

Revenue Administration's

# Fiscal Information Tool



## The 5th IMF-Japan High-Level Tax Conference for Asian Countries

Fiscal Affairs Department

April 2014



# Presentation Overview



- RA-FIT Project
- RA-FIT Questionnaire
- Preliminary Results of the 1<sup>st</sup> Iteration
- **Launching the 2<sup>nd</sup> Iteration**

# RA-FIT Project



## RA-FIT is an IMF initiative to:

- Gather and analyze revenue administration data (quantitative and qualitative)
- Establish baseline measures by appropriate grouping (e.g. regions/income level)
- Elevate the importance of revenue administration performance measurement
- Make data/analysis available to member countries for improving cross-country comparisons and benchmarking (*seek to provide data, not rank administrations*)
- Improve the quality and effectiveness of IMF's Technical Assistance

# Questionnaire Structure (1<sup>st</sup> Iteration)



- A 62-question survey (Excel Workbook) organized along the following themes:
  - ❖ Revenue Data
  - ❖ Tax and Customs Administrations' Institutional Arrangements (type of entity, autonomy, office network, staffing, cost)
  - ❖ Tax Administration Operations (registration, filing, audit, arrears enforcement, dispute resolution)
  - ❖ Customs Administration Operations (selectivity channels and clearance times, post-clearance audits)
- Targeted 120 countries (mainly developing countries supported by our Regional Technical Assistance Centers).

# Survey Response Summary

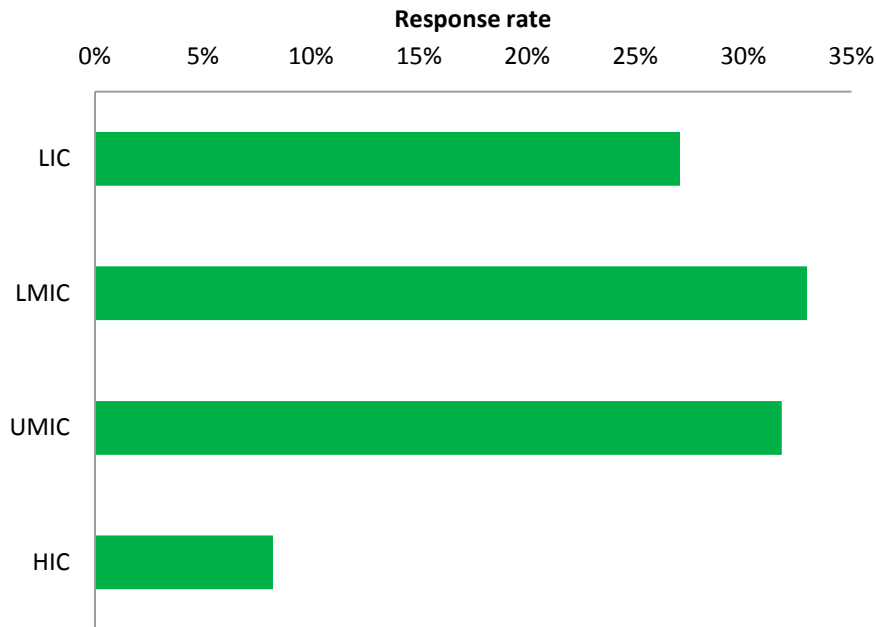


Received returns from 85 of the 120 countries surveyed  
(70 percent response rate)

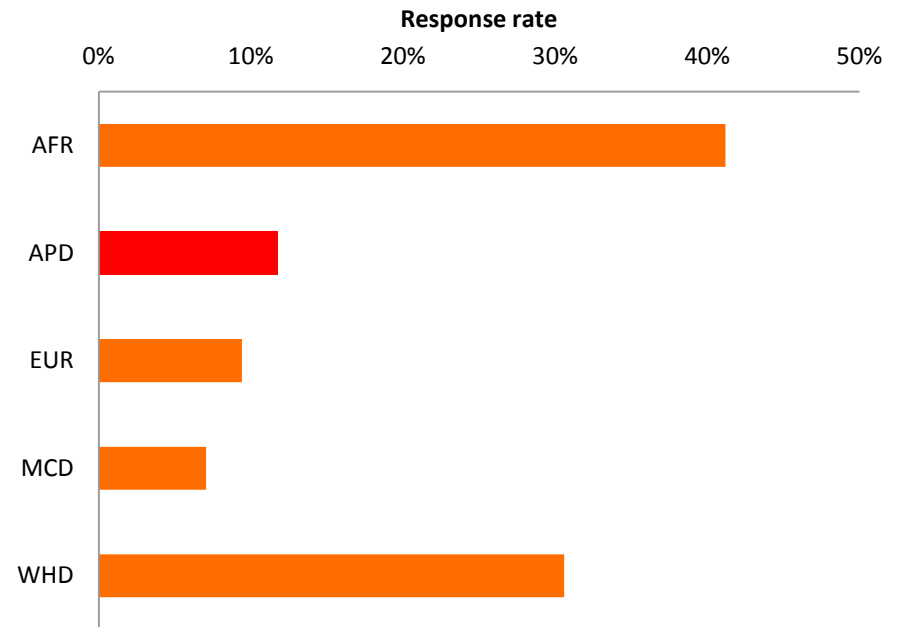
# Composition of Survey Respondents



## The income group composition of the 85 respondents



## The regional composition of the 85 respondents



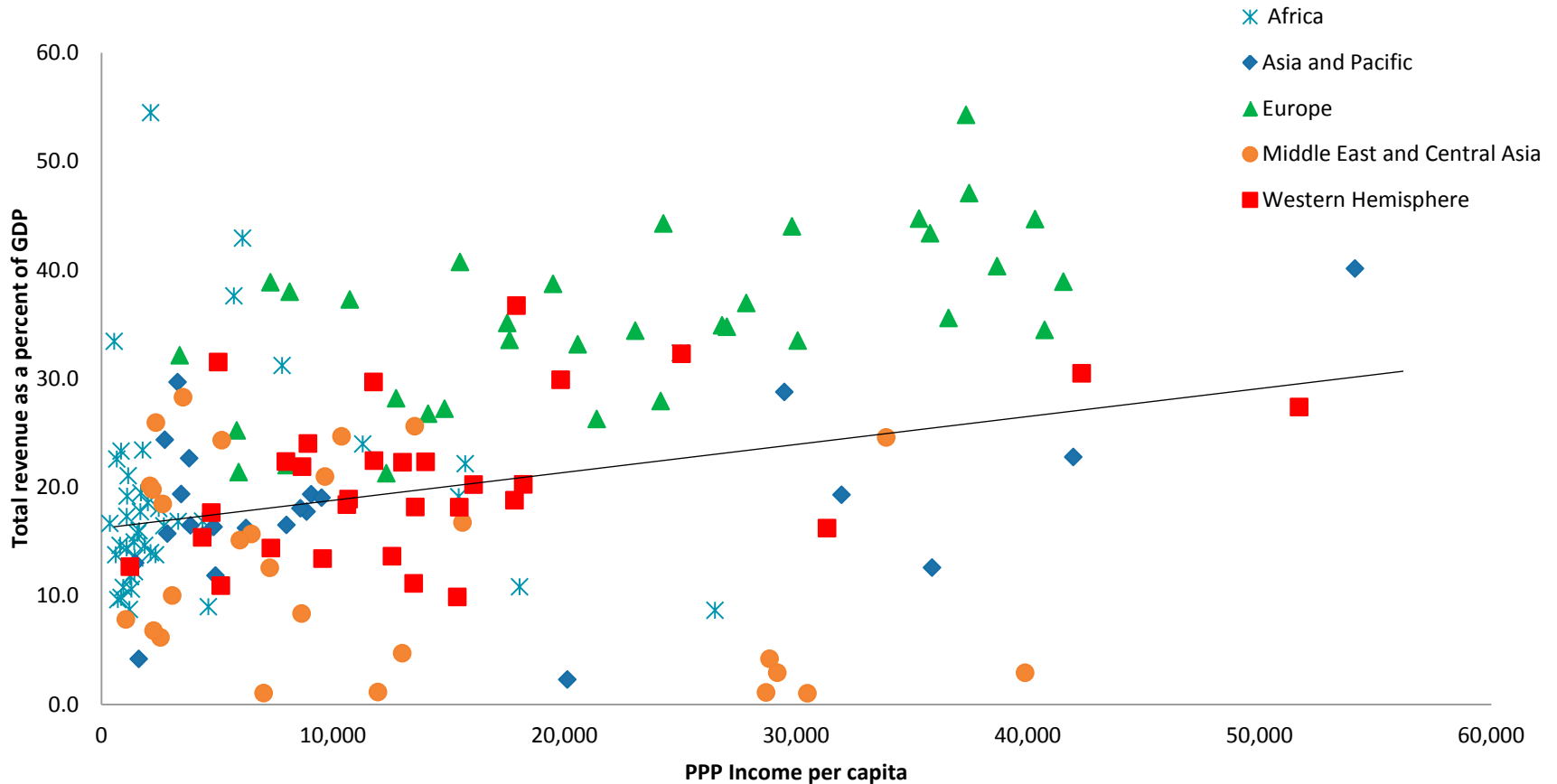
60% of respondents are from LIC AND LMIC countries; 72% are from AFR and WHD (mainly Caribbean and Central America)

# Revenue Data



- Analysis combines RA-FIT and WEO data
- **Key issues to investigate:**
  - What can we say about the relationship between revenue collection and development level?
  - Does revenue composition (tax type) differ across geographic regions/income grouping?
  - Are there any insights on how different taxes behaved over the past decade (and during the crisis) across regions?
  - How does the VAT behave across countries?

