2019
TAX PERCEPTION
SURVEY REPORT

RESTLESS DEVELOPMENT

UKaid
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COMMISSIONED BY:
PUBLIC FINANCIAL MANAGEMENT (PFM) CONSORTIUM
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BUDGET ADVOCACY NETWORK
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We are pleased to present the results of the 2019 tax perceptions survey. This survey was undertaken by the Consortium of Non-Governmental Organizations (NGOs), led by Christian Aid under the DFID supported Public Financial Management (PFM) Project titled "Strengthening Public Financial Management, Anti-Corruption and Accountability Institutions in Sierra Leone".

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Also, our appreciation is extended to the National Revenue Authority especially the Research and Planning Department for the invaluable support throughout. Whilst their involvement has helped to strengthen the work, the overall process and report findings are NGO led and independent from Government.

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The results of the survey represent the voices of tax payers across the country. We're excited to publish this report and hope the findings contribute to improvements in the way revenues are collected and utilised in Sierra Leone.

Euan Davidson
PFM Consortium Team Leader
Christian Aid

LIST OF ACRONYMS

BAN	Budget Advocacy Network
BMOs	Business Membership Organizations
CAPI	Computer Aided Personal Interview
CARL	Centre for Accountability and the Rule of Law
CBOs	Community Based organizations
CAC	Corporate Affairs Commission
CSOs	Civil Society Organizations
DFID	Department for International Development
FGD	Focus Group Discussion
FO	Field Officer
GDP	Gross Domestic Product
ITAS	Integrated Tax Administration System
KAP	Knowledge, Attitudes and Practice
KII	Key Informant Interview
MDAs	Ministries Departments and agencies
MOF	Ministry of Finance
NGOs	Non-Governmental Organizations
NRA	National Revenue Authority
OARG	Office of the Administrator and Registrar General
PAYE	Pay As You Earn
PFM	Public Financial Management
PRSP	Poverty Reduction Strategy Paper
RD	Restless Development
SLCCIA	Sierra Leone Chamber of Commerce, Industry and Agriculture
SLIU	Sierra Leone Importers Union
SME	Small and Medium Enterprise
YAVs	Youth Accountability Volunteers

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EXECUTIVE SUMMARY

The current administration has made revenue mobilization a key government priority and has set to achieve a domestic revenue-to-GDP ratio target of 20 % by 2023. Current revenue to GDP ratios are well below this target, although recent reforms are starting to take effect.. Domestic revenue is the main source of government resources needed to provide essential public services and reduce poverty as outlined in the national development plan. Current domestic resources fall short of the levels required to meet the Government's development aspirations.

This Tax Perception Survey was undertaken by the Consortium of Non-Governmental Organizations (NGOs), led by Christian Aid under the DFID supported Public Financial Management (PFM) Project title "Strengthening Public Financial Management, Anti-Corruption and Accountability Institutions in Sierra Leone" to understand taxpayers perceptions on the taxes they pay, their knowledge of the tax system, and confidence level in those handling such taxes. It is also important to understand tax payers wider views of government and how this relates to their attitudes and motivation towards paying taxes.

The survey targeted a total of 2,755 businesses across the 16 administrative districts of the country; and achieved a response rate of 98.4 %. It collected data from businesses on their perceptions, knowledge, attitudes and practice in relation to taxes, the tax system, services, accountability in the use of taxes by the government, tax administration reforms, and the conduct of the staff of the NRA and local council when carrying out tax administation processes. The survey covered a range of business types but not cover UN Agencies, Non-Governmental Organizations (NGOs), Community Based organizations or CBOs (except for those directly engaged in the production

KEY FINDINGS

REGISTRATION OF BUSINESSES REMAINS A CHALLENGE...

- The survey largely targeted businesses registered with the NRA (80% of the sample). The NRA business list was used as the sample frame for the survey but in many instances was out of date as businesses were either not found or non-operational at the time of the survey.
- Registration rates with the OARG and CAC were low (31.7% and 19.1% respectively), showing that there is inconsistency in the way businesses register across the required institutions.

SURVEY LARGELY COVERED SMALL BUSINESSES IN URBAN AREAS WORKING IN THE SERVICE SECTOR....

- Most of the businesses interviewed were small-scale, sole proprietorship or private limited liability company, operating in trades or services sector, which commenced operations during the post war era.
- This reflects the overall composition of businesses in Sierra Leone, which is dominated by small scale businesses with a relatively low lifespan. The sample targeted 80% registered businesses.

KNOWLEDGE OF TAX IS MIXED, WITH LOW UNDERSTANDING OF HOW TO FILL OUT A TAX RETURN...

- The sample was approximately 80% registered businesses. Of the whole sample, 77.5% were aware of NRA taxes (most were aware of registration fees and GST; knowledge of other types of taxes much lower).
- Only 62.9% of businesses in the survey had ever paid taxes, fees or fines to the NRA or filed tax returns (which is surprising given that almost 80% were registered). Of this 63%, registration fees was the most likely category paid (just under 80%), followed by GST (around 45%). 95.6% reported paying local taxes.
- Only 24% knew how to fill out an income tax return (same proportion for GST return). For large businesses this is much higher (56.4%).

ONLY A SMALL PROPORTION OF BUSINESSES HAD ATTENDED TAX EDUCATION PROGRAMMES, BUT THOSE THAT HAD RATED THEM HIGHLY...

- Only 16% of businesses had attended tax education or sensitization programmes (with larger businesses far more likely to have attended than smaller businesses). Of those that attended, the forums were generally rated as good or excellent.

IMPRESSION OF NRA AND LOCAL COUNCIL STAFF WAS GENERALLY HIGH...

- Generally people's impression of NRA staff they had contact with was good, and less than 25% of businesses rated the NRA as low or very low against the categories of professionalism, fairness and honesty. This pattern was broadly similar for people's impression of local council staff they'd been in contact with.
- However, around 11% of businesses had offered gifts to NRA staff (8% for local councils).
- Face-to-face contact is the predominant means of people contacting the NRA (89%). More broadly, people tend to get their information on tax issues from the radio (84.2%), NRA staff (53.8%) or TV (43.9%).

ALTHOUGH THE TAX SYSTEM IS OFTEN CITED AS BEING COMPLEX...

- Roughly half of respondents rated the overall NRA tax system as complex or very complex.
- Around 20% of respondents said the distance to the NRA office affects their decision to pay the correct taxes.

OBEYING THE LAW AND CITIZEN RESPONSIBILITY ARE STRONG MOTIVATING FACTORS FOR PAYING...

- The requirement to pay NRA tax in the law is the main motivation for paying taxes, followed by citizen responsibility. At the local level this pattern is broadly similar, with the inclusion of avoiding confrontation with local council staff as a reason for paying.

PAYMENT OF FINES IS LIKELY TO BE A STRONG MOTIVATING FACTOR...

- Only 13% had paid a fine or penalty for defaulting on their taxes (of those 13%, the motivating impact was high, with 84% saying it would influence them to pay the correct tax now).
- 64% said that if they were given more information about the penalties of not paying taxes, they would have paid or paid more taxes
- Only 51% of businesses knew about any action of taxpayers that would attract a penalty from NRA during the process of filing of tax returns

HIGH AND MULTIPLE TAX RATES WERE CITED AS REASONS FOR EVASION, ALTHOUGH MISMANAGEMENT OF REVENUES AND LACK OF ENFORCEMENT/FOLLOW UP ALSO IMPORTANT...

- 13% of businesses said they knew of someone nearby who wasn't paying taxes.
- Asked about why businesses don't pay, people agreed most with statements about tax being too high, and that revenues were mismanaged (although agreement was also high on the low risk of being caught, weak enforcement and low penalty rates).
- For those that didn't pay, the high rates of tax was cited as the main reason (72.9%) followed by multiple tax rates applied to their business (37.8%).

TRUST IN GOVERNMENT, NRA AND LOCAL COUNCILS NEEDS TO BE IMPROVED...

- Only 34% think that the government is using tax revenues in the right and correct way.
- 25% said that their perception on government corruption would urge them to under declare their tax income (and 22% said perceptions on equity and fairness)
- 40% of people said they trust the NRA to handle their taxes properly (and 48.5% for local councils)

THERE IS SCOPE TO STRENGTHEN THE SOCIAL CONTRACT ON TAX AND PROVISION OF SERVICES...

- 45% of businesses said they pay tax because it contributes to the provision of public services such as Free Quality Education and roads
- 79% said that if they'd seen more services being delivered in their area by the local council, they'd be willing to pay or pay more taxes
- Around 44% think the tax system is fair or somewhat fair (that all taxpayers are treated fairly and are paying their fair share)

RECOMMENDATIONS

Key recommendations are made based on the findings of the survey and presented in eight (8) important dimensions of the tax system that merit further attention. These are summarised below (for full recommendations please see the final chapter of the report).

1. The first key dimension is the importance of keeping an up-to-date and comprehensive business register by the tax gathering organizations. This includes both NRA and local councils and will help to support improved planning and collection efforts of Government. Furthermore, there is need for a review and harmonization of business registration procedures among the OARG, CAC and NRA.

2. The second key dimension is the clear need for comprehensive tax education to improve taxpayers' knowledge. This should range from the individual taxes, tax laws and penalties, and more importantly the process and procedures of filling tax returns. An Inter-Agency, broad-based Committee (to be chaired by the Ministry of Finance) should be established charged with the task of tax policy formulation, education and taxpayers' consultations and sensitization regarding tax reforms, new laws and policies, and tax filing requirements.

3. The third key dimension is the need for the government to take steps to improve the social contract. This includes improving trust, taking steps to improve revenue and fiscal transparency, and highlighting the use of revenues for public services.

4. The fourth key dimension is the need for the enforcement of tax laws and penalties. Penalties are a strong way to motivate taxpayers, yet many don't know about penalties.

5. The fifth key dimension is the need for the assessment of Third-Party Agents as key partners in tax compliance. Many businesses use a third-party agent or tax consultants a lot to file their taxes with NRA. . There is need to initiate a dialogue with these 'Third Party Agents' or tax consultants so as to have a profile of them regarding their level of knowledge, attitudes and practice relating to taxes and the tax system.

6. The sixth key dimension is the need for the enforcement of code of conduct for NRA and local council staff. Most businesses only interact with NRA or local councils through face-to-face meetings with their staff while registering their business or filing tax returns. This reliance on face-to-face contact could be misused and become a source of leakage of tax revenue (as was found in some cases).

7. The seventh key dimension is the need to simplify tax collection and enhance confidence of businesses in the NRA and government. The Ministry of Finance should review tax policies that are deemed to be unfriendly to the business community so as to avoid making the tax system too complex.

8. The eighth key dimension is the need to regularly assess the perception of businesses to ensure that tax-policy changes are informed by a more realistic understanding of businesses/taxpayers' knowledge, attitudes, and practices, and experience.

CHAPTER 1

INTRODUCTION

1.1 BACKGROUND OF THE SURVEY

This 2019 Tax Perception Survey was commissioned by the Public Financial Management (PFM) Consortium of Non-Governmental Organizations (NGOs), including the Budget Advocacy Network (BAN), Restless Development (RD), the Centre for Accountability and the Rule of Law (CARL) and led by Christian Aid. This consortium is supported with funding from the United Kingdom's Department for International Development (DFID), under Public Financial Management (PFM) Project title "Strengthening Public Financial Management, Anti-Corruption and Accountability Institutions in Sierra Leone". The survey is part of the effort of development partners to support the government to mobilise, allocate and transparently use public resources to drive inclusive development by strengthening public financial management institutions such as the National Revenue Authority (NRA). Budget Advocacy Network (BAN), which is involved in the monitoring of the government financial operations and management including the preparation and execution of the project, spearheaded this survey.

The Sierra Leone tax system is designed to generate and mobilise the much needed revenue resources to meet the government's development programmes, outlined in the medium-term development plan or the poverty reduction strategy paper (PRSP). Domestic revenue is the main source of government resources to provide essential public services and reduce poverty as outlined in the national development plan. The current administration has made revenue mobilization a key government priority and has set to achieve a domestic revenue-to-GDP ratio target of 20 % by 2023. Nonetheless, such a ratio remains low hovering around 14 % of GDP, which is lower than most countries in the region, despite the various tax reforms since 2002 aimed at broadening the tax base, enhancing compliance and improving the overall tax system, as part of the effort to improve the investment climate; and hence fall short of the levels required for the Government's development aspirations.

Efforts are on-going to improve revenue policy and administration, including passing into law the Finance Acts of various years, the introduction of new electronic systems (ITAS, ASYCUDA World and electronic cash registers), increased tax payer registration and one-stop shop counters in collaboration with Ministries, Department and Agencies (MDAs). These efforts need to be combined with improving taxpayers' knowledge and motivation to pay taxes and an effort to put taxpayers at the centre of all revenue mobilisation efforts. This aspect can only be achieved when the taxpayers' views are assessed and taken into account during the design, implementation and review of such systems and reforms.

In recent years tax assessment surveys have been conducted in the country including the 2008 Tax Perception Survey and the 2017 Taxpayers' Satisfaction survey. The results of these survey no doubt have helped to inform the revenue mobilisation policy and strategy of Government. However, this aspect of assessing the opinion of taxpayers in a coherent and consistent way has been relatively neglected in the past. Tax laws and policies have been largely designed and implemented in a top-down way with little involvement of taxpayers (as in the case of the GST in 2009, the tax on alcohol in 2017 and the tax on tobacco in 2018). Such an approach resulted in undermining tax compliance and the trust of taxpayers in the tax system. With the current drive to increase revenue it is important to understand the knowledge that taxpayers have, their attitude and motivation to pay taxes, and the factors that underpin this.

This Tax Perception Survey was therefore undertaken as an independent measurement of the perceptions, knowledge, attitudes and practice (KAP) of taxpayers across the country regarding the types of taxes, reasons for evasion, fairness, trust, and simplicity of the tax system, which are key aspects of tax compliance. The results are an objective analysis, which provides policy makers, revenue administrators and others with a useful benchmark against which to monitor trends in the future and which will assist in evaluating and improving tax compliance education and enforcement. Furthermore, this survey can act as a mechanism for dialogue with taxpayers, and the results will be disseminated at national, regional and district level.

Creating a fair and effective tax system requires tax policy and administration to take into account the perceptions of taxpayers regarding the impact of such policies may have on their businesses, and as well as their opinions on the accountable and transparent use of tax revenues by the government. Improving public trust and taxpayers' satisfaction is important for improving the businesses environment; the World Bank Doing Business Report 2020 (which has a strong tax administration component) suggests that progress in easing the burden on investors and businesses has been inadequate in recent years.

It is hoped that the results of this survey will inform broader policy around tax and business reforms, including the fairness of the tax system, and tax enforcement. This will be of relevance to the Ministry of Finance, NRA, local councils, MDAs, businesses, civil society and other stakeholders.

1.2 AIM AND OBJECTIVES OF THE SURVEY

The aim of this survey is to assess the knowledge, perception and attitudes of taxpayers in a bid to enhance public trust and credibility of the tax administration systems in the country. This is essential to enhancing tax compliance, and hence the revenue mobilisation effort of the government. The specific objectives include:

- To establish the level of businesses general tax awareness and how this varies between central, local and informal taxes;
- To study the attitudes of taxpayers' and how their perceptions influence tax compliance decisions;
- To assess customer satisfaction with the National Revenue Authority's service delivery, reforms and staff professionalism;

- To assess the level of trust customers have in the collection and use of tax revenue by various parts of government;
- To assess satisfaction levels with regards to taxpayers' sensitisation and education programmes; as well as businesses main sources of tax information
- To assess satisfaction levels with revenue collection, cost and ease of compliance and enforcement actions;
- To assess taxpayers views of the fairness of the tax system and how that relates to their motivation to pay taxes;
- To suggest ways in which the revenue system could be made more effective, efficient and equitable.

1.3 SCOPE AND LIMITATIONS OF THE SURVEY

This survey was carried out nationwide, covering the 16 administrative districts of the country. 78.5 % of the 2755 businesses included were randomly selected using the business directory of the National Revenue Authority (NRA), while the remaining 21.5 % were randomly selected non NRA registered businesses. This means that the sample of the survey was largely drawn from NRA's list of registered businesses and not from a general or multipurpose directory of businesses or randomly selected from the field. The survey covered broad areas of taxes and tax administration services including NRA taxes and local taxes. The survey also targeted separately Business Membership Organizations (BMOs) such as the Sierra Leone Chamber of Commerce, Industry and Agriculture (SLCCIA), Sierra Leone Importers Union (SLIU), and Petty Traders Unions across the country, as well as the NRA staff and Ministry of Finance stakeholders as part of the follow up key informant interviews (KII). The survey instrument included pertinent areas of taxpayers' awareness, attitude and satisfaction; tax education, and the conduct of NRA staff, and constraints besetting the tax system in the country.

