Domestic Revenue Mobilisation Strategy

Semi-Annual Monitoring Report

Financial Year 2021/22

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Budget Montioring and Accoutnability Unit
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ABBREVIATIONS

AIA	Appropriation in Aid
BMAU	Budget Monitoring and Accountability Unit
Bn	Billion
CIT	Corporate Income Tax
CF	Consolidated Fund
COVID-19	Coronavirus Disease 2019
DINU	Development Initiative for Northern Uganda
DTS	Digital Tax Stamps
DRMS	Domestic Revenue Mobilisation Strategy
EAC	East African Community
EFRIS	Electronic Fiscal Receipting Solution
FY	Financial Year
GDP	Gross Domestic Product
GoU	Government of Uganda
IRS	Integrated Revenue administration System
LED	Local Excise Duty
LGFC	Local Government Finance Commission
LGs	Local Governments
Ltd	Limited
MDAs	Ministries, Departments and Agencies
MoES	Ministry of Education and Sports
MFPED	Ministry of Finance, Planning and Economic Development
NTR	Non Tax Revenue
OAU	Objections and Appeals Unit
PAYE	Pay as You Earn
PIT	Personal Income Tax
PS/ST	Permanent Secretary/ Secretary to the Treasury
PRN	Payment Registration Number
STI	Science, Technology and Innovations
TAT	Tax Appeals Tribunal
TPD	Tax Policy Department
TREP	Tax Registration and Expansion Project
UNBS	Uganda National Bureau of Standards
UNHCE	Uganda National Council for Higher Education
URA	Uganda Revenue Authority
VAT	Value Added Tax

FOREWORD

The Government of Uganda is commited to enhancing efficiency and effectiveness in the mobilisation of its domestic revenue. This will be attained through the implementation of various reforms agreed upon in its Public Finance Mnagement Strategy (2019-2024) and the Domestic Revenue Mobilisation Strategy (DRMS) adopted in 2020. The DRMS interventions are broadly geared to: 1) Raise additional revenues to support the governments’ budgetary position; 2) Encourage a healthy flow of investment; and 3) Address issues of fairness and transparency in the tax system

To assess the DRMS performance, a Monitoring strategy with 112 indicators was formulated. It was anticipated that 80 of the indicators would be assessed at half year. The Budget Monitoring and Accountability Unit, has been tracking the DRMS performance since FY 2020/21.The monitoring report has noted areas of achievement as well as those for improvement.

I urge all stakeholders to critically review the report and take action to ensure enhanced revenue mobilisation. Raising the tax revenue to GDP ratio is a must given the increasing demands on public financing.

Ramathan Ggoobi

Permanent Secretary/ Secretary to the Treasury

EXECUTIVE SUMMARY

Introduction

This report reviews performance of interventions under the Domestic Revenue Mobilisation Strategy (DRMS), based on Tax Policy and Tax Administration indicators, to determine the progress achieved.

Methodology

The semi-annual DRMS Monitoring Report FY 2021/22 is based on selected interventions under Tax Policy and Tax Administration. The DRMS comprises of a total of 80 interventions of which, 48 can be assessed at half year. Of the 48 interventions, 26 were assessed translating into 54% coverage of the total interventions. Specifically; with regards to Tax Policy, of the 33 interventions, 22 were to be tracked semi-annually, and 12 (54%) were assessed. Under Tax Administration, of the 47 interventions, 26 were to be tracked semi-annually, and 14 were assessed.

The assessment covered interventions under Uganda Revenue Authority (URA), the Ministry of Finance, Planning and Economic Development's Tax Policy Department (TPD) and Accountant General's Office, Tax Appeals Tribunal (TAT) and 20 manufacturing companies.[1] Purposive sampling method was used in selecting the manufacturers applying the tax administration measures of Digital Tax Stamps (DTS), and Electronic Fiscal Receipting and Invoicing System (EFRIS) to ensure representation of large, medium and small tax payers.

Primary and secondary data was collected from sources by: Literature review, consultations and key informant interviews, focus group discussions, field visits to manufacturers and call backs to triangulate information. Physical performance of the interventions was assessed through monitoring a range of indicators and linking the progress to planned targets, previous years performance or the baseline. Data was collected by two monitoring teams, comprised of both BMAU and URA staff.

Findings

Overall performance based on the interventions tracked was fair at 61.5%. Of the 26 DRMS interventions tracked, seven (27%) registered good performance, nine fair (35%), and 10 poor (38%).

i) Tax Policy Interventions

Tax Policy interventions performed fairly at 66% (of the 12 interventions assessed, two had good performance, six fair and four poor.)

[1] Aqua Coolers, Bidco, Blue Wave, Britannia, Bwendero Sugar, Hima Cement, Hema Beverages Ltd, Hoima Sugar, Kakira Sugar Works, K-Roma Beverages, Metro Cement, Mukwano Industries U Ltd, SCOUL, Kiri Bottling Ltd, Leading Distillers, Ngemeraku Investments, Mayuge Sugar, Raindrop, Nile Derivatives and V 2 Africa.

Good Performance

1. Review the current Value Added Tax (VAT) thresholds and rate to minimise administrative and compliance costs and encourage small business growth and safeguard revenues: The number of taxpayers in all the turnover levels declined compared to what was reported for half year FY2020/21. The number of businesses with a turnover greater than Ug shs 1bn registered the largest decline (less by 1,354), whilst those between Ug shs 0.45 and 0.55bn experienced the least (less by 126).

2. The effective duty rate on donor funded projects, registered an increase from 35% as at half year FY2020/21 to 45% during the same period in FY 2021/22.

Fair Performance

1. A decline in participation and engagement of stakeholders both from within and outside the government was noted. Additionally, there is no policy design manual to guide the process of tax policy formulation.

2. The personal income effective tax rate (ETR) increased to 20.65% relative to the base line year 19.5% (FY2019/20) which is good. However, the intervention requires a review of exemptions applied to Judges, Members of Parliament, expatriates and employees under donor-funded programmes in order to expand the tax base, which was not done.

3. Enhance analytical capacity of TPD and URA: Although analytical papers were published and circulated to aid decision making and upskilling policy makers, there was a decline in the number produced.

4. The proportion of zero rated supplies to total VAT supplies increased from 15.3%, at half year FY 2020/21, to 16.06% FY2021/22 eroding the VAT base. However, the ratio of zero-rated supplies (non-export items) registered a reduction to 24.01% from 29.20% in FY 2020/21 which increased the VAT base.

5. VAT exempt supplies as a proportion of total VAT supplies reduced from 16% as at half year FY 2020/21 to 15.21% in FY 2021/22, indicating a small reduction in revenue loss arising from VAT. The trend in value of the zero-rated supplies by type of supplies had items such as betting, lotteries, and games of chance increased while exemptions on social welfare services decreased from Ug shs 0.87bn (.02%) to Ug shs 0.68bn (.01%), affecting the objective of the intervention as regards to welfare.

6. Improve interagency coordination and infrastructure: The average number of days taken for an import entry lodged at customs to be released or exit the customs area for entries was five days against a target of two days, while time taken to clear for export entries through customs was one day as targeted.

Poor Performance

1. Strengthhen partnership with URA and formalise arrangements: One paper was jointly published by URA and TPD, which was a decline in performance from that attained in same period FY2020/21. Increased synergies between URA and TPD are envisaged through the intervention.

2. Elevating the status of taxation within the MFPED - this was unchanged.

3. Address TPD staffing/training needs, one member of staff attended a specialised training, which was a meagre improvement from the previous financial year when no staff attended.

4. Support workforce education training: The proportion of staff handling income tax with PODITRA or a similar recognised qualification increased from 52.7% to 54.8%. This was on account of a reduction in the total number of staff handling income tax and not due to an increment in staff with the relevant qualification.

(ii) Tax Administration Interventions

Interventions under Tax Administration performed fairly at 57%, worse than Tax Policy (of the 14 interventions assessed, five registered good performance, three fair and six poor).

Good Performance

1. Expand the range of measures for assessing URA's performance to reduce reliance on collection targets. A reduction in the tax collection gap was registered from Ug shs 2389.66bn to Ug shs 977.66bn by half year FY2021/22 compared to FY2020/21.

2. A simple online registration system for taxpayers was completed in December 2021 and is in use.

3. Strategies to reverse arrears collections shows arrears recovery at 7.6% at half year (FY 2021/22) from 5.32% registered in FY 2020/21.

4. Tax investigation initiatives realised 3,860 seizures resulting in a recovery of Ug shs 47.14bn compared to Ug shs 67.73bn registered at the end of FY2020/21, indicating a higher recovery rate by half year FY2021/22.

5. Five media publications for enforcement initiatives were recorded compared to the three recorded in the first six months of FY2020/21. Publicity of enforcement efforts as a deterrent measure for other defaulters was therefore enhanced.

Fair Performance

1. Procurement of a new e-tax system was ongoing, with four bidders awaiting evaluation.

2. To strengthen URAs audit function, all tax audits are automated although the turnaround time could not be tracked.

3. The Tax Appeals Tribunal was facilitated to expeditiously deal with cases. Fifty five cases with a total value of Ug shs 292.448bn were registered, of which 26 (47%) cases were resolved within six months, six (11%) cases were remitted to URA for further review, four (7%) were withdrawn, and 19 (34%) are outstanding. None of the cases escalated to the High Court.

Poor Performance

1. The ratio of taxpayers to URA staff increased from 64,795 to 77,523 per staff, this was on account of a reduction in URA staff alongside an increase in the number of taxpayers. This therefore risks compromising tax analysis.

2. Design and implement a medium term ICT strategy: Although URA has an internal ICT Strategy, there were no key performance indicators.

3. The proportion of inactive taxpayers deregistered decreased for VAT and Excise duty.
4. On-time filing rates registered improvements for Corporate Income Tax and Personal Income Tax. However, there was a decline in on-time filing rate of VAT registered. Additionally, tax filing rates registered a decline across all the three tax types.
5. No infrastructure points were put in place to ease payment of taxes across the country. In terms of distribution of payment methods, it was found that over the counter payments tend to be most popular at 64.8%, followed by electronic funds transfer at 16%, while mobile money contributes 0.14%.
6. There was a 5% decline in Local Excise Duty (LED) from firms using digital stamps, and 16% decline in LED from non-complying firms.

Database integrity

Validation of data and tax administration measures showed improvements in the URA data. The data sets for the manufacturers compared with that at URA for the VAT paid as at 31st December 2021 registered variations in only four companies. These arose from payment registrations made but remained outstanding by 31st December 2021. For Local Excise Duty (LED), three companies registered discrepancies with the URA database.

Emerging Issues

Two major issues were noted:

1. Nine (four Tax Policy, and five Tax Administration) interventions are not being implemented, while two are partially implemented, despite the fact that time for implementation had either expired or was close to ending.
2. Six (two Tax Policy and four Tax Administration) interventions have limited data to support effective performance assessments.

Key Challenges

1. Non-implementation of strategic DRMS interventions. This reduces chances of achieving the strategy objectives.
2. Inadequate specialised training conducted by TPD and URA staff.
3. Low technical staffing levels at both TPD and URA.
4. There is limited access to necessary data by the TPD and URA. Data is critical for modeling purposes and generation of high quality analysis. For example, data for payments to Government suppliers and contractors on the Integrated Financial Management System (IFMS) is not accessed by the URA, and TPD has in some instances registered limited access to data from URA.

Conclusion

Overall, some strides have been made towards achieving the objectives of the DRMS, although there is a need to have all necessary stakeholders on board especially the Ministries, Departments and Agencies (MDAs) to appreciate the broader scope of their respective roles and responsibilities.

Stakeholders from both within and outside government have participated in the tax policy process, however, the manual documenting the process of policy formulation was yet to be developed. There was some achievement in reducing the tax exemptions but a lot remains to be done. Of concern was the unchanged TPD structure despite the widened mandate. This was worsened by the low capacity building efforts for the staff in post.

Tax administration efforts were noted in exploiting the tax potential. Expansion of customs enforcement operations countrywide led to increased recoveries of tax arrears. Installation of the e-Tax System was at the initial stages of procurement, which should be fast tracked. On the other hand, the alternative tax dispute resolution measures resulted in quick settlement of disputes by the Tax Appeals Tribunal .

Poor performance was noted in deregistering inactive taxpayers, filing compliance, provision of infrastructure connection points across the country, as well increasing local excise duty through the use of digital tax stamps.

Recommendations

1. The TPD and URA should fast track implementation of DRMS interventions.
2. The MFPED and URA training budgets should prioritise specialised training for staff as guided by the DRMS.
3. The MFPED and URA should fast-track the recruitment of technical staff to address the low staffing levels.
4. The MFPED-TPD and Accountant General’s Office, plus URA should expedite the process of facilitating information access and exchange among them as key players in the implementation of the DRMS.

