

**Request for
Expression of Interest
For
INDIVIDUAL CONSULTANTS**

Name of Project: ***Accelerating Growth and Reforms Multi-Donor Trust Fund Grant for Strengthening Tax Systems and Building Tax Policy Analysis Capacity.***
Grant No: **TFOA4946**

The Government of Pakistan has received grant from World Bank towards the cost of the Project Strengthening Federal Board of Revenue's Capacity in Information Technology and Fiscal Research & Tax Policy Analysis.

The Federal Board of Revenue intends to hire consulting services for the following assignment and apply portion of the proceeds of this grant towards eligible payments under this contract.

Position	Scope of Work	Qualification	Experience
Director, Market Monitoring & Intervention	He will be responsible for identifying growth sectors which are potential revenue spinners and design a matrix of sector/ industry classification based on Tax type and size of all Enterprises. He should have experience of industry classification, industry analysis with ability to document processes and workflows. Be able to suggest innovations by identifying gaps and proposing/ regulating measures for Public Sector Enterprises as well. Suggesting ways for reforming them into performing units (generating taxes) from non functional enterprises (declaring losses). having knowledge of taxation mechanisms, statistical/ financial expertise for setting up Industrial/ sector benchmarks for risk profiling taxpayers will be a +. Understanding of Pakistan's Federal and Provincial taxation system and fiscal & economic policy analysis for integrating and correlating this work to the overall fiscal system of Pakistan is required.	PhD in Economics or a Masters in Economics from HEC recognized university or, related fields such as Public Policy, Fiscal policy design/ analysis, accountancy. Knowledge of taxation and related laws will be a +	A minimum of 3 years research experience in case of PhD degree or 5 years' experience in case of Masters degree. The experience should be highly relevant to the areas identified above.
Economist, Market Monitoring & Intervention	Under the overall guidance and directions of Director, MMI he should have the abilities to carry out industry specific analysis ranging from industry processes to benchmarking for tax risk analysis purposes. He should be able to analyse industry specific reports, compare available market data with FBR and suggest ways for recovery	Masters in Economics from HEC recognized university or, related fields such as Public Policy, Fiscal policy design/ analysis, accountancy. Knowledge of taxation and related laws will be a +	A minimum of 2 years research experience in case of PhD degree or 4 years' experience in case of Masters degree. The experience should be highly relevant to the areas identified above.

Director, Tax Intelligence Unit	<p>He will be responsible for conducting research for identification of prevalent tax avoidance and tax evasion patterns. He will examine the factors and policy loopholes which encourages the users/taxpayers to avail such schemes without changing behavioral patterns. He will research the emerging business models (such as Uber) where taxation is a complex phenomena. The impact of such taxations and returns it can bring to tax administration. After studying the off shore evasions and policy interventions for controlling such tax avoidance/ evasion. He will suggest policy options and amendments in existing fiscal laws.</p> <p>He will be also responsible for developing a robust performance management/measurement system for all FBR operations/processes.</p>	<p>PhD in Economics or a Masters in Economics from HEC recognized university or, related fields such as Public Policy, Fiscal policy design/ analysis, tax laws. Knowledge of Accountancy will be highly valued. Chartered accountants and those holding equivalent accounting and financial designations (CFA) are equally eligible for the position.</p>	<p>A minimum of 3 years research experience in case of PhD degree or 5 years' experience in case of those with accounting or financial certifications. Knowledge of taxation and related laws will be a +. The experience should be highly relevant to the areas identified above for running a tax administration.</p>
Tax Economist, Tax Intelligence Unit	<p>Under the overall guidance and directions of Director Tax Intelligence Unit, he will identify tax avoidance and tax evasion patterns. He will examine the factors and which encourages the users/taxpayers to avail such schemes. He will research the emerging business models (such as Uber) and the impact of such taxations along with off shore evasions and policy interventions for controlling such tax avoidance/ evasion.</p>	<p>A minimum of 2 years research experience in case of PhD degree as above or 3 years' experience in case those with accounting or financial certifications</p>	<p>Knowledge of taxation and related laws will be a +. The experience should be highly relevant to the areas identified above for tax administration</p>
Sector Specialist For Track & Trace System	<p>Consultant will be the key resource on all technical matters on tax stamp for cigarettes and successful implementation of Track and Trace System in Pakistan. He will work under the overall guidance of FBR's Project Director (T&T), FBR and ensure that project goals and objectives are realized efficiently and effectively.</p>	<p>The consultant shall have sufficient knowledge of tax stamp use in the tobacco industry and its tax matters. He should posses at least master degree related discipline like Management, Supply, Chain & Taxation.</p>	<p>He should have at least 10 years of hands on working experience of tobacco industry and with three years of work experience on track and trace system in the industry. Experience of working with government and /or donors. FBR and tobacco industry would be an added advantage.</p>

