



HIGH-LEVEL SUMMARY TECHNICAL ASSISTANCE REPORT

REPUBLIC OF YEMEN

Developing a Short-Term Emergency Revenue
Plan Embedded in Structural Reforms for the
General Taxation Department

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**Fiscal Affairs Department & Middle East
Technical Assistance Center**

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The *High-Level Summary Technical Assistance Report* series provides high-level summaries of the assistance provided to IMF capacity development recipients, describing the high-level objectives, findings, and recommendations.

ABSTRACT: This technical assistance report responds to a request from Yemen's Prime Minister and acting Minister of Finance to support the General Taxation Department (GTD) in formulating a short-term emergency revenue plan embedded within broader structural reforms. The mission, conducted by the IMF's Fiscal Affairs Department and METAC in August-September 2025, assessed Yemen's complex fiscal and political environment, evaluated progress on prior recommendations, and identified critical challenges in tax administration. The report proposes a 12-month emergency revenue plan with 32 targeted actions focusing on governance, revenue management, compliance, digitalization, and stakeholder collaboration.

JEL Classification Numbers H2, H20
Keywords: General Taxation Department, Compliance, Digitalization, Revenue Management, Collaboration, Short-Term Actions, 12 months.

The contents of this document constitute a high-level summary of technical advice provided by the staff of the International Monetary Fund (IMF) to the authorities of the Yemeni General Taxation Department (the GTD) (the "CD recipient") in response to their request for capacity development. Unless the CD recipient specifically objects within 30 business days of its transmittal, the IMF will publish this high-level summary on IMF.org (see [Staff Operational Guidance on the Dissemination of Capacity Development Information](#)).

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Background

The technical assistance (TA) mission was initiated following a formal request by Yemen's Prime Minister and acting Minister of Finance during the IMF Spring Meetings in April 2025. The mission aimed to assist the General Taxation Department (GTD) in designing a short-term emergency revenue plan addressing the country's deteriorated fiscal capacity amid ongoing conflict and political fragmentation. Conducted jointly by the IMF's Fiscal Affairs Department (FAD) and the Middle East Technical Assistance Center (METAC), the mission took place in Cairo from August 21 to September 1, 2025, and ran in parallel with a customs-focused mission to ensure an integrated approach to revenue mobilization.

This TA engagement is critical given Yemen's divided governance between liberated and unliberated areas, which operate distinct institutional frameworks. GTD faces operational fragmentation, limited resources, and interference from local governors, all exacerbated by the fragile economic environment and conflict-related disruptions. The mission reviewed progress on previous FAD/METAC recommendations, assessed ongoing reform initiatives, and developed a comprehensive emergency revenue plan intended to guide GTD through the next twelve months, supporting stabilization and laying the groundwork for medium-term reforms.

Summary of Findings

The mission found that GTD operates under severe constraints driven by conflict, fragmented governance, and a fragile economy, which undermine its fiscal capacity and disrupt core functions. While limited progress has been made in debt management and restructuring, the institution remains reliant on manual processes and fragmented information technology (IT) systems, with minimal digitalization and donor support.

The advance payment tax system, while intended to secure revenue, has introduced new risks due to weak oversight and incomplete transfers from designated entities like the Yemen Customs Authority (YCA). Compliance management is inadequate, lacking a formal risk framework and centralized data analysis, especially for large taxpayers (LT). Systemic corruption, underpaid staff, and political interference further weaken transparency and accountability. The absence of a governance framework and strategic planning tools impedes reform, highlighting the urgent need for stronger collaboration between GTD, the Ministry of Finance (MoF), YCA, and other entities to improve data sharing and oversight.

Summary of Recommendations

The report proposes a targeted set of 32 actions included in a short-term emergency revenue plan to be implemented over the next 12 months. Central to this effort is the endorsement of a new organizational structure to clarify roles, reduce political interference, and empower GTD leadership. Strengthening oversight across the revenue collection and transfer process is critical to prevent leakage and ensure timely deposits into a unified treasury account. Accelerated digitalization—including expanded electronic payment options, and the development of an Integrated Tax Administration System—is essential to modernize operations. A centralized data analysis function will enhance the management of compliance, especially for LT, whose classification and registration processes require clearer criteria and stronger coordination. The MoF should lead a high-level joint committee and formalize memoranda of understanding (MoU) with designated entities to improve collaboration. A robust reform governance structure, featuring a Steering Committee and Project Management Office, is vital to drive implementation¹.

¹ Virtual Training to Advance Revenue Administration (VITARA), Strategic Management module (<https://www.imf.org/en/Capacity-Development/Training/ICDTC/Courses/VITARA-SMG>).