REPORT OF THE TECHNICAL COMMITTEE SET UP BY THE BOARD MEETING OF FEBRUARY 16TH 2017, TO REVIEW THE JOB DONE AND THE NEW SYSTEM PROPOSED BY INFINITI SYSTEMS ENTERPRISE, HELD ON 2ND MARCH , 2017 AT THE GRAND PELA HOTEL (BON HOTEL) IN ABUJA.

BACKGROUND.

Please permit me to briefly walk the Board through the events of the last few years to the present day regarding the current Taxpayer Identification Number (TIN) System.

The Joint Tax Board faced some challenges in the current TIN system used in the registration of Taxpayers in the country which was designed, developed and deployed for operations some years back. These challenges include: low registration of taxpayers nationwide, seamless integration with relevant stakeholders /third-party agencies for the exchange of information, Unavailability of the TIN application after 5pm, difficulty in initiating registration out of the tax offices, slow response to resolving issues due to difference in timezone, inability to write relevant information to the TIN cards, cost of acquiring additional equipment, cost of acquiring consumables etc.

There are several factors responsible for these challenges mentioned above. However this report would provide insight on two (2) important factors:

1.   Sustainability

2.   Project Scope

Sustainability.

The cost of running and sustaining the current TIN system is on the high side. JTB has to pay several vendors who are either part of the system developers or a service provider required to ensure one service or the other was running efficiently.

Among the infrastructure and systems being supported are:

(a)   SIGTAS – A proprietary application of SOGEMA, a Canadian company.
(b)   AFIS – In this case, a proprietary application of FACE Technologies of South Africa.

(c)   Software License – License to OEMs such as our database that sits on Oracle infrastructure, Operating Systems, such as Linux Redhat Enterprise Edition, Windows Server 2008 R2, Bitdefender Enterprise Antivirus Solution, Symantec NetBackup, etc.

(d)   Server Infrastructure – HP Servers for the Data Centre and the Disaster Recovery Site.

(e)   Network Infrastructure – CISCO Authorized vendors.

(f)   WAN Links – Provision of Links by Network Companies (VDT).

(g)   Power/Fueling – Substantial amount of money is spent on powering the DC on daily basis to ensure States are working. In the last few months the DC has been running solely on electricity generating set because some equipment have been faulty. Maintenance of the electric generating set is another area that consumes fund regularly.

Cloud based system however, cuts down the high cost of hardware due to its pay as you go subscription model and its unlimited storage capacity. Hosting with the cloud would guarantee better efficiency and scalability, by enabling taxpayer gain uninterrupted access to the system on a 24/7 basis, and providing the ease of scaling up and down based on resource requirement. In addition, it takes away the burden of software updates including security update and maintenance from JTB as the cloud service providers take responsibility for these and many other related services.

Since all your data is stored in the cloud, backing it up and restoring the same is relatively much easier than storing the same on a physical device. Furthermore, most cloud service providers are usually competent enough to handle recovery of information. Hence, this makes the entire process of backup and recovery much simpler than the on-premise traditional methods of data storage.

Project Scope

The scope of the current TIN system in terms of infrastructure and registration-only feature also affects the penetration of the system.

JTB TIN STATUS REVIEW COMMITEE

In the light of the above, the JTB set up a committee named the TIN Status Review Committee to critically analyze the current TIN infrastructure & operations and recommend the way forward. The Committee was chaired by the immediate past **Executive Chairman of Enugu BIR, Mr. Felix Chime.**

The Committee met, and also deliberated extensively. The Committee among other things recommended that JTB should engage a local vendor/service provider to design, develop and deploy a local solution; this hopefully will minimize cost against the payment in foreign denominations to vendors at high rates.

The recommendations of the TIN Status Review Committee were adopted by the Board in the JTB 135th Meeting which held in Abeokuta, Ogun State in July 25 – 26, 2016.

ENGAGEMENT OF INFINITI SYSTEMS ENTERPRISE

Sequel to the adoption of recommendations of the TIN Status Review Committee Infiniti Systems was engaged, in the first instance to consolidate all silos of taxpayer databases in the country starting with some states as pilot.

The pilot scheme was to consolidate silos of taxpayer databases from **Lagos, Imo, Osun and Sokoto together with that of the JTB TIN database** and also provide a cloud-based software platform state-by-state to manage the consolidated data and subsequent updates.

JTB MEETING OF FEBRUARY 16, 2017

In the JTB meeting of February 16, 2017 which held at Grand Pela Hotels (BON Hotels), Abuja. Infiniti Systems Enterprise presented the status of the job. It was interactive and Infiniti provided answers to members' questions.

