



TAXPAYER SERVICE CHARTER



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Foreword

The Nigeria Governors' Forum (NGF) has continued to play an active role in strengthening institutional and governance systems at the subnational level. This support has been through the provision of evidence to influence policy formulation and implementation, the development of knowledge resources to strengthen the implementation of reforms and the delivery of platforms for peer learning in areas such as economic development, public financial management, health, human resource management and citizens engagement amongst others.

To strengthen the reform environment and fast track full domestication of commendable practices across the 36 States, the NGF Secretariat regularly develops guides for implementing State-level reforms based on extensive experience in peer reviewing the 36 States since 2009. This has significantly improved the way State Governments are run and the governance climate in the country.

We encourage States to adapt the approaches documented in this guide given that they have worked in many States. The guide is used by the NGF Secretariat to build the capacity of State governments in strengthening domestic revenue mobilization. It has served as a functional tool at different administrative levels, in the design, implementation and monitoring of sub-national tax reforms

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Director General Nigeria Governors' Forum

Prelude and Acknowledgement

The HelpDesk is a technical support programme instituted by the Nigeria Governors' Forum (NGF) to support States in improving their development performance by providing demand-based technical assistance in the areas of public financial management (PFM) and domestic financing (Internally Generated Revenue).

This guide sets out the procedures for developing, monitoring and implementing a Taxpayer Service Charter. It explains what a service charter is and what should be included in the taxpayer service charter document as well as practical steps for its development. It is primarily designed to assist the managers and frontline staff of State Internal Revenue Services (SIRSs) gain a deeper understanding and conversance with the dynamics of customer-centred service delivery through the setting and monitoring of service standards and commitments contained in the Service Charter.

Use of the Guide

The guide can be used in the following ways:

- As a guide for developing/reviewing a taxpayer service charter for the SIRS.
- As a reference document for evaluating a taxpayer service charter and assessing the quality of standards set.
- As a tool for monitoring and reporting the performance of the SIRS against commitments listed in its taxpayer service charter.
- As a guide for conducting stakeholder consultations for the development and review of a taxpayer service charter.
- As a training tool for all cadres of staff in the organisation of taxpayer services

The guide as prepared by a team led by Olanrewaju Ajogbasile supported by Gbenga Oloke, Dr. Mark Abani, Zubaida Abiola and David Nabena.

List of Abbreviations

1.	CBOs	Community Based Organisations
2.	FIRS	Federal Inland Revenue Service
3.	MDAs	Ministries, Departments and Agencies
4.	NGF	Nigeria Governors' Forum
5.	NGOs	Non-Governmental Organisations
6.	OECD	Organisation for Economic Cooperation and Development
7.	PFM	Public Financial Management
8.	SBIR	State Boards for Internal Revenue
9.	SIRS	State Internal Revenue Services
10.	TCC	Tax Clearance Certificate

Section One: Introduction

1.1 Background to Service Charters in Nigeria

The service charter as a policy document adopted in the public sector; began with the Federal Government of Nigeria in July 2004 as an integral part of its service delivery reform initiative known as SERVICOM. The initiative was designed to drive customer focus and service improvements in the public service. Federal Ministries, Departments and Agencies were mandated to publish and display their service charters whose provisions were to include:

- Quality services designed around customers' requirements.
- Citizens' entitlements in ways they can readily understand.
- Fees payable.
- Prohibited and illegal demands.
- Commitment to provision of services within realistic timeframes.
- Officials to whom complaints may be addressed.
- Publication of surveys of customer satisfaction and charter performance report.

Since 2004, over 91% of Federal MDAs have set up SERVICOM Units and developed Service Charters in which the public can read about their rights and expectation to satisfactory service¹. Service charters are essential tools for the process of constructively engaging the two sides of service delivery. The concept of service charters in public service delivery was first articulated and implemented in the United Kingdom in 1991 as a national programme with the simple aim of continuously improving the quality of public services provided so that these services respond to the needs and wishes of the users².

To improve tax literacy, especially the rights and obligations of taxpayers, it is important for State Internal Revenue Services to develop and adopt taxpayer charters. The charter will also provide taxpayers with information on expectations they should have of the tax authority. This will introduce transparency to the process of tax administration in and across the States if effectively domesticated.

¹ SERVICOM. 2011. Review of SERVICOM Compliance in MDAs. [ONLINE] Available at: <https://servicom.gov.ng/>. [Accessed 25 April 2019].

² Prime Minister, The Citizen's Charter: Raising the Standard, Cm 1599 (HMSO, July 1991), p. 2.

1.2 Definition of a Taxpayer Service Charter

A taxpayer service charter is a policy document that describes the service experience a taxpayer can expect from the tax authority. The experience is communicated through their service delivery commitments (service standards). The charter defines the relationship between the tax authority and taxpayers by clearly establishing the rights and responsibilities of both parties and provides avenues for redress when service fails. Taxpayer service charters need not cover every function and service of the tax authority or detail every aspect of service delivery. Rather, it should focus on the key areas seen as important by the taxpayer, stakeholders, and staff.

A Taxpayer Charter has six basic elements:

1. **Descriptions:** of the services provided by the tax authority³.
2. **Service pledges:** describing the general quality of service delivery taxpayers should expect, focusing on such elements as openness, fairness, courtesy, professionalism, etc.
3. **Service standards (or service delivery targets):** for key aspects of service, such as timeliness, access and accuracy.
4. **Taxpayer rights and obligations:** outlining expectations of the tax authority from taxpayers including taxpayer honesty and voluntary compliance.
5. **Complaint and redress mechanisms:** that taxpayers can use when they feel standards have not been met and are dissatisfied with the services received.
6. **Costs:** applicable fees for services with associated costs to taxpayers.

1.3 Rationale for Taxpayer Service Charter

As public services are funded by citizens, either directly or indirectly through taxes, they have the right to expect a particular quality of service that is responsive to their needs and is provided efficiently at a reasonable cost, giving value for money. A 2003 Diagnostic audit of service delivery in Nigeria, showed that majority of government agencies including the SIRS do not have standards for delivery of services and where there are, they are usually lax or not challenging and, in most cases, not published (especially official fees) as such; the customer has little or no expectation regarding the outcome of a service transaction or rather assumes the worst⁴.