The survey however, was not a tax revenue performance or tax expenditure assessment survey, nor was it a tax compliance audit. It was rather an opinion survey of businesses on their knowledge, attitudes and practice (KAP) of taxes, the tax system, services and reforms. The survey did not cover UN Agencies, Non-Governmental Organizations (NGOs), Community Based organizations or CBOs (except for those directly engaged in the production and distribution of goods and services in their localities), Local Councils, and Ministries Departments and agencies (MDAs) of the central government. It was also not a survey of individuals, but rather a private establishment-based survey. Therefore, all the responses for this survey are on behalf of the business and not on their own personal behalf as respondents.

CHAPTER 2

SURVEY METHODOLOGY

2.1 INTRODUCTION

This chapter presents the methodological process for conducting this Tax Perception Survey, which embodied a systematic process and procedure. This process involves the review of relevant documents and literature, conducting engagement meetings, sampling selection, developing the questionnaires, training of field staff, conducting field data collection and monitoring, cleaning and analysis of data, report writing and organizing data validation meetings.

2.2 SAMPLING AND SAMPLE DISTRIBUTION

The sample frame for this assessment was broadly the directory list of businesses/taxpayers managed by the National Revenue Authority (NRA). This comprehensive list was disaggregated by districts and size of business but not by economic activities. The taxpayers' directory, which was being updated at the time of the survey, had 6,108 business/taxpayers, of which: 185 were large, 1,180 were medium and 4,743 were small taxpayers. This information was used in the determination of the sample size for the survey.

The sampling design was based on stratified random sampling technique, whereby all the large taxpayers were selected with certainty (take-all stratum); and a random sampling procedure was followed in order to draw sample from the small-medium scale business category (take-some stratum). Modified Cochran (1963) sampling technique was used to determine the sample size for the small and medium scale business (take-some) category as follows:

$$n = \frac{N}{1 + N\left(e^{d}\right)}$$; Where: n is the sample size, N is the population size (i.e. total small and medium taxpayers on the NRA list of 5923), e is the level of precision (95% confidence level or 0.05 error margin), and d is the design effect or deviational factor, which determines the spread of the sample in the population, and d=2.6 for this survey. The sample size n was adjusted for non-responses and non-registered to cater for the non-registered aspect of the survey.

A total of 2,755 businesses/taxpayers was determined as the appropriate sample size for this survey. Of this total 78.5 % were randomly sampled from NRA's register of businesses, but also 21.5 % unregistered businesses were randomly selected in the field in order to compare the views of registered/unregistered businesses. More than half (57%) of this sample came from the Western Area Region, where there is a high concentration of businesses.

Finally, businesses or taxpayers were selected using systematic sampling procedure, where any nth value of the sub-sample was selected and included in the sample. This nth value was chosen by looking at the range obtained from the inverse of the sampling fraction, and using random numbers or lottery procedure. The large taxpayers were already selected and included in the sample for all the 16 districts of the country.

2.3 QUESTIONNAIRES DEVELOPMENT

The Tax Perception Survey involved the use of semi-structure questionnaires to interview selected business establishment taxpayers designed to capture information required to meet the objectives of the exercise. The survey instrument comprised a business establishment taxpayer questionnaire, which is a structured to collect information on geographic, demographic, knowledge, attitudes and practices of businesses/taxpayers regarding the tax system; as well as a checklist questionnaire used to conduct key informant interviews (KII) with stakeholders in the tax system including the National Revenue Authority (NRA) and Ministry of Finance. The survey instrument was reviewed, and validated in two technical meetings; and approved for the survey. Part of the training for data collectors was also used to pre-test the structured questionnaires, which resulted in further review and finalization for the field work. The questionnaire has nine sections (Section A-Section I), and each section was designed to capture specific information relating to particular objectives of the survey.

2.4 RECRUITMENT AND TRAINING OF FIELD STAFF

Recruitment and training of 64 field data collectors, known as Youth Accountability Volunteers (YAVs), was done by the Restless Development (RD). The training of the survey team is a core part of this service and an intensive and rigorous training was conducted. The training was organized from September 12-22, 2019 in Bo City where YAVs were trained in data collection techniques as well as tax policy and administration. The YAVs were trained using presentations, face-to-face discussions, role-play and using the computer aided personal interview (CAPI) programmed tablets, which were used in main data collection. The YAVs were also trained on how to engage with businesses and on safeguarding reporting and procedures.

A day of the training was used for field practice to enable participants to gain hands-on skills in the field testing of the tools, including the use of the android Tablets for interviews and to also field test the questionnaires. At the end of field practice a debriefing session was held to discuss the challenges on the instruments and CAPI, which led to the final revision of the questionnaire and the data entry program.

2.5 DATA COLLECTION

Data collection for this survey was done using the CAPI programmed structured questionnaire, administered on a one-to-one personal interview with business owners, managers and other personnel of the business who were knowledgeable in the operations of the selected establishments. The deployment of field staff was strategically done to cover all the 16 administrative districts; with more YAVs deployed in Western Area, Bo, Kenema, Makeni and Kono, which together constituted about 80 % of businesses interviewed across the country.

Data collection was done over a period of four weeks, given the many call-backs that were required in the field. The YAVs ensured that the questionnaires were completed and ensured work was done as required by the programme. Four Regional Field Officers (FOs) were deployed to serve as supervisors and monitors of the YAVs, alongside Christian Aid Regional Engagement Officers. The role of the FOs was to support the YAVs in the field, respond to challenges they faced, review interviews and provide administrative oversight in the field. In addition, RD Management, other Consortium members and the consultant conducted field monitoring visits to ensure that the data collected was of good quality. Electronic monitoring was however, a key component of data quality control, which ensured that outliers and errors were sported early and corrective measures taken by field teams.

In addition to the CAPI interviews, key informant interviews (KII) were conducted across the regions targeting Business Membership Organizations (BMOs) such as the Sierra Leone Chambers of Commerce, Sierra Leone Importers Union, Traders Union, Local Council Authorities, Chiefs and the NRA officials. The aim of such interviews was to gather additional information on policy impact, level of reforms and suggestions for improvements. Such information contributed to the narrative of this report and including the recommendations.

2.6 DATA CLEANING, ANALYSIS AND REPORTING

Programming of the questionnaire into Tables to carry out computer aided personal interview (CAPI) was done before the training of field staff. CAPI ensured that data was captured at the point of data collection. However, the captured data was edited and checked for errors and inconsistency of the responses. Data cleaning was done to check for codes and labelling and the data was prepared for analysis and exported to the SPSS Statistical package.

SPSS was used to analyse the quantitative structured questionnaires captured in the CAPI. Statistical tools such as tables, frequencies and charts were used to present some of the data in SPSS. Cross-sector analysis was done to compare the spread of opinion among establishment across sectors and geographical areas and other characteristics.

CHAPTER 3

DATA ANALYSIS, PRESENTATION AND DISCUSSION

3.1 INTRODUCTION

This chapter presents and analyses the data obtained from the survey. The data presentation includes tables and charts and percentages are used to draw inferences from the data in line with the objectives set for this survey.

3.2 DATA ACHIEVED AND SOURCE

3.2.1 The response

The response rate shows the sample achieved as a percent of the total sample targeted. It is hence an indicator of the volume of work done in the field. This survey achieved a response rate of 98.4%as 2711 establishments were successfully interviewed out of the targeted sample of 2755. This high response rate can be attributed to the Survey Team's effort in getting returns from respondents through persistent reminder visits; and through the replacement of not found businesses (i.e. businesses that were on the NRA list but no longer in operation); and the survey period was extended from two weeks to four weeks. Media engagement was carried out through the airing of an information jingle on various radio stations explaining the importance of the survey, and that it was independent from Government, also played a key role in raising the awareness of business owners and managers. Stakeholders like the NRA gave the survey full support which also contributed to this success, although the survey was managed and carried out by civil society to ensure the results are impartial.

There were 44 establishments (1.6%), which did not respond to the field staff, even after efforts to make callbacks. This was largely due to out-right refusal, and these were found mainly in Freetown, Western Area. The NRA business directory initially created problems for the Field staff as it was not fully up to date, although it was being updated at the time of the survey. Many businesses in the NRA list were no longer in operation, and this added time and complexity to the survey. This underscored the need for NRA to regularly update their business directory as it is one of the most important tax collection infrastructures, which should be active and up-to-date. Out-right refusal, although low, is also a worrying issue, which could have been the result of fatigue, and attitudes of the respondents against taxation.

3.2.2 Data Sources

The data sources of this survey are the respondents interviewed in the filed who provided data for and on behalf of the businesses they owned or worked for during the time of the survey. Majority of the respondents interviewed on behalf of the businesses were male (74.9%); business owners (58.5%) or Managers (21.7%); between the ages of 20 and 49 (86.3%); and had attained a secondary (36.4%) or TCE/VOC related (18.4%) or first degree (20.3%) level of education. In addition, 84.4 % of business respondent were found in the Western Area, Bo, Koidu, Kenema and Makeni, reflected the concentration of businesses in Sierra Leone more broadly; Western Area (Rural and Urban) alone has almost half (48.4%) of the sample. These characteristics of the respondents lend credence to the legitimacy and credibility of the data sources for this survey as educated adults who were knowledgeable about the business operations, including payment of taxes were interviewed during the field work.

3.3 BASIC CHARACTERISTICS OF THE BUSINESSES INTERVIEWED

The survey collected data on basic characteristics of the business ranging from the size of the business, the forms business organization, to type of economic activity, date of commencement of operations, and registration status.

3.3.1 Basic Characteristics

The data in Table 1 shows that businesses interviewed were mostly small-scale businesses (45.0%) with an annual turnover between Le 10 million and Le 350 million. Large business only constitutes 4.5 % of the businesses interviewed nationwide; while 22.3 % of businesses interviewed were below the NRA taxpaying threshold of Le 10 million. Also 48.4 % of businesses interviewed were in the Western Area, while about 17% were in the Eastern or Southern Regions. The least number of businesses interviewed were in the North-Western Region (4.5%) and the Northern Region (12.5%), reflecting the lower concentration of businesses in those regions.

In addition, the data shows that most of the businesses interviewed were sole proprietorships (46.6%), followed by private limited liability companies (30.2%) and partnership (13.1%). Also it can be observed from Table 1 that the service sector dominated the sample, with 87.9% of respondents operating in services (including trade, hotels & restaurants, banking & insurance, transport & communication, health, education, and government services). 43.3% of businesses interviewed were operating in wholesale and retail Trading alone as an economic activity. 9.4%of businesses sampled were operating in the industrial sector (which comprises mining, manufacturing, construction and utilities); and 2.7% of sampled businesses were in Agriculture (crop production, livestock, forestry and fishing).

Furthermore, most (92.1%) of the businesses interviewed commenced operations in the post-conflict era, with the majority commencing from 2011, when the development phase of country commenced following the devastating 10 year war and post war reconstruction and resettlement. This clearly shows the impact of the war on economic activities; but more importantly it shows the short life span of businesses and the fluid business environment in this country, which makes tax administration challenging.

Table 1: Basic Characteristics of Businesses

Characteristics	Percent (%)
Size of Business	
Small (Le10 million – Le350 million)	45.0
Micro business (less than Le 10 million)	22.3
Medium (Le350 million – Le5.5 billion)	11.2
Large (above5.5bn)	4.5
No response/Don't know	16.9
Form of Business Organization	
Sole Proprietorship	46.4
Private Limited Liability Company	30.2
Partnership	13.1
Public Corporation/joint venture	5.8
Other forms	4.5
Type of Economic Activity	
Services	87.9
o/w: Trading	43.3
Industrial	9.4
Agriculture, Forestry and Fishing	2.7
Period of commencement of Operations	
Development phase (2011-2019)	69.1
Peace consolidation (2002-2010)	23.0
War period (1991-2001)	5.5
Pre-war (before 1991)	2.4
Regional Distribution	
Western Area	48.4
Eastern	17.7
Southern	17.3
Northern	12.5
North-Western	4.1
Base Total (2711)	**100.0**

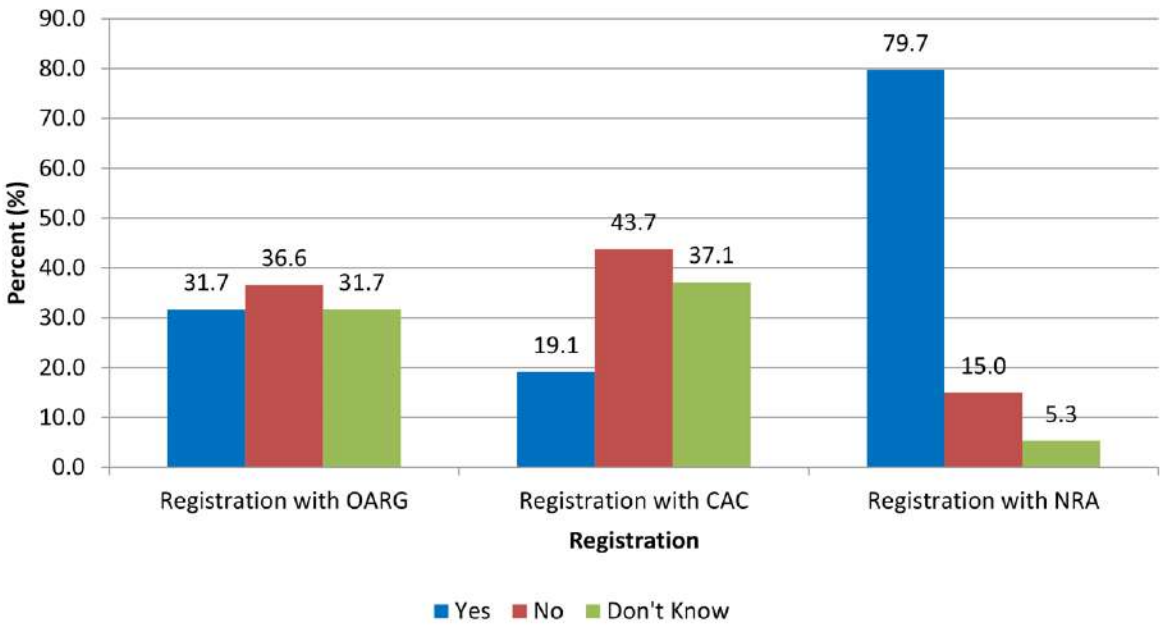
It is clear from Table 1 that most of the businesses interviewed were small-scale, sole proprietorship or private limited liability company, operating in trades or services sector, which commenced operations during the post war era. This result underscores the composition of businesses in Sierra Leone, which is dominated by small scale businesses with a relatively low lifespan.

3.3.2 Business Registration

The Business Registration Act of 1983 and the Companies Act of 2009 require businesses to register with the Office of the Administrator and Registrar General (OARG) and the Corporate Affairs Commission, respectively. These laws also mandated businesses to register with NRA as part of the process of registration with either the OARG or CAC. In fact, NRA is running a 'One-Stop-Shop' service in these two offices to ensure that businesses registered with NRA at the same time they are registering with either of these two offices. The survey therefore asked businesses regarding their registration status with these three government institutions as required by law.

The results showed in Figure 1 show that only a small proportion of businesses stated that they were registered with OARG (31.7%) and CAC (19.1%); 79.7% were registered with the NRA, although this reflects the sample design..

Figure 1: Distribution of establishments by registration status with OARG, CAC and NRA



The survey targeted businesses using the NRA list, which explains the higher rate of registration compared to the OARG and CAC. The low rate of registration with these institutions is of concern, and could be related to the following:

- It could have been the case that it was easier to remember NRA registration than other forms of registrations since NRA certificates are usually required to be displayed in the business premises, and also payment of taxes is fairly a regular activity for these businesses, as evident in the high proportion of 'don't know' for OARG and CAC.
- In the case of CAC, it is a relatively new organization, and as such would not have been able to have registered so many businesses compared to the NRA which has being in existence for almost 20 years now.

Table 2: Business NRA Registration Status by Region

Region/	Is this Business Registered with the NRA		
	Yes (%)	No/Don't Know (%)	Total
Western Area	85.5	14.5	100 (1312)
Eastern	79.8	20.2	100 (480)
Southern	76.9	23.1	100 (486)
Northern	66.1	33.9	100 (339)
North-Western	64.3	35.7	100 (112)
Total	**79.7**	**20.3**	**100 (2711)**

In addition, Table 2 result shows that businesses interviewed in the Western Area are more likely to be registered with NRA (85.5%) than those in the North-Western Region (66.4%) and the Northern Region (66.1%). Also sampled businesses in the Eastern Region (79.8%) and the Southern Region (76.9%) have fairly equal chances of being registered with the NRA. The lower registration rate from the North-Western region could be explained by the lack of NRA Regional Office (the region is administered from the Northern Region office based in Makeni as in the old administrative arrangement). The NRA could consider establishment of an office in the North-West to cater for this region.

