**Means of Verification**

| **Objectives** | **Conditions for third operation** | **Means of verification** | **Entity responsible** |
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| 1. **Macroeconomic stability** | | | |
| Preserve a stable macro-economic context. | I.1.c: The Government of Jamaica maintains a macroeconomic framework consistent with the objectives of the programme and the Policy Matrix**.** | Independent Analysis of the Macroeconomic Conditions | IDB - RES |
| 1. **Strengthening tax policy and administration** | | | |
| Reduce distortions and improve efficiency of the tax system to promote growth, competitiveness and equity. | II.1.c: The Government of Jamaica maintains the implementation of the comprehensive tax reform program that includes measures to: |  |  |
| 1. Simplify the tariff structure by reducing import tariff dispersion (consistent with CARICOM and other international trade agreements) by: |  |  |
| 1. Maintaining the tariff caps on imports as specified in the first operation. | Letter from the Financial Secretary (FS) summarizing the progress of the implementation of the policy specified in the first/second operations of the Program. | Office of the Financial Secretary at the Ministry of Finance. |
| 2. Maintaining the 5% tariff rate on selected intermediate and final goods as specified in the first operation. | Letter from the FS attaching the Customs Resolution published in the Gazette informing that the 5% tariff rate on selected intermediate and final goods as specified in the first/second operations was established, it is still in effect and enforced. | Office of the Financial Secretary at the Ministry of Finance. |
| B. Increase tax revenues by: |  |  |
| 1. Implementing the MBT. | Letter from the FS confirming that the Minimum Business Tax Act, 2015, establishing the MBT continues effective. | Office of the Financial Secretary at the Ministry of Finance. |
| 2. Maintaining a cap of 50% on claims for deduction of tax losses forwarded in any year of assessment on chargeable income (CIT and PIT). | Letter from the FS confirming that the 50% on claims for deduction of tax losses forwarded are still in effect and continue being enforced. | Office of the Financial Secretary at the Ministry of Finance. |
| 3. Maintaining the GCT rate applicable on Government of Jamaica purchases. | Letter from the FS attaching the Resolution published in the Gazette informing on the applicability of GCT to government purchases continue being applied. | Office of the Financial Secretary at the Ministry of Finance. |
| C. Curtail tax expenditures by: |  |  |
| 1. Maintaining the provisions of the Charities Act, the FIA and the consequential amendments to the revenue laws. | Letter from TAJ Commissioner General, indicating how they continue enforcing the Charities Act, the FIA and the consequential amendments to the revenue laws | Tax Administration Jamaica |
| 2. Maintaining the cessation of granting of new categories of ministerial discretionary waivers. | Letter from JCA Commissioner and TAJ Commissioner General, attaching printout from JCA and TAJ reports indicating tax and customs duties waivers amounts granted in FY 2014/15. | Tax Administration Jamaica and Jamaica Customs Administration |
| D. Reduce economic distortions and promote economic growth by: |  |  |
| 1. Maintaining the CIT rate of 25% for unregulated companies. | Letter from the FS confirming that the 25% CIT rate is in effect and being enforced | Office of the Financial Secretary at the Ministry of Finance. |
| 2. Continuing the ETC for registered trade companies under the labour incentive programme, up to a cap of 30% of the chargeable income tax. | Letter from the FS confirming that the ETC has been established and is still in effect and enforced. | Office of the Financial Secretary at the Ministry of Finance. |
| 3. Maintaining the ICAs for new capital investment. | Letter from the FS confirming that the ICA for new capital investment has been established and is still in effect and enforced. | Office of the Financial Secretary at the Ministry of Finance. |
| 4 Maintaining limitation of tax incentive allowed under the FIA for pioneer/mega projects at an overall cap of 0.25% GDP. | Letter from the FS confirming that the limitation of tax incentive allowed under the FIA for pioneer/mega projects at an overall cap of 0.25% of GDP has been established and is still in effect and enforced. | Office of the Financial Secretary at the Ministry of Finance. |
| E.  1. Increase Specific Consumption Tax on Petroleum Products including an amount that replaces the 1% Petroleum Cess paid by Petrojam to the Petroleum Corporation of Jamaica (PCJ) | ????? | ???? |
| Improve the effectiveness and efficiency of the tax and customs collection system. | II.2.c: The Government of Jamaica continues comprehensive tax administration improvements to: |  |  |
| 1. Continue to strengthen TAJ and JCA enforcement capabilities by: |  |  |
| 1. Maintaining the number of qualified professional staff in LTO at no less than 120 | Letter from TAJ Commissioner General attaching LTO professional positions filled. | Tax Administration Jamaica |
| 1. Maintaining powers to TAJ to mandate taxpayers e-filing. | Letter from the TAJ Commissioner General attaching the Amendment to Revenue Administration Act published in the Parliament Website under publications/public bills (third party information - providing the power to the Commission General to mandate filing using different type of instruments) specifying that they are still valid and fully enforced. | Tax Administration Jamaica |
| 1. Continuing to enforce mandatory e-filing for large taxpayers and payroll taxpayers. | Letter from the TAJ Commissioner General establishing that mandatory e-filing of all taxes has been implemented and fully enforced. | Tax Administration Jamaica |
| 1. Provisions remain in force to strengthen the collection of outstanding arrears. | Letter from the TAJ Commissioner General informing the press release that provisions remain in force to strengthen the collection of outstanding arrears. | Tax Administration Jamaica |
