

REFORM PLAN

2015/16-2017/18



Government of Nepal

Ministry of Finance

Inland Revenue Department (IRD)



Dedicated to Taxpayer's Service

REFORM PLAN 2015/16 – 2017/18



Government of Nepal
Ministry of Finance
Inland Revenue Department
Lazimpat, Kathmandu

Nepal

2016



Message from the Finance Minister

I am very happy that the Inland Revenue Department is unveiling a new Reform Plan after having the mid-term review of the First Five Year Strategic Plan.

I am confident that the new Reform Plan which is prepared in line with the existing strategic plan, properly identifies the priorities and specifies the activities to be carried out to continuously reform the reliable and sustainable internal revenue mobilization.

I wish that Inland Revenue Department would be able to successfully implement the new reform plan and to achieve results as expected by its strategic plan.

A handwritten signature in black ink, reading "B Prasad Poudel". The signature is stylized and cursive, with a horizontal line underneath the name.

Bishnu Prasad Poudel
Finance Minister



Message from the Finance State Minister

The new reform plan that is formulated taking into account international best practices, our needs and implementation capacity, is a comprehensive reform outline of the Inland Revenue Department for the coming three years. I am very happy that the Inland Revenue Department has formulated the Reform Plan with an objective to make revenue administration modern, internationally comparable, practical and efficient. With the implementation of this reform plan, I am hopeful that the Inland Revenue Department will achieve the goals projected by the Five Year Strategic Plan.

The effective implementation of the Reform Plan demands a high level of commitment and engagement of the whole staff of the Inland Revenue Department. I hope that everyone in the Inland Revenue Department would be active and dynamic for proper implementation of the Reform Plan.

Damodar Bhandari
Finance State Minister



Message from the Finance Secretary

Nepal's revenue to GDP ratio is approximately 19%, which is encouraging. This is also the result of successful implementation of policies and programs underlined in the First Five Year Strategic Plan and Three Year Reform Plan formulated by the Inland Revenue Department. The Inland Revenue Department is formulating a new Three Year Reform Plan consisting of several reform measures within the broad framework of the Five Year Strategic Plan, which is currently under implementation. I congratulate the Inland Revenue Department on its success.

The history of tax administration in Nepal is not very old. It was initiated largely by rulers' arbitrary orders. But in a short span of time, Inland Revenue Department has covered a great distance by adopting information technology in its activities and promoting taxpayer-friendly practices. The policies and programs carried out by the Inland Revenue Department are proof of its commitment to the modern taxation system.

I believe that the new Reform Plan will pave the way to set a future agenda by reviewing the past. I hope it will also contribute to bring dynamism in revenue administration and promote a modern, professional and taxpayer-friendly taxation system. I render my best wishes to the Inland Revenue Department for the success of this new Reform Plan.

Lok Darshan Regmi
Finance Secretary



Message from the Revenue Secretary

Three years ago, the Inland Revenue Department had formulated the Five Year Strategic Plan, which is under implementation now. I am very happy that after mid-term review of the Strategic Plan, the Inland Revenue Department is formulating a new Three Year Reform Plan.

The Five Year Strategic Plan had adhered to four strategic objectives, which are: (a) policy reform and enhancement of enforcement, (b) improving taxpayer service and education, (c) optimal use of information technology, and (d) revitalization of Inland Revenue Department's organization structure and mobilization of competent human resources. Analysis of the expected results in thirty different areas during the implementation of initial three years of the First Five Year Strategic Plan indicates satisfactory work progress of the Inland Revenue Department. The mid-term review of the Strategic Plan shows that tax revenue to GDP ratio is approximately 17 % which indicates good position with respect to the entire South Asia. I would like to congratulate the Inland Revenue Department for this success in domestic revenue mobilization.

However, satisfactory results are yet to be achieved in other areas such as taxpayer service and education, use of information technology, organizational revitalization, mobilization of competent human resources; policy reform and enforcement of law, especially arrear management, minimization of the number of non-filers and reduction in the taxpayer's cost of doing business. The agenda of the upcoming Second Reform Plan should focus on these areas. The Inland Revenue Department should concentrate its efforts to achieve the goals by the optimal use of the available financial and human resources. Similarly, the new Reform Plan should formulate essential strategies to expand the coverage of tax through e-commerce. It also needs to bring the informal sector into the tax net.

Against this backdrop, I believe that in the coming days the Inland Revenue Department will adopt the working policies to achieve the refined goals of the Strategic Plan and Reform Plan and establish a tax administration that is competent, revitalized, taxpayer-friendly and professional. I render my best wishes to everyone in the Inland Revenue Department.

Rajan Khanal
Secretary (Revenue)



Message from the Director General

It is a well-known fact that the Inland Revenue Department is continually and diligently working to mobilize domestic resources needed for the development of the country and to achieve distributive justice. The Department has been playing a vital role in achieving distributive justice, social development and healthy market competition through the administration of Income Tax, Value Added tax, Excise Duty, Education Service Fee and Health Services Tax. We are committed to achieve the revenue target. To this end, we had formulated and launched the First Five-Year Strategic Plan in 2012/13 for a period of five years (2013-2017), which is now on the verge of mid-term review.

Taking into account best international practices, our own practical necessities and capabilities, four strategic directions were included in the Strategic Plan, which are: (i) Policy Reform and Enhancement of Enforcement (ii) Improving Taxpayer Service and education, (iii) Optimal Use of Modern Technology and (iv) Revitalization of the Organization System and Mobilization of Competent Human Resources. On the basis of these four pillars, different reform areas were identified and a Three-Year Reform Plan was designed and implemented.

At the time of formulation of the Second Three Year Reform Plan, an analysis was made of the expected results, including the ratio of income tax, value added tax, excise duties and total tax revenue, in relation to GDP, as envisaged by the Strategic Plan and Reform Plan. I am excited since the tax revenue to GDP ratio is already close to the target even in the mid-term period. Our efforts have signaled positive results in achieving the goals set in the taxpayer education and service, in reducing the costs of tax compliance and making optimum use of information technology since our online registration and e-filing system is very effective. However, the Inland Revenue Department will have to put in greater efforts to minimize the number of non-filer and reduce the amount of tax arrears.

I am committed to achieve the objectives of the Strategic Plan through the effective implementation of the activities included in the Reform Plan. I would like to announce that the activities of entire tax administration will be focused in achieving those goals.

I am confident that the new reform plan will help to operate information technology based on highly taxpayer-friendly and fully professional tax administration, which is effective in supporting the state to become self-reliant in resources by mobilizing the required domestic revenue.

I would like to thank all who made valuable contributions for the formulation and design of this new 3 years reform plan, especially Dr. Rup Bahadur Khadka, Ms. Samjhana Baral, Director of Planning and Human Resources Development Section and Mr. Ananda Kafle, Section Officer.

Lastly, I am very much grateful to Honorable Finance Minister, Finance State Minister, Finance Secretary and Revenue Secretary for providing with their valuable messages as well as guidance provided to carry out reform initiatives of Inland Revenue Department.

Chuda Mani Sharma
Director General

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1. The Tax System

The modern tax system was introduced in Nepal after the ushering in of democracy in 1951, in place of the autocratic hereditary Rana regime spanning 104 years, when there were only three taxes viz. customs duties, excise duties and land revenue. These were governed by different laws known as Sanad Sawals developed for specific areas and were collected through middle men. Attempts, to unify the tax procedures by introducing new tax laws applicable throughout the country in place of specific area related laws, collecting taxes directly through revenue offices instead of middlemen and introducing new taxes to generate additional revenue to finance traditional as well as modern functions of the government, had been made from time to time. To this end, the Excise Act 1958, the Customs Act 1962, and the Land Revenue Act 1964, were introduced in order to consolidate the tax system throughout the country making different specific area related laws ineffective. In order to further modernize the excise and customs duties, the Excise Act 2002 replaced the Excise Tax Act 1958 and the Customs Act 2007 substituted the Customs Act 1962.

