

## **“Sales Tracking Mission”**

The Ministry of Revenue and Customs continued with one of its new initiatives for the recent financial years known as the Sales Tracking Mission (STM) that was pledged in July 2016. The STM project targeted several selected retailer /wholesaler businesses given the risk profiling analysis conducted by the Risk Management Unit.

This mission was aiming to estimate the closest to the accurate sales values that these businesses should have declared on its tax returns. However an evidence to support the concern of the ministry in relate to payment and under-reporting of income, but most of all are the poor record system that this type of businesses have.

Risk Management Unit lead and managed this project with the support of all the staff of different levels across the ministry highlighting the importance and how serious the issues are. Officers sent out to business premises to record all sales during the business hours.

The Ministry emphasized how effective this tracking mission is. The result of this project was worth it, not only changes the behaviour of the taxpayers in term of reporting sales, record keeping but collections as well. Revenue collections estimated to be collected from this mission exceeds \$2m.

## **Ministry of Revenue and Customs first Taxpayer Satisfaction Survey.**

Risk Management Unit (RMU) of the Ministry of Revenue & Customs, Tonga has completed its first Taxpayer Satisfaction Survey, aiming to Assess and evaluate the taxpayer's and public's perception of the level and quality of service delivered by the Ministry, Identify taxpayer needs and expectations from the ministry in term of its service delivery, Identify areas affecting the ministry's service delivery and Whether the service expectations of the taxpayers and the public are being met.

The survey was undertaken with the assistance of PFTAC Advisor - Stanley Edwin Peter and the 2 senior management officers of the ministry, Mr. Maamaloa Fotofili' (Deputy CEO) and Mrs. Pipiena Tanaki (Senior Assistance DCEO) whom attended the PFTAC workshop and study tour to FRCS in April 2018 on Compliance Risk Management.

Although this approach was new but due to its importance, the Acting CEO – Mrs. Magdalena Fifita' supported the implementation of this project given the limited resources and time that we had.

Mr. Taniela Litili, the project manager who also attended the workshop and the study tour wishes for more collaboration with taxpayers, after gathering the findings of the survey.

“This Survey indeed helps us with our work, as it allows us to learn from all the constructive feedbacks displayed on the survey. It is an opportunity for the Ministry to improve its services”

The survey was undertaken in June 2018, targeting taxpayers from different businesses, and from the communities/villages both at the main island and outer-islands as well.

ENDS

## Community Public Awareness

The Ministry of Revenue and Customs (MORC) was actively doing awareness training and visited Nuku'alofa area only in Tongatapu and to the whole 'Eua. The main purpose was to ensure that people and business ownerships within the community of Nuku'alofa area is being consulted through the Community Tax Awareness presentations with a focus on construction and rental business sector. This was recognized by the Ministry after Tropical Cyclone Gita where most of the Construction and Rental businesses emerged during our rehabilitation period.

The Community Awareness programme also known as Road Show targets all spheres, was also a project agreed to after one of our officer attended a training for Project Management under Pacific Management Development Programme (PMDP) held in Ramada Resort, Vanuatu in April 2018

The Client Service Team were hosting this physical activity started from 5<sup>th</sup> May-11<sup>th</sup> June ,2018 in Tongatapu and continue on to 'Eua on the 11<sup>th</sup>-15<sup>th</sup> of same month.

This project was co-join of Revenue and Customs Staff same as to the Ministry of Labour and Commerce. The training was exposed to the public who wishes to junction in through our TV and Radio programs.

This training was targeted to business ownerships, the more their profits, the more taxes they pay.

“This project was first established in May 2017 with the aim of continuing every year,” according to Taniela Sila the Assistant Senior Deputy Chief Executive Officer. It is in our interest to ensure that current and future taxpayers are educated about their right and responsibilities and how to be tax compliant. We will be actively engaging with and providing information to individuals, businesses and sector agencies as we focus our efforts on encouraging and supporting voluntary compliance.

As the agency responsible for tax administration in Tonga, our aim is to increase public awareness on taxation. This initiative is an excellent way to start engaging with taxpayers as well as to explode an interest in areas of voluntary compliance.

END