

Taxes for growth
and development



CUSTOMER SATISFACTION SURVEY

Kigali, March 2016

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LIST OF ACRONYMS AND ABBREVIATIONS

DTD	Domestic Taxes Department
EBM	Electronic Billing Machine
FGD	Focus Group Discussion
GoR	Government of Rwanda
ICPAR	Institute of Certified Public Accountants of Rwanda
ICT	Information and Communication Technology
LBSD	Legal and Board Secretariat Department
LTO	Large Taxpayers Office
MIFOTRA	Ministry of Public Service and Labour
MINALOC	Ministry of Local Government
MINECOFIN	Ministry of Finance and Economic Planning
MINICOM	Ministry of Trade and Industry
PSF	Private Sector Federation
QAD	Quality Assurance Department
RDB	Rwanda Development Board
RIE	Revenue Investigation & Enforcement Department
RRA	Rwanda Revenue Authority
SERVQUAL	Service Quality
SMTTO	Small and Medium Taxpayers Office
ToR	Terms of reference

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In the quest to build the nation, Rwanda Revenue Authority is mandated to mobilise resources for economic development through efficient and equitable services that promote business gross. The contribution of the taxpayer plays a pivotal role in such endeavour. It is against this background that RRA wishes to thank the taxpayers, various individuals, organisations and institutions; RRA employees who were involved in the survey and subsequent production of this report.

Results from this survey will go further to enhance service delivery to the satisfaction of the taxpayers in meeting their tax obligations in our journey to make Rwanda a middle income country as enshrined in the country's EDPRSII and Vision 2020.

Richard Tusabe

Commissioner General

Rwanda Revenue Authority

EXECUTIVE SUMMARY

In Rwanda, commendable progress has been made in regularizing taxation. In actuality, several undertakings have been made such as effective administration and enforcement of the laws relating to revenues and conducting surveys to explore the opinions of taxpayers so as to improve services. In the same way, in an attempt to improve service delivery, this survey was conducted primarily to assess the taxpayers' and public's perception of the level and quality of service delivery by RRA; and to ascertain whether the taxpayers' expectations are being met.

The survey employed a blend of qualitative and quantitative approaches for purposes of information and methodological triangulation. The survey was conducted in all provinces and city of Kigali as well as major border customs stations. Also, included were upcountry domestic tax offices encompassing a reasonable representation of all categories of taxpayers and RRA stakeholders.

The survey involved a statistically representative sample of 554 participants, of whom 330 were taxpayers and 89 RRA staff as well as 135 stakeholders. The participants were selected using purposive and simple random methods. The survey instruments were developed by I-5 SAFE Ltd in close consultation with RRA officials.

Key findings

The findings are presented in accordance with the specific objectives of the survey bearing in mind the categories of taxpayers with focus on awareness and appreciation of the effectiveness of the services.

Regarding the regularity in contact with RRA, 99% of small, 100% of medium and large taxpayers respectively confirmed that they were in regular contact with RRA Services form less than 1 year to more than 5 years.

With respect to domestic taxes services, in all categories of taxpayers, most of the respondents (well above 70%) were aware of the tax services therein. However, some of the domestic services were not well known especially by the medium and small taxpayers. Specifically, services such as issuance of withholding tax (43.9%), privileged persons refund (36.1%),

appeal process (47.9%), tax arrears certificate (54.8%), automatic VAT refund (54.2% and non-automatic refund (43.7%) need more emphasis to enable taxpayers to understand and be able to use them. Impliedly, categories of taxpayers who were not aware of these services were not equally appreciative of the services.

On the other hand, respondents' awareness regarding customs services was significantly low (less than 70%) in all the three categories of taxpayers compared to domestic services. Particular services unknown to taxpayers were licensing of clearing agencies (31.5%); licensing of warehouse operators (30.9%); customs exemptions (34.5%); direct delivery without going through warehouse (32.7%); transshipment (37.9%) change of destination (38.5%); refund of caution money (40.3%); refund of excess payment (49.4%). This was mainly noted among the medium and small taxpayers.

Relatedly, investigation of respondents' awareness into other services was made. Generally, awareness was overwhelmingly low with most services in this tax bracket scoring as low as below 50% for all the categories of taxpayers. For instance, getting bidding documents (48.2%); notification for tender award (49.4%); appeal in case of dissatisfaction with tender decision (45.5%); request for data and other statistical information (40%) and payment of information fees (40.9)

Besides assessing the awareness of taxpayers regarding the different services provided, it was imperative to examine their opinions on the effectiveness of the services. Concerning domestic services, most of the responses were skewed towards satisfactory, good and excellent in the three categories of taxpayers and their satisfaction range between 79.5% and 97.4 %; blatantly implying that the services were effective to the satisfaction of the taxpayers. In spite of the high level of appreciation, there were considerable proportions of respondents who expressed their dissatisfaction for some services such as automatic VAT refund (20.5%), privileged VAT refund (18.4%) and motor vehicle transfer (17.5%). In this regard, the emphasis should be put on VAT refund where a significant number of respondents (20.5%) are dissatisfied.

The effectiveness of customs services was rated depending on the utilisation of the services. In this regards, a range of 73.8% to 95% of respondents acknowledged satisfaction of the

services. On the contrary, the level of appreciation of customs services by most of the respondents in the three categories of taxpayers was quite low compared to domestic taxes services. This could be attributed to the fact that customs services are sought mostly by taxpayers engaged in cross-border businesses. Consequently, reasonable proportions of taxpayers had no idea about the effectiveness let alone awareness of these services. The need for improvement was particularly echoed in services such as refund of excess payment, pre-clearance of goods and refund of caution fees where a large proportions (26.2%. 26.1% and 22.4% respectively) where taxpayers were dissatisfied.

Generally, almost all the respondents in the three categories appreciated the service delivery though in varying degrees; implying that the quality of services provided is actually satisfactory and 96% of taxpayers asserted that RRA has improved their services by introducing new technology. This means that the way customers are received and their complaints addressed positively or negatively affects the customers' perception about the organisation. Additionally, 88% of respondents asserted that they have access to RRA information through various channels and 80% have never experienced any delay while requesting RRA services.

However, some respondents expressed reservations about RRA staff particularly their behaviour during tax enforcement. Respondents cited rudeness and arrogance as a common occurrence especially at border points. At some border posts taxpayers revealed that it was common for RRA staff to levy high taxes depending on the mood of the tax assessor. However, they were quick to add that when it becomes a routine then they appeal to the border managers, who in most cases, act prudently. In this respect, 20% of respondents asserted that they experienced a delay while requesting for service from RRA mainly for tax payment and administrative documents like tax clearance certificate.

Concerning the extent to which RRA customers have embraced the initiatives, responses were analysed based on the effectiveness of the selected RRA facilities. Taxpayers are aware of facilities put in place by RRA. For instance, respondents asserted that they know EBM (87.9%), E-filing (85.2%), M-declaration (78.2%) and payment using mobile money (71.2%). The least known facilities are single customs territory (26.7%); one stop border post (27.6%)

and blue channel (46.1%). However, they faced difficulties in using some of the facilities due to technological incompetence. Particular to mention was the Electronic Billing Machine (EBM). Nonetheless, most of the respondents (85.5%) revealed that EBM was effective, and 91.2% of large, 78.8% of medium and 50.5% of small taxpayers respondents intimate that the facility has been instrumental in improving their businesses. Respondents criticized the implementation of some of the facilities such as the EBM claiming that it is not user-friendly in that once a mistake is made while entering data it is not reversible. Other challenges faced by EBM users are the high cost of EBM (55.9 %), frequent load shading (54.7%), low skills in using EBM (44.9%), high competition with taxpayers who do not use EBM (42.2%), decrease in number of the customers (36.5%), high price of goods (31.6%), airtime loading problem (33.6%) and delay in transferring in transferring data to RRA (24.6%).

Additionally, internet outages, delay in getting feedback from RRA in case one requested for or claimed anything; lack of adequate information about taxation, long queues at banks during tax remittance, limited knowledge in using ICT; some taxpayers are left to operate without EBMs thus undermining their colleagues' businesses; poor time management i.e. delays caused by staff shifts particularly at border posts; discrepancies in tax assessment; to mention but a few.

In regard to tax education programs, most of the respondents (above 75%) were appreciative of tax education programs especially tax related meetings; tax dialogue; education workshops; and sector specific workshops. Nonetheless, tax friend clubs in secondary schools, tax clinics, tax issues forum and tax advisory council were reported not to be effective. Respondents' participation in tax sensitisation sessions, was more pronounced in tax related meetings (92.3%) and dialogue (91.3%). More emphasis is therefore needed in other education sensitisation sessions so that people understand their essence and effectiveness, thus improving participation.

Concerning overall perception about staff professional standards, 71% asserted that their have skills and abilities to respondent to the customer needs

Concerning RRA employees, a pertinent challenge to all the respondents to the interview was inadequate staff especially at border posts. They indicated that they are overstretched in terms

of workload. Also, with regard to commensurate rewards, empowering policies and promotions, over 50% of RRA staff disagreed or were impartial about their fairness.

Other challenges mentioned that hinder effective staff performance thus affecting RRA service delivery included: limited skills related to the use of modern technology; language barrier which limits individual taxpayer access to information; too many unplanned activities yet requiring immediate implementation; lack of timely feedback from workmates; tax evasion among customers which at times leads to conflict between RRA employees and customers; harsh treatment of clients where RRA staff enforce the laws inhumanly especially in rural areas; implementation of a new system with limited expertise; limited support from the supervisors; high taxes and penalties which adversely affect people's businesses; .

In relation to the RRA Service Charter the findings revealed that the level of adherence to standards in the service charter is still low. For instance, less than 50% of the respondents mentioned that the time lines for the services they had received as reflected in the RRA service charter were not respected. Considerable proportions of the respondents (59% for general and 44% for specific services) indicated that they did not know the time line for provision of the general services provided by RRA. This insinuates that they were not aware of some of their rights thus requiring to be educated on their obligations as well as those of RRA staff.

It can therefore, be broadly concluded that RRA service quality has improved over time although there are areas that still require improvement as discussed in the preceding sections of the report. In particular, the following measures should be taken to reverse the otherwise poor perception of service delivery:

- Strengthen the educational programmes both in schools and the community. For instance, there is need to strengthen tax friend clubs in secondary schools and tax clinics, tax forum and tax advisory council.
- Increase tax sensitisation campaigns;
- Recruit more qualified personnel to handle the enormous tasks especially at border posts and Sector levels so as to avoid the staff being overloaded;

- Avoid monopoly of facilities e.g. the selling and servicing of EBMs should not be left to a few companies but liberalise the business so that the machines can be obtained on competitive basis;
- Review penalties to reflect reality;
- Treat taxpayers humanely- RRA staff, mainly those who are in regular contact with taxpayers, should treat taxpayers courteously as partners rather than antagonisers.

1. BACKGROUND AND CONTEXT

1.1 INTRODUCTION

Rwanda Revenue Authority (RRA) was established under law N° 15/97 of 8 November 1997 as a quasi-autonomous body charged with the task of assessing, collecting, and accounting for tax, customs and other specified revenues. The institution has the vision to become a world-class efficient and modern revenue agency, fully financing the national needs of the country and the mission to mobilize revenue for economic development through efficient and equitable services that promote business growth.

With the strategic values of integrity, customer focus, transparency, professional service delivery and teamwork, RRA is mandated to advise government of Rwanda (GoR) on all matters of tax policy relating to revenue collections as well as issues related to tax administration. Additionally, RRA emerged as part of the reform program by the GoR which was focused on restoring and strengthening the main economic institutions of the country and also enhance the capacity of the GoR to improve its resource mobilization while providing the public with better quality and courteous services.

In an effort to fulfil its mandate of mobilizing more resources for government development programs, RRA plays the crucial role of raising taxpayers' awareness about their tax obligations, thus raising their compliance. This is achieved through various initiatives including among others, effective administration and enforcement of tax related laws.

However, for RRA to engage in targeted interventions that can raise awareness and increase tax compliance among taxpayers, it is important for the institution to understand perceptions of taxpayers and the challenges they encounter in meeting their tax obligations, hence the rationale for this study.

1.2 OBJECTIVE OF THE ASSIGNMENT

The main objective of the survey was to assess the taxpayers' and public's perception of the level and quality of service delivery and whether their service expectations are being met by RRA.

Specifically the survey aimed at:

- i. Determining the extent to which RRA staff and external clients are satisfied with RRA service delivery,
- ii. Assessing the extent to which RRA customers have embraced the initiatives,
- iii. Identifying areas affecting RRA service delivery,
- iv. Analyzing the RRA staff role in service delivery and satisfaction levels,
- v. Determining the quality of service delivery as perceived by taxpayers,
- vi. Developing a composite measure of customer satisfaction and use it to determine the overall rating of the current level of satisfaction and image,
- vii. Establishing the extent, to which RRA is adhering to its taxpayer's charter, and international standards in service delivery,
- viii. Establishing the effectiveness of taxpayer education program,
- ix. Establishing the effectiveness of dispute resolution and the current mechanism of addressing taxpayers complaints,
- x. Assessing the level of RRA staff satisfaction; perception of the organization; and their aspirations in relation to their key responsibilities,
- xi. Proposing service improvement measures; prepare and deliver a comprehensive report detailing the methodology, findings and recommendations for better and continuous improvements.

1.3 SCOPE AND COVERAGE

The survey covered 4 Provinces and City of Kigali. A sample of 30 districts and regions including boarder stations, domestic taxes up country offices, encompassing a good representation of all taxpayers and RRA stakeholders such as Professional Associations; Public institutions, Institute of Certified Public Accountant of Rwanda (ICPAR), PSF chambers, Rwanda Development Board, Key Ministries, Tax consultants, clearing agents at the border and around Kigali, RRA staff, and local population in districts and representation of investors and media professionals.

1.4 LIMITATIONS OF THE SURVEY

The research was based on taxpayers' data available of 2012. Moreover, some taxpayers refused revealing information on their real situation and others were very busy so that they could not have any minutes to provide information to enumerators.

2. LITERATURE REVIEW

A review of literature related to the study was conducted. This included variables such as service quality and its determinants, service quality and customer satisfaction and quality taxpayer services. Also, the review involved organizational support, the relationship between organizational support and customer service as well as the Rwanda Revenue Authority service charter.

2.1 SERVICE QUALITY

There are many definitions of service quality but the most commonly used delineates service quality as the extent to which a service meets customers' needs or expectations (Wisniewski and Donnelly, 1996). In other words, service quality is the difference between the services expected by customers and the perceived services. This implies that when customers' expectations are greater than performance, perceived quality will be less than satisfactory hence customer dissatisfaction (Parasuraman, Zeithaml, and Berry, 1985; Lewis and Mitchell, 1990). Service quality is considered as a key tool for a firm's struggle to distinguish itself from its competitors (Ladhari, 2008). Service quality offers a competitive advantage to organizations that attempt to improve it and hence bring customer satisfaction.

Studies have showed that service quality is closely linked to customer satisfaction (Sureschandar & Rajendran 2002). It is therefore vital for organizations to know how to measure these constructs from the customers' perspective in order to better understand their needs and hence satisfy them. In any organization, service quality is crucial because it leads to higher customer satisfaction, profitability, reduced cost, customer loyalty and retention (Chingang and Lukong, 2010).

While efforts have been made to measure service quality, there has been no general consensus on the measurement of the concept. Nonetheless, most of the work to date has attempted to use the SERVQUAL methodology proposed by Parasuraman, Zeithaml, and Berry, (1985). Parasuraman, et al (1985) proposed that ten dimensions determine service quality: reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding, knowing the customers, and tangibles. Thus, they proposed that the difference between perceived performance and expected performance of these ten dimensions determines

overall perceived quality. As a result of empirical test, Parasuraman et al (1988) modified the ten determinants of service quality and came up with five key dimensions commonly used: tangibles, reliability, responsiveness, assurance, and empathy. The five dimensions are defined as follows:

- i. Tangibles: The appearance of physical facilities, personnel, tools or equipment, technology used to provide the service and communication material.
- ii. Reliability: Ability to perform the promised service dependably and accurately.
- iii. Responsiveness: The willingness to help the customer and to provide prompt service,
- iv. Assurance: Knowledge and courtesy of employees and their ability to convey trust and confidence.
- v. Empathy: Caring, individualized attention the institution provides to its customers.

In this study, the quality of service provided by RRA is determined based on the level of taxpayers' satisfaction in terms of the five key dimensions (reliability, responsiveness, empathy, assurance and tangibles) as well other specific services.

2.2 RELATIONSHIP BETWEEN SERVICE QUALITY AND CUSTOMER SATISFACTION

Parasuraman et al., (1985), contend that there is a positive correlation between service quality and customer satisfaction. They argue that high perceived service quality leads to increase in customer satisfaction. This is in consonant with Saravana & Rao, (2007) and Lee et al., (2000) who acknowledge that customer satisfaction is based upon the level of service quality provided by service provider.

Negi, (2009), affirms that the idea of associating service quality with customer satisfaction has been in existence for a long time. In Ngezi's study (2009) on the relevance of customer-perceived service quality in determining customer overall satisfaction in the context of mobile services, it was found out that reliability is a fundamental factor in assessing overall service quality but also tangibles, empathy and assurance should not be ignored when evaluating perceived service quality and customer satisfaction. Similarly, Fen & Lian, (2005) found that

service quality and customer satisfaction are interrelated and play an important role with regard to the success and survival of any business in the competitive market.

In a study conducted by Su et al., (2002) to examine the link between service quality and customer satisfaction, it was revealed that both constructs are interdependent in the sense that an increase in one is likely to lead to an increase in another. However, service quality is more abstract than customer satisfaction because, customer satisfaction reflects the customer's feelings about encounters and experiences with services provided by an organization while service quality may be affected by perceptions of value (benefit relative to cost) or by the experiences of other customers that may not be necessarily good.

Furthermore, a study conducted by Magi and Julander (2009), on perceived service quality and customer satisfaction in a store performance framework equally revealed a positive relationship between perceived service quality and customer satisfaction. It was found that customer satisfaction derives from high perceived service quality and this makes the customer loyal. However, it should be noted that a satisfied customer may not necessarily be loyal.

2.3 QUALITY TAXPAYER SERVICES

In order for any tax administration to adhere to the principles of taxation, it is imperative to have quality taxpayer service. Taxpayer service denotes services and information, which the revenue collection organization provides to taxpayers so as to fulfil their tax obligations. An organization is supposed to provide taxpayers with clear guidelines on the services it offers. The services offered should not only address the expressed needs of the taxpayers but also include assistance in areas in which the taxpayers might be aware that compliance could be facilitated through taxpayer service and information (Grampert 2001).

A quality taxpayer service program is meant to ensure that there is timely handling of taxpayer complaints and the tax officials have empathy and are competent. The tax office has to be located in a convenience area where it is easily accessible and the tax officials have to effectively communicate to the taxpayers and endeavour to cater for special needs of the taxpayers. The physical appearance of equipment, facilities and layout should facilitate taxpayers' services (Aslund 2002). Also, a well-implemented taxpayer services will result in an informed taxpayer

who is able to register voluntarily, fill their returns in time and honour tax obligations (Jenkins and Khadka, 2000).

According to Beck and Jung (1989), perceived fairness of the tax system and the decision maker context are detrimental to taxpayer compliance. This implies that the seriousness with which the government enforces the revenue laws will have profound effect on public attitudes. MaClure (1982) stresses that the deterioration of the perception of fairness causes concern in a tax system based on voluntary compliance.

Snaveley (1988) argues that in order to increase the level of compliance, there is need to establish a high level of risk strategy. Empirical evidence support the efficiency of compliance strategies built upon risk. Mason and Calvin (1984) concluded from surveys of Oregon taxpayers that fears of discovery had a powerful effect even among citizens most prone to underreporting income or claiming false deduction. Witte and Woodbury (1985) conducted a study on federal income and tax returns and considered that fear of discovery-discouraged evasion. The risk model assumes that odds of being discovered cheating must be made so high that only a few people can take the chances and that penalties to be paid for evasion must be set high enough to outweigh any possible benefits.

Tanzi et al (1995) argue that for taxpayers to assess their own tax liability, there should be clear taxpayer's service guidelines so that they understand their tax obligations and entitlements. Taxpayer services are aimed at raising tax awareness and enhance the level of taxpayer compliance (Jenkins et al, 2000). Rwanda Revenue Authority observes this principle in that it established a service charter that describes the service standard a taxpayer expects from the organization. The charter allows for an open and transparent approach that all parties understand and can work within. It is therefore an important mechanism for taxpayers because it documents the help and support they are entitled to receive from Rwanda Revenue Authority. Also, it is a tool for Rwanda Revenue Authority staff to continuously improve service delivery to the general public and stakeholders. Within this framework, the organization seeks to improve its customer relations culture measuring and benchmarking its performance.

2.4 ORGANIZATIONAL SUPPORT

Perceived organizational support refers to the extent to which employees perceive that the organization recognizes their contribution, cares about their well-being and facilitates their work (Eisenberger et al, 1990). Individuals form beliefs concerning the extent to which the organization values their contribution and cares about their welfare (Eisenberger et al, 1997). Through the process of ascription about the way the organization functions, employees arrive at an evaluation about the degree to which they believe that the organization supports them, values their contribution and is concerned with their wellbeing (Polly, 2002). Therefore, perceived Organizational Support represents an employee's belief about the degree of the organization's effective commitment towards that employee and this has a direct effect on the quality of the employees input to their work (Berry, 1995).

Ideally, a supportive organization is one that values employee's general contributions, facilitates and cares for their wellbeing. Such an organization is more likely to have employees who strive to promote its values and achieve the intended goals. In other words, high levels of support will build organization commitment amongst employees (Bell and Monuc, 1998). This implies that employees who perceive their employer to be highly supportive are more likely to interpret organizational gains and losses, adopt values and norms and demonstrate a greater level of commitment to the firm than those who do not perceive the same level of support from the organization. A disappointing scenario is a situation where employees motivated to behave in the best interests of the organization are prohibited from doing so by existent policies and practices (Bell and Menguc, 1998). So, organisational support may not yield good results from employees if the existing policies and practices are not fair.

According to the internal marketing perspective, if the service organization wants its employees to do a great job with its customers, it must be prepared to do a great job with its employees (George, 1990). Organization support has been viewed as strategic weapon to achieving high quality service (George, 1990).

2.5 ORGANIZATIONAL SUPPORT AND CUSTOMER SERVICE

According to social exchange theory (Gouldner, 1960), employees who get support from their organization value their organization at a greater scale and tend to actively collaborate to achieve the organization's goals (Eisenberger et al., 1986; Rousseau, 1989). The internal marketing perspective also suggests that service employees are internal customers. Therefore, the support of employees is required prior to the achievement of high service quality for external customers. Schneider (1994) emphasizes that customers report quality services when employees indicate that they work in a positive climate for service.

Furthermore, studies show that perceived organization support is positively correlated to customer service and thus, the way an organization treats its employees is directly reflected in the way employees treat their customers (Schneider & Bowen, 1985). It is not possible to achieve high-quality customer service simply by establishing policies and practices that affect the virtues of service to customers unless there is a sufficient prior organizational support.

Basing on the internal marketing perspective, it is only after internal exchanges have occurred that successful external exchanges between employees and customers can take place (Kelly & Hoffman, 1997). The personal interaction between the customers and the employee is the heart of most service experiences. More specifically, contact service employees are seen as the organization as far as customers are concerned (Roman & Ruiz 2005). Service employee behaviours have the potential of positively or negatively impacting on the customer's perception of service quality (Bell & Menguc 2002).

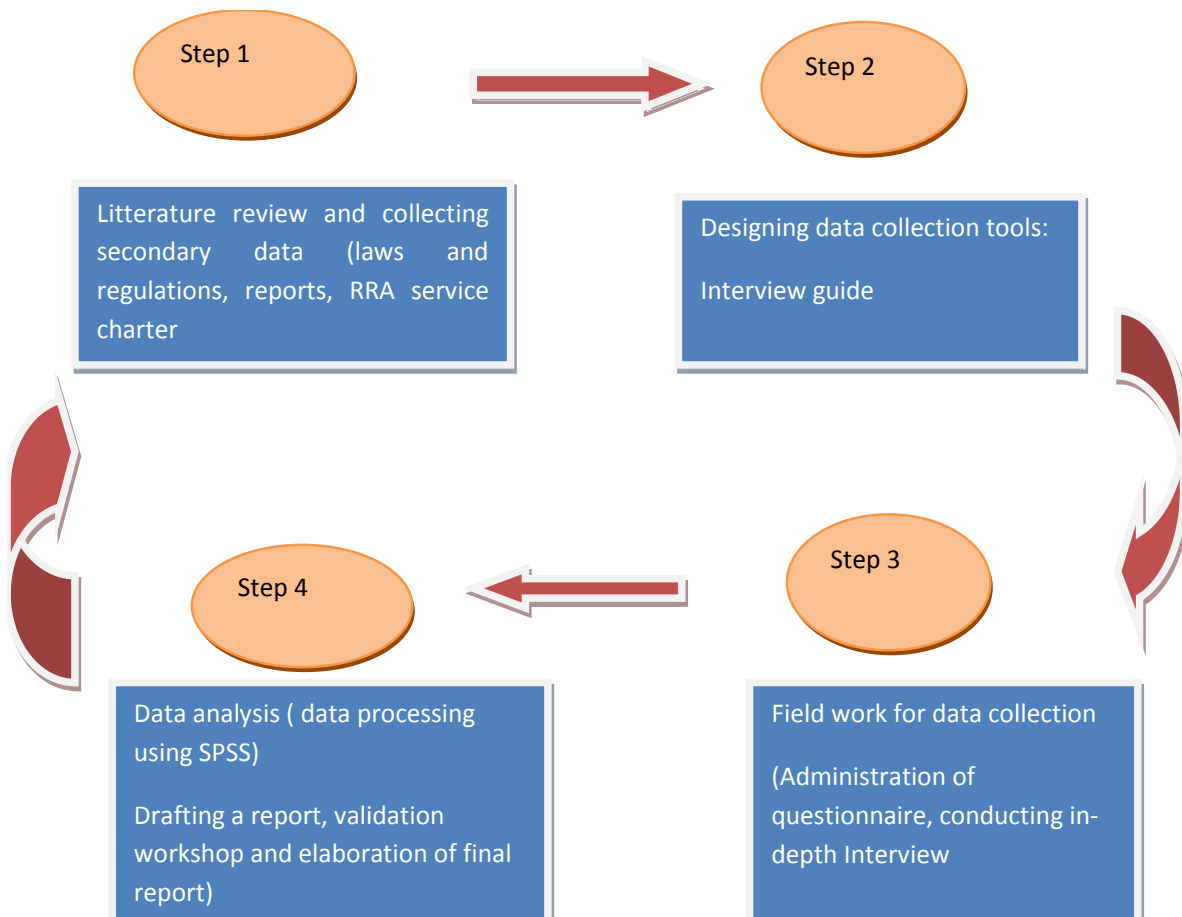
3. METHODOLOGY USED

The following aspects describe the methodological approach that was used to perform the customers and taxpayers' satisfaction survey.

3.1 STUDY DESIGN

The survey employed both qualitative and quantitative approaches. The qualitative approach helped to gain insights about underlying customer perceptions regarding the services offered by RRA and also complemented the quantitative approach by ascertaining stakeholder views about RRA services and how they can be improved. Moreover, the quantitative approach was used to examine the magnitude of the customer satisfaction about RRA services.

FIGURE 1: THE SURVEY DESIGN AND IMPLEMENTATION PROCESS



3.2 TARGET GROUPS

In this survey, the following categories of respondents participated.

- Taxpayers in districts
- RRA Stakeholders
- PSF chambers
- Tax consultants
- Clearing Agents
- RRA Staff
- Representation of Investors

3.3 SAMPLING TECHNIQUES AND SAMPLE SIZE

3.3.1. SAMPLING TECHNIQUE

Given the nature of data required to inform RRA about customer perceptions regarding tax related services, both probability and non-probability sampling techniques were employed in selecting the respondents. Specifically, simple random (probability) and purposive (non-probability) sampling were used. The survey covered all 4 provinces and City of Kigali.

3.3.2. THE SURVEY POPULATION AND SAMPLE SIZE

By September 2015, the RRA Domestic Taxes Department had registered 252,200 taxpayers in the whole country of which 347 were large taxpayers, 2,030 are Medium and 249,823 are small taxpayers. Similarly, the RRA employees are included in the survey. The total population taxpayers registered by RRA is 252,200 , the sample size for both RRA staff and taxpayers was determined by using the Yamane formula at 95% confidence interval or 5% margin of error.

$$n = \frac{N}{1 + N(e)^2}$$

Where; n = the sample size, N = the survey population size e = the level of precision or confidence level.

Based on the above statistics, the sample size is computed as follows:

$$n = \frac{252200}{1+252200(0.05)^2} = 399.3$$

Ideally, the sample size representing the total population of 252,200 taxpayers is 399.

TABLE 1: DISTRIBUTION OF RESPONDENTS TO THE QUESTIONNAIRE

No	Category of taxpayers/RRA staff	Total taxpayers	Sample
1	Large	347	37
2	Medium	2,030	154
3	Small	249,823	139
4	RRA staff	800	89
	Total	252,200	419

TABLE 2: PARTICIPANTS IN IN-DEPTH INTERVIEW

No	Category	Number of In-depth interview
1	RRA Deputy commissioner (DC) in charge of Domestic Taxes Department (DTD)	1
2	Responsible of Large Taxpayers , small and medium Taxpayers Offices ,	1
3	RRA Commissioner in charge of Custom Service	1
4	Coordinators of regions and border stations :	25
5	Stakeholders: MTN, MAGERWA, ICPAR, RDB, MINECOFIN, MINICOM, MINAGRI, MINEAC MIFOTRA	10
6	PSF Representative	30
7	Importer (Representative)	1
8	Exporter (Representative)	1
9	Transporter representative (Minibus, Bus, Moto, Small vehicle, Truck)	5
10	Certified Public Accounts(CPAs) representative	1

No	Category	Number of In-depth interview
11	Clearing agents representative	30
12	Media Professional	1
13	District leaders	30
	Total	135

TABLE 3: TOTAL SAMPLE SIZE

No	Tool	Number of participants
1	Respondents to the questionnaire	419
2	Participants in in-depth interview	135
	Total	554

3.4 DATA COLLECTION APPROACH

3.4.1. SECONDARY DATA

A desk review was conducted through reviewing existing documents (Laws and orders, policies, reports, RRA charters and relevant books).

3.4.2. PRIMARY DATA

The primary data were collected through in-depth interview and questionnaire.

In-depth interview was conducted with key stakeholders including

- ✓ RRA Commissioner for Domestic taxes, Deputy commissioner for Large Taxpayers office, Deputy Commissioner for taxpayer Services, RRA Commissioner for Customs Services
- ✓ Coordinators of regions and border stations : Akanyaru-border post, Butare, Buziba, Gatuna, Gikondo, Gatsata Oil Depots, Kagitumba border post, Rusumo boarder post, Kamembe International Airport, Cyanika boarder post, Gisenyi-border post Bugarama border post, Cyangugu border post
- ✓ Stakeholders: MTN, PSF, MAGERWA, ICPAR, RDB, MINECOFIN, MINICOM, MINAGRI, Ministry of East African Community

Respondents to the questionnaire were selected from the following category:

- ✓ Large taxpayers
- ✓ Small and medium taxpayers
- ✓ RRA Staff

3.5 DATA COLLECTION TOOLS

The team employed a combination of approaches to gather the baseline data as explained below;

3.5.1. QUESTIONNAIRES

The team developed and administered the survey through a questionnaire. This was made up of standardized close-ended and open questions regarding the perceptions of customer satisfaction on services offered by Rwanda Revenue Authority. The tools developed in conjunction with RRA technical team constituted the basis for the quantitative aspect of the survey.

3.5.2. SEMI-STRUCTURED INTERVIEWS

In-depth interviews were also used as an additional method of obtaining information to supplement quantitative data. Interviews were used to collect data from key RRA stakeholders like officials in key ministries, respondents from professional bodies, tax consultants, clearing agents, RRA staff, representation of investors and media professionals.

3.5.3. RECRUITMENT AND TRAINING OF ENUMERATORS

In order to ensure quality of data for the survey, a team of very experienced enumerators was recruited and trained in all aspects of possible field scenarios in order to ensure standardization in administering the survey tools.

3.6 DATA ANALYSIS

Qualitative data were collected using key informant interviews and analyzed qualitatively using thematic analysis. Quantitative data were analyzed using the SPSS software. It involved ascertaining overall level of Customer satisfaction looking at a set of variables representing characteristics of various dimensions of services offered by RRA.

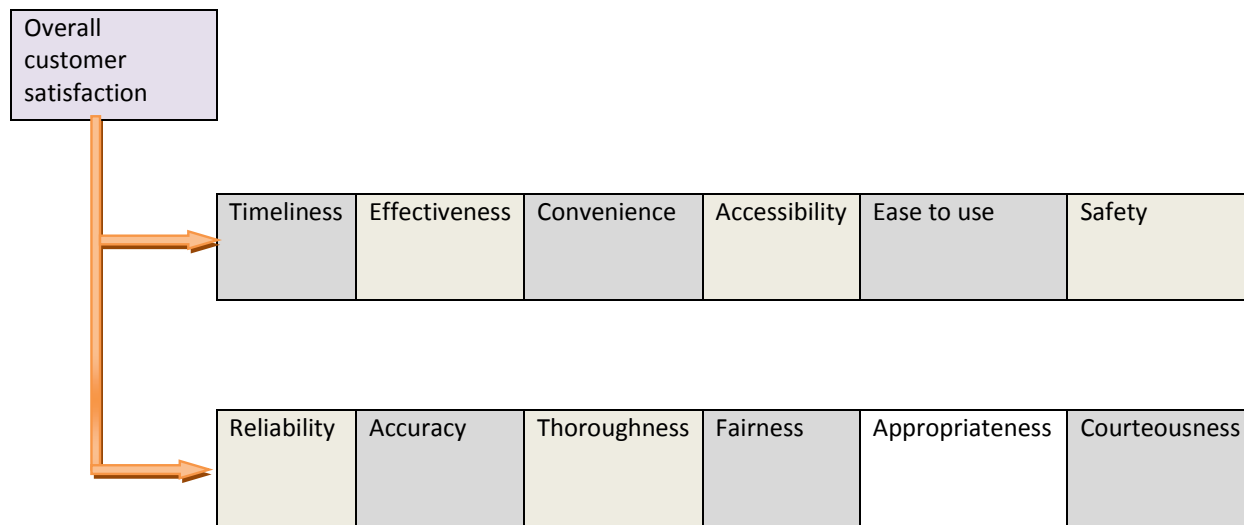
3.7 DEVELOPING THE COMPOSITE MEASURE OF SATISFACTION

RRA like all modern organizations deem customer satisfaction central to the realization of its mandate. This justifies the philosophy underpinning customer orientation with the principle of continuous improvement. Yet customer satisfaction as a concept is quite elusive to measure and translate into measurable parameters. This justifies the methodology adopted by the consultants to use customer perception as a basis to measure satisfaction.

For purposes of aggregation to achieve the composite measure of perceived customer satisfaction, the team adopted the following principles as postulated by Grigoroudis (1999).

- The data of the problem or parameter being measured was based on the customers' judgment and was directly collected from taxpayers;
- Customer satisfaction measurement was treated as a multivariate evaluation since the global customer satisfaction depends on a set of variables representing characteristics of various dimensions of service offered by RRA;

Presented diagrammatically, we obtained the overall perceived customer satisfaction by aggregating individual parameters presented in figure below.



Source: Adopted from Yannis Siskos and Evangelos Grigoroudis, (1993), pg 4

4. PRESENTATION AND DISCUSSION OF FINDINGS

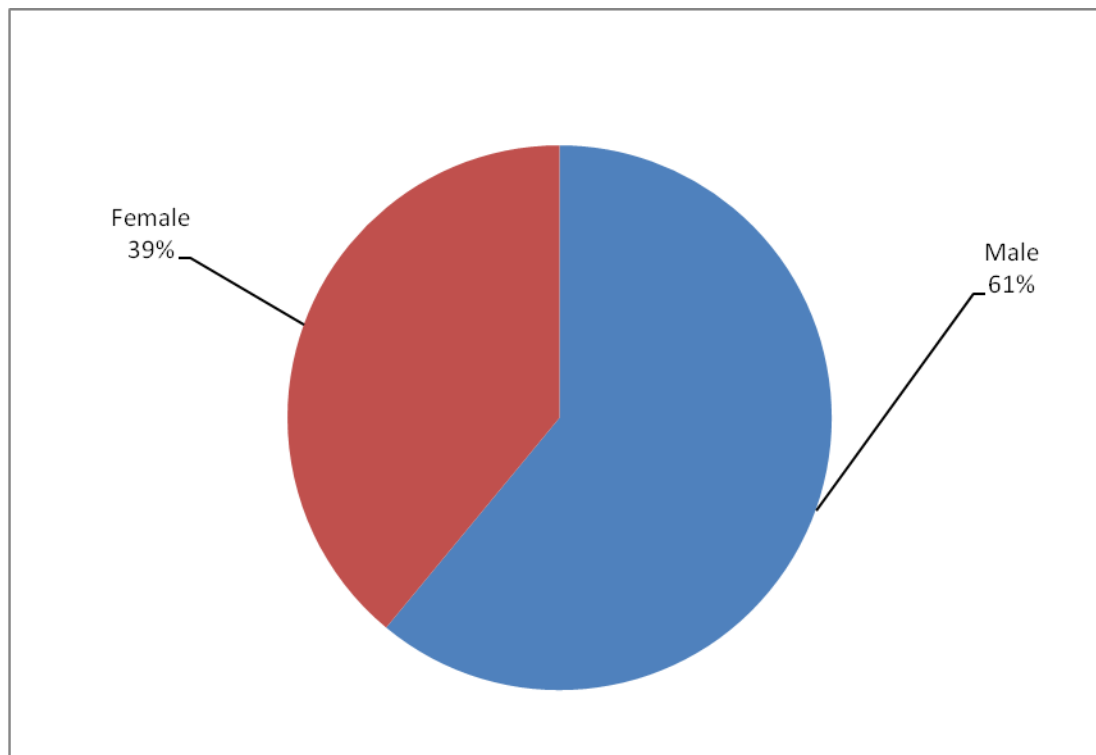
4.1 DEMOGRAPHIC CHARACTERISTICS

In this study, key demographic characteristics of respondents were considered. They include gender, age, level of education and category of taxpayers.

4.1.1. GENDER OF TAXPAYER RESPONDENTS

Figure 2 illustrates the gender of taxpayers who participated in the survey.

FIGURE 2: GENDER OF TAXPAYER RESPONDENTS



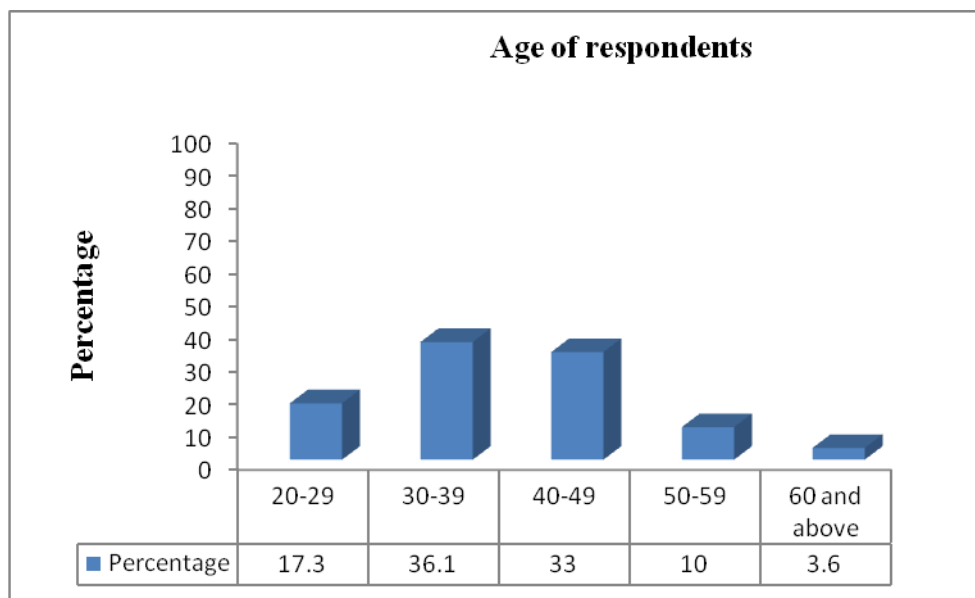
Source: Field Data, 2016

As indicated in figure 2, a proportion of 61% of respondents are males while the remaining 39% are females. Thus, the majority of taxpayers respondents interviewed are males.

