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TAX ADMINISTRATION DIAGNOSTIC ASSESSMENT TOOL

Performance Assessment Report

Hashemite Kingdom of Jordan

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ABBREVIATIONS AND ACRONYMS

CCD	Companies Control Directorate
CIT	Corporate income tax
DG	Director General
DTA	Double taxation agreement
FAD	Fiscal Affairs Department
FAQ	Frequently asked question
GDP	Gross Domestic Product
GST	General Sales Tax
GFMIS	Government Financial Management Information System
HR	Human resources
ISTD	Income and Sales Tax Department
IT	Information Technology
JD	Jordanian Dinar
LTO	Large Taxpayer Office
METAC	Middle East Regional Technical Assistance Center
MOU	Memorandum of understanding
PAR	Performance assessment report
PAYE	Pay-as-you-earn
PIT	Personal income tax
POA	Performance outcome area
SST	Special Sales Tax
TADAT	Tax Administration Diagnostic Assessment Tool
TIN	Taxpayer identification number
USAID	United States Agency for International Development
VAT	Value-added tax

PREFACE

An assessment of the system of tax administration of the Hashemite Kingdom of Jordan was undertaken during the period March 6 – 21, 2016 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 Steve Rozner of the United States Agency for International Development (USAID) and comprised Ms. Sharon Hester (USAID) and, from the International Monetary Fund's Middle East Regional Technical Assistance Center (IMF/METAC), Messrs. Rod Ettridge and Mounir Bardawil. The team met His Excellency Mr. Bashar Saber Naser, Director General of the Income and Sales Tax Department (ISTD) and other senior management as well as technical staff from the various headquarters departments and field offices. The team would like to express its sincere appreciation to Mr. Hussein Al-Sorkhy, Director of Planning & Development Directorate, for coordinating the numerous meetings at ISTD Headquarters, the Large Taxpayer Office (LTO), Medium Taxpayer Office—Commercial 1, and the field visits to West Amman District Office and Balqa Service Center. The mission also acknowledges with appreciation the interpretation services of Mr. Ahmed Dib and Ms. Basma Al Far.

A draft TADAT Performance Assessment Report (PAR) was presented to ISTD's senior management team at the close of the mission. Written comments since received from ISTD on the draft report have been considered by the assessment team and, as appropriate, reflected in this final version of the report.

EXECUTIVE SUMMARY

The results of the TADAT assessment for Jordan's tax administration system follow, including the identification of the main strengths and weaknesses.

Strengths

- Wide range of information on the taxpayer register
- Sound institutional risk management
- Proactive approach to voluntary compliance and taxpayer services
- Engagement and openness with the community
- Availability and wide range of e-services
- Centralized approach to audit risk criteria and case selection
- Independent and multi-tiered tax dispute resolution
- Well-functioning revenue accounting system

Weaknesses

- Low reliability of the taxpayer register
- Lack of strategic approach to compliance risk management
- High rate of tax arrears
- Lack of a formalized tax ruling system
- Inefficient GST refund payment system
- Low rate of use of e-services
- Inadequate analysis and evaluation of tax administration operations.

There are common themes that emerge in ISTD's organizational approaches to tax administration, and these show clearly both in the points related to Strengths and those related to Weaknesses. In relation to Strengths, ISTD portrays a strong ethic of support and engagement with the taxpayer community, and of assisting them to meet their tax obligations. Such openness is also evident in the nature and independence of the tax dispute resolution process. On the other hand, and in relation to Weaknesses, the lack of a strategic approach to compliance risk management may be symptomatic of a broader organizational shortcoming concerning the understanding, analysis and evaluation of the tax systems and ISTD operations as a whole.

Table 1 provides a summary of performance scores, and Figure 1 a graphical snapshot of the distribution of scores. The scoring is structured around the TADAT framework's nine Performance Outcome Areas (POAs) and 28 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. Jordan: Summary of TADAT Performance Assessment

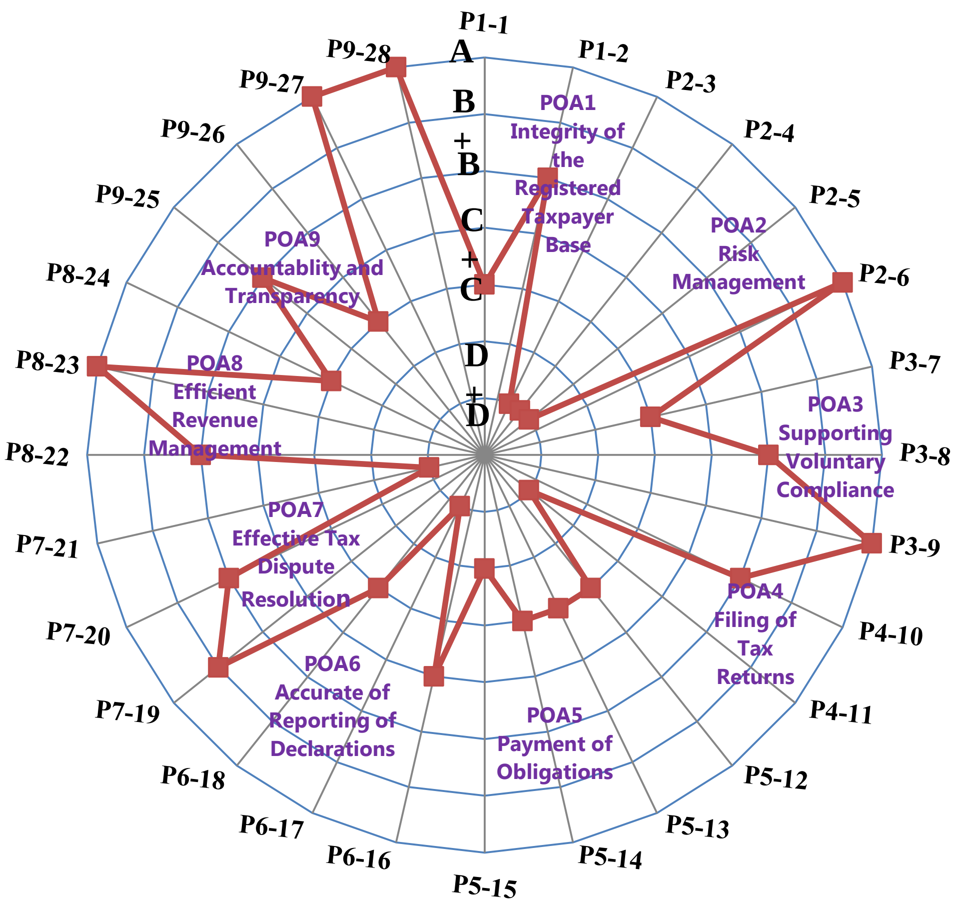
INDICATOR	Score 2016	SUMMARY EXLPANATION OF ASSESSMENT
POA 1: Integrity of the Registered Taxpayer Base		
P1-1. Accurate and reliable taxpayer information	C	The registration procedures and database capture the minimum information required to support effective interaction with taxpayers. However, legal and regulatory impediments to removing inactive taxpayers from the register undermine effective compliance management.
P1-2. Knowledge of the potential taxpayer base	B	ISTD systematically uses third-party information to detect unregistered businesses and individuals, and there is evidence of actions and results in relation to detecting and following up such cases.
POA 2: Effective Risk Management		
P2-3. Identification, assessment, ranking, and quantification of compliance risks	D	ISTD does not undertake compliance risk management in the strategic sense as outlined by the IMF and OECD.
P2-4. Mitigation of risks through a compliance improvement plan	D	No such plan is produced.
P2-5. Monitoring and evaluation of compliance risk mitigation activities	D	ISTD does not monitor the compliance impact of strategies, which are mainly audit related.
P2-6. Identification, assessment, and mitigation of institutional risks	A	ISTD has a well-formulated and well-carried-out approach to institutional risk. There is no corresponding strategy or approach for addressing compliance risks.
POA 3: Supporting Voluntary Compliance		
P3-7. Scope, currency, and accessibility of information	C	A wide range of information is available to and easily obtained by taxpayers and taxpayer requests are responded to in a timely manner; however, taxpayer updates on changes in law and policy are not made by dedicated staff.
P3-8. Scope of initiatives to reduce taxpayer compliance costs	B	Simplified record-keeping and reporting arrangements exist for small taxpayers,

INDICATOR	Score 2016	SUMMARY EXLPANATION OF ASSESSMENT
		common misunderstandings of the law are detected and addressed, taxpayers have secure online access to tax accounts, and forms are regularly updated; however, no pre-filled tax declarations are available.
P3-9. Obtaining taxpayer feedback on products and services	A	ISTD regularly obtains taxpayer feedback on services through a wide range of measures, and independent customer surveys are conducted at least every three years.
POA 4: Timely Filing of Tax Declarations		
P4-10. On-time filing rate	B	On-time filing rates vary across the core taxes. Only 63.5 percent of active CIT taxpayers file on time. On-time filing rates are higher for PAYE (95.9 percent), GST (91.0 percent), and PIT (79.7 percent) taxpayers, and higher still for large taxpayers: 98.1 percent for CIT and 97.6 percent for GST.
P4-11. Use of electronic filing facilities	D	Electronic filing is available and convenient but few taxpayers use this service, despite ISTD efforts to promote e-services.
POA 5: Timely Payment of Taxes		
P5-12. Use of electronic payment methods	C	Electronic payment facilities are available for all core taxes but are used for less than 50 percent of the value of total tax collections for each of CIT, PIT, GST, and PAYE.
P5-13. Use of efficient collection systems	C	Withholding at source is in place for all employment income, but advance payment arrangements for business income are required only for taxpayers with income greater than JD 1,000,000. Moreover, there is no withholding or mandatory reporting of dividend income.
P5-14. Timeliness of payments	C	While the value of GST on-time payments is 91.3 percent of all GST payments, the number of GST on-time payments is only 55.9 percent
P5-15. Stock and flow of tax arrears	D+	The total amount of core tax arrears as a percent of total tax collected is

