

TADAT Performance Assessment



Uganda Revenue Authority
DEVELOPING UGANDA TOGETHER



Uganda's Experience



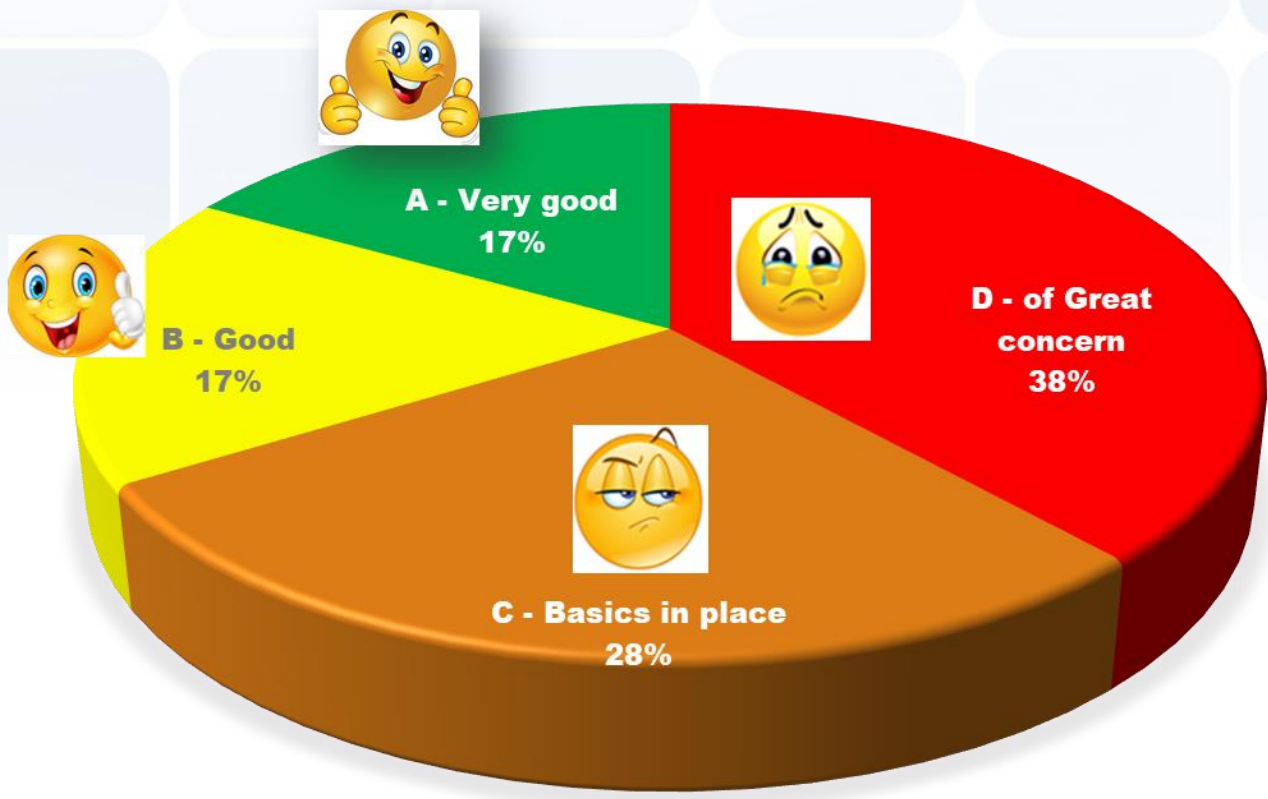
Mandate

Uganda Revenue Authority was established by the URA Act of 1991 as a central body responsible:

- for the assessment, collection and accounting of Central Government tax and non-tax revenues,
- for the administration and enforcement of laws relating to such revenues
- for advising the Minister on tax policy issues as spelt out in our Mandate.



State of Health?



