reliable taxpayer information.	<ul style="list-style-type: none"> • Discussion with the country authorities • Viewing of databases online • TAJ website: https://www.jamaicatax.gov.jm/web/guest/home • Screenshot - Company A - Business activity codes for branches • Screenshot - Company A - Profiles Screen • Screenshot - Company A - Registration Details Screen. • Screenshot -Company A - Affiliations- owners, intermediaries • Screenshot - Company A - showing segments -Large Taxpayer Classification • Screenshot - Taxes for which taxpayer is liable - RAIS.jpg • Sample - Registration data used for declaration notice. docx • Screenshot – Audit log of user access • GCT Act 1991, sections 25A to 32A • Income Tax Act, 1955 • Annual Registration Report FY 2019-20 (pp 19-23) • ISO-9001 Audit Report No. 180 (pp 42-44)- October 2019. pdf • Superform – Form BRF V10 5. pdf (at https://www.orcjamaica.com/CompForms/Form%20BRF%20v10%205.pdf)
P1-2. Knowledge of the potential taxpayer base.	<ul style="list-style-type: none"> • Discussions with country authorities • TAJ's Annual Report 2020/21 • Annual Registration Report FY 2019-20 • Table 2 of the Attachment III
P2-3. Identification, assessment, ranking, and quantification of compliance risks.	<ul style="list-style-type: none"> • Discussion with the country authorities • FY22/23 - Pestel Analysis. docx • Jamaica IMF RA-GAP Tax Gap Analysis Report - April 2015. pdf • Technical Cooperation - Research Activities. docs • 1st qrt FY21_22_Tax Compliance Risk Register as at July 31_2021. xlsx • FY2021/2022 Risk Based Programme Leads.docx
P2-4. Mitigation of risks through a compliance improvement plan.	<ul style="list-style-type: none"> • Discussion with the country authorities • Compliance Risk Register • National Compliance Plan • Screenshot of the RAIS system • Screenshot of the third-party upload. png • Screenshot of the data warehouse. png • Compliance Plan – Special Consumption Tax. pdf
P2-5. Monitoring and evaluation of	<ul style="list-style-type: none"> • Discussion with the country authorities • TOR for National Compliance Meeting. pdf • Filing & Payment Annual Report FY 2019-20. docx

Indicators	Sources of Evidence
compliance risk mitigation activities.	<ul style="list-style-type: none"> • Registration Annual Report FY 19-20. docx • Taxpayer Service & Education.docx • Audit & Investigation Annual Report FY 2019-20. docx
P2-6. Management of operational (i. e. systems and processes) risks.	<ul style="list-style-type: none"> • Discussion with the country authorities • Annual ERM Report - FY20 21. docx • Enterprise Risk Register and Dashboard Report.xlsx • Validated Risks and Responses HRM&D (DCG) (00000004). docx • Business Continuity Management Plan.v1. pdf • Internal Audit Report - Audit of Business Continuity 04. 06. 2021 - with mgmt responses.doc • RAIS Disaster Plan May 7 2021. docx • Disaster Plan- BC RIM Sub-plan. docx • Occupant Emergency Response Plan April 22 2017
P2-7. Management of human capital risks.	<ul style="list-style-type: none"> • Discussion with the country authorities • HRM Policy Document. pdf • HRM&D Risk Identification (Self-Assessment) ER Section Final March 23. docx • Performance management Appeal Process. pdf • Supervisory Staff PER Template - effective April 2019 NOT FOR CIRCULATION. xlsx • Amended Employee Performance Factors Version 7 September 2019. pdf • Annual ERM Report - FY20 21. docx • Enterprise Risk Register and Dashboard Report.xlsx • Non-Supervisory Staff PER - effective April 2019. xlsx • TAJ SARA Salary Scales 2017 - 2021. pdf • Employee Satisfaction Survey Questionnaire. pdf • Sample HR Career Opportunities. pdf
P3-8. Scope, currency, and accessibility of information.	<ul style="list-style-type: none"> • Discussion with the country authorities • ADDITIONAL EVIDENCE - POA3. docx (Links to MOU with ICAJ, simplified requirements and school education programs) • ADDITIONAL EVIDENCE - POA3 (PART II). docx (Links to examples of stakeholder engagement) • TAJ website (practice notes) https://www.jamaicatax.gov.jm/web/quest/practice-notes • Example of a practice note – TPA PN version final. pdf • Organizational charts • Communication policy • OECD - Building Culture. pdf (sited example of Jamaica schools programs) • Linkages_social_media.docx • Advisory_Request_form
P3-9. Time taken to respond to information requests.	<ul style="list-style-type: none"> • Discussion with the country authorities • Attachment III Table 3 • Length of calls.xlsx - Excel chart of time and length of caller access performed by the TADAT team