4.1.2. AGE OF TAXPAYER RESPONDENTS TO THE QUESTIONNAIRE

Figure 3 indicates age of respondents to the questionnaire. The age range is from 20 up to 60 years.

FIGURE 3: AGE OF TAXPAYER RESPONDENTS TO THE QUESTIONNAIRE



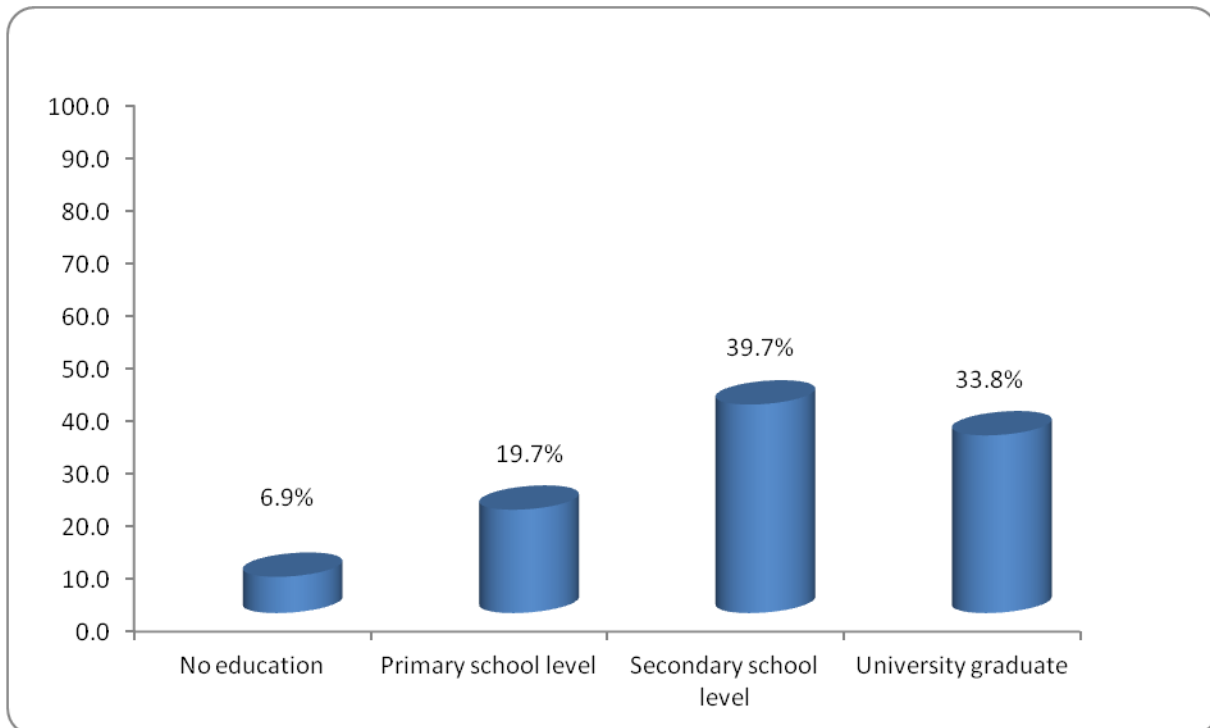
Source: Field Data,

Figure 3 indicates that 17.3% were in the age range between 20 and 29 years, 36.1% were in the age range of 30-39 while 33% were in the age range between 40 and 49 years. In addition, 10% reported to be ranging from 50 to 59 years whereas the remaining 3.6% were above 60 years. Thus, the majority of taxpayers (86.4%) in this survey were below 50 years old while very few (13.6%) were above 50. Generally, this implies that the majority of people who were involved in business were below 50 years.

4.1.3. EDUCATION LEVEL OF TAXPAYER RESPONDENTS TO THE QUESTIONNAIRE

As indicated in figure 4, distribution of respondents by level of education includes those who never attended school, those who attended primary school, secondary school and university.

FIGURE 4: DISTRIBUTION OF RESPONDENTS BY LEVEL OF EDUCATION



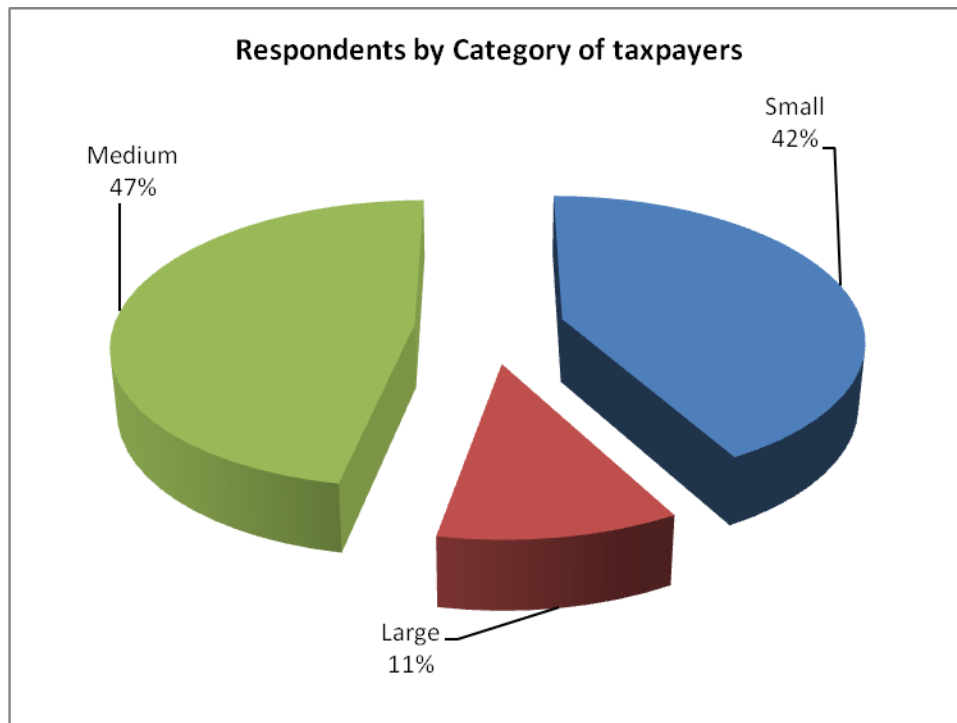
Source: Field Data, 2016

When respondents were asked about their education levels, 39.7% replied that they had completed secondary school, 33.8% university, 19.7% primary education while the remaining 6.9% had no formal education. Thus, the majority of taxpayer respondents to the questionnaire (73.5%) had at least secondary education while a significant proportion had attended primary school. Generally it can be deduced that the business community is composed of people who are realistically literate and as such are expected to be knowledgeable and aware of the services offered by RRA; in spite of those who have not attended school

4.1.4. CATEGORIES OF TAXPAYER RESPONDENTS

Figure 5 indicates categories of taxpayers. Those categories are large, medium and small

FIGURE 5: DISTRIBUTION OF RESPONDENTS BY CATEGORY OF TAXPAYERS

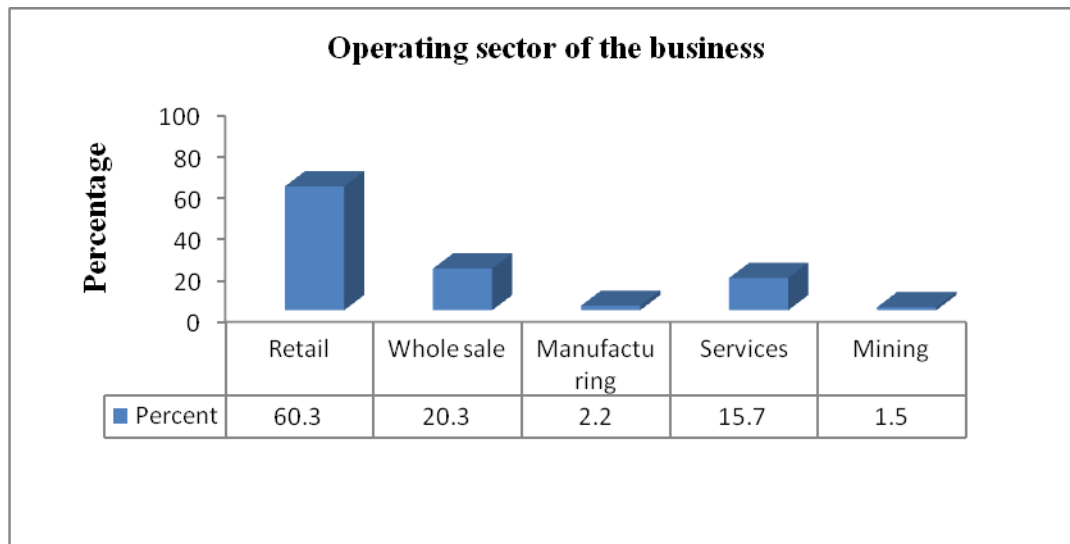


Source: Field Data, 2016

Among taxpayer respondents, 47% reported that they are classified in medium category, 42% are small while the remaining 11% said that they are large taxpayers.

4.1.5. DISTRIBUTION OF RESPONDENTS BY OPERATING SECTOR OF THE BUSINESS

FIGURE 6: DISTRIBUTION OF RESPONDENTS BY OPERATING SECTOR OF THE BUSINESS



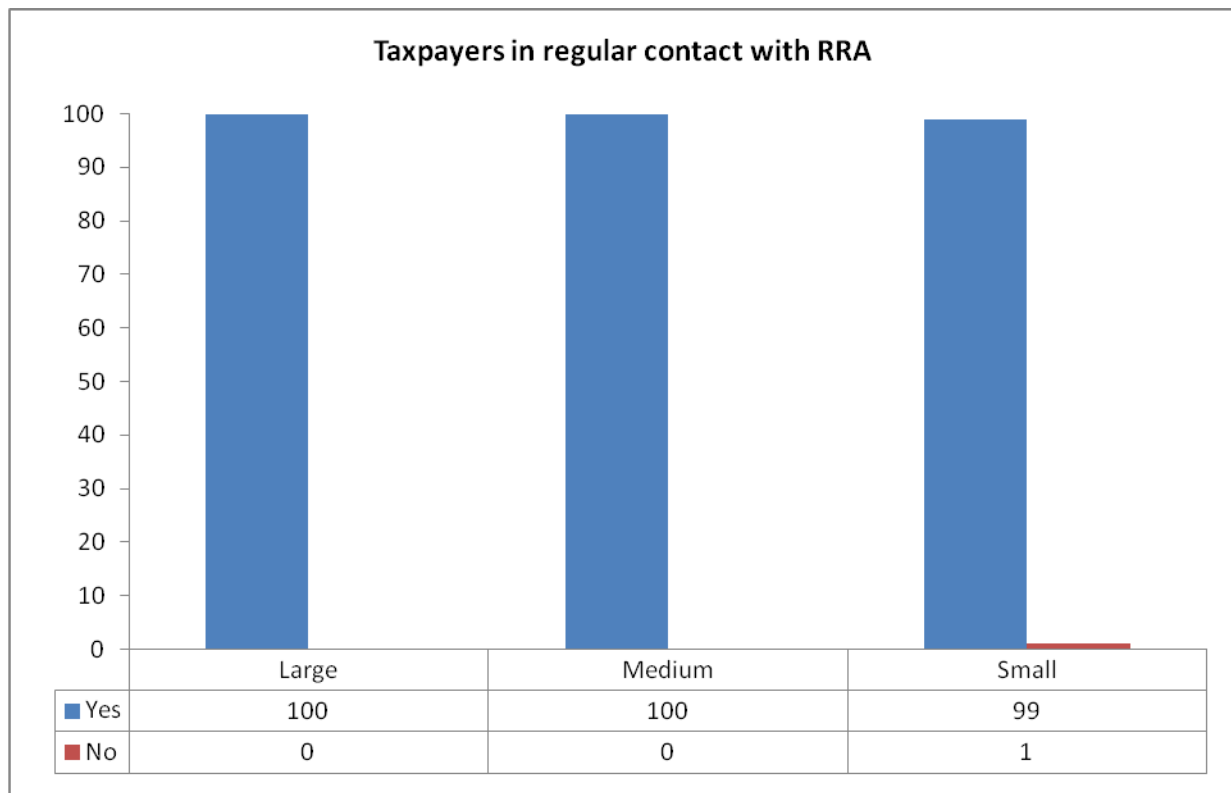
Source: Field Data, 2016

Concerning the distribution of respondents by operating sector of the business, taxpayers are classified into retail (60.3%), whole sale (20.3%), manufacturing (2.2%), those giving services (15.7%) and those working in mining (1.5%).

4.2 REGULAR CONTACT OF TAXPAYERS WITH RRA

Taxpayers have obligation to pay taxes. In this respect, they are therefore expected to be in regular contact with RRA. Figure 7 provides details of the analysis.

FIGURE 7: TAXPAYERS CONTACT WITH RRA



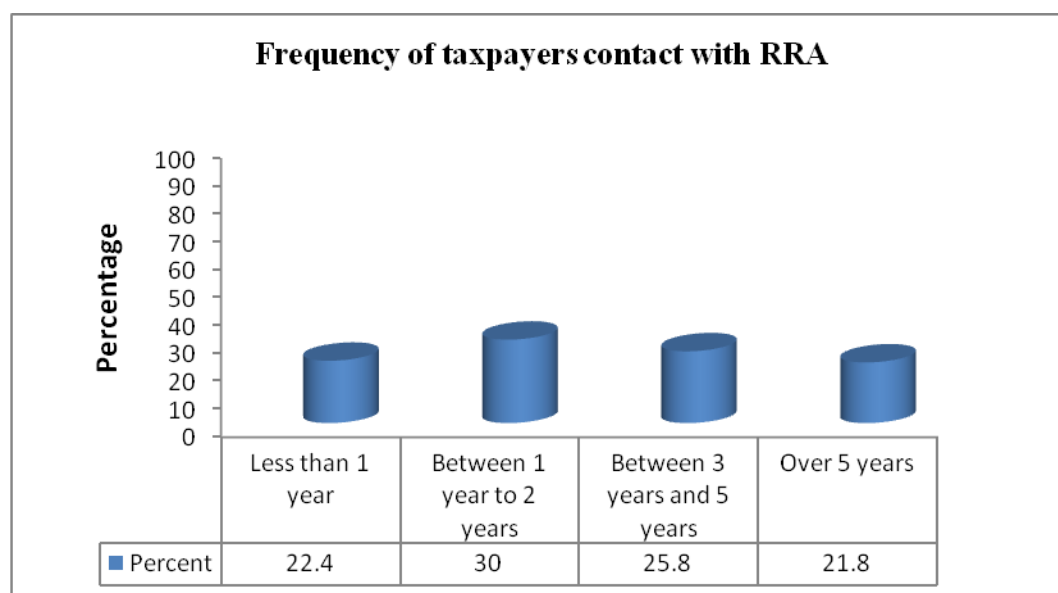
Source: Field Data, 2016

Accordingly, when respondents were asked if they were in regular contact with RRA, 99% of small, 100% of medium and large taxpayers respectively confirmed that they were in regular contact with RRA while 1% of small taxpayers affirmed being in contact with RRA but not on regular basis. Respondents who were not in regular contact with RRA revealed that when they have some problems, they contact their colleagues for advice. Impliedly, taxpayers have realised the importance of being in regular contact with RRA an indication of an improvement in tax compliance.

4.3 PERIOD IN REGULAR CONTACT WITH RRA

It is widely believed that the longer the period a client has been with the business or organisation, the better placed that client is to comment on the services of that organisation. Correspondingly, in order to ascertain the credibility of the clients' perceptions vis-a-vis the services offered by RRA, taxpayers were asked how long they had been in contact with RRA. Figure 8 provides the details.

FIGURE 8: PERIOD IN REGULAR CONTACT WITH RRA



Source: Field Data, 2016

When respondents were asked how long they had been in regular contact with RRA, 22.4% reported less than 1 year, 30% between 1 to 2 years, 25.8% between 3 years and 5 years while 21.8% had been in regular contact for over 5 years. The discrepancy in the period of contact with RRA largely depends on the time of start-up of individual businesses.

4.4 TAXPAYERS' AWARENESS OF SERVICES PROVIDED BY RRA

In this survey, taxpayers were asked if they were aware of the services provided by RRA. The services of particular interest for the survey were domestic taxes, customs taxes and other services. The details are presented in the subsequent paragraphs.

4.4.1. TAXPAYERS' AWARENESS OF DOMESTIC TAXES

RRA provides a range of services which include registration and de-registration of business, motor vehicle registration, motor vehicle transfer, duplication of motor vehicle log book, VAT registration, processing of clearance certificate, issuance of 'Quitus fiscal', declaration and filing, tax payment, issuance of tax stamps, tax arrears certificate, automatic VAT refund, privileged persons refund, non-automatic refund, instalment payment of taxes, appeal process and the process of amicable settlement of disputes. In this study, respondents' awareness of the services was assessed. Table 4 presents the details.

TABLE 4: AWARENESS OF DOMESTIC TAXES SERVICES

Services	Categories					
	Large		Medium		Small	
	Yes (%)	No (%)	Yes (%)	No (%)	Yes (%)	No (%)
Registration/de-registration	100	0	96.8	3.2	97.8	2.2
Motor vehicle registration	97.3	2.7	78.6	21.4	79.7	20.2
Motor vehicle transfer	94.6	5.4	81.8	18.2	77.7	22.3
Duplicate motor vehicle log book	86.5	13.5	68.2	31.8	58.3	41.7
VAT registration	91.9	8.1	93.5	6.5	74.8	25.2
Processing of tax clearance certificate	81.1	18.9	79.2	20.8	56.8	43.2
Issuance of 'Quitus fiscal'	78.4	21.6	77.3	22.7	66.9	33.1
Declaration/filing	94.6	5.4	82.5	17.5	82.7	17.3
Tax payment	100	0	83.8	16.2	83.5	16.5
Issuance of withholding certificate	54.1	45.9	46.8	53.2	38.1	61.9
Issuance of tax stamps	73	27	74.7	25.4	66.9	33.1
Tax arrears certificate	73	27	57.1	42.9	47.5	52.5
Automatic VAT refund	70.3	29.7	57.1	42.9	46.8	53.2
Privileged persons refund	51.4	48.6	34.4	65.6	33.8	66.2
Non-automatic refund	67.6	32.4	41.6	58.4	38.8	61.2

Services	Categories					
	Large		Medium		Small	
Instalment payment of taxes	83.8	16.2	66.9	33.1	69.8	30.2
Appeal process	59.5	40.5	48.7	51.3	43.9	56.1
Amicable settlement	64.9	35.1	63.6	36.4	49.6	50.4

Source: Field Data, 2016

a) Registration and de-registration

Article 10 of the law no 25/2005 of 04/12/2005 on tax procedures stipulates that *any person who sets up a business or other activities that may be taxable is obliged to register with the Tax Administration within a period of seven (7) days from the beginning of the business or activity or the establishment of the company*. De-registration is the process where a taxpayer applies to have his name / business removed from the records of the RRA in order not to be obliged to declare a certain tax.

As specified in article 13 of Commissioner General rules no 002/2007 of 15/06/2007 implementing the law no 25/2005 of 04/12/2005 on tax procedures, *when the tax administration is satisfied that a person is no longer liable to be registered, it cancels the registration*, and article 14 stipulates that *a taxpayer may be considered as continuing with the business activity*, if he fails to notify the tax administration the closure of his taxable activities.

As indicated in Table 4, almost all the respondents in the three categories of taxpayers: large (100%); medium (96.8%) and small (97.8%) are aware of the registration/de-registration services. This corroborates with results from interviews where taxpayers revealed that before starting the business they have to be registered in RRA. They also expressed awareness of de-registration from RRA in case of closure of one's business. Ideally, this is done to avoid taxes continuously being computed yet their business(es) long ceased to operate.

b) Motor vehicle registration and transfer

As stipulated in article 5 of ministerial order no 008/2009 of 01/12/2009 determining the amount of registration fees for imported and already registered vehicles in Rwanda, *the registration fees*

for imported motor vehicles is paid at customs during the declaration process. Upon payment, customs issues a registration card. Similarly, when somebody buys a motor vehicle from another person, they have to proceed for motor vehicle transfer. In this survey, taxpayers were asked if they were aware of motor vehicle transfer. Accordingly, overwhelming proportions of 97.3%, 78.6% and 79.7% as well as 94.6%; 81.8% and 77.7% of large, medium and small taxpayers, respectively, intimated that they are aware of the motor vehicle registration and transfer services. Respondents revealed that lack of sensitisation on the essence of the service was the main reason for not being aware of the service. This coupled with the fact that some taxpayers did not have businesses that require seeking for such a service.

d) Duplication of motor vehicle log book

Proportions of 86.5% (large), 68.2% (medium) and 58.3% (small) taxpayers correspondingly, are aware of the duplication of motor vehicle log book. Nonetheless, considerable proportions of the respondents in the medium (31.8%) and small (41.7%) as well as a small proportion of the large taxpayers (13.5%) expressed ignorance of the service. This could be attributed to the fact that some taxpayers' businesses did not have facilities which required such a service.

e) VAT registration

Article 10 of the law no 25/2005 of 04/12/2005 on tax procedures stipulates that *any person who carries out taxable activities exceeding twenty million Rwanda Francs (20,000,000 RWF in the previous fiscal year, or five million Rwanda Francs (5,000,000 RWF) in the preceding calendar quarter is required to register for VAT with the tax administration within a period of seven (7) days from the end of the year or from the end of the quarter mentioned above.*

Accordingly, 91.9% of large taxpayers; 93.5% (medium); and 74.8 (small) indicated that they are aware of VAT registration service. Proportions of 8.1%, 6.5% and 25.2% of large, medium and small taxpayers expressed ignorance of their obligation to comply with this registration for VAT. Some of these respondents attributed their ignorance to failure to differentiate the various taxes while others were not aware of the laws governing their businesses regarding VAT registration.

f) Processing of tax clearance certificate

A tax clearance certificate is a certificate issued by RRA to a taxpayer to certify that he/she owes no tax debt to the Authority. This certificate is requested in most business transactions by individuals, companies and/or institutions for various reasons such as bid for public contracts, demand for bank credit, commercial register, change of destination for goods in customs, and so on. In this respect, proportions of 81.1% of large taxpayers; 79.2% (medium) and 56.8% (small) taxpayers are aware of the service while 18.9% (large) 20.8% (medium) and 43.2% (small) taxpayers respectively are not aware of the tax clearance certificate. These respondents clarified that they had never experienced circumstances that required seeking for tax clearance certificate such as bid for public contracts or demand for bank credit.

g) Issuance of Quitus fiscal

“Quitus fiscal” is a certificate issued to tax compliant taxpayers. It is meant for taxpayers with a record of honouring their tax obligation. It is valid for a period of one year from the time it was issued. It is commonly known as “quitus fiscal”. The following are some conditions to be entitled to a “quitus fiscal”: (1) taxpayers who accurately files and declares their tax dues (2) who pay their tax dues on time and in time (3) effect payment for his tax due on a regular basis and consistently over a given length of time. And (4) have no tax arrears with the RRA. In this context, proportions of 78.4% (large) 77.3% (medium) and 66.9% (small) taxpayers respectively expressed awareness on issuance of “quitus fiscal”. However, 21.6% (large), 22.7% (medium) and 33.1% (small) taxpayers respectively are not aware of this service. On further probing, it was found that they did not have any information on the service rendered.

h) Declaration and filing

Among services related to domestic taxes, there is declaration and filing of business transactions. On this point, respondents were asked if they are aware of this obligation. As it is indicated in Table 4, proportions of 94.6% of large taxpayers, 82.5% (medium) and 82.7% (small) taxpayers are cognisant of their obligation to declare and file their business transactions to RRA while the remaining 5.4% (large), 17.5% (medium) and 17.3% (small) taxpayers confirmed that they were not aware of the obligation. Impliedly, taxpayers need constant sensitization.

i) Tax payment

Regarding the respondents' obligation to pay taxes, 100% (large), 83.8% (medium) and 83.5% (small) taxpayers asserted that they are aware of tax payments and they do not have any problem with RRA. This is attributed to relentless efforts made by RRA to sensitize the populace on the importance of paying taxes especially through tax forums and media. In contrary, 16.2% of medium and 16.5% of small taxpayers revealed that they do not know how to calculate some taxes. They argued that they are charged a lot of money for VAT ignoring that VAT is paid by the last consumer. This means that effort should be done in order to continue sensitizing taxpayers on tax payment.

j) Issuance of withholding certificate

Some taxpayers (large, medium and small) are subjected to withholding tax. In this respect, the respondents were asked whether they were aware of the service. Proportions of 54.1% (large), 46.8% (medium) and 38.1% (small) responded affirmatively. On the other hand, sizeable proportions of 45.9% (large), 53.2% (medium) and 61.9% (small) are not aware.

k) Issuance of tax stamps

The law no 26/2006 of 27/05/2006 determining and establishing consumption tax on some imported and locally manufactured products mentions in its article 2 that a tax stamp is a sign affixed on a product subject to consumption tax indicating that the product will be sold in Rwanda. Accordingly, Table 4 indicates that 73% of large taxpayers, 74.7% (medium) and 66.9% (small) are aware of the service. Conversely, 27% (large), 24% (medium) and 33.1% (small) were not knowledgeable about the service. In fact, some taxpayers revealed that it was for their first time they have heard of the service.

l) Tax arrears certificate

A taxpayer who is found with an outstanding tax debt to the RRA is issued a Tax Indebted (arrear) Certificate. The RRA however, in a bid to facilitate businessmen, provides for mutual understanding on how and when this outstanding debt will be settled and then upon agreement, the taxpayer is recommended to participate in bidding for government tenders.

In this regard, 73% of large taxpayers, 57.1% (medium) and 47.5% (small) expressed awareness of the service while 27% (large), 42.9% (medium) and 52.5% (small) are not aware. Substantial proportions of respondents are not cognisant of the service simply because they are not sensitized about the service.

m) VAT refund

As it is mentioned in article 22 of the law no 37/2012 of 09/12/2012 establishing the Value Added Tax, if during a particular prescribed taxation period, the input tax exceeds output tax, the Commissioner General shall refund the supplier the due amount to which the supplier stands in credit by reason of excess on receipt of the relevant tax return document within thirty (30) days. In this context, large taxpayers (70.3%), medium (57.1%) and small (46.8%) reported that they are aware. Contrary, large (29.7%), medium (42.9%), small (53.2%) are not cognisant of VAT refund.

In addition, when respondents were asked if they were aware of privileged persons refund, 51.4% (large), 34.4% (medium), 33.8% (small) are aware of the service while the remaining proportions in each category are not aware.

Relatedly, 67.6% (large), 41.6% (medium) and 38.8% (small) revealed that they are aware of non-automatic refund while the remaining proportions in each category are not aware.

n) Instalment payment of taxes

The law no 25/2005 of 04/12/2005 on tax procedures in its article 47, stipulates that *the taxpayer may apply to the Commissioner General for paying in instalments*. Also, as in Commissioner General Rules n° 008/2009 of 7/12/2009 modifying and completing the Commissioner General Rules n° 15/06/2007 implementing the law n° 25/2005 of 04/12/2005 on tax procedures, in its article 2, a taxpayer may request to pay the tax debt in instalment. The payment should not exceed the period of 12 months. The request to pay in instalment is submitted to the Commissioner General upon fulfilment of the following conditions: (1) provide a proof of payment of an amount worth at least 25% of the tax due, (2) regularly pay taxes and duties correctly (3) should not have been implicated in use of forged documents on taxes and duties and (4) provide a guarantee acceptable to the tax administration.

In this regard, 83.8% from large taxpayers, 66.9% (medium), and 69.8% (small) reported that they are aware of the service while the remaining 16.2% (large), 33.1% (medium) and 30.2% (small) are not aware of instalment payment of taxes.

o) Appeal process

The law n° 25/2005 of 04/12/2005 on tax procedures in its article 30, stipulates that *the taxpayer who is not satisfied with the contents of the tax assessment notice may appeal to the Commissioner General within thirty (30) days after receipt of the assessment notice*. The article 31 defines form of appeal and it has *to fulfil the following conditions (1) be in writing, (2) identify the taxpayer and the taxpayer identification number, (3) identify the tax period, (4) mention the assessment and the object and the grounds for the appeal (5) be signed by the taxpayer, the taxpayer's legal representative or the representative holding a mandate and (6) contain all the proof and legal argument against the assessment*.

In fact, taxpayer respondents were asked if they were aware of appeal process for issues pertaining to taxes. On this point, among respondents, large taxpayers (59.5%), medium (48.7%) and small (43.9%) are cognisant of the appeal whereas 40.5% (large), 51.3% (medium) and 56.1% (small) reported that they are not aware. This means that some taxpayers meet problems and do not complain since they are not cognisant of the appeal process.

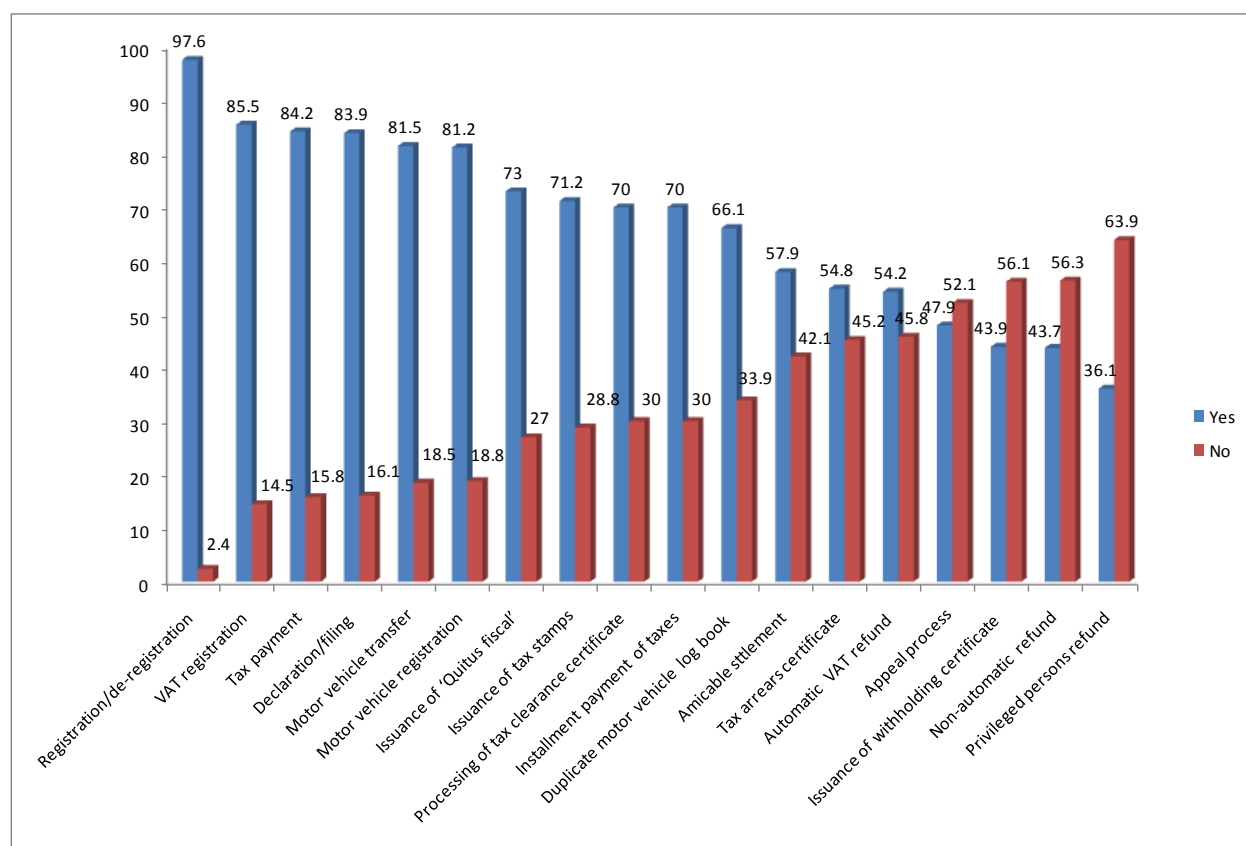
p) Amicable settlement

The article 9 of law no 01/2012 of 03/02/2012 modifying and completing law no 25/2005 on tax procedures as modified and completed to date specifies that when the taxpayer has submitted an appeal, the Commissioner General makes a decision on the appeal within a period of thirty (30) days and sends it to taxpayer. When the appeal is fully or partially accepted, the Commissioner General discharges the taxpayer from the respective liability, interest and penalties. The decision is notified in writing. When the taxpayer is not satisfied with the decision of Commission General, he/ she can request for an amicable settlement. In case both parties do not reach an amicable agreement, the taxpayer may make an appeal to the competent court.

In this survey, respondents were asked if they are aware that conflicts can be settled amicably. On this point, 64.9% (large taxpayers), 63.6% (medium) and 49.6% (small) reported that they are

aware of such a service whereas the remaining 35.1% (large taxpayers), 36.4% (medium) and 50.4% (small) are not aware. Thus, the majority of large and medium taxpayers confirmed that they are aware of amicable settlement. As indicated in Table 4, it is observed that awareness decreases from large to small taxpayers. This means that efforts should be done towards small taxpayers so that they can be aware of the service.

FIGURE 9: SUMMARY OF DOMESTIC TAXES AWARENESS



Source: Field Data, 2016

In general, the majority of taxpayers are aware of registration – de-registration (97.6%), VAT registration (85.5%), tax payment (84.2%), Declaration and filing (83.9%), motor vehicle registration and transfer (81.2% and 81.5%) respectively, duplicate motor vehicle log book (66.1%), VAT registration (85.5%), processing tax clearance certificate (70%), issuance of quitus fiscal (73%), declaration and filing (83.9%), tax payment (84.2%), issuance of withholding certificate (43.9%), issuance of tax stamp (71.2%), tax arrears certificate (54.8%), automatic VAT

refund (54.2%), privileged persons refund(36.1%), installment payment of taxes (70%), appeal process (47.9% and amicable settlement (57.9%).

4.4.2. AWARENESS OF CUSTOMS SERVICES PROVIDED BY RRA

In order to comply with their tax obligations, taxpayers should be aware of the services provided. Some of the services provided include: licensing of clearing agencies, licensing of warehouse operators, customs exemptions, direct delivery of goods without going through warehouse, certificate of origin, transshipment, pre-clearance, issuance of transit regime and imports for domestic consumption. This sub-section also explores taxpayers 'awareness on imports for domestic consumption, motor vehicles entry cards, change of ownership and change of destination, exports, refund of caution fees, refund of excess payment, release of seized goods and the use of Rwanda Electronic Single Window.

TABLE 5: AWARENESS OF CUSTOMS SERVICES

Services	Categories					
	Large		Medium		Small	
	Yes (%)	No (%)	Yes (%)	No (%)	Yes (%)	No (%)
Licensing of Clearing agencies	54.1	45.9	34.4	65.6	22.3	77.7
Licensing of warehouse operators	62.2	37.8	30.5	69.5	23	77
Customs exemptions	59.5	40.5	33.1	66.9	29.5	70.5
Direct delivery without going through warehouse	56.8	43.2	29.9	70.1	29.5	70.5
Certificate of origin	75.7	24.3	53.9	46.1	44.6	55.4
Transshipment	70.3	29.7	32.5	67.5	35.3	64.7
Pre-clearance	73	27	50.6	49.4	43.9	56.1
Issuance of transit regime	67.6	32.4	51.3	48.7	46	54
Imports for domestic consumption	70.3	29.7	59.7	40.3	51.1	48.9
Motor vehicles entry cards	75.7	24.3	61.7	38.3	61.2	38.8
Change of ownership	81.1	18.9	57.1	42.9	60.4	39.6
Change of destination	67.6	32.4	35.1	64.9	34.5	65.5

Services	Categories					
	Large		Medium		Small	
	Yes (%)	No (%)	Yes (%)	No (%)	Yes (%)	No (%)
Exports	73	27	49.3	50.6	51.1	48.9
Refund of caution money	56.8	43.2	37	63	39.6	60.4
Refund of excess payment	56.8	43.2	53.2	46.8	43.2	56.8
Release of seized goods	64.9	35.1	48.1	51.9	53.2	46.8
Use of Rwanda Electronic single window	78.4	21.6	59.1	40.9	63.3	36.7

Source: Field Data, 2016

a) Licensing of clearing agencies

In this survey, respondents were asked if they were aware of licensing of clearing agencies. Table 5 illustrates that 54.1% from large taxpayers, 34.4% (medium), 22.3% (small) are aware of the service while the remaining 45.9 % (large), 65.5% (medium), 77.7% (small) are not aware of the service. Thus, the majority of medium and small taxpayers are not aware of the service of licensing of clearing agencies. This was also found during the interviews and FGDs whereby the majority of respondents did not demonstrate deep awareness and understanding of licensing of clearing agencies. This was mostly found among small taxpayers as compared to medium and large taxpayers.

b) Licensing of warehouse operators

As indicated in article 107 of the law no 21/2006 of 28/04/2006 establishing customs system, warehousing of goods allows the storage in bonded warehouse of third country goods, without such goods being subject to import duties or commercial policy measures or national goods where the provision in force provide that their being placed in a bonded warehouse attracts the application of measures normally attaching to the export of such goods. The article 109 of the same law specifies that the operation of a bonded warehouse is a subject to the issue of authorization by customs and any person wishing to operate a bonded warehouse must make a request in writing containing the information required for granting the authorization.

In this respect, among respondents, 62.2% (large taxpayers), 30.5% (medium) and 23% (small) expressed awareness on licensing of warehouse operators offered by RRA. The remaining 37.8% (large), 69.5% (medium), and 77% (small) confirmed that they are not cognisant of the service. Thus, the majority of large taxpayers are more cognisant of licensing of warehouse operators service offered by RRA than medium and small taxpayers. The main reason for this is that large taxpayers are more cognisant of the service is that because they are the ones who are involved in exportation and importation of goods.

c) Customs exemptions

As Table 5 indicates, 59.5% (large), 33.1% (medium,) and 29.5% (small) expressed their awareness on customs exemptions. Nevertheless, 40.5% (large), 66.9% (medium) and 70.5% (small) are not cognisant of the service.

d) Direct delivery of goods without passing through warehouse

Table 5 indicates that 59.5% (large taxpayers), 33.1% (medium) and 29.5% (small) reported that they were aware of the service. Contrary, 40.5% (large), 66.9 (medium) and 70.5% (small) confirmed that they are not aware of the service. Thus, the majority of taxpayers who are not aware of the service are among medium and small taxpayers.

e) Certificate of origin of goods

The law no 21/2006 of 28/04/2006 establishing the customs system in its article 1 stipulates that a certificate of origin is a specified form identifying goods and in which the authority or organization authorized to issue it, expressly certified that the goods to which the certificate relates are originating from a given country.

As Table 5 illustrates, 75.7% (large), 53.9% (medium), 44.6% (small) reported that they are aware of the service while 24.3% (large), 46.1 (medium) and 55.4% (small) are not aware of certificate of origin of goods.

f) Transshipment

The law no 21/2006 of 28/04/2006 establishing the customs system in its article 1 precise that transshipment consists of customs procedure under which goods are transferred under customs

supervision from the importing means of transport to the exporting means of transport within the area of one custom office which is the office of both importation and exportation. The article 173 of the same law stipulates that the transshipment of goods is allowed upon request by the person concerned or his representative.