Customers and the public are entitled to be told the level, range, and quality of services they are to receive especially from the tax authority. Apart from practically demonstrating

⁴Wendy Thompson (2003) Delivering Service in Nigeria: A Roadmap OPR, UK.

the government's resolve to make services accountable to citizens, the taxpayer service charter will provide taxpayers and other stakeholders for the first time, with:

- A full inventory of all services provided by the tax authority and clear information on accessibility by taxpayers and stakeholders.
- A central resource where taxpayers and stakeholders can find the information about the tax authority, connected MDAs and contracted collection agents as regards to remittance of taxes, fees, levies and charges in one place.
- Clear statements about taxpayers' rights and obligations including the expectation that taxpayers will provide complete and accurate information so that the tax authority, connected MDAs and contracted collection agents can serve them more effectively.
- The means by which services, and the delivery of service standards, can be monitored and evaluated.

The taxpayer charter is also an effective tool to ensure transparency and accountability and should help deliver better tax administration and service delivery if implemented vigorously by the tax authority.

If successfully implemented, the charter can enable the following:

- Improved service delivery.
- Greater responsiveness of tax officials towards taxpayers; and
- Greater public satisfaction with tax services.

1.4 Essential Components of a Taxpayer Service Charter

A taxpayer service charter is intended to be read and understood by taxpayers both literate and illiterate. It is a simple, straightforward contract between the tax authority and taxpayers. It should be in simple language (possibly, multiple language versions should be developed) devoid of technical jargon. A good taxpayer service charter should contain the following:

1.	Introduction/Background	A brief statement about the tax authority describing its services, the purpose of the Charter, to whom the Charter is targeted
2.	Mission, vision, and core values	A well-articulated vision and mission statement indicating the purpose and strategic direction of the tax authority, as well as values that are shared within

3.	Details of taxpayer groups, connected MDAs and Contracted collection agents	A comprehensive list of taxpayer groups or connected MDAs or contracted collection agents
4.	Service Provision and Delivery Standards	List of key services provided by the tax authority and what taxpayers should expect whenever they deal with the organisation e.g. tax clearance certificate (service) will be processed within 5 working days (standard), or to be treated with courtesy and respect
5.	Taxpayer Rights and Responsibilities	A statement of what the taxpayers should expect from the tax authority and their obligations as taxpayers to the tax authority, connected MDAs and contracted collection agents in order to guarantee effective tax administration.
6.	Monitoring and publishing	A commitment to monitor performance against service standards and report regularly on performance to stakeholders
7.	Feedback and complaints handling	An explanation of the complaints' procedure e.g. How to make a complaint, who to complain to, time limits for response action to be taken as well as redress available
8.	Channels of communication	How to contact the tax authority- office addresses, phone numbers, E-Mail, Website Etc.

1.5 Benefits of a Service Charter to the Tax Authority

- Helps the tax authority to manage the expectations of taxpayers
- Makes the tax authority more transparent by informing taxpayers about the standards they can expect and how the tax authority has performed against those standards
- Encourage the tax authority to measure and assess performance and improve

when service standards have not been achieved

- Provides a platform for consultations with taxpayers
- Provides a good framework to guide change in work culture towards offering better taxpayer services.
- Increase satisfaction of taxpayers towards the tax authority

Section Two: Developing a Taxpayer Service Charter

There are many approaches to developing a taxpayer service charter, what is most important is that key stakeholders who play major role in the development process are involved. Typically, a service charter task team or committee with representation from all departments within the tax authority spearheads the process of developing the charter. It will involve a lot of consultations and engagement starting with clarifying the tax authority's mandate, identifying key services and setting service delivery standards, articulating the contents of the charter down to the final stage of stakeholder validation and official launching and publication of the service charter document by management.

2.1 Prerequisites for Developing a Taxpayer Service Charter

- Support from government and management of the tax authority must be obtained before developing a taxpayer service charter.
- A dedicated service charter task team or committee with terms of reference to drive the process and implementation.
- Identification of key internal and external stakeholders to be involved.
- Readiness to adopt a new way of doing things within the organisation; (one-stop shop service, professionalizing the service, embracing, or adapting technology).
- Welcoming premises.

2.2 Key Steps in Developing a Taxpayer Service Charter



1.	Consulting	<ul style="list-style-type: none"> • Engage key stakeholders during various stages of charter development. • Enlist their support through validation of the service charter document
2.	Drafting	<ul style="list-style-type: none"> • Identify key services and target beneficiaries. • Identify and reference relevant laws/rate schedule taxes, fees, levies, and charges applicable across taxpayer groups.

		<p>(This can be provided as an appendix to the charter)</p> <ul style="list-style-type: none"> • Highlight collecting entities – SIRS, connected MDAs and contracted collection agents. (This can be provided as an appendix to the charter) • Develop service standards for key services and set performance targets • Develop taxpayer feedback and a grievance redress mechanism for complaints • Produce a draft copy using the service charter template
3.	Promoting	<ul style="list-style-type: none"> • Official launching and publication of the charter • Communicating the service charter to various stakeholders
4.	Assessing	<ul style="list-style-type: none"> • Monitoring performance against set standards • Collating and analysing feedback (comments, suggestions, and complaints) • Conduct taxpayer perception surveys <p>Plan for service improvement</p>
5.	Reviewing	<ul style="list-style-type: none"> • Planned review of service charter in line with changes that occur with tax laws, regulations and within the tax authority e.g. review delivery standards based on recent service improvements within the tax authority

2.3 Articulating the Content of a Taxpayer Service Charter

The information that will be contained in the service charter is not created from nothing; it mostly exists elsewhere within the tax authority in various policy documents. It is important that before the development process begins there is a shared understanding of what information will be contained in the charter as informed by the key elements described in **chapter 1.4** and most importantly the source. For any statement or service standard in the charter to hold weight it should have some form of policy backing within or outside the agency e.g. service wide statutory rules & regulations or laws. Listed below are relevant documents that can support the taxpayer service charter:

- SIRS Standard Operating Procedures
- SIRS Strategic Plan
- National Tax Policy
- Public Service Rules
- Federal/State Tax Laws

- MDA Regulations Etc.

2.4 Developing Service Standards

The main purpose of having a taxpayer service charter is to define the service experience the taxpayer will have with the tax authority and the responsibilities of both parties. This experience is described through service standards. Service standards are effectively the backbone of the charter as they describe how accurate, reliable, timely, dependable, and accessible services are delivered and are designed to meet taxpayers' expectations⁵. It is mandatory for the taxpayer charter to include service standards. However, there is no required minimum or maximum number of standards.