| 1. Maintain government contracts at appropriate fee structures.      1. Maintain e-payment for taxes included as of the second operation. | Letter from the TAJ Commissioner General informing the press release that government contracts at appropriate fee structures is maintained.  Letter from the TAJ Commissioner General attaching the press release to all stakeholders informing e-payment for taxes included as of the second operation. Is operational. | Tax Administration Jamaica  Tax Administration Jamaica |
| 1. Proportion of large taxpayers’ filing on time: CIT ≥ 85%, GCT ≥ 95%, PAYE ≥ 70%, so that the ratio of tax arrears to revenue ≤ 5%. | Letter from the TAJ Commissioner General attaching the Performance Report from the TAJ Commissioner presenting the information about large taxpayers filling on time for the CIT, GCT and PAYE; and the ratio of tax arrears to revenue. | Tax Administration Jamaica |
| 1. Proportion of medium size taxpayers’ filing on time: CIT ≥ 40%, GCT ≥ 80%, PAYE ≥ 56%, so that the ratio of tax arrears to revenue ≤ 20%. | Letter from the TAJ Commissioner General attaching the Performance Report from the TAJ Commissioner presenting the information about medium size taxpayers filing on time for the CIT, GCT and PAYE; and the ratio of tax arrears to revenue. | Tax Administration Jamaica |
| 1. Conducting audits on 15% of the large taxpayers and 10% of the medium taxpayers. | Letter from the TAJ Commissioner General attaching the Performance Report from the TAJ Commissioner presenting the information about the audits of the large and medium size taxpayers. | Tax Administration Jamaica |
| 1. Reducing medium size taxpayers’ tax arrears on GCT, CIT and PAYE to <10% of the amount collected on these taxes. | Letter from the TAJ Commissioner General attaching the Performance Report from the TAJ Commissioner presenting the information about reducing medium size taxpayers’ tax arrears on GCT, CIT and PAYE to <10% of the amount collected on these taxes. | Tax Administration Jamaica |
| B Continue to develop and implement the IT system of the revenue administration by: |  |  |
| 1. Fully implementing Phase 1of TAJ’s integrated tax administration IT system. | Letter from the TAJ Commissioner General attaching the press release from TAJ Commissioner informing the fully implementing Phase 1of TAJ’s integrated tax administration IT system. | Tax Administration Jamaica |
| 1. Meeting benchmarks[[1]](#footnote-2) for implementation of the JCA integrated IT system, including mandatory e-filing of all customs declarations and manifests. | Letter from JCA Commissioner attaching the press release from JCA Commissioner informing the Integrated IT system including mandatory e-filing of all customs declarations and manifests is implemented. | Jamaica Customs Agency |
| C. The ACCPAC system in JCA is fully operational. | Letter from the JCA Commissioner informing the full implementation of ACCPAC system, specifying the modules included. | Jamaica Customs Agency |
| 1. **Rationalisation of expenditure** | | | |
| Contain public expenditure. | III.1.c: The Government of Jamaica continues to manage central government salary increases to meet an annual wage bill target of no more than 10.3 % of GDP for FY2015/16. | Letter from the FS attaching the Central Government Summary showing the wage bill annual target of no more than 10.3 percent of GDP for FY2015/16. | Office of the Financial Secretary at the Ministry of |
| Improve efficiency and transparency of Jamaica’s Public Bodies (PBs) | III.2.c: The Government of Jamaica, continues to implement the Master Rationalization Plan to streamline the PBs. | Letter from the FS informing that the PBs continue to implement the Master Rationalization Plan to streamline | Office of the Financial Secretary at the Ministry of |
| III.3.c: The Government of Jamaica, continues to enforce measures to strengthen the accountability and transparency of public bodies by:  Ensuring the presentation of annual reports (including audited financial statements) for all public bodies to Portfolio Ministries within the agreed six month time period after the end of the financial year to which the reports pertain. | Letter from the FS listing all the self-financing Public Bodies which submitted the annual Report with Financial Statement audited FY 2014/2015. | Office of the Financial Secretary at the Ministry of |
| III.4.c: Implement the agreed recommendations of the Bank sponsored study. | Letter from the FS informing the implementation of the agreed recommendations of the Bank sponsored study | Office of the Financial Secretary at the Ministry of |
| 1. **Ensuring Sustainability of the National Insurance Scheme** | | | |
| Implement a fiscally sustainable National Insurance Scheme (NIS). | IV.1.c: Cabinet approval of Position Paper on the preferred option for the NIS Reform and its fiscal impact, which includes specific recommendations for implementation regarding:   1. The contribution rate; 2. The pension benefits; and 3. Increasing coverage. | Letter from the PS of the Ministry of Labour and Social Security informing Cabinet approval of Position Paper on the preferred option for the NIS Reform and its fiscal impact, which includes specific recommendations for implementation. | Office of the Permanent Secretary of the Ministry of Labour |
| IV.4.c: The Government of Jamaica tables in Parliament a Bill to require an actuarial analysis of the NIS every three years. | Letter from the PS of the Ministry of Labour and Social Security informing the tabling in Parliament a Bill to require an actuarial analysis of the NIS every three years. | Office of the Permanent Secretary of the Ministry of Labour |
| IV.5.c: Key modules of the specified NIS‑MIS are operational. | Letter from the PS of the Ministry of Labour and Social Security (MLSS) informing that key modules of the specified NIS MIS are operational. | Permanent Secretary of the Ministry of Labour |
| 1. **Strengthening the Fiscal Responsibility Framework** | | | |
| Assure a binding commitment to long-term fiscal sustainability | V.1.c: Continued effectiveness of the legally binding fiscal rules. | Letter from the FS indicating that the Fiscal Rules are effective for FY 2015/16. | Office of the Financial Secretary at the Ministry of Finance |

1. This benchmark will be installation of the ASYCUDAWorld system at selected pilot sites and Customs headquarters. [↑](#footnote-ref-2)