New taxes were introduced over the years. Income tax was adopted in 1959 through the Finance Act 1959 and later implemented under the Business Profits and Salaries Tax Ordinance 1959. For constitutional reasons, the ordinance was replaced by the Business Profits and Salaries Act 1960. Income tax was first levied on business income and salaries, but after about three years it was extended to income from all sources in 1962 when the Income Tax Act 1962 replaced the Business Profit and Salaries Act 1960. The 1962 Act was replaced by the Income Tax Act 1974. The income tax system was reformed substantially in 2002 when the Income Tax Act 2002 was introduced in place of the Income Tax Act 1974.

Sales tax was introduced for the first time in the fiscal year 1965-66. The tax was mainly levied at the retail level. However, as the tax could not be monitored effectively, it was shifted from the retail point to wholesale level in 1968. The wholesale level sales tax also could not be implemented properly and it was moved to the import-manufacturing level from the wholesale level in the fiscal year 1974-75. The import-manufacturing point sales tax was collected at source, i.e., in the case of imported goods sales tax was collected at customs point along with the import duties, while in the case of domestically produced goods it was collected on sales from the factory itself. This tax was replaced by Value Added Tax (VAT) in 1997. The new tax, which was levied as a major element of the comprehensive tax reform program implemented in the 1990s, also replaced contract tax, hotel tax, and entertainment tax.

Similarly, several minor taxes, including foreign investment tax, urban house and land tax, air travel tax, contract tax, road toll, vehicle tax, road-bridge maintenance tax, house construction tax, highway improvement fee, health tax, telephone ownership charge, telecommunications service charge, pollution control fee, motion picture development fee, tourism service fee and education fees were introduced, some of were abolished and some of the abolished taxes reinstated over the years.

Currently, major taxes include VAT, income tax, customs duties and excise duties. Of these, VAT is levied on the value added in the process of production and distribution of all goods and services except those exempt by law. The registration threshold is Rs. 5 million for goods and Rs. 1 million for services, and the tax is levied at 13 percent. Excise duties are levied on about 50 items, including tobacco products, alcoholic beverages, soft drinks and vehicles; at specific rates on some items and at ad valorem rates on others. Import duties are levied on a wide range of imported goods at 5%, 10%, 15%, 20%, 30% and 80%; however, a few items are subject to specific rates. Export duties are levied on limited items, largely with specific rates. While individual income tax is levied on the income of individuals, corporate income tax is imposed on the profit of companies. The latter tax is levied at 30% on banks, financial

institutions, insurance companies, and tobacco and alcohol producing industries, and at 25% on other companies. Industrial and export incomes are subject to 20%. Under individual income tax, a basic allowance of Rs. 250,000 is granted to individuals and Rs. 300,000 to married couples; higher income is taxed at 15% and 25% respectively. A surcharge of 40% is levied on individual income tax on income above Rs.2.5 million. Besides, a few other minor taxes viz., social security tax, health tax, education service charge, motion picture development fee, customs service charge, agriculture reform fee, registration fees, telecommunication service charge, pollution control fee, forest product fee, vehicle tax, and road construction, maintenance and reform charge are also in operation.

2. The Revenue Administration

Similar to the tax system, attempts were made to modernize revenue administration as soon as the Rana regime ended in 1951. The Revenue Section of the Ministry of Finance was made responsible for dealing with tax administration at the central level. Customs offices were established at the border points to collect customs duties replacing middlemen. The Office of the Customs Commissioner was set up in 1957 and was converted into the Customs and Excise Department in 1959. This department was split into Customs Department and Excise Department in 1966. Land Revenue Department which was under the jurisdiction of the Ministry of Finance until late 1987 was transferred to the Ministry of Land Reform and Management from then.

Tax Administration was established in 1959 in order to administer income tax and other minor taxes. This administration was also responsible for administering sales tax until 1992 when a separate Sales Tax Department was created to administer sales tax. In 1993 Excise Department and Sales Tax Department were merged to form the Sales Tax and Excise Department. This department was replaced by the VAT Department in 1996, which was organized in functional lines where sections and sub-sections were created for each function such as taxpayer service, return processing, refund, audit, investigation and collection. Similarly, a large taxpayer section and an internal monitoring section were also created in this Department, in addition to support function sections such as policy, information technology, legal, administration and accounts.

VAT administration and Tax Administration were merged in 2001 to form a new functionally organized administration by the name of the Inland Revenue Administration. As a result, Tax Department and VAT Department were integrated into the Inland Revenue Department and 40 tax offices and 17 VAT offices were merged to form Inland Revenue offices. Initially, there were 21 Inland Revenue Offices and 16 window offices throughout the country under the Inland Revenue Department. The large-taxpayer section of the Inland Revenue Department was converted into a fully-fledged Large Taxpayer Office in 2004 to deal with large taxpayers who provide the bulk of tax revenue. Window offices were converted into taxpayer service offices in 2010, currently numbering 26.

The existing revenue administration consists of Inland Revenue administration, customs administration, revenue investigation administration and Revenue Administration Training Centre. Inland Revenue administration has Inland Revenue Department as the Headquarter and one Large Taxpayer Office, 22 Inland Revenue Offices and 26 Taxpayer Service Offices as field offices. Customs administration consists of Customs Department, one post clearance audit office, 30 main customs offices and 143 sub-customs offices. Revenue Investigation Administration is the third wing of the revenue administration that has one department, four regional offices and six check-posts. There is a Revenue Administration Training Centre that is responsible for capacity building of revenue and account cadres. The total strength of the revenue administration is 2,439, of which 989 work in the Inland Revenue administration, 1247 in the customs administration, 180 in the revenue investigation administration and 40 at

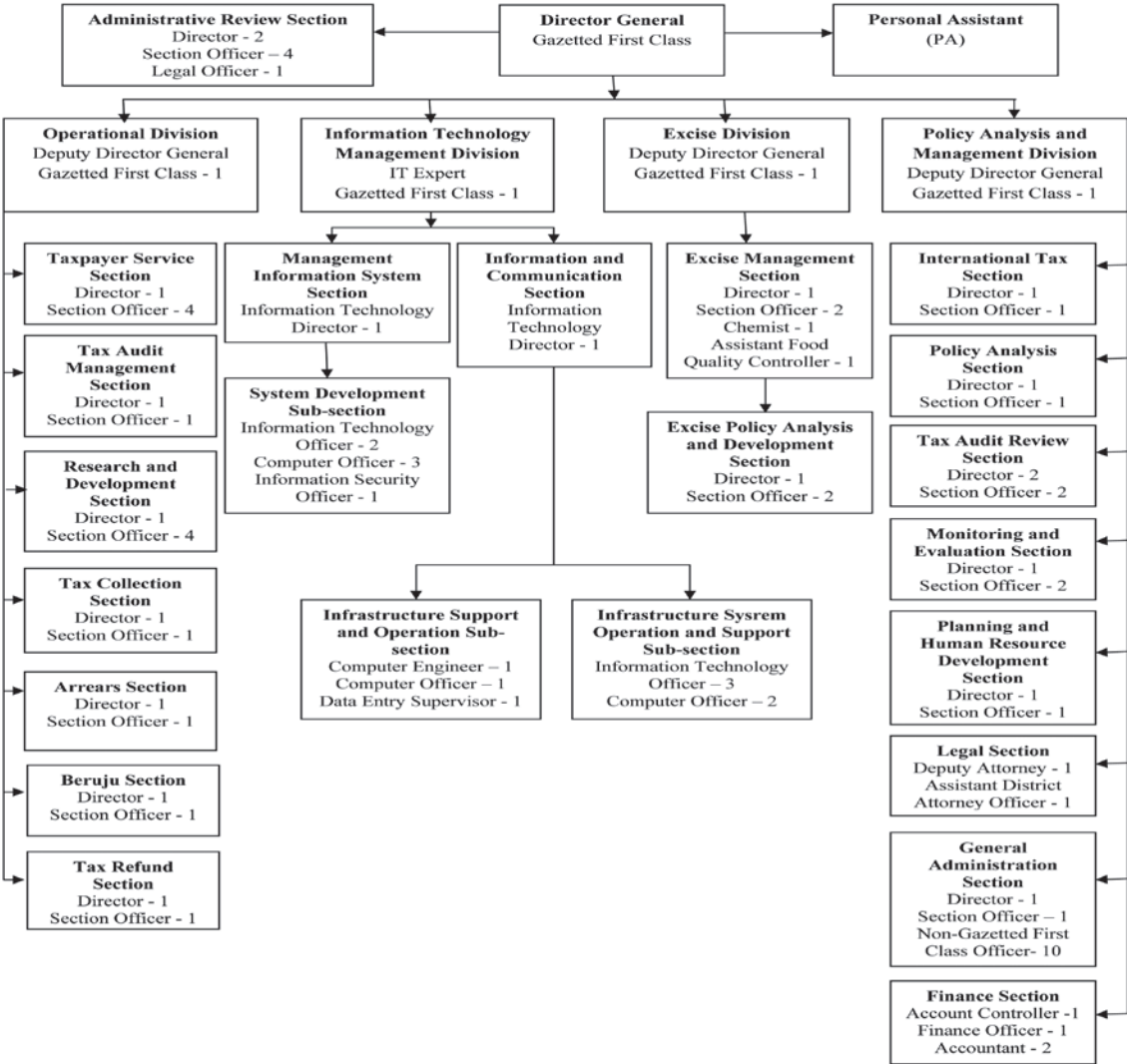
the Revenue Administration Training Centre.