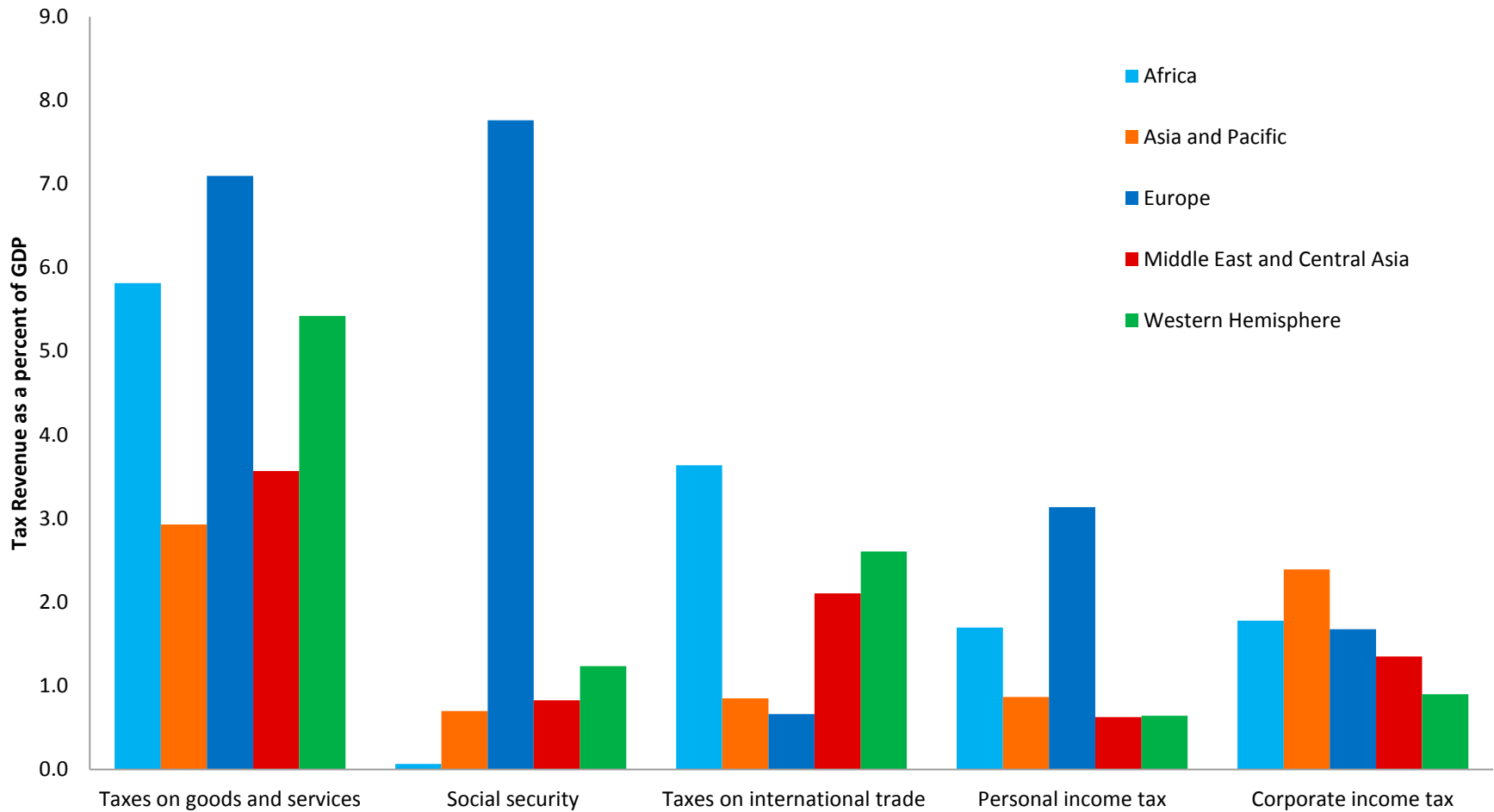
# Comparison of 2012 Income Per Capita and Revenue to GDP Ratio<sup>1</sup>



Sources: World Economic Outlook and World Development Indicators.  
1. Total revenue comprises of tax revenue and social security contributions

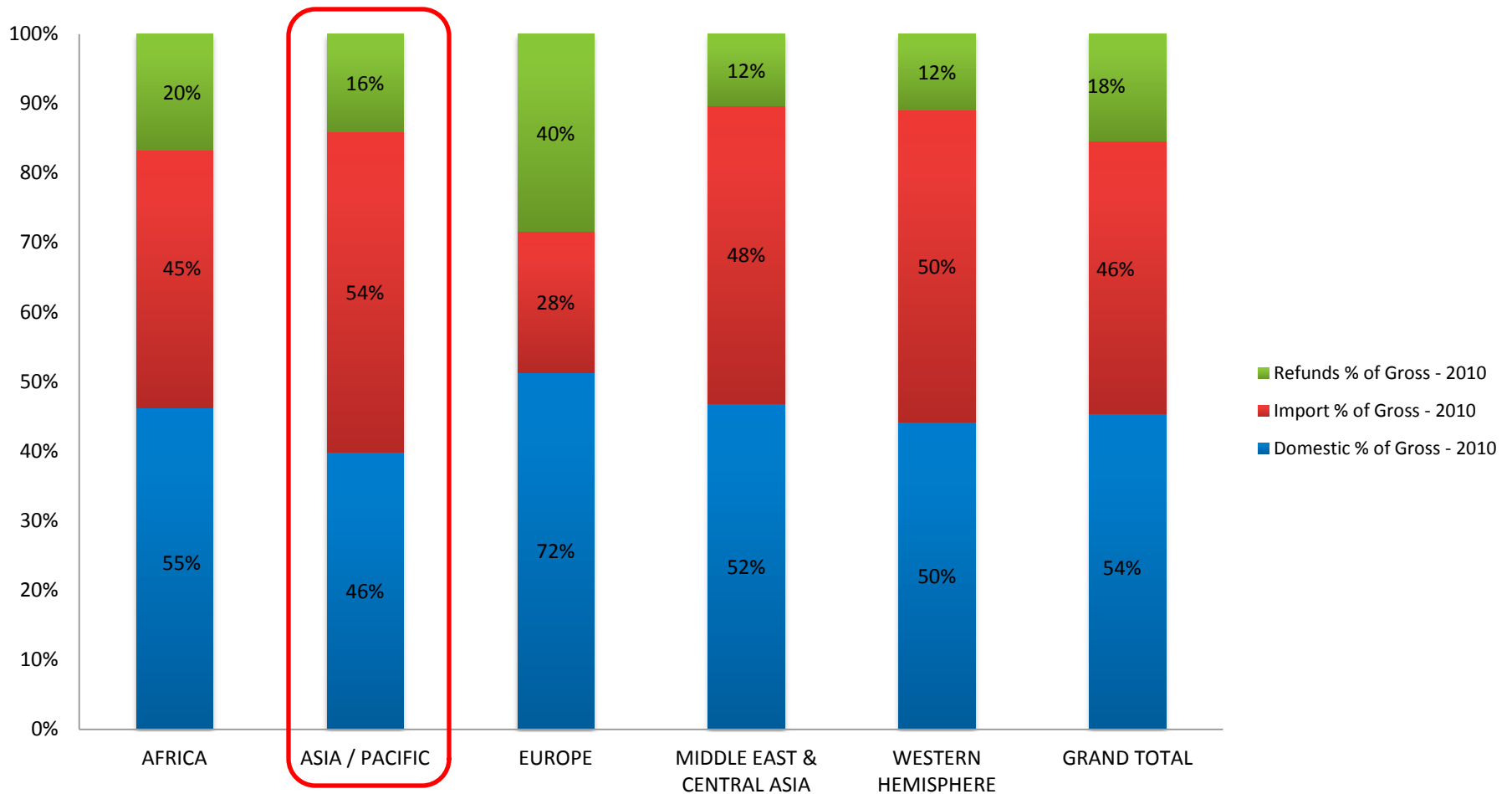


# Tax Composition- 2012



Source: World Economic Outlook.

# RA-FIT VAT Composition- 2010



# Institutional Arrangements

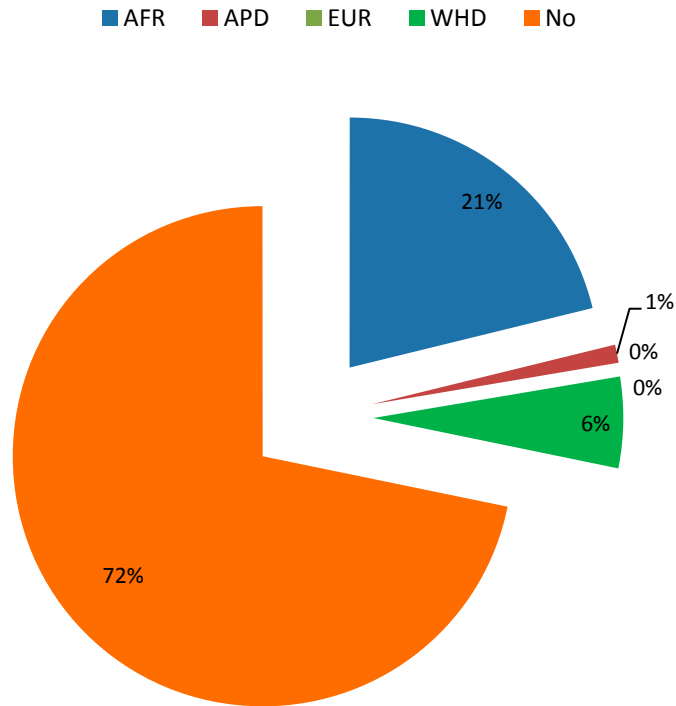


- 60 percent of the RA-FIT respondents have tax and customs administration conducted by directorates of MoFs; the balance have adopted more autonomous arrangements (semi-autonomous bodies with or without boards).
- Unified semi-autonomous bodies are predominant in Anglophone Africa (85 percent of respondents) while less autonomous arrangements predominate in **Asia**, Middle East and the Caribbean.

