



TERMS OF REFERENCE

FOR THE PROCUREMENT
OF SERVICES FOR THE
COLLECTION OF TAX
ARREARS



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1. BACKGROUND

1.1 The Barbados Revenue Authority (the Authority) is a body corporate owned and established by the Government of Barbados under Section 3(1) of the Barbados Revenue Authority Act 2014-1.

1.2 The main activities of the Authority relate to the administration of the specified legislation set out in Schedule 1 of the Act. In addition, the Authority has responsibilities for the enforcement and collection of all forms of duties, taxes, interest, penalty, fees and any amounts payable under the specified enactments advises the Minister on all matters relating to the Act and the specified enactments and represents Barbados on other matters relating to taxes.

1.3 The following taxes/fees and levies are currently collected:

Taxes on income and profits	Taxes on Goods and Service	Property Tax	Other
Income Tax	Value Added Tax	Land Tax	Rent registration
Corporation Tax	Highway revenue		Municipal Solid Waste Tax
Withholding Tax	Excise Duties		Room Rate Levy
Pandemic Contribution Levy	Bank Tax on Assets		Product Development Levy
Consolidation Tax (now repealed)	Tax on Assets		Shared Economy Levy
			Insurance Premium Tax
			Betting and Gaming Licences and Fees
			Non-Tax Highway Revenue
			Alternate Fuel Levy
			National Social Responsibility Levy (NSRL) (now repealed)

1.4 The Authority is seeking to engage persons to provide tax arrears collection services for delinquent accounts. The Collection Agents will support the Authority in the recovery of tax arrears payable to the Authority and keep the Authority updated on the recovery process. The Collection Agent will be required to maintain accurate files on the financial status of recovered customer accounts.

2. OBJECTIVE

2.1 The objective of the procurement is to engage Collection Agents to provide debt recovery services for the collection of outstanding taxes.

3. CHARACTERISTICS OF THE CONSULTANCY

Type of Consultancy: Individual Lawyers/ Law firms/Partnerships

Duration: Two (2) years

Place of Work: Barbados

Qualifications:

The Collection Agents should have experience in collecting and processing payments.

The Proposer shall provide information regarding their fiscal solvency, including having no outstanding obligations to the Authority. All successful candidates must swear an oath of confidentiality with the Authority.

4. SCOPE OF WORKS

The Collection Agents will carry out the following activities:

- enable collections based on account assignment;
- dispute resolution;
- maintenance of accounts under assignment;
- refer accounts under assignment; and
- return provisioning

4.1 General Provisions

- 4.1.1 All information gathered and used by the Collection Agents in the collection of accounts is the property of the Authority, and the Collection Agents shall not use the information for any other purpose.
- 4.1.2 The Collection Agents must maintain records on each individual account referred by the Authority for collection. Such records shall contain all of the collection activities made by the Collection Agents and other pertinent information.
- 4.1.3 The Collection Agents shall maintain the records on each account until such time as the account is returned to the Authority. These records shall remain the property of the Authority.
- 4.1.4 All records and documents shall be maintained at the Authority's locale.

4.2 Assignment of Accounts

- 4.2.1 The Authority will provide the Collection Agents with a file containing the name, address (last known), type of tax and period, account number, amount due as of a certain date (tax/amount owed, penalty, current interest and applicable fees), and other pertinent financial and demographic information to recover tax arrears owed to the Authority.
- 4.2.2 The Collection Agents shall acknowledge the number and logical validity of the file within five (5) business days after delivery date.
- 4.2.3 The Authority shall retain the right to withhold and/or to request the return of accounts at its discretion.

4.3 Disputed Accounts

- 4.3.1 If during the collection of an account the Collection Agents are not satisfied that the taxpayer owes the liability, that account shall be forwarded to the Authority for verification.
- 4.3.2 The Authority shall promptly verify the liability and notify the Collection Agents of its finding. During this verification period, the Collection Agents shall suspend any active contact with the taxpayer.