3. The Structure and Staffing of the Inland Revenue Administration

3.1 The Organizational Structure

Inland Revenue administration, consisting of the Inland Revenue Department, Large Taxpayer Office, Inland Revenue Offices and Taxpayer Service Offices, is largely structured in functional lines. The Organizational structure of the Inland Revenue Department is given in Figure 1.

Figure 1 : Organizational structure of the Inland Revenue Department (2015)



The field offices also follow a similar structure, consisting of different functional sections and some support functions, depending upon their size.

3.2 Staffing

Inland Revenue Department is headed by the Director General, who is assisted by three Deputy Director-Generals, one information technology expert, 22 directors and other staff at various levels. The total strength of the Inland Revenue Department is 87.

Large Taxpayer Office and Kathmandu based three Inland Revenue Offices (Inland Revenue Office I, II and III) are headed by Chief Tax Administrators who are Gazetted Level Class I Officers of Nepal Administrative Service. Other Inland Revenue Offices and Taxpayer Service Offices are led by Chief Tax Officers, Gazetted Level Class II Officers of revenue group within the Nepal Administrative Service. The total strength

of different cadres in the field offices is 989.

As indicated in Table 1, the total number of staff positions in the Inland Revenue Administration is 989.

Table 1: Staff positions of Inland Revenue Headquarters and field offices (December 2015)

S. N.	Position	Grade	Service	Group	Positions	
					Created	Fulfilled
1	Director General	G I	Administration	General Administration	1	1
2	Deputy Director General	G I	Administration	General Administration	3	2
3	Chief Tax Administrators	GI	Administration	General Administration	4	4
4	Information Technology Expert	GI	Miscellaneous		1	1
5	Director	G II	Administration	Revenue	17	17
6	Director	G II	Administration	Administration	1	1
7	Information Technology Director	G II	Miscellaneous		2	2
8	Chief Tax Officer	G II	Administration		59	42
9	Deputy Attorney	G II	Law	Govt. Advocate	1	1
10	Account Comptroller	G II	Administration	Account	1	1
11	Section Officer	G III	Administration	Revenue	368	351
12	Section Officer	G III	Administration	Administration	19	19
13	Account Officer	G III	Administration	Account	21	18
14	District Attorney	G III	Law	Law	2	2
15	Legal Officer	G III	Law	Law	1	0
16	Computer Officer	G III	Miscellaneous		48	43
17	Computer Engineer	G III	Miscellaneous		1	1
18	Information Technology officer	G III	Miscellaneous		9	9
19	Chemist	G III	Engineer	Chemical	1	1
20	Assistant food quality controller	G III	Agriculture	Food, Nutrition and Quality Control	2	1
21	Data Entry Supervisor	NG – I	Miscellaneous		1	0
22	Nayab Subba	NG – I	Administration	Revenue	290	210
23	Accountant	NG – I	Administration	Account	27	24
24	Assistant Data Entry Supervisor	NG – II	Miscellaneous		5	12
25	Typist Nayab Subba		Miscellaneous	Miscellaneous	9	25
26	Kharidar	NG – II	Administration	Revenue	95	17
Total					989	805

Of the total 545 Gazetted level officials, 385 are from revenue group while others are from other group of the Nepal civil service. The total number of Information Technology officials is 61, which is 6.28 percent of the total staff of the Inland Revenue administration.

4. Major Responsibilities of Inland Revenue Administration

Inland Revenue Administration is responsible for the administration of VAT, income tax, excise duties, health service tax and education service fee. It also administers motion picture development fee on behalf of the Motion Picture Development Board.

Inland Revenue Department develops policy, plan and programs, and issues directives and guidance to the field offices and monitors their functioning. It prepares operational guidelines, designs forms and working manuals, and deals with international tax issues. Field offices are

responsible for the day-to-day operations such as registration of taxpayers, processing of returns and payments, auditing and collection of tax arrears. They also assist and educate taxpayers and disseminate tax information to people at large. While some functions are carried out by means of modern information technology others continue to be carried out manually.

4.1 Revenue

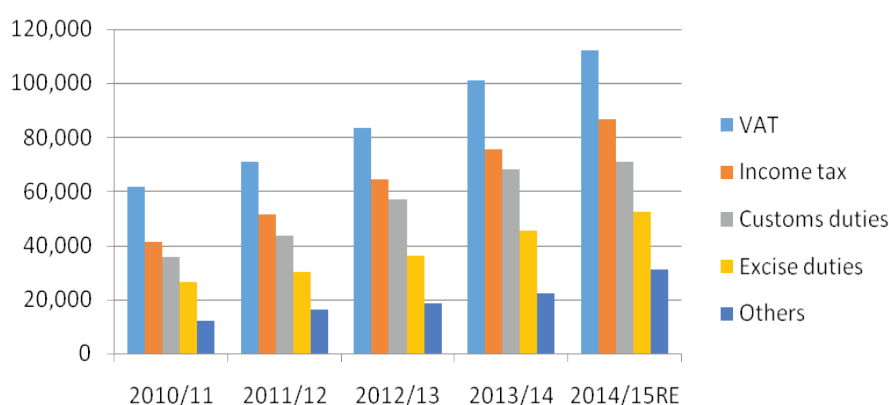
VAT, income tax, customs duties, and excise duties are major sources of revenue. Of them, VAT is the largest sources of government tax revenue, followed by income tax. In 2014/15, these taxes provided Rs. 1,12,161 million and 86,854 million respectively while the customs and excise duties generated Rs. 71,000 million and 52,530 million respectively.

Table 2: Composition of Tax Revenue (2010/11 – 2014/15)

(Rs. in Million)

Fiscal Year	VAT	Income tax	Customs duties	Excise duties	Others	Total
2010/11	61,664	41,350	35,712	26,338	12,163	177,227
2011/12	70,930	51,303	43,391	30,016	16,082	211,722
2012/13	83,418	64,187	56,932	36,235	18,443	259,215
2013/14	101,110	75,608	67,981	45,411	22,330	312,440
2014/15RE	112,161	86,854	71,000	52,530	30,961	353,506

Figure 2: Composition of Tax Revenue (2010/11 – 2014/15)



RE: Revised Estimates

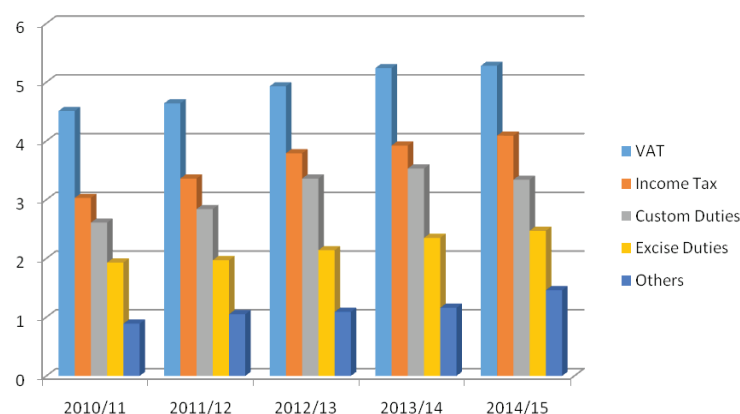
Sources: Budget Speeches of various fiscal years.

