



Good Governance, Better Results

**GOVERNANCE**  
THEMATIC GROUP

## *Session 7*

# Strategies for improved property tax performance in developing countries

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Presentation by:

**Sissie Fung**

ADB Consultant

Tokyo, 20-23 February 2018

## Introduction

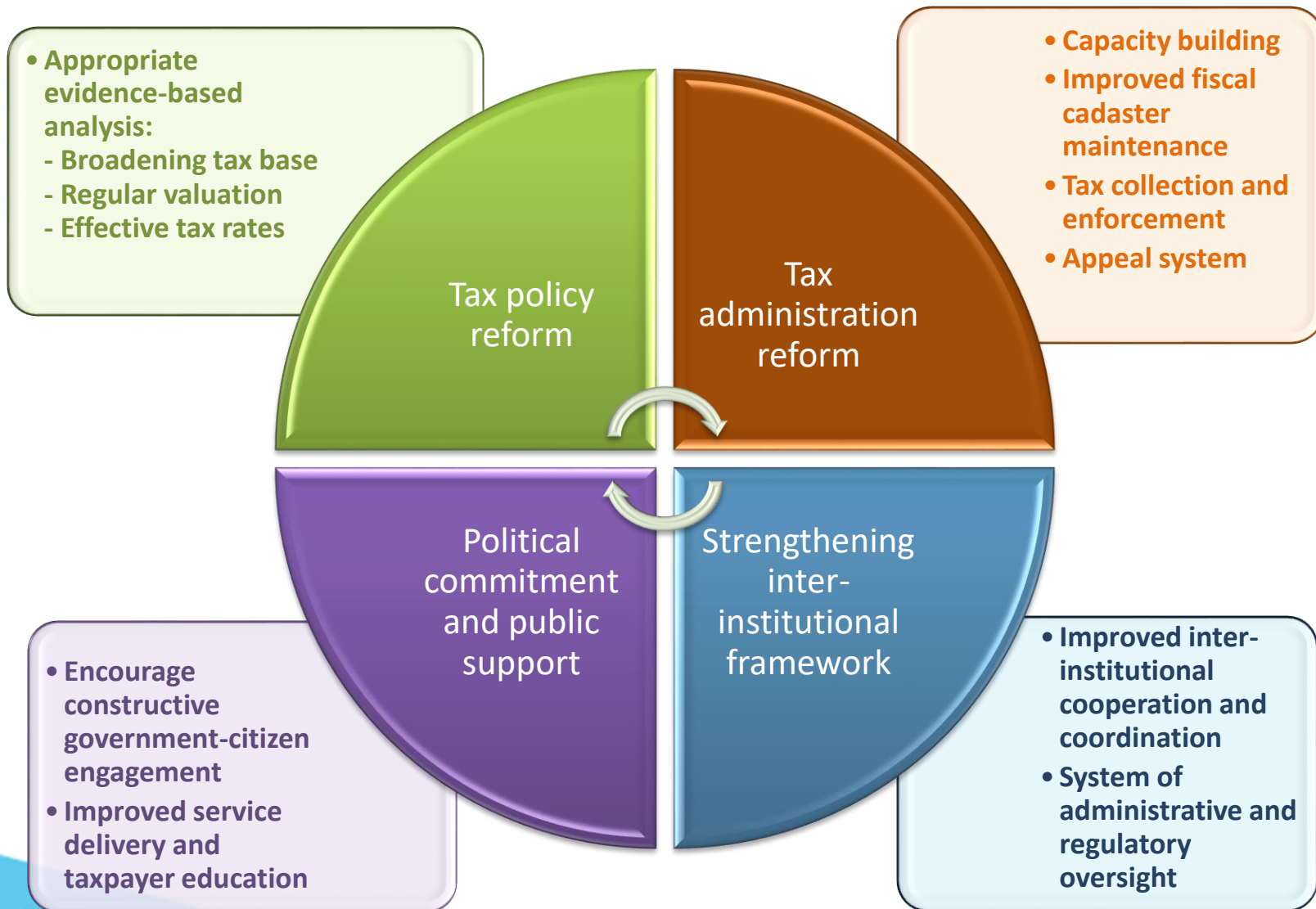
- The challenges of establishing a successful and sustainable property tax in developing countries are numerous and vary from country to country.
- There is no ‘One-Size-Fits-All’ approach
- Each country has its own institutional framework, tax-specific legislation, and political, fiscal and administrative environment that has to be taken into account in order to design or reform a property tax