INDICATOR	Score 2016	SUMMARY EXLPANATION OF ASSESSMENT
		approximately 54 percent. The value of collectible core tax arrears as a percent of total core tax collected is only 11 percent. Moreover, 69.6 percent of tax arrears are more than 12 months old.
POA 6: Accurate Reporting in Declarations		
P6-16. Scope of verification actions taken to detect and deter inaccurate reporting	C+	The annual tax audit program selects cases based on risk, uses a range of audit types, applies both direct and indirect methods, and cross-checks a number of external sources, but is restricted by law from accessing banking data and does not evaluate the impact of audits on compliance.
P6-17. Extent of proactive initiatives to encourage accurate reporting	D	No formalized rulings system or intentional co-operative compliance strategies are used to facilitate accurate reporting.
P6-18. Monitoring the extent of inaccurate reporting	C	Tax gap studies have been prepared by external organizations each of the last three fiscal years. However, there is no independent review of the methods used.
POA 7: Effective Tax Dispute Resolution		
P7-19. Existence of an independent, workable, and graduated dispute resolution process	B+	Administrative appeals are determined by staff separate from those involved in the audit of the taxpayer and a three-tiered review mechanism is in place and is used. Information on the dispute process is readily available, although auditors are not required to explicitly inform taxpayers of their dispute rights and associated procedures.
P7-20. Time taken to resolve disputes	B	91 percent of administrative reviews are completed within 3 months.
P7-21. Degree to which dispute outcomes are acted upon	D	No regular reports or ad hoc analysis of dispute outcomes is prepared or used to recommend changes in policy, law, or administrative procedures.
POA 8: Efficient Revenue Management		
P8-22. Contribution to government tax revenue forecasting process	B	ISTD contributes to and routinely monitors results against revenue forecasts, but does not routinely analyze or report on the

INDICATOR	Score 2016	SUMMARY EXLPANATION OF ASSESSMENT
		revenue impact of carry forward losses or exemptions and other tax expenditures.
P8-23. Adequacy of the tax revenue accounting system	A	ISTD has a sophisticated, well-functioning revenue accounting system that captures and reconciles payments in a timely manner.
P8-24. Adequacy of tax refund processing	C	VAT refund claims handled via a prescribed, risk-based process, but no refunds are paid out within the 30-day standard.
POA 9: Accountability and Transparency		
P9-25. Internal assurance mechanisms	B	ISTD has an independent internal audit unit reporting directly to the Director General and not to an audit committee. ISTD does not have an Internal Affairs Unit, but its responsibilities are shared by different entities that report directly to the ISTD Director General. Statistics on integrity-related cases are not published.
P9-26. External oversight of the tax administration	C	Audit Bureau performs an annual external audit and ISTD responds to the findings; however, responses are not published. No ombudsman or equivalent authority routinely investigates taxpayer complaints.
P9-27. Public perception of integrity	A	An independent public survey is conducted every 2 years, the results are made public within 6 months, and ISTD takes the results into account in its integrity framework and public campaigns.
P9-28. Publication of activities, results, and plans	A	ISTD prepares and publishes an annual report on its financial and operational performance; it also publishes a three-year strategic plan and annual operating plans in advance of implementation.

Figure 1. Jordan: Distribution of Performance Scores



Indicator	Score
P1-1	C
P1-2	B
P2-3	D
P2-4	D
P2-5	D
P2-6	A
P3-7	C
P3-8	B
P3-9	A
P4-10	B
P4-11	D
P5-12	C
P5-13	C
P5-14	C
P5-15	D+
P6-16	C+
P6-17	D
P6-18	C
P7-19	B+
P7-20	B
P7-21	D
P8-22	B
P8-23	A
P8-24	C
P9-25	B
P9-26	C
P9-27	A
P9-28	A

I. INTRODUCTION

This report documents the results of the TADAT assessment conducted in the Hashemite Kingdom of Jordan during the period March 6 – 21, 2016 and subsequently reviewed by the TADAT Secretariat. The report is structured around the TADAT framework of 9 POAs and 28 high level indicators critical to tax administration performance that is linked to the POAs. Forty-seven 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 (e.g., 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.

Some points to note about the TADAT diagnostic approach are the following:

- 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), 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 Jordan).
- 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.

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; and
- monitoring and evaluating reform progress by way of subsequent repeat assessments.

II. COUNTRY BACKGROUND INFORMATION

A. Country Profile

General background information on Jordan 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 are contained in the tables comprising Attachment III.

C. Economic Situation

Jordan has been hit by a series of shocks over the past few years. Regional instability, and the resulting influx of refugees, has created considerable economic and social pressures.[1] Real growth in gross domestic product (GDP) dropped from 3.1 percent in 2014 to 2.5 percent in 2015. The slowdown was driven by a contraction in tourism, construction and agriculture combined with lower public investment. Reflecting sharp declines in fuel and transport prices, headline inflation dropped to -0.7 percent in 2015 (with core inflation at about 3 percent), but is expected to recover to about 2 percent in 2016 as fuel prices stabilize.

The current account deficit continues to narrow, as lower international oil prices eased the pressure on the country's energy import bill. However, improvement in the current account was partially offset by lower grants and a fall in exports. With the closure of land trade routes between Jordan and Iraq and Syria, domestic exports to Iraq shrank by 33.8 percent, and those to Syria, which particularly affect agricultural exports, contracted by 40.7 percent. Travel receipts were also down, reflecting the general downturn in tourism.[2]

The overall fiscal balance (including grants) was projected at -3.1 percent of GDP in 2015, down from -10.3 percent in 2014 and –11.1 percent in 2013. Improvement in the fiscal balance was driven by lower expenditures, which offset lower-than-expected revenue performance. Despite a narrower fiscal deficit, the gross debt to GDP ratio rose slightly in 2015 due to the slowdown in growth. Total public debt as a percentage of GDP was estimated at 90.7 percent in 2015, compared to 89.0 percent in 2014 and 86.7 percent in 2013. Over the three fiscal years, 31.9 percent of the debt, on average, was owed to external lenders.

D. Main Taxes

Jordan's main national domestic taxes include the General Sales Tax (GST), Corporate Income Tax (CIT), and Personal Income Tax (PIT), including Pay As You Earn (PAYE). During 2013, 2014 and 2015, revenue collection from core taxes (as defined by the TADAT framework—also see Table 1, Attachment III) averaged 15.5 percent of GDP. Collectively, these taxes (core and other taxes) accounted for about 46.1 percent of total expenditure and net lending over the period (source: IMF Country Report No. 15/115).

GST is the largest tax revenue contributor (a three-year average of 68.6 percent of core tax collections—source: Table 1, Attachment III) followed by CIT (15.5 percent), other domestic taxes (12.0 percent) and PIT (3.9 percent).

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[1] Source: Jordan, Seventh and Final Review under the Stand-By Arrangement and Proposal for Post-Program Monitoring—Staff Report, International Monetary Fund Country Report No. 15/225.

[2] Source: Jordan Economic Monitor, World Bank, Fall 2015.

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

E. Institutional Framework

The Income and Sales Tax Department (ISTD) is responsible for administering and collecting direct and indirect taxes at the national level. Jordan Customs Department is responsible for administering taxes on international trade, which is not assessed under TADAT. ISTD was established in 2004 with the merger of the former income tax and sales tax departments of the Ministry of Finance (MOF). The merger was effected by the amendment of two statutes—the Income Tax Law and the Sales Tax Law—published in Official Gazette No. 4672 on August 16, 2004. The Department operates under the authority of two separate laws—one for income tax and the other for sales tax, including the General Sales Tax and the Special Sales Tax (SST).[3]

ISTD, like its predecessors, was established as a subordinate department of the MOF,[4] and a Director General (DG)—reporting to the Minister of Finance—manages its day-to-day affairs. The DG is assisted by a management team comprising Assistant DGs for Operations, Finance & Administration, and Planning, Development & Taxpayer Services. The Department has a staff complement of approximately 1,500 employees deployed across headquarters, large, medium, and small taxpayer (district) offices and a number of taxpayer service centers. Current and capital expenditure in 2014 was JD 20.5 million.

An organizational chart of the tax administration is provided in Attachment IV.

F. International Information Exchange

Jordan is not a member of the Organization for Economic Cooperation and Development's Global Forum on Transparency and Exchange of Information for Tax Purposes. However, it has Double Taxation Agreements (DTAs) with approximately 20 countries[5] and exchanged DTA proposals with 10 others. These DTAs contain clauses on bilateral exchange of information.

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[3] The Income Tax Law was last amended in 2014, and the GST Law was last amended in 2009.

[4] http://www.istd.gov.jo/ISTD/English/AboutISTD/Homepage.html.

[5] Countries with which Jordan has signed DTAs that are in force: Yemen, Tunisia, Bahrain, Algeria, Arab Economic Unity Council Countries, Indonesia, Malaysia, Turkey, India, France, Romania, Poland, Canada, Britain, Kuwait, Syria, Lebanon, Korea, Pakistan, Netherlands. Source: http://www.istd.gov.jo/ISTD/English/Legislations/DoubleTaxationAgreements/doubletax1.htm.

III. 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 underpins 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 (i.e., 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 2016	
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	C
P1-1-2. The accuracy of information held in the registration database.		C	

Companies doing business in Jordan as well as individuals earning above the various income tax thresholds must register with ISTD and obtain a taxpayer identification number (TIN). For income tax, individuals can register at any ISTD tax office, while other entities register at the Companies Control Directorate (CCD), a division of the Ministry of Industry and Trade. CCD, which oversees business registration in Jordan, sources and issues TINs from ISTD's centralized registration system, provided all documentation is in order. Separately, the GST Law provides for mandatory GST registration for any business or individual that intends to import and for all businesses that meet certain threshold requirements.[6] The taxpayer has a single TIN for both Income Tax and GST purposes.

The design of the registration database and information required of the taxpayer is generally sound. When a new taxpayer comes to register, ISTD verifies the name and identification number by cross-referencing the CCD, Social Security, and Greater Amman Municipality (GAM) portals.[7] It also verifies that a TIN has not been issued to the taxpayer previously. After verification, the taxpayer fills out an application form, which an ISTD clerk enters into the system.[8] The taxpayer is then issued a unique, ten-digit TIN and a registration certificate and is assigned to a tax office corresponding to its expected turnover. If subject to GST, the taxpayer will also be registered accordingly and receive a separate GST certificate to be displayed at each of its business premises. Once registered, a taxpayer account is automatically opened at ISTD and the taxpayer is advised of applicable filing and payment requirements. Thereafter, front-line officers have access to the taxpayer's account for routine actions, while Headquarters has a national view of the taxpayer population. During a demonstration of the IT system's functionality, the assessment team also observed how ISTD is able to track expected declarations and use taxpayer registration details to generate the relevant declaration for the taxpayer to complete and file.