Table 3: Relative Importance of Various Taxes(2010/11 – 2014/15)

Fiscal Year	VAT	Income tax	Customs duties	Excise duties	Others	Total
Percent of Total Tax Revenue						
2010/11	34.80	23.33	20.15	14.86	6.86	100.00
2011/12	33.50	24.23	20.49	14.18	7.60	100.00
2012/13	32.18	24.76	21.96	13.98	7.12	100.00
2013/14	32.36	24.20	21.76	14.53	7.15	100.00
2014/15	31.73	24.57	20.08	14.86	8.76	100.00
Percent of GDP						
2010/11	4.51	3.03	2.61	1.93	0.89	12.97
2011/12	4.64	3.36	2.84	1.97	1.05	13.86
2012/13	4.93	3.79	3.36	2.14	1.09	15.31
2013/14	5.24	3.92	3.53	2.35	1.16	16.20
2014/15	5.28	4.09	3.34	2.47	1.46	16.64

Sources: As of Table.2

Figure 3 : Percent of GDP on various taxes



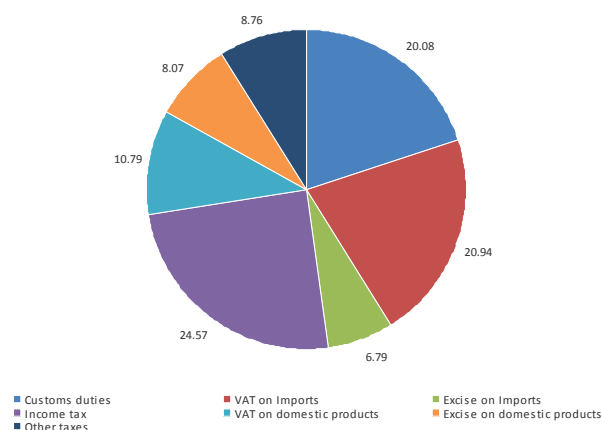
VAT is the largest source of government revenue in Nepal. It accounts for about one third of the total tax revenue and constitutes over 5% of GDP. Income tax is the second largest source of tax revenue that provides about one-fourth of total tax revenue and almost 4 % of GDP. Customs is the third largest source of tax revenue that generates about one-fifth of total tax revenue and about 3.5 % of GDP. Another important source of tax revenue is excise tax that contributes around 15 % of total tax revenue. Total tax to GDP ratio is over 16 %.

Inland Revenue administration is the important organization that is responsible for managing most of the major taxes in Nepal. While VAT and excise duties on imports are collected by Customs administration, overall management of these taxes falls under the jurisdiction of the Inland Revenue administration

Table 4: Role of Inland Revenue Administration in Domestic Resource Mobilization (2014/15)

Taxes	Rs. in Million	% of Total Tax Revenue	% of GDP
Customs duties	71,000	20.08	3.34
VAT on Imports	74,012	20.94	3.48
Excise on Imports	24,003	6.79	1.13
Total	169,015	47.81	7.95
Income tax	86,854	24.57	4.09
VAT on domestic products	38,149	10.79	1.80
Excise on domestic products	28,527	8.07	1.34
Other taxes	30,961	8.76	1.46
Total	184,491	52.19	8.68
Grand Total	353,506	100	16.64

Figure 4 : Composition of Total Tax Revenue



4.2 Registration

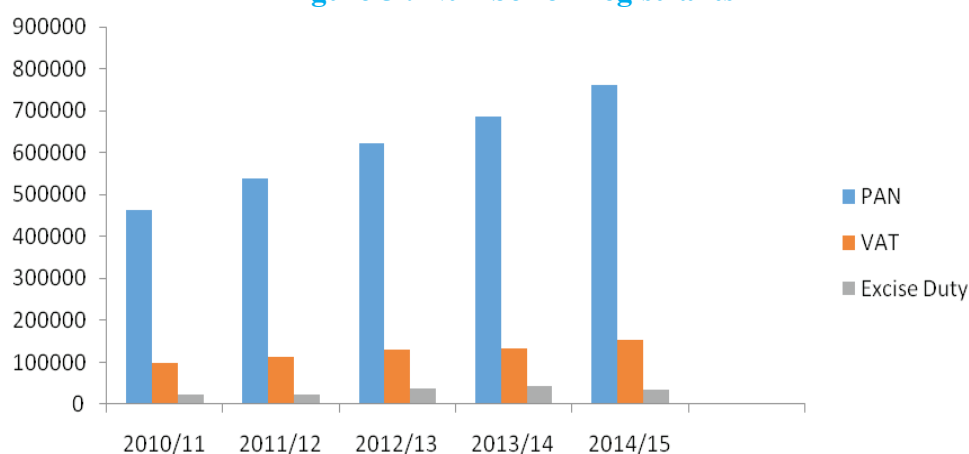
All the businesses are required to obtain a permanent account number (PAN) from the Inland Revenue Administration. This is the taxpayer identification number. Of the PAN holders, businesses dealing with vatable transactions are also required to register for VAT while those dealing with excisable items must also register for excise duties. The trend in PAN, VAT and excise registration may be seen from Table 6.

Table 5: Number of Registrants

Fiscal year	PAN	VAT	Excise duties
2010/11	463378	97731	23837
2011/12	539014	113919	23837
2012/13	623439	129713	36174
2013/14	685958	133178	42657
2014/15	762079	152245	35770

Source: Inland Revenue Department

Figure 5 : Number of Registrants



While a total of 7,62,079 taxpayers have obtained PAN, the total number of VAT registrants was 1,52,245. A total of 35,770 businesses have taken excise license.

4.3 Returns

Taxpayers may submit debit returns when the tax collected on sales is more than the tax paid on purchases, and then they are obliged to pay tax to the Government. Taxpayers may also submit credit returns when the tax paid on purchases is higher than the tax collected on sales, making them entitled for refund of the excess amount from the Government. Sometimes, even when there are no sales or purchase transactions, the taxpayer still have to file zero-returns. Some taxpayers do not submit tax returns on time due to various reasons. The composition of return and non-filers situation is given in Table 6.

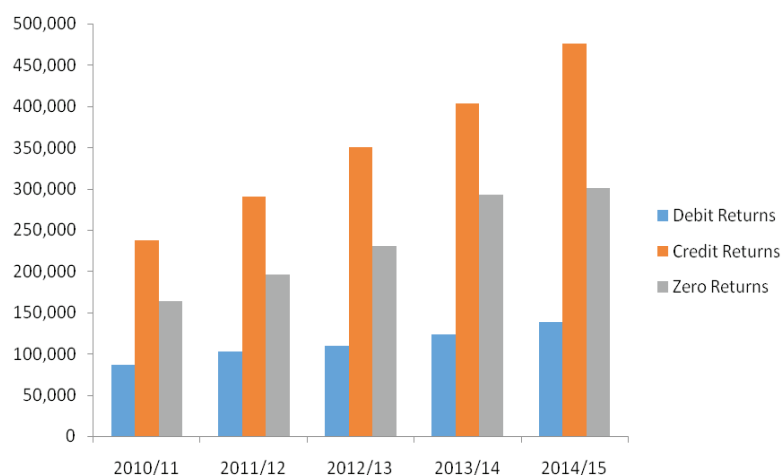
Table 6: Composition of VAT Returns

Rs in Million

Description	2010/11	2011/12	2012/13	2013/14	2014/15
Debit Returns	86,258	102,375	109,894	122,742	137,911
Credit Returns	236,863	290,117	350,720	403,396	475,664
Zero Returns	164,070	196,401	230,260	293,168	300,695
Total Returns	487,191	588,893	690,874	819,306	914,270
Non-filers	31,900	36,440	40,685	44,992	55,304
Non-filers %	33	32	31	31	33

