

# Strengthening of the Ministry of Economic Affairs and Finance's Directorate General of Taxation, Stage III

URUGUAY

SECTOR:	Planning & Reform		
PROJECT TITLE:	Strengthening of the Ministry of Economic Affairs and Finance's Directorate General of Taxation, Stage III (ATN/JF-4561-UR)		
TOTAL COST:	\$1.6 million		
FINANCING:			
IDB	\$1.1 million	Japanese Fund	
LOCAL	\$ 500,000		
APPROVAL DATE:	June 15, 1994		
GENERAL DESCRIPTION:	<p>The objective of this nonreimbursable technical co-operation is to continue strengthening the Uruguayan tax administration system through consolidation and expansion of control over taxpayer obligations, development of a management information system and human resource training, with the ultimate goal of reducing tax evasion, improving taxpayer services and boosting the productivity of the staff of the Directorate General of Taxation (DGI). The project includes advisory activities, classroom and in-service training in electronic information systems, auditing, collections, management and legal issues. These activities are intended to open up new areas in existing systems, in both Montevideo and the interior of the country.</p> <p>The specific objectives are to: (a) expand the system of monitoring large-scale taxpayers in Montevideo by decentralizing operations into three units; (b) improve control of, and clean up the files on, middle-income</p>		

business records  
taxes, as well as  
(c) increase  
expanding the tax  
planning;  
conduct a survey of  
follow up and  
unit.

taxpayers and track them more closely through the use of  
and simplified forms for the declaration and payment of  
an automated system for monitoring these fiscal obligations;  
the auditing capacity of the DGI by consolidating and  
behavior analysis system and strengthening operational  
(d) systematize and improve management information; (e)  
legal actions currently under way and develop a system for  
monitoring of such cases; and (f) strengthen the training

This operation will be executed over a period of twenty-eight  
months.

CONSULTANTS:

The executing agency has proposed that the services of the  
Inter-American Center of Tax Administrators (CIAT) be engaged  
as specialized agency for the execution of this technical  
cooperation. Bank financing will be used to hire  
international consultants in tax administration: one to act  
as the program's technical coordinator, for a term of 24  
months, and others to be responsible for computerized  
information systems (for 22 months), tax auditing (20  
months),  
training (three months), auditing procedures (three months),  
and decentralization (one month). Ten local consultants and  
13 line professionals will also be hired with local  
counterpart resources.

GOODS AND EQUIPMENT:

Computer and training equipment totalling US\$140,000  
will be acquired with Bank financing.

CIVIL WORKS:

Not applicable.

EXECUTING AGENCY:

The Ministry of Economic Affairs and Finance, through the  
Directorate General of Taxation (DGI)

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