In this perspective, Table 5 indicates that 70.3% (large), 32.5% (medium), 35.3% (small) reported that they are cognisant of transshipment. However, 29.7% (large), 67.5 % (medium), 64.7% (small) confirmed that they were not cognisant of the service. Thus, the majority of large taxpayers are aware of transshipment service since they are the most users of customs services as compared to medium and small taxpayers.

g) Pre-clearance

In this customer satisfaction survey, respondents were asked if they were aware of pre-clearance of goods. On this issue, 73% of taxpayers (large), 50.6 % (medium) and 43.9% (small) expressed awareness on pre-clearance while the remaining 27% (large), 49.4% (medium) and 56.1% (small) confirmed that they are not aware of the service.

k) Issuance of transit regime

Article 166 of the law no 21/2006 of 28/04/2006 establishing the customs system, specifies that the transit regime allows the movement under customs control, from one point to another; third-country goods accompanied with supporting documents without such goods being subject to import duties and taxes, national goods in order to prevent products covered or benefiting from export measures from evading duties and taxes and goods under the carriage of goods coastwise procedure.

As indicated in Table 5, among respondents who participated in this survey, 67.6% (large), 51.3% (medium) and 46% (small) expressed awareness on issuance of transit regime. However, 32.4 % (large), 48.7% (medium) and 54% (small) are not aware of the issuance of transit regime. Thus, there are still a number of taxpayers who are not aware of the issuance of transit regime. Therefore, RRA should carry out a sensitization campaign so that people can be aware of the issuance of transit regime.

l) Imports for domestic consumption

Imports for domestic consumption are some of the customs services that taxpayers must be aware of. On this point, 70.3% (large), 59.7% (medium) and 51.1% (small) reported that they are aware of imports for domestic consumption while the remaining 29.7% (large), 40.3% (medium), and 48.9% (small) confirmed that they were not cognisant. Thus, the majority of respondents asserted that they were aware of imports for domestic consumption but the number of taxpayers who did not express awareness is still significant. Therefore, the sensitization should be done so that all taxpayers can be aware of the service. .

m) Motor vehicles entry cards

As indicated in Table 5, when respondents were asked if they were aware of motor vehicles entry cards, 75.7% (large), 61.7% (medium), 61.2% (small) said that they are aware of motor vehicles entry cards. Nevertheless, 24.3% (large), 38.3% (medium), 38.8% (small) were not aware. Indeed, the majority of respondents asserted that they are aware of motor vehicles entry cards. The number of taxpayers who are aware decreases from large to small taxpayers. Therefore, efforts on sensitization should be done to increase taxpayers' awareness on motor vehicles entry cards.

n) Change of ownership of motor vehicles

In this survey, respondents were asked if they were aware of the change of ownership of motor vehicles. On this point, 81.1% (large), 57.1% (medium) and 60.4% (small) reported that they are aware of the service. Conversely, 18.9% (large), 42.9% (medium), 39.6% (small) are not aware. Indeed, the portion of taxpayers who are not aware is significant. Therefore, RRA should carry out a sensitization towards taxpayers so that they can be aware of this service offered.

o) Change of destination of goods

In this sub-section, respondents were asked if they had knowledge on the change of destination of goods. On this issue, 67.6% (large), 35.1% (medium) and 60.4% (small) expressed awareness on the service while 32.4% (large), 42.9% (medium) and 39.6% (small) were not aware. Indeed, the majority of large taxpayers are more aware of change of destination of goods than small and medium taxpayers.

p) Respondents' awareness on exportation

As it is indicated in Table 5, large taxpayers (73%), medium (49.3%), small (51.1%) reported that they were aware while 27 % (large), 50.7 (medium), and 48.9% (small) are not aware of exportation. Thus, the majority of large taxpayers are aware of exportation as compared to small and medium taxpayers. This is because large taxpayers are those who import or export goods as compared to the remaining taxpayers.

r) Refund of caution fees

When respondents were asked if they are aware of refund of caution fees, 56.8% (large), 37% (medium) and 39.6% (small) expressed their awareness of the service whereas 43.2% (large), 63% (medium) and 60.4% (small) reported that they are not aware of refund of caution fees. Thus, the majority large taxpayers are cognisant of refund of caution fees as compared to small and medium taxpayers.

s) Refund of excess payment

In fact, Table 5 indicates that 56.8% (large), 53.2% (medium) and 43.2% (small) are cognisant of refund of excess payment while 43.2% (large), 46.8% (medium) and 56.8% (small) are not aware of the above related service.

t) Release of seized goods

The article 22 of the law no 21/2006 of 28/04/2006 establishing the customs system indicates that release of seized items or means of transport may be made subject to payment of the duties, taxes and fines or upon lodging security equal to the value of seized item. In addition, customs cannot release prohibited or restricted goods or may impose conditions on their release. In this survey, Table5 indicates that 64.9% (large), 48.1% (medium) and 53.2% (small) are aware of the release of seized goods while 35.1% (large), 51.9% (medium) and 46.8% (small) reported that they are not aware of release of seized goods.

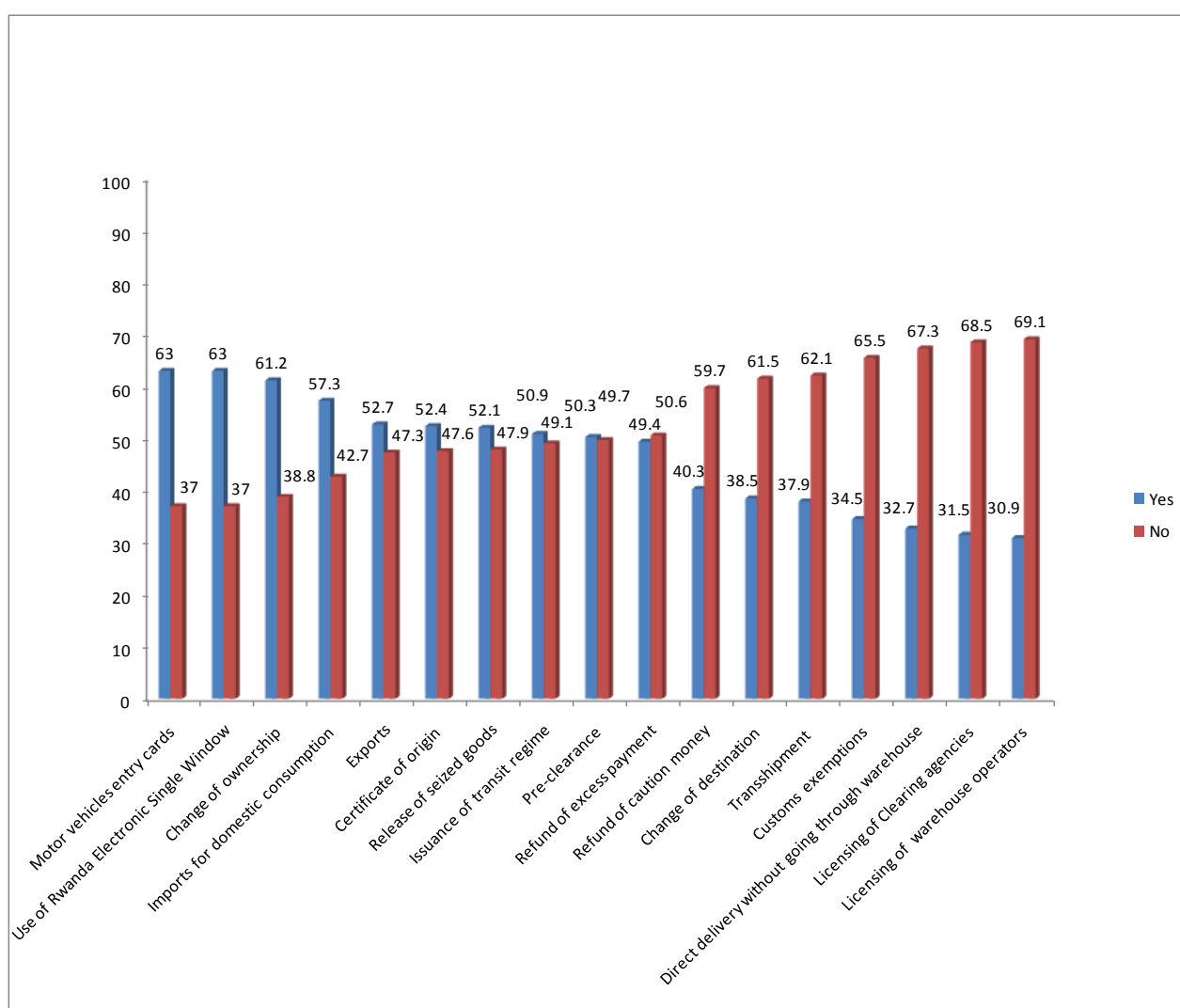
u) Use of Rwanda Electronic single window

Respondents were asked if they were aware of the use of Rwanda Electronic single window. On this issue, 78.4% (large), 59.1% (medium), 63.3 % (small) are aware of the use of Rwanda

Electronic single window. Nevertheless, 21.6% (large), 40.9% (medium), 36.7% (small) reported that they are not aware of the use of Rwanda Electronic single window.

Briefly, this baseline study shows that the majority of taxpayers who are more aware of customs services belong to the category of large taxpayers because are those who are more involved in using those services than medium and small taxpayers. For this reason, RRA should increase the sensitization campaign towards all taxpayers so that they can increase awareness on customs services.

FIGURE 10: SUMMARY OF AWARENESS OF CUSTOMS SERVICES



Source: Field data, 2016

In general, the customs services are not well known by taxpayers as compared to domestic taxes and the general appreciation of taxpayers on customs services is as follows: motor vehicle entry cards (63%), use of electronic single window (63%), change of ownership (61.2%), imports for domestic consumptions (57.3%), exports (52.7%), certificate of origin (52.4%), issuance of transit regime (50.9%), pre-clearance (50.3%), refund of excess payment (49.4%), release of selected goods (47.9%), refund caution money (40.3%), change of destination (38.5%), transshipment (37.9%), customs exemptions (34.5%), direct delivery without going through warehouse (32%), licensing clearing agencies (31.5%) and licensing warehouse operators (30.9%)

4.4.3. AWARENESS OF TAXPAYERS ON OTHER SERVICES PROVIDED BY RRA

Apart from services related to domestic taxes and customs services, this part deals with awareness of taxpayers on other services offered by RRA. Those services include getting bidding document, notification for tender award, and appeal in case of dissatisfaction for tender decision and payment of invoices. This part also explores the services on request for data and other statistic information and payment of informant fees.

TABLE 6: AWARENESS OF OTHER SERVICES

Services	Categories					
	Large		Medium		Small	
	Yes (%)	No (%)	Yes (%)	No (%)	Yes (%)	No (%)
Getting bidding document	70.3	29.7	46.1	53.9	44.6	55.4
Notification for tender award	70.3	29.7	45.5	54.5	48.2	51.8
Appeal in case of dissatisfaction for tender decision	64.9	35.1	41.6	58.4	44.6	55.4
Payment of invoices	75.7	24.3	66.2	33.8	64.7	35.3
Request for data and other statistic information	59.5	40.5	38.3	61.7	36.7	63.3
Payment of informant fees	56.8	43.2	35.1	64.9	43.2	56.8

Source: Field Data, 2016

a) Getting bidding document

When respondents were asked if they were aware of how to get bidding document, 70.3% (large), 46.1% (medium) and 44.6% (small) revealed that they are aware of the service while 29.7% (large), 53.9% (medium) and 55.4% (small) are not aware of the service. Thus, the majority of large taxpayers are aware of how getting bidding document as compared to medium and small taxpayers.

b) Notification for tender award

Table 6 indicates that 70.3% (large), 45.5% (medium), 48.2% (small) taxpayers reported that they are cognisant of notification for tender award while the remaining 29.7% (large), 54.5% (medium), 51.8% (small) are not cognisant of the service. Thus, large taxpayers are more aware of notification for tender award than medium and small taxpayers.

c) Appeal in case of dissatisfaction for tender decision

In this survey, respondents were asked whether they were aware of appeal in case of dissatisfaction for tender decision. On this point, 64.9% (large), 41.6% (medium), and 44.6% (small) are aware of appeal in case of dissatisfaction for tender decision. However, 35.1% (large), 58.4% (medium) and 55.4% (small) reported that they are not aware.

d) Invoice payment

As Table 6 indicates it, 75.7 % (large), 66.2% (medium), 64.7% (small) revealed that they were aware of invoice payment. Nevertheless, 24.3% (large), 33.8% (medium) and 35.3% (small) taxpayers reported that they are not aware of invoice payment

e) Request for data and other statistic information

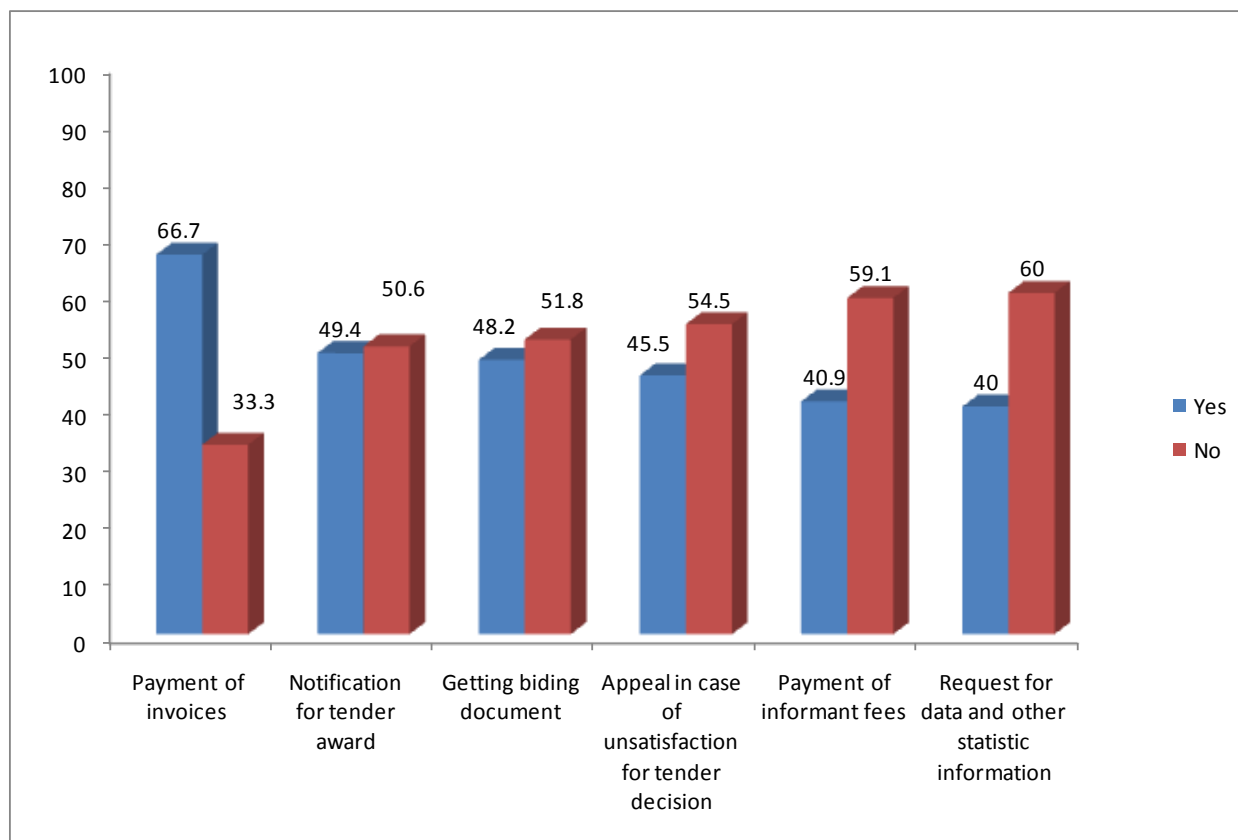
When respondents were asked if they were aware of request for data and other statistic information, 59.5% (large), 38.3% (medium) and 36.7% (small) taxpayers confirmed that they are aware of the request for data and other statistic information. The remaining 40.5% (large), 61.7% (medium), 63.3% (small) reported that they are not aware of the service.

g) Payment of informant fees

Concerning respondents' awareness on payment of informant fees, 56.8% (large), 35.1% (medium) and 43.2% (small) reported that they are aware of the payment of informant fees. Nevertheless, 43.2% (large), 64.9% (medium) and 56.8 (small) confirmed that they are not cognisant of payment of informant fees.

Briefly, taxpayers' awareness on other services rendered by RRA is very low as compared to services related to customs and domestic taxes. Therefore, RRA should increase taxpayers' awareness on other services.

FIGURE 11: SUMMARY OF AWARENESS OF OTHER SERVICES.



Source: Field Data, 2016

In general, others services are not well known by taxpayers as compared to domestic taxes. The awareness of taxpayers on other services are ranked as follows: payment of invoices (66.7%), notification for tender award (49.4%), getting bidding document (48.2%), appeal in case of

dissatisfaction for tender decision (45.5%), payment of informants fees (40.9%) and request for data and other statistic information (40%).

4.5. TAXPAYERS' APPRECIATION OF RRA SERVICE DELIVERY

This part deals with taxpayers' appreciation of RRA service delivery. Those services are related to domestic taxes, customs services, and other services offered by RRA.

4.5.1. TAXPAYERS' APPRECIATION OF SERVICES RELATED TO DOMESTIC TAXES PROVIDED BY RRA

This sub-chapter explores taxpayers' appreciation of services related to domestic taxes provided by RRA. It mainly explores taxpayers' appreciation of registration and de-registration, motor vehicle registration, motor vehicle transfer, duplication of motor vehicle log book, VAT registration, processing of tax clearance certificate, issuance of quitus fiscal, declaration and tax payment. It also deals with taxpayers' appreciation of issuance of withholding certificate, issuance of tax stamps, tax arrears certificate, automatic VAT refund, privileged persons refund, Non-automatic refund, instalment payment of taxes, appeal process and amicable settlement.

TABLE 7: TAXPAYERS' APPRECIATION OF DOMESTIC TAX.

Services	Large taxpayers						Medium taxpayers						Small taxpayers					
	Very Poor	Poor	Satisfactory	Good	Excellent	No determined	Very Poor	Poor	Satisfactory	Good	Excellent	No determined	Very Poor	Poor	Satisfactory	Good	Excellent	No determined
Registration/de-registration	5.4	5.4	5.4	32.4	51.4	0	1.9	3.9	16.2	46.1	30.5	1.3	0.7	2.9	14.4	47.5	30.9	3.6
Motor vehicle registration	2.7	2.7	5.4	43.2	43.2	2.7	1.9	7.1	15.6	31.8	22.1	21.4	1.4	4.3	15.1	36.7	23	19.4
Motor vehicle transfer	5.4	0	21.6	29.7	40.5	2.7	1.9	15.6	17.5	25.3	21.4	18.2	1.4	11.5	11.5	30.2	21.6	23.7
Duplicate motor vehicle log book	0	0	16.2	40.5	32.4	10.8	3.9	13	16.9	19.5	18.2	28.6	0.7	5	18	26.6	18	31.7
VAT registration	0	8.1	8.1	37.8	45	0	1.9	8.4	13.6	45.5	22.7	7.8	1.4	10.1	12.9	36	20.1	19.4
Processing of tax clearance certificate	2.7	2.7	8.1	29.7	48.6	8.1	3.9	5.2	24	27.3	18.8	20.8	2.2	2.2	19.4	23	16.5	36.7
Issuance of 'Quitus fiscal'	2.7	0	13.5	37.8	32.4	13.5	0.6	3.2	27.9	29.2	23.4	15.6	1.4	3.6	15.1	25.9	18	36
Declaration/filing	0	0	10.8	29.7	54.1	5.4	1.3	2.6	9.7	44.2	27.9	14.3	0.7	5	10.8	41.7	26.6	15.1
Tax payment	0	0	5.4	43.2	43.2	8.1	0.6	0.6	9.7	37	27.9	24	0.7	2.9	10.1	47.5	24.5	14.4
Issuance of withholding certificate	0	0	5.4	48.6	21.6	24.3	1.3	5.8	15.6	21.4	16.2	39.6	2.2	2.9	10.8	18	16.5	49.6
Issuance of tax stamps	0	0	8.1	40.5	29.7	21.6	1.3	1.3	19.5	31.8	18.2	27.9	0	2.9	18	30.2	18	30.9
Tax arrears certificate	0	0	13.5	32.4	40.5	13.5	0.6	4.5	13.6	22.7	23.4	35.1	1.4	4.3	10.8	20.9	16.5	46
Automatic VAT refund	8.1	0	8.1	35.1	32.4	16.2	4.5	12.3	18.8	18.8	9.7	35.7	2.9	6.5	11.5	18.7	14.4	46
Privileged persons refund	2.7	2.7	10.8	32.4	27	24.3	5.2	6.5	8.4	11.7	11	57.1	1.4	5	15.1	13.7	10.8	54
Non-automatic refund	5.4	0	5.4	45.9	24.3	18.9	3.9	6.5	15.6	16.9	9.1	48.1	0.7	4.3	15.1	17.3	8.6	54
Installment payment of taxes	0	2.7	8.1	43.2	32.4	13.5	0.6	5.2	19.5	18.8	19.5	36.4	0.7	4.3	15.1	21.6	25.2	33.1
Appeal process	0	0	2.7	35.1	37.8	24.3	1.3	5.8	9.1	20.1	19.5	44.2	1.4	7.2	13.7	12.2	14.4	51.1
Amicable settlement	0	0	5.4	29.7	32.4	32.4	1.3	2.6	10.4	24	22.7	39	2.2	2.9	13.7	19.4	16.5	45.3

Source: Field Data, 2016

(a) Appreciation of registration and de-registration

As indicated in table 7, respondents generally appreciated the registration and de-registration services provided by RRA. The responses were mostly clustered around ‘satisfactory’; ‘good’ and ‘excellent’ for the three categories of tax payers. Specifically, proportions of 89.2% (large) 92.8% of medium and small taxpayers respectively appreciated the service. In contrast, insignificant proportions of 10.8% (large), 4.8% (medium) and 3.6% (small) intimated that the service was poor while insignificant proportions of medium (1.3%) and small (3.6) did not know about the service.

(b) Motor vehicle registration and transfer

Respondents were asked how they rate the effectiveness of the motor vehicle registration service. Generally, the respondents appreciated the service. A proportion of 91.8% (large taxpayers), 69.5% (medium) and 78.4% (small) revealed that they appreciate motor vehicle registration. On the contrary, 5.4% (large), 9% (medium) and 5.7% (small) revealed that they do not appreciate the service whereas 2.7% (large), 21.4% (medium) and 19.4% (small) had no idea about the service.

With regard to motor vehicle transfer, proportions of 91.8%, 64.2% and 63.3% of the large, medium and small taxpayers respectively appreciated the service. Conversely, 5.4% (large), 17.5% (medium) and 12.9% (small) expressed dissatisfaction. Proportions of 2.7% (large), 18.2% (medium) and 23.7% (small) did not know anything about motor vehicle transfer.

(c) Duplication of motor vehicle log book

As can be seen in table 6, the responses regarding effectiveness of duplication of motor vehicle log book service varied according to the category of respondents (taxpayers). Most of the large taxpayers (89.1%), 54.6% (medium) and 62.6% (small) said that they appreciate the service. On the other hand, considerable proportions of 16.9% (medium) and 5.7% (small) considered the service to be poor while 10.8% (large), 28.6% (medium) and 31.7% (small) were not knowledgeable about the service.

(d) VAT registration

As can be seen from table 7, a significant number of respondents, 91.8% (large), 81.8% (medium) and 69% (small) expressed satisfaction about VAT registration. However, 8.1% (large), 10.3% (medium) and 11.5% (small) said that they do not appreciate the service. Nonetheless, 7.8% (medium) and 19.4% (small) reported that they do not have knowledge about VAT registration. .

(e) Processing of tax clearance certificate

As evidenced by table 7, considerable numbers of respondents; 86.4% (large), 70.1% (medium) and 58.9 % (small) reported that they appreciate the service. However, some taxpayers 5.4% (large), 9.1% (medium) and 4.4% (small) did not appreciate the services rendered by RRA for this aspect. In the same way, 8.1% (large), 20.8% (medium) and 36.7% (small) did not have knowledge about the issue under investigation. Those who do not appreciate the processing of getting tax clearance certificate revealed that it takes a long time. Respondents suggested that processing and issuing of getting a tax clearance certificate needs to be reduced to just hours instead of days.

(f) Issuance of “quitus fiscal”

As depicted in Table 7, most of the responses for all the three categories of taxpayers were skewed towards satisfactory, good or excellent implying that they appreciated the services. Specifically, those who expressed satisfaction constituted 83.7% (large), 80.5% (medium) and 59 % (small) while dissatisfaction was reported by 2.7% (large), 3.8% (medium) and 5 % (small). Those who had no idea about the service constituted 13.5% (large), 15.6% (medium) and 36 % (small).

(g) Declaration and filing

Generally, most of the large (94.6%), medium (81.8%) and small taxpayers (79.1%) sampled appreciated the service. Nonetheless, proportions of 3.8% (medium) and 5.7 % (small) did not appreciate it while 5.4% (large), 14.3% (medium) and 15.1 % (small) were not aware of the service.

(h) Tax payment

Services related to tax payment were generally appreciated by most of the respondents in the three categories namely large taxpayers (91.8%), medium (74.6%) and small (82.1%). Those who expressed dissatisfaction are 1.2% (medium) and 3.6 % (small). Also, it was found that 8.1% (large), 24% (medium) and 14.4 % (small) are not cognisant of the service. Those who do not appreciate the service pointed out the enforcement system and exorbitant penalties as the major elements that create resentment among the taxpayers.

(i) Issuance of withholding certificate

With respect to issuance of withholding certificate, there was a considerable difference in responses between the large and other two categories of taxpayers (medium and small). Large taxpayers (75.6%) who appreciated the service were significantly more than those in the medium category (53.2%) and small (45.3%). Those who regarded the service as poor constituted 7.1% (medium) and 5.1 % (small) while 24.3% (large), 39.6% (medium) and 49.6 % (small) were uninformed about the service.

(j) Issuance of tax stamps

Respondents in all the categories appreciated the service though in varying proportions. Large taxpayers constituted 78.3%, medium (69.5%) and small (66.2%). However, proportions of 2.6% (medium) and 2.9% (small) did not appreciate the service. Similarly, 21.6% (large), 27.9% (medium) and 30.9 % (small) are not cognisant of the service. Incidentally, those who did not appreciate the service are not familiar with the functioning of the service and therefore did not see its relevance.

(k) Tax arrears certificate

Regarding the service, 86.4% of large taxpayers; 59.7% (medium) and 48.2% (small) were generally appreciative while 5.1% (medium) and 5.7% (small) taxpayers were not satisfied with the service. Likewise, 13.5% large), 35.1% (medium) and 46 % (small) revealed that they were not acquainted with the service. Those who were not appreciative claimed that at times they go to RRA seeking for tax clearance only to be issued with a tax arrears certificate.

(l) Automatic VAT refund

In relation to the service, 75.6% (large) taxpayers; 47.3% (medium) and 44.6% (small) expressed appreciation of the service while 8.1% (large) ;16.8% (medium) and 9.4% (small) were not satisfied. Equally, 16.2% (large), 35.7% (medium) and 46 % (small) taxpayers affirmed that they were not cognisant of the service. Most of the taxpayers who expressed ignorance of the service claimed that they were not aware that their businesses required paying VAT. Ironically, this ignorance originates from the individual taxpayers inability to comprehend the law governing VAT.

(m) Non-automatic refund

Respondents were also asked how they perceived the effectiveness of the non-automatic refund service to which the responses are ranked as follows: 75.6% (large); 41.6% (medium) and 41% (small) taxpayers reported that they appreciate the service while 5.4% (large); 10.1% (medium) and 5% (small) revealed that the service was poor and therefore not effective. Nonetheless 18.9% (large); 48.1% (medium) and 54% (small) taxpayers had no idea about the service. This may be a result of either being ignorant of the service or their businesses did not oblige them to seek for the service. Generally, those who applauded the service are mainly big /multilateral companies. Incidentally, some respondents revealed that it is almost impossible to get VAT refund. Once they try to claim for a refund they are told that it is difficult to refund such money once deposited on national account.

(n) Privileged persons refund

In this regard, a proportion of large taxpayers equalling to 70.2%; (large), 30.1% (medium) and 39.6% (small) expressed appreciation of the service while small proportions of 5.4% of large taxpayers ; 11.7% of medium and 6.4% of small were not satisfied. Quite significant numbers of taxpayers were not acquainted with the service. In this respect 16.2% (large), 35.7% (medium) and 46 % (small) affirmed that they did not know.

(o) Installment payment of taxes

Payment of taxes in instalments was considered effective by 83.7% (large) taxpayers; 57.8% (medium) and 61.9% (small). On the contrary, 2.7% (large); 5.8% (medium) and 5% (small)

taxpayers expressed dissatisfaction of the service. Relatedly, 13.5% of large; 36.4% of medium and 33.1% of small taxpayers did not even know that the service exists.

(p) Appeal process

Regarding this service, proportions of 75.6% (large) ; 48.7% (medium) and 40.3% (small) rated the service as either satisfactory, good or excellent while 7.1% (medium) and 8.6% (small) taxpayers were not contented with the service as they considered it to be poor citing the duration as being too long and bureaucratic thus delaying delivery of the service. However, a significant number of respondents : 24.3% (large), 44.2% (medium) and 51.1% (small). were not cognisant of this service.

(q) Amicable settlement

In respect to settlement of tax complaints, the majority of the taxpayers sampled appreciated the way issues are handled. Consequently, 65.7% (large); 57.1% (medium) and 49.6% (small) taxpayers acknowledge the service. They intimated that the cordial way of resolving problems related to taxes promotes confidence and harmonious relations between taxpayers and RRA staff. However, 3.9% (medium) and 5.1% (small) taxpayers were dissatisfied with the service. Those who were dissatisfied claimed that the discontent arises from the fact that mostly RRA staff do not take into consideration taxpayers' ideas arguing that RRA considers taxpayers as dishonest. In the end, a taxpayer ends up being forced into submission.

TABLE 8: SUMMARY OF TAXPAYERS' APPRECIATION OF DOMESTIC TAX SERVICES

Services	Excellent	Good	Satisfactory	Satisfied	Poor	Very poor	Dissatisfied	Total
Tax payment	34.4	51.5	11.5	97.4	1.9	0.7	2.6	100
Issuance of tax stamps	27.2	44.9	24.6	96.7	2.5	0.8	3.3	100
Declaration and filing	35.1	48.1	11.9	95.1	3.9	1	4.9	100
Registration and de-registration	33.7	46.1	14.6	94.4	3.7	1.9	5.6	100
Issuance of "quitus fiscal"	29.1	37.8	27.5	94.4	4	1.6	5.6	100
Amicable settlement	35.9	38.5	19	93.4	4	2.6	6.6	100
Payment of taxes in installments	34.5	33.6	24.3	92.4	6.7	0.9	7.6	100
Tax arrears certificate	35.7	36.7	19.8	92.2	6.3	1.5	7.8	100
Motor vehicle registration	30.5	43.1	17.5	91.1	6.7	2.2	8.9	100
Processing of tax clearance certificate	28.7	34.8	27.5	91	4.9	4.1	9	100
Issuance of withholding certificate	29.3	39.8	21.5	90.6	6.8	2.6	9.4	100
VAT registration	27.6	46	14.4	88	10.3	1.7	12	100
Appeal process	35.2	33.5	18.7	87.4	10.4	2.2	12.6	100
Duplication of motor vehicle log book	27.4	34.5	23.9	85.8	11.3	2.9	14.2	100
Non-automatic refund	20.1	38.5	27	85.6	9.2	5.2	14.4	100
Motor vehicle transfer	29.2	34.3	19	82.5	14.9	2.6	17.5	100
Privileged persons refund	26.6	31	24	81.6	11.4	7	18.4	100
Automatic VAT refund	22.9	33.2	23.4	79.5	13.7	6.8	20.5	100

Source: Field Data, 2016

Summing up, taxpayers express their satisfaction on tax payment (97.4%), issuance of tax stamps (96.7%), declaration and filing (95.1%), registration and de-registration at (94.4%), issuance of quitus fiscal (94.4%), amicable settlement (93.4%), payment of taxes in installments (92.4%), tax arrears certificate (92.2%), motor vehicle registration (91.1%), Processing of tax clearance certificate (91%), issuance of withholding certificate (90.6%), VAT registration (88%), appeal process (87.4%), non-automatic refund (85.6%), duplication of motor vehicle log book (85.8%), motor vehicle transfer (82.5), privileged persons refund (81.6%), and automatic VAT refund (79.5%).

4.5.2. Respondents' appreciation of services related to Customs services

Services related to customs services include licensing of clearing agencies, licensing of warehouse operators, customs exemptions, direct delivery of goods without passing through warehouse, certificate of origin of goods, transshipment, pre-clearance of goods, issuance of transit regime and imports for domestic consumption. They also include motor vehicles entry cards, change of ownership of vehicles and change of destination of goods, exports, refund of caution fees, refund of excess payment, release of seized goods and use of Rwanda Electronic single window.

TABLE 9: TAXPAYERS' APPRECIATION OF CUSTOMS SERVICES

Services	Large taxpayers						Medium taxpayers						Small taxpayers					
	Very Poor	Poor	Satisfactory	Good	Excellent	No determined	Very Poor	Poor	Satisfactory	Good	Excellent	No determined	Very Poor	Poor	Satisfactory	Good	Excellent	No determined
Licensing of Clearing agencies	0	0	5.4	35.1	24.3	35.2	1.9	5.8	6.5	20.1	10.4	55.2	2.2	4.3	11.5	15.8	9.4	56.8
Licensing of warehouse operators	0	0	8.1	40.5	18.9	32.5	1.9	3.2	9.1	18.2	11	56.6	2.2	4.3	12.9	12.9	9.4	58.3
Customs exemptions	0	0	8.1	35.1	29.7	27.1	2.6	7.1	7.1	20.8	9.1	53.2	0	5.8	10.8	12.9	12.9	57.6
Direct delivery without going through warehouse	0	0	8.1	43.2	27	21.7	1.3	5.2	8.4	20.8	12.3	51.9	0	5	12.2	18.7	5	59
Certificate of origin	0	2.7	5.4	40.5	27	24.3	0.6	3.2	14.9	22.1	14.9	44.2	0	9.4	11.5	16.5	12.2	50.4
Transshipment	2.7	0	8.1	35.1	27	27.1	0.6	3.9	11.7	17.5	15.6	50.7	2.9	5.8	10.8	19.4	8.6	52.5
Pre-clearance	0	5.4	5.4	29.7	29.7	29.8	0	5.2	15.6	21.4	13	44.8	0	5	12.2	18.7	16.5	47.5
Issuance of transit regime	0	0	8.1	27	32.4	32.5	0.6	4.5	19.5	23.4	15.6	36.4	0	5.8	13.7	20.1	15.8	44.6
Imports for domestic consumption	0	0	8.1	32.4	29.7	29.8	1.3	3.9	19.5	20.8	17.5	37	0	7.2	11.5	19.4	18.7	43.2
Motor vehicles entry cards	0	0	2.7	37.8	32.4	27.1	1.3	3.9	15.6	27.3	15.6	36.3	0	8.6	15.1	18	18	40.3
Change of ownership	2.7	0	5.4	29.7	35.1	27.1	1.3	3.9	14.3	21.4	15.6	43.5	0	8.6	7.9	19.4	22.3	41.8
Change of Exports	0	0	2.7	37.8	27	32.5	1.3	3.9	12.3	17.5	15.6	49.4	1.4	6.5	10.8	13.7	11.5	56.1
Refund of caution money	2.7	5.4	2.7	35.1	27	27.1	4.5	10.4	11	17.5	9.1	47.5	2.2	7.9	8.6	15.8	16.5	49
Refund of excess payment	2.7	5.4	2.7	29.7	21.6	37.8	6.5	11.7	13.6	20.8	9.7	37.7	3.6	10.8	9.4	18.7	12.2	45.3
Release of seized goods	0	2.7	2.7	27	40.5	27.1	1.9	1.9	16.9	21.4	13	44.9	1.4	5.8	15.1	17.3	12.2	48.2
Use of Rwanda Electronic single window	0	0	0	35.1	45.9	19	1.3	1.3	10.4	31.8	18.2	37	0	5	14.4	27.3	22.3	31

Source: Field Data, 2016

(a) Respondents' appreciation of Licensing of clearing agencies

When respondents were asked if they appreciated licensing of clearing agencies, 64.9% (large), 37% (medium) and 36.7% (small) reported that licensing of clearing agencies was effective. However, 7.7% (medium) and 6.5% (small) reported that licensing of clearing agencies was not effective. Among the respondents were those whose stand could not be determined, as they feigned ignorance of the service. These were 35.2% (large), 55.2% (medium) and 56.8% (small). Besides ignorance, some of them claimed that they did not bother to know about the service as it was not deemed necessary for their businesses. Impliedly, they only seek services which directly concern their businesses.

(b) Respondents' appreciation of licensing of warehouse operators

Regarding licensing of warehouse operators, proportions of 67.5% (large taxpayers), 38.2% (medium) and 35.2% (small) revealed that they were satisfied with while 5.1% (medium), 6.5% (small) reported that they were dissatisfied with the service. The remaining respondents in the proportions of 32.5% (large), 56.6 (medium) and 58.3% (small) taxpayers were non-committal to comment of the service. Most of the non-determined respondents argued that they saw no essence in going for a service that they did not need.

(c) Respondents' appreciation of customs exemptions

In this survey, 77.9% (large), 37% (medium) and 36.6% (small) were satisfied with customs exemptions. Conversely, 9.7% (medium) and 5.8% (small) were dissatisfied with the above survey. Other respondents who were neutral constituted 27.1% (large), 53.2% (medium) and 57.6% (small).

(d) Respondents' appreciation of direct delivery of goods without passing through warehouse

As indicated in table 9, respondents reported the extent to which they appreciated direct delivery of goods without passing through warehouse. On this issue, 78.3% (large), 41.5% (medium) and 35.9% (small) reported that they were satisfied with the service. Nevertheless, 21.7% (large), 51.9% (medium) and 59% (small) could not comment on the service. Respondents who were not satisfied with the service constituted 6.5% (medium) and 5% (small).

(e) Respondents' appreciation on licensing of Certificate of origin

When respondents were asked whether they appreciated the licensing of certificate of origin of goods offered by RRA, respondents appreciated in different ways. In this respect, 72.9% (large), 51.9% (medium) and 40.2% (small) expressed their satisfaction about the service. Conversely, proportions of 2.7% (large), 3.8% (medium) and 9.4% (small) expressed dissatisfaction of the service. Also, non determined respondents included 24.3% (large), medium (44.2%) and 50.4% (small) taxpayers.

(f) Respondents' appreciation of transshipment

Respondents were asked the extent to which they appreciated transshipment. Among those respondents, 70.2% (large), 44.8% (medium) and 38.8% (small) reported that they appreciated transshipment whereas 2.7% (large), 4.5% (medium) and 8.7% (small) expressed dissatisfaction about transshipment. Non-determined respondents constituted 27.1% (large), 50.7% (medium) and 52.5% (small) taxpayers.

(g) Respondents' appreciation on Pre-clearance of goods

Table 9 indicates that 64.8% (large), 50% (medium) and 47.4% (small) revealed that they were satisfied with the service while 5.4% (large), 5.2% (medium) and 5% (small) taxpayers were not. Additionally, non-determined taxpayers were 29.8 % (large), 44.8% (medium) and 47.5% (small) taxpayers. Respondents further revealed that their appreciation emanated from the fact that the goods do not have to wait at border points since taxes are cleared in advance.

(h) Respondents' appreciation on issuance of transit regime

Table 9 illustrates that 67.5% (large), 58.5% (medium) and 49.6% (small) expressed their satisfactions on issuance of transit regime. Respondents who were not satisfied include 5.1% (medium), 5.8% (small) while 32.5% (large), 36.4% (medium) and 43.2% (small) did not have the slightest idea to comment on the service.

(i) Respondents' appreciation on imports for domestic consumption

In this survey, respondents were asked to rate their appreciation of imports for domestic consumption. On this point, 70.2% (large), 57.8% (medium) and 49.6% (small) reported that

they were satisfied with the service. Nevertheless, 5.2% (medium) and 7.2% (small) were not satisfied while 29.8% (large), 37% (medium), 47.2% (small) were not determined.