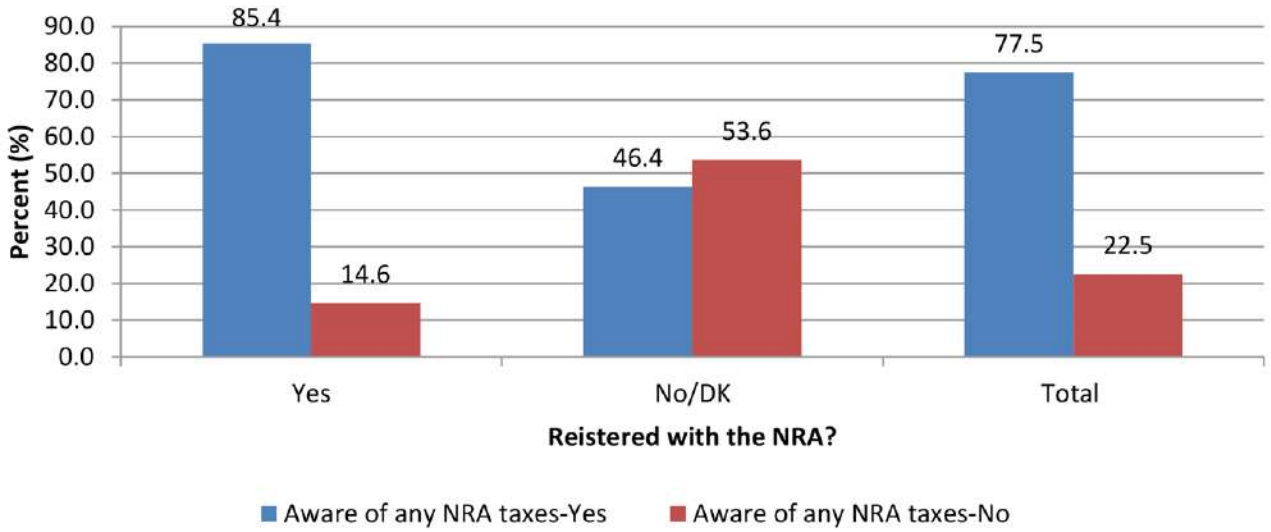
3.4 KNOWLEDGE OF BUSINESSES REGARDING THE TAX SYSTEM

An important aspect of tax compliance is for businesses to have the requisite knowledge and understanding of the tax system and what they are due to pay. This is why this survey asked business respondents questions regarding their general knowledge of NRA taxes, tax returns filling procedures and the general tax administration.

3.4.1 Awareness of NRA Taxes

The Mandate of the NRA as enshrined in the NRA Act, 2002 is to collect revenues for the government, and business establishments are major stakeholders in the fulfillment of such a mandate. Hence businesses should be aware of the taxes that NRA is collecting from them as taxpayers. In this regard, the survey assessed the awareness level regarding the NRA taxes, and the result is showed in Figure 2

Figure 2: Awareness of NRA Taxes by Registration Status



The result shows that 77.5 % of respondents were aware of NRA taxes nationwide, irrespective of whether or not such businesses were registered with NRA. However, businesses that were generally registered with NRA (for any tax stream), 85.4 % had knowledge of taxes; while less than half (46.4%) of those businesses which were not registered with the Authority, had knowledge of NRA taxes. This is not entirely surprising since we sampled businesses mostly from the NRA taxpayers' list; but also there is an opportunity here for the NRA to reach out to those businesses which were not registered with NRA but had knowledge of the institution's taxes through comprehensive business registration exercise nationwide.

Table 3: Known NRA Taxes

Taxes	Percent (%)	
	Yes	No
Registration fees	80.6	19.4
Goods and Services Tax (GST)	55.0	45.0
Pay As You Earn (PAYE)	37.5	62.5
Corporate Tax	34.5	65.5
Domestic sales tax	24.7	75.3
Imports duties	23.6	76.4
Withholding Taxes on Services contracts	17.6	82.4
Excise duties	15.8	84.2
Rent-withholding Tax	14.8	85.2
Fines levied	8.2	91.8
Royalties	4.3	95.7
Base total (2100)	**100**	**100**

Table 3 shows that businesses are mostly aware of registration fees (80.6%) and goods and services tax (55.0%); while the more unidentified taxes among the businesses are royalties (4.3%) and fines levied (8.2%). The higher awareness level of businesses interviewed of registration fees and the lower rates for the other taxes is likely due to the following:

- That registration fees are the first kind of taxes paid to NRA (apart from fines, which could be paid before registration fees), which cut across all groups of taxpayers. Businesses register with NRA to get a Tax Identification Number (TIN), and for various taxes provided they satisfy the criteria or threshold required for such taxes according to the law.
- That GST criteria is for businesses with an annual minimum turnover of L200 million, and which are not dealing with GST exempted or zero-rated items, so not all businesses pay GST.
- That PAYE is the tax on employee salary or labour income, only the businesses which have 'official' employees on salaries higher than the minimum wage (Le 500000), pay PAYE taxes; and given the level of informal work in the country, not many businesses pay PAYE.
- That businesses which are not dealing in import and export are unlikely to be aware of import or export or excise duties
- That corporate income taxes are levied on corporate bodies such as Limited Companies, Trusts and Co-operatives' annual profit, but given the small size of the majority of businesses in the country, most businesses interviewed don't pay corporate income tax
- That royalties are paid mostly by businesses in mining, forestry (timber) and fishery industries, which are very few in the sample and possibly in the country as a whole when compared to other industries such as in services. This shows that most businesses don't register for royalties, and as such may not know anything about the procedures for paying such fees.

3.4.2 Awareness of Tax Laws

Tax is law. But it appears that knowledge of tax laws among businesses interviewed was very low. This is perhaps not surprising as in most countries businesses are generally not aware of the legal Acts that underpin tax procedures.

Table 4: Awareness of Tax Laws (of those who are aware of NRA taxes

	Percent (%)	
Tax Law	**Yes**	**No/DK**
Income Tax Act	44.4	55.6
Customs Act	31.2	68.8
Finance Act	24.5	75.5
Customs Code	20.5	79.5
Other Tax Publications	19.8	80.2
Valuation Guide	14.1	85.9
Base-Total (2100)	**100.0**	**100.0**

Table 4 shows that the most well-known tax laws are the Income Tax Act (44.4%) and Customs Act (31.2%); but less than half of businesses with knowledge of NRA taxes were aware of such tax laws. The Customs valuation code is the least known tax law or regulation as only 14.1 % of taxpayers knew this code. Talking to BMOs revealed that such a situation is possible since a good number of taxpayers file taxes via a third party agent; the use of Tax Agent is even more prevalent among importers who rely on them for the clearance or forwarding of goods from the port of entry or exit.

3.4.3 Filing of Tax Returns

Figure 3: Filing of Tax Returns by NRA Registration Status

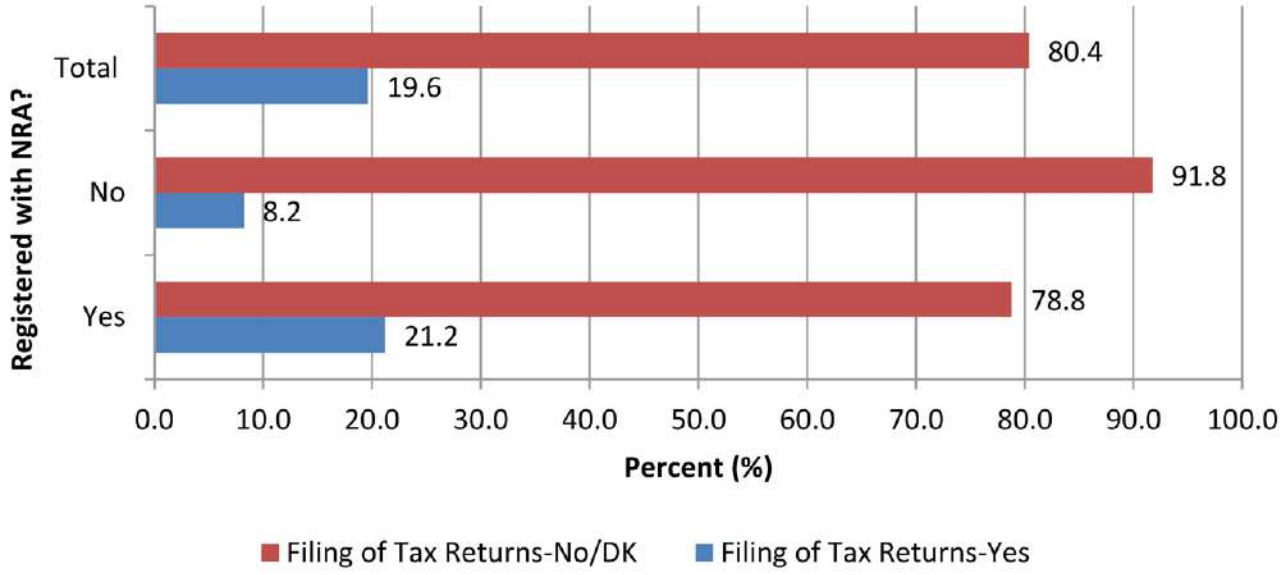


Figure 3 reveals that of those who are registered with the NRA, only 19.6%generally knew how to file tax returns with the NRA; and of this set, less than 10% (7.3%) knew the correct 5-step procedures involved in filing tax returns. Also only 21.2% of NRA registered businesses and 8.2% of not-registered businesses knew how to file tax returns. This means that knowledge of taxpayers regarding tax filing procedures is low.

The plausible reasons for this low knowledge of tax filing procedures could be that businesses are using third party Agents or Tax Consultants to do their tax computations; and that those businesses under the SME tax arrangements are greatly assisted by the NRA staff in the process of filing tax returns. In such circumstances, business owners and executives will not necessarily be aware of the tax return filling procedures.

FIGURE 3 REVEALS THAT OF THOSE WHO ARE REGISTERED WITH THE NRA, ONLY 19.6%GENERALLY KNEW HOW TO FILE TAX RETURNS WITH THE NRA LESS THAN 10% (7.3%) KNEW THE CORRECT 5-STEP PROCEDURES INVOLVED IN FILING TAX RETURNS

Table 5: Knowledge to file tax return by Size of Businesses

Size of Business	Do you know how to file a tax return or pay taxes to NRA....?		
	Yes (%)	No/Don't know (%)	Total (%)
Large (above5.5billion)	30.8	69.2	100.0 (117)
Medium (Le350 million – Le5.5 billion)	30.2	69.8	100.0 (255)
Micro business (below Le 10 million)	19.9	80.1	100.0 (408)
Small (Le10 million – Le350 million)	18.2	81.8	100.0 (970)
No response/Don't know	11.7	88.3	100.0 (350)
Total	**19.6**	**80.4**	**100.0 (2100)**

ONLY 23.8%AND 24.3%OF BUSINESSES WITH KNOWLEDGE OF NRA TAX KNEW HOW TO FILE INCOME TAX AND GOODS AND SERVICES TAX (GST) RETURNS, RESPECTIVELY

IN PARTICULAR, MEDIUM BUSINESSES ARE OVER THE THRESHOLD FOR GST, YET ONLY 38.4% KNOW HOW TO FILL OUT A GST RETURN (COMPARED TO 68.4% OF LARGE BUSINESSES).

When disaggregated by size of business, it is clear from Table 5 that knowledge of how to file a tax return varies according to the size of the business. Large and medium scale businesses are more likely to know how to file tax returns than small scale and micro businesses interviewed. This awareness could be due to the fact that large and medium scale businesses pay more tax streams including PAYE, cooperate income tax, GST and rent-withholding, and hence are more conversant with filing procedures than small scale and micro businesses, which pay mostly registration and taxes under the small and medium enterprise (SME) arrangement with assistance from the NRA staff.

Furthermore, the survey data shown in Table 6 reveals that only 23.8%and 24.3%of businesses with knowledge of NRA tax knew how to file income tax and goods and services tax (GST) returns, respectively. Even of those businesses which are registered with NRA only about a quarter of them knew how to file income tax or GST returns. These results lend credence to the general low knowledge of the filing procedures of tax returns that exists among businesses interviewed. In particular, medium businesses are over the threshold for GST, yet only 38.4% know how to fill out a GST return (compared to 68.4% of large businesses). This suggests that efforts to improve compliance/knowledge on GST should focus on this group.

Table 6: Knowledge of procedures for filling Income Tax and GST Returns by Size of business

Size of Business	Do you know how to file income tax returns...?		Do you know how to file GST tax returns...?		
	Yes (%)	No (%)	Yes (%)	No (%)	Total (%)
Large (above 5.5 billion)	56.4	43.6	68.4	31.6	100 (117)
Medium (Le350 million – Le5.5 billion)	36.9	63.1	38.4	61.6	100 (225)
Small (Le10 million – Le350 million)	22.0	78.0	20.3	79.7	100 (970)
Micro business (< Le 10 million)	19.1	80.9	19.6	80.4	100 (408)
No response/don't know	14.0	86.0	15.7	84.3	100 (350)
Total	**23.8**	**76.2**	**24.3**	**75.7**	**100 (2100)**

56.4 % AND 68.4 % OF LARGE SCALE BUSINESSES KNEW HOW TO FILE INCOME TAX AND GST RETURNS, RESPECTIVELY.

Table 6 shows that 56.4 % and 68.4 % of large scale businesses knew how to file income tax and GST returns, respectively; and that these proportions are much higher than those for medium, small scale and micro businesses. Again, this could be due to the fact that large businesses are more likely to pay these taxes than the other business categories.

These findings have clearly underscored the need for tax education programmes to be targeted on the medium, small and micro businesses which are in the vast majority, but usually excluded from NRA tax consultative meetings.

3.4.4 Awareness of Customs Declaration Procedures

The survey data revealed that a quarter of businesses with knowledge of NRA taxes were involved in import and export of goods as part of their business operations. Table 7 shows the proportion of businesses involved in external trade activities, and which can complete customs declaration forms using the paper and the electronic facilities.

Table 7: completing the Customs Declaration (for exporting/importing businesses)

Do you know how to complete the customs declaration processes at the point of entry...?	Percent (%)	
	Yes	No
Using paper form	62.7	37.3
using electronic form of ASYCUDA World	23.7	76.3
Base-Total (531)		

Of this number (531 business), the majority (62.7%) knew how to use the paper declaration forms as part of the customs declaration process; while only a few (23.7%) knew how to use the electronic declaration process embedded in the ASYCUDA World software. This apparent low knowledge of the use of ASYCUDA World could be due to the fact that agents are the ones doing the electronic declaration for the businesses; and as such the taxpayers could not be aware of the processes involved in completing the web-based processes. It could also be a signal of the many challenges that taxpayers still face regarding the electronic process of filing tax returns, which include lack of high speed internet connectivity, electricity power outage, and the low level of ICT skills of business importers and exporters. Each one or a combination of all of these challenges could have a negative influence on the ability of businesses to use the web-based system to pay their customs duties.

3.4.5 Awareness of NRA Tax reforms

Currently the NRA is rolling out a range of reforms to improve revenue generation, aimed at not only broadening the tax base but also improving tax compliance and improving procedures for paying tax. In order to establish whether businesses interviewed were aware of or have seen any of these reforms, the survey asked questions on awareness of specific reforms rolled out so far, and the result is shown in Table 8

Table 8: Awareness of the Tax Administration reforms implemented by NRA

Reforms	Percent (%)	
	Yes	No
The introduction of GST cash receipts/machines	33.7	66.3
The introduction of ASYCUDA World	31.4	68.6
The introduction of in-house banking facility at customs and other places	23.3	76.7
The introduction of Integrated Tax Administration system (ITAS)	21.1	78.9
Operating a one-stop-shop counters in collaboration with MDAs	20.6	79.4
Base-Total (2100)		

AS IT CAN BE OBSERVED FROM THE TABLE, THE KNOWLEDGE OF BUSINESSES REGARDING REFORMS IS GENERALLY LOW. However the 'introduction of GST cash receipts' (33.7%) and 'introduction of ASYCUDA World' (31.4%) were better known among businesses than any of the other reforms such as 'operating one-stop-shop counters in collaboration with MDAs' (20.6%) and the 'introduction of ITAS' (21.1%), which were the least known. GST seems to be a better known tax stream compared to the others. The possible reason for the low knowledge could be that some of the reforms such as ITAS are relatively new, and publicity around them is yet very low.

