

SEYCHELLES REVENUE COMMISSION



STRATEGIC PLAN 2020 - 2022



Contributing towards a stronger Seychelles

FOREWORD BY CHAIRMAN



Since the beginning of March 2018, the SRC Governing Board has had the privilege of contributing towards development work and has provided guidance and oversight to many significant new directives. The challenges have been many but we are certain that the outcomes will be rewarding. It is now my great pleasure as the first Chair of the SRC Governing Board to endorse the SRC Strategic Plan FY 2020 - FY 2022. The Plan provides a comprehensive blueprint for the creation of a professional, client-focused organization that operates effectively, responding in a timely manner to the needs of its customers. It outlines a clear path towards a successful operation.

The Strategic Plan which spans from 2020 to 2022 defines the strategic direction of the SRC expressed through six interrelated components of how the SRC will prioritize its focus and resources. The Strategic Plan is not only reflective of lesson learnt over the past years, but is also closely aligned with Seychelles' agenda for prosperity. With the aim of enhancing efficiency and effectiveness through staff development, innovation and stakeholder engagement, the Strategic Plan provides an integrated strategy that ensures cohesion of the facets of SRC's operations towards border protection and revenue mobilization.

One of the focus of the plan is to develop our human capital and strengthen our institutional capacity, including corporate governance. We are committed to increasing the skills levels and competencies of our workforce and motivate them to deliver improved services. SRC also aims to improve the efficiency and effectiveness of our systems, namely the Client Management System (CMS) and ASYCUDA World. The aim here is to simplify our business processes in order to reduce compliance time and cost and increase the ease of doing business.

SRC also plans to improve customer satisfaction and public confidence and trust in the SRC in a manner that will yield sustained results. We consider our stakeholders, especially taxpayers as being highly important. Our key strategy will be skewed towards the provision of timely and quality services, ensuring collaboration with the public and engaging on information sharing to improve communication and key external relationships. We will also strive to be transparent in our operations and ensure measures are put in place to tackle corruption and improve staff integrity.

The road ahead will continue to challenge us and will demand dedication and hard work. Considerable progress has been made along these lines, and more is imminent. On behalf of the Board, I would like to re-confirm our commitment to the mission, vision, and values of the SRC and to the establishment of a successful revenue authority that will exceed all expectations.

A handwritten signature in black ink, appearing to read "Chrystold Chetty". The signature is fluid and cursive, with the first name "Chrystold" being more prominent than the last name "Chetty".

Mr. Chrystold Chetty
Chairman of the SRC Board.

FOREWORD BY THE COMMISSIONER GENERAL



The Seychelles Revenue Commission's Strategic Plan 2020 - 2022 highlights our areas of focus for the three-year period ending December 2022. Maximizing revenue growth remains the core objective of the plan, with focus on the utilization of innovative practices and technology-driven products and services to ensure more efficiency and effectiveness in our operations.

As we pursue our traditional focus on revenue maximization, we have taken into consideration other

national imperatives, including the Seychelles National Development Strategy 2019 – 2023. We have integrated the national goals into our three-year plan, as these contribute towards the direction SRC wishes to focus its efforts for clear measurable outcomes for the next three years.

SRC will be placing great importance on new strategies focused towards customer service improvement. Initiatives such as taxpayer outreach programs, innovative taxpayer education methods and improved service delivery are some of the outcomes we expect to achieve. Consequently, our overall aim is to improve taxpayers' ease of doing business with the SRC.

The Commission also has to consider the way the world of taxation is evolving and the complexity as the capital and finance market dynamics change. Today we have to deal with issues of base erosion and profit shifting (BEPS), active versus passive income of multinational enterprises, and the tax challenges of digitalization. Seychelles has to strengthen its policies and legislations to address these issues and SRC has to prepare itself to implement these new policies.

Improving trade facilitation and strengthening our border control efforts, which is also part of the national security improvement plan, remain part of the core objective for the SRC. SRC recognizes the enormous challenge and potential this has for Seychelles and is willing to improve partnerships with other border control agencies, re-focus our Customs operations through staff capacity building, and invest in infrastructure and equipment to facilitate implementation of these core activities.

Another element is building trustful relationships internally, with our partners and stakeholders (national and overseas) as well as with our taxpayers. We believe that trust comes from reputation and reputation is built on action. Strategic initiatives identified will help improve our corporate image, increase staff capabilities as well as cultivate voluntary compliance from our taxpayers.

As we embark on our journey to transform SRC, I am confident that SRC will see an improvement in its overall performance and establish itself as a leading organization when it comes to public service delivery. The Covid-19 pandemic will have an impact on revenue collection in the initial months of 2020 but we hope that things will improve thereafter to enable the implementation of all components of this Strategic Plan.

Mrs. Veronique Herminie
Commissioner General

TABLE OF CONTENTS

FOREWORD BY CHAIRMAN.....	iii
FOREWORD BY THE COMMISSIONER GENERAL	v
TABLE OF CONTENTS.....	vii
INTRODUCTION	1
SEYCHELLES NATIONAL DEVELOPMENT STRATEGY 2019 - 2023	2
ENVIRONMENTAL SCANNING	5
SRC's PERFORMANCE.....	6
SWOT Analysis.....	7
Stakeholder Analysis	9
Strategic Risks	10
PESTEL Analysis	13
WHO WE ARE	16
About SRC	17
SRC'S STRUCURE	18
STRATEGY FORMULATION	19
STRATEGIC INITIATIVES	20
Improve tax and customs compliance	20
Improve ease of doing business with SRC.	21
Improve border control	22
Ensure compliance with our international obligations	23
Build a high performance culture and improve internal efficiencies	23
Increase public trust and credibility	24
STRATEGIC OBJECTIVES.....	25
IMPLEMENTATION OF THE PLAN	33
FINANCIAL RESOURCES	37
FINANCING THE STRATEGIC PLAN	38
PERFORMANCE MONITORING AND EVALUATION.....	39
MONITORING AND EVALUATION.....	40

MEASURING PERFORMANCE SET OUT IN THE PROGRAMME PERFORMANCE BASED BUDGETING
FRAMEWORK 40

Programme 1: Governance, Management and Administration 41

Programme 2: Revenue Collection and Administration 41

Programme 3: Inspection and Detection..... 42

Programme 4: Taxpayer Education and Service Delivery 43

INTRODUCTION

The Seychelles Revenue Commission (SRC) is an authority established through the enactment of the Seychelles Revenue Commission Act 2009 as the body responsible for the administration of revenue laws. The SRC Act also mandates SRC to operate as an independent authority with responsibility to conduct its affairs in a transparent and efficient manner. However, the Ministry of Finance remains the parent Ministry with the responsibility to oversee major policy issues affecting revenue collection.

In the plan period 2020-2022, SRC's focus will be on key priorities of the country's national development agenda as spelt out in the Seychelles National Development Strategy 2019-2023, Vision 2033 and the Budget Policy Statements.

The preparation of the plan was through a consultative process, which included the incorporation of stakeholders' views, environmental scanning, and review of the organizational structure and functions. The plan also benefited from the advice and strategic direction of SRC Governing Board and input from management and technical departments.

The Strategic Plan 2020 -2022 identifies the following six strategic priorities:

- a. Improve Tax and Customs Compliance.
- b. Increase ease of doing business with SRC.
- c. Improve border control
- d. Ensure compliance with our international obligations.
- e. Build a high performance culture and improve internal efficiencies.
- f. Increase public trust and credibility

Our employees will be central to the achievement of our objectives, as the government is placing greater emphasis on productivity and service delivery. The achievement of the Strategic Plan will be contingent on highly motivated staff, exhibiting high levels of staff satisfaction and encourage employee participation. Interventions will be put introduced, to ensure that staff put into practice our core values and training programs will be revamped to meet the requirements of a high performance organization.

The Strategic Plan envisions ICT as a strategic enabler and game changer in support of the SRC's divisions in pursuit of operational excellence. The following initiatives will therefore be implemented in order to achieve our goals: acquisition and implementation of a new computerized system for the Tax Division; revamping the SRC e-service platform and launching of a new website; and acquisition of new systems to assist with tackling non-compliance, tax evasion and smuggling.

A monitoring and evaluation system will be adopted to ensure a consistent framework for measuring the efficiency and effectiveness of policies, programs and projects associated with the

implementation of the Strategic Plan. The robust mechanism will provide critical feedback executive management and inform their decision-making.