Standards are either qualitative (descriptive) or quantitative (numeric in value). The taxpayer service charter could include standards that belong to one or more categories of the service experience listed below:

1. **The quality of the relationship with the taxpayer:** Relationship-related standards are qualitative and will cover taxpayer expectations and understanding of their relationship with the tax authority and what it can achieve for them. Relationship standards explain clearly.
 - What the taxpayer needs to do to achieve a result.
 - What are their rights and responsibilities, mutual obligations?
 - Guarantee staff manner and interpersonal skills.
 - Friendliness, helpfulness, respect, courtesy etc.
2. **The timeliness of service delivery:** Timeliness-related standards are quantitative and cover the speed and efficiency of the tax authority, service delivery process and the delivery of the tax authority's products. This could include:
 - Responding to taxpayers' enquiries, suggestions, and complaints (e.g. letters, emails, phone messages).
 - Processing (e.g. registration, applications).
 - Issuance of licenses, permits or certificates.
 - Complaint resolution.

⁵Treasury Board of Canada Secretariat (2001) Literature Review on Service Standards. Retrieved from <http://www.tbs-sct.gc.ca/si-as/serv-standards/literature/literature-eng.rtf>

1. **The quality of services provided:** The quality of service is a key determinant of service excellence and taxpayer satisfaction, examples include:

- Responsiveness (e.g. prompt referrals on enquiries, availability of guidance through compliance processes).
- Clarity (e.g. of letters, forms and publications, processes, and other product information).
- Accuracy (e.g. of advice, information, payments or filled order).
- Rating or grade of product (5-star, world class).

Examples of Service Standards

- Tax Clearance certificates will be issued within 5 working days.
- Application for Tax refund will be processed within 30 working days.
- Objection to assessment will be treated within 15 working days of receipt.
- All written correspondence will be acknowledged and responded to within 48 hours.
- We will publish accurate and reliable information on polices/circulars and make them available on our website.

Service Standards Principles⁶

When developing service standards, the tax authority should ensure that they are;

- **Meaningful to individuals:** Standards should be meaningful to the taxpayers they service, relate to those service aspects the taxpayer feel is important, and be expressed in terms the taxpayer can easily understand.
- **Based on consultation:** Service standards should be developed in consultation with taxpayers.
- **Attainable yet challenging:** Standards should be realistic and measurable, based on analysis, consistent with program objectives, and achievable while at the same time provide a challenge to the tax authority.
- **Affordable:** Standards should include user charges, if applicable, and be attainable within available resources and allowances provided by law.

⁶Treasury Board of Canada Secretariat. 2001. How-to Guide for the Service Standard Initiative. [ONLINE] Available at: https://www.tbs-sct.gc.ca/pubs_pol/oepubs/TB_D3/guid-eng.asp. [Accessed 20 March 2019].

- **Owned by managers and employees:** Service standards are an essential management tool in service delivery. The managers and employees of the tax authority are responsible for taking ownership of them, setting, and using the service standards to continually improve the cost-effectiveness of service delivery.
- **Published:** Service standards should be published and made known to taxpayers and the public.
- **Performance measured and reported:** Performance achievements should be monitored against taxpayer satisfaction with the standards of service provided. Results of the evaluation should be made public to taxpayers.
- **Reviewed and updated:** Standards should be regularly reviewed and adjusted to reflect new circumstances.

2.5 Taxpayer Feedback and Grievance Redress Mechanism

Every tax authority must have avenues for taxpayers to provide feedback and make complaints as well as have mechanisms to report on that data. A taxpayer service charter must contain information on the feedback and complaints processes. Aspects to consider are:

- The tax authority welcomes feedback (complaints, compliments, and suggestions).
- The complaints process, including contact details of the complaints desk or unit e.g. phone number, E-Mail, room number etc.
- The timeframe for acknowledgement and resolution of complaints.
- Options on how to give feedback or make a complaint (e.g. in person, comment card, on-line feedback form, by phone, letter, suggestion box etc.).
- The feedback and complaints handling process is accessible, easy to use, free and non-discriminatory.
- Complex systems for lodging complaints or access to officers obtaining redressal of grievances defeat the purpose and the spirit of the Charter.
- The tax authority records data on complaints, compliments and suggestions which are used to help improve services.
- The use of the tax authority's complaint handling system does not prevent the complainant from escalating his or her complaint if not satisfied with the outcome of the resolution using external dispute handling and appeal mechanisms at any time.

2.6 Format and Design of a Taxpayer Service Charter

The format and design of the Charter will influence the attitude of the taxpayers to the charter initiative as it will probably inform their first impression of it. The presentation of the charter should make people want to use it and make it easy for them to do so. Some key considerations are:

- A title that clearly identifies the document as a Taxpayer Service Charter.
- The document should be branded (SIRS logo, fonts, colours etc).
- Use simple language (possible multiple language versions should be developed) avoiding legalese and jargon.
- Make the charter attractive with images (but not too many).
- Produce the charter document in various formats (electronic and print, booklet, or pamphlet versions) and languages local to State demography (Yoruba, Hausa, Igbo, etc.).

Section Three: Consultations in Developing a Taxpayer Service Charter

3.1 Identifying Stakeholders

A stakeholder is someone who has a stake or interest (direct or indirect) in the service being delivered. It is anyone who benefits from or has a direct interest in the service. Their view on what should be included in the service charter is important so there is a need to actively engage them in the process. Before finalising the service charter, it is necessary to validate its content with relevant stakeholders by testing and ensuring that the proposed standards are relevant and that their views are taken into consideration. Stakeholders can be classified under the following categories:

2. External Stakeholders

- Taxpayers who are in receipt of the service your organisation provides
- Ministry of Finance
- Connected MDAs to tax administration
- Contracted collection agents
- Local Government
- Organised private sector e.g. trade associations and unions.
- Voluntary and community organisations

3. Internal Stakeholders

- Board and management of the tax authority
- Revenue officers
- Audit Officers
- Enumeration officers
- Business development officers
- Taxpayer Service Officers
- Complaints Officers
- Other service providers in the SIRS

In preparing a service charter, the tax authority should consult with a representative group of stakeholders including people with additional or diverse needs in relation to:

- Selecting service standards for inclusion in the charter.
- Setting service guarantees, where appropriate.
- Determining the amount and level of detail in a charter.
- Deciding how performance against the charter standards and commitments will be measured and monitored (if mechanisms do not already exist).

Consultations with the locality of the tax authority should also consider the needs of all

taxpayer groups (e.g. corporations, individual taxpayers, trade associations/unions etc.)

