20 Recommendations of Fourth Report which are Implemented		
Chapter	**Observation/Recommendation of TARC**	**Comments**
XIV	**Predictive Analysis**	
	i) Increasing data pool for analytics	
1	a) Both the Boards need to take urgent steps to integrate the data across the two tax administrations and begin working jointly on the analysis of the pooled data so that their efforts are synergised and the combined talent in both organisations is brought to bear on the task. This will pave the way for mutual understanding that will lay the foundation for sustained collaboration and co-operation. And this should be only the first step leading to eventual integration of the databases as recommended by TARC earlier. (Section XIV.5.a)	**Implemented**
2	d) As recommended in VII.6 of the TARC's report, both the Boards need to commence the journey to the "digital by default" status in order to reach a level of maturity in the use of data analytics comparable to the best international peers. (Section XIV.5.a)	**Implemented**
3	e) Data analytics should be made an integral part of the strategic planning process and the analytical efforts should to be integrated with the programme and project management. (Section XIV.5.b.iii)	**Implemented**
4	f) Based on such strategic plans, analytics plans needs to be developed in a project mode – setting out the resources needed, defining the business goals and the expected business outcomes. (Section XIV.5.b.iii)	**Implemented**
	ii) Leadership and culture	
5	h) The leadership of the two Boards needs to play a critical role in laying the foundation of analytics in organisations' culture through visible actions to move the ICT functions to the core of the organisations. They need to do this by ➔ Imbibing a data driven approach, acquiring a working knowledge of data analytics and learning the value of information as a key asset. ➔ Embracing the idea that data are central to the organisation's business and seeking areas where data analytics could deliver quantum leaps in performance. ➔ Ensuring that the use of ICT and data analytics become a core ingredient of the strategic and	**Implemented**

	operational plans in the different functional domains. (Section XIV.5.b.i)	
6	i) Frontline employees' buy in needs to be secured by ➔ Improving the quality and accuracy of communication and improving the reliability of the system and user friendliness of the interface. ➔ An ongoing programme of user training and education including hands-on guidance. ➔ Investments in user friendly "self-service" tools that can increase business users' confidence in analytics. ➔ rogressive automation of routine processes, for example, as its risk management system matures and is made more potent and effective through advanced analytical models and tools, customs can explore the option of "machine release" that will lead to release of certain types of cargo without human intervention. Similarly, with improved CASS supported by advanced analytics, the income tax department can vastly sharpen the selection of returns for scrutiny and avoid unproductive workload on their assessing officers, leaving them with a scrutiny basket that is more challenging and productive. (Section XIV.5.b.ii)	**Implemented**
7	j) Analytics-based selection for audit or scrutiny need to be designed to ensure that the probability of a productive outcome is high so that officers do not go after the cases predicted not to win. This will enhance audit or scrutiny productivity and infuse confidence amongst officers and taxpayers. (Section XIV.5.b.ii)	**Implemented**
	iii) Strategic plans and delivery	
8	k) Analytical capacity needs to be developed on the basis of clearly laid out plans with defined business outcomes. (Section XIV.5.b.iii)	**Implemented**
9	l) Recognising that progress towards maturity is a painstaking journey, there are benefits in starting small, launching pilots and capturing low hanging fruit along the way to build confidence and then scaling up. (Section XIV.5.b.iii)	**Implemented**
10	m) The planning, however, should factor in the requirements of scaling up. (Section XIV.5.b.iii)	**Implemented**

11	n) The implementation should be accompanied by regular programme and project evaluation. (Section XIV.5.b.iii)	**Implemented**
	iv) Role of KAIC	
12	o) The KAIC needs to be made a hotbed of learning and innovation with continuously increasing R & D capabilities to achieve breakthrough insights and should be staffed by an adequate strength of multidisciplinary expertise, including domain experts with strong ICT/analytics skills. (Section XIV.5.b.iv)	**Implemented**
`13	p) It should also support the analytical efforts with the different functional verticals through collaboration and guidance to projects that they may on their own undertake. (Section XIV.5.b.iv)	**Implemented**
14	q) It should also support training and skill building in the organisation. (Section XIV.5.b.iv)	**Implemented**
	v) Training	
15	r) A cadre of data analysts should be groomed within the organisation to service analytical needs in both the KAIC and the functional verticals. They can also act as "translators" who interpret technology for business leaders and operational staff. (Section XIV.5.b.v)	**Implemented**
16	s) Focused and well-structured training courses should be designed and mandatorily implemented for all levels in the organisation to equip them with the necessary knowledge and skills. (Section XIV.5.b.v)	**Implemented**
17	v) Partnerships need to be built with industry, academic and research institutions to build and sustain highly specialised skills and to promote research in KAIC. (Section XIV.5.b.v)	**Implemented**
XV	**Research for Tax Governance**	
	i) Role of research in improving tax governance	
18	a) The requirements of the tax administration are not static; they have a dynamic character, requiring constant evaluation and assessment to enable the tax administration to seamlessly modernise itself and look into its future needs. These demands require continuous, on-going research in tax governance so that there is sufficient and modern thinking available to improve processes, structures, and people functions in the tax administration, leading to better tax governance. (Section XV.1)	**Implemented**

19	b) Many with a traditional mind set in the tax department may not consider developing research as being part of the core work of the tax administration. Traditional mind sets, however, need to be transformed to develop processes, taking into account human, organisational and institutional considerations, which encourage research to provide the inputs needed to improve tax administration. (Section XV.5)	**Implemented**
20	c) Research in tax administration needs to include international comparisons by identifying good practices adopted by different tax administrations, understanding them and drawing lessons from them to raise the standards of tax governance. (Section XV.1)	**Implemented**