SEYCHELLES NATIONAL DEVELOPMENT STRATEGY 2019 - 2023

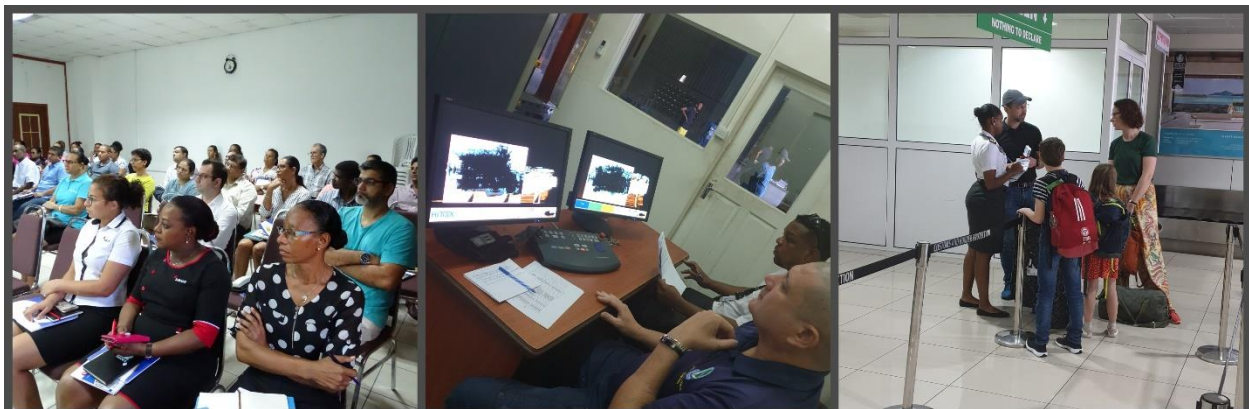
For the successful implementation of the Seychelles National Development Strategy (SNDS), the Seychelles Revenue Commission, like all other government entities will have to incorporate the national strategies in its three-year strategic plan. The national strategy includes six main pillars. They are:

- Good governance
- People at the Centre of development
- Social cohesion
- Innovative society
- Economic transformation
- Environmental sustainability

Through its main mandate, which is to collect revenue on behalf of the government, SRC can directly influence the implementation and success of the SNDS. Further to that, SRC also has a vital role to play in the execution of the strategies within the organization itself.

(i) Good governance

The SRC Strategic Plan include ways of promoting respect for the rule of law, transparency, accountability and quality service delivery. Emphasis will be placed on the delivery of efficient and cost-effective services, performance management, accountability frameworks, taxpayer engagement and improvement in the use of technology. The plan also include strengthening the enforcement of Tax and Customs laws and regulations, improving border control and taking a stronger stance against corruption.



(ii) People at the Centre of development

The quality of human capital within the SRC remains one of its top priorities. Thus, SRC commits to invest in its employees, ensuring a well-trained workforce with opportunities for learning and upgrading of skills. This in turn will improve service delivery as well as SRC's overall performance to achieve its mandate and its strategic objectives.

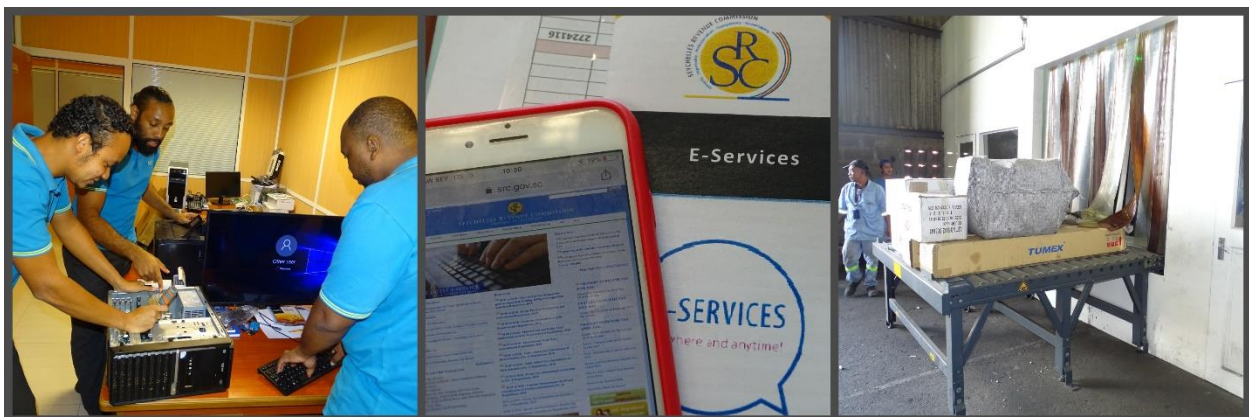


(iii) Social cohesion

Similar to the SNDS, SRC strives to promote social cohesion by encouraging togetherness and team spirit within and outside the organization. One of the SRC's main objective is to improve its image and increase public trust, which in turn will positively impact on voluntary compliance with Tax and Customs laws and regulations.

(iv) Innovative economy

SRC plans to invest in new technology that will allow the organization to better manage its taxpayers, automate certain processes and consequently improve service delivery and SRC's overall performance. Furthermore, emphasis will be placed on research and business reengineering to improve on internal processes, which will bring us at par with international best practices.



(v) Economic transformation

For the SRC, economic transformation entails the adoption of new technologies and management practices to increase efficiency and effectiveness and to improve our ranking on the Ease of Doing Business Index. SRC will place much emphasis on streamlining bureaucratic practices, which will in turn provide more clarity, certainty and consistency in the application of Tax and Customs laws. Focus will also be on international taxation issues to improve our compliance standards and ensure that the Seychelles jurisdiction remains internationally credible and respected.

(vi) Environmental sustainability and resilience

As part of its mandate to protect the Seychelles' borders, Customs plays a major role in ensuring environmental sustainability. More emphasis will be placed on monitoring and controlling what enters into and depart from the Seychelles borders. Goods imported or exported are required to comply with a number of safety, health and environmental regulations, which are designed to protect consumers and the environment. SRC will therefore place more emphasis in decreasing environmental crime, controlling toxic materials and waste and local species protection, which will eventually lead to a less polluted and more sustainable environment.





ENVIRONMENTAL SCANNING

SRC's PERFORMANCE



Revenue Collected
2017: SR 6.5 Billion
2018: SR 7.2 Billion
2019: SR 7.2 Billion



New Taxpayer Registration
2017: 1,919
2018: 1,314
2019: 1,711



On-Time Filing of Returns
2017: 16,875
2018: 19,365
2019: 18,663



Refund Claims Processed
2017: 575
2018: 889
2019: 5,784



Letters Issued to Non-Filers
2017: 2,380
2018: 9,348
2019: 8,746



No. of Audits Conducted
2017: 151
2018: 179
2019: 176



Arrears Collected
2017: SR 273,504,073
2018: SR 379,471,634
2019: SR 182,829,755



BOEs Registered
2017: 59,616
2018: 64,990
2019: 68,463



Parcels Cleared
2017: 163,337
2018: 144,693
2019: 138,236



Requests for Binding Tariff
2017: 108
2018: 140
2019: 226



Investigations Conducted
2017: 33
2018: 98
2019: 135



Staffing across SRC
2017: 333
2018: 340
2019: 323

SWOT Analysis

This SWOT analysis provides an overview of SRCs current position both in the external environment as well as internally. It will help SRC in matching its limited resources and capabilities to fit the environment in which it operates.

SRC is aware of internal issues that need to be addressed, and strengths of the organization that need to be maintained.

Strengths

- Some of SRC's services are decentralized / use of online facilities.
- Employees are provided with adequate training on how to carry out their duties.
- SRC has been exceeding revenue collection forecasts.
- Pool of internal trainers are readily available.
- SRC has a code of conduct.
- SRC has good communication with different agencies / international links.
- Provision of advice targeted to taxpayer information needs.
- SOPs are in place and well used.
- Wide range of current information available over multiple channels.
- A graduated dispute resolution is in place.
- Timely responses to taxpayer requests

Weaknesses

- Lack of appropriate resources and space to carry out functions.
- IT System failures interrupts day-to-day functions/ systems not up to date.
- High staff turnover
- Performance management is ineffective, not administered properly or is often delayed.
- Delay in applications and internal processes (such as HR issues or requisition).
- Taxpayer register out-of-date and lacking integrity.
- Low uptake of e_services by taxpayers.
- No direct control over SRC's ICT systems therefore not supporting SRC's management reporting needs.

SRC will capitalize on the opportunities available, whilst planning ahead of threats that may arise.

Opportunities

- Use of digital e-signatures.
- Introduction of the Seychelles Electronic Funds Transfer (SEFT) platform.
- Expansion of online payment services covering other banks.
- Sensitization programs to build SRC brand.
- Better collaboration with different partners.
- Innovative training methods such as e-learning.
- Engagement with other international agencies for capacity building (technical assistance / training).

