

# **Commonwealth of Puerto Rico Tax Reform Assessment Project**

*Transformation Communication Strategy*

October 31, 2014

# Table of Contents

<b>1</b>	<b>Introduction</b>	<b>3</b>
<b>2</b>	<b>Communication definition</b>	<b>4</b>
<b>3</b>	<b>Communication strategy elements</b>	<b>5</b>
<b>4</b>	<b>Communication measures</b>	<b>6</b>
<b>5</b>	<b>Communication strategy leading practices</b>	<b>7</b>
<b>6</b>	<b>Communication planning</b>	<b>8</b>

Commonwealth of Puerto Rico  
Tax Reform Assessment Project

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# 1 Introduction

Effective stakeholder communication is a vital component for the tax reform transformation project. The Department of the Treasury in Puerto Rico (Department) may begin a large-scale transformational initiative as a result of the Tax Reform Project, which will include a well-planned communications program to support the organization. It is important to keep the management and staff, from across the organization, informed of the progress of the tax reform initiatives in order to create transparency and transition stakeholders toward the level of ownership necessary for the change. An effective communications strategy will also facilitate the identification of stakeholder concerns early, enabling concerns to be addressed before potential issues impede transformational implementations.

A communication strategy acknowledges the importance of open, two-way communication across an organization. The strategy serves as a guiding framework for communications related to the tax reform transformation activities. Based on the Validated Target Operating Model Design report six capability levels – or key reform initiatives within the transformation – have been proposed. The evolution of the six capability levels are illustrated in the graphic below.

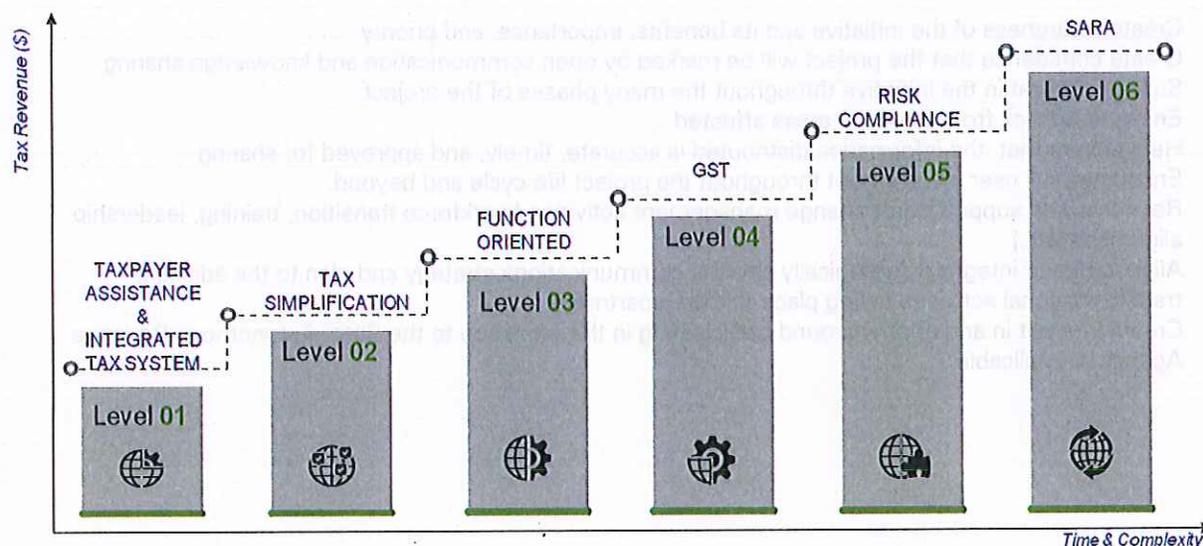


Figure 1 Capabilities Evolution

**LEVEL 01 – Build Foundation:** A foundation has to be implemented to improve its taxpayer service and strengthen the administrative processes using an integrated IT platform.

**LEVEL 02 - Simplified Administration:** Reducing the number of tax expenditures and decreasing the taxpayer base will create a more efficient tax administration structure, which may lead to lower compliance and administration costs.

**LEVEL 03 - Taxpayer Centric:** Creating a tax function-oriented organization will enable the Tax Administration to serve the taxpayer throughout the tax lifecycle and influence compliance behavior.

