



Government of the People's Republic of Bangladesh

Annual Performance Agreement (APA)

Between

The Cabinet Secretary
and
Secretary, Internal Resource Division

2014-2015

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Preamble

The Annual Performance Agreement is made and entered into on

BETWEEN

The Secretary, Internal Resource Division, representing the Minister, Internal Resource Division, Government of the People's Republic of Bangladesh.

AND

The Cabinet Secretary, Cabinet Division, representing the Prime Minister, Government of the People's Republic of Bangladesh.

The parties hereto agree as follows:

Section 1: Ministry's/Division's Vision, Mission, Strategic Objectives and Functions

1.1 Vision

Establish a sustainable and modern tax system to mobilize resources for development of the country.

1.2 Mission

Maximize Collection of domestic resources through effective and efficient tax administration for Promoting development and ensuring best quality service to the taxpayers.

1.3 Functions

- 1 Imposition and collection of direct and indirect taxes and formulating laws and rules in this regard.
- 2 Monitoring and controlling of the field offices engaged in the collection of value added tax, customs duty, supplementary duty and income tax
- 3 Identifying areas for tapping new taxpayers and collecting taxes through motivating people for voluntary compliance
- 4 Formulating tax policies and preparing revenue budget, and entering into agreements with international organizations and other countries on issues relating to taxation
- 5 Formulating and implementing policies for national savings schemes
- 6 Develop infrastructure

1.4 Strategic Objectives

- 1 To optimize revenue collection
- 2 To widen the tax base while ensuring social equity
- 3 To make tax administration client friendly through enhanced taxpayer's services
- 4 To modernize tax administration and management
- 5 To strengthen the enforcement
- 6 To enhance contribution from national savings to budget financing

Section 2: Strategic Objectives, Activities, Performance Indicators and Targets

Strategic Objectives	Weight of Strategic Objective	Activities	Performance Indicator (PI)	Unit	Weight of PI	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
Ministry/Division Strategic Objectives										
[1] To optimize revenue collection	35.00	[1.1] Ensure correct assessment of tax by applying the relevant laws, rules and orders properly, and thereby achieve the target.	[1.1.1] Amount of tax collected	Amount in crore TK	25.00	149720	137000	135000	133000	130902
		[1.2] Expeditious disposal of court cases (15 large cases minnum 5 large cases from each wing)	[1.2.1] Number of large court cases disposed of	Number	2.00	15	13	12	11	10
		[1.3] Encourage the taxpayers to use ADR mechanism to resolve tax dispute	[1.3.1] Number of dispute resolved	Number	1.00	120	108	96	84	72
		[1.4] Realization of arrears	[1.4.1] Amount of arrear realised	Amount in crore TK	1.00	50	45	40	35	30
		[1.5] Increase monitoring activities	[1.5.1] Increased number of cases monitored	--	0.00	--	--	--	--	--
			[1.5.2] a. income tax	%	2.00	4.5	4	3.5	3.0	2.5
			[1.5.3] b. VAT	%	2.00	17.5	16.0	15.0	14.0	12.5
[1.6] Scrutiny of VAT returns	[1.6.1] % of VAT returns scrutinized	%	2.00	35.00	32.50	30.00	27.50	25.00		
[2] To widen the tax base while ensuring social equity	10.00	[2.1] Conduct survey and increase the number of registered taxpayers.	[2.1.1] New taxpayers brought under tax net (income tax)	Number in Thousand	5.00	30	27	24	21	18