Although written procedures for registry maintenance were provided to the assessment team, the database is considered reliable but with caveats. Registered taxpayers can update basic profile information, such as address and other contact information, at any tax office or, with an ISTD-issued username and password, complete such updates on-line via ISTD's taxpayer portal. The registration system also has the ability to flag inactive taxpayers and de-register taxpayers that are deceased or have stopped operations and, as noted in a November 2015 technical assistance mission by the IMF's Fiscal Affairs Department (FAD), "Significant progress has been made and a more reliable register is now available."[9] However, based on the assessment team's field observations, ISTD undertakes these activities only on an ad hoc basis and not based on a concrete plan or program. Data provided to the assessment team appear to confirm this. Attachment III, Table 12 indicates that over the last three years,

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[6] Mandatory GST registration applies to: (i) All Industrial and Commercial Sector businesses with annual turnover greater than JD 75,000; (ii) all Services Sector businesses with annual turnover greater than JD 30,000; and (iii) all SST taxpayers with annual turnover greater than JD 10,000 for the previous 12 months.

[7] GAM is responsible for issuing licenses to professionals.

[8] Key information being entered include: (i) Taxpayer name, (ii) Contact information, (iii) Type of taxpayer (individual, employee, corporation, partnership), (iv) Business activity (ISIC coding), (v) Associated entities, (vi) Sources of income, and (vii) Tax liability (Income Tax, Sales Tax, Special Sales Tax).

[9] Jordan: Enhancing Compliance and Revenue Collection by Improving Data Integrity within the Taxpayer Register. International Monetary Fund, November 2015.

a very high proportion of CIT, PIT PAYE, and VAT payers were inactive but not deregistered. Moreover, for both PIT and PAYE, the number of inactive taxpayers on the register exceeded the number of active ones by more than ten times. In conversations, ISTD staff explained that many of these inactive records were for taxpayers who had not filed in more than a year, including taxpayers with "temporary" TINs (e.g., where an individual registered for GST to execute a one-off import); defunct or deceased taxpayers; and registered taxpayers who presently have no legal obligation to file.[10] Even where justified, ISTD staff noted procedural hurdles to removing taxpayer files: for instance, only the Director General has the authority to de-register entities for GST purposes. As noted by a November 2015 FAD mission, ISTD also faces legal and regulatory impediments to removing inactive records, including provisions in the Companies Law that make it difficult and costly to liquidate businesses, which inhibit ISTD's ability to de-register them.[11] ISTD management has long been aware of these challenges and is undertaking efforts to move these files into a suspended cases register. The Department is also exploring options to identify inactive records more efficiently, including through data matching. Among others, the Department recently signed a memorandum of understanding (MOU) with CCD, the local chambers of industry and commerce, and GAM to accelerate the removal of inactive files and clean up the registry.

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.

Table 3. P1-2 Assessment

Measurement Dimensions	Scoring Method	Score 2016
P1-2. The extent of initiatives to detect businesses and individuals who are required to register but fail to do so.	M1	B

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[10] For instance, Income Tax Law No. 34 of 2009 exempted the first JD 14,000 of income for single persons (JD 28,000 for those with dependents). The amendment raised the basic and family allowances by several multiples and effectively removed the large majority of (previously active) PIT and PAYE payers from the active taxpayer population.

[11] Jordan: Enhancing Compliance and Revenue Collection by Improving Data Integrity within the Taxpayer Register. International Monetary Fund, November 2015.

ISTD systematically uses third-party information to detect unregistered businesses and individuals, and there is evidence of actions and results in relation to detecting and following up such cases. The Department has established e-links to numerous agencies and institutions and the Anti-Tax Evasion Directorate regularly queries and analyzes third-party information from those sources to detect unregistered taxpayers. Among other initiatives, ISTD regularly cross-checks information from Jordan Customs Department to detect unregistered traders involved in commercial importation of goods officials. Officials also highlighted an effort to query hospital records to identify medical professionals performing surgeries and other procedures yet not registered for tax. Furthermore, operational units periodically receive orders from ISTD Headquarters to conduct "spot visits" to business premises, and staff provided extensive statistical reports listing taxpayers registered as a result of ISTD compliance interventions over the course of 2015. Notwithstanding these initiatives, vital third-party information sources are not always accessible to ISTD. Notably, bank secrecy laws prevent the tax administration from accessing bank account information without a taxpayer's consent. Nor has ISTD undertaken substantive research to determine the extent of registration non-compliance by traders who escape the purview of the tax administration entirely.

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 information technology system hardware or software, strike action by employees, and administrative breaches (e.g., leakage of confidential taxpayer information which results in loss of community confidence and trust in the tax administration).

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.

Four 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—Identification, assessment, and mitigation of institutional 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 2016	
P2-3-1. The extent of intelligence gathering and research to identify compliance risks in respect of the main tax obligations	M1	B	D
P2-3-2. The process used to assess, rank, and quantify taxpayer compliance risks.		D	

While there is no evidence of high level and systematic environmental scanning, ISTD does make use of data from a range of external sources to detect emerging compliance risks. For example, making use of data obtained from hospitals identified endemic noncompliance from doctors. In addition, and as part of a large-scale data matching exercise (see also POA 6), information is garnered from Social Security, Customs, Bureau of Employees, various associations, and registries of government tenders and rental income to assist ISTD to gain a better understanding of the economic and taxpayer environment.

ISTD makes use of analysis of internal data such as tax declarations and audit results. For example, ISTD regularly uses such information to refine compliance risk criteria and subsequent audit case selection parameters. However, studies or research relating to the underlying taxpayer attitudes and drivers of non-compliance are not undertaken.

ISTD risk assessment and prioritization processes contain little of the structured approach as described, for example, in IMF and OECD publications. ISTD places heavy emphasis on the development of risk criteria to determine audit case selection. However, there is no evidence of the identification or prioritization of specific risks, either across market segments or across business activities. For example, there is no compliance risk register in place, nor any documented instructions for the use of the compliance risk matrix which details both likelihood and consequence factors. Nor does ISTD does not estimate the revenue unpaid or at risk relating to taxpayer non-compliance.

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 Dimensions	Scoring Method	Score 2016
P2-4. The degree to which the tax administration mitigates assessed risks to the tax system through a compliance improvement plan.	M1	D

ISTD has not, to date, produced a specific Compliance Improvement Plan. As observed above under Dimension P2-3-2, ISTD does not articulate compliance strategies in relation to particular risks. The Department relies on an annual audit plan, but that plan is not risk-specific, nor does it contain descriptions of the types of non-compliance it will address.

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

This indicator looks at the process used to monitor and evaluate 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 Dimensions	Scoring Method	Score 2016
P2-5. The process used to monitor and evaluate the impact of compliance risk mitigation activities.	M1	D

ISTD has in place a senior management committee, including the Director General, which approves compliance activities and monitors certain indicators. This committee approves the annual audit plan as the primary avenue of active compliance, and also reviews regular reporting against that plan as well as filing rates. While such reports may not of themselves provide an evaluation of the impact of mitigation activities, they do provide raw data to enable senior management to discuss such matters.

There is evidence that ISTD, on occasion, alerts policy makers of weaknesses in the law that affect the tax administration's ability to manage compliance risks. For example, in examining the penalties for non-filing, ISTD found that the penalties were inadequate to act as a motivation for taxpayers to file their declarations. As a result of ISTD's initiative, recent changes were made to penalty legislation, which ISTD informants claim has made a positive impact on filing rates.

There is no evidence that risk mitigation strategies, which are mainly audit-related, are evaluated for effectiveness. For example, there is no structured monitoring or reporting of the future compliance behavior of taxpayers subjected to audit, nor of the impact the audit program is having more broadly across taxpayer segments or business activities.

ISTD provided additional evidence of monitoring activities regularly undertaken by its Compliance Planning Committee. However, the minutes of those conversations related primarily to workload allocation issues between ISTD directorates and offices and did not cover any issues regarding specific risks. Some questions from the Director-General regarding the reason for high declaration acceptance rates in the services sector were not answered.

ISTD also put forward its response to a 2013 IMF mission in relation to non-compliance in the medical and contractor sectors as evidence of strategic risk management. While the plan that was provided had a number of key elements, there was no description or explanation as to why these two sectors were chosen over any other sector. Furthermore, as this plan was in response to an IMF mission, the assessment team did not deem such an approach a routine component of ISTD operations in relation to compliance risk management.

P2-6: Identification, assessment, and mitigation of institutional risks

This indicator examines how the tax administration manages institutional risks. 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 2016
P2-6. The process used to identify, assess, and mitigate institutional risks.	M1	A

ISTD has a structured approach in place in relation to institutional risks. This forms part of the annual planning cycle and includes a full listing of the risks, quantified by likelihood and consequence scores, mitigation strategies, and a business continuity plan. Staff are trained in response procedures, and to that effect, ISTD recently conducted a simulated staff evacuation exercise at West Amman district office.

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 (e.g., employees, retirees, and passive investors) benefit from simplified filing arrangements and systems that eliminate the need to file.

Three performance indicators are used to assess POA 3:

- P3-7—Scope, currency, and accessibility of information.
- P3-8—Scope of initiatives to reduce taxpayer compliance costs.
- P3-9—Obtaining taxpayer feedback on products and services.

P3-7: 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; and (4) 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 responding to information requests generally). Assessed scores are shown in Table 8 followed by an explanation of reasons underlying the assessment.

Table 8. P3-7 Assessment

Measurement Dimensions	Scoring Method	Score 2016	
P3-7-1. 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	C
P3-7-2. The degree to which information is current in terms of the law and administrative policy.		C	
P3-7-3. The ease by which taxpayers obtain information from the tax administration.		A	
P3-7-4. The time taken to respond to taxpayer and intermediary requests for information.		A	

ISTD provides easily obtainable, clear taxpayer information explaining taxpayer obligations and entitlements in respect of each core tax. ISTD provides information to taxpayers on their obligations of registering, filing, payment, and reporting through its website (http://www.istd.gov.jo/), guides, manuals as well as taxpayer education events. Available information covers all core taxes and is tailored for key taxpayer segments and industry groups. ISTD utilizes e-newsletters, press releases, internet ads, and social media platforms such as Facebook, Twitter and WhatsApp. It also conducts public education workshops that target chambers of commerce, trade unions, universities and other interested groups, and is collaborating with the Ministry of Education to develop curriculum about taxes for students.

