

## **Terms of Reference**

### **International Consultant – Tax Administration Business Process & Legal Review for ITAS Adoption**

#### **Lebanon Fiscal Management Project (P181155)**

#### **Project Background**

The Lebanon Fiscal Management Project (FMP – P181155), funded by a US\$28.5 million World Bank loan and a US\$5.5 million grant from the Lebanon Financing Facility (LFF), is implemented by the Ministry of Finance (MoF) to strengthen domestic revenue mobilization and public financial management (PFM). The Project supports the restoration and modernization of core revenue functions, enhancement of fiscal control mechanisms, reinforcement of oversight institutions, and strengthening of procurement and implementation capacity.

The Project aims to restore fiscal transparency, efficiency, and accountability through a comprehensive package of technical assistance, IT system upgrades, institutional reforms, and capacity building. Key activities include the deployment of a modern Integrated Tax Administration System (ITAS), improvement of public financial reporting, and enhancement of service delivery.

The Project comprises five components: (i) Stabilizing Core Revenue Functions, (ii) Restoring Core Fiscal Controls, (iii) Revitalizing Oversight and Procurement Capacity, (iv) Project Management, and (v) a Contingent Emergency Response Component (CERC).

The Project Development Objective (PDO) is to restore key fiscal functions and promote the accountable use of public resources. Progress is monitored through clearly defined Performance-Based Conditions (PBCs), including timely submission of national budgets, increased tax compliance by large taxpayers, and regular publication of audited financial statements.

A central activity of the Project is the implementation of a modern Integrated Tax Administration System (ITAS) to support tax administration operations, improve voluntary compliance, and enhance taxpayer services. Successful ITAS implementation requires prior alignment of tax administration business processes, legal provisions, procedural arrangements, and institutional responsibilities with a modern, digital, and voluntary compliance-based administration model.

To ensure readiness for ITAS procurement and implementation, the MoF will undertake a comprehensive review of tax administration business processes and the legal and procedural framework governing both the administration of tax laws and procedures. The review will identify operational inefficiencies, legal barriers to automation, institutional gaps, and reform sequencing, and will help define the future operating model of tax administration.

The Ministry of Finance seeks to recruit an experienced consultant to undertake a current state assessment and gap analysis of the tax administration business processes and legal and procedural framework governing tax administration, and to determine and sequence the reforms necessary to enable effective ITAS adoption and procurement. The Consultant will review the existing legal and procedural framework for tax administration as well as the business processes and provide technical recommendations that will inform Business Process Re-engineering (BPR), legal and regulatory amendments, and preparation of the inputs describing the functional requirements for the ITAS procurement.

## **Objectives of the Assignment**

The objective of the assignment is to support the Ministry of Finance in assessing and reforming tax administration business processes, and the legal and procedural framework to enable effective adoption of the Integrated Tax Administration System (ITAS).

Specifically, the Consultant will:

- Conduct a current state assessment of tax administration laws, procedures, business processes, and institutional arrangements.
- Identify operational, legal, and institutional gaps that may impede digital tax administration.
- Identify needs and opportunities for Business Process Re-engineering (BPR).
- Define future operational processes compatible with ITAS adoption.
- Identify required legal and regulatory amendments.
- Support the preparation of the inputs describing the functional requirements for the ITAS procurement.

## **Key Responsibilities**

- Conduct structured consultation meetings and working sessions with relevant MoF directorates and units, including tax administration, legal, ICT, treasury, and other relevant stakeholders.
- Assess the current operational, legal, and institutional framework of tax administration, with particular focus on the Income Tax and VAT Directorates.
- Review the legal and procedural framework governing tax administration functions, including registration, filing, payment, compliance management, audit, collections, taxpayer services, notifications, and recordkeeping.
- Identify gaps between existing practices and the requirements of a modern ITAS-enabled tax administration.
- Facilitate workshops to present findings from the current state assessment and gather stakeholder feedback.
- Identify provisions incompatible with digital tax administration, including electronic filing and payment, electronic notification, and the legal validity of electronic records and communications.

