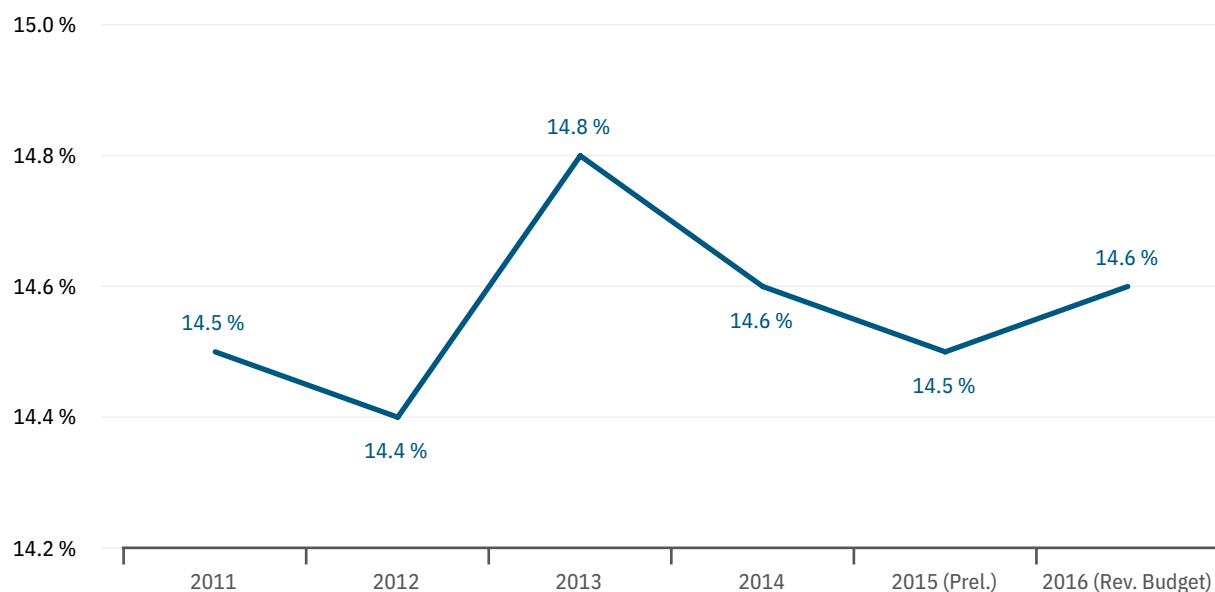




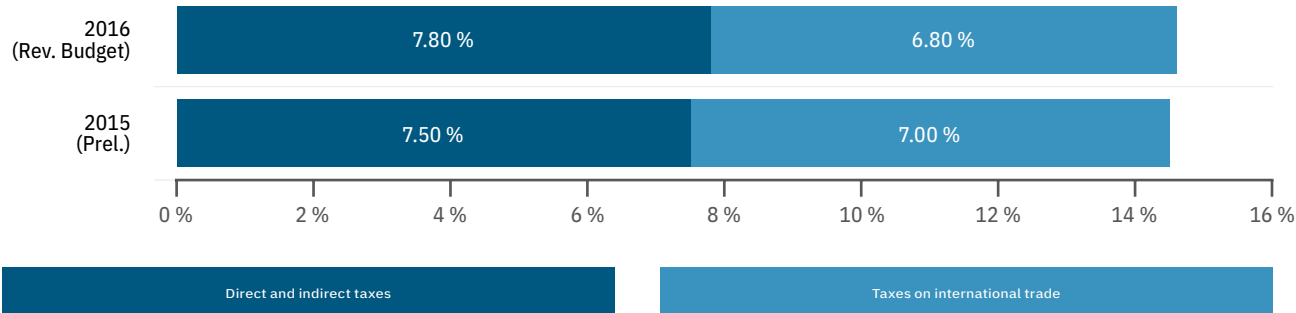
## Benin

### Stepping up domestic revenue mobilisation



#### ***Tax revenues (% of GDP) (2011-2016)***

Source: IMF 2015 Article IV Consultation Report (2011-2013), IMF 2017 Article IV Consultation Report (2014-2016) \*no new data available