Threats

- Labor market not providing certain skills.
- Cost of training externally.
- Potential restrictions from partners: DPA/ ANHRD/ DICT.
- Budget ceilings.
- Changes in laws/ ministries/ national level/ tax environment
- Tax evasion methods/ Taxpayers are aware of the loopholes in laws and problems in SRC.
- Private sector organizations having better remuneration packages.
- Taxpayers lack trust in SRC.
- Some Taxpayers are non-compliant/ lack knowledge

Stakeholder Analysis

In order to achieve its strategic objectives, SRC will have to foster close collaboration with all of its stakeholders. The table below shows a summary of the expectations of stakeholders as well as what SRC expects from them.

Stakeholder	Customer's expectations	Our expectations from customers
Primary Customer: Taxpayers	<ul style="list-style-type: none"> • Effective and efficient complaints management • Convenient automation system • Customer support services • Efficient refund processes • Timely service • Low compliance costs • Transparency and fairness 	<ul style="list-style-type: none"> • Adherence to Tax and Customs laws • Compliance with filing, reporting and payment obligations • Engagement during reforms • Provision of feedback
Secondary Customers: Government of Seychelles	<ul style="list-style-type: none"> • Revenue collection • Enforcement of Tax and Customs laws • Trade facilitation • Protection of the community • Border security 	<ul style="list-style-type: none"> • ICT infrastructure and integration with other government systems • Third party data • Consultation during policy reforms • Timely enactment of legislation • Appropriate funding through annual budget
Stakeholders <ul style="list-style-type: none"> • Professional organizations • Business associations • International partners • MDA's • Service providers • Media 	<ul style="list-style-type: none"> • Access to timely and accurate information • Seamless processes • Seamless integration of systems • Timely services • Timely payment • Clear policies and procedures • Fair and transparent administrative procedures • Facilitation 	<ul style="list-style-type: none"> • Support integrity • Strategic partnerships • Timely provision of goods and services • Adherence to statutory regulations • Provision of quality goods and services • Transparent processes

Strategic Risks

SRC aims to make Risk Management an explicit part of its daily operations. Risks facing the SRC originate both from the external environment and internally. Subsequently, SRC has identified various uncertainties and devised several mitigation strategies to ensure that these risks do not affect the achievement of our strategic objectives.

RISKS	MITIGATION STRATEGY
<p>The threat of the informal economy</p> <p>The informal economy continues to pose a serious threat to compliance of legitimate businesses and the potential growth of the tax base from which SRC collects revenue.</p>	<ul style="list-style-type: none"> • Intensify compliance activities through increased and targeted audit and enforcement activities. • Use third party data to identify businesses operating in the informal sector. • Intensify field visits conducted by the Registry Unit. • Government to introduce a formalized framework to reduce informality in the economy. • Intensify awareness, sensitization and taxpayer education programs.
<p>Unfavorable public perception</p> <p>Concerns about unethical practices in the public sector and poor service delivery remains an issue for SRC. This can negatively affect SRC's performance and ability to increase compliance due to loss of public confidence in the government.</p>	<ul style="list-style-type: none"> • Continue to implement education and outreach programs to build a culture of voluntary compliance. • Implement a range of anti-corruption initiatives such as putting into practice of a Whistle Blowing Policy. • Implementation of measures to improve the corporate image of SRC.
<p>Commercial fraud on imports</p> <p>The increasing incidents of under-declaration and false invoices result to leakage of potential Customs Duties and VAT that could have been collected.</p>	<ul style="list-style-type: none"> • Strengthen SRC's capacity in valuation through investment in capacity building for staff and creation of a valuation database. • Strengthen and intensify post clearance audit activities.
<p>Tax fraud</p>	<ul style="list-style-type: none"> • Strengthen our risk management capacity.

<p>Business manipulating their records remains a challenge for SRC. This may lead to revenue leakage or it may potential influence the behavior of compliant businesses.</p>	<ul style="list-style-type: none"> • Undertake robust intelligence collection. • Creation of an Investigation Unit within the Tax Division. • Improve relationship with other enforcement agencies for information sharing.
<p>Digital Economy</p> <p>Rapid global digitalization has changed the manner in which many businesses transact, especially via the social media. Many of these transactions are not visible to the SRC, leading to potential revenue loss.</p>	<ul style="list-style-type: none"> • Keep abreast of developments on the aspect of taxation of the digital economy worldwide • Leverage on automation and partnerships to develop an e-commerce strategy. • Intensify audit and enforcement activities. • Improve on access to digital data from 3rd parties and our partners to facilitate enforcement & overall compliance
<p>Cross border Tax Avoidance Schemes</p> <p>International Business Companies can make use of sophisticated schemes such as transfer pricing and aggressive tax planning to avoid their tax obligations in Seychelles.</p>	<ul style="list-style-type: none"> • Heavily invest in capacity building of staff in this domain. • Utilization of multilateral exchange of information agreement provisions to tackle tax evasion. • Interact with other jurisdictions and trading partners for MOUs in the fight against fraud at the border •
<p>Cyber security</p> <p>Increased automation may expose SRC to cyber security threats that could undermine the integrity of our data and systems. This could also compromise the confidentiality of information we hold and even cause business disruption due to the unavailability of our systems.</p>	<ul style="list-style-type: none"> • Work closely with DICT and other international expert partners to ensure the security of our systems. • Develop a business continuity and disaster recovery plan.
<p>Integrity challenges</p> <p>Integrity challenges continue to weaken public trust in SRC, affecting their willingness to comply.</p>	<ul style="list-style-type: none"> • Mainstream ethics and integrity in all our operations. • Creation of an Internal Affairs Unit.

	<ul style="list-style-type: none"> • Encourage use of the hotline for tax fraud.
<p>Occupational health risks</p> <p>Customs Officers can be considered as a ‘high risk’ group for occupational disorders. This is partly due to exposure to various infections such as SARS, A/H1N1 influenza, varicella, measles, African swine fever, tuberculosis, etc.</p> <p>Other occupational risks</p> <p>Other occupational risks are exposure to noise, diesel exhaust gases or to tobacco in the luggage. Furthermore, there is a regular increase in workload due to tight schedules which consequently leads to high stress levels and potentially hypertension.</p>	<ul style="list-style-type: none"> • Implement health and safety practices in the workplace. • Ensure appropriate vaccination against diseases. • Encourage staff to frequently undertake their medical test and/or organize medical screening for the staff with Health Authorities whenever possible. • Provide adequate health and safety equipment to the staff.

PESTEL Analysis

The PESTEL (Political, Economic, Social, Technological, Environmental and Legal) analysis allows us to assess the wider operating environment of the SRC during the 2020-2022 period.

Political Environment

Political analysis in the typical PESTEL environment covers tax policy – the government’s legislative agenda, tax administration, labour laws, environmental laws, trade restrictions and political instability.

Tax Policy: The Government has shown its commitment to modernizing the tax statutes, especially those undermining the SRC operations. A case in point was the revision in the Income and Non-Monetary Benefits Tax Act, which occurred in 2017 and the changes in the International Business Companies Act. In addition, over the next three years, major changes are expected in the following legislations:

- The Business Tax Act
- The Excise Tax Act
- Value Added Tax Act

Changes to the above-mentioned legislations will consequently lead to changes in other acts administered by other agencies.

Seychelles will also be introducing an Immovable Property Tax Act in the year 2020.

Economic Environment

In 2020, GDP growth is expected to remain positive at 3.5 per cent, driven by the information and telecommunications sector and tourism, which is currently the main contributor to overall GDP.

Over the medium term, economic growth is expected to average 5 per cent, and will be driven by the six pillars of the National Development Strategy.

The Seychelles economy faces a number of challenges(both internal and external as we have seen with the Covid-19 pandemic), some existing and some emergent. Taxing the cash-based informal sector continues to pose a challenge. Although the digital economy provides certain

opportunities such as access to third party data, it also presents certain challenges, including new business models built on web-based platforms.

Another economic aspect involves developments in regional and global Tax and Customs matters. With regards to international treaties and conventions, Seychelles is a member of the Global Forum on Transparency and Exchange of Information on Tax Matters. The convention's primary objective is to tackle Base Erosion and Profit Shifting (BEPS).

On the structural aspect, the expansion of the Port of Victoria is expected to impact on the operations of SRC. During the construction phase especially, the port will be congested and SRC, therefore will have to come up with strategies to maintain its service standards and continue to facilitate trade.