CHAPTER 1: INTRODUCTION

1.1 Background

The mission of the Ministry of Finance, Planning and Economic Development (MFPED) is, "*To formulate sound economic policies, maximize revenue mobilisation, and ensure efficient allocation and accountability for public resources so as to achieve the most rapid and sustainable economic growth and development.*"

To maximise revenue mobilisation, the Domestic Revenue Mobilisation Strategy (DRMS) 2019/20-2023/24 was developed in FY2019/20.

The strategy's core objective is to improve revenue collection, and raise Uganda's tax to Gross Domestic Product (GDP) ratio from 12.5% to 16%-18% within the five financial years. The revenue strategy over the third National Development Plan (NDP III) period envisages improving compliance and efficiency in tax revenue collections through the implementation of the DRMS. Emphasis is given to strengthening administrative efforts so as to narrow the gap between current and potential revenue performance. An increase in revenue would reduce the country's deficit and consequently her reliance on debt thus keeping debt at sustainable levels.

The DRMS interventions are broadly geared to:

1) Raise additional revenues to support the governments' budgetary position.

2) Encourage a healthy flow of investment.

3) Address issues of fairness and transparency in the tax system.

Implementation of the DRMS interventions and performance has since FY2020/21, been tracked by the Budget Monitoring and Accountability Unit (BMAU), both at semi and annual monitoring. This was done using performance indicators in respect of Tax Policy and Tax Administration, and is aimed at supporting the Government of Uganda's efforts to improve its domestic revenue mobilisation efforts.

The semi-annual assessment for FY2021/22 includes a detailed description of the performance of the DRMS based on 26 indicators- 12 Tax Policy and 14 Tax Administration indicators. The DRMS implementation matrix is as well included as annexes 1 and 2, showing the extent of achievement of the different interventions.

CHAPTER 2: METHODOLOGY

2.1 Scope

The semi-annual DRMS Monitoring Report FY 2021/22 is based on selected interventions under Tax Policy and Tax Administration. The DRMS comprises of a total of 80 interventions, of which 48 can be assessed at half year. Of the 48 interventions, 26 were assessed translating into 54% coverage of the total interventions for semi-annual FY2021/22.

Specifically, with regards to Tax Policy, of the 33 interventions, 22 were to be tracked semi-annually, of which 12 (54%) were assessed. These included:

1. Reform of the tax policy- making process
2. Elevate the status of taxation within MFPED
3. Enhance the analytical capacity of TPD and URA)
4. Address TPD structure and staffing/training needs,
5. Strengthen partnerships with URA and formalise arrangements
6. Limit the range of zero rated supplies as far as possible
7. Remove unnecessary VAT exemptions to curb unjustifiable revenue leakages, while maintaining those that support Ugandan welfare and economic objectives
8. Review the current VAT threshold and rate to ensure that together these minimise administrative and compliance costs, encourage small business growth, and safeguard revenues
9. Support workforce education/training
10. Review exemptions and consider alternative approaches
11. Improve inter-agency coordination and infrastructure
12. Review the taxation of donor funded projects

Under Tax Administration, there are 47 interventions, of which 26 are to be tracked semi-annually. Of these, the 14 (61%) interventions assessed include:

1. Expand the range of measures for assessing URAs performance to reduce reliance on collection targets
2. Conduct an independent staffing review
3. Design and implement a medium term ICT strategy
4. Review options available and based on a proper assessment of costs, benefits and needs, upgrade or invest in a new e-Tax system.
5. Regularly detect and deregister inactive taxpayers to cleanse the taxpayer register
6. Adopt a simple and fully online registration system for those with internet access
7. Work more closely with relevant regulators to improve filing compliance

8. Address infrastructure constraints by offering points for connection across the country
9. Prioritise strategies to reverse the current arrears and audit trends
10. Consider the adoption of real-time digital sales and production monitoring systems.
11. Strengthen URAs audit function by adopting modern audit tools, enhancing the use of risk targeting, increasing the number of mass audits
12. Intensify penalties for non compliance and increase the number of tax investigations
13. Publicise the results of enforcement initiatives
14. Facilitate TAT to expeditiously deal with cases by increasing staff numbers and training

The semi-annual assessment covered interventions under Uganda Revenue Authority (URA), Tax Policy Department (TPD) and the Accountant Generals Office of the Ministry of Finance, Planning and Economic Development (MFPED), Tax Appeals Tribunal (TAT) and 20 manufacturing companies.[2] The companies enabled comparison of data to determine integrity of the URA database.

2.2 Approach and Sampling Methods

Performance of interventions, actions and outcomes was assessed through monitoring a range of indicators and linking the progress to planned targets,previous years performance or the baseline. Purposive sampling method was used in selecting the manufacturers applying the Digital Tax Stamps (DTS) and Electronic Fiscal Receipting and Invoicing System (EFRIS) to ensure representation of large, medium and small manufacturers.

The selection of interventions assessed was based on the following criteria:

- Interventions whose indicators are provided for monitoring at half year
- Significant contribution to the DRMS objectives
- Availability of progress reports and data for the period under review

2.3 Data Collection and Analysis

Data collection

Both primary and secondary data was collected. Secondary data was collected through literature review.The documents reviewed included: MFPED Ministerial Policy Statements (MPS) FY 2021/22; NDP III, quarterly progress reports and work plans for MFPED and URA; Domestic Revenue Mobilisation Strategy 2019/20-2023/24; and DRMS Monitoring Framework.

The primary data was collected through informant interviews, focus group discussions and observations. Consultations and key informant interviews were held with manufacturers and staff from TPD, TAT and URA. Focused group discussions were also held with manufacturers during field visits and observation of processes on site. Call-backs in some cases were done to

[2] Aqua Coolers, Bidco, Blue Wave, Britannia, Bwendero Sugar, Hima Cement, Hema Beverages Ltd, Hoima Sugar, Kakira Sugar Works, K-Roma Beverages, Metro Cement, Mukwano Industries U Ltd, SCOUL, Kiri Bottling Ltd, Leading Distillers, Ngemeraku Investments, Mayuge Sugar, Raindrop, Nile Derivatives and V 2 Africa.

triangulate information. Data was collected by two monitoring teams, comprised of both BMAU and URA staff.

Data analysis

Both qualitative and quantitative approaches were used to analyse the data. Qualitative data was examined and classified in terms of constructs, themes or patterns to explain events among the implementers of tax administration measures and reflective analysis where the monitoring teams provided an objective interpretation of the field events.

Quantitative data on the other hand was analysed using advanced excel tools to aid interpretation.Comparative analysis was done where previous years performance, baseline and planned targets were compared with observed performance.

The overall DRMS performance is based on the performance of the individual indicator against the target set or trend achieved. An average of the individual rating of indicators was taken to determine achievement of tax policy and tax administration interventions (Table 2.1).

Table 2.1: Assessment Guide to Measure Performance of DRMS in FY 2021/22

Score	Comment
90% and above	Very Good (Achieved at least 90% of indicator or target)
70%-89%	Good (Achieved at least 70% of the indicator or target)
50%- 69%	Fair (Achieved at least 50% of the indicator or target)
Less than 50%	Poor (achieved below 50% of the indicator or target)

Source: BMAU

2.4 Limitations of the Report

i. Lack of data on high priority indicators for both Tax Policy and Tax Administration and as such, performance of 22 key interventions[3] was left out.

ii. Poor tracking of changes in locations of manufacturers and some could not be found.

2.5 Structure of the Report

The report is structured into four chapters. These are: Introduction, Methodology, Performance-Conclusion and Recommendations respectively.

[3] Review and renegotiate over generous treaty provisions, strengthen international tax rules and enforcement, improve information sharing domestically and internationally, Address weaknesses in rules for taxing rental income, develop a broader scheme of environmental taxes, Improve URA access to external data to identify potential taxpayers, balance the objectives of export promotion, revenue generation, and support to domestic industry

CHAPTER 3: PERFORMANCE

3.1: Status and progress made in implementation of DRMS

Overall performance based on the interventions tracked was fair at 61.5%. Of the 26 DRMS interventions tracked, seven (27%) registered good performance, nine fair (35%) and 10 poor (38%). Complete information was not available for 22 interventions and thus they were not assessed.

Annexes 1 and 2 show the progress of implemented interventions under Tax Policy and Tax Administration by indicating whether they are on track, partially on track or not on track.

3.2: Performance of Interventions- Tax Policy

The Tax Policy interventions performed fairly at 66% (of the 12 interventions assessed, two had good performance, six fair and four poor.)

3.2.1: Reform of the tax policy-making process

This intervention is measured through three indicators, all of which were tracked and performance was as follows:

1) No. of tax related proposals received from non-state stakeholders in a year: The indicator points to whether TPD involves stakeholders outside government in the tax policy making process. Zero proposals received would indicate there was probably no effective consultations made, and therefore no stakeholder participation in tax policy making.

As depicted in table 3.1, 65% of the total tax related proposals received were from non-state stakeholders, as compared to 97% in the same period in FY2020/21. This indicates that there is stakeholder participation in tax policy making, but this has declined from the previous year.

Table 3.1: No. of Tax Related Proposals Received from Non-State Stakeholders in a FY

	First Half FY 20/21	First Half of FY21/22
No. of tax related proposals received from non-state stakeholders	97	89
Total No. of tax related proposals received	100	137
Indicator Calculation (%)	97	65.0

Source: TPD

2) No. of tax related proposals received from stakeholders within government in a year: The indicator points to whether TPD involves MDAs and Local Governments in the tax policy making process.

A total of 48, of the 137 tax related proposals were received from stakeholders within government, compared to 3 out of 100, during the same period in FY 2020/21 (table 3.2). This indicates growth in stakeholder participation in tax policy making within government.

Table 3.2: No. of Tax-Related Proposals Received from Stakeholders within Government in a FY

	First Half of FY 20/21	First Half of FY21/22
No. of tax related proposals received from MDALGs	3	48
Total No. of Tax related Proposals received	100	137
Indicator Calculation (%)	3	35.0

Source: TPD

3) No. of revenue measures adopted from tax proposals from non-state stakeholders in a fiscal year: The indicator seeks to establish whether TPD considers and uses/adopts the tax related proposals received from consultations with stakeholders outside government. It is assumed that at least one measure should be considered from among the many proposals submitted.

As depicted in table 3.3, during the same period in FY 2020/21, a total of 97 proposals were submitted to Parliament for approval,compared to the 89 in FY 2021/22.

Table 3.3: No. of Revenue Measures Adopted from Tax Proposals of Non-State Stakeholders in a Fiscal Year

	First Half of FY 20/21	First Half of FY21/22
No. of tax related proposals received from non-state stakeholder submitted to Parliament for approval	97	89
Total No. of Tax related proposals submitted to Parliament for approval	100	137

Source: TPD

In conclusion, there is active participation and engagement of stakeholders both from within the government and outside. However, two of the three indicators report a decline in the level of engagement compared to the previousFY. In addition, there is no policy design manual to guide the process of policy formulation which creates space for bypassing the due process in the development of policy, thus performance was fair.

3.2.2: Elevate the status of taxation within MFPED

This intervention is measured through the indicator: **Tax Policy Department's budget as percent of MFPED budget.** Compared to FY2020/21, the Tax Policy Department's appropriated budget has remained the same at Ug shs 2.8bn which is representative of 0.5% of the total MFPED budget. By half year, the department had received 50% of their budget. Although TPD receives a befitting budget given its status as a department and release performance is good, the intervention hopes to see a significant and steady increase in the budget allocated to the expanded department, as such the indicator has not been achieved, hence poor performance noted.

3.2.3: Enhance the analytical capacity of TPD & URA

This intervention is measured through two indicators, and performance is as follows;

1) No. of tax related analytical papers published per year: The indicator aims to track the publication of tax-related analytical papers or reports within the country. By half year, eight were published, compared to 10 in the same period in FY 2020/21. There has, therefore, been a slight decline from the previous financial year.

2) No. of tax related analytical papers published by TPD/URA staff per year: The indicator aims to track the publication of tax related analytical papers or reports authored or co-authored by staff of TPD and/or URA. By half year, one was published by TPD and seven[4] by URA. Comparatively, in the same period in FY 2020/21, two had been published by TPD and eight by URA, indicating a slight decline.

So analytical papers continue to be published and circulated within the country to aid decision making and upskilling of policy makers, however there has been an observed decline and therefore performance was fair.

