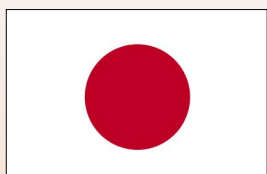
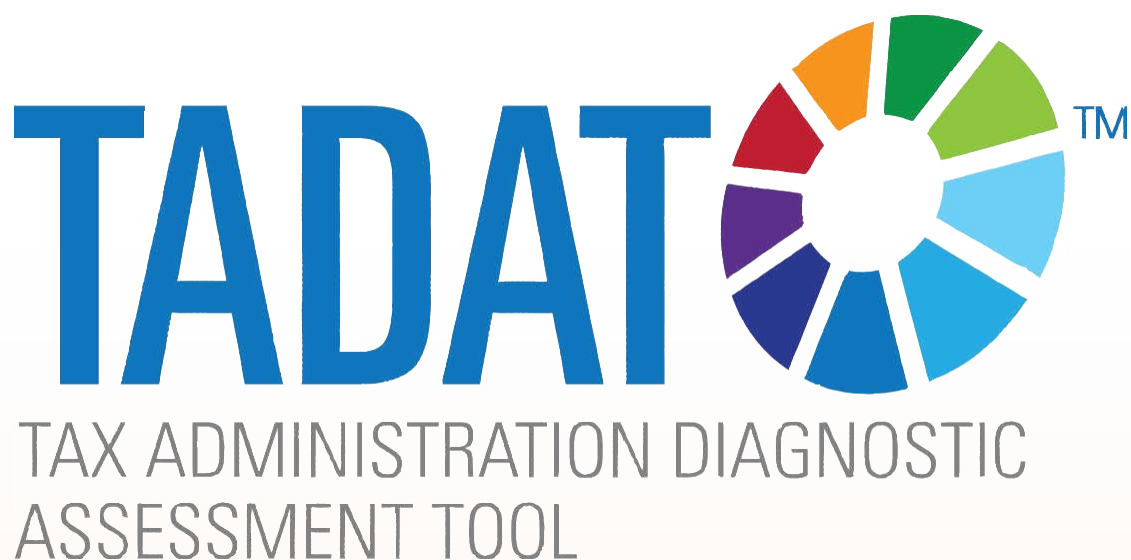


## TADAT Partners



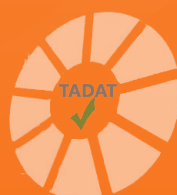
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# Performance Assessment Report

## Rio de Janeiro State

Munawer Khwaja, Monica Calijuri, Eduardo Mota, and  
Olimpio Junior



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## ABBREVIATIONS AND ACRONYMS

AGE	<i>Auditoria Geral do Estado</i> (State Auditor General)
ALERJ	<i>Assembleia Legislativa do Estado do Rio de Janeiro</i> (Legislative Assembly of the State of Rio de Janeiro)
CNPJ	<i>Cadastro Nacional de Pessoas Jurídicas</i> (National cadastre of juridical persons)
CIT	Corporate income tax
CTE	<i>Código Tributário do Estado</i> (State Tax Code)
CTCE	<i>Corregedoria Tributária de Controle Externo</i> (Internal Affairs Department)
CUTE	<i>Conta Única Do Tesouro Estadual</i> (State Treasury single account)
DUB	<i>Documento de Utilização de Benefícios</i> (Benefit use document)
EFAZ	<i>Escola Fazendária</i> (Tax administration training academy)
EFD	<i>Escrituração Fiscal Digital</i> (Digital accounting)
EPP	<i>Empresa de Pequeno Porte</i> (Small enterprise)
GCT	<i>Gestão Do Crédito Tributário</i> (Management of tax credit)
GCAFI	<i>Gerência de Controle de Ações Fiscais e Intercâmbio</i> (Directorate of fiscal actions and information exchange)
GDP	Gross Domestic Product
GIA	<i>Guia de Informação e Apuração</i> (tax declaration)
GIF	<i>Gerência de Inteligência Fiscal</i> (Fiscal intelligence directorate)
ICMS	<i>Imposto sobre Circulação de Mercadorias e Serviços</i> (VAT)
IPVA	<i>Imposto sobre a Propriedade de Veículos Automotores</i> (motor vehicle tax)
ITD	<i>Imposto sobre Transmissão Causa Mortis e Doação</i> (inheritance and gift tax)
JRF	<i>Junta de Revisão Fiscal</i> (Administrative review department)
LRF	<i>Lei de Responsabilidade Fiscal</i> (Fiscal Responsibility Law)
ME	<i>Microempresa</i> (micro-enterprise)
MEI	<i>Microempreendedor Individual</i> (Individual entrepreneurs)
MERCOSUL	<i>Mercado Comum do Sul</i> (Southern Common Market)
NIRE	<i>Número de Identificação de Registro de Empresas</i>
PAYE	Pay-as-you-earn
PGE	<i>Procuradoria Geral do Estado</i> (State Prosecutor General)
PIT	Personal income tax
POA	Performance outcome area
RFB	<i>Receita Federal do Brasil</i> (Federal Revenue Service)
RJ	Rio de Janeiro
RRF	<i>Regime de recuperação fiscal</i> (Tax recovery regime)
SAREST	Adjunct Under Secretary of Fiscal Strategy
SAREX	Executive Adjunct Under Secretary of Revenue
SEFAZ	<i>Secretaria de Estado da Fazenda</i> (State Finance Department)
SEFAZ-RJ	<i>Secretaria de Estado da Fazenda do Rio de Janeiro</i>
SIAFE-RIO	<i>Sistema Integrado de Gestão Orçamentário, Financeira e Contábil</i>
SISCOMEX	<i>Sistema Integrado de Comércio Exterior</i>
SPED	<i>Sistema Público de Escrituração Digital</i>
SUFIS	<i>Superintendência de Fiscalização</i> (Audit department)
SUPLAF	<i>Superintendência de Planejamento Fiscal</i> (Fiscal planning department)
TADAT	Tax Administration Diagnostic Assessment Tool
TCE	<i>Tribunal de Contas do Estado</i> (State Court of Accounts)
TIN	Taxpayer Identification Number
VAT	Value added tax

## PREFACE

An assessment of the system of tax administration was undertaken of the Brazilian State of Rio de Janeiro *Secretaria de Estado da Fazenda* (SEFAZ-RJ) during the period April 16 - 27, 2018 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 comprised the following: Munawer Khwaja (TADAT Secretariat and Team Leader), Monica Calijuri (TADAT Secretariat), Eduardo Almeida Mota (SEFAZ-Sao Paulo) and Olimpio de Oliveira Junior (SEFAZ-Goiás). Jose Tostes (Inter-American Development Bank) contributed to the “Economic Situation” section of the report.

The assessment team met Mr. Luiz Claudio Fernandes Lourenço Gomes; the Secretary of State for Finance and Planning; Mr. Adilson Zegur, Under Secretary of Revenue; Mr. Fabio Amaral, the Under Secretary of Finance; Mr. Gustavo de Oliveira Nevares, Adjunct-Under Secretary of Fiscal Strategy; Mr. Marcelo Garritano da Silva, Executive Adjunct-Under Secretary of Revenue; Ms. Lucia Palazzo, Superintendent of Fiscal Planning; Humberto Vasconcelos, Superintendent of Audit; Mr. Alberto Lopes, Superintendent of Fiscal Legislation; Ms. Vanice Padraão, Superintendent of Registration; Mr. Fabio Freire, Superintendent of Collection; Mr. Cecilia Helena Goia, Director of the Fiscal School; Mr. Alvaro Neto, President of Administrative Review Department; Mr. Marcos Ferreira, President of the Tax Tribunal; Mr. Paulo Enrique Mainier, Head of the Internal Affairs Department; and Mr. Eugenio Machado, Ombudsman, and other officials of SEFAZ-RJ.

The assessment team also worked closely with members of the TADAT assessment working group of SEFAZ-RJ comprising Mr. Gustavo de Oliveira Nevares, Mr. Reuben Rocha, Mr. Yuri Lumer, Ms. Celina de Melo and Mr. Douglas Sgarbi Jr., and Mr. Humberto Vasconcelos. Field visits were undertaken to the special audit unit for metallurgy sector and the regional tax office in Niteroi. The team also met the President of the Board of Trade (*Junta Commercial de Estado de Rio de Janeiro* - JUCERJA) and the President of the Association of Commerce.

The assessment team expresses its gratitude to the SEFAZ-RJ management and other officials (both at headquarters and regional offices) for their hospitality, and robust and open discussions. Special thanks go to the members of the TADAT assessment working group for the efficient manner in which they facilitated the work of the assessment team. We are also grateful to Ms. Caroline Tuttman for her effective interpretation.

A draft performance assessment report (PAR) was presented to the Secretary and senior management of SEFAZ-RJ at the close of the assessment. Written comments submitted by the authorities have been incorporated in the report where appropriate. The PAR has been quality reviewed and cleared by the TADAT Secretariat.

## EXECUTIVE SUMMARY

This performance report highlights the results of a TADAT assessment of the *Secretaria de Estado da Fazenda* (SEFAZ) of the State of Rio de Janeiro, Brazil, and captures the main strengths and weaknesses of the system of tax administration, measured against good international practice.

In recent years, Rio de Janeiro State has undergone a serious financial crunch as a result of the country-wide economic crisis. This has limited the state's ability to modernize the tax administration, as many projects are on hold. Despite that, SEFAZ-RJ has implemented several initiatives to improve tax administration and enhance services to taxpayers, leveraging technology as the key driver. E-filing and e-payment are universal for all taxpayers. There is universal e-invoice system, which allows invoice information to be automatically matched. Some of the other initiatives implemented include a seamless link between the Board of Trade (JUCERJA), the Federal Revenue and SEFAZ-RJ to simplify the registration process. The SEFAZ-RJ website and taxpayer education programs provide all the necessary information for taxpayers.

There are still a number of weaknesses that need to be addressed to enhance SEFAZ-RJ's effectiveness in the medium-to long-term. These include: (i) lack of a structured risk management system for compliance and institutional risks; (ii) an audit case selection that is not based on level of risks; (iii) limited use of third party information; (iv) weak monitoring of tax arrears; (v) delays in resolving administrative appeals; (vi) inadequate tax refund system; (vii) no monitoring of public confidence; (viii) absence of an internal audit system; and (ix) no publication of annual reports on performance or on strategic planning.

The main strengths and weaknesses are listed below:

### Strengths

- The taxpayer education program, including for students is successful. SEFAZ-RJ provides a wide range of information to taxpayers through a variety of communication channels and ensures that the information is current.
- All tax declarations are filed electronically.

### Weaknesses

- Although the taxpayer registration system is robust and reliable, there is no management or internal/external audit report about the accuracy of the database.
- There is ad hoc use of third party information to identify new taxpayers.
- Risk analysis and compliance risk management are not well developed. No integrated compliance improvement plan has been developed.

## Strengths

- All tax payments are made electronically.
- SEFAZ-RJ uses efficient collection methods such as tax substitution which is a form of reverse charge.
- SEFAZ-RJ issues binding public and private rulings to clarify and guide taxpayers.
- There is a graduated system of administrative and judicial appeals to resolve tax disputes.
- The administrative review function is structurally independent of the audit function.
- SEFAZ-RJ routinely participates with the state government in the preparation of revenue forecasts, monitoring of collection and tax expenditure analysis.
- SEFAZ-RJ has a structurally independent internal affairs unit with adequate investigative powers to ensure staff integrity.
- External oversight of tax administrations financial and operational performance is robust.
- External investigative process for official misconduct is well established.

## Weaknesses

- There is no structured approach to manage institutional risks other than IT risks.
- The time taken to respond to taxpayers' request for information is not monitored.
- The on-time filing rate of declarations is low.
- The monitoring and reporting of tax arrears, including their age and collectability, is weak.
- The use of large scale cross-checking of third party information with tax declarations is limited.
- Audit selection is not based on identified risks.
- Although SEFAZ-RJ monitors tax appeal outcomes regularly, legal analysis of the results is done on an ad hoc basis.
- There is no study of the tax gap.
- The administrative review process normally delays beyond 90 days.
- Processing of ICMS refunds is weak and does not use risk criteria.
- There is no internal audit unit to ensure adherence to internal controls.
- It is not usual practice to conduct independent surveys that monitor the public's perception of SEFAZ-RJ.
- In recent years, SEFAZ-RJ has not published annual reports of its performance, or strategic and operational plans.

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

9 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. Rio de Janeiro State: Summary of TADAT Performance Assessment**

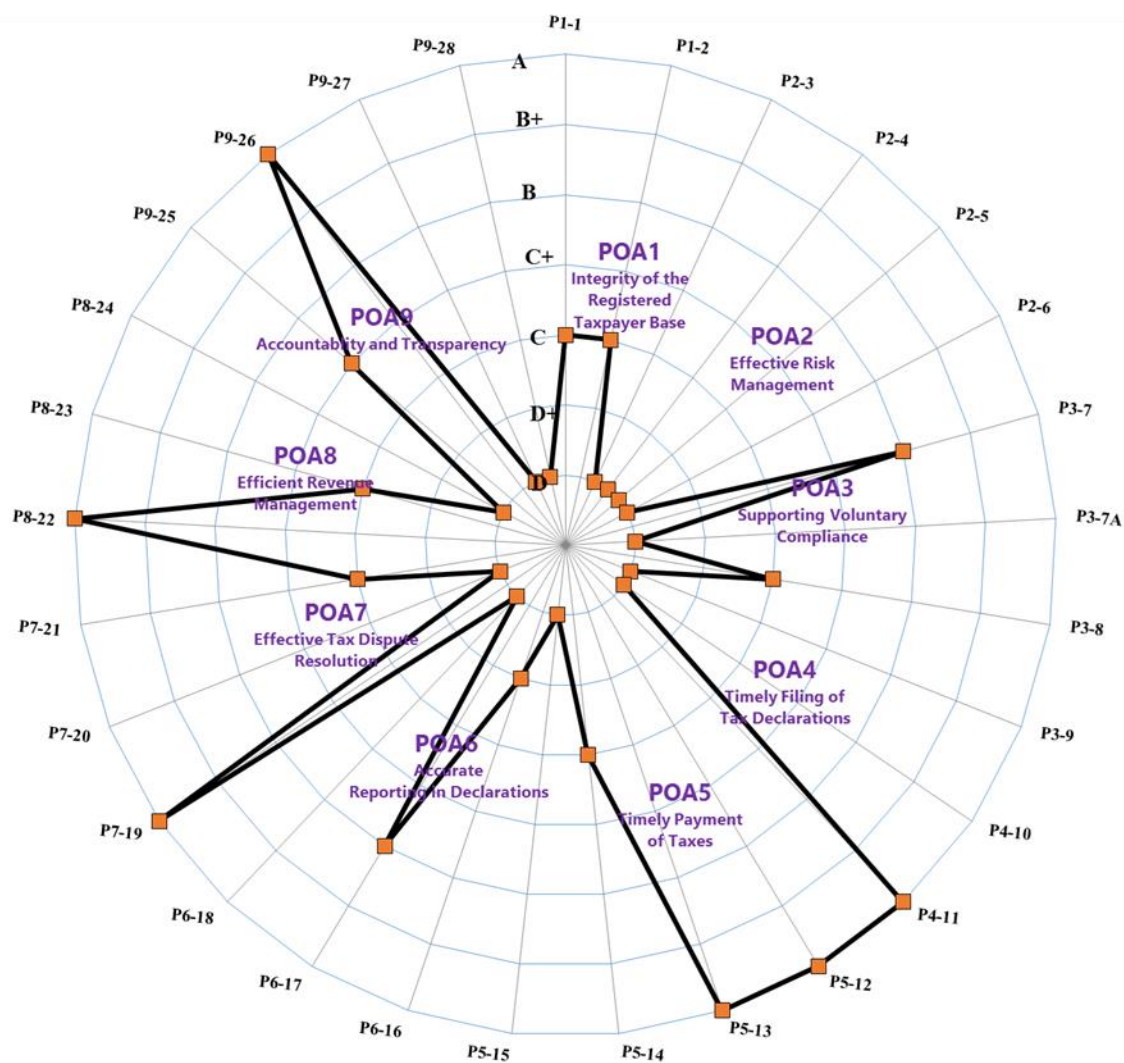
INDICATOR	Score 2018	SUMMARY EXPLANATION OF ASSESSMENT
<b>POA 1: Integrity of the Registered Taxpayer Base</b>		
P1-1. Accurate and reliable taxpayer information.	<b>C</b>	The registration database and related online access and deregistration procedures are robust. However, crosschecking of information with databases of other agencies is done only on an ad hoc basis. There are no management or audit (internal or external) reports that attest to the accuracy or otherwise of the registration database.
P1-2. Knowledge of the potential taxpayer base.	<b>C</b>	There is evidence of ad hoc actions for detecting unregistered businesses but no related annual work plan.
<b>POA 2: Effective Risk Management</b>		
P2-3. Identification, assessment, ranking, and quantification of compliance risks.	<b>D</b>	Risk analysis is at an early stage of development and the extent of intelligence gathering and research to identify compliance risks is limited. Additionally, there is no structured process to identify, assess, rank and quantify tax non-compliance risks.
P2-4. Mitigation of risks through a compliance improvement plan.	<b>D</b>	SEFAZ-RJ has not developed an integrated compliance improvement plan.
P2-5. Monitoring and evaluation of compliance risk mitigation activities.	<b>D</b>	No formal governance structure is in place to monitor and evaluate the impact of compliance risk mitigation activities.
P2-6. Identification, assessment, and mitigation of institutional risks.	<b>D</b>	SEFAZ-RJ does not have a structured approach to managing institutional risks.
<b>POA 3: Supporting Voluntary Compliance</b>		
P3-7. Scope, currency, and accessibility of information.	<b>B</b>	SEFAZ-RJ provides a broad range of information on the main taxpayer obligations and entitlements and these are tailored to the needs of key taxpayer sectors, intermediaries and disadvantaged groups. Taxpayers are also made aware of changes in the law before they take effect—mainly through general communication

