



**CONSULTANCY SERVICES TO DEVELOP A WEB-BASED DATA MANAGEMENT
AND INFORMATION SYSTEM FOR MONITORING OF TAX LAWS AND TAX POLICY
AMENDMENTS IN THE EAC REGION**

Terms of Reference



September 2022

Introduction

The East African Community (EAC) under its third pillar of Monetary Union, seeks to among other things harmonize tax policies and laws on domestic taxes. Domestic tax harmonisation is widely advocated for under the EAC Treaty for two main reasons. First, that regional integration cannot be achieved without tax integration, and second, that tax harmonisation plays an important role in mitigating tax competition, (IMF 2015). The argument is that differences within tax systems, especially regarding tax bases and tax rates, could create adverse effects on Partner States. For instance, if Partner States use tax and investment incentives to attract investments, it leads to costly competition for investors which results into revenue loss, (Peterson, 2009).

In a recent study by SEATINI Uganda and partners that assessed whether amendments to tax law in the EAC region are moving towards a harmonised position, it was revealed that EAC tax systems are harmonised only in terms of design and principle of implementation but vary greatly on a number of provisions, more specifically, definitions of tax bases, tax rates, tax deductions, tax incentives for investments, treatment of capital gains tax among others and these were found to be very heterogeneous across Partner States. Similarly, that the tax policy revisions by the different countries in the last three years demonstrated limited deliberate efforts to harmonize domestic tax laws at EAC level, (SEATINI 2021). The study further revealed that, while annual comparisons of tax measures adopted by the different partner states need to be done and communicated to the heads of the partner states, there remains a



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challenge in accessing domestic tax laws for certain countries and annual policy revisions by the different countries. One of the recommendations was thus to develop an online repository of tax laws and tax amendments that is able to provide access to the domestic tax laws of all EAC member countries, monitor and track annual policy revisions, monitor and compare tax law provisions on major tax issues including but not limited to tax bases, tax rates, tax incentives, treatment of capital gains among others.

In an effort to promote equitable and inclusive revenue mobilization and accountability policies across the EAC and to reduce race to the bottom tendencies by EAC partner states in the guise of attracting investments, SEATINI-Uganda in collaboration with Government MDAs and CSOs across the region and seeks to routinely monitor tax policy changes in the different partner states as well as to conduct a comparative analysis of the different domestic tax laws of member states to ascertain if the EAC is moving towards its aspirations of harmonizing domestic tax laws.

It is upon this background that SEATINI Uganda under the Tax Justice Alliance Uganda with support from Diakonia is seeking the services of a consultant to create a web-based system that is able to:

- Monitor tax laws and tax policy amendments in the EAC
- Act as a repository and database for the different tax laws of the partner states
- Track annual tax policy changes of the different partners states
- Serve as a web-based dashboard to track and summarize the different tax laws of the partner states and provide an integrated and interactive platform for comparing different provisions across the region.



- Track individual country tax policy changes of the different partner states and how they compare with existing legislation of other partners states

Methodology for development of the web-based application will be guided by the following phases;

- Conceptual design phase
- Development phase
- Test phase
- Integration and release phase
- Deployment and training phase
- Maintenance phase

1.2. Expected Deliverables from the consultant

- A proto type demonstrating the operational structure of the tracking system
- A functional Web-Based Data Management and Information system with the above functionalities
- A system User Manual
- Staff and other stakeholders trained and their capacity built in the use of the system including capacity to update the system
- Continuous technical support towards resolving system errors and desired upgrades

Timeframe

The work is expected to start in November 2022 and will go on for 2 months.



Management of the process

The consultant will be working closely with SEATINI Financing for Development Programme, Communications Team and MEACA's ICT Team. The Executive Director of SEATINI Uganda will oversee the process.

Qualifications of the consultant

The suitable consultant(s) shall have the following qualifications

- The lead consultant should have full knowledge of domestic tax laws in the EAC region.
- He/she should have at least Bachelor's degree in Computer Science, Software Engineering or Computer or related discipline.
- Knowledge of software development life-cycle.
- Demonstrated experience in developing similar systems
- Thorough knowledge of the Fiscal policy within the EAC and analytical skills.
- Excellent skills in written and spoken English.
- Flexibility and innovative approach to problem solving

Method of application

The consultant will submit a technical and financial proposal including their understanding of the TORs, methodology, timelines and an indicative budget including tax. It should be followed by a CV and an Expression of



Interest that highlights previous similar experiences. Submission deadline by 18th November 2022 to procurement@seatiniuganda.org.