3.2 Enlisting Stakeholder Support

There are three important groups of stakeholders that must support the process of developing/implementing a taxpayer service charter. These include:

- **The Staff of the Tax Authority** – will be required to meet the targets set in the taxpayer service charter. Consulting them when setting service standards and performance targets will ensure ownership and commitment and reduce resistance in implementing, monitoring, and reporting performance against the standard. Additionally, consult staff (especially mid-level managers and frontline staff) about current standards and how improvements can be made including introducing new performance targets and changes in systems and processes.
- **The Taxpayers** - consulting **taxpayers** require more than a simple check on whether they are happy or not with the service. It is also a way of gauging their needs and thinking carefully about who the (**taxpayers**) are. **Taxpayer** samples should represent **taxpayer** groups as accurately as possible. For example, people from different socio-economic backgrounds, different trade type, age groups, men and women and people with special needs should be included.
- **Special Interest Groups** - Ensure that special interest groups, such as associations and professional bodies, not for profit organisations, such as NGOs, CBOs, etc., are consulted as and when appropriate.

Suggested methods for consulting with the various categories of stakeholders could be through various feedback platforms such as **taxpayer** surveys, opinion polls, focus group discussions, staff meetings, workshops etc.

The likely outputs of any consultation process will fall into 3 categories:

- A review of the design of current services and their delivery mechanisms.
- The introduction of new services.
- Setting or review of service standards to what levels stakeholders feel are required or important.

3.3 Responsibilities of Key Stakeholders in the Tax Authority

- a) The SIRS Charter task team or committee is to champion the taxpayer service charter drive by:
 - Initiating robust discussions on the purpose, need and development of a taxpayer service charter at top management meetings.
 - Communicating with staff about the need for the taxpayer service charter.
 - Ensuring that the process of development is linked to the wider organisational planning process within the SIRS and that the service charter aligns with other accountability mechanisms of the SIRS, such as budget statements, annual

reports, strategic plans etc.

- Ensuring that **taxpayers** and stakeholders are involved in development, monitoring, review and reporting of standards contained in service charter.

b) Staff of SIRS should:

- Have a good understanding of the information in the sections that directly apply to their jobs/departments, especially relating to the standards and commitments to **taxpayers** and stakeholders.
- Be conversant with and knowledgeable about all sections of the service charter and be able to communicate the same to **taxpayers** and stakeholders competently.
- Be open and willing to receive complaints from **taxpayers** and be conversant with the SIRS' complaint handling and grievance redress mechanism.
- Monitor implementation to ensure the delivery of services is in line with the commitments and standards set out in the service charter, and of remedial action where standards are not being met.

c) Taxpayers and other external stakeholders should be:

- Ready to continuously challenge staff of SIRS to increasingly higher levels of service provision by demanding and insisting on commitments made in the service charter.
- Willing to participate actively and regularly in SIRS's consultation forums as well as in monitoring and reviewing the standards contained in service charters.
- Able to provide required information accurately and meet up with other obligations to enable the SIRS deliver services in a timely and effective manner as specified in the service charter.

The critical success factor is developing close relationships with stakeholders throughout the cycle of the charter, from inception and development of standards to raising awareness, to monitoring and reviewing, and determining appropriate compensation for redressal of grievances.

Section Four: Taxpayer Rights and Obligations

In any democratic society citizens will have several basic rights as well as obligations in relation to their Government and its agencies. Tax authorities are no exception, and most countries have legislations governing taxpayer's rights and obligations in relation to taxation⁷. Nigeria does not have a National Taxpayers bill of rights, but citizens/taxpayers do enjoy some level of protection under the constitution⁸, National Tax Policy document⁹, FIRS legislation¹⁰ and other relevant acts¹¹.

The experience (positive or negative) of the Nigerian taxpayer in dealing with tax authorities is defined by the quality of contact with the tax authority e.g. remotely; when the taxpayer calls or writes to the tax office or physically; when the taxpayer visits a tax office. To ensure that as often as possible the experience is positive, it is important that relationship standards are established to guide the interactions between the tax agency and the taxpayer.

A good service charter should set out the rights of the taxpayers and what standards of treatment they should expect. Similarly, it should set out the responsibilities of the taxpayer to abide by certain codes of behaviour, to help the tax authority, connected MDAs and contracted collection agents deliver quality services to them and to ensure a successful ongoing relationship.

The overriding purpose of the taxpayer service charter is to foster a relationship of mutual trust, respect and responsibility between taxpayers and the tax authority by clarifying taxpayers' obligations while also clarifying the rights of taxpayers that should be upheld. The charter also aims to ensure that all taxpayers are treated equally and without bias or preference¹².

4.1 Standard Taxpayers Rights and Obligations¹³

The taxpayer charter should summarise and explain in plain language the rights and obligations of taxpayers which are specifically in relation to tax affairs, making such

⁷Organisation for Economic Co-operation and Development. 2003. Taxpayers' Rights and Obligations – Practice Note. [ONLINE] Available at: https://www.oecd.org/tax/forum-on-tax-administration/publications-and-products/compliance/Taxpayers'_Rights_and_Obligations-Practice_Note.pdf. [Accessed 15 May 2019].

⁸Constitution of the Federal Republic of Nigeria 1999, Section 24(f).

⁹National Tax Policy, Federal Ministry of Finance, 2016.

¹⁰Olokooba, S.M et.al. (2018) Taxpayer's Right to Refund under the Nigerian Law (NAUJILJ 9 (2)

¹¹FIRS Establishment Act, 2007

¹² PITA Act No. 104, 1993, PITA (amendment) act 2011, CGT Act, 1990, tax administration (self-assessment) regulations, 2011, Stamp Duty Act 1990, Taxes and levies (approved list for collection) Act 1998 No. 2 1998, Taxes and levies (approved list for collection) Act (amendment) order 2015

¹³Importance of Taxpayer Rights, Codes and Charters on Tax Good Governance. Opinion statement CFE1 (CFE Tax Advisers Europe, June 2018)

¹⁴“Taxpayers' rights and obligations – A survey of the legal situation in OECD countries (OECD, 1990)

information widely accessible and understandable. Even though a taxpayer charter is not a legal document, some of its provisions have statutory backing and can be enforced via other statutory provisions including Federal and State legislations. It cannot provide additional enforceable rights or obligations other than those contained in relevant legislations.

Based on OECD classifications taxpayer rights and responsibilities can be grouped under the following:

Basic rights

- The right to impartial treatment.
- The right to presumption of honesty.
- The right to be informed, assisted, and heard.
- The right of appeal.
- The right to pay no more than the correct amount of tax.
- The right to certainty.
- The right to privacy.
- The right to confidentiality and secrecy.
- The right to refund.