TADAT's Performance outcome areas (POAs)



Background; Strength

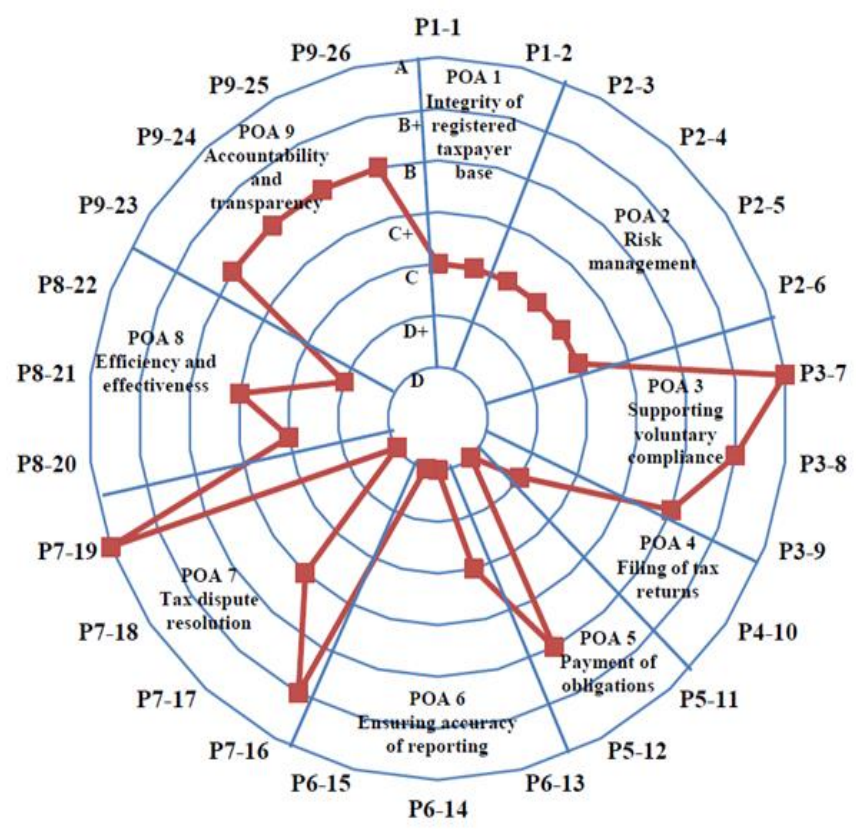
- The extent of intelligence gathering, research and crosschecking of data to identify compliance risks, using an automated risk engine is comprehensive.
- The compliance management process is part of a multi-year national assessment plan and structured across the main taxpayers' obligations, core taxes and taxpayer segments – Compliance Improvement Plan (CIP).
- URA has a comprehensive process for the identification, assessment and mitigation of institutional risks.
- URA performs well with respect to the scope, currency, accessibility of information and initiatives to reduce taxpayer compliance costs.
- Electronic filing and payment of tax is fully rolled-out.
- Withholding and advance payment systems are widely used.
- Internal audit provides assurance of the soundness of URA's internal controls, risk management, and governance frameworks.