Federal Board of Revenue now invites eligible individual Consultants to indicate their interest in providing the said services. Interested Consultants must submit **Expressions of Interest (EOIs)** for the above assignments for the contract will be till the completion of the WB project. EOI must contain details of your professional work and all degrees/qualifications, along with references from previous employees if applicable. Any details of consultancy or services provided. Why are you eligible for the said job and how would you contribute during the contract period.

Consultants will be selected in accordance with the procedures set out in World Bank's World Bank Procurement Regulations for IPF Borrowers (Regulations) [July 2016].

Interested Consultants may obtain further information regarding Terms of Reference (TORs)/ Scope of assignment and detailed Job descriptions posted from FBR's Website at www.fbr.gov.pk/tenders or email at steptagr@fbr.gov.pk or visit the office of Chief-TAGR-Procurement, Room No 142, First Floor, FBR House, G-5, and Constitution Avenue, Islamabad between 0900 hours to 1600 hours on any working day. The Expression of Interest must be delivered to the address below not later than 1500 hrs on **14th December, 2018**.

(Syeda Adeela Bokhari)
Chief (TAGR-Procurement)

Trust Fund for Accelerating Growth and Reforms (TAGR)
Room No. 142, FBR House, G-5, Constitution Avenue, Islamabad
Tel: 051-9202999

TERMS OF REFERENCE
FOR AN INTERNATIONAL BIDDING PROCESS FOR CONSULTANTS
STRENGTHENING FBR'S CAPACITY IN INFORMATION TECHNOLOGY AND
FISCAL RESEARCH & TAX POLICY ANALYSIS

Introduction and Background

World Bank has agreed to provide the Government of Pakistan under the Tax Accelerating Growth and Reforms (TAGR) Multi-Donor Trust Fund (MDTF) Grant No: TFOA4946 a Grant for Strengthening the Tax Systems and Building the Tax Policy Analysis Capacity of FBR Officers.

The FBR intends to hire consultants for Market Monitoring and Intervention (MMI) and Tax Intelligence Unit (TIU) for conducting the Fiscal Research and Tax Policy Analysis of FBR Operations. These two units will be working at FBR Headquarters to determine the market factors and will suggest how tax collection can be improved.

FBR requires Director MMI and Economist MMI to conduct Sector specific studies to work on industrial documentation and benchmarking & highlight the variances whereas the Director TIU and Economist TIU are required to study emerging Tax Evasion patterns and recommend the innovative ways to curb tax evasion. TIU will also be establishing link between the FBR's HR and Operations as how the organizational efficiency can achieve the objective of enhanced revenue mobilization.

Apart from this Federal Board of Revenue expects to increase its revenue from sale of cigarettes in Pakistan. Reportedly, tax evasion flourishes due to smuggling and non duty paid locally manufactured cigarettes being sold in the market. To avert this tax evasion it is intended to place a tax stamp on each cigarette pack with track and trace capability. This is seen as a globally accepted solution, which Pakistan also intends to introduce. No formal study is available on quantum of tax evasion from sale of cigarettes in Pakistan. A sector specialist is required as technical assistance to FBR for Track and Trace Study for e-stamping of tobacco products.