ISTD has procedures in place to make taxpayers aware of changes in law or policy before they take effect; however, these updates are not performed by dedicated staff but by staff of the various technical units, as needed, in addition to their regular job functions. Tax information is regularly reviewed and updated or removed when obsolete. When updating is necessary, ISTD forms a committee composed of staff from relevant technical units (e.g., legal, taxpayer education) to develop information updates and employs various avenues to educate taxpayers about changes, including its website, press releases, focus groups, educational workshops, TV talk shows and other means.

Taxpayers can obtain information and assistance easily, quickly and at minimal or no cost through a wide range of channels. These channels include ISTD's website, taxpayer instructions, manuals and brochures, newsletters and educational events. Taxpayers can also contact the ISTD call center for assistance. The range of service delivery channels reflects ISTD's understanding that taxpayers in different segments need information tailored to their specific needs—for instance, providing walk-in service at district offices to accommodate small taxpayers. In addition to frequently asked questions (FAQs) on the ISTD website, ISTD also produces policy papers on various tax issues.

ISTD responds to taxpayer requests in a timely manner. ISTD service standards are contained in its Service Manual and associated Matrix, both of which are posted on the ISTD website. As shown in Attachment III, Table 3, the call center answers all calls within six minutes. Moreover, ISTD has received regional awards for its service standards, including response times.

P3-8: 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 9 followed by an explanation of reasons underlying the assessment.

Table 9. P3-8 Assessment

Measurement Dimensions	Scoring Method	Score 2016
P3-8. The extent of initiatives to reduce taxpayer compliance costs.	M1	B

Some initiatives are in place to reduce taxpayer compliance costs. Businesses with turnover of less than JD 100,000 have access to simplified recordkeeping and reporting requirements. Some taxpayers, such as retirees and spouses, are not required to file income tax, and thanks to generous income tax allowances, nor are an estimated 95 percent of employees and individuals with income below the various thresholds.[12] Forms are regularly updated to remove outdated information, and ISTD has information sharing agreements with Ministry of Industry and Trade and the Social Security Corporation to reduce duplicate reporting obligations. Taxes can be paid at tax offices, at banks, by mail, and even on-line. Nevertheless, although ISTD provides a broad range of electronic services, in general, less than 10 percent of taxpayers file and pay electronically. Moreover, taxpayers are able to register online and can access their account details online; however, pre-filled declarations are not available.

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[12] The Income Tax Law No. 34 of 2009 exempts the first JD 14,000 of income for single persons and the first JD 28,000 for those with dependents.

P3-9: 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 10 followed by an explanation of reasons underlying the assessment.

Table 10. P3-9 Assessment

Measurement Dimensions	Scoring Method	Score 2016	
P3-9-1. The use and frequency of methods to obtain performance feedback from taxpayers on the standard of services provided.	M1	A	A
P3-9-2. The extent to which taxpayer input is taken into account in the design of administrative processes and products.		A	

ISTD is proactive in obtaining taxpayer feedback and uses a variety of methods to do so. The Director of Media gathers information daily. In addition, the Department conducts a taxpayer survey every six months and holds focus groups every three months or as needed. Survey results are analyzed by an independent third party.

Taxpayer feedback is routinely taken into account in designing programs and improving services. ISTD uses information from customer surveys to improve its services. Examples are: piloting and preparing for a “single window” at the Large Taxpayer Office and three other offices; installing ramps and making wheelchairs available for disadvantaged customers; improving sanitation at tax offices; and searching for a new location for headquarters for improved taxpayer convenience.

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 toward streamlining preparation and filing of declarations of taxpayers with relatively uncomplicated tax affairs (e.g., through prefilling 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.

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).

The following performance indicators are used to assess POA 4:

- P4-10—On-time filing rate.
- P4-11—Use of electronic filing facilities.

P4-10: 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 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 11 followed by an explanation of reasons underlying the assessment.

Table 11. P4-10 Assessment

Measurement Dimensions	Scoring Method	Score 2016	
P4-10-1. 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	C	B
P4-10-2. The number of PIT declarations filed by the statutory due date as a percentage of the number of declarations expected from registered PIT taxpayers.		B	
P4-10-3. The number of VAT declarations filed by the statutory due date as a percentage of the number of declarations expected from registered VAT taxpayers.		B	
P4-10-4. 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.		A	

On-time filing rates provided by ISTD vary across the core taxes. As shown in Tables 4 to 8 in Attachment III, only 63.5 percent of total CIT taxpayers file on time. However, on-time filing rates are much higher for other core taxes: 95.9 percent for PAYE; 91.0 percent for GST; and 79.7 percent for PIT (non-PAYE) taxpayers. On-time filing rates for large taxpayers are higher still: 98.1 percent for CIT and 97.6 percent for GST.

P4-11: 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 12 followed by an explanation of reasons underlying the assessment.

Table 12. P4-11 Assessment

Measurement Dimensions	Scoring Method	Score 2016
P4-11. The extent to which tax declarations are filed electronically.	M1	D

Electronic filing rates provided by ISTD are extremely low for all taxes. As shown in Attachment III, Table 9, only 4.94 percent of VAT, 1.6 percent of CIT, and 1.4 percent of PIT declarations were filed electronically in 2015. While e-filing is currently optional for all taxes and taxpayer segments, ISTD is considering future plans to require 100-percent e-filing for all large taxpayers.

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:

- P5-12—Use of electronic payment methods.
- P5-13—Use of efficient collection systems.
- P5-14—Timeliness of payments.

- P5-15—Stock and flow of tax arrears.

P5-12: Use of electronic payment methods

This indicator examines the degree to which core taxes are paid by electronic means, 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. For TADAT measurement purposes, payments made in person by a taxpayer to a third party agent (e.g., a bank or post office) that are then electronically transferred by the agent to the government's account are accepted as electronic payments. Assessed scores are shown in Table 13 followed by an explanation of reasons underlying the assessment.

Table 13. P5-12 Assessment

Measurement Dimensions	Scoring Method	Score 2016
P5-12. The extent to which core taxes are paid electronically.	M1	C

Electronic payment is available for all taxpayers but is rarely used. Electronic payment is available for all tax types and for all taxpayer segments, which ISTD promotes via its website, telephone, posters and other means. Taxpayers can pay via the ISTD website, via telephone or at any of 25 authorized banks via electronic funds transfer. Nevertheless, taxpayers predominantly make their tax payments by cash or cheque at the tax office. As shown in Attachment III, Table 9, for each tax type, data for 2013 – 2015 show that, in all cases, electronic payments by number and by value are at most 10 percent of all payments and in some cases, the trend is downward. As a percentage of value, about 9 percent of CIT is received electronically, but the trend has been downward over the last three years. For PIT, the value of payments received electronically is less than 1 percent. For GST, about 10 percent of the number of payments and 8 – 9 percent of the value are received electronically. For payments of PAYE tax, electronic payments by value range between 2 – 10 percent, with an apparent downward trend. In conversations, staff attributed the low rate of e-payment uptake to a general lack of trust in ISTD's e-payment facilities. ISTD is hopeful that, with education and experience, it will be able to expand the use of electronic payment over the next two to five years.

P5-13: 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 14 followed by an explanation of reasons underlying the assessment.

Table 14. P5-13 Assessment

Measurement Dimensions	Scoring Method	Score 2016
P5-13. The extent to which withholding at source and advance payment systems are used.	M1	C

Jordan requires withholding at source and advance payments, but only in a limited manner. Withholding at source is used for salaries, wages and interest income, but not for dividends paid by public companies to taxpayer residents, which are tax-exempt and need not be reported. Advance payment is only required for taxpayers that have a turnover of more than JD 1,000,000; in that event, payment is due two times per year based on 80 percent of the previous year's tax (40 percent each advance payment).

P5-14: Timeliness of payments

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 15 followed by an explanation of reasons underlying the assessment.

Table 15. P5-14 Assessment

Measurement Dimensions	Scoring Method	Score 2016	
P5-14-1. The number of VAT payments made by the statutory due date in percent of the total number of payments due.	M1	C	C
P5-14-2. The value of VAT payments made by the statutory due date in percent of the total value of VAT payments due.		A	

The number of GST payments made on time is very low. As shown in Attachment III, Table 10, the on-time GST payments for the year 2014 is 55.9 percent.

The value of GST payments made on time is high. For GST returns on-time GST payments for 2014 by value is 91.3 percent.

P5-15: 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.[13] 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 16 followed by an explanation of reasons underlying the assessment.

Table 16. P5-15 Assessment

Measurement Dimensions	Scoring Method	Score 2016	
P5-15-1. 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	D	D+
P5-15-2. The value of collectible core tax arrears at fiscal year-end as a percentage of total core tax revenue collections for the fiscal year.		C	
P5-15-3. The value of core tax arrears more than 12 months' old as a percentage of the value of all core tax arrears.		C	

ISTD's stock of debt is high and aging. As shown in Attachment III, Table 11, the average stock of core tax arrears as a percent of total core tax revenue for years 2013 – 2015 is 53.9 percent, reflecting weak debt management.

The value of collectible core tax arrears as percent of total core tax revenue collections is low. The value of collectible core tax arrears as percent of total core tax revenue collections is 11 percent.

[13] 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).

Aged debt makes up a significant portion of ISTD's overall debt book. The value of core tax arrears more than 12 months old is 69.6 percent of total core tax arrears.

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 (e.g., tax audits, investigations, and income matching against third party information sources) and proactive initiatives (e.g., 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 (e.g., 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, three performance indicators are used to assess POA 6:

- P6-16—Scope of verification actions taken to detect and deter inaccurate reporting.

- P6-17—Extent of proactive initiatives to encourage accurate reporting.
- P6-18—Monitoring the extent of inaccurate reporting.

P6-16: Scope of verification actions taken to detect and deter inaccurate reporting.

For this indicator, two measurement dimensions provide an indication of the nature and scope of the tax administration's verification program Assessed scores are shown in Table 17 followed by an explanation of reasons underlying the assessment.

Table 17. P6-16 Assessment

Measurement Dimensions	Scoring Method	Score 2016	
P6-16-1. The nature and scope of the tax audit program in place to detect and deter inaccurate reporting.	M2	B	C+
P6-16-2. The extent of large-scale automated crosschecking to verify information in tax declarations.		C	

ISTD has an annual audit plan that covers all core taxes and taxpayer segments and employs centralized case selection. The plan is designed to meet the available audit resources, is evenly spread across all segments, and uses predefined risk criteria for the selection process. These risk criteria, by way of their scoring methodology, allocate cases based on the highest risk. Case selection is an automated, centralized function of the tax administration. The Compliance Section within the Audit Directorate determines the risk criteria for various taxpayer groupings. The Information Technology (IT) Directorate then undertakes an automated risk profiling exercise across the taxpayer segments as the primary case selection method. As of November 2015, 20 percent of all declarations were selected for some level of compliance verification activity during the 2016 fiscal year. Enhancements to the risk criteria have brought this figure down from 33-percent coverage, but the coverage rate remains high by international standards.

