



TADAT - An Overview

A presentation to the

41st CATA Technical Conference



TADAT Secretariat, November 11, 2021



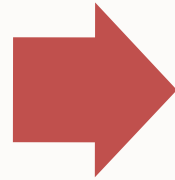
BMZ  Federal Ministry
for Economic Cooperation
and Development



Presentation outline



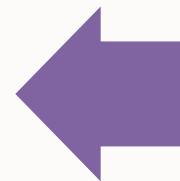
TADAT – a quick
recap?



Key TADAT
results to-date



Some TADAT
impacts and
lessons



Conclusions

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Conclusions

What is TADAT?



- **A tool that provides an objective, standardized performance assessment** of a country's system of tax administration (*including insights into tax policy impacts on tax administration*)
- **The TADAT framework** assesses the outcomes achieved **across 9 critical** tax administration **performance outcome areas (POAs)** that:
 - ❑ Comprise a set of **32 high-level indicators** critical to tax administration performance, that in turn ...
 - ❑ Drill down to **55* measured and scored dimensions** [using a scale of 'A' to 'D' with 'A' being the best rating and 'D' the lowest]
(*53 dimensions for subnational assessments)

The critical tax administration performance outcome areas include ...



1. **Registration of taxpayers** and maintenance of a complete and accurate taxpayer database
2. **Risk management**—risks to revenue and tax administration operations are identified and managed systematically
3. **Supporting voluntary compliance** by giving taxpayers the necessary information and support that enables them to meet their tax obligations
4. **Ensuring timely filing** of tax declarations
5. **Ensuring on-time payment** of taxes
6. **Verifying the accuracy** of tax declarations
7. **Safeguarding the rights of taxpayers to challenge tax assessments** and get a fair and timely hearing from independent reviewers
8. **Accounting fully** for all tax revenue collections and pay legitimate tax refunds promptly
9. **Being transparent and openly accounting for all administrative actions** to the minister responsible for revenue, the legislature and general community



TADAT is outcomes-based...

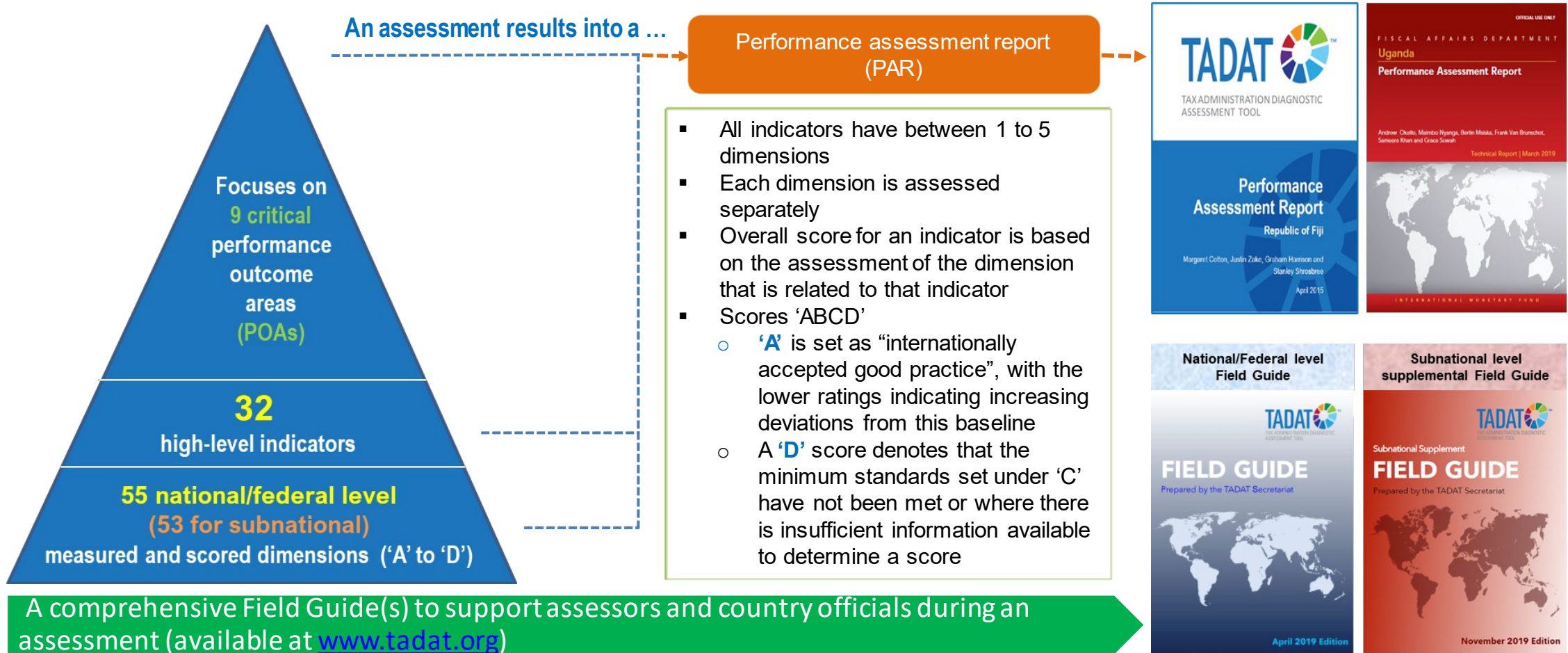
(What should the future state of the tax administration be?)