Indicators	Sources of Evidence
P3-10. Scope of initiatives to reduce taxpayer compliance costs.	<ul style="list-style-type: none"> • Discussion with the country authorities • S04 return for small businesses (simplified filing) • Technical Advisory -Variation of the Minimum Business Tax Rate_2019. pdf (example of simplifying requirements for small businesses) • July 7 2021_OrganizationalDevelopment SOPs - June 2 2021 _July 14 2021DRAFT. pd (SOP for forms review and revisions) • Forms Schedule 2021. xlsx (schedule for forms review) • Schedule 1 Details of Trading. pdf • Additional Evidence - POA3. docx • Additional Evidence - POA3 (PART II). docx • Linkages_social_media.docx • Taxpayer Service & Education.docx. • practice_notes_mbt_050417. pdf
P3-11. Obtaining taxpayer feedback on products and services.	<ul style="list-style-type: none"> • Discussion with the country authorities • Customer Satisfaction Survey - Market Research Survey Report • Additional Evidence - POA3. docx • July 7 2021_OrganizationalDevelopment SOPs - June 2 2021 _July 14 2021DRAFT. pdf - Standard Operating Procedures of Forms Design Team. • Linkages_social_media.docx - MOU with ICAJ • Taxpayer Service & Education.docx
P4-12. On-time filing rate.	<ul style="list-style-type: none"> • Discussion with the country authorities • Tables 4 to 10 in the Attachment III
P4-13 Management of non-filers.	<ul style="list-style-type: none"> • Discussion with the country authorities • Viewing of databases and RAiS system online • Compliance Process September 16, 2021. docx • Registration Programme Guide Revised FY 2021-2022 • Deregistration Programme Guide Revised FY2021-2022 • Missing Obligation Programme. • Filing and Payment Compliance Analysis for Fiscal Year 2019 • Stop Filer Lead Programme for Missing SO4 and ITO2 FY2021-2022 (DRAFT) • Tables 4 to 10 Ontime Filing CIT, PIT, VAT, domestic taxes. • Company A CRM screen showing Large Taxpayer Classification • Basis of calculation of interest.jpg
P4-14. Use of electronic filing facilities.	<ul style="list-style-type: none"> • Discussion with the country authorities • Viewing of databases and RAiS system online • October 31, 2016 Mandatory e-Filing January 2017 • Mandatory e-filing bulletins • Mandatory E-filing banner. • Paying and filing online • March 31 2015. Employers Annual Return