Section 2: Strategic Objectives, Activities, Performance Indicators and Targets

Strategic Objectives	Weight of Strategic Objective	Activities	Performance Indicator (PI)	Unit	Weight of PI	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
			[2.1.2] New taxpayers brought under tax net (VAT)	Number in Thousand	5.00	10	9	8	7	6
[3] To make tax administration client friendly through enhanced taxpayer's services	28.00	[3.1] Regular interaction with business associations and professional bodies in order to make them aware of their rights and obligation under tax law.	[3.1.1] Number of interacting secession held	Number	10.00	200	180	160	140	120
		[3.2] Publish booklets and advertisement including partnerships with radio and TV channels	[3.2.1] Booklets and advertisement published	Number in Thousand	7.00	50	45	40	35	30
			[3.2.2] Partnership built with radio and TV channels	Number	2.00	10	9	8	7	6
		[3.3] Increase taxpayer's service through service centres.	[3.3.1] Taxpayers served	Number in Thousand	2.00	5.0	4.5	4.0	3.5	3.0
		[3.4] Arranging tax fair	[3.4.1] Tax fairs held	Number	7.00	64	58	51	45	39
[4] To modernize tax administration and management	2.00	[4.1] Automated tax system- VAT automation installed	[4.1.1] Notification of Award issued	Date	0.50	30/06/2015	15/07/2015	31/07/2015	15/08/2015	31/08/2015
		[4.2] Introduction of automated tax system- e-Tin registration.	[4.2.1] e-TIN issued	Number in Thousand	0.50	100	90	80	70	60
		[4.3] Introduction of automated tax system- e-Payment.	[4.3.1] Amount of Tax paid through e-Payment	Amount in crore	0.50	5.0	4.5	4.0	3.5	3.0

Section 2: Strategic Objectives, Activities, Performance Indicators and Targets

Strategic Objectives	Weight of Strategic Objective	Activities	Performance Indicator (PI)	Unit	Weight of PI	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
			system							
		[4.4] Introduction of automated tax system- Migration to ASYCUDA world.	[4.4.1] Number of land customs stations brought under ASYCUDA world.	Number	0.50	16	14	13	11	10
[5] To strengthen the enforcement	9.00	[5.1] Regular Inspection of field offices.	[5.1.1] Field offices inspected and inspection report completed	Number	7.00	200	180	160	140	120
		[5.2] To investigate into the tax affairs of the taxpayer on the basis of complaint and intelligence	[5.2.1] Number of Case detected	Number	2.00	150	135	120	105	90
[6] To enhance contribution from national savings to budget financing	1.00	[6.1] Raising fund under different Savings schemes to finance budget deficit	[6.1.1] Amount of money raised	Crore Tk.	1.00	15000	13500	12000	10500	9000

Mandatory Strategic Objectives

* Improve Service delivery to the Public	6.00	Implementation of Citizens' Charter (CC)	Preparation and approval of CC by the Ministry/Division	Date	1.0	31/12/2014	31/01/2015	28/02/2015	31/03/2015	30/04/2015
			Publication of CC in website or others means	Date	1.0	31/12/2014	31/01/2015	28/02/2015	31/03/2015	30/04/2015
		Implementation of Grievance Redress System (GRS) system	Publishing names and contact details of GRS focal point in the website	Date	1.0	31/12/2014	31/01/2015	28/02/2015	31/03/2015	30/04/2015

* Mandatory Objective(s)

Section 2: Strategic Objectives, Activities, Performance Indicators and Targets

Strategic Objectives	Weight of Strategic Objective	Activities	Performance Indicator (PI)	Unit	Weight of PI	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%

Mandatory Strategic Objectives

			Sending GRS report(s) to the Cabinet Division from January 2015	Number of report(s)	1.0	5	4	3	2	1
		Implementing Innovations	Implemented decisions of the innovation team	%	1.0	100	80	50	30	--
			Unicode used in all official activities	Date	1.0	31/12/2014	31/01/2015	28/02/2015	31/03/2015	30/04/2015
* Improve governance	4.00	Compliance with RTI Act and proactive disclosure	Percentage of information, mentioned in the RTI Act and related regulations, disclosed in the website	%	2.0	80	70	60	50	40
		Preparation and Implementation of the National Integrity Strategy Work Plan	Preparation of NIS Work Plan for 2015 and get approved by the Ethics Committee	Date	2.0	28/02/2015	31/03/2015	30/04/2015	31/05/2015	30/06/2015
* Improve Financial Management	3.00	Improve compliance with the Terms of Reference of the Budget Management Committee (BMC)	Budget Implementation Plan (BIP) prepared and Quarterly Budget Implementation Report (QIMR) submitted to Finance Division (FD) meeting FD requirements	Number of report	1.0	5	4	3	2	1
			Actual achievements against performance targets are monitored by the BMC on a quarterly basis	Number of BMC meetings	1.0	4	3	2	1	--