Improving its ranking in the Ease of Doing Business index remains a top priority not only for the SRC, but also for the Government of Seychelles. Seychelles is currently ranked at 100 (2019 ranking). The SRC will focus on the acquisition or development and implementation of new technologies to improve its services.



Social Environment

The informal sector has been creating many employment opportunities. This calls for SRC to innovate ways of expanding the tax base to increase compliance levels in this sector. Our Strategic Plan will place more efforts and resources in education and enforcement programs as a means of tackling the issue.

Technological Environment

SRC strives to become a fully automated organization, despite the many challenges such as budgetary constraints, lack of IT experts and inadequate infrastructure. The key technological advances that will influence how we do business are:

- **Linking with other government systems:** As we automate our processes and link them with other systems, we will be better able to exploit data available in other government systems. This will improve our risk management strategies, intelligence activities, audits, etc. SRC will therefore have to exploit the opportunities of using business intelligence tools and at the same time ensuring the data is clean.
- **Cyber-threats:** The disadvantage of automation and online access to services is the risk of cybercrime. This is particularly important with respect to theft of taxpayer information, diversion of taxes paid online to other accounts, hacking into the system to alter taxpayer accounts, etc.

SRC has the opportunity to expand access to ICT services, but uptake will depend largely on ICT development nationally. SRC could potentially benefit from government attempts to improve ICT infrastructure across the country, institutionalize legal and regulatory acts and policies and automation of some services.

Environmental Analysis

SRC has the responsibility of ensuring that prohibited and restricted goods do not enter the country as highlighted in the Customs Management Act and associated Regulations. This also applies to the newly imposed ban on plastic products.

Legal Environment

The main Acts that are likely to influence the operating environment during the plan period are:

- (i) Business Tax Act
- (ii) Excise Tax Act
- (iii) Value Added Tax Act

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WHO WE ARE

About SRC

The Seychelles Revenue Commission (SRC) is a semi-autonomous agency established through the enactment of the Seychelles Revenue Commission Act 2009, as the body responsible for the administration of Revenue Laws. SRC's main responsibility is to support the economy of the republic of Seychelles by collecting taxes and facilitating trade.

OUR MANDATE

Assess, collect and account for all Government revenues.
Administer efficiently and effectively all revenue laws in force.
Advise the Government on matters of policy relating to revenue.
Improve the standard and quality of services provided to payers of revenue.
Counteract revenue evasion.
Monitor and control the cost of revenue collection.
Exchange information in terms of any tax agreement or treaty.

OUR VISION

To be a modern, fair and effective customer-oriented revenue administration

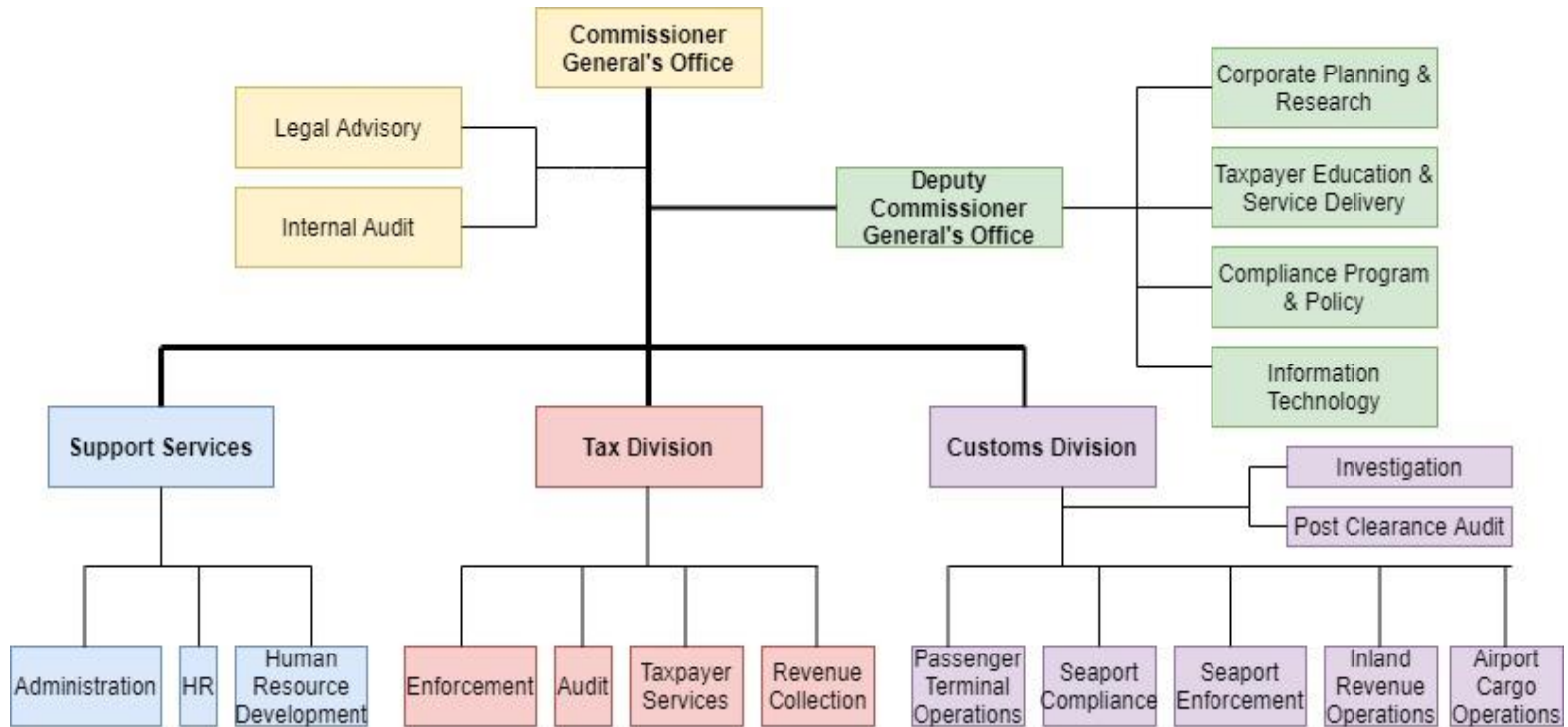
OUR MISSION

Optimize revenue collection and facilitate trade to improve the economic well-being of Seychelles

OUR VALUES

Integrity
Impartiality
Professionalism
Accountability
Anti-Corruption

SRC'S STRUCTURE





STRATEGY FORMULATION

STRATEGIC INITIATIVES

1 Improve tax and customs compliance



The primary goal of the Seychelles Revenue Commission is to ensure border protection, facilitate trade, collect the taxes and duties payable in accordance with the law and to do this in such manner that will sustain confidence in SRC and not impede on trade facilitation, compromise on security and the social wellbeing of the population. The actions of taxpayers — whether due to ignorance, carelessness, recklessness, or deliberate evasion — as well as weaknesses in a tax administration mean that instances of failure to comply with the law are inevitable. Therefore, SRC should have in place strategies and structures to ensure that non-compliance with Tax and Customs laws are kept to a minimum.

In order to effectively deliver on its mandate, taxpayers and traders need to act in accordance with the set legislations and regulations. Tax and customs compliance has become even more important with developments such as self-assessment and electronic commerce. Over the past year, SRC experienced an increase of 3% in compliance rate, which is now set at 61%. The figures indicate the need to explore new ways of promoting voluntary compliance and deter non-compliance with Tax and Customs laws. In order to improve on compliance levels in the next three years, SRC has identified a number of strategies for implementation.

SRC recognizes the need to modernize and simplify Tax and Customs processes through business reengineering to remove bureaucracy, increase automation of manual processes and promoting electronic interactions with clients. This will also involve a comprehensive review of existing legislations to address loopholes which encourage non-compliance.

In addition to that, SRC will have to improve on its compliance risk management activities, intelligence gathering and investigation. In an assessment conducted by the International Monetary Fund (Tax Administration Diagnostic Assessment Tool - TADAT), SRC scored fairly low when it comes to risk management. This was also highlighted in the WCO Diagnostic Report for Seychelles. Risk management will therefore be amongst SRC's top priorities in the new strategic plan. More effort will also be required in establishing links and networking with partnering agencies.

However, analysis shows that we do have some weaknesses that may cause constraints to achieve this objective; SRC' operations are limited by the lack of resources, space and

manpower. Its IT system is not up to date, making it difficult to improve on intelligence gathering, which is a key element in improving tax and customs compliance. Despite the setbacks, SRC remains optimistic to carry out more research into strategies that deal with non-compliance.



Improve ease of doing business with SRC.

