

# TADAT

## *The TADAT Framework—An Overview*



Presentation by Fiscal Affairs Department, IMF

## *Seminar on MTRS and Related Issues*



Views are author's alone and should not be attributed to the IMF, its Executive Boards, or its management

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# Outline



**Introduction to  
TADAT**

**TADAT  
framework**

**TADAT  
assessments**

**Lessons  
learned**

# What is TADAT?



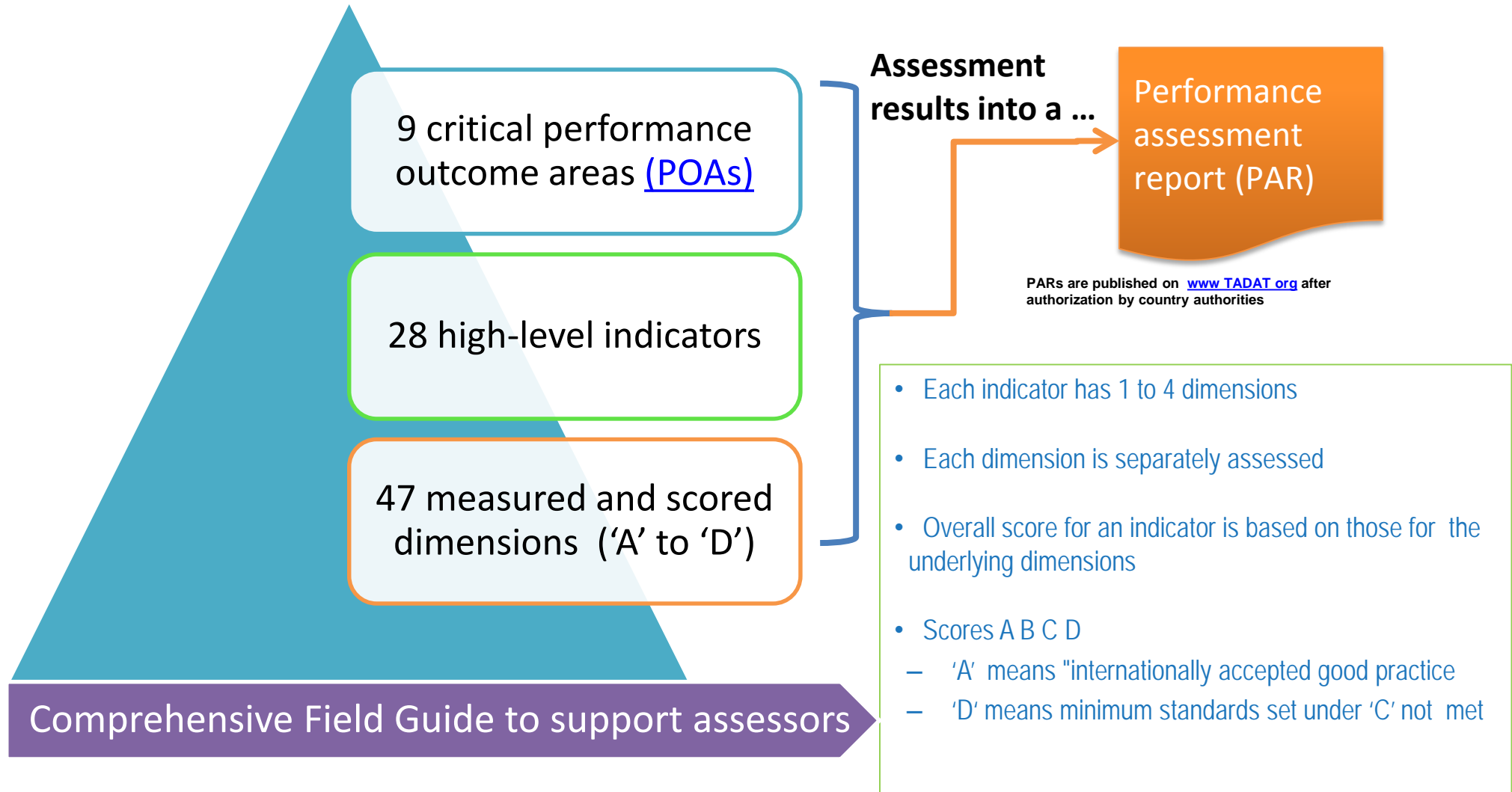
- Tool to provide objective, standardized performance assessment of a country's system of tax administration
- Assesses the performance outcomes achieved for major national domestic direct and indirect taxes critical to central government budget outcomes
- Identifies relative strengths/weaknesses in a country's system of tax administration
- Facilitates a shared view of tax administration's health among stakeholders
- Strengthens design of tax administration reform initiatives
- Establishes basis for monitoring and evaluating reform progress towards established/targeted outcomes using repeat assessments

