

# **MINISTRY FOR REVENUE**

## **ANNUAL REPORT**

### **FINANCIAL YEAR 2016-2017**

**CUSTOM SERVICES:**

*Matautu, APIA*

**Tel:** (685) 20411, or 21561

**Fax:** (685) 21563

**P.O Box 44, APIA**

**TAX SERVICES:**

*4th Floor, DBS Building, APIA*

**Tel:**(685)20411 or 21561

**Fax:** (685) 20414

**P.O Box 1877, APIA**

**SAVA'I OFFICE:**

*New Market, Salelologa*

**Tel:** (685) 51574

**Fax:** (685) 51575

**P.O Box 1877, APIA**

**K9 FACILITY:**

*Tuana'imato, APIA*

**Tel:** (685) 22225,

**Fax:** (685) 21563

**P.O Box 44, APIA**



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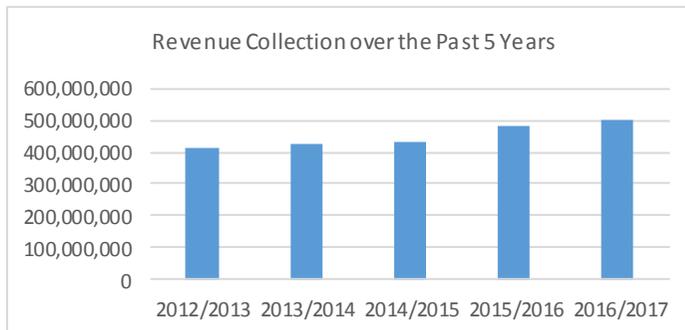


## PART I. YEAR 2016-2017 AT A GLANCE

There is an end to every journey no matter how deviating or pleasing it is. It replicates the natural order of life. Whether it is a journey through distance, space or time; it is somewhat revolves around the essence that the mean justifies the end and sometimes it is the other way around. For our journey through the financial year 2016 - 2017, we went through the heights and lows which aggressively presented rough seas of challenges and strong currents of trials as we paddle our way through the exhausting months, fatigued weeks, and every single challenging day which embraced such a tough voyage. Below summarizes the highlights of 2016/2017 performance within the eight (8) critical success factors we consistently assessed ourselves against:

### 1. REVENUE COLLECTION

- i. Reaching a target is a great milestone in itself there is no doubt about it, but the ability to maintain composure under pressure by retaining such standard and exploring the spectacles of soaring to new heights is a whole different challenge. The Ministry has again accomplished the target revenue given by Government for the FY 2016-2017 in which it collected \$501.3 million or 101% from the total target of \$491.7 million. From the actual collection above, Customs was able to collect 65.2% and Inland Revenue Services with 34.8%. This year's collection recorded a significant improvement of \$51.5 million from last year's collection. The following graph presents a view of revenue collection in the last five (5) years. Further information on revenue collection is provided under Part II of this report.



- ii. Although target in the last 4 years have not been met but the Ministry never neglected its responsibility in collecting Government revenue as evidenced on the increasing trend over the years. The Ministry has

put emphasis on its compliance strategies which have shown positive outcomes in that the general public and the business community attitudes and views towards their tax obligations have changed. This is one of the contributing factors to the significant increase in revenue collection this year.

### 2. REVIEW OF TAX & NON-TAX REVENUES (FEES AND CHARGES)

As a member of the National Revenue Board, we were actively involved in an overall tax review by the NRB throughout the last half of this FY which resulted in some major tax reforms that will be implemented in 2017/2018 FY. Some major tax reforms include:

- The removal of income tax exemptions from Head of State's personal income, from Church Ministers/Pastors' personal income from congregation and business taxable income earned from business licensed activities operated by non- profit organizations such as church congregations;
- Changed in progressive level of personal income with respective income tax rates of threshold level increased to \$15k at 0%, level between \$15k to \$25k at 20% and above \$25k at 27%;
- An incentive for registered exporters of 50% export tax credit on their annual income tax payable if 100% of export income or earning is remitted back into Samoa.
- Changed in provisions of capital gains tax to impose 27% CGT on capital gain from disposal of asset within 12 months from date of acquisition and 10% CGT on capital gain if dispose asset after 12 months since acquisition.

- Early termination of investment tax credits for investors into Approved Tourism development Projects by 30 June 2017, instead of 30 June 2018.
- Further increase to domestic excise by 3% on cigarettes and liquor;
- Increase to Non-tax-revenue fees such as business license fees, liquor fees and other administrative fees imposed by Customs.

Before the above reforms became law, the Ministry was led by our Minister to consult the public and stakeholders of the proposed changes. As expected, there were opposing views but given the expected overall benefits to every citizen of Samoa, the Bills were passed by Parliament in its June 2017 parliamentary session and enactment will be effective in 2017/2018.

### 3. ACCESSION TO THE REVISED KYOTO CONVENTION

*Accession to the International Convention on the Simplification and Harmonization of Customs Procedures (Revised Kyoto Convention or RKC) after complete review of Customs laws and general annex of RKC on 27 October 2016.*

Having entered into force on 3 February 2006, the Revised Kyoto Convention is a WCO legal instrument acceded by several countries as the way to further promote legitimate trade and effective controls. It is regarded by the entire international Customs Community as a key blueprint for modern Customs in 21st Century, which complements countries' efforts for ratification of the World Trade Organization Agreement on Trade Facilitation.

Amongst others, the Convention's key elements include the application of simplified Customs procedures in a predictable and transparent environment, the optimal use of information technology, the utilization of risk management, a strong partnership with the trade and other stakeholders, and a readily accessible system of appeals.

The accession of Samoa demonstrates the country's commitment to implementing Customs procedures adapted to the international trade environment and efforts towards trade facilitation, especially in the context of ensuring connectivity, which is a key element for small islands' economies.

#### ***Completing the actual review of the HS2017***

As a member of the World Customs Organization (WCO), Samoa Customs has followed the Harmonized Systems (HS) Nomenclature (also known as Customs Tariff) to the classification of import, export and transshipped commodities. This HS Nomenclature is reviewed every five (5) years due to change in trade patterns of commodities as well as the introduction of new products in the world Trade. The new version of the HS Nomenclature is the HS 2017 tariff to which Samoa Customs has reviewed its HS 2012 nomenclature to ensure that changes are incorporated and Samoa follows through with changes behind the review of the tariff Nomenclature.

Samoa is currently using the HS 2012 as part of its Customs Tariff Act 1975. The review to the HS 2017 Nomenclature commenced in July 2016 with the plan to adopt the HS 2017 in early 2017. This extensive work mainly looked at the two hundred and thirty three (233) amendments made to the international codification of commodities up to the sixth digit level. Samoa uses an additional two digit in its national tariff which involves a comprehensive review of all national tariff lines and codes as well as duty and tax rates related to each work. Due to competing priorities and limited resources, this comprehensive work was completed in May 2017 and is now in the final stage of finalization and submission to Cabinet. With collaboration and consultation with relevant government and private stakeholders, this work was carried out by a total of six committed Customs officials who were selected from the three operational division of Customs. Even though this work was constrained by a number of limitations, tremendous progress and work was completed within limited timeframes and is now in its finalization stages in preparation for Cabinet and Parliament passage.

#### 4. ACCESSION TO AUTOMATIC EXCHANGE OF INFORMATION

*Samoa committed to Automatic Exchange of Information upon signing of the Convention on Mutual Administrative Assistance in Tax Matters (“MAC”) on 25 August 2016 and committed to the use of Common Reporting Standard (“CRS”) for the automatic exchange of information by signing Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information on 29 October 2015.*

The MAC is the legal framework which provides administrative assistance between exchange partners in tax matters. Such administrative assistance includes:

- a. exchange of information, including simultaneous tax examinations and participation in tax examinations abroad;
- b. assistance in recovery, including measures of conservancy; and
- c. service of documents.

CRS is the Standard used by jurisdictions who will be exchanging automatically to determine what type of financial information to be reported, what type of financial institutions obligated to report their information and the time period for such information to be reported and exchanged with other jurisdiction.

#### 5. LARGELY COMPLIANT UNDER STANDARD OF EXCHANGE OF INFORMATION ON REQUEST

*Samoa received a provisional upgrade of its rating to Largely Compliant from its previous low rating of Partially Compliant against the Standard of Exchange of Information on Request (EOIR Standard) following a successful review under Fast Track Procedure.*

On 15 June 2017, the Peer Review Group of the Global Forum on Transparency and Exchange of Information for Tax Purposes (“PRG”)

approved Samoa’s Request for the PRG’s Review for adoption. The Report earned an upgrade to its rating to a Largely Compliant. This means Samoa is overall largely compliant to the EOIR Standard after reviewing the 3 Elements under the 2010 Terms of Reference. The Elements being (a) Availability of Information; (b) Access to Information; and (c) Exchange of Information.