ISTD employs a range of audit types, including comprehensive or full audits, thematic or specific issue audits, and desk audits, as well as direct and indirect methods to verify income and expenditure items. Once the audit case pool is referred to the respective directorate or office, supervisors undertake further risk profiling in order to determine the nature of the audit to be employed. This provides an appropriate level of flexibility to match the nature of risk and taxpayer circumstance with an appropriate treatment method. Auditors also use a range of indirect techniques, including mark-up rates and industry norms to enable further questioning and data requirements needed to verify reported amounts, and also to establish figures in the absence of reliable taxpayer data.

However, ISTD undertakes only basic monitoring and evaluation of their audit program on taxpayer compliance. For example, ISTD staff were not able to articulate the future compliance impact on those taxpayers who have been subject to audit, nor to any broader changes within particular segments or activities.

ISTD undertakes automated cross-checking of amounts reported in PIT and CIT returns from a range of sources. This includes from GST declarations, employers, Customs, agencies responsible for government procurement, and the registrar of companies. However, ISTD is unable to obtain data on cash transactions from the anti-money laundering agency due to secrecy provisions. This significantly restricts ISTD from detecting amounts of unreported cash transactions traditionally associated with the hidden economy and illegal activities. Although the assessment team recognizes that ISTD has quite a sophisticated data matching program, the lack of access to financial data restricts the score that has been assigned to this dimension.

ISTD obtains and cross matches from stock exchanges, the social security agency, and internet vendors such as e-Bay. This is in line with good practice internationally. However, the lack of access to banking data for taxpayers is a significant weakness in the overall matching program.

P6-17: Extent of proactive initiatives 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 18 followed by an explanation of reasons underlying the assessment.

Table 18. P6-17 Assessment

Measurement Dimensions	Scoring Method	Score 2016
P6-17. The nature and scope of proactive initiatives undertaken to encourage accurate reporting.	M1	D

ISTD does not have a formalized rulings system, nor does it provide legally binding advice. In fact, the assessment team learned of cases in which ISTD subsequently re-assessed a taxpayer after determining that the Department had provided incorrect advice. Notwithstanding the legal avenues available to the taxpayer to dispute in such circumstances, this clearly fails to meet the standard internationally accepted.

There is no evidence of any deliberate strategies in relation to co-operative compliance initiatives of a formal nature. Some large taxpayers may receive some enhanced levels of service—for example, streamlined procedures for GST refund processing. However, there are no signed agreements between ISTD and large taxpayers in relation to taxpayer corporate governance and recipient levels of ISTD service. These matters would typically be the subject of such formal agreements.

P6-18: Monitoring the extent of inaccurate reporting

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 19 followed by an explanation of reasons underlying the assessment.

Table 19. P6-18 Assessment

Measurement Dimensions	Scoring Method	Score 2016
P6-18. The soundness of the method/s used by the tax administration to monitor the extent of inaccurate reporting.	M1	C

Studies into the extent of inaccurate reporting have been undertaken in each of the last three fiscal years. Jordan's Economic and Social Council in 2014[14] and USAID (in 2013 and 2015) have both produced studies that estimate the value of tax foregone in relation to non-compliance and exemptions, especially related to importations. ISTD subsequently provided formal feedback to the Prime Minister on the findings, including its decision not to pursue certain sectors identified in the reports based on the argument that a majority of affected taxpayers would generally fall below the taxable threshold. However, there is no evidence of any independent critique of the methodologies used in such studies (e.g., by the Ministry of Finance). ISTD continues to receive support from USAID to improve its capacity to monitor and address inaccurate reporting.

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

[14] Tax Evasion in Jordan: causes, means, and size. Amman: Economic & Social Council of Jordan. 2014. The Economic and Social Council is an advisory body to the government.

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:

- P7-19—Existence of an independent, workable, and graduated dispute resolution process.
- P7-20—Time taken to resolve disputes.
- P7-21—Degree to which dispute outcomes are acted upon.

P7-19: 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 20 followed by an explanation of reasons underlying the assessment.

Table 20. P7-19 Assessment

Measurement Dimensions	Scoring Method	Score 2016	
P7-19-1. The extent to which an appropriately graduated mechanism of administrative and judicial review is available to, and used by, taxpayers.	M2	A	B+
P7-19-2. Whether the administrative review mechanism is independent of the audit process.		B	
P7-19-3. Whether information on the dispute process is published, and whether taxpayers are explicitly made aware of it.		B	

One level of administrative review and two levels of judicial reviews are present. Administrative objections are reviewed by permanent objection panels comprised of three ISTD officers for large taxpayers and one officer for small and medium taxpayers. Each panel reports to a Decision Approval Committee. Second- and third-stage dispute resolution mechanisms exist and both are independent tax tribunals reporting to the Ministry of Justice, although the Ministry cannot change or overturn their decisions.

Administrative reviews are undertaken by designated review officers located in the audit department. While organizationally under the head of the audit department, these officers are assigned to objection panels by the ISTD DG and do not conduct any tax audits. Moreover, the objection panels' decision reports are evaluated and approved by a Decision Approval Committee, which is independent from the audit department.

Information on the dispute resolution process is published and taxpayers are explicitly made aware of it. General information on taxpayers' right to dispute and the procedures to be taken is featured on the ISTD website and in taxpayer guides posted on the walls of ISTD tax offices. In addition, there are standard forms used for audit finalization and other notifications that specifically instruct taxpayers of their right to dispute and the associated dispute procedures. However, auditors are not required by written instruction to explicitly inform taxpayers of these rights and procedures.

P7-20: Time taken to resolve disputes

This indicator assesses how responsive the tax administration is in completing administrative reviews. Assessed scores are shown in Table 21 followed by an explanation of reasons underlying the assessment.

Table 21. P7-20 Assessment

Measurement Dimensions	Scoring Method	Score 2016
P7-20. The time taken to complete administrative reviews.	M1	B

As shown in Attachment III, Table 12, 91 percent of administrative reviews are completed within three months, out of which 60 percent are completed in 30 days. ISTD is required by law to complete administrative reviews within 60 days, failing which applicable penalties will be waived. While most objections cases are closed within three months per the law, ISTD indicated plans to move toward the 30-day standard per international good practice.

P7-21: 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 22 followed by an explanation of reasons underlying the assessment.

Table 22. P7-21 Assessment

Measurement Dimensions	Scoring Method	Score 2016
P7-21. The extent to which the tax administration responds to dispute outcomes.	M1	D

No evidence exists of regular or ad hoc dispute outcomes analysis. ISTD did not provide any proof of regular monitoring or analysis of dispute outcomes that has been taken into account in the formulation and adjustment of policy, legislation or administrative procedures. ISTD provided the assessment team with minutes of two meetings of the Headquarters planning committee that included reporting on the time taken to close cases and the quality of the decision report produced. The assessment team also received a table showing a decrease in the number of disputes from 2013 to 2015. However, no regular or ad hoc reports were provided to the assessment team to indicate that dispute outcomes are systematically and routinely analyzed or used to inform changes in policy, law, or administrative procedures.

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.)[15]

- Maintaining a system of revenue accounts.

- Paying tax refunds.

[15] 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.

Three performance indicators are used to assess POA 8:

- P8-22—Contribution to government tax revenue forecasting process.
- P8-23—Adequacy of the tax revenue accounting system.
- P8-24—Adequacy of tax refund processing.

P8-22: 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 23 followed by an explanation of reasons underlying the assessment.

Table 23. P8-22 Assessment

Measurement Dimensions	Scoring Method	Score 2016
P8-22. The extent of tax administration input to government tax revenue forecasting and estimating.	M1	B

ISTD has a dedicated tax revenue forecasting capability located within the Financial Affairs Directorate. This is made up of well qualified staff, including at least one senior staff who has received specialized training in revenue forecasting from Duke University, North Carolina. The ISTD contribution to the government forecasting process begins in June each year as part of the annual budget cycle. Such contribution is based on analysis of GDP-related data, historical information, and context and inflation projections, all of which factor into a particular forecasting formulae and methodology.

ISTD provides monthly reports to the Ministry of Finance on actual versus forecast tax revenues. These reports include analysis of economic trends and any material differences. A “material” difference is deemed to be more than 3 percent.

Forecasts from ISTD include amounts to be allocated for GST refunds, which are treated as a budget line item. However, in 2015 these proved to be insufficient against all legitimate GST refund claims, prompting ISTD to request a supplementary allocation during the year.

Revenues foregone due to tax exemptions, special economic zones, and other special regimes are not routinely estimated, nor are the stocks of carry forward losses to be offset against future taxable income. Failure to forecast these items leaves the government revenue stream at potential risk.

P8-23: Adequacy of the tax revenue accounting system

This indicator examines the adequacy of the tax revenue accounting system. Assessed scores are shown in Table 24 followed by an explanation of reasons underlying the assessment.

Table 24. P8-23 Assessment

Measurement Dimensions	Scoring Method	Score 2016
P8-23. Adequacy of the tax administration's revenue accounting system.	M1	A

The ISTD tax revenue accounting system contains many of the functional characteristics expected of a government revenue system. The system meets the requirements as stipulated by the MOF's standardized Government Financial Management Information System (GFMIS). As such, it directly interfaces with the Central Bank of Jordan.

Payments made by taxpayers are typically posted to the taxpayer account in a timely manner. We observed the system in action and noted that payments made at the cashier, for example, were reconciled and posted to the taxpayer account within 24 hours, and most commonly on the same working day.

A range of manual account reconciliations between total receipts and individual payment transactions are undertaken. These reconciliations are undertaken by ISTD cashiers and are subsequently verified by officers from the Ministry of Finance.

Procedures related to suspense account reconciliations were deemed unnecessary by ISTD. The accounting chief indicated that via the processes used to accept payment from taxpayers it was not possible to have payments unrelated to a specific taxpayer and core obligation.

Credit account balances are subject to regular discussion with directorates and offices. It did not appear as though regular reports were obtained as to the nature of such balances and what should be done with these.