2

As a strategy to promote voluntary compliance, offering a broad array of services is an important part of the SRC's their daily work. This makes service delivery a crucial aspect of SRC's operation, whereby we aim to make paying taxes and trading across borders as easy as possible for taxpayers and traders. SRC desires for a service centric approach to be incorporated into all operations, and to maintain consistency in both internal and external services. The main target is to make our services available to all and as effective as possible, by offering high quality educational assistance, promoting the use of e-services, minimizing compliance burden, eliminating bureaucracy, minimizing the cost of resolving disputes and automating manual processes. SRC aims to review its existing service standards and Taxpayers Charter, ensuring they are up to date. SRC will also launch its Complaints Policy whereby feedback from clients will be received in a positive and constructive manner.

Despite the efforts being made to improve ease of doing business, the SRC still faces certain challenges. Our online payment services are currently linked to only one bank for the time being. However, we have decentralized our operations and we are still looking at other opportunities for further decentralization. There is the possibility for expansion of online services to include online registration and payment options, as well as new modernized systems to process taxpayer information more effectively and efficiently. There is the urgent need to reduce on the processing times and level of manual activities being done at SRC, as means of further reducing bureaucracy. New systems will mean more automation and this development means keeping better databases of our taxpayer's, faster transactions and more accurate and access to data.

SRC aims to improve service delivery through various new initiatives planned for the period 2020 -2022. These include conducting a Time Release Study, introduction of the Authorized Economic Operators program and the implementation of Single Window at Customs.

Finally, all our efforts will prove useless, without a robust education program aimed at sensitizing, educating and engaging taxpayers. We aim to increase our engagement with media partners and institutions of higher learning as an attempt improve on our dissemination and effectiveness of our education activities.

3 Improve border control



Ensuring border security is one of Custom's main mandate. Customs is responsible for exercising control over goods or persons entering or leaving the Seychelles' borders, whilst at the same time applying risk management strategies so as not to hinder trade facilitation. In the past, Customs used to focus mainly on revenue collection, but recently there has been an increasing focus on border protection, with particular emphasis on the enforcement of import and export prohibitions and restrictions, including those arising from Free Trade Agreements. Nevertheless, the current trend towards global free trade and the recent heightening of international terrorism concerns have seen border security emerge as a priority across all economies, including Seychelles.

To provide the level of security that is required, SRC aims to improve on use of information and risk assessments that are undertaken in advance of the arrival of the cargo in the country of destination. One example is the implementation of Advanced Passenger Information (API), which is part of SRC's strategic initiatives. SRC will place more emphasis on improving Customs' skill in assessing the information through analytical processes, deployment of resources, effective communication and decision-making.

More importance will be placed on Customs' ability to usefully complement the contributions made by other competent agencies, such as Immigration, Anti-Narcotics Bureau, and those involved in policing maritime and aviation operations to improve on national security. This is in line with the national development strategic 2019-2023.

SRC aims at increasing its efforts to conduct post-release verification using audit-based controls. This will require customs to adopt comprehensive compliance improvement strategies designed to progressively increase confidence in the information provided by traders and in the accounting systems and processes they maintain. With a vision to become a paperless institution, all regulatory information is likely to be exchanged electronically, and decisions on treatment of imports and exports will be made on a risk assessment basis.



Ensure compliance with our international obligations

4

Like all other Revenue Administrations globally, the SRC is party to a number of international agreements, to which we are compelled to abide. Compliance with our international obligations will help to ensure that we uphold a positive image in the eyes of our international and local partners as well as the public in general.

Generally, the world's economic environment is moving towards actions that promote accountability and transparency. One example would be the implementation of the Automatic Exchange of Information. To ensure that Seychelles is fulfilling its obligations, promoting international best practices and safeguarding our reputation, the SRC has included a number of initiatives in the Strategic Plan 2020-2022. The general focus however would be to successfully implement the Base Erosion Profit Shifting (BEPS) action, strengthen our Exchange of Information (EOI) capabilities, implement the Automatic Exchange of Information and ensure compliance to Customs-related agreements such as the Trade Facilitation Agreement (TFA) and the Revised Kyoto Convention (RKC).

5 Build a high performance culture and improve internal efficiencies

SRC aims to build a high performance culture, whereby all employees are goal-focused individuals with specialized expertise and complementary skills who collaborate, innovate and produce consistently superior results. The strategic plan is one that emphasizes on shared goals, shared leadership, collaboration, open communication, clear role expectations and group operating rules, early conflict resolution, and a strong sense of accountability and trust among all SRC employees.

As part of its strategy to improve performance, SRC plans to invest heavily in capacity building of its staff by seeking opportunities to work closely with both national and international partnering agencies.

More focus will be placed on aligning Human Resource Management with the SRC overall strategic objectives through the development of clear policies such as retention, succession planning, etc. SRC will also review and amend its existing organizational performance management framework, with focus on improvement in data collection, record keeping and reporting. Our methodology towards driving a productive and professional organization has a

number of aspects. Therefore, we will pro-actively identify, recruit, and develop a representative workforce with the level of knowledge, competencies, and experience required to deliver on our mandate. We will increase the productivity of available resources whereby human resources will be managed to avoid the current shortcomings and prepare for future challenges.

Through the development of a new computerized system, SRC will automate more business processes and improve organizational performance reporting. We believe that we should be consistent with our internal services and external service offers. Information technology is integral to our capacity to deliver our programs and services to taxpayers, therefore our priority for the coming years is to upgrade the current system used at Customs Divisions and redevelop the present system used by the Tax Division. For this purpose, it is vital to develop a comprehensive human resources development strategy casing all aspects of human resources management such as strategies to address current and future competency gaps, recruitment, knowledge transfer, succession etc.

Different programs will be developed to empower our employees. We will integrate devolution into the organization structure hence the formal process of delegating responsibility over certain given aspects of work to those who are most directly involved in the work. A framework for over-all corporate risk management will be developed and scrutinized as we aspire to identify and minimize and mitigate these organizational risks.

6

Increase public trust and credibility

SRC aims at building an organization that is performance and results-driven, adheres to good governance and is guided by an explicit ethics, values and integrity framework throughout all of its actions and interactions.

Integrity remains a central tenet of the SRC vision, mission and value system. Employees are expected to demonstrate honesty and integrity in performance of their duties. We recognize that employees have not fully embraced the culture of integrity and in the meantime, new challenges are emerging beckoning for more robust mitigation and preemptive strategies. New initiative to supplement ongoing activities and tackle the integrity challenges peculiar to the SRC will be devised. Furthermore, we will prioritize integrity issues, ensure sealing of corruption areas, and dismantle staff corruption. Our integrity program over the planning period will not solely focus on fighting against corruption but also towards mainstreaming ethics and integrity in all facets of the SRC's operations. Moreover, we will be focusing on building on our culture of integrity and making the necessary cultural changes to align with the transformed client experience.

STRATEGIC OBJECTIVES

STRATEGIC OBJECTIVE 1: Improve Tax and Customs Compliance.

1.1 Modernize and simplify Tax and Customs processes.

- Conduct a business reengineering exercise to identify and eliminate duplications in Tax and Customs processes.
- Relook at the existing structure and propose changes to meet the needs of the SRC.
- Review and update existing standard operating procedures across Tax and Customs.
- Develop new Standard Operating Procedures to properly integrate new laws in SRC's operations and to ensure consistency.

1.2 Identify, assess and respond to compliance risks more effectively.

- Put in place a Compliance Improvement Plan for both Tax and Customs to promote voluntary compliance and deter non-compliance and tax evasion.
- Make use of SRC systems (e.g. CMS, EFD) to develop a segmentation model to profile all traders and taxpayers, thereby creating an entity-based risk model.
- Improve the quality of data fed into the system, including the use of third-party data from other government agencies.
- Increase the skills and knowledge of Tax and Customs Officers to better detect and deal with non-compliance.
- Create an Investigation Unit within the Tax Division.

1.3 Develop and implement strategies to deal with non-compliance.

- Implement the SRC compliance model that segments taxpayers and accords interventions based on compliance level and past compliance behavior.
- Implement an aggressive non-filer program to reverse the trend towards non-filing and non-payment.
- Undertake research on potential interventions to enhance efficiency of VAT collection, such as the use of Electronic Fiscal Devices, E-Invoicing, Block Chain, etc.
- Develop and implement strategies to tackle the increase in commercial fraud.
- Develop collaborations with external partners such as Fair Trading Commission and Seychelles Licensing Authority for improvement on compliance.

1.4 Review Tax and Customs legislations as applicable.

- Work closely with international experts to develop a proposal for the Business Tax reform.