3.2.4: Address TPD structure and staffing/training needs

This intervention is measured through the indicator:

1)No. of TPD staff attended specialised training in a year: Since tax policy is a complex field, it requires staff to have specialised training to acquire expertise needed to formulate effective tax policies. It is therefore assumed that if no relevant specialised training is provided to staff, there would be no expertise to formulate effective tax policies, which would affect domestic revenue mobilisation.

During the review period, one member of staff attended a specialised training, which was a meagre improvement from the previous FY when no staff attended any. The lack of training was attributed to the COVID-19 pandemic. However this notwithstanding, it is imperative that training is prioritised in order to bridge the skills-gap and ensure effective tax policy formulation.The intervention was therefore not achieved and performance was poor.

3.2.5: Strengthen partnership with URA and formalise arrangements

This intervention is measured through the indicator:

1) **No. of tax related analytical papers jointly published by TPD and URA staff:** It is assumed that if TPD and URA staff jointly publish papers on tax related issues, synergy will be created in addition to an increased convergence of minds. This would eventually lead to better revenue mobilisation strategies.

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[4] Research paper "*Is Uganda's Tax to GDP ratio too low? Global comparative analysis of Tax to GDP ratios",* September 2021., Policy Brief and working paper on Presumptive tax policy reform, October 2021. (Joint study with UNUWIDER), Research brief on "*How to make Ugandan taxpayers more compliant", July 2021., The Mining Sector in Uganda: A Tax Compliance Analysis and Outlook* August, 2021, Research brief on "Why the unpopular Withholding Tax on Agricultural Supply is the only effective solution to close the Agricultural Taxation Gap", July 2021, Research brief on "Recouping missed opportunities: Exploiting the underutilised potential of IT systems in expanding the tax register" July 2021, Policy brief on "Distributional effects of the COVID-19 pandemic in Uganda ",October 2021 (Joint study with UNUWIDER)

During the review period, one paper had been jointly published by URA and TPD compared to the same period in the previous financial year, when two papers were published. Therefore, the performance was fair.

3.2.6: Limit the range of zero-rated supplies as far as possible

This intervention is measured through four indicators, which were all tracked, and the following noted:

1) **Zero-rated VAT supplies as a percentage of total VAT returns:** The indicator assesses whether there is a reduction in zero-rated supplies. Where the proportion of zero rated supplies against total VAT supplies remarkably reduces (relative to the baseline), then the taxable VAT base is expanding, which is the ultimate goal of the policy intervention. During the review period, the proportion of zero rated supplies to total VAT supplies increased from 15.3%, as at half year FY 2020/21, to 16.06% by half year FY2021/22 (table 3.4).

Table 3.4: Zero-Rated VAT Supplies as a Percentage of Total VAT Returns

	First Half of FY 2020/21	Annual 2020/21	First Half of 2021/22
Value of Zero rated VAT supplies (Ug shs bn)	6,276.30	13,612.97	7,281.04
Total value of supplies (Ug shs bn)	41,015	84,246	45,328
Indicator calculation (%)	15.30	16.16	16.06

Source: URA Database -EHUB

This implies that there was a reduction in the taxable VAT base in the FY 2020/21 on account of zero rated supplies, and therefore the aim of the intervention based on the indicator was not achieved.

2) **Zero-rated VAT supplies (non-export items) as a percentage of total VAT zero-rated supplies:** This indicator measures whether there has been a notable increase in the taxable VAT base by reducing zero-rated supplies for non-export items. During the review period, the ratio of zero-rated supplies (non-export items) registered a reduction to 24.01% from 29.20% as at half year 2020/21 (table 3.5).

Table 3.5: Zero-Rated VAT Supplies (Non-Export Items) as a Percentage of Total VAT Zero-Rated Supplies

	First Half of FY 2020/21	Annual 2020/21	First Half of 2021/22
Value of Zero rated VAT supplies (Non-Export Items) (Ug shs bn)	1,832.86	3,600.18	1,748.35
Total VAT Zero- rated supplies (Ug shs bn)	6,276.30	13,612.97	7,281.04
Indicator calculation (%)	29.20	26.45	24.01

Source: URA Database-EHUB

This implies that there was an increase in the taxable VAT base on account of zero rated supplies (non-export items), and the indicator was achieved.

3) **Zero-rated supplies (export items) as a percentage of total exports:** This indicator monitors whether export items are exceeding the export value of such items in a given period, since exported goods are the first item on list of zero-rated VAT supplies in the VAT system. During the review period, the proportion of zero rated supplies (export items) increased to 101.57% from 97.20% in the same period of FY2020/21 (table 3.6).

Table 3.6: Zero-Rated Supplies (Export Items) as a Percentage of Total Exports

	First Half of FY 2020/21	Annual 2020/21	First Half of 2021/22
Value of Zero rated VAT supplies (Export Items) (Ug shs bn)	4,443.44	10,012.79	5,532.69
Total export value of goods (Ug shs bn)	4,571.29	10,135.05	5,447.29
Indicator calculation (%)	97.20	98.79	101.57

Source: URA Database-EHUB

This indicates that the value of zero-rated supplies for export items exceeded the export value (fob) of such items and thus the indicator was not achieved.

4)Value (and proportion) of VAT zero-rated supplies by type of supply: The indicator tracks the trend in value of the zero-rated supplies by type of supply. Items removed from the list will not be expected to return zero values. Where the values continue to be seen would signify a weakness. The indicator values[5] and proportions are also used to examine whether the non-export zero rated supplies are the kind of supplies that support the poor, and if not, this points to areas where revisions in the VAT law could be considered regarding zero rated supplies.The trend in value of the zero-rated supplies by type of supplies had mixed performance (table 3.7).

The value and proportion of the agricultural items reported reduced, i.e. seeds, fertilisers, pesticides and hoes declined from Ug shs 40.37bn (0.78%) at half year 2020/21 to Ug shs 36.69bn (0.58%) at half year 2021/22. These were expected to have increased as they support the poor who are the majority. However, the value and proportion of educational materials increased from Ug shs 70.77bn (1.37%) at half year 2020/21 to Ug shs 782.17bn (12.31%) during the same period this financial year.

A number of items were not reported about due to lack of information. Either they did not file for the half year period, or the information was indistinguishable from other related items. For example, the National Medical Stores (NMS) regarding handling services with respect to medical supplies funded by donors.

[5] Y %=(X/∑X) *100, Where X- is the value of zero rated supplies. Y% is the proportion of zero rated supplies.

Table 3.7: Value of VAT Zero-Rated Supplies by type of Supply

Type of Zero-Rated Supplies	Baseline FY19/20 (Ug shs bn)	First Half - FY 2020/21 (Ug shs bn)	Annual 2020/21 (Ug shs bn)	First Half - 2021/22 (Ug shs bn)
1. Export goods	8253.88 (85.69%)	4571.29 (88.22%)	10135.04 (91.43%)	5447.28 (85.76%)
2. International transportation of goods and passengers	18.73 (.19%)	17.59 (.34%)	27.29 (.25%)	10.66 (.17%)
3. Domestic supply of:	**1359.3 (14.11%)**	**592.94 (11.44%)**	**922.99 (8.33%)**	**893.53 (14.07%)**
a) Educational materials used in schools, colleges, universities, and institutions engaged in adult education, vocational or technical education, or training for handicapped person	129.28 (1.34%)	70.77 (1.37%)	152.27 (1.37%)	782.17 (12.31%)
b) Seeds, fertilisers, pesticides, and hoes	68.48 (.71%)	40.37 (.78%)	77.24 (.70%)	36.69 (.58%)
c) Cereals where these are grown, milled, or produced in Uganda	62.37 (.65%)	22.06 (.43%)	33.77 (.30%)	18.96 (.30%)
d)Sanitary towels and tampons and the inputs for their manufacture	109.59 (1.14%)	56.53 (1.09%)	119.94 (1.08%)	55.7 (.88%)
e)Supply of leased aircraft, parts, and maintenance equipment	0 (.00%)	0 (.00%)	0 (.00%)	0 (.00%)
f)Handling services with respect to medical supplies funded by donors	989.56 (10.27%)	403.19 (7.78%)	539.75 (4.87%)	0 (.00%)
Total	**9,631.93 (100%)**	**5,181.83 (100%)**	**11,085.33 (100%)**	**6,351.48 (100%)**

Source: URA Database-EHUB

Therefore, performance towards this intervention was fair as only two of the four indicators relating to this intervention were on track.

3.2.7: Remove unnecessary VAT exemptions to curb unjustifiable revenue leakages, while maintaining those that support Ugandan welfare and economic objectives

This intervention is measured through two indicators, which were both tracked and the performance was as follows:

1)VAT exempt supplies as a Percentage of Total VAT supplies

The aim of the intervention is to reduce the exempt supplies. Where the proportion of exempt supplies vis-à-vis total VAT supplies remarkably reduces (relative to the baseline), then the taxable base is expanding, which is the ultimate goal of the policy intervention.

The VAT exempt supplies as a proportion of total VAT supplies reduced from 16% as at half year FY 2020/21 to 15.21% in FY 2021/22, thereby indicating a small reduction in revenue loss arising from VAT exempt supplies (table 3.8). However, the actual value of VAT exempt supplies increased from Ug shs 6,564bn to Ug shs 6,896bn which is responsible for the minimal reduction in the revenue loss, the indicator was achieved.

Table 3.8: VAT Exempt Supplies as a Ratio of Total VAT Supplies

	First Half - FY 2020/21	Annual 2020/21	First Half - 2021/22
	Ug shs bn	Ug shs bn	Ug shs bn
Value of VAT exempt supplies	6,564	13,470	6,896
Total Value of declared supplies[6]	41,015	84,246	45,328
Ratio (%)	16.00	15.99	15.21

Source: URA Database

2)Value (and proportion) of VAT exempt supplies by type of supply

The indicator tracks the trend in the value of the zero-rated supplies by type of supply. Items removed from the list will not be expected to return zero values. Where the values continue to be seen would signify a weakness.

The indicator values and proportions are also used to examine whether the non-export zero rated supplies benefit the poor, and if not, this points to areas where revisions in the VAT law could be considered.

The trend in value of the zero-rated supplies by type of supplies had mixed performance (table 3.9). The supplies that increased by half year FY2021/22 under agriculture included: unprocessed foodstuffs, agricultural products, and livestock, animal feeds and premixes, machinery, tools, and implements suitable for use only in agriculture, crop extension services and irrigation works, sprinklers and ready-to-use drip lines. Similarly, zero-rated education services also increased from Ug shs 2.72bn (.05%) to Ug shs 5.02bn (.07%). However, items such as betting, lotteries, and games of chance also increased, while social welfare services decreased from Ug shs 0.87bn (.02%) to Ug shs 0.68bn (.01%). For this indicator to progress positively, there is a need for an increase in the items that directly support the poor.

[6]Utilised total declared sales in the VAT returns

Table 3.9: Value (and Proportion) of VAT Exempt Supplies by Type of Supply

Type of zero-rated supplies	Baseline (FY19/20) (Ug Shs bn)	First Half - FY 2020/21) (Ug Shs bn)	Annual 2020/21) (Ug Shs bn)	First Half - 2021/22) (Ug Shs bn)
Unprocessed foodstuffs, agricultural products, and livestock	277.69 (1.84%)	178.45 (3.60%)	360.54 (2.89%)	209.22 (2.76%)
Postage stamps	204.18 (1.35%)	44.1 (.89%)	234.01 (1.88%)	0.62 (.01%)
Financial and insurance services	2549.19 (16.90%)	1281.14 (25.87%)	2878.08 (23.09%)	1804.85 (23.85%)
Education services	12.96 (.09%)	2.72 (.05%)	11.36 (.09%)	5.02 (.07%)
Veterinary, medical, dental, and nursing services	1048.15 (6.95%)	555.53 (11.22%)	1025.65 (8.23%)	438.24 (5.79%)
Social welfare services	1.37 (.01%)	0.87 (.02%)	1.95 (.02%)	0.68 (.01%)
Betting, lotteries, and games of chance	8.58 (.06%)	0.22 (.00%)	2.4 (.02%)	1.37 (.02%)
Passenger transportation services, except travel and tour operators	20.3 (.13%)	8.84 (.18%)	13.69 (.11%)	6.56 (.09%)
Petroleum fuels subject to excise duty	10233.96 (67.85%)	2582.42 (52.14%)	7226.37 (57.98%)	4616.7 (61.01%)
Dental, medical, and veterinary equipment	181.82 (1.21%)	114.59 (2.31%)	267.95 (2.15%)	161.49 (2.13%)
Animal feeds and premixes	372.03 (2.47%)	103.88 (2.10%)	252.99 (2.03%)	213.77 (2.83%)
Machinery, tools, and implements suitable for use only in agriculture	39.76 (.26%)	27.97 (.56%)	61.11 (.49%)	26.8 (.35%)
Crop extension services	21.57 (.14%)	1.52 (.03%)	4.96 (.04%)	3.83 (.05%)
Irrigation works, sprinklers and ready-to-use drip lines	24.01 (.16%)	15.79 (.32%)	36.59 (.29%)	15.89 (.21%)
Deep cycle batteries, composite lanterns, and raw materials for their manufacture	0.06 (.00%)	0.12 (.00%)	0.4 (.00%)	0 (.00%)
Photosensitive semiconductor devices, light emitting diodes, solar water heaters, solar refrigerators, and solar cookers	71.08 (.47%)	28.47 (.57%)	62.14 (.50%)	40.23 (.53%)
Lifejackets, life-saving gear, headgear, and speed governors	7.9 (.05%)	4.89 (.10%)	9.22 (.07%)	4.24 (.06%)
Bibles, Qurans, and textbooks	9.11 (.06%)	1.21 (.02%)	14.85 (.12%)	17.63 (.23%)
Total	**15,083.79 (100%)**	**4,952.81 (100%)**	**12,464.35 (100%)**	**7,567.25 (100%)**

Source: URA Database

Overall, poor performance was noted, as one indicator was not achieved, and the other had fair performance.