Basic obligations

- The obligation to be honest.
- The obligation to be co-operative.
- The obligation to register your business for tax purposes.
- The obligation to file tax returns.
- The obligation to make payments.
- The obligation to provide accurate information and documents on time.
- The obligation to keep records.
- The obligation to pay taxes on time.

4.2 Examples of Taxpayer Rights and Obligations

The list below are common examples of taxpayer rights and obligations found in a taxpayer service charter.

¹⁴ “Taxpayers' rights and obligations – A survey of the legal situation in OECD countries (OECD, 1990)

Taxpayers have the following rights¹⁴;

- Right to be treated with respect and courtesy.
- Right to be informed, assisted, and heard.
- Right to pay no more than the correct amount of tax, fee, levy, or charge.
- Right to certainty as to tax consequences of their action.
- Right to privacy and confidentiality.
- Right to complain when dissatisfied with the quality of service.
- Right to object to assessments and appeal decisions.

Taxpayers have the following obligations¹⁵:

- Fulfil tax responsibilities in good faith, and in a professional and timely manner.
- Be truthful, honest and act within the law.
- Give full, comprehensive, and reliable information when lawfully required to do so
- Inform SIRS promptly and without significant delay when there is a change of relevant circumstances.
- Respect the tax administration's impartiality and independence and do not seek to influence their consideration or conduct of affairs inappropriately.
- Respect the tax administration's right to administer the tax system according to the law (including sanctions).
- Meet all relevant legal obligations.
- Only undertake transactions or operations aligned with commercial and economic activity, and which do not have the sole purpose of creating a tax benefit.
- Appreciate that when relevant circumstances change, tax administrations may no longer be bound by advance or other tax rulings.
- File tax returns and other tax information and make tax payments that are due on a timely basis as and when required without inappropriate deduction or offset, subject to the right to appeal.
- Provide information promptly and efficiently and provide clarity where needed.
- Contact tax administrations as soon as possible where clarification or help is needed.
- Inform tax administrations in advance or on a timely basis if there are challenges in meeting taxpayer's obligations.
- Use available services to seek assistance and when relevant information cannot be found, ask for advice on where to find it.
- Voluntarily submit correct and full information where corrections are required or if the correct amount of tax has not been paid.

¹⁴Organisation for Economic Co-operation and Development. 2003. Taxpayers' Rights and Obligations – Practice Note. [ONLINE] Available at: https://www.oecd.org/tax/forum-on-tax-administration/publications-and-products/compliance/Taxpayers'_Rights_and_Obligations-Practice_Note.pdf. [Accessed 15 May 2019].

¹⁵ International Chamber of Commerce. 2018. ICC Tax Charter. [ONLINE] Available at: <https://iccwbo.org/content/uploads/sites/3/2018/07/icc-tax-charter-2018.pdf>. [Accessed 15 May 2019].

- Respect tax administration's rights to hold, disclose and withhold information where permitted by law.
- Ensure openness and cooperation where relevant for tax administrations' functions.
- Cooperate fully in dealings with tax administrations including on audits and other investigations.
- Engage constructively with tax administrations' appeals processes and make every effort to keep appeals procedures efficient and short.
- Be honest and specific in making complaints to tax administrations or other relevant investigation bodies and be open to enter dialogue on complaints, as necessary.
- Appreciate that complaints may not interfere with or postpone procedures, including tax collection.
- Be accountable for the correctness and completeness of the information supplied to tax administrations, whether or not another person was engaged to prepare, assemble and/or submit the information and be aware of the information and payments a representative sends to tax administrations.

Tax Authorities have the following obligations¹⁶:

- Operate under the presumption that taxpayers are honest and acting in good faith.
- Ensure that the tax system is administered fairly, honestly and with integrity.
- Only charge penalties where appropriate.
- Seek to prevent or identify and pursue instances of tax fraud, to ensure a level playing field for compliant taxpayers.
- Act neutrally, free from any inappropriate influence, and without bias or preference.
- Be consistent with the principle of non-discrimination in administering a neutral tax system and promote the equality of treatment of all taxpayers before the law.
- Ensure that the tax system is administered to provide, as far as possible, certainty and clarity and avoid instances of double taxation.
- Be open, reasonable, and consistent in the application of tax laws, rules, and procedures.
- Assume responsibility with respect to the burden of proof for taxpayers' non-compliance by clearly demonstrating where taxpayers have not complied with their obligations.
- Do not require the taxpayer to pay more than the amount of tax legally due and return any tax over-payments required by law.
- Provide tax assessments and sanctions only as provided for by law.
- Ensure consistent interpretation and application of relevant double taxation convention.

¹⁶International Chamber of Commerce. 2018. ICC Tax Charter. [ONLINE] Available at: <https://iccwbo.org/content/uploads/sites/3/2018/07/icc-tax-charter-2018.pdf>. [Accessed 15 May 2019].

- Accept that taxpayers are entitled to take advantage of legal reliefs and exemptions and to take reasonable steps to minimise their tax liabilities in accordance with the law.
- Provide a helpful, efficient, and effective service and keep compliance costs to a minimum.
- Deal with requests for assistance in a comprehensive and timely manner and appropriately help taxpayers understand their rights and obligations.
- Correct any errors in the administration of taxpayers' affairs as soon as possible
- Ensure that all staff have the right level of expertise.
- Make every effort to ensure that complexity is minimised and encourage simplicity in compliance procedures and completion of returns and reporting requirements.
- Protect information obtained or held, establish standardised procedures to mitigate potential privacy risks and share information with third parties only as permitted by law.
- Seek only information relevant for performing tax administrative functions.
- Deal with and permit only authorised representatives to access information.
- Provide accurate, clear, and timely information to enable taxpayers to fulfil their tax obligations.
- Strive to introduce enhanced ways of communicating when appropriate.
- Ensure an independent, speedy, and effective process is in place in the event of disputes on tax liabilities (subject to national provisions).
- Utilise, where appropriate, arbitration provisions to enable more efficient dispute resolution.
- Make every effort to keep court procedures as efficient and short as possible.
- Enter dialogue with taxpayers about complaints and treat such taxpayers fairly.
- Resolve complaints and review cases objectively and in a timely manner.
- Co-operate and work with other tax administrations to implement internationally agreed tax rules, procedures and practices and avoid double taxation.
- Allow taxpayers to be represented by a person of their choosing.