- Make necessary changes in forms and educational materials, etc. to cater for the Business Tax / Customs reform.
- Identify areas in Tax and Customs legislations that require review/amendment.
- Review Customs Management Act 2011, to ensure alignment with WTOs TFA, RKC and COMESA Management Regulations.
- Improve the consultation and communication process with Government Departments, Business Communities, Associations, NGOs (MOE/MOF/MOFTEP Etc before the implementation of any legislation.
- Develop and implement an educational campaign for the changes in all legislation.

1.5 Improve on intelligence gathering and investigation.

- Create an Intelligence Unit for Customs.
- Introduce a Case Management System.
- Identify innovative ways of capturing businesses operating in the informal sector.

1.6 Improve capacity and capability to manage taxpayer debt.

- Clean up the debt database to ensure only genuine debts are in the system.
- Improve staff skills and revise KPIs to increase staff competency and productivity.
- Review, update and implement the Enforcement Strategy.
- Explore the option of consolidating debt management across SRC (tax and customs).
- Make use of the law to the fullest extent to recover outstanding debts.

1.7 Identify, acquire and implement new IT systems to detect non-compliance and tax evasion.

- Conduct research on the different methods, implementation and uses of data analytics to effectively evaluate data and better understand SRC's external environment.
- Implement a yacht management system to facilitate tracking of the movement of yacht in and out of Seychelles including close collaboration with SMSA and Seychelles Port Authority.
- Implement a warehouse management / stock management system within the public warehouse for time – up cargo and seized goods.
- Introduce a courier management system that could be linked to the ASYCUDA system.
- Develop and implement a Rules of Origin database to facilitate reporting and to meet international and regional requirements.
- Introduce the Customs operations at the Post Office as a Business Unit within the ASYCUDA System.
- Consider the reconfiguration of our ASYCUDA system to facilitate the lodgment of declaration at any Entry Processing Unit.
-

STRATEGIC OBJECTIVE 2: Increase ease of doing business with SRC

2.1 Identify processes that can be automated and promote the use of e-service.

- Research the potential introduction and implementation of different online payment methods and pay points (e.g. via mobile phone, kiosks, apps, etc.)
- Enhance the functionality of the SRC e-service and improve the support offered to taxpayers.
- Identify ways of increasing automation of remaining manual processes.
- Improve collaboration with banks and other partner institutions involved in the SRC e-service and with internet banking facilities.
- Decentralization of service and use of drop-boxes to ease pressure from taxpayers.
- Promote the international green Customs initiative by going paperless.

2.2 Deliver effective service by integrating a service centric approach into all operations.

- Simplify forms and internal processes.
- Review and implement SRC's complaint policy
- Enhance customer feedback-loops to monitor service delivery rigorously, and to tailor service interventions and programs.
- Improve the SRC complaint management process to ensure prompt resolution of taxpayer complaints.
- Improve the dispute resolution management process to improve efficiency of objections, appeals and other disputes.
- Review and roll out a new Taxpayer Charter.
- Review and implement SRC-wide customer service standards.
- Develop and implement an effective communication strategy for both internal and external stakeholders.
- Develop links with other agencies to promote a one-stop-shop concept.

2.3 Improve efficiency of our education activities.

- Identify ways of including tax education in school curriculum to drive a culture of fiscal citizenship.
- Increase engagement with institutions of higher learning and other partners to increase reach and effectiveness of our education activities.
- Identify innovative ways of disseminating information and expand our communication with the public through effective media partnerships.
- Increase the use of social media and other digital platforms to pass on information to the public.
- Develop an outreach program targeting specific segments of the taxpayer population.
- Launch and regularly update the new SRC website.
- Ensure proper understanding and awareness amongst the public before new laws and regulations come into effect through better corporation with policy makers.

STRATEGIC OBJECTIVE 3: Promote trade facilitation and reinforce protection of our borders

3.1 Improve control over the flow of all goods and passengers entering or leaving the country.

- Undertake focused physical verification interventions of goods and passengers entering the country.
- Develop the Advanced Passenger Information (API) and identify and acquire additional tools that may be used to facilitate the processing of passengers.
- Review the functions of the Post Clearance Audit Unit. Enhance our ability to conduct audits through capacity building of employees.
- Implement the Cargo Targeting System (CTS).
- Continue to seek funding opportunities to Modernize customs control by purchasing technologies that facilitate customs operations and improve detection.(additional X-rays etc.)

3.2 Develop new partnerships to promote a whole-of-government approach to improve border management.

- Review and amend existing MOUs with collaborating agencies; identify partnerships whereby an MOU is required.
- Improve data exchange between different border agencies.
- Continue to work closely with partnering agencies to implement Single Window.
- Continue to work closely with our international and regional partners to facilitate the introduction of Single Window.
- Increase consultation and collaboration with other Border control agencies namely NBA, Environment, SBS, Permit Department for the development of the Single portal.

3.3 Review existing Customs procedures and practices

- Conduct a business process mapping exercise for importation procedures to identify deficiencies and the areas requiring process redesign.
- Develop a Customs Enforcement Strategy which clearly defines areas of responsibility for Customs investigations, including drugs, money laundering, IPR, as well as traditional customs commercial fraud offenses.
- Expand the binding tariff information service to providing advance rulings for origin and consider other categories under WTO FTA article 3.
- Undertake a thorough analysis of the customs valuation legislation, procedures/controls, and how the reference database operates/is maintained, then prepare a work plan to bring SRC customs valuation methods into full operation.
- Review the existing Customs organizational structure, including any new requirements for staffing, office space, etc.

3.4 Develop and implement the Authorized Economic Operators (AEO) program

- Create a database to collect/compile and analyze data to establish importers/exporters compliance with Customs procedures
- Educate, train and develop awareness campaign for staff and the public
- Work with our International and Regional partners to develop the appropriate AEO programme that will reflect international best practice.
- Encourage cooperation between Customs and trading community for maximizing security and facilitation.
- Simplify procedures and establish priority treatment criteria in emergency situations.
- Strengthen the capacity of PCA to facilitate the vetting process of AEO.

STRATEGIC OBJECTIVE 4: Ensure compliance with our international obligations.

4.1 Review the structure and framework for implementing the BEPS actions.

- Create an International Tax Unit and ensure that it is adequately staffed.
- Review the framework for assignment of task for implementation for BEPS.
- Develop SOP's and guidance for implementation of BEPS Actions.

4.2 Develop strategies and programs to implement each of the BEPS action.

- Develop a strategy to implement each of the actions for BEPS.
- Develop yearly Action Plans with priorities for the BEPS implementation.
- Ensure effective implementation of the four minimum standards.
- Continue to seek opportunities for Technical Assistance and capacity building for the successful implementation of the BEPS framework.
- Keep abreast of international developments with regard to BEPS.

4.3 Strengthen our EOI capabilities.

- Review procedures in place to close the gaps identified in the peer review report.
- Develop a plan of action to take corrective measures that addresses deficiencies in the peer review report.
- Make more use of the Exchange of Information framework to combat tax evasion.
- Ensure efficiency and effectiveness in the information process.

4.4 Develop the necessary measures for the successful implementation of Automatic Exchange of Information.

- Identify and put in place requirements to implement FATCA procedures.

- Develop framework and strategies to make use of information received through AEOI.
- Develop programs to manage compliance with AEOI.

4.5 Ensure consistency with the provisions of the Revised Kyoto Convention (RKC) and the WTO Trade Facilitation Agreement (TFA).

- Benchmark each article of the current customs provisions of the CMA and regulations against WCO Revised Kyoto Convention and the WTO Trade Facilitation Agreement in order to identify areas of nonconformity or missing entirely.

STRATEGIC OBJECTIVE 5: Build a high performance culture and improve internal efficiencies

5.1 Developing our people.

- Develop training programs singly and in conjunction with other partnering agencies to improve staff knowledge and capabilities.
- Review and amend the program and modules featured in the Basic Entry Level trainings for both Tax and Customs.
- Establish a formal framework for the development of leaders and strategic personnel.
- Establish a succession plan for critical SRC positions.
- Develop sector specialists within SRC to effectively address certain segments of the taxpayer base.
- Improve on the existing induction training and introduce periodic refresher trainings.
- Proactively seek training opportunities for experts to deliver courses locally.
- Review and amend the process of conducting the SRC training needs analysis and the development of the SRC training plan.
- Invest in capacity building for training of trainers across SRC.

5.2 Align and integrate HR Management with overall strategic objectives.

- Develop a new approach to workforce, capacity and vacancy planning.
- Review the SRC recruitment and selections processes.
- Develop and implement a new employee performance management and appraisal system.
- Establish a committee to approve plans and targets of individual employees.
- Develop and implement a Retention Strategy and a Succession Planning Policy.

