Trinidad and Tobago Revenue Authority
Strategic Plan
2023-2025

Table of Contents

		Page
01	Executive summary	3
02	Current state positioning	11
03	Strategic positioning	18
04	Roadmap and detailed operational plan for year one	25
05	Revenue administrations and comparative frameworks	50
06	Innovations in global revenue administration	61
07	Appendices	66

1 Executive summary

Purpose and background

The Trinidad and Tobago Revenue Authority (TTRA) was established in 2021 by an Act of Parliament of the Republic of Trinidad and Tobago. With an estimated (2017) domestic tax gap of $12b to $15b, the Government, through the TTRA, is actively seeking to address this fiscal vulnerability and close the tax gap by improving the efficiency and efficacy of the country's revenue collection. In order to stimulate economic growth and development, the government needs sustainable sources of financing for social programs and government investments which calls for a strengthened revenue administration inclusive of effective trade facilitation and border control. The most cost-effective systems for collecting revenues are those that encourage customers to **meet their obligations voluntarily**, leaving authorities to concentrate their efforts on those customers who do not comply. A robust and effective system would prevent further leakages in revenue collection, thereby providing additional funding to maximize public services and provide an enriched quality of life for all throughout Trinidad & Tobago.

As part of our strategy, we aim to encourage compliance with tax and custom laws to ensure that everyone can meet their obligations whether it be through **voluntary compliance** or **responsible enforcement**. We will execute in a manner that does not unduly disrupt trade, or economic development by imposing onerous and unnecessary administrative tasks on taxpayers, traders and businesses. We will carry out our responsibilities in a manner guided by our core values: Equity, Trust, Transparency, Accountability, Responsiveness, Innovation and Risk intelligence, and governed by our guiding principles.

TTRA'S GUIDING PRINCIPLES

- Ensuring taxpayers are **AWARE** of their obligations
- Make it **SIMPLE** and **EASY** to comply
- Instilling **INTEGRITY** throughout the organization
- Suitably **PENALIZE** those who do not adhere to or facilitate non-adherence to the law

The "HOW…"

Voluntary compliance

Strategies to be employed

- Deliver exceptional customer experience
- Offer adequate education and awareness
- Digital/self service channels & other digital technologies
- Advocate for transparency around use of revenue collections
- Whole taxpayer approach
- Tax segmentation and cohorts to tailor services (e.g. Oil & Gas segment, financial institutions, public companies, MSMEs, Construction, Agriculture etc.)
- Instill a sense of trust and confidence in customers
- Effective communication and public relations

Responsible enforcement

Strategies to be employed

- Establish data center of excellence with appropriate skilled resources such as data scientists and analysts
- Enhanced risk-based approach
- Enforcement of penalties in cases of serious repeated non-compliance
- Mitigation strategies to address shadow economy e.g. Customs enforcement guidelines, policy recommendations etc.
- Effective use of advanced analytics to target and identify non-compliance, minimize tax leakages and flag potential instances of suspicious taxpayer behaviours

The TTRA will execute strategy over the following three phases with a targeted launch date of the TTRA in July 2023:

Integrate & Retain

Year 1

Jan – Sept 2023

Retention

To ensure a smooth and seamless integration of the Inland Revenue Division (IRD) and the Customs & Excise Division (CED) with minimal disruption to services and operations, whilst maintaining the budgeted fiscal year 2023 non-oil tax collections to non-oil GDP ratio.

Target launch date: **Jul-23**

Target tax collections **$40.5b**

Transition

Year 2

Oct – Sept 2024

Voluntary compliance and enforcement

To introduce the use of new and innovative digital solutions including advanced data analytics geared towards promoting voluntary compliance, drive deeper insights on customers as well detect suspicious taxpayer behaviour to minimize tax leakage and tax evasion.

.

Target tax collections **$43b**

Transform & Grow

Year 3

Oct – Sept 2025

To optimize and enhance the use of digital technologies and analytical models, ensuring the right skills and working practices are available to effectively extract the benefits and insights required to increase compliance and subsequently revenue collections

.

Target tax collections **$50.5b**

Trinidad & Tobago Revenue Authority: The New Way Forward…

TTRA VISION: To be a trusted and fair revenue administration that acts with integrity and transparency, committed to closing the tax gap and to effective trade facilitation, through voluntary compliance, innovative solutions, enhanced citizens experience and an empowered workforce.

PURPOSE: To enable nation building by optimizing revenue collections for an enriched quality of life throughout Trinidad & Tobago

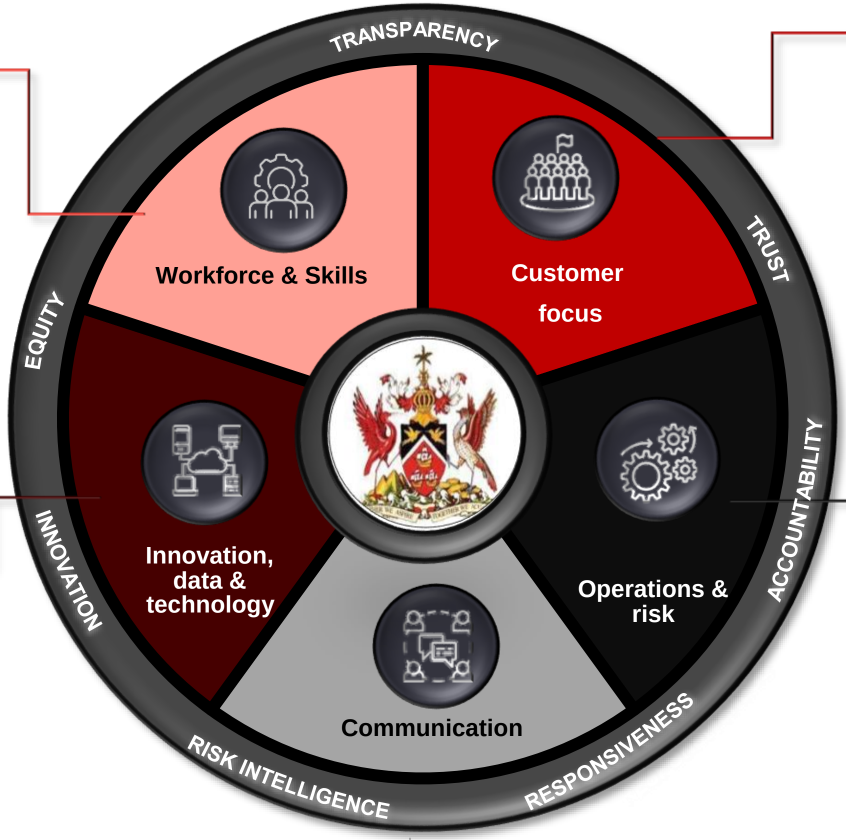
TARGET: Increase revenue collections by $10b by 2025

Strategic objective 1: To establish a high-performing and ethical workforce that is instilled with a sense of purpose, pride and are empowered to achieve the objectives of the TTRA

1. Recruit and retain suitable resources for TTRA for the transition period and beyond
2. Revisit and redefine the Enforcement function to ensure greater alignment with proposed structure
3. Manage the transition of existing IRD and CED employees to support the operationalization of the TTRA (in accordance with the provision for the TTRA Act)
4. Develop an integration and transition management strategy
5. Establish TTRA organizational culture
6. Promote business continuity throughout transition phase and beyond
7. Define a continuous learning and training programme for all levels of staff
8. Promote and assess employee engagement
9. Optimize the workforce structure for the efficient delivery of the TTRA's services

Strategic objective 2: Educate taxpayers effectively and make it simple for them to comply with their obligations

1. Ensure consistent application of the laws by TTRA audit/enforcement staff in accordance with the institution's interpretation of the law
2. Develop clear and simple to use revenue services that allow customers to easily file their tax returns and pay duties thereby encouraging voluntary compliance



Strategic objective 3: Create an innovative and data driven organization that will drive greater compliance
Strategic objective 4: Modernize systems to enhance and streamline our online services

1. Develop IT blueprint for TTRA detailing intended IT landscape (including technology components) and define key IT roles
2. Optimization of existing systems
3. Develop a data strategy to guide the pertinent data to be collected, secured, managed and used to drive actionable insights around identification of suspicious behaviour, non-compliance and accurate revenue collection (unlock data potential)
4. Actively implement simple innovations which may have significant positive implications on voluntary compliance
5. Establish cybersecurity program to protect TTRA from cyberthreats and data breaches
6. Improve the valuation process for customs through innovation

Strategic objective 5 : To modernize revenue collection systems and processes to drive efficiency, improve stakeholder experience and detect and reduce non-compliance

1. Review, validate and update existing processes as necessary
2. Convert processes into new system requirements for RFP purposes
3. Define service delivery channels
4. Review and refine legislation as necessary
5. Establish an Enterprise Risk Management framework
6. Optimize TTRA corporate governance framework
7. Develop internal audit plan
8. Develop a policy framework and promote the use of SOPs which will improve the ease of doing business
9. Optimize and automate key processes
10. Develop mitigation practices against non-compliance
11. Improve the enforcement arm of customs and excise by developing clear guidelines to regulate transit sheds owned and operated by the private sector
12. Initiate the process to further implement the Common Reporting Standards to support the Automatic Exchange of Information (AEOI)

Strategic objective 6: Create public trust and confidence in the revenue administration system

1. Develop and finalize detailed communication plans across all media types to actively inform all stakeholders of the TTRA formation building trust through transparency and visibility
2. Formal launch of TTRA in mid 2022
3. Develop long-term communications plans to update stakeholders on incremental improvements and demonstrate transparency
4. Development and launch of new TTRA website and withdrawal of the CED and IRD individual websites so as to avoid confusion to citizens and trade community

Pockets of Value

The TTRA has identified pockets of value that have the potential to yield a high impact on achieving its objectives. We believe that tapping into these pockets should be a high priority of the TTRA moving forward. Dedicated time and resources will be required to ensure that these pockets of value can be realized.

Successful implementation of **unique identifier** for taxpayers which will allow for a 360- degree view of the customer

Advocacy for **transparency** within the TTRA and the Ministry of Finance to encourage voluntary compliance

Establishment of a **Center of Excellence** (CoE) focused on policy and strategy, research and data analytics

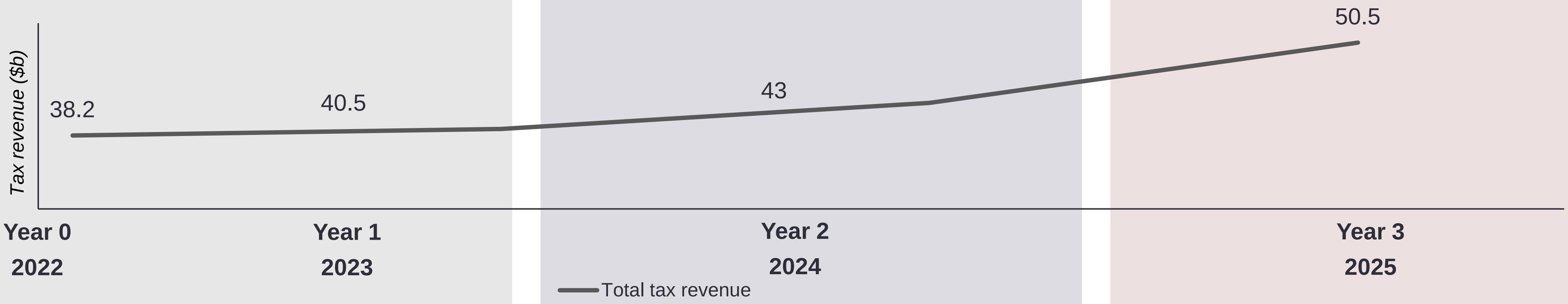
Use of **data analytics and dashboards** to implement risk-based assessments which will improve customer profiling, segmentation and provide an efficient and effective means of identifying non-compliance and suspicious behaviour

Development of an efficient system and process for **objections**

The path to bridging the revenue collection gap

The TTRA will achieve its strategic objectives and aim to meet its targets through execution of its initiatives over the next three years. The initiatives will be executed accordingly over the three-year period 2023 to 2025. **Year 1: Integrate and retain**, (ii) **Year 2: Transition** and (iii) **Year 3:Transform and grow**. The TTRA's aim is to retain its tax collection levels in the first year followed by a 1% and 3% increase in the tax to GDP ratio in years two and three, respectively.

	Integrate and retain	Transition	Transform and Grow	Future state
Target customer perception	• New and improved organization • Openly communicates with the public	• Trustworthy and transparent operations • Digitally enabled and easy to transact with	• Proactive and informed • Provides innovative solutions • Customer centric	Target KPI based on average OECD economies rate
Tax to GDP Total	20% (Year 0, 2022); 21% (Year 1, 2023)	22% (Year 2, 2024)	25% (Year 3, 2025)	35% (Beyond)



Key activities

Integrate and retain
- Establishment of TTRA workforce (through transition from IRD and CED and recruit new skills where necessary)
- Legislative review and clarification of key roles and responsibilities
- Commencement of process re-engineering exercise
- Identification of key digital technologies to support TTRA's future state
- Formal launch of TTRA by July 2023

Transition
- Development of a **data analytics centre**
- Creation of a **tax segmentation framework**
- Quick wins to **enhance customer experience** and promote **voluntary compliance**
- **Education and awareness** campaign

Transform and Grow
- **Voluntary compliance** through innovative solutions and digital technologies
- Strengthen the enforcement arm using advanced data analytics to target companies and individuals that do not comply and other instances of suspicious behaviour

Execution of a communication plan for all stakeholders

Overview of the legislative framework – TTRA Act (2021)

The legislative framework governing the TTRA was passed by an act of Parliament in December 2021. The Act enables the TTRA to function according to its mandate, but through a hybrid system, whereby the Enforcement Division will still be guided by the Public Service Commission. To promote transparency in our operations, we have highlighted key discussion points of the Act, which will be featured in our communication to future staff and the wider public, as an education forward strategy to create buy-in and comfort around the legal framework of the TTRA.

Functions of the TTRA

- Assessment and collection of taxes under the revenue laws
- Administration of the revenue laws
- Enforcement of the revenue laws
- Enforcement of border control measures subject to any other written law
- Provision of revenue collection services to any statutory or other body to collect public monies
- Facilitation of legitimate trade
- Advise the government on tax related matters

Responsibilities of the TTRA Board

- Staffing of the TTRA
- Approval & review of the policy of the TTRA
- Performance mgmt. of functions
- Finances, real property, other assets and resources; securing contracts; procurement
- Service standards, performance targets and employee code of conduct
- Strategic plan, annual budget, operational plan and annual report
- Mandate for collective bargaining
- Probity in the use and allocation of resources
- Principles of good corporate governance
- Internal audit of the TTRA
- Enterprise risk management

Current staff of the IRD and the CED can:

1. **Voluntarily retire** from the Public Service
2. **Transfer to the TTRA** on terms and conditions no less favorable than enjoyed in the Public Service
3. **Be appointed to the Enforcement Division of the TTRA** in a suitable post by the Public Service Commission. (Note: this division remains under the purview of the Public Service Commission).
4. **Remain in the Public Service** once an office commensurate with the office held prior to the TTRA act is available.