It is most critical to:

- Know the state of the tax administration's health—**establish a baseline** of strengths and weaknesses
- Use the assessment's results to **prioritize and implement reform interventions** in line with proven good practices
- Use the baseline to **monitor performance** systemically
- Take **corrective/remedial actions** to stay on track

The TADAT hierarchy—2019 Field Guide(s)



Presentation outline



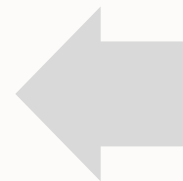
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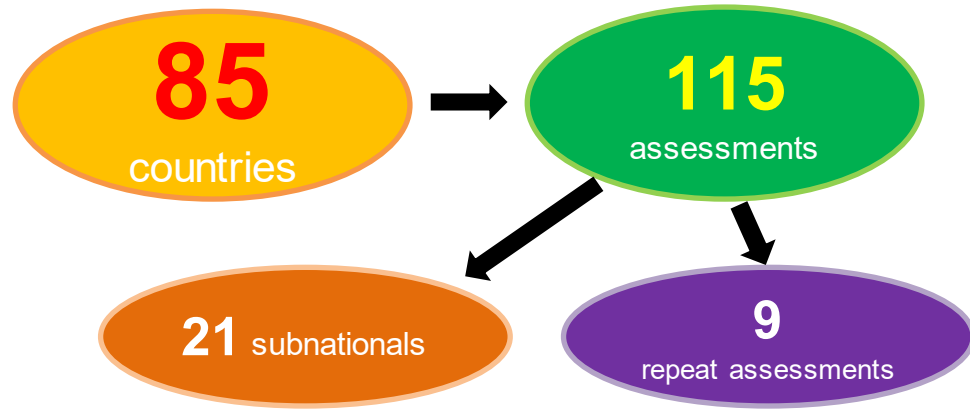


Some TADAT
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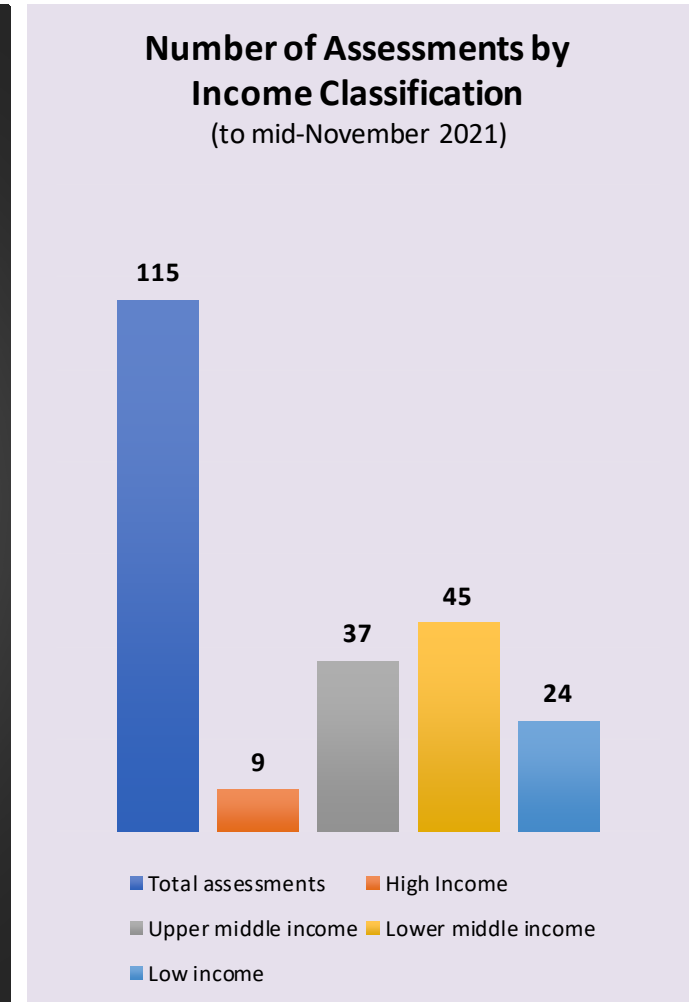
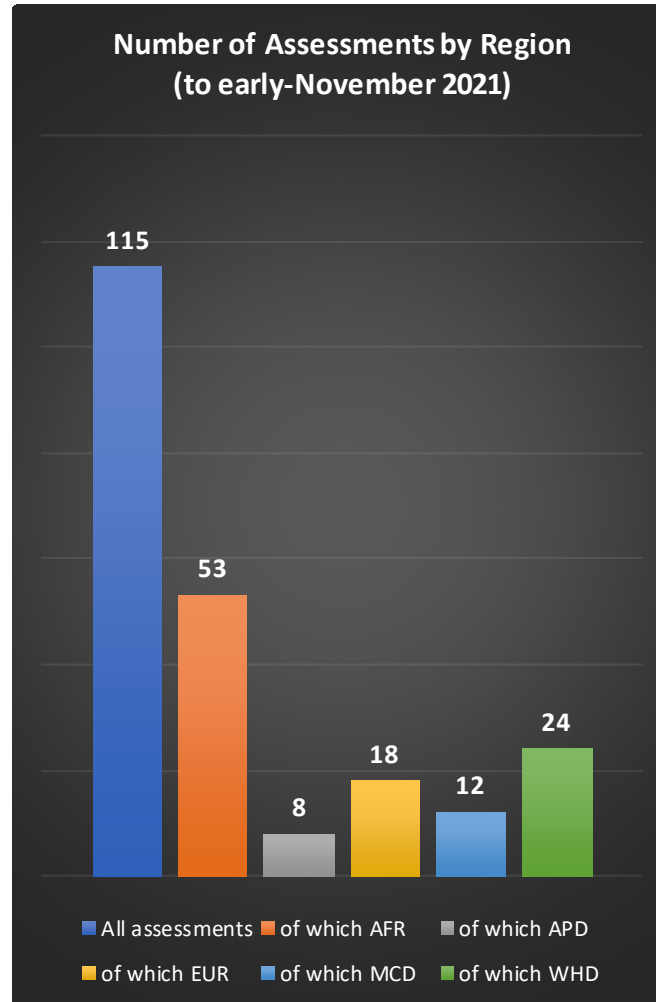