* Mandatory Objective(s)

Section 2: Strategic Objectives, Activities, Performance Indicators and Targets

Strategic Objectives	Weight of Strategic Objective	Activities	Performance Indicator (PI)	Unit	Weight of PI	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%

Mandatory Strategic Objectives

		Improve audit performance	Percentage of outstanding audit objections disposed off during the year	%	1.0	70	55	40	30	20
* Efficient Functioning of the Annual Performance Agreement (APA) System	2.00	Timely submission of Draft APA for 2014-2015	On-time submission	Date	2.0	01/02/2015	02/02/2015	03/02/2015	04/02/2015	05/02/2015

* Mandatory Objective(s)

Section 3: Trend Values of the Performance Indicators

Strategic Objectives	Activities	Performance Indicators	Unit	Actual Value for FY 12-13	Actual Value for FY 13-14	Target Value for FY 14-15	Projected Value for FY 15-16	Projected Value for FY 16-17
Ministry/Division Strategic Objectives								
[1] To optimize revenue collection	[1.1] Ensure correct assessment of tax by applying the relevant laws, rules and orders properly, and thereby achieve the target.	[1.1.1] Amount of tax collected	Amount in crore TK	109152	120820	137000	160000	190109
	[1.2] Expeditious disposal of court cases (15 large cases minimum 5 large cases from each wing)	[1.2.1] Number of large court cases disposed of	Number	--	--	13	30	40
	[1.3] Encourage the taxpayers to use ADR mechanism to resolve tax dispute	[1.3.1] Number of dispute resolved	Number	97	112	108	150	175
	[1.4] Realization of arrears	[1.4.1] Amount of arrear realised	Amount in crore TK	--	--	45	55	60
	[1.5] Increase monitoring activities	[1.5.1] Increased number of cases monitored	--	--	--	--	--	--
		[1.5.2] a. income tax	%	2.5	2.5	4	4	4.5
		[1.5.3] b. VAT	%	12.5	12.5	16.0	16	17.5
[1.6] Scrutiny of VAT returns	[1.6.1] % of VAT returns scrutinized	%	25	27.5	32.50	32.5	35	
[2] To widen the tax base while ensuring social equity	[2.1] Conduct survey and increase the number of registered taxpayers.	[2.1.1] New taxpayers brought under tax net (income tax)	Number in Thousand	22000	25000	27	32000	35000
		[2.1.2] New taxpayers brought under tax net (VAT)	Number in Thousand	600	8000	9	11000	12000

Section 3: Trend Values of the Performance Indicators

Strategic Objectives	Activities	Performance Indicators	Unit	Actual Value for FY 12-13	Actual Value for FY 13-14	Target Value for FY 14-15	Projected Value for FY 15-16	Projected Value for FY 16-17
[3] To make tax administration client friendly through enhanced taxpayer's services	[3.1] Regular interaction with business associations and professional bodies in order to make them aware of their rights and obligation under tax law.	[3.1.1] Number of interacting secession held	Number	140	160	180	220	250
	[3.2] Publish booklets and advertisement including partnerships with radio and TV channels	[3.2.1] Booklets and advertisement published	Number in Thousand	--	--	45	60000	70000
		[3.2.2] Partnership built with radio and TV channels	Number	--	--	9	10	12
	[3.3] Increase taxpayer's service through service centres.	[3.3.1] Taxpayers served	Number in Thousand	4.0	4.5	4.5	6.0	6.5
	[3.4] Arranging tax fair	[3.4.1] Tax fairs held	Number	7	64	58	65	66
[4] To modernize tax administration and management	[4.1] Automated tax system- VAT automation installed	[4.1.1] Notification of Award issued	Date	--	--	30/06/2015	--	--
	[4.2] Introduction of automated tax system- e-Tin registration.	[4.2.1] e-TIN issued	Number in Thousand	--	75	90	150	175
	[4.3] Introduction of automated tax system- e-Payment.	[4.3.1] Amount of Tax paid through e-Payment system	Amount in crore	--	2	4.5	7.5	10
	[4.4] Introduction of automated tax system- Migration to ASYCUDA world.	[4.4.1] Number of land customs stations brought under	Number	--	5	14	16	--

