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CARTAC'S Response to the COVID-19 Pandemic

By Wendell Samuel, Programme Coordinator



What are possible interventions in the future? Most of the TA departments are developing post crisis plans which will inform CARTAC TA activities. CARTAC will assist countries to implement these recommendations as required:

The **PFM program** has always discussed pandemics as part of the fiscal-risks workshops and the lessons and recommendations from the post hurricane reviews done as part of the resilience workstream have broad applicability to the Covid-19 pandemic. CARTAC interventions will help countries implement these recommendations as required, including on budgeting, expenditure reallocation, treasury and cash management operations. Meanwhile an initial short paper on PFM and the Coronavirus by FAD will be expanded into a more fulsome guide.

The natural disaster business continuity workshop jointly conducted by **the Revenue Administration Programs** as part of the resilience workstream included scenarios related to pandemics. The recommendations from this workshop are easily transferrable to the current situation. Meanwhile the Fiscal Affairs Department (FAD) has developed a number of recommendations to help Tax and Customs administration manage during and after the crisis (this and other useful notes can be found at the link below link at the end of this article). These include swift clearance of essential cargo, scaling down operations to focus on essential activities, and providing protective equipment to lower contagion risks to staff. TA will focus on post clearance audit work as the situation normalizes. In Tax Administration key priorities include:

- Ensuring each administration has a business continuity plan (BCP) and conducting business impact analysis and business continuity strategies;

- Improving information communication systems: to provide basic online services (registration, filing, payment, website) and to facilitate remote work for core functional areas; and to develop preventive measures and internal controls to protect administration systems from fraud and error;
- Developing soft compliance program – facilitate taxpayers to continue business without harsh enforcement measures (e.g. payment arrangements, filing and payment extensions, proactive program on record keeping);
- Assisting IRD to prepare tax expenditure reports and instituting measures to protect core revenue base.

In the financial sector, CARTAC stands ready to provide technical assistance on conducting stress testing of the banking, insurance and credit union sectors as part of post pandemic impact assessments. In late March to early April 2020, a remote technical assistance (TA) mission was organized for 13 CARTAC member countries, through six one-day workshops delivered via WebEx. The TA was designed to assist insurance sector supervisors to develop and implement parameters characterizing the pandemic in a stress scenario and assess the potential impact on the sector. In addition, the Monetary and Capital Markets Department (MCM) has developed a series of issues notes that will guide advice to financial sector supervisory authorities during and after the crisis.

As priorities are shifting, CARTAC must remain flexible and responsive in its support to its member countries. Accordingly, CARTAC stands ready to provide any other assistance requested by the authorities and will budget flexibly to include such activities, reprioritizing planned activities where necessary. We thank our partners for their continued support and guidance as we work together to adapt CARTAC's work program and delivery modalities during these extraordinary times to best tailor our TA efforts in order to help our members manage through the COVID-19 crisis and recovery.

<https://www.imf.org/en/Publications/SPROLLS/covid19-special-notes>.

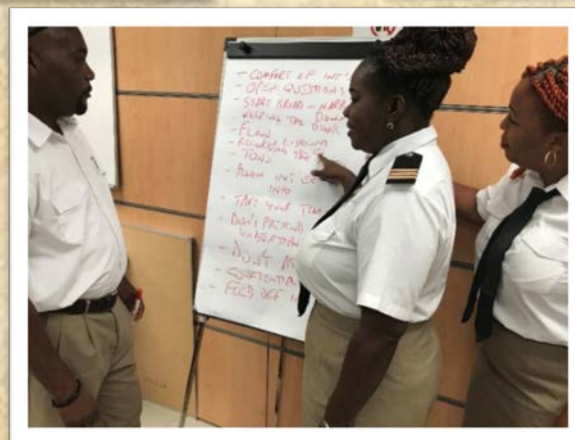
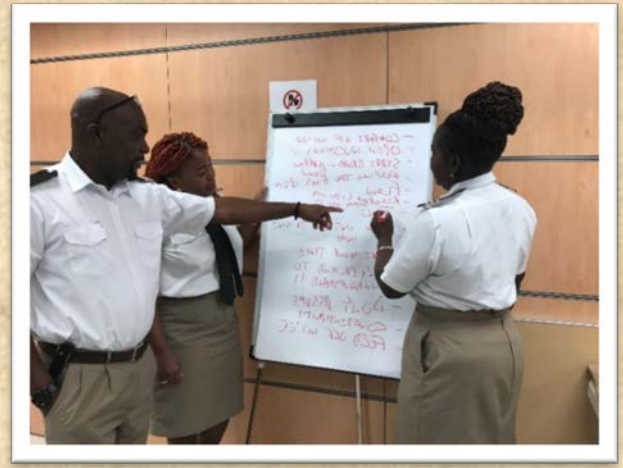
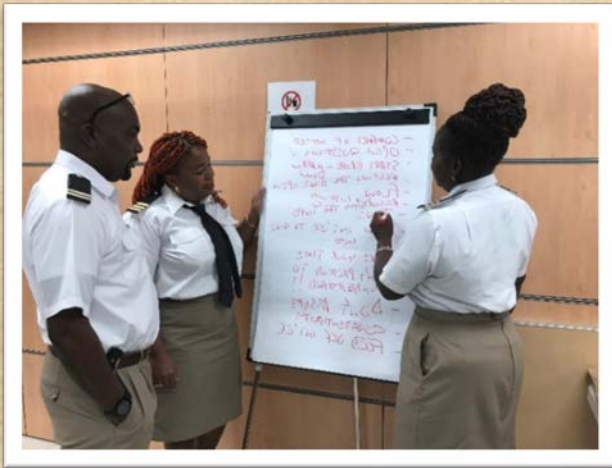
Strengthening Post Clearance Audit in Barbados Customs

