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**Country:** Belize

**Institution:** Inter-American Development Bank

**Sector:** Finance, Management and Administration, Finance, Accounting and Auditing, Fiscal and Taxation, Insurance and Pension, General - Finance, Management and Administration, Procurement, Project Management, Survey, Public Sector Management, Anti-corruption/Accountability, Organizational Capacity Development, General - Public Sector Management, Public-Private Partnerships, Sub-National Government

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**Loan N°./Financing:** 4839/OC-BL

**Project:** Strengthening of Tax Administration (STA) (BL-L1031)

**Title:** Consultancy Firm to review and update the current Taxpayer Segmentation Model and develop a Risk-based Compliance Management Model

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**Borrower/Bid No:**

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# STRENGTHENING OF TAX ADMINISTRATION PROJECT

## REQUEST FOR EXPRESSIONS OF INTEREST

### Consultancy Firm to review and update the current Taxpayer Segmentation Model and develop a Risk-based Compliance Management Model

**Institution:** The Ministry of Finance (MOF)

**Country**: Belize

**Project:** Strengthening of Tax Administration (STA)

**Abstract**: Consulting Services – Consultancy Firm to review and update the current Taxpayer Segmentation and develop a Risk-based Compliance Management Model.

**Loan No**.: 4839/OC-BL

**Deadline**: April 1, 2022, Belize Local Time

The Government of Belize (GOB) has received financing from the Inter-American Development Bank (IDB) for the execution of a five-year tax modernization project entitled "Strengthening of Tax Administration" (BL-L1031). Through this project, the Belize Tax Service Department (BTSD) has procured a Modern Integrated Tax Administration System (the Revenue Management System (RMS)) and is presently in the implementation process. This new system will be used in the management of the Belize Tax Administration.

The BTSD Strategic Plan clearly addresses the relevance of taxpayer segmentation and the risk management approach. It indicates that:

"It has become good practice for Tax Administrators across the world to implement Taxpayer Segmentation in revenue management to effectively analyze taxpayer data and to efficaciously implement different and specific surveillance and control mechanisms," and that; "The deployment of a '**Risk management approach**' is a modern and pertinent tactic that would aid in compliance. This approach gives a structured basis for strategic planning; focuses on the underlying drivers (not symptoms) of non-compliance; promotes diversity in the way major tax compliance risks are treated, rather than a 'one size fits all' approach; realizes better outcomes as it refers to efficiency and effectiveness of programs; coincides with international standards and is a strong basis for evidence-based evaluation.

Consequently, the BTSD will explore the introduction of a Risk Management Plan (RMP) to properly respond to the risks identified on a timely basis, to minimize overall compliance burden for both the taxpayers and the tax administration. As an important aspect of the RMP, risk mitigating strategies will be proposed for application against potential and existing risks. The plan will highlight all areas of risks including risk-based assessments, risk-based audits, risk-based sector and taxpayer segmentation, compliance risks (registration, filing, reporting and payments) and international risks. Risk mitigation reduces the extent of exposure and ensures that the strategic objectives are achieved."

The consulting services ("the services") includes the contracting of a Consultancy Firm for a period of five (5) months to review and update the current Taxpayer Segmentation and develop a Risk-based compliance management model, including configuration of the model in the ITAS. The main activity of the consultancy includes:

1. To prepare an Action plan for the review and updating of the Taxpayer Segmentation Model and Risk Analysis Strategy
2. To Assess the status of BTSD taxpayer segmentation and the use of risk-based techniques in the BTSD and to analyze the BTSD taxpayer information to identify ways to segment the taxpayer population following different criteria (income, assets, number of employees, economic activities etc.), and other relevant indicators.
3. To review and update the current model for segmentation of BTSD taxpayers (companies and individuals) and to define a strategy for updating taxpayers' segments and profiles in the ITAS periodically.
4. Profile all BTSD taxpayers following the model once the model is approved by BTSD management.
5. To propose a model for the risk-based compliance model, defining the risk-based indicators, the rules, the risk factors to be utilized, their relative relevance (high, medium, low), the sources of information to utilized, the mitigation measures, and the required operations to use them.
6. To include the information on taxpayer segmentation in the ITAS database, inclusive of defining (setting) the parameters and rules for its then configuration in the ITAS database.
7. To prepare a report on the risks identified as well as the relevant mitigation measures to be introduced.
8. To suggest additional information (internal and external) to improve its risk-based control system.
9. To deliver workshops to BTSD staff on the Taxpayer Segmentation Model and risk analysis strategy to be implemented.