**LEVEL 04 – Goods and Services Tax:** A goods and services tax (GST) will enable higher compliance rates and consumption tax revenues due to a collection throughout the value chain.

**LEVEL 05 – Risk Based Enforcement:** Leveraging data analytics and understanding taxpayer risk profiles will help the tax administration focus enforcement activities and audit resources effectively.

**LEVEL 06 – Independent and Performance Driven:** An independent and non-political tax administration function will allow for a performance driven culture, more transparency and access to talent.

## 2 Communication definition

The primary purposes of the communication process are to:

1. Document the Tax Reform Project communication objectives
2. Establish the strategy for achieving the objectives based on guiding principles

The communication strategy will provide the following benefits:

- Identifies who are the communication audiences
- Identifies which communication channels (in-person, seminars, print, web, etc.)
- Identifies the responsible Department owner for each communication type (roles, responsibilities and communication approval if required)
- Establish communication format and necessary management process

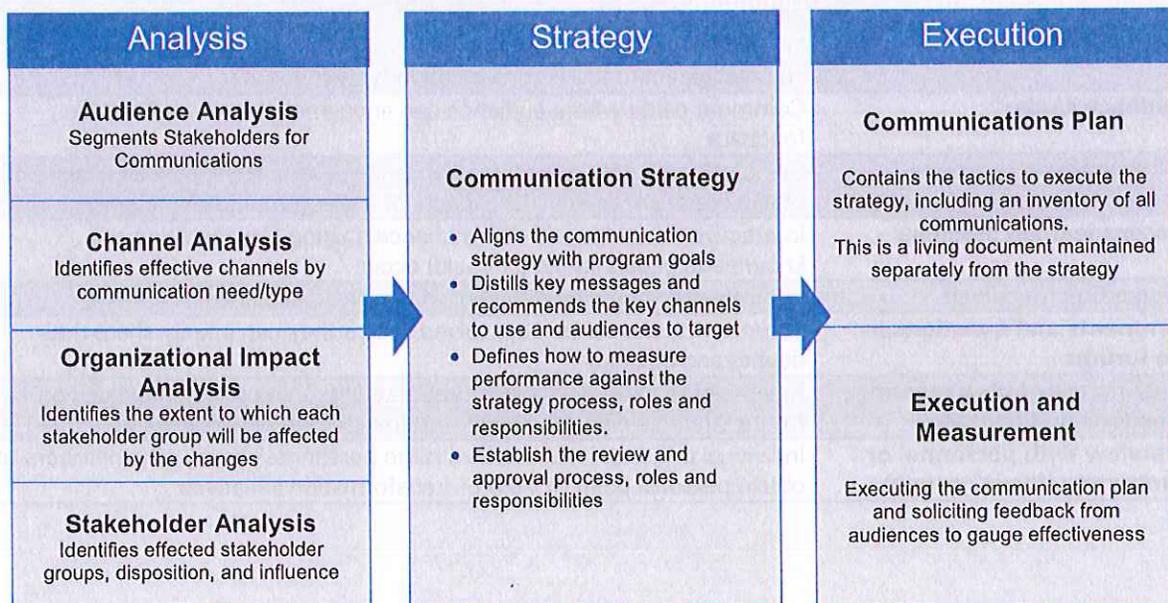
The communication strategy objectives are listed below:

- Create awareness of the initiative and its benefits, importance, and priority
- Create confidence that the project will be marked by open communication and knowledge sharing
- Sustain interest in the initiative throughout the many phases of the project
- Enable feedback from all of the areas affected
- Help ensure that the information distributed is accurate, timely, and approved for sharing
- Encourage full user involvement throughout the project life cycle and beyond.
- Reinforce and support other change management activities (workforce transition, training, leadership alignment, etc.)
- Align with and integrate strategically into the communications strategy and plan to the adjacent transformational activities taking place at the Department
- Create interest in and energy around participating in the transition to the Semi Autonomous Revenue Agency, if applicable

### 3 Communication strategy elements

There are three core phases to developing a communication strategy:

1. Analysis Phase – series of preliminary data gathering steps to understand the who to communicate to, how to communicate the message, what the impact to the stakeholder group is and potential other affected stakeholder groups
2. Strategy Phase – aligns the elements of the analysis phase to help ensure the communication strategy fits into the organization through goals, success and performance metrics, and outlines the communication messaging approval process
3. Execution Phase – contains the both the communication plan (documents the logistics, planning needs and requirements to execute the strategy, marketing plans if applicable) and the execution/measurement document (stakeholder buy-in analysis, process for strategy and plan revisions if applicable)



## 4 Communication measures

Communication evaluation and tracking measures are necessary to verify effectiveness of the strategy. A variety of performance indicators and feedback mechanisms must be used to measure and track the content as well as the frequency and effectiveness of messages published to stakeholders.

Examples of key measurement indicators include:

- Number of people aware of the communication event (or campaign)
- Type of communication channels for each message (print, electronic, in-person, etc.)
- Number of communication channels the message is communicated
- Success measures (number of people who follow new process or change acceptance)
- Number of survey or feedback responses

Examples of feedback mechanisms include the following:

Feedback Mechanisms	Definition
<b>Internal evaluations</b>	Questionnaires directed to the audience in the transition to measure their knowledge about the communication type or event
<b>Feedback cards</b>	Comment cards where audience can anonymously provide written feedback
<b>Communications survey</b>	Standardized survey sent to audience included in a transitional design to obtain feedback on specific aspects of the communication event.
<b>Lessons learned sessions</b>	Interactive meetings with the audience sharing the obstacles and knowledge gaps that did (or could) occur
<b>Suggestions received</b>	Informal comments on behalf of the involved audience
<b>Comments and questions in live forums</b>	Forums with the audience involved where they can openly share their doubts and opinions
<b>Steering committee meeting questions and feedback</b>	Results of the steering committee meetings that provide feedback on future strategic decisions about the transformation initiatives
<b>Interview with personnel or community (focus groups)</b>	Individual or group interviews with the personnel/community members to obtain personal point of view of transformation initiatives

## 5 Communication strategy leading practices

Development of a communication strategy takes a significant amount of time to plan, prepare and execute. This section highlights a number of leading practices and guiding principles that can assist the Department with tailoring the right transformation message to the right audience.

- Place members of stakeholder groups in the spotlight and enable stakeholders serve as an advocate for the initiative to encourage and support success, communicate success stories even if not directly applicable to the project
- Leverage the Tax Reform project sponsorship by creating a(n):
  - Executive Management Team (EMT)
  - Team Leads
  - Team Members
  - Operations Leadership / MD group
  - Back Office Leadership
  - Business leaders in the community in support of transformation
- Create internal communication channels through a top down approach to promote transparency
- Increase face to face and active involvement from Department management
- Develop a “brand” – project – awareness for the Tax Reform transformational initiatives to create an identity and marketing theme
- Be consistent in the tone and content of all the Tax Reform related messages by engaging communications where applicable and collaborating with human resources for campaigns where applicable
- Promote the credibility of the Tax Reform project through visible leadership support
- Establish the right leader for the point on communicating messages to various stakeholder groups:
  - Department personnel
  - Individual taxpayer community
  - Business community
  - Advocacy groups
  - Federal government
- Communicate personal impacts and address concerns with audience focused questions (“What’s in it for me?” and “How do my actions further the cause?”)

## 6 Communication planning

This section will provide information and analysis about key message types, audiences and communication channels. Such information will be an input for the communication plan that the Department will execute during tax reform transformations.

### Key message types

In communicating major organizational transformation activities, as with any other communications initiative, it is important to develop a key message set, the contents of which can be woven into communication vehicles. The key message set will serve as a tool to guide the development of communication materials outlined by the communication plan. Development and use of key messages helps to ensure message consistency to critical audiences throughout transformation project lifecycles.

The key message sets below should be based on the following activities and resources:

- Kick-off presentation
- Board of directors or management presentation(s)
- Case for change
- Press conferences
- Newsletters
- Press releases
- Government briefings

### Audience analysis

These are the six strategy elements (see section 3) used to analyze the appropriate communication audience and the levels of engagement for each process.

