

FY19 Proposed PFTAC Work Plan - May 2018 to April 2019: Palau												
TA Area	Objective	Country	Outcome Targeted	Activity	May 2018 - April 2019 (in person-days)			Number of Missions/ Activities	Milestones	Comments	Planned Date	Experts
					PFTAC resident advisors	ST experts	Total					
Public Financial Management	1. Improved laws and effective PFM institutions	Palau	1.2 MoF capacity can meet enacted PFM responsibilities	PEFA Self-Assessment	7	18	25	1	PEFA Self-Assessment completed Feb 2019	Carried forward from FY18 Developed by authorities and reviewed by PFTAC - Work being done in climate change finance fiduciary assessments may require this.	Aug 2018	Neves/TBA
Financial Sector Supervision	1. Develop and strengthen banking regulations in line with international standards	Palau	Legal and regulatory framework equips supervisors with an adequate range of tools to bring about timely corrective actions for banks' problems and weaknesses	Second Follow-up mission from the Regional Workshop on Banking Legislation and Prudential Standards	-	10	10	1	- Amendments and redrafting of laws, regulations in line with BCP 11 April 2020	Workshop to review and establish revision plan for banking legislation and prudential standards, held in July 2017. Follow up with bilateral missions to each country to follow-up on and progress reform. Second follow-up.	Nov 2018	Joel Hefty / LEG
			Supervisors and regulations require banks to have robust governance policies and processes covering among others effective board and senior management oversight and sound control environment						- Applicable guidelines and regulations are sent to industry for consultation. April 2019			
			Supervisors and regulations require banks to apply sound policies and processes to identify, measure, monitor and control their financial risks on a timely basis and assess their capital adequacy in relation to their risk profile						- Applicable guidelines and regulations are sent to industry for consultation. April 2019			
Government Finance Statistics	1. Strengthened macroeconomic and financial statistics compilation and dissemination for decision making: compilation methodologies in line with international standards for GFS	Palau	1.12 Higher frequency data has been compiled and disseminated internally and/or to the public.	Compile, review and disseminate data to the IMF Statistics Department.	5	-	5	Remote	• Compile and disseminate annual data for budgetary central government for (FY17) by November 2018. [RBM – GO – 12.3]	GFS for general government operations are compiled and disseminated on a annual basis.	Remote	De La Beer

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Revenue Administration	1. Strengthened revenue administration management and governance arrangements	Palau	1.2 Organizational arrangements enable more effective delivery of strategy and reforms.	Facilitate implementation of the function based structure.	-	4	4	-	Organizational structure in place and suitably staffed by 12/31/2018.	Palau has accepted PFTAC recommendations by implementing a function bases structure. BTB with compliance mission.	8/18/2018 - 8/21/2018	McNeil
			1.8 Effective implementation of a new tax or modified legislation.	Facilitate the implementation of VAT.	-	24	24	2	VAT system implemented on scheduled date.	A new tax system is necessary to combat reducing grants received under the Compact arrangement.	5/7/2018 - 5/18/2018 & 7/9/2018 - 7/20/2018	Piper
			1.1 Capacity for reform increased due to clear reform strategy and a strategic management framework adopted and institutionalized.	Review overall reforms and governance framework.	7	-	7	1	Successful implementation of a reform strategy and governance framework to manage reforms.	Back-to-back with payment and filing compliance mission.	7/21/2018 - 7/27/2018	Shrosbree
	2. Strengthened core functions evidenced by an accurate taxpayer base, taxpayer services supporting voluntary compliance, improvements in filing, payment and audit activities		2.3 A larger proportion of taxpayers meet their filing obligations as required by law.	Strengthen strategies to improve on-time filing.	-	4	4	1	On-time filing operating at improved efficiency levels by 12/31/2019 and measured against TADAT dimensions.	A new function based structure has been introduced but more TA is needed to support implementation and new ways of work.	8/6/2018 - 8/9/2018	McNeil
			2.4 A larger proportion of taxpayers meet their payment obligations as required by law.	Strengthen strategies to improve on-time payment.	-	4	4		On-time payment operating at improved efficiency levels by 12/31/2019 and measured against TADAT dimensions.	A new function based structure has been introduced but more TA is needed to support implementation and new ways of work.	8/10/2018 - 8/13/2018	
			2.2 Taxpayer Services initiatives to support voluntary compliance are strengthened.	Strengthen the taxpayer services functions to further improve voluntary compliance levels.	-	4	4		Improved delivery of taxpayer services by 12/31/2019 and measured against TADAT dimensions.	A new function based structure has been introduced but more TA is needed to support implementation and associated new ways of work.	8/14/2018 - 8/17/2018	
Macroeconomic Programming and Analysis	Well functioning macroeconomic policy and institutions: improved macroeconomic policy advice to government	Palau	1. Timely, high quality macroeconomic monitoring, analysis and research available for policymaking.	Support empirical analysis of tax reform.	5	0	5	1	(1) Advice on tax reform is empirically based (Apr. 19). (2) Analysis of tax reform options is published (Apr. 19).		Sept 18	Claus
				Develop GDP forecasting methodology.	12	0	12	1	(1) GDP forecasts are independently produced (Dec. 18). (2) Economic and fiscal forecasts are consistent (Dec. 18).		Nov. 18	Claus
			3. Sound medium-term macroeconomic programming framework.	Develop a medium-term fiscal framework for use in budget preparations.	5	0	5	1	(1) Medium-term fiscal projections are produced in budget preparations (Oct. 19). (2) Medium-term fiscal projections are published in the budget (Oct. 20). (3) Medium-term	Assistance will be provided jointly with the PFM Advisor.	Apr. 19	PFTAC Advisor
Totals:				41	68	109	9					
Legal	Tax Legislation	Palau	1.8 Design Income Tax Legislation	Designing new tax laws.	10	0	10	1	Modernized laws implemented by 6/30/2019.	PFTAC is supporting a request by the authorities to modernize their tax laws.	5/7/2018 - 5/16/2017	Burns