Terms of Reference with specification of inputs for short-term expert assignment

Development of the technical specification and implementation plan of the Common Reporting Standards (CRS) Portal in Georgia.

1. Brief information on the project

Stand-alone measure: "Support of the German-Georgian pilot project for the introduction of the Automatic Exchange of Information in Tax Matters (AEoI) in Georgia", PN: 2005.3506.2-049.00.

This stand-alone measure, within the scope of German development cooperation, is implemented by the GIZ "Study and Experts Fund" and it builds on the results, achieved in frames of the predecessor project "Combating Tax Evasion through Piloting the Automatic Exchange of Information in Georgia", implemented under the "Eastern Partnership Regional Fund for Public Administration Reform" in 2018 - 2020.

The objective of the current stand-alone measure is to provide further support to the Georgian Revenue Service (GRS) in the advancing the implementation of automated exchange of information (AEoI). This will support the fulfilling of Georgia's official commitment to begin exchanging information with multilateral partners through the AEoI in 2024.

In particular, GIZ support will cover two main components in frames of the stand-alone measure:

1. The first component is concerned with information technology and administrative infrastructure. In particular, GRS requires the support of external expertise to produce a technical document - a Terms of Reference - that is to be used by IT developers to develop the AEoI platform. The platform will allow GRS i) to receive *Common Reporting Standard (CRS)*[1] data from financial institutions, ii) to validate CRS data, sort it according to the CRS XML Schema, and transmit it to exchange partners, and iii) to receive CRS data from exchange partners (i.e. to match these data sets to the existing GRS data environment and use them for high level risk assessments).

2. The second component is concerned with implementation of confidentiality and data safeguarding standards. Specifically, GRS requires the procurement of a subscription/license for the GRS *Data Loss Prevention (DLP)* solution. One of the more critical needs pertaining to the effective implementation of the information security management system (ISMS) within the Georgia Revenue Service is the current lack of an adequate technical solution that would provide visibility into data usage and movement across the organization. Such a technical solution would allow the application of policy-based restrictions on the content and context at time of operation (in other words, allowing the identification and flagging of improper use of taxpayer data by unauthorised officials).

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[1]The *Common Reporting Standard (CRS)* was developed by the OECD and represents the international consensus on the automatic exchange of financial account information for tax purposes on a reciprocal basis.

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2. Context

Abbreviations and acronyms:
- AEoI – Automatic Exchange of Information
- CRS – Common Reporting Standard
- FATCA – US Foreign Account Tax Compliance Act
- FI – Financial Institutions
- Global Forum - Global Forum on Transparency and Exchange of Information for Tax Purposes
- GRS – Georgia Revenue Service
- IT – Information Technology
- Model CAA – Model Competent Authority Agreement
- OECD – Organization for Economic Co-operation and Development

Common Reporting Standard (CRS) is the standard for the Automatic Exchange of Information (AEoI), thus the automatic exchange of financial account information in tax matters. CRS is developed by OECD based on the decision of G20 Finance Ministers and Central Bank Governors, in order to enhance co-operation between tax administrations in the fight against tax evasion and in protecting the integrity of tax systems. CRS requires jurisdictions to collect data from their financial institutions and to automatically exchange it with other jurisdictions on an annual basis. It lays forth the financial account information that must be communicated, the financial institutions that must report, the various types of accounts and taxpayers that must be covered, and the common due diligence procedures that financial institutions must follow.

The Global Forum and the Federal Ministry of Finance of Germany (BMF) together provide technical and financial support for Georgia to implement the CRS.

The Standard is composed of the following major components:
- Model Competent Authority Agreement, which provides the international legal framework for the automatic exchange of CRS information;[2]
- The Common Reporting Standard;[3]
- The Commentaries on the CAA and CRS;[4]
- The CRS XML Schema User Guide.[5]

Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum)[6], which is an international body, uniting 160 jurisdictions with an aim to improve transparency and exchange of information for tax purposes, is working on the implementation of international standards, inter alia, the Common Reporting Standard.

For CRS implementation, IT infrastructure is one of the core requirements. To be precise, Georgian Revenue Service (GRS) needs to develop a dedicated platform[7] to receive the information from financial

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[2] https://www.oecd.org/tax/automatic-exchange/international-framework-for-the-crs/multilateral-competent-authority-agreement.pdf
[3] https://www.oecd.org/ctp/exchange-of-tax-information/standard-for-automatic-exchange-of-financial-account-information-for-tax-matters-9789264216525-en.htm
[4] https://www.oecd.org/tax/automatic-exchange/common-reporting-standard/common-reporting-standard-and-related-commentaries/#d.en.345314
[5] https://www.oecd.org/tax/automatic-exchange/common-reporting-standard/schema-and-user-guide/#d.en.345315
[6] https://www.oecd.org/tax/transparency/who-we-are/about/
[7] Please view "Functional Requirements for the AEOI/CRS Portal of Georgia" in Attachment #5

institutions to GRS, to validate the information and send it internationally; as well as, to receive data from corresponding countries; System should also enable messaging.

CRS is closely aligned, but distinct, to the bilateral FATCA[8]. Exchange of information under FATCA is already implemented between Georgia and the United States. Under FATCA, financial institutions have to report to the United States Internal Revenue Service on the financial accounts of all U.S. citizens, both living domestic and abroad. While CRS is a multilateral instrument to exchange information automatically and under CRS exchange of information can take place between 155 jurisdictions (as of 31 January 2022)[9].
Detailed information about FATCA and the information exchange platform in Georgia for FATCA purposes, can be found at GRS's website: https://www.rs.ge/Legislation?cat=2&tab=1 and https://eservices.rs.ge/Fatca.aspx

The information on above mentioned links maybe useful to understand GRS's IT environment as well.

