TECHNICAL ASSISTANCE REPORT

REPUBLIC OF ARMENIA

Tax Administration Diagnostic Assessment Tool
Performance Assessment Report

AUGUST 2025

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Fiscal Affairs Department

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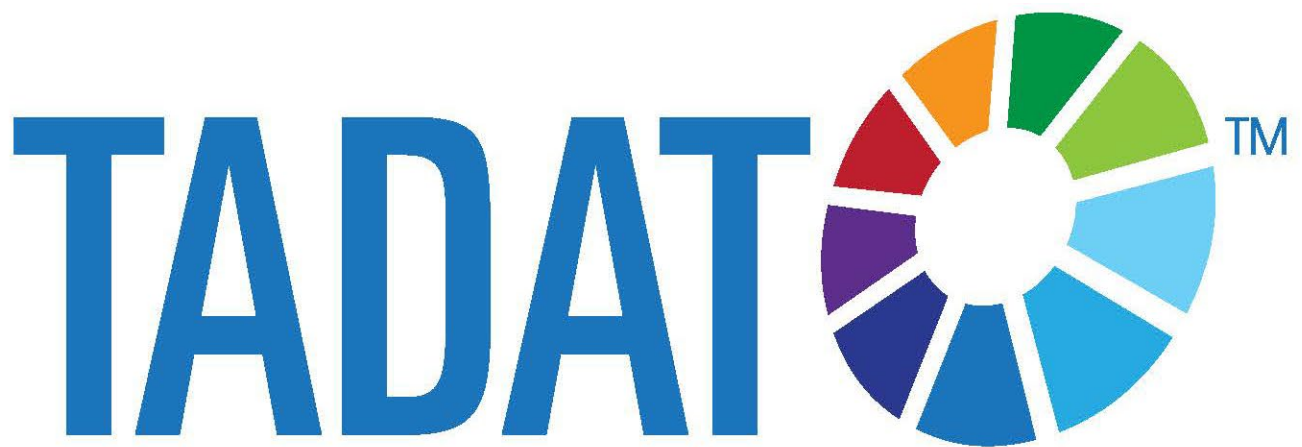
TAX ADMINISTRATION DIAGNOSTIC ASSESSMENT TOOL

Performance Assessment Report

Armenia

Michael Hardy, Patrik Berglund, Philippe Rousset, Telita Snyckers, and Graham Whyte

August 2025

CONTENTS   PAGE

FIGURES

ATTACHMENTS

ABBREVIATIONS AND ACRONYMS

AI	Artificial Intelligence
AMD	Armenian Drams
AUA	American University of Armenia
CB	Central Bank
CIP	Compliance Improvement Plan
CIT	Corporate Income Tax
DTA	Double Tax Agreement
EOI	Exchange of Information
FAD	Fiscal Affairs Department (of the International Monetary Fund)
GDP	Gross Domestic Product
HR	Human Resource
IA	Internal Audit
ICT	Information and Communications Technology
ID	Identification (Card)
IT	Information Technology
IMF	International Monetary Fund
MOF	Ministry of Finance
PAYE	Pay As You Earn
PESTLE	Political, Economic, Social, Technological, Legal, Environmental (analysis)
PIT	Personal Income Tax
POA	Performance Outcome Area
RA	Republic of Armenia
SRA	State Registry Agency
SRC	State Revenue Committee of the Republic of Armenia
SSN	Social Security Number
SWOT	Strengths, Weaknesses, Opportunities, Threats (analysis)
TADAT	Tax Administration Diagnostic Assessment Tool
TIEA	Tax Information Exchange Agreement

TIN	Tax Identification Number
UDI	Universal Declaration of Income
VAT	Value Added Tax
WB	World Bank

PREFACE

An assessment of the system of tax administration of Armenia was undertaken during the period 12/05/2025 to 27/05/2025 using the Tax Administration Diagnostic Assessment Tool (TADAT). TADAT provides an assessment baseline of tax administration performance that can be used to determine reform priorities, and, with subsequent repeat assessments, highlight reform achievements.

The assessment team comprised the following: Mr. Michael Hardy (IMF Fiscal Affairs Department and Mission lead), Ms. Telita Snyckers and Mr. Graham Whyte (FAD external experts), Mr. Patrik Berglund (Skatteverket – The Swedish Tax Agency) and Mr. Philippe Rousset (France Public Finances General Directorate).