Background; Weaknesses

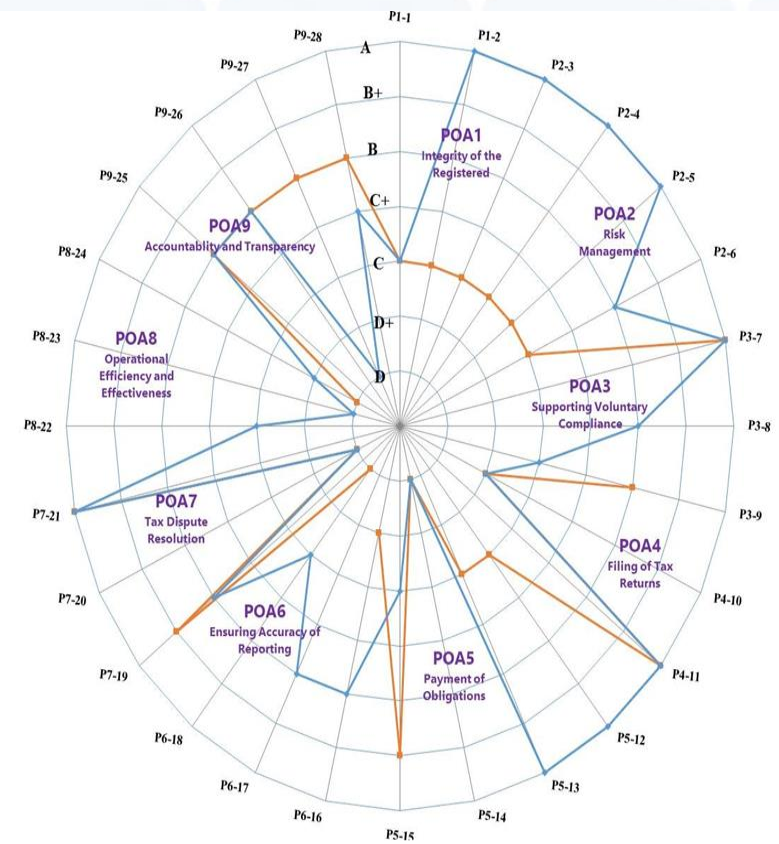
- Integrity of the taxpayer registration database is compromised / Unreliable tax register in terms of untraceable and unregistered taxpayers.
- On-time return filing and payment ratios are low.
- The stock of arrears is very high and comprises mostly old debt. Tax arrears older than 12 months has grown significantly from 23.6 percent in 2016 to 78.2 percent in 2018.
- not been commissioned in recent years to obtain feedback on URA products, services, and staff integrity.
- The administrative review process is very slow as only 79.5 percent of the cases were finalized within 90 days.
- The rate of processing VAT refund claims is extremely low and the funding available to pay refund claims is insufficient.

TADAT ASSESSMENTS

2015



2019



POA 1: Integrity of the Registered Taxpayer Base

Indicator	Score 2015	Score 2019	Intervention / Reforms
PI-1. Accurate and reliable taxpayer information.	C	C	<p>To increase reliance on the tax register and accuracy of the tax register;</p> <ul style="list-style-type: none"> i. rely on a Primary registration authority (PRA) to identify a person – enhance accuracy of registration record. ii. Perform secondary registration – tax type registration to control registration for taxes only. iii. Against a Unique Identifier (UI) issued by a PRA, URA shall embed a TIN.
PI-2. Knowledge of the potential taxpayer base.	C	A	<p>To know potential taxpayer base;</p> <ul style="list-style-type: none"> i. Adopt the use of a UI increases visibility of hidden economy – hence the opportunity to expand the register. ii. Maximize integration and interfaces with all MDAs and other key third party systems (Utility Companies). iii. Embed tax at the point of a transaction to put URA behind every tax by integrating with natural systems of third parties. iv. Current Initiatives: Taxpayer Registration Expansion (TREP) Programme – URSB/KCCA/LGs/URA

POA 2: Effective Risk Management

Indicator	Score 2015	Score 2019	Intervention / Reforms
P2-3. Identification, assessment, ranking, and quantification of compliance risks.	C	A	<p>To enhance use of the risk management function;</p> <ul style="list-style-type: none"> i. Create a mechanism where risk parameters are flagged at any point of decision making – e.g. An Approval/Rejection, Certificate issuance, Audit, Assessment etc. ii. Create a mechanism for a client to view their risk heat map as seen by URA to proactively induce compliance and promote self-health checks in tax. iii. Link the risk engine to the interactive client profile functionality so that even the CG can see a taxpayer’s compliance pattern.
P2-4. Mitigation of risks through a compliance improvement plan.	C	A	<p>To sustain the use of CIPs;</p> <ul style="list-style-type: none"> i. Create a mechanism that supports workflow and work package for management for the function of CIP. ii. Implement a mechanism to, identify, create, deploy, update and retire a risk. iii. Have CIP managed through a system, hence keeping trail of risks in a centralized place.
P2-5. Monitoring and evaluation of compliance risk mitigation activities.	C	A	<p>To create the ability for continuous monitoring and evaluation of operations risks;</p> <ul style="list-style-type: none"> i. Create the mechanism for real-time reconciliation of risks that have been addressed. ii. Create a mechanism for identifying users and functionalities where risks identified are not being addressed and this shall be accessible any authorized user like Management.