#### 6. STRENGTHENING NETWORKING WITH STAKEHOLDERS

*The Ministry had worked diligently with all of its stakeholders to strengthen networking so as to foster healthy professional relationships to enhance level of compliance at all facets of its operations. Following are some of the tasks made by the Ministry to foster.*

##### Utilizing the mainstream media for communication with customers

- i. International Customs Day Commemoration – The International Customs Day for this financial year was filmed and televised on various national television stations as a part of the Ministry’s publicity and public awareness programs for this year’s commemoration day. Highlights and snapshots were filmed and televised on various TV stations as news bulletin for the general public. The 2016 International Customs Day was well covered as news items by the mainstream media and local news outlets such as newspapers, radio stations and online news outlets.
- ii. E te Silafia Program – The second episode of the Ministry for Revenue’s E te Silafia program was televised on national television for national viewing in the latter part of September 2016. The program revolved around technical areas pertaining to the Client Services Division, Risks and Compliance Division, Finance Division, Policy and Performance Improvement Division and the Corporate Service Division, with the ultimate purpose of shining lights on some of the important areas such as the renewal of license to sell alcohol, process, terms and conditions for license application as well as the

clear definition of what personal effects are and the relevant clearance process, methods of payments and other important areas such as compliance and the relationship between the Ministry and its stakeholders.

iii. Press Conference/Media Coverage

The Ministry worked in collaboration with the local media by exposing some of the major works pertaining to the Ministry which enabled the public to be aware of the changes and the processes employed by the Ministry. This is where TV stations, Radio stations, newspapers and other means of media communication were utilized by the Ministry for strengthening its communication with the general public. Numerous news items were published on news items and publicized on TV stations and radio stations for the purpose of informing the general public.

Media coverage was heavily used as a significant tool to relay important messages to the general public regarding some of the major reforms such as the change in the manufactured year for imported vehicles as well as the imposing of tax on church ministers to name a few.

## 7. INCREASED DETECTION OF NON-COMPLIANCE

Despite our never ending efforts to raise the awareness of our stakeholders and the public as a whole so as to improve compliance at all levels, we still managed to detect noncompliance cases during this financial year. More than 30 cases detected from Border Operations by manual operations and also by our K9 operations.

More than thirty cases were detected at the Border Operations alone. These were dealt with, in accordance with the Customs Act while other were referred to the Ministry of Police for further investigations and charges under Criminal legislations.

There were a number of cases detected by the Auditors, both at the IRS and Customs and all have been dealt with in line with our governing legislations.

## 8. INVESTING IN OUR PEOPLE

### Internal Communication

- i. We continued to value our staff's contributions to our overall achievements by recognizing exceptional performances and individual or team achievements through our monthly certificate awards known as EOM (Employee of the Month) awards. The EOM is posted on the CRIS and also the Ministry's quarterly Internal Newsletter for everyone's information. SMT also continues to conduct our annual Staff Engagement survey which resulted in a 4.1/5 a reduction of 0.1 from last year's 4.2 rate. The five top rated concern areas that affected the staff's level of engagement to performance effectively were then structured in the MfR's Staff Engagement Action Plan as to address these issues and improve their productivity and engagement.
- ii. The production and circulation of the Ministry's Internal Newsletter serves as a strategy where communication is further strengthened and heavily used as a source of information sharing and recognition for the staff's performance. This started in the latter part of the financial year and it is an ongoing publication which will be circulated internally on a quarterly basis. This is in addition to our intranet known as CRIS (Customs & Revenue Information System) that had existed since 2011/2012 which most if not all MfR information are uploaded such as all our Legislations, policies, frameworks, regulations, reports, SOPs, OS, CEO monthly messages, etc.
- iii. The Ministry continues its commitment on valuing its customers and efforts to utilize its awareness strategies and programs by working together with the community. It underpins such important task which is anticipated to bridge the gap between the Ministry and its

- customers by providing educational and awareness raising programs in an effort to increase voluntary compliance and developing a positive public perception of the Ministry.
- iv. Human Resource Development is the unique framework which assist in developing our employees' organizational skills, knowledge, and abilities to ensure the smooth operation within the Ministry. Capacity building of the workforce enable every single employee to upgrade skills level to facilitate and improve standards of the work operation. Staff are entitled to both Local and Overseas Trainings not to mention internal refresher trainings and on the job trainings [OJT] between co-workers. Eighty percent [80%] of the invitations received by the Ministry are of overseas trainings while twenty percent [20%] are of Local trainings provided and facilitated by the Public Service Commission. Areas that covered most by these trainings are Customs and Tax Administrations to ensure employees get the right trainings in order to attain the overall target of the Ministry. To ensure the knowledge and skills of selected nominee's benefits everyone upon return and completion of the course or training, he/she must conduct a **'Knowledge Sharing'** presentation and provide report.
- v. Following the 2016 PITAA Heads Annual meeting in Nadi Fiji in September 2016, Samoa (MfR) won the vote to host the 2017 PITAA Heads Meeting after a short notice withdrawal by Marshall Islands to host as was determined in the 2015 meeting. Within the last half of the FY, Jan to June 2017, the selected PITAA committee devoted their limited spare times to prepare for this regional conference and tremendous with dedicated works must be commended in the report. The 2017 PITAA 14<sup>th</sup> Heads Annual Conference will be held in September 2017.
- vi. One of the initial capacity building developments of new incumbents within the Ministry is the Induction Training which conduct frequently based on the number of new recruits to carry out the training. At the end of this fiscal year, two Inductions been carried out to thirty three participants from several Divisions of the Ministry. To ensure the smooth operation within the workforce, presentations were delivered in terms of the Ministry's laws and regulations that mostly govern employees' boundaries and values which is highly recommended to perform each roles and responsibilities outstandingly. In addition, the Chief Executive Officer embedded advantageous messages whom she motivates new employees to make use of the scarce opportunity given to be employed within the Ministry. At this point, the Ministry employed almost two hundred staff members in order to attain the overall target of the Ministry given.
- vii. *Signing the Five (5) Year Country Plan with the NZ Customs. The Plan is for Capacity Building for the Customs Technical Services including members of other border agencies and law enforcement agencies in Samoa.*
- The Country Plan is a five year plan of Technical Assistance and capacity building that NZ Customs have presented for Samoa that forms part of a regional programme of customs administration capacity development being undertaken by the New Zealand Customs Service (NZCS). With Samoa recent accession to international conventions as well as adoption of international and regional agreements, this plan builds on earlier assistance rendered by NZCS as well as continuous modernisation efforts by Samoa Customs to meet challenges associated with meeting new revenue targets set by the Government, increased volumes of goods crossing the border, growing traveller numbers; rises in drug, gun and gang-linked crime impacting

the border; and positioning itself to be able to maximise benefit of trade agreements and more.

The country plan will run for a period of five (5) years and was signed in May 2017 by the Chief Executive Officer of Samoa Customs and the Deputy CEO of New Zealand Customs Service during the OCO Annual conference in Guam. The first 18-months are primarily focused on assistance that either provides the building blocks for future work or builds on the momentum of previous assistance provided, in particular: assistance to scope and then implement data warehousing, analysis and targeting; clarification of how Customs Clearance Areas should function within a Samoan context; and follow up on 2016 tariff and valuation training as part of the PCA Phase I initiative before implementing PCA Phase II that will develop local audit expertise. An investigation training package will also be piloted, and NZCS will work with Samoa Customs to put in place frameworks and procedures so that the Pacific Detector Dog Programme can introduce a money detection capability into Samoa.

## PART II. STATEMENT OF SERVICE PERFORMANCE 2016-2017

### A. PERFORMANCE UNDER OUTPUTS

**Output 1:** POLICY ADVICE TO THE RESPONSIBLE MINISTER

**Output Manager:** Chief Executive Officer

**Scope of Appropriation:** Provide advice and direction for the Ministry's programs and initiatives

#### Output Performance Measures, Standards or Targets

Performance Measure/Indicator	Baseline Data	2015-16	2016-2017		
	Baseline (Base Year)	Estimated Actual	Budget Standard or Target	Traffic Light Progress Indicator	Output Manager's comments on progress towards achievement of the Target they have been funded to deliver, including what corrective actions are being taken
Level of satisfaction of the Minister with the quality and timeliness of advice provided to him.	100%	100%	100%	Completed/Achieved	All advice sought by the Minister is always on time and of high quality. Debriefing with the Minister is done on a weekly basis and he is updated of all matters pertaining to the Ministry's operations during these meetings.
Actual tax/revenue collections as a % of proposed collections.	100%	100%	100%	Completed/Achieved	101% or 498,246,710 of the annual target of 491,762,415 was collected in FY 16/17
Date by which the Annual Report of the Previous Financial Year is submitted to the Minister	4191200%	30-Sep-15	30-Sep-16	Completed/Achieved	The Ministry's Annual Report was submitted to the Minister for information, comments and endorsement before due date. The Ministry's Annual Report was submitted to the Legislative Assembly early this year, after tabling it with Cabinet.
Number of internal audits conducted	19	19	19	Incomplete	By year end, IAD managed to achieve 78% of its allocated target and work schedule for the financial year. Despite not meeting target, overall performance has almost doubled relative to prior year. Only 3 personnel in this division (ACEO, PO and SO) to support whole Ministry, hence shortfall in target. There is upcoming work to increase staff for division to cater for increased numbers of internal audits.
Number of Post & Clearance Audits conducted on companies	5	5	5	Incomplete	The PCA team achieved 60% of its target on this financial year (2016-17). Which means only 3 out of 5 companies audit completed. Drop was due to one PCA officer resigned tightening work schedule with 2 remaining officers and 1 senior officer. Additional verification work for refunds, duty

Performance Measure/Indicator	Baseline Data	2015-16	2016-2017		
	Baseline (Base Year)	Estimated Actual	Budget Standard or Target	Traffic Light Progress Indicator	Output Manager's comments on progress towards achievement of the Target they have been funded to deliver, including what corrective actions are being taken
					drawbacks, cargo accounting and unpaid declarations also contributed to the deficit. Additional revenue collected from the company audit amounted to \$165187.11 With increasing number of post clearance audits, this team is now been considered under the overall restructure of MfR to increase staff with a reviewed work plan in the next financial year 2017-18 to make sure that its targets will be achieve.
Number of cases of noncompliance after secondary check	100	100	100	Completed/Achieved	A total of 3908 entries processed were checked by PCA through secondary check with additional revenue collected from secondary check amounting to \$22097.97, resulting from short payment.
Minimum percentage of customers who are satisfied with the Ministry's general services	85% of customer satisfaction rate per quarterly survey	85% of customer satisfaction rate per quarterly survey	85% of customer satisfaction rate per quarterly survey	Completed/Achieved	Achieved. Results from all quarter are as follow. July - Sept was 91%. Oct - Dec was 88%. Jan - Mar was 87%. Apr - Jun was 87%

**Output 2:**

**MINISTERIAL SUPPORT**

**Output Manager:**

**Chief Executive Officer**

**Scope of Appropriation:**

Provide the Minister for Revenue with administrative and technical support services.