Purpose and Scope of Study

Market Monitoring and Intervention:

He will be responsible for identifying growth sectors which are potential revenue spinners and design a matrix of sector/ industry classification based on Tax type and size of all Enterprises. He should have experience of industry classification, industry analysis with ability to document processes and workflows. Be able to suggest innovations by identifying gaps and proposing/ regulating measures for Public Sector Enterprises as well. Suggesting ways for reforming them into performing units (generating taxes) from non functional enterprises (declaring losses) having knowledge of taxation mechanisms, statistical/ financial expertise for setting up Industrial/ sector benchmarks for risk profiling taxpayers will be a +. Understanding of Pakistan's Federal and Provincial taxation system and fiscal & economic policy analysis for integrating and correlating this work to the overall fiscal system of Pakistan is required.

Tax Intelligence Unit:

He will be responsible for conducting research for identification of prevalent tax avoidance and tax evasion patterns. He will examine the factors and policy loopholes which encourages the users/taxpayers

to avail such schemes without changing behavioral patterns. He will research the emerging business models (such as Uber) where taxation is a complex phenomena. The impact of such taxations and returns it can bring to tax administration. After studying the off shore evasions and policy interventions for controlling such tax avoidance/ evasion. He will suggest policy options and amendments in existing fiscal laws.

He will be also responsible for developing a robust performance management/measurement system for all FBR operations/processes.

Track and Trace Consultant

Consultant will be the key resource on all technical matters on tax stamp for cigarettes and successful implementation of track & trace system in Pakistan. He will work under the overall guidance of Project Director (Track & Trace) and ensure that Project goals and objectives are realized efficiently and effectively.

The expert will have updated knowledge of tax stamps' use, in cigarettes industry, and extensive experience of working in or with this industry and other govt. revenues. The sector specialist will assist in answering bidders' queries and in preparing the RFP to pre-empt this tax evasion via tax stamp. He will also assist FBR in evaluation of bids and in FBR's procuring this track and trace system in Pakistan and its implementation.

Terms of References (TORs)

1. Director Market, Monitoring and Intervention Unit

Job Description

- Identify industry/ sectors for all enterprises including Service industry.
- Carry out detailed study of those industrial sectors.
- Study and document the industry specific processes such as:
 - Workflows & business processes
 - Machines and production units
 - Efficiency and capacity of such production unit
- Study and document industry specific inputs-outputs and set benchmarks
- Study and document industry specific wastage and its utility
- Set industry specific standards for value addition for each unit under study.
- Study and analyze sales tax data available with FBR for risk analysis and risk profiling and document variances.
- Study and analyze Income tax data available with FBR for risk analysis and profiling and document differences.
- Study and document import values and comparing it with other countries to identify import value standards for each industry.

Qualifications & Experience

PhD in Economics or a Masters in Economics from HEC recognized university or, related fields such as Public Policy, Fiscal policy design/ analysis, accountancy. Knowledge of taxation and related laws will be a +

A minimum of 3 years research experience in case of PhD degree or 5 years' experience in case of Masters degree. The experience should be highly relevant to the areas identified above.

2. Economist, Market, Monitoring and Intervention Unit

Job Description

- Identify industry/ sectors for all enterprises including Service industry.
- Carry out detailed study of those industrial sectors.
- Study and document the industry specific processes such as:
 - Workflows & business processes
 - Machines and production units
 - Efficiency and capacity of such production unit
- Study and document industry specific inputs-outputs and set benchmarks
- Study and document industry specific wastage and its utility
- Set industry specific standards for value addition for each unit under study.
- Study and analyze sales tax data available with FBR for risk analysis and risk profiling and document variances.
- Study and analyze Income tax data available with FBR for risk analysis and profiling and document differences.
- Study and document import values and comparing it with other countries to identify import value standards for each industry.

Qualifications & Experience

Masters in Economics from HEC recognized university or, related fields such as Public Policy, Fiscal policy design/ analysis, accountancy. Knowledge of taxation and related laws will be a +

A minimum of 2 years research experience in case of PhD degree or 4 years' experience in case of Masters degree. The experience should be highly relevant to the areas identified above.