Source: Inland Revenue Department

Figure 6 : Composition of VAT Returns



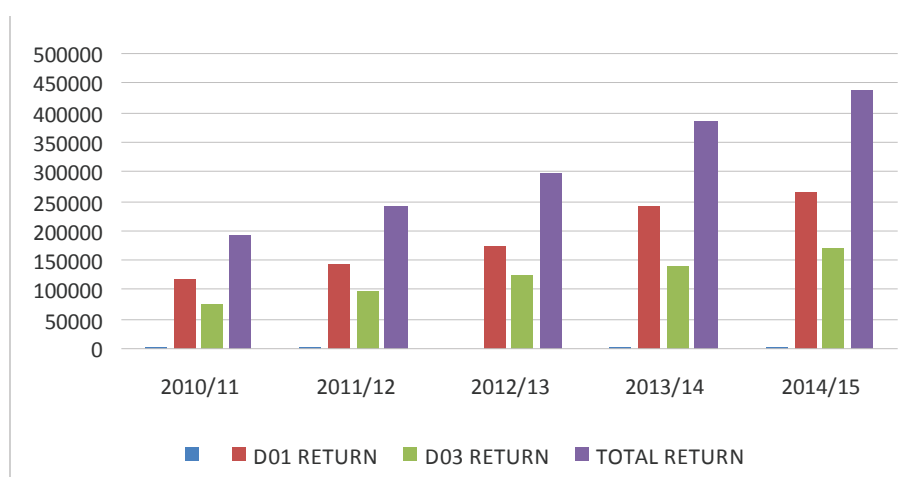
Income tax returns may be D-01 returns and D-03 returns. D-01 returns are submitted by natural persons with an annual turnover of less than Rs. 2 million and business income of less than Rs. 200,000. The composition of income tax returns may be seen from Table 7.

Table 7: Composition of income tax returns

COMPOSITION OF INCOME TAX RETURN REPORT							
YEAR		D01 RETURN	D03 RETURN	TOTAL RETURN	NON FILER	TOTAL REG-ISTRATION	NON FILER %
2010/11	2067.068	116,237	75,093	193,397	192,729	434656	44
2011/12	2068.069	144,206	96,682	242,956	217,863	508632	43
2012/13	2069.070	173,172	123,108	296,280	253,481	588116	43
2013/14	2070.071	240,743	141,601	384,414	301,297	669230	45
2014/15	2071.072	265,678	170,460	438,209	386,637	755735	51

Source: Inland Revenue Department

Figure 7 : Composition of Income Tax Returns



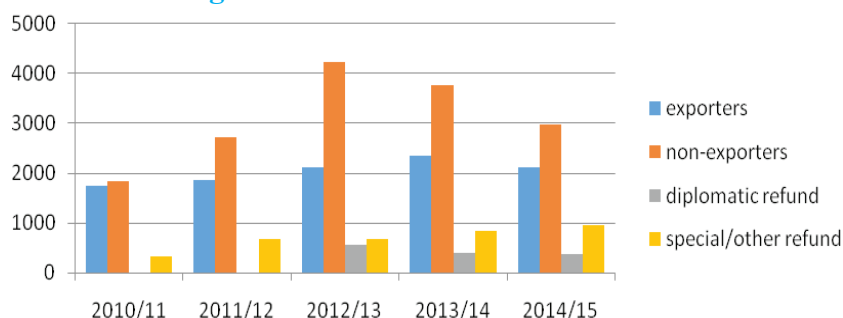
4.4 Refund

The excess VAT credit is refunded to the exporters immediately while in case of domestic sales, it is carried forward to the following month, and if not adjusted in the following six consecutive months, it is refunded to the taxpayers. There is also a provision to refund VAT paid by diplomats/diplomatic missions and foreign funded projects. The status of VAT refund is given in Table 8.

Table 8: Status of VAT Refund

Description	2010/11	2011/12	2012/13	2013/14	2014/15
Exporters	1,740	1,850	2,105	2,341	2,098
Non-exporters	1,831	2,699	4,203	3,760	2,955
Diplomatic refund	-	-	557	400	380
Special/other refund	319	672	661	833	949
Total	3,890	5,221	7,526	7,334	6,382

Source: Inland Revenue Department

Figure 8 : Status VAT Refund

4.5 Audit

One of the important responsibilities of the Inland Revenue administration is audit and trend in the audit during the last five years is given in Table 9.

Table 9: Status of Audit

Types of Audit	2010/11	2011/12	2012/13	2013/14	2014/15
No. of full audit	4878	3191	7320	7192	5912
No. of partial audit	462	883	704	853	482
No of investigative audits	431	266	761	1333	1582
No of verification audit	23348	10880	17075	22211	24733
Amount of MA (billion)	2.58	1.7	1.94	2.96	1.76
Amount of AA including 25% of LR (billions)	11.81	7.97	18.62	12.76	10.66
Amount of excise assessment (billions)	0.09	0.14	0.16	0.40	0.13
% of returns audited	2.75	2.4	3.77	1.91	Below 1
% of active taxpayers audited	1.3	1.09	1.67	1.15	1

Source: Inland Revenue Department

4.6 Arrears

The amount of tax arrears has been increasing, and was over Rs. 8,285 Million in 2014/15. This has an implication on revenue, equity and compliance and needs to be corrected by using various enforcement measures.

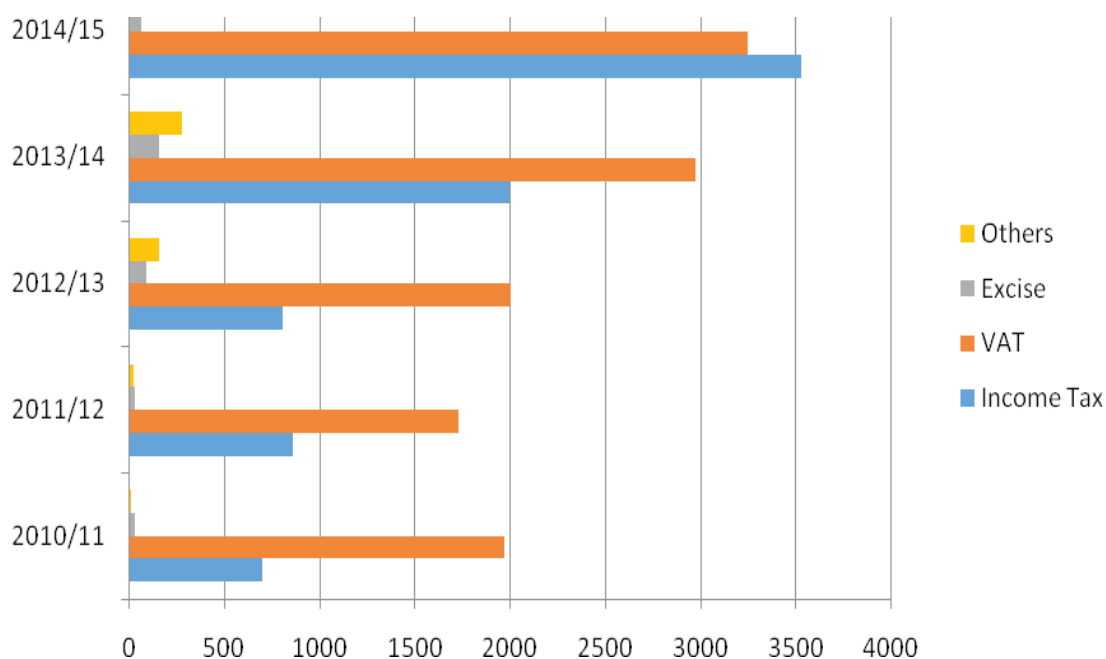
Table 10: Status of tax arrears

Rs in Million

Description	2010/11	2011/12	2012/13	2013/14	2014/15
Income tax	696	860	802	1,997	3,530
VAT	1,973	1,726	2,004	2,972	3,247
Excise	26	25	85	151	58
Others	6	22	152	272	1,451
Total	2,701	2,633	3,043	5,391	8,285

Source: Inland Revenue Department

Figure 9 : Status of tax arrears



5. The Strategic/Reform Plan

Inland Revenue Department adopted its first strategic plan in 2012 for five fiscal years from 2012-13 to 2016-17. The strategic plan defines IRD's vision, mission, values, together with development and strategic objectives, which are as follows:

Vision: An efficient organization for internal revenue mobilization, professional services, innovation and economic growth.

Mission: Ensuring quality service for voluntary tax compliance and applying enforcement with fairness.