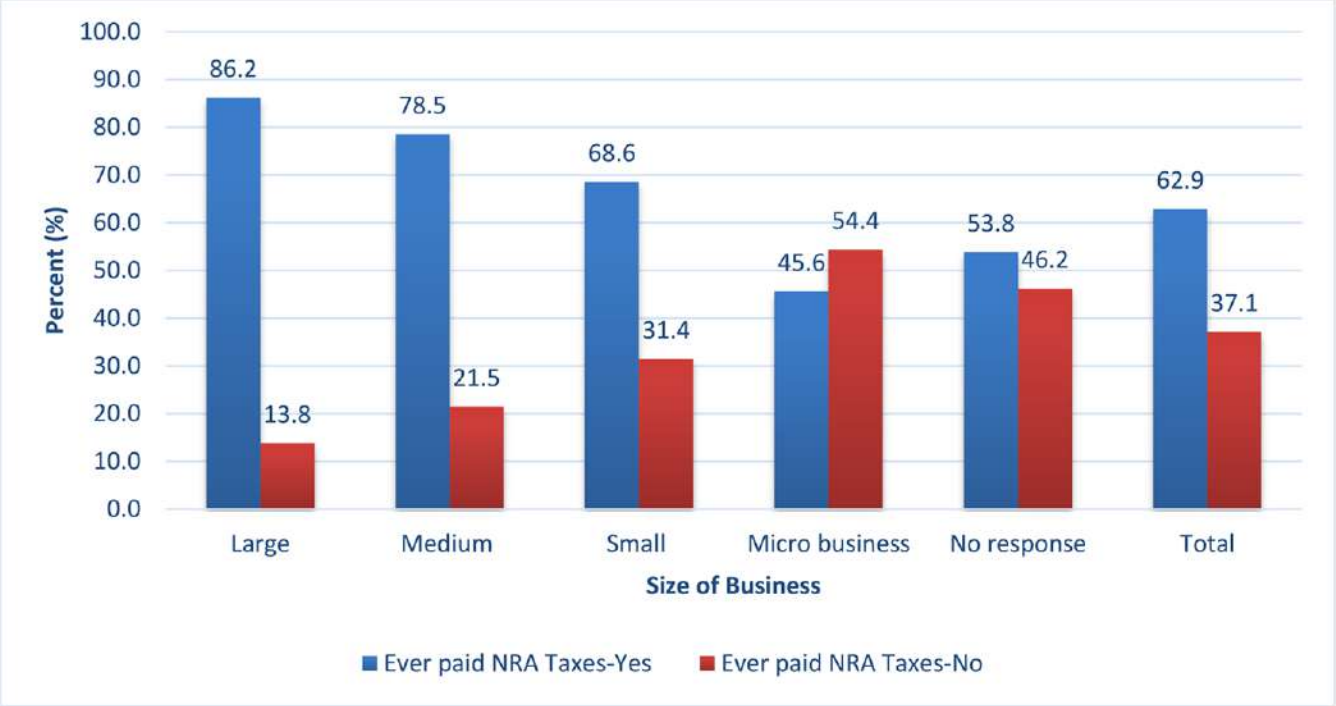
3.5 ATTITUDES OF TAXPAYERS

Attitudes of business executive and owners towards taxes and the tax system is a critical part of tax compliance; and this ranges from the payment of taxes, reasons for paying taxes, to reasons for tax evasion

3.5.1 Payment of Taxes and Reasons for paying

The survey asked business owners and managers whether or not they pay taxes, the type of taxes they pay and the reasons for paying such taxes, general attitudes of taxpayers and tax computation burden; and the findings are discussed under various sub-sections.
Figure 4 shows that 62.9 % businesses interviewed confirmed the payment of NRA taxes, irrespective of whether the businesses were registered with NRA or not. This means that the tax compliance rate is 62.9 % among businesses interviewed. However, payment of taxes seems to be positively correlated with the size of the business as large scale businesses seemed to have a higher probability (86.2%) of paying NRA taxes than medium scale businesses (78.5%), small scale (68.6%), and micro businesses (45.6%). Large businesses seem to have no hiding place from the tax system apparently due to the formality of their business operations, which makes it easy to be tracked at some stage of their operations; although 13.8 % large businesses still found a way to evade the tax system; which should be a major concern to NRA. Conversely, businesses with lower annual turnover are more likely to evade tax (or fall below the threshold for most tax categories).

Figure 4: Ever paid NRA Taxes by size of business



On the other hand, the ownership status of the business seems not to play a significant role in a business's decision to pay NRA taxes as all forms of ownership captured in the data (for example: Sole-Proprietorship-68.2%, Partnership-64.6%, Private Limited-64.1, Joint/Public Corporations-61.2%) seemed to have almost equal chances hovering around the overall average of 62.9 %. Therefore, efforts to reduce tax evasion should take into account the size of the business and lay emphasis on businesses with smaller annual turnover.

Furthermore, the data shown in Table 9 unsurprisingly revealed the higher proportion (72.2%) of businesses registered with NRA pay taxes (72.2%) compared to the overall average.

TAX COMPLIANCE RATE IS 62.9 % AMONG BUSINESSES INTERVIEWED

Table 9: Payment of Taxes by NRA Registration Status

Registered with NRA	Have you ever paid taxes, fees or fines to the NRA or filed tax returns?	
	Yes (%)	No (%)
Yes	72.2	27.8
No/DK	26.2	73.8
Total	62.9	37.1

The data in Table 9 also shows that 26.2%%of non-registered pay NRA taxes; and that 27.8 % of those businesses registered with NRA have never paid NRA taxes. This is clearly a case of businesses which should file tax returns (because they are registered with NRA) are not filing at all, whereas those businesses which should not be filing tax returns (because they are not registered with NRA) are doing so. This scenario arises possibly due to the paper-based system the tax administration still relies on for the filing of tax returns; and as well as the fact that some of the filing could have been done by NRA staff themselves for and on behalf of the businesses. Hopefully, the introduction of the ITAS, which is wed-base would eliminate such anomaly in the system and get all taxpayers to be registered with system.

In addition, the survey collected data on the taxes that businesses pay, and the results shown in Table 10.

Table 10: Common NRA Taxes businesses pay

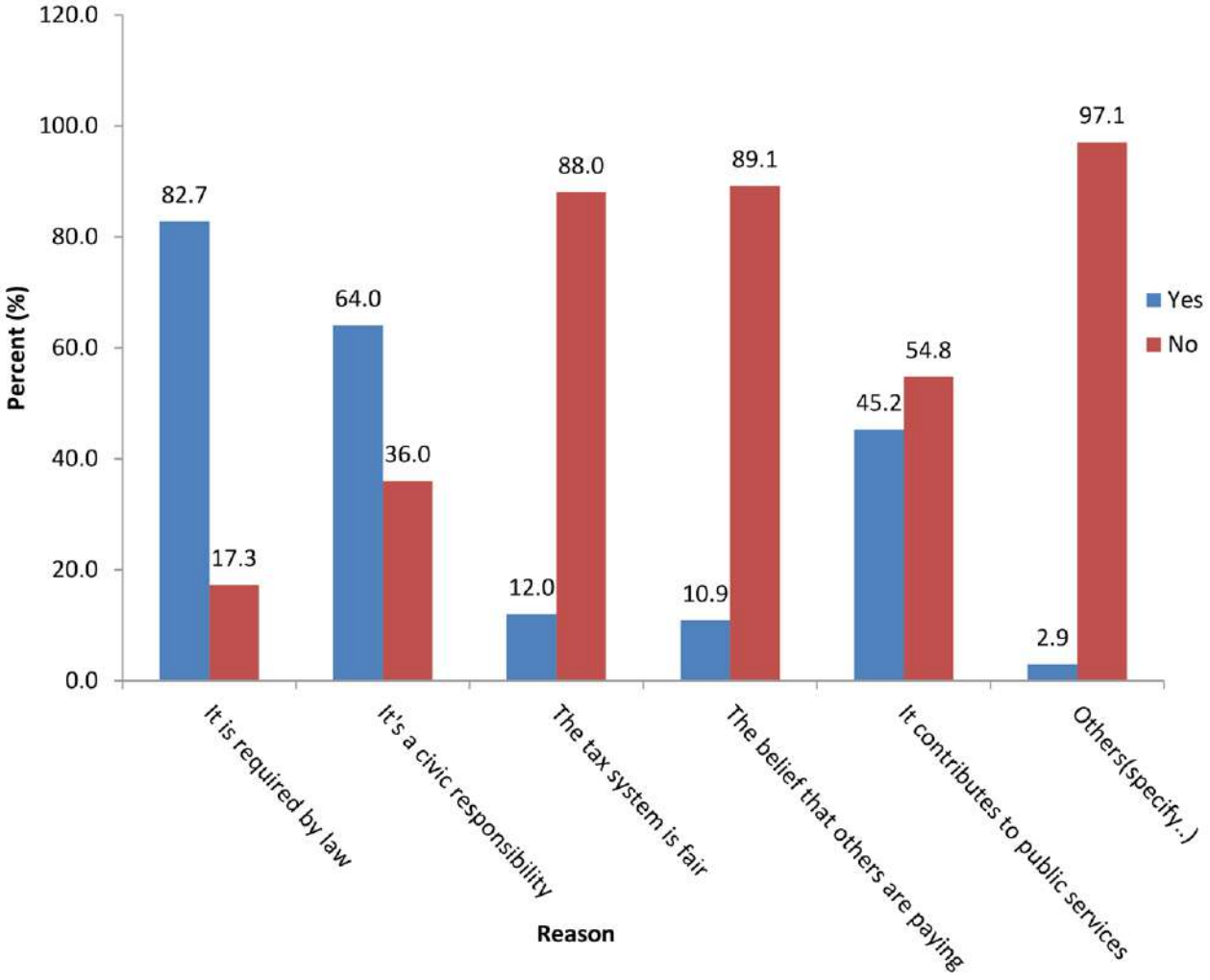
Tax Type	Which of the taxes paid		
	Number[1]	Percent	
	Yes	Yes	No
Registration fees and other fees	1349	79.2	20.8
Goods and Services Tax (GST)	757	44.4	55.6
Corporate Income Tax	633	37.1	62.9
Pay As You Earn (PAYE) Income Tax	567	33.3	66.7
customs/Excise duties	361	21.2	78.8
Withholding Taxes on Services contracts	224	13.1	86.9
Domestic Sales Tax	214	12.6	87.4
Other (specify.....)	67	3.9	96.1
Fines levied	60	3.5	96.5
Rent-withholding Tax	55	3.2	96.8
Royalties	22	1.3	98.7
Base-Total	**1704**		

Table 10 reveals that most businesses interviewed pay Registration and other fees (79.2%) to NRA. This is followed by GST (44.4%), Corporate Income Tax (37.1%) and PAYE Income Tax (33.3%). Royalties (1.3%) and the rent withholding (3.2%), other the other hand, were reportedly paid by a smaller proportion of businesses interviewed.
This finding could, as already mentioned, be due to the fact that registrations fees are the first set of taxes paid to NRA, in order to access various NRA services including provision of Tax Clearance (this would also allow businesses to bid for work etc). The survey collected data on the reasons why businesses pay taxes to NRA, and the results are shown in Figure 5

The results in Figure 5 show that the main reason why businesses pay tax is because it is required by law (82.7%); this is followed by citizen or civic responsibility (64.0%); and that taxes contribute to public services (45.2%). In addition, only a few businesses pay taxes because they believe that other businesses are paying (10.0%) or that the tax system was fair (12.0%).

These results generally show that without the law, it is difficult for any business to pay taxes; this could mean that the more businesses know the tax laws the greater the chances of such businesses to pay taxes. Therefore any tax education or sensitization programme should incorporate the tax laws as a component. Less than half of businesses saw the provision of services as a motivating factor for paying taxes. Another question in the survey found that around 44% of the businesses think the tax system is fair, and 79% of businesses said that if they'd seen more services being delivered in their area they'd be willing to pay or pay more taxes. Therefore there may be scope for the government to increase transparency around the use of tax revenues, and to demonstrate more impact with public funds in order to increase the link that businesses make between public services and tax motivation (i.e. the social contract for taxation).

Figure 5: Common Reasons why businesses pay tax



BUSINESSES PAY TAX BECAUSE IT IS REQUIRED BY LAW (82.7%); THIS IS FOLLOWED BY CITIZEN OR CIVIC RESPONSIBILITY (64.0%); AND THAT TAXES CONTRIBUTE TO PUBLIC SERVICES (45.2%).

3.5.2 General Attitudes

Generally, attitudes toward payment of taxes provides a mixed pattern of response. Almost two thirds of businesses didn't think that the government is not using taxes correctly (63.9%). However, the link between use of revenue and tax compliance wasn't strong, with less than a quarter saying their perception of government corruption would urge them to under declare their taxes. There is an opportunity here for advocacy and sensitization for the government to showcase their activities so as to reduce this high rating of government corruption among taxpaying businesses.

Table 11: General Attitudes towards payment of Taxes

Responses	Have you been audited or assessed in the past...?	Would the possibility of being audited or assessed affect your decision to report correct taxes?	Do you think government is using the tax revenues in the right and correct way?	Would your perception on government corruption urge you to under declare your tax income that is pay less taxes....?
	Percent	Percent	Percent	Percent
Yes	56.9	26.1	33.8	24.8
No	31.9	70.0	63.9	66.8
Don't know	11.3	3.9	2.3	8.4
Total (1704)	**100.0**	**100.0**	**100.0**	**100.0**

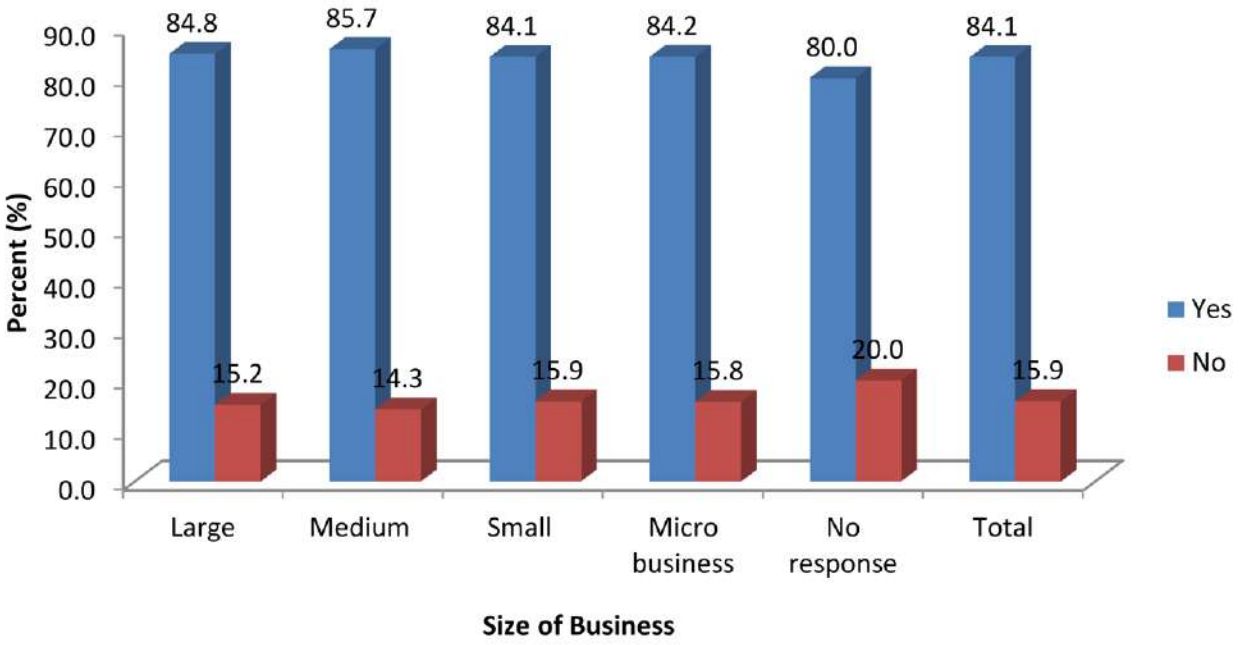
Regarding audits, although 56.9 % of taxpaying businesses have been audited or assessed in the past, only 26.1 % would be influenced by the possibility of being audited to report the correct taxes. This result suggests that businesses probably believe that the penalties for defaulting are low or the enforcement is weak or that they would pay the correct tax anyway with or without being audited.

Regarding the payment of penalties, the survey asked businesses whether or not they had paid penalties or fines in the past; and the data shows that 12.6 % of taxpaying businesses have paid a penalty or fine for defaulting in their tax obligations. Figure 6 data further show that of those (214) businesses which had paid a penalty for defaulting, 84.1 % would be influenced by the possibility of penalties to pay the correct taxes. In fact this response cuts across all sizes of business as a very high proportion of businesses across the various sizes would be influenced by the penalties they paid to fully compile with tax obligations. Furthermore, across all businesses in the survey, only 51% knew about any action of taxpayers that would attract a penalty from NRA during the process of filing of tax returns and 64% said that if they were given more information about the penalties of not paying taxes, they would have paid or paid more taxes. These findings show that there is scope to increase tax compliance through information campaigns on penalties.

26.1 % WOULD BE INFLUENCED BY THE POSSIBILITY OF BEING AUDITED TO REPORT THE CORRECT TAXES.

64% SAID THAT IF THEY WERE GIVEN MORE INFORMATION ABOUT THE PENALTIES OF NOT PAYING TAXES, THEY WOULD HAVE PAID OR PAID MORE TAXES.

Figure 6: The Influence of penalty you paid on Tax Compliance



This seems to support the view that levying fines and penalties is a better way to ensure tax compliance, although currently only a small proportion of businesses are facing penalties. This is thus an issue of enforcement of tax laws and penalties and fines.

3.5.3 Tax Compliance Cost

In the process of meeting their tax obligations, businesses incur costs (beyond the cost of the tax itself). Data from the survey revealed that most (58.4%) taxpaying businesses suffer administrative cost, followed by accounting costs (22.2%) and revenue loss due to time loss and staff payment (16.9%). The survey however did not quantify such costs since this fell out the scope of the study.

Tax Computation is one area that businesses incur cost from; thus the survey asked question regarding who was doing the tax computation. Overall, 48.3 % of businesses tax computation was being done by the respondent, who were mainly the owners or managers of the business; and 19.4 % businesses used Tax Consultant, while 12.5 % businesses used Accountants to compute their tax obligations.