# Why is TADAT needed?



- Tax collection is a central—even a defining—function of government
- Weak tax administration compromises development, growth and trust in government
- Challenges are very similar across tax administrations at all levels of development
- Need and scope for a standardized assessment tool providing objective view of the tax administration system's health and areas that need reform or strengthening

# The TADAT hierarchy



# The 9 Performance Outcome Areas (POAs)



# Applying the TADAT framework—Key principles



- Only trained assessors undertake TADAT assessments
- Ensure quality through all assessment phases
- Assure tax administrations, TADAT partners and other stakeholders that assessment results are credible
- Essential because critical decisions can be taken based on assessment results
- TADAT Secretariat quality assures and certifies all Performance Assessment reports (PARs)
- Publication of PARs is encouraged



# Phases of a TADAT Assessment

- Phase 1: Assessment initiation
- Phase 2: Pre-assessment
- Phase 3. In-country assessment
- Phase 4. Post-assessment



# TADAT assessments—number and coverage



## Proof of concept phase (2013 – 2014)

- **4 assessments:** Zambia, Norway, South Africa and Paraguay

## Technical pilot phase (2015)

- **13 assessments:** Fiji, Mozambique, Kosovo, Malawi, Cote d'Ivoire, Madagascar, Malaysia, Rwanda, Uganda, Egypt, Montenegro, Jamaica and Philippines

## Steady state phase (2016 ...)

- **20 assessments completed in 2016:** Comoros, Tanzania, Jordan, Ethiopia, Serbia, Macedonia, Namibia, Vietnam, Zambia (repeat), Georgia, Albania, Liberia, Kyrgyzstan, Sierra Leone, DR Congo, Romania, Barbados, Armenia, Kenya and Dominican Republic
- **Completed to September 2017:** Bangladesh, Cameroon, Ghana, Guyana, Mauritius and Peru
- **Indicative upcoming in 2017/18:** Alagoas, Burkina Faso, The Gambia, Guatemala, Honduras, Moldova, Niger, Nigeria, Trinidad and Tobago and Zanzibar

## A mix of agencies have thus far sponsored or lead assessments:

- European Commission
- IMF-FAD
- Germany (GIZ)
- Switzerland (SECO)
- USAID
- World Bank

# An example of TADAT assessment results—Georgia



## Overview

### Main strengths and weaknesses

#### Strengths

- Extensive use of modern information technology (IT) applications (taxpayer portal, e-filing, e-payment, tablets for district tax officers)
- Good taxpayer service record (call center, service centers)
- Willingness to embrace innovation
- Effective advance payment system
- Emerging focus on compliance risk assessment and management
- Good engagement with taxpayers (public rulings, open door days, student education program)
- Simplified systems for small taxpayers
- Accessible and independent dispute resolution mechanism