**Output Performance Measures, Standards or Targets**

Performance Measure/Indicator	Baseline Data	2015-16	2016-2017		
	Baseline (Base Year)	Estimated Actual	Budget Standard or Target	Traffic Light Progress Indicator	Output Manager's comments on progress towards achievement of the Target they have been funded to deliver, including what corrective actions are being taken
Quality of support services provided to the Honourable Minister & Associate Ministers.	100%	100%	100%	Completed/Achieved	The Office of the Hon Minister and Associate Minister have been provided with quality support services at all times. Timely provision of orders/resupplies; timely advice on human resource matters and all other matters.

**Output 3: TAXPAYER SERVICES**

**Output Manager:** Assistant Chief Executive Officer – Taxpayer Services

**Scope of Appropriation:** To provide efficient and effective customer tax services through the processes of issuing timely assessment notices, maintain and update registration database, disseminate timely and comprehensible information on tax obligations, tax amendments, together with tax advisory and educational services, so as to encourage and promote voluntary compliance.

**Output Performance Measures, Standards or Targets**

Performance Measure/Indicator	Baseline Data	2015-16	2016-2017		
	Baseline (Base Year)	Estimated Actual	Budget Standard or Target	Traffic Light Progress Indicator	Output Manager's comments on progress towards achievement of the Target they have been funded to deliver, including what corrective actions are being taken
Taxpayers lodge and pay tax returns on time as a percentage of those required to lodge tax returns	LE's - 90% file on time and 80% pay on time; SME - 55% file on time and 65% pay on time	LEs - 90% file on time and 80% pay on time; SME - 55% file on time and 65% pay on time	LEs - 90% file on time and 80% pay on time; SME - 55% file on time and 65% pay on time	Completed/Achieved	LE - achieved 79% of FOT and 93% of POT. SME - achieved 40% of FOT and 84% POT of the annual target. Reasons for not achieving FOT target was due to some taxpayers who filed but late and some requested for extension and it approved by our Commissioner.
A percentage of total registrations for the Financial Year are new registrations added to database	Average increase of 15% are new registrations (LE's - 5% of new; SME - 95% of new)	Average increase of 15% are new registrations [LEs - 5% of new; SME - 95% of new]	Average increase of 15% are new registrations [LEs - 5% of new; SME - 95% of new]	Completed/Achieved	1% of new registration was LE and 99% was SME. All new taxpayers are registered under SME but only new /additional LE activities are registered under LE.
Number of public awareness programmes on general taxpayer services	Deliver 75 seminars and spend 820 hours on community compliance activities	Deliver 75 awareness and educational programs; conduct 24 spot checks on registration and licences; spend total of 916 hours on compliance activities	Deliver 75 awareness and educational programs; conduct 24 spot checks on registration and licences; spend total of 916 hours on compliance activities	Completed/Achieved	CCU team conducted 80 awareness and educational programs within 16/17 financial year including 12 SET training and one on one session to individual taxpayer and 27 spot checks on new registration and some existing taxpayers reported from Audit and C&E division.. Our additional hours mainly spent on preparing for our seminars, servicing our front counter with daily walk-in visitations. Our team focuses more on driving the SET registrations for LEs as a priority but we are seeking the voluntary registration from SMEs that have internet access to utilise this new application ministry provide. Preparing factsheets as well as draft submission on correspondences allocated was also a major task.

Performance Measure/Indicator	Baseline Data	2015-16	2016-2017		
	Baseline (Base Year)	Estimated Actual	Budget Standard or Target	Traffic Light Progress Indicator	Output Manager's comments on progress towards achievement of the Target they have been funded to deliver, including what corrective actions are being taken
Number of returns received by Ministry are posted on time	N/A	80% of returns received are posted and confirmed within 5 working days; balance to be posted and confirmed with 10 working days	80% of returns received are posted and confirmed within 5 working days; balance to be posted and confirmed with 10 working days	Completed/Achieved	97% of returns received during 16/17 financial year are posted and confirmed within timeframe and 3% to be posted and confirmed within 10 working days (Return received 20241, Posted & Confirmed 19637)
Percentage of Non-Taxation Revenue collected within a financial year.	N/A	New Measure	100%	Completed/Achieved	Noted increase of NTR for 16/17 FY.15/16 FY received NTR of \$1,596,687.58 and this increased by 11.33% in revenue collected in amounts of \$1,777,542.00

**Output 4: COLLECTIONS, RECOVERY AND ENFORCEMENT**

**Output Manager:** Assistant Chief Executive Officer – Collection, Recovery and Enforcement

**Scope of Appropriation:** The efficient and effective collection of all outstanding debts and arrears due to the Ministry.

**Output Performance Measures, Standards or Targets**

Performance Measure/Indicator	Baseline Data	2015-16	2016-2017		
	Baseline (Base Year)	Estimated Actual	Budget Standard or Target	Traffic Light Progress Indicator	Output Manager's comments on progress towards achievement of the Target they have been funded to deliver, including what corrective actions are being taken
Percentage of recoverable debt collected	20% of the Total debt is recoverable within the FY (LES:15% of recoverable debt. ,SME: 5% of recoverable debt)	20% of the Total debt is recoverable within the FY. [LEs - 15% of recoverable debt; SME - 5% of recoverable debt]	20% of the Total Debt is recoverable within FY (Les: 10%, SMEs: 5%, Enforcement: 5%)	Completed/Achieved	33% of the total debt was recovered within the Financial Year

Performance Measure/Indicator	Baseline Data	2015-16	2016-2017		
	Baseline (Base Year)	Estimated Actual	Budget Standard or Target	Traffic Light Progress Indicator	Output Manager's comments on progress towards achievement of the Target they have been funded to deliver, including what corrective actions are being taken
Percentage of Instalment Arrangements (IA) approved by the year end	Less than 10% of approved IAs are defaulted/cancelled	Less than 10% of approved IAs are defaulted/cancelled	Less than 10% of approved IAs are defaulted/cancelled	Completed/Achieved	107 new IAs were signed this FY, 4% was defaulted and 4% were closed or settled
Number of cases referred to Enforcement Team for recovery action.	LE's-10 cases; SME's -50 cases	LEs - 10 cases; SMEs - 50 cases	Outstanding returns: 50 cases Outstanding debts: 10 cases	Incomplete	50 cases (SME 46 and LE 4) or 83% for both non-filers and arrears was referred to Enforcement for further recovery actions. Few cases were also referred as most were handled and settled by the Collection teams.
Number of cases (Outstanding Debt & Outstanding Returns) recommended for legal action	Outstanding returns: 50 cases; Outstanding debts: 20 cases	Outstanding returns - 75 cases; Outstanding debts - 5 cases	Outstanding returns: 20 cases Outstanding debts: 5 cases	Completed/Achieved	34 or 136% of cases were referred to Legal for prosecution
Percentage of outstanding returns collected or brought to completion by the year end	LE's: 50% (400) of outstanding returns are collected or resolved; SME's: 25% (24,600) of outstanding returns are collected or resolved.	LEs - 50% [400] of outstanding returns are collected or resolved; SMEs - 25% [24,600] of outstanding returns are collected or resolved.	LEs: 50 of outstanding returns are collected SMEs: 25% of outstanding returns are collected	Incomplete	16,815 or 67% of total outstanding returns were collected for the FY (LE 19% and SME 81%). It is continuous work and the shortfall from the FY's target is recovered and resolved in next FY.
Percentage of non-renewable Business Licenses collected	80% of non-renewed are collected or resolved (600)	80% of non-renewed are collected or resolved [600]	80% of non-renewable Business Licenses are resolved	Completed/Achieved	532 or 89% of outstanding Business Licenses were collected and renewed this FY.

**Output 5.0**

**AUDIT & INVESTIGATION**

**Output Manager:**

Assistant Chief Executive Officer – Audit & Investigations

**Scope of Appropriation:**

To ensure that Government receives the correct revenue by conducting audits and investigations on all taxpayers/registered persons tax affairs to verify the accuracy of their returns lodged, and to identify those non lodgers/filers, non-compliers with the Tax Laws to ensure that they do pay tax as well as to encourage voluntary compliance.