#### ***Tax revenues, by sources (% of GDP) (2015 & 2016)***

Source : IMF 2017 Article IV Consultation Report

### Public Expenditure and Financial Accounting (PEFA)

2018 (2016 framework)

**C+** Transparency of taxpayer obligations and liabilities

**C+** Effectiveness of measures for taxpayer registration and tax assessment

**D+** Effectiveness in collection of tax payments

*A = internationally-recognised level of good performance  
D = performance is below the basic level*

### Doing Business, Ease of Paying Taxes 2017 (DB 2018), values from 2016 (DB 2017) in parentheses

Payments (number per year)	Time (hours per year)	Total tax rate (% of profit)	Postfiling Index (0-100)
57 (57)	270 (270)	57.4 (57.4)	49.31 (48.85)

#### Overall ranking

174 / 190 (173 / 190)

### Global Competitiveness Report (2017-2018), values from 2016-2017 in parentheses

Effect of taxation on incentive to work

4.1/7: Rank 58/137 (3.8/7: Rank 75/138)

Effect of taxation on incentive to invest

2.6/7: Rank 130/137 (2.5/7: Rank 135/138)

## Recent reform steps

The main measures taken by Benin since 2017 to enhance domestic revenue mobilisation are as follows:

- Setting up a **platform between the Tax Administration and the Directorate-General of Customs and Indirect Taxation** to exchange information on imports;
- Implementing an integrated tax management system that was developed using modern technology (SIGTAS: integrated management system for taxes and similar payments) in the division responsible for large corporations and for the benefit of medium-sized companies;
- Implementing **electronic procedures** (e-declaration and e-payment for large and medium-sized companies);
- Rolling out the Certified Electronic Invoicing Machines (MECeF) to issue standardised invoices.

## Progress achieved

Since 2017, tax revenue in Benin has increased significantly, with a growth rate of 102% measured on 31 December 2018. In addition, taxpayers spend less time at tax centres fulfilling their reporting and payment obligations through digitised and simplified procedures.

## Outlook: DRM priorities in 2019

Aware of the significant challenges Benin faces in improving its operations, providing qualitative services to taxpayers and increasing the level of tax revenue, the Tax Directorate authorities have developed a strategy for building their capacity under the Programme for Growth and Sustainable Development (PC2D). In 2015, the Tax Directorate developed a Strategic Orientation Plan (POSAF) for the PC2D element that relates to mobilising tax revenue. This was supplemented in 2017 with the three-year Plan to Improve Tax Compliance (PACF), developed with IMF assistance.

<i>Priority activities</i>	<i>Expected outcomes</i>
<ul style="list-style-type: none"><li>• Use electronic invoicing machines</li><li>• Train IT specialists in data warehouse management and business intelligence</li><li>• Broaden the scope of exchanges with other administrations and public bodies</li><li>• Strengthen the analysis and use of tax information</li><li>• Strengthen the role of the Surveys, Information and Risk Analysis Unit</li><li>• Promote taxpayers' participation in voluntary consent to tax</li><li>• Adopt a communication and taxpayer services policy in line with the expectations of each taxpayer segment</li></ul>	<ul style="list-style-type: none"><li>▶ Increase VAT receipts</li><li>▶ Improved access of operational services to directly usable data</li><li>▶ Reporting of false estimations of taxable base and improvement of revenue and tax compliance</li><li>▶ Improved tax compliance</li><li>▶ Defined service standards</li></ul>

## Ensuring policy coherence for development

Main approaches to ensure policy coherence for development involve the adoption of a unified regulatory framework for public-private partnership operations, the modernisation and professionalisation of the public procurement system, improvements in budgetary transparency and tax measures that encourage private investment, and complementary measures to improve the business environment.