Indicators	Sources of Evidence
P5-15. Use of electronic payment methods.	<ul style="list-style-type: none"> • Discussion with the country authorities • Table 11 in Attachment III • eServices – Make a payment. pdf • Information on how to use Direct Banking to pay taxes, available at https://jis.gov.jm/new-payment-option-for-taxpayers/ • Information on how to use Direct Funds Transfer to pay taxes, available at https://jis.gov.jm/taj-implements-new-procedures-for-direct-funds-transfer/
P5-16. Use of efficient collection systems.	<ul style="list-style-type: none"> • Discussion with the country authorities • Income Tax Act
P5-17. Timeliness of payments.	<ul style="list-style-type: none"> • Discussion with the country authorities • Table 12 in Attachment III. • Income Tax Act • General Consumption Tax Act • Revenue Administration Act.
P5-18. Stock and flow of tax arrears.	<ul style="list-style-type: none"> • Discussion with the country authorities • Table 13 in Attachment III.
P6-19. Scope of verification actions taken to detect and deter inaccurate reporting.	<ul style="list-style-type: none"> • Discussion with the country authorities • Viewing of databases and RAiS system online • Annual Audit and Investigation Programme Review 2020/21. docx • Audit Plan 2021-22. xls • SCT Report – Manager. xls • Operations Division Performance Review Report (SCT). xls • Supervisors Monthly Reports July 2021 Revised. xls • Conducting Audits and Assessment – Field and Desk April 2021. docx • Quality Review Work Plan 2021-2022. doc • Quality Review March 30 2020 SOP. docx • Statistic of the Audit and Refund Cases Quality Reviewed FY 2020 – 2021. xls • Quality Review Check Sheet QR 1 RAIS. xls • Quality Review Thomas April 14 2020. docx • File review C. Gordon August 25 2021 Audit. pdf • Analysis of Scores by RSC – August 2021. xls • Presentation – Audit Standardization Committee Final May 5 2021. pptx • Quality Review Unit Performance Review March 2021. pptx • NCM – Agenda – September 7 Audit Objection. docx • LTO NCP Presentation 4th Quarter 2020 2021. pptx • Presentation Audit Template – MBRSC (1st Quarter) 2021. pptx • NCM – Audit May 5 2021 Action Items. docx • Audit & Investigation Annual Report FY 2019-20. docx
P6-20. Use of large-scale data-matching	<ul style="list-style-type: none"> • Discussion with the country authorities • Viewing of databases and RAiS system online

Indicators	Sources of Evidence
systems to detect inaccurate reporting.	<ul style="list-style-type: none"> • Screenshot of the RAIS system • Screenshot of the data matching. png • Screenshot of the data matching 2. png • Screenshot of the third-party upload. png • Screenshot of the data warehouse. png • SO1 – Employer’s Monthly Statutory Remittance Payroll Deductions. Available at https://www.jamaicatax.gov.jm/web/guest/payroll1.
P6-21. Initiatives undertaken to encourage accurate reporting.	<ul style="list-style-type: none"> • Discussion with the country authorities • Tax Administration Act, 2013, available at https://japarliament.gov.jm/attachments/341_The%20Tax%20Administration%20Jamaica%20Act,%202013.pdf • TAJ website (practice notes) https://www.jamaicatax.gov.jm/web/guest/practice-notes • Example of a practice note – TPA PN version final. pdf
P6-22. Monitoring the tax gap to assess inaccuracy of reporting levels.	<ul style="list-style-type: none"> • Not available
P7-23. Existence of an independent, workable, and graduated dispute resolution process.	<ul style="list-style-type: none"> • Discussion with the country authorities • Income Tax Act, Sections 75 and 76 • GCT Act, Sections 40 and 41 • TAJ Organization Chart – Division Breakout. pdf • TAJ Organization Chart Commission General Exec Office. pdf • SOP - Objection Final_feb262021. doc (SOP for Objections) • Conducting Audits and Assessments - Field and Desk-April 28 2021 (1). doc (SOP for audit) • Notice of Assessment.jpg • Notice of Assessment GCT. pdf • Notice of Assessment CIT. pdf • Objection decision letter • The Revenue Administration Act • Revenue Appeals Customer Satisfaction Survey 2019 • Citizen's Charter (jamaicatax.gov.jm) • Draft Update of Citizen Charter JUNE 2020. doc • Customer Satisfaction 2020_Descriptive Stats. xlsx
P7-24. Time taken to resolve disputes.	<ul style="list-style-type: none"> • Discussion with the country authorities • Attachment III Table 14
P7-25. Degree to which dispute outcomes are acted upon.	<ul style="list-style-type: none"> • Discussion with the country authorities • IROC Terms of Reference - Senior Leadership Team. pdf - IROC Terms of Reference (Interpretations, Rulings and Opinions Committee) • Forward Contracts - FX gains & losses Edited April 21. docx (identified as part of disputes outcomes review)