INDICATOR	Score 2018	SUMMARY EXPLANATION OF ASSESSMENT
		but not targeted messages. SEFAZ-RJ provides information to taxpayers through a variety of communication channels.
P3-7A. Time taken to respond to taxpayers' request for information.	D	There is no monitoring of time taken to respond to taxpayer requests for information.
P3-8. Scope of initiatives to reduce taxpayer compliance costs.	C	There is a simplified system of declaration and book-keeping specific to small taxpayers (Simples Nacional) and common misconceptions of laws and procedures are analyzed to improve taxpayer information.
P3-9. Obtaining taxpayer feedback on products and services.	D	SEFAZ-RJ does not carry out surveys to obtain feedback from taxpayers about the standard of service provided. However, from time-to-time, it consults the main groups of taxpayers and intermediaries to identify deficiencies and test new products.
POA 4: Timely Filing of Tax Declarations		
P4-10. On-time filing rate.	D	The ratio of ICMS declarations filed by the due dates was very low.
P4-11. Use of electronic filing facilities.	A	All declarations are filed electronically.
POA 5: Timely Payment of Taxes		
P5-12. Use of electronic payment methods.	A	All taxes are paid electronically.
P5-13. Use of efficient collection systems.	A	An advance payment system is used, and there is 'tax substitution,' which is a form of 'reverse charge' for specific types of ICMS transactions.
P5-14. Timeliness of payments.	C	The number of ICMS payments made on time in 2017 was fairly good but the value of payments was below good practice.
P5-15. Stock and flow of tax arrears.	D	The monitoring of tax arrears in SEFAZ, including their age and collectability, is weak.
POA 6: Accurate Reporting in Declarations		
P6-16. Scope of verification actions taken to detect and deter inaccurate reporting.	D+	The tax audit plan covers the core tax (ICMS) but does not select audit cases based on level of risks. There is limited use of large-scale automatic cross-checking to verify information provided in tax returns.

INDICATOR	Score 2018	SUMMARY EXPLANATION OF ASSESSMENT
P6-17. Extent of proactive initiatives to encourage accurate reporting.	<b>B</b>	SEFAZ-RJ has a system of binding public and private rulings to clarify and guide taxpayers on tax matters. However, cooperative compliance methods are yet to be adopted.
P6-18. Monitoring the extent of inaccurate reporting.	<b>D</b>	Inaccurate reporting in tax declarations is not monitored.
<b>POA 7: Effective Tax Dispute Resolution</b>		
P7-19. Existence of an independent, workable, and graduated dispute resolution process.	<b>A</b>	There is a well-established, graduated system of administrative and judicial appeals. Further, the administrative review system is structurally and organizationally independent of the audit department. Additionally, information on the dispute resolution process is publicly available and taxpayers are explicitly made aware of it.
P7-20. Time taken to resolve disputes.	<b>D</b>	Most administrative reviews take more than 90 days to be decided.
P7-21. Degree to which dispute outcomes are acted upon.	<b>C</b>	SEFAZ-RJ maintains statistics to monitor tax appeal outcomes; but the analysis of outcomes to inform the formulation of amendments of procedures or legislation is done on an ad hoc basis.
<b>POA 8: Efficient Revenue Management</b>		
P8-22. Contribution to government tax revenue forecasting process.	<b>A</b>	SEFAZ-RJ actively participates in the preparation of revenue forecasts for the budget and monitors the results, also monitors and reports the cost of tax expenditures.
P8-23. Adequacy of the tax revenue accounting system.	<b>C</b>	The tax accounting system is fully automated and interfaces with the government revenue accounting system, but there is no regular audit of the system.
P8-24. Adequacy of tax refund processing	<b>D</b>	Risk criteria are not used when processing ICMS refunds. No case was cited in which ICMS refund claims were paid or offset within 30 days.
<b>POA 9: Accountability and Transparency</b>		
P9-25. Internal assurance mechanisms.	<b>C+</b>	There is no internal audit unit in SEFAZ-RJ to provide assurance on the adherence to internal controls. On the other hand, the tax administration has a well-established and organizationally independent internal affairs

INDICATOR	Score 2018	SUMMARY EXPLANATION OF ASSESSMENT
		unit with adequate investigative powers to provide assurance of staff integrity.
P9-26. External oversight of the tax administration.	A	External oversight of tax administration's financial and operational performance is robust, and external review findings are published. The Ombudsman addresses complaints from taxpayers on a variety of issues, while the Ministério Público investigates cases of serious misconduct or corruption.
P9-27. Public perception of integrity.	D	There is no system or mechanism for conducting independent third-party surveys for monitoring public confidence in SEFAZ-RJ.
P9-28. Publication of activities, results, and plans.	D	SEFAZ-RJ has not prepared annual reports of its performance in recent years. Budget costs for future improvement projects are published but there has been no publication of strategic or operational plans since 2010.

Figure 1. Rio de Janeiro State: Distribution of Performance Scores



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

## I. INTRODUCTION

This report documents the results of the TADAT assessment conducted in Rio de Janeiro during the period of April 16 - 27 2018, 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 [Insert country name]).
- 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. State Profile**

General background information on Rio de Janeiro State, and the environment in which its tax system operates are provided in the country snapshot in Attachment II.

### **B. Data Tables**

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

### C. Economic Situation

Brazil currently faces challenges in maintaining its fiscal sustainability as a result of a deep economic crisis. Over the past two decades, strong growth combined with remarkable social progress had made Brazil one of the world's leading economies. However, a long recession began in 2014. After falling for eight consecutive quarters, growth resumed at the beginning of 2017. However, inequality remains high, and fiscal accounts have deteriorated substantially, calling for wide-ranging reforms to sustain progress with inclusive growth. The deceleration of the GDP and the situation of imbalance of the federal public finances has impacted the economic and fiscal performance of the states.

Rio de Janeiro, the second largest economy (11.2 percent of national GDP),<sup>1</sup> has been one of the most affected by the economic downturn. The state's GDP decreased 2.8 percent in 2015, 4.1 percent in 2016 and 2.2 percent in 2017.<sup>2</sup> Further, the state is under the direct supervision of the federal government.<sup>3</sup> The current unemployment rate is around 15 percent and rising.<sup>4</sup>

In the fiscal sphere, Rio de Janeiro is experiencing a serious crisis that has compromised the performance of its budget. Own-source revenues decreased by 14 percent in 2016, while personnel expenses increased by 6 percent. A key contributor to this situation is the deficit in the social security regime, which increased by 14 percent and already jeopardizes 22 percent of net current revenue or *Receita Corrente Líquida* (RCL). Indebtedness is growing with consolidated debt already representing 230 percent of net current revenue in 2016 and 270 percent in 2017—this is well above the legal limit of 200 percent. Preliminary analyses of the state's 2017 Fiscal Statements indicate that the fiscal imbalance continues to worsen. Net consolidated debt grew 27.6 percent and exceeded R \$ 135 billion. As a result, the state has cumulative fiscal deficits of R\$ 3.6 billion in 2015 and R\$ 7.2 billion in 2016.<sup>5</sup>

In order to create alternatives for states with serious fiscal imbalances (such as Rio de Janeiro), the Federal Government established a Tax Recovery Regime (RRF).<sup>6</sup> The RRF provides instruments for adjusting the budget thus complementing the Fiscal Responsibility Law (LRF),<sup>7</sup> which did not contain specific treatment of these situations. The RRF can only be used by states that meet three key entry requirements<sup>8</sup> as well as various other requirements necessary to reestablish the fiscal balance.

Rio de Janeiro met the three RRF entry requirements and was the first state to access the regime in December 2017. It proposed a "Recovery Plan" to the Federal Government.

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<sup>1</sup> IBGE, 2017

<sup>2</sup> CEPERJ, 2018

<sup>3</sup> Decree 9/288/2018

<sup>4</sup> Santander, Regional Report, 2018

<sup>5</sup> Boletim de Finanças dos Entes Subnacionais 2017

<sup>6</sup> Approved by Supplementary Law 159/2017

<sup>7</sup> Supplementary Law 101/2000

<sup>8</sup>(i) the RCL is lower than the consolidated debt at the end of the last financial year; (ii) the sum of personnel, interest and amortization expenses is equal to or greater than 70 percent of the RCL; and (iii) the total value of the obligations exceeds the cash available.

(continued)

According to the February 2018 report of the RRF Supervisory Board, in the first few months of the RRF, 13 of the 20 fiscal goals agreed with the Federal Government were below expected results, and seven behind schedule. Among the measures that are delayed are: (i) increase of the social security contribution rate; (ii) administrative restructuring of the state; (iii) advance collection of the natural gas concession; (iv) privatization of bus lines; (v) securitization of debt; (vi) sale of real estate; and (vii) advance collection of oil royalties.<sup>9</sup>

#### **D. Main Taxes**

According to Budget Guidelines Law,<sup>10</sup> the total state revenue budget for 2017 was estimated at 20 percent of GDP, of which Rio de Janeiro own-source revenues accounted for just 6.6 percent of GDP. Federal transfers accounted for about 2 percent of GDP and the rest being non-tax revenues from oil and other state enterprises. By far the most dominant source of state's tax revenue is the state-level *Imposto sobre Circulação de Mercadorias e Serviços* (ICMS) that is a value-added tax—it averages 74 percent of the total state's tax revenues. Other sources are less significant, with vehicle tax (IPVA) accounting for nearly 6 percent and inheritance tax (ITD) 0.3 percent of the state's tax revenues.

The normal ICMS regime (including advance payment and deferral), applicable on turnover above R\$44 million, represents 90 percent of all collection. On the other hand, the simplified regime or *Simples Nacional*, consisting of *Empresa de Pequeno Porte* (EPP), accounts for less than 1 percent of all state tax revenues. EPP is available for firms with annual turnover up to R\$3.6 million; *Microempresa* (ME) for annual turnover up to R\$360,000; and the patent scheme, *Microempreendedor Individual* (MEI), for microbusiness with annual turnover up to R\$60,000.<sup>11</sup> Taxpayers under MEI are not required to report any information to SEFAZ-RJ. The *Simples Nacional* declaration is filed at the federal level (representing many federal, state and municipal taxes) with the portion relating to ICMS being assigned to the state. For MEI, the individual taxpayer pays online R\$1 monthly.

For the purposes of this Rio de Janeiro TADAT assessment, the normal ICMS regime is the only 'core tax' being used since it contributes, on average, 74 percent of all state tax revenues, while other taxes (vehicle tax and inheritance/gift tax) are not significant. The vehicle tax does not require filing of a declaration, and the inheritance/gift tax declarations—ITD—are filed on the death of a person leaving assets to be inherited, or on giving gifts.

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

<sup>9</sup> [O GLOBO, 19/04/2018.](http://www.globo.com/rio-de-janeiro/imprensa/imprensa-rrf/imprensa-rrf-19-04-2018.html)

<sup>10</sup> [http://www.rj.gov.br/c/document\\_library/get\\_file?uuid=13f9ebe6-4a2b-46c1-bb2d-18fb290353e3&groupId=91233](http://www.rj.gov.br/c/document_library/get_file?uuid=13f9ebe6-4a2b-46c1-bb2d-18fb290353e3&groupId=91233)

<sup>11</sup> [http://www.planalto.gov.br/Ccivil\\_03/leis/LCP/Lcp123.htm](http://www.planalto.gov.br/Ccivil_03/leis/LCP/Lcp123.htm)

(continued)

### E. Institutional Framework

According to the Brazilian Federal Constitution, the State Secretariat of Finance or *Secretaria de Estado da Fazenda (SEFAZ)* is the entity responsible for administering and collecting the ICMS, IPVA and ITD, as well as several other minor taxes, levies and charges. The Federal Revenue Service or *Receita Federal do Brasil (RFB)* collects, *inter alia*, income taxes, customs duties, industrial production tax, financial transactions tax, and social security contributions.<sup>12</sup>

The Secretary of Finance and Planning of Rio de Janeiro State is responsible for the formulation and implementation of state revenue policies. He is assisted by 12 Under Secretaries.<sup>13</sup> The Under Secretary of Revenue is assisted by two Adjunct Under Secretaries, five Superintendents, a Tax Review Board, and a Director of Tax Intelligence. Together, they are responsible for managing audits, collection and tax credit, registration, communications, appeal, intelligence, taxpayer services, enforcement actions, and monitoring of goods in transit. The total number of staff in SEFAZ-RJ is 1,078 which includes: 823 tax auditors and 255 internal control analysts. There are 12 specialized tax audit units, seven regional audit units, and one fiscal control office at the headquarters. There are 24 local audit offices, and six fiscal control stations. There is one Fiscal Service Desk in São Paulo State.<sup>14</sup> A total of 51 field stations are distributed across the 32 cities of the state.

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

### F. International Information Exchange

Brazil has 33 Conventions on Avoidance of Double Taxation and Exchange of Information. Moreover, in 2011 the country signed the Multilateral Convention on Mutual Administrative Assistance in Tax Matters effective since 2016.

Section IX, Article 4 of the Brazilian Constitution, contains guiding principles of cooperation between nations. The National Tax Code provides for rules about international exchange of information. It also provides for the exchange of information among the federal government, states, and municipalities in the interest of efficient tax administration. Accordingly, an exclusive subdivision, has been set up within the *Receita Federal do Brasil* to coordinate the domestic tax integration among the three levels of the Federation.<sup>15</sup> Brazil is also a member

<sup>12</sup>[http://www.stf.jus.br/repositorio/cms/portalStfInternacional/portalStfSobreCorte\\_en\\_us/anexo/Constitution\\_2013.pdf](http://www.stf.jus.br/repositorio/cms/portalStfInternacional/portalStfSobreCorte_en_us/anexo/Constitution_2013.pdf)

<sup>13</sup>[http://www.fazenda.rj.gov.br/sefaz/faces/menu\\_structure/instituicao/navigation9/folder/Estrutura?\\_adf.ctrl-state=no7b340in\\_90&\\_afLoop=508233975903824](http://www.fazenda.rj.gov.br/sefaz/faces/menu_structure/instituicao/navigation9/folder/Estrutura?_adf.ctrl-state=no7b340in_90&_afLoop=508233975903824)

<sup>14</sup> The Fiscal Service Desk in São Paulo serves to assist taxpayers on inter-state commercial transaction issues and also to provide SEFAZ-RJ with supervision of taxpayers registered in Rio de Janeiro but resident in São Paulo state.

<sup>15</sup> Heloisa Estellita and Frederico Silva Bastos. “Tax Exchange of Information and International Cooperation in Brazil.” Rev. direito GV vol.11 no.1 São Paulo Jan./June 2015

of the MERCOSUL common market together with Argentina, Uruguay, Paraguay and Venezuela.

### 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 2018	
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	B	C
P1-1-2. The accuracy of information held in the registration database.		C	

**The registration database is robust and online access is provided to businesses to register or update details in the database, except in cases where the law requires personal appearance.** Using the ICMS as the core tax for TADAT purposes, the process for registration is laid out in the *Código Tributário do Estado* (CTE) Decree No. 5/75 and SEFAZ-RJ Resolution 720/2014, Part II, Annex I. The registration database for ICMS contains all relevant details on the taxpayer including associated entities and related parties. To start a business activity, there is a single registration platform of the Board of Trade (*JUCERJA*) which transfers all information electronically to the federal revenue authority

(RFB), SEFAZ-RJ and the municipal authorities. These three entities (federal, state and municipal) then register the firm in their respective databases with distinct and separate high integrity taxpayer identification numbers (TIN)<sup>16</sup> which are linked via JUCERJA. The registration system interfaces with other subsystems for declaration filing and payment processing. This approach facilitates generation of management information and full access of taxpayers' details by frontline staff. The system also allows deactivation and deregistration of taxpayers and an audit trail of user access.