One of the highlights was the constitution of a Technical Committee which the Board mandated to technically analyze the job done by Infiniti in the first phase, provide technical framework on the requirements of the JTB in developing a full fletched TIN registration system, to ensure JTB's interest as regards this system development is well covered in terms of reliability of data, security of data, SLAs, MOUs, etc.

The Technical Committee comprised of the JTB Project Team and the Heads of ICT from all the State Boards of Internal Revenue. The Board directed that the Committee meet and present a report at the 137th Board meeting in Kwara State. Based on the assignment, The JTB Project team has since engaged all relevant stakeholders in line with the mandate given.

MEETINGS AND OTHER ACTIVITIES.

1.   Infiniti Systems Enterprise.

The JTB Project Team has had marathon meetings with Infiniti Systems Enterprise based on its mandate. Both parties discussed grey areas on the existing project that requires clarifications by both Infiniti Systems Enterprise and JTB, the immediate value that can be enjoyed from the first phase of the project, JTB's requirements that covers the common interest of the States BIR and FIRS, amongst other things.

The outcome of these meetings was the development of the **Functional and Technical Requirement Document.**

2.   The Microsoft Team.

JTB Project team invited Microsoft to a meeting through Infiniti Systems Enterprise. Microsoft is the cloud service provider (**Microsoft Azure**) to Infiniti Systems Enterprise; it provides a total cloud solution to Infiniti. In the meeting with Microsoft team, JTB Project Team members asked various relevant questions that have to do with Data Security, Data Confidentiality, Data Theft, Infrastructure Availability, Licenses, Infrastructure Ownership, Service Level Agreement (SLA), Memorandum of Understanding (MOU), Disaster Recover Strategies, Data Backup in JTB premises, etc.

The JTB Project team engaged Microsoft Team on the existence of legislations if any that prohibits a Nigerian MDA from hosting its resources on public clouds, but the Microsoft team said no such legislation exists anywhere and also added that some Nigerian MDAs are already hosting their systems in the Microsoft cloud. However, the privacy and confidentiality clauses in their SLAs will not allow those MDAs to be mentioned officially, this position corroborates the understanding of the JTB project team.

3.   SBIR Heads of ICT/TIN.

JTB invited all the Heads of ICT/TIN from all the SBIRs to a technical session in Abuja. It was held in Grand Pela Hotel (BON Hotel) on Thursday March 2, 2017. The SA to the Executive Chairman on ICT, Mr. Wale Shonekan was in attendance. Infiniti Systems Enterprise and JTB project team made presentations in the meeting. It was an interactive session and all participants were actively involved. Contributions came from all participants and are still coming in till this moment via emails and group chats.

The Highlights and recommendations of the technical session is as below:

HIGHLIGHTS & RECOMMENDATIONS:

1.   The first Phase of the consolidation of taxpayer databases have been completed by Infiniti Systems Enterprise.

2.   Based on the exposure of the new system to JTB technical team as well as the SBIR technical team, gaps were identified and the technical committee recommends Infiniti Systems Enterprise to develop a robust end to end tax solution in line with JTB technical and functional requirements.

3.   The new system should be designed, developed and deployed around the functional requirement document collated and reviewed by this technical committee. Document is attached.

4.   Only the NIBSS textual data and other unique parameters should be used for validation for uniqueness if it becomes impossible to get a complete biometrics data from NIBSS.

5.   The current JTB TIN Algorithm must be maintained to generate TIN for records without TIN and also moving forward.

6.   The new platform should provide a web service to continuously integrate and share data between existing registration systems and ITAS.

7.   The new platform to produce cards with the latest technology, on which tax records can be written and read easily with cheap and readily available card readers.

8. The vendor should make adequate plan for capacity development for JTB project team and TIN operational staff in the SBIRs.

9. Technical Session of this nature should come up regularly, say at least once in a quarter in the life cycle of this new project.

10. A delegation should be constituted comprising of JTB Board members and a flavor of JTB Technical staff to visit and evaluate a few locations where Microsoft cloud infrastructures are domiciled and where the Nigeria taxpayer Data would be housed. It is the standard, other MDAs do the same. In Systems development efforts, assumptions are not made but reality on ground.

11. Theme of the new platform should be changed to make it more attractive and readable.

IMMEDIATE NEXT STEPS.

1. To commence the consolidation of the rest of the silos of taxpayer databases in the rest of the States and leverage on BVN database to clean the consolidated database.

2. Infiniti Systems Enterprise should continue to refine the system based on the inputs members of the technical committee has made.

3. To develop a robust end to end tax solution in line with JTB technical and functional requirements submitted to Infiniti Systems Enterprise.

4. To develop a comprehensive change management plan, Comprehensive capacity development plan and commence execution of both.

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