Indicators	Sources of Evidence
P8-26. Contribution to government tax revenue forecasting process.	<ul style="list-style-type: none"> • Discussion with the country authorities • Viewing of databases and RAiS system online • 2018 -19 Revenue_Forecast. docx • 2019 -20 Revenue_Forecast. docx • 2020 -21 Revenue_Forecast. docx • Domestic Revenue Performance Mar 2019. docx • Domestic Revenue Performance Mar 2020. docx • Domestic Revenue Performance Mar 2021. docx • Revised Forecast Quarter update various years • Income Tax Continuous Loss Script. docx • Refunds forecast. docx • Processing GCT RT Refund Claims . docx • Tax Expenditures Statement 2019. pdf • Tax Expenditures Statement 2020. pdf • Tax Expenditures Statement 2021. pdf
P8-27. Adequacy of the tax revenue accounting system.	<ul style="list-style-type: none"> • Discussion with the country authorities • Viewing of databases and RAiS system online • TAJ Extend sweeping arrangement. pptx • UAT Report Tax Payment Portal. pdf • UAT INCRS. pdf • UAT RAiS service pack. pdf • User testing TRN update. pdf • Stamp duty data conversion to RAiS report. pdf • IT system (INCRS) access review. pdf
P8-28. Adequacy of tax refund processing.	<ul style="list-style-type: none"> • Discussion with the country authorities • Table 11 of the Attachment III • VAT refunds 20-21.xls • Refund Request Status as March 31, 2021 • GCT Refund.xls
P9-29. Internal assurance mechanisms.	<ul style="list-style-type: none"> • Discussion with the country authorities • Financial Administration and Audit Act_2012. pdf • GOJ Internal Audit Manual 2002. pdf • Internal Audit Unit Charter. pdf • Audit Risk Plan 2020/2021. pdf • Audit Risk Plan 2021/2022 • Internal Audit First Quarter Report 2021 to 2022. pdf • IAU Year Ended Report 31 March 2021. pdf • IAU Staff Qualification and Training. xlsx • MOFPS Financial instructions and audit acts_2017. pdf • SOP-Receipting and Processing Payments (Online and Inline). pdf • SOP- Filing and Processing Returns (Online and Inline). pdf • SOP- Conducting Audit and Assessments (Field and Desk)

Indicators	Sources of Evidence
	<ul style="list-style-type: none"> • SOP-Taxpayer Registration (Individuals and Organization). pdf • GOJ-asset-management-policy-2020. pdf • IT System (INCRS) Access Review. pdf • Internal Audit of IT -UAT- INCRS. pdf • Internal Audit of IT UAT- RAiS Service Pack 2021. pdf • Internal Audit UAT Report_ Tax Payment Portal. pdf • Internal Audit report -User Testing - TRN update. pdf • TAJ Code of conduct. pdf • Staff-Orders-for-Public-Service 2004. pdf • Training RPD-TAJ-2019to2021. docx • TAJ HR Policy (including disciplinary proceedings) 2018. pdf • RPD Recommendation for dismissal 2019 (1) .docx • RPD Recommendation for dismissal 2019 (2). docx
P9-30. External oversight of the tax administration.	<ul style="list-style-type: none"> • Discussion with the country authorities • Financial Administration and Audit Act_2012. pdf • Auditor-General-Department-Strategic Business Plan -2019_2022. pdf • Auditor General Compliance Audit Report on TAJ 2018-19. pdf • Auditor General's TAJ's Audited Appropriation Accounts - FY 2018-2019. pdf • https://auditorgeneral.gov.jm/reports/?_sf_s=TAJ • The Public Defender Act 1999 • https://opd.gov.jm/wp-content • Public Defender Brochure. pdf • The Integrity Commission Act, 2017. pdf
P9-31. Public perception of integrity.	<ul style="list-style-type: none"> • Discussions with the authorities • TAJ Customer Service Report 2020/2021. pdf
P9-32. Publication of activities, results and plans.	<ul style="list-style-type: none"> • Discussions with the authorities • TAJ's FY19 20 Annual Performance Report. docx • TAJ's FY18 19 Annual Performance Report. docx • MOFPS Annual Report 2018-19. PDF (on intranet) • https://www.jamaicatax.gov.jm/documents/10194/9534829/National_Compliance_Plan_FY2021_Final_052021.pdf/bbc342d6-455c-b9ca-5541-712de63e9d39 • TAJ National Compliance Plan (2018-19). pdf • TAJ National Compliance Plan (2019-20). pdf

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