POA 3: Supporting Voluntary Compliance

Indicator	Score 2015	Score 2019	Intervention / Reforms
P3-7. Scope, currency, and accessibility of information.	A	A	To facilitate compliance; i. Have a mechanism for a user to access a tax service using a preferred language. ii. Have a mechanism for accessing tax service using multiple channels including audio, visual and social media platforms amongst others.
P3-8. Scope of initiatives to reduce taxpayer compliance costs.	-	B	WIP to facilitate prefilled declaration; EFRIS /DTS/eTAX / other MDA data sources
P3-9. Obtaining taxpayer feedback on products and services.	B	C	Mechanisms in place that allow instant feedback for any process executed so that feedback is sourced immediately: • Contact Centre • WhatsApp number 0772-140000. Taxpayers can now chat with the Taxman to access URA services by simply following the promptings

POA 3: Supporting Voluntary Compliance



Dear Esteemed



WE ARE ON WHATSAPP.

Send us a direct message to get assistance on **0772140000**

WE ARE MUCH CLOSER

Follow us: 

#30YearsStronger



THE KAKASA Buzzer

WIN BIG

Fill the **KAKASA survey** and stand a chance to **WIN BIG**

Look out for the **survey link** starting today



Hello, URA is now giving you the option to speak to us in the language of your preference.

Dial 0800117000 or 0800217000

Follow us: 

POA 4: Timely Filing of Tax Declarations

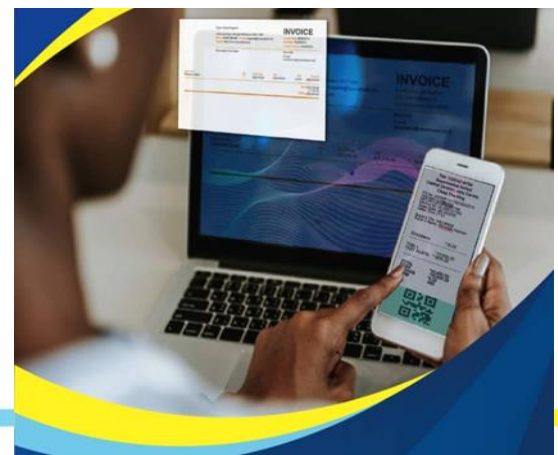
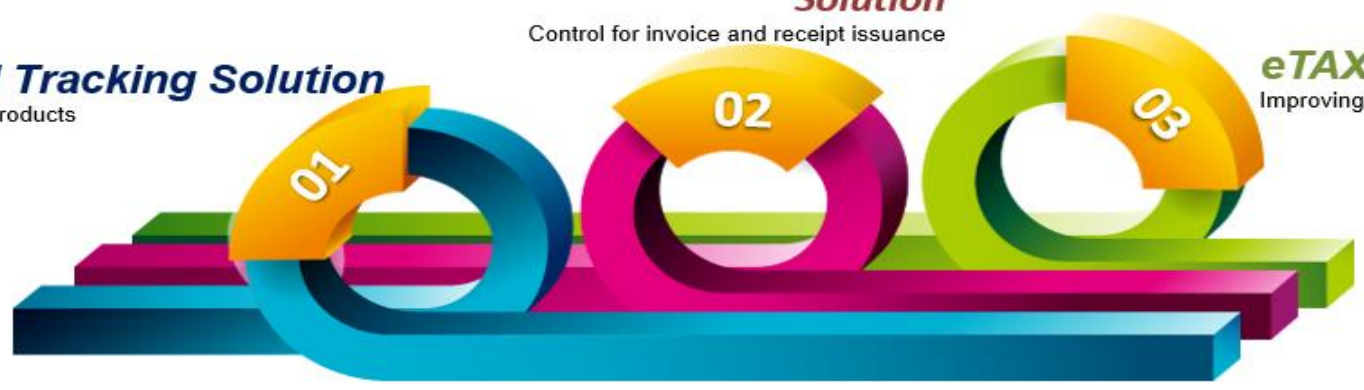
Indicator	Score 2015	Score 2019	Intervention / Reforms
P4-10. On-time filing rate.	D+	D+	To improve on-time filing performance measure; i. Adopt prefilled declaration approach ii. Create a mechanism where filing requirement is known to URA, and prompts to file is automatically triggered hence alleviating filing ratio performance
P4-11. Use of electronic filing facilities.	A	A	To improve electronic filing; i. Rely on other URA tools such as EFRIS, DTS, Asycuda World to prefill returns and make returns less bulky. ii. Use a Chatbot (questionnaire) based filing method to make electronic filing mandatory and easy to complete