By Stephen Mendes, Customs Administration Adviser

During January a seven-day course in an Introduction to Post Clearance Audit (PCA) was delivered to 16 customs officers from **Barbados**. The training followed up on TA given during 2019 to prepare the ground for enhanced PCA and covered the main principles of PCA and linked it to work being done to develop and implement a trusted trader program and other initiatives in customs. The trainees included the new manager and five customs auditors who were appointed to the PCA Unit at the end of 2019.

Strengthening PCA is one of the four actions that customs must take as part of the Barbados Economic Recovery Transformation (BERT) program that is supported by a loan arrangement from the IMF. The other actions include implementing the trusted trader program, enhanced exemption monitoring and post release verification of declarations.

The course combined the theoretical basis for on-site, systems based PCA with practical case study elements to boost core skills. At the conclusion of the training course a PCA Guidance Manual was handed over to Cheryl Ann Cumberbatch, Deputy Comptroller of Customs. Additional TA to build capacity, hone audit skills and refine systems for PCA.



Developing Analytical Capacity in Customs in Turks and Caicos Islands, St. Vincent and the Grenadines, and Grenada

In January, February and March 2020 the Resident Customs Administration Adviser visited **Turks and Caicos Islands, St. Vincent and the Grenadines, and Grenada** and provided TA to customs to develop analytical skills as part of efforts to strengthen risk management. The TA included training in extracting and analyzing data using Excel and used real data to do price comparisons of revenue sensitive commodities that could identify instances of undervaluation, a serious threat to revenue for CARTAC members. In one example shown here the analysis identifies a luxury high end boutique hotel importing only very low-priced wine (while other similar hotels were importing very expensive wine). The customs administration concerned will now follow up with an in-depth audit of the importer involved.



Helping Revenue Administrations Cope with COVID 19

Following the outbreak of the COVID 19, CARTAC tax and customs advisers assisted the Fiscal Affairs Department of the IMF to draft and distribute guidance notes on actions they should take to best assist their governments and taxpayers during the pandemic. The guidance for customs administrations centers on creating a response team, expediting clearance of vital supplies, limiting staff exposure to infection by issuing protective clothing and equipment and by focusing activities on essential work areas only. The CARTAC advisers have shared this guidance with tax and customs administrations and with those officers who attended the CARTAC regional seminar on disaster Preparedness Planning for Tax and Customs held in 2019.



Mobilizing to Assist CARTAC's Newest Member



By Wendell Samuel, Programme Coordinator

A contingent of CARTAC advisers participated in Sint Maarten's 2020 Tax Summit on February 5, organized by the Ministry of Finance with participation of the Minister of Finance, senior officials of the Ministry of Finance, the World Bank and CARTAC¹. The summit provided an excellent opportunity for the advisers to understand the challenges that CARTAC's newest member must confront, and to work with other stakeholders in crafting solutions. The authorities presented the key challenges and opportunities for enhancing public financial management (PFM), Tax administration and the information and communication technology (ICT) systems which underpin their drive to improve the delivery of government services (e-Government). This was followed by two break-out groups that sought to identify goals of PFM and Tax Reforms in Sint Maarten and then discussed the reform agenda needed to achieve those goals, including critical next steps.

The summit came at a very opportune time as CARTAC was in the midst of preparing its FY21 work program and budget. The discussions helped to identify specific activities that would form part of CARTAC's current work program and activities over the medium term. In Tax administration it was agreed that the goal would be to develop a modern, autonomous and efficient tax administration, supported by strong legislation. This long-term goal will be achieved through a series of short and medium-term interventions by the various stakeholders including cleaning the tax database, strengthening ICT systems, enhancing capacity for data analytics and internal audit, and reviewing the organization structure. Similarly, in PFM, the aim is to achieve a modern government administration underpinned by strong legislation and efficient ICT systems that performs comparable to its top regional peers. Here also the scope for short and medium-term assistance from CARTAC was also identified. The following day advisers met with their counterparts to drill down on some issues raised the previous day and discuss mission plans for FY21.