P8-24: 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 25 followed by an explanation of reasons underlying the assessment.

Table 25. P8-24 Assessment

Measurement Dimensions	Scoring Method	Score 2016	
P8-24-1. Adequacy of the VAT refund system.	M2	B	C
P8-24-2. The time taken to pay (or offset) VAT refunds.		D	

ISTD takes a cautious, risk-averse approach to the issuing of GST refunds, to the extent that 100 percent of refund claims are subjected to some degree of pre-issue verification. Refunds are not automatically triggered when the account is in credit, and the taxpayer must file a specific refund claim form to initiate a refund. Refund claims for historically compliant, low-risk exporters are not subjected to audit, per se, but must still cross several desks and receive a series of signatures before being processed. Even then, budgeted funds allocated to GST refunds are not always sufficient to allow payment of legitimate claims. In 2015, refund claims were extra-ordinary in relation to previous years, and ISTD needed to seek an additional allocation from the General Budget Department, which was subsequently approved.

ISTD offsets GST credits against arrears in other core taxes. This is on the provision that those arrears are not subject to genuine tax dispute.

Late payment interest at the rate of 9 percent is payable if the refund payment is not made within 90 days. Therefore, the legislated time period is well outside the 30-day standard used to score this POA.

ISTD does not adopt any "fast-lane" approaches to issuing refunds to designated low-risk taxpayers, typically those with regular export activity. While such taxpayers may enjoy some streamlined procedures, there are still at least five stages to the verification process. Attempts to enable automatic refund payments have been stopped in response to directives from the Audit Bureau.

No GST refunds are paid within the 30-day standard considered international good practice. Even allowing that ISTD has a 90-day legal requirement, the fact that no refund payments are made within 30 days is indicative of administrative weakness in this area.

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:

- P9-25—Internal assurance mechanisms.
- P9-26—External oversight of the tax administration.
- P9-27—Public perception of integrity.
- P9-28—Publication of activities, results, and plans.

P9-25: 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 26 followed by an explanation of reasons underlying the assessment.

Table 26. P9-25 Assessment

Measurement Dimensions	Scoring Method	Score 2016	
P9-25-1. Assurance provided by internal audit.	M2	B	B
P9-25-2. Staff integrity assurance mechanisms.		B	

ISTD has an independent internal audit unit reporting directly to the Director General and not to an audit committee. The unit operates according to an annual internal audit plan. The base requirements for its 30 employees include a university degree and at least five years' work experience as an auditor. Employees receive skills training in audit, financial analysis, internal control, and other skills based on an annual training plan. The unit has four core functions: post-audit, administrative audit, financial audit and information security. The Procurement Division records all ISTD assets, and there is an annual inventory of assets in the presence of an Internal Audit team member. When an employee retires, ISTD conducts an inventory on that employee's assets. ISTD also conducts random audits of assets. There is an independent review of internal audit operations no less than every five years. There is a central repository of policies, processes and procedures. The IT Security unit reports to the Internal Audit unit. The Government of Jordan has policies about government information security of a generic nature, and ISTD's Information Security unit has some of its own unique features. It has an “intrusion prevention system” which is the “next generation firewall,” and its systems are capable of detecting incidents that threaten the confidentiality and integrity of tax administration data. At the time of the assessment, Information Security staff were conducting an exercise to identify system vulnerabilities.

ISTD does not have an Internal Affairs Unit and instead such responsibilities are shared by different entities that report directly to the ISTD DG; moreover, integrity-related statistics are not published. A Code of Conduct is issued by the Prime Minister’s office that all public servants must abide by. Each new employee is required to take courses in Code of Conduct for Public Servants and sign the code. The Internal Control Directorate and the Human Resources (HR) Directorate are responsible for ensuring that everyone within ISTD adheres to the integrity and ethics policy stated in the code of conduct. Issues or allegations of staff misconduct are handled in the first instance by HR and the responsible department head. In some cases, incidents of misconduct or other breaches of integrity will be referred to the DG or a committee will be formed to address the issue. More serious incidents will be referred to the Internal Control Directorate, which has appropriate investigative powers and exercises them as needed. In such investigations, the Internal Control Directorate may cooperate with the Anti-Corruption Commission and/or the public prosecutor. Integrity-related statistics maintained by ISTD are no more than figures reporting the number of complaints received and such statistics are not made public.

P9-26: 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 27 followed by an explanation of reasons underlying the assessment.

Table 27. P9-26 Assessment

Measurement Dimensions	Scoring Method	Score 2016	
P9-26-1. The extent of independent external oversight of the tax administration’s operations and financial performance.	M2	B	C
P9-26-2. The investigation process for suspected wrongdoing and maladministration.		D	

The Audit Bureau, as Jordan’s supreme audit institution, performs an annual external audit and ISTD responds to the findings; however, responses are not published. Pre-audit, post-audit and permanent audit exist. Under Article 119 of the Constitution, the Audit

Bureau presents an annual report to the Parliament. ISTD responds to these findings by law. Audit Bureau findings are publicly reported; however, ISTD responses are not made public.

No ombudsman or equivalent authority exists to investigate taxpayer complaints. ISTD officials indicated that taxpayers can lodge complaints via a suggestion box at any tax office or via the ISTD website. They also indicated that certain complaints are reported to the Ministry of Finance, which will then direct the DG to investigate. However, there is no evidence of a dedicated body or authority empowered to investigate complaints from taxpayers about treatment they have received from the tax administration. Complaints that are received are sent to the Internal Control Directorate and dedicated staff follow up. The Internal Control Directorate sends the complaint to the relevant department and the taxpayer is informed of the resolution. For a serious complaint, a committee in ISTD may be formed to investigate. ISTD has both temporary and standing committees, both reporting to the DG. Other independent bodies may assist with a taxpayer complaint, such as the MOF, the Anti-Corruption Commission, or the Ministry of Public Sector Development, and ISTD staff noted that taxpayers may also take their complaints to the media. The Anti-Corruption Commission investigates the most serious cases, and there is monthly reporting to senior management on results and actions taken in relation to such cases.

P9-27: Public perception of integrity

This indicator examines measures taken to gauge public confidence in the tax administration. The assessed score is shown in Table 28 followed by an explanation of reasons underlying the assessment.

Table 28. P9-27 Assessment

Measurement Dimensions	Scoring Method	Score 2016
P9-27. The mechanism for monitoring public confidence in the tax administration.	M1	A

ISTD monitors public confidence through a range of measures and improves its services based on survey results. ISTD views the taxpayer as its “strategic partner” and monitors public confidence through professional associations, chambers of commerce, brainstorming sessions on ISTD services and plans and other means. Every six months, ISTD conducts a customer satisfaction survey. Survey results are reviewed by ISTD’s Planning and Cooperation Committee. An independent survey covering 2013 – 2014 resulted in ISTD receiving the King Abdullah II Award for excellence in government performance. Separately, the Ministry of Public Sector Development implements a “mystery shopper” program whereby persons posing as average taxpayers approach the tax office to spot-check the quality of taxpayer services. ISTD generally posts survey results on its website within a month of their production and sends these results via email to certain taxpayers. ISTD also uses these results to improve services. For instance, in response to surveys, the tax administration is piloting a single-window for taxpayer services and has plans to expand this program to more tax offices. In addition, it has granted more authority to front-line employees to meet taxpayer needs. Moreover, the Department is actively searching for a new location for its headquarters (to give taxpayers access to more parking), and it has expanded accessibility for taxpayers with special needs, including with ramps and wheelchairs.

P9-28: 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 29 followed by an explanation of reasons underlying the assessment.

Table 29. P9-28 Assessment

Measurement Dimensions	Scoring Method	Score 2016	
P9-28-1. The extent to which the financial and operational performance of the tax administration is made public, and the timeliness of publication.	M2	A	A
P9-28-2. The extent to which the tax administration's future directions and plans are made public, and the timeliness of publication.		A	

ISTD reports annually on its financial and operational performance and makes the report public in a timely manner. ISTD prepares an annual report that is posted to the ISTD website, emailed to taxpayers, and distributed via a CD to the Ministry of Finance. The Jordan Audit Bureau reports to Parliament annually and includes ISTD performance in its report, and the ISTD Director General may be called to testify to Parliament.

ISTD's future plans are made public in a timely manner. ISTD prepares a three-year strategic plan and an annual operating plan. These are both made public prior to implementation.

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. **Support given to taxpayers to help them comply:** 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:** Nonpayment 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. **Accuracy of information reported in tax 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. **Adequacy of dispute resolution processes:** 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 28 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 47 measurement dimensions are taken into account in arriving at the indicator scores. Each indicator has between one and four 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 47 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. Jordan: Country Snapshot

Geography	• Jordan is situated in the Middle East and is bordered by Syria to the north, Israel and the West Bank to the west, Iraq to the east, and Saudi Arabia to the southeast.
Population	• 9.5 million, incl. 2.9m non-Jordanians (2015 census) *(Source: http://census.dos.gov.jo/)*
Adult literacy rate	• 95.4 percent of persons aged 15 and over can read and write. *(Source: CIA World Factbook 2016)*
Gross domestic product	• $35.83 billion (2014) *(Source: http://www.worldbank.org/en/country/jordan)*
Per capita GDP	• US$5,422 (2014) *(Source: World Bank)*
Main industries	• Tourism, information technology, clothing, fertilizers, potash, phosphate mining, pharmaceuticals, petroleum refining, cement, inorganic chemicals, light manufacturing
Communications	• Internet users per 100 people: 44. • Mobile 'phone subscribers per 100 people: 148. *(Source: World Bank, 2014 est.)*
Main taxes	• GST, CIT, PIT, PAYE *(Source: Income and Sales Tax Department)*
Tax-to-GDP	• 15.2 percent in 2014, excluding customs tax collections (16.5 percent including customs). (Source: *2015 Article IV Consultation – Staff Report, International Monetary Fund*)
Number of taxpayers	• CIT (110,448); PAYE (565,430), PIT (446,161); GST (50,985), and domestic excise taxes (73)
Main collection agency	• Income and Sales Tax Department
Number of staff in the main collection agency	• 1,492 (2014 est.) *(Source: USAID 2015, Benchmarking the Tax System in Jordan 2009-2014)*
Financial Year	• Calendar year.