Conclusions

TADAT results – assessments and coverage...

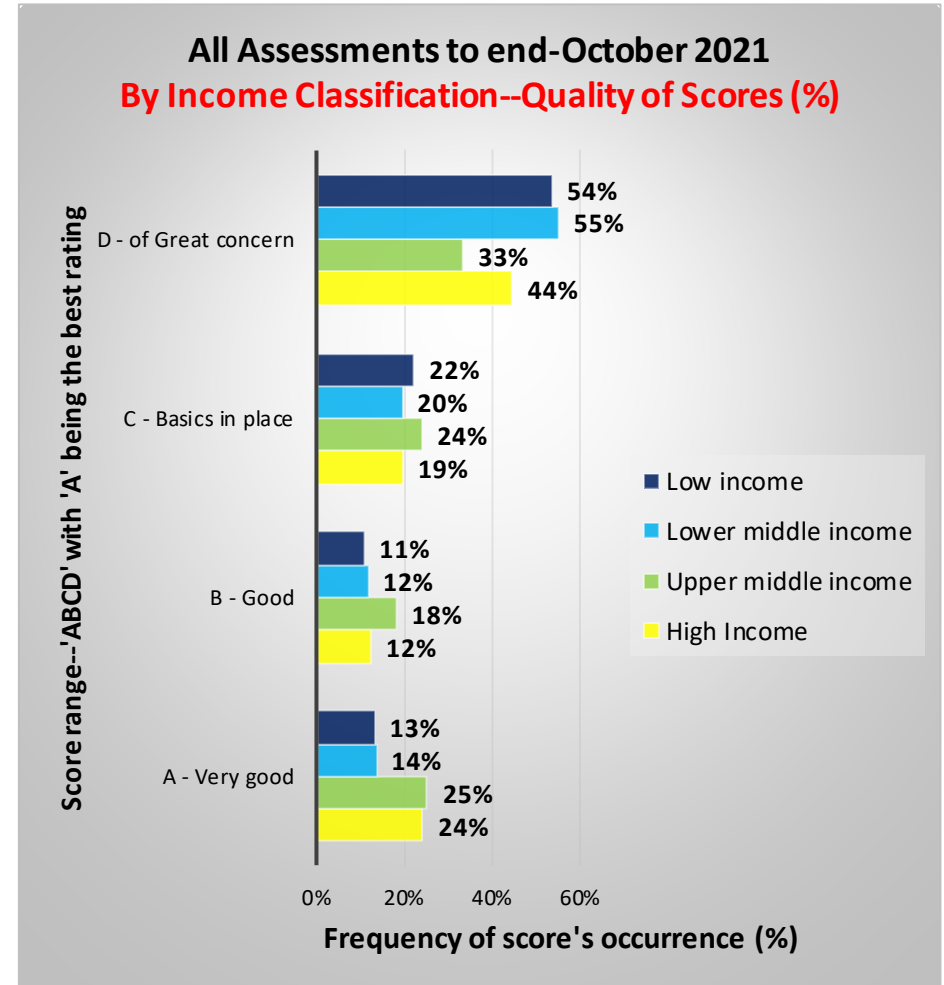
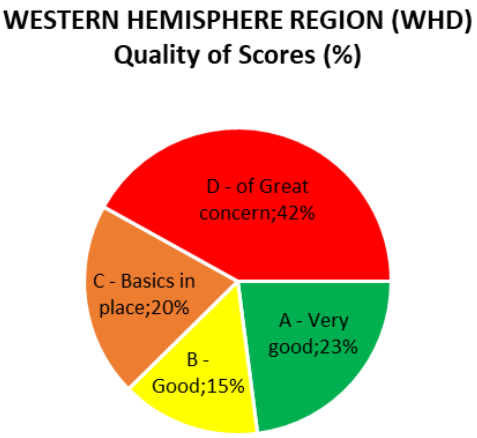
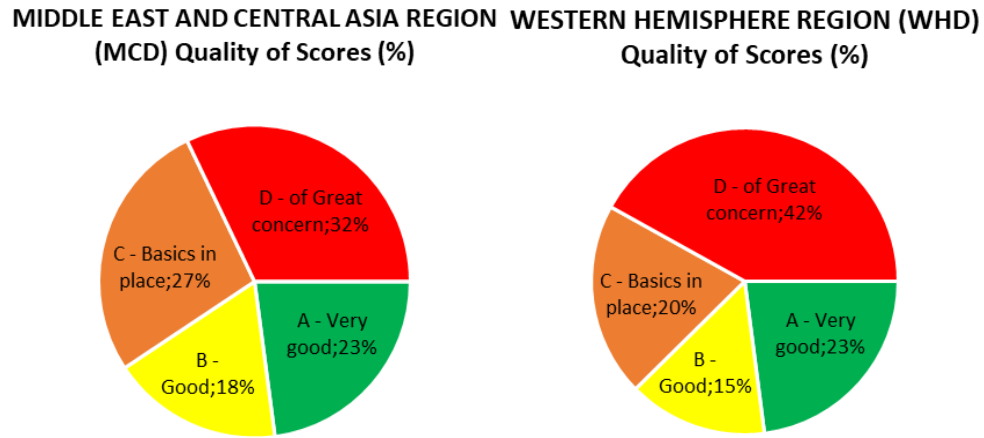
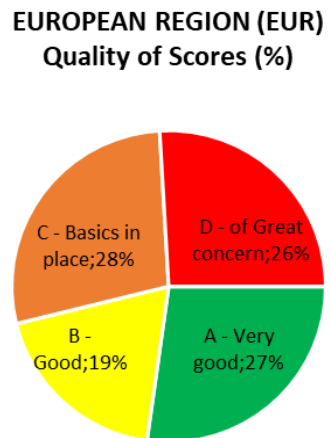
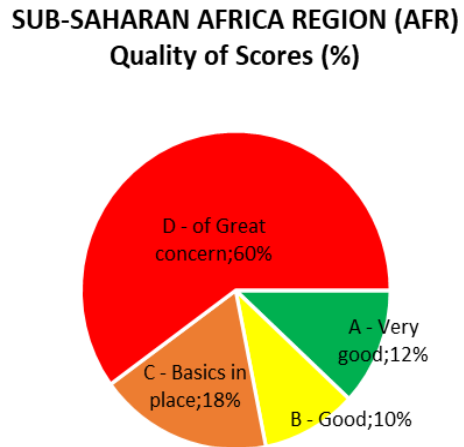
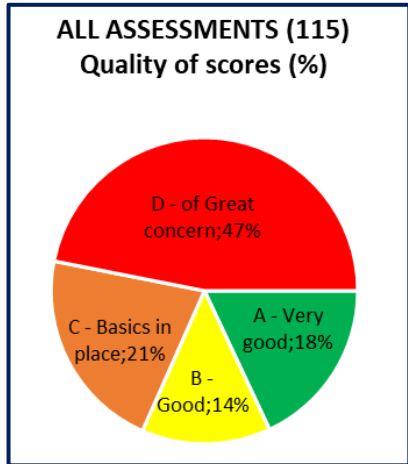


High income countries assessed thus far	Subnationals - countries thus far	Repeat assessments thus far
Antigua and Barbuda	Bosnia and Herzegovina (1)	Georgia
Barbados	Brazil (6)	Jamaica
Greece	Kenya (8)	Kenya
Mauritius	Kosovo (1)	Kosovo
Norway	Nigeria (4)	North Macedonia
Panama	Tanzania (1)	Rwanda
Romania	Potentially upcoming in:	South Africa
Seychelles	Brazil (World Bank)	Uganda
Slovakia	DR Congo (UNCDF)	Zambia
Spain	Kenya (Govt. and UNCDF)	Upcoming in:
Trinidad and Tobago	Malawi (TBD)	Cote d'Ivoire (FAD)
	Uganda (Govt. and UNCDF)	Niger (European Union)
		Moldova (FAD)
		Serbia (FAD)
		Zambia* (TBD)