¹ The CARTAC team consisted of Wendell Samuel (Program Coordinator), Borys Cotto (External Sector Adviser), Norris Miller (Tax Adviser), Embert St. Juste (Macroeconomic Adviser) and Bruce Stacey (PFM Adviser).

Safeguards Assessments Seminar: Serendipity?

By Wendell Samuel, Programme Coordinator and Ralph Lewars, Financial Sector Supervision Adviser



During the last week of February, immediately before the IMF suspended non-essential travel, CARTAC and the Central Bank of Barbados jointly hosted a seminar on Safeguards Assessments. Safeguards Assessments review the overall governance and control framework of central banks that would eventually help to improve the governance of central banks and safeguard the IMF resources provided under Fund-supported programs. The areas covered include internal audit, external audit, financial controls, financial reporting, risk management, transparency, legal framework etc. This was the first time that CARTAC hosted the seminar.

The composition of participants reflected that diversity of subject matters covered in the seminar. The departments represented included internal audit, risk management, financial controls, legal and information technology. It also included a member of the Board of Directors of one Central Bank. The seniority of the participants and the mix of background and skills augured well for the seminar as many different perspectives were brought to bear on the issues discussed. One highlight of the seminar was a presentation on cyber risks by an expert from KPMG, Trinidad and Tobago.

From the CVENT results and informal feedback received, most participants were very satisfied with the content and conduct of the Seminar. The participation of Honduras and Ecuador provided different perspectives from those of the region's central banks. Many participants are likely to have real life experiences with safeguards assessments sooner than expected as a number of countries have requested IMF assistance following the COVID-19 pandemic which will trigger an assessment.

We are very grateful to the IMF Finance Department and Legal Departments for facilitating the Seminar and the Governor of the Central Bank of Barbados co-hosting the event and for delivering the [opening address](#).

Below is a review submitted by one of the seminar participants:

I would like to make a brief 12-point observation, each point starting with the letter C.

- 1) **Content** of Seminar (*expansive*)
- 2) **Coverage** of Subject Area (*in-depth*)
- 3) **Case Study** of Relevance
- 4) **Caliber** of the Facilitators
- 5) **Coordination** of Presenters
- 6) **Conservation** of resources (*electronic vs paper distribution of materials*)
- 7) **Collaboration** of Stakeholders
- 8) **Choice** of Participants
- 9) **Collegiality** of Attendees
- 10) **Care** of Support Staff
- 11) **Cuisine** of the Host
- 12) **Climate** of the Country

Having reflected on the 12 C (content, coverage, case study etc.) what more could we ask for?



Canada Provides Technical Assistance to Support Better Debt Management by Caribbean Countries

Canada In his meeting with the leaders of the Caribbean Community (CARICOM) on February 18, 2020, Canada's Minister of Foreign Affairs, the Honourable Francois-Philippe Champagne, reinforced Canada's commitment to its Caribbean partners, specifically in bolstering climate and economic resilience in the region. Minister Champagne confirmed a CAD\$2 million contribution over two years aimed at providing technical assistance to support better debt management by Caribbean countries. This responds to ongoing requests for capacity building aimed at implementing debt and risk management strategy and improving the functioning of domestic debt markets. This will be undertaken in partnership with the International Monetary Fund through the Caribbean Regional Technical Assistance Centre (CARTAC). Canada's total contribution to CARTAC Phase V now stands at CAD\$22M.



Looking Forward to FY21 *

The Annual Steering Committee Meeting that was originally planned for April 29, 2020 in Curaçao was cancelled due to the impact of COVID-19 around the globe.

Furthermore, as a result of this pandemic, where remote delivery was not possible, planned TA activities for the remainder of this financial year had to be cancelled or postponed to FY21.

The amended work plans for FY21 along with the Technical Assistance Sector notes will be submitted to the Steering Committee by April 22, 2020 with members given two weeks to provide feedback prior to finalization and approval.



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CARTAC's 23 Member Countries

Anguilla	Antigua & Barbuda	Aruba	The Bahamas	Barbados	Belize
Bermuda	British Virgin Islands	Cayman Islands	Curaçao	Dominica	Grenada
Guyana	Haiti	Jamaica	Montserrat	St. Kitts & Nevis	St. Lucia
St. Maarten	St. Vincent & the Grenadines	Suriname	Trinidad & Tobago	Turks & Caicos Islands	

“Supporting Economic Performance in the Caribbean by Strengthening Capacity”