4.4 Inventory

- 4.4.1 The Collection Agents shall provide monthly or as requested to the Authority an electronic file known as a reconciliation file. The file shall contain all accounts assigned including the date account/period was assigned for collection, outstanding balance, and account status.

4.5 Return/Update of Referred Accounts

- 4.5.1 The Collection Agents shall document their efforts to collect on all accounts. If the Collection Agents should discover new taxpayer demographic information, the Collection Agents must submit the updated names, address, phone numbers to the Authority.
- 4.5.2 The Collection Agents shall return to the Authority an account deemed uncollectible with an explanation why it is so rendered. *Examples of reasons given may include the taxpayer's death, total and permanent disability, the taxpayer does not have the means to satisfy the debt or portion thereof, or the taxpayer cannot be located and tracing efforts have been exhausted.*
- 4.5.3 In any case where an account has been assigned to the Collection Agents and that account becomes the subject of a bankruptcy proceeding, receivership, probate or other proceeding, the Collection Agents shall immediately, on discovery, return the account to the Authority. No additional fee will be generated on the remaining balance.

- 4.5.4 The Collection Agents agree to return any accounts referred in error by the Authority.
- 4.5.5 The Authority, as a result of an administrative action, decision, offset, levy, lien and/or garnishment action by the Authority, age prescription, and/or a legal decision, may manually or systematically recall any and all accounts.
- 4.5.6 In any such event, the Collection Agents will suspend any and all collection action either temporarily or permanently on any account referred to them for collection upon written notification by the Authority. The Collection Agents will confirm in writing within three (3) days that the account has been recalled. There will be no collection fee charged on the uncollected portion of such accounts.
- 4.5.7 The Collection Agents shall prepare and send to the Authority an automated report listing the account(s) and all collection efforts taken, latest telephone numbers and addresses and the reason collection was not pursued.
- 4.5.8 If an account is canceled for bankruptcy, death, or permanent and total disability, proper documentation acceptable to the Authority of these instances must be enclosed with the canceled account. The Collection Agents shall provide the Authority with such additional information as it may have acquired, including but not limited to, the taxpayer's current address or employment.

5. REMITTANCE OF MONEY COLLECTED

- 5.1 The Collection Agents shall agree to remit by the 10th of each month to the Authority, the full amount of all monies collected in the previous month, including accrued interest, on accounts placed by the Authority with the Collection Agents for collection. The contract with the Collection Agents will be terminated for constant late submission of monies collected. All collections will be submitted via bank transfer.
- 5.2 In the event the Authority performs an offset, levy, lien and/or garnishment against the amount owed on an account assigned to the Collection Agents, the Authority will notify the Collection Agents of the amount of the offset. The Collection Agents shall treat offset payments as a balance adjustment and adjust their inventory accordingly. The Collection Agents shall not be entitled to a fee on the offset amount.
- 5.3 Any amounts received by the Collection Agents that are in excess of that which is due and payable, are overpayments and shall be forwarded to the Authority in full with an explanation that the amount is an overpayment.
- 5.4 The Collection Agents shall not be entitled to a collection fee for overpayments and shall not retain any portion of an overpayment.
- 5.5 Under no circumstances will the Collection Agents receive a fee for any payment received:
 - 5.5.1 Outside placement begin and end dates
 - 5.5.2 Credits resulting from administrative resolution
 - 5.5.3 Payment is decreased by offset
 - 5.5.4 After contract expiration or termination

- 5.6 The Collection Agents shall generate bi-annual invoices for collection fees due to the Collection Agents for payments submitted directly to the Authority.
- 5.7 The Collection Agents will prepare and maintain and provide such financial records and records of services performed as are necessary to substantiate claims for payments, at an address designated in the contract, and shall permit the Authority to make copies.