3. GIZ shall hire the contractor from 08/08/2022 until 20/11/2022, for up to 75 days in total.

4. The contractor shall provide the following work/deliverables:

The overall objective of the assignment is **the development of the technical specification and implementation plan of the Common Reporting Standards (CRS) Portal in Georgia.**

In detail:

I. The scope of assignment includes following:

- The contractor shall create and revise technical documentation which will enable Georgia Revenue Service to develop a technical solution – a CRS Platform, to exchange the information within the AEoI (as per Common Reporting Standard);

- The technical document has to consist of the following system documentations:

    - Product requirement documentation

    - Design (only UX design) and architecture documentation

    - Quality assurance documentation

- Final product must be in Georgian and it should be reviewed and approved by CRS working group.

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[8] Requires Financial Institutions outside the US to provide information regarding their customers who are US persons to the US Internal Revenue Service (US IRS), aimed at reducing tax evasion by US persons. https://www.irs.gov/businesses/corporations/foreign-account-tax-compliance-act-fatca
[9] https://www.oecd.org/tax/automatic-exchange/about-automatic-exchange/crs-mcaa-signatories.pdf

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II. Duties, responsibilities and results to be observed by the contractor:

- To meet with the AEoI working group of GRS; engineers, programmers, and project managers (and so on) to learn about specific products or processes;

- To review the AEoI standard and draft of legislation (both primary and secondary legislation) to fully understand the scope of the work;[10]

- To review the Functional Requirements of the AEoI/CRS Portal of Georgia to better understand the functional requirements of Georgia Revenue Service to exchange the CRS information[11];

- To review the AEoI toolkit[12] (with a special focus on section 7 regarding use of CRS data) to better understand the activities and the Information Security Management toolkit[13] to better understand the security considerations to be reflected in the solution;

- To review the Common Transmission System (CTS) technical specification to better understand the modalities for connection of the AEoI portal to the CTS;

- To review the CRS schema documents[14] to better understand the various status messages and checkpoints it requires in preparation and transmitting of the files;

- To participate in workshops and meetings with OECD Global Forum and German partners on discussion on details of the AEoI solution (first workshop planned in the period of Aug-Sep 2022);

- To take into consideration secure software development best practices and frameworks during the design and implementation of the subject technical solution, in order to ensure confidentiality and integrity of the exchanged data. The secure and compatible methods of transmission and encryption of data must be in place.

- To write and edit technical documents, including reference manuals and product manuals;

- To writes and edit procedural documentation, such as user guides and manuals;

- To determine the type of publication that will best serve the project requirements;

- To research product samples to fully understand the required product;

- To assess the audience needs for whom the technical and procedural documentation is intended; adjusts tone and technical terms used to meet those needs and to ensure understanding.

- To plan writing processes and set timelines and deadlines.

- To create (or: to work with graphic designers to create) diagrams, charts, and other visual aids to assist readers in understanding product and processes.

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[10] Please view the draft of "CRS Legislation" in Attachment #4
[11] Please view "Functional Requirements for the AEOI/CRS Portal of Georgia" in Attachment #5
[12] https://www.oecd.org/mwg-internal/de5fs23hu73ds/progress?id=PfdxCWwQ_4gLWd9_r2eKsqF96Eo3_tfYN4-jPFxrnbs,
[13] https://www.oecd.org/tax/transparency/documents/confidentiality-and-information-security-management-toolkit.htm
[14] https://www.oecd.org/tax/automatic-exchange/common-reporting-standard/schema-and-user-guide/

- To gather feedback from GRS stakeholders, designers and manufacturers to improve technical documents.

Work packages	Days (up to)
1. Analysing of framework documents and preparatory interviews	15
2. Drafting of the Technical Specification and Implementation Plan	50
3. Quality Assurance and finalisation	10

5. Results

Package of written (in Georgian language) documentation - quality assured, agreed and approved by GRS - describing complete architecture and details of future CRS Portal in Georgia (including technical specification and deliverables listed under paragraph 4 of this document), as well the implementation plan, is elaborated and available by **20.11.2022** for further use to develop CRS Portal in Georgia.

6. Qualification of the tender participant and other requirements (incl. required documents):

- The tender participant shall have assignment-related experience in:
  - Development of IT platform concepts, architecture and implementation plans for private and/or public institutions in Georgia, of comparable technology, size and scope. The tender participant shall demonstrate adequate work experience of at least 2 years and at least 2 comparable IT-projects. List of similar work/projects completed shall be included in the technical proposal. In case tender participant is a company, the expert(s) involved in the project to fulfill the assignment must also have at least 2 years of work experience in this field and at least 2 comparative IT-projects.

- Required skills of the contractor:
  - Domain knowledge
  - SQL (basic)
  - Data visualization (basic)
  - Graphical representation of business process
  - Excellent verbal and written communication skills in Georgian and English

- Proficiency in MS Office Suite or related software

- Analytical skills

- Negotiation and communication skills

- Excellent organizational skills and attention to detail

- Ability to present complex data in clear, concise text

- Ability to meet deadlines and to work independently

- CVs shall include references of executed projects and shall be submitted together with the technical proposal;

- The technical proposal of the bidder shall explain in detail (in form of a work-plan / milestone schedule) how the contractor will ensure timely provision of deliverables, which are listed in the terms of reference.

- Financial proposal shall be calculated in line with the quantitative requirements (see work packages under §4).