Across all size of businesses, the predominant way of computing taxes is for the owner to carry it out. However, small scale and micro businesses used more Tax Consultants to compute their obligations than large and medium scale businesses. NRA staff assisting businesses to pay their correct tax (under SME arrangement) may have been considered to be 'Tax Consultants' by those businesses. On the other hand, Large and medium scale businesses can afford to employ Accountants as part of the core staff to do their tax computations as a necessity given the complex nature of their business activities, when compared to the simple nature of operations of small-scale businesses

3.6 REASONS FOR TAX EVASION

Understanding reasons and motivation for tax evasion is a strategic way of addressing the problem. This is why this survey collected information from businesses on the possible reasons for tax evasion by asking multiple response questions; and the results are shown in Table 12 and Figure 7. Note, the question was asked to businesses who do not pay NRA taxes.

Table 12: Reasons for Tax Evasion

Reasons for Tax Evasion	Percent (%)	
	Yes	No
The tax rates are too high for my business	72.9	27.1
multiple tax rates are applied to one business	37.8	62.2
misuse of revenue by government, widespread corruption	32.2	67.8
Lack of trust in tax collectors, wrong reporting	30.1	69.9
Inadequate public services provided with tax revenues	29.2	70.8
Base-Total (1007)		

Table 12 shows that businesses which did not pay NRA taxes cited high tax rates (72.9%) as their main reason for not paying; this is followed by

'MULTIPLE TAX RATES ARE APPLIED TO ONE BUSINESS' (37.8%); AND THE LACK OF TRUST IN THE NRA STAFF (30.1%).

Lack of public services in the community is not a common reason for tax evasion, although it was frequently used to lash out against data collectors in the field. Regarding 'high taxes' the NRA has frequently argued that the country's tax rates and tariffs were comparable with countries in the sub-region. However, BMOs believe that the 'highness' of taxes must be looked at from two angles: first the harmonization of the national tariffs (lower tariffs) and the ECOWAS tariffs (higher) at customs automatically means that the national tariffs have been increased since they were lower than the ECOWAS tariffs. Second multilayer taxation is considered as high taxes; for example, when exporters export their goods they pay export duties and when they repatriate their earnings from the sale abroad, they are charged bank changes and GST on the transfers. This is affecting tax compliance in some instances, and hence requires a dialogue with all stakeholders.

In addition, the survey collected data from all businesses regarding their thoughts as to what could be the reasons why other businesses do not pay their taxes, presenting a range of statements and asking the extent to which they agree (strongly agree, agree, not sure, disagree, and strongly disagree); and the results are shown in Figure 8.

Figure 7: Motivation for the Evading Taxes

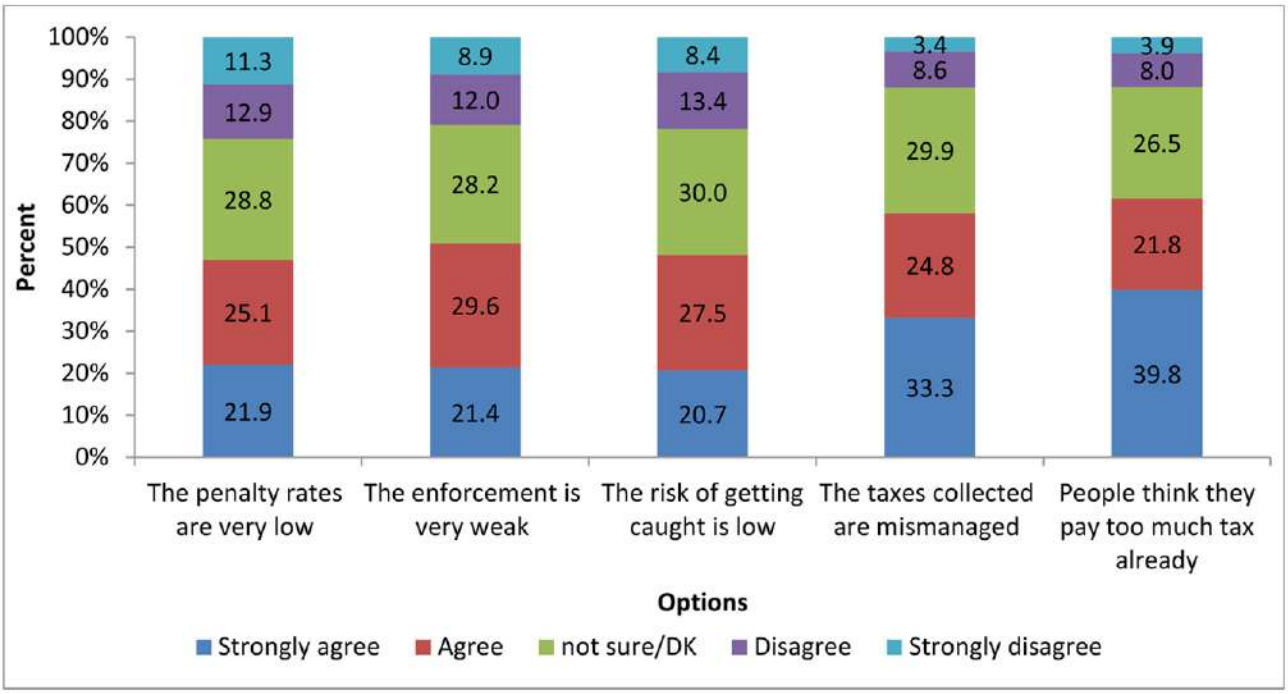


Figure 7 shows one key motivation for tax evasion is the perception that people were paying too much tax already as 39.8 % and 21.8 % of business owners and executives strongly agreed and agreed, respectively, with the perception. This is followed by the beliefs that tax revenues were misused (33.3% strongly agreed and 24.8% agreed), enforcement is very weak (21.4% strongly agreed and 29.6% agreed), the risk of being caught is low and that penalty rate are low (21.9% strongly agreed and 25.1 agreed). The concern here is with the low penalties and weak enforcement options, which have at least a quarter of businesses strongly agreed or agreed with such perceptions; MOF and NRA should work hard to improve on such perception as a matter of credibility of the tax system.

When asked whether business executives knew someone who was not paying taxes, 20 % affirmed their knowledge of at least one business which was not paying taxes. This is an indication of the prevalence of tax evasion among the business community; which appears to be high by any standard.

TAX REVENUES WERE MISUSED (33.3% STRONGLY AGREED AND 24.8% AGREED)

WHEN ASKED WHETHER BUSINESS EXECUTIVES KNEW SOMEONE WHO WAS NOT PAYING TAXES, **20 % AFFIRMED THEIR KNOWLEDGE OF AT LEAST ONE BUSINESS WHICH WAS NOT PAYING TAXES**

3.7 EFFECTIVENESS OF THE SERVICES OF NRA AND TAXPAYERS SATISFACTION

The survey collected data on the effectiveness of NRA services provided to tax payers through a number of questions covering the contact made by businesses, the means, delays experienced, the professionalism of staff and gifts or hospitality offered to NRA staff.

3.7.1 Contact with NRA

The findings of this survey show that **64.5% OF BUSINESSES INTERVIEWED HAVE MADE CONTACT WITH THE NRA OFFICIALS IN THE LAST 12 MONTHS**; and large businesses made more contact (87.8%) than medium (75.9%), small (68.6%), and micro businesses (49.6%). This suggests that making contact with NRA depends on the size of the business; which is in line with previous findings that larger businesses pay more tax streams than smaller businesses.

Also, Table 13 shows that the vast **MAJORITY OF THE CONTACTS MADE WERE MADE THROUGH FACE-TO-FACE MEETING WITH THE NRA OFFICIALS (89.3%)**, followed by mobile phone (26.0%). E-declaration (0.5%) and email (1.1%) were the least means of making contact with NRA; and this underscores the challenges we still face with internet connectivity as a nation, as well as the lack of a dedicated line of communication to the general public.

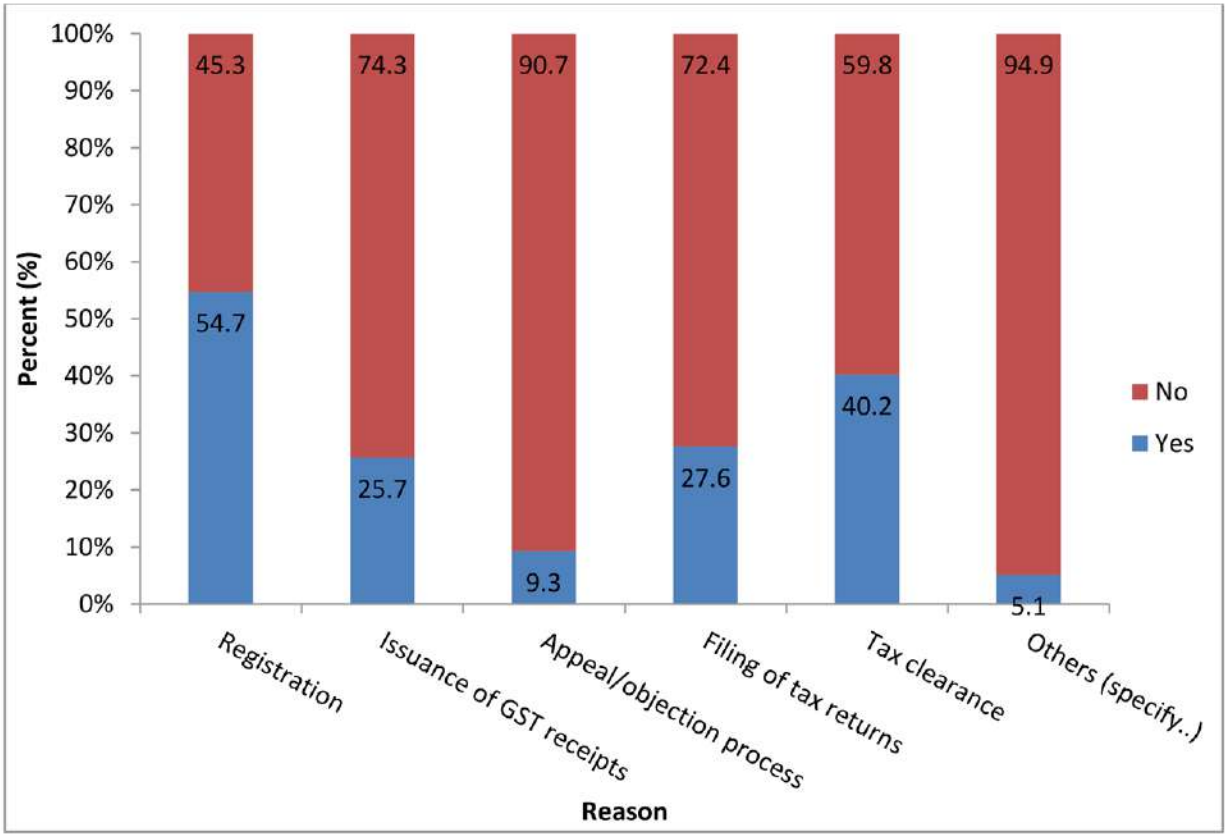
Table 13: Means of contacting the NRA

Means of Contact	Percent (%)	
	Yes	No
Face-to-face with NRA Staff	89.3	10.7
Mobile phone call	26.0	74.0
Social media	4.6	95.4
SMS	1.5	98.5
Email	1.1	98.9
E-Declaration	0.5	99.5
Base-total		

Although the NRA is modernizing and working on cutting down on the human-to-human contact with taxpayers, it appears that fact-to-face contact with staff remains the most common means of access services from the NRA. It is hoped that the ITAS system, when it fully becomes operational, will make E-Declaration and Email means of communication with NRA more prominent.

Furthermore, the survey asked questions around the reasons for making contact with the NRA, and the results are shown in Figure 8. The main reasons for making such contacts are Registration of businesses/Taxpayers (54.7%), Tax clearance (40.2%), Filing of tax returns (27.6%), and Issuance of GST receipt books (25.7%).

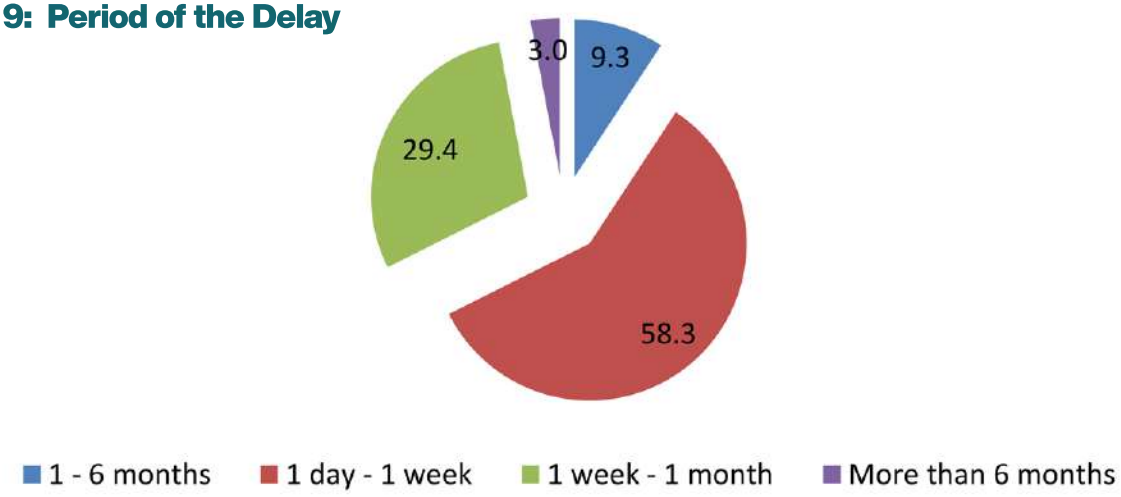
Figure 8: Reasons for Making Contact with NRA



In addition, when asked whether they have experienced delays during the last time contact was made, 30.9% of the businesses claimed to have experienced delays during the last contact they made. These businesses were further asked to indicate the period of the delay, and the results are shown in Figure 9 below.

30.9% OF THE BUSINESSES CLAIMED TO HAVE EXPERIENCED DELAYS DURING THE LAST CONTACT THEY MADE.

Figure 9: Period of the Delay

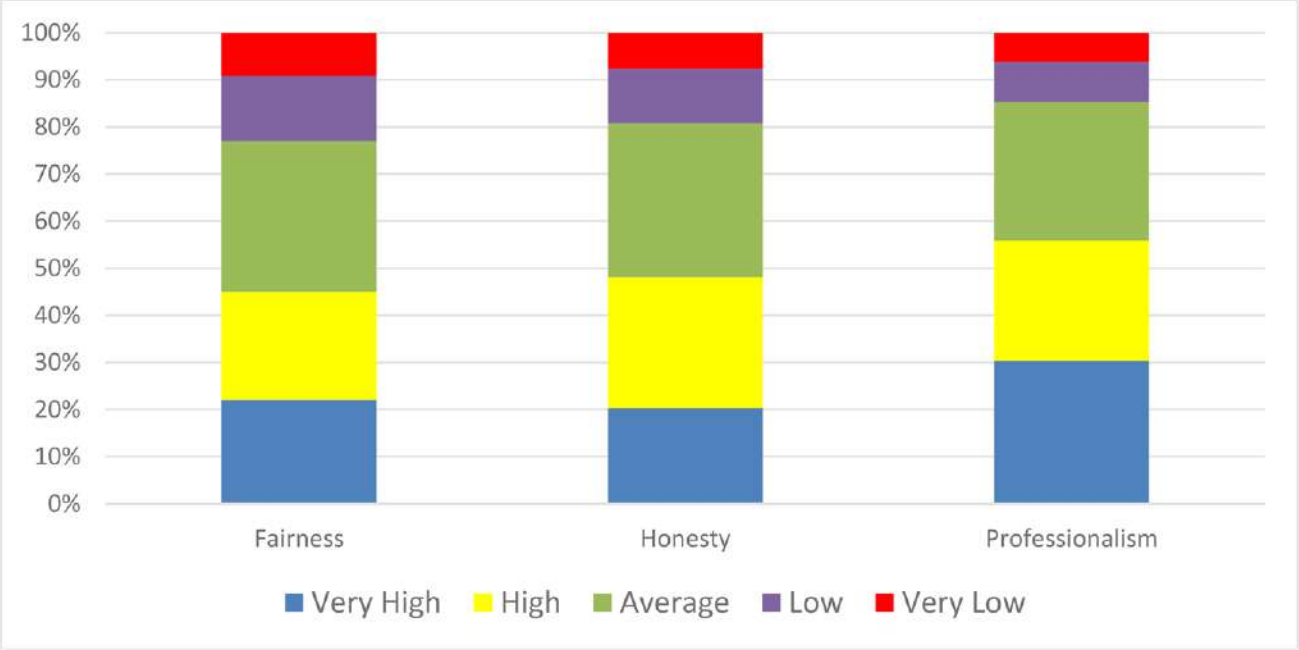


THE MAJORITY (58.3%) OF BUSINESSES WHICH HAD EXPERIENCED DELAYS DURING THEIR LAST CONTACT WITH NRA EXPERIENCED IT FOR A PERIOD BETWEEN ONE DAY AND ONE WEEK,

which is a relatively short delay. Roughly a third waited between 1 week to a month, 10% between 1 and 6 months and a small proportion (3%) had experienced delay for more than 6 months. This suggests system breakdown or holdup somewhere; thus, there is a need for a review of current processes and systems to establish overdue matters to be addressed or resolved so as to avoid delays longer than 1 week.