**Although documented procedures exist to identify and deactivate or deregister inactive or dormant taxpayers, crosschecking of information with databases of other agencies is done only on an ad hoc basis.** SEFAZ-RJ Resolution 720/2014 lays down 22 criteria for deactivating or, as the case may be, deregistering taxpayers. Some are deactivated by SEFAZ-RJ on receiving third party information, while others are deactivated on the request of taxpayers. Taxpayers are required to provide proof of identity to JUCERJA at the time of registration to prevent fraudulent or duplicate registration.

**Management or internal/external audit reports on the accuracy of the registration database are not available.**

#### 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 2018
P1-2. The extent of initiatives to detect businesses and individuals who are required to register but fail to do so.	<b>M1</b>	<b>C</b>

**There is evidence of ad hoc actions taken to detect unregistered businesses but no documented annual plan in this regard.** There is no systematic use of third-party information to find and register businesses operating in the shadow economy. However, the federal tax database is checked occasionally to identify firms that have exceeded the threshold for the simplified tax scheme and are required to register for ICMS. Programs of impromptu inspections of business premises in new shopping areas are conducted by the *Superintendência de Fiscalização* (SUFIS) with the support of *Gerência de Controle de Ações Fiscais e Intercâmbio* (GCAFI). Scheduling of fiscal diligences for tracking fraudulent

<sup>16</sup> *Cadastro Nacional de Pessoas Jurídicas (CNPJ)* and *Número de Identificação de Registro de Empresas (NIRE)* at the federal level, *Inscrição Estadual* at the state level, and *Inscrição Municipal* at the municipal level.

registration of enterprises using shadow parties ("orange companies") are conducted by the Fiscal Intelligence Directorate (GIF). However, there is no management report of results of such actions.

## **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 2018	
P2-3-1. The extent of intelligence gathering and research to identify compliance risks in respect of the main tax obligations	M1	D	D
P2-3-2. The process used to assess, rank, and quantify taxpayer compliance risks.		D	

**Risk analysis is at an early stage of development and the extent of intelligence gathering and research to identify compliance risks is limited.** Compliance risk management analysis does not yet feed into a multi-year strategic planning process, and consequently, there is no assessment or prioritization of compliance risks across the four main compliance obligations, or for key taxpayer segments. There is no systematic (or ad hoc) gathering of external or internal data to establish and rank all compliance risks. Limited attention is given to external sources (credit card companies, JUCERJA, *Sistema Integrado de Comércio Exterior* (SISCOMEX), *Agência Nacional de Energia Elétrica* (ANEEL)) and information obtained from other subnational Brazilian tax administrations. Further, no environmental scan is conducted, nor are there tax gap studies or sectoral research into hidden activities of businesses. Nevertheless, SEFAZ-RJ analyzes data from internal sources such as declarations, payments, electronic invoices and the public system of digital bookkeeping/accounting—*Sistema Público de Escrituração Digital* (SPED).

**There is no structured process to identify, assess, rank and quantify tax non-compliance risks.** There is no register of risks which are identified during the normal course of operations and, consequently, there is no ranking of risks nor estimates of revenue leakage.

#### 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 2018
P2-4. The degree to which the tax administration mitigates assessed risks to the tax system through a compliance improvement plan.	M1	D

**SEFAZ-RJ has not developed an integrated compliance improvement plan.** Currently, compliance initiatives are covered in the audit program with a focus on omissions and inconsistencies in declarations, and some actions sponsored by different departments such as

the program “*Polo de Cobrança*,” that targets the recovery of delayed payments.

#### 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 2018
P2-5. The process used to monitor and evaluate the impact of compliance risk mitigation activities.	<b>M1</b>	<b>D</b>

**No formal governance structure is in place to monitor and evaluate the impact of compliance risk mitigation activities.** While SEFAZ-RJ monitors the results of audits in terms of additional revenue assessed and collected, few evaluations are made with regard to the impact of audits and other compliance activities on taxpayer compliance behavior, that is mostly limited to the taxpayers that have been audited. However, there is some analysis of results of finalized audits by a committee comprised by SUFIS, *Superintendência de Planejamento Fiscal* (SUPLAF) and other departments that feed into SEFAZ-RJ’s future tax audit plans.

#### 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 2018
P2-6. The process used to identify, assess, and mitigate institutional risks.	<b>M1</b>	<b>D</b>

**SEFAZ-RJ does not have a structured approach to the management of institutional risks.** There is some identification of risks by the different departments and the staff receives related training on an ad hoc basis. No risk register exists and there is no business continuity plan. Regarding IT systems hardware and software, back-up routines are in place and a recovery plan is being developed—but there is no specific training in disaster recovery procedures.

### 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 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 2018	
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.	<b>M1</b>	<b>A</b>	<b>B</b>
P3-7-2. The degree to which information is current in terms of the law and administrative policy.		<b>B</b>	
P3-7-3. The ease by which taxpayers obtain information from the tax administration.		<b>A</b>	

P3-7A. The time taken to respond to taxpayer and intermediary requests for information.	M1 <sup>17</sup>	D	D
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**SEFAZ-RJ provides taxpayers with information on the main obligations and entitlements and these are tailored to the needs of key taxpayer sectors, intermediaries and disadvantaged groups.** Information is available not just for the core tax (ICMS) for which the large and medium firms are eligible, but also for minor taxes (Simples Nacional, ITD and IPVA) paid by small taxpayers and individuals. Information is especially targeted for certain sectors such as electric power and transport. There are also special facilities for communicating information to visually handicapped taxpayers.

**Procedures are in place to update information for taxpayers who are made aware of changes in law before they take effect, through general but not targeted communication messages.** SEFAZ-RJ Resolution 139 of September 28, 2017 establishes the procedures to update the contents of the websites for which dedicated staff are assigned. The update is very frequent. Recent changes in law and procedures appear on the website as sliders to draw immediate attention of taxpayers. Taxpayers have the option to receive by e-mail from *Imprensa Oficial* (Official Gazette) information about legislative changes that they need.

**SEFAZ-RJ provides a broad range of information to taxpayers through a variety of communication channels.** The taxpayer education programs aim to raise the awareness of the citizen from an early age (for example, students) about revenue collection and public expenditure through seminars and visits to universities and schools under the Constitutional City Project. Seminars for taxpayers and their agents are conducted by the *Escola Fazendária* together with the Under Secretary of Revenue. Non-seminar information, including clarifications and rulings) is provided mainly through the SEFAZ-RJ website. Telephone answering services are limited because of the fear of fraudulent calls. There are other channels such as “*Fale Conosco*” where taxpayers can ask questions via e-mail and these have to be answered within 24 hours. Due to the wide use of internet and email, information is available to taxpayers at a time convenient to them and at no cost.

**There is no monitoring of the time taken to respond to taxpayer requests for information.** SEFAZ-RJ does not have a call center but uses email service to respond to taxpayers’ requests for information. Although established procedure requires questions to be answered within 24 hours, there is no monitoring of this standard.

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<sup>17</sup> The fourth dimension of P3-7 has been segregated as a separate indicator (P3-7A) in order to test a change being envisaged in the new refined Field Guide.

### 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 2018
P3-8. The extent of initiatives to reduce taxpayer compliance costs.	<b>M1</b>	<b>C</b>

**There is a simplified system of declaration and book-keeping specific to small taxpayers (*Simples Nacional*) and common misconception of laws and procedures are analyzed to improve taxpayer information.** Frequently Asked Questions are analyzed and SEFAZ-RJ issues rulings to clarify misconceptions. A dedicated team has been created to monitor the simplification of tax obligations. There is also a secure service portal - FISCO FÁCIL - for taxpayers and their representatives, with digital certificate access—taxpayers can obtain some information about their filing history but the taxpayer account (showing debits and credits) cannot be accessed. Tax declaration forms are reviewed periodically; as a result, there is a plan to do away with the submission of ICMS declarations at the state level and to consolidate all data in the federal-level declaration using information from the digital book-keeping system that is already in place.

### 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 2018	
P3-9-1. The use and frequency of methods to obtain performance feedback from taxpayers on the standard of services provided.	<b>M1</b>	<b>D</b>	<b>D</b>
P3-9-2. The extent to which taxpayer input is taken into account in the design of administrative processes and products.		<b>C</b>	

**SEFAZ-RJ does not carry out surveys to obtain feedback from taxpayers on the standard of service provided.** There is no procedure for obtaining feedback from taxpayers.

**SEFAZ-RJ consults the main groups of taxpayers and intermediaries to identify deficiencies and test new products on an ad hoc basis.** There is no specific forum that offers opportunities to obtain feedback on the service provided and the products used by taxpayers. However, a facility to test new products is provided to taxpayers electronically through the *Fale Conosco* portal. Taxpayer suggestions are taken into account when designing new products, for instance, related to electronic invoices.

#### **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 2018	
P4-10-1. The number of ICMS declarations filed by the statutory due date as a percentage of the number of declarations expected from registered ICMS taxpayers.	<b>M1</b>	<b>D</b>	<b>D</b>

**The timely submission of declarations of the only core tax, the ICMS, was 34.6 percent for all taxpayers and 97.1 percent for large taxpayers.** The collection of ICMS in the State of Rio de Janeiro is very concentrated because of the presence of many large corporations like Petrobrás. The top 100 ICMS taxpayers account for 65 percent of all ICMS payments. (Tables 6 and 7 of Attachment III).<sup>18</sup>

#### **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 2018
P4-11. The extent to which tax declarations are filed electronically.	<b>M1</b>	<b>A</b>

**All declarations are submitted to SEFAZ-RJ by electronic means.** In the years 2015 - 2017, ICMS declarations were filed only in electronic format (Table 8 of Attachment III). The program to e-file the *Guia de Informação e Apuração* (GIA) or ICMS return, is provided by SEFAZ-RJ and the program to generate and file electronically the *Escrituração Fiscal Digital* (EFD) or digital fiscal bookkeeping - is provided by the Federal Tax Administration.

### **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

<sup>18</sup> The difference between the total number of active taxpayers set out in Table 2 (Movements in the Register of Taxpayers, 2015-17), of 122,841 regular taxpayers on 12/31/2017, and the total of 84,926 declarations expected on the same date, due the law that allows certain categories of out-of-state taxpayers and other transactions not to submit returns. The non-mandatory rules are mostly set out in Annexes I and IX to Part II of SEFAZ-RJ Resolution 720/14, but there is one exemption, that is, of intercity road transportation companies, which is provided by law (Law No. 2.778 / 97).

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 2018
P5-12. The extent to which core taxes are paid electronically.	<b>M1</b>	<b>A</b>

**All taxes are paid electronically.** In the period from 2015 - 2017, the core tax (ICMS), as well as all other taxes, were paid electronically (Table 8 of Attachment III).

#### 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 2018
P5-13. The extent to which withholding at source and advance payment systems are used.	<b>M1</b>	<b>A</b>

**An advance payment system is used, and there is a “tax substitution” scheme which is a form of ‘reverse charge’ for specific types of ICMS transactions.** These systems assure the Public Treasury of Rio de Janeiro of prepaid ICMS: (i) the advance tax, which includes the estimate made by the taxpayer of the tax that would be due when the taxing event occurs; and (ii) the reverse charge, representing a withholding made by a link in the value-addition chain of certain goods and services in line with Supplementary Law No 87/1996, Articles 5 to 11.<sup>19</sup>

#### 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 2018	
P5-14-1. The number of VAT payments made by the statutory due date in percent of the total number of payments due.	M1	B	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.		C	

**The number of ICMS payments made on time in 2017 was fairly good but the value of payments was below good practice.** About 83.8 percent of the number of payments due, and 73.6 percent of the value of payments **were** made on time (Table 9 of Attachment III).

#### 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.<sup>20</sup> A third measurement dimension looks at the extent of unpaid tax liabilities that are more than a year overdue (a high

<sup>19</sup> Note: The TADAT framework does not assess the extent to which the VAT system (or equivalent) is impacted by related withholding schemes.

<sup>20</sup> 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).

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 2018	
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.		D	
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.		D	

**The monitoring of tax arrears in SEFAZ, including their age and collectability, is weak—there is no active debt follow-up.** The information is not routinely available and had to be gathered in an ad hoc manner for TADAT assessment. Active debt management is the responsibility of the *Procuradoria Geral do Estado* (PGE),<sup>21</sup> whose system is not integrated with the SEFAZ-RJ system. The absence of this monitoring indicates deficiencies in the tax administration's management information systems and performance monitoring practices. (Table 10 of Attachment III).

## F. POA 6: Accurate Reporting in Declarations

Tax systems rely heavily on complete and accurate reporting of information by taxpayers in tax declarations. Tax administrations therefore need to regularly monitor tax revenue losses from inaccurate reporting, especially by business taxpayers, and take a range of actions to ensure compliance. These actions fall into two broad groups: verification activities (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

<sup>21</sup> The State Prosecutor General.

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 2018	
P6-16-1. The nature and scope of the tax audit program in place to detect and deter inaccurate reporting.	M2	D	D+
P6-16-2. The extent of large-scale automated crosschecking to verify information in tax declarations.		C	

**The tax audit plan covers the core tax (ICMS) but does not select audit cases based on identified risks.** A committee that comprises Executive Adjunct Under Secretary of Revenue (SAREX), Adjunct Under Secretary of Fiscal Strategy (SAREST), SUFIS, and SUPLAF exists to decide the audit program. Centrally developed by SUPLAF, the plan uses internal sources (declarations and e-invoices) and only one external source (credit card administrators) to select cases to be included in the plan, prioritizing those in which the

evidence is strong or based on the estimated amount of tax evaded. There are special units in charge of sectoral segments that represents the biggest collection for the state (for example, oil, metallurgy and electricity).

The top 100 taxpayers are designated as large taxpayers. The audit plan is weighted towards those taxpayers of selected sectors. Different audit types (comprehensive, single-issue and multi-year audits) are used, but only the direct audit methodology is used—indirect methods are not used. Evaluations of the influence of audit results on taxpayer compliance behavior is limited to the individual taxpayer level—segmented or sectoral evaluations are not conducted.

**There is limited use of large-scale automatic cross-checking to verify information provided in tax returns.** The cross-checking uses only a few external sources, that is, credit card information, JUCERJA and SISCOMEX, as well as e-invoice matching from other ICMS returns. No other external sources are used; not even from government agencies to improve the identification and prevention of incorrect information in taxpayer declarations.

#### 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 2018
P6-17. The nature and scope of proactive initiatives undertaken to encourage accurate reporting.	<b>M1</b>	<b>B</b>

**SEFAZ-RJ has a system of binding public and private decisions to clarify and guide taxpayers in tax matters.** Taxpayers may request clarification on controversial issues or interpretations of tax legislation through a system of consultations.<sup>22</sup> The conclusive opinions of these consultations are disclosed on the SEFAZ-RJ website for the purpose of general guidance without identifying the taxpayer. The most comprehensive and interesting issues are the subject of Resolutions (*Resoluções*) also published on the SEFAZ-RJ website. Nevertheless, SEFAZ-RJ has not adopted cooperative compliance approaches with taxpayers as part of the intervention framework to manage the risks of inaccurate reporting in declarations.

<sup>22</sup> The value of the fee for analysis in consultation formulated Coordination of Legal-tax consultations: R\$ 928.64. For SIMPLES taxpayers, the value corresponds to 30% of the normal value.

### 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 2018
P6-18. The soundness of the method/s used by the tax administration to monitor the extent of inaccurate reporting.	<b>M1</b>	<b>D</b>

**No monitoring of the extent of inaccurate reporting in tax declarations is performed.**

SEFAZ-RJ does not evaluate the ICMS tax compliance gap nor does it use external studies. It also does not monitor revenue losses arising from inaccurate information in the returns. There is no evidence of evaluation of these losses based on the results of the audit programs and the cross-checking of source data.

### G. POA 7: Effective Tax Dispute Resolution

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

Three performance indicators are used to assess POA 7:

- P7-19—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 2018	
P7-19-1. The extent to which an appropriately graduated mechanism of administrative and judicial review is available to, and used by, taxpayers.	<b>M2</b>	<b>A</b>	<b>A</b>
P7-19-2. Whether the administrative review mechanism is independent of the audit process.		<b>A</b>	
P7-19-3. Whether information on the dispute process is published, and whether taxpayers are explicitly made aware of it.		<b>A</b>	

**There is a well-established graduated system of administrative and judicial appeals.**

Taxpayers have 30 days to submit requests for administrative review before the *Junta de Revisão Fiscal* (JRF) when challenging the audit assessment order. If the taxpayer is still not satisfied with the decision of JRF, the second instance of appeal can be filed before the specialized external *Conselho de Contribuintes* (Taxpayers' Council) within 30 days of the decision of the JRF. *Conselho de Contribuintes* is not part of the tax administration but works directly under the Secretary of Finance. It has four chambers, each with four counsellors. Two of the four counsellors in each chamber are nominees of the private sector (for example, chambers of commerce, industry, telecom and agriculture). The other two are former tax auditors. All are appointed by the Governor. Lawyers for taxpayers and State Attorneys appear on the date of hearing.

