

## Index

Asian Best Practice	2
Changing Mind-set	2
Tentative steps towards PIT	2
Long Waiting Time	3
Building Institutional Capabilities	4
Bookkeeping Course	5
Modernization kicks off	5

## Highlight

- The Project is on track—Mid-term evaluation team
- The enemy of reform is the one who doesn't want to change—Mr. Tumakaka, Indonesia
- We must think who will be the new taxpayer of PIT—Mr. Otake, Japan

## Senior officers roll up their sleeves

Following on from the series on “tackling foundation of organization” on Critical Thinking, Tax audit, Taxpayer service, the Project focus has shifted to cater for senior officers’ needs.

Notable activities to date include sending delegations on study visits led by Director General to Thailand, Singapore and Malaysia. This was to experience first hand large scale data processing and call centers with a view to establishing them in Cambodia. This will enable GDT to be a better service

provider by being more organized. In August, GDT and JICA agreed continuous cooperation within this phase. The Project is committed to assist promoting GDT’s reform.



DG and JICA evaluation team leader signed Meeting Minutes of Mid-term review of the Project

## Mid-term review attests to good progress

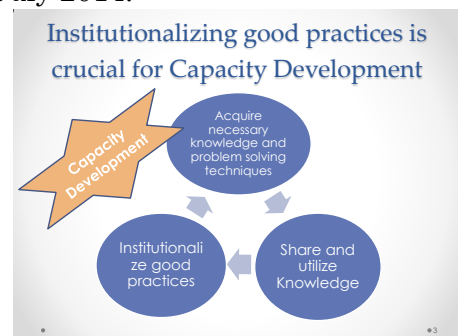
Mid-term Review & 2nd JCC  
11-28 August

### Project on track showing good results

Framework	Result	Reason
Relevance	High	Aligned with other policy & context of Cambodia
Effectiveness	On track	Activities are to share knowledge and knowhow
Efficiency	Medium	Insufficient donor coordination due to over burdened officers
Impact	No judgment	Influenced not only by the project but also economy
Sustainability	Medium	Ability of human resource development limited due to fund, staffing, master plan

Project Design Matrix indicator is redefined, how far we are to achieve the target in % of revenue

against GDP and increasing % of taxpayers who file returns, etc. Progress and next action plan were presented in the 2nd Joint Coordination Committee meeting. After the review, JICA will assist drafting a roadmap of modernization and automation of GDT by July 2014.



## Study Trips on Asian Best practice

Data Processing Center  
Singapore and Malaysia  
May and Nov. 2013

**Director General and his team visited Singapore in May and Malaysia in November.**

Setting up a data processing and call center is the backbone of GDT's administrative reform. The study tour gave GDT officers an insight into how other countries have fared. In Singapore, data storage is outsourced

and 97% of individuals use e-filing. In Malaysia, it's done in-house and e-filing has



DG with CEO of IRB, Malaysia

reached 80% of total taxpayers. In the both countries, taxpayers can get toll-free telephone consultation but the center is also utilized to remind taxpayers on tax arrears.



Delegation observing data entry in Singapore

## Changing Mind-set is Key

Tax Administration Reform  
Indonesian Tax officers in Cambodia  
11–12 Dec. 2013

**Changing mind-set is key to successful reform but is most challenging. The enemy of reform is those who don't want to change.**

The Project invited Mr. Wahyu Tumakaka, Director of Business process Transformation of Indonesian tax department to share lessons

learnt from their reform to date. This is useful as GDT continues its own on-going reforms by highlighting pitfalls.



DG with Indonesian Delegation

“The enemy of reform is the one who doesn't want to change”

-Mr. Tumakaka from Indonesia

## Tentative Steps towards PIT

Personal Income Tax  
Experience in Japan and Vietnam  
7 Aug. 2013

**GDT is aiming to introduce personal income tax (PIT) within a few years. However, will the new tax increase tax revenue?**

Mr. OTAKE, a former commissioner of the Japanese National Tax Agency, visited GDT and provided a seminar on PIT reform in Japan and his

experience in assisting its introduction in Vietnam. It's crucial for GDT to identify the scope of this tax. Specifically, who will be the new taxpayers and what income will be captured and why. The threshold should be set high and a pilot should be started in Phnom Penh.

At the end of the seminar, GDT requested a bookkeeping seminar for tax officers.



Mr. OTAKE talks about his experience of PIT

## Taxpayers take aim at Long Waiting Times

Taxpayer Satisfaction Survey Report  
Dec. 2013

**Satisfaction level of taxpayers is strongly related to their average waiting time. Why do certain taxpayers experience longer waiting times?**

The Project conducted an exit survey at several tax offices covering over 2000 taxpayers. Young people and

accountants wait longer than any other group and those in Phnom Penh are dissatisfied compared to their peers in the provinces. Many respondents asked for consultation to be provided. The Project taskforce is looking into specific measures to tackle these findings. Comments welcome!



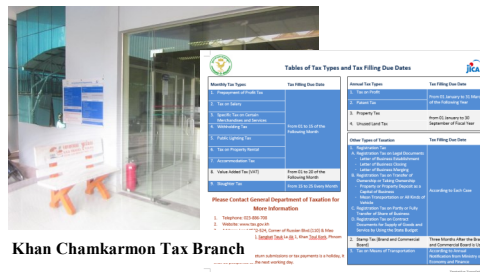
## One More Step to Raise Awareness

Filing Period Sign Board Completed  
Aug. 2013

**Many Cambodians are not aware of what kind of taxes exist and if they have to pay, according to a study conducted by the Project in 2012.**

To raise awareness, the project completed making “Sign Board of Tax Filing Period” in August and distributed to all branches. The filing peri-

od for all types of taxes is shown and will be displayed prominently. The next step will be to promote all taxpayers to file and pay by the due date.