(j) Respondents' appreciation on motor vehicles entry cards

As table 9 indicates, 72.9% (large), 58.5% (medium), 51.1% (small) reported that they were satisfied with the service while 5.2% (medium) and 8.6% (small) were not satisfied. Proportions of respondents constituting 27.1% (large), 36.3% (medium) and 40.3% (small) taxpayers were neutral during the survey.

(k) Respondents' appreciation on Change of vehicles' ownership

Respondents' appreciation on change of vehicles' ownership is presented in table 9. On this point, 70.2% (large), 51.3% (medium), 49.6% (small) reported they appreciated the service while 2.7% (large), 5.2% (medium) and 8.6% (small) were not satisfied. Other respondents in the three categories remained silent on the issue, thus 27.1% (large), 43.5% (medium) and 41.8% (small) taxpayers.

(l) Respondents' appreciation on change of destination of goods

When respondents were asked the extent to which they appreciate change of destination of goods, 67.5% (large), 45.4% (medium) and 36% (small) taxpayers reported that they were satisfied with the service. Conversely, 5.2% (medium), 7.9% (small) taxpayers did not appreciate change of destination of goods. The non-determined taxpayers were 32.5% (large), 49.4% (medium) and 56.1% (small) taxpayers.

(m) Respondents' appreciation of exports

In fact, 70.2% (large), 47.3% (medium) and 46% (small) revealed that they were satisfied with export services whereas 9.7% (medium) and 7.2% (small) were not satisfied with the service. The non-determined respondents were 29.3% (large), 43 % (medium) 46.8% (small) taxpayers.

(n) Respondents' appreciation on Refund of caution fees

When respondents were asked the extent to which they appreciated refund of caution fees, 64.8% (large), 37.6% (medium) and 40.9% (small) taxpayers expressed satisfaction on refund of

caution fees. Nevertheless, 8.1% (large), 14.9% (medium), 10.1% (small) confirmed that they did not appreciate refund of caution fees. Other respondents 27.1% (large), 47.5% (medium) and 49% (small) taxpayers could not be determined.

(o) Respondents' appreciation on refund of excess payment

In this survey, 54.1% (large), 44.1% (medium) and 40.3% (small) taxpayers were satisfied with refund of excess payment while 8.1% (large), 18.2% (medium) and 14.4% (small) taxpayers expressed dissatisfaction. Non-determined taxpayers were 37.8% (large), 37.7% (medium) and 45.3% (small) taxpayers. Indeed, there are some respondents who appreciated refund of excess payment. However, the number of respondents did not appreciate refund of excess payment. During the FGDs and interviews, taxpayers reported that RRA does not refund excess payment easily. According to them, refund of excess payment is difficult since it is a time consuming process. Therefore, RRA authority should undertake sensitization campaign on refund of excess payment and how it is done so that taxpayers cannot become victims due to the lack of information.

(p) Respondents' appreciation on release of seized goods

In regard to release of seized goods, 70.2% (large), 51.3% (medium) and 44.6% (small) taxpayers expressed satisfaction the way the service is provided whereas 2.7% (large), 3.8% (medium) and 7.2% (small) were not satisfied at all. The remaining 27.1% (large), 14.9% (medium) and 14.2% (small) taxpayer respondents were non-committal to comment on the service delivery.

(q) Respondents' appreciation on the use of Rwanda Electronic Single window

As Table 9 depicts, 81% (large), 60.4% (medium) and 64% (small) taxpayers confirmed that they were satisfied while 2.6% (medium), 5% (small) expressed dissatisfaction. On the other hand, proportions of 19% (large), 37% (medium) and 31% (small) were not appreciative of the service.

TABLE 10: SUMMARY OF TAXPAYERS' APPRECIATION OF CUSTOMS SERVICES

Services	Excellent	Good	Satisfactory	Satisfaction	Poor	very poor	Dissatisfaction	Total %
Rwanda Electronic Single window	34.1	44.8	16.1	95	4.1	0.9	5	100
Issuance of transit regime	29	37	26	92	7.5	0.5	8	100
Imports for domestic consumption	31.7	35.1	24.3	91.1	7.9	1	8.9	100
Release of seized goods	28.3	36.4	26.1	90.8	6.5	2.7	9.2	100
Motor vehicles entry cards	29.3	38.9	22.1	90.3	8.7	1	9.7	100
Direct delivery of goods without passing through warehouse	22.5	46.2	20.6	89.3	9.4	1.3	10.7	100
Change of vehicles' ownership	34.9	36.4	17.9	89.2	9.2	1.6	10.8	100
Licensing of Certificate of origin	27.3	39.3	22.4	89	10.4	0.6	11	100
Licensing of warehouse operators	24.7	40.7	23.3	88.7	7.3	4	11.3	100
Change of destination of goods	30.5	36.6	21.3	88.4	9.2	2.4	11.6	100
Transshipment	27.2	39.6	21.3	88.1	8.3	3.6	11.9	100
Exports	28.2	38.3	20.2	86.7	11.2	2.1	13.3	100
Licensing of clearing agencies	24.8	43.2	18.3	86.3	9.8	3.9	13.7	100
Customs exemptions	27.2	39.9	18.4	85.5	12	2.5	14.5	100
Refund of caution fees	26.3	34.6	16.8	77.7	16.2	6.1	22.3	100
Pre-clearance of goods	20	23.5	30.4	73.9	18.7	7.4	26.1	100
Refund of excess payment	20.5	35.4	17.9	73.8	17.9	8.3	26.2	100

Source: Field data, 2016

In general, taxpayers appreciate customers services as follows: Rwanda Electronic Single window (95 %), issuance of transit regime (92%), imports for domestic consumption (91.1%), Release of seized goods (90.8 %), motor vehicles entry cards (90.3%), direct delivery of goods without passing through warehouse (89.3%), licensing of warehouse operators (88.7), licensing of clearing agencies (86.3%), customs exemptions (85.5%), issuance of Certificate of origin (89%), Change of vehicles' ownership (89.2%), Change of destination of goods (88.4%), Transshipment (88.1%), Exports (86.7 %), Refund of caution fees (77.7%), Pre-clearance of goods (73.9 %), Refund of excess payment (73.8%),

4.5.3. RESPONDENTS' APPRECIATION OF OTHER SERVICES PROVIDED BY RRA

Table11 presents findings related to respondents' appreciation of other services provided by RRA. The services include provision of bidding document, notification of tender awards, appeal in case of dissatisfaction for tender decision, invoice payment, requesting for data and other statistical information, and payment of informant fees.

TABLE 11: RESPONDENTS' APPRECIATION OF OTHER SERVICES PROVIDED BY RRA

Services	Large taxpayers						Medium taxpayers						Small taxpayers					
	Very Poor	Poor	Satisfactory	Good	Excellent	No determined	Very Poor	Poor	Satisfactory	Good	Excellent	No determined	Very Poor	Poor	Satisfactory	Good	Excellent	No determined
Getting bidding document	0	0	2.7	29.7	35.1	32.5	0.6	0.6	13.6	21.4	13	50.6	0	3.6	12.9	23	13.7	46.8
Notification for tender award	0	0	0	32.4	37.8	29.8	1.3	1.3	14.3	18.8	16.9	47.4	0	3.6	14.4	20.2	15.8	46
Appeal in case of unsatisfaction for tender decision	0	0	5.4	32.4	35.1	27.1	1.9	2.6	16.2	14.9	14.9	49.4	0	5.8	12.9	24.5	11.5	45.3
Payment of invoices	0	0	5.4	29.7	37.8	27.1	0	0	14.9	29.9	19.5	35.7	1.4	1.4	7.2	31.7	21.6	36.7
Request for data and other statistic information	0	0	10.8	29.7	32.4	27.1	0	8.4	9.7	19.5	13	49.4	0	4.3	11.5	15.8	15.9	52.5
Internship and research placements	0	0	5.4	43.2	18.9	32.4	.3.7	2.2	9.7	20.8	13.6	50	0	7.9	10.8	16.5	10.1	54.7
Payment of informant fees	0	0	5.4	35.1	32.4	27.1	1.9	5.8	9.7	20.1	12.3	50	0.7	7.9	7.9	18	14.4	44.9
Job placement feedback	0	0	5.4	32.4	27	35.2	0.6	5.2	11	19.5	14.3	49.4	0	5	10.1	22.3	10.1	52.5

Source: Field Data, 2016

a) Appreciation of provision of the bidding document

In this survey, respondents were asked to rate effectiveness of service delivery of some services. One of the services is how getting bidding document. On this issue, Table 11 indicates that 67.5% (large), 48% (medium) and 49.6% (small) expressed satisfaction on how to get bidding document while 12% (medium) and 3.6% (small) reported that they were not satisfied. On the other hand, 32.5% (large), 50.6% (medium) and 46.8% (small) could not comment on the effectiveness of the service simply because they did not know it. Those who volunteered to say something about the service were actually those who in one way or another had sought the service. Interestingly, large taxpayers formed the majority of respondents who appreciated the service.

b) Appreciation of notification for tender award

When taxpayers were asked whether notification for tender award was effective, 70.2% (large), 50% (medium) and 50.4% (small) responded in affirmative while 2.6% (medium) and 3.6% (small) responded in negative. Similarly, 29.8% (large), 47.4% (medium) and 46% (small) taxpayers were non-committal.

d) Appreciation of appeal in case of dissatisfaction for tender decision

Further still, effectiveness of appeal in case of dissatisfaction for tender decision was assessed. In this respect, 72.9% (large), 46% (medium) and 48.5% (small) expressed appreciation of the appeal whereas 4.5% (medium) and 5.8% (small) reported that they did not appreciate it. On the same issue, 27.1% (large), 49.4% (medium) and 45.3% (small) were neutral. Going by the statistical presentation, it is evident that the service was mainly appreciated by the large taxpayers compared to the medium and small.

e) Appreciation of invoice payment

When taxpayer respondents were asked whether invoice payment was effective, 72.9% (large), 64.3% (medium) and 60.5% (small) reported that invoice payment was effective while only 2.8% (small) taxpayers reported that it was not effective. Additionally, 27.1% (large), 35.7% (medium) and 36.7% (small) taxpayers reported that they did not know whether invoice payment was effective. Thus, as indicated in Table 11, the majority of large taxpayers were more satisfied with invoice payment than medium and small taxpayers.

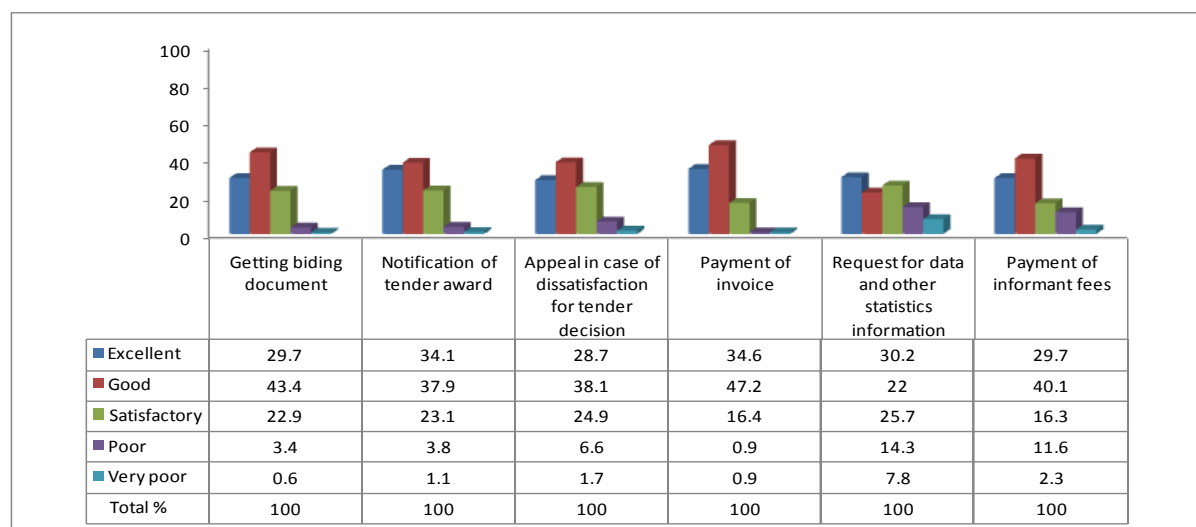
f) Appreciation of Request for data and other statistic information

Table11 indicates that 72.9% (large), 42.2% (medium) and 43.2% (small) taxpayers appreciated request for data and other statistical information. However, 8.4% (medium) and 4.3% (small) reported that they did not appreciate request for data and other statistic information. Taxpayers who reported that they did not know whether request for data and other statistical information was effective are 27.1% (large), 49.4% (medium) and 52.5% (small). Indeed, the majority of large taxpayers appreciate request for data and other statistical information as compared to the category of medium and small taxpayers.

h) Taxpayers' appreciation on payment of informant fees

As depicted in Table11, respondents expressed their appreciation on payment of informant fees. In this context, 72.9% (large), 42.1 % (medium) and 40.2% (small) taxpayers reported that payment of informant fees was effective. Conversely, 7.7% (medium), 14.9% (small) taxpayers reported that it was not effective. Taxpayers who did not know anything about effectiveness of payment of informant fees are 27.1% (large), 50% (medium) and 44.9% (small) taxpayers.

FIGURE 12: SUMMARY OF APPRECIATION ON OTHER SERVICES PROVIDED BY RRA



Source: Field Data, 2016

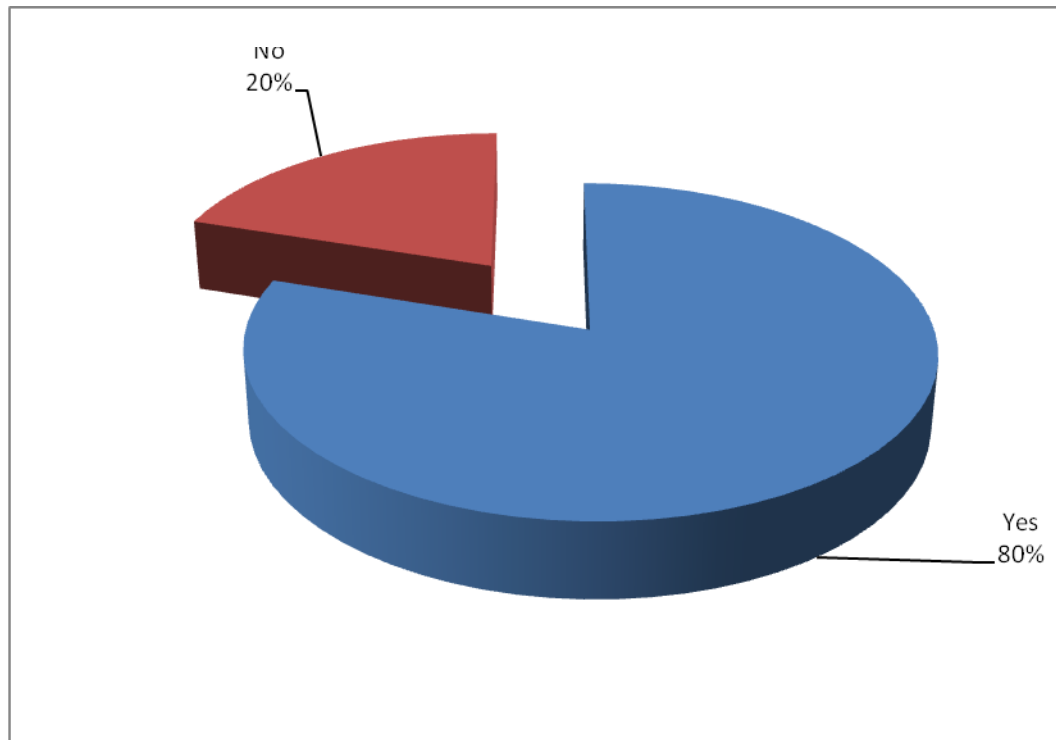
Summing up, taxpayers appreciated other services as follows: payment of invoice (98.2%), getting bidding document (96%), notification of tender awards (95.1%), appeal in case of dissatisfaction for tender decision (91.7%), payment of informant fees (86.1%) and request for data and other statistical information (77.9%).

4.5.4. DELAY TO OBTAIN RRA SERVICES

(a) Delay faced by taxpayers while getting services from RRA

Figure 13 below illustrates taxpayers' delay in getting services from RRA.

FIGURE 13: TAXPAYERS' DELAY IN GETTING SERVICES FROM RRA



Source: Field Data, 2016

The survey also probed whether or not respondents have experienced delays in obtaining services from RRA. Results in Figure 13 indicate that the institution (RRA) has done a lot in ensuring that services are delivered expeditiously as 80% of respondents intimated that they have not suffered delays while seeking tax related services from RRA. The perceived high rate of expeditious service delivery was attributed to the fact that most of the services from RRA are IT based such that one can access the service(s) with ease; even without going to RRA offices. Contrary, 20% of respondents asserted that they experienced a delay while requesting for service from RRA mainly for tax payment and administrative documents like tax clearance certificate.

(a) Causes of delay

In order to speed up service delivery at RRA offices, it is imperative that the cause(s) of delay are identified. During the survey, a number of reasons was given by both taxpayers and the staff of RRA. These reasons included:

- lack of network at RRA offices;
- congestion during the deadline;
- delaying in getting tax clearance certificate;
- lack of immediate collaboration among RRA employees;

First, taxpayers reported that they delayed paying taxes due to the lack of network connection at RRA offices. On this point, participants reported that the internet network outage was rampant especially in upcountry offices. When the internet connection is not available, the process of tax payment stops until the network is back. According to taxpayers, the situation at times goes on for days and this denies the taxpayer(s) meeting the deadline; hence the unnecessary penalties. As a common practice, taxpayers who do not meet the stipulated deadline of paying taxes are penalised.

Secondly, there is a tendency of taxpayers to wait until the deadline to pay the taxes. This creates congestion and long queues at the paying centres thus delays in getting the services from RRA. During interviews, participants reported that the majority of taxpayers want to pay when the deadline is almost over. At deadline, RRA staff also revealed that they face it rough in that sometimes it is at this time that taxpayers remember certain requirements when it is too late. It was pointed out that when taxpayers fail to get a service they get frustrated yet such a scenario could be avoided. In retrospect, it is mostly the taxpayers who fail to meet the deadlines that do not appreciate certain services.

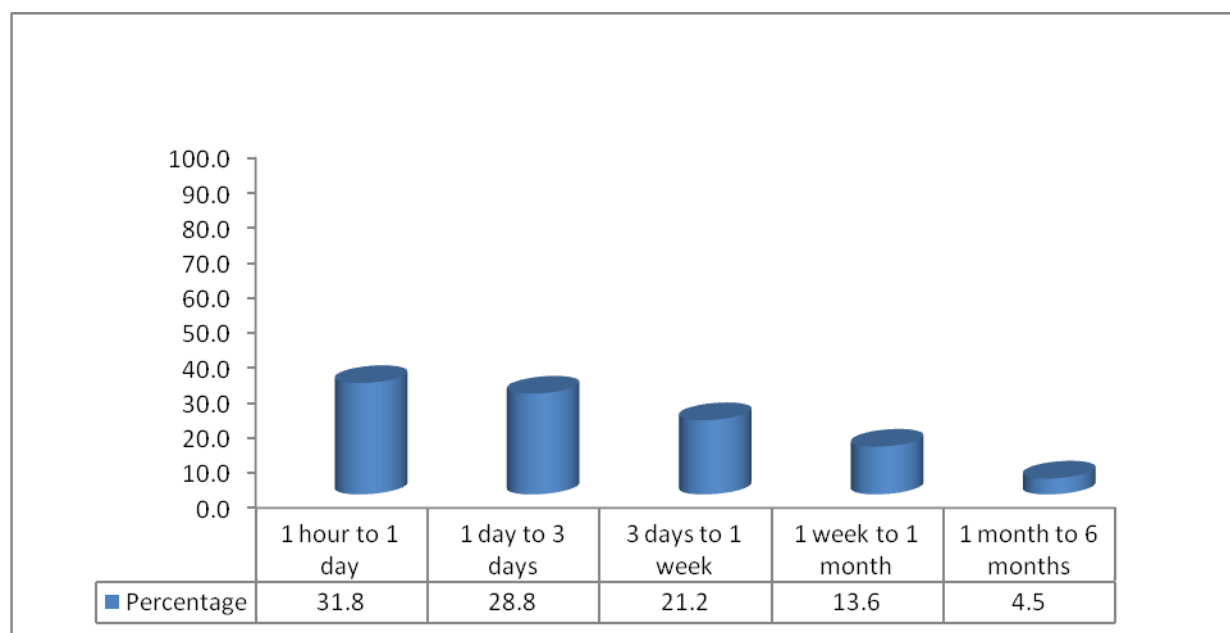
Thirdly, professional negligence by RRA staff by not regularly verifying those who pay online leads to delay in providing certain services. Taxpayers cited an example of common delays in obtaining tax clearance certificate on time. Whereas issuance of tax clearance certificate is expected to be processed and posted on the RRA website within three days, this is not respected. In an interview with taxpayers, it was revealed RRA staff post the certificate immediately when

an individual taxpayer visits their offices to complain about the delay. When this certificate is not provided on time, taxpayers delay getting other services connected to RRA as well.

Lack of communication between RRA employees is also a cause of delay in getting services from RRA. For instance, some respondents reported that at times when they needed services from RRA employees at sector level and they are told to wait until they consult the RRA Headquarters for guidance and clarification. Incidentally, the headquarters does not respond in time which may lead to delay in fulfilling the taxpayer's obligation which in turn may lead to penalties.

(b) Time of delay

FIGURE 14: TIME OF DELAY



Source: Field Data, 2016

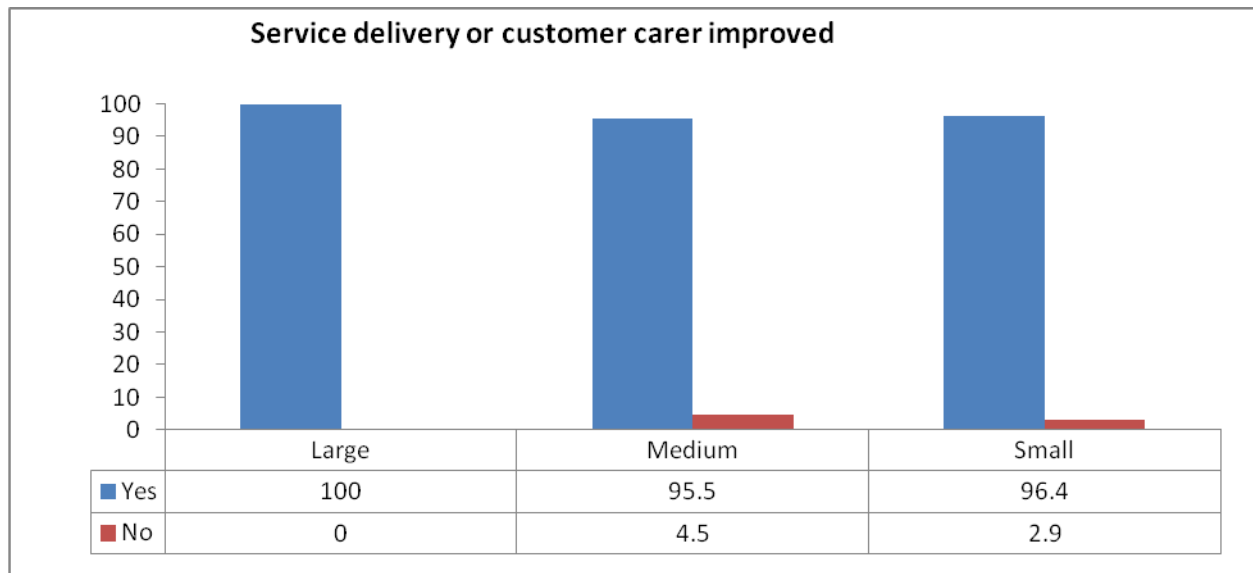
The majority of those who experienced delays indicated that delays ranged from 1 hour to 1 day (31%), 1 to 3 days (29%) and 3 days to 1 week (21%). It is important however, to view these delays from the perspective of RRA commitments made in their service charter for delivery periods in respect to specific services in order not to make taxpayers harbor unrealistic service delivery timelines or unfairly blame RRA staff for delayed service delivery.

4.6. LEVEL OF CUSTOMERS SATISFACTION ON RRA SERVICES

4.6.1. IMPROVEMENT IN THE SERVICE OFFERED BY RRA

From its existence in 1997, RRA is responsible for collecting taxes from taxpayers. In this regard, it is now interested in getting views on improvements of services delivered to customers.

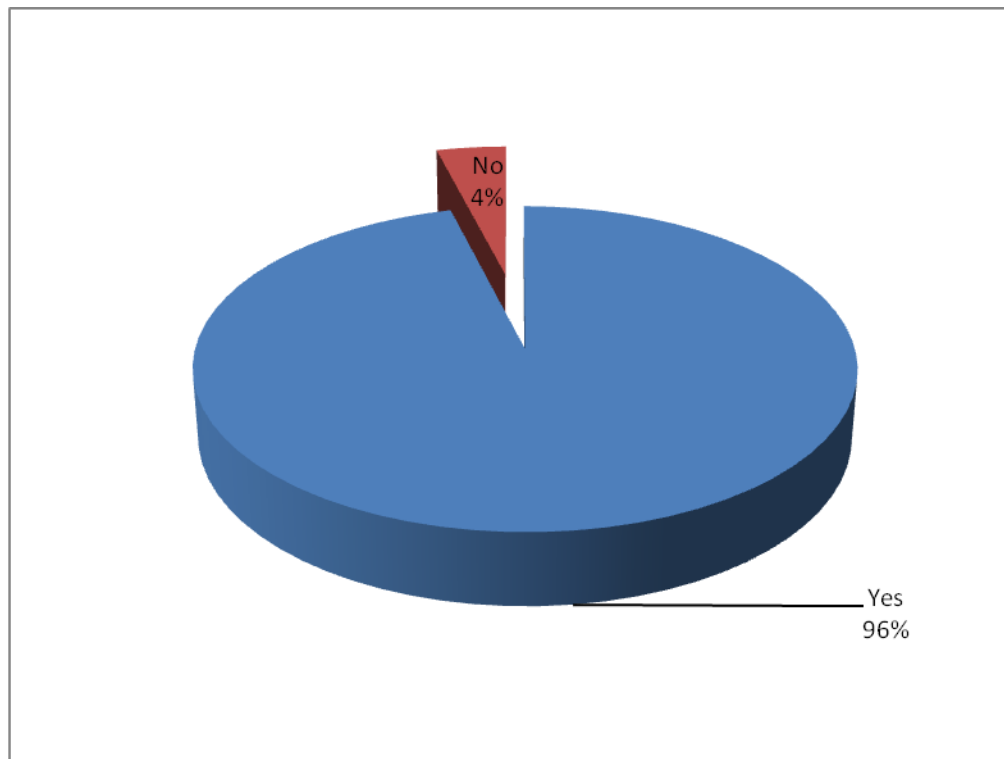
FIGURE 15: IMPROVEMENT IN RRA SERVICE DELIVERY



Source: Field Data, 2016

This survey investigated improvement in service delivery and results show that 100% of large taxpayers asserted RRA has improved service delivery. Additionally, medium taxpayers (95.5%) and small taxpayers (96.4%) reported that RRA has dramatically improved its services. In this respect, taxpayers reported that online service is one of the most appreciated services because it is not time consuming.

FIGURE 16: SUMMARY OF IMPROVEMENT IN RRA SERVICE DELIVERY



Source: Field Data, 2016

RRA is committed to ensuring that it does not only keep its promise for quality service delivery but have it improved over time. The study was therefore, interested in establishing customer perceptions on service improvement over time. Results show that 96% of the respondents believe that there has been improvement in the quality of RRA services. Generally, taxpayers asserted that RRA has improved services particularly by introducing new technology.

4.6.2. PERCEPTIONS OF TAXPAYERS ON RRA EMPLOYEES IN SERVING CUSTOMERS

This section discusses the rating of RRA employees in serving taxpayers particularly regarding the sufficiency of staff, the convenience of working hours, the courtesy they exhibit while dispensing services to taxpayers, their commitment to keeping customers informed when services will be performed, their commitment and ability to perform services right the first time, their capacity to handle customer's needs, their commitment and ability to make customers feel safe in their transactions, their commitment and ability dispense services as promised, their

reliability and sincerity while dealing with customers, their competence to handle customers complaints and their willing to help customers.

TABLE 12: RATING OF CUSTOMER PERCEPTIONS ABOUT STAFF SERVICE TO CUSTOMERS

Statement	Excellent	Good	Satisfactory	Satisfied	Poor	Very Poor	Dissatisfied
Number of RRA employees is sufficient for providing an effective service	29.1	41.8	23.9	94.8	3.3	1.9	5.2
RRA Office working hours are conducive	35.5	44.5	13.6	93.6	5.2	1.2	6.4
RRA employees handle customers' problems courteously	33	37.9	21.8	92.7	3.9	3.4	7.3
RRA employees make customers feel safe in their transactions	23.2	45.8	23.6	92.6	4.9	2.5	7.4
RRA employees perform services right the first time	25.7	42.5	23.9	92.1	5.5	2.4	7.9
RRA employees are reliable and sincere when dealing with customers	25.2	44.3	22.2	91.7	5.8	2.5	8.3
RRA employees have the capacity to satisfy customers' needs	30.4	43.8	17.4	91.6	7.1	1.3	8.4
RRA employees provide services as promised	24.4	44.4	22.8	91.6	4.6	3.8	8.4
RRA employees competently handle customers complaints	21.6	42.6	27.2	91.4	6.2	2.4	8.6
RRA employees are always willing to help customers	27.9	45.2	18	91.1	6.4	2.5	8.9
RRA employees keep customers informed when services will be performed	27.3	37.3	23	87.6	6.8	5.6	12.4

Source: Field Data, 2016

Results presented in Table 12 indicate that at least 70% of the respondents rate as good or excellent the sufficiency of staff numbers (71%), conduciveness of working hours (80%), staff courteousness towards customers (71%), capacity to handle customer needs (74%) reliability and sincerity towards customers (70%) as well as staff willingness to assist taxpayers (73%). The most poorly rated was staff competency in handling customer complaints more than one quarter of the respondents (27%) rated as satisfactory.

TABLE 13: RATING OF STAFF COMMITMENT TO SERVING CUSTOMERS

Services	Large taxpayers						Medium taxpayers						Small taxpayers					
	Very Poor	Poor	Satisfactory	Good	Excellent	No determined	Very Poor	Poor	Satisfactory	Good	Excellent	No determined	Very Poor	Poor	Satisfactory	Good	Excellent	No determined
Reception desk	0	2.7	5.4	51.4	40.5	0	1.9	5.2	12.3	55.8	24	0.6	0.7	5	15.1	43.9	32.4	2.9
Registration desk	0	2.7	8.1	51.4	37.8	0	5.2	4.5	16.2	57.1	14.9	1.9	2.9	5	14.4	47.5	25.2	5
Availability of forms supplied by RRA	0	0	5.4	54.1	40.5	0	3.9	7.8	13	44.2	29.2	1.9	0.7	7.2	15.8	38.1	33.1	5
Assessment of tax by authorities in time	5.4	5.4	5.4	43.2	37.8	2.7	5.8	9.1	21.4	44.8	16.9	1.9	1.4	7.9	18.7	41.7	22.3	7.9
Issue of tax clearance certificate	2.7	2.7	2.7	48.6	43.2	0	5.2	8.4	24	40.3	18.2	3.9	5.8	7.2	18	34.5	20.1	14.4
Issue of tax exemption certificate	2.8	8.3	2.8	55.6	19.4	11.1	9.1	11	28.6	23.4	16.9	11	7.2	16.5	16.5	22.3	14.4	23
Refunds within the stipulated time	2.7	8.1	13.5	45.9	18.9	10.8	9.7	23.4	17.5	24.7	13.6	11	7.2	14.4	17.3	26.6	12.9	21.6
Release of imported goods from customs	2.7	2.7	10.8	48.6	21.6	13.5	5.8	9.7	25.3	26	16.2	16.9	4.3	5	17.3	23	19.4	30.9
Procurement services	2.7	2.7	10.8	40.5	32.4	10.8	7.8	13.6	23.4	26.6	14.9	13.6	2.9	12.2	18	25.9	19.4	21.6
Sensitization of taxpayers through tax education	0	10.8	13.5	40.5	29.7	5.4	5.2	13.6	24	33.8	18.2	5.2	3.6	10.8	18.7	28.8	30.9	7.2
Redressal of customer grievances	2.7	2.7	8.1	54.1	29.7	2.7	9.7	5.2	17.5	40.3	18.8	8.4	2.9	3.6	20.1	42.4	27.3	3.6
Customs and border posts related services	2.7	5.4	2.7	45.9	24.3	18.9	7.8	7.1	22.7	29.2	16.2	16.9	7.2	5	20.9	22.3	12.9	31.7

Source: Field Data, 2016

The survey further assessed the level of taxpayers' satisfaction with various RRA services offered by RRA including at the reception desk, registration desk, availability of forms supplied by RRA, timely tax assessment, issuance of tax clearance certificates, issuance of tax exemptions, and refunds within the stipulated time. It also assessed release of imported goods from customs, procurement services, sensitization of taxpayers through tax education, redressing customer grievances as well as customs and border related services. In this baseline respondents who reported excellent, good and satisfied were judged as taxpayers who were satisfied with services offered by RRA while those who reported poor and very poor were dissatisfied with services rendered by RRA.

a) Taxpayers' appreciation of RRA services at reception desk

Table13 illustrates that 97.3% (large taxpayers), 92.1% (medium) and 91.4% (small) taxpayers reported that they appreciate services offered by RRA at reception desk. Nevertheless, among taxpayers, 2.7% (large), 7.1% (medium) and 5.7% (small) reported that they were dissatisfied with RRA services at reception desk. Insignificant proportions of 2.9% (small) and 0.6% (medium) taxpayers expressed dissatisfaction with the reception desk.

b) Taxpayers satisfaction at registration desk

When respondents were asked if they were satisfied with RRA services at registration desk, 97.3% (large), 88.2 (medium) and 87.1% (small) reported that they were satisfied while 2.7% (large), 9.7% (medium) and 7.9% (small) taxpayers confirmed that they were dissatisfied with services offered by RRA at registration desk.

c) Taxpayers' satisfaction on availability of forms supplied by RRA

Table13 indicates that 100% (large), 86.4% (medium) and 87.1% (small) reported that they were satisfied with the availability of forms supplied by RRA. Conversely, 11.7% (medium) and 7.9% (small) taxpayers reported that they were dissatisfied. During interviews, some taxpayers reported that they were not satisfied with some forms supplied by RRA due to the fact that even those available are not used simply because they are not well understood. They complained that the forms are written in English while there are some taxpayers who do not understand the language.

d) Taxpayers' satisfaction on timely assessment of taxes

Table13 indicates that 86.5% (large), 83.1% (medium) and 82.7% (small) taxpayers were satisfied with assessment of taxes on time whereas 10.8% (large), 14.9% (medium) and 9.4% (small) were not satisfied with assessment of taxes on time by RRA.

e) Taxpayers' satisfaction on issuance of tax clearance certificate

When respondents were asked if they were satisfied with issuance of tax clearance certificate, 94.6% (large), 82.5% (medium) and 72.7% (small) reported that they were satisfied. Nevertheless, 5.4% (large), 13.6% (medium) and 12.9% (small) reported that they were dissatisfied with issuance of clearance certificate.

f) Taxpayers' satisfaction on issuance of tax exemption certificate

As Table13 indicates it, 77.8% (large), 68.8% (medium) and 53.2% (small) taxpayers confirmed that they were satisfied with the issuance of tax exemption certificate. Conversely, 11.1% (large), 20.1% (medium) and 23.7% (small) confirmed that they were not satisfied with issuance of tax exemption certificate.

g) Taxpayers' satisfaction on refund within the stipulated time

Table13 indicates that 78.4% (large), 55.8% (medium) and 56.8% (small) taxpayers revealed that they were satisfied with refund within the stipulated time while 10.8% (large), 33.1% (medium), 21.6% (small) expressed dissatisfaction on refund within the stipulated time.

h) Taxpayers satisfaction on release of imported goods from customs

When respondents were asked if they were satisfied with release of imported goods from customs, 81.1% (large), 67.5% (medium) and 59.7% (small) taxpayers reported that they were satisfied with release of imported goods from customs. However, 5.4% (large), 15.6% (medium), and 9.4% (small) taxpayers expressed dissatisfaction about release of imported goods from customs. The remaining taxpayers did not provide any information concerning their level of satisfaction. A proportion of 30.9% (small) taxpayers were non-committal as they claimed their businesses did not require services from customs at the border.

i) Taxpayers' satisfaction on procurement services

As Table 13 indicates, 83.8% (large), 64.9% (medium), 63.3% (small) taxpayers were satisfied with procurement services while 5.4% (large), 21.4% (medium), and 15.1% (small) taxpayers reported that they were not satisfied with procurement services. As it is indicated in Table13, the remaining taxpayers did not provide any information related to their satisfaction on procurement services rendered by RRA.

j) Taxpayers' satisfaction on sensitization through tax education

In this survey, 83.8% (large), 76% (medium), 78.4% (small) taxpayers were satisfied whereas 10.8% (large), 18.8% (medium) and 14.4% (small) taxpayers reported that they were dissatisfied with sensitization through tax education. As it is indicated in Table13, the remaining taxpayers were neutral and did not provide any information about their level of satisfaction on sensitization through tax education.

k) Taxpayers' satisfaction on RRA in redressing grievances

Concerning taxpayers' satisfaction on RRA in redressing of grievances, 91.9% (large), 76.6% (medium), 89.9% (small) were satisfied whereas 5.4% (large), 14.9% (medium) and 6.5% (small) reported that they were not satisfied. Interestingly, such taxpayers intimated that they had never experienced situations which required intervention of RRA.

l) Taxpayers' satisfaction on customs and border post related services

As Table13 indicates, 73% (large), 68.2% (medium), 56.1% (small) were satisfied while 8.1% (large), 14.9% (medium) and 12.2% (small) taxpayers reported that they were dissatisfied with customs and border post related services. Additionally, among taxpayers who did not provide any information, there are small taxpayers (31.7%) because they do not request for services at customs and at the border.

TABLE 14: SUMMARY OF RATING OF STAFF COMMITMENT IN SERVING CUSTOMERS

RRA services	Excellent	Good	Satisfactory	Satisfied	Poor	Very Poor	Dissatisfied
Reception desk	29.8	51.1	12.9	93.8	4.9	1.3	6.2
Registration desk	22.5	54.1	15	91.6	4.7	3.7	8.4
Availability of forms supplied by RRA	33.1	44.1	13.8	91	6.9	2.1	9
Redress of customer grievances	25.1	45.3	18.6	89	4.5	6.5	11
Assessment of tax by authorities in time	22.5	45.4	19.4	87.3	8.6	4.1	12.7
Issue of tax clearance certificate	23.7	42.1	20.7	86.5	7.9	5.6	13.5
Release of imported goods from customs	23.3	35.2	26.2	84.7	9	6.3	15.3
Customs and border posts related services	20.6	36.8	25.7	83.1	7.9	9	16.9
Sensitization of taxpayers through tax education	26.5	34.5	21.9	82.9	12.9	4.2	17.1
Procurement services	22.5	33.5	23.6	79.6	14.2	6.2	20.4
Issue of tax exemption certificate	19.2	31.5	24.6	75.3	15.6	9.1	24.7
Refunds within the stipulated time	16.5	33	20.1	69.6	21.1	9.3	30.4

Source: Field Data, 2016

In summary, taxpayers were satisfied with staff commitment to serving customers as follows: reception desk (93.8 %), registration desk (91.6 %), availability of forms supplied by RRA (91%), redressing grievances (89%), assessment of tax by authorities on time (87.3%), issue of tax clearance certificate (86.5%), release of imported goods from customs (84.7%), customs and border posts related services (83.1%), sensitization of taxpayers through tax education (82.9%), procurement services (79.6 %), issue of tax exemption certificate (75.3 %) and refunds within the stipulated time (69.6%).

4.7 . STANDARDS IN SERVICE DELIVERY

4.7.1. COMMUNICATION CHANNELS USED BY TAXPAYERS TO OBTAIN TAX INFORMATION

Taxpayers use various channels to communicate with RRA. Among those channels, there are telephone, email, fax, letters, physical visiting and office visit, online service, notice board, face book, twitter, bill boards, radio, call centre, TV, front desk, newspaper and magazine as well as SMS.