## Strategies for property tax reform

- Countries should adopt a comprehensive approach:
  - appropriate evidence-based analysis,
  - adequate focus on both policy and administrative reforms
  - effective monitoring of ongoing and completed reforms
- Countries should also realize that successful property reform requires an up-front investment in training and creation (or upgrading) of the necessary administrative infrastructure in the form of a comprehensive and accurate cadastre or register
- Strong political support and good public relations are prerequisites for successful property tax reform



# Adopting a comprehensive approach



## Tax Policy Review

*How efficient, equitable and effective is the current tax policy in meeting (local) revenue needs?*

*How should it be adjusted?*

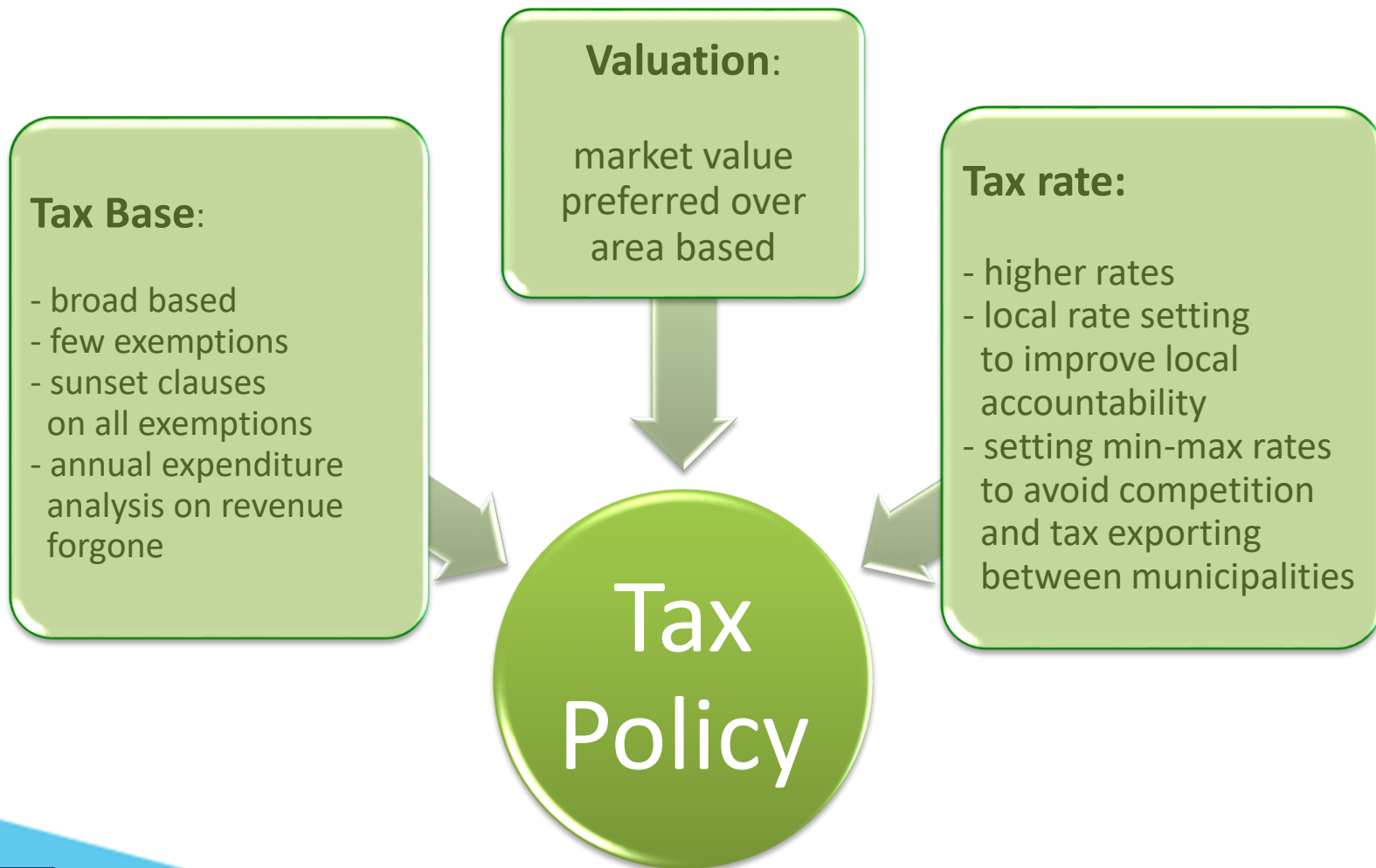
*What are the policy options?*

Detailed diagnosis of:

- policy design features (e.g. neutrality vs. bias)
- economic and social impact (e.g. on growth and equity)



# Tax Policy Reform



## Tax Administration Review

*What are the levels of taxpayer's compliance?*

*How efficient and effective is  
the administration of property tax?*

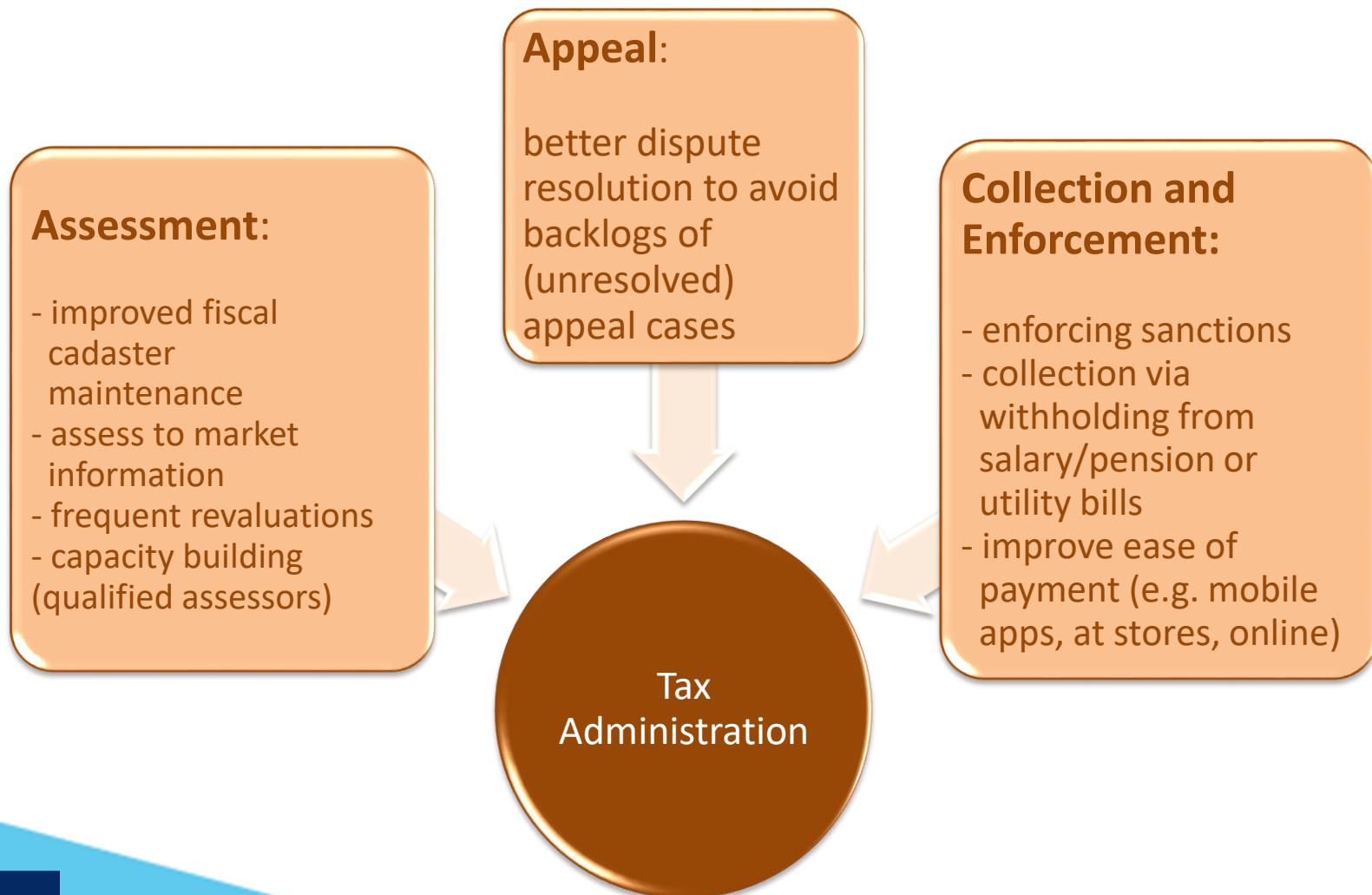
*How can taxpayer's service be improved and  
non-compliance be targeted?*



- Meeting revenue needs depends on taxpayer's compliance
- building capacity to strengthen tax administration
- technology is at the core of the management of modern tax administrations