Interaction with existing law

- The TTRA Act only enables it to carry out its specified functions.
- However, some parts of the existing revenue legislation must be repealed or amended to ensure consistency with the TTRA Act.

Human resources

- The TTRA Board is responsible for the management policies which govern human resources, including those related to recruitment, remuneration, promotion, training and development, performance assessment, conditions of work, discipline, termination of employment and superannuation benefits.
- However, staff transferring from the CED or IRD to the Enforcement Division will remain in the Public Service.

Director General

- The Director General and the Deputy Directors General of the TTRA will be appointed by the Minister of Finance, subject to affirmative resolution of Parliament.
- The Deputy Director General – Enforcement shall, however, be a public officer. This position will be appointed by the Public Service Commission.

Privacy and Data

- The duties of confidentiality are quite strict under the BIR and, so too, will be upheld under the TTRA.
- Governing legislation such as the Data Protection Act, Common Reporting Standards, Mutual Sharing of Information and FATCA will remain and will guide the use of data in the TTRA.

TTRA's proposed organizational start-up structure

The successful achievement of our strategic objectives requires that our organizational structure provides the framework upon which we can base our initiatives and objectives. Fundamentally, we have placed focus on performing our main responsibility of revenue collection and administration through our technical services and enforcement* division, leveraging data through our center of excellence, supporting the organization through core shared services, and maintaining integrity through an independent integrity promotion unit which will report into the Board of Directors and enhance internal compliance.

Board of Directors

Corporate Secretary (1)

Director General (DG) (1)

Integrity Promotion

- Chief Risk Officer– ERM (1)
- Chief Internal Affairs Executive (1)
- Chief Internal Audit Executive (1)

Corporate Services

General Counsel - International Compliance (1)
- Drive the migration to the Common Reporting Standards
- Administer policy guidelines on international compliance
- Private letter rulings

General Counsel - Legal & International Relations (1)
- Advocacy
- Dispute resolution
- International relations
- Policy review

Chief Administration Officer - Corporate Services (1)
- General administration
- Facilities administration
- Communication
- Public education
- Events and protocol
- Graphic design
- Content generation
- Asset management
- Asset protection
- Procurement
  Customer relations
- Armory

Chief HR Officer - Human Capital Management (1)
- HR service delivery
- Talent management
- Compensation and benefits administration
- HRIS
- Employee relations
- Health, safety and wellness
- Customer relations (internal)

Chief Financial Officer - Finance and Accounting (1)
- Revenue
- Financial operations
- Payroll
- Receivables
- Budgeting

Chief Information Officer - ICT & Knowledge Management (1)
- Knowledge management
- Records and archive management
- Research
- Data security
- Network and system infrastructure
- Solutions architecture
- Help desk
- Data quality management and extrapolation

Center of Excellence

Executive Advisor Corporate Strategy (1)
- Analytics
- Project Management
- Research
- Policy and Strategy

Technical Services

Deputy DG – Domestic Tax Division (1)
- Asst. DG Taxpayer Services
- Asst. DG Compliance
- Asst. DG Regional Operations
- Asst. DG Large Taxpayers

Deputy DG – C&E Division (1)
- Asst. DG Excise and Industry
- Asst. DG Compliance
- Asst. DG Operations
- Asst. DG Trade Facilitation

Enforcement

Deputy DG – Enforcement Division (1)
- Asst. DG Enforcement
- Taxpayer Ombudsman

* The Enforcement division will comprise public officers authorized to exercise the powers, authorities and privileges conferred by the Customs laws, the Excise Act or other revenue laws for the purposes of the enforcement of those revenue laws.

The current staff of the CED and the IRD will have the option to transition to the TTRA

	IRD	CED
Filled positions		
Vacancies		
Total staff complement	**865**	**620**

	TTRA
Transitioned staff	1,485
New executive positions	15
Minimum starting TTRA headcount	**1,500**

TTRA's proposed organizational start-up structure

The TTRA will not gain cost efficiencies from staff reductions. We expect that the staff complement of both the IRD and the CED will transition to the TTRA. The size of the organization should then grow as we staff new executive positions and units, such as, the Center of Excellence. The illustrated proposed organizational structure will only serve in the start-up period. As we progress through our Year 1 through 3 strategic objectives, the structure will be continuously revisited and refined to ensure alignment.

Center of Excellence

Executive Advisor Corporate Strategy

Analytics

- Segmented approach:
  - a) Oil and Gas
  - b) Financial institutions
  - c) Large public and private Corporates
  - d) SMEs
  - e) Construction
  - f) Agriculture
  - g) Individuals

Project Management

- Project oversight
- Monitoring and evaluation

Research

- Tax and customs research
- Global innovations

Policy and Strategy

- Policy review and recommendation
- Policy and strategy coordination
- Policy administration

We considered the following in the design of the proposed organizational structure of the TTRA

Center of Excellence
Leverage data analytics to gather, review, interpret and easily disseminate information across the entire organization and to relevant stakeholders.

Segmentation
Segment taxpayers by industry and size, with the aim of having a "whole taxpayer" focus, allowing us to design risk frameworks across all types of tax and trade activities.

Integrity promotion unit
Facilitate the creation of a risk intelligent culture of unquestionable integrity, which supports sound ethical behavior, intolerant of criminal acts, without prejudice.

Transactional framework
Re-organize the customs and excise units by type and frequency of goods to increase efficiencies, develop specializations, improve risk mitigation and better protect our borders.

International compliance unit*
Drive the migration to the Common Reporting Standards used by developed nations globally and administer policy guidelines on international compliance.

Flexible framework
Review, refine and re-organize the structure to ensure strategic alignment and a strong foundation, as we progress from this start-up framework to our ultimate structure.

* We recognize the importance of having and adequately resourcing an International Compliance Unit, as compliance requirements in the global space, in areas such as Common Reporting Standards, FATCA, Bilateral Exchange of Information, Mutual Agreement Procedures and Peer review processes, are growing exponentially. This unit will ensure that Trinidad and Tobago neither suffers adverse implications in its reputation as a global trading partner, nor is subject to onerous reporting or taxation measures from international parties due to blacklisting and failure to comply. Areas of expertise required in this unit will include legal, IT, data mining and analytics and international tax compliance experts.

2

Current state positioning

TTRA's mandate and overarching objective is to ultimately increase revenue collections for T&T

Through benchmarking against several models, the structure chosen for the TTRA combines the functions of two divisions of the Ministry of Finance, namely the Inland Revenue Division (IRD) and the Customs & Excise Division (CED). As one revenue collecting agency, there will be several benefits and synergies, including cost efficiencies, data sharing and improved risk mitigation frameworks. The strategic plan set forth seeks to offer a smooth merger and transition for the two organizations and mitigate the anticipated challenges that may be faced.

Current State

Inland Revenue Division

Vision:
To be a globally respected tax administration.

Mission:
To improve voluntary compliance by:
- *Providing quality customer service and education.*
- *Enforcing the tax laws effectively and efficiently, in an environment of integrity, fairness and mutual respect.*
- *Improving employees' well-being, knowledge and skills.*

Functions:
- Reform planning and research/objections
- Collections and taxpayer services:
  - Taxpayer services (registration, assistance, processing)
  - Office and field collections
  - Enforcement
  - Accounting control and processing
- Corporate services
- Audit and compliance
- Legal and policy administration

Customs & Excise Division

Vision:
To be the leading-edge service, law enforcement, trade facilitation and revenue collection organization in the region and beyond through the efforts of professional and dedicated staff.

Mission:
- *To support economic growth and development by facilitating legitimate trade and travel, revenue generation and collection.*
- *To protect our borders and provide increased security to the global trade supply chain by enforcing compliance with all the laws and regulations under which we are empowered to act.*

Functions:
- Revenue collection and protection – national, regional and international policy
- The correct application of trade policy – compliance with trade agreements
- Protecting our physical borders, society and the environment - enforcement
- Collect and disseminate accurate trade related information and statistics – required by law to provide information to the Central Statistical Office

Trinidad and Tobago Revenue Authority

TTRA VISION: To be a trusted and fair revenue administration that acts with integrity and transparency, committed to closing the tax gap and to effective trade facilitation, through voluntary compliance, innovative solutions, enhanced citizens experience and an empowered workforce.

PURPOSE: To enable nation building by optimizing revenue collections for an enriched quality of life throughout Trinidad & Tobago

Objectives

- Assessment and collection of taxes under the revenue laws
- Administration of the revenue laws
- Enforcement of the revenue laws
- Enforcement of border control measures subject to any other written law
- Provision of revenue collection services to any statutory or other body to collect public monies
- Facilitation of legitimate trade
- Advise the government on tax related matters

Proposed Benefits

- Fix revenue leakage and generate a further \$3b - \$10b annually
- Improve T&T's international credit rating
- Reduce bureaucracy and improve ease of doing business
- Improve efficiencies through technology and data analytics
- Improve understaffing by building capacity and reengineering processes

Snapshot of the existing Trinidad and Tobago Revenue Framework

Below summarizes key information on the current revenue framework in place in Trinidad and Tobago along with a snapshot of the economic environment within which it operates. This data was gathered from publicly available resources and primary research, however, further analysis (including on the tax gap and the shadow economy) could not be conducted due to limited availability of data.

Key Statistics

$190.7 B GDP *2022* — 20% — **$38 B 2022 Tax revenue**

603.8K Labour Force* — 52.2% — **315k Individual Taxpayers**

$12 B to $15 B Tax Gap — In 2017

$2.2 B Customs & Excise Rev — 1.3% of GDP and 6.6% of tax revenues in 2021

Key statistics shown as of 2022, in TT$ unless otherwise stated

CUSTOMS AND INLAND REVENUE COVERED BY SAME ENTITY	ONLINE TAX PORTAL	TAXPAYER SEGMENTATION APPROACH	RISK-BASED COMPLIANCE APPROACH	COMMON REPORTING STANDARDS (CRS) COMPLIANCE	SINGLE TRADE WINDOW
✗	✓	✗	✗	✗	✓
Separate Inland Revenue Division and Customs and Excise Division	*E-Tax Portal for taxpayers*	*Petroleum Large Taxpayers Business Unit exists, but there is no traditional segmentation based on size*	*System to manage institutional risk still under development*	*Signed in 2017, not yet implemented*	*TTBizLink – Trade Facilitation managed by Ministry of Trade and Industry*

Current Volume of Customs Activity

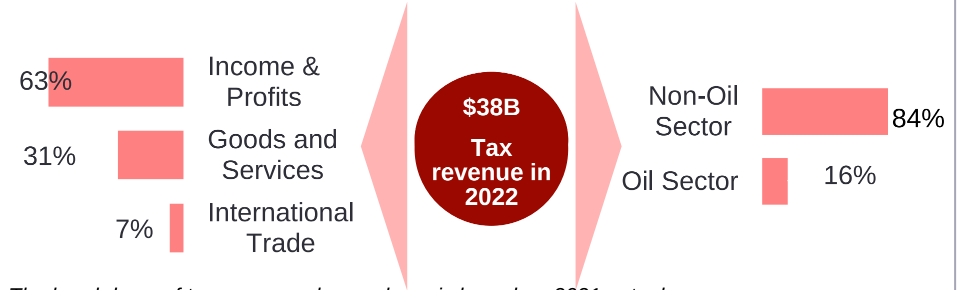
11.2 hours
Clearance time for goods, representing a 52% reduction since 2019 with adoption of ASYCUDA modules

125,631
Import declarations processed

63,703
Export declarations processed

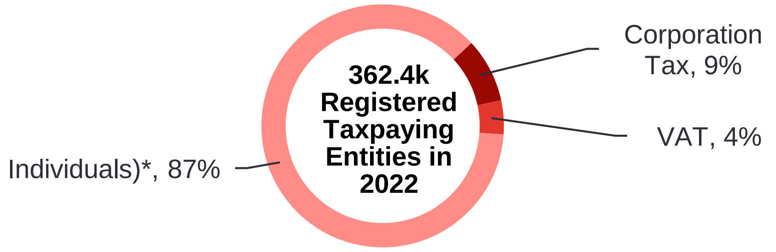
545,072
Customs waybills processed

Breakdown of Tax Revenue



* The breakdown of tax revenue shown above is based on 2021 actuals.

Breakdown of Registered Taxpayers



*Individuals includes emolument income earners and self-employed individuals

Source: Central Bank of Trinidad and Tobago, Ministry of Finance Trinidad and Tobago, Central Statistical Office, Trinidad and Tobago TADAT Performance Assessment Report 2017 (IMF), Customs and Excise Division, Inland Revenue Division, ASYCUDA Compendium 2022

A look into the Inland Revenue Division (IRD) and its key functions

The Inland Revenue Division (IRD) functions under the Ministry of Finance. It serves as the principal tax collecting agency in Trinidad and Tobago. The organization is managed by a Board of five (5) Commissioners, one of whom is appointed Chairman. Board members are charged with the primary responsibility of administering taxes in Trinidad and Tobago, in accordance with Section (3) of the Income Tax Act Chapter 75:01. One of the TTRA's main goals is to transform the country's tax administration function into a customer centric organization to increase revenue collection through voluntary compliance and enforcement.

Values

1. Confidentiality
2. Equity
3. Transparency
4. Fairness
5. Team Spirit

Functional areas

Reform/ Planning & Research/ Objections

The overall goal of this function is to increase the organization's capacity to improve its performance by developing and implementing approved projects.

Collection & Taxpayer services

Relates to all processes associated with the collection of taxes, starting with the registration of a taxpayer to the payment of assessed tax liabilities by taxpayers.

Corporate services

Office services, information technology services, internal audit, criminal tax investigations, finance & accounting and human resource management.

Audit/ Compliance

Related to the review, inspection and monitoring of taxpayers' business records to ensure compliance with tax laws.

Legal/Policy/ Administration

Enables the IRD to provide guidance to internal staff and external stakeholders, in the interpretation of tax policies and laws.