1. *Definition of the Audience:* Clearly defined boundaries to help ensure that each audience is a discreet group of individuals. If context is similar enough for analysis and recommendations for multiple audiences a distribution list can be created
2. *Sub-Audiences:* Groups within an audience that have unique contexts, concerns, and sensitivities in addition to those that applies to the entire audience. For the Department, this may be a specific advocacy group or group of corporations
3. *Level of Engagement Needed:* It is necessary that the audience have a general awareness of the Tax Reform transformation and why the initiative is occurring. Each audience type requires different levels of engagement. For example, internal IRA personnel require higher levels of management attention than an advocacy group, depending on which transformation project is occurring
4. *Relevant Phases of the Project:* Affects when to engage an audience and determines relevant changes to communicate and key messages
5. *Context, Concerns, and Sensitivities:* Background information used in recommendations topics that are important to the audience, where the audience is coming from and key changes that will affect the audience. It is important to establish how the audience should be communicated with.
6. *Commonly Used Communication Channels:* Identifies relevant channels to effectively communicate with each audience

### Channel analysis approach

The communication media you select for activities within the strategy depends on what is required to achieve from each audience, taking into consideration the internal channels (for Department employees) and external channels (for the taxpayers, individual and corporate). The right channels for raising awareness would very probably be the wrong channels for gaining ownership and commitment. Personnel working on the Department central offices may have different needs from the one working on field offices. Here is a simple summary of the communication channels that could be used for tax transformation initiatives:

## Internal channels

- Team meetings
- E-mail
- Department intranet
- Video
- Internal print magazine or newsletter
- Notice boards
- Text messaging
- Events or presentations
- Site visits by senior management
- Open forums
- Voice mail
- Webcast
- Podcast

## External channels

- TV Commercials
- Radio commercials
- Social media
- Events and community campaigns
- TV banners (located on Service Centers)
- Department websites
- Other public websites
- Banners and publications
- Brochures and flyers
- Newspapers and magazines
- Meetings with business associations

## Capabilities Evolution Communication Planning

According to the capabilities previously mentioned in section 1, the Communication Planning was developed according to the *6 Levels of Capabilities Evolution* (page 3) including the key message, audience, analysis and the recommended communications channels. The following sections illustrate suggestions that the Department may want to consider and is by no means an all-inclusive communication strategy but serves as a foundation for building the right communication strategy and execution plan by the Department.

### 7.1. Level 01 – Build Foundation

The following chart describes the communication planning for this phase:

Category	Description
Key Message	A foundation has to be implemented to improve its taxpayer service and strengthen the administrative processes using an integrated IT platform
The Business Case for Change	<ul style="list-style-type: none"><li>• The current IT systems do not provide accurate and updated data, which complicates the way bureaus perform daily activities. It also provides a challenge at the time of integration with other modern applications</li><li>• The current IT system does not facilitate automation of processes and reporting</li><li>• Taxpayer services are provided primarily face to face and the online channels to provide services are limited, which generates elevated costs</li><li>• Taxpayers do not have a client-centric portal to view or track activities year to year or historical information</li></ul>

Category	Description
Benefits of the Change	<ul style="list-style-type: none"> <li>• The new technological platforms may optimize functions, providing more efficient processes activity completion time</li> <li>• Enhanced taxpayer service channels increase taxpayer satisfaction, reduce case management average handling time generating a positive image of the tax revenue agency throughout the taxpayers and may decrease operational costs</li> </ul>
Organizational Impacts	<ul style="list-style-type: none"> <li>• Services, Processes and Functions: Updated process documentation in line with a new integrated tax system, new processes that reflect the simplified rules, reduction of request for extensions in tax filing, increased voluntary tax filers, reduced volume of inquires and alternative channels for taxpayers.</li> <li>• Organization and Governance: Optimal span of control, accountability on taxpayer services and changes to the IT organizational and governance structure</li> <li>• Technology: New applications supporting the new taxpayer strategy, legacy databases will be cleansed and the current infrastructure will be gradually replaced</li> <li>• Sourcing and Locations: Reduction of collection centers and sourcing costs, existing personnel and maintenance contracts will be revised based on new organizational structure and levels of support</li> <li>• Performance Management: Key performance indicators for taxpayer assistance services and the adoption of a Business Process Management practice</li> <li>• People and Skills: Reduction of FTE's where applicable, specialize case management trainings, reduction of handling time with taxpayers and specialized training for the IT staff</li> </ul>
Vision for the Organization	<p>Internal Revenue Agency working with efficient, automated and optimized processes as a result of an implementation of first generation tax administration software and improved service channels like call centers and online portals.</p>
The Change Approach and Process	<p>The future state will be achieved installing these new applications, performing data cleansing on the current tax administration system and migrating this data to the new integrated system and taxpayer service channels. The implementation of this new system and applications will be completed once the necessary testing and monitoring is done.</p>
Audience	<ul style="list-style-type: none"> <li>• Department personnel (management, support functions, bureaus)</li> <li>• Taxpayers (individual, corporate)</li> </ul>
Channels	<p>For department personnel:</p> <ul style="list-style-type: none"> <li>▪ Department Intranet</li> <li>▪ Presentation / events</li> <li>▪ Team meetings</li> <li>▪ E-mail</li> <li>▪ Site visits by senior leaders</li> </ul> <p>For taxpayers:</p> <ul style="list-style-type: none"> <li>▪ Department Website</li> <li>▪ TV banners (located in service centers)</li> <li>▪ Social media</li> </ul>