Section Five: Taxpayer Service Charter Implementation

An effective taxpayer service charter is one that is implemented and monitored to generate information for service and taxpayer satisfaction improvements. The service charter development cycle does not end after official launching and publication of the document to taxpayers and the public. The fact that the tax authority has its service charter displayed and taxpayers have increased knowledge or awareness of its services and know their rights and responsibilities does not automatically improve the quality of service provided as it's just a mere piece of paper.

The success of the taxpayer service charter will rely on continuous support from government, connected MDAs and management of the SIRS as well as the adoption of a robust performance monitoring system to ensure that the SIRS lives up to the commitments made in the charter document. There are four broad areas involved in implementing the charter the SIRS should consider. These include the following:

1. Ownership of the Service Charter

The service charter initiative must be championed internally starting with the chairman/CEO and top management who must fully support its implementation and be willing to empower staff to meet up with established standards and implement service improvement plans. There must also be teamwork and ownership by front-line and back-office staff who are responsible for delivering the standards set out in the charter. It is important that staff do not see it as another top-down directive they must comply with but as a call to drive positive change for the SIRS. For proper administration there should be a recognised focal point of responsibility within each department for the implementation of the charter with clear reporting channels to senior management.

2. Promotion of the Service Charter

A service charter requires a lot of publicity to generate awareness of its existence to taxpayers and the general, public. An abridged version of the taxpayer service charter enumerating key service standard commitment statements, rights and obligations of taxpayers should be displayed within the premises to ensure visibility starting from the reception area to all service touch points. Beyond this, the organisation should consider the following;

- Developing a communications strategy to raise awareness of the service charter beginning with an official launching event.
- Making the service charter available to all staff, taxpayers, and stakeholders.
- Making the revised charter available to all service and contact points.
- Holding town hall meetings, road shows, radio, and TV broadcast as well as infomercials to sensitize the public.

- Posting the charter on the SIRS's web site.

3. Establishing an effective feedback System

Feedback from customers is a critical part of service charter implementation and the most common source of feedback is from taxpayers' complaints, feedback, and suggestions. It is important that beyond stating the SIRS's feedback channel and grievance redress mechanism in the charter, the organisation should also have a well-advertised taxpayer feedback strategy (a dedicated complaints desk, suggestion boxes, online call centres, social media platforms) which it will use to actively solicit, collate and analyse feedback on the quality of service and plan for improvement. Remember an ineffective feedback system especially complaints will lead to taxpayer apathy.

4. Measuring and Reporting Performance of the Taxpayer Service Charter

Measuring performance of a charter involves routine and regular monitoring of service standards/delivery targets through various means such as customer perception surveys, average turnaround times, logbooks, complaints records, suggestion submissions etc. Data from monitoring is analysed and used to generate a service charter performance report.

Communicating service delivery performance results helps the tax authority to manage taxpayers' expectations and motivate staff as well as appeal to resource providers. The tax authority should, therefore, report its performance against the service charter to all its stakeholders on a regular basis (at least twice a year).

The tax authority should consider:

- Developing and applying a strategy to monitor and report on performance against the charter standards including complaints data. This has the benefit of ensuring transparency and accountability so that an ongoing relationship with taxpayers, staff and other stakeholders of the tax authority is maintained.
- Using the service charter performance report to drive improvements within the tax authority focusing on areas where standards have fallen, or taxpayer complaints are high.

The existence of a robust measurement and reporting system will indicate the tax authority's commitment to the implementation of the charter. Performance measurement has strong links to continuous improvement, learning how to improve quality and measure taxpayer satisfaction connotes a culture of service excellence. The premise here is that a failure to measure performance will result in unawareness of one's successes or shortfalls.

Section Six: Appendices

6.1 Taxpayer Charter Fundamental Principles¹⁷

Taxpayers have the right to:

1. Integrity and equality

The tax system shall be designed and administered fairly, honestly and with integrity, according to the law, without bias or preference.

2. Certainty

The tax system will be designed and administered to provide as far possible certainty, clarity, and finality in one's tax affairs.

3. Efficiency and effectiveness

The tax system will be designed and administered fairly and cost effectively considering the attainment of its purposes.

4. Appeal and the right to dispute resolution

In cases of disputes as to tax liability an independent, objective, speedy and cost-effective appeal process. Disputes as to actions of the tax authority will be followed up without fear of reprisal under independent oversight.

5. Appropriate assistance

Taxpayers who face difficulties in carrying out their responsibilities as taxpayers will be given appropriate assistance by the tax authority.

6. Confidentiality and privacy

A taxpayer's affairs and records will be kept confidential and private except in the case of public hearings in litigation or criminal prosecutions.

7. Pay correct amount of Tax

A taxpayer is required to pay no more than the amount of tax based on tax laws.

8. Representation

A taxpayer may be represented by a person of the taxpayer's choosing.

9. Proportionality

Enforcement action including audits, collections, reassessment, penalties, and prosecutions will be proportionate to the circumstances.

10. Honesty

In the absence of any evidence to the contrary to be presumed honest.

¹⁷Taxpayer Charter. 2015. A Model Taxpayer Charter. [ONLINE] Available at: <http://www.taxpayercharter.com/charter.asp?id=15>. [Accessed 27 March 2019].

And the responsibility to:

1. Be truthful

Be truthful in all tax matters including legally required disclosures.

2. Provide information

Provide information on a timely basis as and when reasonably required.

3. Be cooperative

Be cooperative in dealings with the tax authority, filing tax returns and information reporting, the conduct of an audit, and payment of taxes.

4. Make payment

Pay tax on time without deduction or offset subject to the right to appeal.

5. Comply with the law

Comply with tax responsibilities and seek assistance if necessary.

6. Maintain records

Maintain accurate financial records and supporting information for such period as may be reasonably required.

7. Take due care

Exercise an appropriate degree of care and diligence in taxation matters.

8. Retain responsibility for advisors

Be held accountable for the correctness and completeness of the information supplied to the tax authority whether or not another person has been engaged to prepare, assemble and/or submit the information on your behalf.