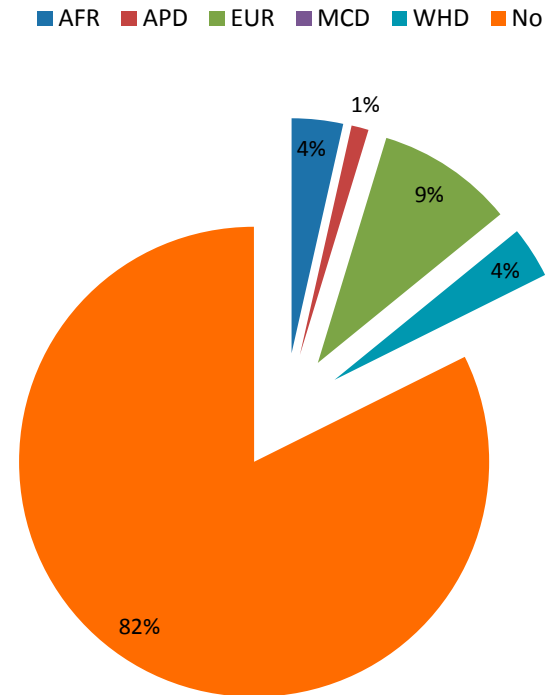
# Institutional Arrangements



## Tax and customs integrated ?



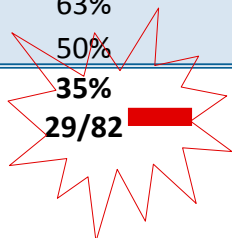
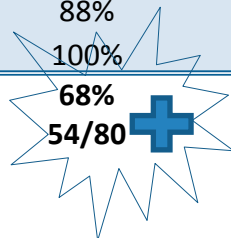
## Social security collected by the administration



# Institutional Arrangements Tax Administrations



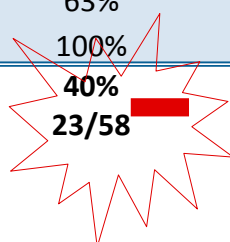
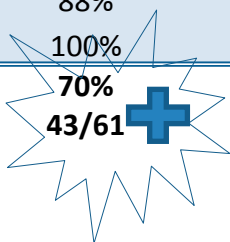
	Design Internal Structure	Set Remuneration?	Exercise Discretion over Op Expenditure?	Exercise Discretion over Cap Ex?	Set Staffing Levels?	Hire and Fire Staff?
AFR	74%	44%	70%	61%	64%	58%
Anglophone	90%	65%	84%	74%	84%	84%
Francophone	55%	18%	55%	45%	36%	27%
Lusophone	33%	0%	33%	33%	33%	0%
APD	40%	10%	70%	30%	30%	30%
Asia	0%	33%	67%	0%	0%	0%
Pacific	57%	0%	71%	43%	43%	43%
EUR	63%	38%	63%	50%	38%	100%
South East	63%	38%	63%	50%	38%	100%
MCD	40%	40%	40%	20%	0%	20%
Central Asia	100%	0%	100%	0%	0%	100%
Middle East	33%	67%	33%	33%	0%	0%
North Africa	0%	0%	0%	0%	0%	0%
WHD	78%	32%	63%	46%	52%	40%
Caribbean	69%	13%	64%	50%	33%	7%
Central	88%	63%	63%	50%	88%	88%
South	100%	50%	50%	0%	50%	100%
<b>Grand Total</b>	<b>68%</b>	<b>35%</b>	<b>65%</b>	<b>49%</b>	<b>49%</b>	<b>51%</b>
<b># of yes/total</b>	<b>54/80</b>	<b>29/82</b>	<b>52/80</b>	<b>39/80</b>	<b>40/81</b>	<b>41/81</b>



# Institutional arrangements Customs Administrations



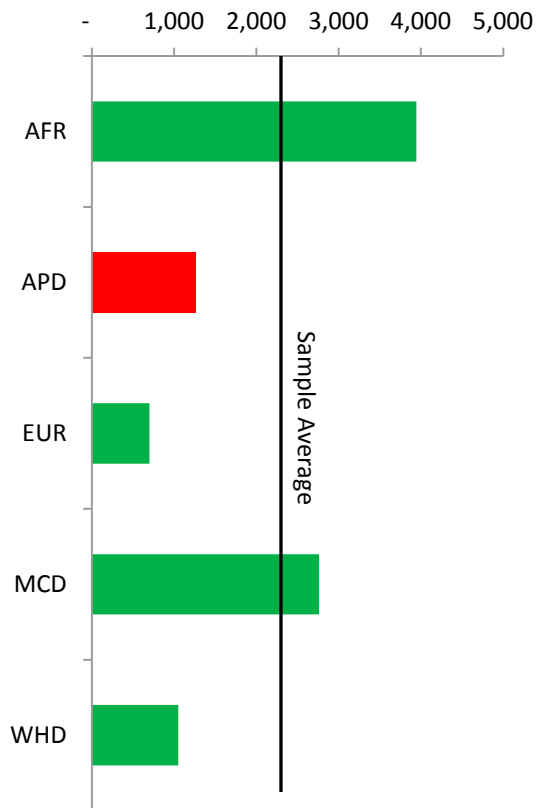
	Design Internal Structure	Set Remuneration?	Exercise Discretion over Op Expenditure?	Exercise Discretion over Cap Ex?	Set Staffing Levels?	Hire and Fire Staff?
AFR	72%	48%	74%	65%	74%	70%
Anglophone	83%	63%	88%	81%	88%	88%
Francophone	60%	20%	60%	40%	60%	40%
Lusophone	0%	0%	0%	0%	0%	0%
APD	29%	14%	57%	29%	29%	29%
Asia	0%	0%	50%	0%	50%	0%
Pacific	40%	20%	60%	40%	20%	40%
EUR	67%	33%	100%	100%	0%	100%
South East	67%	33%	100%	100%	0%	100%
MCD	100%	50%	100%	100%	50%	50%
Central Asia	100%	0%	100%	100%	0%	100%
Middle East	100%	100%	100%	100%	50%	0%
North Africa	100%	0%	100%	100%	100%	100%
WHD	77%	38%	48%	33%	43%	48%
Caribbean	69%	17%	50%	33%	17%	8%
Central	88%	63%	38%	38%	88%	100%
South	100%	100%	100%	0%	0%	100%
<b>Grand Total</b>	<b>70%</b>	<b>40%</b>	<b>65%</b>	<b>44%</b>	<b>52%</b>	<b>57%</b>
<b># of yes/total</b>	<b>43/61</b>	<b>23/58</b>	<b>37/57</b>	<b>31/58</b>	<b>30/58</b>	<b>33/58</b>