Services provided

Support services | **Core services**

Information

Information services and products which are one way communication and do not result in a change in account status for the user

- Mass distribution of information
- Publications
- Campaigns

Interaction

Two-way communication between IRD and the user which in itself does not result in any change in account status

- Enquiries
- Guidance
- Audit
- Objections
- Tax appeals

Transaction

Activity or services that result in a change in account status or account information

- Registration
- Filing and returns
- Payments, deductions and reliefs

By mitigating the challenges faced by IRD stakeholders, we will drive voluntary compliance

The IRD currently faces challenges that impact the customer, the operations of the organization and the level of tax collection within the country. Each of the deficiencies listed below damages the social contract between the citizen and the collection agency and contribute to the trust deficient leading to non-compliance. The TTRA has set out several ways in which these challenges can be mitigated to ultimately enhance the customer experience to drive voluntary compliance, and the employee experience to drive efficiencies. The challenges and mitigating strategies are set out below.

Channels

- Communication is primarily mail driven as opposed to through digital channels
- Use of a "box" system to submit documents – an inconvenient option for users
- Misplacement of hard copy original documents
  No recourse or accountability for losing documents

Processing

- Lengthy processing time due to backlogs
  Unpredictable and inconsistent feedback/response time
- One way system where taxpayer faces onerous penalties and interest for non-compliance but the BIR routinely delays the issuance of refunds (sometimes through cash flow constraints) without consequence
- TT connect process is tedious especially for expats
- May take up to the full 6 years before the BIR begins an audit
  Documents may be hard to locate at that point
- Decentralized audit selection process is not efficient and risk-based audit sampling is not generally applied. Generally, the approach is to consistently target Larger Taxpayers and conduct routine full audits of this cohort.
- Silos exist throughout the organization. There exists a fragmented approach to resolving issues

Customer experience

- Information requirements that are accessible online for registering and filing taxes are not fully comprehensive
- Updates to registration and filing requirements are not effectively communicated to the public
- Inability to track registration process once submitted
- Difficult to speak to officers for updates on transactions or requests

Transparency

- Inconsistent application of the law based upon subjective interpretation and silos causes frustration
- Mini audits occurring more frequently
  Requests for bank account statements, contracts, forecasts which is generally time consuming for the user
- A deficient VAT refund process and related funding
- Taxpayer data is limited and information available cannot be fully relied upon

How will TTRA mitigate these challenges?

Development of clear and easy-to-use services towards becoming an organization focused on customer satisfaction through innovation and digital solutions.

Optimization and re-engineering of processes through identification of process gaps, refinement of legislation and creation of suitable infrastructure for quicker turnarounds and enhanced services.

- Execution of an integrated communications and PR plan to ensure all our stakeholders are informed of key developments, insights and progress of the TTRA, achievement of goals and key metrics. This will ensure transparency and foster trust amongst our stakeholders
- Institutional consistency is important for transparency and trust. Therefore, through our aim to digitize the revenue administration system and introduce innovative solutions to promote voluntary compliance, our customers can expect to transact with us in a consistent, simple and quick manner.

A look into the Customs and Excise Division (CED) and its key functions

The Customs & Excise Division (CED) is a division of the Ministry of Finance. Its mission is to support economic growth and development by facilitating legitimate trade and travel, revenue generation and collection. Further, the CED exists to protect our borders and provide increased security to the global trade supply chain by enforcing compliance with all the Laws and Regulations under which they are empowered to act. The TTRA aims to create an organization that meets the needs of the nation's border control as well as provide an environment that drives compliance through innovation and better enforcement mechanisms. The following provides a brief snapshot of the CED's roles, functions and services that are currently provided. The TTRA will continue to provide similar services through enhanced digitized processes and innovative solutions.

Values

1. Integrity
2. Accountability
3. Service

Functional areas

Revenue Collection and Protection

The implementation of national, regional and international policy, the aim of which is to collect revenue and combat any associated fraud.

Correct Application of Trade Policy

The CED applies and monitors compliance with trade related rules and agreements in order to facilitate legitimate trade.

Protecting Physical borders, Society & the Environment

The CED combats smuggling; enforces health standards and environmental policy and laws.

Collect & Disseminate Trade Information and Statistics

The CED is required by law to provide this information to the Central Statistical Office for compilation, analysis and publication of trade data.

Services provided

Support services | **Core services**

Information

Information services and products which are one way communication and do not result in a change in account status for the user

- Mass distribution of information
- Publications
- Circulars

Interaction

Two-way communication between CED and the user which, in itself, does not result in any change in account status

- Arrival procedures
- Payment of customs duties
- Guidance

Transaction

Activity or services that result in a change in account status or account information

- Port/bond documentation
- Clearance

Through process reengineering, the TTRA can positively impact the prices on imports

The CED's internal pain points and challenges give way to a longer and inconsistent revenue collection methodology and higher prices for imports due to additional fees charged that do not form part of the government's tax revenue. The TTRA aims to provide a more seamless process to customers and create an environment focused on trust and transparency. The challenges and solutions are illustrated below.

Internal processes

- Manuals and documentation not available to officers
- "Quota system" drives abuse of the overtime system whereby officers mandate customers to pay overtime after meeting their daily targets
- Valuation methods are not standardized
- CED not up to date with modules in ASYCUDA to generate inventories – not enough IT power
- Inconsistency in use of ASYCUDA across the CED
- Outdated equipment and substandard office accommodation outside of POS
- Both officers and business community exploit loopholes in the system
- Legislation is interpreted differently across various officers

Administration

- Staff challenges not taken into consideration by management
- High staff turnover
- Staffing requirements not updated since 1980s/1990s
- Organization is understaffed
- Service commission only recruits from public service registered pool
- Lengthy waiting period to obtain staff from the service commission

Training & Development

- Hasty, inconsistent and inadequate levels of training to staff
- Formal training is typically not offered beyond initial entry into the CED
- On the job training is done by poorly trained staff, perpetuating inconsistencies
- Managers are not trained in soft skills or administrative functions
- Little documentation exists for onboarding
- Employee feedback is not recorded

Public Perception

- Corruption and lack of transparency
- Inconsistent approach to the application of duties
- Contributes to the high cost of goods
- Lack of empathy
- Poor customer service

How will TTRA mitigate these challenges?

Internal processes	Administration	Training & Development	Public Perception
Use of technology to create seamless processes and development of standard operating procedures and policies to improve the ease of doing business and consistency	Training of administrative employees and the management level to be better equipped to deal with the expectations of staff.	Development of continuous learning programs for staff and establishment of an inclusive and collaborative culture	Detailed communication plans to actively inform all stakeholders of the TTRA formation building trust through transparency and visibility

3 Strategic positioning

TTRA's Vision, purpose and core values

TTRA VISION

To be a **trusted** and **fair** revenue administration that acts with **integrity and transparency**, committed to **closing the tax gap** and to **effective trade facilitation**, through **voluntary compliance**, **innovative solutions**, **enhanced citizens experience** and an **empowered workforce.**

TTRA PURPOSE

The TTRA exists to serve the higher purpose of enabling **nation building** by **optimizing revenue collections** for an **enriched quality of life** throughout Trinidad & Tobago.

Core values

Risk Intelligence
We go 'beyond risk management' to proactively identify and drive actions

Equity
We offer fair treatment to ensure all stakeholders have access to same opportunities

Trust
We empower ethical thinking and act with integrity and professionalism

Responsiveness
We are committed to reacting quickly and providing timely feedback to our stakeholders

Accountability
We acknowledge and take responsibility for all our actions

Innovation
We are continuously creating to solve and improve

Transparency
Being open and providing visibility and accessibility to information to serve you better

Strategic enablers

- Workforce & skills
- Innovation, Data & technology
- Operations & Risk
- Customer focus
- Communication

Strategic objectives

1. Establish a high-performing and ethical workforce that is instilled with a sense of purpose, pride and are empowered to achieve the objectives of the TTRA
2. Create an innovative and data driven organization that will drive greater compliance
3. Modernize systems to enhance and streamline our online services
4. Educate taxpayers effectively and make it simple for them to comply with their obligations
5. Modernize revenue collection systems and processes to drive efficiency, improve stakeholder experience and detect and reduce non-compliance
6. Create public trust and confidence in the revenue administration system

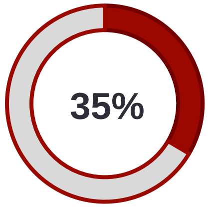
KPIs

- Increase in tax collection ($) as % of GDP (incl/excl oil & gas sector)
- # of skilled employees recruited
- Increase in # of returns filed online
- Increase in # of taxpayers using digital platform
- # of new registrations in the system
- Average time taken to pay refunds
- Average time taken to clear goods
- # of import and export declarations
- # of compliant transit sheds
- # of ASYCUDA users
- # of training programs rolled out to staff
- # of compliance risks detected via automated risk engines
- # of third-party data records collected
- Positive public perception of TTRA via surveys, satisfaction tools etc.

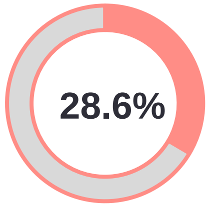
The TTRA aims to encourage compliance with tax and custom laws to ensure that everyone can meet their obligations whether it be through **voluntary compliance** or **responsible enforcement**. The TTRA will seek to carry out its responsibilities in a manner guided by its core values and governed by its guiding principles: (i) Ensuring taxpayers are AWARE of their obligations, (ii) Making it SIMPLE and EASY to comply and (iii) Suitably penalize those who do not adhere to or facilitate non-adherence to the law.

Using benchmarking to shape our priorities and to measure our performance

Global benchmarks and best-practices were examined to identify the strategic priorities and guiding target metrics that the TTRA will aspire to in the short, medium and long-term. Below presents a snapshot of these key benchmarks.

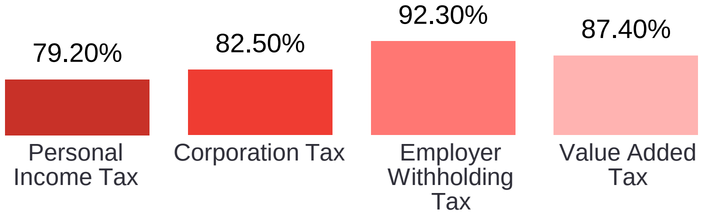


Average Tax-to-GDP Rate of OECD economies above T&T current rate* (2020)



Average Contribution of Customs to total tax revenue in North, South and Latin America and the Caribbean above T&T current rate (2020)

**Exclusive of Mexico and Colombia*



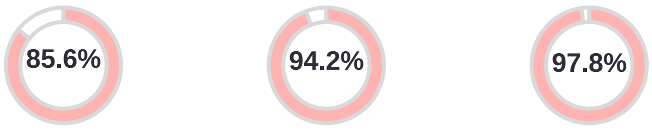
Average on-time tax payment rates in OECD economies (2020)

20 mins
Canada

24 hours
Australia

4 hours
United Kingdom

Global examples of goods clearance times from best-practice global customs administrations (2021)



Average use of e-channels for filing returns in OECD economies (2020)

74.6M
Import declarations processed

27.9M
Export declarations processed

Total customs volumes for North, South and Latin America and the Caribbean (2021)

Use	% of jurisdictions using
Big data capabilities with the necessary people, skills and infrastructure existing	**81%**
Use of big data for analytics	**77%**
Use of Artificial Intelligence & Machine Learning as part of big data analysis	**76%**
Use of an enterprise-wide Business Intelligence and Visualization tool	**90%**
Use of analytics for real-time fraud detection and prevention	**53%**

Use of data analytics in revenue administration across OECD economies (2022)

Taxpayer Segmentation

Taxpayer segmentation: the organization of taxpayer functions into separate units based on some chosen criteria.

Typical segmentation approaches:

1. By taxpayer size
2. By tax type
3. By operational function
4. By high-risk industry

Segmentation by taxpayer size:

account for 50% of all tax revenues collected globally

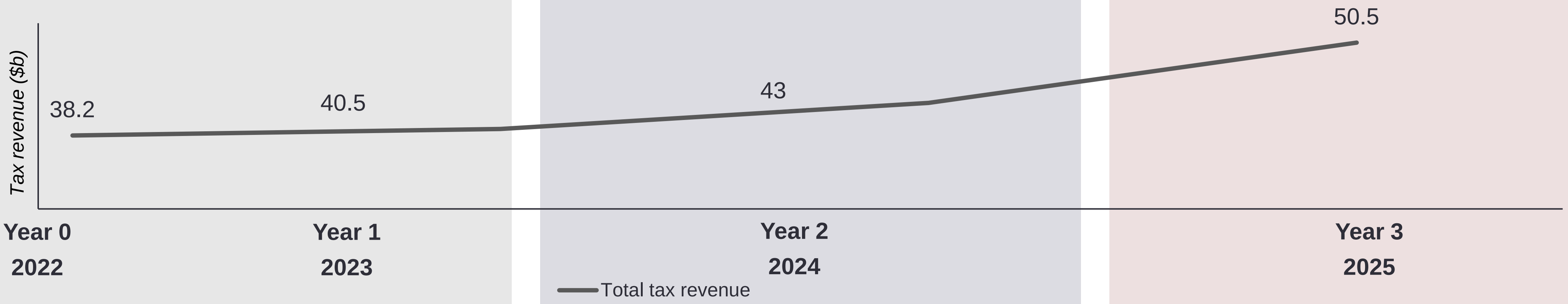
- Establishment of **Large Taxpayer Offices (LTO)s** is the most common taxpayer strategy globally
- **27 out of 34** OECD countries have a dedicated LTO
- Improves risk management, compliance and monitoring through targeted efforts

Source: Organization for Economic Co-operation and Development (2022), Inter-American Development Bank (2021), World Customs Organization, Various Customs Administrations

The path to bridging the revenue collection gap

The TTRA will achieve its strategic objectives and aim to meet its targets through execution of its initiatives over the next three years. The initiatives will be executed accordingly over the three-year period 2023 to 2025. **Year 1: Integrate and retain**, (ii) **Year 2: Transition** and (iii) **Year 3:Transform and grow**. The TTRA's aim is to retain its tax collection levels in the first year followed by a 1% and 3% increase in the tax to GDP ratio in years two and three, respectively.

	Integrate and retain		Transition	Transform and Grow	Future state
Target customer perception	• New and improved organization • Openly communicates with the public		• Trustworthy and transparent operations • Digitally enabled and easy to transact with	• Proactive and informed • Provides innovative solutions • Customer centric	Target KPI based on average OECD economies rate
Tax to GDP Total	20%	21%	22%	25%	35%
	Year 0 2022	Year 1 2023	Year 2 2024	Year 3 2025	Beyond



Key activities

Integrate and retain

- Establishment of TTRA workforce (through transition from IRD and CED and recruit new skills where necessary)
- Legislative review and clarification of key roles and responsibilities
- Commencement of process re-engineering exercise
- Identification of key digital technologies to support TTRA's future state
- Formal launch of TTRA by July 2023

Transition

- Development of a **data analytics centre**
- Creation of a **tax segmentation framework**
- Quick wins to **enhance customer experience** and promote **voluntary compliance**
- **Education and awareness** campaign

Transform and Grow

- **Voluntary compliance** through innovative solutions and digital technologies
- Strengthen the enforcement arm using advanced data analytics to target companies and individuals that do not comply and other instances of suspicious behaviour

Execution of a communication plan for all stakeholders

Year 1 - Integrate & Retain phase

1

Year 2023

Target tax collections **$40.5b**

Target tax collections excluding oil & gas sector **$35b**

To ensure a smooth and seamless integration of the Inland Revenue Division (IRD) and the Customs & Excise Division (CED) with minimal disruption to services and operations, whilst maintaining the budgeted fiscal year 2023 non-oil tax collections to non-oil GDP ratio. A launch date of July 2023 is targeted.

