



Republic of the Philippines

Department of Finance



Run After Tax Evaders (RATE) Program :

A Period of Consolidation

IMF-Japan High Level Tax Conference

For Asian Countries

March 22 and 23, 2017

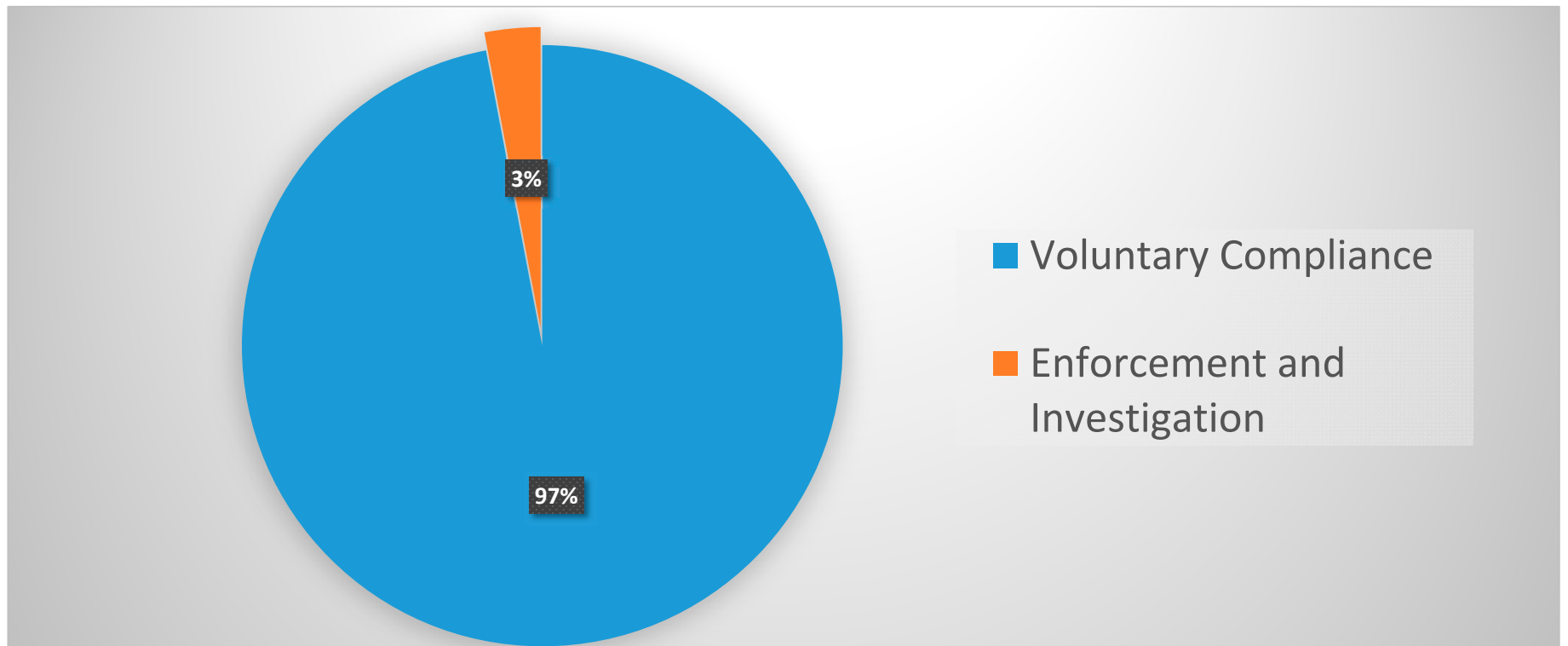
Tokyo, Japan

Assistant Secretary Mark Dennis Y.C. Joven

RATE Program - History

- Formalized in March 2005
- July 2010 – June 2016 (“Tax Shaming Campaign”)
- July 2016 – Present

More than 97% of Total Collection from is from Voluntary Compliance.



Tax Fraud Case Statistics

- **492** criminal cases filed from July 2010 to June 2016
- Involving **PhP 84.5 Billion** in tax liabilities
- Contrast to **192** cases filed from March 2005 to June 2010 involving tax liabilities amounting to **PhP 7.3 Billion**

Tax Shaming Leads to Increased Voluntary Compliance

“Tax Shaming Campaign” resulted in:

- ↑ collection by a CAGR of **11.42%**
- ↑ tax / GDP by **0.3** each year for the last 6 years

Tax Shaming Challenges

- No convictions
- No taxes collected from tax evasion cases
- 97.5% of cases filed are unresolved
- 2.5% of cases dismissed

Takeaway from Tax Shaming Experience

- Credible threat of prosecution is required
- Public belief that tax laws are fair and authorities are trustworthy
- Global shift from “tax shaming” to “taking morality out of the tax equation”

Current Policy Direction

- Decrease case backlog
- Improve batting average
- Develop jurisprudence on indirect methods

Goals / Objectives