5.3 Introduce enterprise risk management within SRC.

- Implement a plan for continuity of SRC operations in the event of a disaster that destroys part or all of the administration's assets and resources, including buildings, IT and other equipment, data and other records.
- Establish a risk management committee.

- Develop, implement and continuously update an enterprise risk register.

5.4 Develop and implement an organizational performance management framework.

- Improve reporting and monitoring of performance by designing and implementing appropriate tools.
- Set performance targets and develop key performance indicators for all areas within SRC.
- Enhance the revenue analysis capability within the SRC by investing in adequate staff training.
- Expand on the types of reporting of the revenue collection available in SRC, Such as breaking down of the locations and times of payments to make better strategic decisions.

5.5 Practice prudent financial management use of resources.

- Automate the procurement and sourcing strategy to reduce procurement turn-around times.
- Digitalize Administration and HR processes.
- Decentralize the functions of Support Services across the SRC.
- Reorganize the administrative functions for greater efficiency and effectiveness.

5.6 Improve the SRC ICT capability.

- Conduct a data cleanup of the existing CMS.
- Establish a committee for the preparation of the acquisition of a new CMS.
- Ensure the pro-active capacitation of our staff to be self-sufficient in solving minor ICT issues.
- Continue to enhance the security of IT platforms and digital channels.
- Continue to refresh our IT assets, in line with their economic useful life and integrated compatibility requirements.

5.7 Identify means of improving staff wellbeing within SRC.

- Appoint a designated officer that provides confidential and professional support to staffs with personal and work related issues.
- Develop new and relevant policies and guidance that ensures the health, safety and welfare of SRC employees as reasonably practicable.
- Review SRC's health and safety policy.
- Implement Health and safety action plan.
- Conduct research on methods to encourage a positive work-life balance amongst employees.
- Improve staff motivation by encouraging initiatives and events that promote staff well-being and by minimizing potential work-related stressors.
- Improve on the social environment of the workplace through a more active Social committee.

STRATEGIC OBJECTIVE 6: Increase public trust and credibility

6.1 Engage with key stakeholders to ensure that we deliver on our mandated objectives.

- Develop a Stakeholder Engagement Strategy.
- Continue to promote a collaborative approach with the Ministry of Finance and other major stakeholders.
- Continue to collaborate with other government departments to achieve value chain efficiencies throughout our operations.

6.2 Continue to implement and streamline our governance processes.

- Review the existing code of conduct and ethics framework to ensure that employees continue to live out SRC values.
- Enhance effectiveness of governance committees and processes to improve decision-making.
- Integrate integrity components in all automation initiatives.

6.3 Continue to adopt a zero tolerance approach to fight fraud and corruption.

- Ensure the security of our internet access channels, web-enabled and internet-connected services against threats.
- Continue to implement and improve on the SRC Whistle Blowing Policy.
- Develop collaborations with other key stakeholders involved in anti-corruption activities.
- Establish an Internal Affairs Unit.
- Establish an investigation Unit that reports to the Commissioner of Tax, to combat against money laundering and financing of terrorism.
- Develop and implement a structured anti-corruption training module.
- Develop and implement an anti-corruption public information campaign.
- Establish a hotline to report corrupt practices.

6.4 Identify means of improving the SRC's corporate image.

- Showcase SRC achievements as and when it arises.
- Conduct periodic press conferences to inform the public on SRC performance.

The background of the slide is a vibrant yellow and orange gradient. It features several large, overlapping, curved shapes that resemble stylized waves or flowing ribbons. These shapes are rendered in various shades of yellow and orange, creating a sense of movement and depth. The overall effect is a dynamic and energetic visual.

IMPLEMENTATION OF THE PLAN

Implementation of Action Plans and Performance Contracts

Like all previous Strategic Plans, implementation of the plan will be done through annual plans and targets cascaded in the divisional and unit action plans and individual performance contracts. The strategic objectives and planned initiatives will also be factored in the SRC budget, ensuring that the resource allocation follows strategy.

The SRC Business Plan: This is the action plan for the entire organization for a period of one year. It is derived from the specific activities as set out in the Strategic Plan.

Divisional / Unit Action Plan: This is derived from the SRC Business Plan. Respective heads of Divisions / Sections / Unit lay down specific tasks to achieve the actions that are set in the Business Plan.

Individual Performance Contracts: These are specific actions to be undertaken by individual employees to achieve what has been agreed upon in the Divisional / Unit Action Plan.

Organizational Structure and Staffing

In order to achieve its objectives as set out in the plan, SRC is in the process of reviewing its organizational structure. This requires that change initiatives are targeted at the areas requiring change and that organizational restructuring and development is used as a driver for change. In this regard, the departments will review their policies, structures, processes and operations to ensure they adequately embed trust and facilitation in the way they are designed, developed and implemented. The main changes will include the creation of new units, namely Internal Affairs, Investigations and Modernization and Reform.

SRC expects to increase its staffing requirements over the next three years to cater for national and global changes in the business environment, to implement new government policies, to tackle tax evasion, smuggling and other non-compliant activities.

More emphasis will be placed on employee engagement and empowerment to increase productivity, staff retention customer focus and innovation. SRC will encourage staff to participate in the decision-making process based on trust while ensuring there is a robust governance structure to guarantee responsibility.

Other initiatives will include:

- Ensuring staff 'live' the core values;
- Increase employee satisfaction;
- Promote integrity;
- Providing job-specific training;
- Ensuring top management commitment and support; and

- Improving internal and external communication.

Change Management

Change Management is critical in ensuring that stakeholders adapt to any organizational transition. With the changes in the SRC's strategic objectives and priorities, it is therefore important that all stakeholders understand, commit to, accept and embrace the changes in our business environment.

SRC aims to constantly provide formal communication to all stakeholders, ensuring they are actively engaged in implementation of SRC initiatives. If stakeholders are more open to change, they will be more engaged in making it happen, thus saving time and resources. By opening a line of communication, it will increase the trust of stakeholders in the SRC and the decisions made by top management. Setting a strategy to manage change will maintain consistency and help create a more adaptable and innovative workplace.

As means of managing stakeholders of SRC and ensuring they are fully engaged in the implementation of the Strategic Plan, a stakeholder analysis was conducted and related engagement strategy was developed. It will help in determining how best to involve and communicate to each of these stakeholder groups throughout the implementation of the plan.

Impact of the Covid-19 pandemic

The impact of COVID-19 will certainly influence affecting how SRC addresses immediate as well as strategic issues. The Strategic Plan will therefore have to be reviewed in 2021, and amended as necessary to mitigate the impact of Covid-19 on our operations.

Stakeholder	Goals, Motivation, Interest	Influence	Interest	Action	Strategies(win/ win)
Government	Compliance with the law, as well as administering it properly. collecting revenue, delivering on our mandate and requirements.	high	high	Manage closely	<ul style="list-style-type: none"> Board needs to form part of strategic planning process. Board and MoF should approve final document. Be accountable and transparent to the government. Regular updates. Strategic plan in line with National development strategy.
Employees	Job security, working conditions, salary, equity, reputation. Change.	high	high	Manage closely	<ul style="list-style-type: none"> Involve in strategic planning process. Communicate final plan and regularly update and refresh through posters, emails. Directors.
International bodies	Compliance to standards, following up on recommendations. Opportunity to provide technical and financial assistance.	high	high	Manage closely	<ul style="list-style-type: none"> Take into consideration recommendation and decision making ideas in strategic plan. Ensure monitoring and evaluation in strategic plan.
Taxpayers / Traders	Changes in law, Provide education and excellent service delivery.	high	high	Manage closely	<ul style="list-style-type: none"> Continuously find ways to prevent tax evasion. Find ways to simplify on processes and procedures. More effective education campaign. Workshops, leaflets, etc.
DPA	Public service, employees, HR policies.	high	lower	Keep satisfied	<ul style="list-style-type: none"> Involve/ take into consideration during decision making process. Engage and consult during strategic planning process.
TACAB	Rulings, regulations, procedures, sops.	lower	higher	Keep informed	<ul style="list-style-type: none"> Continuous education on changes within SRC and the law. Communicate SRCs objectives, vision and mission. Access to strategic plan.
Community	Their socio-economic wellbeing. Use of their financial contribution	higher	low	Monitor	<ul style="list-style-type: none"> General communication:- newspaper, television etc. inform of a new strategic plan,
Local agencies	Exchange of information, MOUs etc. compliance.	higher	low	monitor	<ul style="list-style-type: none"> Harmonization and standardization of work. Alignment of strategic plan. Mutual agreements / partnerships Good communication
Media	Information, scandals, reports, image.	higher	low	monitor	<ul style="list-style-type: none"> Improved communication. Make aware of strategic plan. Remain up to date with how SRC is portrayed.