3. Director Tax Intelligence Unit

Job Description

Tax Evasion

- Study and research into tax avoidance and tax evasion patterns/ schemes (Current & emerging trends) of all taxes:
 - Sales Tax
 - Income Tax
 - Customs
- Identify **current techniques/ tools** used for tax evasion and avoidance
- Analyze and measure the **revenue impact** of such tax evasion schemes
- Conduct analysis of **new business models**, especially online businesses
- Determine the **impact** of these business models on taxation system (Base Erosion)
- Study **international policy responses** for checking such tax avoidance schemes and patterns
- **Suggest policy options** for choking such tax avoidance schemes/ Patterns
- Research into various third party databases maintained by
 - provincial/ sub national governments
 - private parties
- Identify the **utility of such data bases** for verifying tax evasion

- Suggest ways for connecting **FBR's Databases with third party databases** and importing data into FBR's Data ware House
- Suggest **data models** which can be developed on the basis of data in FBR's data warehouse
- **Train FBR's officers/ officials** in developing, improving and maintaining such data models.

Performance Measurement

- **Develop performance management** system for:
 - Federal Board of Revenue Headquarters
 - Regional Tax Offices and Collectorates
 - Officers/ Officials
- Develop system for **process measurement**
 - **Time spent** on each individual activity at all levels
 - **Identify unnecessary delays** in processes
 - Study International best practices for process measurement
 - Suggest optimum time for each process/ activity
 - Suggest how to improve process performance
- Develop KPIs for FBR (Operations at all levels)

Qualifications & Experience

PhD in Economics or a Masters in Economics from HEC recognized university or, related fields such as Public Policy, Fiscal policy design/ analysis, tax laws. Knowledge of Accountancy will be highly valued. Chartered accountants and those holding equivalent accounting and financial designations (CFA) are equally eligible for the position.

A minimum of 3 years research experience in case of PhD degree or 5 years' experience in case of those with accounting or financial certifications. Knowledge of taxation and related laws will be a +. The experience should be highly relevant to the areas identified above for running a tax administration.

4. Economist, Tax Intelligence Unit:

Job Description

Tax Evasion

- Study and research into tax avoidance and tax evasion patterns/ schemes (Current & emerging trends) of all taxes:
 - Sales Tax
 - Income Tax
 - Customs
- Identify **current techniques/ tools** used for tax evasion and avoidance
- Analyze and measure the **revenue impact** of such tax evasion schemes
- Conduct analysis of **new business models**, especially online businesses
- Determine the **impact** of these business models on taxation system (Base Erosion)
- Study **international policy responses** for checking such tax avoidance schemes and patterns
- **Suggest policy options** for choking such tax avoidance schemes/ Patterns
- Research into various third party databases maintained by
 - provincial/ sub national governments
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- Suggest ways for connecting **FBR's Databases with third party databases** and importing data into FBR's Dataware House
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 - Study International best practices for process measurement
 - Suggest optimum time for each process/ activity
 - Suggest how to improve process performance
- Develop KPIs for FBR (Operations at all levels)

Qualifications & Experience

A minimum of 2 years research experience in case of PhD degree as above or 3 years' experience in case those with accounting or financial certifications.

Knowledge of taxation and related laws will be a +. The experience should be highly relevant to the areas identified above for tax administration.

5. Track & Trace for Tobacco Products:

Job Description

Consultant is required to perform following activities. He will:

- Prepare and submit report on quantum, types and size of tax evasion in this sector
- Aid in design of the Track and Trace system for Pakistan
- Assist in Preparing Strategy and Plan for implementation of the Track and Trace System in Pakistan
- Help in defining the system and product requirements for the "Procurement Specialist"
- Assist the Procurement Specialist and FBR in preparation of RFP, review and evaluation of bids
- Identify details of hardware and software requirements
- Prepare detailed installation plan of the designed system
- Assist FBR in roll-over of the track and trace system in the field
- Monitor, supervise the installation of machines in all the units identified by FBR
- Ensure that system installed is working properly in all the units
- Prepare the weekly monitoring report for perusal of FBR management
- Devise reports generating mechanism for the FBR management
- Propose mid course corrections, where required

Required Deliverables with Timelines:

Sr.No.	Deliverable	Due Timelines from the date of joining
1	Inception Report	1 st Week
2	Tax Evasion Report	4 th Week
3	Design of Track & Trace System for Pakistan	3 rd Week
4	Implementation Strategy and Plan	3 rd Week
5	Define Specifications for System and Products, including hardware and software	3 rd Week
6	Finalization of RFP	4 th Week
7	Signing of Track & Trace Contract	6 th Week
8	Installation of Track & Trace System	Next 12 Weeks
9	Monitoring and Evaluation Report	Fortnightly
10	Mid Course Corrections Report	Six Months
11	System's Operations Reports	Weekly basis

Qualifications & Experience

The consultant shall have sufficient knowledge of tax stamp use in the tobacco industry and its tax matters and should possess at least masters degree in related discipline.

Experience:

At least 10-years of hands-on working experience of tobacco industry, in an international organization, Multi-National company inclusive a (3) three year work experience on track and trace system in tobacco industry. Experience of working with government, FBR and tobacco industry would be an added advantage.

Competencies:

- i. Situation Analysis
- ii. Monitoring & Evaluation
- iii. Delivery on timelines

Skills:

- i. Information technology use in tax Stamp Industry
- ii. Management
- iii. Monitoring
- iv. Technical relating to the assignment

Relationship Between FBR and Consultants:

The Consultants hired will work at FBR headquarters. The relationship between the Consultants and Management will be professional. FBR is not expecting any academic research paper but it expects that at the end of the assignment the consultants come up with precise objectives of the study, with concrete suggestions, recommendations, action plan with timeline as how those objectives can be achieved. All

information and facts collected by the consultants will remain confidential and the work completed for which the agreed remuneration paid will be the copy right and intellectual property of FBR.

Selection Method:

A Consultant will be selected in accordance with the Selection criteria based on the Consultants Qualifications method set out in the World Bank's Guidelines: Selection and Employment of Consultants by the World Bank Borrowers.

Coordination:

For all activities and clarifications under these ToRs the Consultants will coordinate with all relevant wings of FBR and PRAL and Market and Industry to build a comprehensive business model for enhanced revenue collection for FBR.

Code of Conduct & Professional Ethics

i. Services:

- Performs his/her assigned duties with responsibly as per ToRs.
- Complete the tasks within given timeframe.
- The reports generated shall be based on facts and not on assumptions.
- Confidentiality of access to any data for analysis purpose shall be maintained.

ii. National Interest:

- Keep the interest of state, society and fellow citizens supreme in the discharge of duties and never compromise on the purpose of assigned tasks for any personal gains.
- Promote confidence in the integrity of the public service and the profession.
- Conduct business (on-site survey) in accordance with laws and regulations of the government.

iii. Ethical and Professional Conduct

- Maintain impartiality. Fairness and transparency at all levels.
- Give valid reasoning for recommendations.
- Communicate with clarity.
- Develop and maintain constructive professional relationships with FBR.
- Abstain from making malicious or false statements about any person or institution.
- Refuse gifts, favors or benefits of any.
- Report all incidents of outside influence immediately to the FBR Administration.

iv. Leadership:

- Act as a positive role model.
- Be open and accept differing views and perspectives.

- Discharge responsibilities conscientiously and prudently.
- Promote participatory decision-making.
- Respond appropriately to issues of inefficiency.

v. Efficiency and Effectiveness

- Value all the resources provided for conducting your assigned tasks, achieve high level outcomes.
- Be punctual and complete the assignments as per the decided schedule.
- Avoid using personal mobile phone during meetings, and discussions keep your cell phones on silent mode

vi. Discrimination and Harassment

- Ensure equality and freedom, and prevent discrimination on the basis of religion, sect, race, cast, social status, culture and region.
- Encourage women participation through a harassment-free and conducive work environment.

vii. Political Affiliation

- Avoid political discussions
- Do not issue statements in favor of or against a body or forum which identifies itself as a political entity.

viii. Responsiveness

- Exhibit commitment, zeal, enthusiasm, innovativeness, dignity and professionalism in discharge of assigned responsibilities.
- Take responsibility if any mistake/error (made intentionally or unintentionally)

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