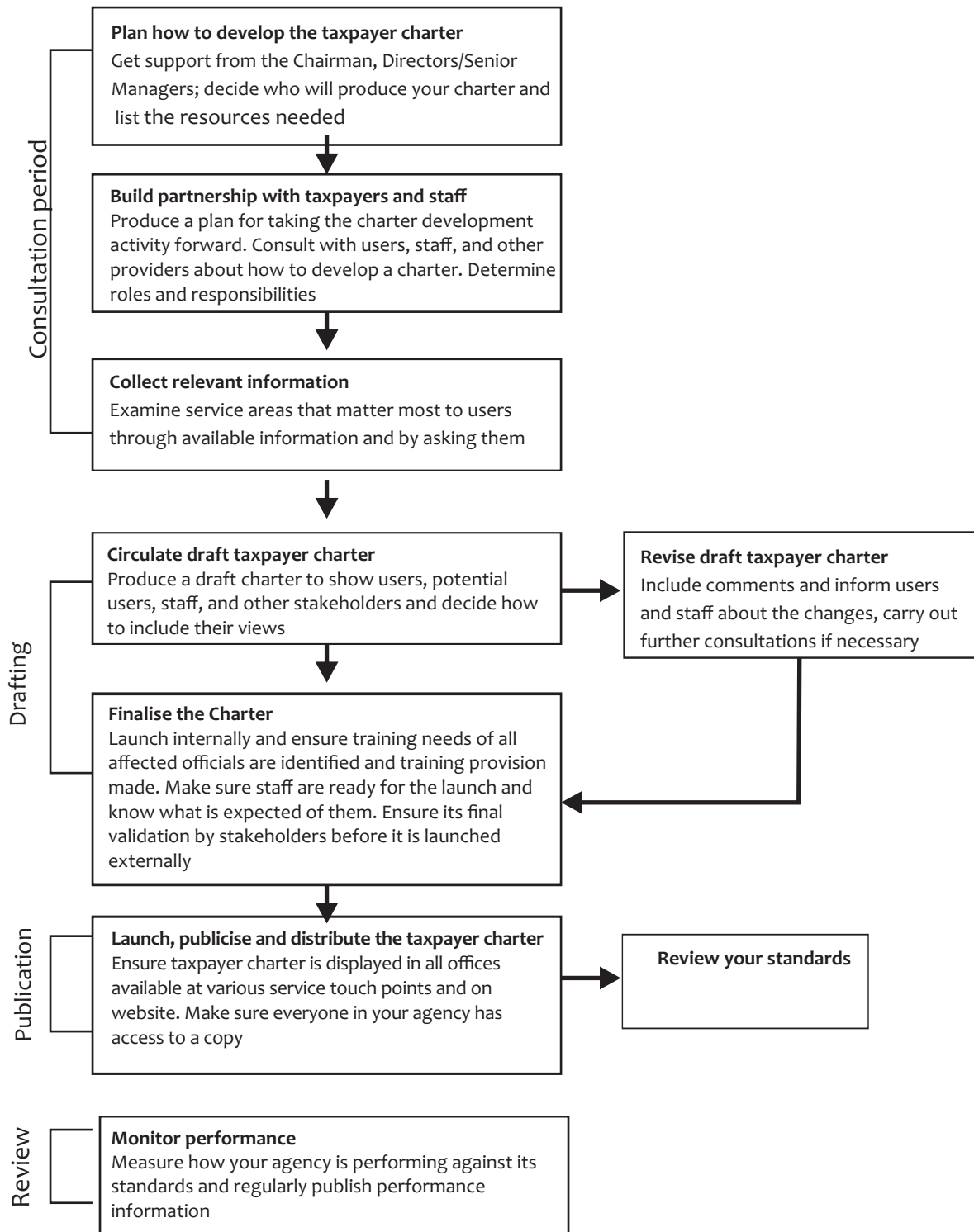
9. Show courtesy

Treat tax officers with courtesy and respect, noting that abuse of tax officers in performance of their duties is never acceptable.

10. Comply cross border

Ensure that all legitimate cross border compliance requirements are met.

6.2 Flow Chart for Developing a Taxpayer Service Charter



6.3 Checklist for developing a Taxpayer Service Charter

Service charter commitment and consultation

- Has commitment from management been obtained for the development of the service charter?
- Has a dedicated service charter task team or committee been set up by management?
- Is there a clearly identified purpose for preparing a service charter?
- Do staff understand what the service charter means to the tax authority?
- Have taxpayers, staff and other key stakeholders been consulted during development of the service charter?

Service charter coverage

- Does the service charter state who the tax authority clients are?
- Has the service charter covered how staff of the tax authority will treat taxpayers?
- Does the charter reference relevant laws/rate schedules for taxes, fees, levies, charges under the jurisdiction of the tax authority for collection?
- Does the charter detail the services offered by the tax authority including those delivered directly to taxpayers or those that are delivered indirectly on behalf of the tax authority such as those by connected MDAs and contracted collection agents?
- Is it clear to stakeholders that the charter covers all the tax authority's overall operations or only certain programs or services for which the tax authority is responsible?
- Does it contain all the essential components of service charter as listed in 1.4?

Service charter format

- Is the language, format, and presentation of the charter understandable, readable, and accessible to taxpayers, including those with specific needs?
- Is there more than one version of the charter to suit the needs of taxpayers with a particular communication need?

Service standards

- Are the standards within the service charter measurable (i.e. quantitative) or qualitative?

- Are the service standards challenging and delivery targets set to encourage improvement in the agency's performance?
- Does the service charter set out taxpayers' rights and responsibilities?

Complaints handling

- Does the service charter state the tax authority's complaints handling procedures and encourage taxpayers' feedback?
- Does the tax authority have a visible and accessible internal complaint handling procedures in place?
- Does the service charter provide contact details for external dispute handling mechanisms?

Monitoring and review

- Does the charter state the tax authority's monitoring and internal review procedures?
- Does the charter articulate an external review process to measure performance against the service charter standards?
- Do the monitoring and review procedures provide avenues for participation by taxpayers, staff, and other key stakeholders?
- Has the tax authority developed reporting and accountability procedures, including, for example, publication of the Service charter's performance in its annual report?
- Has a review date been set for the charter?

Service charter promotion

- Has the agency developed procedures to ensure the promotion of the charter, and its availability?
- Has the tax authority considered a broad range of marketing methods so that staff, stakeholders, and taxpayers will all know what the charter is and where to find it?
- Do office premises have a standard reception/waiting area and designated service touch points or notice boards for the service charters to be clearly displayed?