Values: Equity, valuing people, integrity and commitment, collaboration and innovation.

Overall Objective: Improving efficiency and effectiveness in the tax system.

Development Objectives: Policy reform and enhancement of enforcement, improving taxpayer services and education, optimal use of modern technology, and revitalization of the organization system and mobilization of competent human resources.

Various strategic objectives have been stated in the Strategic Plan, which was to be implemented through a Reform Plan that consisted of activities, key performance indicators, resources and time frame. The Plan, which was implemented for three years from FY 2012-13 was a roadmap of the modernization of Inland Revenue Administration. A Reform Steering Committee was constituted under the Chairmanship of Director General to monitor the reform progress. A review of the progress indicates that some of the reform plan activities had been implemented fully, some had been initiated but not completed while others had not even commenced during the reform plan period. Expected results of the strategic plan and status at the end of the first reform plan are given in Table 11

Table 11: Expected Results of the implementation of Strategic and Reform Plan

Expected results	Status at the end of 2014/15
<i>Policy reform and enhancement of enforcement</i>	
Regular exchange of information with stakeholders	Complied
Systematized analysis of existing and potential tax policies	Partially complied
Full use of streamlined tax policies, tax manuals and standard operational procedures	Partially complied
Systematized annual tax gap analysis and revenue forecasting	Partially complied
Tax revenue-to-GDP ratio to be increased to approximately 18% by the end of FY 2016/17	16.64
Income tax to-GDP ratio to be increased to 5.46 % by the end of FY 2016/17	4.09
VAT-to-GDP ratio to be increased to 5.64% by the end of 2016/17	5.28%
Excise duty-to-GDP ratio to be increased to 3.17% by the end of 2016/17	2.47%
2% taxpayers (including cent percent of large taxpayers) to be brought into full audit annually	Below 1%
15% LTO audited files and 10% other IROs audited files to be reviewed by IRD	LTO-1.52% , Others-0.552%
<i>Improving taxpayer service and education</i>	
Development of ICT system to effectively follow up on non-compliance and non-payment	Work in progress
Implementation of ICT system offering appropriate and IT assisted payment options	e-payment is under study
Need-based taxpayer awareness programs	Progress achieved according to yearly target
Positive perception towards the tax administration	Increase in positive perception
Operationalization of taxpayer education manual	Distribution of tax brochures and pamphlets etc.
Maintain non-filer rate at 10% in VAT and 40% in income tax	Non-filer rate 33% in VAT 66% in income tax
50% decrease in compliance cost	Regular progress
<i>Optimal uses of modern technology</i>	
Full integration and full automation of VAT, IT and excise system	Partially complied
Full implementation of an accessible, simplified and taxpayer-friendly ICT system	Continuing process
Establishment of transaction-based taxpayer categories	Complied
Implementation of e-banking systems	Not initiated
Operationalization of functional data analyzing networking	Partially complied
Full operationalization by ABBS system for tax collection	Partially complied
100% taxpayer registration by online system	Complied
100% collection of tax returns through e-filing	Complied
<i>Revitalization of the organization system and mobilization of competent human resources</i>	
Establishment of a functional, segment based organization	Complied
Full application of HRM policy	Partially complied
Review of IRD's performance	Complied
Operationalization of quality circles in IRD	Complied
Assessments on physical presence, accessibility of services and workload of IROs/TSOs	Under study
Conduct a study on the potential reorganization of the administration as per future requirements	Under study
Reallocation of offices and service-units for accessibility to taxpayers	Partially complied
Renovation and refined set-up of the office layout with essential equipment and modern amenities	Implemented as per need

Source: Inland Revenue Department

It is difficult to measure the progress of some activities in absence of specific performance indicators. However, overall progress is mixed. Some expected results of the strategic plan have been achieved; some have been partially achieved while others have not been achieved at all.

6. Emerging Challenges of Inland Revenue Administration

The Inland Revenue Department needs to continue its reform initiatives in the days to come in order to complete the unfinished agenda of the First Reform Plan and to initiate new activities to meet the goals set for the remaining period of the First Strategic Plan. Besides, the Inland Revenue Administration has to assume a new role and responsibility in the context of the changed socio-political and economic situation of Nepal.

6.1 Political Situation

Nepal has been converted into a Federal Democratic Republic Nation after the promulgation of the new constitution on September 20, 2015. There are three tiers of government under federal Nepal namely; center, state and local and expenditure responsibilities and revenue authorities of each level of government are enshrined in the constitution. While most of the buoyant taxes viz., VAT, income tax, customs duties and excise duties have been assigned to the central government on grounds of efficiency, for the same reason many of the expensive expenditure responsibilities such as health, education, irrigation, and road are given to the sub-national governments. This can create huge imbalance in the fiscal system of sub-national governments. This gap will have to be bridged by means of inter-governmental transfers. As a revenue collecting agency of the central government, Inland Revenue Department will also have to generate the much needed additional revenue to establish and operate the sub-national governments.

6.2 Economic Situation

After the promulgation of the constitution, Nepal has come to a new juncture where it is necessary to focus on economic prosperity of the country. Socio-economic infrastructure destroyed by the devastating earthquake that hit Nepal badly in April 2015 has to be reconstructed and new settlements developed. On the other hand, Nepal has committed to graduate from a least developed to a developing country by 2022 and from a low income to middle income country by 2030. This will require a high level of investment both in the public and private sectors. An investment friendly tax system capable of generating the required revenue will have to be designed and implemented properly and effectively. This indicates the challenges to be faced by Inland Revenue Administration in the days ahead.

6.3 International Commitment

Nepal is a founder member of South Asian Association for Regional Cooperation (SAARC), whose ultimate objective is to create South Asian Economic Union (SAEU) where there

An investment friendly tax system capable of generating the required revenue will have to be designed and implemented properly and effectively. This indicates the challenges to be faced by Inland Revenue Administration in the days ahead.

will be free movement of goods, services, labor and capital. To this end, SAARC has been progressively implementing South Asian Free Trade Area (SAFTA), which will be followed by the establishment of SAARC Customs Union. Then all the internal duties. Customs duties levied on the intra-regional trade, will be abolished. Nepal as well as other SAARC member states will not be

able to collect import duties on imports from other SAARC countries and they will have to adopt a common external tariff in case of imports made from outside SAARC region. Nepal will also have to adjust its tariff structure as per the World Trade Organization and the Bay of Bengal Initiative for Multi sectoral Technical and Economic Cooperation (BIMSTEC) provisions. This will lead to a reduction in the international trade tax revenue which has to be compensated by domestic taxes which are administered by the Inland Land Revenue administration.

6.4 Implementation of other reform measures

Nepal government has indicated in its FY 2015/16's Budget and Revenue Policy, Program and Implementation Work Plan its commitment to implement in a phased manner the High Level Tax Review Commission's recommendations. This responsibility will largely be borne by the Inland Revenue administration.

Inland Revenue administration's reform initiatives will also be guided by the Thirteenth Three Year Plan's (2013-14-2015-16) objectives namely, to raise the revenue to GDP ratio to 21.1%, to fully automate the tax system, to reduce the non-filer percentage by 25% and to cut down the compliance and Administrative costs of tax collection.

7. The Second Reform Plan

The Inland Revenue Administration will have to be strengthened substantially in order to make it capable of handling its responsibilities successfully. Reform Plan has been adopted as a roadmap for Inland Revenue Administration's reform for 2015-16 to 2017-18. It presents a consolidated view of short to medium-term strategies and contains activities, key performance indicators, resources and time frame. Since the development objectives of the First Strategic Plan, in effect until 2016-17, are still relevant, all the second plan activities are grouped under the four development objectives headings of the first strategic plan as follows:

- Adoption and effective enforcement of a sound tax policy/system;
- Improvement of the taxpayer service and education to raise the level of voluntary compliance amongst taxpayers;
- Optimum use of information technology in order to bring simplicity and transparency in IRD's operation; and,
- Rationalization of the organizational structure and staffing to raise the capacity and effectiveness of IRD so that it can enforce the tax system in an effective, efficient and equitable manner.