Typically, two members of the *Conselho de Contribuintes* initially hear an appeal. If still not satisfied with the ruling of the initial hearing, the taxpayer or the tax administration can go to the full bench of the *Conselho de Contribuintes* (four members). Around 25 percent of all appeals go to the full bench. If still not satisfied, either the taxpayer or the tax administration, can file an appeal to the *Judiciário*, escalating until a higher judicial court. The judicial process can be lengthy. Any disputed tax amount is kept under suspension by law until appeals are finally decided.<sup>23</sup>

**The administrative review system is structurally and organizationally independent of the audit department.** The JRF consists of 39 designated appeal officers in 13 teams of three officers each. The appeal officers are selected competitively through well-established selection rules. Tax auditors, who are preferably lawyers or accountants, compete for these positions and many of them stay in this stream for more than ten years. The President of the JRF and appeal officers are selected by the Secretary Finance and appointed by the Governor. They report directly to the Under Secretary of Revenue.

<sup>23</sup> *Processo Administrativo Tributário -Decreto 2473/1979, Código Tributário and Código de Processo Civil Nacional* allows preliminary injunction to suspend payment of disputed tax.

**Information on the dispute resolution process is publicly available and taxpayers are explicitly made aware of it.** The Tax Code—*Código Tributário do Estado do RJ*—provides taxpayers the right to appeal under Articles 246-253 which explain the process for the administrative review, and Articles 254-272 for the second instance. Tax administration procedure order (*Processo Administrativo Tributário* -Decreto 2473/1979 articles 116-20, 121-125) and the Civil Procedure Code - *Código de Processo Civil*—explain in detail the appeal process. All these provisions are publicly available on the SEFAZ-RJ website. Written instructions exist for auditors to inform taxpayers and audit notices mention the right to appeal and the related process. Also, similar mention is made when appeal decisions are finalized, explaining how to proceed to the next appeal stage.

#### 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 2018
P7-20. The time taken to complete administrative reviews.	<b>M1</b>	<b>D</b>

**Most administrative reviews take more than 90 days to be decided.** This is because of the lengthy process of filing even before the case dossier is sent to the JRF. Only about 12.6 percent of cases are decided within 90 days (Table 11 of Attachment III).

#### 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 2018
P7-21. The extent to which the tax administration responds to dispute outcomes.	<b>M1</b>	<b>C</b>

**SEFAZ-RJ routinely maintains statistics to monitor tax appeal outcomes, but the analysis of outcomes to inform the formulation of amendments of procedure or legislation is done on an ad hoc basis.** The Secretary appoints, from time to time, a group of

officers to examine certain decisions. These officers sometimes propose issuance of clarifying rulings or even amendment of law or procedure.

## 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.)<sup>24</sup>
- Maintaining a system of revenue accounts.
- Paying tax refunds.

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 2018
P8-22. The extent of tax administration input to government tax revenue forecasting and estimating.	<b>M1</b>	<b>A</b>

**SEFAZ-RJ actively participates in the preparation of revenue forecasts for the budget and monitors the results; it also monitors and reports the cost of tax expenditures.**

Using specific methodologies developed by the Federal University of Rio de Janeiro for each

<sup>24</sup> 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 the forecasting assumptions, especially changes in the macroeconomic environment.

type of revenue and official macroeconomic indicators of the federal government, the Secretary of Fiscal Policy, a unit inside the SEFAZ, prepares the revenue forecast that is input into the Annual Budget Law and the Fiscal Adjustment Program of the State. The Coordination of Planning and Analysis of Collection (CPAA) unit monitors (on a daily basis) revenue collections, produces reports on variations and recommends adjustment measures to the state government.

**There is no forecast of ICMS refund levels.** In 2016, due the fiscal crisis, SEFAZ-RJ stopped refunding ICMS but resumed in early 2018 based on the cashflow. Additionally, ICMS refunds are permitted only in specific cases: for excess, duplicate or incorrect payments. Exports are exempted from ICMS by the Federal Constitution and the input credit is commonly offset. Since 2010, the *Assessoria de Estudos Econômicos* and the *Coordinadoria de Estudos Econômicos e Tributários* (Economic and Fiscal Studies units) monitor and report tax expenditures using the data provided by the *Documento de Utilização de Benefícios do ICMS* (DUB)

#### 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 2018
P8-23. Adequacy of the tax administration's revenue accounting system.	<b>M1</b>	<b>C</b>

**The tax accounting system is fully automated and interfaces with the government revenue accounting system, but there is no regular audit of the system.** Since January 2016, SEFAZ-RJ uses an accounting system called *Sistema de Gestão do Crédito Tributário* (GCT) that interfaces with the entire government. The tax administration uses the *Portal de Pagamentos* system that is integrated with the GCT. Information on payments made by taxpayers is available in the GCT the following day (D+1). Simultaneously, the respective financial resources are transferred from the banks to the *Conta Única do Tesouro Estadual* (CUTE). The accounting record of these revenues in the *Sistema Integrado de Gestão Orçamentário, Financeira e Contábil* (SIAFE-RIO) is made on the second day (D+2). The tax administration uses an incomplete taxpayer ledger that does not follow good international practices, since there is no disaggregation into payment of main tax, and payment of additional amount, interests or penalties as a result of audit or other controls. Whenever the systems are modified, it is tested and approved, but no audits are conducted to ensure that the accounting system (SIAFE-RIO or GCT) are aligned to the law (for example, the correct

application of liabilities, penalties, and interests). The State Board of Account (TCE) is responsible for auditing the accounting standards.

#### 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 2018	
P8-24-1. Adequacy of the VAT refund system.	M2	D	D
P8-24-2. The time taken to pay (or offset) VAT refunds.		D	

**Procedures for processing ICMS refunds do not use risk criteria.** All refund requests are audited and if granted, the amounts are offset in the tax declaration, or applied to existing tax debts, including debts arising from enforcement interventions. Payment of cash to taxpayers is allowed only in specific cases, in line with the law.<sup>25</sup> There is no preferential treatment given to taxpayers with a solid track record of tax compliance. ICMS refund payments are taken from consolidated revenues and there is no specific fund or special budget appropriation. Interest are paid for late refund only where payment is allowed by law. In other cases, the interest for delayed refund is credited and offset.

**There was no case of ICMS refund claim amounts paid or offset within 30 days.**

SEFAZ-RJ routinely monitors the time it takes to pay or offset ICMS repayments (see Table 12 of Attachment III).

### 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.

<sup>25</sup> This includes payments made to SEFAZ-RJ by mistake.

- 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 2018	
P9-25-1. Assurance provided by internal audit.	M2	D	C+
P9-25-2. Staff integrity assurance mechanisms.		A	

**There is no internal audit unit in SEFAZ-RJ to provide assurance that internal controls are being adhered to.** It is only the line managers that ensure that internal controls are followed. The *Auditoria Geral do Estado* conducts internal audits of procurement and other expenditure but not of revenue functions. Internal controls exist for IT including for system security and integrity of the database; there is also an audit trail of user access.

**SEFAZ-RJ has a well-established and organizationally independent internal affairs unit with adequate investigative powers to provide assurance of staff integrity.** This function is performed by the *Corregedoria Tributária de Controle Externo* (CTCE) whose head is appointed by the Governor. The CTCE has both preventive and punitive responsibilities—it receives complaints from the Ombudsman, Prosecutor’s Office, or SEFAZ-RJ. It has appropriate authority to investigate actions of misconduct by officials of the tax administration.<sup>26</sup> The CTCE also conducts review of assets of public servants and reports cases of assets disproportionate to the known sources of income to the Governor for appropriate action. Additionally, the CTCE provides leadership in the formulation of integrity policies and the ethics code which is contained in Articles 77-78 of LC 69/90. It also cooperates with police, PGE, and other relevant agencies through regular meetings and consultations. Adequate statistics are maintained and made public on the SEFAZ-RJ website.

### P9-26: External oversight of the tax administration

<sup>26</sup> The CTCE’s powers are defined in SEFAZ-RJ Complementary Law LC 69/90 and Decree-Law 220/75- which applies to all public servants. Articles 89-96 of this complementary law lays down disciplinary infringements and corresponding penalties. The CTCE can apply all penalties established in article 89 subsection I to IV for administrative infringement not but does not act in criminal cases. The Governor is the competent authority to apply the penalty of dismissal of civil servants, and annulment of pension or retirement.

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 2018	
P9-26-1. The extent of independent external oversight of the tax administration's operations and financial performance.	M2	A	A
P9-26-2. The investigation process for suspected wrongdoing and maladministration.		A	

**External oversight of tax administration's financial and operational performance is robust, and external review findings are published.** The *Tribunal de Contas do Estado do Rio de Janeiro* (TCE-RJ) or Court of Accounts, which reports to the Rio de Janeiro's Legislative Assembly, is responsible for overseeing the application of public resources (Article 123 of State Constitution). The TCE-RJ has a specialized group that regularly reviews operational and financial performance of all departments of SEFAZ-RJ. They have a year-round audit program and can open special audits in serious cases. The TCE-RJ sends reports of its findings and recommendations to SEFAZ-RJ on a regular basis; and the tax agency has to respond within a determined deadline. The SEFAZ-RJ regularly sends a consolidated report to the TCE-RJ and to the Legislative Assembly. The reports and actions taken by SEFAZ-RJ are posted on TCE-RJ's website and made public.

**Complaints on suspected wrongdoing are received by the *Ouvidoria* or Ombudsman.** The *Ouvidoria* is a recent (since 2016) institution in Rio de Janeiro. It receives complaints from the public through phone, email, and in person on a variety of matters, of which only 3 percent relate to complaints of misconduct by tax officials (about ten complaints on tax officials in a year). The complaints are sent to SEFAZ-RJ line managers, or, as appropriate, to the internal affairs department (*Corregedoria*). The *Ouvidoria* responds to complainants within 48 hours (and includes inputs from SEFAZ-RJ). It also sends periodic reports to SEFAZ.

**The *Ministério Público Estadual*, investigates cases of serious misconduct or corruption.** Matters involving recovery of misappropriated funds are also dealt with by the *Procuradoria Geral do Estado*. The *Ministério Público* together with the internal affairs department (*Corregedoria*) oversees the anti-corruption policies of SEFAZ-RJ. The Secretary of Finance and the Under-Secretary of Revenue are informed immediately after an act of corruption has been established by the *Corregedoria*.

### 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 2018
P9-27. The mechanism for monitoring public confidence in the tax administration.	<b>M1</b>	<b>D</b>

**There is no system or mechanism for conducting independent third-party surveys to monitor public confidence in SEFAZ-RJ.**

### 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 2018	
P9-28-1. The extent to which the financial and operational performance of the tax administration is made public, and the timeliness of publication.	<b>M2</b>	<b>D</b>	<b>D</b>
P9-28-2. The extent to which the tax administration's future directions and plans are made public, and the timeliness of publication.		<b>D</b>	

**SEFAZ-RJ has not prepared (and therefore not published) annual reports of its performance in recent years.**

**Budget costs for future improvement projects are published, but there has been no publication of the strategic and operational plan.** The last strategic plan was prepared and published in 2012 in the Official Gazette. Other short-term plans have been published from time to time, the last tax administration plan comprising a nine-month period was published in 2014.

## 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. Rio de Janeiro State: Country Snapshot

Geography	The State of Rio de Janeiro is located in the Southeast region of Brazil. Rio de Janeiro shares borders with all the other states in the Southeast: Minas Gerais, Espírito Santo and São Paulo. It is bounded on the east and south by the South Atlantic Ocean. Rio de Janeiro has an area of 43,653 square km and is divided into 92 municipalities. Its capital is the city of Rio de Janeiro, which was the capital of Brazil from 1763 until 1960.
Population	16.72 million (2017), with a population density of 365 inhabitants per square km. It is the third most populous state in Brazil and with the highest population density. (Source: <a href="https://cidades.ibge.gov.br/rj/panorama">https://cidades.ibge.gov.br/rj/panorama</a> )
Adult literacy rate	76 percent of persons aged 15 and over can read and write. (Source: <a href="https://cidades.ibge.gov.br/rj/pesquisa">https://cidades.ibge.gov.br/rj/pesquisa</a> )
Gross domestic product	2017 nominal GDP (March 2018 estimate): R\$ 623.9 billion. It is the second largest state economy after the state of Sao Paulo. (Source: <a href="http://www.ceperj.rj.gov.br/ceep/pib/pib.html">http://www.ceperj.rj.gov.br/ceep/pib/pib.html</a> )
Per capita GDP	R\$ 37,314 (March 2018 estimate). (Source: <a href="http://www.ceperj.rj.gov.br/ceep/pib/pib.html">http://www.ceperj.rj.gov.br/ceep/pib/pib.html</a> )
Main industries	The industrial sector is the largest component of GDP at 51.6 percent, followed by the service sector at 47.8 percent. Main exports are: petroleum 44.8 percent, fuel 17.5 percent, metallurgy 13 percent, chemicals 3.6 percent, non-ferrous metals 2.8 percent and vehicles 2.1 percent.
Communications	Internet users per 100 people: 48.6. (Source: <a href="https://cidades.ibge.gov.br/rj/">https://cidades.ibge.gov.br/rj/</a> ) Mobile phone subscribers per 100 people: 39. (Source: <a href="https://cidades.ibge.gov.br/rj/">https://cidades.ibge.gov.br/rj/</a> )
Main taxes	ICMS (79 percent), IPVA (7 percent), ITD (3 percent).
Tax-to-GDP	6.6 percent in 2017 state's own source revenues. (Source: SEFAZ-RJ)
Number of taxpayers (2017)	ICMS normal regime (122,841), EPP Simples Nacional (206,886), IPVA (3,750,912) and ITD (97,480). (Source: SEFAZ-RJ)
Main collection agency	Secretaria de Estado de Fazenda e Planejamento (SEFAZ-RJ)
Number of staff in the main collection agency	823 tax auditors, 255 others. (Source: SEFAZ-RJ)
Financial Year	Calendar year.

## Attachment III. Data Tables

## A. Tax Revenue Collections

Table 1. Tax Revenue Collections			
	2015	2016	2017
In local currency (Real – R\$)			
<b>Budgeted tax revenue forecast of subnational entity<sup>1</sup></b>	49,403,973,972.00	52,301,754,658.00	48,503,019,950.00
<b>Total tax revenue collections<sup>2</sup></b>	<b>38,310,339,588.65</b>	<b>39,467,912,420.58</b>	<b>41,104,709,528.62</b>
Main source of tax revenue (ICMS)	<b>32,096,011,189.98</b>	<b>31,148,459,317.05</b>	<b>32,362,495,898.78</b>
Of which:			
ICMS Normal regime (Core tax) <sup>3</sup>	30,271,461,472.84	29,351,194,081.45	30,643,930,577.67
ICMS - Normal	16,444,877,205.70	17,195,632,859.21	17,788,337,062.33
ICMS – ST <sup>4</sup>	8,728,593,172.19	8,284,197,262.89	8,435,776,101.50
ICMS – Other Codes <sup>5</sup>	5,097,991,094.95	3,871,363,959.35	4,419,817,413.84
EPP – Simples Nacional (Simplified regime) <sup>6</sup>	346,659,050.19	274,248,827.58	239,546,014.36
Other	1,477,890,666.95	1,523,016,408.02	1,479,019,306.75
2 <sup>nd</sup> main source of tax revenue (IPVA or Vehicle tax)	<b>2,298,228,333.57</b>	<b>2,804,280,042.69</b>	<b>2,858,327,927.02</b>
3 <sup>rd</sup> main source of tax revenue (ITCMD or Inheritance)	<b>884,550,219.82</b>	<b>1,401,282,780.25</b>	<b>1,278,850,917.63</b>
<b>Other Taxes – ICMS FECF<sup>7</sup></b>	<b>3,031,549,845.28</b>	<b>4,113,890,280.59</b>	<b>4,605,034,785.19</b>
In percent of total tax revenue collections			
<b>Total tax revenue collections</b>	100.0	100.0	100.0
Main source of tax revenue (ICMS)	<b>83.8</b>	<b>78.9</b>	<b>78.7</b>
Of which:			
ICMS Normal regime (Core tax)	<b>79.0</b>	<b>74.4</b>	<b>74.6</b>
ICMS - Normal	<b>42.9</b>	<b>43.6</b>	<b>43.3</b>
ICMS – ST	<b>22.8</b>	<b>21.0</b>	<b>20.5</b>
ICMS – Other Codes	<b>13.3</b>	<b>9.8</b>	<b>10.8</b>
EPP – Simples Nacional (Simplified regime)	<b>0.9</b>	<b>0.7</b>	<b>0.6</b>
Other	<b>3.9</b>	<b>3.9</b>	<b>3.6</b>
2 <sup>nd</sup> main source of tax revenue (IPVA or Vehicle tax)	<b>6.0</b>	<b>7.1</b>	<b>7.0</b>
3 <sup>rd</sup> main source of tax revenue (ITCMD or Inheritance)	<b>2.3</b>	<b>3.6</b>	<b>3.1</b>
<b>Other Taxes – ICMS FECF</b>	<b>7.9</b>	<b>10.4</b>	<b>11.2</b>
In percent of GDP			
<b>Total tax revenue collections</b>	<b>5.8</b>	<b>6.2</b>	<b>6.6</b>
Main source of tax revenue (ICMS)	<b>4.9</b>	<b>4.9</b>	<b>5.2</b>
Of which: ICMS Normal regime (Core tax)	<b>4.6</b>	<b>4.6</b>	<b>4.9</b>
ICMS - Normal	<b>2.5</b>	<b>2.7</b>	<b>2.9</b>
ICMS – ST	<b>1.3</b>	<b>1.3</b>	<b>1.4</b>
ICMS – Other Codes	<b>0.8</b>	<b>0.6</b>	<b>0.7</b>
EPP – Simples Nacional (Simplified regime)	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>
Other	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>
2 <sup>nd</sup> main source of tax revenue (IPVA or Vehicle tax)	<b>0.3</b>	<b>0.4</b>	<b>0.5</b>
3 <sup>rd</sup> main source of tax revenue (ITCMD or Inheritance)	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>