TABLE 15: CHANNELS OF COMMUNICATION

Services	Large taxpayers		Medium taxpayers		Small taxpayers	
	Yes	No	Yes	No	Yes	No
Telephone	81,1	18,9	61,7	38,3	57,6	42,4
E-mail	40,5	59,5	35,1	64,9	16,5	83,5
Fax	13,5	86,5	5,2	94,8	5,8	94,2
Simple letter	21,6	78,4	27,3	72,7	22,3	77,7
Letter that need investigation	18,9	81,1	16,2	83,8	20,9	79,1
In-person (office visits) with appointment	64,9	35,1	56,5	43,5	46	54
In person without appointment	51,4	48,6	50	50	58,3	41,7
Website (Online services, rrainfo)	56,8	43,2	51,3	48,7	37,4	62,6
Notice board	45,9	54,1	36,4	63,6	47,5	52,5
RRA Face book	18,9	81,1	7,1	92,9	18,7	81,3
RRA Twitter	16,2	83,8	4,5	95,5	15,8	84,2
Bill boards	51,4	48,6	40,3	59,7	43,2	56,8
Radios	89,2	10,8	61,7	38,3	67,6	32,4
Call center	62,2	37,8	49,4	50,6	28,1	71,9
TV	86,5	13,5	66,9	33,1	56,5	43,5
Front desk	73	27	55,8	44,2	59	41
Newspapers and Magazine	67,6	32,4	27,9	72,1	41,7	58,3
SMS	43,2	56,8	49,4	50,6	43,2	56,8

Source: Field data: 2016

a) The use of telephone

As it is indicated in Table15, among taxpayers who use telephone to get information, 81.1% were large, 61.7% medium while 57.6% were small. Nevertheless, the remaining 18.9% (large), 38.3% (medium) and 42.4% (small) reported that they did not use telephone to get information from RRA.

Additionally, some taxpayers, 43.2% (large), 49.4% (medium) and 43.2% (small) reported that they used SMS to communicate with RRA whereas 62.2% (large), 44.4% (large) and 28.1% (small) reported that they used RRA call centre.

b) The use of E-mail by taxpayers

E-mail is one of the channels used by taxpayers to get information from RRA. In this respect, the majority of taxpayers who use that channel are large taxpayers (40.5%), followed by medium (35.1%) and small taxpayers (16.5%). A large number of taxpayers, 59.5% (large), 64.9 % (medium) and 83.5% (small) reported that they did not use that channel. The high numbers of those who do not use e-mail to get information from RRA was attributed to lack of internet coverage in the areas where they operate from let alone the perceived high charges of the mobile internet providers.

c) The use of fax by taxpayers

Fax is less used by taxpayers. Table15 illustrates that 13.5% (large), 5.2% (medium) and 5.8% (small) reported that they used that channel. However, they were quick to add that the Fax machines are no longer operational as the world has advanced in technology hence its total disregard.

d) The use of letter

Some taxpayers get information from RRA through letter writing. In this survey, 21.6% (large), 27.3% (medium) and 22.3% (small) reported that they used simple letter to communicate with RRA. Additionally, 18.9% (large), 16.2% (medium), 20.9% (small) used the letter that needed investigation to communicate with RRA.

e) Office visit

Some taxpayers personally visit RRA office to get information. In this regard, 64.9% (large), 56.5 % (medium) and 46% (small) reported that they personally visited RRA offices with appointment while 51.4% (large), 50% (medium) and 58.3% (small) reported that they visited RRA offices without appointment. Also, 45.9% (large), 36.4% (medium) and 47.5% (small) reported that they got information from notice board at RRA offices. Besides, 73% (large), 55.8 % (medium) and 59% (small) reported that they visited RRA front desk in order to get information.

f) Online services

Some taxpayers visit RRA website to get information. In this survey, 56.8% (large), 51.3% (medium) and 37.4% (small) reported that they used that channel in order to get information from RRA; while proportions of 43.2%(large); 48.7% (medium) and 62.6% (small) did not use online services to access RRA information. On further probing to determine why they did not use the services, some respondents revealed that lack of skills on their part as well as internet coverage were the major hindrances to their utilisation.

g) The use of social media

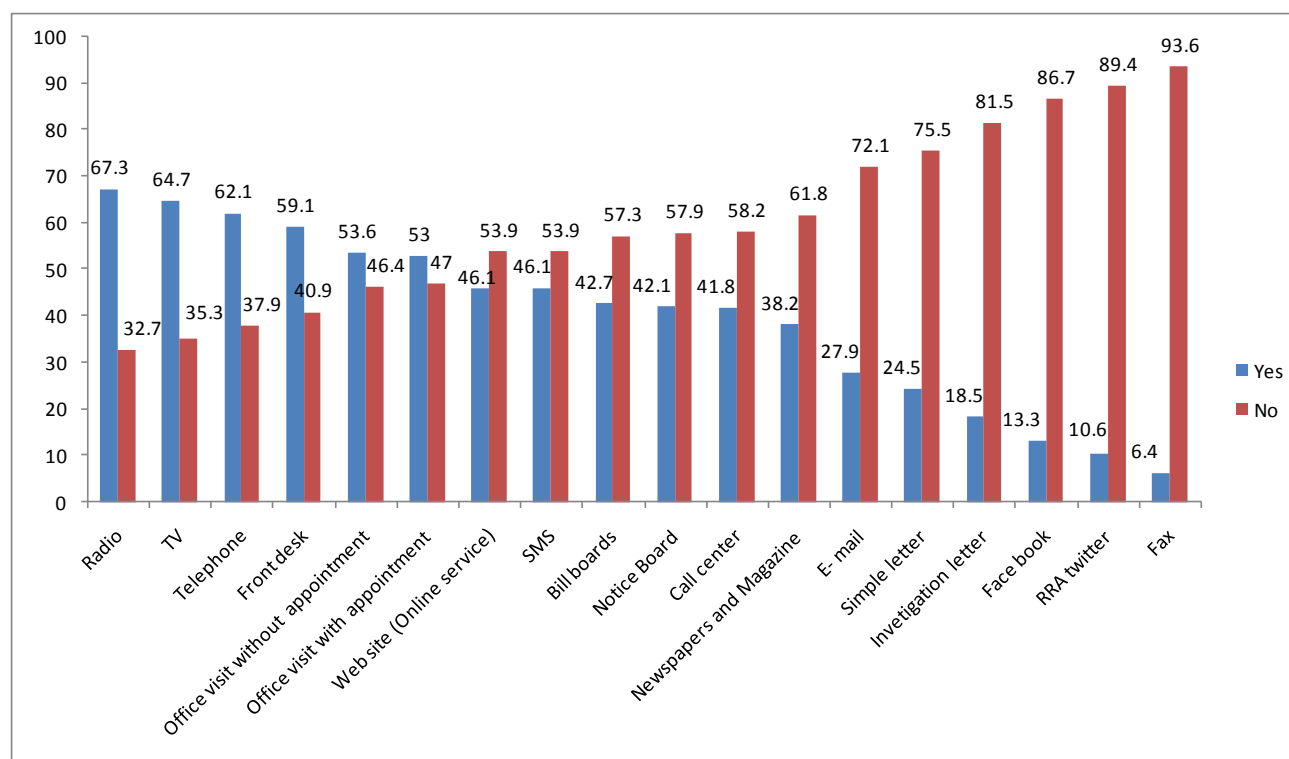
Some taxpayers use RRA social media to communicate with RRA employees and managers. In fact, 18.9% (large), 7.1% (medium), 18.7% (small) reported that they used face book to communicate with RRA while 16.2% (large), 4.5% (medium) and 15.8% (small) reported that they used twitter.

h) The use of other media

Other media used to get information from RRA are radio, TV, news papers and magazines. In this respect, 89.2% (large), 61.7% (medium) and 67.6% (small) reported that they used radio to get information about RRA services. Additionally, 86.5% (large), 66.9% (medium) and 56.5% (small) said that they used TV to get information related to RRA services and information. Furthermore, 67.6% (large), 27.9% (medium) and 41.7% (small) confirmed that they used News papers and magazines to get RRA services and information.

Briefly, as indicated in Table15, radio, TV and telephone are mostly used channels to get information from RRA as compared to other channels.

FIGURE 17: SUMMARY OF CHANNELS OF COMMUNICATION USED BY TAXPAYERS



Source: Field Data, 2016

In general, radio (67/3%) and TV (64.7%) are the channels mostly used by taxpayers to get information from RRA whereas fax (6.4%), Face book (12.3%) and twitter (10.6%) are not popular.

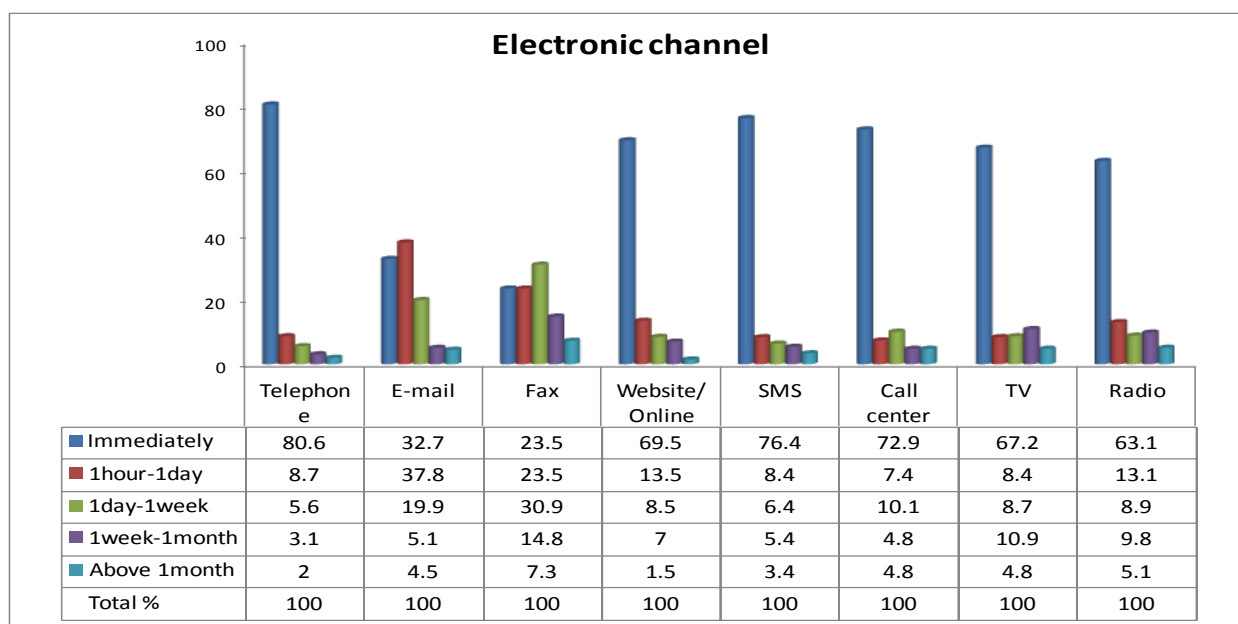
4.7.2. Time used to get response from RRA

The following section discusses the approximate time used by taxpayers to receive a response from RRA whenever any tax related information is requested. RRA has put in place various channels to facilitate taxpayers to access the requisite information. Those channels include electronic media like radio, TV, email, etc, social media like facebook and twitter, use of traditional channels like billboards and notice boards as well physical visits to RRA offices.

(a) **Electronic media**

Figure 19 indicates time used by taxpayers using electronic media to get information from RRA.

FIGURE 18: ELECTRONIC MEDIA CHANNELS



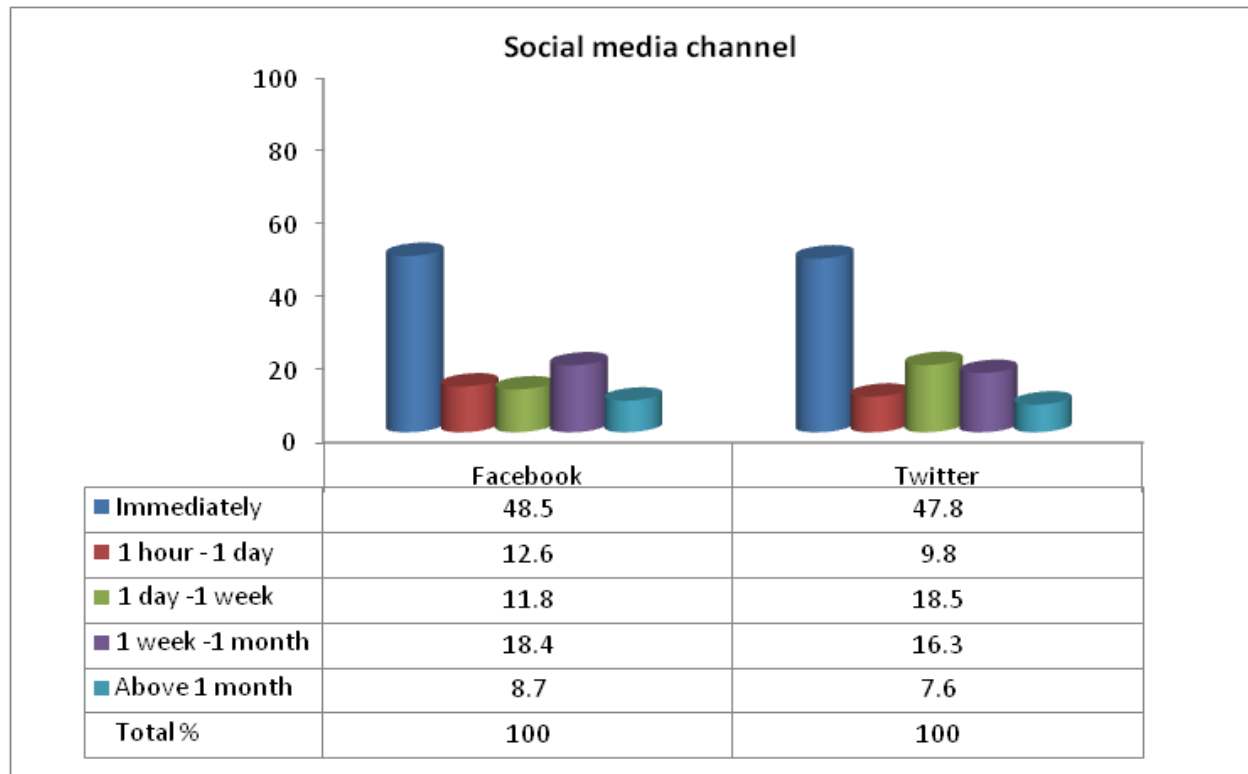
Source: Field Data, 2016

With the exception fax and email, respondents indicated that RRA has been very effective in providing timely feedback on information provided other electronic media like radio, TV, RRA call centre, RRA website and telephone with most of the time the response being received immediately as summarized in the following figure.

(b) Social media

Figure 20 indicates time used by taxpayers using social media to get information from RRA.

FIGURE 19: SOCIAL MEDIA CHANNELS

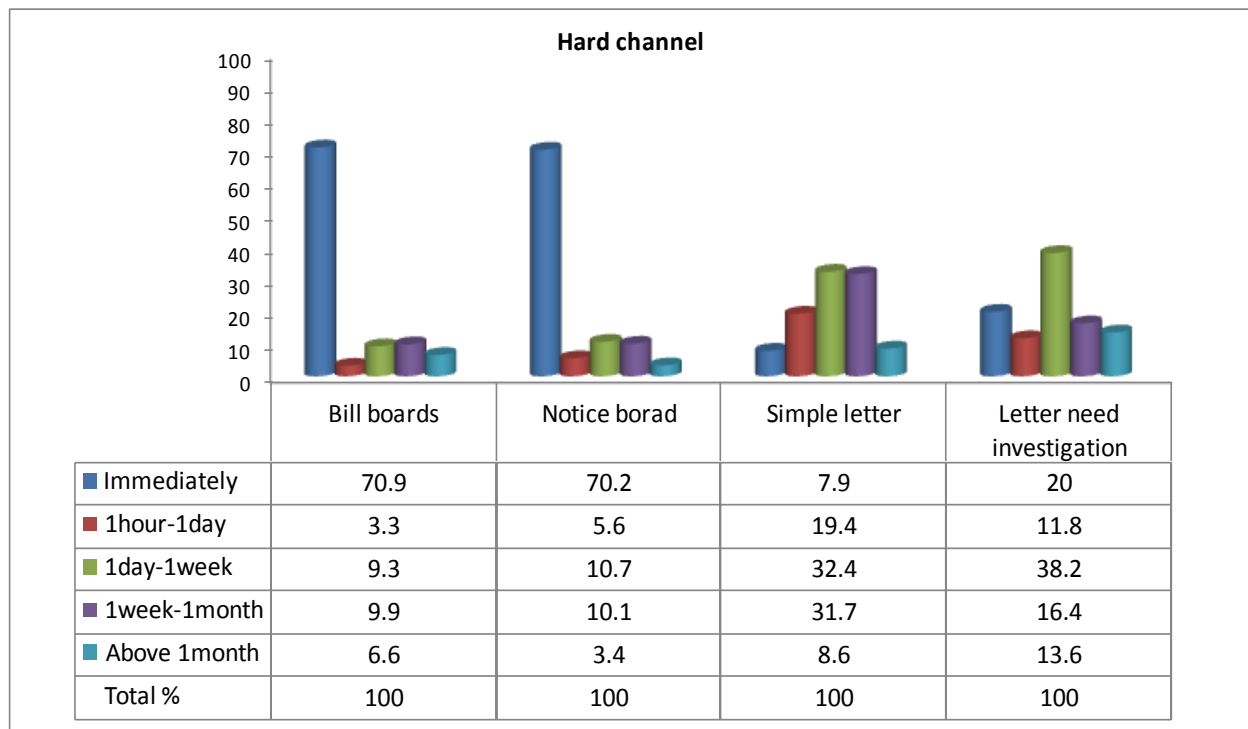


Source: Field Data, 2016

In regard to the social media particularly use of RRA face book page and RRA twitter handle nearly half of the respondents who use these media platforms intimated that the response in many cases is immediate as summarized in Figure 20.

(c) Traditional channel

FIGURE 20: HARD MEDIA CHANNELS

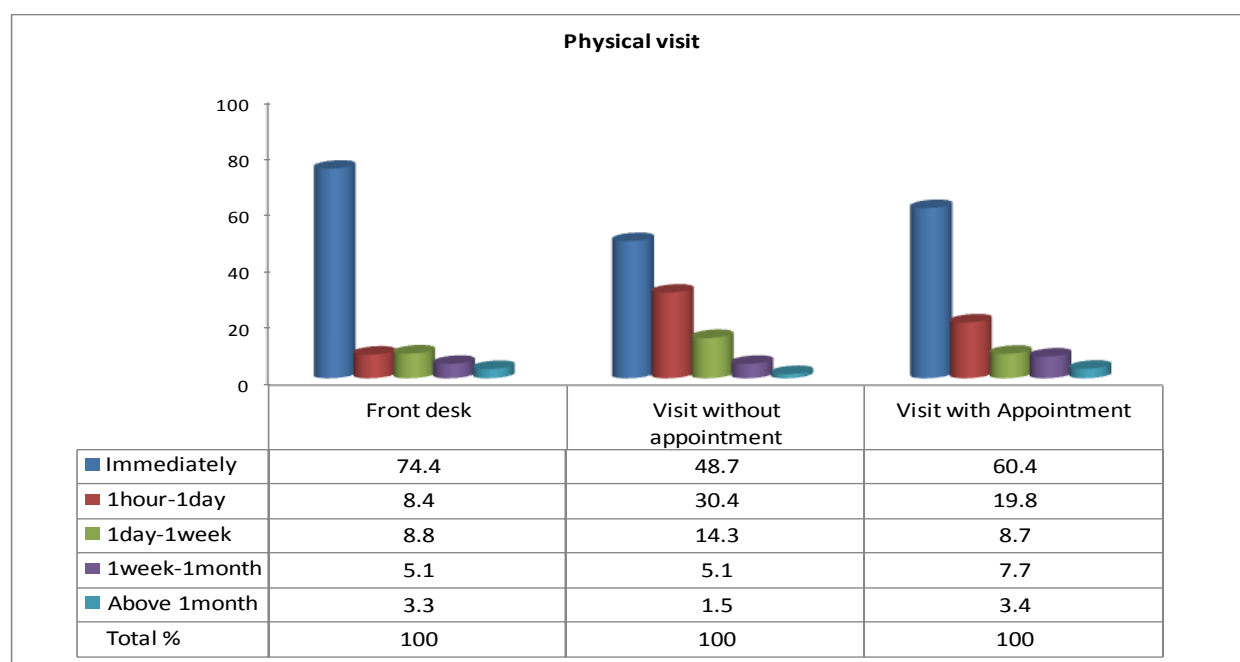


Source: Field Data, 2016

As far as the more traditional channels particularly use of billboards, notice boards and letter are concerned, respondents generally give more credit to billboards and notice boards where at least 70% give a very high approval with letters taking between 1 day and 1 week being the experience of one third of the respondents.

(d) **Physical visit to RRA offices**

FIGURE 21: PHYSICAL VISITS TO RRA OFFICES



Source: Field Data, 2016

Regarding the physical visit to the RRA, the results are generally impressive as close to three quarters of those who seek services from the RRA front desk indicate that the service is immediate, nearly half (49%) of those who come for services without appointment indicate that they are attended to immediately and nearly two thirds (60%) of those who visit with appointment intimate that they are served immediately.

4.7.3. AWARENESS OF TAXPAYERS ON RRA FACILITIES

RRA has put in place some facilities that help taxpayers to comply with their tax obligations. Among those facilities include e-filing, M-declaration, payment using mobile money, electronic single window, electronic billing machine, blue channel, one stop border post and single customs territory. In this regard, it is in the interest of RRA to collect information on the awareness of taxpayers so that some interventions can be done to strengthen good practices and increase taxpayers' awareness on facilities not known by the taxpayers. Table 16 illustrates the awareness of taxpayers on RRA facilities

TABLE 16: TAXPAYER AWARENESS ABOUT RRA FACILITIES

RRA facilities		Large	Medium	Small
E-Filing	Yes	94,6	92,9	74,1
	No	5,4	7,1	25,9
M-Declaration	Yes	89,2	84,4	68,3
	No	10,8	15,6	31,7
Payment using Mobile Money	Yes	75,7	77,3	63,3
	No	24,3	22,7	36,7
Electronic Single Window	Yes	78,4	76,6	59,7
	No	21,6	23,4	40,3
Electronic Billing Machine (EBM)	Yes	94,6	96,8	76,3
	No	5,4	3,2	23,7
Blue Channel	Yes	70,3	45,5	40,3
	No	29,7	54,5	59,7
One stop border post	Yes	56,8	29,2	18
	No	43,2	70,8	82
Single Customs Territory	Yes	54,1	27,9	18
	No	45,9	72,1	82

Source: Field Data, 2016

a) E-filing.

As indicated in Table 16, taxpayers expressed their awareness on e-filing facility. In this respect, 94.6% (large), 92.9% (medium) and 74.1% (small) were aware of e-filing. The remaining in each category of taxpayers, 5.4% (large), 7.1% medium and 25.9% (small) were not aware of e-filing. The awareness on e-filing decreases from large to small taxpayers.

b) M-declaration

The taxpayers' awareness on M-declaration facility also decreases from large to small taxpayers as indicated in Table16. In fact, 89.2% of large taxpayers, 84.4% of medium and 68.3% of small were aware of M-declaration. This facility is well known by taxpayers due to the sensitization of RRA on the facilities.

c) Payment using Mobile Money

About payment using Mobile money, 75.7% of large taxpayers, 77.3% (medium) and 63.3% of small were aware of the facilities while 24.3% of large, 22.7% of medium and 36.7 of small taxpayers were not aware of payment using Mobile Money. They did not know that RRA has put in place the usage of mobile money to facilitate payment of taxes.

d) Electronic Single Window

The electronic single window allows information and administrative requirements for import and exports to be submitted at a single entry point online. Taxpayers were asked their awareness on electronic single window and 78.4% of large taxpayers expressed their awareness on the facility. Moreover, 76.6% of medium and 59.7% of small were not aware of electronic single window.

e) Electronic Billing Machine (EBM)

Electronic billing machine is one of the facilities used by taxpayers to improve their accounting system. In this respect, the majority of large (94.6%) and medium (96.8%) and 76.3% (small) were aware of EBM. The awareness on EBM facility increases across all the categories; from small to large taxpayers. The adherence to possess the machine was largely attributed to the fact that it is compulsory for all taxpayers registered under VAT and even others who so wish. On the other hand, the majority of taxpayers posited that the usage of EBM is widely recognized due to the massive awareness campaign undertaken by RRA through various media including lottery.

f) Blue Channel

Regarding blue channel facility, 70.3% (large), 45.5% (medium) and 40.3% (small) taxpayers were aware of that facility. Figure shows that the majority of taxpayers 59.7% (small), 54.5% (medium) were not aware of blues channel facility.

g) One stop border post

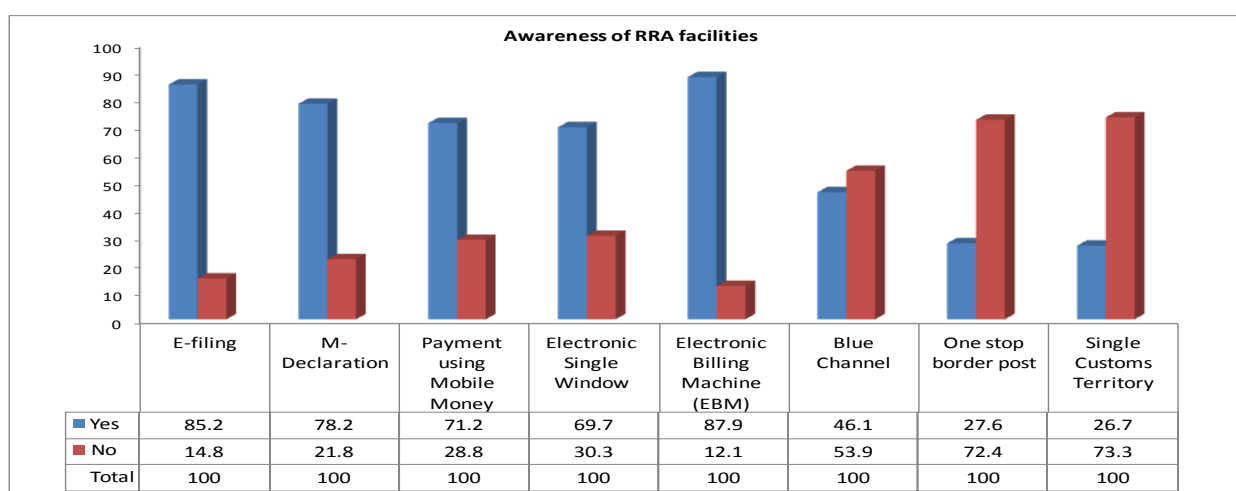
Taxpayers were asked if they were aware of one stop border post and 56.8% (large) taxpayers, 29.2% (medium) and 18% (small) were aware of the facility. The remaining 43.2% (large), 70.8% (medium) and 82% (small) were not aware of one stop border post.

h) Single Customs Territory

Table 16 illustrates the taxpayers' awareness on single customs territory. In fact, 54.1% (large), 27.9% (medium) and 18% (small) taxpayers were aware of single customer territory. In contrary, 45.9% of large taxpayers, 72.1% (medium) and 82% (small) were not aware of single customs territory facility.

Briefly, as indicated in Table16, some facilities were well known by the taxpayers. Those include E-Filing, M-Declaration, Payment using Mobile Money and Electronic Billing Machine (EBM) whereas others such as Blue Channel, One stop border post and Single Customs Territory were not known. In this regard, RRA should increase their sensitization campaign so that all taxpayers can be aware of those facilities.

FIGURE 22: SUMMARY ON TAXPAYER AWARENESS ABOUT RRA FACILITIES



Source: Field data 2016

In general, Taxpayers are aware of facilities. For instance, respondents asserted that they know EBM (87.9%), E-filing (85.2%), M-declaration (78.2%) and payment using mobile money

(71.2%). The least known facilities are single customs territory (26.7%), one stop border post (27.6%) and blue channel (46.1%).

4.7.4. Level of satisfaction with RRA facilities

The survey further endeavored to assess the level of satisfaction among the taxpayers who use selected RRA facilities, 38% of those who use EMB and 32% of those who use the RRA blue channel facility intimate that the service is excellent, the rest of the services are rated below 30%.

Overall, One stop boarder post and single customs territory facilities were the least rated as at least 40% of those who use it indicate that the service is either poor or very poor as potrayed in the following figure.

TABLE 17: LEVEL OF SATISFACTION WITH RRA FACILITIES

Services	Large taxpayers						Medium taxpayers						Small taxpayers					
	Very Poor	Poor	Satisfactory	Good	Excellent	No determined	Very Poor	Poor	Satisfactory	Good	Excellent	No determined	Very Poor	Poor	Satisfactory	Good	Excellent	No determined
E-Filing	2,7	2,7	2,7	40,5	48,6	2,7	4,5	12,3	13,6	45,5	20,1	3,9	4,7	7,8	16,4	30,5	25,8%	14,8
M-Declaration	0	5,4	16,2	29,7	37,8	10,8	5,8	13,6	12,3	27,9	20,8	19,5	5,5	7,1	15	31,5	16,5	24,4
Payment using Mobile Money	5,4	8,1	2,7	37,8	24,3	21,6	6,5	13,6	9,1	29,9	21,4	19,5	2,4	5,5	14,2	26,8	21,3	29,9
Electronic Single Window	5,4	0	5,4	32,4	21,6	35,1	12,3	9,1	11,7	25,3	14,3	27,3	7,1	8,7	11	18,1	15,7	39,4
Electronic Billing Machine (EBM)	8,1	0	2,7	29,7	56,8	2,7	9,7	4,5	11,7	31,8	39	3,2	7,9	10,2	15,7	26	23,6	16,5
Blue Channel	8,1	5,4	8,1	24,3	27	27	16,9	9,1	5,2	17,5	20,8	30,5	7,9	9,4	6,3	22,8	22,0	31,5
One stop border post	13,5	2,7	2,7	32,4	13,5	35,1	17,5	15,6	11	16,9	7,8	31,2	13,4	12,6	11	11,8	12,6	38,6
Single Customs Territory	13,5	2,7	5,4	37,8	10,8	29,7	18,8	14,3	11,7	16,2	9,1	29,9	16,5	11,8	7,1	13,4	12,6	38,6

Source: Field Data, 2016

a) Taxpayers' satisfaction of E-filing

When taxpayers were asked if they were satisfied with E-filing, 91.8% (large), 79.2% (medium) and 72.7% (small) reported that they were satisfied with E-filing while 5.4% (large), 16.8% (medium) and 12.5% (small) taxpayers said that they were not satisfied. In this survey, there are also taxpayers who reported that they did not know anything about E-filing. They include 2.8% (large), 3.9% (medium) and 14.8% (small). Thus, the majority of large taxpayers are more satisfied with E-filing than medium and small taxpayers.

b) Taxpayers' satisfaction of M-declaration

As Table 17 indicates it, 83.7% (large taxpayers), 61% (medium) and 63% (small) reported that they were satisfied with M-declaration. Nevertheless, 5.4% (large), 19.4% (medium) and 12.6% (small) taxpayers confirmed that they were not satisfied with the service. Respondents who reported that they did not know include 10.9% (large), 19.5% (medium) and 24.4% (small) taxpayers. Thus, large taxpayers are more satisfied with M-declaration than medium and small taxpayers.

c) Taxpayers' satisfaction of payment using mobile money

When respondents were asked if they were satisfied with payment by using mobile money, 64.8% (large), 60.4% (medium) and 62.3% (small) reported that they were satisfied while 13.5% (large), 20.1% (medium) and 7.8% (small) confirmed that they were not satisfied with payment by using mobile money. There are also 21.6% (large), 19.5% (medium) and 29.9% (small) who reported that they did not know. Thus, large taxpayers are more satisfied with payment by using mobile money.

d) Taxpayers' appreciation of electronic single window

In this survey, respondents were asked if they were satisfied with electronic single window. On this point, 54.4% (large), 51.3% (medium), and 44.8% (small) reported that they were satisfied while 5.4% (large), 21.4% (medium) and 15.8% (small) confirmed that they were not satisfied with electronic single window. In this survey, there are taxpayers who reported that they did not know. Thus, as Table 17 indicates it, large taxpayers are more satisfied with electronic single window than medium and small taxpayers.

e) Taxpayers' appreciation of Electronic Billing Machine (EBM)

As it is indicated in Table 17, respondents were asked if they were satisfied with Electronic Billing Machine. On this issue, 89.2% (large), 82.5% (medium) and 65.3% (small) reported that they were satisfied with EBM. Conversely, 8.1% (large), 14.2% (medium) and 18.1% (small) taxpayers confirmed that they were not satisfied. Respondents who reported that they did not know include 2.7% (large), 3.3% (medium) and 16.5% (small) taxpayers. Thus, large taxpayers appreciate EBM than medium and small taxpayers.

f) Taxpayers' appreciation of blue channel

When respondents were asked if they were satisfied with blue channel, 59.4% (large), 43.5% (medium) and 51.2% (small) taxpayers reported that they were satisfied with blue channel while 13.6% (large), 26% (medium) and 17.3% (small) taxpayers confirmed that they were not satisfied with blue channel. Among taxpayers who reported that they did not know include 27% (large), 30.5% (medium) and 31.5% (small) taxpayers. Thus, large taxpayers are more satisfied with blue channel than small and medium taxpayers.

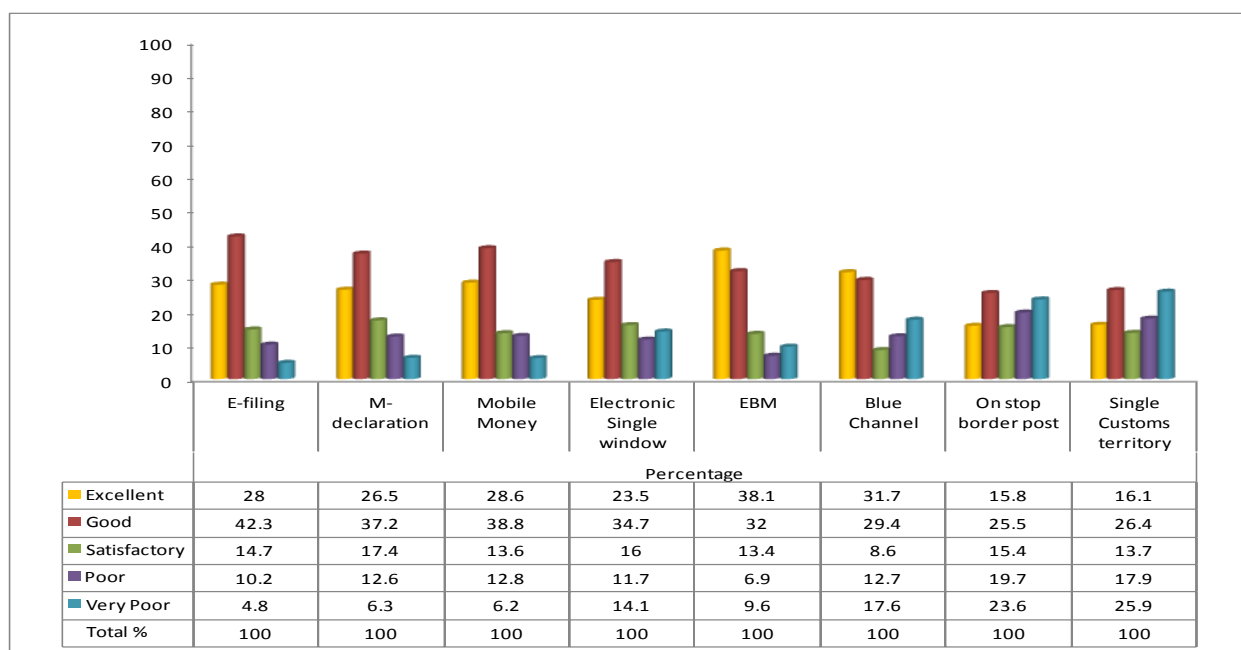
g) Taxpayers' satisfaction of one stop border post

In this survey, 48.6% (large), 35.7% (medium) and 35.4% (small) expressed their satisfaction on one stop border post while 16.2% (large), 33.1% (medium) and 26% (small) did not express satisfaction on one stop border post. There are also respondents who revealed that they did not know. Those taxpayers include 35.2% (large), 31.2% (medium), 38.6% (small) taxpayers. Indeed, as it is indicated in Table 17, large taxpayers were more satisfied with one post border post than medium and small taxpayers.

h) Taxpayers' satisfaction of single customs territory

Table 17 indicates that 54% (large), 37% (medium) and 33.1% (small) were satisfied with single customs territory while 16.2% (large), 33.1% (medium) and 28.3% (small) reported that they were not satisfied. In each category of taxpayers, there are those who said that they did not know. They include 29.8% (large), 29.9% (medium) and 38.6% (small) taxpayers. Indeed, Table 17 indicates that large taxpayers were more satisfied with single customs territory than medium and small taxpayers.

FIGURE 23: SUMMARY ON LEVEL OF SATISFACTION WITH RRA FACILITIES

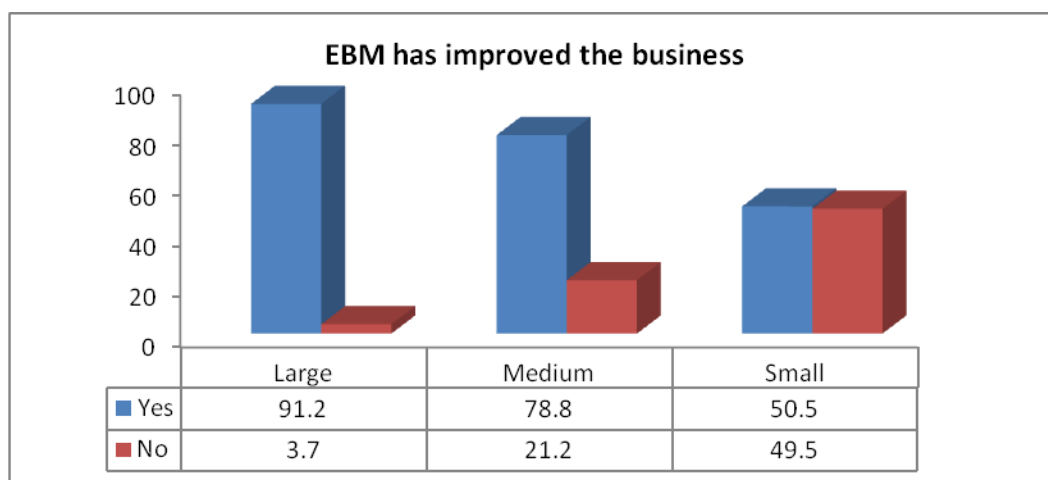


Source: field data 2016

In general, taxpayers are satisfied with e-filing at a portion of 85%, M-declaration (81.1%), mobile money (81.2%), Electronic single window (74.2%), EBM (83.5), Blue channel (69.7%), one stop Border Post (56.7%) and single customs territory (56.2%).

4.7.5. VAT REGISTERED AND EBM USERS

FIGURE 24: IMPROVEMENT OF BUSINESS BY EBM



Source: field data 2016

For the VAT registered EBM users in particular, 91.2% from large taxpayers, 78.8% from medium and 50.5% from small asserted that EBM has improved their business. In general 70% of respondents intimate that the facility has been instrumental in improving their businesses.

4.7.6. CHALLENGES FACED BY TAXPAYERS USING EBM

Some challenges were also reported by the EBM users as indicated in Table18.