3.2.8: Review the current VAT threshold and rate to ensure that together these minimise administrative and compliance costs, encourage small business growth, and safeguard revenues

This intervention is measured through two indicators:

1)**Number of VAT payers**

The aim of the intervention is to alleviate the administrative burden, limit the number of taxpayers to monitor, and exclude smaller businesses where the compliance and administrative costs are likely to outweigh the small amount of revenue received. The indicator will thus track whether the number of VAT payers is decreasing as is envisaged when the intervention is implemented.

During the period under review, the number of taxpayers in all the turnover levels declined compared to what was reported for half year FY2020/21 (table 3.10). The number of businesses with a turnover greater than Ug shs 1bn registered the largest decline (less by 1,354), whilst those between Ug shs 0.45 and 0.55bn experienced the least (less by 126). The reduction in taxpayers per turn-over band was in line with the intervention objective. Although, it would have been more ideal if the greatest reduction was from the smaller tax payer bands ("less 150 to 350-450") as the objective of the intervention is to limit the number of taxpayers to monitor, and exclude smaller businesses where the compliance and administrative costs are likely to outweigh the small amount of revenue received.

Table 3.10: Number of Registered VAT Payers Per Turnover Band

Turn over level (in millions)	Baseline FY 19-20	First Half – FY 2020/21	Annual 2020/21	First Half - 2021/22
Less 150	8,171	9,445	9,095	8,490
150-250	1,388	1,287	1,407	953
250-350	948	837	1,008	544
350-450	661	603	724	369
450-550	526	416	573	290
550-750	817	641	801	374
750-1000	665	580	696	334
Greater than 1000	4,521	3,211	4,772	1,857
Total	**17,697**	**17,020**	**19,076**	**13,211**

Source: EHUB

2)Tax paid per turnover bracket

Similarly, in terms of the average VAT paid, (table 3.11), under each turnover band, the higher thresholds registered a higher average and performed in line with the objective thus overall good performance noted.

Table 3.11: Average VAT Paid per Turnover Band (Ug shs millions)

Turn over level (in millions)	Baseline FY 19-20	First Half - FY 2020/21	Annual FY 2020/21	First Half - FY2021/22
Less 150	0.01	0.00	0.00	0.00
150-250	0.01	0.01	0.01	0.02
250-350	0.02	0.01	0.02	0.02
350-450	0.02	0.02	0.02	0.03
450-550	0.02	0.02	0.03	0.03
550-750	0.03	0.03	0.03	0.04
750-1,000	0.03	0.03	0.04	0.05
Greater than 1,000	0.53	0.40	0.55	0.59

Source: EHUB

3.2.9: Support workforce education/training

The policy intervention requires enhancement of support to income tax training and education. Thus, the indicator will track whether there was an increase in the number of qualified technical staff handling income tax work. It is measured through one indicator:

1)Proportion of technical staff handling domestic taxes that are graduates of PODTRA: The proportion of staff handling income tax with PODITRA or a similar recognised qualification increased from 52.7% registered in FY 2020/21 to 54.8% at half year 2021/22 (table 3.12). However this was on account of a reduction in the total number of staff handling income tax and not due to an increment in staff with the relevant qualification. Therefore, the intervention has not been met. The lack of progress has been attributed to disruptions caused by the COVID-19 pandemic. It is important that training is prioritised as it is necessary for reducing the skills-gap and keeping staff abreast with current practises. The indicator was therefore not achieved and thus performance was poor.

Table 3.12: Proportion of Technical Staff Handling Domestic Taxes that are Graduates of PODITRA

	Annual FY 2020/21	First Half - 2021/22
No. of staff handling income tax with PODITRA or some other recognised qualification*	537	537

Total No. of staff handling income tax	1,020	979
Indicator Calculation (%)	52.65	54.85

Source: URA

3.2.10: Review exemptions and consider alternative approaches

This intervention is measured through one indicator,

1) **Personal Income Tax (PIT) - Effective Tax Rate (ETR).** This indicator measures the average percentage that individual taxpayers pay in taxes on their taxable income. If exempt incomes are reviewed with a view to expand the tax base, the PIT-ETR would be expected to improve relative to the baseline.

Although information was not provided for semi-annual FY2020/21, at annual the figure was 21.3% which when compared to 20.7% at semi-annual FY 2021/22 shows an increase in the ETR.

However, the intervention particularly requires a review of exemptions applied to Judges, Members of Parliament, expatriates and employees under donor-funded programmes in order to expand the tax base, which was not done. For taxation to have a positive effect on accountability, taxes should be felt by most citizens and ensure that the tax system does not unfairly reduce disposable income. Therefore, performance was fair.

Table 3.13: PIT Effective Tax Rate

	Annual FY2019/20	Annual FY2020/21	First Half - FY2021/22
Total individual income tax revenue payable (Ug shs bn)	2,745.71	2,961.30	1,981.88
The total taxable income relating to PAYE and presumptive taxes.(Ug shs bn)	14,067.94	13,892.62	9,597.70
Indicator calculation %	19.52	21.32	20.65

Source: URA Database

3.2.11: Improve inter-agency coordination and infrastructure

This intervention is measured through three indicators, two of which can be tracked semi-annually. The performance for those was as follows:

1) Time taken to clear imported goods (non-warehoused goods): The objective of the intervention is to improve trade facilitation by reducing the time it takes to process import documents. Ideally, the time taken to clear imported goods through customs should continuously decline in relation to the baseline.

The average number of days taken for an import entry lodged at customs to be released or exit the customs area for entries under the green lane[7] was five days, which was high compared to the target of two days.

[7]These are categorised as those that meet all requirements for clearance.

2) **Time taken to clear exports:** The objective of the intervention is to improve trade facilitation by reducing the time it takes to process export documents**.** This too should be reducing continuously in relation to the baseline.

The average number of days taken for an export entry lodged at customs to be released or exit the customs area for entries under the green lane was one day.

Therefore the performance was fair as one out of two of the indicators was on track.

3.2.12: Review the taxation of donor-funded projects

This intervention is measured through two indicators, of which one was tracked:

1) Effective duty rate (imports of donor-funded projects): The aim is to minimise if not eliminate aid exemptions. A desired outcome will be an increase in the effective duty rate relating to donor funded imports. A zero effective duty rate or seeing no change in the baseline rate will imply the intervention is probably yet to be implemented.

During the review period, the effective duty rate registered an increase from 35%, as at half year 2020/2021, to 45% during the same period in 2021/22 (table 3.14). This is in line with the aim of the intervention and implies that exemptions are reducing therefore performance was good.

Table 3.14: Effective Duty Rate (Imports for Donor-Funded Projects)

	First Half - FY 2020/21	Annual FY2020/21	First Half FY 2021/22
Total customs duties foregone on donor funded imports (Ug shs bn)	426,113,936,738	986,402,493,274	519,526,379,437
CIF value of the same imports (Ug shs bn)	1,220,240,593,394	2,678,268,420,803	1,144,396,096,242
Effective duty rate (%)	34.92	36.83	45.4

Source: URA Database

Performance constraints (challenges)

i. Lack of supporting policies to enable tracking of key indicators. For example, there's no clear or official document classifying which web-based business constitute the digital economy, similarly environment taxes are limited in scope to motor vehicle registration, thus revenue from these sections of the economy cannot be monitored to identify potential leakages.

ii. Lack of disaggregated data: For example, data required to populate indicators regarding rental income is unavailable because commercial building are indistinguishable from residential buildings in the tax system. Thus, it is impossible to monitor potential leakages in rental tax despite it being a key area of abuse.

iii. The IFMS was not yet calibrated to give key performance data for the time taken to pay government contractors and suppliers which has a bearing on the ability of suppliers and contractors to meet their tax obligations.

Recommendations

i. The TPD should formulate key policies regarding classification of the digital economy and expand the scope of environmental taxes to include carbon emission related taxes by pollutants.

ii. The TPD should rationalise the rental income tax structure, and clearly disaggregate data relating to real estate, commercial and residential buildings.

iii. The Accountant Generals Office should fast track the calibration/formatting of the IFMS to provide information on time taken to pay suppliers/contractors.

3.3 Performance of Tax Administration interventions

Tax Administration interventions performance was fair at 57%. Of the 14 interventions assessed; five registered good performance, three fair and six poor. Detailed performance is as follows:

3.3.1: Expand the range of measures for assessing URA's performance to reduce reliance on collection targets

This intervention is measured through **Tax Collection Gap (uncollected revenue as a percentage of revenue target**); the indicator seeks to measure the extent to which the tax potential is exploited focusing on the potential revenue that remains uncollected (which translates into a gap).

Although there was no information provided for half year FY2020/21, when compared to the baseline (annual FY2020/21), it is evident that there has been a reduction in the tax collection gap from Ug shs 2,389.66bn to Ug shs 977.66bn by half year FY2021/22, (table 3.15). Therefore, the indicator was achieved and performance was good. The Tax Collection Gap was comprised of; 17.5% (Ug shs 487.20bn) registered under Indirect Domestic Taxes, 7.5% (Ug shs 273.61bn) under Direct Domestic Taxes, 25.5% (Ug shs 190.51bn) under Non-Tax Revenue and 0.64% (26.33bn) under International Taxes.

Table 3.15: Tax Collection Gap for FY2020/21 – FY2021-22

Revenue Source	Baseline (2020/21)			Year 1 (2021/22)		
	Estimated Revenue Potential (Ug shs bn)	Revenue Collected (Ug shs bn)	Percentage Tax Potential Exploited	Estimated Revenue Potential (Ug shs bn)	Revenue Collected (Ug shs bn)	Percentage Tax Potential Exploited
(i)	(ii)	(iii)	(iv)=(iii)/(ii)	(ii)	(iii)	(iv)=(iii)/(ii)
Direct Domestic Taxes						
PAYE	3,424.65	2109.14	90.79%	1,484.41	1,640.87	110.54%
Corporate Tax	1,807.57	1,567.65	86.73%	971.14	738.38	76%
Rental Tax	285.57	117.24	41.06%	167.01	71.32	42.7%
Presumptive taxes	27.69	6.58	23.77%	14.87	2.03	13.6%

Revenue Source	Baseline (2020/21)			Year 1 (2021/22)		
	Estimated Revenue Potential (Ug shs bn)	Revenue Collected (Ug shs bn)	Percentage Tax Potential Exploited	Estimated Revenue Potential (Ug shs bn)	Revenue Collected (Ug shs bn)	Percentage Tax Potential Exploited
Indirect Domestic Taxes						
Excise Duty	1,735.00	1,479.98	85.30%	909.46	777.67	85.5%
VAT	3,293.62	2,992.92	90.87%	1,874.11	1,518.71	81%
International Trade						
Petroleum Duty	2,434.96	2,453.38	100.76%	1,291.24	1,299.97	100.68%
Import Duty	1,574.68	1,403.12	89.09%	860.25	758.88	88.2%
Excise Duty	225.08	185.34	82.35%	131.44	131.82	100.29%
VAT on Imports	2,940.23	2,832.47	96.34%	1,416.76	1,571.81	110.94%
Withholding Tax on imports	209.97	186.04	88.60%	104.45	83.81	80.24%
Non-Tax Revenues						
Fees & licenses (traffic act)	116.44	108.70	93.35%	65.24	67.62	103.65%
Temporary road licence	12.39	6.99	56.42%	4.26	3.69	86.74%
Drivers' permit	48.54	46.07	94.92&	34.51	29.48	85.4%
Passport Fees	53.78	34.30	63.78%	47.78	30.18	63.17%
Stamp Duty	125.49	96.52	76.91%	39.30	51.93	132.14
Summary						
Direct Domestic Taxes	***7,494.07***	***6,619.40***	**11.60%**	***3,650.35***	***3,376.74***	**7.50%**
Indirect Domestic Taxes	***5,028.62***	***4,472.90***	**11%**	***2,783.58***	***2,296.38***	**17.50%**
International Trade Taxes	***8,001.35***	***7,505.86***	**6.10%**	***4,102.51***	***4,076.18***	**0.64%**
NTRs	***1,515.49***	***1,051.71***	**30.60%**	***747.01***	***556.50***	**25.50%**
Total	***22,039.87***	***19,649.87***	**10.84%**	***11,283.45***	***10,305.80***	**8.66%**

Source: URA Database

3.3.2: Conduct an independent staffing review

This intervention aims to track the number of taxpayers handled by each staff member. It is assumed that each technical staff is expected to handle a maximum number of taxpayers to remain efficient. It is measured through:

1)Taxpayer/technical staff ratio by tax group

The ratio of taxpayers to URA staff increased from 64,795 to 77,523 per staff, on account of a reduction in URA staff alongside an increase in the number of taxpayers (table 3.16). This is therefore likely to compromise tax analysis and as such, the indicator was not achieved, hence poor performance.