<b>Table 1. Tax Revenue Collections</b>			
	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Others Taxes – ICMS FECF</b>	<b>0.5</b>	<b>0.6</b>	<b>0.7</b>
<b>Nominal GDP in local currency (R\$ billion)</b>	<b>659,137</b>	<b>638,095</b>	<b>623,856</b>
<p><b>Explanatory notes:</b> This table gathers data for three fiscal years (e.g., 2014-16) in respect of all tax revenues collected by the subnational tax administration.</p> <p>This forecast is normally set by the Ministry of Finance (at the subnational level) 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</p> <p><b>Explanatory notes by the tax administration:</b></p> <p><sup>1</sup> Considering the item "11000000 - Tax Revenue" of the LOA (Annual Budget Law) of the respective years.</p> <p><sup>2</sup> Considered only the principal of each tax (ICMS, IPVA, ITD and ICMS FECF). Excluded rates, arrears, interest and other revenues</p> <p><sup>3</sup> Considering the collection codes 213, 221, 329,337,345,361,647,655,663,671,680,698,701,710,728,736 (ICMS Normal + ICMS ST + ICMS Other Codes)</p> <p><sup>4</sup> Considering the collection code 230</p> <p><sup>5</sup> Normal ICMS codes not included in the Normal and Tax Substitution groups - ST</p> <p><sup>6</sup> The ME - Micro Companies are included in the "EPP - Simples Nacional" group and since the MEI - Individual Micro Entrepreneur is exempted from registration, there is no way to need their collection.</p> <p>since the MEI - Individual Micro Entrepreneur is exempted from registration, there is no way to need their collection.</p> <p><sup>7</sup> FECF – Fundo Estadual de Combate à Pobreza</p>			

## B. Movements in the Taxpayer Register

Table 2. Movements in the Taxpayer Register (Ref: POA 1)					
	Active <sup>1</sup> [1]	Inactive <sup>2</sup> (not yet deregistered) [2]	Total end- year position [1 + 2]	Percentage of inactive (not yet deregistered)	Deregistered during the year <sup>3/4</sup>
<b>2015</b>					
<b>Total taxpayers (ICMS)</b>	<b>332,677</b>	<b>11,980</b>	<b>344,657</b>	<b>3.5</b>	<b>4,203</b>
<i>Of which:</i>					
<i>ICMS Normal regime</i>	118,341	6,192	124,533	5.0	3,372
<i>EPP – Simples Nacional</i>	212,753	5,760	218,513	2.6	825
<i>Others</i>	1,583	28	1,611	1.7	6
<b>2016</b>					
<b>Total taxpayers (ICMS)</b>	<b>337,000</b>	<b>17,285</b>	<b>354,285</b>	<b>4.9</b>	<b>15,828</b>
<i>Of which:</i>					
<i>ICMS Normal regime</i>	128,645	12,897	141,542	9.1	12,926
<i>EPP – Simples Nacional</i>	206,740	4,256	210,996	2.0	2,512
<i>Others</i>	1,615	132	1,747	7.6	390
<b>2017</b>					
<b>Total taxpayers (ICMS)</b>	<b>331,200</b>	<b>24,515</b>	<b>355,715</b>	<b>6.9</b>	<b>25,117</b>
<i>Of which:</i>					
<i>ICMS Normal regime</i>	122,841	21,446	144,287	<b>14.9</b>	20,816
<i>EPP – Simples Nacional</i>	206,886	3,000	209,886	<b>1.4</b>	3,755
<i>Others</i>	1,473	69	1,542	4.5	546
<p><b>Explanatory Note:</b></p> <p>Active' taxpayers means registrants from whom returns are expected, i.e. excluding those taxpayers who have not filed a return within at least the last year because the case is defunct, the taxpayer cannot be located or the taxpayer is insolvent.</p> <p><b>Explanatory notes by the tax administration:</b></p> <p><sup>1</sup> Active: Enabled</p> <p><sup>2</sup> Inactive: Paralyzed, Pending, Suspended, and Impeded</p> <p><sup>3</sup> Canceled: Dropped and Canceled</p> <p><sup>4</sup> Numbers in the "Deregistered during the year" column increased due to the significant rise in the write-off operations carried out by COCAF, as cleaning up for the migration of data between the old SICAD and the new SINCAD, which went into production in November 2017.</p>					

### C. Telephone Enquiries

<b>Table 3. Telephone Enquiry Call Waiting Time</b> (for most recent 12-month period - 2017) (Ref: POA 3)			
Month	Total number of telephone enquiry calls received	Telephone enquiry calls answered within 6 minutes' waiting time	
		Number	In percent of total calls
January	No Service		
February	No Service		
March	No Service		
April	No Service		
May	No Service		
June	No Service		
July	No Service		
August	No Service		
September	No Service		
October	No Service		
November	No Service		
December	No Service		
<b>12-month total</b>			

### D. Filing of Tax Declarations

<b>Table 4. On-time Filing of CIT Declarations for the 2016/17 Income Year</b> (Ref: POA 4)			
	Number of declarations filed on-time <sup>1</sup>	Number of declarations expected to be filed <sup>2</sup>	On-time filing rate <sup>3</sup> (In percent)
All CIT taxpayers	N/A	N/A	N/A
Large taxpayers only	N/A	N/A	N/A
<b>Explanatory notes:</b>  <sup>1</sup> '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).  <sup>2</sup> '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.  <sup>3</sup> The 'on-time filing rate' is the number of declarations filed by the statutory due date as a percentage of the total number of declarations expected from registered taxpayers, i.e. expressed as a ratio:  $\frac{\text{Number of CIT declarations filed by the due date}}{\text{Number of declarations expected from registered CIT taxpayers}} \times 100$			

<b>Table 5. On-time Filing of PIT Declarations for the 2017 Income Year</b> (Ref: POA 4)		
Number of declarations filed on-time <sup>1</sup>	Number of declarations expected to be filed <sup>2</sup>	On-time filing rate <sup>3</sup> (In percent)
N/A	N/A	N/A
<b>Explanatory notes:</b>  <sup>1</sup> '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).  <sup>2</sup> '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.  <sup>3</sup> 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 (2017).**  
(Ref: POA 4)

Month	Number of declarations filed on-time <sup>1</sup>	Number of declarations expected to be filed <sup>2</sup>	On-time filing rate <sup>3</sup> (In percent)
January	32,834	100,614	32.6
February	32,232	100,635	32.0
March	32,841	100,785	32.6
April	31,982	100,729	31.7
May	33,179	98,545	33.7
June	33,734	98,861	34.1
July	31,805	98,746	32.2
August	33,457	95,562	35.0
September	33,646	84,640	39.7
October	30,954	85,057	36.4
November	33,472	83,146	40.3
December	31,624	84,926	37.2
<b>12-month total</b>	<b>391,760</b>	<b>1,132,246</b>	<b>34.6</b>

**Explanatory notes:**

<sup>1</sup> '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).

<sup>2</sup> '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.

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

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

**Tax Administration's notes:**

<sup>4</sup> The data refer to GIA-ICMS (tax declaration) filed, since this is still the statement used by the ERJ as the basis for obtaining the tax due by the taxpayers and for registration in any unpaid amount (*dívida ativa*). We are working to ensure that all SEFAZ-RJ controls are, in the short term, EFD-oriented (pre-filled), safer and more reliable, allowing the elimination of GIA-ICMS. All rules relating to this declaration are set out in Annex IX of Part II of SEFAZ-RJ Resolution 720/2014.

<sup>5</sup> The values indicated in this table were obtained from consultations carried out by the IT sector of SEFAZ-RJ and later treated. Image of the way the data was forwarded to us is attached in the file labeled Table generated by SATI.

<sup>6</sup> The high rate declarations filled by the statutory due of large taxpayers and the low rate of date of taxpayers in general can be the result of a series of historical factors: the lack, until the implementation of the DEC, of communication between sectors and the taxpayer, and the lack of continuous actions of SEFAZ-RJ in the sense of preventing / deregistration active taxpayers, but that affect the hypotheses of impediment, foreseen in art. 55 of Annex I of Part II of SEFAZ-RJ Resolution 720/2014.

<sup>7</sup> The significant decrease in the number of expected statements that occurred between the months of AUG / 2017 and SEP / 2017 arises from a major operation to prevent taxpayers from continuing business operation while during the period that they do not file declaration(GIA-ICMS). About 12,000 taxpayers were prevented on that occasion.

<sup>8</sup> The difference between the total number of active taxpayers set out in Table 2 (Movements in the Register of Taxpayers, 2015-17), of 122,841 regular taxpayers on 12/31/2017, and the total of 84,926 declarations expected on the same date, due the law that allows certain categories of out-of-state taxpayers and other

transactions not to submit returns. The non-mandatory rules are mostly set out in Annexes I and IX to Part II of SEFAZ-RJ Resolution 720/14, but there is one exemption, that is, of intercity road transportation companies, which is provided by law (Law No. 2.778 / 97). These rules, all related to registration, are listed below and, as evidence, a document (labeled Rules of obligation and disclaimer of declarations) is included with the rules embedded in the system that generates taxpayers obligated to GIA-ICMS.

- Individual taxpayer;
- "Special", "Symbolic" and "Optional" type registrations;
- External taxpayers (tax substitute subscriptions), except for external taxpayers who are considered as taxpayers located in other states that provide communication services;
- Taxpayers within the National Simples regime;
- Taxpayers included in the Inter-Municipal Road Transportation scheme;
- Taxpayers falling within the SIMEI regime;
- Taxpayers exempted by the special regime;
- Taxpayers who, during the whole month (from 1 to 28/29/30/31, as the case may be), are subject to the conditions of pending, prevented, canceled, suspended, suspended with restrictions, lowered, blocked or unused.

<sup>9</sup> The table below shows the total of, among the 391,760 returns filled- 2017, within and without operations, and among those, how many indicate tax to pay and how many do not.

Operations	Amount to pay	Total
Without operations	Without amount to pay	119,090
With operations	With amount to pay	174,761
	Without amount to pay	97,909
TOTAL		391,760

<sup>10</sup> The lack of filled return is the reason for the impediment of the taxpayer, as determined by art. 55, item XIII, letter b, c / c § 2 of this same article, all the devices listed in Annex I, Part II of SEFAZ-RJ Resolution 720/2014.

**Table 7. On-time Filing of VAT Declarations – Large taxpayers only for most recent 12-month period (2017).**

(Ref: POA 4)

Month	Number of declarations filed on-time <sup>1</sup>	Number of declarations expected to be filed <sup>2</sup>	On-time filing rate <sup>3</sup> (In percent)
January	1,662	1,732	96.0
February	1,676	1,704	98.4
March	1,684	1,694	99.4
April	1,672	1,692	98.8
May	1,676	1,690	99.2
June	1,683	1,693	99.4
July	1,689	1,701	99.3
August	1,690	1,702	99.3
September	1,702	1,706	99.8
October	1,320	1,706	77.4
November	1,676	1,684	99.5
December	1,672	1,686	99.2
<b>12-month total</b>	<b>19,802</b>	<b>20,390</b>	<b>97.1</b>

**Explanatory notes:**

<sup>1</sup> '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).

<sup>2</sup> '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.

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

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

**Tax Administration's notes:**

<sup>4</sup>The 100 largest companies were considered the biggest contributors in terms of collection. These companies account for 65% of the collection and contain 2,052 establishments. Relation follows as evidence, in the worksheet "Large Taxpayers".

## E. Electronic Services

<b>Table 8. Use of Electronic Services, 2015-17<sup>1</sup></b> (Ref: POAs 4 and 5)			
	2015	2016	2017
	<b>Electronic filing<sup>2</sup></b> (In percent of all declarations filed for each tax type)		
<i>1<sup>st</sup> main source of tax revenue (ICMS)</i>	100.0	100.0	100.0
<i>2<sup>nd</sup> main source of tax revenue</i>			
<i>3<sup>rd</sup> main source of tax revenue</i>			
	<b>Electronic payments<sup>3</sup></b> (In percent of total <b>number</b> of payments received for each tax type)		
<i>1<sup>st</sup> main source of tax revenue (ICMS)</i>	100.0	100.0	100.0
<i>2<sup>nd</sup> main source of tax revenue</i>			
<i>3<sup>rd</sup> main source of tax revenue</i>			
	<b>Electronic payments</b> (In percent of total <b>value</b> of payments received for each tax type)		
<i>1<sup>st</sup> main source of tax revenue (ICMS)</i>	100.0	100.0	100.0
<i>2<sup>nd</sup> main source of tax revenue</i>			
<i>3<sup>rd</sup> main source of tax revenue</i>			
<b>Explanatory notes:</b>  <sup>1</sup> 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.  <sup>2</sup> For purposes of this table, electronic filing involves facilities that enable taxpayers to complete tax declarations online and file those declarations via the Internet.  <sup>3</sup> 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 9. VAT Payments Made During 2017**

(Ref: POA 5)

	VAT payments made on-time <sup>1</sup>	VAT payments due <sup>2</sup>	On-time payment rate <sup>3</sup> (In percent)
<b>Number</b> of payments	143,126	170,754	83.8
<b>Value</b> of payments	11,673,431,035.61	15,867,128,542.50	73.6

**Explanatory notes:**

<sup>1</sup> 'On-time' payment means paid on or before the statutory due date for payment.