Key initiatives to achieve Year 1 objectives

Some of the primary activities that are expected to be executed in this year include:

- Detailed **review of the existing legislation**, including that which currently governs the IRD and CED, to obtain clarity around what the TTRA is and is not responsible for within the capacity of the Trinidad & Tobago Revenue Authority Act
- Consistent application of the laws by TTRA audit/enforcement staff in accordance with the institution's interpretation of the Law
- Review and update of existing work rules and promote use of standard operating procedures (SOPs) to ensure consistency and ease of doing business
- Development of an **integration and transition management strategy**
- Recruitment of suitable resources to support the transition to the TTRA - a dedicated transition team/steering committee to ensure the seamless integration of the existing divisions (IRD and CED)
- Recruitment of key resources and leadership roles for the TTRA
- Assessment of HR requirements inclusive of new skills that may need to be acquired to facilitate a digitized revenue administration
- **Process reengineering exercise** with key representatives of the CED and IRD which will promote buy in and improve success rate
- Develop baseline for key metrics – sample metrics are included at this point of time as a guide
- Execution of an **integrated communications and PR strategic plan,** that will deliver influential messaging and create the desired perception of the TTRA so as to obtain buy-in from key stakeholders and the general public
- Launch of TTRA website

Example key metrics (*baseline metrics and targets to be developed as part of process reengineering exercise in year 1)

- 21% Total taxes to GDP
- Tax returns submitted
- # of training programs completed
- # of employees trained
- # of skilled employees recruited
- # of vacant positions filled/ reductions in vacant positions
- 21% Non-oil taxes to non-oil GDP
- Increase in taxpayers' registrations
- Reduction in average time to pay refunds
- Reduction in average time to clear goods
- # of containers scanned
- # of reengineered processes
- # of downtime days experienced during transition

Critical success factors

- Clarity on various aspects of the legislation (specifically the definition of the Enforcement Officer) and good understanding of the TTRA's responsibilities
- Stakeholder buy-in and support, including from taxpayers and traders as well as employees
- Integrated Government effort

Year 2 - Transition phase

2

Year 2024

Target tax collections **$43b**

Target tax collections excluding oil & gas sector **$38b**

To introduce the use of new and innovative digital solutions including advanced data analytics geared towards **promoting voluntary compliance**, drive deeper insights on customers as well **detect suspicious taxpayer behaviour** to minimize tax leakage and tax evasion.

Key initiatives to achieve Year 2 objectives

Some of the primary activities that are expected to be executed in this year and are dependent on achievement of Year 1's objectives include:

- Clear and simple to use revenue services for all inclusive, of payment of tax and duties
- Greater online and digital channel options through which customers can transact and interact
- Education first approach to promote awareness on customer obligations
- Develop clear guidelines to regulate and ensure compliance of transit sheds owned and operated by the private sector
- Facilitate efficient supply chain for exporters and importers
- Development of data strategy and establishment of center of excellence focused on data and use of analytics to drive compliance and target areas of revenue leakage using a risk-based approach
- Recruitment of persons with pertinent analytical skills e.g. data analysts and scientists
- Establishment of other centers of excellence/units dedicated to specific customer segmentation e.g. Oil & Gas, Large corporates, MSMEs, financial institutions etc.
- Implementation of new digital platforms as identified and selected in the future state architecture assessment and relevant training on systems
- Reduction in manual processes
- Focus on establishing a risk intelligent culture that embodies all of the TTRA core values and minimizes the level of bureaucracy
- Continuous roll out of communication strategy to maintain buy-in and positive public perception

Example key metrics (baseline metrics and targets to be developed as part of process reengineering exercise in year 1)

- 22% Total taxes to GDP
- Increase in e-filing rate
- Tax returns submitted
- Reduction in incorrect declarations
- Reduction in # of appeals and objections
- Reduction in response time to appeals and objections
- # of training programs completed
- # of employees trained
- 22% Non-oil taxes to non-oil GDP
- Increase in taxpayers' registrations
- Reduction in average time to pay refunds
- Reduction in average time to clear goods
- Increase release of goods within office hours
- # of containers scanned
- Reduction in illegal goods entering the country
- # of compliant transit sheds
- Reduction in response time to taxpayer requests

Critical success factors

- A cross-functional project management team to facilitate transition and transformation initiatives
- Implementation of processes to support responsive, proactive and time-sensitive decision-making
- Adoption of processes that encourage efficiency, delegate responsibility, and reduce unnecessary bureaucracy
- Ability to foster trust and deliver transparency through open communication and access to information

Year 3 - Transform and Grow

To optimize and enhance the use of digital technologies and analytical models, ensuring the right skills and working practices are available to effectively extract the benefits and insights required to increase compliance and subsequently revenue collections

3

Year 2025

Target tax collections **$50.5b**

Target tax collections excluding oil & gas sector **$45b**

Key initiatives to achieve Year 3 objectives

Some of the primary activities that are expected to be executed in this year and are dependent on achievement of Year 2's objectives include:

- Strengthen customer compliance and enforcement by using advanced technologies/analytics coupled with skilled professionals.
- Explore the use of advanced data modeling, artificial intelligence and machine learning to provide a 'whole taxpayer' view which can identify instances of non-compliance/fraudulent behaviour
- Utilize advanced analytics to better segment tax cohorts in order to provide tailored support such as timely refunds and payment options that align with their unique circumstances.
- Utilize application programming interfaces (API) to exchange taxpayer data seamlessly and securely across the Governmental ecosystem (e.g. RGD, National security etc.) to maximize revenue collections and minimize potential for revenue leakages
- Development of mitigation strategies to address/reduce the presence of the 'shadow economy' within Trinidad and Tobago
- Improve the valuation process for customs through innovation e.g. web scraping tools to more accurately value goods
- Introduction of other tools and innovations to enhance customs operations such as use non-intrusive detection technology and data mining to identify importation fraud
- Improve conditions of existing sub-standard customs office accommodation
- Transparently communicate compliance issues and results and address compliance barriers

Example key metrics (baseline metrics and targets to be developed as part of process reengineering exercise in year 1)

- 25% Total taxes to GDP
- Increase in e-filing rate
- Tax returns submitted
- Reduction in incorrect declarations
- Reduction in # of appeals and objections
- Reduction in response time to appeals and objections
- # of training programs completed
- # of customers converted to whole taxpayer
- 26% Non-oil taxes to non-oil GDP
- Increase in taxpayers' registrations
- Reduction in average time to pay refunds
- Reduction in average time to clear goods
- Increase release of goods within office hours
- # of containers scanned
- Reduction in illegal goods entering the country
- # of compliant transit sheds
- Reduction in response time to taxpayer requests

Critical success factors

- Successful achievement of year 2 milestones and initiatives
- Continuous support of the Government of Trinidad and Tobago to provide the necessary infrastructure, culture change transformation for the country and increased transparency of how taxpayers' money is being spent which will gain the trust of the people
- The right people with pertinent skills operating at increased capacity
- Strong PR and communications plan to continuously receive buy in and promote transparency

4

Three-year roadmap and detailed operational plan for year one

Year 1 – Integrate and Retain: Detailed operational roadmap

Strategic Enabler: Workforce and skills

Strategic objective: To establish a high-performing and ethical workforce that is instilled with a sense of purpose, pride and are empowered to achieve the objectives of the TTRA

Strategic initiatives	Action items	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
1. Recruit and retain suitable resources for TTRA for the transition period and beyond	Detailed review of structure (as inherited) to align structure to the strategy and identify any additional gaps (including additional positions required)									
	Recruitment of Director General and Deputy Director General as a priority									
	Identify job descriptions which have not yet been defined or are misaligned to the future organization design and support the development/ update of same									
	Identify gaps in the readiness of the HR function and make recommendations to support key HR activities such as: recruitment and selection, onboarding, payroll, rewards and recognition, learning and development and performance management									
	Develop employee manual handbook inclusive of code of conduct									
	Identify any immediate HR physical space and technology requirements									
	Assess and update the documented performance management framework and previously defined key performance metrics for a revenue authority									
	Develop an employee incentive program									
2. Revisit and redefine the Enforcement function to ensure greater alignment with proposed structure	Establish and obtain clarity around the definition of enforcement as envisaged by the legislation									
	Review and update job descriptions to build capacity and ensure enforcement roles are fit for purpose for the TTRA									
	Ensure clear communication of responsibilities to TTRA employees									
3. Manage the transition of existing IRD and CED employees depending on circumstances to support the transition to the TTRA (in accordance with the provision for the TTRA Act)	Manage the industrial relations process									

*Each initiative is numbered using the strategic positioning summary of the TTRA (pg. 5) for consistency and easy tracking

Operational roadmap – Year 1: Integrate and Retain (cont'd)

Strategic Enabler:
Workforce and skills (cont'd)

Strategic objective:
To establish a high-performing and ethical workforce that is instilled with a sense of purpose, pride and are empowered to achieve the objectives of the TTRA

Strategic initiatives	Action items	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
4. Develop an integration and transition management strategy	Identify integration and transition agents									
	Execute an integration and transition impact analysis and develop strategy to address identified impact									
	Establish a vision and goal for the integration management strategy that can be clearly communicated to all stakeholders									
	Develop a communication plan aligned to the needs of each stakeholder group									
	Align, engage and prepare leaders as drivers for the integration and transition									
	Execute defined integration and transition strategy									
5. Establish TTRA organizational culture	Develop a plan to promote an inclusive, collaborative and risk-based culture for the TTRA that is premised upon its core values and minimizes bureaucracy									
6. Promote business continuity throughout transition phase and beyond	Develop a business continuity plan with a focus on the transition period to prevent disruptions to services									
	Develop disaster recovery plan									
7. Define a continuous learning and training programme for all levels of staff	Develop/introduce comprehensive training agendas for departments (leadership, technical and soft skills) and roll out plans									
	Develop adequate and suitable training courses for members of staff to be conducted as part of onboarding program									
	Roll out of training agenda across divisions as relevant									

*Each initiative is numbered using the strategic positioning summary of the TTRA (pg. 5) for consistency and easy tracking

Operational roadmap – Year 1: Transition (cont'd)

Strategic Enabler:
Customer focus

Objective:
Educate taxpayers effectively and make it simple for them to comply with their obligations

Strategic initiatives	**Action items**	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
1. Ensure consistent application of the laws by TTRA audit/enforcement staff in accordance with the institution's interpretation of the Law	Invest further in the effective implementation of a unit/sub-unit responsible for research and the publication of guidance to taxpayers on the TTRA's interpretation of tax law									
	Institute a TTRA private letter ruling system based upon the full disclosure of facts and circumstances (may be facilitated by a standard up-front administrative fee aimed at defraying costs)									
2. Develop clear and simple to use revenue services that allow customers to easily file their tax returns and pay duties thereby encouraging voluntary compliance	Conduct a detailed customer journey mapping exercise to identify the ideal customer experience which will be used to design reengineered processes									

*Each initiative is numbered using the strategic positioning summary of the TTRA (pg. 5) for consistency and easy tracking

Operational roadmap – Year 1: Integrate and Retain (cont’d)

Strategic Enabler:
Innovation, data and technology

Strategic objective:
Create an innovative and data driven organization that will drive greater compliance & Modernize systems to enhance and streamline our online services

Strategic initiatives	Action items	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
1. Develop IT blueprint for TTRA detailing intended IT landscape (including technology components) and define key IT roles	Understand the existing IT organization and its interactions with various departments									
	Assess the existing technology infrastructure and its ability to support the TTRA's operational requirements									
	Understand the core and ancillary processing systems, embedded controls, workflow tools and integration points									
	Identify new technology required to support the desired future state of the TTRA as guided by the process requirements									
	Develop the TTRA's to-be infrastructure architecture landscape and requirement									
	Develop a list of IT initiatives prioritized in a detailed IT roadmap									
	Define requirements for integrated systems									
2. Optimization of existing systems	Identify and assess the usage of existing systems and rationale for unutilized modules within ASYCUDA and GenTax									
	Provide relevant ongoing training required to key stakeholders to optimize the use of the existing systems - ASYCUDA and GenTax									
3. Develop a data strategy that will guide the pertinent data to be collected, secured, managed and used to drive actionable insights around identification of suspicious behaviour, non-compliance and accurate revenue collection (unlock data potential)	Define reporting requirements and metrics as well as use of data									
4. Actively implement simple innovations which may have significant positive implications on voluntary compliance	Use innovations such as YouTube channels, digitized payment processes and pre-filled online forms.									

*Each initiative is numbered using the strategic positioning summary of the TTRA (pg. 5) for consistency and easy tracking

Operational roadmap – Year 1: Integrate and Retain (cont’d)

Strategic Enabler:
Operations and risk

Strategic objective:
To modernize revenue collection systems and processes to drive efficiency, improve stakeholder experience and detect and reduce non-compliance

Strategic initiatives	Action items	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
1. Review, validate and update existing processes as necessary	Analyze the existing processes to identify pain points and recommend solutions	■	■	■	■	■	■			
	Engage with key stakeholders/consultants to Identify the key operational and tax collection related processes that are critical to TTRA's day one (specific to tax collection and customs & excise duties)				■	■	■			
	Identify and establish baseline for key metrics and targets to be measured over the next three years	■	■	■						
2. Convert processes into new system requirements for RFP purposes	Define requirements for integrated systems			■	■	■	■			
	Create RFP for new systems required							■	■	
3. Define service delivery channels	Leverage the customer journeys previously developed to understand and document the future state service channels, associated internal processes and technology required to achieve same		■	■	■					
4. Review and refine legislation as necessary	Detailed review of existing legislation that supports IRD and CED and identification of any gaps or proposed changes/improvements required to support the objectives of the TTRA	■	■							
	Review the Audit and Exchequers act and all of the revenue administration regulations to determine which needs to be addressed and then prioritize.	■	■							
5. Establish an Enterprise Risk Management framework	Develop risk appetite and risk register for the TTRA as it relates to operational risk, cyber risk, etc.	■	■	■						

*Each initiative is numbered using the strategic positioning summary of the TTRA (pg. 5) for consistency and easy tracking

Operational roadmap – Year 1: Integrate and Retain (cont'd)

Strategic Enabler:
Operations and risk (cont'd)

Strategic objective:
To modernize revenue collection systems and processes to drive efficiency, improve stakeholder experience and detect and reduce non-compliance

Strategic initiatives	Action items	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
6. Optimize TTRA corporate governance framework	Review and strengthen existing governance structure through optimizing, identifying and filling key roles and functions e.g. sub committees as relevant									
	Develop corporate governance manual for TTRA									
7. Develop internal audit plan	Conduct an internal audit risk assessment									
	Identify the Internal Audit organizational structure									
	Develop and draft a 12-24 month audit plan									
8. Develop a policy framework and promote the use of SOPs which will improve the ease of doing business	Reengineer and tailor business work rules by creating, regularly updating, disseminating and enforcing the use of SOPs									

*Each initiative is numbered using the strategic positioning summary of the TTRA (pg. 5) for consistency and easy tracking

Operational roadmap – Year 1: Integrate and Retain

TTRA's initiatives will be executed over the three-year period 2023 to 2025. Year 1: Integrate and retain, (ii) Year 2: Transition and (iii) Year 3:Transform and grow. The following operational roadmap illustrates the initiatives and action items to be achieved in the first year of the Plan. Initiatives are categorized by the relevant strategic enablers and objectives.