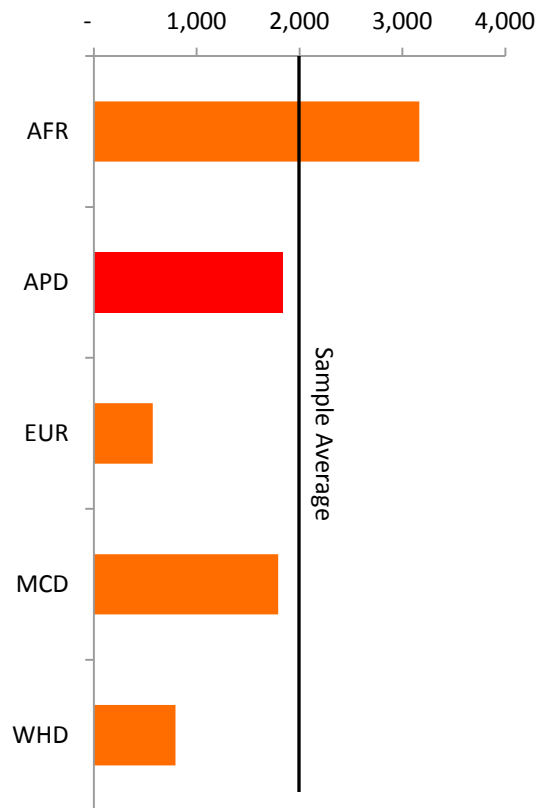
# Human Resources



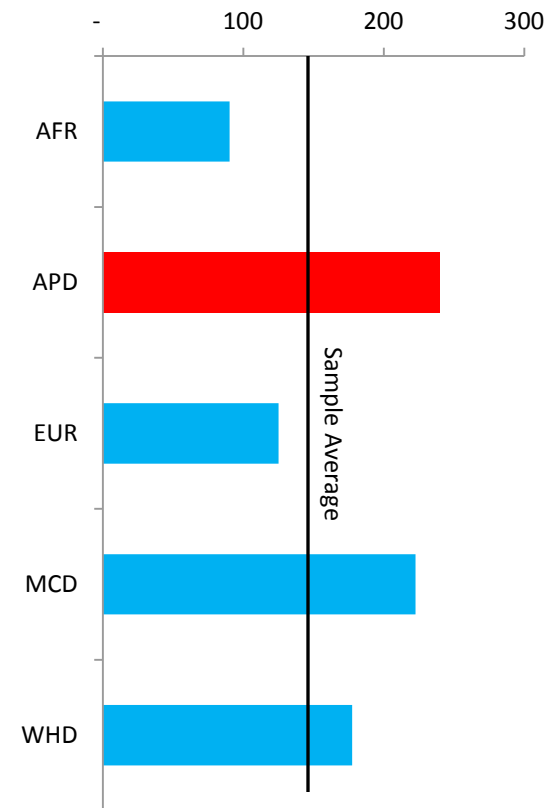
### Population/total staff ratio



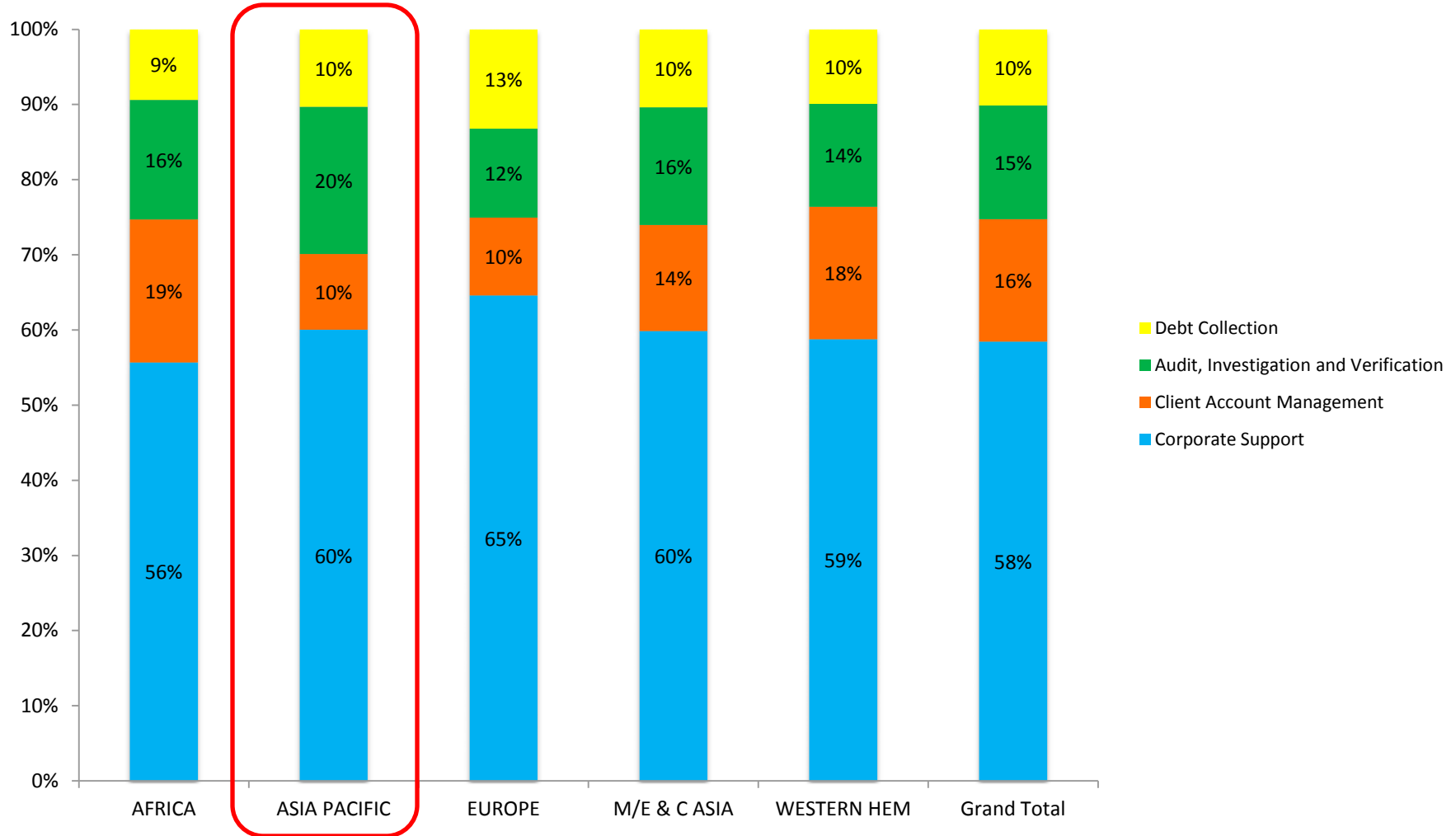
### Active labor force/tax staff ratio



### PIT taxpayers/tax staff ratio



# Human Resources



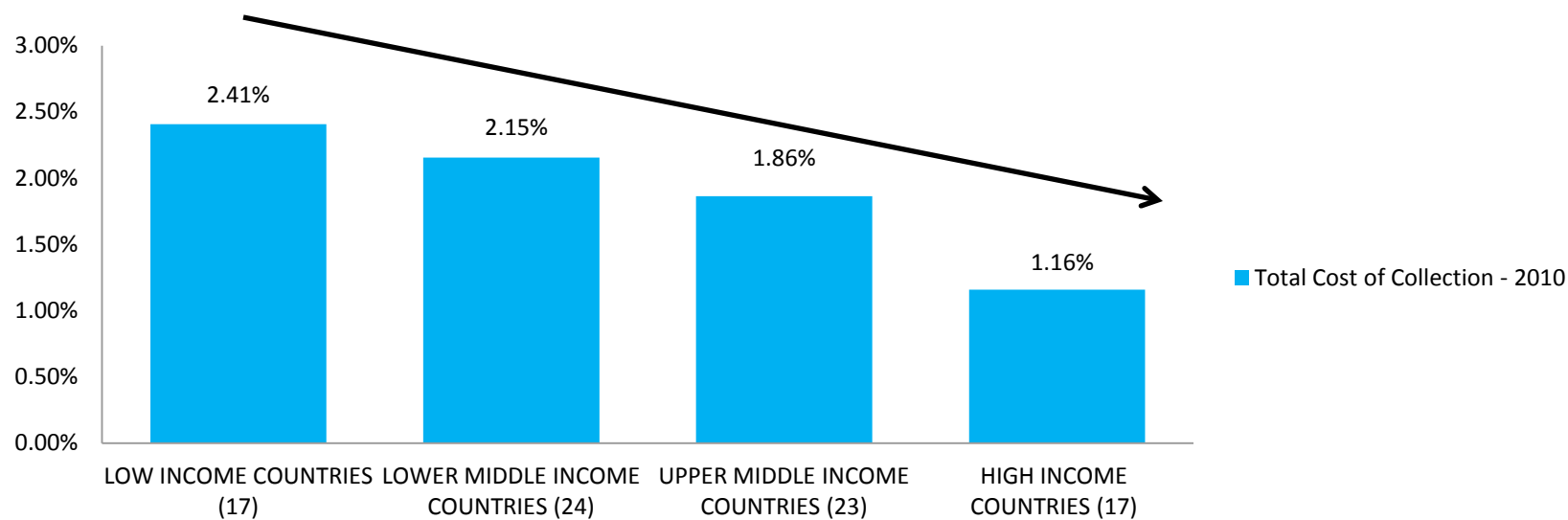
66 respondents provided tax staffing information from the 83 countries completing tax operations