7.1 Provide sound policy and legal advice

Tax policy plays an important role in the socio-economic development of a country. A sound tax policy helps generate the required revenue to carry out both traditional as well as modern functions of the government, maintain social justice and minimize economic, compliance and administrative costs of taxation. This demands the imposition of a few broad based low-rated taxes based on the principle of self-assessment. While the Nepalese tax system broadly meets these criteria, there is a need to fine tune the tax

Nepalese taxes are based on the principle of self-assessment, their success depends upon the level of voluntary compliance by taxpayers. To raise the level of voluntary compliance, inter alia, tax policy/laws must be comprehensive and clear

system. As the present Nepalese taxes are based on the principle of self-assessment, their success depends upon the level of voluntary compliance by taxpayers. To raise the level of voluntary compliance, inter alia, tax policy/laws must be comprehensive and clear. As the principal tax policy/law implementing agency, IRD submits recommendations to the Ministry of Finance to make the tax policy easy, clear and transparent. As the government is in the process of creating a single tax code in the place of existing tax type laws, Inland Revenue Administration will provide inputs to make the single tax code and supporting regulations simple and clear.

Issues relating to administrative review, appeal, dispute resolution will be resolved and the system of issuing public and private rulings will be strengthened. Retrospective amendments in tax laws will be avoided. Manuals, instructions and brochures will be updated regularly based on legal changes in order to bring uniformity in the implementation of tax laws, homogeneity in the decision making process and transparency in the tax system.

Provide sound policy and legal advice

S.N.	Activities	Year	WHO	Support	KPIs
1	Establishment of Tax System Reform Unit	1	Administration	IRD	Unit created and operationalized
2	Analyze existing tax policies in view of implementation and provide advice on future tax policies	1, 2, 3	Policy/Legal	IRD	A report on tax policy reform prepared and submitted to the MoF
3	Review existing tax laws being implemented by IRD, prepare amendments and submit to the MoF	1, 2, 3	Policy/Legal	IRD	Amendments prepared and submitted to the MoF
4	Prepare a list of all critical issues, discuss it with the Single Tax Code drafting team and prepare suggested provisions to be included in the Single Tax Code	1, 2	Policy	Single Tax Code drafting team/ Legal/Reform Unit/LTO	Provisions to be included in the single tax code prepared
5	Review the implementation of avoidance of double taxation treaties	1, 2, 3	International Tax/TA	IRD	Report submitted to the DG of IRD
6	prepare guidelines to be followed in completing avoidance of double taxation treaties	1, 2, 3	International Tax/TA	IRD	Guidelines prepared and submitted to the DG of IRD
7	Initiate negotiations with other governments to conclude Double Taxation Avoidance agreements which would be helpful in sharing information on taxpayers	1, 2, 3	International Tax/TA	IRD	Tax Treaties with other governments
8	Prepare amendments to revise the Revenue Tribunal Act, Process and Procedures	1	Administrative Review/legal	IRD/MoF	Draft submitted to the MoF
9	Prepare measures to improve the records and reporting system of Administrative Review	1	Administrative Review/legal	IRD	Recommendations submitted to the DG of IRD
10	Compile and circulate decisions of the Administrative Review	1	Administrative Review/legal	IRD	Decisions compiled and circulated
11	Initiate the establishment of dispute settlement mechanisms	1, 2	Arrear/ Administrative Review	IRD/MoF	Dispute settlement mechanism created
12	Compile inventory of advance rulings and interpretations	1,2,3	Administrative Review/Legal/ Policy	IRD	Rulings and interpretations compiled

13	Study the system of rulings in selected countries and prepare recommendations for the establishment of an effective ruling mechanism in the IRD	2	Legal/ Administration	IRD	Report on the reform of ruling mechanism prepared and submitted to the DG of IRD
14	Carry out a comprehensive study on international taxation, tax base erosion, transfer pricing, thin capitalization, treaty shopping and e-commerce	2, 3	Tax Reform Unit /TA	IRD	Report prepared and submitted to the DG of IRD
15	Conduct a study on the natural resource taxation and taxation of the financial sector	2, 3	Tax Reform Unit/TA	IRD	Report prepared and submitted to the DG of IRD
16	Review various types of tax exemptions	1, 2,3	Tax Reform Unit/Policy	IRD	Report on tax exemptions submitted to the management of IRD
17	Conduct a tax gap analysis and Tax Risk Assessment and Analysis Study	2, 3	Tax Reform Unit/Policy/TA	IRD	Report on tax gap analysis submitted to the management of IRD

7.2 Serve taxpayers by segments as valued customers

IRD will make every effort to improve taxpayer service and education, which is important to raise the level of voluntary compliance amongst taxpayers who are responsible for assessing, reporting and paying all the applicable taxes that are based on the principle of self-assessment.

IRD will treat the taxpayers as valued customers and provide them quality service in the form of assistance, awareness and education.

As the need for services and information widely vary amongst small, medium and large taxpayers, IRD will target its activities as per taxpayer segments to meet their specific requirements.

At least 10 percent of the IRD's human and financial resources will be allocated to the taxpayer service function in order to expand the scope and enhance the efficiency in delivering taxpayer service.

Taxpayer service section of IRD as well as IROs and TSOs will be equipped and strengthened. At least 10 percent of the IRD's human and financial resources will be allocated to the taxpayer service function in order to expand the scope and enhance the efficiency in delivering taxpayer service. Taxpayer service staff will be identified on the basis of their educational background, training, experience, ability and aptitude.

IRD's web site will be expanded and improved. It will be continuously monitored and updated. Everything will be included in the Website as IRD will adopt a "What is not on the website does not exist" principle. Brochures, pamphlets, leaflets and other tax education materials will be updated and expanded, and new materials will be developed to disseminate quality information to the taxpayers. Taxpayer service will also be provided through government agencies and related bodies. There will be increased use of technology-based taxpayer services.

Constant attempts will be made to measure the impact of taxpayer service in terms of quality of service provided to the taxpayers through different means, how timely the services were delivered and whether or not the services provided by the Inland Revenue Administration were satisfactory to the customers. Every attempt will be made to enhance taxpayer convenience and reduce the cost of doing business.

Serve taxpayers by segments as valued customers

S.N.	Activities	Year	WHO	Support	KPIs
1	Design comprehensive taxpayer education programs by taxpayer segment, to serve large, medium and small taxpayers in an effective manner	1, 2	TPS/TA	IRD	Comprehensive taxpayer education programs, by segment of taxpayers, is prepared and submitted to the DG
2	Assess sources of information- client survey, taxpayers compliance cost survey, service delivery feedback and taxpayers received through IRD website, to gather service needs and design a service delivery process designed to meet the taxpayers' needs	2	TPS/TA	IRD and field offices	Taxpayers needs identified and an effective taxpayer service delivery mechanism established
3	Strengthen the call center to respond to taxpayer queries	1, 2,3	TPS	IRD	A IRD Call Centre strengthened
4	Provide services at the door-step to clarify queries of small taxpayers.	1, 2,3	Field offices	TPS	Door Step services provided to small taxpayers
5	Refine and implement the tax education toolkit	1, 2,3	TPS/TA	IRD	Tax education toolkit refined and implemented
6	Update FAQs and brochures	1, 2,3	TPS	IRD	FAQs and brochures updated
7	Suggest measures to make standard operating procedures easier for entry to and exit from the tax system	1, 2,3	TPS	Policy/ Reform Unit	A report on easy entry into and exit from tax system prepared and submitted to the DG
8	Strengthen the system of taxpayer grievance handling	1, 2,3	Nodal officer	IRD and field offices	System implemented
9	Organize taxpayer education and awareness programs on various aspects of different taxes	1, 2,3	TPS	IRD and field offices	Various training programs organized for taxpayers
10	Operation of KYT program	1, 2,3	TPS	IRD and field offices	KYT program operationalized

7.3 Create digital by default status

The use of information technology has been progressively increasing in the Inland Revenue Administration. Both individuals and businesses can now register electronically. Substantial improvements have also been made in e-filing where it is possible to file both VAT and income tax returns electronically. Increased use of information technology has simplified many processes and enhanced transparency. It has reduced the need for physical interaction. IRD's Website provides a lot of useful information to the taxpayers as well as tax officials. Private sector has been positive to the benefits generated by increasing use of information technology in the Inland Revenue administration.