#### Weaknesses

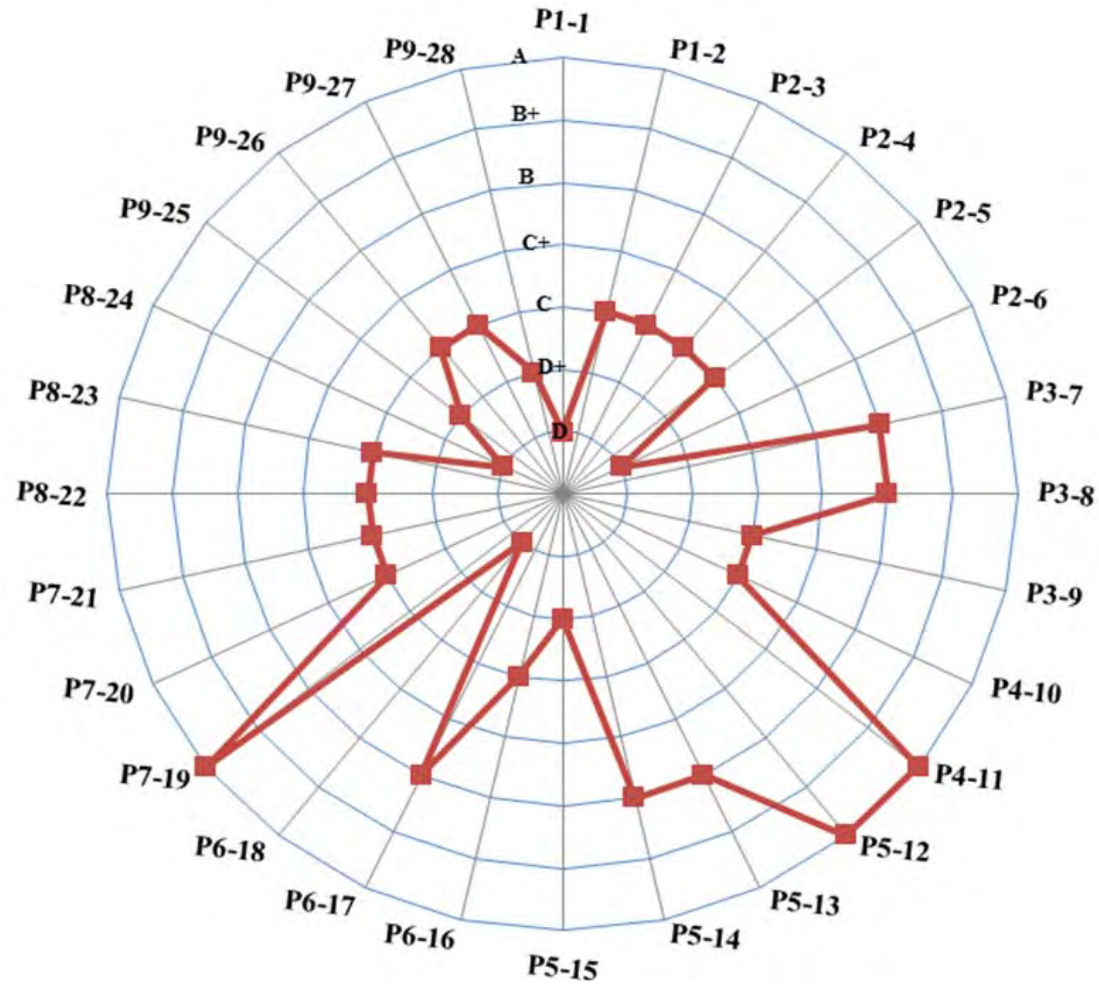
- Organization-wide weaknesses in operational planning and performance monitoring
- Lack of control of the tax register
- Low filing compliance rates with inadequate follow-up of non-filers
- Serious flaws in the design and operation of the VAT refund system with consequent accumulation of unpaid VAT credits
- Very restricted access to bank account data
- Large and growing stock of old and uncollectible arrears
- No focus on institutional risks
- General failure to evaluate impact of initiatives (satisfaction surveys, impact of audit and compliance mitigation programs)