# Cost of Collection-Tax Admin

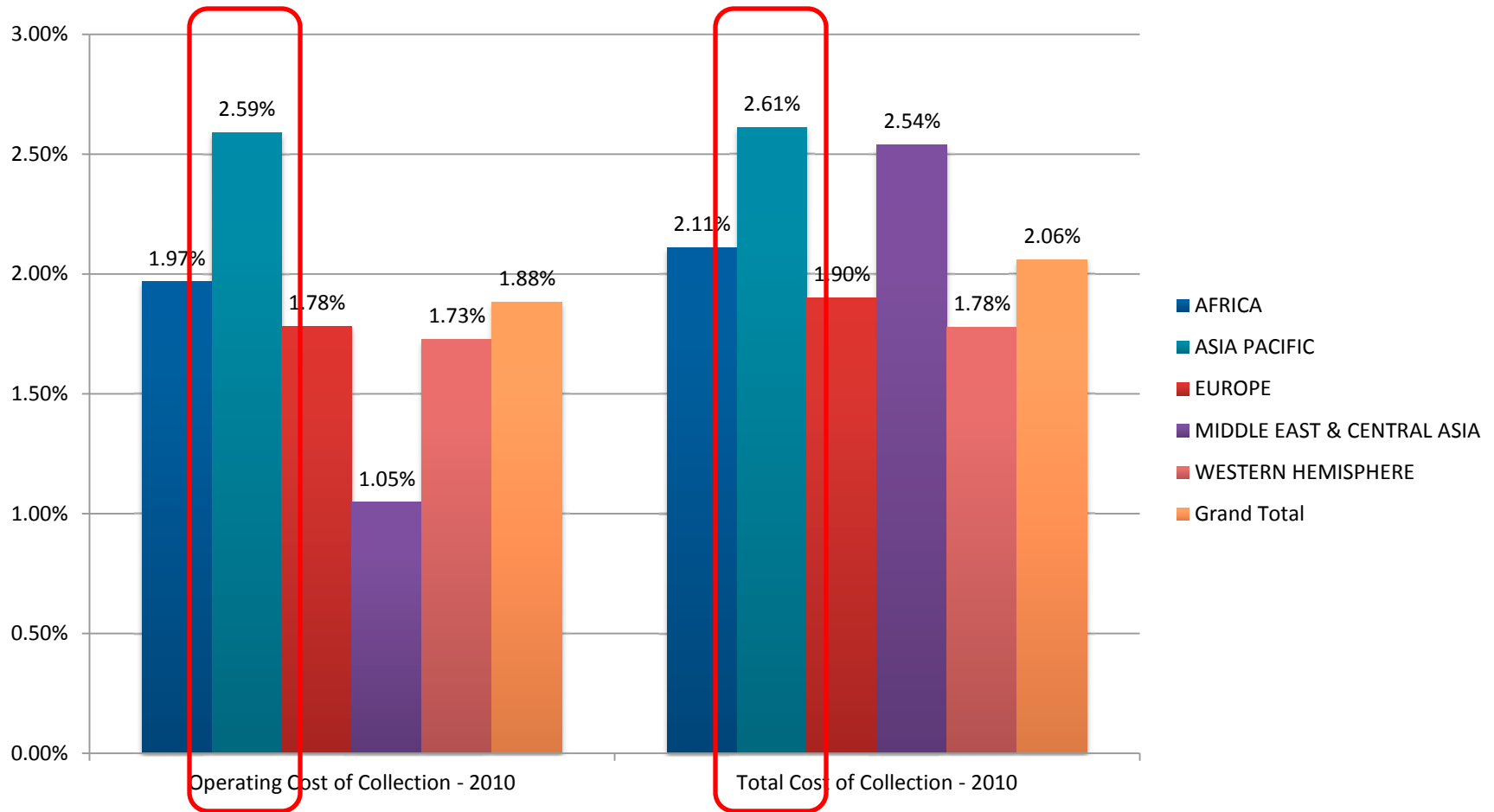


	Total Cost of Collection - 2010	Operating Cost % - 2010	Cap Ex Cost % - 2010
LOW INCOME COUNTRIES	2.41%	95%	5%
LOWER MIDDLE INCOME COUNTRIES	2.15%	94%	6%
UPPER MIDDLE INCOME COUNTRIES	1.86%	91%	9%
HIGH INCOME COUNTRIES	1.16%	97%	3%
OECD – CIS HIC SAMPLE (13)	1.16%	88%	12%



68 respondents provided total annual expenditure information from the 83 countries completing tax operations

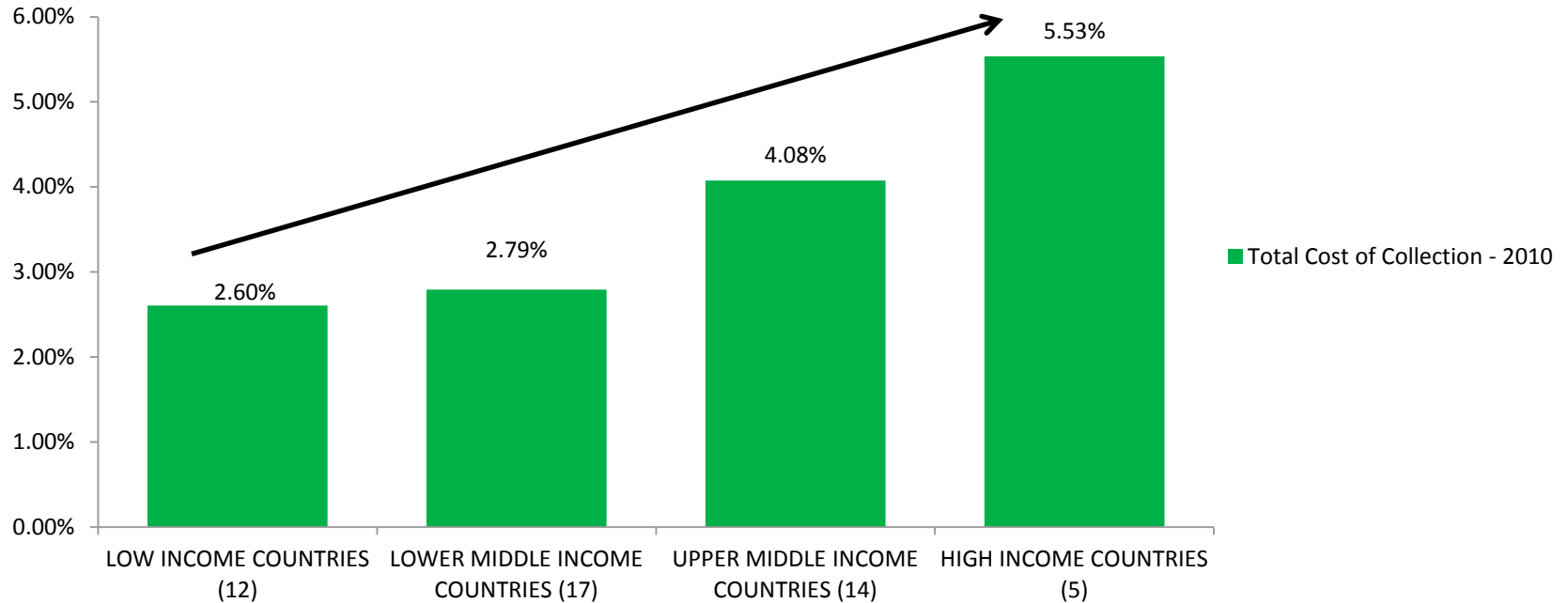
# Cost of Collection – Tax Admin – 2010 (Regional)



# Cost of Collection- Customs Admin

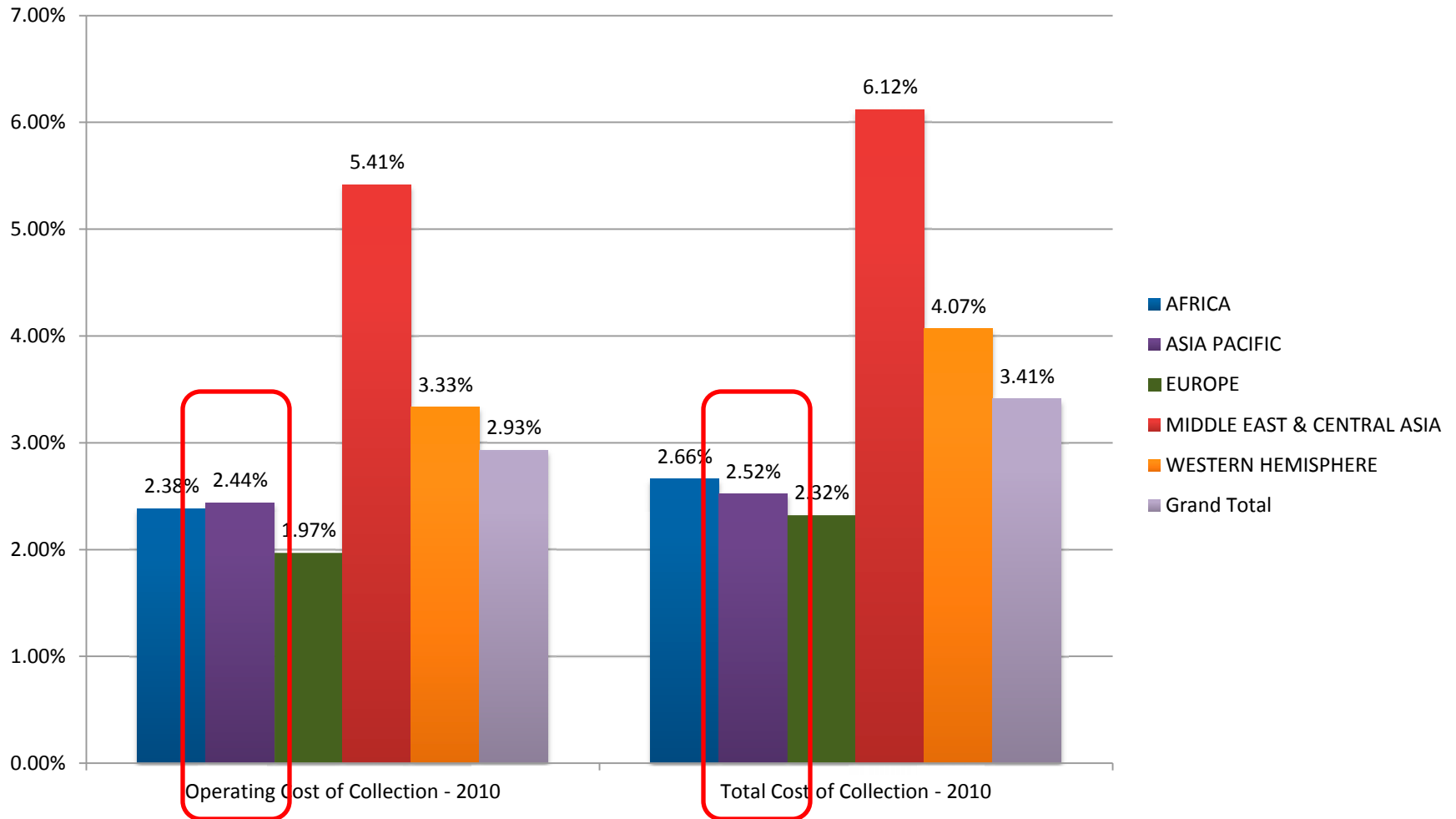


	Total Cost of Collection - 2010	Operating Cost % - 2010	Cap Ex Cost % - 2010
LOW INCOME COUNTRIES	2.60%	95%	5%
LOWER MIDDLE INCOME COUNTRIES	2.79%	95%	5%
UPPER MIDDLE INCOME COUNTRIES	4.08%	83%	17%
HIGH INCOME COUNTRIES	5.53%	83%	17%