The survey collected data on the perceptions of business executives and owners who had made contact with NRA in the last 12 months regarding the professionalism, honesty and fairness of NRA staff in the process of executing their duties. The result is shown in Figure 10 below.

Figure 10: The impression of NRA contacted in the 12 months



OF THOSE BUSINESSES WHICH HAVE MADE CONTACT WITH THE NRA, 30.3 % AND 25.6 % HAVE RATED THE PROFESSIONALISM OF THEIR STAFF VERY HIGH AND HIGH, RESPECTIVELY.

On a whole the results show that NRA staff are still held in high esteem among taxpaying businesses, although honesty and fairness seem to have been rated slightly lower than professionalism. Less than a quarter of respondents rated the NRA as low or very low on any of the three attributes.

3.7.2 Offering Gift or Hospitality to NRA staff

In order to further establish the professional conduct of NRA staff, the survey asked businesses which had made contact with NRA in the last 12 months whether they offered any gifts or hospitality to NRA staff during the course of doing their work. The results indicate that **11 % OF BUSINESSES HAVE OFFERED GIFTS OR HOSPITALITY TO THE STAFF THEY INTERACTED WITH IN THE LAST 12 MONTHS.** The findings in Table 14 show the type of gifts or hospitality that was offered; and we can clearly observe that money or cash (64.2%) and food & drinks (58.0%) were the most frequent items offered as gifts to such staff.

Table 14: Type of Gifts Offered to NRA Staff (of those who offered gifts)

Type of Gift	Percent (%)
Cash/Money	64.2
Food and drinks	58.0
Household items	24.9
Building materials	14.0
Clothing	6.7
Others, specify....	1.6
Base-Total (193)	

When asked whether they must give NRA staff gifts before they could do their work, less than **10 % OF TAXPAYERS THOUGHT SO**, which is a similar proportion who offered gifts. NRA must enforce strict codes of conduct on their staff to prevent any gifts being offered.

3.8 TAXPAYERS' TRUST AND SATISFACTION

In order to establish the trust and satisfaction level of businesses regarding the services they received from NRA and the government as a whole, the survey collected data by asking several multiple response questions. Such questions ranged from the simplicity of the tax system, trust in the use of tax revenues, and the overall level of satisfaction from services

Regarding the complexity or simplicity of the tax system, the results shown in Table 15 shows that **22.1 % AND 26.6 % OF BUSINESSES INTERVIEWED HAVE DESCRIBED THE CURRENT NRA TAX SYSTEM AS VERY COMPLEX AND COMPLEX, RESPECTIVELY,** even in the mist of the tremendous efforts of modernizing the tax system.

Also it can be observed that the results indicate that the opinion regarding the complexity or simplicity of the tax system on average tends to vary with the size of the business; large (39%) and medium scale (29%) businesses, which use the system more frequently, tend to describe it as very complex (as they try to compute liabilities in the face of multiple tax laws), compared to small scale (23%) and micro (17%) businesses, which have simple operations and covered largely under the SME tax policy.

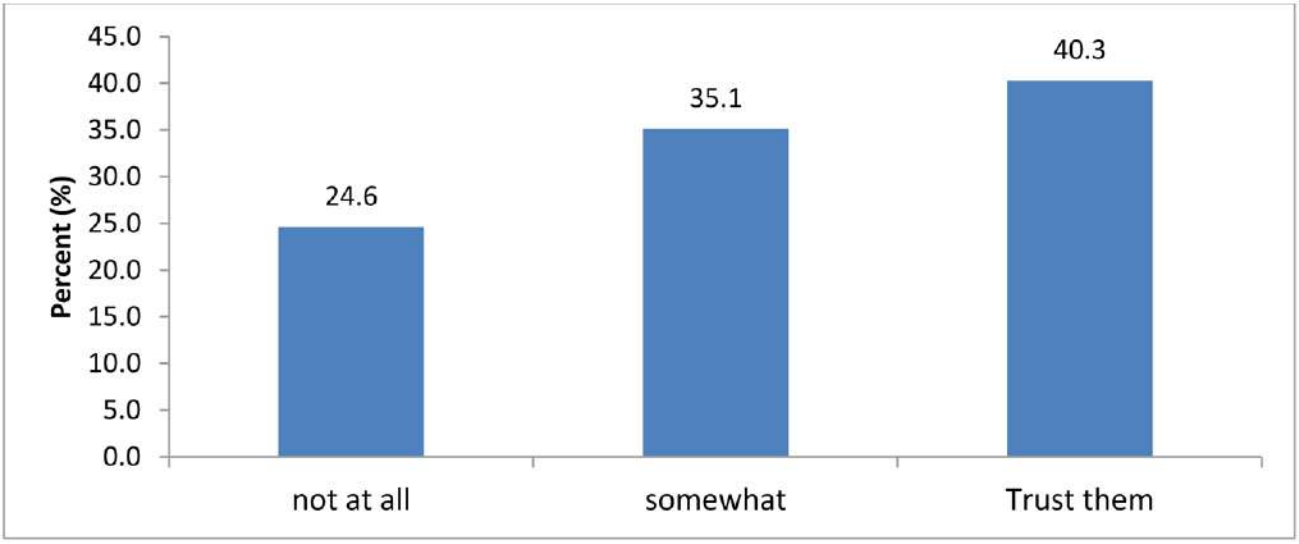
Table 15: Perception of the complexity/simplicity of the tax system by Size of Business

Size of Business	Very Complex	Complex	Simple	Very Simple	Don't know
Large (above 5.5 billion)	39.0	27.6	17.1	3.3	13.0
Medium (Le350 million – Le5.5 billion)	29.4	30.0	22.8	3.0	14.9
Small (Le10 million – Le350 million)	23.0	29.6	27.6	2.8	17.0
No response	17.2	23.1	20.9	1.5	37.3
Micro business (< Le 10 million)	17.0	21.5	22.1	4.0	35.4
Base-Total (2711)	**22.1**	**26.6**	**24.2**	**2.9**	**24.1**

This means that a lot of effort is required to simplify processes and educate the taxpayers to enable them file their tax returns without unnecessary delays and difficulties.

Regarding the level of trust businesses have in the NRA to handle their taxes, the survey results shown in Figure 11 indicate that 40 % of businesses interviewed trusted the NRA, although almost a quarter of them did not trust them at all.

Figure 11: Trusting the NRA to handle taxes



This result shows that there is a 'trust' or confidence issue here that the Authority needs to handle; which could have resulted from the lack of information regarding the tax system and the role of the NRA as an institution. Regarding the overall satisfaction derived from services, the survey collected multiple response data from businesses, which is shown in Table 16.

Table 16: Satisfaction Ratings of the overall services being delivered by NRA

Processes	Excellent	Good	Satisfactory	Poor	Don't know
The use of GST receipts	16.1	27.5	48.6	4.4	3.4
Obtaining Tax Clearance	8.6	23.4	56.2	6.2	5.6
Obtaining a TIN	6.7	16.4	66.9	6.5	3.6
Customs declaration processes	6.2	20.9	60.9	7.6	4.4
Filling Tax returns	5.8	23.8	59.6	6.7	4.1
Accessing ASYCUDA World	4.2	14.7	70.4	6.3	4.4

The data indicates that most taxpaying businesses interviewed have rated services of NRA as satisfactory. On a whole, it can be observed that taxpaying businesses are on average satisfied with the kind of services rendered by the NRA to taxpayers, but there is still room for improvement.

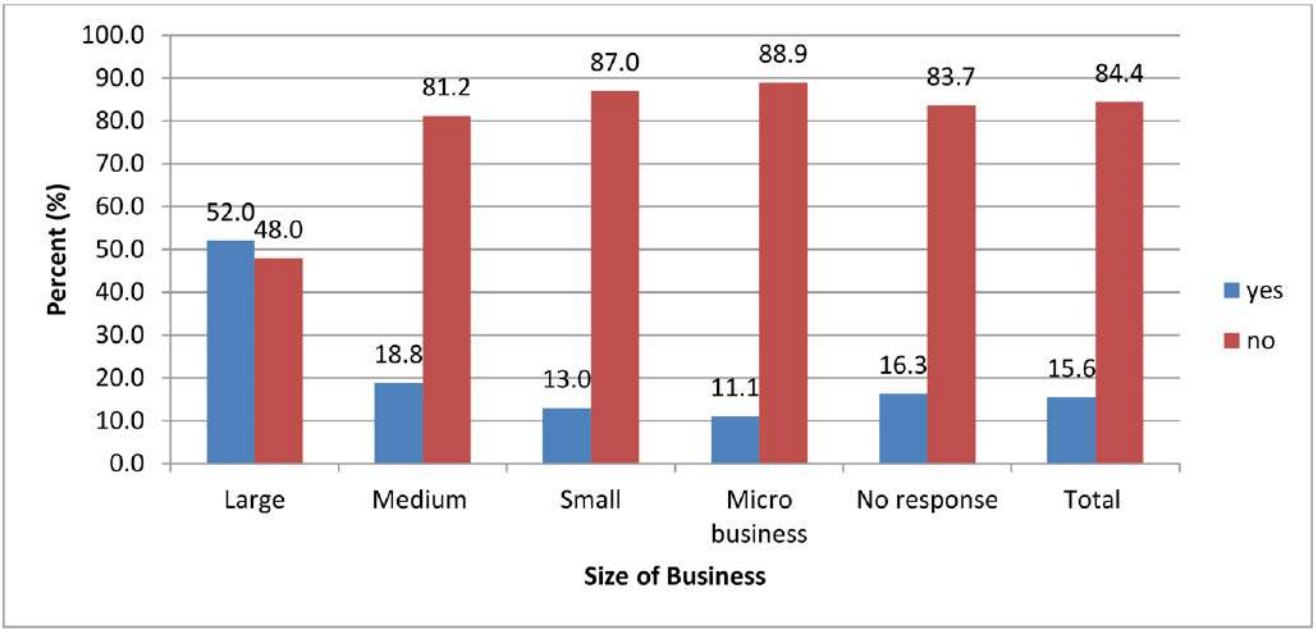
3.9 TAX EDUCATION PROGRAMMES AND MAIN SOURCES OF TAX INFORMATION

Tax education is considered to be an important aspect of tax administration and compliance, which could help to inform businesses on how much tax they should pay and the procedures for paying. In this regard, respondents were asked whether they had attended any tax education or sensitization programmes/meetings as well as their main sources of information on tax; the results are should in Figure 3.8 and Table 17.

The data collected on the education programmes or meetings attended are shown in Figure 3.8. As it is seen in Figure 12, only 15.6 % of business respondents have attended tax education and sensitization programmes organized by NRA.

15.6 % OF BUSINESS RESPONDENTS HAVE ATTENDED TAX EDUCATION AND SENSITIZATION PROGRAMMES ORGANIZED BY NRA.

Figure 12: Ever attended any tax education by Size of Business



Attendance to tax education programmes depends on the size of the business as more than half (52%) of large businesses respondents have attended such tax education programmes/meetings, compared to 18.8 % medium, 13 % small scale and 11 % micro business, which have attended such programmes. This finding is in line with the view of Business Management Organizations (BMOs) that NRA has been very selective in its approach to educate taxpayers, mostly targeting the large taxpayers (who pay higher overall amounts of tax, but are fewer in number). This means that the vast majority of taxpayers is excluded from education and outreach programmes. BMOs also believed that the MOF and NRA are less consultative when it came to the discussion around new taxes or new requirements on taxpayers; it is usually a 'top-down' approach. The survey result on the sources of information is shown in Table 17.

Table 17: The Main Sources of Tax information

Source of Information	Percentage who selected (%)
Radio	84.2
NRA Staff	53.8
TV	43.9
Family/Friends/other taxpayers	29.5
Newspapers	24.6
Public Rallies	10.7
Posters and hand-bills	10.3
Others (please specify....)	2.6
Base-Total (2711)	

95.6 % OF BUSINESSES INTERVIEWED PAID LOCAL TAXES

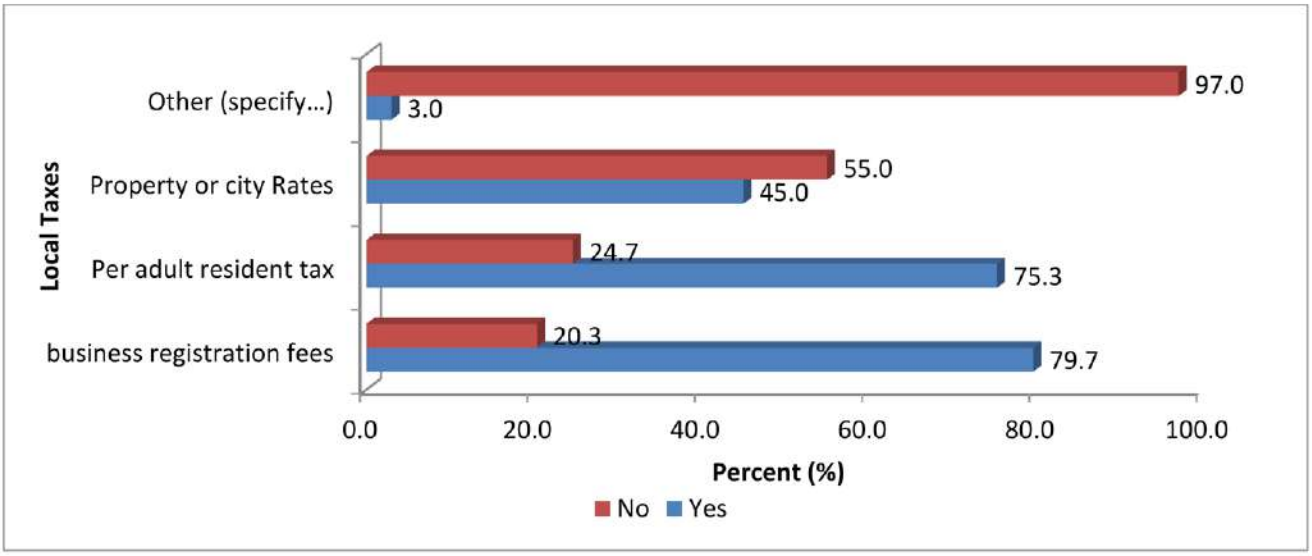
Almost all the businesses interviewed depend on Radio (84.2%), followed by NRA Staff (53.8%) and Television (43.9%) for their information on taxes and related issues. The high reliance on NRA staff for information on tax should be monitored closely to prevent exploitation of the taxpayers as misinformation could become an avenue for corruption. Having more standardized methods of information dissemination will ensure that messages are clear and consistent (rather than having a large focus on face-to-face interaction).

3.10 PAYMENT OF LOCAL TAXES

This survey also collected detailed information on the awareness and payment of local taxes, the reasons for paying such taxes and the level of trust in the local council staff.

The data collected on businesses that pay local taxes and the type of taxes they pay show 95.6 % of businesses interviewed paid local taxes; and that of those, the majority (79.7%) pay business registration, followed by the 'per adult resident tax' or local tax (75.3%), and property rates (45%) as seen in Figure 13

Figure 13: Types of Local taxes paid



45.0 % OF BUSINESSES THAT PAY LOCAL TAXES PAY PROPERTY TAXES. The reason for this apparent low rate could be that many businesses are renting their business premises and hence not directly responsible for the payment of such property taxes.

The survey data collected on the reasons why businesses pay local taxes are displayed in Table 18; and it can be observed that 79.3 % of businesses which paid local taxes did so because 'It is required by law', following by 'avoiding confrontation with the local council authority' (53.8%) and 'to fulfill citizenry responsibility' (53.3%).

Table 18: Reasons for Paying Local Taxes

Reasons	Percent (%)	
	Yes	No
It is required by law	79.3	20.7
To avoid confrontation with the local council authority	53.8	46.2
It is my responsibility as a citizen	53.3	46.7
It contributes to the provision of public services such as free education and roads	41.3	58.7
I believe that other businesses are reporting and paying the correct taxes	10.9	89.1
The tax system is fair so I am paying a fair share of tax	9.0	91.0
Other	1.9	98.1
Base-Total (2591)		

Again, the law is the main reason why businesses pay local taxes same as in the case of the NRA taxes. The fairness of the tax system is not a common reason why businesses pay local taxes, which suggest that more sensitization is required at the local level to build confidence of the taxpayers in the system.

Also like in the case of the NRA, reasons for non-payment of local taxes were assessed in the survey, and the data shows that the common reasons why businesses do not want to pay local taxes are: that the tax rates or levies were too high for business growth (67.3%), that businesses did not see what the money was being used for in our communities (50.1%), that the perception that revenue was being misused by government/corruption (32.0%), and that there were multiple tax rates applied to businesses/paying to different agencies for the same business (31.2%). This suggests that more sensitization is required at the local level to build confidence of the taxpayers in the system.