Year 1 objective: To ensure a smooth and seamless integration of the Inland Revenue Division (IRD) and the Customs & Excise Division (CED) with minimal disruption to services and operations, whilst maintaining the budgeted fiscal year 2023 non-oil tax collections to non-oil GDP ratio. A launch date of July 2023 is targeted.

Strategic Enabler: Communications

Strategic objective: Create public trust and confidence in the revenue administration system

Strategic initiatives	Action items	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
1. Develop and finalize detailed communication plans across all media types to actively inform all stakeholders of the TTRA formation building trust through transparency and visibility	Produce and launch a media and advertising plan utilizing various channels to promote the TTRA, its benefits and what can be expected from it in an aim to create a positive first impression									
2. Formal launch of TTRA in July 2023	Inform Minister of Finance of readiness to launch TTRA									
	Host launch event to mark the official opening/start of operations of the TTRA once the TTRA Act is fully proclaimed									
	Development and launch of new TTRA website and withdrawal of the CED and IRD individual websites to avoid confusion to citizens and trade community									
	Ensure information availability on website about all services and documents required in a user-friendly manner									
3. Develop long-term communications plans to update stakeholders on incremental improvements and demonstrate transparency	Ensure a steady two-way flow of communication to all stakeholders beyond the initial launch to keep the TTRA relevant and promote the idea that the TTRA implements improvements based on stakeholder feedback									

*Each initiative is numbered using the strategic positioning summary of the TTRA (pg. 5) for consistency and easy tracking

Year 1 : Integrate and Retain challenges and capabilities

Potential challenges

- Buy-in from the former IRD and CED employees may be difficult to obtain if the integration process is not transparent and well communicated
- It may be difficult to combine the organizational cultures of the IRD and CED
- Processes may be costly and tedious to re-engineer
- Negative sentiments about the role of the TTRA
- Inability to adequately staff the organization with the new skill sets required, as former IRD and CED employees have the right of first refusal
- Industrial action may arise if compensation packages, and job descriptions are amended and unfavourable

Capabilities needed

Internal · Outsourced · Existing · New

People

- (Outsourced) Public relations team to manage the initial message to employees and the public from launch date
- (Outsourced) Integration/Transition management consultant to smooth the transition for the former CED and IRD employees
- (Outsourced) Legal and industrial relations expertise to ensure smooth transitioning and provide recommendations on processes

Process

- (Outsourced) Process engineer consultant to guide the review and reengineering of key processes aligned with best practices and the desired future state of the TTRA
- (Internal) Inspectors to draft policies on internal compliance

Technology

- (Existing) Partner the internal ICT team with the software vendors for GenTax and ASYCUDA to optimize functionality
- (New) Research and procure additional software capable of obtaining data from both GenTax and ASYCUDA

Year 2 – Transition: High level roadmap

Roadmap – Year 2: Transition

Year 2 objective: To introduce the use of new and innovative digital solutions including advanced data analytics geared towards promoting voluntary compliance, drive deeper insights on customers as well detect suspicious taxpayer behaviour to minimize tax leakage and tax evasion.

Strategic Enabler:
Communications

Strategic objective:
Create public trust and confidence in the revenue administration system

Strategic initiatives	Action items	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
1. Develop and finalize detailed communication plans across all media types to actively inform all stakeholders of the TTRA formation building trust through transparency and visibility	Establish administrative protocols and rights for content posting												
	Conduct touchpoints with taxpayers and the trade community to educate them about the services the TTRA can provide												
	Continuously remind and sensitize the public to the incremental improvements that the TTRA is making in its operations												
2. Develop long-term communications plans to update stakeholders on incremental improvements and demonstrate transparency	Ensure a steady two-way flow of communication to all stakeholders beyond the initial launch to keep the TTRA relevant and promote the idea that the TTRA implements improvements based on stakeholder feedback												
	Through an education forward approach, actively and continuously drive awareness that the TTRA is not a political tool												

*Each initiative is numbered using the strategic positioning summary of the TTRA (pg. 5) for consistency and easy tracking

Roadmap – Year 2: Transition (cont'd)

Strategic Enabler:
Workforce and skills

Strategic objective:
To establish a high-performing and ethical workforce that is instilled with a sense of purpose, pride and are empowered to achieve the objectives of the TTRA

Strategic initiatives	Action items	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
1. Recruit and retain suitable resources for TTRA for the transition period and beyond	Address workforce transformation needs by developing existing workforce and acquiring talent with the skills, knowledge, and background to provide a positive client experience												
4. Develop an integration and transition management strategy	Monitor the success of transition and integration interventions and develop new strategies to address issues identified												
	Sustain transformation with targeted communications and workshops												
5. Establish TTRA organizational culture	Establish risk intelligence												
6. Promote business continuity throughout transition phase and beyond	Develop a succession plan												
7. Define a continuous learning and training programme for all levels of staff	Develop/introduce comprehensive training agendas for departments (leadership, technical and soft skills) and roll out plans												
	Roll out of training agenda across divisions as relevant												
8. Promote and assess employee engagement	Conduct internal employee survey to gauge current culture and employee satisfaction												

*Each initiative is numbered using the strategic positioning summary of the TTRA (pg. 5) for consistency and easy tracking

Roadmap – Year 2: Transition (cont'd)

Strategic Enabler:
Customer focus

Objective:
Educate taxpayers effectively and make it simple for them to comply with their obligations

Strategic initiatives	Action items	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
2. Develop clear and simple to use revenue services that allow customers to easily file their tax returns and pay duties thereby encouraging voluntary compliance	Enhance client access to services and support through innovative and digital solutions and better online navigation												
	Provide convenient access to services and support, while making information easier to find and understand												
	Improve ability to collect client feedback and data to improve service offerings, where applicable												

*Each initiative is numbered using the strategic positioning summary of the TTRA (pg. 5) for consistency and easy tracking

Roadmap – Year 2: Transition (cont’d)

Strategic Enabler:
Innovation, data and technology

Strategic objective:
Create an innovative and data driven organization that will drive greater compliance & Modernize systems to enhance and streamline our online services

Strategic initiatives	Action items	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
1. Develop IT blueprint for TTRA detailing intended IT landscape (including technology components) and define key IT roles	Conduct RFP process and vendor selection for new technologies required												
	Implementation of new technologies and systems												
2. Optimization of existing systems	Provide relevant training required to key stakeholders to optimize the use of the existing systems - ASYCUDA and GenTax												
3. Develop a data strategy to guide the pertinent data to be collected, secured, managed and used to drive actionable insights around identification of suspicious behaviour, non-compliance and accurate revenue collection (unlock data potential)	Establish a center of excellence specifically focused on data and data analysis to support a "whole of taxpayer" approach												
	Develop data platforms that allows the TTRA to collect, organize and process large volumes and diverse types of data from various sources												
	Utilize and leverage analytics to improve collections/tax revenue by better segmenting tax cohorts (large corporations, MSMEs, Oil & Gas, Agriculture, Construction etc.) making it easier to comply and harder to evade												
	Introduce the use of data visualization as part of standard key reporting to Management and Board												

*Each initiative is numbered using the strategic positioning summary of the TTRA (pg. 5) for consistency and easy tracking

Roadmap – Year 2: Transition (cont'd)

Strategic Enabler: Innovation, data and technology

Strategic objective: Create an innovative and data driven organization that will drive greater compliance & Modernize systems to enhance and streamline our online services

Strategic initiatives	Action items	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
3. Develop a data strategy to guide the pertinent data to be collected, secured, managed and used to drive actionable insights around identification of suspicious behaviour, non-compliance and accurate revenue collection (unlock data potential)	Utilize digital technologies that allow for tailored support including quicker access to refunds and payment options												
	Utilize APIs to exchange taxpayer data seamlessly and securely across the Governmental ecosystem (e.g. RGD, National security etc.) to maximize tax collections and minimize potential for tax leakages and fight tax evasion												
5. Establish cybersecurity program to protect TTRA from cyberthreats and data breaches	Implement a detailed cybersecurity program that will promote organizational cybersecurity stability and resilience												

*Each initiative is numbered using the strategic positioning summary of the TTRA (pg. 5) for consistency and easy tracking

Roadmap – Year 2: Transition (cont'd)

Strategic Enabler:
Operations and risk

Strategic objective:
To modernize revenue collection systems and processes to drive efficiency, improve stakeholder experience and detect and reduce non-compliance

Strategic initiatives	Action items	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
8. Develop a policy framework and promote the use of SOPs which will improve the ease of doing business	Reengineer and tailor business processes by creating, regularly updating, disseminating and enforcing the use of SOPs												
9. Optimize and automate key processes	Process reengineering exercise with key representatives of the CED and IRD which will promote buy in and improve success rate												
10. Develop mitigation practices against non-compliance	Invest a greater share of our resources in detecting non-compliance in certain sectors and addressing them sooner to provide early certainty to clients and help minimize impacts to objections and collections												
	Identify ways to address/reduce the presence of the 'shadow economy' within Trinidad and Tobago												
	Increase the consideration of penalties for gross negligence and third-party involvement in cases of serious repeated non-compliance as a measure of enforcement												
12. Initiate the process to implement the Common Reporting Standards to support the Automatic Exchange of Information (AEOI)	Create the infrastructure to allow the exchange of information across jurisdictions												
	Define data validation criteria												

*Each initiative is numbered using the strategic positioning summary of the TTRA (pg. 5) for consistency and easy tracking

Year 2: Transition challenges and capabilities

Potential challenges

- Existing staff may be slow or reluctant to adopt new technologies and processes
- Organization wide training will be required for newly created positions as there will be no set precedents
- Maintaining the "new TTRA" momentum during the transition phase may be difficult if internal and external criticisms persist
- The public may be critical of the TTRA if it increases enforcement measures for revenue collection
- The introduction of several digital channels in quick succession may overwhelm end users
- Some end users who are not technology savvy may not appreciate the removal of manual processes

Capabilities needed

Internal | Outsourced | Existing | New

People

- Data analysts to staff the center of excellence and to begin to leverage data usage in the TTRA (Internal, New)
- Corporate communications team to engage in "education first" approach to maintain momentum and obtain buy-in (Internal, New)
- Project manager to manage the introduction and phasing of new digital projects and platforms (Internal, New)

Process

- Process engineer consultant to continue to refine and optimize processes (Outsourced)
- Create and institute continuous training curriculums for each position (Outsourced, New)

Technology

- Further partner the internal ICT team with the software vendors for GenTax and ASYCUDA to refine functionality (Existing, Internal)
- Implementation of additional software capable of obtaining data from both GenTax and ASYCUDA and train users

  Acquisition of additional technology for data analysis, enterprise risk management and customer management. (New, Outsourced, Internal)

Year 3 – Transform and Grow: High level roadmap

Roadmap – Year 3: Transform and Grow

Year 3 objective: To optimize and enhance the use of digital technologies and analytical models, ensuring the right skills and working practices are available to effectively extract the benefits and insights required to increase compliance and subsequently revenue collections

Strategic Enabler: Communications

Strategic objective: Create public trust and confidence in the revenue administration system

Strategic initiatives	Action items	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
1. Develop and finalize detailed communication plans across all media types to actively inform all stakeholders of the TTRA formation building trust through transparency and visibility	Continuously remind and sensitize the public to the incremental improvements that the TTRA is making in its operations												
3. Develop long-term communications plans to update stakeholders on incremental improvements and demonstrate transparency	Ensure a steady two-way flow of communication to all stakeholders beyond the initial launch to keep the TTRA relevant and promote the idea that the TTRA implements improvements based on stakeholder feedback												

*Each initiative is numbered using the strategic positioning summary of the TTRA (pg. 5) for consistency and easy tracking

Roadmap – Year 3: Transform and Grow (cont'd)

Strategic Enabler:
Workforce and skills

Strategic objective:
To establish a high-performing and ethical workforce that is instilled with a sense of purpose, pride and are empowered to achieve the objectives of the TTRA

Strategic initiatives	Action items	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
4. Develop an integration and transition management strategy	Sustain transformation with targeted communications and workshops												
7. Define a continuous learning and training programme for all levels of staff	Roll out of training agenda across divisions as relevant												
8. Promote and assess employee engagement	Conduct internal employee survey to gauge current culture and employee satisfaction												
9. Optimize the workforce structure for the efficient delivery of the TTRA's services	Continuously review and refine the organizational structure to promote agility and minimize bureaucracy												

*Each initiative is numbered using the strategic positioning summary of the TTRA (pg. 5) for consistency and easy tracking

Roadmap – Year 3: Transform and Grow (cont'd)

Strategic Enabler:
Customer focus

Objective:
Educate taxpayers effectively and make it simple for them to comply with their obligations

Strategic initiatives	Action items	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
2. Develop clear and simple to use revenue services that allow customers to easily file their tax returns and pay duties thereby encouraging voluntary compliance	Enhance client access to services and support through innovative and digital solutions and better online navigation												
	Improve ability to collect client feedback and data to improve service offerings, where applicable												
	Tailor compliance approaches, prioritizing an education-first approach to prevent errors and assist those who are unintentionally non-compliant to become compliant												

*Each initiative is numbered using the strategic positioning summary of the TTRA (pg. 5) for consistency and easy tracking

Roadmap – Year 3: Transform and Grow (cont’d)

Strategic Enabler:
Innovation, data and technology

Strategic objective:
Create an innovative and data driven organization that will drive greater compliance & Modernize systems to enhance and streamline our online services