6.4 Standard Service Charter Evaluation Form¹⁸

Essential Components	YES	NO
Introduction / Background *Service described? *Purpose of Charter described? *Target audience for Charter stated?		
Vision and Mission Statement *Strategic direction and Long-term goals for service provision delivery? *Mandate from appropriate authority? *Expected service provision indicated?		
Service Provision & Delivery Standards *Clarity of statement of taxpayers' expectations? *Do standards of service provision and delivery include - Prompt & courteous treatment - Information & consultation - Quality and timeliness of delivery - Is there provision for those with special needs? *Are there clear descriptions of performance monitoring and publishing arrangements?		
Grievance Redress Mechanism *Clear explanation of mechanisms? *Does explanation include who to complain to, time limits for response and available redress?		
Taxpayer Rights and Obligations *Are there clear statements of taxpayer rights and entitlements for effective services to be provided? *Are taxpayer obligations clearly explained and reasonable?		
Optional Components Stakeholders Participation *Clearly described? *Essential element in providing service?		
Special Needs Provision *Is the organisation particularly involved with serving those with special needs? *Commitment to provide these services?		

¹⁸SERVICOM, S., 2006. The Servicom Book. 1st ed. Nigeria: SERVICOM.

<p>Existing Limitations *Clear indication of how existing limitations and constraints affect Mission & Vision goals? *Credible?</p>		
<p>Associated Rate Schedule (As an appendix to the charter) Reference the relevant laws and rate schedules for Taxes, fee, levies, charges eligible for collection. Also highlight responsible collection entities – SIRS, connected MDAs and contracted collection agents</p>		

6.5 Sample Implementation Framework for Taxpayer Service Charter

S/N	SERVICE STANDARD (List key services and delivery standards set in the charter with costs if applicable)	PERFORMANCE TARGET (Minimum targets set for staff or departments to meet up with standards expressed in percentages)	MEANS OF VERIFICATION (source of data or evidence, this could be internal from departmental records or external from customer feedback)	MONITORING ACTIVITY (collecting data on how standards are being delivered)	RESPONSIBILITY (Department responsible for administering the standard)
1.	Issuance of Tax Clearance Certificate (TCC) within 5 working days	100%	<ul style="list-style-type: none"> TCC register Taxpayer perception survey report 	<ul style="list-style-type: none"> Monthly analysis of TCC request against issuance Quarterly Taxpayer surveys 	Taxpayer services unit
2.	Processing of tax refund within 5 working days	100%	<ul style="list-style-type: none"> Taxpayer perception survey report 	<ul style="list-style-type: none"> Monthly analysis of tax refund filling against processed refunds Quarterly taxpayer perception survey 	Taxpayer services unit
3.	Processing of vehicle license within 48 hours	100%	<ul style="list-style-type: none"> Vehicle registration database Taxpayer perception survey 	<ul style="list-style-type: none"> Monthly analysis of tax vehicle registration application against processed licenses 	Motor vehicle and licensing department/road taxes unit

	SERVICE STANDARD <i>(List key services and delivery standards set in the charter with costs if applicable)</i>	PERFORMANCE TARGET <i>(Minimum targets set for staff or departments to meet up with standards expressed in percentages)</i>	MEANS OF VERIFICATION <i>(source of data or evidence, this could be internal from departmental records or external from customer feedback)</i>	MONITORING ACTIVITY <i>(collecting data on how standards are being delivered)</i>	RESPONSIBILITY <i>(Department responsible for administering the standard)</i>
	Processing fee – N 10,000		report	<ul style="list-style-type: none"> Quarterly taxpayer perception survey 	
4.	Resolution of Taxpayer complaints or dispute within 10 Working days	90%	<ul style="list-style-type: none"> Online Complaints logbook Customer complaints register Taxpayer perception survey report 	<ul style="list-style-type: none"> Daily analysis of complaints logbook & customer complaints registers Quarterly taxpayer perception surveys 	Taxpayer services unit/compliant unit

6.6 Example of a Service Charter Performance Report



Government of Western Australia
Department of Finance

Customer Charter Performance for 2013-14

The Office of State Revenue Customer Service Charter details our ongoing commitment to providing a high level of customer service. It specifies how our officers will conduct themselves and describes the standards we endeavour to meet when performing our work.

The Customer Service Charter has been developed in consultation with customers who regularly interact with the revenue business and our staff. It is periodically reviewed to ensure that it reflects the ongoing needs of our customers. The Charter has recently been reviewed and from 1 July 2014 a new Charter is available in an electronic version which can be downloaded from our website.

The results of our performance against our service standards are published on our website on a monthly basis. This annual report summarises these results.

Performance in 2013-14

The performance to 30 June 2014 has now been collated and is reflected in the table below.

TARGET KPI	JUL 2013 %	AUG 2013 %	SEP 2013 %	OCT 2013 %	NOV 2013 %	DEC 2013 %	JAN 2014 %	FEB 2014 %	MAR 2014 %	APR 2014 %	MAY 2014 %	JUN 2014 %
Attend to at least 80% of customers in less than 10 mins via our counter service. Target 80% or more	96	92	90	89	84	87	89	93	91	82	87	82
Answer 80% of calls to our enquiry lines within 40 seconds following our lead-in message. Target 80% or more	91	91	91	92	94	92	92	94	93	93	93	93
Action payroll tax correspondence within 20 working days. Where it is not possible, contact will be made to organise alternative arrangements. Target 100%	100	99	100	99	100	99	99	98	99	99	100	100
Approve Duty refunds within 20 working days upon receipt of all necessary information. Target 100%	100	99	100	100	100	100	100	100	100	100	100	100
Determine FHOG applications within 7 working days, upon receipt of all supporting documentation. Target 100%	100	100	100	100	100	100	100	100	100	100	100	100
Respond to all complaints and suggestions within 21 days. Target 100%	100	100	100	100	100	100	100	100	100	100	77*	100

*In May 2014, 9 complaints were received and 2 were not completed due to issues with the complaints and reminder system.

During 2013-14, the revenue business met or exceeded the monthly performance targets on a regular basis, with the exceptions reported in *red* within the above table.



Our staff members are committed to providing a high level of customer service to all our customers and will continue to explore process improvement opportunities that can improve our delivery of these service standards in the future.

Our commitment to providing professional, timely and efficient service to all our customers will be maintained during 2014-15.

I would like to take this opportunity to express my appreciation to all Office of State Revenue staff for their efforts over the past year in helping achieve the above results and would also like to thank those customers who have taken the time to provide feedback on how we can improve our services to them.

Nicki Suchenia
ACTING COMMISSIONER OF STATE REVENUE

July 2014



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¹⁹The Government of Australia. 2019. Department of Finance. [ONLINE] Available at: <https://www.wa.gov.au/organisation/departments-of-finance>. [Accessed 14 May 2019].

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