**Output Performance Measures, Standards or Targets**

Performance Measure/Indicator	Baseline Data	2015-16	2016-2017		
	Baseline (Base Year)	Estimated Actual	Budget Standard or Target	Traffic Light Progress Indicator	Output Manager's comments on progress towards achievement of the Target they have been funded to deliver, including what corrective actions are being taken
Number of cases audited & completed per segment	Large Enterprises (LEs) - 13 cases, Small Medium Enterprises (SMEs) 82 cases -Special Audits (Sp AUD) -6 cases, Credit Check Audits (CCA) - 23 cases	Large Enterprises [LEs] - 16 cases; Small Medium Enterprises [SMEs] - 82 cases; Special Audits [Sp AUD] - 7 cases; Credit Check Audits [CCA] - 20 cases	Large Enterprises [LEs] - 16 cases; Small Medium Enterprises [SMEs] - 82 cases; Special Audits [Sp AUD] - 7 cases; Credit Check Audits [CCA] - 20 cases	Completed/Achieved	Audits completed under Revenue Management System - (CORI/Case Management) for LE -18, SME - 83 Special Audits 7,CCA/ref 23 cases
Percentage of Tax shortfall penalty to be imposed on all audit cases	100% of cases considered for Total Tax shortfall penalty imposed on LE, SMEs, SP AUD, CCA & HE cases	100% of cases considered for Total Tax shortfall penalty imposed on LE, SMEs, SP AUD, CCA and HE cases	100% of cases considered for Total Tax shortfall penalty imposed on LE, SMEs, SP AUD, CCA and HE cases	Completed/Achieved	Tax Shortfall penalties (TSFP) between 0% to 50% & Failure to maintain records penalty (FTMRP) between 20% to 75% have been considered on all closed cases as reported above. For LE cases TSFP imposed \$104,285.68 SME \$883,236.48 SP.Au\$1,234,105.37 & CCA \$311,675.72
Number of hidden economy (HE) cases - business operating outside the Tax System	20 cases to bring into the Tax system whereby 80% of these cases with Rate of Return (ROR) \$20,000.00 to be done within 90days.	20 cases to bring into the Tax system whereby 80% of these cases with Rate of Return (ROR) \$20,000.00 to be done within 90days	21 cases to bring into the Tax system whereby 80% of these cases with Rate of Return (ROR) \$20,000.00 to be done within 90days	Completed/Achieved	Number of HE cases bought into Tax system - 20 whereby 0% to 50% Tax Shortfall penalty have been applied to encourage voluntary compliance TSFP imposed under HE cases \$1,234,105. 37 and Tax Shortfall of 0% imposed.

Performance Measure/Indicator	Baseline Data	2015-16	2016-2017		
	Baseline (Base Year)	Estimated Actual	Budget Standard or Target	Traffic Light Progress Indicator	Output Manager's comments on progress towards achievement of the Target they have been funded to deliver, including what corrective actions are being taken
Materiality of cases closed per segment	80 % of LE cases with Rate of Return (ROR) of \$73,910, SME cases with ROR of \$49,273, Sp AUD cases with ROR \$73,910 & CCA cases with ROR \$17,246	80% of LE cases with Rate of Return [ROR] of \$159,705, SME cases with ROR of \$103,244, Sp AUD cases with ROR \$182,520 and CCA cases with ROR \$42,588	80% of LE cases with Rate of Return [ROR] of \$159,705, SME cases with ROR of \$103,244, Sp AUD cases with ROR \$182,520 and CCA cases with ROR \$42,588	Completed/Achieved	Rate of return for LE cases - \$20,915.52 * SME cases \$293,389.80 Sp Audits \$640,868.18, CCA/Refunds \$13,811.99
Timeliness standards of cases audited	LE cases to be done within 90days, SMEs, within 60 days, Sp.AUID within 90 days & CCA within 21days	LE cases to be done within 90 days; SMEs within 60 days; Sp AUD within 90 days and CCA within 21 days.	LE cases to be done within 90 days; SMEs within 60 days; Sp AUD within 90 days and CCA within 21 days.	Completed/Achieved	Average number of days for LE - 60, SME - 30 Sp. AUID 90 & CCA 22

**Output 6.0**

**BORDER OPERATIONS**

**Output Manager:**

Assistant Chief Executive Officer – Border Protection and Enforcement

**Scope of Appropriation :**

Responsible for the provision of border protection services through the effective use of risk assessment, re-screening information for processing the movement of goods and people and detect the movement of illicit, restricted goods and undesirable travelers.

**Output Performance Measures, Standards or Targets**

Performance Measure/Indicator	Baseline Data	2015-16	2016-2017		
	Baseline (Base Year)	Estimated Actual	Budget Standard or Target	Traffic Light Progress Indicator	Output Manager's comments on progress towards achievement of the Target they have been funded to deliver, including what corrective actions are being taken
Percentage of Travellers cleared through CCA within a maximum of one hour from time of arrival	100% (2015/2016)	100%	100%	Incomplete	77.7% (119,997 travellers) of the total 154,595 inbound travellers since July 2016 to June 2017 were cleared through the CCA at Faleolo International Airport within a maximum of one hour from time of arrival. The limited space of the temporary arrival terminal was a contributing factor to these delays especially when BOEING 777 and 787 Aircrafts which normally carries passengers of more than 300.. Once the new arrival terminal is open in next FY, this delay will reduce or eliminate. At Fagalii airport, 100% of inbound travellers were cleared through the CCA within a maximum of one hour from time of arrival. At the Matautu wharf, all passengers arriving on Lady Naomi voyages ex Pagopago were cleared through the Lady Naomi CCA within a maximum of one hour from time of arrival.
Percentage of Importers have their goods cleared on the day of attending the relevant CCA	100% (2015/2016)	100%	100%	Completed/Achieved	99.5% of Importers have their goods cleared on the day of attending the relevant CCA. .5% is for people came late
Percentage of non-compliant CCA licensees are dealt with appropriately	>90% compliance across all CCA licensees or decisive enforcement action (2015/2016)	>90% compliance across all CCA licensees or decisive enforcement action	>90% compliance across all CCA licensees or decisive enforcement action	Completed/Achieved	Percentage of non-compliant CCA Licenses are dealt with appropriately. 99.9% compliance across all CCA licensees except one CCA which was revoked by CEO due to unsafe and not meeting the ministry's requirements.

Performance Measure/Indicator	Baseline Data	2015-16	2016-2017		
	Baseline (Base Year)	Estimated Actual	Budget Standard or Target	Traffic Light Progress Indicator	Output Manager's comments on progress towards achievement of the Target they have been funded to deliver, including what corrective actions are being taken
Percentage of goods cleared/reconciled within 6 months of importation	Minimum 90% of total imports	Minimum 90% of total imports	Minimum 90% of total imports	Completed/Achieved	Total number of bills for the last 12 months = 71448. Number of written off bills = 70195. Non-written off bills = 1253. Partially written off = 100. Percentage of written off bills = 98.25%
Number of intelligence reports submitted to local and overseas Customs.	20	20	20	Completed/Achieved	3 Intelligence reports submitted to local enforcement agencies whilst 19 reports were submitted to overseas counterparts.
Number of offences detected by K9 Unit	14	14	14	Completed/Achieved	11 cases whereby the deployment of our K9 unit covers all our ports of entry and freight stations. In addition to this number, the sniffer dogs were also deployed to assist Police with raids on suspected premises on various counts.
Number of consignments examined as a result of intelligence based targeting	10	10	10	Completed/Achieved	5.9grms methamphetamine seized from a consignment at Fagalii Airport imported by a targeted individual. 1 half marijuana joint was found in the possession of a fishing vessel crew-member. 3 cases undeclared cigarettes seized from commercial fishing vessels. 2 paraphernalia's detected at Matautu wharf and Faleolo Airport. 5 cases of both lawful and unlawful firearms and ammu8nitions imported by targeted individuals. 11 cases of undeclared goods imported for commercial purposes.
Percentage of Non-Taxation Revenue collected within a financial year.	N/A	New Measure	100%	Completed/Achieved	The target budget is 263,947 and the total NTR collected 287,636. Percentage of MTR 109%.

**Output 7.0**

**RISK & COMPLIANCE**

**Output Manager:**

Assistant Chief Executive Officer – Trade Facilitation

**Scope of Appropriation:**

Responsible for the facilitation of trade through the effective use of risk management.

**Output Performance Measures, Standards or Targets**

Performance Measure/Indicator	Baseline Data	2015-16	2016-2017		
	Baseline (Base Year)	Estimated Actual	Budget Standard or Target	Traffic Light Progress Indicator	Output Manager's comments on progress towards achievement of the Target they have been funded to deliver, including what corrective actions are being taken
Percentage of the total number of entries processed deemed correct	80%(2015/2016)	80%	80%	Completed/Achieved	There is consistency in the compliance levels of agents relating to completeness and correctness of entries lodged to Customs for clearance. This is seen by the high percentage of compliance related to entries within this Financial year
Percentage of hit rate from interventions through various channels	90%(2015/2016)	90%	90%	Completed/Achieved	There is a growing number of cases referred to our Intelligence and Investigation Team resulting in surplus goods being found and revaluation of imported goods within this FY
Percentage of approvals under Incentive Schemes, Concession and Free Trade Agreement verified and processed	100%(2015/2016)	100%	100%	Completed/Achieved	All of entries under concessions, incentives and FTA's are properly verified and approved prior to processing
Percentage of the total number of manifests submitted in accordance to the timeframes stipulated in the Customs Act 2014	80%(2015/2016)	80%	80%	Incomplete	We are still working on strategies to ensure that the rates will be achieved and this is one of the main areas for discussion in our end of FY meeting with our shipping agents, carriers and freight forwarders
Percentage of selectivity profiles reviewed on time and updated in the Asycuda World System on a timely basis	100%(2015/2016)	100%	100%	Incomplete	The Selectivity Committee has only met twice within the financial year and several new profiles have been created as a result of work by the Investigation and Intelligence Team as well as the PCA teams
Develop, foster and improve the Ministry's intelligence collection, analysis and utilisation capacity	N/A	New Measure	Tactical briefs - 20 Operational brief - 10 Strategic brief - 2	Completed/Achieved	A total of 15 briefs / reports were submitted to the CEO within the Financial. 10 out of 15 were operational related and 5 were tactical briefs. The Principal Investigations / Intelligence Officer is currently on secondment to TCU and we are yet to receive further reports / briefs on this work

Performance Measure/Indicator	Baseline Data	2015-16	2016-2017		
	Baseline (Base Year)	Estimated Actual	Budget Standard or Target	Traffic Light Progress Indicator	Output Manager's comments on progress towards achievement of the Target they have been funded to deliver, including what corrective actions are being taken
Number of cases on non-compliance referred and investigated	N/A	New Measure	10 cases	Completed/Achieved	A total number of 25 cases were referred and actioned by the Intelligence and Investigations team within the FY. Five have been referred for legal action, eight have been referred for further investigations by PCA, seven have already been actioned and the remaining are still in progress
Percentage of Non-Taxation Revenue collected within a financial year.	N/A	New Measure	100%	Completed/Achieved	Collections for Trade Compliance Fees has exceed the 12 months target

**Output 8.0**

**INFORMATION TECHNOLOGY**

**Output Manager:**

Assistant Chief Executive Officer – Information Technology

**Scope of Appropriation:**

Responsible for the provision of support services to the ministry, to better serve the public through the strategic use of technology and managing information.