Table 3.16: Taxpayer/Technical Staff Ratio by Tax Group

Variables	July 2020- December 2020	July 2021-December 2021
No of Taxpayers	1,669,128	1,965,212
No. of URA staff	2576	2535
Kept as a ratio	64,795.34	77, 523.16

Source: URA Databases

3.3.3: Design and implement a medium-term ICT strategy

This intervention aims at monitoring the achievement of URA's ICT performance indicators.

This intervention is tracked through one indicator: **Percentage of URA internal ICT-related key performance indicators achieved.**

There was no ICT strategy with verifiable indicators in place therefore, the URA Internal ICT related key performance indicators achieved could not be verified. Performance of the intervention was thus poor.

3.3.4: Review options available and based on a proper assessment of costs, benefits, and needs, upgrade or invest in a new e-Tax system

The goal of the intervention is to monitor URA's commitment to improve the e-tax system to support the growing taxpayer demands.

Procurement of a new e-tax system was ongoing, with four bidders awaiting evaluation. The Intervention was partially achieved, hence fair performance.

3.3.5: Regularly detect and deregister "ghost" taxpayers to cleanse the taxpayer register

This intervention is tracked through one indicator: **No. of inactive taxpayers identified and deregistered as percent of total registered taxpayers.** The indicator aims to monitor URA's efforts towards identifying and eliminating inactive taxpayers from the taxpayer register.

During the period under review, the proportion of inactive taxpayers deregistered was 1.88% for VAT and 2.44% excise duty, which decreased from 8.69% and 10.42% respectively in the same period in FY 2020/21 (Table 3.17). Therefore, this intervention was not achieved and performance was poor.

Table 3.17: Inactive Taxpayers Identified and Deregistered as Percent of Total Registered Taxpayers

Functional Area	Half Year FY 2020/21				Half Year FY 2021/22			
	No.of Registered taxpayers	No.of inactive	No.of inactive taxpayers deregistered	%share of inactive taxpayers deregistered	No.of Registered taxpayers	No.of inactive	No.of inactive taxpayers deregistered	% share of inactive taxpayers deregistered
(i)	(v)	(vi)	(vi)	(vii)=(vi)/(v)	(v)	(vi)	(vi)	(vii)=(vi)/(v)
Income tax	1,326,463	0	0	0	1,367,300	0	0	0
VAT	18,191	2600	226	8.69%	25,718	4,417	83	1.88%
Excise Duty	402	48	5	10.42%	693	123	3	2.44%

Source: URA Databases

3.3.6: Adopt a simple and fully online registration system for those with internet access

The goal of intervention is to monitor URA's effort to ease taxpayer registration.

A simple online registration system for taxpayers was completed in December 2021 and is in use. The performance of the intervention was good.

3.3.7: Work more closely with relevant regulators to improve filing compliance

The intervention seeks to monitor URA's efforts in tracking non-filers and on-time filing, it is expected that the rate of filing should improve overtime.

During the review period, on-time filing rates registered improvement for Corporate Income Tax (CIT) from 25.57% (half year FY2020/21) to 29.9% and for Personal Income Tax from 7.37% (half year FY2020/21) to 7.63%. There was a decline in on time filing rate of VAT to 74% from 77% (table 3.18).

On the other hand, tax filing rates registered a decline across all the different tax types. The filing rates were below the target because the taxpayers requested for filing extensions. The indicator was not achieved and therefore performance was poor.

Table 3.18: Performance of Tax Return Filing Rates for 2020/21& FY2021/22

Variables	FY2020/21 Baseline	July-Dec 2020/21	July-Dec 2021/22
1. CIT			
No. of declarations filed	40,856	35,535	35,331
No. of declarations filed on-time	28,989	25,038	33,682
No. of declarations expected	105,062	97,915	112,599
Filing rate	38.89%	36.29%	31.38%
On-time filing rate	27.59%	25.57%	29.91%
2. PIT			
No. of declarations filed	37,987	36,519	38,904
No. of declarations filed on-time	32,827	31,624	37,677
No. of declarations expected	431,347	428,953	493,994
Filing rate	8.81%	8.51%	7.88%
On-time filing rate	7.61%	7.37%	7.63%
3. VAT			
No. of declarations filed	188,677	92,038	105,519
No. of declarations filed on-time	162,603	83,754	96,182
No. of declarations expected	223,882	108,738	128,757
Filing rate	84.28%	84.64%	81.955
On-time filing rate	72.63%	77.022%	74.70%

Source: URA Databases

3.3.8: Address infrastructure constraints by offering points for connection across the country

The indicator aims to monitor the effectiveness of the intervention regarding improving tax filing rates using URA sponsored connection points.

The intervention is assessed through the indicator: **No. (and percentage) of returns filed through URA sponsored connection points.** During the review period, it was observed that no infrastructure points were put in place to ease payment of taxes across the country and therefore the indicator was not achieved and performance was poor.

However, in terms of distribution of payment methods, it was found that over the counter payments tend to be most popular at 64.8%, followed by electronic funds transfer at 16% and mobile money contributes 0.14% (table 3.19).

Table 3.19: Distribution of Payment by Payment Methods for Half Year FY 2020/21 and FY2021/22

No. of Tax Payment Methods	FY 2020/21(baseline)	July – Dec 2020/21	July-Dec 2021/22	% of Payment Method Revenue (2021/22)
Bank counter	13,208.28	6,593.96	6,681.59	64.8
Cheque	450.08	232.00	333.98	3.24
Demand draft	92.62	44.21	52.97	0.5
Electronic Fund transfer (EFT/internal transfer	3,227.19	1,521.08	1,640.82	16
Mobile payment	14.01	5.74	14.87	0.14
Point of sale payment	104.49	22.41	162.56	1.57
Real Time Gross Settlement	0.00	0	0.04	0.0003
Swift transfer	0.01	0.00	0	0
VISA/MASTERCARD payment	2,553.17	1,239.90	1,418.97	13.7
Total revenue collected	**19,649.87**	**9,658.90**	**10,305.80**	

Source: URA Databases

3.3.9: Prioritise strategies to reverse the current arrears and audit trends

The aim is to monitor and assess URA's efforts in recovering tax arrears. The total arrears stock as at end of December 2021 was Ug shs 3,863.51bn, of which Ug shs 3,714.51bn were domestic tax arrears and Ug shs 149.00bn were customs tax arrears.

The total arrears recoveries made during the period July to December 2021 were Ug shs 772.68bn compared to Ug shs 1,024.38bn (FY2020/21), indicating an improvement (table 3.20). Similarly, strategies to reverse arrears collections shows arrears recovery at 7.6% at half year from 5.32% registered in FY 2020/21.Therefore performance was good.

Table 3.20: Tax Arrears Recovered

Variable	FY 2020/21	FY 2021/22 (July to December)
Tax arrears recovered Ug shs bn	1,024.38	772.68
Annual revenue collected (Net revenue collections) Ug shs bn	19,263	10,163
% of tax arrears recovered	5.32	7.60

Source: URA Database

3.3.10: Consider the adoption of real-time digital sales and production monitoring systems

The objective of the intervention is to minimise tax evasion through under declaration of sales, especially Local Excise Duty (LED). The implementation of the intervention is thus expected to lead to an increase in the average LED paid by firms that have adopted the use of digital tax stamps (DTS). This intervention is assessed through the indicator: **Percent increase in average amount of LED paid by firms.**

During the review period, there was a 5% decline in LED by firms using digital stamps and 16% decline in LED from non-complying firms. This contradicts the objective of rolling out the DTS as a measure of improving performance of LED and calls for review of implementation. Therefore, the indicator was not on track and the performance of the intervention was poor (table 3.21).

Table 3.21: Average Amount of VAT Paid by Firms Using Digital Tax Stamps

Variable	Baseline FY2020/21	July-Dec FY2020/21	July-Dec FY2021/22
No. of Firms Using Digital stamps (after baseline year)	273	418	520
Total LED paid by the firms Ug shs	713,216,235,093	331,329,984,505	366,467,976,833
Non-contributing (of those on DTS)	204	147	138
Total LED all firms Ug shs	1,479,471,653,907	714,916,679,305	777,695,819,286
Total Non-contributing	401	307	487
Average LED paid (by firms using stamps) Ug shs	3,496,158,015	2,253,945,473	1,539,781,415
Percentage growth in average LED paid by firms using digital stamps	(39)	(37)	(32) considered all the 520 taxpayers on DTS but provided for only those who paid LED per each period
Average LED paid by firms not using digital stamps Ug shs	3,889,621,415.30	2,397,416,842.50	1,651,517,439.57
Percent growth in average LED paid by non-complying firms	6	15	(31)

Source: URA Databases

3.3.11: Strengthen URA's audit function by adopting modern audit tools, enhancing the use of risk targeting, and increasing the number of "Mass Audits"

The aim of the intervention is to monitor tax audit efforts at URA, and is measured through:

1)**Automated audits as % of total tax audits**

All tax audits are automated although the turnaround time could not be tracked, the intervention was partially achieved and therefore, fair performance noted.

3.3.12: Intensify penalties for non-compliance and increase the number of tax investigations

The intervention aims to track URA's efforts in enforcing tax compliance through tax investigations and is measured through the indicator: **Tax investigations and related enforcements conducted.**

By half year FY2021/22, tax investigation initiatives realised 3,860 seizures resulting in a recovery of Ug shs 47.14bn compared to Ug shs 67.73bn registered at the end of FY 2020/21, indicating a higher recovery rate by half year 2021/22 (table 3.22). Improvements in respect of the values of penalties realised were registered. The indicator was achieved and performance of the intervention was good.

Table 3.22: Performance Of Tax Investigations and Related Enforcements

Audit Sub-Indicators	FY 2020/21	July-Dec FY2021/22
Amount of penalties collected for tax non-compliance (recovery) Ug shs	67.73bn	47.14bn
No. of cases against which asset seizure was done	5,823	3,860
No. of criminal prosecutions initiated retax non-compliance	-	-
Intelligence focused operations conducted	139	89

Source: URA Databases

3.3.13: Publicise the results of enforcement initiatives

The intervention aims to monitor URA's efforts in improving tax compliance through traditional media (excluding URA website and social media) to act as a deterrent measure for intending offenders. This is measured through the indicator**: number of media reports on results of URA tax enforcement initiatives.**

By half year, five media publications for enforcement initiatives were recorded compared to the three recorded in the first six months of FY 2020/21. Therefore, there was an improvement from the same period in the FY 2020/21 and thus performance was good.

3.3.14: Facilitate TAT to expeditiously deal with cases by increasing staff numbers and training

This intervention seeks to monitor the implementation of tax dispute resolution process at the Tax Appeals Tribunal and is measured through the indicator: **No. (and value) of tax disputes resolved** and **Proportion of TAT cases escalated to the High Court.**

In the first half FY2021/22, 55 cases with a total value of Ug shs 292.448bn were registered, of which 26 (47%) were resolved within six months, six (11%) cases were remitted back to URA for further review, four (7%) were withdrawn, and 19 (34%) are outstanding. None of the cases escalated to the High Court. The indicators were therefore achieved and performance of the intervention was fair.