TADAT—quality of assessment scores

(Overall and income classification at end-October 2021)

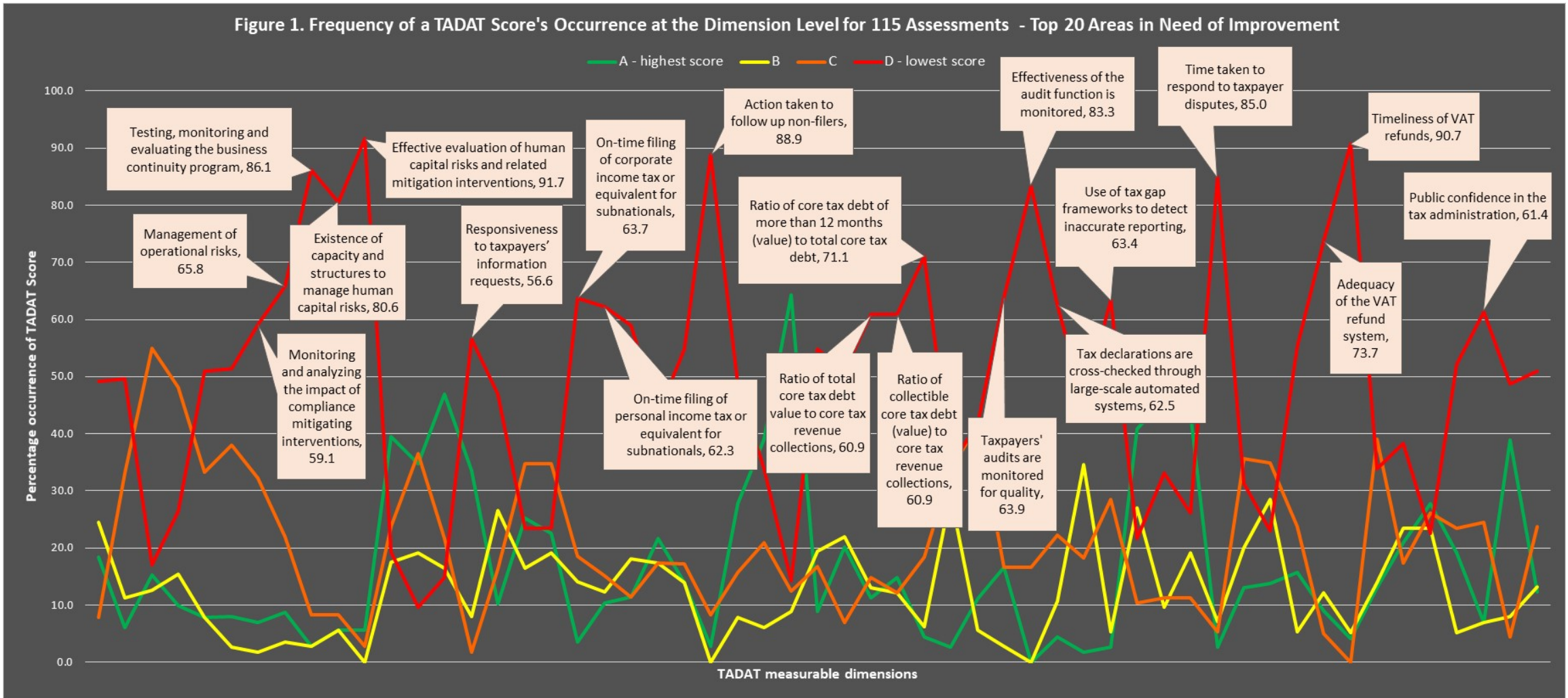


Top 20 hotspots identified by TADAT assessments

(Key overarching tax administration challenges = data quality and working in silos)



Figure 1. Frequency of a TADAT Score's Occurrence at the Dimension Level for 115 Assessments - Top 20 Areas in Need of Improvement