**Output Performance Measures, Standards or Targets**

Performance Measure/Indicator	Baseline Data	2015-16	2016-2017		
	Baseline (Base Year)	Estimated Actual	Budget Standard or Target	Traffic Light Progress Indicator	Output Manager's comments on progress towards achievement of the Target they have been funded to deliver, including what corrective actions are being taken
Percentage of overall availability and operability of all key automated systems for Customs and Inland Revenue	N/A	New Measure	85% annually	Completed/Achieved	Achieved 94% which is 9% over estimated target this year.
Progress percentage of recommendations are addressed and completed in the 3 year IT Strategic Plan 2016-2018	N/A	New Measure	33% of 3 year IT Strategic Plan (ITSP) overall recommendations completed	Completed/Achieved	Achieved given the progress of activities rely on the priorities set by the technical teams. Some targets will need to be revised in line with the new priorities.

Performance Measure/Indicator	Baseline Data	2015-16	2016-2017		
	Baseline (Base Year)	Estimated Actual	Budget Standard or Target	Traffic Light Progress Indicator	Output Manager's comments on progress towards achievement of the Target they have been funded to deliver, including what corrective actions are being taken
Progress percentage of each disaster recovery plan for 3 main tax systems with the inclusion of the government data system	N/A	New Measure	85% by FY2016/2017	Completed/Achieved	New IT Strategic Plan to be finalized once new Corp Plan is in place. Remaining recommendations is on target with what's been approved in budget

**Output 9.0**

**REVENUE SERVICES**

**Output Manager:**

**Assistant Chief Executive Officer – Revenue Services**

**Scope of Appropriation:**

Provision of quality revenue collection to be more effective and efficient, should be transparent and accountable in administration of services relating to Customs and Inland Revenue collection.

**Output Performance Measures, Standards or Targets**

Performance Measure/Indicator	Baseline Data	2015-16	2016-2017		
	Baseline (Base Year)	Estimated Actual	Budget Standard or Target	Traffic Light Progress Indicator	Output Manager's comments on progress towards achievement of the Target they have been funded to deliver, including what corrective actions are being taken
Percentage of Total Revenue due to the State is receipted at different locations of the Ministry & stations are accounted and lodged on time.	100% of overall annual revenue estimate	100% of overall annual revenue estimate	100% of overall annual revenue estimate	Completed/Achieved	All revenues were efficiently collected and properly accounted for without any major exemptions.
Revenue reports and Cash Books are timely and reliable	100% submitted on time (2015/2016)	100% submitted on time	100% submitted on time	Completed/Achieved	All Revenue Reports and Cash Books were accurate and completed on time.
Percentage of ASYCUDA World outstanding unpaid collected by end of the year	80%(2015/2016)	80%	80%	Completed/Achieved	Target achieved with 81% recovered for unpaid in FY 16/17

Performance Measure/Indicator	Baseline Data	2015-16	2016-2017		
	Baseline (Base Year)	Estimated Actual	Budget Standard or Target	Traffic Light Progress Indicator	Output Manager's comments on progress towards achievement of the Target they have been funded to deliver, including what corrective actions are being taken
Percentage of ASYCUDA World deferral debt recovered by end of the financial year	80% (2015/2016)	80%	80%	Completed/Achieved	The actual collection of Customs arrears including deferral arrears were \$3.89million which exceeded annual target by \$1.49million (162%).
Number of seizures carried out during the year	12(2015/2016)	12	12	Completed/Achieved	16 vehicles were seized by the Recovery Team during the FY, 14 vehicles were settled and released, 1 was sold through tender with 1 vehicle still impounded to be tender or auction.

**Output 10.0**

**CLIENT SERVICES**

**Output Manager:**

Assistant Chief Executive Officer – Excise, Warehouse & Liquor Administration

**Scope of Appropriation:**

Effective and efficient administration of the import excise and domestic excise Taxes, control of warehouses, and Liquor Administration.

**Output Performance Measures, Standards or Targets**

Performance Measure/Indicator	Baseline Data	2015-16	2016-2017		
	Baseline (Base Year)	Estimated Actual	Budget Standard or Target	Traffic Light Progress Indicator	Output Manager's comments on progress towards achievement of the Target they have been funded to deliver, including what corrective actions are being taken
Percentage of CCA application received and processed on time	100% (2015/2016)	100%	100%	Completed/Achieved	100 of new application for Customs control area been processed on time
The percentage of returns and declarations verified and processed for domestic excise.	100% (2015/2016)	100%	100%	Completed/Achieved	Returns of production and sales of excisable goods been processed once it has been lodged in monthly basis
Number of Calibration conducted to determine the actual volume of petroleum received for levying of the import excise	24	24	24	Completed/Achieved	24 calibration carried out on petroleum product.

Performance Measure/Indicator	Baseline Data	2015-16	2016-2017		
	Baseline (Base Year)	Estimated Actual	Budget Standard or Target	Traffic Light Progress Indicator	Output Manager's comments on progress towards achievement of the Target they have been funded to deliver, including what corrective actions are being taken
Number of secondary checks, stocktaking and Liquor inspection conducted on CCA and Liquor License Holders for non-compliance.	32 (2015/2016)	32	32	Completed/Achieved	10 Liquor inspection carried out, 20 inspection of new CCA application completed, 15 spot checks and stock taking of excise manufacturing companies were carried out.
Percentage of the total volume of imported raw materials , used in the production of excisable goods	90%	90%	90%	Completed/Achieved	95%Imported of raw materials used in production of excisable goods
Percentage of claims for drawbacks and refunds on petroleum and excisable goods verified on time	100% (2015/2016)	100%	100%	Completed/Achieved	100%of Claims for drawback of petroleum and beer processed on time
Percentage of Non-Taxation Revenue collected within a financial year.	N/A	New Measure	100%	Completed/Achieved	100% of Liquor renewal application and CCA license renewal been paid on time

**Output 11.0**

**LEGAL & TECHNICAL SERVICES**

**Output Manager:**

Assistant Chief Executive Officer – Legal and Technical

**Scope of Appropriation:**

This appropriation is to provide advice, guidance and assurance of impartiality and consistency in the Ministry's application of Tax and Customs laws.

**Output Performance Measures, Standards or Targets**

Performance Measure/Indicator	Baseline Data	2015-16	2016-2017		
	Baseline (Base Year)	Estimated Actual	Budget Standard or Target	Traffic Light Progress Indicator	Output Manager's comments on progress towards achievement of the Target they have been funded to deliver, including what corrective actions are being taken
Percentage of legal advice that is provided that meets the level of timeliness and quality that is required by the CEO, management and stakeholders of the ministry.	100%	100%	100%	Completed/Achieved	Advice prepared by Legal are cleared within allocated timeframes (3 working days for simple matters provided all relevant info are provided; 5 working days for complex matters provided all relevant info have been provided). Articulation and analysis of issues needing Legal assistance is done in a clear, simple and professional manner that caters particularly to the recipient of the advice.

Performance Measure/Indicator	Baseline Data	2015-16	2016-2017		
	Baseline (Base Year)	Estimated Actual	Budget Standard or Target	Traffic Light Progress Indicator	Output Manager's comments on progress towards achievement of the Target they have been funded to deliver, including what corrective actions are being taken
Percentage of matters referred for Legal action that are advanced by (i) disciplinary action; (ii) referral to Police for criminal investigation; (iii) imposition of administrative penalty; or (iv) prosecution by the Ministry	85%	80%	100%	Completed/Achieved	<p>For FY2016/2017, LTD received a total of 52 referrals from both IRS and Customs Services for legal action. A breakdown of these referrals provided below shows that for 9 referrals Legal could not proceed further as there were factors that made it impossible to move each matter further (e.g. Debtor declared bankrupt or residing overseas, or the files were incomplete). Accordingly only 43 were found to be complete and so Legal was able to undertake necessary work on them successfully.</p> <p><b>1. Disciplinary Action</b> - nil. <b>2. Referral to Police/NPO</b> - only 2 cases was referred to Legal and were later sent to Police or NPO for prosecution. <b>3. Impose Administrative Penalties</b> - 10 files were referred to Legal for this FY and all have been dealt with, with relevant penalty imposed and paid. <b>4. Prosecution and Civil Claims: For Prosecution</b> - 3 matters were referred to Legal from Customs with 2 already dealt with while one criminal case which is a joint case between NPO and the Comptroller is currently before the court. 9 files were referred from IRS, 4 have been dealt with while 5 are not ready for prosecution and will be referred back to relevant Division as a review of the original files shows that there were a vital process that has not been done prior to legal taking the matter for prosecution; and that a failure to complete that process will lead to our case being dismissed by the court. So all in all, 12 files were referred to Legal for prosecution but only 7 were ready for prosecution and have been completed with Legal filing appropriate charges in court. 5 were not ready for prosecution.</p> <p><b>For Civil Claims or recovery of debt</b>, a total of 28 were referred to Legal for recovery but only 24 have been completed with full payment of debt out of court or judgment issued in favour of the Ministry (14 cases), or matter has been referred to court and is now awaiting hearing date (3 cases); or referred to Policy as it was an irrecoverable debt as the Debtor no longer exists (2 cases); or debt settled via payment arrangement with remaining balance to be settled in full in the next FY17/18 (5 cases). For the other 4 referrals, these are on hold: 1 awaiting money to pay filing fee from Corporate; 1 awaiting advice from Administrator of Debtor who has been declared bankrupt; &amp; 2 where Debtor confirmed to be residing overseas and Legal has put Stop Notices in case debtor visits Samoa again.</p>