TABLE 18: CHALLENGES FACED BY TAXPAYERS USING EBM

	Large taxpayers		Medium taxpayers		Small taxpayers	
	Yes	No	Yes	No	Yes	No
Services						
Delay in transferring data to RRA	27	73	24,7	75,3	23,3	76,7
Low skills in using EBM	45,9	54,1	44,5	55,5	45,2	54,8
High price of goods	43,2	56,8	28,8	71,2	31,5	68,5
Decrease in number of the customers	43,2	56,8	33,6	66,4	38,4	60,3
Air time loading	37,8	62,2	35,6	64,4	27,4	72,6
High competition caused by non users	59,5	40,5	43,2	56,8	32,9	67,1
Frequent load shadings	45,9	54,1	54,8	45,2	58,9	41,1
Penalties for non usage	18,9	81,1	19,9	80,1	13,7	86,3
High cost of EBM	51,4	48,6	61	39	47,9	52,1

Source: Field data 2016

a) Delay in transferring data to RRA

One of the challenges faced by taxpayers using EBM is delay in transferring data to RRA. On this point, 27% (large taxpayers), 24.7% (medium) and 23.3% (small) reported that EBM delays transferring data to RRA. However, the remaining respondents in each category reported that EBM does not delay transferring data. Those taxpayers include 73% (large), 75.3% (medium)

and 76.7% (small). Indeed, as Table 18 indicates it, the majority of taxpayers in each category revealed that EBM does not delay transferring data to RRA.

b) Low skills of taxpayers in using EBM

As it is indicated in Table 18, there are some taxpayers who reported that they had low skills in using EBM. This was reported by 45.9% (large), 44.5% (medium) and 45.2% (small) taxpayers while 54.1% (large), 55.5% (medium) and 54.8% (small) taxpayers confirmed that they did not have any problem in using EBM.

c) The high price of goods as a result of using EBM

There are some participants who reported that goods are expensive because of using EBM. Among those taxpayers, there are 43.2% (large), 28.8% (medium) and 31.5% (small) taxpayers. However, the remaining taxpayers in each category reported that goods were not expensive. Those taxpayers include 56.8% (large), 71.2% (medium), and 68.5% (small).

d) Decrease in number of customers and high competition caused by non users

In this survey, there are taxpayers who reported that when they use EBM, customers decrease since customers go to buy where taxpayers do not use EBM. This was approved by 43.2% (large), 33.6% (medium) and 38.4% (small) taxpayers while the remaining taxpayers in each category: 56.8% (large), 66.4% (medium) and 60.3% (small) taxpayers. In the same context, it was reported that there is high competition caused by non users. On this point, 59.5% (large), 43.2% (medium) and 32.9% (small) taxpayers reported that there is competition caused by non users of EBM while 40.5% (large), 56.8% (medium) and 67.1% (small) there is no competition caused by non users. During the interviews and FGDs with taxpayers, they reported that customers are interested in buying goods from taxpayers who do not use EBM because they think that it is where goods are less expensive.

e) Airtime loading

Air time loading was reported as one of the challenges faced by taxpayers using EBM. This was reported by 37.8% (large), 35.6% (medium) and 27.4% (small) taxpayers while 62.2% (large),

64.4% (medium) and 72.6% (small) taxpayers reported that airtime loading is not a challenge for them.

f) Frequent load shading

When taxpayers were asked if they faced the challenge of frequent shading, 45.9% (large), 54.8% (medium) and 58.9% (small) taxpayers reported that they faced such a challenge whereas 54.1% (large), 45.2% (medium) and 41.1% (small) taxpayers reported that they did not face such a challenge. Thus, the number of taxpayers who faced the problem of frequent load shading is significant. This fits well with findings from FGDs and interviews whereby taxpayers reported that there is a challenge of frequent load shading. When there is that problem, using EBM becomes a problem since it cannot work if there is no electricity. When electricity is not there, taxpayers do not use EBM and write invoice when it comes.

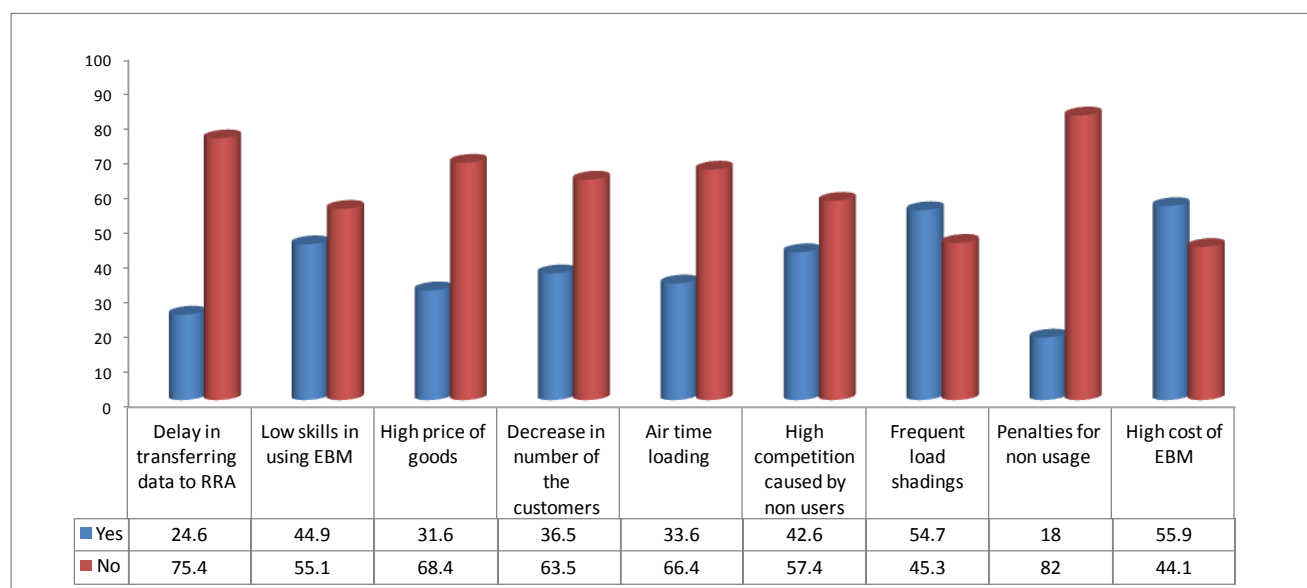
g) Penalties for taxpayers who do not use EBM

It was reported that one of the challenges faced by taxpayers using EBM is about penalties for taxpayers who do not use EBM while they have them. This was reported by 18.9% (large taxpayers), 19.9% (medium) and 13.7% (small) taxpayers while the remaining 81.1% (large), 80.1% (medium) and 86.3% (small) taxpayers reported that they have never paid fine for not using EBM. Thus, the majority of taxpayers reported that they have never given penalties for not using EBM. Taxpayers have stated that the penalties are too much and RRA should advocate for reducing those penalties.

h) The high cost of EBM

During this survey, taxpayers said that EBM is too expensive. This was reported by 51.4% (large), 61% (medium) and 47.9% (small) taxpayers while 48.6% (large), 39% (medium) and 52.1% (small) taxpayers reported that EBM is not expensive. Indeed, the majority of taxpayers are of the view that EBM is too expensive.

FIGURE 25: SUMMARY ON CHALLENGES FACED BY TAXPAYERS USING EBM



Source: Field data, 2016

Summing up, the challenges faced by EBM users are the high cost of EBM (55.9 %), frequent load shading (54.7%), low skills in using EBM (44.9%), high competition with taxpayers who do not use EBM (42.2%), decrease in number of the customers (36.5%), high price of goods (31.6%), airtime loading problem (33.6%), delay in transferring data to RRA (24.6%) and penalty for those who do not use EBM (18%).

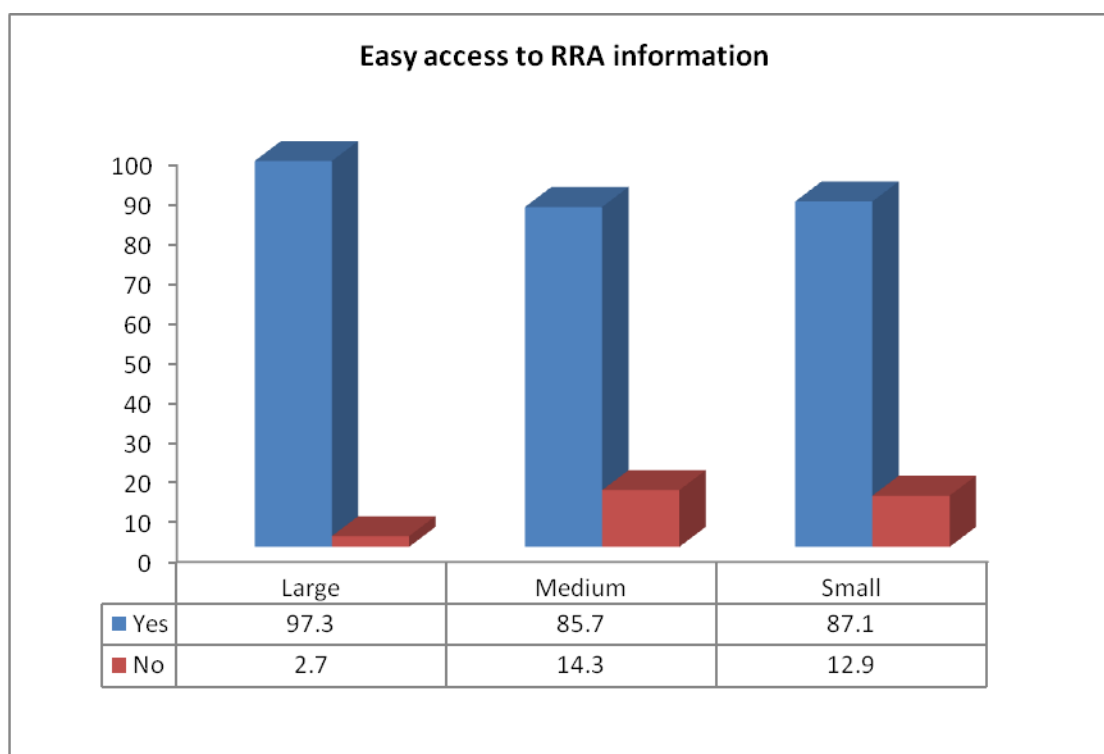
4.8 TAXPAYER EDUCATION AND INFORMATION PROGRAMS

The following sub-section discusses the different education programs provided by RRA to enhance tax compliance and how such programs have benefitted taxpayers.

4.8.1. ACCESS TO RRA INFORMATION

RRA provides information through a sensitization. All taxpayers should have access to RRA information. It is in this regard that RRA is interested in how taxpayers access easily the information provided.

FIGURE 26: ACCESS TO RRA INFORMATION

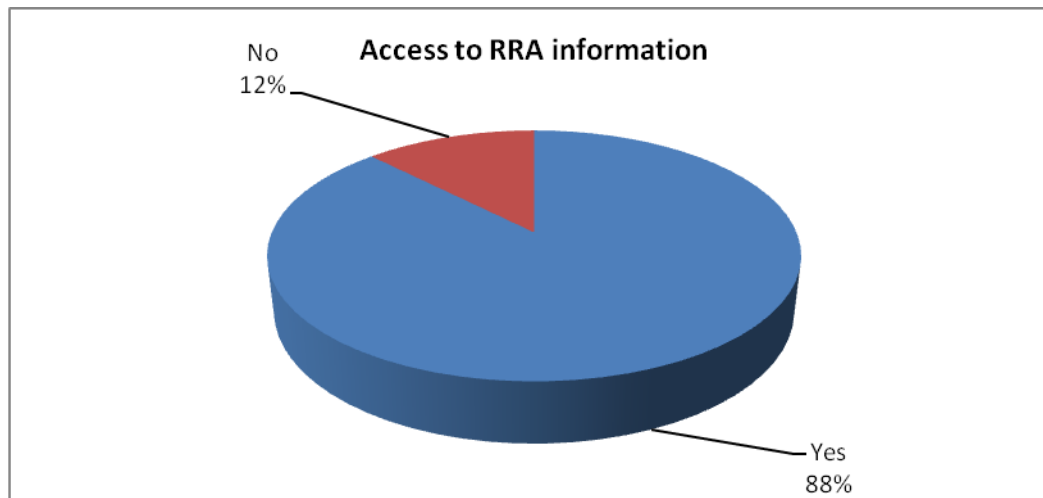


Source: Field data, 2016

As far as access to relevant information from RRA is concerned, 97.3% of the respondents (large taxpayers), 85.7% (medium) and 87.1% (small) indicated that they have easy access to the required information from the tax body.

For those who did not access easily information from RRA, they expressed their dissatisfaction on the language that they do not master. Some information provided is written in English which is not easy for every taxpayer to understand.

FIGURE 27: SUMMARY ON ACCESS TO RRA INFORMATION



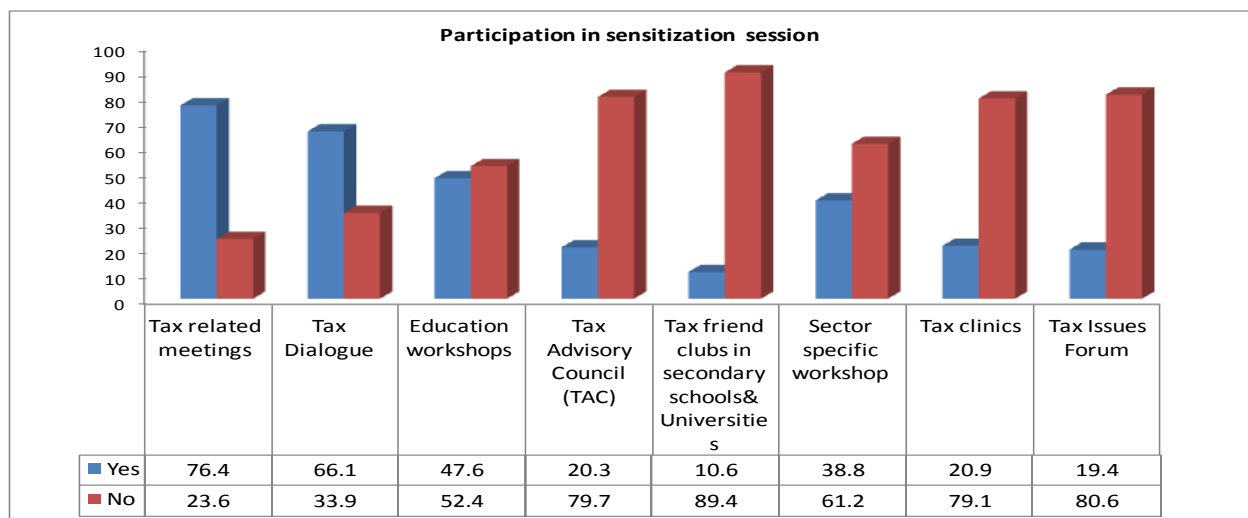
Source: Field data, 2016

In general, 88% of respondents have access to RRA information through various channels.

4.8.2. PARTICIPATION IN SENSITIZATION SESSION

RRA regularly engaged in sensitization campaigns about its services and the importance of compliance as illustrated in Figure 28.

FIGURE 28: PARTICIPATION IN SENSITIZATION SESSIONS



Source: Field data, 2016

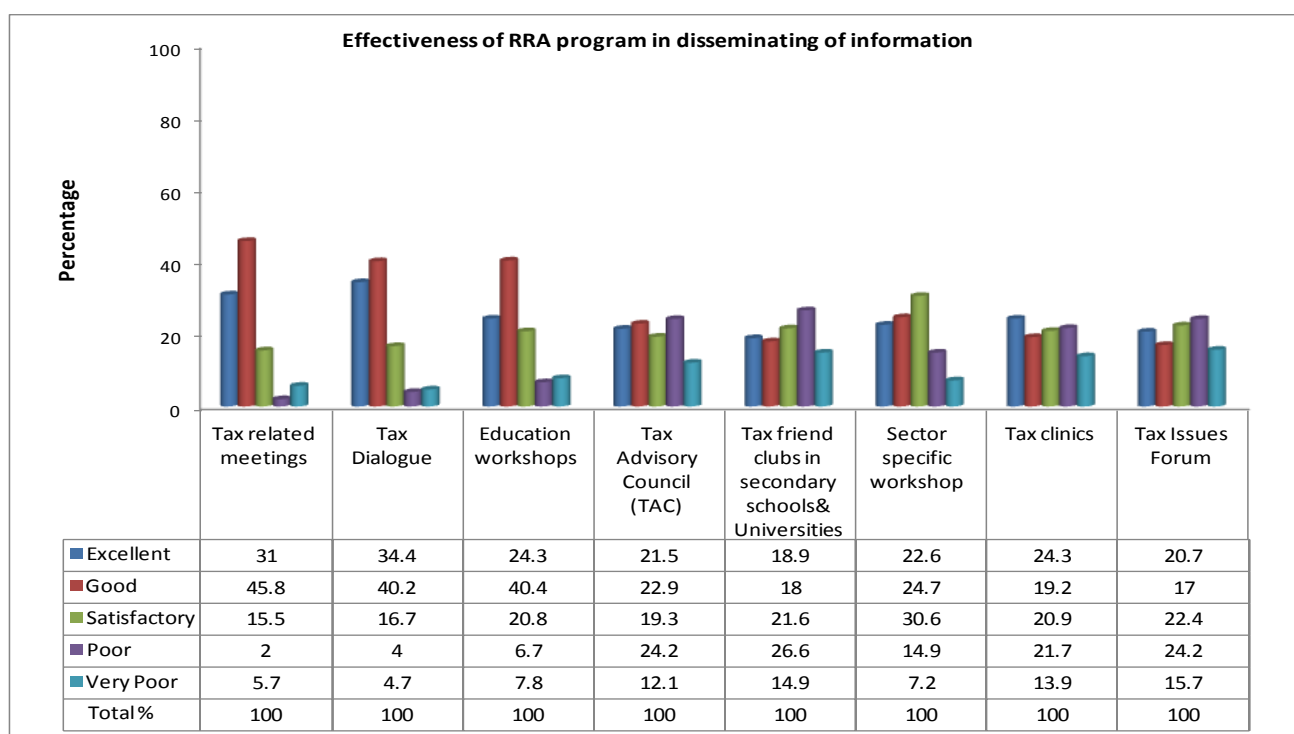
This survey examined the extent to which taxpayers have attended such campaigns. Results show that tax related meetings (76%) and tax dialogue (66%) are the most attended while tax friend clubs (89%), tax issue forums (81%), tax advisory council (80%) and tax clinics (79%) are the least attended.

This findings can be useful in enabling RRA to priortize and better target its sensitization campaigns in regard to investment, timing and target audience.

4.8.3. EFFECTIVENESS OF PROGRAMS OF RRA INFORMATION DISSEMINATION

Taxpayer respondents to the questionnaire were asked to appreciate the effectiveness of RRA programs to disseminate information and the results are portrayed in Figure30.

FIGURE 29: RRA EFFECTIVENESS IN INFORMATION DISSEMINATION



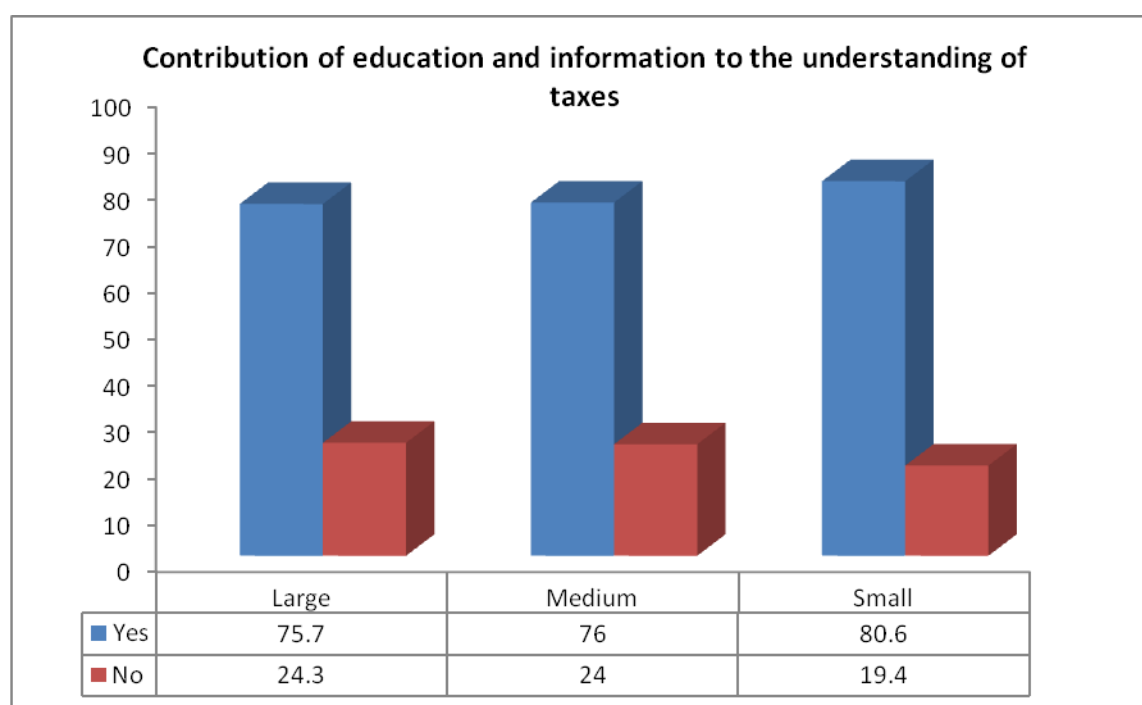
Source: Field data, 2016

Regarding the effectiveness of the programs in ensuring the desired sensitization impact, results show that tax related meetings (92.3%), tax dialogues (91.3%) and tax education (85.5%) are the most effective.

4.8.4. CONTRIBUTION OF EDUCATION AND INFORMATION TO THE UNDERSTANDING OF TAXES

Education and information sessions constitute the important mechanisms used by RRA to help taxpayers understand tax related issues. Figure 31 portrays the contribution of education and information session in helping taxpayers understand taxes.

FIGURE 30: CONTRIBUTION OF EDUCATION AND INFORMATION SESSION TO THE UNDERSTANDING OF TAXES



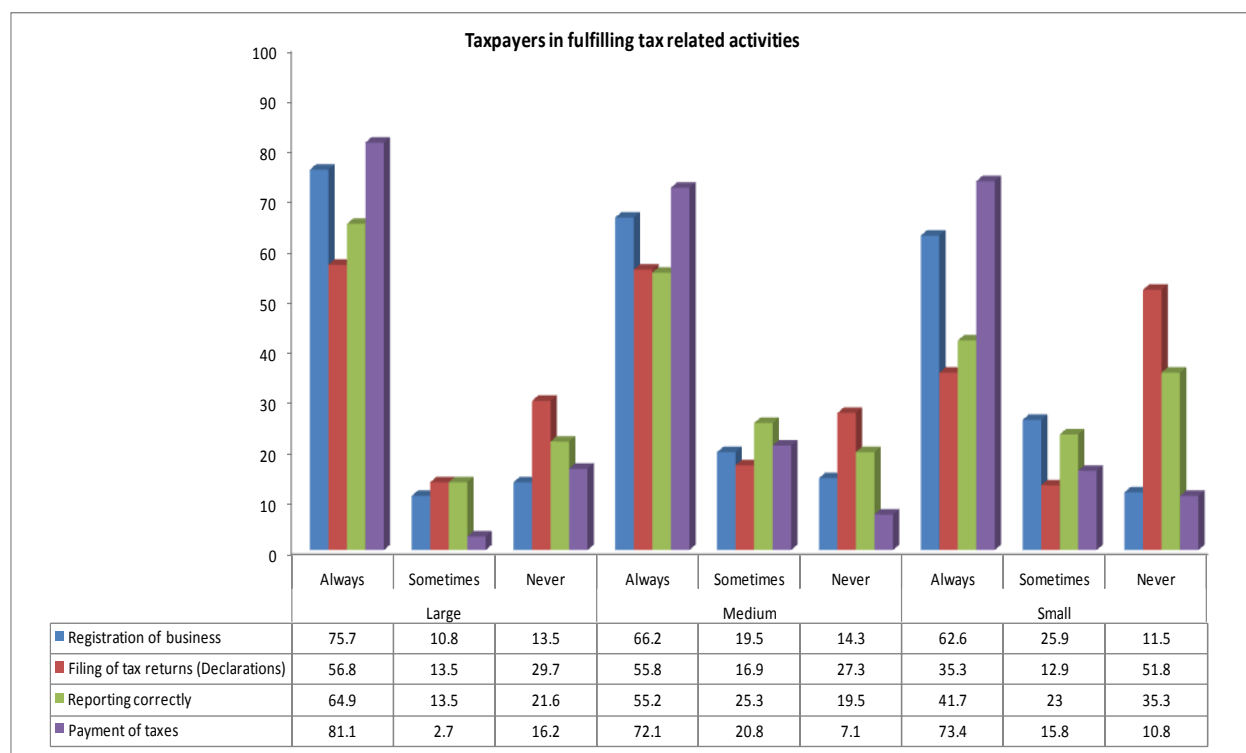
Source: Field data, 2016

As indicated in Figure 30, education and information session contributes to the understanding of taxes. In this respect, 75.7% of large taxpayers, 76% of medium and 80.6 % of small have understood taxes based on their participation in education and information session organized by RRA.

4.8.5. TAXPAYERS IN FULFILLING TAX RELATED ACTIVITIES

Figure 31 illustrates taxpayers in fulfilling tax related activities.

FIGURE 31: TAXPAYERS IN FULFILLING TAX RELATED ACTIVITIES



Source: Field data: 2016

(a) Registration of business

As indicated in Figure 31, when taxpayers were asked whether they registered their business without being reminded, 75.7% (large), 66.2% (medium) and 62.6% (small) reported always, 10.8% (large), 19.5% (medium) and 25.9% (small) said that they sometimes register the business without being registered while the remaining taxpayers in each category, 13.5% (large), 14.3% (medium) and 11.5% (small) reported never.

(b) Filing of tax returns

As Figure 31 indicates, 56.8% (large), 55.8% (medium) and 35.3% said that they always do filing of tax returns (declarations) without being reminded while 13.5% (large), 16.9% (medium)

and 12.5% (small) reported sometimes. However, 29.7% (large), 27.3% (medium) and 51.8% (small) confirmed that they never do filing of tax returns.

(c) Reporting correctly

In fact, 64.9% (large), 55.2% (medium) and 41.7% (small) confirmed that they always report correctly without being reminded whereas 13.5% (large), 25.3% (medium) and 23% (small) taxpayers revealed that they sometimes report correctly. The remaining taxpayers in each category, 21.6% (large), 19.5% (medium) and 35.3% (small) reported never.

(d) Payment of taxes

When taxpayers were asked if they paid taxes without being reminded, 81.1% (large), 72.1% (medium) and 73.4% (small) reported always while 2.7% (large), 20.8% (medium) and 15.8% (small) reported never. The remaining 16.2% (large), 7.1% (medium) and 10.8% revealed never.

4.8.6. Importance of tax education programs to tax compliance

According to taxpayers who participated in interviews regarding the RRA tax education, the programs have benefitted in various ways including among others;

- i. They have helped to demystify the negative attitudes that taxpayers initially had towards paying taxes, which was being perceived as a punishment by government to citizens;
- ii. They have been able to learn about user-friendly facilities for meeting their tax obligations like E-declaration, mobile payments, etc;
- iii. They now have better knowledge and understanding about their tax rights and obligations as well as consequences of tax evasion;
- iv. Tax payers now have clear understanding of tax payment guidelines provided by RRA which are meant to simplify and streamline the tax payment processes for tax payers;
- v. They now have knowledge of locations in convenient proximity where tax related services are provided by RRA e.g. banks and branches which are mandated to collect taxes on behalf of RRA;

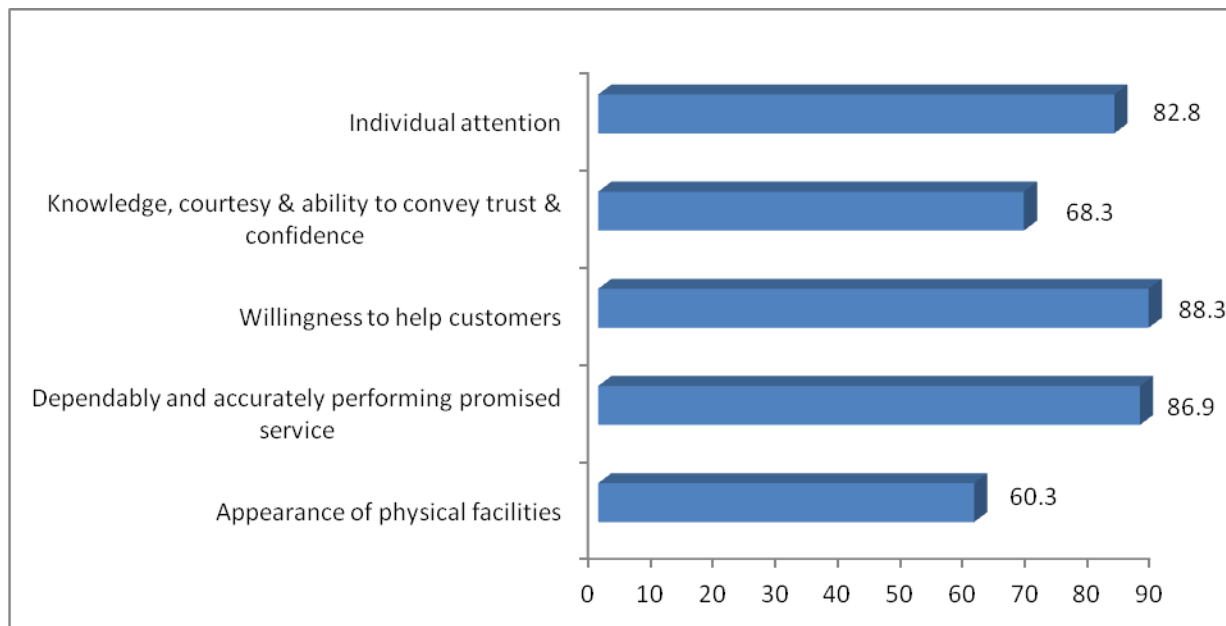
vi. They also have better understanding of advantages and benefits of being tax compliant.

4.9 TAXPAYERS PERCEPTION ON RRA EMPLOYEES

4.9.1. LEVEL OF IMPORTANCE OF SERVICE QUALITY

Perceptions of the respondents about the level of importance of service quality dimensions were also examined using a scale of 5 ranging from “not important at all” to “very important” from individual respondents’ vantage points. Details of the results are presented in figure 33.

FIGURE 32: LEVEL OF IMPORTANCE OF SERVICE QUALITY



The above results show that willingness to help customers (88.3%), dependable and accurate performing on promised services (86.9%) as well as individualized attention (82.8%) were considered as the most important tenets of service delivery dimensions by taxpayers.

Revelations from the foregoing analysis reveal that taxpayers generally appreciate the quality of services provided by RRA staff with the overall mean of 73%). Specifically, they acknowledge the fact that RRA staff are reliable (72%), provide assurance to taxpayers (70%), empathetic to taxpayers (54%) and responsive (mean=82.5%). Also, the RRA physical facilities, equipment as well as personnel are visually appealing (86%).

4.9.2. SATISFACTION OF TAXPAYERS ABOUT THE SERVICE DELIVERY AND CUSTOMER CARE IN RRA

The appreciation of taxpayers on customer satisfaction is depicted in Table19.

TABLE 19: SATISFACTION OF TAXPAYERS ABOUT THE SERVICE DELIVERY AND CUSTOMER CARE IN RRA

Services	Very Poor (%)	Poor (%)	Satisfactory (%)	Good (%)	Excellent (%)	No determined (%)
RRA employees do their job as per their promise to customer	3	4.5	16.4	49.4	25.8	0.9
Customers were well served by RRA during their first visit	4.8	4.2	13.9	48.8	26.1	2.1
RRA is known for timely service	3.3	6.1	17.3	42.1	29.4	1.8
RRA employees respond quickly to the customers' requests	4.5	7	22.7	38.5	22.4	4.8
They are highly accessible to contact	4.5	6.7	13.9	40.3	28.8	5.8
RRA employees are very helpful and polite	5.5	4.6	21.9	41	25.5	1.5
RRA employees are very good in speaking the language I understand	3.9	5.5	13	37.3	35.5	4.8
RRA employees are very good listeners	3.9	9.1	16.4	42.7	21.8	6.1
They try their best to keep us satisfied	6.7	4.2	23.9	39.7	23.3	2.1
RRA employees are well informed about tax matters	3.9	9.4	18.2	38.8	27.6	2.1
Customers are very confident that RRA systems and tax rates are good	9.1	9.4	27	34.2	17.6	2.7
RRA's physical facilities (offices, reception etc.) are very good	3.9	5.5	12.7	34.8	38.2	4.8
RRA's information and communication system is very good	4.8	6.7	17.6	34.2	34.2	2.4

Services	Very Poor (%)	Poor (%)	Satisfactory (%)	Good (%)	Excellent (%)	No determined (%)
RRA is proactive and innovative in meeting the customer needs	3.9	7.9	24.2	33.3	23.3	7.6
The Quality of service in RRA is high	4.5	5.8	22.1	39.7	21.5	6.4
Quality of service in RRA is comparatively better than in East African region	4.2	6.1	11.5	40.9	22.1	15.2
RRA employees strongly believe in “Customer First” principle	6.7	7.9	27.6	25.5	29.4	3
Comparison of RRA services delivery with other agencies in Rwanda	3.6	8.2	20.3	46.1	20.3	1.5

Source: Field data, 2016

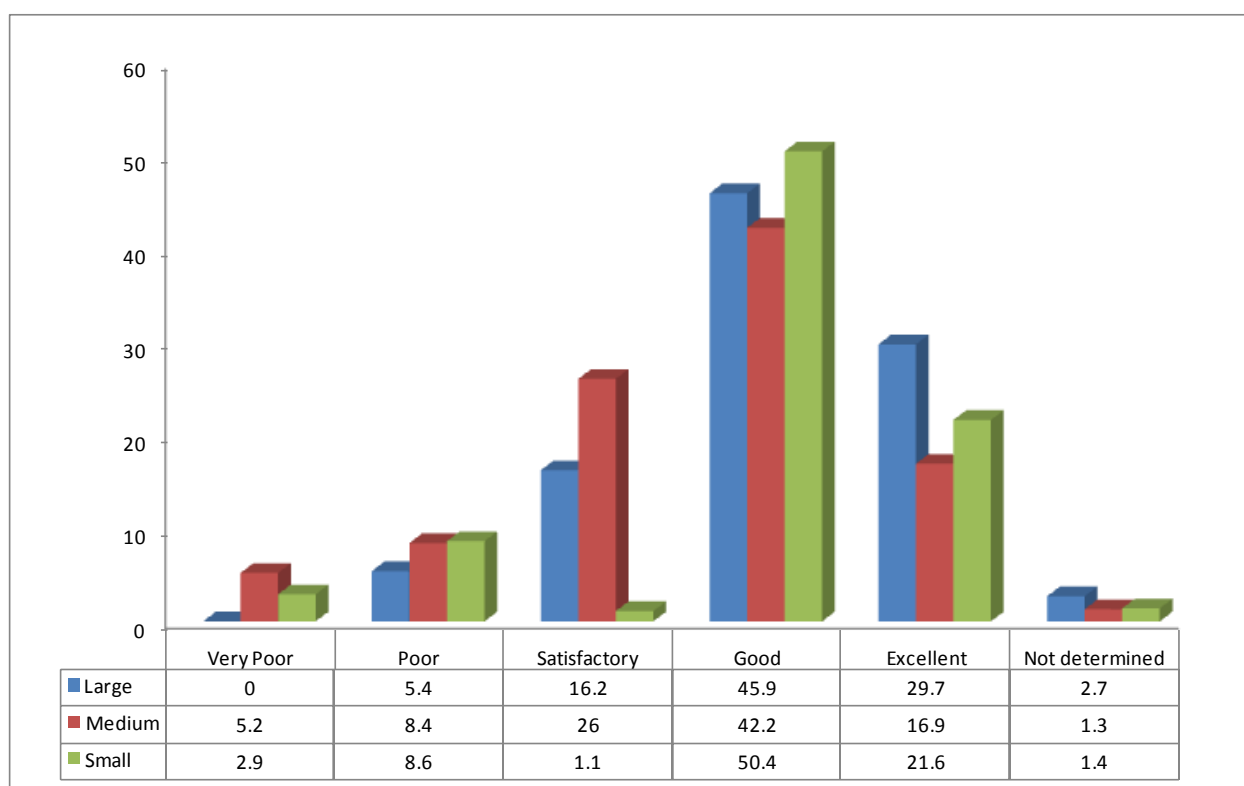
Regarding how RRA employees perform their jobs as it is required, 91.6% of taxpayers reported that RRA perform better. Additionally, 88.8% asserted that they were best served by RRA during their first visit and 88.8% reported that RRA is known for timely service while 83.6% confirmed that RRA employees respond quickly to taxpayers’ requests. Besides, taxpayers asserted that RRA employees are approachable (83%), helpful and polite (88.4%), good communication towards clients (85.8%), good listeners (80.9%) and try to keep customer satisfied (86.9%). However, there are taxpayers who reported that RRA employees are not approachable. For instance, taxpayers said that when they find RRA employees they close their shops and open when RRA employees leave. According to them, RRA employees are punishing agencies.

Furthermore, taxpayers reported that RRA have tax related information (84.6%). Taxpayers also said that they are confident that RRA systems and that tax rate are good (78.8%). Concerning RRA Systems and tax rate, taxpayers were complaining that tax rate and penalties are too high. Also, 85.7% appreciated RRA physical facilities while 86% revealed that RRA communication system is very good. However, during the FGDs and interviews, it was reported that some

documents from RRA are written in English whereas there are some taxpayers who do not understand English.

Moreover, 80.8% reported that RRA is proactive and innovative in meeting the customer needs while 83.3 % are of the view that the quality of service in RRA is high. In the same survey, 74.5% confirmed that RRA services are good as compared to other services offered in East African countries, 82.7% reported that RRA employees believe in customer first principle and finally, 86.7% appreciated RRA services as compared to other services offered in other agencies.

FIGURE 33: OVERALL APPRECIATION OF TAXPAYERS ON RRA SERVICE DELIVERY.



Source: Field data, 2016

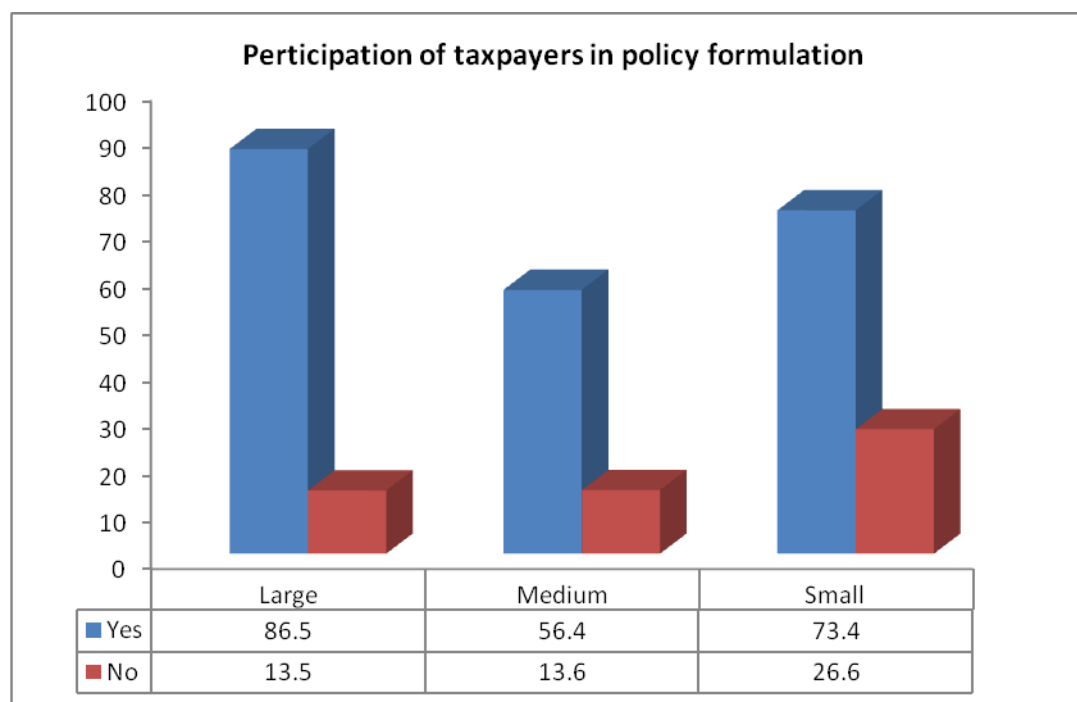
In fact, as Figure 33 indicates, when respondents were asked if they appreciated service delivery in RRA, 91.7% (large), 85.1% (medium) and 87.1% (small) reported that they appreciated service delivery while 5.4% (large), 13.6% (medium) and 11.5% (small) revealed that service delivery offered by RRA was poor. There are also, respondents who were not determined. Those

respondents include 2.7% (large), 1.3% (medium) and 1.4% (small). Thus, large taxpayers were more satisfied with RRA services than medium and small taxpayers.