During the assessment the team met with the Chairman of the State Revenue Committee (SRC) of the Republic of Armenia, Mr. Eduard Hakobyan, First Deputy Chairman, Mr. Vrezh Mkhitaryan, Deputy Chairman, Mr. Hamlet Sahakyan and many senior managers and other staff of the SRC. In particular, Mr. Arsen Sarikyan, Head of the Development and Administration Strategy Programs Department attended all meetings between the assessment team and SRC representatives, and coordinated the efforts of the SRC, including meetings with field office staff responsible for taxpayer service, comprehensive audits, and tax control activities. Mr. Sarikyan also arranged for Ministry of Finance (MOF) officials to attend some meetings where the MOF played a relevant role in the system of tax administration in Armenia. To obtain a broader perspective about the administration of taxes in Armenia, the assessment team also met with representatives of business associations, and the tax and auditing professions.

The team thanks the SRC Chair, Mr. Hakobyan, for making all of his staff available during the assessment, and for their open and positive engagement with the assessment team. The team would especially like to thank Mr. Sarikyan and Ms. Mayranush Manvelyan for their constant support and assistance to the team, and to Mr. Guevork Guevorkian and Ms. Tamara Kalantaryan for invaluable interpretation assistance. The assessment team also thanks the IMF Caucasus, Central Asia and Mongolian Regional Capacity Development Center (CCAMTAC) for additional financial assistance to undertake the assessment.

A draft performance assessment report was presented to the State Revenue Committee at the close of the in-country assessment. Written comments since received from the State Revenue Committee on the draft report have been considered by the assessment team and, as appropriate, reflected in this final version of the report. The PAR has been reviewed and cleared by the TADAT Secretariat.

EXECUTIVE SUMMARY

The results of the TADAT assessment for Armenia follow, including the identification of the main strengths and weaknesses.

<table>
<tr><th>Strengths</th><th>Weaknesses</th></tr>
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- Strong electronic registration, filing and payment facilities.
- Good use of social media to inform and educate taxpayers.
- Creation of well-designed compliance improvement plans.
- Good management of IT and data risks, via ISO 27001 certification.
- Very timely resolution of disputes.
- Good transparency through publication of plans.

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- Auditing, and other techniques to ensuring correct reporting need development.
- On time payment and debt management processes need development.
- Limited access to information from banks is an impediment.
- Analytics and data-matching capabilities need to mature.
- The ability to formally manage human capital risks.

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The SRC has made very effective use of information technology (IT) to support voluntary compliance, and to facilitate effective taxpayer registration, electronic filing and electronic payment. The SRC can also demonstrate many component elements of an effective approach to enforced compliance, with a good understanding of compliance risk management (CRM) processes and well-designed compliance improvement plans (CIPs). However, the ability to execute actions to enforce or facilitate compliance – audits, rulings and debt collection, especially for larger taxpayers – is lagging behind good international practice. There is not yet strong evidence of a culture of continuous development, where governance and monitoring processes are used to identify future improvements, rather than to merely check past performance.

Table 1 provides a summary of performance scores, and Figure 1 a graphical snapshot of the distribution of scores. The scoring is structured around the TADAT framework's nine performance outcome areas (POAs) and 32 high level indicators critical to tax administration performance. An 'ABCD' scale is used to score each indicator, with 'A' representing the highest level of performance and 'D' the lowest.

Table 1. Armenia: Summary of TADAT Performance Assessment

Indicator	Scores 2016	Scores 2025	Summary Explanation of Assessment
POA 1: Integrity of the Registered Taxpayer Base			
P1-1. Accurate and reliable taxpayer information.	D	B	The SRC operates a national computerized taxpayer registration database with all expected registration data. The registration system within the SRC interfaces with other systems such that SRC staff have a whole-of-taxpayer view of taxpayer details. There is some cross-checking of data from other agencies, but it is limited.
P1-2. Knowledge of the potential taxpayer base.	B	C	The initiatives to detect unregistered taxpayers are ad hoc. There was no evidence of systematic use of third-party data to detect unregistered taxpayers.
POA 2: Effective Risk Management			
P2-3. Identification, assessment, ranking, and quantification of compliance risks.	C	C	The SRC mostly makes use of internal or operational data sources when considering compliance risks and does not make use of environmental scanning as part of multi-year strategic planning for compliance.
P2-4. Mitigation of risks through a compliance improvement plan.	D	A	The SRC has developed a suite of compliance improvement plans covering sectors that pose the greatest risks.
P2-5. Monitoring and evaluation of compliance risk mitigation activities.	D	C	The process used to monitor and evaluate the impact of compliance risk mitigation activities is weak.
P2-6. Management of operational risks.	C	C	The SRC has good management of IT and data risks through ISO 27001 certification, but does not have sound processes in place to assess, manage or mitigate other operational risks.
P2-7. Management of human capital risks.	-	D	The SRC does not have formal processes to assess, prioritize and mitigate human capital risks.
POA 3: Supporting Voluntary Compliance			
P3-8. Scope, currency, and accessibility of information.	A	B	The SRC makes a good range of educational and support information available to taxpayers through a wide variety of channels. The SRC is yet to