Section 3: Trend Values of the Performance Indicators

Strategic Objectives	Activities	Performance Indicators	Unit	Actual Value for FY 12-13	Actual Value for FY 13-14	Target Value for FY 14-15	Projected Value for FY 15-16	Projected Value for FY 16-17
		ASYCUDA world.						
[5] To strengthen the enforcement	[5.1] Regular Inspection of field offices.	[5.1.1] Field offices inspected and inspection report completed	Number	150	175	180	250	300
	[5.2] To investigate into the tax affairs of the taxpayer on the basis of complaint and intelligence	[5.2.1] Number of Case detected	Number	110	125	135	175	200
[6] To enhance contribution from national savings to budget financing	[6.1] Raising fund under different Savings schemes to finance budget deficit	[6.1.1] Amount of money raised	Crore Tk.	23327	24320	13500	31153	32730

Section 4:

Description of Performance Indicators, Implementing Department/Agencies and Measurement Methodology

Sl.No	Performance Indicators	Description	Implementing Department/Agencies	Measurement and Source of Data	General Comments
1	[1.1.1] Amount of tax collected	Total amount of tax collected by three wings of NBR (Customs, VAT and Income Tax)	National Board of Revenue And IRD	Annual Report of NBR	
2	[2.1.1] New taxpayers brought under tax net (income tax)	New taxpayers brought under VAT and Income taxnet by motivation and enhanced enforcement activities.	National Board of Revenue	Taxpayer's database prepared by NBR	
3	[3.3.1] Taxpayers served	Best quality taxpayer's service provided through advisory visits, service desk and holding of tax fairs and uploading all information on website.	National Board of Revenue And IRD	Taxpayers satisfaction survey conducted by NBR	
4	[4.1.1] Notification of Award issued	In order to procure COTS software for VAT Automation NOA should be issued.	NBR and IRD.	Report published by NBR.	
5	[4.2.1] e-TIN issued	Introduction of automated tax system	NBR and IRD.	Report published by NBR.	

Section 5 :
Specific Performance Requirements from other Ministries/Divisions

Organisation Type	Organisation Name	Relevant Performance Indicator	What is your requirement from this organisation	Justification for this requirement	Requirement from this Organisation	What happens if your requirement is not met
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Section 6: Outcome of Ministry/Division

Outcome/Impact	Jointly responsible for influencing this outcome / impact with the following organisation (s) / division (s) / ministry(ies)	Performance Indicator (s)	Unit	Actual FY 12-13	Actual FY 13-14	Target FY 14-15	Projection FY 15-16	Projection FY 16-17
1 1 Enhanced buoyancy in tax revenue.	Ministry of ; a) Law, b) Public Administration, c) Finance, Finance Division d) Shipping and Attorney General Office	Increase in Tax to GDP ratio	%	9.01	9.10	8.94	10	11

Whereas,

I, the Secretary, Internal Resource Division representing the Minister, Internal Resource Division , Government of the People's Republic of Bangladesh commit to the Cabinet Secretary, Cabinet Division, representing the Prime Minister, Government of the People's Republic of Bangladesh to deliver the results described in this agreement.

I, the Cabinet Secretary, Cabinet Division, on behalf of the Prime Minister, Government of the People's Republic of Bangladesh, commit to the Secretary, Internal Resource Division to provide necessary support for delivery of the results described in this agreement.

Signed,

Secretary
Internal Resource Division

Date

Cabinet Secretary
Cabinet Division

Date

Annex-1

Acronyms

Sl.	Acronym	Description
1	ADR	Alternative Dispute Resolution
2	ASYCUDA World	Automated Systems for Customs Data (latest version)
3	e-Payment	Electronic Payment for Income Tax
4	e-Tin	Electronic Tax Identification Number for Income Tax