## 7.2. Level 02 – Simplified Administration

The following chart describes the communication planning for this phase:

Category	Description
Key Message	Eliminating tax expenditures and decreasing the taxpayer base will require a simplified tax administration, which will lower the costs of compliance and administration
The Business Case for Change	There is a high volume of tax expenditures, much of which are not used by majority of taxpayers, some of them apply to a reduced group of taxpayers and, less than a half of the tax filing forms are submitted electronically
Benefits of the Change	Through the implementation of e-filing improvements and pre-filled forms, and the reduction of tax expenditures; tax burden will be reduced, operational and staffing costs will be reduced and efficiency will be increased
Organizational Impacts	<ul style="list-style-type: none"> <li>• Services, Processes and Functions: Simplification of tax returns processing, decreased volume of inquires and less effort in validating returns</li> <li>• Organization and Governance: Reduction of the volume of staff involved in validating, processing and checking returns</li> <li>• Technology: Implementation of rules to minimize manual processes and provide online documentation to taxpayer service representatives</li> <li>• Sourcing and Locations: Better service level agreements (SLA) with third parties to support the organization</li> <li>• Performance Management: Implementation of performance measurements around the effectiveness of e-filing</li> <li>• People and Skills: Outplacement process of staff, retraining and repositioning of staff to focus more on enforcement, audits, taxpayer services and data analytics; personnel cross training across functions</li> </ul>
Vision for the Organization	The Department will be working with simplified tax administration that will permit the automation of functions and processes and a reduction of tax burden.
The Change Approach and Process	This will be achieved by analyzing the current legal framework in order to reduce the tax expenditures and enhancing the current e-filing channel to make it more users friendly. Pre-filing will be achieved by doing the necessary third party agreements with other institutions, for obtaining information of every taxpayer.
Audience	<ul style="list-style-type: none"> <li>• Department personnel (management, support functions, bureaus)</li> <li>• Taxpayers (individual, corporate)</li> </ul>
Channels	<p>To Department personnel</p> <ul style="list-style-type: none"> <li>▪ Department intranet</li> <li>▪ Presentations</li> <li>▪ Team meetings</li> <li>▪ E-mail</li> </ul> <p>To the taxpayers:</p> <ul style="list-style-type: none"> <li>▪ Department website</li> <li>▪ Events and community campaigns</li> <li>▪ Social media</li> <li>▪ TV banners (located on Service Centers)</li> </ul>

### 7.3. Level 03 – Taxpayer Centric

The following chart describes the communication planning for this phase:

Category	Description
Key Message	Creating a fully function-oriented organization will enable the tax administration to serve the tax payer across its life events and influence compliance behavior.
The Business Case for Change	The current structure of the Internal Revenue Area (type of tax structure mixed with a functional oriented structure) is leading to duplicated efforts and operational inefficiencies.
Benefits of the Change	<ul style="list-style-type: none"> <li>• Provides uniformity across the organization, increased efficiency and higher productivity of the overall tax administration</li> <li>• Reduction of personnel costs and more specialized human resource due to the optimal distribution of functions</li> <li>• A single taxpayer services unit capable of providing assistance to all types of tax (individual, consumption and corporate)</li> </ul>
Organizational Impacts	<ul style="list-style-type: none"> <li>• Services, Processes and Functions: Updated procedures and optimized processes</li> <li>• Organization and Governance: Efficient use of the human resources, focused on macro processes providing an integrated view of the taxpayer</li> <li>• Technology: Automation of processes, generating work simplification</li> <li>• Sourcing and Locations: Centralized service operations and less dependency on sourcing contracts</li> <li>• Performance Management: More efficient performance management process</li> <li>• People and Skills: Outplacement strategy and retraining of personnel to support the new functions and centralized tax management</li> </ul>
Vision for the Organization	The Internal Revenue Area working throughout a function oriented organizational structure grouped in streamlined departments managing all types of tax
The Change Approach and Process	The future state can be achieved by reducing duplication of efforts in roles, operational processes and personnel (performing same functions), streamlining organizational processes through technology automation and personnel realignment and retraining personnel to a cross-functional tax knowledge base
Audience	<ul style="list-style-type: none"> <li>• Department personnel (management, support functions, bureaus)</li> <li>• Taxpayers (individual, corporate)</li> </ul>

Category	Description
Channels	<p>To Department personnel</p> <ul style="list-style-type: none"> <li>▪ Presentations</li> <li>▪ Events</li> <li>▪ Team meetings</li> <li>▪ E-mail</li> <li>▪ Site visits by management</li> <li>▪ Department intranet</li> <li>▪ Open forums</li> <li>▪ Webcast</li> <li>▪ Internal print magazine or newsletter</li> <li>▪ Notice boards</li> </ul> <p>To the taxpayers:</p> <ul style="list-style-type: none"> <li>▪ TV Commercials</li> <li>▪ Newspapers</li> <li>▪ Department website</li> <li>▪ Social media</li> <li>▪ Department website</li> <li>▪ Meetings with business associations</li> </ul>

## 7.4. Level 04 – Goods and Services Tax

The following chart describes the communication planning for this phase:

Category	Description
Key Message	<p>Goods and Services Tax will enable higher compliance rates and consumption tax revenues due to a tax revenues collected throughout the value chain. It is important, when delivering the key message, that the following topics are explained to individual and corporate taxpayers:</p> <ul style="list-style-type: none"> <li>• Definition of GST and how does it work</li> <li>• Reasons to move from SUT (IVU) to GST</li> <li>• How will this affect individuals/corporations</li> <li>• Effects of the GST on food</li> <li>• Effects of the GST on healthcare</li> <li>• Effects of the GST on Education</li> <li>• Any other likely important points identified from sales tax exemption to GST taxation</li> </ul>
The Business Case for Change	<ul style="list-style-type: none"> <li>• The current sales and use tax is difficult to administer and enforce</li> <li>• Creates cascading effects that require exemption certificates</li> </ul>
Benefits of the Change	<ul style="list-style-type: none"> <li>• A GST may stabilize revenue collection efforts</li> <li>• Tax collections can be realized sooner due to collections throughout the value chain</li> <li>• Simplifies administration because taxpayers collect for the government and it also promotes compliance</li> <li>• Generates greater transparency and increases global competitiveness</li> </ul>

Category	Description
Organizational Impacts	<ul style="list-style-type: none"> <li>• Services, Processes and Functions: Implementation of GST filing, new enforcement scheme based on compliance risk management and implementation of a new fraud prevention mechanism.</li> <li>• Organization and Governance: Optimization of tax compliance monitoring and implementation of media campaign to ensure acceptance.</li> <li>• Technology: Cross-tax checking supported by the integrated system and access to external sources for effective enforcement.</li> <li>• Sourcing and Locations: Optimized field enforcement and taxpayer offices.</li> <li>• Performance Management: Implementation of an invoice/credit mechanism to measure the GST throughout the value chain.</li> <li>• People and Skills: Retraining of personnel to support the new enforcement methodology and taxpayer services.</li> </ul>
Vision for the Organization	The Department will be working with a new tax structure that will provide increased tax collections, supported by new enforcement measures.
The Change Approach and Process	A GST will be implemented and it will be accepted by a large percent of the taxpayers because of the creation to a strong marketing and communication campaigns
Audience	<ul style="list-style-type: none"> <li>• Department personnel (management, support functions, bureaus)</li> <li>• Taxpayers (individual, corporate)</li> </ul>