# Tax Administration Reform





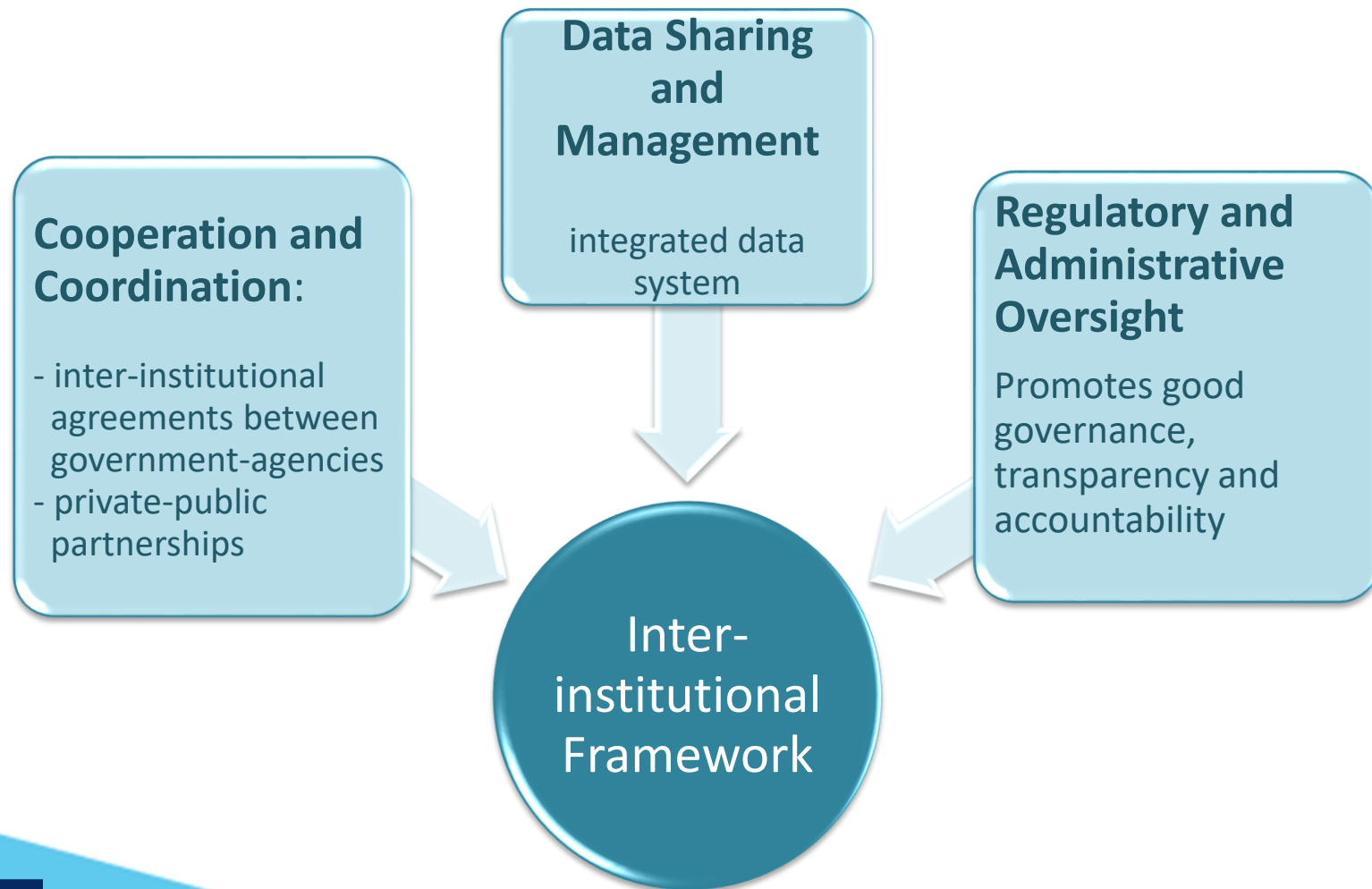
## Inter-institutional Framework Review

*How to create a robust and enabling inter-institutional framework that is needed to support policy and administrative reforms and to monitor the performance?*

- Strengthening the mutually reinforcing processes
- Creating a system of administrative and regulatory oversight



