



# **USAID E-PESO ACTIVITY HACK-A-TAX INNOVATION CHALLENGE**

## **End of Contract Report**

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## **INTRODUCTION**

The BIR IT modernization started with the implementation of the Integrated Tax Systems (ITS) in 1996. ITS is a set of related systems and processes which run and facilitate the BIR's core business functions: Registration, Returns Processing, Collection and Banks Reconciliation, Taxpayer Accounting System and Case Monitoring System.

In 2015 Electronic Tax Information System, a web-based, workflow system was built to replace and piloted in Revenue Region 8, Large Taxpayers Service and the National Office. It is now being optimized, re-architected and rebranded as Internal Revenue Integrated System (IRIS), the new core tax administration system that will replace ITS nationwide. It follows the API first, cloud based design. With this taxpayer self-service facilities that will utilize the APIs of IRIS and give a better user experience for the taxpayers.

With the modernization and digital transformation required in all aspects of doing business, the BIR worked with private and public sectors to open opportunities for the IT professionals, including students, to help design and develop digital taxpayers solutions, via the eTSP program, to bring more BIR front-end services to taxpayers, thus the HACK-A-TAX project.

## **DESCRIPTION AND OBJECTIVES**

HACK-A-TAX is an innovation challenge which aims to bring talented and skilled IT professionals and students across the country to help develop innovative technology solutions for the Bureau of Internal Revenue (BIR).

The objective is to tap the software development community, specifically, individual developers and IT students from reputable colleges and universities to develop innovative solutions that will address taxpayer pain points when transacting with BIR—from registration, to filing and payment of taxes, and availing other frontline services.

The applications that will be owned, marketed, operated and maintained by the participants. BIR will ensure that the backend IT infrastructure is in place to support the applications.

Target taxpayer segment: micro and small enterprises which includes self-employed individuals and professionals.

The HACK-A-TAX innovation challenge focused on 3 areas: a.) Simplify - Tax forms are not taxpayer-friendly. They are long, complex, caters to all taxpayer segments, and covers all tax scenarios; b.) Streamline - To register or amend registration details, a taxpayer needs to visit a BIR office, submit documents earlier issued by other government agencies, pay over-the-counter the registration fee, and wait for 2-3 days to obtain a registration certificate. While taxpayers can file tax returns electronically through eBIRForms, most taxpayers still pay their tax due at authorized agent bank branches; c.) Serve - Ineffective touchpoints for taxpayer queries, concerns, and feedback. Limited channels for taxpayer advisories.

## **KEY STAKEHOLDERS INVOLVED**

The project would not be possible without the help from various stakeholders who helped organize and support this step towards providing better front-end BIR services to the target taxpayer segments.

### **Organizers**

- **Bureau of Internal Revenue (BIR)** serves as the main stakeholder for the project. BIR as the process owner of the taxpayer solutions provided the necessary guidance on what are the main requirements for the project. Resources from BIR personnels were also provided.
- **USAID Philippines** provided technical and project management support during the duration of the project.
- **DevCon Philippines** also assisted in the project management to support and sponsorship management

### **Partners and Sponsors**

The partners and sponsors also contributed to the success of the program. The private sectors not only provided financial sponsorships but also technical and business knowledge to the participants of the challenge. The financial support was when used for the prizes, bootcamps, and marketing. Below is the list of sponsors and advocacy partners:

- **Sponsors:** PayMaya, Talino Venture Labs, McDonalds Philippines, PAGCOR, Microsoft Philippines
- **Technology Partners:** AWS Philippines, Microsoft Philippines, Oracle Philippines
- **Advocacy Partners:** Pencilstate Design, Media Xchange, Business Mirror, CSR Philippines, and ACG

## PROGRAM AND TIMELINE

The HACK-A-TAX Innovation Challenge was kicked off during the project launch last October 15, 2019 in BIR. The main objective of the event was to formally open the call for submission of entries for the competition. This was then followed by an event with ACG discussing Taxes in the Philippines and the innovation challenge.

In partnership with Talino Venture Labs and DevCon Philippines, another event was conducted for the tech community during the Startup Week 2019. Dubbed as “Inclusion Fusion: Innovation & Impact Night,” the event was attended by almost two hundred participants. And due to public requests, the deadline for submission of entries was extended until November 30, 2019.

As we closed the call for submission of proposals, the entries then went into 3 qualifying rounds.

