Call for Letter of Expression of Interest for Service request

"Supporting the drafting and legislation of new tax laws and regulations for the Republic of Iraq "

The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH is a global service provider in the field of international cooperation for sustainable development with around 16,400 employees. GIZ has over 50 years of experience in a wide variety of areas, including economic development and employment, energy and the environment, and peace and security. Our business volume exceeds two billion euros. As a public-benefit federal enterprise, GIZ supports the German Government and public and private sector clients in around 130 countries in achieving their objectives in international cooperation. With this aim, GIZ works together with its partners to develop effective solutions that offer people better prospects and sustainable improve their living conditions.

Summary of the requested service:

The German Corporation for International Cooperation (GIZ), Strengthening Public Finances and Financial Markets (FFM) in Iraq is committed to supporting Iraq in strengthening its fiscal and legal frameworks, with a focus on the development of new sales tax laws and a comprehensive review of the current real estate law. GIZ's involvement is crucial to addressing existing gaps in Iraq's legal and tax systems, fostering economic growth, and ensuring sustainable development.'

One of the key objectives of GIZ's FFM Project support is to assist the Iraqi government in drafting an effective sales tax law that can address existing loopholes in the current system, which has been marked by inefficiencies and a lack of enforcement. The most recent update to Iraq's sales tax regulations occurred in 2003, and since then, several loopholes have persisted, particularly in the areas of tax evasion, inconsistent tax rates, and inadequate coverage of various sectors. A modern, comprehensive sales tax law is vital for improving Iraq's revenue collection, promoting transparency, and creating a more predictable business environment. GIZ's expertise will help create a tax system that minimizes evasion, ensures fair taxation, and fosters an environment conducive to both domestic and foreign investments.

Through these efforts, GIZ aims to contribute to Iraq's broader reform agenda, enhancing the stability and predictability of its legal and tax frameworks. By addressing loopholes in both the sales tax and real estate laws, GIZ is helping to create a more conducive environment for economic growth, investment, and job creation, ultimately contributing to Iraq's long-term development goals.

The contractor is responsible for providing the following services:

The service provider will be responsible for the planning, preparation, and management of FFM project activities related to preparing a draft for new Sales tax laws for the government of Iraq.

To this purpose, the service provider needs to provide a team of experts consisting of:

a. Regional Tax Legislation expert.
b. Local Tax Legislations expert.
c. Economic Analysis expert.

This is to carry out and deliver the below work packages:

Work Package (WP) 1: Inspection Mission

The one-month inspection mission is designed to provide a comprehensive evaluation and report on Iraq's current sales tax law. The goal of this inspection is to identify existing gaps, loopholes, inefficiencies, and areas for improvement and develop a framework for reforming these key tax laws.

The inspection process will involve the following steps:

- Data Collection and Review:

  A thorough examination of the existing sales tax law (last updated in 2003) will be conducted. This includes gathering all relevant documentation, including legal texts, previous amendments, enforcement practices, and tax collection data. In addition, feedback from key stakeholders—such as tax authorities, legal experts, businesses, and investors—will be gathered to understand the practical challenges and loopholes present in the current laws.

- Stakeholder Interviews and Consultations:

  Meetings with government agencies, ex. MoF -GCT, chamber of commerce, Iraqi customs authority, Iraqi parliament, and supreme judicial council will be organized to assess their perspectives on the current state of the laws. These consultations will focus on identifying specific issues such as tax evasion, inconsistent application of tax rates, lack of clarity in property ownership regulations, and inefficiencies in tax enforcement.

- Gap Analysis and Legal Review:

  A detailed gap analysis should be conducted to identify shortcomings in the legal framework, including outdated provisions, ambiguities in the law, and the impact of any loopholes. This analysis will also assess the alignment of current laws with international best practices and identify areas where reforms are necessary to ensure fairness, transparency, and efficiency.

- Draft Inspection Report:

  Based on the findings, a draft inspection report will be created, detailing the issues identified, their impact on the economy and stakeholders, and a set of preliminary recommendations for the new draft.

Work Package (WP) 2: First Draft Submission

This will involve reviewing current tax regulations, identifying areas of improvement or change, and drafting clear and comprehensive language for the proposed law. The draft should include relevant tax rates, exemptions, compliance requirements, and enforcement measures, ensuring it aligns with legal standards and economic objectives. The first draft should be submitted for internal review and feedback

Work Package (WP) 3: Final Draft Submission

This work package includes:

- Thorough Review and Revisions: Incorporate feedback from internal stakeholders (MoF, GCT, HCTR), legal experts, and policymakers. Ensure that the draft aligns with the latest legal and economic considerations.
- Clarity and Precision: Refine the language to eliminate ambiguity and ensure clear, concise, and enforceable provisions.

- Comprehensive Tax Structure: Finalize the details of tax rates, exemptions, and categories of taxable goods and services. Ensure consistency across various sections of the law.
- Compliance and Enforcement Guidelines: Include clear procedures for tax collection, reporting, and audits. Define penalties for non-compliance and mechanisms for enforcement.
- Legal Consistency: Ensure the law complies with broader constitutional and regulatory frameworks and harmonize it with other relevant national or regional laws.
- Formation and Accessibility: The final version should be formatted for easy reference and accessibility by stakeholders, including businesses, tax authorities, and the public.

Work Package (WP) 4: Support with legislation process

Follow-up meetings and workshops with Iraqi legislation entities (Government Shora Counsel, Accounting Union, Ministry of Justice, Ministry of Planning, General Commission of Tax, and Supreme Tax Reform Committee to discuss and explain the tax bill draft submitted to the MoF to send the final version to the Iraqi Parliament for approval.

The bidder is required to show how the objectives defined in Chapter 2 are to be achieved, under consideration of further specific method-related requirements (technical-methodological concept) and (proposed staff), that should be explained through max 5 pages concept document.

✓ **For Interested Companies, Please Submit:**

1. Introduction of the Company.

   The company's profile should contain the following:

   a. **The business details** (the company, established date, Location addresses, phone numbers, and email addresses).
   b. **Description of business and the range of services implemented by the company (Reference of similar services).**
2. Provide copies of original Iraqi legal registration documents; all documents should be updated.
3. Bank data with all details from a local bank (Bank Name, Account Holder, IBAN, SWIFT).
4. Provide a letter directed to GIZ exploring:
   - Your company is interested and will participate in the tender.
   - Full names of owner and representatives, with their signatures' samples.
   - The stamp sample.

This expression of interest is a market search for qualified companies and individuals and GIZ keeps the right for appropriate selection of the best qualified. After this expression of interest, the individuals/companies might be asked for more detailed information and the criteria of selection will be shared with all selected for future demand under this "**Short-term Consultant Fee Grids".**
Interested individuals/companies must submit above requirements and the full contact details via email to procurement.iraq@giz.de with the **email subject name**
Supporting the drafting and legislation of new tax laws and regulations for the Republic of Iraq

The deadline for submission is:
Saturday 31.05.2025

Before 14:00hrs local time.

Yours Sincerely,
Procurement and Contracting Unit
Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH
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