POA 4: Timely Filing of Tax Declarations

**Electronic Fiscal
Receipting & Invoicing
Solution**
Control for invoice and receipt issuance

Digital Tracking Solution
Stamps on products

eTAX2
Improving service delivery



POA 5: Timely Payment of Taxes

Indicator	Score 2015	Score 2019	Intervention / Reforms
P5-12. Use of electronic payment methods.	C	A	<p>To sustain use of electronic payments;</p> <p>i. Create a mechanism for automatically presenting a payment aggregator functionality to complete an electronic payment</p> <p>ii. Create a mechanism to support digital currency since the National Payment Systems Act is already passed into law</p> <p>iii. Create a mechanism that involves a taxpayer in the payment process towards extinguishing a liability so that there is no repudiation of an account balance</p>
P5-13. Use of efficient collection systems.	C	A	<p>To enhance withholding procedures;</p> <p>i. Have a mechanism to automatically apply tax on eligible transaction and prefill the applicable declaration as provided in an applicable law</p>

POA 5: Timely Payment of Taxes

Indicator	Score 2015	Score 2019	Intervention / Reforms
P5-14. Timeliness of payments.	D	D	To sustain the payment process; i. Create a mechanism for involving a taxpayer in extinguishing a liability to avoid repudiation of an outstanding tax balance ii. Create a mechanism that matches every payment to an existing liability so that determining on-time payment by value and count can be determined with ease.
P5-15. Stock and flow of tax arrears.	B+	C	To alleviate the arrears stock position; i. Create an environment where a taxpayer cannot refute a tax position ii. Create a mechanism to automatically demand tax – 24hrs by triggering a chat for being online or sending SMS and relevant mails/ demand notices so that the process of debt enforcement is reached much faster hence reducing arrears stock levels

POA 6: Accurate Reporting in Declarations

Indicator	Score 2015	Score 2019	Intervention / Reforms
P6-16. Scope of verification actions taken to detect and deter inaccurate reporting.	D+	B	To improve large scale cross matching; i.Target integration and interfacing with all entities that have relevant data. ii.Create a mechanism for using data captured once at the initial point of instance to limit secondary disclosure/ inaccurate declaration iii.Maximize prefilling records so that shared/ distributed information cannot be altered easily – (the Blockchain principle)
P6-17. Extent of proactive initiatives to encourage accurate reporting.	-	B	To strengthen application of practice notices and private rulings; i.In the case of practice notice, through the interactive client profile allow a user to see taxpayers eligible for a practice notice, ii.In the case of a private ruling, through the interactive client profile an authorized user shall see in real time applicable private/ advance ruling of a taxpayer iii.Information used to pass/ issue a guidance, ruling shall be accessible in the online information library

POA 6: Accurate Reporting in Declarations

Indicator	Score 2015	Score 2019	Intervention / Reforms
P6-18. Monitoring the extent of inaccurate reporting.	D	C	So support revenue models that help a station or office to accurately facilitate compliance, the solution shall; i. Take advantages explained for P6-16 ii. Create revenue modeling capability for any user to detect incorrect or under disclosures so that in real-time corrective actions are taken





Conclusion

Reform progress so far has established a strong foundation for embracing future opportunities envisaged in the government's five-year Domestic Revenue Mobilization Strategy (DRMS).

The DRMS proposes an integrated package of reforms in tax policy, legislation, and revenue administration that will be implemented over the next five years.

The results of the repeat TADAT assessment provided information on reform outcomes against the 2015 assessment results and up-to-date baseline information that was used to develop new targets under the DRMS.