Performance Measure/Indicator	Baseline Data	2015-16	2016-2017		
	Baseline (Base Year)	Estimated Actual	Budget Standard or Target	Traffic Light Progress Indicator	Output Manager's comments on progress towards achievement of the Target they have been funded to deliver, including what corrective actions are being taken
Percentage of EOI requests received from treaty partners that are responded to within the timeframes prescribed by law and by TIEAS	100% (2015/2016)	100%	100%	Completed/Achieved	Legal received 10 EOI Requests for FY16/17. 1 request from Sweden received on 25th Nov 2016 has been completed. For the other 9 requests, these are still ongoing as the Ministry is awaiting relevant information from various resident entities and government agencies. The Ministry only collects information but the difficulty in gathering information from resident entities particularly is that there is no legal requirement for such entities to keep required information in Samoa. Even though these requests are still ongoing, in terms of Samoa's bilateral obligation with its various bilateral partners, Samoa is still abiding and is working within timeframe already set out by the Global Forum on EOI requests. These ongoing requests include: 5 requests from France received on 2nd Feb 2017; 1 from Australia received on 9th March 2017; 2 from India received on 6th March and 28 April 2017; and 1 from Netherlands received on 27th March 2017.
Minimum percentage of training conducted by Legal and TLS for Customs and IRS staff on Ministry laws and processes within the financial year	15% (2015/2016)	15%	15%	Completed/Achieved	Legal has achieved allocated trainings for FY16/17. Legal's Training Plan for shows the following number of trainings completed: 3 in July 2016; 1 in Sept 2016; 1 in Nov 2016; 5 in Feb 2017; 7 in May 2017; 1 in April 2017; and 2 in June 2017. Total trainings carried out is 20 trainings.
Date by which completion of situational and gap analysis for Revised Kyoto Convention [Stage 1 of process for accession to the RKC]	December 2015 (2015/2016)	31-Dec-15	31-Dec-16	Completed/Achieved	Situational Analysis (a comparative study of existing Customs legislations, regulations, operating procedures, rulings and administrative advices and the General Annex of the RKC) was completed on 2nd week of July 2015; and Gap Analysis which is the second phase of RKC review (examining which provisions of the General Annex of RKC Samoa has not complied with) was completed on 10 Dec 2016. Following these completed assessments, instruments of ratification were lodged with WCO and on 1 October 2016, Samoa via Hon. PM signed RKC.

**Output 12.0**

**POLICY AND PERFORMANCE IMPROVEMENT**

**Output Manager:**

Assistant Chief Executive Officer – Policy Forecast and Business Improvement

**Scope of Appropriation:**

This appropriation is to provide policy advice, forecasting of tax revenues and business improvement projects for the Ministry.

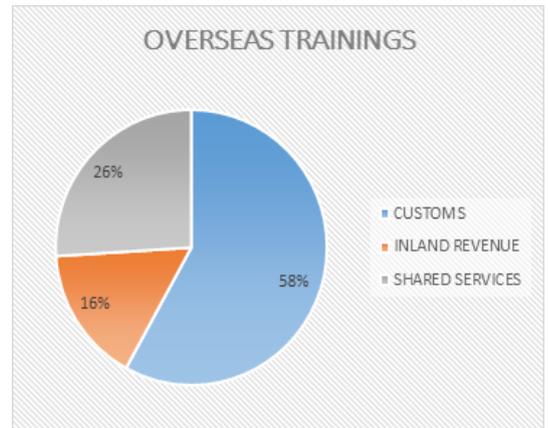
**Output Performance Measures, Standards or Targets**

Performance Measure/Indicator	Baseline Data	2015-16	2016-2017		
	Baseline (Base Year)	Estimated Actual	Budget Standard or Target	Traffic Light Progress Indicator	Output Manager's comments on progress towards achievement of the Target they have been funded to deliver, including what corrective actions are being taken
Percentage of policy advice is assessed as adequate - complete, convincing, consulted, clear and concise.	100%	100%	100%	Completed/Achieved	There is no independent person who vets the advice other than our CEO. However, advice is circulated internally to relevant ACEOs for comments/contributions before we send off to recipient. The Policy team have already drawn up a quality assurance criteria to be observed and adhered to for every policy advice given. The advice are timely, well researched and consulted.
Forecasting of tax revenues and reports of future tax and non-tax are accurate, reliable, and meets the level of timeliness that is required by the Ministry and other stakeholders.	100%	100%	100%	Completed/Achieved	Forecasting is timely and is now mandatory for any proposals for tax exemptions and tax policies. Forecasting model is based largely on historical data and compliance of taxpayers. The Ministry's Policy team will continue to work closely with the Central Bank of Samoa, Ministry of Finance and Samoa Bureau of Statistics to improve forecasting capability (i.e. considering macroeconomic indicators in MfR forecasting.)
Date by which the Ministry is ready to implement the new Small Business Tax	N/A	31-Dec-15	31-Dec-16	Incomplete	This has not been implemented and will not proceed as planned due to change in policy. Proposal to cancel policy has already been submitted to Revenue Board and in replacement, the increase in all rates of business license fees which already approved and will be effective in October 2017.
Percentage of quarterly Revenue reports to Cabinet, CDC and other sectors are timely	N/A	New Measure	100% are submitted on time	Completed/Achieved	Quarterly Revenue Reports are submitted to Cabinet within 2 weeks following the end of every quarter [3 months]

**B. HUMAN RESOURCE DEVELOPMENT**

The following graphs provide a summary of training conducted/attended by the Ministry’s employees during this financial year.

The Ministry’s attendance to Overseas Trainings depend highly on fully funded Invitations from foreign organizations. Some of the workshops with high level standards and are valuable to the development of our staff, we therefore seek sponsorship to utilize the greater opportunity for capacity building of our people.



At the end of this fiscal year, there are numerous overseas training invitations offered together with seminars and meetings held abroad. In accordance to the pie graph shows that most of the trainings received and successfully attended by the Ministry is on the Customs Areas which assembles the Border Operations; Risk and Compliance; Client Services and Customs Control Area and the Post Compliance Unit. Missions of the Ministry put an emphasis on requirements to obtain vast and broad skills of staff to ensure the smooth operations and revenue collection due to the state. The green color which is the Shared Services differentiate the percentage of trainings than of the Inland Revenue Services which receives the least number of training opportunities. The increase numbers of trainings/workshops/seminars attended by the staff the more effectiveness and efficiency of the smooth operation in the workforce environment.

**LOCAL TRAININGS/WORKSHOP**



Local trainings contribute highly to the development of other services of the Ministry that is hardly get overseas training opportunities. The above pie graph illustrates most of the trainings offered and facilitated by the Office of the Public Service Commission where they deliver accumulate trainings on Public Administration. Some of the internal trainings conducted are of Customs areas facilitated by overseas customs office such as the New Zealand Customs office. Other trainings refers to workshops delivered by other stakeholders which has the involvement of the Ministry.