Also the data in Table 19 indicate that overall 48.5 % of businesses which pay local taxes trust such institutions with their taxes; and that 71.6 % of those who trust the NRA also trust local councils.

GROWTH (67.3%), THAT BUSINESSES DID NOT SEE WHAT THE MONEY WAS BEING USED FOR IN OUR COMMUNITIES

48.5 % OF BUSINESSES WHICH PAY LOCAL TAXES TRUST SUCH INSTITUTIONS WITH THEIR TAXES; AND THAT 71.6 % OF THOSE WHO TRUST THE NRA ALSO TRUST LOCAL COUNCILS.

Table 19: Trusting the Local Council and NRA

Do you Trust the NRA to handle your taxes	Do you trust the local council to use local tax revenues			Total
	Yes (%)	No (%)	Don't know (%)	
Not at all	28.7	43.0	28.3	100 (661)
Somewhat	35.8	25.8	38.3	100 (952)
Trust them	71.6	12.1	16.3	100 (1092)
Total	48.5	24.5	27.0	100 (2705)

This implies that a high proportion of businesses, which trusted the NRA, also trusted local councils with the taxes that they pay. Therefore harmonizing efforts at the local level could yield better results for both NRA and Local Council Authorities-for example, NRA rent withholding and Local Council property rates efforts could be harmonized and could yield maximum benefit to all.

Furthermore, the data collected on the willingness to pay local taxes more than NRA is shown in Table 20. As it can be seen in the table, about one-third of businesses interviewed were more willing to pay local or chiefdom taxes than NRA taxes; while almost 30 % of businesses reported that the payment of local taxes reduced their willingness to pay NRA taxes. The data also shows that Micro businesses (44%) are more willing to pay local taxes than NRA taxes; and that 37.5 % of micro businesses agreed that the payment of local taxes reduced their willingness to pay NRA taxes

MICRO BUSINESSES (44%) ARE MORE WILLING TO PAY LOCAL TAXES THAN NRA TAXES

Table 20: Willingness to pay Local council/chiefdom taxes more than NRA taxes

Size of Business	Are you more willing to pay chiefdom taxes than NRA taxes			Does the payment of other taxes reduce your willingness to pay NRA taxes?		
	Yes (%)	No (%)	Not Applicable (%)	Yes (%)	No (%)	Not Applicable (%)
Micro business	44.0	20.5	35.5	37.5	37.0	25.5
Large	43.1	24.4	32.5	42.3	30.1	27.6
No response	34.2	19.8	46.0	24.8	39.4	35.7
Small	31.9	36.7	31.4	22.5	51.3	26.2
Medium	24.1	31.0	44.9	23.8	43.9	32.3
Total	**34.6**	**29.0**	**36.3**	**27.3**	**44.3**	**28.4**

CHAPTER 4

CONCLUSION AND RECOMMENDATIONS

4.1 CONCLUSION

This chapter presents conclusions and recommendations derived from such findings.

Overall, the following conclusions are drawn from the survey findings:

- That NRA list of businesses used as sample frame was in many cases out-of-date and uncoordinated with OARG and CAC
- That most businesses interviewed were:
  - Sole proprietorship
  - Small scale and micro businesses
  - Operating in the service sector (especially trade)
  - Operating in the Western Area
- That there is a varying depth of knowledge of taxes among businesses interviewed (high knowledge of taxes paid, but low knowledge of tax laws, tax returns filing procedures, and tax reforms)
- That registration fees and GST are the better known taxes, which most companies are more likely to be eligible for and therefore paid more than the others
- That enforcement of tax laws and penalties is a key motivating factor in tax compliance
- That high tax rates, the perception that people were paying too much tax already, the lack of trust in the NRA staff, and beliefs that tax revenues were misused are common reasons cited why businesses generally evade taxes
- That radio and NRA staff are the main sources of tax information
- That tax education was low, with NRA tax consultation/education meetings generally targeting large businesses; although radio programmes target all taxpayers
- Businesses interviewed were on average satisfied with the services provided by NRA, although a quarter of them do not trust the Authority with their taxes
- Businesses interviewed seem to be more willing to pay local council taxes, than NRA taxes; and many of them are paying their local taxes

4.2 RECOMMENDATIONS

This section provides key recommendations made based on the findings of the survey and presented in nine (9) important dimensions of the tax system that merit further attention.

1. The first key dimension is the importance of keeping an up-to-date and comprehensive business register by the tax gathering organizations

- The business register is one of the most important tax administration infrastructures, which should be active and up to date to support planning and collection. But the NRA business list used as the sample frame for the survey was not up to date, and many businesses were either not found or non-operational at the time of the survey. Businesses often fail to report to NRA or local councils of their intention to close, as required by law. **This, therefore, underscores the need for tax gathering organizations such as NRA and local councils to regularly update their business directories** through field exercises; especially as the ITAS web-based system will soon be operational, frequent updating will be required.
- Furthermore, there is need **for a review and harmonization of business registration procedures** among the three institutions. The lists of OARG and CAC will be key administrative sources of business information for the updating of the NRA business list, especially when the ITAS program is fully operational; thus, triangulation of such lists will be of great benefit to the NRA as well as the local councils.

2. The second key dimension is the clear need for comprehensive tax education to improve taxpayers' knowledge

- The survey finding revealed that the knowledge of taxes, tax laws, tax reforms and tax returns filing procedures among businesses was very low. **Therefore, a harmonized approach is needed to sensitize businesses** and the general public on tax issues ranging from the individual taxes, tax laws, and more importantly the process and procedures of filling tax returns, as well as the tax reforms being rolled out. **The education or sensitization programmes should be comprehensive** to target all categories of businesses include large, small scale and micro businesses.

- **An Inter-Agency, broad-based Committee (to be chaired by the Ministry of Finance) should be established** charged with the task of tax policy formulation, education and taxpayers' consultations and sensitization regarding tax reforms, new laws and policies, and tax filing requirements. CSOs and Think Tanks could play an important role to help provide feedback on tax policies, laws and reforms from businesses and the general citizenry, which could inform the work of such Inter-Agency.

3. The third key dimension is the need for the government to take steps to improve the social contract

- There is a strong perception among businesses that tax revenues were being misused by both national and local government authorities, and this is serving as a motivation for tax evasion. Therefore, **the government should ensure that basic public services are provided in a transparent manner** across the country; **the Ministry of Finance and local councils are to be responsible for informing the general public about government policy and development programmes** in collaboration with other government ministries such as the Ministry of Information and Communication.

4. The fourth key dimension is the need for the enforcement of tax laws and penalties

- The survey findings have shown that levying fines and penalties, and law enforcement of penalties or fines levied on defaulters is a strong way to ensure tax compliance, although currently only a small proportion of businesses are facing penalties; and that there is the concern that low

penalties and weak enforcement are reasons or motivation for tax evasion. Furthermore, only half of the businesses surveyed knew about penalties, yet the majority said that if they were given more information about the penalties of not paying taxes, they would have paid or paid more taxes.

- **Therefore, the NRA should clearly have a strategy for the enforcement of the law, penalties and fines** levied as a matter of credibility; as it's clear that those who had paid penalties in the past would want to avoid paying penalties in the future

5. The fifth key dimension is the need for the assessment of Third-Party Agents as key partners in tax compliance

- Many businesses use a third-party agent or tax consultants a lot to file their taxes with NRA. **There is need to initiate a dialogue with these 'Third Party Agents' or tax consultants** so as to have a profile of them regarding their level of knowledge, attitudes and practice relating to taxes and the tax system; as well as the constraints they face as they carry out their work. Such agents play a key role in tax administration, and once properly targeted could become peer educators and change agents for the NRA

6. The sixth key dimension is the need for the enforcement of code of conduct for NRA and local council staff

The data shows that:

- Most businesses only interact with NRA or local councils through face-to-face meetings with their staff while registering their business or filing tax returns. This reliance on face-to-face contact could be misused and become a source of leakage of tax revenue. In fact some businesses reported to have provided gifts or hospitality to NRA staff during the course of doing their work in the form of cash and food/drink items, and only 40% said they trusted the NRA to handle their taxes (with around a third trusting them somewhat)
- **Therefore, there is need for NRA as well as local councils to enforce strict code of conduct** on their staff to prevent abuse of the situation. Where possible gifts received in excess of a certain amount (say Le 500,000) should be declared to Senior Management.
- **As a main source of tax information, there is need to provide guidance and training to NRA staff** as well as local council staff to enable them communicate the right messages to the business community regarding taxes at all time in a more informative and friendly manner; such staff should be on regular reporting monitoring schedule to friendly prevent abuse of the system.
- **In addition, NRA should consider implementing frequent tax clinics** or set up kiosk within business areas to support tax education programmes.

7. The seventh key dimension is the need to simplify tax collection and enhance confidence of businesses in the NRA

- The tax system is described as complex by almost half of the businesses interviewed, even in the current modernization drive and reform; and this complexity tends to contribute to noncompliance.
- **The Ministry of Finance should review tax policies that are deemed to be unfriendly to the business community so as to avoid making the tax system too complex**, because complexity can worsen the behaviour of taxpaying businesses and encourage tax evasion. The business sector should be consulted when new policies are being designed and get regular feedback from them during implementation. Local Councils should adopt a similar strategy to enhance tax compliance for all tax streams

- **NRA on the other hand, needs to engage the business community as a confidence building** strategy through meetings and the use of plain language in communications and simplifying forms and tax laws where possible, and other means in order to restore trust and confidence in the tax system; engaging the Business Management Organizations (BMOs) such as chambers of commerce and trade unions is also very important in this regard. Services should be provided on time and queuing for services should be avoided at all cost.

8. The eighth key dimension is the need to regularly assess the perception of businesses

- To ensure that tax-policy changes are informed by a more realistic understanding of businesses/taxpayers' knowledge, attitudes, and practices, and experience, **MoF and NRA should seek to better understand businesses' perceptions and attitudes** on a fairly regular basis, before designing (and then communicating) tax changes. This will save the country a lot of time and resources which usually accompany tax policy reversals. Previous tax perceptions and customer satisfaction surveys were ad hoc.
- **Therefore, there is need to commission this type of tax or business perception survey** on a regular basis, where possible bi-annually to ensure that tax policy formulation is well informed regarding the perceptions and attitudes of businesses or other taxpayers. A regular survey would be a useful tool for the assessment of tax education programmes and other effort aimed at building knowledge and confidence in the tax system

ANNEX 1: 2019 TAX PERCEPTION SURVEY QUESTIONNAIRE-BUSINESSES

Budget Advocacy Network
"we believe in participation transparency & accountability"
christian aid
Dignity. Equality. Justice. Love.
2 Sesay Drive,Cockerill South,
Off Wilkinson Road, Freetown,
Sierra Leone

other logos

CONSORTIUM ON PUBLIC FINANCIAL MANAGEMENT AND ANTI-CORRUPTION

2019 TAX PERCEPTION SURVEY

INTRODUCTION

Dear Esteemed Taxpayer.....

My name is ---------- I am working for a Civil Society Organization (CSO) consortium involves in the tax administration sector of the country to ensure that the tax system is fair and transparent to all. We are collecting data from taxpayers aimed at assessing their perceptions, knowledge, and satisfaction regarding the tax system includes the tax reforms, processes, and tax administration system operations as a whole.
Please be assured that the responses obtained from this exercise will be completely anonymous, and treated with utmost confidentiality, and will only be used for the purposes of this research

This study has nothing to do with government or National Revenue Authority (NRA) and the prospects of raising taxes in the country, but rather it will provide us the CSOs the information that we need to ensure that government agencies carryout their functions in a fair and transparent manner; and hence government will become more accountable to the citizens.

The survey will last for a maximum of 30 minutes; therefore, we encourage you to participate to support the work of the civil societies in the country.
Please note that survey is voluntary and that you are free not to answer any question that you don't wish to answer.
Do you offer your consent for us to undertake this interview now...?

Thank you for your kind consideration and your support

Enumerator: Consent is granted? ..... Yes 1, then procedure ..... No 2, then discontinue with the interview

SURVEY QUESTIONNAIRE									
Section A: IDENTIFICATION								Codes	
A1	Region								
A2	District								
A3	Local Council								
A4	Locality/Town/Address								
A5	Name of Enumerator								
A6	Name of Supervisor								
A7	Date of interview:	**DD/MM/YY**							

SECTION B: BASIC INFORMATION OF TAXPAYERS					
B1	Name of Establishment:				
B2	Name of Respondent:				
B3	Sex: 1 Male 2 Female				
B4	Position of Respondent (enter one of the codes below):				
	1. Owner 2. Manager 3. Accountant	4. HR Manager 5. Other (specify)			
B5	Age of the respondent or owner (in range of years)				
	1. Less than 20 2. 20-29 3. 30-39 4. 40-49 5. 50-59 6. 60+				
B6	Respondent/Owner's highest Level of Education completed (choose one of the codes)				
	1. None 2. Primary 3. Secondary 4. TCE/VOC/TC/HTN/Nursing 5. First degree and above				
B7	What is the size of your taxpaying business				
	1. Large ((above Le5.5 bn) 2. Medium (Le350 mil – Le5.5 bn) 3. Small (Le10 mil – Le350 mil) 4. Micro business (Less than 10 million Leones) 5. Don't Know				
B8	Which of the following type of establishment ownership categories correspond to your business?				
	1. Private Limited Liability Company 2. Joint Venture (Incorporated)/Public Limited Liability 3. Partnership 4. Sole Proprietorship 5. Public Corporation/Enterprise 6. Non-Governmental Organization/Civil Society Organization 7. Other (please specify)....				
B9	Is this establishment registered with the.....?	1 Yes	**B11(i) Year of registration**	2 No	3 Don't Know
a	Office of the Administrator and Registrar General (OARG)				
b	Corporate Affairs Commission (CAC)				
c	National Revenue Authority (NRA)				
d	Local Council				
B10	How many employees (paid workers and owners and managers) are working in this establishment...? **(Number)**		Male		Female.....
B11	What is the main economic activity of this establishment? (Please circle the appropriate code)				

	01. Agriculture, Hunting, Forestry and Fishing 09. Hotel and Restaurant 02. Mining and Quarrying 10. Finance and Insurance 03. Manufacturing 11. Real estate, professional, scientific and Administrative Support Services 04. Electricity, Gas and Water Supply 12. Public Administration	05. Construction 13. Education 06. Wholesale and retail trade, and repair services 14. Heal and Social Work 07. Transport and storage 15. Arts, Entertainment and recreation 08. Information and Communication 16. Other services including personal, household and extraterritorial

B12	When did this business commence operations...? Year.....				
B13	Do you suffer from any form of disability 1 Yes 2 No 3 Don't Know				if 2 or 3,→C1
B14	What type of disability do you have? (Select any 2)				
	1. limited use or loss of feet/legs 2. limited use or loss of arms/hands 3. vision problem or blind 4. hearing difficulty or deaf 5. speech impairment or mute 6. problem with back/spine 7. mental illness 8. other				

	SECTION C. KNOWLEDGE OF THE NRA TAX ADMINISTRATION SYSTEM				
C1	Are you aware of any taxes, fees or fines collected by the NRA? 1 Yes 2 No				if C1=2, →D1
C2	Which of the NRA taxes, fees or fines are you aware of? (Choose all that applied) <Don't read the list>				
	1. Registration fees 2. Pay As You Earn (PAYE) 3. Corporate Tax 4. Imports duties 5. Excise duties 6. Goods and Services Tax (GST) 7. Domestic sales tax	8. Withholding Taxes on Services contracts 9. Rent-withholding Tax 10. Fines levied 11. Royalties			
C3	Are you aware of the existence of any of the following tax laws or regulations under which such taxes are being collected...? 1 Yes 2 No 3 Don't Know				if C3= 2 or 3, →C4
a	Income Tax Act				
b	Customs Act				
c	Customs Code				
d	Valuation Guide				
e	Non-Tax Revenue Act				
f	Finance Act				
g	Other Tax Publications				
C4	Do you know how to file a tax return or pay taxes to NRA....? 1 Yes 2 No 3 Don't Know				if 2 or 3 →C6

C5	In filing out tax returns, what are the five stages you should go through? First ☐ Second ☐ Third ☐ Fourth ☐ Fifth ☐				
	1. Obtain a pay-in slip from the domestic tax department of NRA 2. Present the bank slip to NRA for a receipt 3. Pay to the bank by check or transfer 4. Obtaining a receipt 5. Completing a tax return form 6. Giving monies directly to NRA Staff for onward payment				
C6	Are you aware of any action of taxpayers that would attract a penalty from NRA during the process of filing of tax returns....? 1 yes 2 No				
C7	Do you import or export goods as part of your business? 1 yes 2 No				if 2, →C9
C8	Do you know how to complete the customs declaration processes at the point of entry...?	1 Yes	2 No	3 Not Applicable	if 2,or 3→C9
a	using paper form				
b	using electronic form of ASUCUDA World				
C9	Do you know how to file income tax returns...? 1 Yes 2 No				
C10	Do you know how to file GST tax returns...? 1 Yes 2 No				if 2,→C12
C11	When calculating your GST tax, how do you estimate the tax payable....? (Do read the list choose all that applied)				
	15% of total sales value of goods and service 15% of total import value 15% of contract services 15% of total wage bill				