# Summarized in a 'spider' chart



Graphical  
view

Distribution of  
Performance  
Scores

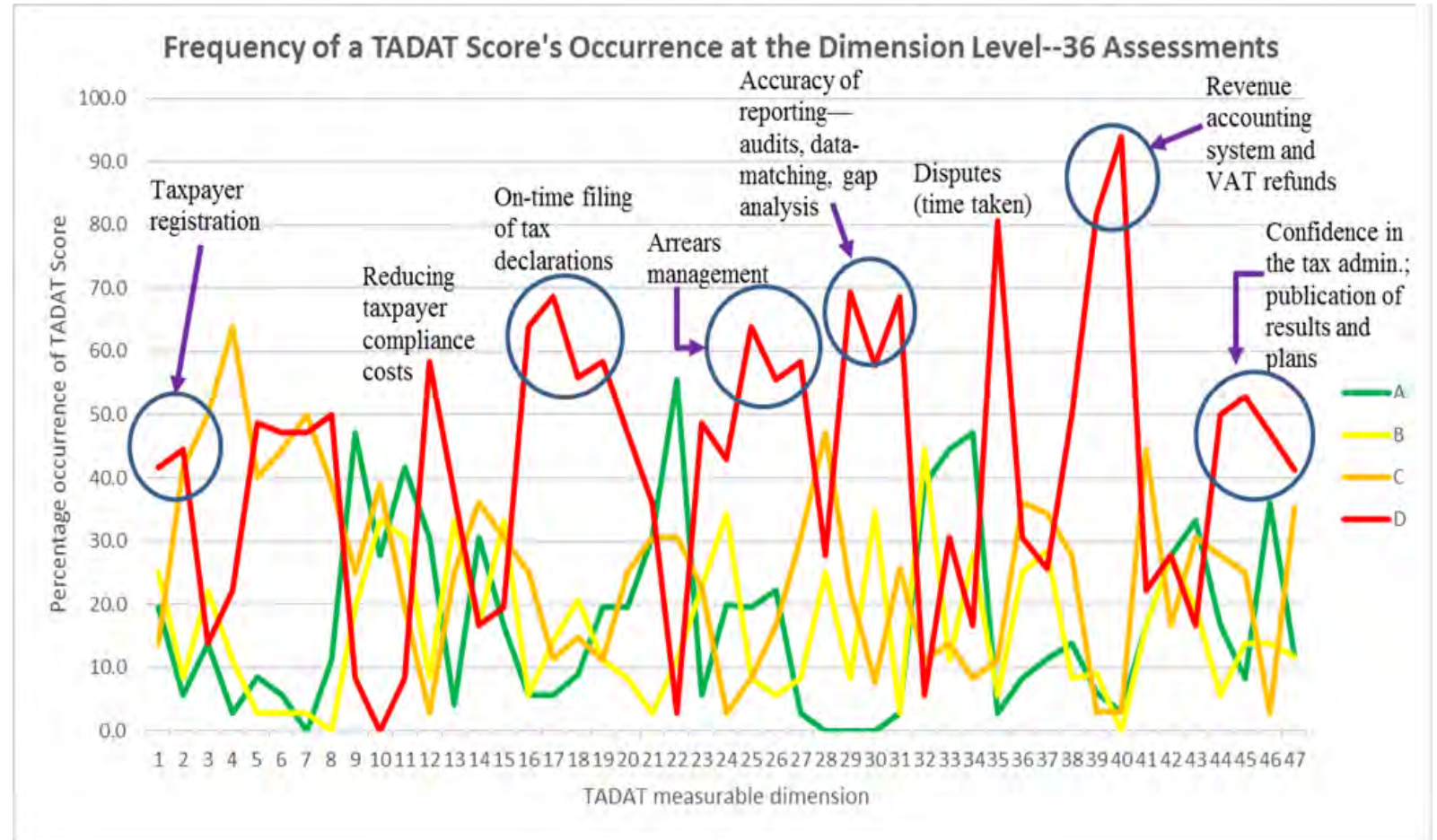


# Modal Ratings Across 36 Countries



Graphical view

TADAT Assessment Scores--Health Status Across All POAs for 36 Tax Administrations





# Linkages to tax administration reform programs

- Evidence shows that assessment results are being used to:
  - ✓ Inform tax administrations on linkages between various outcomes areas, e.g., that inaccurate taxpayer registers impact risk management programs, filing, payment and accuracy of reporting
  - ✓ Develop better tax administration reform programs
  - ✓ Refine strategic direction and related work plans
  - ✓ Inform policy dialogue—multilateral (e.g. EC, IMF, World Bank) and bilateral
  - ✓ Strengthen tax administration performance monitoring and evaluation metrics
  - ✓ Refine capacity building curricula in some tax administrations
- Key challenges for tax administrations
  - ✓ Inaccurate data presented as evidence during TADAT assessments still a major problem
  - ✓ Elements of silo-based rather than holistic tax administration management
  - ✓ Focusing on revenue targets—a common distraction—rather than on embedding good tax administration practices

# Emerging lessons for the TADAT Framework



- Outcomes and evidence-based approach is viable
- A meaningful assessment requires the active involvement of country tax administration and related agencies' staff in all phases
- Rigor of assessments is an imperative
- TADAT assessments have most value if translated quickly into better designed/sequenced/coordinated/implemented and monitored tax administration reforms

# Also check out our e-links...



<http://www.tadat.org/>

<https://www.tadatpocketguide.com/>

# Thank you