Performance constraints (challenges)

There are significant performance indicators under Tax Administration for which appropriate data was not available, this limits monitoring achievement of the DRMS interventions.

Recommendation

The URA should fasttrack strategic interventions such as the ICT strategy to include indicators and access to 3rd party data that would support expansion of the taxpayer register.

3.4: Validation of data and Tax Administration measures

This section compares the URA Database records with selected manufacturers as an indicator of the integrity of the database. Data for Value Added Tax (VAT) and Local Excise Duty (LED) for 20 selected companies was compared with the URA data.

Value Added Tax (VAT)

During the period July to December, VAT worth Ug shs 1,518.71bn was collected against a target of Ug shs 1,874.11bn registering a performance of 81.04% and a shortfall of Ug shs 355.40bn. A growth of Ug shs 75.23 billion (5.21 %) was registered in the period July to December 2021 compared to July to December 2020.

The data sets for the manufacturers compared with that at URA for the VAT paid as at 31st December 2021 registered variations in only four companies. This resulted from from payment registrations made but remained outstanding by 31st December 2021, effectively creating 18% (Ug shs 17.2bn) arrears from registered payments.

Table 3.23: VAT Performance for Selected Companies/Manufacturers July-Dec 2021/22

Taxpayer	Manufacturers' VAT (Ug shs)	URA VAT(Ug Shs)	Variance (Ug Shs)	Remarks
Aqua Coolers	104,698,679	104,698,679	0	Payments registered by manufacturer were all settled by 31st December 2021.
BIDCO	19,709,072,424	15,682,145,018	4,026,927,406	Manufacturer registered payments, but remained with outstanding payments to settle by 31st December 2021.
Blue Wave	4,443,207	4,443,207	0	Payments registered by manufacturer were all settled by 31st December 2021.
Bwendero Sugar	51,837,429	40,849,264	10,988,165	Manufacturer registered payments, but remained with outstanding payments to settle by 31st December 2021.
Britannia	1,265,317,751	1,265,317,751	0	Payments registered by manufacturer were all settled by 31st December 2021.

Taxpayer	Manufacturers' VAT (Ug shs)	URA VAT(Ug Shs)	Variance (Ug Shs)	Remarks
Rain Drop	0	0	0	
Hema Water	51,837,429	40,849,264	10,988,165	Manufacturer registered payments, but remained with outstanding payments to settle by 31st December 2021.
Hima Cement	22,791,184,505	22,791,184,505	0	Payments registered by manufacturer were all settled by 30th June 2021.
Hoima Sugar	4,787,428,158	4,787,428,158	0	Payments registered by manufacturer were all settled by 31st December 2021.
Kakira Sugar	29,514,614,241	12,093,144,805	13,405,040,537	Manufacturer registered payments, but remained with outstanding payments to settle by 31st December 2021.
Kiri Bottling	0	0	0	No payment registered both at URA and by the manufacturer.
K-Roma	1,167,740	1,167,740	0	Payments registered by manufacturer were all settled by 31st December 2021.
Metro Cement	1,904,282,302	2,109,625,875	(205,343,573)	
Mukwano Industries	3,975,113,050	3,975,113,050	0	Payments registered by manufacturer were all settled by 31st December 2021.
Mayuge Sugar	0	6,596,533,450	0	Manufacturer did not provide information however payments was registered at URA.
Nile Derivatives	100,930,750	100,930,750	0	Payments registered by manufacturer were all settled by 31st December 2021.
Ngemeraku Investments	2,120,000	2,120,000	0	Payments registered by manufacturer were all settled by 31st December 2021.
SCOUL Sugar	8,268,488,285	8,268,488,285	0	Payments registered by manufacturer were all settled by 31st December 2021.
V2 Africa	0	0		No payment registered for VAT at URA. Taxpayer could not be located

Taxpayer	Manufacturers' VAT (Ug shs)	URA VAT(Ug Shs)	Variance (Ug Shs)	Remarks
				as per URA data base.
Leading Distillers	0	0	0	No payment registered both at URA and by the manufacturer.
Total	**92,532,535,950**	**71,267,506,351**	**17,248,600,700**	

Source: URA Database and Field Findings

Local Excise Duty (LED)

For the period July-December 2021, Local Excise Duty collected was Ug shs 777.67bn against a target of Ug shs 909.46bn registering a performance of 85.51 %. However, a growth of Ug shs 61.89bn (8.65 %) was registered compared to the same period in 2020.

The Implementation of Digital Tracking Solution (DTS) on gazetted products that are locally produced has brought more taxpayers on to the register partly explaining the growth in production and sales quantity on soft drinks, wines, sugar and spirits in July to December 2021 compared to July to December 2020.

From the 20 selected taxpayers only one had an outstanding payment by 31st December 2021, 11 did not register any discrepancies, while the three registered higher payments at URA than by the manufacturer, as depicted in table 3.24.

Table 3.24: LED Performance for Selected Companies/Manufacturers July-December FY 2021/22

Taxpayer	Manufacturers' LED (Ug shs)	URA LED (Ug Shs)	Variance (Ug Shs)	Remarks
Aqua Coolers	0	0	0	No payment was registered.
BIDCO	9,176,941,652	11,308,101,792	(2,131,160,140)	
Blue Wave	22,550,000	22,550,000	0	Payments registered by manufacturer were all settled by 31st December 2021.
Bwendero Sugar	147,587,000	164,124,472	(16,537,472)	
Britania	120,740,477	120,740,477	0	Payments registered by manufacturer were all settled by 31st December 2021.
Rain Drop	0	0	0	No payments registered
Hema Water	784,661,762	771,015,882	13,645,880	Manufacturers LED was higher than that registered at URA on account of outstanding payment registrations.
Hima Cement	5,271,886,700	5,271,886,700	0	Payments registered by manufacturer were all settled by 31st

Taxpayer	Manufacturers' LED (Ug shs)	URA LED (Ug Shs)	Variance (Ug Shs)	Remarks
				December 2021.
Hoima Sugar	2,004,295,851	2,004,295,851	0	Payments registered by manufacturer were all settled by 31st December 2021.
Kakira Sugar	8,040,526,332	8,040,526,332	0	Payments registered by manufacturer were all settled by 31st December 2021.
Kiri Bottling	459,399,374	459,399,374	0	Payments registered by manufacturer were all settled by 31st December 2021.
K-Roma	3,633,465	3,633,465	0	Payments registered by manufacturer were all settled by 31st December 2021.
Metro Cement	403,472,550	418,480,050	-15,007,500	0
Mukwano Industries	3,236,882,167	3,236,882,167	0	Payments registered by manufacturer were all settled by 31st December 2021.
Mayuge Sugar	0	2,645,530,780	0	Manufacturer did not provide information however payments was registered at URA
Nile Derivatives	97,556,000	97,556,000	0	Payments registered by manufacturer were all settled by 31st December 2021.
Ngemeraku Investments	40,000,000	40,000,000	0	Payments registered by manufacturer were all settled by 31st December 2021.
SCOUL Sugar	3,916,814,668	3,916,814,668	0	Payments registered by manufacturer were all settled by 31st December 2021.
V2 Africa	0	42,018,336	0	Tax payer could not be located as per URA data base however payments were registered at URA.
Leading Distillers	0	729,585,735	0	Manufacturer did not provide information however payments was registered at URA.
Total	**33,726,947,998**	**35,918,025,566**	**(2,149,059,232)**	

Source: URA Database and Field Finding

Challenges

i. The adverse impact of the COVID-19 pandemic and the continued restriction/closure of the economy has affected the supply chains of various sectors for example manufacturing of excisable items like beers, spirits and soda e.tc

ii. Digital tax stamps: The application by manufacturers of sugar and cement is manually done which slows down the production processes. This requires additional staff and thus increaseing the cost of production. Wrongly activated stamps on the system result in lengthy, ongoing reconciliation of stocks for the manufacturers.

iii. Continued increase in the sales of counterfeit and unstamped products through the informal sector affects the sales of registered taxpayers who incur much higher manufacturing costs due to the stamps.

iv. Delays in authorisation of credit notes arising from the EFRIS results inVAT returns being mis-stated coupled with the requirement to prepay for each invoice.

Recommendations

i. The URA and SICPA[8] should provide the necessary equipment to allow for the automation of Digital Tax Stamping in the sugar and cement companies.

ii. The URA should enhance their enforcement and investigation efforts to aliminate players in the informal sector that are not paying for tax stamps but promoting illicit trade.

iii. The URA should shorten the lead time for authorising the credit notes from manufacturers to within 48 hours.

3.5 Emerging Issues

The Domestic Revenue Mobilisation Strategy (DRMS) 2019/20-2023/24 consists of interventions that are broadly geared towards: 1) Raising additional revenues to support the governments' budgetary position; 2) Encouraging a healthy flow of investment; and 3) Addressing issues of fairness and transparency in the tax system.

Despite the fair performance achieved, the semi-annual monitoring FY 2021/22 noted a number of critical issues that are likely to constrain the achievement of the interventions and fulfilment of the target to raise Uganda's tax to GDP ratio from 12.5% to 16%-18% within the five financial years.

These concerns are mainly two fold: where available evidence (indicators) shows that no efforts have been made to achieve the interventions and where no information is made available.

The flag is raised on the grounds that the interventions are:

1) High priority and their impact on the DRMS is high.

2) The challenges they were set to address remain outstanding.

3) The time for implementation has expired for some interventions.

[8] Swiss company that provides security inks for currencies, security documents, digital tax stamps.

3.5.1 Non-implementation of key strategic interventions

Nine (four Tax Policy and five Tax Administration) interventions are not being implemented and two are partially implemented, despite approaching the end of their implementation timeframe (table 3.25).

Table 3.25: Critical Interventions that have not been Implemented

S/No	Intervention/Action	DRMS Targeted Challenges	Implementation Timeframe
Tax Policy			
1.	Elevate the status of taxation within MFPED	Low level budget and prioritisation of revenue matters; Impacts on the ability to train and equip staff on complex matters on taxation.	2022/23
2.	Address TPD structure and staffing/training needs Support workforce education/training	Approved structure does not complement the wide mandate of the department and is not fully staffed with relevant skills. Despite the unchanged structure, TPD has expanded mandate to include: 1) management of the natural resources fiscal regime and 2) Implementing the Extractive Industry Transparency Initiative (EITI) 3) Providing leadership on designing fiscal regime for the entire natural resource value chain.	2021 – 2023
3.	Develop a broader scheme of environmental taxes	Excise regime on pollutants is not comprehensive. Has a limited tax base and no scope to capture pollution through continued use (more less restricted motor vehicle imports older than 5 years or 10 years)	2021 - 2024
4.	Address the impact of the digital economy on the tax base	Limit revenue losses and avoid creating a policy environment that is hostile to e-commerce and hinders the development of new technology Need to focus on key features of digital economy and limit challenges arising.	2021/22
		Partially on track	
5.	Review exemptions and consider alternative approaches	Taxes should be felt by most citizens, including government servants (Judges, MPs). Limit exemptions applied to expatriates under donor funded projects except where Double Tax Agreements (DTA s) exist.	2021/22 Partially implemented
6.	Address weaknesses in rules for taxing rental income	Rationalise the rental income tax structure to minimise abuse and profit shifting.	2021/22 Partially implemented
Tax Administration			
7.	Review the URA structure and consider reorganisation to promote integration	Current URA structure is a fusion of different models of tax administration which creates tensions and duplications.	2020/21
8.	Design and implement a medium-term ICT strategy	Numerous inadequacies exist among the ICT, and it may not comprehensively meet the growing needs of modern tax administration.	2021/22
9.	Consider the adoption of real-time digital sales and production monitoring systems	• Not yet fully adopted technological solutions to promote compliance. • DTS for production tracking. • EFRIS for VAT.	2020-2023

S/No	Intervention/Action	DRMS Targeted Challenges	Implementation Timeframe
10.	Empower URA to access relevant third-party data	Capacities for data analysis among URA staff should be enhanced. Information is not fully exploited to catch errors and detect fraud.	2021/22
11.	Work more closely with relevant regulators to improve filing compliance	• Claims of excessive deductions are common among professional service providers and under reporting income. • Profitable untaxed real estate business persists. • Salaried workers complying with PAYE tend to hide incomes from other profitable businesses outside regular employment.	2020/21

Source: DRMS

3.5.2: Limited availability of information

Six (two Tax Policy and four Tax Administration) interventions have limited data from which to draw conclusions about performance despite approaching the end of their implementation time frame (table 3.26).