48 respondents provided total annual expenditure information from the 63 countries completing customs operations

# Cost of Collection – Customs Admin – 2010 (Regional)





# Large Taxpayer Office Metrics

	% to Total Staff - 2010	Taxpayers to Staff - 2010	LTO Revenue as % of Total - 2010
AFR	4%	10	49%
Anglophone	5%	9	45%
Francophone	4%	10	61%
Lusophone	2%	12	30%
APD	20%	22	35%
Asia	6%	8	35%
Pacific	27%	35	
EUR	3%	7	50%
South East	3%	7	50%
MCD	3%	9	20%
Central Asia	1%	4	23%
Middle East	3%	11	22%
North Africa			13%
WHD	4%	18	57%
Caribbean	7%	40	36%
Central	4%	10	63%
South	3%	12	61%
<b>Grand Total</b>	<b>5%</b>	<b>13</b>	<b>47%</b>

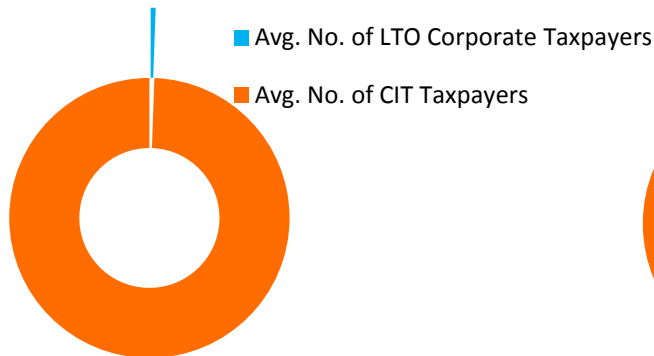
62 respondents indicated they had LTOs and 47 provided some information

# Large Taxpayer Office Metrics

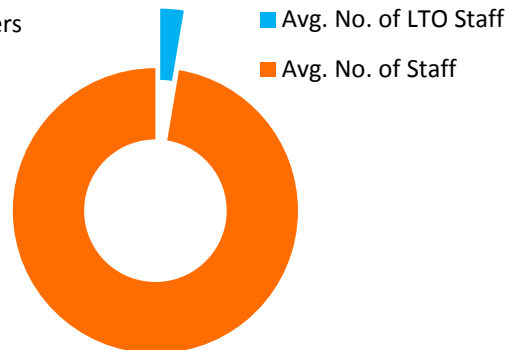


	% to Total Staff - 2010	Taxpayers to Staff - 2010	LTO Revenue as % of Total - 2010
LOW INCOME COUNTRIES	5%	7	45%
LOWER MIDDLE INCOME COUNTRIES	6%	13	50%
UPPER MIDDLE INCOME COUNTRIES	4%	13	50%
HIGH INCOME COUNTRIES	2%	40	31%
<b>Sample Average</b>	<b>5%</b>	<b>13</b>	<b>47%</b>
OECD – CIS HIC SAMPLE (13) – 2011	4%	41	NA

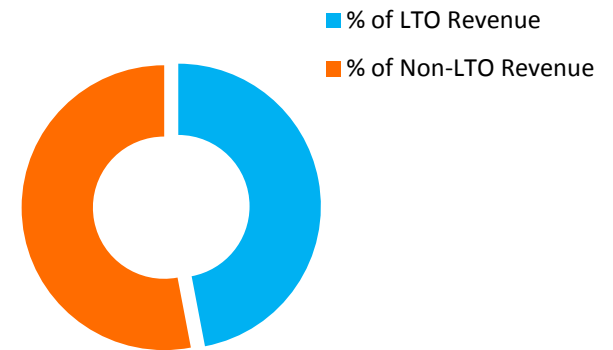
## Corporate Taxpayers



## Staff



## Revenue



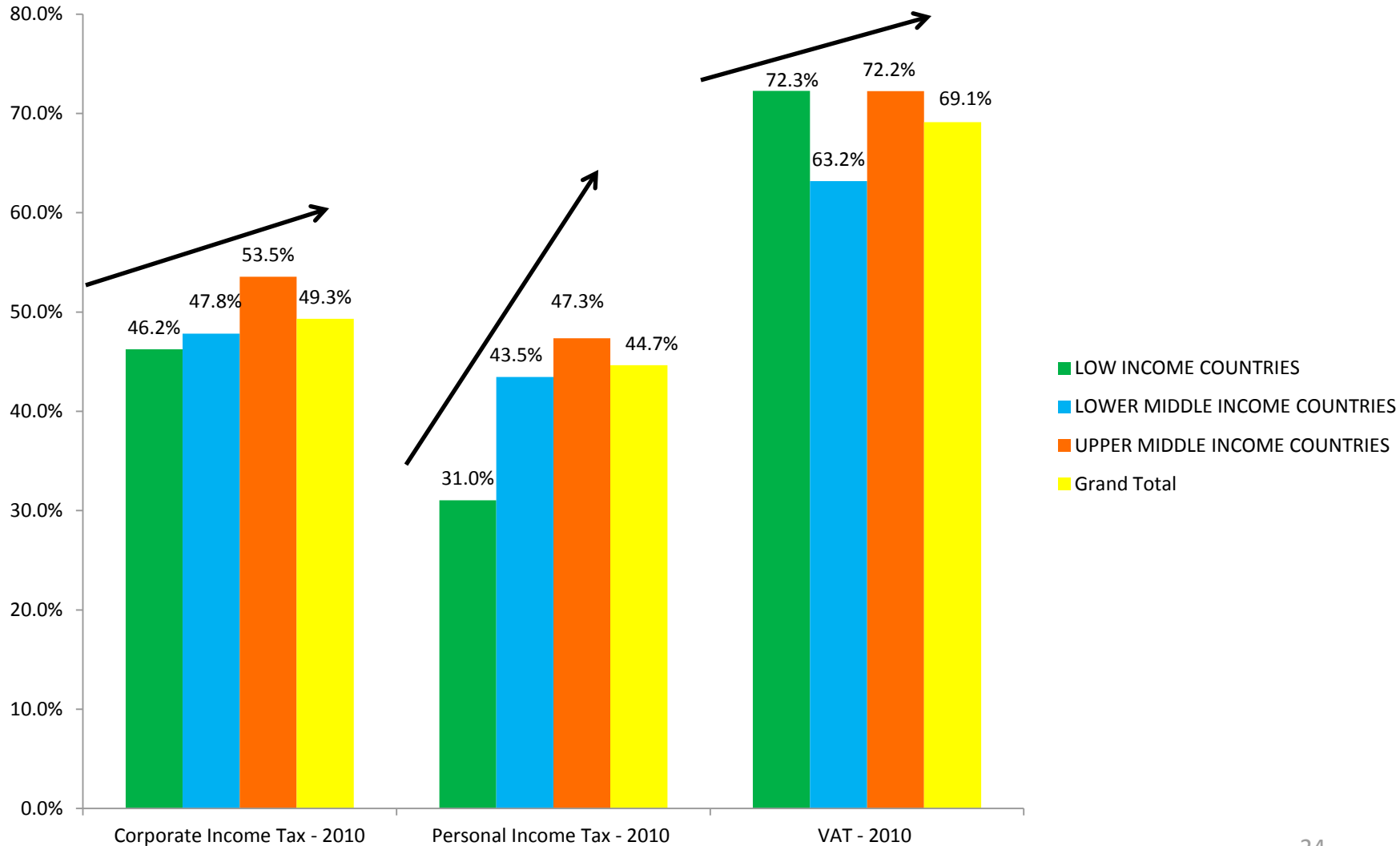
62 respondents indicated they had LTOs and 47 provided some information