Khan Chamkarmon Tax Branch

Taxpayers’ overall experience strongly correlated to their average waiting time  
–Survey result

## Project Member Update

### New Project Manager

In October, 2013, H.E. Vann Puthipol, Deputy Director General, was appointed as a new Project Manager.

### Taxpayer Service Taskforce

Mr. Hean Treng, Director of Taxpayer Service and Tax Arrears Dep. (TSTAD) became the leader of this taskforce, and Mr. Kong Sok Heng, Deputy Director of TSTAD now actively facilitates finalizing FAQs, education material and action plan to improve taxpayers’ satisfaction.

### Tax Audit Taskforce

Mr. Roth Mony, Director of Enterprise Audit Dep. (EAD) became the leader of this taskforce, and Mr. Siang Sytha, Deputy Director of EAD, actively supports making an audit case book, information collection format and training materials.

### Modernization and Automation

Mr. Nuon Thery, Deputy Director of IT Dep. leads this taskforce and the group closely works with JICA consultant team.



JICA Senior Representative met DG for Modernization and Automation of GDT

## Tricks of the trade for Tax Audits

Tax Audit without Checking Books  
6-10 May, 2013

**The unwillingness of taxpayers to disclose their accounts is well known. However, a thorough preparatory audit can be used to move the discussion forward.**

Mr. Takeuchi, a JICA expert stationed in Malaysia, lectured on preparatory audit techniques in Battambang and NTS. Key steps are: Ana-

lyze all information at hand, study common practice of the sector, and become a customer of the business. Participants highlighted the difficulties in, “conducting tax audits on illegal businesses, requesting taxpayers to count business cash on audit day, inquiring about the owner’s personal situation, and conducting bank audits”. GDT needs to address this urgently.



Lecture at Battambang Tax Branch

## Building Institutional Capabilities

Workshop: Project Management  
10 Sep. 2013

**Project management (PM) is a systematic approach to delivering projects.**



Project Management Workshop

Senior Director from AIT Thailand provided a PM workshop to senior officers at GDT. PM clearly defines within the project roles and responsibilities, scope, costs, time frame, benefits as well as tangible deliverables. Embedding frameworks such as PM is critical if GDT is to heighten its institutional capability.

2nd workshop is scheduled for April, 2014.

Project Management is not the skill to solve problems, but the tool to monitor costs, time frame, status and deliver

## Road to Self-Assessment System

Training in Japan: Promoting SAS  
Jun. & Dec. 2013

**In total, 20 officers went to Japan for a training program. Next steps are for participants to come up with concrete measures.**

Programs were conducted in order to develop capacity of GDT to eventually increase the number of self-assessment taxpayers and tax revenue. Among feedback from partici-

pants was the importance of providing tax education to the public. Others expressed the need for a call center to respond to taxpayer’s inquiries. To promote SAS, taxpayers must be well informed and able to get assistance from relevant officers when needed. After which enforcement comes in to play the role of realizing fair tax administration.



GDT officer discuss at JICA training center



## Basis of Business and Taxation

Seminar: Basic Bookkeeping  
Oct.-Dec, 2013

**Mr. OTAKE and the project jointly organized basic bookkeeping seminar for GDT officers, 20 times between October and December, 2013.**

The lecturer was from OHARA School of Business, one of the biggest bookkeeping schools in Japan and a partner of Mr. OTAKE's association for promoting bookkeeping.

Both tax officers and individuals from the general public were encouraged to enroll. 24 participants successfully completed the course.



Mr. OTAKE personally presented certificates at NTS on February 22nd in the closing ceremony.



Closing Ceremony

## Modernization Roadmap Kicks Off!

Kick-off Meeting: Roadmap  
5 Feb. 2014

**What are the steps needed to modernize tax administration?**

Responding to GDT's request, JICA is working on a roadmap which is expected to be completed by July 2014. The kick-off meeting was held in to get everyone on the same page. E&Y from Japan is currently partnering with the working group to map GDT's business processes with a view to improve them.

The group also held a consultation

workshop, knowledge sharing of IT system development, with MEF and GDCE. Take away is the need for a realistic scope of IT implementation, and business process must be standardized before IT implementation.



Kick-off Meeting with PM at GDT

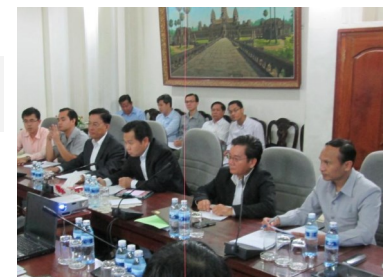
Realistic calculation on scale and scope of IT implementation is needed, and business process must be standardized before IT implementation

## Opportunity to Study in Japan

National Tax Agency provides training programs within the framework of JICA. Every year, one mid-level officer joins two months course and one senior officer joins three weeks course to learn with various countries' tax officers in Tokyo.

Five universities participate NTA Practicum (Tax course as a part of Master's Degree Program) which many countries' tax officers apply.

For more information, please visit; <http://www.nta.go.jp/ntc/english/inter/index.htm>



Consultation Workshop at MEF

JICA HP

<http://www.jica.go.jp/english/index.html>

## JICA Project at GDT

General Department of Taxation  
(Room 605)

Phnom Penh

TEL 097 400 5349

Email: [jicaproject\\_gdt@yahoo.com](mailto:jicaproject_gdt@yahoo.com)

Publisher: IMAI Takako



F o r G D T a n d f o r t h e P e o p l e o f C a m b o d i a

JICA Project team will issue this newsletter to inform you our activities and progress. As we are all in the same boat, your participation is strongly encouraged. The Project commits to be responsive for your comment and requests. So, please let us know what you think.