## C. STATEMENT OF REVENUE COLLECTION FOR THE FINANCIAL YEAR ENDING JUNE 2017

### 1. REVENUES TO THE STATE

Description	Year to Date		Annual Budget		Explanation
	Actual + Commitment	%	Full Year Budget	Excess/ (Shortfall)	
Import Duty	54,907,396	99%	55,283,425	(376,029)	Import duty collected \$579k more than last FY even though it did not meet its target. With an average monthly collection of \$4.5m, the output collection was very consistent throughout the year in terms of monthly collection.
Excise - Imports	66,921,486	121%	55,448,942	11,472,544	Collection from excise tax on imported goods improved this year recording an increase in monthly average collection of 5% (\$280k). There wasn't any increase in the rates of excisable goods throughout the year.
Excise - Domestic	59,788,363	99%	60,362,060	(573,697)	Domestic excise recorded an increase in average monthly collection of 18% (\$760k). Same as Import Excise, there wasn't any Increase in rates for excisable goods this year.
PAYE - Income Tax	68,717,635	113%	60,878,913	7,838,722	PAYE recorded another successful year's collection. Improving average monthly collection by 7% (\$370k) when compared to last FY. Improvement in tourism developments and the manufacturing sector created more jobs.
Sole Trader - Income Tax	424,673	47%	895,278	(366,126)	This year recorded a reduction of 19% in monthly collection when compared to last FY. Many factors contribute to this drop such as economic/industry/business factors impacting on the productivity of small businesses and competitive advantage. More and more large retailers competing with these small businesses.
Sole Trader Provisional Tax	429,106	80%	537,166	(108,059)	6% reduction from last financial year's collection. The last instalment for 2017 tax year is collected in October 2017.
Company - Income Tax	5,688,785	40%	14,324,450	(8,635,665)	Recorded a similar collection % as Sole Trader income tax this year. The impact of the hotel tax credit scheme is one reason for the reduction. Other factors mentioned above also contributed.
Company Provisional Tax	21,831,857	109%	19,994,979	1,836,878	Recorded more than it is set target this year. The growth of the financial sector also assisted in the year's performance.
Withholding tax	19,944,762	111%	17,905,562	2,039,200	This output has shown consistent improvement over the financial years. Workshops and trainings held between MfR, Aid coordinators and service providers have proven to assist in compliance.
VAGST Government Ministries	1,242,481	21%	5,953,310	(4,710,829)	VAGST taxes transferred from MOF recorded this much. Tax Audits have been conducted check tax returns lodged.
VAGST Private Sector	55,118,345	96%	57,655,912	(2,537,567)	Target is the same as last FY as well as the collection rate. This FY recorded 1% less than last year's collection (i.e. \$55,336,753). VAGST paid on importation of goods are credited to tax assessments.
VAGST Imports	142,945,790	103%	138,953,736	3,992,054	Remains the highest revenue earner for MfR. The increase in importation volume (price and quantity) of goods is another factor driving this output as well as Import Excise and Import Duty.
Licenses & Permits	320	0	0	320	
<b>TOTAL</b>	<b>497,961,000</b>	<b>102%</b>	<b>488,193,733</b>	<b>9,767,267</b>	

## 2. COST RECOVERIES

Description	Year to Date		Annual Budget		Explanations
	Actual + Commitment	%	Full Year Budget	Excess/ (Shortfall)	
Taxpayer Services (Business License)	1,779,210	76%	2,340,036	(560,826)	The annual estimate was based on the increase of Business License fees, yet this was not effective during this FY.
Border Operations	690,168	261%	263,947	426,221	
Risk and Compliance	498,748	100%	497,432	1,316	
Client Services (Liquor License)	462,150	99%	467,267	(5,117)	
<b>TOTAL</b>	<b>3,430,276</b>	<b>96%</b>	<b>3,568,682</b>	<b>(138,406)</b>	
<b>OVERALL TOTAL</b>	<b>501,391,276</b>	<b>101%</b>	<b>491,762,415</b>	<b>9,628,861</b>	

[source: Finance One Accounting System, Received from MoF for the Full Year Review 2016/2017]

**D. EXPENDITURE REPORT FOR THE FINANCIAL YEAR ENDING JUNE 2017****1. OUTPUTS PROVIDED BY MINISTRY**

Description	Year to Date		Annual Budget		Comments
	Actual	% Budget Spend	Full Year Budget	Budget Remaining	
<b>3410 - Policy Advice to the Minister for Revenue</b>					
Personnel	457,277	100%	457,635	358	
Operating	412,952	100%	414,048	1,096	
Capital	5,769	100%	5,770	1	
<b>TOTAL</b>	<b>875,998</b>	<b>100%</b>	<b>877,453</b>	<b>1,455</b>	
<b>3420 - Ministerial Support</b>					
Personnel	137,478	100%	137,748	270	
Operating	255,391	96%	264,835	9,444	
Capital	156,880	92%	171,178	14,298	Funds vired for capital items yet MfR was unable to use due to time limitation.
<b>TOTAL</b>	<b>549,749</b>	<b>96%</b>	<b>573,761</b>	<b>24,012</b>	
<b>3430 - Taxpayer Services</b>					
Personnel	652,584	100%	652,465	(119)	
Operating	183,169	99%	184,404	1,235	
Capital					
<b>TOTAL</b>	<b>835,753</b>	<b>99%</b>	<b>836,869</b>	<b>1,116</b>	
<b>3440 - Debt Collection and Recoveries</b>					
Personnel	483,072	99%	487,704	4,632	
Operating	123,040	97%	126,640	3,601	
Capital	27,461	96%	28,582	1,121	
<b>TOTAL</b>	<b>633,573</b>	<b>98%</b>	<b>642,926</b>	<b>9,354</b>	
<b>3450 - Audit and Investigation</b>					
Personnel	673,611	100%	675,391	1,780	
Operating	103,516	99%	104,555	1,039	
Capital					
<b>TOTAL</b>	<b>777,127</b>	<b>99%</b>	<b>779,946</b>	<b>2,819</b>	
<b>3460 - Border Management &amp; Enforcement</b>					
Personnel	1,044,741	99%	1,054,918	10,177	
Operating	140,099	96%	145,970	5,871	
Capital	11,682	97%	11,989	307	
<b>TOTAL</b>	<b>1,196,522</b>	<b>99%</b>	<b>1,212,877</b>	<b>16,355</b>	
<b>3470 - Trade Facilitation &amp; Compliance</b>					
Personnel	415,871	100%	417,325	1,455	
Operating	112,924	100%	112,925	1	
Capital					
<b>TOTAL</b>	<b>528,795</b>	<b>100%</b>	<b>530,250</b>	<b>1,456</b>	

Description	Year to Date		Annual Budget		Comments
	Actual	% Budget Spend	Full Year Budget	Budget Remaining	
<b>3481 - Information Technology</b>					
Personnel	354,905	99%	358,153	3,248	
Operating	403,978	100%	404,506	529	
Capital	26,978	96%	28,225	1,247	
<b>TOTAL</b>	<b>785,861</b>	<b>99%</b>	<b>790,884</b>	<b>5,024</b>	
<b>3490 - Revenue Services</b>					
Personnel	388,181	100%	387,400	(781)	
Operating	125,945	100%	126,082	137	
Capital	59,329	100%	59,329	-	
<b>TOTAL</b>	<b>573,455</b>	<b>100%</b>	<b>572,811</b>	<b>(644)</b>	
<b>3500 - Excise Warehouse &amp; Liquor Administration</b>					
Personnel	415,862	99%	419,166	3,304	
Operating	141,539	100%	142,121	582	
Capital	18,361	100%	18,361	-	
<b>TOTAL</b>	<b>575,762</b>	<b>99%</b>	<b>579,648</b>	<b>3,886</b>	
<b>3510 - Legal and Technical</b>					
Personnel	287,973	99%	290,399	2,426	
Operating	160,853	100%	160,854	1	
Capital					
<b>TOTAL</b>	<b>448,826</b>	<b>99%</b>	<b>451,253</b>	<b>2,427</b>	
<b>3530 - Policy, Forecasting &amp; Business Improvement</b>					
Personnel	304,924	99%	308,564	3,640	
Operating	114,799	100%	114,800	1	
Capital					
<b>TOTAL</b>	<b>419,723</b>	<b>99%</b>	<b>423,364</b>	<b>3,641</b>	
<b>3591 - Central Services Unit 1</b>					
Personnel	733,741	99%	737,641	3,900	
Operating	162,176	100%	162,176	0	
Capital	65,510	100%	65,510		
<b>TOTAL</b>	<b>961,427</b>	<b>100%</b>	<b>965,327</b>	<b>3,900</b>	
<b>Total Outputs Provided by Ministry</b>	<b>\$9,162,573</b>	<b>99%</b>	<b>\$9,237,371</b>	<b>74,798</b>	<b>Funds remaining in FY2015.2016 \$101,194</b>

**2. TRANSACTIONS ON BEHALF OF STATE**

Description	FY 2016.2017				Budget Remaining FY15.16	Comments
	Actual	% Budget Spend	Full Year Budget	Budget Remaining		
Commonwealth Association of Tax Administration	14,387	96%	15,000	613	15,000	
World Customs Organization	68,483	100%	68,483	0	0	
Oceania Customs Organization	49,000	100%	49,000	(0)	1,943	
ASYCUDA Support Mechanism	250,000	100%	250,000	(0)	0	
Government Building	34,348	100%	34,348	0	672	
Rents & Leases : DBS	482,605	100%	482,666	61	9	
Rents & Leases : Airports	11,601	83%	13,956	2,355	889	
Rents & Leases: Polynesian Cargo	-	-	0		0	
Rents & Leases : Savaii	10,217	85%	12,000	1,783	6,783	
Institutional Strengthening Project [ASYCUDA]	0	0	0	0	12,081	
International Customs Day	9,288	93%	10,000	712	705	
VAGST Output Tax	386,695	99%	392,155	5,460	84,699	
ASYCUDA System Maintenance	46,412	97%	48,000	1,588		
Collection Enforcement Assistance	121,235	97%	125,000	3,765	76,353	
DATA TORQUE - Revenue Management System	94,741	97%	97,400	2,659	9,516	
Pacific Island Tax Agreement and Administration	39,090	100%	39,090	-	39,090	
ISP Customs Modernisation	0	0	0	0	12,081	
<b>TOTAL BELOW THE LINE [BTL]</b>	<b>1,618,103</b>	<b>99%</b>	<b>1,637,098</b>	<b>18,995</b>	<b>259,821</b>	

OVERALL TOTAL [OUTPUT + BTL]	<b>10,780,677</b>	<b>99%</b>	<b>10,874,469</b>	<b>93,792</b>	<b>361,015</b>	
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[Source: Finance One Accounting System, Received from MoF for the Full Year Review 2016/2017]

**Overall spending in each Output and all accounts under BTL were within the approved annual estimates and within the 5% over/under standard, thus the absence of comments.**