Presentation outline



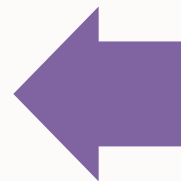
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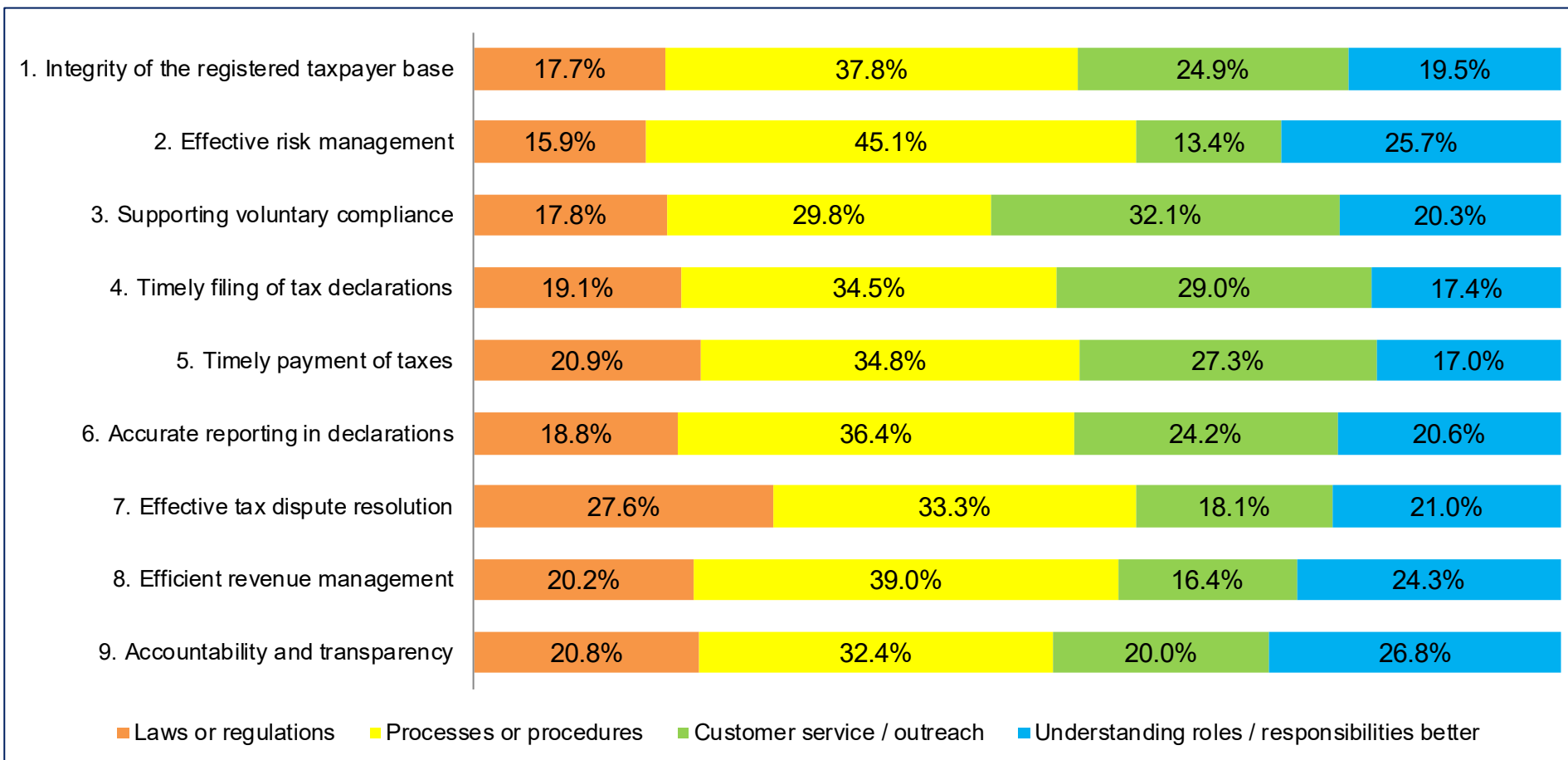


Some TADAT
impacts and
lessons

Observed areas of reform—May 2019 TADAT Survey



Responses from 555 revenue administration officials (TADAT trained persons) from 89 countries



Repeat assessments suggest that improvements are being made post TADAT assessments...



Most previously assessed countries are due for repeat assessments

Analysis of 115 Assessments - Consolidated Median TADAT Scores by Country Income Classification		
Income classification	First assessment	Repeat assessment
High income (HIC)	2.00	-
Upper middle income (UMIC)	2.24	2.67
Lower middle income (LMIC)	1.64	2.33
Low income (LIC)	1.41	2.50
Interpretation of ranges:		Score ranges
A - meets or exceeds good international tax administration practices		4.00
B - sound tax administration practices that are a rung below good practices		3.00 - < 4.00
C - the fundamental tax administration practices are in place		2.00 - < 3.00
D - the fundamental tax administration practices are not in place		1.00 - < 2.00

Analysis of 115 Assessments - Consolidated Median TADAT Scores by Geographical Region		
Geographical region	First assessment	Repeat assessment
Sub-Saharan Africa (AFR)	1.42	2.40
Asia Pacific (APD)	1.88	-
European (EUR)	2.38	2.50
Middle East and Central Asia (MCD)	2.18	3.00
Western Hemisphere (WHD)	2.04	3.00
Interpretation of ranges:		Score ranges
A - meets or exceeds good international tax administration practices		4.00
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Slow areas of reform despite the focus

(Select comments from May 2019 survey)



Little progress on updating of taxpayer's tax/ ledger balances, and bio data; also grappling with taxpayer proof-of-identity Issues.

POA1. Integrity of the Registered Taxpayer Base

Poor compliance risk management which not addressed effectively due to lack of senior management engagement.