Attachment III. Data Tables

(Source: Income and Sales Tax Department)

A. Tax Revenue Collections

Table 1. Tax Revenue Collections, 2013-15[1]			
	2013	2014	2015
In Jordanian Dinars (JD)			
National budgeted tax revenue forecast[2]	**3,770,000,000**	**4,077,000,000**	**3,770,000,000**
Total tax revenue collections	**3,637,330,000**	**4,014,740,000**	**4,170,120,000**
Corporate Income Tax (CIT)	550,033,736	612,269,000	677,390,000
Personal Income Tax (PIT)	131,916,995	154,072,300	181,083,000
Value-Added Tax (VAT)—gross domestic collections	1,582,904,000	1,749,569,000	1,748,395,000
Value-Added Tax (VAT)—collected on imports	1,013,506,000	1,061,842,000	1,032,107,000
Value-Added Tax (VAT)—refunds approved and paid	(15,070,000)	(22,440,000)	(60,950,000)
Excises on domestic transactions	-	-	-
Excises—collected on imports	-	-	-
Social contribution collections	22,100	21,000	19,000
Other domestic taxes[3]	374,017,169	459,406,700	592,076,000
In percent of total tax revenue collections			
Total tax revenue collections	**100.0%**	**100.0%**	**100.0%**
CIT	15.1%	15.3%	16.2%
PIT	3.6%	3.8%	4.3%
Value-Added Tax (VAT)—gross domestic collections	43.5%	43.6%	41.9%
Value-Added Tax (VAT)—collected on imports	27.9%	26.4%	24.8%
Value-Added Tax (VAT)—refunds approved and paid	-0.4%	-0.6%	-1.5%
Excises—collected on domestic transactions	0.0%	0.0%	0.0%
Excises—collected on imports	0.0%	0.0%	0.0%
Social contribution collections	0.0%	0.0%	0.0%
Other domestic taxes	10.3%	11.4%	14.2%
	0.0%	0.0%	0.0%
In percent of GDP			
Total tax revenue collections	**15.2%**	**15.8%**	**15.4%**
CIT	2.3%	2.4%	2.5%
PIT	0.6%	0.6%	0.7%
Value-Added Tax (VAT)—gross domestic collections	6.6%	6.9%	6.5%
Value-Added Tax (VAT)—collected on imports	4.2%	4.2%	3.8%

Table 1. Tax Revenue Collections, 2013-15[1]			
	2013	**2014**	**2015**
Value-Added Tax (VAT)—refunds approved and paid	-0.1%	-0.1%	-0.2%
Excises—collected on domestic transactions	0.0%	0.0%	0.0%
Excises—collected on imports	0.0%	0.0%	0.0%
Social contribution collections	0.0%	0.0%	0.0%
Other domestic taxes	1.6%	1.8%	2.2%
Nominal GDP in local currency (JD)	23,852,000,000	25,437,100,000	27,045,000,000

Explanatory notes:

[1] This table gathers data for three fiscal years (e.g. 2013-15) 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 Ministry of Finance (or equivalent) with input from the tax administration 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, should be 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.

B. Movements in the Taxpayer Register

Table 2. Movements in the Taxpayer Register, 2013-15					
	[2013]				
	Active[1] [A]	Inactive (not yet deregistered) [B]	Total end-year position [A + B]	Percentage of inactive (not yet deregistered)	Deregistered during the year
Corporate income tax	64,650	45,798	110,448	41.5%	1,211
Personal income tax	31,521	414,640	446,161	92.9%	883
PAYE withholding (# of employers)	39,165	526,265	565,430	93.1%	318
Value Added Tax	27,649	23,336	50,985	45.8%	18,795
Domestic excise tax	69	4	73	5.5%	1,584
Other taxpayers					
	[2014]				
Corporate income tax	67,839	48,295	116,134	41.6%	2,170
Personal income tax	32,055	421,771	453,826	92.9%	1,602
PAYE withholding (# of employers)	40,959	543,722	584,681	93.0%	384
Value Added Tax	30,730	25,627	56,357	45.5%	19,838
Domestic excise tax	83	6	89	6.7%	1,586
Other taxpayers					
	[2015]				
Corporate income tax	71,834	48,762	120,596	40.4%	2,485
Personal income tax	32,502	426,514	459,016	92.9%	2,916
PAYE withholding (# of employers)	42,776	560,067	602,843	92.9%	420
Value Added Tax	33,363	30,385	63,748	47.7%	21,836
Domestic excise tax	94	10	104	9.6%	1,593
Other taxpayers					

Explanatory Note:

[1] 'Active' taxpayers means registrants from whom tax declarations (returns) are expected (i.e. 'active' taxpayers exclude those who have not filed a declaration within at least the last year because the case is defunct (e.g., a business taxpayer has ceased trading or an individual is deceased, the taxpayer cannot be located, or the taxpayer is insolvent).

C. Telephone Enquiries

Table 3. Telephone Enquiry Call Waiting Time (for most recent 12-month period)			
Month	Total number of telephone enquiry calls received	Telephone enquiry calls answered within 6 minutes' waiting time	
		Number	In percent of total calls
January	393	393	100%
February	393	393	100%
March	393	393	100%
April	393	393	100%
May	393	393	100%
June	324	324	100%
July	463	463	100%
August	76	76	100%
September	270	270	100%
October	250	250	100%
November	300	300	100%
December	282	282	100%
12-month total	**3930**	**3930**	**100%**

D. Filing of Tax Declarations

Table 4. On-time Filing of CIT Declarations for 2014

	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	42,321	66,680	63.5%
Large taxpayers only	949	967	98.1%

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:

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

Table 5. On-time Filing of PIT Declarations for 2014

Number of declarations filed on-time[1]	Number of declarations expected to be filed[2]	On-time filing rate[3] (In percent)
24,052	30,178	79.7%

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 VAT Declarations—All taxpayers (for most recent 12-month period)			
Month	Number of declarations filed on-time[1]	Number of declarations expected to be filed[2]	On-time filing rate[3] (In percent)
January	13,884	15,133	91.7%
February	12,036	12,913	93.2%
March	13,847	14,974	92.5%
April	12,457	13,490	92.3%
May	13,695	14,956	91.6%
June	11,267	12,278	91.8%
July	13,015	14,118	92.2%
August	10,980	11,830	92.8%
September	13,017	13,965	93.2%
October	10,933	11,707	93.4%
November	10,295	13,787	74.7%
December	11,088	11,869	93.4%
12-month total	146,514	161,020	91.0%

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:

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

Table 7. On-time Filing of VAT Declarations—Large taxpayers only

(for most recent 12-month period)

Month	Number of declarations filed on-time[1]	Number of declarations expected to be filed[2]	On-time filing rate[3] (In percent)
January	432	442	97.7%
February	379	386	98.2%
March	429	436	98.4%
April	377	381	99.0%
May	436	443	98.4%
June	367	374	98.1%
July	435	442	98.4%
August	368	375	98.1%
September	438	445	98.4%
October	373	376	99.2%
November	397	445	89.2%
December	374	378	98.9%
12-month total	4,805	4,923	97.6%

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:

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

Table 8. On-time Filing of PAYE Withholding Declarations (filed by employers) (for most recent 12-month period)			
Month	Number of declarations filed on-time[1]	Number of declarations expected to be filed[2]	On-time filing rate[3] (In percent)
January	2,846	3,055	93.2%
February	2,816	3,055	92.2%
March	3,053	3,055	99.9%
April	2,908	3,055	95.2%
May	2,959	3,055	96.9%
June	3,007	3,055	98.4%
July	2,901	3,055	95.0%
August	3,016	3,055	98.7%
September	2,885	3,055	94.4%
October	2,954	3,055	96.7%
November	2,782	3,055	91.1%
December	3,025	3,055	99.0%
12-month total	35,152	36,66	0.6%

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:

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

E. Electronic Services

Table 9. Use of Electronic Services, 2013-15[1]

	[2013]	[2014]	[2015]
	Electronic filing[2] (In percent of all declarations filed for each tax type)		
CIT	0.27%	0.70%	1.56%
PIT	0.50%	0.70%	1.38%
VAT	0.68%	2.21%	4.49%
PAYE withholding (declarations filed by employers)	0.00%	0.00%	0.00%
	Electronic payments[3] (In percent of total **number** of payments received for each tax type)		
CIT	0.46%	0.43%	0.36%
PIT	0.60%	0.77%	0.75%
VAT	9.81%	10.15%	10.22%
PAYE withholding (remitted by employers)	1.08%	0.89%	0.44%
	Electronic payments (In percent of total **value** of payments received for each tax type)		
CIT	9.25%	9.61%	1.73%
PIT	0.33%	0.55%	0.39%
VAT	9.82%	8.34%	8.15%
PAYE withholding (remitted by employers)	10.15%	9.83%	2.04%

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] 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. For TADAT measurement purposes, payments made in-person by a taxpayer to a third party agent (e.g., a bank or post office) that are then electronically transferred by the agent to the Treasury account are accepted as electronic payments.

F. Payments

Table 10. VAT Payments Made During 2014

	VAT payments made on-time[1]	VAT payments due[2]	On-time payment rate[3] (In percent)
Number of payments	36,382	65,030	55.9%
Value of payments	1,294,663,328	1,417,833,217	91.3%

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).

[3]The '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: $\frac{\textit{Number of VAT payments made by the due date}}{\textit{Total number of VAT payments due}} \times 100$

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

G. Domestic Tax Arrears

Table 11. Value of Tax Arrears, 2013-15[1]				
		[2013]	**[2014]**	**[2015]**
		In local currency		
Total tax revenue collections (from Table 1) **(A)**		**3,637,330,000**	**4,014,740,000**	**4,208,120,000**
Total tax arrears at end of fiscal year[2] **(B)**		2,211,517,064	2,161,036,396	1,984,966,825
	Of which: Collectible[3] **(C)**	275,936,522	418,589,999	628,966,589
	Of which: More than 12 months' old **(D)**	1,400,320,339	1,484,170,806	1,536,786,993
		In percent		
Ratio of (B) to (A)[4]		**60.8%**	**53.8%**	**47.2%**
Ratio of (C) to (A)[5]		**7.6%**	**10.4%**	**14.9%**
Ratio of (D) to (B)[6]		**63.3%**	**68.7%**	**77.4%**

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

[3] '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 (e.g., debt foregone through bankruptcy), and (c) arrears otherwise uncollectible (e.g., the debtor has no funds or other assets).