Strategic initiatives	Action items	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
3. Develop a data strategy to guide the pertinent data to be collected, secured, managed and used to drive actionable insights around identification of suspicious behaviour, non-compliance and accurate revenue collection (unlock data potential)	Implement data standardisation policies and ensure that taxpayers utilize a unique identifier when transacting												
	Utilize and leverage analytics to improve collections/tax revenue by better segmenting tax cohorts (large corporations, MSMEs, Oil & Gas, Agriculture, Construction etc.) making it easier to comply and harder to evade												
	Utilize digital technologies that allows for tailored support including quicker access to refunds and payment options												
	Utilize APIs to exchange taxpayer data seamlessly and securely across the Governmental ecosystem (e.g. RGD, National security etc.) to maximize tax collections and minimize potential for tax leakages and fight tax evasion												
6. Improve the valuation process for customs through innovation	Utilise tools such as 'web-scraping' software to better value goods where the officers may not have familiarity												

*Each initiative is numbered using the strategic positioning summary of the TTRA (pg. 5) for consistency and easy tracking

Roadmap – Year 3: Transform and Grow (cont’d)

Strategic Enabler:
Operations and risk

Strategic objective:
To modernize revenue collection systems and processes to drive efficiency, improve stakeholder experience and detect and reduce non-compliance

Strategic initiatives	Action items	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
10. Develop mitigation practices against non-compliance	Invest a greater share of our resources in detecting non-compliance in certain sectors and addressing them sooner to provide early certainty to clients and help minimize impacts to objections and collections												
	Execute strategies to address/reduce the presence of the 'shadow economy' within Trinidad and Tobago												
	Increase the consideration of penalties for gross negligence and third-party involvement in cases of serious repeated non-compliance as a measure of enforcement												
11. Improve the enforcement arm of customs and excise by developing clear guidelines to regulate transit sheds owned and operated by the private sector	Regularly monitor the conditions and equipment in use at transit sheds												
	Develop and enforce guidelines/legislation which state how they should be equipped												
	Develop mitigation strategies to penalize non-compliant owners												
12. Initiate the process to implement the Common Reporting Standards to support the Automatic Exchange of Information (AEOI)	Input safeguards to protect data												

*Each initiative is numbered using the strategic positioning summary of the TTRA (pg. 5) for consistency and easy tracking

Year 3: Transform and Grow challenges and capabilities

Potential challenges

- Risk of key management personnel resigning if transition phase did not meet expectations
- Customs personnel may try to find loopholes in new system to gain the same advantages that they currently enjoy
- Staff may be slow to uptake training if time constraints exist
- Possible legal and regulatory restrictions on data sharing between entities
- Obtaining data sharing permission from current customers
- The quality of data currently available from the IRD and CED companies may not be consistent
- Cleaning data and standardizing formats across the organization
- Public may be critical of one unique identifier for taxpayers and data sharing across government agencies
- Educating the public on digital solution delivery methods may be a tedious process

Capabilities needed

Internal (green) | Outsourced (blue) | Existing (purple) | New (orange)

People

- (Internal, New) A data management strategist is needed. The capabilities include understanding data analytics, understanding data structures and architecture across the organization
- (New, Outsourced) A strategy and technology team dedicated to the launch and implementation of the unique tax identifier is needed and must understand how to achieve customer buy in, the infrastructure needed and requirements for implementation across government agencies.
- (New, Internal) A social media marketing resource skilled in all forms of social media and content management and understands emerging trends and nuances across target segments
- (New, Internal) Behavioural analysts who must be versed in data visualization, understand local taxpayers and have the aptitude to develop strategies to drive compliance
- (Outsourced) Personnel to develop and distribute employee survey and analyze insights. The capabilities include survey development and having the right tools to do so and analytics skills to gain insights.
- (Existing, Outsourced) A communications team with an initial focus on creating a transformation culture both internally and to the public. The team must be able to optimize channel use, leverage insights and rationalize incoming information.

Process

- (Existing, New) Business process reengineering

Technology

- (New) Data analysis tool allowing for dashboards, reports, quick insights and daily updates
- (New) Digital platform solution that supports seamless customer access to past and current transactions, chat bot function, information sharing and easy payments

5 Revenue administrations and comparative frameworks

Digital transformation can help tax administrations do much more than fight fires and solve problems

In recent years, tax administrators globally have assumed new and evolving roles with ingenuity and skill. Through integration of digital platforms and forming partnerships, the digital transformation has been catalyzed. Digital transformation will play an essential role in supporting TTRA in addressing the challenges that arise in tax administration, but also in improving how businesses operate and people live. Below are some examples of how the TTRA can incorporate innovative solutions to achieve its objectives.

Due to the central position of tax authorities in global interactions, digital payment and data are becoming increasingly significant in management, compliance and administration. These changes are raising security and privacy questions and challenging the traditional role of tax authorities. As such, organizations are being required to innovate and adapt to these changes. Based on the unique circumstances and context, tax authorities make decisions to ensure high quality service and efficient operations.

Five ways that digital transformation can simplify compliance of taxpayers and improve quality of services received from the government:

Using a customer first approach when designing tax services

- The burden of filing accurate tax returns typically falls on the taxpayer. However, oftentimes individuals struggle to understand, document and process their tax liabilities. New tax requirements and compliance costs can also complicate process for businesses.
- Many tax administrators have already made substantial progress in designing services around the customer and have already achieved a 100% e-filing rate.

What if filing tax returns was as convenient as banking online?

Applying advanced analytics and behavioural incentives

Tax authorities are already using advanced data modeling, artificial intelligence (AI) and machine learning to provide a more holistic view of taxpayers. They're also tailoring services to specific taxpayer groups to make it easier to comply (and harder to evade).

Advanced analytics can help authorities personalize services further by better segmenting tax cohorts. This allows tax collectors to give more empathetic support to lower-income households and struggling businesses – making sure they get refunds first, giving them more notice of assessments and deferring payment schedules.

How can tax authorities better segment tax cohorts?

Using real-time data to improve compliance and mobilize revenue

Currently, many leading tax authorities use an application programming interface (API) to exchange tax data between two parties in a secure environment. Under the UK's Making Tax Digital framework, more than one million businesses have used API interfaces to supply business data directly to His Majesty's Revenue and Customs (HMRC).

The next evolution will be to upgrade cybersecurity so that adopting cloud technologies becomes cost-effective, scalable and secure. Mexico's Tax Administration Service has used cloud services since 2012, saving 20% in estimated investment costs. It now processes an average of over 180,000 e-invoices in real time per minute.

How can tax administrators make processes more efficient?

Enhancing technology with the right digital skills and ways of working

The pandemic revealed the challenges that tax administrators face in digital transformation. The explosion of data, digital technologies and analytical models is only helpful if tax administrations have the skills and working practices to implement them.

By using advanced digital technologies alongside skilled tax professionals, tax authorities can give taxpayers tailored support, including quicker access to refunds and payment options that meet their circumstances.

How can we ensure tax professionals can keep up with advancing technology?

Harnessing tax data to improve ESG Policy

It's clear that digital technologies can revolutionize the taxpayer experience and make it simpler to comply. But as the biggest holders and processors of public data on citizens and businesses, tax administrations can also help their Governments improve economic and social policy.

Looking ahead, tax administrations can also share their data with each other and wider Government to help achieve ESG objectives: Identifying issues such as forced labor in supply chains

Using blockchain to track and validate the sustainability of goods

How can digital transformation improve economic and social policy?

Summary of Comparative Revenue Frameworks

The current revenue framework of Trinidad and Tobago was assessed against global & regional best-practice frameworks to identify gaps to be addressed in the creation of the future state TTRA framework. In this section, case studies on the frameworks of the UK, Netherlands and South Africa are presented, while the others can be found in the accompanying research document to this plan. A summary of the framework comparison is presented below:

ELEMENTS OF TAX ADMINISTRATION FRAMEWORKS									Trinidad & Tobago	
Country	**U.K.**	**Netherlands**	**South Africa**	**United States**	**Canada**	**Estonia**	**Barbados**	**Jamaica**	**Current**	**Future TTRA**
Semi-Autonomous Revenue Authority	✓	✗	✓	✓	✓	✓	✓	✓	✗	✓
Inland Revenue & Customs covered by same entity	✓	✗	✓	✗	✗	✓	✓	✗	✗	✓
INLAND REVENUE										
Online Tax Portal	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ability to complete all procedures without in-person interaction	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓
User-friendly portal with clear instructions	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Taxpayer segmentation approach	✓	✓	✓	✓	✓	✗	✗	✓	✗	✓
Risk-based Approach to Compliance	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓
Compliance with International Common Reporting Standards	✓	✓	✓	✗*	✓	✓	✔	✔	✗	✓
Defined customer charter and service expectations	✓	✓	✓	✓	✓	✓	✗	✓	✗	✓
CUSTOMS AND EXCISE										
ASYCUDA System (used in developing economies)	✗	✗	✗	✗	✗	✗	✓	✓	✓	✓
Single Trade Window	✔	✔	✔	✓	✓	✔	✔	✔	✓	✓
OTHER/OVERALL										
Single Digital Identity	✔	✓	✔	✗	✔	✓	✗	✗	✗	✓

** The United States has not signed on to the OECD's Common Reporting Standards, however, its Foreign Account Tax Compliance Act (FATCA) was a basis on which CRS was designed.*

Source: Author's own interpretation

Key: ✓ Yes ✔ Partial Yes or In Progress ✗ No

Summary Comparison of Online Tax Portals

Trinidad and Tobago's taxpayers are currently able to access online services through the Inland Revenue Division's e-Tax portal. The comparison below assesses the service offerings of the e-Tax portal against the online portals of other global revenue administrations:

SERVICES OFFERED BY ONLINE TAX PORTAL	U.K.	Netherlands	South Africa	United States	Canada	Estonia	Barbados	Jamaica	Trinidad & Tobago
INDIVIDUALS									
Register for a Taxpayer Identification Number (TIN) (i.e., BIR No. for TT)	✓	✓	✓	✓	✓	✓	✓	✓	✓
File tax returns	✓	✓	✓	✓	✓	✓	✓	✓	✓
Apply for refunds & exemptions	✓	✓	✓	✓	✓	✓	✓	✓	✗
File objections and appeals	✓	✓	✓	✓	✓	✓	✗	✓	✓
CORPORATIONS									
Register for a Taxpayer Identification Number (TIN) (i.e., BIR No. for TT)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Register for VAT & PAYE	✓	✓	✓	-	✓	✓	✓	✓	✓
File & pay Withholding tax	✓	✓	✓	✓	✓	✓	✓	✓	✗
File tax returns	✓	✓	✓	✓	✓	✓	✓	✓	✓
File objections & appeals	✓	✓	✓	✓	✓	✓	✗	✓	✓
Apply for refunds and exemptions	✓	✓	✓	✓	✓	✓	✓	✓	✗
OVERALL									
Make online payments	✓	✓	✓	✓	✓	✓	✓	✓	✗
Request changes to taxpayer information	✓	✓	✓	✓	✓	✓	✔	✓	✗
Authorize a tax agent on your behalf	✓	✓	✓	✓	✓	✓	✓	✓	✓
View account information and statements	✓	✓	✓	✓	✓	✓	✓	✓	✓
Track status of processes E2E	✓	✓	✓	✓	✓	✓	✓	✓	✓
Clear, non-conflicting user guides or video demos (YouTube channels etc.)	✓	✓	✓	✓	✓	✓	✓	✓	✗

Source: Author's own interpretation

Key: ✓ Yes ✔ Partial Yes or In Progress ✗ No

Case Study: His Majesty's Revenue Commission (HMRC)

The TTRA considers the United Kingdom's HMRC as a best-practice example in revenue administration. The HMRC was established as a Semi-Autonomous Revenue Authority (SARA) in 2005 via the integration of Inland Revenue and Customs and Excise. This section lays out a case study of the HMRC's creation as a guide to considerations that should be kept in mind during the implementation of the TTRA.

Key Statistics

- £2.2 T GDP — 33.6% — £731.1 B Annual Tax Revenue
- 34.6M Labour Force — 91% — 31.5 M Income Taxpayers
- £32 B Tax Gap — 5.3% of total theoretical liabilities
- £30.8 B Add'l Tax — generated through tackling non-compliance
- 0.5p Cost of Tax Coll. — per £1 in tax rev

Figures in GBP as of 2021

CUSTOMS AND INLAND REVENUE COVERED BY SAME ENTITY	ONLINE TAX PORTAL	TAXPAYER SEGMENTATION APPROACH	RISK-BASED COMPLIANCE APPROACH	COMMON REPORTING STANDARDS (CRS) COMPLIANCE	SINGLE TRADE WINDOW
✓	✓	✓	✓	✓	✓
Both covered by HMRC	*HMRC Online Services*	*Large Businesses; Wealthy & Mid-sized Businesses; Individuals and Small Businesses*	*Risk rating model; regular Business Risk Reviews & Risk Assessments for non-low-risk*	*Implemented*	*Single Trade Window under development as part of 2025 Border Strategy*

**HMRC Customs arm does not use ASYCUDA World, instead uses the Declaration Management System (DMS)*

Vision

We will close the tax gap, our customers will feel that the tax system is simple for them and even-handed, and we will be seen as a highly professional and efficient organization

Purpose

We make sure that the money is available to fund the UK's public services. We also help families and individuals with targeted financial support.

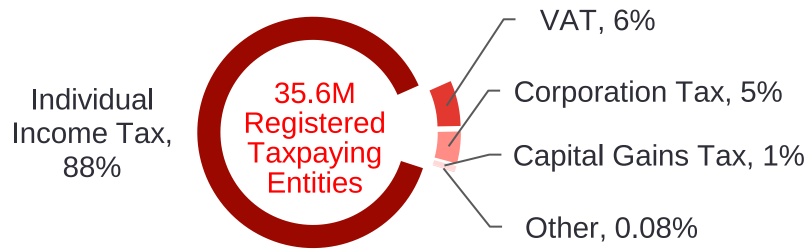
Strategic Objectives

- Collect the right tax & pay the right support
- Make HMRC a great place to work
- Make tax easy to get right & hard to break rules
- Support gov't economic aims
- Maintain taxpayers' consent

Strategic Enablers – Focus Areas

1. Workforce, Skills & Location
2. Innovation, Technology & Data
3. Delivery, Evaluation & Collaboration
4. Sustainability

Breakdown of Registered Taxpayers



Source: His Majesty's Revenue Commission (2022)

Case Study: His Majesty's Revenue Commission (HMRC)

Understanding the motivation behind the creation of the then Her Majesty's Revenue Commission (now *His Majesty's)* allows us to draw on the similarities of the challenges faced between the UK's revenue framework and ours. The below provides a background on what prompted the move to the HMRC.