# Inter-institutional Framework Reform



## Political commitment and Public support

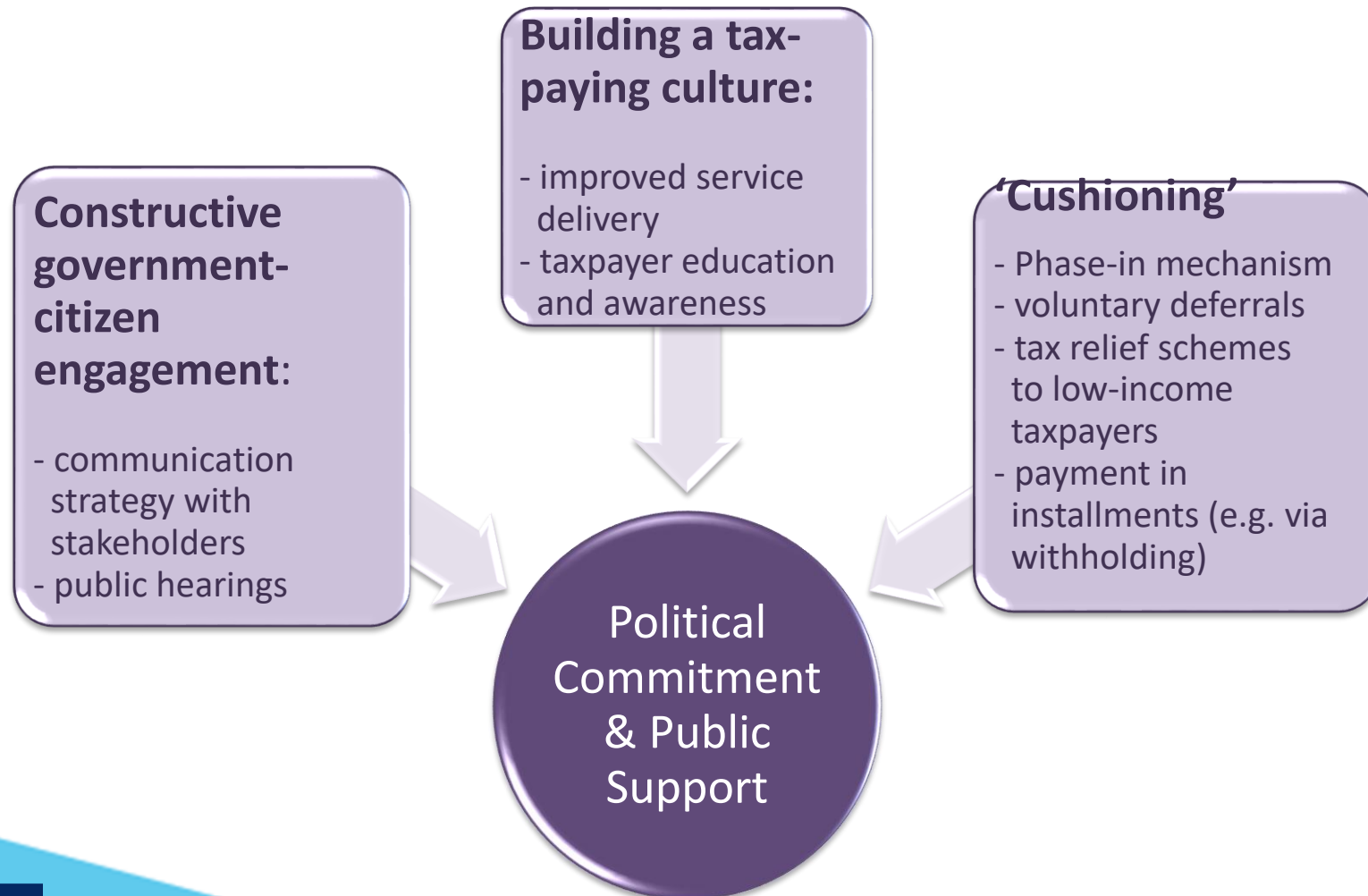
*How to make property taxes politically more palatable?*

*How to gain public support?*



Strong political commitment and public support are prerequisite of any successful reforms

# Political commitment and Public support



**Before moving to the breakout session...**

**Any questions?**



## Breakout session

The aim of the breakout session is for countries to explore the possible strategies to improve the revenue performance of property tax

Describe how your country can improve the performance of property taxes, in particular:

- *What are the policy options for reform?*
- *How can the administration of property taxes be more efficient and effective?*
- *How to create a robust and enabling inter-institutional framework that is needed to support these policy and administrative reforms?*
- *How to get political commitment and broad public support?*
- *How can ADB and international partners support?*

Time: 1.5 hour

# Breakout session

## Country Groups

Group 1:

Group 2:

Group 3:

Group 4:



# Breakout session

## Report Back

Presentations by each country delegate

## Round table discussion