- Define the required Business Process Re-engineering (BPR), procedural adjustments, and institutional changes needed to support ITAS adoption.
- Identify regulatory and legal amendments required for digital tax administration and strengthened compliance management.
- Provide functional inputs for defining the scope and requirements of the ITAS procurement.
- Organize validation sessions with operational and management staff to review and confirm identified gaps and proposed reforms.
- Document consultation outcomes and present final findings and recommendations to senior management.

## Duration

The assignment is expected to require approximately **30 working days**.

## Location

The assignment will be carried out through a combination of remote work and meetings at the Ministry of Finance, Beirut, Lebanon, as required.

## Deliverables

- Inception Report including methodology and detailed work plan.
- Current State Assessment Report.
- Gap Analysis Report covering operational, legal, and institutional gaps that may impede successful ITAS implementation.
- BPR Recommendations Report (To-Be Processes).
- Legal Reform Recommendations and Amendment Matrix.
- Institutional Readiness and Change Management Assessment.
- ITAS Functional Scope Note (inputs to the RFP).
- Final Consolidated Report and Presentation.

Draft deliverables shall be reviewed by the Ministry of Finance, and the Consultant shall revise them to reflect comments received before submission of the final versions.

## Indicative Timeline

The assignment is expected to be completed within approximately 30 working days. The indicative timeline for the main deliverables is presented below.

Deliverable	Indicative Deadline
Inception Report, including methodology and detailed work plan	Within 5 working days from contract commencement
Current State Assessment Report and Gap Analysis Report	Within 15 working days
Draft BPR Recommendations Report, Draft Legal Reform Recommendations and Amendment Matrix, and Draft Institutional Readiness and Change Management	Within 22 working days

<b>Deliverable</b>	<b>Indicative Deadline</b>
Assessment	
Final deliverables, including the ITAS Functional Scope Note and Final Consolidated Report and Presentation, incorporating comments received from the Ministry of Finance	Within 30 working days

## Qualifications and Experience

- Advanced university degree (Master’s or equivalent) in Public Administration, Business, Administration, Finance, Taxation, ICT, Economics, Law, or related disciplines.
- Minimum of 15 years of professional experience in tax administration, revenue authority reform, or related public sector modernization assignments.
- Demonstrated experience in business process re-engineering within a tax administration or revenue authority environment.
- Experience reviewing, drafting, or advising on tax procedure legislation, tax administration regulations, or related administrative legal frameworks.
- Strong experience supporting digitalization, tax administration modernization, or ITAS-related reform initiatives.
- Experience working with Ministries of Finance, revenue authorities, or international organizations.
- Excellent command of spoken and written English; knowledge of Arabic or French is an asset.
- Ability to coordinate effectively with diverse stakeholders, including senior government officials and international partners.

## Competencies and Skills

- Strong analytical and institutional assessment skills.
- Ability to conduct stakeholder consultations and workshops.
- Excellent written and verbal communication skills for reporting and stakeholder coordination.
- Ability to translate operational and legal requirements into functional inputs for system design and procurement.
- Strong drafting and reporting skills.
- Ability to work with multidisciplinary teams and senior government officials.
- Ability to work under pressure, prioritize tasks, and meet deadlines.
- Commitment to transparency, accountability, and good governance.

## Reporting

The Consultant will report to the FMP Project Manager/Coordinator and will work closely with relevant operational and management staff within the Ministry of Finance. The Consultant will coordinate with the World Bank task team, as required.

## Performance Evaluation

The Consultant's performance will be evaluated based on:

- Quality and completeness of deliverables.
- Adherence to the agreed work plan and timelines.
- Effectiveness of stakeholder engagement and consultations.
- Practical applicability of recommendations and stakeholders' feedback.
- Quality and timeliness of project reporting and communication with stakeholders.

### **Confidentiality**

The Consultant shall maintain strict confidentiality of all project-related documents, communications, and stakeholder information. No information or documentation may be shared externally without prior written authorization from the Ministry of Finance and the World Bank. All records and correspondence shall be handled in accordance with applicable data protection and project governance standards.

### **Independence and Conflict of Interest**

The Consultant shall be independent and shall not be affiliated, directly or indirectly, with any software vendor, system integrator, or firm that may participate in the ITAS procurement or implementation. The Consultant shall disclose any actual, potential, or perceived conflict of interest that may arise during the assignment.