POA2. Effective Risk Management

Despite transparency, integrity in working among officials has not improved much.

POA9. Accountability and Transparency

Taxpayers may not use the electronic payment facilities even when they are in place.

POA5. Timely Payment of Taxes

Taxpayers do not necessarily want to seek redress through external vehicles like established commissions and the courts; also, a lack of resources by the tax administrations.

POA7. Effective Tax Dispute Resolution

Other TADAT impacts (1)



- **Analytical work on topical areas** – for example, use of TADAT assessment results as inputs into:
 - ❑ Updates to the G20 Finance Ministers and Central Bank Governors on **Tax Certainty** – see in [PCT Progress Report 2020/21](#)
 - ❑ Dabla-Norris, E. F. Misch, D. E. Cleary, and M. Khwaja, 2019, “**The Quality of Tax Administration and Firm Performance: Evidence from Developing Countries**” available at [TAQI Paper](#)
 - ❑ Brockmeyer, Anne, Spencer Smith, Marco Hernandez, and Stewart Kettle, 2019, “**Casting a Wider Tax Net: Experimental Evidence from Costa Rica**” available at [Casting a Wider Tax Net](#)
 - ❑ Nyanga, M., 2021, “**Essentials of a High Integrity Taxpayer Register,**” available at [Taxpayer Registration Insights](#)
 - ❑ The African Tax Administration Forum and TADAT Secretariat, “**Tax Administration Challenges in Africa: A Comparative Analysis from Findings of the Tax Administration,**” (forthcoming)
 - ❑ TADAT Secretariat, “**TADAT Assessment Results and Machine Learning—Understanding Associations between TADAT Measurable Dimensions,**” (forthcoming)

Other TADAT impacts (2)...



As part of the TADAT outreach and impact assessment, beneficiary countries and researchers narrating their experiences through **TADAT Podcasts, Videocasts and live events** – see the following channels:



4,239



Podcast channel: [The TADAT Podcast](#)

16,588 Downloads | 205 Episodes

YouTube channel: [TADAT - YouTube](#)

GovTech in India Inspired by the TADAT Framework

Watch Live on the TADAT YouTube Channel | **October 28, 2021** | 8:30 – 9:30 a.m., Washington D.C. Eastern Standard Time

POONAM KHAIRA SIDHU
Chief Commissioner of Income Tax, Regional Faceless Assessment Centre (RFAC)
Luckhiana, Punjab State

RUUD DE MOOIJ
Lead Advisor on Taxation
Fiscal Affairs Department
The International Monetary Fund

Hosted by: **ANNETTE SCHMITZ**
TADAT Secretariat

This event is a collaborative undertaking of the following partners:

FROM THE LAB TO THE FIELD: LESSONS LEARNED FROM TAX COMPLIANCE RESEARCH

Watch Live on the TADAT YouTube Channel | **October 28, 2021** | 10:30 – 11:30 a.m., Washington D.C. Eastern Standard Time

GIULIA MASCAGNI
Research Director of the International Centre for Taxation and Development, (ICTD) & Research Fellow at the Institute for Development Studies (IDS)

MICHAEL KEEN
Uehoda Fellow, Tokyo College, University of Tokyo & Research Associate, CERDI, Université Clermont Auvergne
Institute for Fiscal Studies, London Centre for Business Taxation, Oxford

Hosted by: **ANNETTE SCHMITZ**
TADAT Secretariat

This event is a collaborative undertaking of the following partners:

TADAT (VIDEOCAST)

In this Episode:

“A conversation with Special Secretary of Receita Federal do Brasil, José Barroso Tostes Neto”

José Barroso Tostes Neto
Special Secretary
Receita Federal do Brasil

LinkedIn channel: [TADAT - LinkedIn](#)

TADAT Secretariat · 1st
Tax Administration Diagnostic Assessment Tool at International Monetary Fund
Washington, District of Columbia, United States · [Contact info](#)
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Special TADAT Collaboration with the Fiscal Affairs Department Gender Initiative: Gender and Revenue Administration Podcast Series

Katherine Baer
Assistant Director
Revenue Administration Division II
Fiscal Affairs Department

Maria Alejandra Muñoz
Vice President
Republic of Ecuador

Velma Ricketts-Walker
Commissioner General
of Jamaica Customs Agency

Series Premieres on:
International Women's Day
Monday, March 8, 2021

Other TADAT impacts (3)...



- **Interest from subnational governments and development partners involved at this level is increasing** (for example: World Bank, United Nations Capital Development Fund, Foreign and Commonwealth Development Office and the Inter-American Development Bank)—a subnational Field Guide is in place and in use
- **The good practices espoused by TADAT have inspired innovation**, including risk management systems and compliance-based approaches, for example:
 - ❑ **Faceless interaction with taxpayers** – for example: refunds management, dispute resolution and management of taxpayers' audits (India)
 - ❑ **Development of relatively robust risk management (risk differentiation) systems** – Jamaica, Kenya, Kosovo, Rwanda and Uganda; Rwanda also advises enquiring taxpayers on the level of their risk and areas of non-compliance
 - ❑ **Ecosystem approach to compliance management, a great eye-opener** including the identification of fraud, business-splitting, non-filers and stop-filers, and selection of audit and investigation cases centrally – Uganda is taking this approach already

Some TADAT impacts (4)...