Prior to the HMRC

Similar to Trinidad and Tobago's current state, revenue administration in the UK was split between two separate entities:

HM Inland Revenue (HMIR)

- Collected 2/3 of UK tax revenues
- Collected direct taxes (e.g., Corporation tax, Income Tax, Social Security, Capital Gains Tax, etc.)
- Administered the tax credit scheme

HM Customs & Excise (HMCE)

- Administered indirect taxes (e.g., VAT, Customs duties, Excise duties)
- Addressed smuggling
- Provided international trade statistics

Policy responsibility existed within HMIR and HMCE respectively for the taxes under their remit.

HM Treasury (Ministry of Finance equivalent) needed to instruct HMIR and HMCE to start a policy review and could critique, but could not control policy recommendations

Challenges of the HMIR's policy-making function and process:

- The review noted the role of the HMIR in supporting the Government's economic and social policy objectives rather than simply acting as tax collectors.
- **Lack of high-quality economic analysis** within HMIR
- **Heightened public expectations** about swift access to information and service
- The **lack of post-implementation review** for HMIR
- There were too many "engineers" good at the detail of the tax system and **not enough "architects"** able to take a broader view
- Need for **more training on policy** in terms of economics and numeracy
- Recommended **relocation** of policy responsibility to be closer to Ministers and to the Treasury

These challenges prompted a review of the HMIR, HMCE and HM Treasury **to identify the best arrangements of resources to achieve the government's tax objectives**

Conclusion of Review

- The two existing tax departments should be merged
- The policy-making process should be re-organized

Justification for merger

- **Efficiency savings:** direct and indirect audit could deliver savings and customer focus
- **Customer focus:** a new structure around "customers and functions rather than taxes"
- **Greater accountability** by separation policy from implementation

Arguments against merger

- The two departments worked differently due to the different nature of the taxes they administered
- The time scale for completing audit work in the case of VAT was different from that of direct taxes.
- There was a need for a different set of legal powers for each tax department
- Cultural and ethos differences

Case Study: His Majesty's Revenue Commission (HMRC)

Following the creation of the HMRC, there was a transitionary period during which some teething problems were experienced as the new system settled in. Below summarizes the integration experience, transitional problems and key takeaways. There are some similarities Trinidad and Tobago, this should be considered in the design of the TTRA.

HMRC Creation

Acting upon the O'Donnell report's recommendations, the Government created Her Majesty's Revenue and Customs (HMRC) which came into existence on **18 April 2005.**

- There was a big shift in terms of policy:
  - **policy strategy** moved to HM Treasury
  - **policy administration** was assigned to HMRC
- Following the merger, HMRC was organised into 4 functional areas.
  - **'Process and Product groups'** on design, specification and advice of specific taxes and duties; and collection procedures.
  - Size-based **'Customer units'**: Large Businesses and Employers; Small & Medium Enterprises and Employers; Individuals, etc.
  - A single **'Operations unit'** (e.g. a single contact centre organisation; a single national banking and debt management function, and a single 'Customer Relationship Manager' for each of the large businesses with a common assessment of risk to the Exchequer).
  - **'Corporate Functions'** such as Human resources, Communications and Anti-avoidance issues.
- **Headcount impact:** ~24,000 jobs lost (2,500 redeployed to "front-line" activities)

Transitional Problems faced during the merger

- **Cultural difference** between the two departments.
- **Different statutory framework** of powers.
- Significant work to be undertaken in **converging the legislation** of the respective Departments.
- Lack of reduction in compliance **costs borne by businesses**. E.g. cases where the creation of single Client Relationship Manager (CRM) resulted in increased compliance burden
- **Risks** associated with the staff reductions
- **Inappropriate use of powers** by HMCE staff in roles previously held by IR officials
- **Jockeying for positions** by senior officials
- **Policy isolation**

Key Takeaways of the merger

- **Culture takes a long time to bed in**
- Policy framework needs to be supported – **cross-working is essential**
- Legal powers need to be considered in advance
- Clear benefits need to be expressed up front and monitored
- Personnel issues need to be addressed (e.g. grades and levels)
- There are clear benefits to having a **"whole of taxpayer approach",** which is enabled by the merger
- Naturally enables data sharing

Trinidad and Tobago faces some similar challenges to the experience of the UK, particularly stemming from the cultural differences between the Inland Revenue and Customs and Excise Departments. The success of the UK's "whole of taxpayer approach" is a lesson that the TTRA can incorporate into its design and operational plan moving forward.

Case Study: Dutch Tax Office (Belastingdienst)

The Netherlands unbundled Customs and Surcharge responsibilities from the Dutch Tax & Customs Board in 2021, leaving tax responsibilities to the Dutch Tax Office. The responsibility for Customs now falls under Dutch Customs under the purview of the Ministry of Finance. We have examined this case to assess the lessons learnt so we can put them into consideration in the design of the TTRA.

Key Statistics

$1.1B GDP — 39.7% — **$361.7M** Annual Tax Revenue

9.9M Labour Force — 83.3% — **8.3M** Income Taxpayers

Figures in USD as of 2021

$27.8 B Tax Gap — Over period 2000 to 2020

83% On-time payments — Of individual tax declarations in 2021

$17.3 M Customs & Excise Revenue — In 2019

CUSTOMS AND INLAND REVENUE COVERED BY SAME ENTITY	ONLINE TAX PORTAL	TAXPAYER SEGMENTATION APPROACH	RISK-BASED COMPLIANCE APPROACH	COMMON REPORTING STANDARDS (CRS) COMPLIANCE	SINGLE TRADE WINDOW
✗	✓	✓	✓	✓	✓
Dutch Customs now falls under the Ministry of Finance	*My Tax Authorities*	*Individuals; Small and Medium Enterprises; Large Organizations*	*Risk Register; Fraud Signaling Facility*	*Implemented*	*EU Maritime Single Window initiative in development*

Vision
Citizens and Companies Centric; Proactive; Together; Expert

Purpose
To contribute to a financially healthy Netherlands by levying and collecting government taxes fairly and carefully

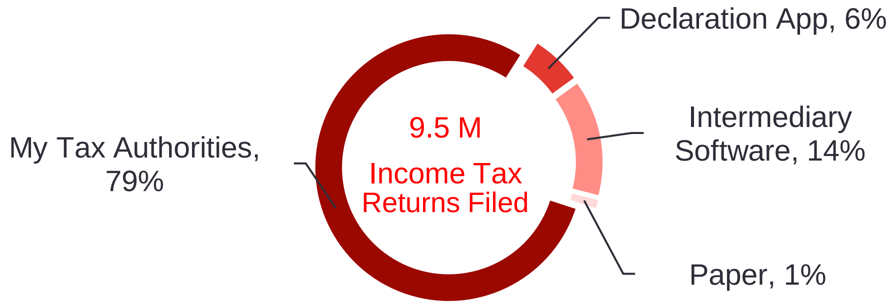
Strategic Aims

We strive for citizens and companies to be prepared to comply with tax rules on their own accord without compulsory and costly actions taken.

- Create an environment for minimal mistakes
- Make it easy for taxpayers to file proper declarations
- Match extent & intensity of supervision to taxpayer behaviour
- Enforce compliance of taxpayers who do not want to comply

Breakdown of Income Tax Filings by Filing Method

99% of all filings are completed electronically



Source: Belastingdienst (2022), Statistics Netherlands (2022)

Case Study: Dutch Customs

Below presents a summary of the Dutch experience of separating its Customs from its Tax functions. This case is important for identifying areas to strengthen in the design of the TTRA.

Prior to split

- Before 2021, Customs & Excise fell under the responsibility of the Directorate-General for Tax.
- In 2021, because of pressures relating to IT issues, lack of flexibility and speed to implement adequate policies, the Dutch Government decided to strengthen the control of the Tax and Customs body
- Four main areas that needed intervention were:
  1. Strengthening the administrative management of Taxes, Surcharges and Customs;
  2. Accelerating and intensifying improvements in management information and ICT;
  3. Improving services to citizens and businesses;
  4. A culture with an eye for the human dimension and a safe working environment.
- **Hence, Customs & Excise was moved to become an independent administrative component within the Ministry of Finance**.

New organization of Dutch Customs within the Ministry of Finance

- The board of Dutch Customs consists of the Director-General, Director of Operations, Director of Operations, Director of Enforcement Policy, Director of Finance & Control, Director of Information Management, a Programme Director of Security & Integrity and a Head of Office Director-General.
- Dutch Customs has the following organisational units:
  - The Customs National Office with the following units: Enforcement policy. Business operations, Information management, Operations, Customs Central Processes, Director Support Office
  - Eight regional offices
  - Two national divisions: Customs National Tactical Centre and Customs National Service Organisation
  - Customs Management Team

Dutch Customs within the Dutch Tax Administration

- Dutch Customs cooperates on horizontal supervision with the Tax Administration, specifically for large businesses
  - In horizontal supervision, cooperation is the key word.
  - By making good agreements with all parties involved in the declaration process, the Dutch Tax Administration can **maintain and improve the quality of the declarations and avoid unnecessary duplication of work.**
- Cooperation on horizontal supervision has a number of advantages:
  - **One point of contact** for both Customs and Tax Authorities
  - **Faster certainty** about the assessment
  - **Adapted supervision**, for example in audits and letters of inquiry

Case Study: South Africa Revenue Service (SARS)

The South African Revenue Service (SARS) was established in 1997 as a Semi-Autonomous Revenue Authority (SARA), responsible for administering the South African tax system and customs service. We have considered SARS as a best-practice revenue administration example to be considered in the design of the TTRA

Key Statistics

$412.6 B GDP — 24.6% — $101.6 B Annual Tax Revenue

22.2 M Labour Force in 2020 — 23.4% — 5.2 M Individual Taxpayers in 2020

Figures in USD as of 2021 unless otherwise stated

$14 B Additional Revenue collected through compliance interventions

90.74% Taxpayers and Traders using digital and self-help platforms to interact with SARS

0.72% Cost-to-tax-revenue ratio for 2021/22

CUSTOMS AND INLAND REVENUE COVERED BY SAME ENTITY	ONLINE TAX PORTAL	TAXPAYER SEGMENTATION APPROACH	RISK-BASED COMPLIANCE APPROACH	COMMON REPORTING STANDARDS (CRS) COMPLIANCE	SINGLE TRADE WINDOW
✓	✓	✓	✓	✓	✓
Both Customs and Inland Revenue fall under SARS	*E-Filing*	*Individuals; Small, Medium and Micro-Enterprises; Large Businesses; International*	*Data driven risk detection with increasing support of self-learning computers and AI*	*Implemented*	*National Single Window under development*

**SARS Customs arm does not use ASYCUDA World, instead uses Interfront Customs and Border Management Solution (ICBS)*

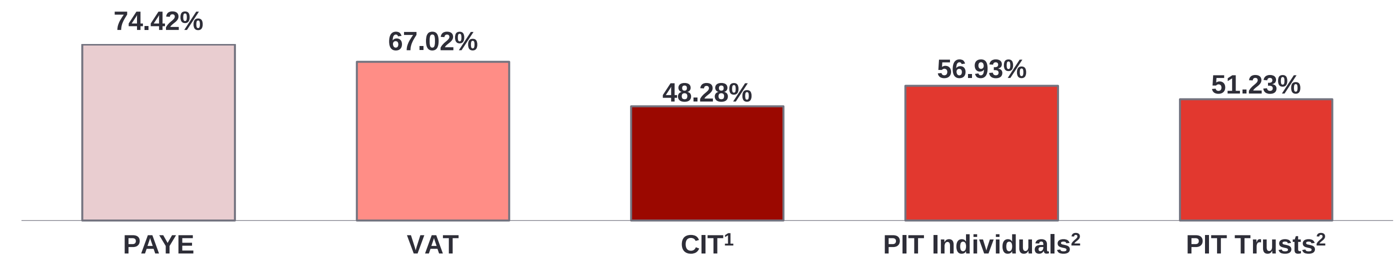
Vision

To build a smart, modern SARS with unquestionable integrity that is trusted and admired

Purpose

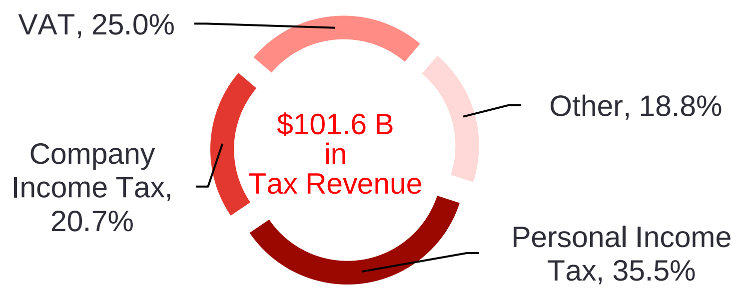
To ensure that the Tax and Customs revenue due to the State is collected as and when it becomes due, by building a high level of taxpayer compliance and facilitating legitimate trade.

Voluntary Compliance Rates(2021/22)



1.CIT - Corporate Income Tax
2.PIT - Personal Income Tax

Breakdown of Contribution of Tax Revenue



Source: South African Revenue Service (2022), Statistics South Africa (2022)

Case Study: South Africa Revenue Service (SARS)

The South African Revenue Service (SARS) closely monitors its performance regarding the achievement of its strategic objectives using a robust set of Key Performance Indicators (KPIs). Below illustrates these KPIs, targets and current performance, which is helpful in guiding the strategic objectives of the TTRA.

	Strategic Objective	Key Indicator	Target 2021/2022	Actual 2021/2022
1	Provide CLARITY and CERTAINTY for taxpayers and traders of their obligations	% of taxpayers and traders surveyed are satisfied with the clarity and certainty provided by SARS	77.00%	69.06%
2	Make it EASY for taxpayers and traders to comply with their obligations	% of standard taxpayer's returns auto assessed by SARS (individual taxpayers)	85.00%	91.03%
3	DETECT taxpayers and traders who do not comply and make noncompliance HARD and COSTLY	Risk detection rate	95.00%	98.48%
4	Develop a HIGH performing, DIVERSE, AGILE, ENGAGED and EVOLVED workforce	Employee Engagement Index score achieved based on survey of employees	Develop plan to address shortcomings identified in last engagement survey	A program of work was developed and documented to address the five priority areas identified
5	INCREASE and EXPAND the use of DATA within a comprehensive knowledge management framework to ensure integrity, derive insight and improve outcomes	% utilization of automated risk assessment for taxpayers and traders[1]	80.00% standard 60.00% complex	99.997% standard 66.94% complex
6	Modernize our systems to provide DIGITAL and STREAMLINED online services	% of planned capacity to be available for mission critical systems	100.00%	99.83%
7	Demonstrate effective RESOURCE STEWARDSHIP to ensure efficiency and effectiveness in delivering quality outcomes and performance excellence	Reconfigured SARS' cost structures to align with international peers - Increase ICT[2] investment as % of total allocation	2.00%	- 0.54%
8	Work with and through STAKEHOLDERS to improve the tax ecosystem	% of intermediaries that are satisfied with SARS' assistance	60.00%	93.75%
9	Build PUBLIC TRUST and CONFIDENCE in the tax administration system	% score as per public opinion survey	75.00%	71.80%

Source: South African Revenue Service

6 Innovations in global revenue administration

Summary of Innovations from Global Revenue Administrations

Revenue administrations around the world have invested significantly in innovative solutions to address their challenges and improve revenue collection, compliance and operations within their jurisdictions. Below are some initiatives that the TTRA can leverage, categorized by their impact on customer experience, compliance efforts and technology. Detailed explanations of how these initiatives were implemented by various economies can be found in the research document attached to this plan.