4.9.3. PARTICIPATION OF TAXPAYERS IN TAX POLICY FORMULATION

The willingness of taxpayers to participate in tax policy related issues are illustrated in Figure35.

FIGURE 34: PARTICIPATION OF TAXPAYERS IN TAX POLICY FORMULATION



Source: Field Data, 2016

Taxpayers were asked if their participation in tax policy formulation is very important. On this issue, 86.5% (large), 56.4% (medium) and 73.4% (small) taxpayers said that taxpayers' participation in tax policy formulation is very important while the remaining 13.5% (large), 13.6% (medium) and 26.6% (small) taxpayers confirmed that taxpayers' involvement in tax policy formulation is not important. Thus, the majority of taxpayers were of the view that taxpayers' involvement in tax policy formulation is very important. This coincides with findings from interviews and FGDs whereby taxpayers said that their ideas should be taken into

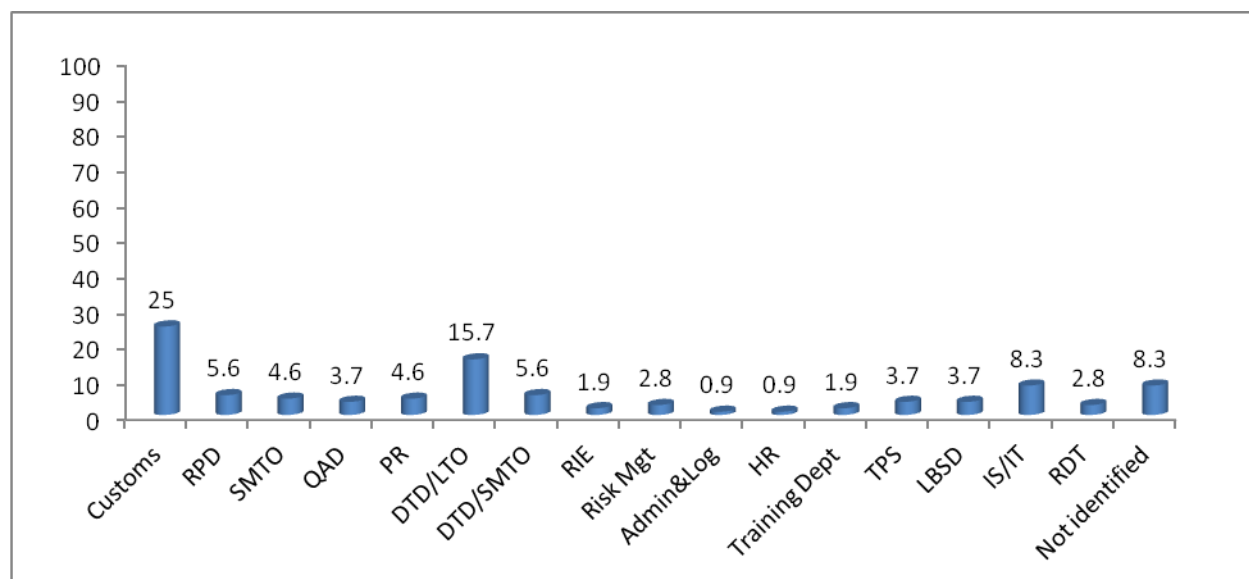
consideration during tax policy formulation. Therefore, RRA should consider taxpayers' ideas and involve them (taxpayers) in policy formulation.

4.10 PERCEPTIONS OF RRA STAFF ON ORGANIZATION SUPPORT

The Rwanda Revenue Authority (RRA) is composed of various administrative departments which are Revenue Investigation and Enforcement Department (RIED), Quality Assurance Department (QAD) , Taxpayers Services, Planning and Research Department, Legal and Board Secretariat Department (LBSD), Human resource Department, Information Technology Department, Finance, Training, Corporate Risk Management & Modernization Department and Administration and Logistics.

The largest number of respondents was from the customs department (25%) followed by the DTD/LTO department (16%) and then the IS/IT department (8%). The rest of the departments had much less responses although 8% did not identify themselves. Details of the responses from each department are summarized in Figure below.

FIGURE 35: PERCENTAGE OF RESPONDENTS FROM DIFFERENT RRA DEPARTMENTS

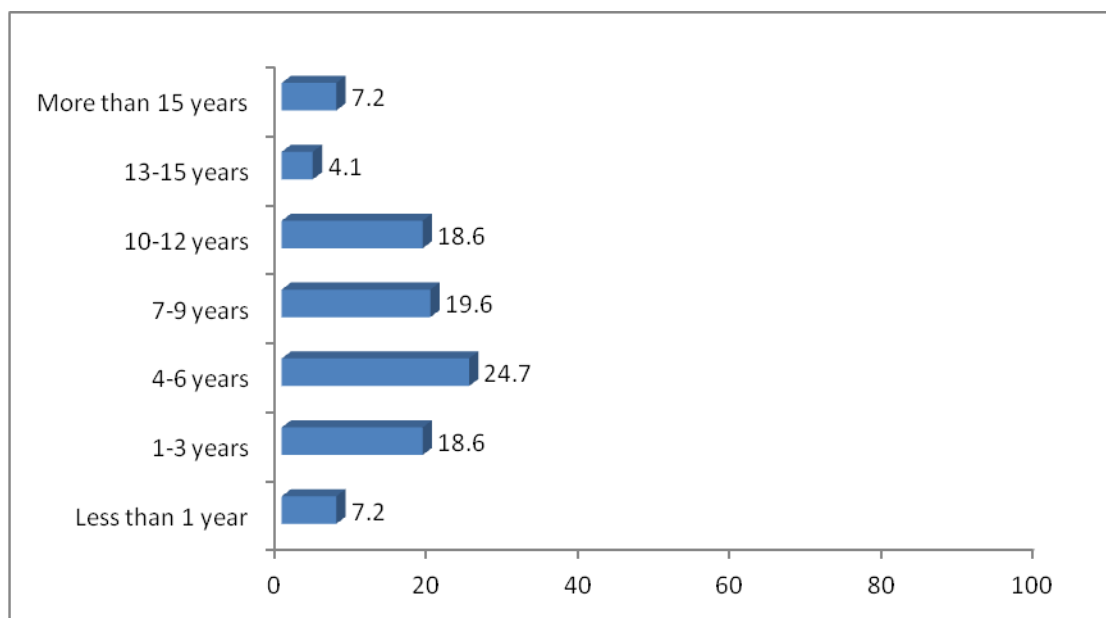


Source: Field data, 2016

4.10.1. YEARS OF EXPERIENCE

The survey also investigated the years of experience that respondents had. Results show that one quarter (25%) of them had working with RRA for 4 to 6 years. Another reasonable number had worked with RRA between 7 and 9 years (20%), 10 to 12 years and 1 to 3 years constituted 19% for each of the two categories. Additionally, 7% of the respondents had been in employment for less than one year while another 7% had been employed for more than 15 years. Details are presented in Figure 38.

FIGURE 36: EMPLOYEES' YEARS OF EXPERIENCE

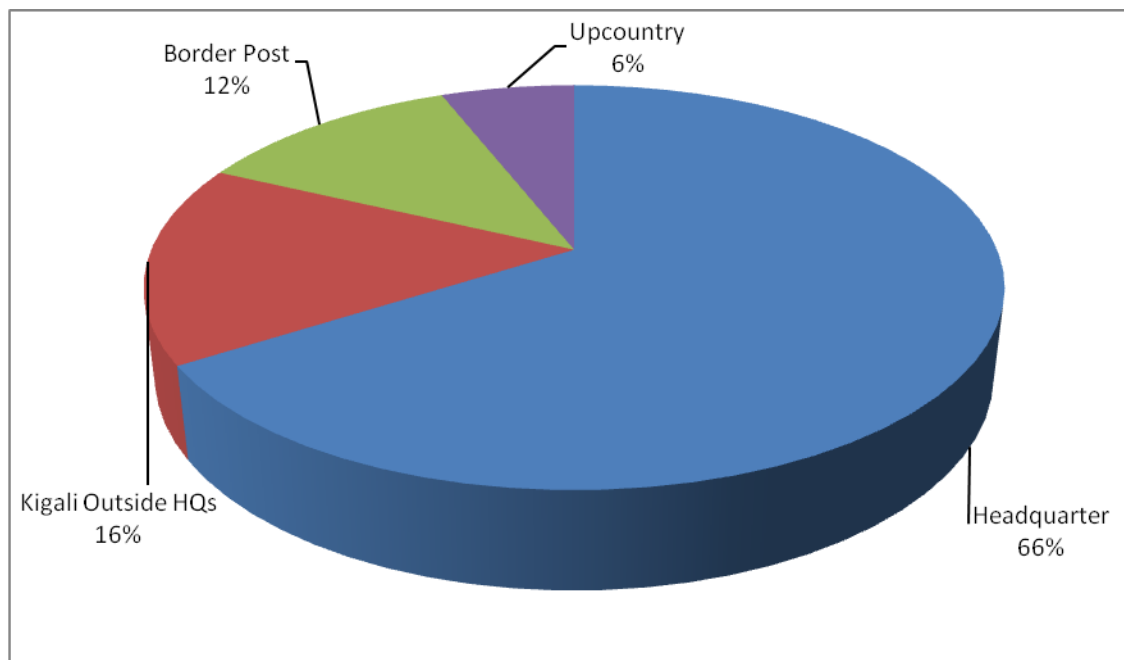


Source: Field data, 2016

4.10.2. WORK STATION

Regarding the station of work of the RRA employees, there are employees stationed at the RRA headquarters (HQs), Kigali city outside the HQs, RRA border posts, and upcountry. Two thirds (66%) of the respondents were from the HQs and the least from (6%) from upcountry stations.

FIGURE 37: RRA EMPLOYEES WORK STATION



Source: Field data, 2016

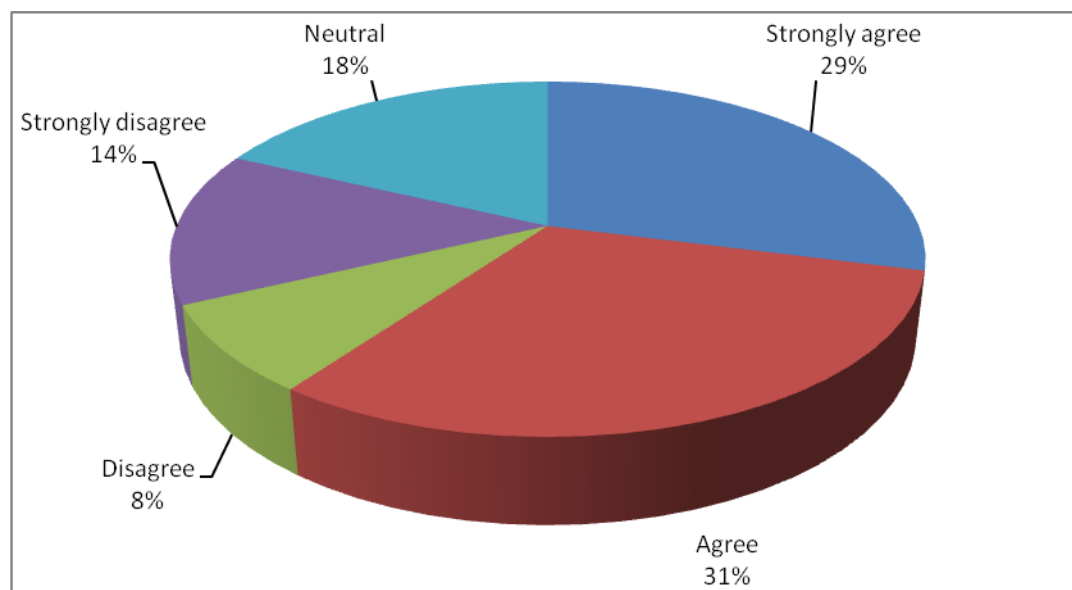
4.10.3. CONSIDERATION OF EMPLOYEE OPINIONS BY RRA

The feeling of appreciation by the supervisor is an important source of employee motivation in organizations. This can be achieved through involving employees in decision making. The survey therefore, investigated the extent to which RRA supervisors consider the opinions of their staff.

4.10.4. OVERALL PERCEPTION

Results from the survey reveal that 60% of the respondents (31% agree and 29% strongly agree) indicated that their opinions were considered by supervisors on key decisions as presented in Figure40.

FIGURE 38: OVERALL PERCEPTION OF RRA CONSIDERATION OF EMPLOYEE PERCEPTIONS

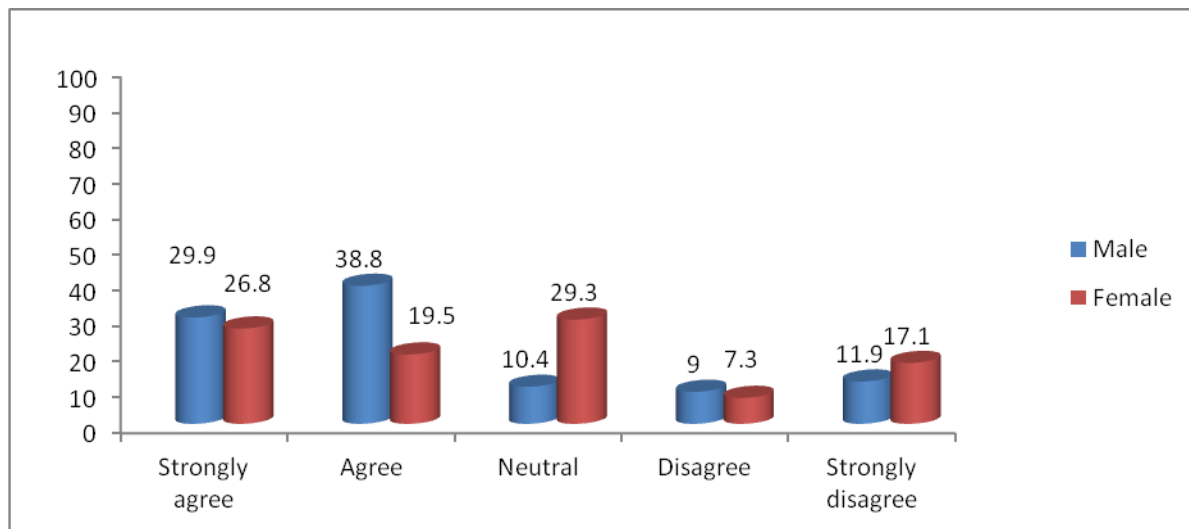


Source: Field data, 2016

4.10.5. GENDER DISAGGREGATION

Disaggregated by gender, results show that supervisors confide more in male employees compared to female employees as 69% (male) and 46% (female) employees respectively either agree or strongly agree to the statement on consideration of their opinions by the employers as presented in Figure 41.

FIGURE 39: GENDER DISAGGREGATION OF RRA CONSIDERATION OF EMPLOYEE OPINIONS



Source: field data: 2016

4.10.6. DEPARTMENTAL DISAGGREGATION

Departmental disaggregation on the other hand shows that supervisors in the HR, Training Department, TPS, LBSD, IS / IT, and RDT, while administration and logistics as well as the customs departments are the least consultative

TABLE 20: DEPARTMENTAL DISAGGREGATION OF RRA CONSIDERATION OF EMPLOYEE OPINIONS

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
	%	%	%	%	%
Customs	25.9	14.8	7.4	14.8	37.0
RPD	16.7	16.7	16.7	33.3	16.7
SMTO	40.0	20.0	40.0	0.0	0.0
QAD	25.0	50.0	25.0	0.0	0.0
PR	20.0	60.0	0.0	20.0	0.0
DTD/LTO	17.6	41.2	23.5	5.9	11.8
DTD/SMTO	66.7	33.3	0.0	0.0	0.0
RIE	0.0	50.0	50.0	0.0	0.0
Risk Mgt	0.0	66.7	33.3	0.0	0.0
Admin & Log	0.0	0.0	0.0	0.0	100.0
HR	33.3	33.3	33.3	0.0	0.0
TPS	50.0	25.0	25.0	0.0	0.0
LBSD	75.0	25.0	0.0	0.0	0.0
IS / IT	33.3	66.7	0.0	0.0	0.0
RDT	33.3	66.7	0.0	0.0	0.0
Total	29.3	34.3	14.1	8.1	14.1

Source: Field data, 2016

4.10.7. DISAGGREGATION BY STATION

Evidence from the results show that consultation and consideration of employee opinions by supervisors is higher at the headquarters, perhaps because that is the place where final decisions are made and where most high ranking officials are stationed in upcountry stations as well as the border posts. Details are presented in the following table.

TABLE 21: DISAGGREGATION BY DUTY STATION

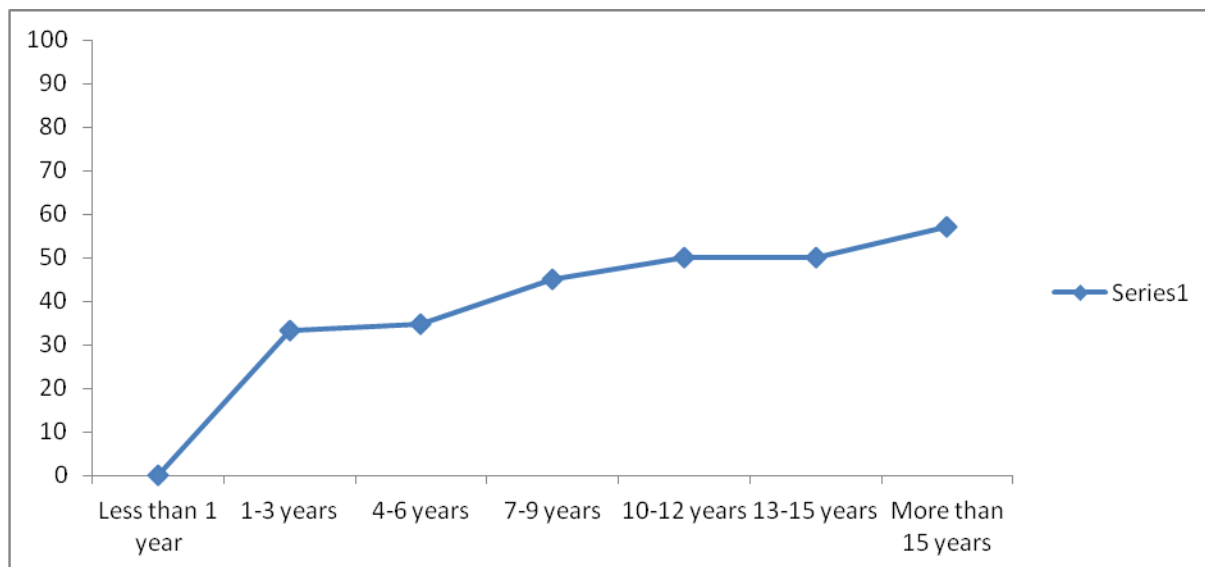
Responses	Headquarters		Kigali Outside		Upcountry		Boarder	
			HQs				Posts	
	Frequ		Frequ		Frequ		Frequ	
	ency	%	ency	%	ency	%	ency	%
Strongly agree	21	29.6	7	41.2	0	0.0	3	23.1
Agree	25	35.2	7	41.2	1	14.3	1	7.7
Neutral	16	22.5	1	5.9	2	28.6	0	0.0
Disagree	3	4.2	2	11.8	1	14.3	3	23.1
Strongly disagree	6	8.5	0	0.0	3	42.9	6	46.2
Total	71	100.0	17	100.0	7	100.0	13	100.0

Source: Field data, 2016

4.10.8. DISAGGREGATION BY EMPLOYEE EXPERIENCE

Efforts were also made to establish consideration of employee experience when seeking for opinions by supervisors. Results are consistent that the more experienced an employee is, the more likely he will be contacted for opinions to feed decision making. Employees who had been employed for less than one year were not contacted their opinions, whereas at least half of those who had been employed for 10 or more years had been contacted for their opinions as presented in Figure 40.

FIGURE 40: DISAGGREGATION BY EMPLOYEE EXPERIENCE

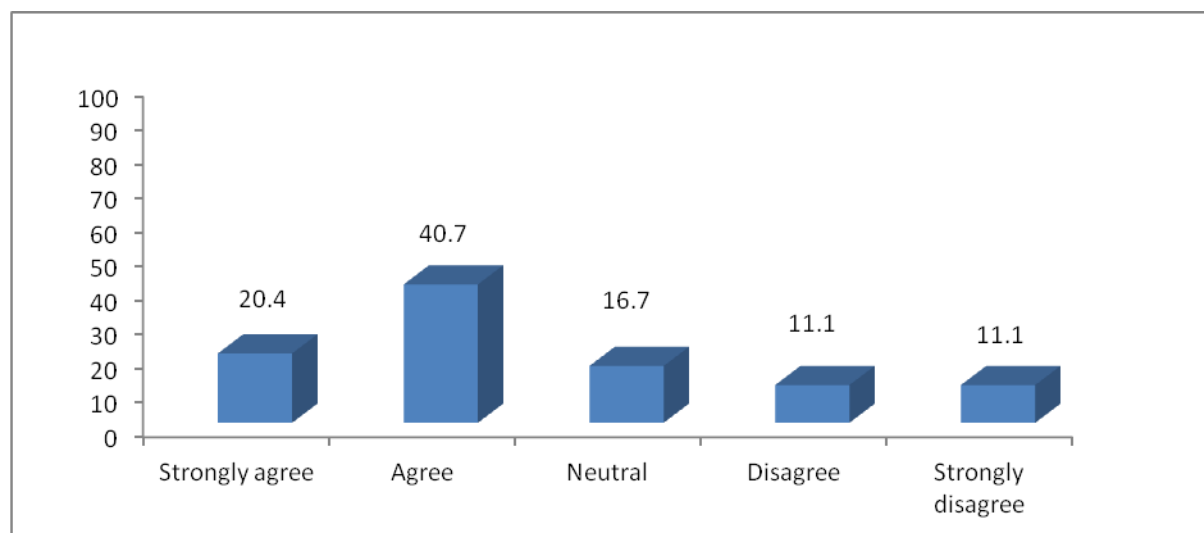


Source: Field data, 2016

4.10.9. EMPLOYEE WELFARE

Employee wellbeing has a direct impact on their morale and productivity. It also has a lot of bearing on the way employees interface with customers and employers should therefore be interested in how their staff perceive their welfare conditions. This survey investigated RRA employees' perceptions about their welfare, and results show that overall, employees agree (41%) or strongly agree (20%) that their employer is concerned with their welfare including the working conditions (figure 41).

FIGURE 41: OVERALL OPINION ABOUT EMPLOYEE WELFARE



Source: field data, 2016

4.10.10. DISAGGREGATION BY OF EMPLOYEE WELFARE BY DUTY STATION

Disaggregated by station of work, results show that RRA staff stationed at the border posts and upcountry strongly disagree that RRA cares about their wellbeing (work conditions) as represented by 39% and 42% respectively by the two categories of respondents. Working conditions are perceived to be fine at the headquarters and in Kigali outside the headquarters as presented in Table 22.

TABLE 22: EMPLOYEE WELFARE DISAGGREGATED BY DUTY STATION

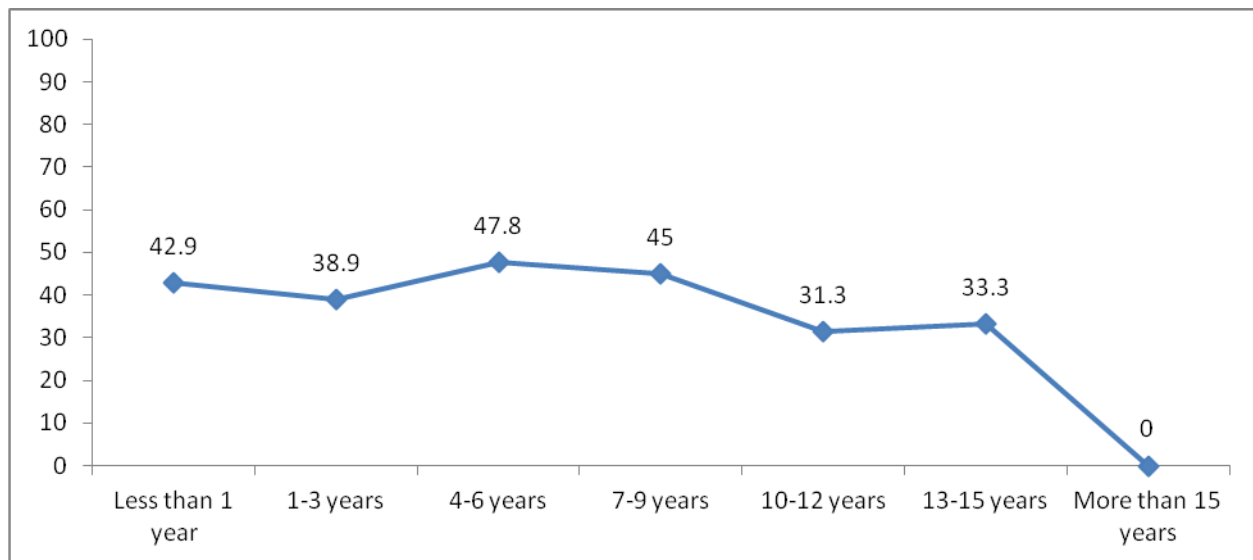
Responses	Headquarters		Kigali Outside HQs		Upcountry		Boarder Post	
	#	%	#	%	#	%	#	%
Strongly agree	16	22.5	2	11.8	1	14.3	3	23.1
Agree	32	45.1	11	64.7	1	14.3	0	0.0
Neutral	11	15.5	2	11.8	2	28.6	3	23.1
Disagree	8	11.3	2	11.8	0	0.0	2	15.4
Strongly disagree	4	5.6	0	0.0	3	42.9	5	38.5
Total	71	100.0	17	100.0	7	100.0	13	100.0

Source: Field data, 2016

4.10.11. DISAGGREGATION OF EMPLOYEE WELFARE BY YEARS OF EXPERIENCE

The survey was interested in establishing whether the number of years in service at RRA influenced employees' perception about their welfare including working conditions.

FIGURE 42: DISAGGREGATION BY OF EMPLOYEE WELFARE BY YEARS OF EXPERIENCE



Source: Field data, 2016

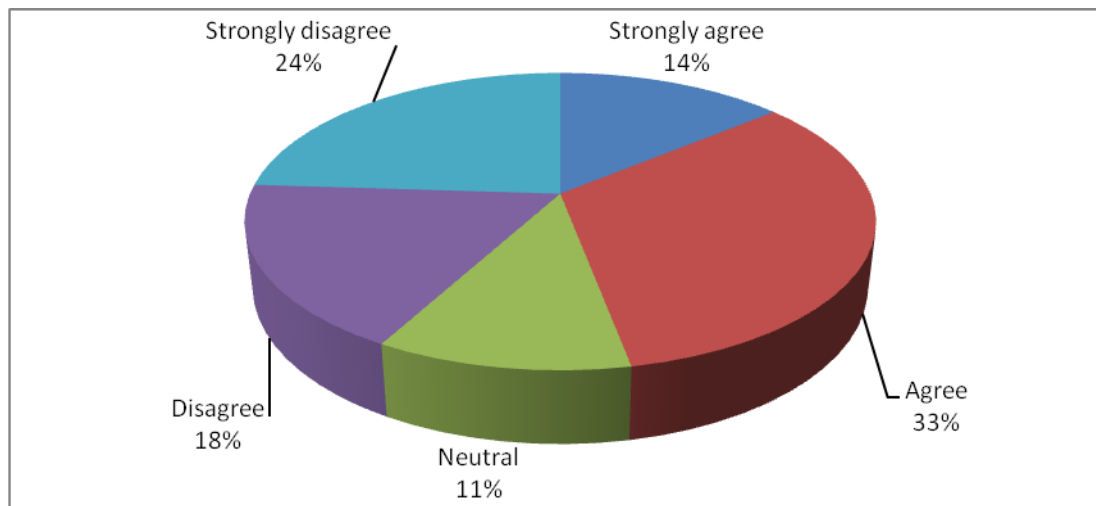
Results show that new employees were more optimistic peaking between 4 to 6 years of service (48%), thereafter, optimism starts decreasing to the lowest beyond fifteen years of service.

This finding is very consistent with Maslow's hierarchy of needs theory which states that needs cease to motivate as soon as they are fulfilled. It is tempting to conclude that employees who have worked for more than fifteen years have fulfilled all lower level of needs and have developed higher expectations in life.

4.10.12. STAFF ADHERENCE TO PROFESSIONAL STANDARDS

Staff adherence to professional standards is an important predictor of employee satisfaction at work and by extension, delivery of quality service to customers. Figure 43 presents the details.

FIGURE 43: OVERALL PERCEPTION ABOUT STAFF PROFESSIONAL STANDARDS



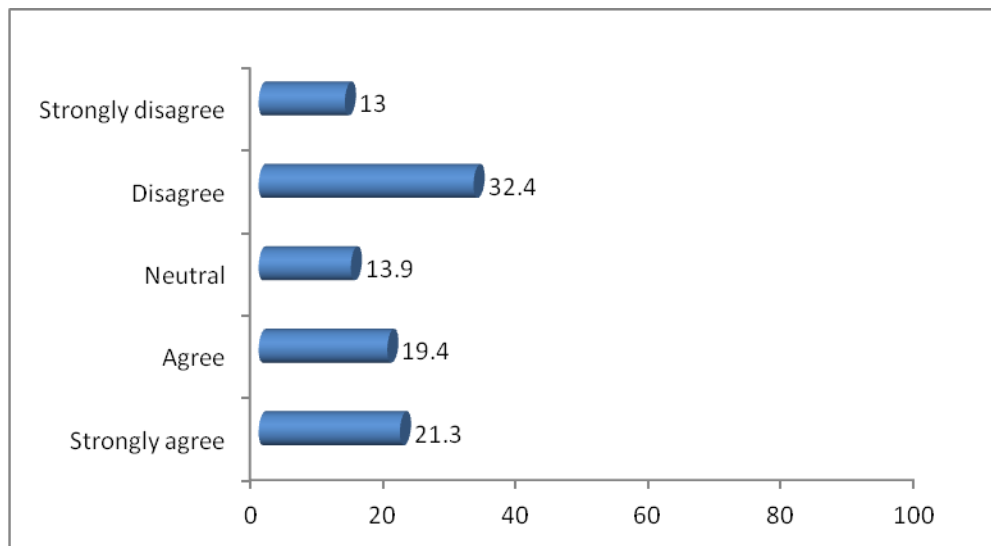
Source: Field data, 2016

This survey therefore, investigated adherence to RRA staff employees to professional standards. Responses show that overall, just under 50% (33% agree and 14% strongly agree) of employees who participated in the survey believe that RRA staff adhere to professional standards. About one quarter of them (24%) strongly disagree all together as presented in Figure 43.

4.10.13. FACILITATION WITH REQUIRED TOOLS AND EQUIPMENTS

Availability of tools and equipments to perform duties is very important in service delivery which ultimately affects customer satisfaction. Figure 46 illustrates employees' perceptions on facilitation with required tools and equipments.

FIGURE 44: EMPLOYEES' PERCEPTIONS ON FACILITATION WITH REQUIRED TOOLS AND EQUIPMENTS



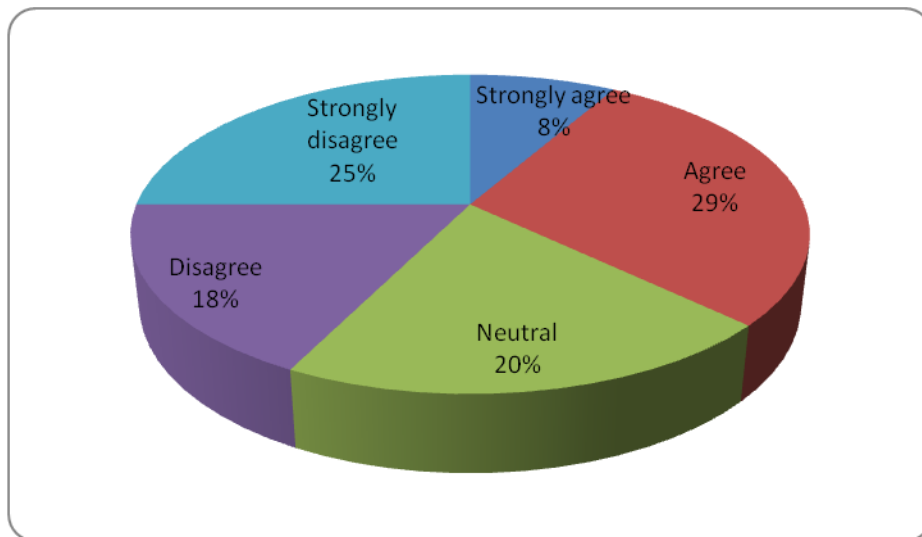
Source: Field data, 2016

This study investigated therefore, employees' perceptions about availability of necessary tools and equipments at work. Overall results show that 32% of RRA employees disagree compared with 19% who agree. A combined 41% either disagreed or strongly disagreed compared to 40.7% who either agree or strongly agree.

4.10.14. EMPOWERING POLICIES

Appropriate policies and procedures are pivotal in streamlining work systems and processes at work. Figure 45 presents availability of empowering policies.

FIGURE 45: AVAILABILITY OF EMPOWERING POLICIES



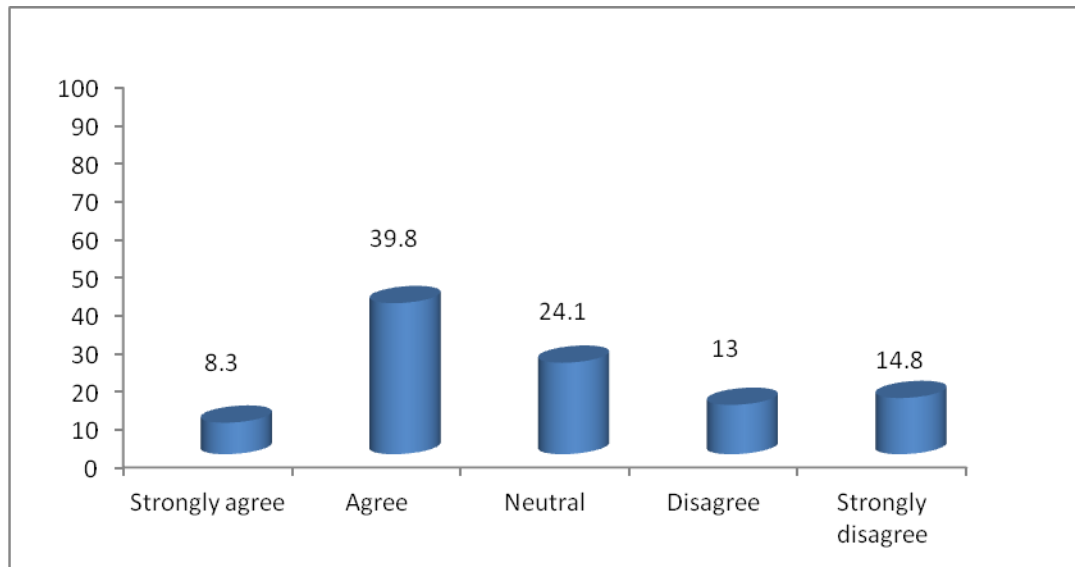
Source: Field data, 2016

The survey further assessed employees' perceptions on RRA policies and the extent to which they empower employees to unleash their best performance at work; results in Figure47 more employees disagree (25% strongly disagree compared with 8% strongly agree) to the statement.

4.10.15. CONDUCTIVE WORK ENVIRONMENT

Work environment has a direct physical and psychological influence on employee morale and productivity and by extension the way they interact with customers. Figure 46 illustrates employee's perception on work environment.

FIGURE 46: CONDUCTIVE WORK ENVIRONMENT



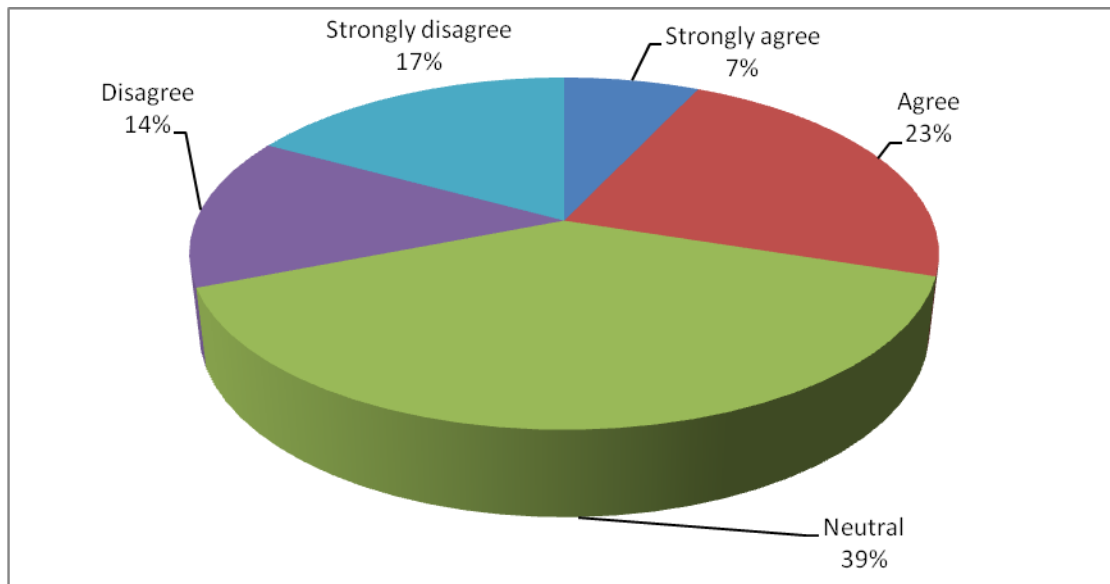
Source: Field data, 2016

This study evaluated the extent to which RRA employees perceived their work environment as being conducive to support their routine work, 40% agree and 8% strongly agree that the work environment is conducive. This favourably compares with the sceptics.

4.10.16. COMMENSURATE REWARDS

Rewards accruing from work effort were also investigated during the survey whereby RRA employees were asked to give their opinions about work related rewards from the employer. Figure 49 shows the details.

FIGURE 47: EMPLOYEES' PERCEPTION ABOUT REWARDS



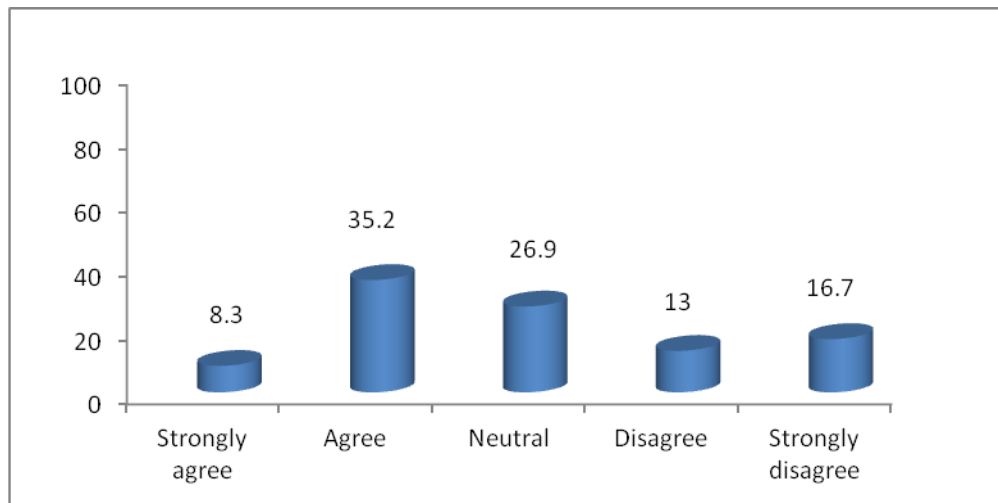
Source: Field data, 2016

Results in Figure 47 confirm the relativity in perception about rewards with nearly 40% of the respondents being neutral.