C12	Are you aware of any of the tax administration reforms being implemented by NRA?	1 Yes	2 no	3 can't remember	what ever response, →D1
a	The introduction of ASYCUDA World				
b	The introduction of Integrated Tax Administration system (ITAS)				
c	The introduction of in-house banking facility at customs and other places				
d	Operating a one-stop-shop counters in collaboration with MDAs				
e	The introduction of GST cash receipts/machines				

SECTION D: ATTITUDES TOWARD PAYMENT OF TAXES TO THE NRA		
		Skip To...
D1	Have you ever paid taxes, fees or fines to the NRA or filed tax returns? 1 Yes 2 No	If 2,→E1
D2	Which of the following taxes, fees or fines have you **paid** **(Choose all that applied)** **(Don't read the list)**	

	1. Registration fees and other fees 2. Pay As You Earn (PAYE) Income Tax 3. Corporate Income Tax 4. customs/Excise duties 5. Goods and Services Tax (GST)	6. Withholding Taxes on Services contracts 7. Rent-withholding Tax 8. Fines levied 9. Royalties 10. Other (specify.....)	
D3	Why do you pay such taxes at all? (Choose all that applied)		
	1. It is required by law 2. It is my responsibility as a citizen 3. The tax system is fair so I'm paying a fair share of tax 4. I believe that other businesses are reporting and paying the current taxes 5. It contributes to the provision of public services such as Free Quality Education and roads 6. Others(specify.....)		
D4	Have you been audited or assessed in the past...? 1 Yes 2 No		
D5	Would the possibility of being audited or assessed affect your decision to report correct taxes? 1 Yes 2 No		
D6	Do you think government is using the tax revenues in the right and correct way? 1 Yes 2 No		
D7	Would your perception on government corruption urge you to under declare your tax income that is pay less taxes....? 1 Yes 2 No		
D8	Would your perception of equity and fairness of the tax system affect your decision to under report your income? 1 Yes 2 No		
D9	Have you ever paid a penalty or fine for defaulting in your tax payment 1 Yes 2 No		if 2,→D11
D10	If yes would the penalty you paid influence you to pay the correct tax on schedule now....? 1 Yes 2 No		
D11	If you knew someone who is not paying taxes in the same business line and location, would the action of such person encourage you not to pay tax at all or reduce your current taxable income? 1 Yes 2 No 3 Don't Know		
D12	Currently, who is responsible for computation and filing tax returns for your business?		
	1. Myself 2. Account 3. Friend or Relative 4. Tax Consultant 5. Other (specify...)		
D13	What do you think is the most expensive tax compliance cost facing your business?		
	1. Administrative Costs (preparing tax forms, etc) 2. Accounting Costs (including payment of bank charges, mistakes in calculations, etc) 3. Training of staff Costs on tax issues 4. revenue due to time loss and staff payment		
D14	Do you benefit from the government's duty free or tax exemptions/waivers? 1 Yes 2 No		if 2,→D16
D15	Does this benefit from these duty free or waivers/exemptions have a positive impact on your business activity....? 1 Yes 2 No		
D16	How far is the NRA Office from your business where you go to file tax returns 1 Within the District 2 within the Region 3 Outside the Region 4 At the Head Quarters only		
D17	Does the distance to the NRA Office affect your decision to pay the correct taxes 1 yes 2 No		whatever response,→E2

	SECTION E: TAX EVASION OF NRA TAXES						
E1	Generally, why are you not willing to pay NRA taxes? **Choose all that apply don't read the list**						
	1. The tax rates are too high for my business 2. multiple tax rates are applied to one business 3. inadequate public services provided with tax revenues 4. Lack of trust in tax collectors, wrong reporting 5. misuse of revenue by government, widespread corruption						
E2	Tax evasion can take many forms e.g. not paying the correct amount of tax, not paying any tax at all etc. Thinking about the reasons why people do not pay their taxes, to what extent do you agree or disagree with the following statements concerning why people engage in deliberate tax evasion.	5 Strongly agree	4 Somehow agree	3 Agree	2 Disagree	1 Strongly disagree	
a	The penalty rates are very low and I can afford to pay the penalty						
b	The enforcement is very weak						
c	The risk of getting caught is low						
e	The taxes collected are used mismanaged due to corruption						
g	People think they pay too much tax on what they earn already						
E3	Do you know people who are evading taxes in your area.....? 1 Many 2 a few 3 none						
E4	How would you rate the risk of being caught and fined for a person who evades taxes?	5 very high	4 high	3 average	2 low	1 very low	
a	Being caught						
b	fined asked to pay penalties						
c	actually paid the stipulated fines or penalties						
E5	Which of the following taxes, fees or fines that people are most unwilling to pay **(Choose all that applied)**						
	1. Registration fees and other fees 2. Pay As You Earn (PAYE) Income Tax 3. Corporate Income Tax 4. customs/Excise duties 5. Goods and Services Tax (GST)	6. Withholding Taxes on Services contracts 7. Rent-withholding Tax 8. Fines levied 9. Royalties 10. None					

	SECTION F: EFFECTIVENESS OF THE NATIONAL REVENUE AUTHORITY SERVICES	
F1	During the 12 months, have you had business dealings with or contacted employees of the NRA? 1 Yes 2 No	if 2,→F7
F2	Which of the following facilities did you use to contact the NRA....?	
	1. Mobile phone call 2. SMS 3. Email 4. Social media 5. E-Declaration 6. Face-to-face with NRA Staff	

F3	The last time you made contact, for which service did you do so? **(choose all that applied)**						
	1. Registration businesses/Taxpayers		4. filing of tax returns				
	2. Issuance of GST receipt books/machines		5. Tax clearance				
	3. Appeal/objection process		6. Others (specify)				
F4	Did you experience any delay from NRA in getting the service? 1 Yes 2 No						if 2,→F6
F5	How long was this delay...?						
	1. One day to 1 week 2. one week to I month 3. one month to 6 months 4. more than 6 months						
F6	What was your impression of the individual contact you had with the NRA in the 12 months, <please rate them in the following areas>...?	5	4	3	2	1	
		Very high	High	Average	Low	Very low	
a	Professionalism						
d	Honesty						
e	Fairness						
F7	Have you offered gifts or hospitality to NRA Staff ....? 1 Yes 2 No						
E8	What type of gifts have you given in the past to NRA Tax Staff ...? (choose all that applied)						
	1. Food and drink 2. Cash/Money 3. Household items 4. Building materials 5. Clothing 6. Others; specify....						

	SECTION G: TRUST AND SATISFACTION IN THE NRA SERVICES				
G1	How would you assess the overall tax administration system run by NRA 1. Very Complex 2. Complex 3. Simple 4. Very simple				
G2	Do you Trust the NRA to handle your taxes	3 trust them	2 somewhat	1 not at all	
G3	Is the tax system fair, that all taxpayers are treated fairly and are paying their fair share ...?	3 Yes	2 somewhat	1 No	
G4	Do you face any challenges in trying to access information on tax issues? 1 Yes 2 No				if 2,→G6
G5	If yes, how would you rate the challenges experienced?	3	2	1	
		Very serious	serious	not so serious	
a	Conflicting information from different sources on taxes				

b	NRA website lack enough information on various tax procedures System slow / not functioning						
c	Long queues in gaining access to NRA offices						
d	Delay in receiving feedback on queries raised						
e	Lack of internet to download forms for filling returns						
f	High fees charged by tax consultants and other professionals						
G6	How would you rate the overall services being delivered by NRA in the following areas?	1. Excellent	2. Good	3. Satisfactory	4. Poor	5. Very poor	
a	the use of GST receipts						
b	customs declaration processes						
c	Obtaining a TIN						
d	Accessing ASYCUDA World						
e	Filling Tax returns						
f	Obtaining Tax Clearance						

SECTION H: TAXPAYER EDUCATION PROGRAMS OF NRA							
H1	Have you ever attended any tax education and sensitization programmes organized by NRA? 1 Yes 2 No						if 2,→H3
H2	If yes to FH, which ones and how effective were the programmes in disseminating information to customers about taxes and tax related issues	5 Excellent	4 Good	3 Satisfactory	2 Poor	1 Very poor	
a	Tax related meetings						
b	Tax Dialogue						
c	Education/sensitization workshops						
d	Tax Appellate Board meetings						
e	Sector specific workshop						
f	Tax Issues Forum like whatsapp groups, etc.						
H3	What are the 3 main sources of information regarding taxes and tax administration? **(choose any 3 main sources)**						
	1. Radio 2. Posters and hand-bills 3. TV 4. Newspapers 5. NRA Staff 6. Family/Friends/other taxpayers 7. Public Rallies **8.** Others (please specify....)						

PART II: PAYING LOCAL COUNCIL TAXES

	SECTION I: PAYING LOCAL TAXES	
I1	Do you pay taxes to Local Councils...? 1 Yes 2 No	if 2,→ I4

I2	Which of the taxes that you pay....? 1. business registration fees 2. Local I tax 3. Property or city Rates 4. Other (specify...)						
I3	Why do you pay such taxes 1. To avoid confrontation with the local council authority 2. It is required by law 3. It is my responsibility as a citizen 4. The tax system is fair so I am paying a fair share of tax 5. I believe that other businesses are reporting and paying the correct taxes 6. It contributes to the provision of public services such as free education and roads						
I4	Do you know anyone who is not paying these local council taxes...? 1 yes 2 No						
I5	In your opinion, why are people generally not willing to pay local council taxes? 1. The tax rates or levies are too high for business growth 2. multiple tax rates are applied to businesses 3. We don't see what the money is being used for in our communities 4. Lack of trust in tax collectors 5. misuse of revenue by government, widespread corruption 6. No knowledge of tax payment						
I6	Do you trust the local council to use local tax revenues 1 Yes 2 No						
I7	if you had seen more services being delivered in your area by the local council, would you be willing to pay or pay more taxes...? 1 Yes 2 No						
I8	if you were given more information about the penalties of not paying taxes, would you have paid or paid more taxes....? 1 Yes 2 No						
I 9	During the 12 months, have you had business dealings with or contacted employees of the Local Council or their tax agents...? 1 Yes 2 No						If 2,→ I11
I10	What was your impression of the individual contact you had with the Local Council staff or Tax agents in the 12 months, <please rate them in the following areas>...?	5 Very high	4 High	3 Average	2 Low	1 Very low	
a	Professionalism						
d	Honesty						
e	Fairness						
I11	Have you offered gifts or hospitality to Local Council Staff...? 1 Yes 2 No						if 2, →I14
I12	What type of gifts have you given in the past to Local Council Staff <choose all that applied> 1. Food and drink 2. Cash/Money 3. Household items 4. Building materials 5. Clothing 6. Others; specify....						
I13	Do you think you must give them gifts for services they provide? 1 Yes 2 No						
I14	Do Local Council Staff or their tax agents ask you to give gifts or bribe before they could do their job at all? 1 Yes 2 No						
I15	How far is the Local Council Tax Office from your business where you go to file tax returns..? 1 Within the Chiefdom 2 within the district or municipality 3 At the Local Council Head Office only 4 mobile tax collectors						
I16	Does the distance to the Tax office affect your decision to pay the correct taxes..? 1 yes 2 No						
I17	Are you more willing to local taxes than to pay NRA taxes...? 1 yes 2 No 3 Not Applicable						
I18	Are you more willing to pay chiefdom taxes than NRA taxes? 1 yes 2 No 3 Not Applicable						
I19	Does the payment of other taxes (district and chiefdom taxes) reduce your willingness to pay NRA taxes? 1 yes 2 No 3 Not Applicable						

THANK YOU VERY MUCH FOR YOUR PARTICIPATION

END

ANNEX 2: KII AND FDG GUIDE

PFM 2019 TAX PERCEPTION SURVEY
KEY INFORMANT INTERVIEW AND FOCUS GROUP DISCUSSION (FDG) GUIDE

IDENTIFICATION				Codes
A1	Region			
A2	District			
A3	Chiefdom or Local Council			
A4	Locality/Town			
A5	Name of Facilitator			
A6	Date of interview:	DD/MM/YY		
A7	Name of Key Informant	**Contact Po:**	**FGD Number:**	

1. INTRODUCTION
Introduce yourself very well, and welcome participants to the gathering; explain the issues for discussion or for the interview, and set up the general ground rules for the session

Rules of engagement (FGD only)
- 20-40 minutes (take notes)
- Speak clearly/one at a time
- Discussion by participants of a particular point within allotted time
- We cannot discard any answer as wrong neither can we overwhelming support a right answer; this means there are no right/wrong answers, just note all answers
- Assurance all participants of anonymity and confidentiality of information provided

2. REGISTRATION:
Say: what can say about the general trend of formal business or taxpayer registration nationwide?

3. AWARENESS
Say: generally, are business people aware of the various taxes businesses should pay to;
NRA .....?
Local Taxes.....?
What about the tax laws, which ones businesses are mostly familiar with?
Which of the common taxes paid to NRA or Local Authorities?

4. TAX COMPLIANCE (NRA and Local taxes)
Say: Generally, are businesses paying taxes?

Why are businesses not paying taxes? (most common reasons)
Do you think the tax policies are adequate in addressing tax issues in the country?
5. TRUST AND SATISFACTION
Say: Do taxpayers trust the government or NRA or Local Councils to use their taxes the right way? (Provide reasons for trusting the government)

What are the reasons for the lack of trust of the government?

Are taxpayers generally satisfied with the services provided to them during the process of paying taxes?

What do you think of the tax system, tax laws and processes- fair, current, transparent or not....?

What are you views regarding the tax administration reforms being undertaken by:
NRA.....?
Local Authorities.....?

5. SUGGESTIONS FOR IMPROVEMENT

What do you think should be done to ease the tax burden and improve tax compliance? (Including customs processes)

6. MOF, NRA AND LOCAL COUNCIL OFFICIALS ONLY
Say:
a. Are you satisfied with the cooperation of the taxpayers

b. Are able to meeting you revenue target set by the government?

c. What are the constraints faced?

d. What is you assessment of the tax education program of your institution?

e. Do you think the current reforms are producing the expected revenues?

f. What plans do you have to improve on tax compliance?

ANNEX 3: LIST OF KEY INFORMANT INTERVIEWEES

No	Name	Designation	Institution	Address	
1	Alhaji Tanue Jalloh	President	Sierra Leone Importers Union	Rawdon St, Freetown	
2	Mr. James Koroma	Executive Secretary	Sierra Leone Chamber of Commerce Industry and Agriculture	Challotte St, Freetown	
3	Mr. Idrisa Kanu	Director of Revenue and Tax Policy	Ministry of Finance	Clauster St, Freetown	
4	Matilda Zainab Kamara	Manager , Taxpayer Service and Business Registration	National Revenue Authority	Freetown	
5	Abu Bakarr Daboh	Finance Officer	Bo City Council	Bo	
6	PC Prince Boima	Paramount Chief	Kakua Chiefdom	Bo	
7	PC Sadiq M. Kapuwa	Paramount Chief	Nongowa Chiefdom	Kenema	
8	Mr. Mohamed Vandi	Deputy Chief Administrator	Kenema City Council	Kenema	
9	Mr. Christopher M. Brima	National Coordinator	Humanness Watch	Kenema	
10	Mr. Mohamed A.Sesay	Chairman	Kenema District Council	Kenema	
11	Mr. Abdul Karim Kamara	Finance Officer	Bo District Council	Bo	
12	Mr. Alex Mambu	Regional Manager	National Revenue Authority	Bo	
13	Mr. Joseph Blacky	Regional Manager	Civil Societry Coalation	Bo	
14	Mr. Mustaphy Koroma	Chairman	Traders Union	Bo	
15	Alhaji S Y Turay	Chairman	Traders Union	Kambia	
16	Mr. Nyakeh Kangbai	Supervisor	Anti-Smuggling Unit, NRA	Kambia	
17	Mr. Gibril Gottor	Chairman	Civil Societry Movement	Kambia	
18	PC Kanagbaro Nebak	Paramount Chief	Magbema Chiefdom	Kambia	
19	Mr. Mohamed M. Suma	Chairman	Kambia District Council	Kambia	
20	Mr. Bockarie Buanie	Chief Administration	Bombali District Council	Makeni	
21	Chief Pa Mesim Conteh	Speaker	Bombali Shebora Chiefdom	Makeni	
22	Mr. Mohamed Kamara	Secretary General	Traders Union	Makeni	
23	Mr. Samuel I Koroma	Coordinator	Coalition of Civil Society	Makeni	
24	Ya Alimamy Bangura	Vice Chairperson	Traders Union	Port Loko	
25	Mr. Ibrahim S Bangura	Chairman	Port Loko District Council	Port Loko	
26	Mr. Philip Tommy	Customs Officer	NRA	Port Loko	
27	Mrs. Mary Nancy Gbamoi	Regional Coordinator	Civil Society Orgaization	Port Loko	
28	Mr. Alimamy Fannah Sankoh	Chairman	Port Loko Local Court	Port Loko	