

TAX ADMINISTRATION JAMAICA (TAJ)

REFORM & MODERNISATION ROLE OF TECHNICAL ASSISTANCE

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Commissioner General

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Tax Administration Reform

Critical Assessment by IMF/CARTAC at the request of GOJ - Reports of 2006 & 2008

- Highlighted significant weaknesses

Recommended Comprehensive Reform accepted by GOJ

- Separating **Domestic** from **International** Tax
- Consolidating three (3) tax departments into single **Tax Administration Jamaica (TAJ)**
- **Conditions of IMF Stand-by Agreement -2010**
- **Aide Memoires of April 2010 & March 2011**

Technical Assistance

- Provided by:
 - Ministry of Finance & the Public Service
 - IMF
 - Caribbean Regional Technical Assistance Centre (CARTAC)
 - USAID
 - Jamaica Chamber of Commerce
 - Pride Jamaica
 - US Treasury – Office of Technical Assistance
 - US Embassy
 - IDB



Areas of Technical Support

- Technical Support
 - Large Taxpayer Office
 - Debt Management
 - Audit Training
 - Taxpayer Service
 - Returns Processing
 - Risk Management
 - Structure Design
 - HR & Budget
 - Legislation Reform
 - Transitional Plan
 - Organisation & Management
- Project Management Support
 - Project Plan
 - Project Cost Estimate
 - SARA Business Case
 - Executive Profile & Recruitment
 - Change Management



Reform Milestones

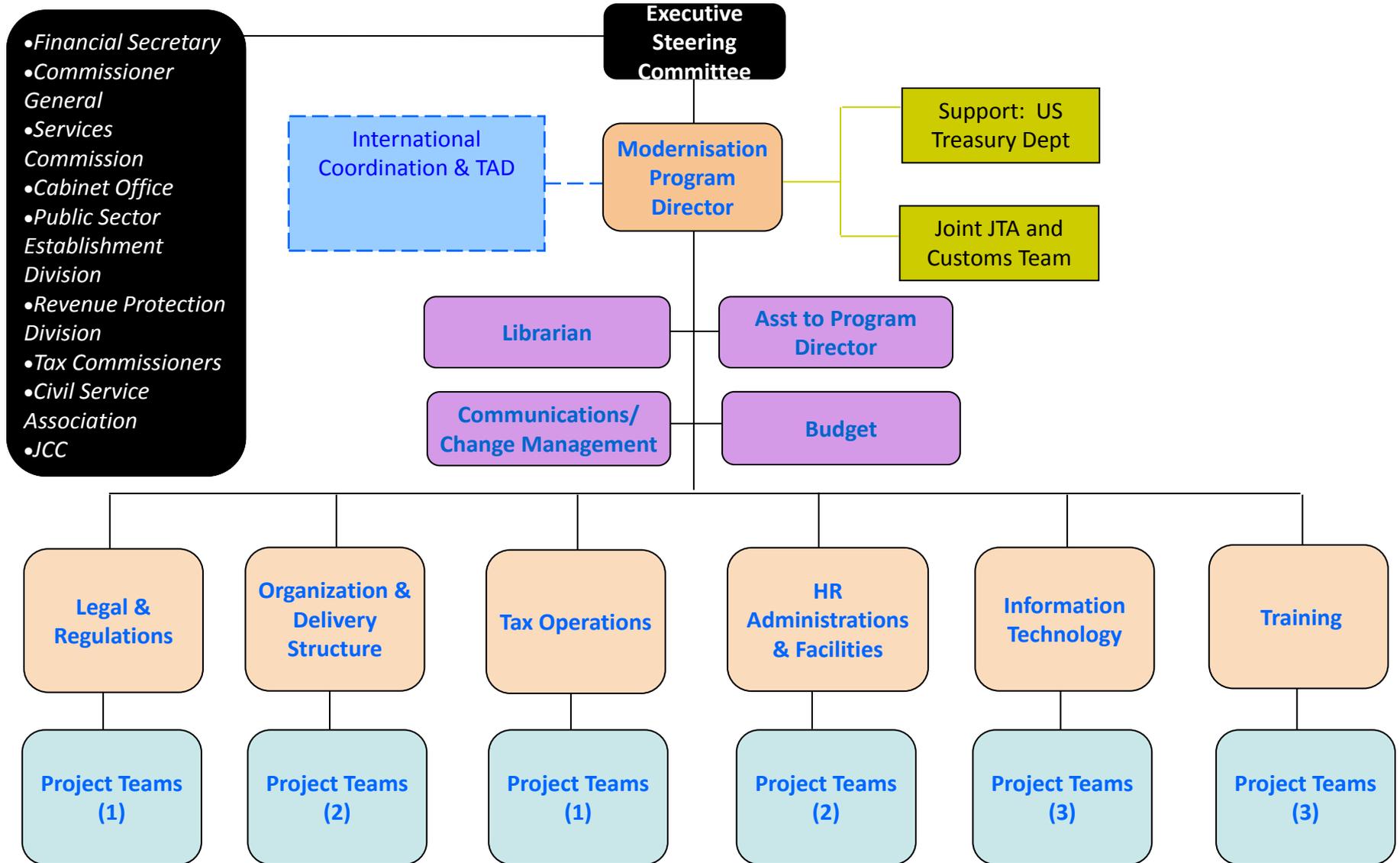
REFORM MILESTONES	PROJECTED	ACTUAL
Establish Project Office	May 2010	May 2010
Develop prioritised fully costed project plan	Aug 2010	Aug 2010
Develop ICT Strategy	May 2010	Ongoing
Enact Legislation for unified TAJ	Apr 2011	Apr 2011
Enact Legislation for Semi-Autonomous Revenue Authority	Dec 2011	On Schedule
Full implementation of new TAJ business concepts	Apr 2012	On Schedule

Coordination of Technical Assistance

- Managed through Project Management Office to:
 - Interact with development partners
 - Coordinate Project Reform/Modernisation Team
 - Assign Specific Areas of Responsibility
 - Team Subject Matter Experts with Consultants



PROJECT GOVERNANCE STRUCTURE



Impact & Effectiveness

- Development and “upskilling” of staff
- Sustainability of information received from Consultants
- Early tangible results from newly established Units.
- Focused Reform Project Team on activities to be carried out and deadlines.
- Support received in developing Transition Plan.



Challenges

- Strict timelines which coincided with operational due dates/critical activities.
- Lack of funding which didn't allow for full time Project Team members.
- Unavailability of investment funds is delaying the reform plans.
- Coordinating & accommodating simultaneous visits of various development partners.



Challenges

- Very ambitious reform proposals stretched resources and capabilities.
- Cultural differences often impacted communications.
- Reconciling the difference in recommendations from the various Consultants
 - Conflicting recommendations slowed the decision making process.



Positives

Support of development partners allowed for:

- Jamaica benefiting from IMF reform experiences in other countries.
- Accessing funds for
 - Consultancy
 - Training
- Constant guidance of IMF-FAD



Positives

- Reform proposals benchmarked in IMF SBA influenced Government response.
- Seeing the “big picture” aids to develop sub-plans and strategies.
- Follow-up Missions to check on milestones aided us in meeting targets.
- Excellent expertise received in key areas.
 - Customs
 - Tax Administration



Lessons Learnt

It is critical to:

- Develop a good governance structure for proper implementation of reform
- Develop time bound action plans.
- Properly scope and document reform plans and requirements.
- Prepare a full budget, addressing ALL requirements.
- Write proposals to meet the standards of development partners.
- Develop Transition Plans