Customer Experience		Technology		Compliance	
Customer Service & Managerial Training	Customer Charter & Service Standards	Pre-filled returns	Error prevention prompts	Increasing data availability from various sources	Risk dashboard based on taxpayer history
Seasonal filing assistance service	YouTube Channel (Taxpayer education)	Online payment APIs with mobile banking apps	Digitized recruitment processes	Electronic compliance checks	Data mining for tax gap analysis
Performance mgmt. to incentivize service improvement	Customer helpdesk	E-payment system	Mobile app	Redesigned risk management frameworks	Electronic audit management system
24/7 Chatbots	Single Digital Identity	APIs to aid filing processes	Robotic Process Automation (RPA)	Increase stringency of penalties for non-compliance	Behavioural insights and analytics for risk targeting
		Non-intrusive detection technology	Web-scraping software for valuation	Data mining to identify importation fraud	Digital forensics

Quick Wins

*Any initiative that improves customer experience and makes it easier for them to fulfill their obligations will encourage them to do and, and therein have a **direct impact on voluntary compliance***

Inland Revenue specific innovation

Customs specific innovation

Selected Innovation Use Cases: Workforce Development and Training

We have identified workforce development and training as a major area to be addressed in the operationalization of the TTRA. Below presents some examples of initiatives that economies have leveraged in this area to improve service delivery and the efficiency of their revenue administration staff. These represent fairly quick-win initiatives for the TTRA to implement.

Canada

Customer Service Training & Empathy in Service

- Data showed negative interactions with frontline staff led to a decrease in voluntary compliance
- Recognizing that ensuring a positive citizen experience at the frontline would lead to a positive impact, the Canadian Revenue Authority invested in using empathy to guide the design, delivery and support of its services.
- The CRA launched a series of awareness campaigns, supported by an Empathy Working Group, based on empathy to provide staff with the information, tools and resources to help implement the authority's vision and improve service delivery.

Sweden

Leadership & Management Focused Training

- The Swedish Tax Agency (STA) recognized the need for leaders to be adaptable in terms of the way they act and collaborate, and HR needs to support this in order to drive optimization of operations.
- The STA ran a series of leadership summits for management (all levels), covering topics such as collaborative approaches to developing the corporate culture and promoting positive leadership behaviors.
- Continuously working towards establishing flexible training opportunities and courses to strengthen leadership, improve self-awareness and challenge behaviors

South Africa

Integrity Promotion Unit

- The South African Revenue Service (SARS) created the Integrity Promotion Unit (IPU) to facilitate the creation of a culture of unquestionable integrity which supports sound ethical behaviour and encourages a speak up culture that is courageous and intolerant of criminal and unethical behaviour, without fear, favor, or prejudice.
- The IPU conducts awareness and induction sessions, as well as executive sessions to create an improved understanding, clarity and certainty of employee and leadership obligations towards living the SARS values and applying the appropriate ethics.
- The IPU also reviews enterprise policies and Standard Operating Procedures (SOPs) for alignment with organizational values

Selected Innovation Use Cases: Voluntary Compliance

Improving voluntary compliance is a priority focus for the TTRA. Global revenue administrations have tackled this through technology and innovative solutions that make it as easy as possible for customers to be compliant and that encourage them to do so. Below presents some examples that the TTRA can leverage to tackle this challenge.

	Single Digital Identity
Argentina Netherlands	• Implementing a single unique & secure identification system for citizens and businesses to allow greater synergy across systems & government services • Improves taxpayer visibility and ability to track and enforce compliance, as well as improves ease of access to services for citizens which leads to a direct impact on voluntary compliance • **Argentina**: Single Tax Registry uses blockchain technology to share Federal Registry data in real time across participating government agencies, allowing a single consolidated view of the taxpayer. Single identity improves cross-validation between agencies, reduces admin time & errors • **Netherlands**: Self-Sovereign Identity (SSI) Programme gives citizens and businesses highly secure digital identities and more control over their personal data. The Digital Identity Wallet for citizens enables secure access, digital signing and mandate services, and real-time data management, and the Legal Identity Wallet for businesses provides all services to digitally start an enterprise, from registration to opening bank accounts.
	Pre-filled returns
Australia Colombia	• Pre-populating the taxpayer's return or online account based on existing information from records or information gathered from third parties like other governmental agencies' records. The pre-filled return is validated by the taxpayer before filing. • **Australia**: Pre-filled returns account for 88% of all income reported and have improved voluntary compliance and reduced the tax gap to 5.6% • **Colombia**: Leverages third party information to pre-fill. Resulted in 576k more people filing taxes who hadn't been doing so before, and increased tax revenues by COP 111B
	Taxpayer Education & YouTube Channels
Jamaica Barbados	• Clear, concise and engaging taxpayer education and awareness campaigns focused on ensuring taxpayers understand the importance of compliance and how to go about fulfilling their obligations have a direct impact on improving the voluntary compliance rate. • **Jamaica**: Taxpayer awareness campaigns and online portal training rolled out with each tranche of revenue authority reform to ensure that taxpayers understand what has changed and how to use the new systems. • **Barbados**: Barbados Revenue Authority YouTube channel with comprehensive videos on how to use the online tax portal to complete various processes

Selected Innovation Use Cases: Enforcement and Data Analytics

Investment in enforcement and data analytics is vital to improving revenue collection and compliance under the TTRA. Economies around the world have developed innovative solutions in this area using technology, data analytics and data science techniques. Below presents some examples of this that the TTRA can leverage to achieve its objectives.

Non-Intrusive Detection Technology

Netherlands
United States

- Leveraging of up-to-date technology to analyze the inside of a parcel without opening it
- Improves speed and convenience in valuation, along with protecting officers from toxic substances
- **Netherlands**: Leverages technology including x-ray imaging, vapor trace detectors, mobile app technologies with customs laboratory capabilities to identify substances in real time on-site.
- **United States**: Automated technology examines the outside of parcels for suspicion physical characteristics and alerts customs officers for further inspection

Web-Scraping for Product Valuation

Netherlands

- Dutch Customs leverages a software tool that collects information from across the web to help customs officers more accurately estimate the real value of imported goods and assign the right taxes
- The tool scrapes the web to retrieve valuation-relevant information from e-commerce sites and provide officers with information on the average prices for certain products

Data Matching for Compliance Enforcement

Australia
Canada

- Leveraging data from various sources and applying data science and analytical tools in order to identify high-risk candidates for monitoring and compliance interventions, as well as to create a clearer understanding of the tax gap.
- **Australia:** Financial Data Matching tool matches up any financial transaction data (e.g., bank statements, accounting records, receipts etc.) in order to confirm the details of suspicious transactions by corroborating them, as well as to identify trends not apparent to the human eye
- **Canada:** Utilizes various digital forensic investigation tools to assist in narrowing large volumes of data down to what is relevant to an investigation, leading to time and cost savings. Advanced tools learn the more they are used and are able to identify linkages, clusters and key patterns within evidence.

7 Appendix

Abbreviations

API	Application programming interfaces
Asst.	Assistant
ASYCUDA	Automated System for Customs Data
B	billions
BIR	Board of inland revenue
CED	Customs and excise division
CRS	Common reporting standards
DG	Director General
FATCA	Foreign Account Tax Compliance Act
GDP	Gross domestic product
HR	Human resources
ICT	Information and communications technology
IRD	Inland revenue division
HMRC	His Majesty’s Revenue Commission
k	thousands
LTOs	Large Taxpayer Offices
MSMEs	Micro, Small and Medium Enterprises
OECD	Organization for Economic Co-operation and Development
PR	Public relations
PSC	Public service commission
RGD	Registrar General's Department
SMEs	Small and medium-sized enterprises
SOPs	Standard operating procedures
TT or TTD	Trinidad and Tobago dollars
TTRA	Trinidad and Tobago Revenue Authority
US or USD	United States dollars
VAT	Value added tax

List of OECD countries and their tax-to-GDP rates (2020)

Country	Tax-to-GDP Rate (2020)
Austria	42.1
Belgium	43.1
Canada	34.4
Chile	19.3
Costa Rica	22.9
Czech Republic	34.4
Denmark	46.5
Estonia	34.5
Finland	41.9
France	45.4
Germany	38.3

Country	Tax-to-GDP Rate (2020)
Greece	38.8
Hungary	35.7
Iceland	36.1
Ireland	20.2
Israel	29.7
Italy	42.9
Korea	28
Latvia	31.9
Lithuania	31.3
Luxembourg	38.3
Netherlands	39.7

Country	Tax-to-GDP Rate (2020)
New Zealand	32.2
Norway	38.6
Poland	36
Portugal	34.8
Slovak Republic	34.8
Slovenia	36.9
Spain	36.6
Sweden	42.6
Switzerland	27.6
Türkiye	23.9
United Kingdom	32.8
United States	25.5

OECD Average Tax-to-GDP Rate (2020): 35%

Case Study: His Majesty's Revenue Commission (HMRC)

The timeline below illustrates some of the priority initiatives undertaken in the initial stages of integrating the HMRC, which is helpful in guiding the identification of first priorities for the TTRA's integration.

March 2004
HMRC first announced

April 2005
HMRC launched

Design of new organization

Alignment of **HR policies & procedures**

Creation of infrastructure for taxpayer segmentation

- *Joint Large Business Service*
- *SMEs & Employers Unit*

Integration of:

- *Key organizations: HR, IT, Finance, Estate Services*
- *Other key business areas: Debt mgmt., contact centers, specialist compliance*

Development of **HMRC Brand Identity**

- *Single website for customer interaction*
- *Single intranet for all staff*

Updating & integrating **IT infrastructure** and coordinating communications

Organizational Integration Cost: **£ 5.6M**

Brand Integration Cost: **£ 1.9M**

IT & Communications Integration Cost: **£10.3M**

Priority during transition period:

Maintaining business as usual regarding tax collection and customer services

Case Study: His Majesty's Revenue Commission (HMRC)

The chart below illustrates the governance structure of the HMRC, with indications as to where the responsibilities fall for Data and Analytics, Risk Management, Taxpayer Segmentation and International Common Reporting Standards compliance. This gives a useful framework for consideration in revising the structure of the TTRA.

HMRC First PS & Chief Executive

HMRC Second PS & Dep. Chief Executive

Customer Groups

Customer Strategy & Tax Design	Leads on the development & delivery of policy reforms to UK tax & payment systems
Borders & Trade	Policy, design & delivery of accountabilities for UK transition and delivery of customs revenue at the border, working with the Border Force
Customer Services	Supports customers to pay the right tax and get the right benefits, helps those with debt pay what they owe, helps firms run within the law
★ **Customer Compliance**	Ensures the right tax is paid and intervenes when there is risk of that not happening

Corporate Services

Chief People Officer Group	Develops & oversees effective implementation of HR policies and overall responsibility for workforce planning, recruitment & training
Chief Finance Officer Group	Includes Finance, Commercial & Estate services which ensure the smooth, safe, effective running of HMRC
★ **Chief Digital & Information Officer Group**	Designs, develops and runs innovative digital and information services for staff and customers, with emphasis on secure data
★ **Solicitor's Office & Legal Services**	Provides legal services to the whole of HMRC Includes Business Tax & International Law
Transformation	Leads & manages cross-cutting transformational change (Making Tax Digital etc.) and oversees the COVID-19 response program
Communications	Professional communications advice, support & services to HMRS and incorporates the Sustainability Team

★ Data Analytics covered under this area

★ International Common Reporting Standards covered under this area

★ Risk management & taxpayer segmentation approach covered under this area

Total Staff: 67,000

Link to Organizational Chart

Case Study: His Majesty's Revenue Commission (HMRC)

At present, the HMRC is undertaking a flight of Modernization Programs in order to remain a world-leading revenue administration. These programs provide a guide as to some initiatives we should consider to ensure that the TTRA is on par with best practices.

HMRC Modernization Programs

	Making Tax Digital	Real Time Information	Single Customer Account	Single Trade Window
Initiatives	Making Tax Digital	Real Time Information	Single Customer Account	Single Trade Window
Key Details	▶ Launched 2019 (Rolling) ▶ Digital payments & record keeping for VAT, Income Tax & Corp Tax ▶ Mandatory for those above the VAT threshold (£85K) & Individuals earning > £10K ▶ Makes it easier to get tax right, improves tax revenue collection & business productivity ▶ Can be integrated into firms' existing IT software	▶ Implemented 2013 ▶ Real-time transmission of PAYE tax and other deductions from employer to HMRC every time an employee is paid ▶ Embedded in payroll process ▶ Eliminates need for forms at end of year or on start/end of employment ▶ Improves timeliness & accuracy of payments from employers and overall responsiveness of tax system	▶ Still under planning ▶ Single secure point of interaction between the taxpayer and HMRC ▶ Capacity to facilitate the use of 3rd party data ▶ Improves ease of access to the customer and improves access to and use of data. ▶ Enables cost savings for HMRC and can also be used as a communications tool with prompts to the taxpayer	▶ Still under planning ▶ Single portal for trade data and completion of import, export and transit-related regulatory requirements ▶ Key element of UK Border Strategy 2025 ▶ Will simplify traders' interactions with the border and improve the ease of movement of goods across the border ▶ Will improve collection of customs revenue
Impact	**~£1.2B additional annual tax revenue** **~£300M annual cost savings**	**1.5M firms & 40M staff** **100M transactions per month** **~£64M savings**	**£205M budget allocated** **32M individual taxpayers to be impacted**	**£16M budget allocated**

Data sources – Tax to GDP targets

- Base year (2021) GDP – Central Statistical Office
- Current year (2022 – Year 0) GDP – FY23 Budget speech
- Base year oil sector GDP (2021) – Central Statistical Office
- Base year total tax revenue (2021) – Central bank
- Tax revenue 2023 - Draft estimates of revenue for the financial year 2023