Table 3.26: Critical Interventions with Inadequate/ Limited Information of Data

S/No	Intervention/Action	DRMS Targeted Challenges	Implementation Timeframe
Tax Policy:			
1.	Government to exercise more discipline in budgeting for its own consumption and executing the budget accordingly	Undermining the ability of contractors/suppliers to meet their tax obligation by Government failing to pay for its own consumption. This affects cash flow of businesses, damaging to tax morale as businesses are less inclined to comply with their obligations.	2021 – 2023
2.	Review and renegotiate over-generous treaty provisions	Inequitable sharing of taxing rights under double taxation agreements (DTAs), no increased investment from treaty partners arising from DTAs.	2022 - 2024
Tax Administration			
3.	Strengthen the oversight function of the URA Board and the Minister	Inadequate content and frequency of oversight and supervision and needs to be expanded.	2020/21
4.	Establish a separate Taxpayers' Ombudsman to investigate service-related complaints	Need for a credible avenue for taxpayers to vent their unresolved service, procedural, and administrative complaints.	2021-23
5.	Prioritise a data quality improvement strategy and develop processes to maintain data quality	No government wide data management plan exists, resulting in inconsistencies across government agencies that impede data matching (different naming conventions).	2021/22

6.	Review the URA performance management and reward system, with concerns about	Low morale and motivation among URA staff attributed to poor talent management processes with few opportunities for growth and promotion.	2021-2023

CHAPTER 4: CONCLUSION AND RECOMMENDATIONS

4.1: Conclusion

Overall, some strides have been made towards achieving the objectives of the DRMS, although there is need to have all necessary stakeholders on board especially the Ministries, Departments and Agencies to appreciate the broader scope of their respective roles and responsibilities.

Stakeholders from within and outside government participated in the tax policy process, however, manual documenting of the policy formulation process was yet to be developed. There were some achievements in reducing tax exemptions but a lot remains to be done. Of concern was the unchanged TPD structure despite the widened mandate. This was worsened by the low capacity building efforts for the staff in post.

Tax administration efforts were noted in exploiting the tax potential. Expansion of customs enforcement operations countrywide led to increased recoveries of tax arrears. Installation of the e-tax system was in its initial stages of procurement which should be fast tracked. On the other hand, the alternative tax dispute resolution measures resulted in quick settlement of disputes by the Tax Appeals Tribunal.

Poor performance was noted in deregistering inactive taxpayers, filing compliance, provision of infrastructure connection points across the country, as well as increasing local excise duty through the use of digital tax stamps.

4.2: Key Challenges

i. Non implementation of strategic DRMS interventions which reduces chances of achieving the strategy objectives.

ii. Inadequate specialised training conducted for TPD and URA staff.

iii. Low technical staffing levels at both TPD and URA.

iv. There is limited access to necessary data by the TPD and URA. For instance data about payments to government suppliers and contractors on the IFMS is not accessed by the URA, and TPD has also in some instances registered limited access to data from the URA. Data is critical for modeling purposes and generation of high quality analysis.

4.3: Recommendations

i. Implementation of DRMS interventions should be fast tracked by TPD and URA.

ii. The MFPED and URA training budgets should prioritise specialised training for staff as guided by the DRMS.

iii. The MFPED and URA should fast track the recruitment of technical staff to address the low staffing levels.

iv. The MFPED’s TPD and Accountant Generals Office, and URA should expedite the process of facilitating information access and exchange among the key players in the implementation of the DRMS.

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ANNEXES

Annex 1: Progress of DRMS Tax Policy Interventions as at January 2022

S/no	Intervention/Action	Implementation Timeframe	Activities/Indicators	Progress/Comment
1.	Reform of the tax policy making process	2021 – 2023	No. of tax related proposals received from non-state stakeholders in a year.	Partially on track - Stakeholder participation within and outside government registered but slight decline from previous year.
			No. of tax related proposals received from stakeholders within Government in a year	
			No. of revenue measures adopted from tax proposals from non-state stakeholders in a fiscal year	
2.	Elevate the status of taxation within MFPED	2022/23	Tax Policy Department budget as % of MFPED budget	Not on track - Activities are pending and the budget has remained 0.5% of the MFPED budget over 2 years.
3.	Enhance the analytical capacity of TPD & URA	2021 – 2023	No. of tax related analytical papers published per year.	Partially on track - Analytical papers were published but decline from previous year observed.
			No. of tax related analytical papers published by TPD/URA staff per year.	
4.	Address TPD structure and staffing/training needs	2021 – 2023	No. of TPD staff attended specialised training in a year.	Not on track - Specialised training undertaken by only one staff member.
5.	Strengthen partnerships with URA and formalise arrangements	2020 - 2022	No. of tax related analytical papers jointly published by TPD and URA staff	Partially on track - One tax paper jointly published.
6.	Maintain principal zero-ratings/exemptions	2021 – 2023	Zero-rated VAT supplies as % of total VAT supplies	Partially on track - Only two out of four of the indicators relating to this intervention were on track, namely: Zero-rated VAT supplies (non-export items) as a percentage of total VAT zero-rated supplies and value (and proportion) of VAT zero-rated supplies by type of supply.
			Zero-rated VAT supplies (non-export items) as % of total VAT zero-rated supplies	
			Zero-rated supplies (export items) as % of total exports	
			Value (and proportion) of VAT zero-rated supplies by type of supply	

S/no	Intervention/Action	Implementation Timeframe	Activities/Indicators	Progress/Comment
7.	Remove unnecessary VAT exemptions to curb unjustifiable revenue leakages	2021 – 2023	VAT exempt supplies as % of Total VAT supplies	Partially on track - Mixed performance noted on the Value (and proportion) of VAT exempt supplies by type, priority to the kind of supplies that support the poor observed.
			Value (and proportion) of VAT exempt supplies by type of supply	
8.	Narrow deeming provisions	2021 – 2023	Value of deemed supplies as a % of total supplies made to government	Not on track
9.	Review the current VAT threshold and rate to ensure that together these minimise administrative and compliance costs, encourage small business growth, and safeguard revenues.	2021 – 2023	No. of VAT payers and tax paid per turnover bracket.	On track
			Review current VAT threshold	Not on track
			Conduct study in FY2021/22. Looking at the impact of adjusted VAT rate and threshold	Not on track - Activities and study not undertaken
10.	Government to exercise more discipline in budgeting for its own consumption and executing that budget accordingly.	2021 – 2023	Average no. of days taken to pay government contractors	Not assessed - Data not available to enable quantitative assessment. Limited by non-calibration of the IFMS to avail data
11.	Maintain support for priority sectors (continue supporting the competitiveness of priority sectors of the economy).	N/A	Tax buoyancy	Not assessed Assessed annually
12.	Support workforce education/training.	2021 – 2023	Proportion of technical staff handling domestic taxes that have requisite qualifications (PODTRA)	Not on track - Number of staff handling income tax with PODITRA or a similar recognised qualification remained unchanged.
13.	Rebalance the nominal rate and the incentives, deductions, and depreciation regime	2021 – 2024	CIT effective tax rate	Not assessed - Partial information provided as taxpayers still filing
			Allowable deductions as % of gross income in a year	

S/no	Intervention/Action	Implementation Timeframe	Activities/Indicators	Progress/Comment
14.	Review and renegotiate over-generous treaty provisions	2022 - 2024	Tax value of approve applications for DTA from taxation as a % of taxable income	Not assessed- Necessary information not availed by tax policy
			No. of applications for DTA related exemption/reduction from taxation	
15.	Strengthen international tax rules and enforcement	2021 – 2023	Effective corporate tax rate (foreign firms)	Not assessed - Partial information provided as tax payers still filing
16.	Improve information-sharing domestically and internationally	2021 - 2024	Percentage of [outgoing] tax related information requests honoured	Not assessed - Assessed annually
17.	Review exemptions and consider alternative approaches	2021/22	PIT Effective Tax Rate	On track - Effective tax rates improved
18.	Address thresholds, bands, and rates	2021 – 2023	Number (and proportion) of taxpayers by income bands	Not asessed
			Lowest chargeable income threshold per day as % of international poverty line	
19.	Consider scope to encourage saving through PIT system	2021 - 2024	Percent increase in gross capital formation (dwellings)	Not assessed, strictly annual
			Level of savings in Uganda	
20.	Address weaknesses in rules for taxing rental income	2021/22	Effective rental income tax rate	Data missing to enable quantitative assessment. Cap on expenses was introduced in FY 2022/23. However, Information on rental income is not tracked appropriately, e.g. Not able to distinguish rent from commercial and non commercial properties, or residential.
			Rental income tax revenue as % of sectoral GDP (real estate activities)	
			Active rental income taxpayers as % of total rental income taxpayers (commercial buildings)	
			Active rental income taxpayers as % of total rental income taxpayers (residential buildings)	
21.	Consider measures to encourage youth into formal workforce	2021 - 2024	Not assessable	Not assessed, Indicator under review. The original indicator was **"Tax revenue foregone through tax incentives for the youth**".
22.	Establish and publish a Tax	2021	Value (and share to total revenue) of tax expenditures	Not assessed

S/no	Intervention/Action	Implementation Timeframe	Activities/Indicators	Progress/Comment
	Expenditure Governance Framework		Tax exemptions as % of GDP	Assessed annually
23.	Develop a broader scheme of environmental taxes	2021 - 2024	Revenue from environment-related taxes as percentage of public expenditure on environment control	Data missing to enable quantitative assessment however; • No broader scheme developed. • Still limited to motor vehicle levy and excise duty on plastics • Air quality tests in urban places not undertaken
24.	Rationalise multiple rates	2021-2023	Not assessable	Not assessed - Indicator still under review.
25.	Introduce and enforce strict regulations with regards to the production, distribution and consumption of alcohol and other excisable products	2021/22	Not assessable	Not assessed, indicators under review. Original indicators; **No. of drivers arrested for drink-driving in a year** and **% respondents indicating they know school pupils consuming alcohol and tobacco.**
26.	Consider revised approach to inflation adjustments	2021/22	Effective excise duty rates by excisable items	Not assessed - Information not provided.
27.	Fine-tune the framework for taxing the extractives industries	2021/22	Average effective tax rate (oil) Average effective tax rate (mining) Resource Governance Index Score for Uganda	Not assessed, strictly annual
28.	Balance the objectives of export promotion, revenue generation, and support to domestic industry	2021/22	Effective import duty rates Percent change in value of non-oil exports Percentage change in selected imports vis-à-vis sales and exports of similar domestically produced commodities.	Not assessed, data not provided.
29.	Improve inter-agency coordination and infrastructure	2021-2024	Time taken to clear imported goods (non-warehoused goods) Time taken to clear exports	Partially on track - Timings of clearance of imports and exports is within acceptable range for exports.

S/no	Intervention/Action	Implementation Timeframe	Activities/Indicators	Progress/Comment
			% variance in mirror statistics on imports from selected trading partners	
30.	Streamline the policy on NTR	2020/21	NTR as percent of GDP	Not Assessed; strictly annual.
			NTR collected as % of potential NTR	
			Non-tax revenue collection	
31.	Work with local government to strengthen analysis, monitoring, and reporting	2021-2024	LG own revenue achievement rate	Not Assessed; strictly annual.
			Transfers from central government to local governments as % of total LG revenue	
			LG own revenue as % of GDP	
			Active LG taxpayers as % of total number of LG taxpayers	
			Develop guiding framework for LG taxation and the linkage with CG tax systems.	
			Adopt an integrated approach to the introduction of LG fees and charges	
32.	Review the taxation of donor-funded projects.	2021-2023	Effective duty rate (imports of donor-funded projects)	Partially on track. Effective tax rate on donor funded projects increased.
			Income tax paid by expatriates for donor funded projects as % of total income tax from nonresidents	
			VAT revenues on imports	
			• PAYE revenues from foreign expatriates	

S/no	Intervention/Action	Implementation Timeframe	Activities/Indicators	Progress/Comment
			• Value of donor projects in Uganda	
			• Custom duty revenues for aid projects	
33.	Address the impact of the digital economy on the tax base	2021/22	Revenue collected from web-based businesses as % of total URA revenue	Not on track The policy surrounding digital transactions/we-businesses not developed.
			No. of active taxpayers classified as web-based businesses.	