6. RESOLVED ACCOUNTS LIABILITY SATISFIED

- 6.1 The Collection Agents shall not send notices to the taxpayer stating the liability has been paid in full. When accounts are paid out and returned to the Authority on the monthly automated Close/Return file, the Authority shall require the Collection Agents to list the current address on the file. Such records shall contain all of the collection activities made by the Collection Agents and other pertinent information.
- 6.2 The Collection Agents shall maintain the records on each account until such time as the account is returned to the Authority. These records shall remain the property of the Authority. Upon termination or expiration of the contract, the Collection Agents shall return these records to the Authority in an electronic file as specified in the Return/Update of Referred Accounts Section within thirty (30) days of the ending date.
- 6.3 The Collection Agents must also agree that any and all information gathered and used by them in the collection of accounts is the property of the Authority and is confidential, and that such information shall not be used for any other purpose by the Collection Agents.

7. RECORD RETENTION, ACCOUNT MAINTENANCE, AUDITS

- 7.1 The Collection Agents shall preserve and make available complete and accurate records of collection service transactions in accordance with accepted industry accounting practices, and shall keep in a safe place all such financial records and statements pertaining to the collection Agents' service operations for the Authority for a period of six (6) years from the close of each year's operation.
- 7.2 The Collection Agents will prepare and maintain such financial records of services performed as are necessary to substantiate claims for payment hereunder, and shall permit the Authority to make copies. The Authority shall have the right to examine the books, records and other compilations of data of the Collection Agents, which pertain to the performance of the provisions and requirements of this contract.
- 7.3 The Collection Agents shall preserve and make available such books, records and data for a period of six (6) years from the date of final payment under this contract. The Collection Agents shall retain such documents that are pertinent to any judicatory proceedings or appeals commenced during the six (6) year period until such proceedings or appeals have reached final disposition.
- 7.4 The Collection Agents shall maintain separate records as are satisfactory to the Authority concerning the accounts referred. All monies received as a result of any activities referred by the Authority shall be maintained separately and apart from all other funds of the Collection Agents. The Collection Agents shall be responsible for any and all of its cost of the preparation for an audit of such books and records. The

Collection Agents shall also maintain electronic backup of all electronically exchanged files, reports and other significant records for the life of the contract.

8. OWNERSHIP OF DATA AND OTHER INFORMATION

- 8.1 The Authority shall retain all rights to all data, reports, programs, designs and other results of this contract. The Collection Agents shall not produce or otherwise use the products of this contract without the written consent of the Authority.
- 8.2 The Collection Agent will be subject to the data privacy provisions and standard terms and conditions of the Authority.
- 8.3 The Authority shall reserve first publication rights to any products of this contract, and the Authority may place these products in the public domain without the permission of the Collection Agents.

9. DELIVERABLES

- 9.1 The Collection Agents shall provide, including but not limited to, the following deliverables:
 - 9.1.1 Payments received from the Collection Agents that represent the amount of money collected on behalf of Authority are a primary deliverable of this contract.
 - 9.1.2 The Collection Agents shall maintain separate records satisfactory to Authority concerning the accounts referred.
 - 9.1.3 All monies received as a result of any activities referred by Authority shall be maintained separately and apart from all other funds of the Collection Agents.
 - 9.1.4 The Collection Agents will prepare and maintain such financial records and records of services performed as are necessary to substantiate claims for payments, at an address designated in the contract, and shall permit the Authority to make copies.
 - 9.1.5 The Collection Agents shall prepare and provide detailed quarterly reports showing the status of all accounts and the collection activity of each account.
 - 9.1.6 The Collection Agents shall prepare and provide a Monthly Account Status/Reconciliation Report showing the collection activity of each account, a taxpayer/debtor identification number as assigned by the Authority, the taxpayer's name, a listing of payments, fees, accounts balances etc., must be totaled at the end of the report for balancing purposes. The reports shall be sent to the Revenue Commissioner, Barbados Revenue Authority in electronic format.

10. SCHEDULE OF PAYMENTS

- 10.1 The above listed deliverables shall be submitted in the course of the contract and payment will be based on a commission determined by the parties, depending on the amount collected.

11. COORDINATION

- 11.1 Technical supervision of the collection Agents' work will be the responsibility of the Authority.