The Consultancy Firm should have a minimum of five (5) years' relevant working experience in similar assignment, helping tax administrations to implement risk-based taxpayer compliance programs with the application of taxpayer segmentation and information crosschecking. In addition, the Consultant firm should have a minimum five (5) years' specific experience in the following areas:

- Tax administration,
- Taxpayer compliance control based on taxpayer segmentation, risk analysis and information crosschecking, and
- Training on risk-based taxpayer, taxpayer segmentation and information crosschecking.

As well as a minimum of three (3) years of previous experience in conducting assistance to countries in the areas of taxpayer segmentation, implementing risk-based compliance controls, and information crosschecking. Furthermore, the Consulting firm should have knowledge and experience working in Belize, and or the Caribbean environment in a similar assignment.

The Ministry of Finance now invites eligible Consultancy Firms ("Consultants") to indicate their interest in providing the services. Interested eligible Consultants must submit an Expression of Interest providing information demonstrating that they have the required qualifications and relevant experience to perform the services (description of similar assignments specifying start and end dates of assignments, experience in similar conditions, availability of appropriate skills, etc.). *The term "consultant" means a legally established professional consulting firm or an entity that may provide the services.*

**Expression of Interest package should contain:**

i. Document explaining interest, experience, and competence of the consulting firm.
ii. Firms experience in the assignment of similar consultancy services during the past five years. Description of similar assignments specifying start and end dates of assignments.
iii. Firms evidence of past jobs. (These includes letters from the respective client on the job (s) carried out, or a copy of contract or agreement with the client including copy of the TOR).
iv. Two references
v. Proof of nationality: Copy of certificate of incorporation, information of shareholders of company specifying the shares owned by each respective shareholder of the company and a copy of documentation of nationality of the shareholders of the company.

**Additional documentation required for National Consultants:**

vi. Copy of Certificate of Good Standing from Belize Company Registry
vii. Copy of Certificate of Good Standing from the Social Security Board
viii. Copy of Certificate of Good Standing from the Belize Tax Service
ix. Copy of Current Trade License

A Consulting firm will be selected in accordance with the Quality and Cost - Based Selection (QCBS) procurement method set out in the Inter-American Development Bank: *Policies for the Selection and Contracting of Consultants financed by the Inter-American Development Bank* (GN-2350-15, May 2019 edition) and is open to all eligible consultants as defined in the IDB policies. The selection of the successful firm will be based on a competitive process among short-listed firms that takes into account the quality of the proposal and the cost of the service. **Only the short-listed firms will be notified and will be asked to submit a technical and price proposal.**

Consultants may associate with other firms in the form of a joint venture or a sub-consultancy to enhance their qualifications. For the purpose of establishing the short list, the nationality of a firm is that of the country in which it is legally incorporated or constituted and in the case of Joint Venture, the nationality of the firm appointed to represent it.

**Further information** can be obtained at the address below during office hours Monday to Friday 8:00 a.m. to 3:30 p.m. Expressions of interest must be delivered via direct mail or e-mail at the address indicated below by 3:00 p.m. (Belize local time) on Friday April 1, 2022.

Interested consulting firms are asked to submit their expression of interest via e-mail to **Michelle.Longsworth@bts.gov.bz** marked STAP- Consultancy Firm to review and update the current Taxpayer Segmentation and develop a Risk-based Compliance Management Model in the subject header, or submit on or before 3:00 p.m. (Belize local time) on Friday April 1, 2022 to the following address:

**Director General**

**Belize Tax Service**

**Strengthening of Tax Administration Project**

**Charles Bartlett Hyde Building**

**Mahogany Street, Belize City**

**Tel: 501-222-5114**

For clarifications kindly contact:

**Procurement Officer**

**Project Executing Unit**

**Strengthening of Tax Administration Project**

**Charles Bartlett Hyde Building**

**Mahogany Street, Belize City**

**Tel: 501-222-5114/E-mail: Ian.Ramirez@mof.gov.bz**

## Attachments:

https://devbusiness.un.org/system/files/Request%20for%20EOI%20-%20Taxpayer%20segmentation%3B%20risk-based%20compliance%20management_FINAL.pdf