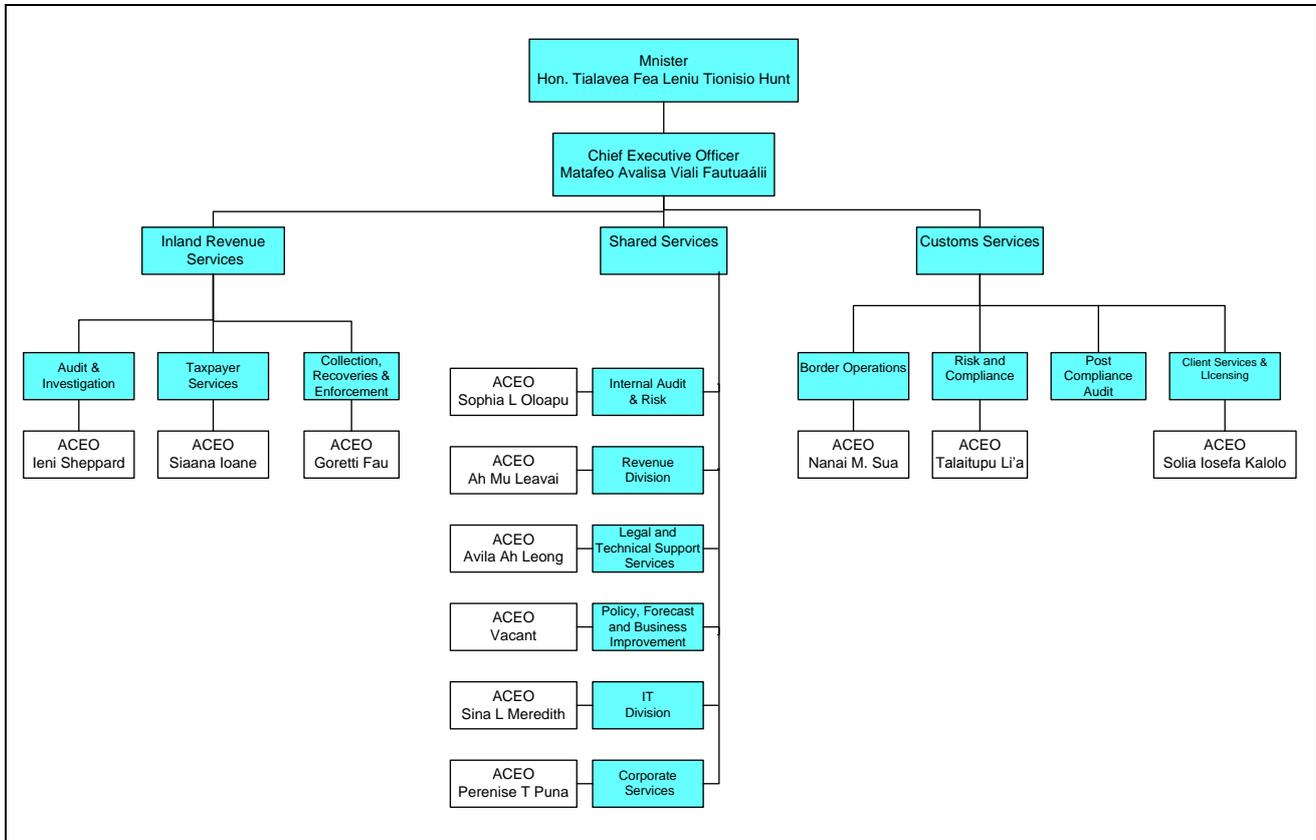
**General Comments**

The ministry was able to utilize almost all of its annual budget under each Division and BTL items, which in aggregate total, resulted in a 99% utilization of its total budget at year end.

This is an indication of efficient and effective implementation of the ministry’s activities under the approved estimates. It also shows improvements in our level of compliance with MoF and PSC guiding policies and processes pertaining to budget utilization.

**PART III. OTHER INFORMATION**

**A. ORGANISATIONAL STRUCTURE AND GOVERNANCE**



**NEW CONTRACT:**

1. ACEO Revenue Division: *Mr Ah Mu Leavai*

**RE-APPOINTED CONTRACTS**

1. ACEO Information & Technology : *Ms. Sina L Meredith*

## B. PERSONNEL

The Ministry's workforce as of 30<sup>th</sup> June 2017 consisted of 199 employees. This number varied during the financial year due to the continuous movement of staff.

Outputs	Divisions	# of Staff
1	Policy Advice to the Minister	1
	Internal Audit and Risk	3
	Post Clearance Audit	4
2	Ministerial Support	5
3	Taxpayer Services	27
4	Debt & Collection	16
5	Audit & Investigations	19
6	Border Operations	34
7	Risk & Compliance	13
9	Revenue Services	10
10	Client Services	13
11	Legal & Technical Services	7
12	Policy, Performance & Improvement	6
CSU 1	Corporate Services (including Casuals)	31
CSU 2	Information & Technology	10
<b>TOTAL</b>		<b>199</b>

Output	Board / Committee	# of Staff
1	Liquor Board	12
2	Advisory Committee	16

### Staff Mobility

	No. of staff
Resignation	7
Termination	1
Retirement	NIL
End of Contract	1
Contract renewed	1
New Contract Award	1
New Recruits	28
Promotions	20

## C. OUR CORPORATE COMMITMENT

The Ministry for Revenue's corporate commitment is clearly set out in two Strategic Documents. These are:-

1. Corporate Plan 2012 – 2016
2. Corporate Plan 2017 – 2022 [in draft]
3. Our Future

### ❖ **OUR VISION**

Working together for a secure and prosperous Samoa

### ❖ **OUR MISSION**

To sustain progressive development through excellence in revenue collection, enhanced compliance and a stronger border security

### ❖ **OUR VALUES**

The key values of the Ministry are:

1. Integrity
  - *Honest*
  - *Impartial*
  - *Transparency*
  - *Accountable*
2. Service Commitment
3. Respect
4. Working Together
5. Efficiency and Effectiveness

### ❖ **STRATEGIC DIRECTION**

1. Effective Client Services with active compliance management.
2. Modernized revenue mobilization services.
3. Effective Trade Facilitation and Border Management.
4. Post assessment and law enforcement management.
5. Strengthen resources and level of capabilities to improve professional knowledge and leadership skills.

### ❖ **OUR SERVICE CHARTER**

A critical factor for achieving the Ministry for Revenue's strategic direction, is the ability to demonstrate the type of relationship, the values, and behavior expected of both staff and customers as set out in its **Customer Service Charter**:

#### **a. How We Will Work With You**

- We will be easy to deal with following through on what we say we will do in a prompt, professional manner
- We will be responsive to individual, cultural and special needs
- The staff you are dealing with will give you his/her name
- We value your feedback and use it to improve our services.

**b. Reliable Advice and Information**

- We will provide you with reliable and correct information about your obligations;
- We will assist you to get in touch with the right people for your needs;
- We will make it easy for you to question the information, advice and service we will give you.

**c. Consistently and Fairly**

- We will apply the law consistently so everyone has the opportunity to voluntarily comply;
- We will take your particular circumstances into account as far as the law allows;
- We will inform you about the options available if you disagree with us, and we will work with you to reach an outcome

**d. Confidentiality**

- We will treat all information about you as private and confidential, and keep it secure;
- We will only use or disclose it in accordance with the law.

**❖ *OUR FUTURE ASPIRATIONS***

1. Customers meet all of their obligations of their own accord – and the Ministry for Revenue makes this easy
2. Increasingly, the community regards paying tax and duties as contributing to society
3. The Government is confident in the efficiency of domestic trade and tax data management and information security
4. The community views effective border management as important in protecting their way of life.
5. The community has confidence that appropriate action will be taken against those who do not comply
6. The community regards the Ministry for Revenue staff as professional, knowledgeable, trustworthy and helpful.
7. We are internationally recognized for our effective facilitation of legitimate trade and cross-border enforcement.

## D. PRINCIPAL LEGISLATIONS

Underpinning all our work are our statutory obligations to maintain the integrity of the laws we administer and maintain the confidentiality of the information we hold. The following laws mandate the work of the Ministry and are administered and implemented at both Inland Revenue and Customs offices.

### Primary Legislations

- 1) Business Licenses Act 1998
- 2) Customs Act 2014
- 3) Customs Tariff Act 1975
- 4) Excise Tax (Domestic Administration) Act 1984
- 5) Excise tax (Import Administration) Act 1984
- 6) Excise Tax Rates Act 1984
- 7) Income Tax Act 2012
- 8) Liquor Act 2011
- 9) Tax Administration Act 2012
- 10) Tax Information Exchange Act 2012
- 11) VAGST Act 2015

### Subsidiary Legislations

- 1) Customs (Aviation Transport Development) Regulations 2012
- 2) Customs Regulations 2015
- 3) Customs (Tourism Development and Manufacturing) Regulations 2010
- 4) Customs Valuation Regulations 2011
- 5) Excise Tax (Domestic Administration) Regulations 2011
- 6) Tax Administration Regulations (Late Payment Penalty) 2015

### Statutory Orders

- 1) Bee and Bee Products Prohibition Order 1999
- 2) Customs Tariff (Alteration to Nomenclature) Order 2008
- 3) Order of Prohibited Imports 2008
- 4) Order Prohibiting Export of Logs 1990
- 5) Order of Prohibited Exports (Sea Cucumber) 2010
- 6) Prohibition on the Exportation of Samoan Fine Mats 2007

The Ministry also assists the following Government Agencies in the administration of their respective legislations, particularly in relation to importation and exportation of certain goods; clearance of incoming and departing passengers and vessels; and business related matters: LTA, MPMC (Immigration), SAA, MAFF, MOH, MOP, MNRE and MCIL.