# On-time Filing Rates – 2010 (By Income Group)



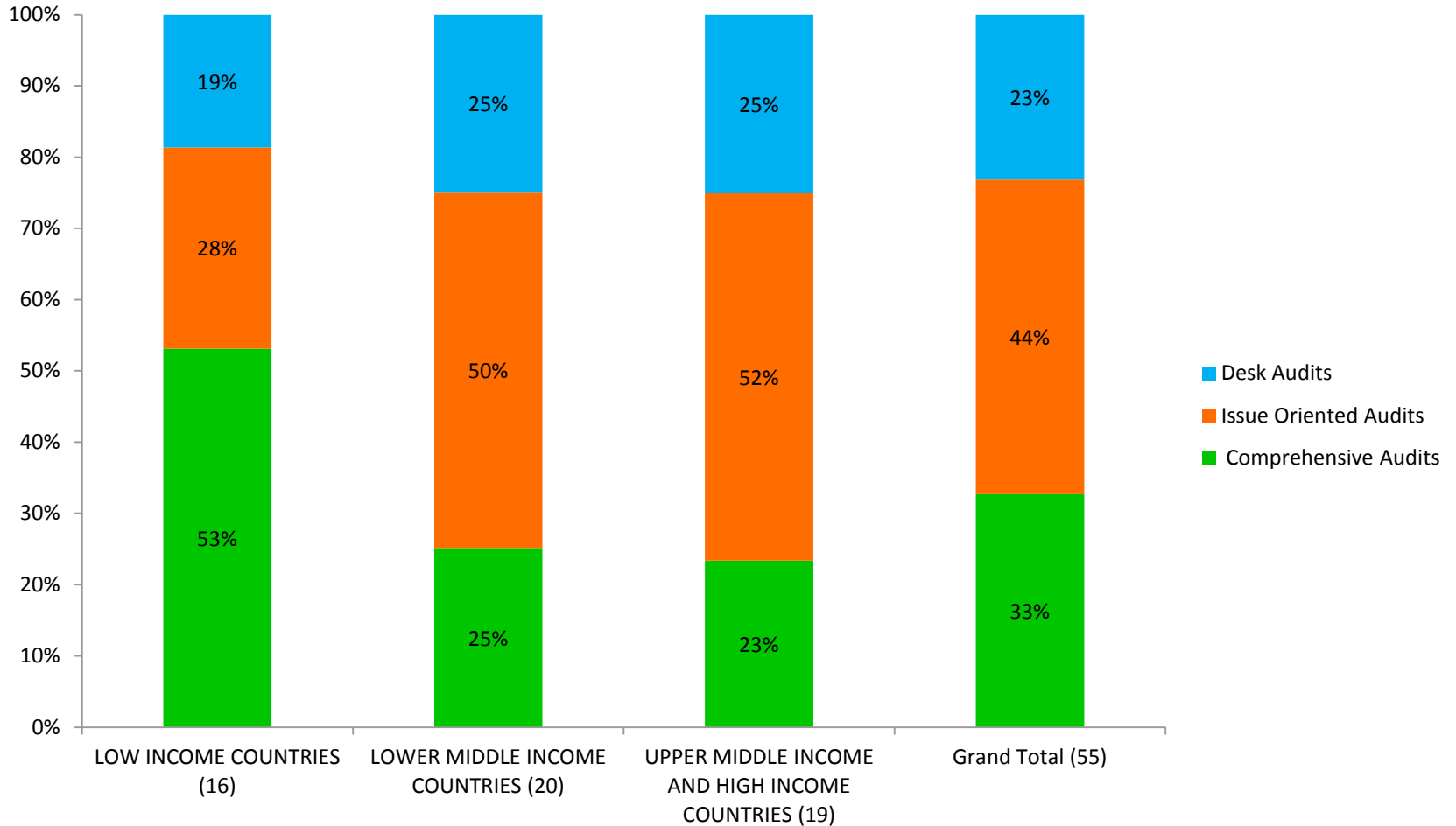
	Corporate Income Tax - 2010 (48/83)	Personal Income Tax - 2010 (42/82)	VAT - 2010 (48/69)
<b>LOW INCOME COUNTRIES</b>	46.2%	31.0%	72.3%
Africa	39.2%	25.7%	73.2%
Middle East & Central Asia	77.8%	68.3%	68.6%
<b>LOWER MIDDLE INCOME COUNTRIES</b>	47.8%	43.5%	63.2%
Africa	27.5%	23.5%	39.7%
Asia / Pacific	46.7%	23.8%	69.2%
Europe - South East	12.4%	NA	58.9%
Middle East & Central Asia	NA	NA	42.9%
Western Hemisphere	59.3%	75.0%	72.2%
<b>UPPER MIDDLE INCOME COUNTRIES</b>	53.5%	47.3%	72.2%
Africa	56.4%	63.9%	78.9%
Europe - South East	67.6%	65.9%	91.0%
Middle East & Central Asia	59.2%	40.0%	92.1%
Western Hemisphere	43.3%	35.4%	55.7%
<b>HIGH INCOME COUNTRIES</b>	43.1%	69.9%	77.7%
Europe - South East	91.1%	93.7%	92.9%
Western Hemisphere	27.1%	58.0%	72.6%
<b>Grand Total</b>	<b>49.3%</b>	<b>44.7%</b>	<b>69.1%</b>