However, many tax functions, including adjudication, appeal and litigation, and enforcement actions, are still carried out in the traditional paper environment. Businesses have to deal with the Inland Revenue administration physically and submit many papers for a number of important tax functions. The use of electronic communication with the taxpayers such as email is also limited. Most of the administrative, financial and human resource management functions continue to be handled in the traditional paper based manner. Similarly, performance reporting and monitoring still depend upon physical reports compiled manually. All this increases the workload of Inland Revenue Administration unnecessarily.

There is little sharing of data with the customs and other related organizations.

IRD is committed to create a totally digitized environment. Computerization will be taken as an integral part of IRD's process. All the tax functions will be fully computerized and taxpayer will have access to up-to-date information on the payment of tax, tax liability, tax arrears or refund status. Similarly, all administration and account functions also will be computerized and a digital by default situation will be created in the Inland Revenue administration.

Create digital by default status

S.N	Strategic Objective/Activity	Year	WHO	Support	KPIs
1	Make necessary preparation to implement e-payment system.	1, 2, 3	ITM/ Collection	IRD/MoF/ NRB	e-payment system implemented.
2	Introduce read-only facility in the ATR of Integrated tax System (ITS) for the taxpayers to check the status of payment of tax, and tax arrears.	2, 3	ITM/Arrear	IRD	Tax payer got access on read only facility on ATR
3	Introduce a system to send reminders through SMS to the taxpayers relating to non-filing and non-payment of tax	2	ITM	IRD	System developed and introduced
4	Develop software for House Rent, Health, Education tax and integrate it with Integrated Tax System (ITS)	2	ITM	IRD	Fully Integrated Tax system developed and implemented
5	Develop mobile application (mobile app) for tax and implement it	2	ITM	IRD	Mobile app devolved and introduced
6	System Integration with FCGO, DOC, DOLRI, NITC	1, 2, 3	IRD	FCGO/ DOC/ DOLRI/ NITC/ DG/TA	Integrated system developed and introduced
7	Conduct ICT audit by third party	2, 3	ITM/TA	IRD	ICT audit report prepared
8	Operationalize disaster recovery center in order to minimize the risk to the ICT system and to protect data	1, 2, 3	ITM	IRD	Proper backup of ICT system in GIDC, DRC
9	Enhance IRD Website and review and update information on a regular basis	1, 2, 3	ITM/TPS	IRD	Website updated on a regular basis
10	Adopt a centrally issued PAN for the taxpayer of all levels of government	1, 2, 3	TPS/ITM	IRD	Centrally issued PAN Adopted
11	Establish an online tracking system of sticker movement	1, 2	Excise /IT	IRD	Updated sticker record system established
12	Develop the Mismatch data request letter Software	2	Investigation & Development / Audit Management	IRD	Systemized the data request letter

13	Update and Operate fully automated Risk Engine	3	Audit/ICT	IRD	Updated Risk Engine will be in operation.
14	Prepare a Beruju Software for an effective management; maintaining the Beruju Records of Inland Revenue department and Offices underneath updated	1-2	Beruju	IRD/IT	Updated and reconciled Beruju Records.

7.4 Functional organization with professional staff and clear procedures for effective enforcement

IRD will revitalize the organizational structure and mobilize competent human resources. The existing organizational structure is, in general, based on functional lines where the tax organization is divided into different sections by major tax functions such as taxpayer service, return processing, refund, audit or collection. Since such an organization is desirable from several points of view including proper and balanced implementation of all tax functions, increased level of voluntary compliance among taxpayers, decreased tax arrears, and increased revenue collection, IRD has been organized in this line as is being done in modern times around the world. IRD also has followed the modern international best practice of creating tax offices by taxpayer segment i.e., large taxpayer office to administer large taxpayers, inland revenue offices to deal with the medium sized taxpayers and taxpayer service offices to serve small taxpayers. This function based organizational structure with taxpayer segment focus will be refined further in the coming three years.

IRD will grow further as a strong Headquarter to perform its policy, planning, programming, guidance, and monitoring and evaluation role in a timely and effective manner. Required resources will be obtained and the current evaluation system, largely based on the achievement of the assigned revenue targets, will be refined to take care of the fulfillment of functional targets such as registration, filing, taxpayer assistance and education, refund, enforced collection, audit, investigation and dispute resolution that ultimately determine the level of revenue collection.

As the performance of IRD depends ultimately on the performance of its staff, organizational reform will be accompanied by staffing reform. Posting will be based on aptitudes, attitudes and inclinations. Motivated, dedicated high performers will be recognized and rewarded. A comprehensive capacity building program will be implemented to raise the level of understanding and efficiency amongst tax officials, who will be developed as highly specialized professional staff capable of implementing the tax system in a fair and effective manner.

Due to the recent changes in the governance system in Nepal, IRD will have to assume the new role of creating and developing tax administration at the provincial level in the coming months and years.

The tax administration will be strengthened substantially so that it can meet the challenges of the future and implement the planned reform program effectively and in a timely manner.

Functional organization with professional staff and clear procedures for effective enforcement

S.N.	Strategic Objective/Activity	Year	WHO	Support	KPIs
1	Streamline the organizational structure of IRD, IROs and TSOs in functional lines according to O&M study recommendations	1, 2, 3	Administration	IRD	A streamlined organizational structure prepared

2	Establish and Strengthen Revenue Forecasting unit of the IRD to maximize revenue collection.	1	Administration	IRD	Revenue forecasting unit created
3	Prepare a detailed scope of work of each section/sub-section and Update Job Description of each position of the Inland Revenue Department, Inland Revenue Offices and Taxpayer Service Offices	1 & 2	Administration	IRD	Detailed scope of work of various sections prepared
4	Develop a comprehensive capacity building program for inland revenue administration, including on the job training, in-house seminars, conferences and international taxation with special emphasis on tax treaties	1,2,3	HRD/TA	IRD	A comprehensive capacity development program prepared and training delivered
5	Carry out an impact assessment of the training	2,3	HRD/TA	IRD	Assessment submitted to management
6	Identify and implement areas to carry out non-core tax functions of IRD through third party	3	Reform unit	IRD	A report on the non-core functions to be carried out through third party submitted to the DG
7	Field offices will be operated from their own building.	1, 2, 3	Administration	IRD/MoF	Construction of Building for the 75 % of total field offices.
8	Develop and apply harmonized litigation guidelines	1, 2	Legal/ Administrative Review	IRD	Harmonized litigation guidelines developed and implemented
9	Carry out a study on technology based tracking and tracing system on excise sticker	1, 2	Excise/ policy	IRD	A report prepared and submitted to DG
10	Provide excise automation training to tax officials as well as taxpayers	1, 2	Excise/IT	IRD	Tax collectors and payers are trained on automated excise system
11	Conduct a study on the application of flow meter to beer industries	1, 2	Excise/Policy	IRD	A report on the preparation and implementation of flow meter submitted to DG
12	Establishment of Well Equipped and Modern Laboratory	2, 3	Excise	IRD	Well equipped and modern laboratory established in IRD
13	Review the Functional indicators for PBIS	2	M&E	IRD	Revised indicators developed and implemented
14	Design and implement a fully automated internal monitoring recording and reporting system	2	M&E and IT	IRD	An automated internal monitoring system implemented
15	Update the Audit Review Procedure.	1, 2	Internal Review	IRD	Updated Review Procedure implemented
16	Conduct Risk Analysis and Risk Assessment Project	3	Audit/TA	IRD	Associated Risk will be Identifies

17	Classify the taxpayers on the basis of risk and compliance behavior.	3	Audit	IRD	Taxpayers classified and monitored accordingly
18	Conduct Comprehensive trainings on Advanced Accounting/ Auditing and International Taxation to TOs and CTOs	2,3	HRD/ Audit/ International Taxation	IRD	Trained Human Resources
19	Prepare a approach for Taxpayer Information Network (TIN)	1	Investigation & Development/ Policy	IRD	The data prepared for High net worth Individual
20	Prepare Guidelines for indirect method of audit and investigation	2	Investigation & Development / Audit Management	IRD	Prepared Guidline
21	Study the Tax Fraud area and their investigation approach	2	Investigation & Development	IRD	Tax revenue leakage control