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FINANCIAL RESOURCES

FINANCING THE STRATEGIC PLAN

Availability of funding is integral to the SRC's strategic plan. The budget planning process conducted jointly with the Ministry of Finance sets out the funding available for the next three years and how the organization plans to finance its overall operations to meet its objectives now and in the future.

The SRC's Program Performance-Based Budgeting (PPBB) statement summarizes the targets, the key performance indicators and the funding available over a three-year period to achieve its strategic objectives. The table below provides a snapshot of the consolidated expenditure estimates for the planned period by program.

The projected figures for the budget are likely to change due to the impact of Covid-19 on the Seychelles' economy.

Consolidated Position	2020				2021	2022
SR '000s	Total to be appropriated	Compensation of employees	Use of goods and services	Capital	Forecast	Forecast
P1: Governance, Management and Administration	57,297	20,295	37,002	-	61,518	62,905
P2: Revenue Collection and Administration	36,232	35,978	253	-	37,101	37,346
P3: Inspection and Detection	42,999	42,544	455	-	44,274	44,420
P4: Taxpayer Education and Service Delivery	9,385	8,795	590	-	9,737	9,782
TOTAL	145,913	107,613	38,300	-	152,630	154,453

As part of its strategic objectives, SRC will:

- Continue with efforts to identify additional areas of savings and efficiency; and
- Continue to work closely with international partners for opportunities to obtain donor funding



PERFORMANCE MONITORING AND EVALUATION

MONITORING AND EVALUATION

Monitoring and Evaluation (M&E) is a key tool that will be used in tracking implementation of the plan. Monitoring and evaluation not only helps SRC reflect and understand past performance, but serve as a guide for constructive changes during the period of implementation. This will provide the necessary feedback on the status of implementation of strategies, projects and programs to enable informed decision-making.

The M & E activities that will be undertaken are:

- Preparation of SRC-wide work plans for the implementation and their cascading to individual departments.
- Providing a framework, including standardized templates for reporting on a quarterly (Progress Reports), semi-annually (mid-year review) and annual (Annual Report) basis.
- Generating, maintaining and reviewing a set of key performance indicators drawn from the M&E framework.
- Carrying out periodic visits to various offices to ensure reported implementation conforms to facts on the ground.
- Co-ordinate meetings to review progress and resolve issues that may arise during implementation.
- Provide relevant reports to the top management to ensure they are fully aware of the status of implementation.

MEASURING PERFORMANCE SET OUT IN THE PROGRAMME PERFORMANCE BASED BUDGETING FRAMEWORK

The PPBB comprises budgeting for and reporting on public expenditure by programmes, while taking into account the performance of the programmes. It enhances allocation of resources to government priority policy areas and plans, improves focus on achievement of results for the benefit of the people and also improves predictability of funds flow to ministries, departments and agencies. Programme budgeting requires the classification of government expenditures into groups of similar services with similar objectives in terms of the long-term mandates of government. Every expenditure and allocation is identified by the programme and sub-programme which it supports. Government also develops and reports performance indicators which enable measurement of achievement of results.

Programme 1: Governance, Management and Administration

This programme manages the human and other resources required to fulfil SRC's obligations in relation to privacy and security of taxpayer and organisational information and the achievement of agreed outcomes with Government.

The programme comprises the following sub-programmes:

- **Sub-programme 1 Secretariat:** This sub-programme finances the office of the chief executive officer as well as the Legal and Internal Audit Units of the SRC;
- **Sub-programme 2 Support Services:** Finances general administrative and human resource management services; and
- **Sub-programme 3 Policy & Strategic Planning:** This sub-programme finances the policy and planning capacity of the SRC. It is responsible for developing and measuring the effectiveness of strategies and supporting the implementation of policy, modernization, risk management, compliance improvement programmes and statistical analysis.

Programme 1 is directly linked with SRC's strategic objective number 1, 4, 5 and 6.

Programme 2: Revenue Collection and Administration

The purpose of the programme is to collect revenue, including the collection of arrears to ensure that SRC address any revenue leakage. SRCs focus is very much on the need to collect the correct amount of revenue and to ensure that outstanding liabilities are collected. The programme comprises the following sub-programmes:

- **Sub-programme 1 Revenue Collection:** The purpose of the sub-programme is to collect revenue effectively and efficiently.
- **Sub-programme 2 Arrears Portfolio:** The purpose of the programme is to ensure full collection of all arrears.

Strategic objectives and measures

The table below sets out the performance measures by which the programme will be monitoring the achievement of its strategic priorities.

P.2 REVENUE COLLECTION AND ADMINISTRATION.						
OUTCOME	Collect the correct amount of revenue efficiently.					
Contributed indicators.	2018		2019	2020	2021	2022
	Target	Actual	Target	Target	Target	Target
SP1: REVENUE COLLECTION						
1. Actual collection/ forecast	-	103%	100%	100%	100%	100%
2. Cost of collection- annual bud/Total tax collected	-	1.44%	1.43%	1.42%	1.41%	1.40%
SP2: ARREARS PORTFOLIO						
1. Arrears recovered/ total Arrears	-	38%	38%	39%	40%	45%
2. Reduction in aged debt	10%	40%	42%	44%	46%	48%

Programme 2 is directly linked with SRC's strategic objective number 1, 2, 3, 5 and 6.

Programme 3: Inspection and Detection

The purpose of the programme is to increase the SRCs ability to deliver on commitments and organisational goals in relation to the inspection and detection of all forms of tax evasion/smuggling and other non-compliance with relevant legislation. This program also has a focus on trade facilitation and anti-corruption in conjunction with modernisation. The programme comprises the following sub-programmes:

- **Sub-programme 1 Tax:** The purpose of the programme is to improve detection of and impose sanctions on all forms of tax evasion;
- **Sub-programme 2 Customs:** The purpose of the programme is to improve detection of and impose sanctions on all forms of smuggling.

Strategic objectives and measures

The table below sets out the performance measures by which the programme will be monitoring the achievement of its strategic priorities.

P.3 INSPECTION AND DETECTION.						
OUTCOME	Increased ability to deliver on commitments and organizational goals in relation to the inspection and detection of all forms of tax evasion/ smuggling and other non-compliance with relevant legislation.					
Contributing indicators.	2018		2019	2020	2021	2022
	Target	Actual	Target	Target	Target	Target
SP:1 TAX						
1. Revenue raised/ additional revenue planned.	95%	98%	100%	100%	100%	100%
2. % increase in positive detection rate.	90%	93%	91%	92%	93%	94%
3. % Self- assessed returns received with payment/ total taxable returns received.	94%	94%	95%	95%	95%	96%
SP:2 CUSTOMS						
1. % Increase in positive detection rate.	7%	5%	5%	6%	7%	8%
2. % reduction in physical intervention (air)	3%	12%	12%	13%	15%	16%
3. Reduction in physical intervention (sea)	5%	56%	56%	57%	58%	59%

Programme 3 is directly linked with SRC's strategic objective number 1, 3, 4, 5 and 6.

Programme 4: Taxpayer Education and Service Delivery

The purpose of the programme is to facilitate Taxpayer (including importers and their clearing agents) education and awareness. This is a key aspect of improving voluntary compliance and will support taxpayers, importers and agents to meet their obligations and increase revenue collection.

The programme comprises the following sub-programmes:

- **Sub-programme 1 Taxpayer Education:** The purpose of this programme is to educate taxpayers on their rights and obligations.
- **Sub-programme 2 Service Delivery:** The purpose of this programme is to deliver taxpayer support services to reduce errors in tax compliance.

Strategic objectives and measures

The table below sets out the performance measures by which the programme will be monitoring the achievement of its strategic priorities.

Programme 4 is directly linked with SRC's strategic objective number 1, 2, 3, 5 and 6.

P.4 TAXPAYER EDUCATION AND SERVICE DELIVERY.						
OUTCOME	To make taxpayers more aware, and improved voluntary compliance.					
Contributed indicators.	2018		2019	2020	2021	2022
	Target	Actual	Target	Target	Target	Target
SP:1 TAXPAYER EDUCATION						
Increase in compliance rate/ reduction in error rate.	55%	52%	53%	55%	58%	60%
SP 2: SERVICE DELIVERY.						
Achievement of service standards	70%	70%	72%	75%	80%	80%