# On-time Filing Rates

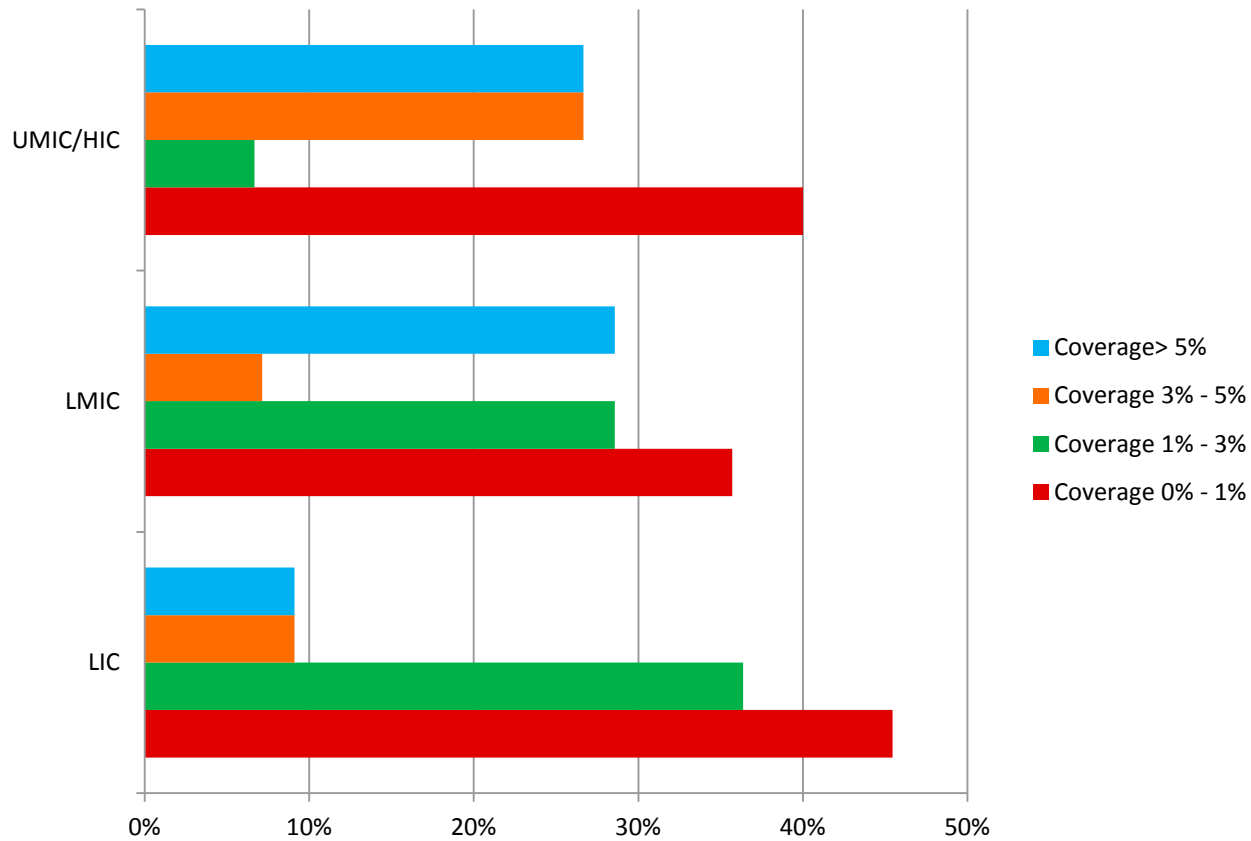




# Audit Mix

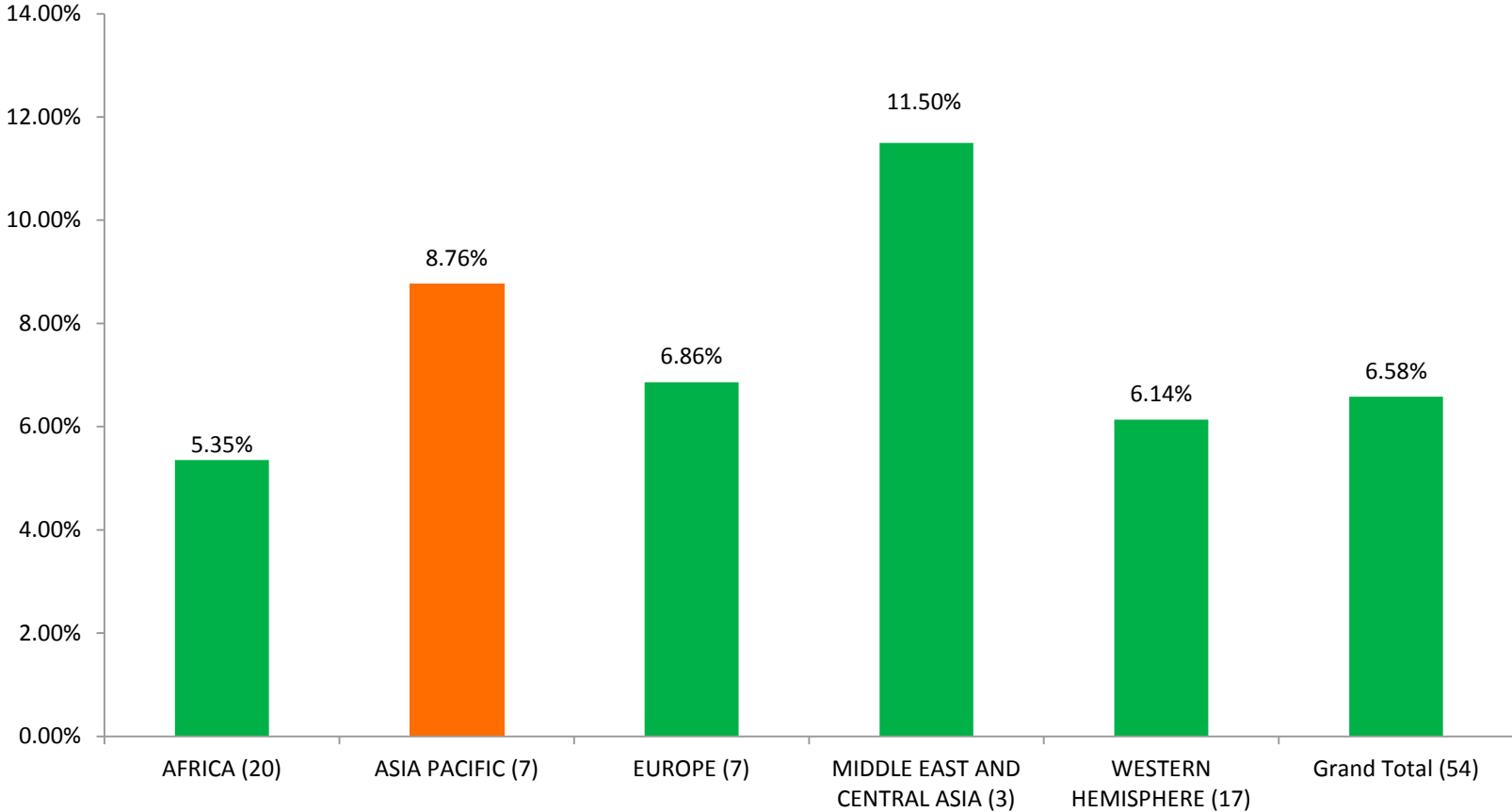


# Audit Coverage as a % of Taxpayer Population

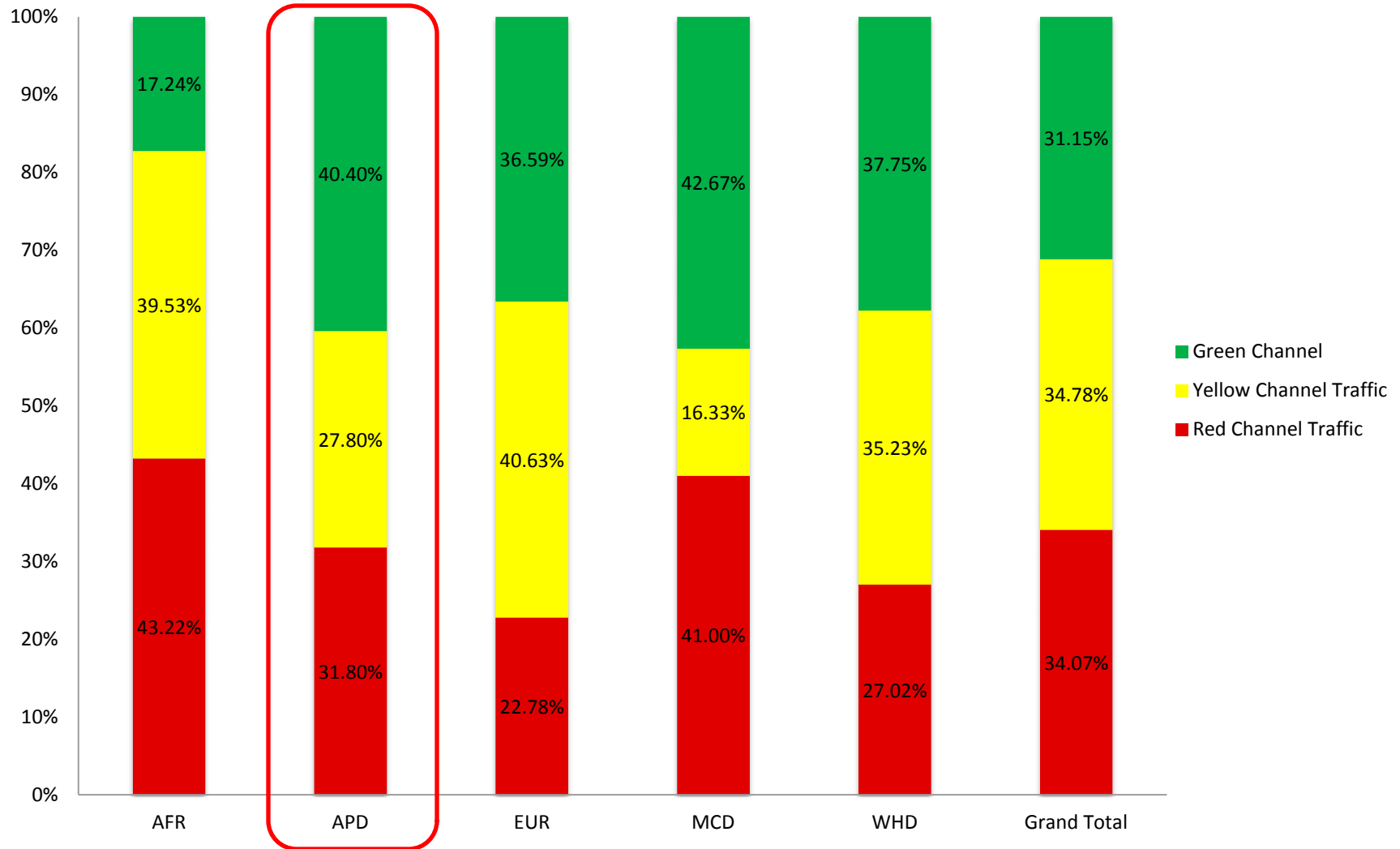


40 respondents provided audit coverage information

# Audits assessments as a % of collections



# Customs: Traffic by Channel



# 2<sup>nd</sup> Iteration

- New developments for the 2<sup>nd</sup> round:
  - Adoption of a web-based platform (rather than an Excel workbook)
  - Partnerships with CIAT and WCO
  - New set of (refined) questions
  - Development of a dashboard
- **Web-based platform to be launched in 2014 Q1:**
  - Participation from countries is crucial to ensure better regional representation
  - Asian countries receiving the survey to be expanded

# Taking a look at the new Web-based Platform



We are moving from an Excel spreadsheet to an on-line tool!  
(Developed in-house)

**INTERNATIONAL MONETARY FUND** Revenue Administration's **Fiscal Information Tool (RA-FIT)** *Your comparative advantage*

Belize Welcome Admin FADEnglish

Home FAD Reports MyProfile Manage Correspondents Logout


Period: 2011

Form Name	Percentage Complete
Revenue Statistics	100%
Institutional Arrangements	0%
Staffing and Office Network	44%
Taxpayer Segmentation	0%
Taxpayer Registration	0%
Return Filing	0%
VAT Return Filing	0%
Taxpayer Service Demand Channels	0%
Arrears	0%
Audits	0%
Dispute Resolutions	0%


[Terms and Conditions Accepted.](#)

# Taking a look at the new Web-based Platform





Revenue Administration's  
**Fiscal Information Tool (RA-FIT)**



*Your comparative advantage*

Belize - Period: 2011
**Revenue Statistics**
Welcome Admin FADEnglish

No Errors in Page.
Status: Edit

All input cells (in white) must be completed with the exception of "Other Comments" which may be left blank. Where an item is not applicable enter zero (0) and advise accordingly in "Other Comments". Input may also only contain positive numbers, with no decimals. Do not insert a minus sign or place a number in parentheses. All "Yes/No" buttons must contain a "Yes" or a "No" selection.

1 Fiscal year-end

December 31

Information pertaining to each revenue stream (below) should agree to officially released Government financial statistics, even if such information is only provisional. Reconciliation to IMF Article IV reports with regards to revenue information is also encouraged.

2 Details of total revenue collected (all in local currency)

**GDP (Thousands '000)**

2,910,861

	<b>A. In Local Currency Thousands('000)</b>	<b>B. As % of Total Revenue</b>	<b>C. As % of GDP</b>
I. Total Revenue (including Social Security Contributions and Non-tax Revenue)	93,000	100.00%	3.20%
II. Total Tax Revenue	93,000	100.00%	3.20%
A. Income and Profits Taxes	75,000	80.64%	2.58%
a. Income tax - individuals	50,000	53.76%	1.72%
b. Income tax - corporate and other entities	25,000	26.88%	0.86%
B. Taxes on Payroll and Workforce	15,000	16.13%	0.52%
C. Taxes on Property	3,000	3.23%	0.10%
D. Taxes on Goods and Services	0	0.00%	0.00%

# THANK YOU!