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

<sup>3</sup> 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:

$$\frac{\text{Number of VAT payments made by the due date}}{\text{Total number of VAT payments due}} \times 100$$

- The on-time payment rate by value is:

$$\frac{\text{Value of VAT payments made by the due date}}{\text{Total value of VAT payments due}} \times 100$$

## G. Domestic Tax Arrears

Table 10. Value of Tax Arrears, 2015 – 2017 <sup>1</sup> (Ref: POA 5)			
	2015	2016	2017
	In local currency (R\$)		
<b>Total Core tax revenue collections</b> (from Table 1) <b>(A)</b>	<b>30,271,461,472.84</b>	<b>29,351,194,081.45</b>	<b>30,643,930,577.67</b>
<b>Total Core tax arrears at end of fiscal year<sup>2</sup> (B)</b>	<b>36,264,853,873.13</b>	<b>34,588,843,620.42</b>	<b>36,899,517,802.56</b>
Declared ( <i>Por Declaração</i> - GIA-ICMS) <sup>7</sup>	3,937,389,964.48	4,403,643,020.14	4,782,262,444.88
Accrued due to audit ( <i>Por Auto de Infração</i> ) <sup>8</sup>	32,327,463,908.65	30,185,200,600.28	32,117,255,357.68
<b>Of which: Collectible<sup>3</sup> (C)</b>	<b>12,204,904,038.53</b>	<b>6,725,979,090.14</b>	<b>6,624,522,754.86</b>
Declared ( <i>Por Declaração</i> - GIA-ICMS) <sup>7</sup>	3,937,389,964.48	4,403,643,020.14	4,782,262,444.88
Accrued due to audit ( <i>Por Auto de Infração</i> ) <sup>8</sup>	8,267,514,074.05	2,322,336,070.00	1,842,260,309.98
<b>Of which: More than 12 months' old (D)</b>	<b>5,607,278,168.33</b>	<b>4,331,184,987.91</b>	<b>3,830,360,365.54</b>
Declared ( <i>Por Declaração</i> - GIA-ICMS) <sup>7</sup>	3,053,588,053.22	3,453,641,933.06	3,748,969,011.53
Accrued as a result of audit ( <i>Por Auto de Infração</i> ) <sup>8</sup>	2,553,690,115.11	877,543,054.85	81,391,354.01
	In percent		
Ratio of (B) to (A) <sup>4</sup>	119.8	117.8	120.4
Ratio of (C) to (A) <sup>5</sup>	40.3	22.9	21.6
Ratio of (D) to (B) <sup>6</sup>	15.5	12.5	10.4
<b>Explanatory notes:</b>			
<sup>1</sup> Data in this table will be used in assessing the value of tax arrears relative to annual collections, and examining the extent to which unpaid tax liabilities are significantly overdue (i.e. older than 12 months).			
<sup>2</sup> 'Total Core tax arrears' include tax, penalties, and accumulated interest.			
<sup>3</sup> 'Collectible' core tax arrears are 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 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).			
<sup>4</sup> i.e. $\frac{\text{Value of total Core tax arrears at end of fiscal year (B)}}{\text{Total core tax collected for fiscal year (A)}} \times 100$			
<sup>5</sup> i.e. $\frac{\text{Value of collectible core tax arrears at end of fiscal year (C)}}{\text{Total core tax collected for fiscal year (A)}} \times 100$			
<sup>6</sup> i.e. $\frac{\text{Value of core tax arrears >12 months old at end of year (D)}}{\text{Value of totalcore tax arrears at end of fiscal year (B)}} \times 100$			
<b>Tax Administration's notes:</b>			
<sup>7</sup> Tax only, without penalty and accrued interest			
<sup>8</sup> Value updated. Includes tax, fine and accrued interest.			
Comments:			
1. ICMS of companies under the Normal regime			
2. ICMS declared (excluding ICMS ST) minus the respective payments			

## H. Tax Dispute Resolution

**Table 11. Finalization of Administrative Reviews for most recent 12-month period. (2017)**  
(Ref: POA 7)

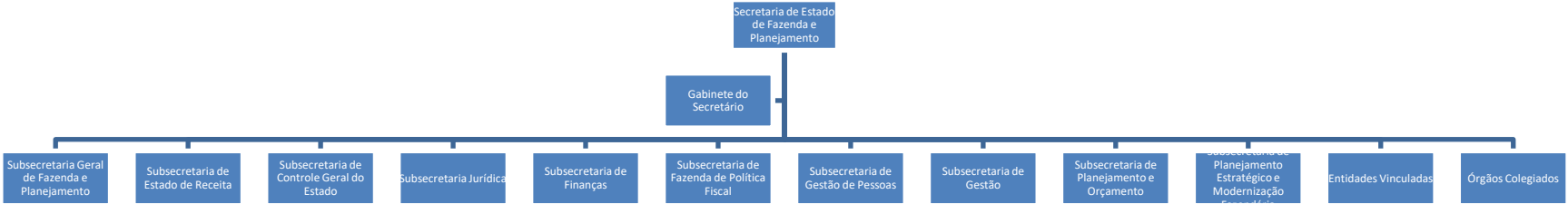
Month	Total number finalized	Finalized within 30 days		Finalized within 60 days		Finalized within 90 days	
		Number	In percent of total	Number	In percent of total	Number	In percent of total
January	309	0	0	0	0	43	13.9
February	302	0	0	0	0	41	13.6
March	284	0	0	4	1.4	48	16.9
April	266	0	0	7	2.6	36	13.5
May	266	2	0.8	4	1.5	33	12.4
June	283	0	0	2	0.7	29	10.2
July	281	0	0	1	0.4	40	14.2
August	255	0	0	3	1.2	32	12.5
September	213	0	0	0	0	30	14.1
October	227	0	0	0	0	16	7.0
November	291	0	0	0	0	21	7.2
December	260	0	0	4	1.5	40	15.4
<b>12-month total</b>	<b>3237</b>	<b>2</b>	<b>0.1</b>	<b>25</b>	<b>0.8</b>	<b>409</b>	<b>12.6</b>

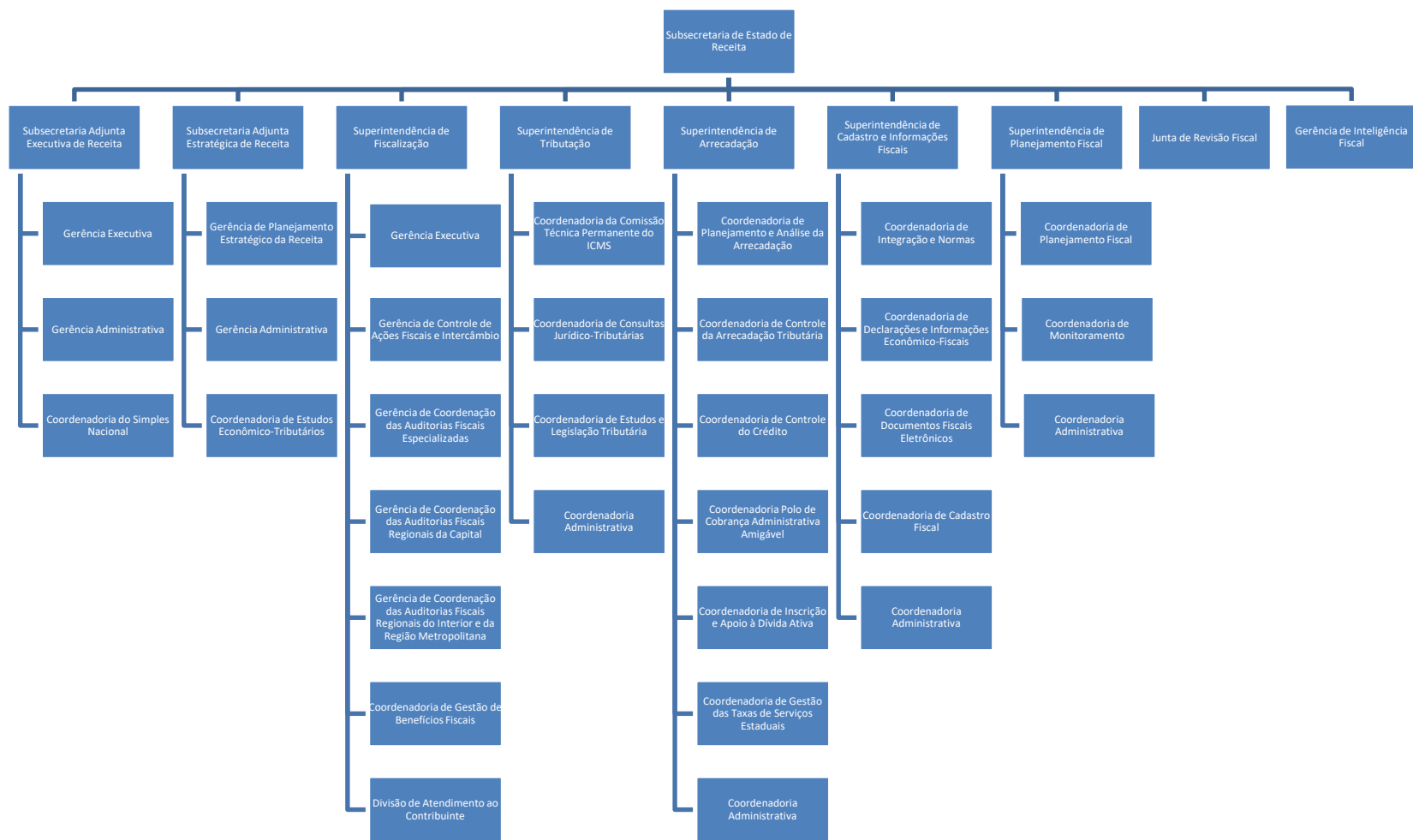
## I. Payment of VAT Refunds

**Table 12. VAT Refunds for most recent 12-month period. (2017)**  
(Ref: POA 8)

	Number of cases	In local currency
Total VAT refund claims received (A) <sup>6/7</sup>	32,051	18,962,349.07
Total VAT refunds paid <sup>1</sup>	146	2,132,632.72
Of which: paid within 30 days (B) <sup>2</sup>	0	0
Of which: paid outside 30 days	146	6,710,008.66
Total VAT refund claims declined <sup>3</sup>	No Data	No Data
Of which: declined within 30 days (C)	No Data	No Data
Of which: declined outside 30 days	No Data	No Data
Total VAT refund claims not processed <sup>4</sup>	1,905	16,829,716.35
Of which: no decision taken to decline refund	523	2,163,964.87
Of which: approved but not yet paid or offset	1,382	14,665,751.48
<b>In percent</b>		
Ratio of (B+C) to (A) <sup>5</sup>	No Data	No Data
<b>Explanatory note:</b>		
<sup>1</sup> Include all refunds paid, as well as refunds offset against other tax liabilities.		
<sup>2</sup> TADAT measures performance against a 30-day standard.		
<sup>3</sup> 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).		
<sup>4</sup> 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.		
<sup>5</sup> i.e. $\frac{\text{Value of VAT refunds paid within 30 days (B)} + \text{VAT refunds declined within 30 days (C)}}{\text{Value of all VAT refund claims received}} \times 100$		
<sup>6</sup> The refunds referred to above were extracted considering only the amounts included in the Collection System (ARR), which refer to the payment in currency of ICMS. The purge included the period from 01/01/2016 to 04/19/2018, considering that the implementation of SIAFE-RIO occurred on 01/01/2016.		
<sup>7</sup> The refunds not subject to payment, but materialized in the ARR System, such as ICMS Tax Credit, ICMS Credit Compensation and Refund of Annulled Collection, amount to R\$ 543,960,038.00, consubstantiating 879 cases, not considered in the Table 12.		

Attachment IV. Organizational Chart





## Attachment V. Sources of Evidence

Indicators	Sources of Evidence
P1-1. Accurate and reliable taxpayer information.	<ul style="list-style-type: none"> <li>• Rio de Janeiro State's Tax Code <a href="http://www.fazenda.rj.gov.br/sefaz/faces/menu_structure/legislacao/legislacao-tributaria-basica-navigation/folder/basicaEstadual?datasource=UCMServer%23dDocName%3A98925&amp;_adf.ctrl-state=3npfekcub_1&amp;_afLoop=3288351546122293&amp;_afWindowMode=0&amp;_afWindowId=null">http://www.fazenda.rj.gov.br/sefaz/faces/menu_structure/legislacao/legislacao-tributaria-basica-navigation/folder/basicaEstadual?datasource=UCMServer%23dDocName%3A98925&amp;_adf.ctrl-state=3npfekcub_1&amp;_afLoop=3288351546122293&amp;_afWindowMode=0&amp;_afWindowId=null</a></li> <li>• Resolution 89/2017 – <i>Regimento Interno Da Secretaria De Estado De Fazenda E Planejamento</i> <a href="http://www.fazenda.rj.gov.br/sefaz/content/conn/UCMServer/path/Contribution%20Folders/site_fazenda/legislacao/tributaria/resolucao/2017/RESOLUCAO%20SEFAZ%20N.%2089%20DE%2030%20DE%20JUNHO%20DE%202017.htm">http://www.fazenda.rj.gov.br/sefaz/content/conn/UCMServer/path/Contribution%20Folders/site_fazenda/legislacao/tributaria/resolucao/2017/RESOLUCAO%20SEFAZ%20N.%2089%20DE%2030%20DE%20JUNHO%20DE%202017.htm</a></li> <li>• Ordinance SUCIEF N° 3/2015 – Registration requirement in CAD-ICMS <a href="http://www.fazenda.rj.gov.br/sefaz/faces/menu_structure/legislacao/legislacao-estadual-navigation/coluna3/Portarias/Portarias-Tributaria?_afLoop=2851552464788017&amp;datasource=UCMServer%23dDocName%3AWCC277145&amp;_adf.ctrl-state=w1tdcuq20_238">http://www.fazenda.rj.gov.br/sefaz/faces/menu_structure/legislacao/legislacao-estadual-navigation/coluna3/Portarias/Portarias-Tributaria?_afLoop=2851552464788017&amp;datasource=UCMServer%23dDocName%3AWCC277145&amp;_adf.ctrl-state=w1tdcuq20_238</a></li> <li>• Resolution 720/2014, Annexes I e II – Accessory obligation of CAD-ICMS <a href="http://www.fazenda.rj.gov.br/sefaz/faces/menu_structure/legislacao/legislacao-estadual-navigation/coluna2/menu_legislacao_resolucoes/Resolucoes-Tributaria?datasource=UCMServer%23dDocName%3AWCC223386&amp;_afLoop=2851137979684082&amp;_afWindowMode=0&amp;_afWindowId=null&amp;_adf.ctrl-state=w1tdcuq20_40">http://www.fazenda.rj.gov.br/sefaz/faces/menu_structure/legislacao/legislacao-estadual-navigation/coluna2/menu_legislacao_resolucoes/Resolucoes-Tributaria?datasource=UCMServer%23dDocName%3AWCC223386&amp;_afLoop=2851137979684082&amp;_afWindowMode=0&amp;_afWindowId=null&amp;_adf.ctrl-state=w1tdcuq20_40</a></li> <li>• Printout of screen of systems: detail of the search system (SINCAD), actions to check the reliability and clean up database, data search filter, and audit trail of user access;</li> <li>• Complaints for the first half of January 2018 that generate tax actions for registration</li> <li>• Registration Verification Inspection Roadmap</li> <li>• Cleaning Up database action, print screen of the correction report</li> <li>• Cleaning Up database action - <i>Postos</i></li> <li>• Cleaning Up database action – <i>Rev. Autonomo</i></li> <li>• Cleaning Up database action – <i>Mesmo CNPJ - End Igual</i></li> <li>• Cleaning Up database action – <i>Mesmo CNPJ – End Diferente</i></li> <li>• Table 2 of attachment III;</li> <li>• Field Observation – Reports accessed: on-line taxpayers' database, taxpayers' website, JUCERJA and <i>Receita Federal do Brasil</i> integration.</li> </ul>
P1-2. Knowledge of the potential taxpayer base.	<ul style="list-style-type: none"> <li>• <i>Sistema de Inteligência Fiscal</i> (SIF) Exchange of information protocol: <a href="https://www.confaz.fazenda.gov.br/legislacao/protocolos/2009/pt066_09">https://www.confaz.fazenda.gov.br/legislacao/protocolos/2009/pt066_09</a></li> <li>• Protocol ICMS 66/09 - Permission protocol for Rio de Janeiro State: <a href="https://www.confaz.fazenda.gov.br/legislacao/protocolos/2011/pt077_11">https://www.confaz.fazenda.gov.br/legislacao/protocolos/2011/pt077_11</a></li> <li>• Checklist – blitz</li> <li>• Blitz Guideline - <i>Blitz em Estabelecimentos</i></li> </ul>