4.10.17. EMPLOYEES' WORKLOAD

It is important for employers to assign workload within reasonable limits that can enable employees execute their responsibilities effectively. Figure 48 illustrates the case.

FIGURE 48: EMPLOYEES' PERCEPTIONS ABOUT WORKLOAD



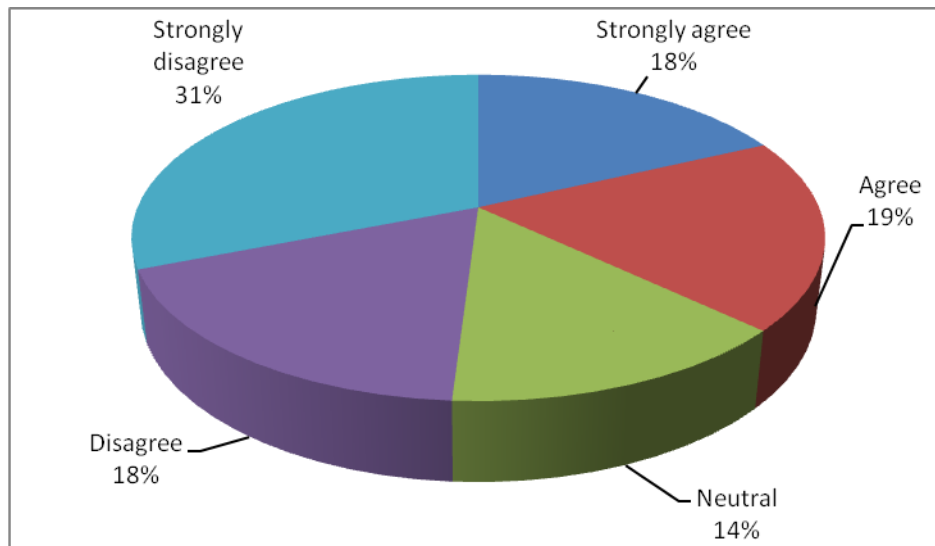
Source: Field data, 2016

This study sought employees' opinions about their respective workload, 44% of the employees indicated that the assigned workload permits them to perform their responsibilities effectively.

4.10.18. NEED FOR FURTHER TRAINING

Employees' training is important to equip them with the necessary skills, knowledge and attitudes to perform their work effectively. Training is also a prerequisite to prepare employees for career growth and progression as indicated in the figure 49.

FIGURE 49: EMPLOYEES NEED FOR FURTHER TRAINING



Source: Field data, 2016

This survey investigated whether RRA employees required training to perform their duties more effectively, nearly half of the respondents (49%) disagree that they need further training while one third (37%) intimated that they need training as presented in Figure 49.

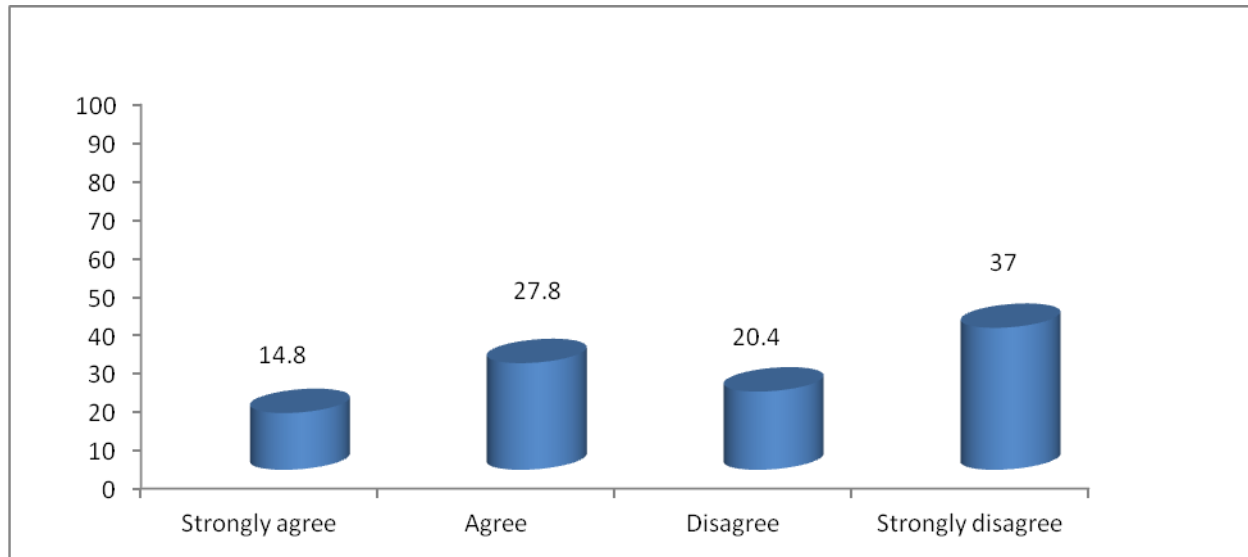
Similarly, when asked whether they required training to used modern equipment at work, 40% of the respondents indicated that they did not while another 40% indicated that they need trainings to use new equipment.

As for opportunities for career advancement, 38% of the employees who participated in the survey believe that RRA provides opportunities for staff career advancement compared with 29% who believe that there are no opportunities for staff career advancement at RRA.

4.10.19. SUPERVISOR SUPPORT

In regard to employee professional support from support from supervisors, more than half of the respondents (57%) intimated that their supervisors don't provide them with professional support whenever they are in need (figure 50).

FIGURE 50: PERCEPTION ABOUT SUPERVISOR SUPPORT



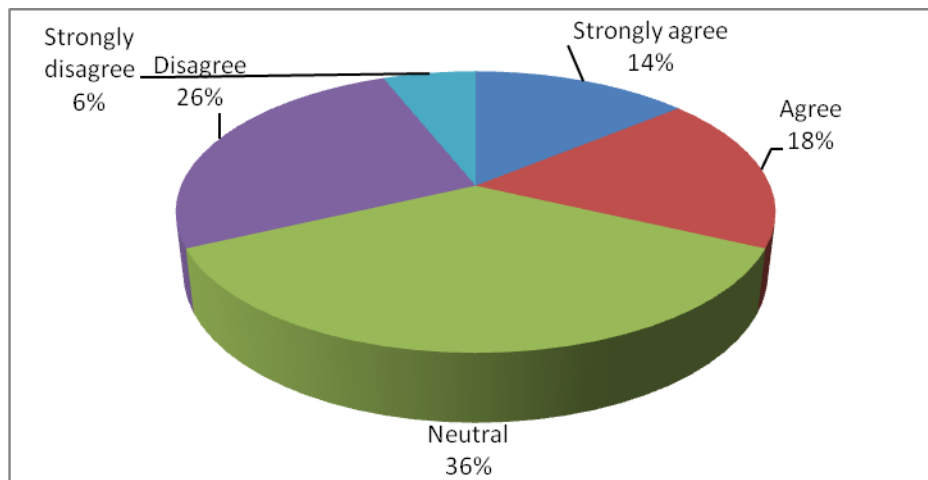
Source: Field data, 2016

In regard to perceived professional support from colleagues at work, nearly 60% of the respondents disagreed that colleagues were supportive whenever they needed so compared to 38% who perceived colleagues to be supportive at work.

4.10.20. MERIT-BASED PROMOTIONS

As far as objectivity surrounding promotions at RRA is concerned, the results did not come as a surprise that more than one third (36%) of the respondents were neutral about this question although slightly more than one quarter (26%) of them disagree that promotions in RRA are merit-based (figure 51).

FIGURE 51: PERCEPTION ABOUT MERIT-BASED PROMOTIONS



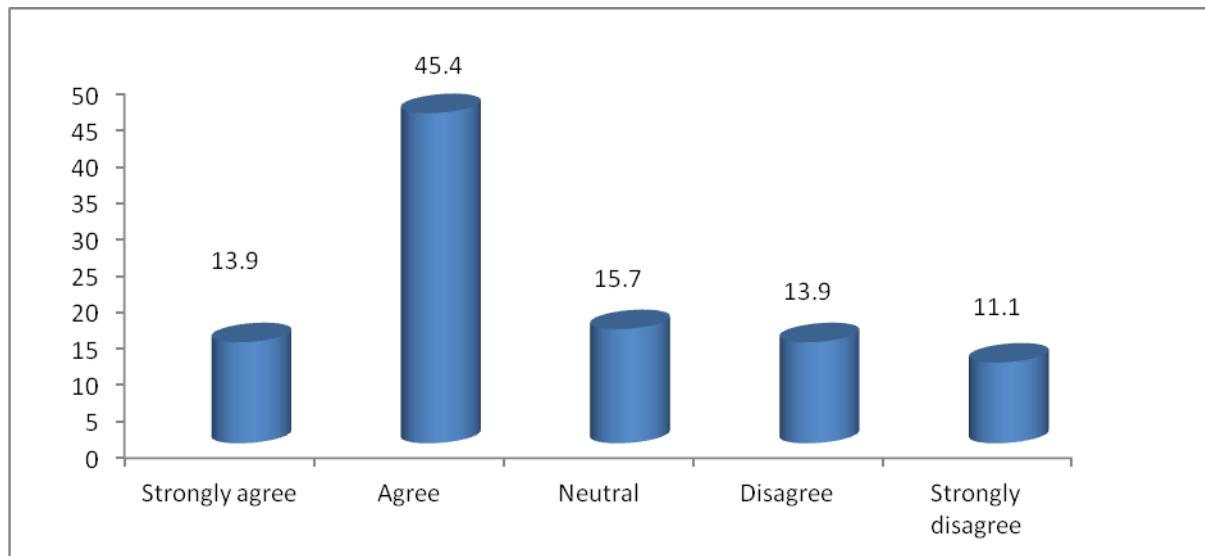
Source: Field data, 2016

When the same question was asked about impartiality in employee deployment and transfers, 51% of the respondents perceive the process to be impartial compared to 46% who believe that the process is done with partiality.

4.10.21. EMPLOYEE HEALTH POLICY

As far as the RRA staff perception about the health policy is concerned, there is a fairly large consensus among the respondents that RRA has a policy that guarantees staff health at work (figure 52).

FIGURE 52: RRA HEALTH POLICY



Source: Field data, 2016

As far as staff safety is concerned, there is an equally wide consensus among employees that RRA has a policy guarantees staff safety at work as 66% of employees who took part in the survey intimated so.

4.11 CHALLENGES FACED BY RRA STAFF

Concerning RRA employees, a pertinent challenge to all the respondents to the interview, was inadequate staff especially at border posts. They claimed that they are overstretched in terms of work. Also, with regard to commensurate rewards, empowering policies and promotions, over 60% of RRA staff disagreed or were impartial about their fairness.

Other challenges mentioned that hinder effective staff performance thus affecting RRA service delivery included: limited skills related to the use of modern technology; too many unplanned activities yet requiring immediate implementation; lack of timely feedback from workmates; tax

evasion among customers which at times leads to conflict between RRA employees and customers; implementation of a new system with limited expertise; limited support from the supervisors.

4.12 CHALLENGES FACED BY TAXPAYERS WHILE REQUESTING FOR SERVICES FROM RRA

There are challenges faced by taxpayers while requesting for services from RRA. Those challenges include but not limited to bad service delivery, insufficient knowledge and skills of some RRA employees, congestion of people, the problem of network, language problem, the problem of refund of excess payment, the shortage of RRA employees at sector level, high taxes and penalties, being charged 500 Frw while requesting for the service in BK, and the problem related to the use of EBM. Each of the above challenges is explained below.

4.12.1. BAD SERVICE DELIVERY

As reported by participants, one of the challenges faced by taxpayers while requesting for services from RRA is bad service delivery. The problem of bad service delivery was reported by many respondents. They said that good service delivery is only found at RRA head quarter office but in other RRA offices, customer care is not sufficient.

4.12.2. INSUFFICIENT KNOWLEGDE AND SKILLS OF SOME RRA EMPLOYEES

Even if the majority of taxpayers are of the view that RRA employees have necessary knowledge and skills, some taxpayers reported that some RRA employees do not have necessary knowledge and skills. Participants reported that when they ask some information to RRA employees, some of those employees fail to give accurate and updated information related to what they are asked. This means that there are some RRA employees who are not aware of all services provided by RRA. Thus, when RRA employees are not aware of some services provided by RRA, it seems very difficult to explain those services to employees.

4.12.3. CONGESTION OF PEOPLE

In this survey, it was reported at some RRA offices, there are so many people on queue waiting for RRA services. This was reported by a large number of participants. During the FGDs and

interviews, participants said that at RRA offices, there is congestion since some people have the habit of requesting for RRA services when the deadline is almost over. They said that when the deadline is almost over, many people have to queue in order to wait for RRA services. When there are taxpayers who do not meet the deadline, RRA does not tolerate them since there are some penalties.

4.12.4. THE PROBLEM OF NETWORK

Network is a problem which was reported by many taxpayers. On this issue, it was reported that when they go to request for services from RRA, they tell them that network is very slow or that there is no network. When there is no network, many taxpayers go back home without getting services that they need. The main consequence for this issue, is that people spend their time and some of them delay to get services. However, it was reported that when taxpayers do not meet deadline due to the lack of network connection, RRA does not tolerate taxpayers since they have to pay taxes with fine. Taxpayers complain about such penalties because the problem is rooted in slow connection of RRA.

4.12.5. LANGUAGE PROBLEM

In this survey, it was reported that sometimes taxpayers are asked to complete forms in the language that they do not understand. This means that RRA uses the language which does not match with the language used by taxpayers. For example, one taxpayer said “ I do not understand English but sometimes there are some RRA forms which are written in English. It is very complicated for me because I have to look for somebody to help me”. Therefore, RRA should try to use the language understood by all taxpayers.

4.12.6. THE PROBLEM OF REFUND OF EXCESS PAYMENT

It was reported that refund of excess payment is time consuming. Some taxpayers reported that when there is excess payment, refunding is very difficult since the process is too long and some taxpayers decide to give up. In addition, some taxpayers revealed that they are not aware of refund of excess payment.

4.12.7. THE SHORTAGE OF RRA EMPLOYEES AT SECTOR LEVEL

During the survey, it was reported that there are RRA employees who are working at sector level. Participants to interviews and FGDs said that there is still the shortage of those employees. The shortage of RRA employees leads to congestion since there are so many taxpayers who are on queue and sometimes people do not meet the deadline. Due to the shortage of RRA employees at sector level, taxpayers spend much of their time requesting for services. Additionally, it was reported that when taxpayers do not meet the deadline, they are given some penalties.

4.12.8. THE PROBLEM OF HIGH TAXES AND PENALTIES

Taxpayers complain that taxes and penalties are high. Concerning taxes, taxpayers said that they have to pay 18%. According to them, this amount of money is too high as compared to their income. Also, taxpayers are not satisfied with penalties that RRA gives to taxpayers who do not give invoice (EBM). On this issue, it was reported that some people fail to pay penalties and suggest stopping the business. For example one taxpayer said “ I am not satisfied with penalties that RRA gives. Imagine what might happen when I am asked to pay the fine of 5.000.000 Frw. This amount of money is too enough and I cannot find it”. Thus, the majority of taxpayers are complaining about taxes and penalties.

4.12.9. PAYING 500 FRW FOR GETTING SERVICE IN BANK OF KIGALI (BK)

In this survey, it was reported that taxpayers who do not have BK account number have to pay 500 Frw for any service that they request from BK. Those taxpayers complain that this amount of money is too much. When taxpayers do not have 500 Frw for the service they want, they may not meet the deadline. However, taxpayers said that in BK there is good service delivery as compared to other banks. They also said that in BK, there is no network problem and there is no congestion.

4.12.10. THE PROBLEM IN USING ELECTRONIC BILLING MACHINE (EBM)

Participants reported that there some problems in using EBM. For example, there are those who said that they do not have knowledge and skills in using it. The other problem is related to its cost. On this issue, participants reported that EBM is expensive (high cost). Another problem is

related to its maintenance. Participants reported that when it is not working, its maintenance is not easy because they have to look for the company which provided that EBM so that it can be in charge of maintenance and reparation. It was also reported that EBM delays to report data to RRA.

4.13 PROPOSED SUGGESTIONS FOR IMPROVEMENT

4.13.1. SENSITIZING RRA EMPLOYEES TO IMPROVE SERVICE DELIVERY

It was reported that some RRA employees are accused of poor service delivery. In order to cope with this challenge, those RRA employees should deliver good service. On this issue, RRA employees should give information to taxpayers related to the service that they want to request. Taxpayers should be treated as stakeholders of RRA. Therefore, good service delivery is a key to the sustainable development since through good service delivery, taxpayers will feel more responsible, give taxes on time and this will minimize cases of penalties towards taxpayers.

4.13.2. REVIEW PENALTIES

In this survey, it was found that taxpayers are not satisfied with penalties. Therefore, RRA should consider reviewing penalties since there are some taxpayers who may run out of business due to high penalties.

4.13.3. PROVIDING INFORMATION TO TAXPAYERS

It was found that some taxpayers do not have information related to tax. The lack of information may lead to delay in paying taxes and sometimes they may face penalties. The provision of information towards taxpayers will help them to have deep understanding of tax related issues and this will reduce cases of delaying to pay taxes and penalties.

4.13.4. SOLVING EBM RELATED ISSUES

It was pointed out that there are problems related to the use of EBM. One of them is lack of knowledge in using the machine. For this reason, RRA should extensively train taxpayers using EBM on its use. It was also found that EBM is expensive. Therefore, EBM should be provided at low price and its reparation and maintenance should be for free of charge. Since it was also

found that sometimes EBM delays to report data in RRA, there should be close collaboration between taxpayers and RRA in order to make sure that EBM is reporting.

4.13.5. INCREASING THE NUMBER OF RRA EMPLOYEES AT SECTOR LEVEL

Taxpayers complain that there is still the shortage of employees at sector level. For this reason, RRA should increase the number of RRA employees at sector level so that congestion can also be minimized. This will also reduce the number of taxpayers who delay to pay taxes.

4.13.6. INCREASING THE NUMBER OF BANKS AND MICRO-FINANCE INSTITUTIONS WORKING WITH RRA

Taxpayers complain that they are charged 500 Frw for any service they request from BK. It will be better if RRA increases the number of banks or micro-finance institutions working with RRA authority so that taxpayers cannot be charged 500 Frw in BK. This will also decrease the number of people who delay to pay taxes in RRA.

4.13.7. SOLVING PROBLEMS OF NETWORK IN RRA OFFICES

Due to a large number of taxpayers who complain about network in RRA offices, RRA should reinforce its network in order to avoid a large number of people who spend much of their time at RRA offices waiting for network. A fast running network will also decrease the number of people who delay to pay taxes in RRA. It will also decrease the number of people who face problems of penalties.

4.13.8. TRAINING PEOPLE IN USING ICT IN BUSINESS

In this survey, it was found that some taxpayers do not have knowledge and skills in using ICT. For this reason, RRA should train taxpayers in using ICT. The use of ICT will reduce congestion at RRA office. This will also reduce the number of taxpayers who delay paying taxes.

5 CONCLUSIONS AND RECOMMENDATIONS

5.1. CONCLUSIONS

From the above findings, the following conclusions can be drawn;

- i. In general, all categories of taxpayers appreciated the quality of services provided by RRA notwithstanding some aspects. However, dissatisfaction was noted particularly in poor customer care as reflected in the behaviour of the tax enforcement officers. It was widely reported that some of the officers act rudely and arrogantly to the extent of hustling with customers.
- ii. Further still, findings indicate that the level of adherence to the RRA Service Charter standards is low. Whereas certain services have specific timelines within which to be delivered, this was actually contrary to the experience of the taxpayers regardless of the category of taxpayers. This creates an atmosphere of mistrust on the service provider.
- iii. Customers have embraced the initiatives of RRA though with some still experiencing challenges. Particular to note were Mobile phone (M-declaration), E-tax registration. The recently introduced Electronic Billing Machine (EBM) was criticized by some taxpayers for being not user-friendly. Taxpayers doubted the authenticity of the machines claiming that they seem to be different. Moreover, they are supplied by different companies and are from different manufacturers.
- iv. In the same vein, taxpayers did not approve the suppliers' knowledge in operating the ICT facilities.
- v. Also taxpayers face challenges such as internet outages, delay in getting feedback from RRA in case one requested for or claimed anything; lack of adequate information about taxation, long queues at banks during tax remittance, limited knowledge in using ICT; as some of the hindrances in effective service delivery.

- vi. Some taxpayers operate without EBM's which undermines the purpose of the initiative thus giving the impression of discrimination among customers.
- vii. Discrepancy in tax assessment: at times RRA employees use their own discretion to levy taxes which causes conflict between RRA and taxpayers. As such taxpayers blame the individual staff members and consider this as injustice.
- viii. Taxpayers especially at border posts experience delays in clearing; a situation that was attributed to internet outages as well as poor time management that occurs due to staff shifts.
- ix. Most of the taxpayers are aware of the tax education programs and perceive them as effective in dissemination of relevant information. In particular radio/TV program was single out as being very helpful compared to others such as public tax sensitization campaigns, annual taxpayers' day, hotline and website which did not fair well. It appears that these programs are not prominent.
- x. To a great extent customer satisfaction has been derailed by a number of challenges experienced by RRA employees. All areas visited experienced limited personnel, limited skills related to the use of modern technology; too many unplanned activities; lack of timely feedback from workmates; tax evasion among customers which at times leads to conflict between RRA employees and customers; implementation of a new system with limited expertise; some supervisors do not give sufficient support to their subordinates.

5.2. RECOMMENDATIONS

In order to meet customers' expectations, improvement in the quality of services is imperative. Accordingly, the following recommendations were suggested;

- i. There is need for continuous staff training to acquaint RRA employees with work associated challenges and orient new employees to the tasks ahead of them,
- ii. In areas which are short of staff like borders, some posts and some departments like RPD which are overstretched in terms of resources including staff and facilities like vehicles, RRA should consider scaling up their capacities;
- iii. Staff professional supervision as well as coaching and mentoring by senior supervisors should be encouraged in all departments and duty stations as this is a useful approach of encouraging internal staff cohesion while strengthening capacities;
- iv. RRA needs to train their staff in customer care. This would assist in improving the way they handle customers.
- v. RRA should adhere to the service charter standards and make it known to employees as well as taxpayers. This would make the service timelines known so that the staffs are not taken as scapegoats.
- vi. RRA should strengthen the outdoor sensitization campaigns to reach the wider community. This would also enhance close interaction between business community and RRA employees.

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APPENDIX

Questionnaire for taxpayers

Dear Respondent,

In a bid to evaluate the service delivery function within RRA, we are conducting a *Customer Satisfaction Survey* targeting taxpayers and other stakeholders' perceptions and opinions of the institution. The outcomes of this research will be used as reference in prioritising areas for improvement within RRA. It is in this regard that we kindly seek your contribution to this survey by responding to this questionnaire.

You can be assured that responses obtained from this exercise will be treated with utmost confidentiality and will only be used for the purposes of this research.

SECTION A: GENERAL INFORMATION

A1. ENUMERATORS' IDENTIFICATION

Enumerators' Code / _ / _ / _ / _ /

Questionnaire ID / _ / _ / _ /

Date of the interview / _ / _ / _ / _ / _ / _ /

Start of the interview / _ / _ / _ / _ /

/ _ / _ / _ / _ /

End of the interview

A2. RESPONDENTS' IDENTIFICATION

Name of the respondents
Gender	1.Male /___/ 2.Female /___/
Area of Residence	Province: District: Sector Cell: Village:
Cell phone number	+250.....
Age of the respondent	1.20-29/___/, 2.30-39/___/, 3.40-49/___/, 4.50-59/___/, 5.60+/_/_/
Level of Education	1.Primary/___/, 2.Secondary/___/, 3.TVET/___/, 4.Vocational/___/ 5.Bachelor/___/, 6.Masters/___/, 7.PhD/___/, 8.Other/___/.
Professional
Category of the business	1.Large (/___/ 2.Medium /___/ 3.Small
Type of the business
Location of the business
Operating sector of the business	1.Retail/___/, 2.Whole /___/ 3.Manufacturing /___/, 4. /___/, 5.Mining 6.Other /___/, Specify.....

SECTION B QUALITY OF SERVICE DELIVERY

Q1. Are you in “regular contact” with RRA? a) Yes ☐ b) No ☐

Q2. If yes, for how long have you had the contacts with RRA?

- a) Less than 1 year, ☐
- b) Between 1 year to 2 years, ☐
- c) Between 3 years and 5 years ☐
- d) Over 5 years ☐

Q3. Which of the following services are you aware of? (Tick appropriate box).

1=Yes and 2=No

Services related to domestic taxes		Very poor	Poor	Satisfactory	Good	Excellent
1. Registration/de-registration						
2. Motor vehicle registration						
3. Motor vehicle transfer						
4. Duplicate motor vehicle log book						
5. VAT registration						
6. Processing of tax clearance certificate						
7. Issuance of ‘Quitus fiscal’						
8. Declaration/filing						
9. Tax payment						
10. Issuance of withholding certificate						
11. Issuance of tax stamps						
12. Tax arrears certificate						
AT refund	13. Automatic VAT refund					
	14. Privileged persons refund					
	15. Non-automatic refund					
16. Installment payment of taxes						
17. Appeal process						

18. Amicable settlement						
Customs services	19. Licensing of Clearing agencies					
	20. Licensing of warehouse operators					
	21. Customs exemptions					
	22. Direct delivery without going through warehouse					
	23. Certificate of origin					
	24. Transshipment					
	25. Pre-clearance					
	26. Issuance of transit regime					
	27. Imports for domestic consumption					
	28. Motor vehicles entry cards					
	29. Change of ownership					
	30. Change of destination					
	31. Exports					
	32. Refund of caution money					
	33. Refund of excess payment					
	34. Release of seized goods					
	35. Use of Rwanda Electronic single window					
Other Services	36. Getting bidding document					
	37. Notification for tender award					
	38. Appeal in case of dissatisfaction for tender decision					
	39. Payment of invoices					

	40. Request for data and other statistic information					
	41. Payment of informant fees					

Q4. How do you rate the effectiveness and delivery of these services?

5=Excellent ; 4=Good; 3=Satisfactory; 2=Poor and 1=Very poor

Services related to domestic taxes		Very poor	Poor	Satisfactory	Good	Excellent
42. Registration/de-registration						
43. Motor vehicle registration						
44. Motor vehicle transfer						
45. Duplicate motor vehicle log book						
46. VAT registration						
47. Processing of tax clearance certificate						
48. Issuance of 'Quitus fiscal'						
49. Declaration/filing						
50. Tax payment						
51. Issuance of withholding certificate						
52. Issuance of tax stamps						
53. Tax arrears certificate						
AT refund	54. Automatic VAT refund					
	55. Privileged persons refund					
	56. Non-automatic refund					
57. Installment payment of taxes						
58. Appeal process						
59. Amicable settlement						

Customs services	60. Licensing of Clearing agencies					
	61. Licensing of warehouse operators					
	62. Customs exemptions					
	63. Direct delivery without going through warehouse					
	64. Certificate of origin					
	65. Transshipment					
	66. Pre-clearance					
	67. Issuance of transit regime					
	68. Imports for domestic consumption					
	69. Motor vehicles entry cards					
	70. Change of ownership					
	71. Change of destination					
	72. Exports					
	73. Refund of caution money					
	74. Refund of excess payment					
	75. Release of seized goods					
	76. Use of Rwanda Electronic single window					

Other Services	77. Getting bidding document					
	78. Notification for tender award					
	79. Appeal in case of dissatisfaction for tender decision					
	80. Payment of invoices					
	81. Request for data and other statistic information					
	82. Payment of informant fees					

- What challenges have you faced in requesting the above mentioned services?

.....

- What would you suggest as areas of improvement in RRA services listed above?

.....

Q5. Have you faced any delay from RRA in getting service?

Yes

☐

No

☐

If yes for Q5, please specify

.....

Say how long did it take for you to access that delayed service.

- 1 hour to 1 day 1 day to 3 days
- 3 days to 1 week
- 1 week to 1 month
- 1 month to 6 months
- Over than 6 months

☐
☐
☐
☐
☐

If NO, go to Q6

Q6. Have you witnessed any changes/improvements in the services offered by RRA?

Yes

No

If yes, cite examples in which those changes have taken place

(a)

(b)

(c)

If NO, cite examples of areas that need improvements.

(a)

(b)

Q7. How can you rate the perception of RRA employees on the level of serving customers?

5=Excellent ; 4=Good; 3=Satisfactory ; 2=Poor and 1=Very poor

No.	Statement	Very poor	Poor	Satisfactory	Good	Excellent
1.	Number of RRA employees is sufficient for providing an effective service					
2.	RRA Office hours is conducive					
3.	RRA employees handle with customers courteously					
4.	RRA employees keep customers informed when services will be performed					
5.	RRA employees perform services right the first time					
6.	RRA employees have the capacity to handle customers' needs					
7.	RRA employees make customers feel					

	safe in their transactions					
8.	RRA employees provide services as promised					
9.	RRA employees are reliable and sincere when dealing with customers					
10.	RRA employees competently handle customers complaints					
11.	RRA employees are always willing to help customers					

Q8. At what level are you satisfied by RRA services?

5=Excellent; 4=Good ; 3=Satisfactory; 2=Poor and 1=Very poor

No	RRA service	Excellent	Good	Satisfactory	Poor	Very poor
1	Reception desk					
2	Registration desk					
3	Availability of forms supplied by RRA					
4	Assessment of tax by authorities in time					
5	Issue of tax clearance certificate					
6	Issue of tax exemption certificate					
7	Refunds within the stipulated time					
8	Release of imported goods from customs					
9	Procurement services					
10	Sensitization of taxpayers through tax education					
11	Redressal of customer grievances					
12	Customs and border posts related services					

Q9. According to you, is RRAs' service delivery or customer care improving?

Yes

☐

No

☐

If NO for Q9, Suggest areas for improvement in terms of RRA customer care or service delivery.

No	RRA service	Suggestions for improvement
1	Reception desk	
2	Registration desk	
3	Availability of forms supplied by RRA	
4	Assessment of tax by authorities in time	
5	Issue of tax clearance certificate	
6	Issue of tax exemption certificate	
7	Refunds within the stipulated time	
8	Release of imported goods from customs	
9	Procurement services	
10	Sensitization of taxpayers through tax education	
11	Redressal of customer grievances	
12	Customs and border posts related services	

SECTION C: STANDARDS IN SERVICE DELIVERY

Q1. Have you ever used any of the following channels to obtain tax information?

Channel	YES	NO
1. Telephone		
2. E-mail		
3. Fax		
4. Simple letter		
5. Letters that need investigation		
6. In-person (office visits) with appointment		
7. In person without appointment		
8. Website		
9. Notice board		
10. RRA Face book		
11. RRA Twitter		
12. Bill boards		
13. Radios		
14. Call center		
15. TV		
16. Front desk		
17. Newspapers and Magazine		
18. SMS		

Q2. How long does it take to get a response from RRA using the following channels?

1=Immediately ; 2=1hour-1day 3=1day-1week; 4=1week-1month and 5=Above 1month

Channel	Immediately	1hour-1day	1day-1week	1week-1month	Above 1 month
1. Telephone					
2. E-mail					
3. Fax					
4. Simple letter					
5. Letters that need investigation					
6. In-person (office visits) with appointment					
7. In person without appointment					
8. Website (Online services, rrainfo)					
9. Notice board					
10. RRA Face book					
11. RRA Twitter					
12. Bill boards					
13. Radios					
14. Call center					
15. TV					
16. Front desk					
17. Newspapers and Magazine					
18. SMS					

- What do you suggest as areas of improvement in any of the above mentioned channels of communication used by RRA?

.....

.....

.....

.....

.....

Q3. Which of the following facilities are you aware of? (Tick appropriate box)

No	RRA Facility	Yes	No
1	E-Filing		
2	M-Declaration		
3	Payment using Mobile Money		
4	Electronic Single Window		
5	Electronic Billing Machine (EBM)		
6	Blue Channel		
7	One stop border post		
8	Single Customs Territory		

Q4. How often do you use these facilities in fulfilling your tax obligations? (Tick appropriate box).

1=Every day 2=Every week 3=Every month 4=Every quarter; 5=Every year and 6=Never

No	RRA Facility	Every day	Every week	Every month	Every quarter	Every year	Never
1	E-Filing						
2	M-Declaration)						
3	Payment using Mobile Money						
4	Electronic Single Window						

5	Electronic Billing Machine (EBM)						
6	Blue Channel						
7	One stop border post						
8	Single Customs Territory						

Q5. How are you satisfied with these facilities? (Tick appropriate box).

5=Excellent :4=Good 3=Satisfactory ; 2=Poor and 1=Very poor

No	RRA Facility	Very poor	Satisfactory	Good	Poor	Excellent
1	E-Filling					
2	M-Declaration					
3	Payment using Mobile Money					
4	Electronic Single Window					
5	Electronic Billing Machine (EBM)					
6	Blue Channel					
7	One stop border post					
8	Single Customs Territory					

Q6. In case you are a VAT registered taxpayer and using Electronic Billing Machine; has it been helpful to your business?

Yes ☐

No ☐

- Which of the following challenges do you face when using Electronic Billing Machine

1=Yes and 2=No

No	Challenges faced	Yes	No
1	Delay in transferring data to RRA		
2	Low skills in using EBM		
3	High price of goods		
4	Decrease in number of the customers		
5	Air time loading		
6	High competition caused by non users		
7	Frequent load shadings		
8	Penalties for non usage		
9	High cost of EBM		
10	Other (Specify)		

- Explain what you have done after facing some of the challenges mentioned above.

.....

What suggestions would you give to overcome the challenges mentioned above?

.....

Q7. Are you able to easily access all the relevant information you may need from RRA?

Yes

☐

No

☐

If no, what are the impediments and suggested areas for improvement?

No	Impediment	Suggestion for Improvement
1		
2		
3		
4		

SECTION D: TAXPAYER EDUCATION PROGRAMS

Q1. Have you ever attended any of the following sensitization sessions? (Tick appropriate box).

1=Yes 2=No

Programs	Yes	No
1.Tax related meetings		
2.Tax Dialogue		
3.Education workshops		
4.Tax Advisory Council (TAC)		
5.Tax friend clubs in secondary schools& Universities		
6.Sector specific workshop		
7.Tax clinics		
8.Tax Issues Forum		

- How effective are the programs in disseminating information to customers about taxes and tax related issues

5=Excellent 4=Good; 3=Satisfactory; 2=Poor and 1=Very poor

Programs	Good	Satisfactory	Excellent	Very poor	Poor
1.Tax related meetings					
2.Tax Dialogue					
3.Education workshops					
4.Tax Advisory Council (TAC)					
5.Tax friend clubs in secondary schools& Universities					
6.Sector specific workshop					
7.Tax clinics					
8.Tax Issues Forum					

Q2. The above education and information sessions contribute to your understanding of taxes

Yes

☐

No

☐

If yes, How)

.....

.....

- What do you suggest as areas of improvement in any or all of the above mentioned tax education and information sessions listed above?

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Q3. Have you been fulfilling the following activities without reminders?

No	Activity	Always	Sometimes	Never
a)	Registration of business			
b)	Filing of tax returns (Declarations)			
c)	Reporting correctly			
d)	Payment of taxes			

SECTION E: CUSTOMER SATISFACTION LEVELS

Q1. Please rate the following in relation to your satisfaction about the service delivery and customer care in RRA

5=Excellent; 4=Good 3=Satisfactory 2=Poor and 1=Very poor (Nabi cyane)

Item	Excellent	Good	Satisfactory	Poor	Very poor
RRA employees do their job as per their promise to me					
I got served best by RRA during my first visit					
RRA is known for timely service					
They quickly respond to our service requests					
They are highly accessible to contact					
They are very helpful and polite					
They are very good in speaking the language I understand					
They are very good listeners					
They try their best to keep us satisfied					
RRA employees are well informed about tax matters					
They are very confident that RRA systems					

and tax rates are good					
RRA's physical facilities (offices, reception etc.) are very good					
RRA's information and communication system is very good					
RRA is proactive and innovative in meeting the customer needs					
The Quality of service in RRA is high					
Quality of service in RRA is comparatively better than in East African region					
They strongly believe in "Customer First" principle					
How do you rate RRA services in comparison to other agencies where you have sought services before in Rwanda?					

Q2. Do you feel that your participation is necessary while tax policies are being formulated?

a) Yes

☐

b) No

☐

If yes, how do you think your participation should be?

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.....

.....

Q4. How would you rate the overall service delivery in RRA?

- a) Very poor ☐ b) Poor ☐
- c) Satisfactory ☐ d) Good ☐
- Excellent) ☐ e) ☐

Any other information you would like to provide to improve the customer care and service delivery by RRA?

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Thank you for your cooperation.

Appendix 3: Questionnaire: Rwanda Revenue Authority Customer Quality Service Perception Survey

RRA STAFF PERCEPTION SURVEY

Dear respondent,

The Rwanda Revenue Authority is in the process of reviewing the quality of its services in order to serve you better. It intends to do this by listening to the concerns of its employees through a perception survey. You have been identified as one of the key employees to participate in this survey by providing your honest views about RRA.

Our company has been contracted to assist RRA in this process and hereby request you to spare between 10 and 15 minutes of your valuable time to participate in this exercise. We guarantee that your views shall be treated with utmost confidentiality.

We thank you in advance for your time.

Gender: ☐ Male ☐ Female

Year of employment _____

Department _____

Statement	Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree
	1	2	3	4	5
1. RRA considers my opinions at work					
2. RRA cares about my wellbeing (work conditions)					
3. RRA staff are well supervised					
4. RRA staff adhere to professional standards of conducts					
5. RRA cares about my goals and values in					

relation to my work					
6. RRA provides the facilitation I require to do my work (tools and equipment)					
7. RRA policies empower employees to pursue the best interests of the organisation					
8. RRA has conducive work environment					
9. I am rewarded based on my contribution towards the organisation's best interest					
10. My workload is sufficient to allow me to execute my responsibilities effectively					
11. I need further training to execute my work effectively					
12. My innovative suggestions to improve the overall services offered to customers are considered					
13. Some RRA staff are not skilled enough to effectively execute their duties					
14. RRA goes beyond meeting expectations of customers					
15. I need training in the use of modern equipment					
16. I am supported by my supervisor whenever I require work related support					
17. I am supported by my colleagues whenever I require work related support					
18. RRA promotes its employees on merit					
19. RRA carries out employ transfers with impartiality					
20. RRA provides opportunities for career advancement					

21. RRA has a policy that guarantees employees' health at work place					
22. RRA has a policy that guarantees employees' safety at work place					

Please list key challenges that you face during the execution of your duties

23. Suggest recommendations to improve service delivery

KEY INFORMANT INTERVIEW GUIDE (RRA STAKEHOLDERS)

1. Are you satisfied with the services offered by RRA?
 - a) If yes, probe for the services appreciated
 - b) If no, probe for the dissatisfaction
2. What can you say about the way RRA staff handle customer complaints?
3. Have you ever contacted RRA customer service desk, if yes, what were the issues and how were they solved?
4. Generally, what do you think are the challenges that your business face in meeting RRA demands?
5. What do you think should be done to improve the services offered by RRA?

KEY INFORMANT INTERVIEW GUIDE (RRA STAFF)

1. Are you satisfied with the services offered by RRA?
 - c) If yes, probe for the services appreciated
 - d) If no, probe for the dissatisfaction
2. Has the services offered by RRA had an impact on the increase of tax compliance among the tax payers?
 - a) If yes, how it has impacted
 - b) If no, probe for the reasons
3. What challenges do you encounter in dealing with customers?
4. What are your future aspirations in relation to RRA responsibilities
5. What do you think should be done to improve the services offered by RRA?