Below is the brief timeline of the program:

Date	Event
October 15, 2019	Project Kickoff with BIR and Partners; Start of call for submission
November 5, 2019	Tax Hub Talk
November 22, 2019	Inclusion Fusion: Innovation & Impact Night; extension of submission
November 30, 2019	Deadline for submission of proposals
December 1-5, 2019	Round 1 of evaluation of entries - Top 40
December 5-8, 2019	Round 2 of evaluation of entries - Top 20
December 11, 2019	Announcement of Top 20 Finalists
January 18, 2020	Bootcamp # 0 - Orientation and Onboarding Session for the Top 20 Finalists and formally kicked off the Bootcamp at Talino Venture Labs

January 25, 2020	Bootcamp # 1 - Asian Consulting Group and CSR Philippines
February 1, 2020	Bootcamp #2 - PayMaya
February 9, 2020	Bootcamp #3 - AWS Philippines
February 15, 2020	Bootcamp #4 - Oracle Philippines
February 22, 2020	Bootcamp #5 - Microsoft Philippines
March 7, 2020	Bootcamp #6 - Unionbank Philippines
June 14, 2020	Finals Day - Finalists Briefing
June 16-17, 2020	Finals Day - Judges Briefing
June 19-20, 2020	Pitch Day!
June 22, 2020	Announcement of Winners - Top 3

Meetings with key stakeholders were also conducted in between these events for resource alignment and support.

## CRITERIA FOR JUDGING

**20%** Technical Innovation

- Did the group come up with a good solution to the initial problem or challenge?
- Did they understand the problem, and did they involve, for example, multiple stakeholders?

**15%** Creativity and Design

- How creative has the group been in solving the challenge?
- Did they come up with a radical approach, or did they follow existing patterns and solutions?
- Did the group think about the user interface (UI) and user experience (UX)?

**20%** Business Model (Scale and Sustainability)

- Is the idea feasible?
- Does it have economic and societal value?
- Is it sustainable?

**30%** Demo and Prototype

- Does the hack work?
- Is the hack testable, and can the group show the minimum viable product?

**15%** Pitching

- Were they convincing enough?
- Was it short and direct to the point?
- What about their enthusiasm?

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**100%**

## **MILESTONES**

The HACK-A-TAX Innovation Challenge was a success with the support of the sponsors and partners. Below are the key milestones and results to show achievements for this projects:

### **Sponsorships**

- Six (6) major sponsors:

PayMaya (Platinum); Talino Venture Labs, PAGCOR, McDonalds Philippines, Microsoft Philippines, and Unionbank Philippines (Silver)

#### Sponsorship Value:

Cash : Php 1,576,000.00

Non-Cash: Php 250,000

- Technology Partners

AWS Philippines, Microsoft Philippines, Oracle Philippines

#### Sponsorship Value:

Non-Cash: Php 250,000 ~ (USD 5,200) for Cloud Credits for the finalists

### **Event Milestones**

- 175 Submissions Nationwide
- 40 Qualifying Finalists
- 20 Shortlisted Finalists
- 7 Bootcamps with sponsors and partners
- 12 Finalists during Pitch Day!
- 3 Winning Teams
- FB Live Watch party: 190 Live public viewers (with 3.2K FB Live views as of 6PM of June 22)
- Zoom Live Webinar for the Announcement: 94 participants (by invite)



## THE WINNING TEAMS

### **2nd Runner Up (Prize: Php 100,000)**

*Third Channel (Manila)* - an e-receipting system that makes the capture and upload of receipts to a centralized database, including authentication of receipt information, easy and convenient in a single step.

FB: <https://www.facebook.com/Third-Channel-100873061686122/>

### **1st Runner Up (Prize: Php 200,000)**

*eConnect (Southern Luzon)* - an application for registration, filing, payment and management of taxes for individual taxpayers. The application simplifies the registration of taxpayers through the app. Once registered, taxpayers can file and pay taxes electronically guided by a sleek user experience that requires only important fields to fill-up.

FB: <https://www.facebook.com/eConnect-108506497580938>

### **Grand Prize (Prize: Php 300,000), also PayMaya Special Award (Php 50,000)**

*ChatGenie (Manila)* - a solution for electronic filing and payment of taxes that is frictionless. Instead of requiring taxpayers to visit a website or download a mobile app and force them to register and log-in, they made the solution available on Facebook Messenger, something that 9 out of 10 Filipinos already have. All the taxpayer needs to do is to search BIR on Messenger, put their TIN on the BIR mini-app, select the tax return, fill-out the form, and pay using payment options available in the app like PayMaya.

FB: <https://www.facebook.com/ChatGenie/>

## **RECOMMENDATION**

The winning teams along with the other finalists still need support to launch their solutions to the market. BIR needs to onboard them to the Electronic Tax Software Provider Certification (eTSPCert) System. Technical support is also needed for the BIR API integration to link the TSPs to the backend services of BIR.