Indicators	Sources of Evidence
	<ul style="list-style-type: none"> <li>Report - <i>Denúncias primeira quinzena janeiro 2018 que geram ações fiscais de cadastro</i></li> <li>Field Observation: There are actions to integrate systems among SEFAZ/RJ, JUCERJA, and <i>Receita Federal do Brasil</i></li> </ul>
P2-3. Identification, assessment, ranking, and quantification of compliance risks.	<ul style="list-style-type: none"> <li>Resolution 89/2017 - <i>Regimento Interno Da Secretaria De Estado De Fazenda E Planejamento</i>  <a href="http://www.fazenda.rj.gov.br/sefaz/content/conn/UCMServer/path/Contribution%20Folders/site_fazenda/legislacao/tributaria/resolucao/2017/RESOLUCAO%20SEFAZ%20N.%2089%20DE%2030%20DE%20JUNHO%20DE%202017.htm">http://www.fazenda.rj.gov.br/sefaz/content/conn/UCMServer/path/Contribution%20Folders/site_fazenda/legislacao/tributaria/resolucao/2017/RESOLUCAO%20SEFAZ%20N.%2089%20DE%2030%20DE%20JUNHO%20DE%202017.htm</a></li> <li><i>Sistema de Inteligência Fiscal</i> (SIF) Exchange of information protocol::  <a href="https://www.confaz.fazenda.gov.br/legislacao/protocolos/2009/pt066_09">https://www.confaz.fazenda.gov.br/legislacao/protocolos/2009/pt066_09</a></li> <li>Protocol ICMS 66/09 - Permission protocol for Rio de Janeiro State:  <a href="https://www.confaz.fazenda.gov.br/legislacao/protocolos/2011/pt077_11">https://www.confaz.fazenda.gov.br/legislacao/protocolos/2011/pt077_11</a></li> <li>Field Observation: There is no tax compliance risk analysis</li> <li>Report – <i>Polo de Cobrança Março de 2018</i></li> <li>Report - <i>Relatório_2017-02-16_RJ_Atividades</i></li> <li>Press release from the website <i>Valor</i>: “<i>RJ amplia combate a empresas que omitem faturamento</i>”  <a href="http://www.valor.com.br/brasil/5473319/rj-amplia-combate-empresas-que-omitem-faturamento">http://www.valor.com.br/brasil/5473319/rj-amplia-combate-empresas-que-omitem-faturamento</a></li> </ul>
P2-4. Mitigation of risks through a compliance improvement plan.	<ul style="list-style-type: none"> <li>Field Observation: There is no tax compliance risk analysis;</li> <li>Plan of action: “<i>Planejamento da Fiscalização</i>”;</li> <li>Internal communicate SUPRAF (SUPRAF), nº 014/2017.</li> <li>Presentation - <i>AFE 05 siderurgia 28set17</i></li> <li>Audits Programs</li> </ul>
P2-5. Monitoring and evaluation of compliance risk mitigation activities.	<ul style="list-style-type: none"> <li>Field Observation: There is no tax compliance risk analysis.</li> <li>Decree nº 36.450/2004 – Technical Note SUPRAF nº 003/2017.</li> </ul>
P2-6. Identification, assessment, and mitigation of institutional risks.	<ul style="list-style-type: none"> <li>Plano de Ação- Incidente Sala Cofre</li> <li>Norma para gestão do backup</li> <li>Norma para o uso de correio eletrônico</li> <li>Norma para o uso do acesso a informação</li> <li>Norma para o uso do acesso a internet</li> <li>Plano Diretor da Tecnologia da Informação</li> <li>Política de Segurança da Informação</li> <li>Termo de Sigilo e Confidencialidade</li> <li>Field Observation: There is no tax compliance risk analysis. However, there are some general rules, ad hoc training, and one proposition for a new security plan for IT</li> </ul>
P3-7. Scope, currency, and accessibility of information.	<ul style="list-style-type: none"> <li>Resolution SEFAZ-RJ Nº 139/2017  <a href="http://www.fazenda.rj.gov.br/sefaz/faces/menu_structure/legislacao/legislacao-tributaria-basica-navigation/folder/basicaEstadual?_afzLoop=3289943269137677&amp;datasource=UCMServer%23dDocName%3AWCC200009&amp;_adf.ctrl-state=3npfekcub_42">http://www.fazenda.rj.gov.br/sefaz/faces/menu_structure/legislacao/legislacao-tributaria-basica-navigation/folder/basicaEstadual?_afzLoop=3289943269137677&amp;datasource=UCMServer%23dDocName%3AWCC200009&amp;_adf.ctrl-state=3npfekcub_42</a></li> </ul>

Indicators	Sources of Evidence
	<ul style="list-style-type: none"> <li>Secretaria da Fazenda do Rio de Janeiro website <a href="http://www.fazenda.rj.gov.br">www.fazenda.rj.gov.br</a></li> <li>Escola Fazendária da SEFAZ-RJ - Annual Training Plans and Reports <a href="http://www.efaz.fazenda.rj.gov.br/efaz/faces/efaz-navigation/Institucional/Planos-Relatorios?_adf.ctrl-state=1bk371d6su_5&amp;_afLoop=3473673370339205#!">http://www.efaz.fazenda.rj.gov.br/efaz/faces/efaz-navigation/Institucional/Planos-Relatorios?_adf.ctrl-state=1bk371d6su_5&amp;_afLoop=3473673370339205#!</a></li> <li><a href="http://www.efaz.fazenda.rj.gov.br/efaz/faces/efaz-navigation/EducacaoFiscal/Prog-Educ-Fiscal-Est?_adf.ctrl-state=w1f3b3r0_38&amp;_afLoop=3473867794901975#!">http://www.efaz.fazenda.rj.gov.br/efaz/faces/efaz-navigation/EducacaoFiscal/Prog-Educ-Fiscal-Est?_adf.ctrl-state=w1f3b3r0_38&amp;_afLoop=3473867794901975#!</a></li> <li><a href="http://www.efaz.fazenda.rj.gov.br/efaz/faces/efaz-navigation/EducacaoFiscal/Prog-Educ-Fiscal-Nac?_adf.ctrl-state=w1f3b3r0_38&amp;_afLoop=3473957138977499#!">http://www.efaz.fazenda.rj.gov.br/efaz/faces/efaz-navigation/EducacaoFiscal/Prog-Educ-Fiscal-Nac?_adf.ctrl-state=w1f3b3r0_38&amp;_afLoop=3473957138977499#!</a></li> <li>Public interview about the “Fisco Fácil” portal <a href="https://www.youtube.com/watch?v=ory6FZPooMY&amp;feature=youtu.be">https://www.youtube.com/watch?v=ory6FZPooMY&amp;feature=youtu.be</a></li> <li>Institutional video “Fisco Fácil” <a href="https://www.youtube.com/watch?v=DNbu8mSQcb8&amp;feature=youtu.be">https://www.youtube.com/watch?v=DNbu8mSQcb8&amp;feature=youtu.be</a></li> <li>SESCON/RJ website – information about “Fisco Fácil” <a href="http://www.sescon-rj.org.br/wp/noticia/envie-suas-duvidas-sobre-o-fisco-facil-para-o-sescon-rio-de-janeiro-2/">http://www.sescon-rj.org.br/wp/noticia/envie-suas-duvidas-sobre-o-fisco-facil-para-o-sescon-rio-de-janeiro-2/</a></li> <li>Print screen of “Fisco Fácil” system</li> <li>Binding normative opinions and examples of taxpayer questioning</li> <li>Table 3 of attachment III.</li> </ul>
P3-8. Scope of initiatives to reduce taxpayer compliance costs.	<ul style="list-style-type: none"> <li>Secretaria da Fazenda do Rio de Janeiro website <a href="http://www.fazenda.rj.gov.br">www.fazenda.rj.gov.br</a></li> <li>Simples Nacional website <a href="http://www8.receita.fazenda.gov.br/simplesnacional/Default.aspx">http://www8.receita.fazenda.gov.br/simplesnacional/Default.aspx</a></li> <li>Portaria Suar 19/2017 – Redução de Taxas <a href="http://www.fazenda.rj.gov.br/sefaz/faces/menu_structure/legislacao/legislacao-estadual-navigation/coluna2/menu_legislacao_resolucoes/Resolucoes-Tributaria?datasource=UCMServer%23dDocName%3AWCC205386&amp;_adf.ctrl-state=16eqkbvddr_1&amp;_afLoop=514121272669993&amp;_afWindowMode=0&amp;_afWindowId=null">http://www.fazenda.rj.gov.br/sefaz/faces/menu_structure/legislacao/legislacao-estadual-navigation/coluna2/menu_legislacao_resolucoes/Resolucoes-Tributaria?datasource=UCMServer%23dDocName%3AWCC205386&amp;_adf.ctrl-state=16eqkbvddr_1&amp;_afLoop=514121272669993&amp;_afWindowMode=0&amp;_afWindowId=null</a></li> <li>Resolução 720/2014 – Trata das obrigações acessórias - Desobriga Contribuintes do envio de declarações econômico fiscais e EFD <a href="http://www.fazenda.rj.gov.br/sefaz/faces/menu_structure/legislacao/legislacao-estadual-navigation/coluna2/menu_legislacao_resolucoes/Resolucoes-Tributaria?datasource=UCMServer%23dDocName%3AWCC222728&amp;_adf.ctrl-state=16eqkbvddr_24&amp;_afLoop=514260527389178&amp;_afWindowMode=0&amp;_afWindowId=null">http://www.fazenda.rj.gov.br/sefaz/faces/menu_structure/legislacao/legislacao-estadual-navigation/coluna2/menu_legislacao_resolucoes/Resolucoes-Tributaria?datasource=UCMServer%23dDocName%3AWCC222728&amp;_adf.ctrl-state=16eqkbvddr_24&amp;_afLoop=514260527389178&amp;_afWindowMode=0&amp;_afWindowId=null</a></li> <li>Resolução 109/2017 – Emissão de Certidão de Regularidade Fiscal por meio eletrônico <a href="http://www.fazenda.rj.gov.br/sefaz/faces/menu_structure/legislacao/legislacao-estadual-navigation/coluna2/menu_legislacao_resolucoes/Resolucoes-Tributaria?datasource=UCMServer%23dDocName%3AWCC196614&amp;_adf.ctrl-state=16eqkbvddr_24&amp;_afLoop=514260527389178&amp;_afWindowMode=0&amp;_afWindowId=null">http://www.fazenda.rj.gov.br/sefaz/faces/menu_structure/legislacao/legislacao-estadual-navigation/coluna2/menu_legislacao_resolucoes/Resolucoes-Tributaria?datasource=UCMServer%23dDocName%3AWCC196614&amp;_adf.ctrl-state=16eqkbvddr_24&amp;_afLoop=514260527389178&amp;_afWindowMode=0&amp;_afWindowId=null</a></li> </ul>

Indicators	Sources of Evidence
	<p><a href="#">state=16eqkbvddr_94&amp;_afrLoop=514772272053871&amp;_afrWindowMode=0&amp;_afrWindowId=null</a></p> <ul style="list-style-type: none"> <li>• Institutional video “<i>Fisco Fácil</i>”</li> </ul> <p><a href="https://www.youtube.com/watch?v=DNbu8mSQcb8&amp;feature=youtu.be">https://www.youtube.com/watch?v=DNbu8mSQcb8&amp;feature=youtu.be</a></p>
P3-9. Obtaining taxpayer feedback on products and services.	<ul style="list-style-type: none"> <li>• Secretaria da Fazenda do Rio de Janeiro “<i>Fale Conosco</i>” website <a href="http://www.fazenda.rj.gov.br/faleconosco">www.fazenda.rj.gov.br/faleconosco</a></li> </ul>
P4-10. On-time filing rate.	<ul style="list-style-type: none"> <li>• Tables 4, 5, 6 e 7 of attachment III</li> <li>• Tabela de prazos de recolhimentos do Tributo Principal</li> <li>• Verificação de Regularidade de Entrega - Tabela gerada pela SATI</li> <li>• Rules of obligation and disclaimer of declarations</li> <li>• Regularity of Delivery Verification - Table generated by SATI</li> </ul> <p>Resolution 720/2014, annex IX subsection II</p> <p><a href="http://www.fazenda.rj.gov.br/sefaz/faces/menu_structure/legislacao/legislacao-estadual-navigation/coluna2/menu_legislacao_resolucoes/Resolucoes-Tributaria?datasource=UCMServer%23dDocName%3AWCC223386&amp;_afrLoop=2851137979684082&amp;_afrWindowMode=0&amp;_afrWindowId=null&amp;_adf.ctrl-state=w1tdcuq20_40">http://www.fazenda.rj.gov.br/sefaz/faces/menu_structure/legislacao/legislacao-estadual-navigation/coluna2/menu_legislacao_resolucoes/Resolucoes-Tributaria?datasource=UCMServer%23dDocName%3AWCC223386&amp;_afrLoop=2851137979684082&amp;_afrWindowMode=0&amp;_afrWindowId=null&amp;_adf.ctrl-state=w1tdcuq20_40</a></p>
P4-11. Use of electronic filing facilities.	<ul style="list-style-type: none"> <li>• Table 8 of attachment III</li> <li>• Secretaria da Fazenda do Rio de Janeiro website – GIA/ICMS <a href="http://www.fazenda.rj.gov.br/giaicms">www.fazenda.rj.gov.br/giaicms</a></li> </ul>
P5-12. Use of electronic payment methods.	<ul style="list-style-type: none"> <li>• Table 8 of attachment III</li> <li>• Secretaria da Fazenda do Rio de Janeiro website – DARJ/GNRE <a href="http://www1.fazenda.rj.gov.br/projetoGCTBradesco/br/gov/rj/sef/gct/web/emitirdocumentoarrecadacao/DocumentoArrecadacaoController.jspf">http://www1.fazenda.rj.gov.br/projetoGCTBradesco/br/gov/rj/sef/gct/web/emitirdocumentoarrecadacao/DocumentoArrecadacaoController.jspf</a></li> </ul>
P5-13. Use of efficient collection systems.	<ul style="list-style-type: none"> <li>• Supplementary Law 87/1996 <a href="http://legislacao.planalto.gov.br/legisla/legislacao.nsf/Viw_Identificacao/lcp%2087-1996?OpenDocument">http://legislacao.planalto.gov.br/legisla/legislacao.nsf/Viw_Identificacao/lcp%2087-1996?OpenDocument</a></li> <li>• Secretaria da Fazenda do Rio de Janeiro website – GIA/ICMS <a href="http://www.fazenda.rj.gov.br/giaicms">www.fazenda.rj.gov.br/giaicms</a></li> </ul>
P5-14. Timeliness of payments.	<ul style="list-style-type: none"> <li>• Table 9 of attachment III</li> </ul>
P5-15. Stock and flow of tax arrears.	<ul style="list-style-type: none"> <li>• Table 10 of attachment III</li> </ul>
P6-16. Scope of verification actions taken to detect and deter inaccurate reporting.	<ul style="list-style-type: none"> <li>• Minutes of work meeting (April 28, 2017)</li> <li>• Minutes of work meeting of June 7, 2017 (<i>Simples Nacional</i> planning)</li> <li>• Technical Note SUPLAF 003/2017</li> <li>• Apresentação AFE 05 siderurgia (September 28, 2017)</li> </ul>
P6-17. Extent of proactive	<ul style="list-style-type: none"> <li>• Minutes of work meeting SSER (May 5, 2017)</li> </ul>

<b>Indicators</b>	<b>Sources of Evidence</b>
initiatives to encourage accurate reporting.	<ul style="list-style-type: none"> <li>Technical note - Decree 36.450/04 - meeting 19 04 18 - Surveys carried out to identify possible indications of noncompliance with tax requirements and constraints</li> </ul>
P6-18. Monitoring the extent of inaccurate reporting.	<ul style="list-style-type: none"> <li>Field Observation: There is no monitoring about the extension of the incorrect data.</li> </ul>
P7-19. Existence of an independent, workable, and graduated dispute resolution process.	<ul style="list-style-type: none"> <li>Table 11 of attachment III</li> <li>Constitution of the Federative Republic of Brazil <a href="http://www.stf.jus.br/repositorio/cms/portalsStfInternacional/portalsStfSobreCorte_en_us/anexo/Constitution_2013.pdf">http://www.stf.jus.br/repositorio/cms/portalsStfInternacional/portalsStfSobreCorte_en_us/anexo/Constitution_2013.pdf</a></li> <li>National Tax Code <a href="http://www.planalto.gov.br/CCivil_03/leis/L5172.htm?TSPD_101_R0=c0e4bc203565757695f0a708a240cc5eA400000000000000048462bbdffff0000000000000000000000000000005ade8db4008c712a34">http://www.planalto.gov.br/CCivil_03/leis/L5172.htm?TSPD_101_R0=c0e4bc203565757695f0a708a240cc5eA400000000000000048462bbdffff0000000000000000000000000000005ade8db4008c712a34</a></li> <li>Rio de Janeiro State's Tax Code <a href="http://www.fazenda.rj.gov.br/sefaz/faces/menu_structure/legislacao/legislacao-tributaria-basica-navigation/folder/basicaEstadual?datasource=UCMServer%23dDocName%3A98925&amp;_adf.ctrl-state=3npfekcub_1&amp;_afLoop=3288351546122293&amp;_afWindowMode=0&amp;_afWindowId=null">http://www.fazenda.rj.gov.br/sefaz/faces/menu_structure/legislacao/legislacao-tributaria-basica-navigation/folder/basicaEstadual?datasource=UCMServer%23dDocName%3A98925&amp;_adf.ctrl-state=3npfekcub_1&amp;_afLoop=3288351546122293&amp;_afWindowMode=0&amp;_afWindowId=null</a></li> <li><i>Processo Administrativo Tributário – PAT</i> <a href="http://www.fazenda.rj.gov.br/sefaz/faces/oracle/webcenter/sitestructure/render.jspx?datasource=UCMServer%23dDocName%3A730422&amp;_afLoop=3325376054246126&amp;_afWindowMode=0&amp;_afWindowId=null&amp;_adf.ctrl-state=2lnvr92ey_24">http://www.fazenda.rj.gov.br/sefaz/faces/oracle/webcenter/sitestructure/render.jspx?datasource=UCMServer%23dDocName%3A730422&amp;_afLoop=3325376054246126&amp;_afWindowMode=0&amp;_afWindowId=null&amp;_adf.ctrl-state=2lnvr92ey_24</a></li> <li>Code of Civil Procedure <a href="http://www.planalto.gov.br/ccivil_03/_ato2015-2018/2015/lei/113105.htm">http://www.planalto.gov.br/ccivil_03/_ato2015-2018/2015/lei/113105.htm</a></li> <li>Resolution SER N.º 023 de 16 de maio de 2003 <a href="http://www.fazenda.rj.gov.br/sefaz/faces/menu_structure/servicos?_afLoop=2085003945317393&amp;datasource=UCMServer%23dDocName%3A82468&amp;_adf.ctrl-state=191zrfx21u_239">http://www.fazenda.rj.gov.br/sefaz/faces/menu_structure/servicos?_afLoop=2085003945317393&amp;datasource=UCMServer%23dDocName%3A82468&amp;_adf.ctrl-state=191zrfx21u_239</a></li> <li>Resolution SEFCON N.º 5.927 de 21 de março de 2001 <a href="http://www.fazenda.rj.gov.br/sefaz/faces/menu_structure/portais?_afLoop=1838552391343359&amp;datasource=UCMServer%23dDocName%3A416024&amp;_adf.ctrl-state=fmbgyw17_247">http://www.fazenda.rj.gov.br/sefaz/faces/menu_structure/portais?_afLoop=1838552391343359&amp;datasource=UCMServer%23dDocName%3A416024&amp;_adf.ctrl-state=fmbgyw17_247</a></li> <li>SEFAZ/RJ's Chart <a href="http://www.fazenda.rj.gov.br/sefaz/faces/menu_structure/instituicao/navigation9/folder/Estrutura?_adf.ctrl-state=mwklo38o5_193&amp;_afLoop=1828155276779910">http://www.fazenda.rj.gov.br/sefaz/faces/menu_structure/instituicao/navigation9/folder/Estrutura?_adf.ctrl-state=mwklo38o5_193&amp;_afLoop=1828155276779910</a></li> <li>Resolution SER N.º 023 de 16 de maio de 2003 <a href="http://www.fazenda.rj.gov.br/sefaz/faces/menu_structure/servicos?_afLoop=2085003945317393&amp;datasource=UCMServer%23dDocName%3A82468&amp;_adf.ctrl-state=191zrfx21u_239">http://www.fazenda.rj.gov.br/sefaz/faces/menu_structure/servicos?_afLoop=2085003945317393&amp;datasource=UCMServer%23dDocName%3A82468&amp;_adf.ctrl-state=191zrfx21u_239</a></li> </ul>