The following chart describes the communication strategy for this program

Communication Strategy	Key Messages
<ul style="list-style-type: none"> <li>• Definition of GST and how it works</li> <li>• Importance to have GST (GNI) in GST</li> <li>• How will the GST impact/ affect taxpayers</li> <li>• Impact on the GST on business</li> <li>• Impact on the GST on individual</li> <li>• Impact on the GST on the economy</li> <li>• The impact on the GST on the environment</li> </ul>	<ul style="list-style-type: none"> <li>• The impact on the GST on the environment</li> <li>• The impact on the GST on the economy</li> <li>• The impact on the GST on individual</li> <li>• The impact on the GST on business</li> <li>• The impact on the GST on the environment</li> </ul>
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Category	Description
Channels	<p>To the Department personnel:</p> <ul style="list-style-type: none"> <li>▪ Presentation / events</li> <li>▪ Team meetings</li> <li>▪ E-mail</li> <li>▪ Department intranet</li> <li>▪ Site visits by senior leaders</li> <li>▪ Open forums</li> <li>▪ Webcast</li> <li>▪ Internal print magazine or newsletter</li> <li>▪ Notice boards</li> </ul> <p>To the taxpayers/Individuals:</p> <ul style="list-style-type: none"> <li>▪ TV Commercials</li> <li>▪ Newspapers</li> <li>▪ Department website</li> <li>▪ Shopping mall education stands</li> <li>▪ Social media</li> <li>▪ Events and community campaigns</li> <li>▪ TV banners (located on Service Centers)</li> <li>▪ Other public websites</li> <li>▪ Banners and publications</li> <li>▪ Brochures and flyers</li> <li>▪ Newspapers and magazines</li> </ul> <p>To the taxpayers/business:</p> <ul style="list-style-type: none"> <li>▪ Meetings with business associations</li> <li>▪ Taxpayer Guide</li> <li>▪ Industry Guides</li> <li>▪ Guides for specific regimes/rules</li> <li>▪ Taxpayer education presentations/workshops</li> <li>▪ Specific activity guides - Registration, calculation, filing, payment, refund, penalties, audit, tax invoice/record keeping, correction guides</li> </ul>

## 7.5. Level 05 – Risk Based Enforcement

The following chart describes the communication planning for this phase:

Category	Description
Key Message	Leveraging data analytics and understanding a comprehensive risk profile of tax payers will help the Department focus enforcement activities and audit resources effectively.
The Business Case for Change	There's a need to implement a Risk Compliance Management methodology to fortify enforcement; currently there is a reported 55% of compliance for the existing sales tax.

Category	Description
Benefits of the Change	<ul style="list-style-type: none"> <li>• An increase of voluntary compliance and a more efficient means of tax collection</li> <li>• Creates fairness and equal treatment of taxpayers by assessing the organization's risks and taxpayer profiles</li> <li>• Focuses the burden of audit to non-compliant taxpayers</li> </ul>
Organizational Impacts	<ul style="list-style-type: none"> <li>• Services, Processes and Functions: Better tracking of registered taxpayer's submission compliance, optimized capability to detect audits requirements and enforcement actions and a reduction of field inspections.</li> <li>• Organization and Governance: Reduction of staff involved in field audits and inspections.</li> <li>• Technology: Implementation of risk assessment tools: Data analytics and Case Management to support GST and income tax filers.</li> <li>• Sourcing and Locations: Legislation changes and third party agreements in order to gain access to taxpayer data from financial institutions and other sources.</li> <li>• Performance Management: Implementation of mature key performance indicators to measure the performance of the risk-based compliance strategy.</li> <li>• People and Skills: Introduction of a performance based management compensation, appropriate staffing and training to support the enforcement function and attraction of specialized personnel with competitive salaries.</li> </ul>
Vision for the Organization	<p>The IRA will be working with the necessary tools and knowledge to efficiently promote compliance from behalf of the taxpayer and to implement strict and accurate enforcement.</p>
The Change Approach and Process	<p>The Risk Based Compliance Management through the implementation of technology applications, retraining of the personnel involved in enforcement and participation of all the areas of internal revenue will provide a broader profile to identity possible non-compliers.</p>
Audience	<ul style="list-style-type: none"> <li>• Department personnel (management, support functions, bureaus)</li> <li>• Taxpayers (individual, corporate)</li> </ul>
Channels	<p>To Department personnel</p> <ul style="list-style-type: none"> <li>▪ Department intranet</li> <li>▪ Site visits by senior leaders</li> <li>▪ Presentations</li> <li>▪ Team meetings</li> <li>▪ E-mail</li> <li>▪ Open forums</li> <li>▪ Internal print magazine or newsletter</li> <li>▪ Notice boards</li> </ul> <p>To the taxpayers:</p> <ul style="list-style-type: none"> <li>▪ Department website</li> <li>▪ Newspapers</li> <li>▪ Social media</li> </ul>