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

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

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

H. Tax Dispute Resolution

Table 12. Finalization of Administrative Reviews
(for most recent 12-month period)

Month	Total number finalized	Finalized within 30 days		Finalized within 60 days		Finalized within 90 days	
		Number	In percent of total	Number	In percent of total	Number	In percent of total
January	615	190	30.9%	238	38.7%	187	30.4%
February	554	208	37.5%	263	47.5%	83	15.0%
March	1,192	633	53.1%	397	33.3%	162	13.6%
April	743	342	46.0%	326	43.9%	75	10.1%
May	1,146	626	54.6%	413	36.0%	107	9.3%
June	1,101	649	58.9%	329	29.9%	123	11.2%
July	765	449	58.7%	302	39.5%	14	1.8%
August	1,109	781	70.4%	290	26.1%	38	3.4%
September	1,222	761	62.3%	409	33.5%	52	4.3%
October	1,255	816	65.0%	431	34.3%	8	0.6%
November	1,386	854	61.6%	473	34.1%	59	4.3%
December	961	676	70.3%	274	28.5%	11	1.1%
12-month total	**12,049**	**6,985**	**55.8%**	**4,145**	**35.4%**	**919**	**8.8%**

I. Payment of VAT Refunds

Table 13. VAT Refunds
(for most recent 12-month period)

		Number of cases	In local currency
Total VAT refund claims received **(A)**		755	40,094,291
Total VAT refunds paid[1]		272	60,950,000
	Of which: paid within 30 days **(B)**[2]	0	0
	Of which: paid outside 30 days	272	60,950,000
VAT refund claims declined[3]		144	3,826,974
VAT refund claims not processed[4]		351	16,140,914
	Of which: no decision taken to decline refund	145	7,945,896
	Of which: approved but not yet paid or offset	206	8,195,018
In percent			
Ratio of (B) to (A)[5]		0%	0%

Explanatory note:

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

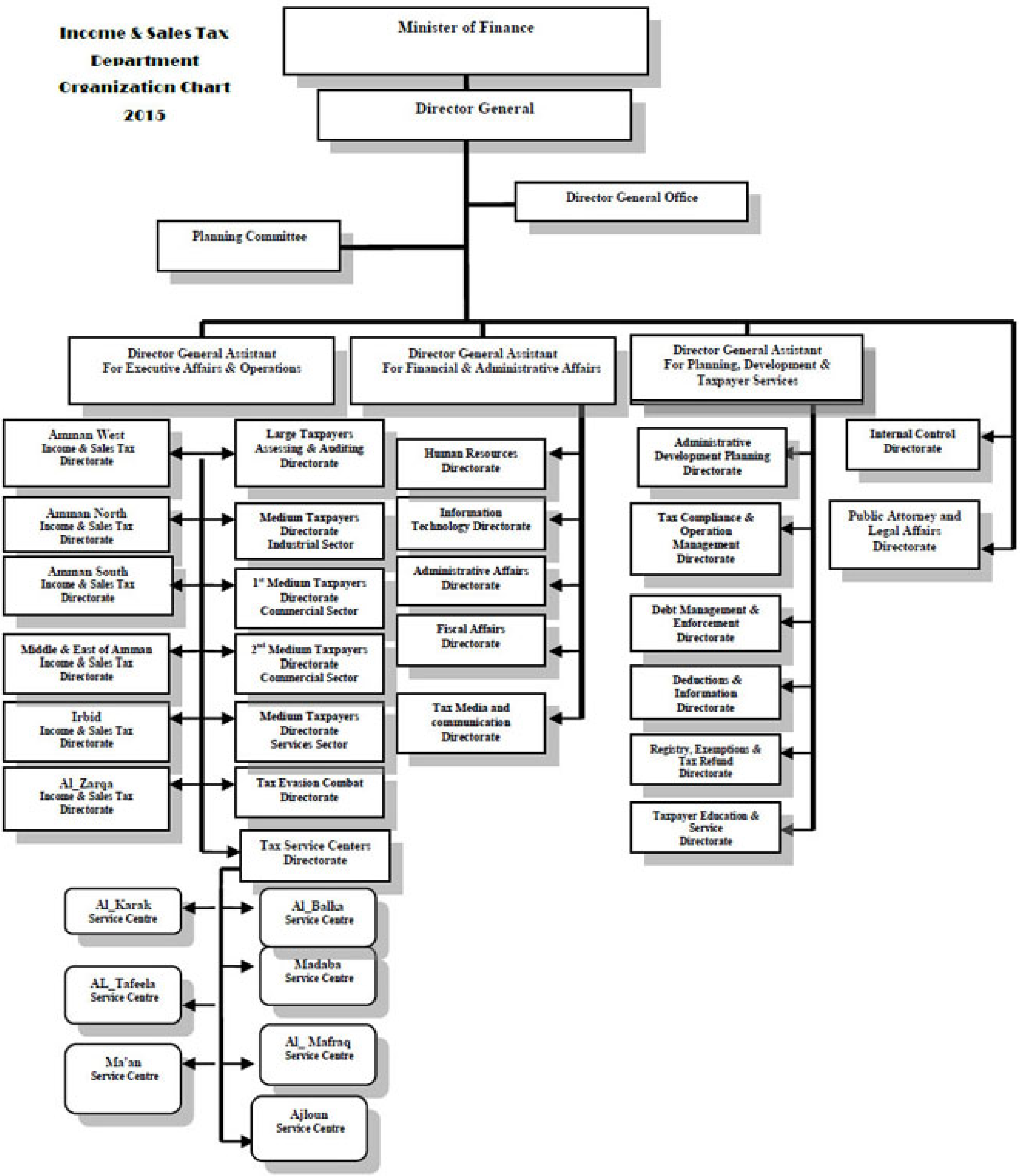
[2] TADAT measures performance against a 30-day standard.

[3] Include cases where a formal decision has been taken to decline (refuse) the taxpayer's claim for refund (e.g., 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. $\frac{\textit{VAT refunds paid within 30 days (B) + VAT refunds declined within 30 days (C)}}{\textit{Total VAT refund claims received (A)}} \times 100$

Attachment IV. Organizational Chart



Source: http://www.istd.gov.jo/ISTD/English/AboutISTD/OrganizationChart.html

Attachment V. Sources of Evidence

Indicators	Sources of Evidence
P1-1. Accurate and reliable taxpayer information.	• Income Tax Law No. 34 of 2014. • General Sales Tax Law No. 29 of 2009. • Flowchart on registering a new taxpayer. • Instructions for initiating, modifying, and canceling tax registration. • Application form for Income Tax/GST registration. • 2015 internal audit reports verifying the registration process applied at various District Offices. • Procedures for classifying a taxpayer as inactive when so determined during an audit. • Table 2, Attachment III.
P1-2. Knowledge of the potential taxpayer base.	• Memorandum of Understanding (2016) for Registration Cleanup Campaign. • Letters from Director General to third parties to gather information about unregistered entities detected by ISTD. • 2015 statistical report on taxpayers registered as a result of ISTD compliance interventions. • Order directing staff to physically inspect business premises of detected entities. • Forms used to direct operational units to follow up cases where a taxpayer is expected to reach the GST registration threshold.
P2-3. Identification, assessment, ranking, and quantification of compliance risks.	• Operational Plan of Compliance Directorate. • Compliance filing rates. • GST Compliance. • TADAT mission observation.
P2-4. Mitigation of risks through a compliance improvement plan.	• TADAT mission observation. • Lack of such a document.
P2-5. Monitoring and evaluation of compliance risk mitigation activities.	• Compliance Planning Minutes. • Response to 2013 IMF mission report. • As per P2-3.
P2-6. Identification, assessment, and	• TADAT mission observation of Planning

Indicators	Sources of Evidence
mitigation of institutional risks.	Directors Risk Register and Plan.
P3-7. Scope, currency, and accessibility of information.	• Taxpayer Charter. • ISTD Service Standards. • Various taxpayer guides (FAQs, Registration guides, Website information, How to fill in forms, FAQs). • TADAT field observation. • Brochure: ISTD in a nutshell.
P3-8. Scope of initiatives to reduce taxpayer compliance costs.	• Instructions on GST recordkeeping.
P3-9. Obtaining taxpayer feedback on products and services.	• Customer Surveys.
P4-10. On-time filing rate.	• Tables 4-8, Attachment III.
P4-11. Use of electronic filing facilities.	• Table 9, Attachment III.
P5-12. Use of electronic payment methods.	• Table 9, Attachment III.
P5-13. Use of efficient collection systems.	• Income Tax Law No.34 (2014).
P5-14. Timeliness of payments.	• Table 10, Attachment III.
P5-15. Stock and flow of tax arrears.	• Table 11, Attachment III.
P6-15. Scope of verification actions taken to detect and deter inaccurate reporting.	• ISTD Audit Plan. • Committee of Returns to be Audited. • Selection Criteria. • Audit progress report. • TADAT observation.
P6-17. Extent of proactive initiatives to encourage accurate reporting.	• TADAT observation. • Lack of documentation.
P6-18. Monitoring the extent of inaccurate reporting.	• Response to Tax Evasion study.
P7-19. Existence of an independent, workable, and graduated dispute resolution process.	• Income Tax Law No. 34 (2014). • General Sales Tax Law No. 29 (2009). • ISTD website: http://www.istd.gov.jo/. • Field observation. • Percentage of disputes to assessments. • Assessment notice. • Published objection rights
P7-20. Time taken to resolve disputes.	• Table 12, Attachment III.

Indicators	Sources of Evidence
P7-21. Degree to which dispute outcomes are acted upon.	• Field observation. • ISTD Website: http://www.istd.gov.jo/. • Minutes of meeting of the Planning Committee. • Number of objections, 2013-2015.
P8-22. Contribution to government tax revenue forecasting process.	• TADAT observation.
P8-23. Adequacy of the tax revenue accounting system.	• Account posting example. • Observation of cashier process at West Amman District Office. • TADAT mission general observation.
P8-24. Adequacy of tax refund processing	• TADAT Observation. • Table 13, Attachment III.
P9-25. External oversight of the tax administration.	• Internal Audit Directorate organizational chart. • Internal audit plan 2016. • Internal Audit personnel training list. • Internal Audit procedures manual. • ISTD Code of Conduct.
P9-26. Internal assurance mechanisms.	• Audit Bureau website: http://www.audit-bureau.gov.jo/.
P9-27. Public perception of integrity.	• King Abdullah Award. • Customer surveys.
P9-28. Publication of activities, results, and plans.	• Strategic Plan 2013-2017. • Annual Report 2014.

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