Source: DRMS field findings and tax policy DRMS Implementation matrix

Annex 2: Progress of DRMS Tax Administration Interventions as at January 2022

S/No	Intervention	Implementation Timeframe	Activities/Indictors	Comment
1.	Review the URA structure and consider reorganisation to promote integration	2020/21	Managerial effectiveness index	Not on track - Annual survey required. This intervention is pending and long overdue.
2.	Expand the range of measures for assessing URA's performance to reduce reliance on collection targets.	2020/21	Tax compliance gap (uncollected revenue as % of revenue potential) Growth in active taxpayer population On-time filing and payment rates. Proportion of tax arrears collected. Tax effort	On track - There has been a reduction in the tax collection gap.
			On-time filing and payment rates.	Not assessed. This indicator was halted temporarily because of the inability to establish with certainty the on-time paid money from arrears and other payments.
3.	Strengthen the oversight function of the URA Board and the Minister	2020/21	Proportion of URA Board resolutions implemented by URA. No. of formal meetings between URA Board and Minister of Finance	Not assessed - Information regarding aspects of governance could not be availed. Especially regarding Board resolutions that have been implemented.
4.	Separate Internal Audit and Staff Compliance functions to enhance dedicated attention given to corruption and staff integrity issues	2021/22	Public perceptions of corruption among tax officials (% respondents saying "most" or "all" of tax officials are corrupt) Proportion of URA jobs applicants that passed ethics test.	Not assessed - strictly tracked at annual.
5.	Establish a separate Taxpayers'	2021-23	No. of taxpayer complaints received relating to mistakes,	Progress could not be ascertained.

S/No	Intervention	Implementation Timeframe	Activities/Indictors	Comment
	Ombudsman to investigate service-related complaints		omissions, and oversights in tax administration, undue delays, poor or misleading information, unfair treatment, and staff behaviour at URA.	
6.	Conduct an independent staffing review	2020/21	Taxpayer/technical staff ratio by tax group Revenue per URA staff (by tax group)	Not on track - The ratio of taxpayers to URA staff increased on account of a reduction in URA staff alongside an increase in the number of taxpayers. The indicator was not achieved, hence poor performance.
7.	Complement a comprehensive training strategy and develop a URA tax training academy	2021-2023	Proportion of technical staff that completed basic training in taxation.	Not assessed - Strictly tracked at annual.
8.	Review the URA performance management and reward system	2021-2023	Staff attrition rate	Not assessed - Strictly tracked at annual.
9.	Prioritise a data quality improvement strategy and develop processes to maintain data quality	2021/22	Percentage of data records that are complete.	Not assessed as progress could not be tracked due to unavailabiltiy of data.
10.	Empower URA to access relevant third-party data	2021/22	PAYE taxpayers as percent of total NSSF contributors Active TINs as % of active NWSC non-domestic clients.	Not assessed - The study should preferably be conducted independently. This intervention is pending and long overdue.
11.	Develop a cross-government policy framework for data sharing and management	2021/22	No. of forced taxpayer registrations made in a fiscal year	Not assessed as progress could not be tracked as data not available for quantitative analysis.
12.	Create a formal data skills development plan	2021-2023	Training of staff in data analytics planned to be conducted by end Dec 2021,funded by the World Bank	Tracked annually.
13.	Design and implement a medium-term ICT strategy	2021/22	Percentage of URA internal ICT-related key performance indicators achieved.	Not on track - There was no ICT strategy with verifiable indicators in place.

S/No	Intervention	Implementation Timeframe	Activities/Indictors	Comment
14.	Review options available and based on a proper assessment of costs, benefits, and needs, upgrade or invest in a new eTax system	2021/22	Development of eTax system is underway.	Partially achieved. – Procurement of a new e-tax system was ongoing, with four bidders awaiting evaluation.
15	Standardise key government systems to improve integration	2021-2024	To be determined	Indicator still being reviewed - Unable to track.
16	Regularly detect and de-register "ghost" taxpayers to cleanse the taxpayer register	2021-2024	1.Number of new taxpayer registration 2. % reductions in duplicate TINs, taxpayer profiles cleaned 3. %age of revenue collected against the target	On track - Improvements registered from baseline.
17	Expand the use of the biometric National ID for registration	2021/22	Percentage of personal TINs linked to NINs.	Not assesed as data was not available. URA reports that during this FY this was not a requirement, not undertaken.
18	Improve URA access to external data to identify potential taxpayers	2021/22	No. of new potential taxpayers identified and registered from external data (NSSF, NWSC, UMEME)	Not on track - Two years ago based on an MOU with NWSC data was received and cross matched it to URA, and statistics. The indicator does not define a potential taxpayer.
19	Adopt a simple and fully-online registration system for those with internet access	2021-2023		On track - A simple online registration system for taxpayers was completed in December 2021 and is in use.
20	Enforce registration as a qualifying requirement for professions and key trades	2021/22	No. of forced or amended registrations effected.	Indicator still under review - Not asssessable
21	Promote political messaging supportive of a "civic duty to registe	2020/21	Voluntary registrations as % of new registrations	Not assessed - data not captured in that manner.
22	Develop and test a taxpayer engagement strategy premised on research and survey analysis	2021-23	Revenue related strategies adopted from feedback from tax education and compliance campaigns as percent of total revenue related strategies adopted and implemented by URA.	Not assessed - Indicator dropped/ requires review.
23	Produce clear, comprehensive, and easy-to-navigate tax guides for taxpayers	2021-2024	Tax administration competence perceptions index. Tax compliance costs as % of tax paid.	Assessed annually-or once in two years

S/No	Intervention	Implementation Timeframe	Activities/Indictors	Comment
24	Make online services more user-friendly and intuitive	2021-2024		Indicator requires review to enable assessment.
25	Regularly conduct taxpayer perception surveys	2021-2024	Conduct a survey where sampled taxpayers would be asked the amount of time and money spent on compliance activities (reviewing tax rules, maintaining financial books and other business records for tax purposes, preparing tax records (including money paid to tax advisors), completing and submitting all tax forms, costs incurred while making tax payments).	Assessed annually-or once in two years.
26	Introduce measures to strengthen the effectiveness of self-assessment	2021/22	Penalties collected for non-filing and late filing of returns. Enforcing strict penalties for non-filing and late filing is one of the measures recommended to strengthen the effectiveness of self-assessment.	Not on Track - Measures to strengthen the effectiveness of self-assessment, penalties collected for non-filing and late filing could not be verified as it was limited by the non-registration of payments for penalties. Indicator not achieved.
27	Adopt monitoring of inaccurate reporting as part of URA's routine work	2021-2024	Additional revenue identified (and realised) from audit of returns for inaccurate reporting as percent of total tax collected from large taxpayers and high net worth individuals.	Not assessed - The revenue collected from audits is not directly provided because when taxpayers are paying they do not state that this was an audit, and just because you have been audited it doesn't mean you pay with in that year. it means it's hard to actually tag time and money for audits.
28	Work more closely with relevant regulators to improve filing compliance	2020/21	No. of taxpayers denied renewal of licences due to failure to meet their tax obligations as percent of total number of non-filers identified.	Partially on track - A decline in on time filing of VAT to 74% from 77% was registered. Additionally, filing rates declined for all respective tax heads, namely CIT, PIT and VAT. The filing rates were below the target because the taxpayers requested for filing extensions.
29	Address infrastructure constraints by offering points for connection across the	2021/22	No. (and percentage) of returns filed through URA sponsored connection points.	Not on track - It was observed that no infrastructure points have been put in

S/No	Intervention	Implementation Timeframe	Activities/Indictors	Comment
	country			place to ease payment of taxes across the country and therefore the indicator was not achieved.
30	Prioritise strategies to reverse the current arrears and audit trends	2021/22	total tax arrears at start of fiscal year	On track - Total arrears recoveries were registered during the review period.
31	Investigate options for enhancing the use of electronic payment methods, including mobile money	2021-2023	To be determined	Not assessed - Indicator requires revision
32	Streamline tax debt collection and improve transparency	2020/21	Tax arrears collected as % of total outstanding tax arrears. Proportion of tax arrears collected through third parties. Tax arrears written off as percent of uncollectible arrears.	Assessed annually
33	Prepare management reports on a regular basis to allow for better-informed tax collection policies	2021-2023	No. of reports on the status of tax arrears discussed by MFPED top management - policy action taken on the findings in these reports.	Assessed annually
34	Consider the adoption of real-time digital sales and production monitoring systems	2020-2023	Percent increase in average amount of VAT paid by firms- minimise tax evasion through under declaration of sales, especially VAT supplies.	Not on track - There was 5% decline in local excise duty (LED) by firms using digital stamps and 16% growth in LED from non-complying firms.
35	Strengthen URA's audit function by adopting modern audit tools, enhancing the use of risk-targeting, and increasing the number of "mass audits"	2020-2023	Tax audits conducted. (i) No. of tax audits conducted by tax type (ii) Automated audits as % of total tax audits, (iii) Additional tax assessed from audit. (iv) Additional tax assessed from audit of the hospitality sector, (v) Audit yield (% of tax assessed from audit that was collected) (vi) No. of lifestyle audits undertaken among risky individuals, and (vii) Additional tax assessed from lifestyle audits.	Partially on track - All tax audits are automated although the turnaround time could not be tracked.
36	Bring the entire audit and payment process online	2021/22	Online tax audits as % of total tax audits conducted	Not assessed, indicator requires revision.

S/No	Intervention	Implementation Timeframe	Activities/Indictors	Comment
37	Promote audit process integration across taxpayer offices at URA	2021-2023	No. of joint tax audits conducted (involving VAT, income taxes, excise taxes and customs)	Assessed annually
38	include reports on audit activities and outcomes as an integral aspect of reports to MFPED	2021-2024	No. of reports on tax audit activities discussed by MoFPED top management.	Assessed annually
39	Prioritise information from internal risk assessment indicators when initiating cases	2020/21	No. of tax audit or investigation cases initiated based on information from internal risk assessment indicators	Assessed annually
40	Implement the Automatic Exchange of Information and common reporting standards for tax purposes	2020/21	No. of tax evasion cases detected at URA No. of new taxpayers identified through tax investigations.	Assessed annually
41	Enhance resources to equip scientific laboratories and investigations personnel	2020-2023	No. of forensic tax investigations completed.	Assessed annually
42	Intensify penalties for non-compliance and increase the number of tax investigations	2020-2023	Tax investigations and related enforcements conducted- (i) No. of tax investigations initiated, (ii) No. of tax investigations completed, (iii) Tax value of tax investigations completed, (iv) Amount of penalties collected for tax non-compliance, (v) No. of cases against which asset seizure was done, (vi) No. of criminal prosecutions initiated relating to tax non-compliance	On Track - Improvements in respect of the values of penalties realised were registered.
43	Publicise the results of enforcement initiatives	2021-2024	No. of media reports on results of URA tax enforcement initiatives.	Partially on track - Five media publications for enforcement initiatives were recorded compared to the 3 recorded in the first 6 months of FY 2020/21.
44-47	Facilitate TAT to expeditiously deal with cases by increasing staff numbers and training	2021/22	(i) No. of outstanding tax disputes, (ii) Tax value of outstanding tax disputes, (iii) No. (and tax value) of cases lodged at the Objections and Appeals Unit (OAU), (iv) No. (and tax value) of cases resolved by the OAU, (v) No. of new tax disputes lodged to TAT, (vi) Value of new tax disputes	On track – A total of 55 cases with a total value of Ug shs 292.448bn were registered of which 26 (47%) cases were resolved within 6 months, 6 (11%) cases were remitted back to URA for further review, 4 (7%) were withdrawn and 19 (34%) are outstanding.

S/No	Intervention	Implementation Timeframe	Activities/Indictors	Comment
			lodged, (vii) No. of tax disputes resolved, (viii) Value of tax disputes resolved, (ix) Proportion of tax disputes resolved within 6 months of lodging the case, (x) Proportion of TAT cases escalated to the High Court, (xi) Tax value of cases escalated to the High Court, (xii) TAT expenditure as % of net revenue collected by URA, (xiii) TAT Capex as % of total TAT expenditure, (xiv) TAT expenditure on training as % of total TAT expenditure.	
45	Provide adequate funding for TAT to cover infrastructure and resource constraints	2021/22	No. (and value) of tax objections and appeals	Indicator requires review
46	improve the perception of OAU and TAT among the public	2021-2024	Proportion of taxpayers that perceive the OAU and TAT to be fair and independent	Assessed annually,through survey.
47	Develop a plan to streamline the management of offsets and refunds, including automatic cross matching of tax payer declaration	2020/21	(i) No. (and value) of tax refunds, (ii) No. (and value) of refunds approved, (iii) No. (and value) of refund claims audited, (iv) No. (and value) of tax offsets (including VAT offsets), (v) VAT offsetting taxpayers as % of total VAT registered payers, (vi) Proportion of refund claims processed timeously (within 30 days), (vii) No./value of tax refunds paid, and (viii) Tax refunds claims rejected as % of total claims received.	Not assessed.

Source: MFPED Tax Policy and field findings