- **Some IT systems are being configured to produce TADAT-related monitoring metrics**
 - ❑ For example, **BearingPoint Caribbean** (a private sector company) is developing a **TADAT-based monitoring dashboard** in their automated tax administration applications under guidance from the TADAT Secretariat
- **TADAT training of country officials** now an integral part of the pre- and post TADAT delivery modality
 - ❑ **More so to understand good practices, aside from TADAT's power as an assessment tool**
 - ❑ TADAT is considered a **“safe” reference point** by country officials
 - ❑ **TADAT training for the China State Tax Agency** on course for December 2021

Some TADAT impacts (5)...



- **No need to reinvent the wheel**
 - ❑ **Collaboration and coordination opportunities** are available to be leveraged:
 - ❑ within countries (national and subnational governance levels)
 - ❑ regionally (between country tax administrations – TADAT training a good starting point)
 - ❑ internationally (including twinning arrangements in particular areas, say IT, risk management or audit – beyond just benchmarking studies)
- **Identification of cost-saving measures by standardizing and interfacing tax administration applications at national and subnational levels**
 - ❑ for, at least, the core areas (registration, risk management and revenue collection and accounting)
 - ❑ On **registration**, Brazil is an example; Nigeria is developing interfaces
 - ❑ On **revenue collection and accounting systems**, Uganda Revenue Authority has started interfaces with subnational governments
- Some tax administrations have **appointed TADAT focal persons to monitor TADAT metrics** as part of their regular duties, for example, Kenya Revenue Authority

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Conclusions

TADAT is a generally accepted diagnostic approach worldwide (1)



- **The outcomes and evidence-based approach is viable – TADAT is objective**
 - ❑ Strategic and annual work plans being developed around the TADAT framework – FAD's tax administration capacity development results-based management catalog and reporting has embedded TADAT metrics
- **The framework is available to the public**
 - ❑ Some countries (including those not assessed) are increasingly using the TADAT framework for internal benchmarking
- **TADAT has enabled capacity development providers to engage:**
 - ❑ As multi-agency teams of assessors and trainers = a strong example of collaboration and coordination
 - ❑ With countries not necessarily receiving direct capacity development assistance (for example: Brazil (now receiving CD assistance as a result of TADAT training and assessment), Canada, Mauritius and Spain)

TADAT generally accepted (2)...



- **TADAT assessments have most value if translated quickly into better designed/ sequenced / coordinated / implemented and monitored tax administration reforms - **agility**:**
 - Methodology can be of great benefit if embedded in **regular performance monitoring, reporting and accountability frameworks**
 - **TADAT results are a valuable baseline** for governments, donors/development partners and other domestic or external technical assistance providers
- **Increased realization by many countries that reform **targets should be SMART**—Specific, Measurable, Achievable, Realistic and Time-bound—reform is a **process** not an event!**

TADAT generally accepted (3)...

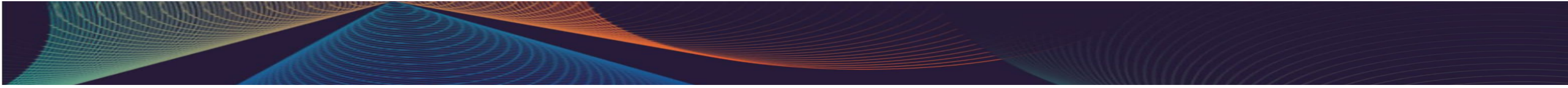


- **Active involvement of country tax administration and related agency/ies staff** (for example: ministries of finance, customs agencies, auditors general, individual and business registration agencies, and ombuds-persons agencies) in all TADAT phases is critical
- **Rigor of assessments** (even if it is internal benchmarking) is vital

Good tax administration practice (TADAT) value enablers include...



- 1) A standardized and robust tax administration performance measurement framework – **this aspect is embodied in the TADAT framework**
- 2) A performance measurement framework that is aligned to the revenue mobilization strategy – **outcomes approach**
- 3) Stakeholder buy-in and support is engendered – **sensitization and training**
- 4) Good practices training of tax administration staff and related assessments are demand-driven – **passion to do well is strengthened**
- 5) The assessment process is consultative rather than prescriptive – **transparency - all key steps are in the TADAT Field Guide(s)**
- 6) Reform/innovation-minded teams are empowered, coordinated and are accountable – **the TADAT framework is used for gap analysis, reflection and innovation**
- 7) High levels of collaboration and coordination – without the need to reinvent the wheel, **including with capacity development partners**



Thank you