## 7.6. Level 06 – Independent and Performance Driven

The following chart describes the communication planning for this phase:

Category	Description
Key Message	The implementation of an independent tax administration organization will allow for a performance driven culture, more transparency and talent retention
The Business Case for Change	The tax administration function within the Department has limitations to attract and retain key personnel. The Department's tax strategy and operations can be influenced by outside contributors which results in inefficient processes, governance and structure
Benefits of the Change	<ul style="list-style-type: none"> <li>• A SARA will require more specialized personnel that will be recruited and developed, providing more career development opportunities.</li> <li>• An autonomous function will provide a stable work environment based on personnel performance and incentives</li> <li>• The SARA will provide greater autonomy on decision making, especially on operational and administrative matters.</li> </ul>
Organizational Impacts	<ul style="list-style-type: none"> <li>• Services, Processes and Functions: Reduction of duplicated functions, optimization of processes and the implementation of a Program and Innovations Office.</li> <li>• Organization and Governance: Autonomous decisions on strategic and operational matters with a strong legal support; and the implementation of a streamlined organization with an optimized use of its resources.</li> <li>• Technology: Creation of a dedicated IT department providing service exclusively for the tax administration systems and applications.</li> <li>• Sourcing and Locations: Centralization of services and better SLA on contract terms to support the operations.</li> <li>• Performance Management: Implementation of a performance management system to support the compensation system, higher services rates and increased motivation among the staff.</li> <li>• People and Skills: Attraction of more developed and specialized talent, implementation of a performance based compensation system, re-evaluation of the current staff.</li> </ul>
Vision for the Organization	The SARA should include Board of Directors, working throughout a function oriented organizational structure, made up by qualified professionals who will provide an improved operational efficiency and increased total tax revenue. The tax revenue agency can be a top employer, able to provide a career opportunity to the best professionals. Utilizing first generation tax administration software, capable of optimizing all processes, improved service channels, simplified taxes and a more robust enforcement process.
The Change Approach and Process	The design of the SARA organizational framework with establishing statutory authority, if applicable, will begin the transformation. Personnel will undergo realignment, recruiting or other internal processes to help ensure success factors for the transformational initiative. A communication and human resource plan must be developed to facilitate overall project success.
Audience	<ul style="list-style-type: none"> <li>• Department personnel (management, support functions, bureaus)</li> <li>• Taxpayers (individual, corporate)</li> </ul>

Category	Description
Channels	<p>To Department personnel</p> <ul style="list-style-type: none"> <li>▪ Department intranet</li> <li>▪ Team meetings</li> <li>▪ Presentations</li> <li>▪ Webcast</li> <li>▪ Events</li> <li>▪ E-mail</li> <li>▪ Site visits by management</li> <li>▪ Open forums</li> <li>▪ Internal print magazine or newsletter</li> <li>▪ Notice boards</li> </ul> <p>To the taxpayers:</p> <ul style="list-style-type: none"> <li>▪ Meetings with business associations</li> <li>▪ TV Commercials</li> <li>▪ TV banners (located on Service Centers)</li> <li>▪ Radio commercials</li> <li>▪ Banners and publications</li> <li>▪ Brochures and flyers</li> <li>▪ Newspapers and magazines</li> <li>▪ Department website</li> <li>▪ Social media</li> <li>▪ Events and community campaigns</li> <li>▪ Other public websites</li> </ul>