Indicators	Sources of Evidence
	<ul style="list-style-type: none"> <li>• TADAT - SEFAZ-RJ - Contencioso - informação complementar (April 19, 2018)</li> <li>• Início do Procedimento Prévio de Ofício DECRETO 45950 2017</li> <li>• Intimação do Contribuinte – Decisão de Julgamento</li> <li>• Texto Auto de infração - Informações de Procedimentos</li> <li>• Cria o grupo de trabalho - Propostas de adequação e simplificação da Legislação Tributária do Estado do Rio de Janeiro</li> <li>• Produtividade da Junta de Revisão Fiscal 2017</li> <li>• Regimento Interno Conselho de Contribuintes do Estado do Rio de Janeiro</li> <li>• Regimento Interno Junta de Revisão Fiscal</li> </ul>
P7-20. Time taken to resolve disputes.	<ul style="list-style-type: none"> <li>• <i>Junta de Revisão Fiscal</i> - JRF website  <a href="http://www.fazenda.rj.gov.br/sefaz/faces/menu_structure/servicos/navigation/Contribuinte/conluna1/menu_servico_icms/ICMS-MaisOpcoes?_afLoop=1825701187625723&amp;datasource=UCMServer%23dDocName%3A108791&amp;_adf.ctrl-state=mwklo38o5_147">http://www.fazenda.rj.gov.br/sefaz/faces/menu_structure/servicos/navigation/Contribuinte/conluna1/menu_servico_icms/ICMS-MaisOpcoes?_afLoop=1825701187625723&amp;datasource=UCMServer%23dDocName%3A108791&amp;_adf.ctrl-state=mwklo38o5_147</a></li> <li>• Judgment Guidelines website  <a href="http://www.fazenda.rj.gov.br/sefaz/faces/oracle/webcenter/portalapp/pages/buscas/buscaPautas.jspx?_afLoop=1825751620193082&amp;_afWindowMode=0&amp;_afWindowId=ne27z4nva&amp;_adf.ctrl-state=mwklo38o5_166">http://www.fazenda.rj.gov.br/sefaz/faces/oracle/webcenter/portalapp/pages/buscas/buscaPautas.jspx?_afLoop=1825751620193082&amp;_afWindowMode=0&amp;_afWindowId=ne27z4nva&amp;_adf.ctrl-state=mwklo38o5_166</a></li> </ul>
P7-21. Degree to which dispute outcomes are acted upon.	<ul style="list-style-type: none"> <li>• SEFAZ-RJ website - Decisions search  <a href="http://www.fazenda.rj.gov.br/sefaz/faces/oracle/webcenter/portalapp/pages/buscas/buscaDeciso.jspx?_afLoop=1825772905583328&amp;_afWindowMode=0&amp;_afWindowId=ne27z4nva&amp;_adf.ctrl-state=mwklo38o5_189">http://www.fazenda.rj.gov.br/sefaz/faces/oracle/webcenter/portalapp/pages/buscas/buscaDeciso.jspx?_afLoop=1825772905583328&amp;_afWindowMode=0&amp;_afWindowId=ne27z4nva&amp;_adf.ctrl-state=mwklo38o5_189</a></li> <li>• SEFAZ-RJ website - Random distribution of cases  <a href="http://www.fazenda.rj.gov.br/sefaz/faces/menu_structure/portais?_afLoop=1840972068921637&amp;datasource=UCMServer%23dDocName%3AWCC196281&amp;_adf.ctrl-state=flmbgyw17_604">http://www.fazenda.rj.gov.br/sefaz/faces/menu_structure/portais?_afLoop=1840972068921637&amp;datasource=UCMServer%23dDocName%3AWCC196281&amp;_adf.ctrl-state=flmbgyw17_604</a></li> </ul>
P8-22. Contribution to government tax revenue forecasting process.	<ul style="list-style-type: none"> <li>• Resolution 89/2017 – <i>Regimento Interno da Secretaria De Estado De Fazenda E Planejamento</i>, article 88  <a href="http://www.fazenda.rj.gov.br/sefaz/content/conn/UCMServer/path/Contribution%20Folders/site_fazenda/legislacao/tributaria/resolucao/2017/RESOLUCAO%20SEFAZ%20N.º%2089%20DE%2030%20DE%20JUNHO%20DE%202017.htm">http://www.fazenda.rj.gov.br/sefaz/content/conn/UCMServer/path/Contribution%20Folders/site_fazenda/legislacao/tributaria/resolucao/2017/RESOLUCAO%20SEFAZ%20N.º%2089%20DE%2030%20DE%20JUNHO%20DE%202017.htm</a></li> <li>• Technical Note SUPOF/SEFAZ/RJ 02/2017  <a href="http://www.transparencia.rj.gov.br/transparencia/content/conn/UCMServer/path/Contribution%20Folders/site_fazenda/transpFiscal/notas_tecnicas_supof/2017/Nota%20T%C3%A9cnica%2002%20-%202017-%201%C2%AA%20Revis%C3%A3o%20de%20Receita.pdf?lve">http://www.transparencia.rj.gov.br/transparencia/content/conn/UCMServer/path/Contribution%20Folders/site_fazenda/transpFiscal/notas_tecnicas_supof/2017/Nota%20T%C3%A9cnica%2002%20-%202017-%201%C2%AA%20Revis%C3%A3o%20de%20Receita.pdf?lve</a></li> <li>• Technical Note SUPOF/SEFAZ/RJ 03/2017  <a href="http://www.transparencia.rj.gov.br/sefaz/content/conn/UCMServer/uuid/dDocName%3aWCC193201">http://www.transparencia.rj.gov.br/sefaz/content/conn/UCMServer/uuid/dDocName%3aWCC193201</a></li> <li>• Technical Note SUPOF/SEFAZ/RJ 10/2017  <a href="http://www.transparencia.rj.gov.br/sefaz/content/conn/UCMServer/uuid/dDocName%3aWCC202857">http://www.transparencia.rj.gov.br/sefaz/content/conn/UCMServer/uuid/dDocName%3aWCC202857</a></li> <li>• CPAA_SUAR – Collection Final Report;</li> <li>• Collection Monitoring - Daily e-mail</li> </ul>

Indicators	Sources of Evidence
	<ul style="list-style-type: none"> <li>• Report: “<i>Previsão de Arrecadação Março 2018</i>”</li> <li>• Modelo de Projeção das Receitas do Estado do Rio de Janeiro</li> <li>• Filtros para pesquisa de omissos de DUB</li> <li>• Levantamento de Requisitos - Melhorias do Documento de Utilização de Benefício</li> <li>• Guideline of the <i>Documento de Utilização de Benefício</i></li> <li>• Portaria SUBGERAL 2017_026 - Grupo do Documento de Utilização de Benefício</li> <li>• Print screen - <i>consulta a omissos de Documento de Utilização de Benefício</i></li> <li>• Opening Statement of the <i>Documento de Utilização de Benefício</i> Project</li> </ul>
P8-23. Adequacy of the tax revenue accounting system.	<ul style="list-style-type: none"> <li>• CUTE – Resolution SEFAZ-RJ 779/2014 <a href="http://www.fazenda.rj.gov.br/sefaz/content/conn/UCMServer/path/Contribution%20Folders/site_fazenda/legislacao/financeira/resolucao/2014/779.htm">http://www.fazenda.rj.gov.br/sefaz/content/conn/UCMServer/path/Contribution%20Folders/site_fazenda/legislacao/financeira/resolucao/2014/779.htm</a></li> <li>• SIAFE-Rio website <a href="http://www.fazenda.rj.gov.br/siaferio/faces/wcnav_defaultSelection.jsessionid=bHr1lqexTL9NeNujs6ouH-JMM3wjc23ph3SAFB4b8wlf-W3rTV1b!-485941446?_afLoop=3329297247146965&amp;_afWindowMode=0&amp;_afWindowId=null&amp;_adf.ctrl-state=1rbvj6ahm_1">http://www.fazenda.rj.gov.br/siaferio/faces/wcnav_defaultSelection.jsessionid=bHr1lqexTL9NeNujs6ouH-JMM3wjc23ph3SAFB4b8wlf-W3rTV1b!-485941446?_afLoop=3329297247146965&amp;_afWindowMode=0&amp;_afWindowId=null&amp;_adf.ctrl-state=1rbvj6ahm_1</a></li> </ul>
P8-24. Adequacy of tax refund processing.	<ul style="list-style-type: none"> <li>• Table 12 of attachment III</li> <li>• Resolution 191/2017 <a href="http://www.fazenda.rj.gov.br/sefaz/content/conn/UCMServer/path/Contribution%20Folders/site_fazenda/legislacao/tributaria/resolucao/2017/RESOLUÇÃO%20SEFAZ%20N.º%20191%20DE%2027%20DE%20DEZEMBRO%20DE%202017.htm">http://www.fazenda.rj.gov.br/sefaz/content/conn/UCMServer/path/Contribution%20Folders/site_fazenda/legislacao/tributaria/resolucao/2017/RESOLUÇÃO%20SEFAZ%20N.º%20191%20DE%2027%20DE%20DEZEMBRO%20DE%202017.htm</a></li> </ul>
P9-25. Internal assurance mechanisms.	<ul style="list-style-type: none"> <li>• Resolution SEFAZ-RJ 89/2017 <a href="http://www.fazenda.rj.gov.br/sefaz/content/conn/UCMServer/path/Contribution%20Folders/site_fazenda/legislacao/tributaria/resolucao/2017/RESOLUÇÃO%20SEFAZ%20N.º%2089%20DE%2030%20DE%20JUNHO%20DE%202017.htm">http://www.fazenda.rj.gov.br/sefaz/content/conn/UCMServer/path/Contribution%20Folders/site_fazenda/legislacao/tributaria/resolucao/2017/RESOLUÇÃO%20SEFAZ%20N.º%2089%20DE%2030%20DE%20JUNHO%20DE%202017.htm</a></li> <li>• Resolution SEFAZ-RJ 118/2017 <a href="http://www.fazenda.rj.gov.br/sefaz/faces/menu_structure/legislacao/legislacao-estadual-navigation/coluna2/menu_legislacao_resolucoes/Resolucoes-Tributaria?_afLoop=1754043253416249&amp;datasource=UCMServer%23dDocName%3AWCC198198&amp;_adf.ctrl-state=vmf94glyi_126">http://www.fazenda.rj.gov.br/sefaz/faces/menu_structure/legislacao/legislacao-estadual-navigation/coluna2/menu_legislacao_resolucoes/Resolucoes-Tributaria?_afLoop=1754043253416249&amp;datasource=UCMServer%23dDocName%3AWCC198198&amp;_adf.ctrl-state=vmf94glyi_126</a></li> <li>• Supplementary Law 69/90 <a href="http://alerjln1.alerj.rj.gov.br/CONTLEI.NSF/1dd40aed4fced2c5032564ff0062e425/5bb1c8b0224a3980032565d000655c27?OpenDocument">http://alerjln1.alerj.rj.gov.br/CONTLEI.NSF/1dd40aed4fced2c5032564ff0062e425/5bb1c8b0224a3980032565d000655c27?OpenDocument</a></li> <li>• Secretary’s manifestation in the process E-04/084/7/2017</li> <li>• SSER manifestation in the process E-04/084/7/2017</li> <li>• Correction Program 2017</li> <li>• Decree 42.553/2010 <a href="http://www.fazenda.rj.gov.br/sefaz/content/conn/UCMServer/uuid/dDocName%3AWCC188713">http://www.fazenda.rj.gov.br/sefaz/content/conn/UCMServer/uuid/dDocName%3AWCC188713</a></li> <li>• SEFAZ-RJ school website – Fiscal Education project <a href="http://www.efaz.fazenda.rj.gov.br/efaz/faces/oracle/webcenter/portalapp/pages/noticia/noticia.jsp?noticiaId=WCC191414">http://www.efaz.fazenda.rj.gov.br/efaz/faces/oracle/webcenter/portalapp/pages/noticia/noticia.jsp?noticiaId=WCC191414</a></li> </ul>

Indicators	Sources of Evidence
	<ul style="list-style-type: none"> <li>SEFAZ-RJ school website - Constitutional City project <a href="http://www.efaz.fazenda.rj.gov.br/efaz/faces/oracle/webcenter/portalapp/pages/noticia/noticia.jspx?noticiaId=WCC205028">http://www.efaz.fazenda.rj.gov.br/efaz/faces/oracle/webcenter/portalapp/pages/noticia/noticia.jspx?noticiaId=WCC205028</a></li> </ul>
P9-26. External oversight of the tax administration.	<ul style="list-style-type: none"> <li>Vote GC-7 in Process TCE-RJ 108 773-3/16</li> <li>Minutes of the Board of Internal Affairs' Office 2017</li> <li>Ombudsman Statistics Report - <i>QUARTO TRIMESTRE de 2017</i></li> <li>TCE-RJ website <a href="http://consulta.tce.rj.gov.br/consulta-processo/pesquisa?tipo=estado">http://consulta.tce.rj.gov.br/consulta-processo/pesquisa?tipo=estado</a></li> <li>Resolution SEFAZ-RJ 45/2007 <a href="http://www.fazenda.rj.gov.br/sefaz/faces/menu_structure/portais?_afLoop=3328555679418390&amp;datasource=UCMServer%23dDocName%3A82777&amp;adf.ctrl-state=2lnvr92ey_143">http://www.fazenda.rj.gov.br/sefaz/faces/menu_structure/portais?_afLoop=3328555679418390&amp;datasource=UCMServer%23dDocName%3A82777&amp;adf.ctrl-state=2lnvr92ey_143</a></li> <li>Ombudsman website <a href="http://www.fazenda.rj.gov.br/sefaz/faces/formOuvidoria?_afLoop=2086860710747806&amp;_afWindowMode=0&amp;_afWindowId=null&amp;adf.ctrl-state=6ns218wry_245">http://www.fazenda.rj.gov.br/sefaz/faces/formOuvidoria?_afLoop=2086860710747806&amp;_afWindowMode=0&amp;_afWindowId=null&amp;adf.ctrl-state=6ns218wry_245</a></li> </ul>
P9-27. Public perception of integrity.	<ul style="list-style-type: none"> <li>Field Observation: There is no system or mechanism for conducting independent third-party surveys to monitor public confidence in SEFAZ-RJ.</li> </ul>
P9-28. Publication of activities, results, and plans.	<ul style="list-style-type: none"> <li>Field Observation: SEFAZ-RJ has not prepared annual reports of its performance in recent years. The last strategic plan was prepared and published in 2012.</li> <li>Publication in the Official Gazette of the State of Rio de Janeiro - pages 10 to 13 - <i>Plano Estratégico Preliminar - 2012 a 2015 da Secretaria de Estado de Fazenda</i>.</li> </ul>