Indicator	Scores 2016	Scores 2025	Summary Explanation of Assessment
			develop strong processes to target specific information to specific taxpayer groups.
P3-9. Time taken to respond to information requests.	A	A	The call center answers approximately 81 percent of phone calls within six minutes.
P3-10. Scope of initiatives to reduce taxpayer compliance costs.	B	B	There are a range of initiatives to reduce taxpayer compliance costs. However, there was no evidence that tax declarations or other forms are regularly reviewed to remove requests for unnecessary information.
P3-11. Obtaining taxpayer feedback on products and services.	B	B	A series of taxpayer perception surveys have been conducted in conjunction with the World Bank. However, there was no evidence provided that taxpayer consultation extended to the design or testing of new approaches to administration.
POA 4: Timely Filing of Tax Declarations			
P4-12. On-time filing rate.	D	B+	On time filing rates are high across all core taxes, but on-time filing by large taxpayers is below international good practice.
P4-13. Management of non-filers.	-	B	There are effective processes for managing non-filers, although some hybrid processes may cause follow-up to take longer than one week.
P4-14. Use of electronic filing facilities.	A	A	Electronic filing is mandatory for all core taxes.
POA 5: Timely Payment of Taxes			
P5-15. Use of electronic payment methods.	A	A	There is 100 percent electronic payment of taxes.
P5-16. Use of efficient collection systems.	A	A	Withholding is used for employment, for dividend and interest income, and advance payments for business income.
P5-17. Timeliness of payments.	D	D	The value of VAT paid on time by large taxpayers was 86.6 percent. The value of overall VAT payments paid on time was 84.2 percent. The number of VAT returns paid on time by large taxpayers and

Indicator	Scores 2016	Scores 2025	Summary Explanation of Assessment
			taxpayers overall was 92.1 percent and 94.8 percent respectively.
P5-18. Stock and flow of tax arrears.	D+	B	While current year tax arrears are less than 15 percent, over 95 percent of uncollected tax debt is greater than 12 months old.
POA 6: Accurate Reporting in Declarations			
P6-19. Scope of verification actions taken to detect and deter inaccurate reporting.	B	D	The tax audit program does not sufficiently select cases on the basis of assessed risk. It is not systematized around uniform practices. There is no substantive quality assurance review process and no evaluation of the effectiveness of the audit program.
P6-20. Use of large-scale data-matching systems to detect inaccurate reporting.	D	C	The SRC does not have sufficient access to bank information to allow for large scale automated crosschecking with information reported in tax declarations.
P6-21. Initiatives undertaken to encourage accurate reporting.	C	C	The Tax Code allows for the MOF to provide official clarifications (public rulings). However, there are no private rulings or cooperative compliance arrangements.
P6-22. Monitoring the tax gap to assess inaccuracy of reporting levels.	C	A	The SRC has an active and ongoing program of tax gap studies. The results of the tax gap assessments are actively used as part of the broader risk management process.
POA 7: Effective Tax Dispute Resolution			
P7-23. Existence of an independent, workable, and graduated dispute resolution process.	B	B+	The dispute resolution process follows a three-tiered approach. The Appeals Commission is physically independent of the audit process, but there are connections between the audit function and the dispute resolution function.
P7-24. Time taken to resolve disputes.	A	A	There is timely resolution of disputes, with over 95 percent of administrative dispute resolution processes completed within 30 days.

Indicator	Scores 2016	Scores 2025	Summary Explanation of Assessment
P7-25. Degree to which dispute outcomes are acted upon.	C	C	There is evidence of ad hoc changes as a result of matters raised in disputes, but no regular monitoring and analysis for this purpose.
POA 8: Efficient Revenue Management			
P8-26. Contribution to government tax revenue forecasting process.	C	C	The SRC contributes to government revenue forecasting and oversees collection levels but does not actively track tax expenditures and losses carried forward.
P8-27. Adequacy of the tax revenue accounting system.	C	B	The tax revenue accounting system and related processes are sound, but there has not been regular internal audit of the system.
P8-28. Adequacy of tax refund processing.	C	A	The automated risk-based verification process allows 98 percent of VAT refunds to be processed within 30 days.
POA 9: Accountability and Transparency			
P9-29. Internal assurance mechanisms.	C	B	The SRC has good staff integrity assurance mechanisms and an organizationally independent internal audit (IA) unit, but the IA unit has not been subjected to external review.
P9-30. External oversight of the tax administration.	D+	C	The SRC's annual financial statements are audited by the Audit Chamber of Armenia annually, but there is no annual program of operational performance audits. The Human Rights Defender, partly fulfilling the role of an ombudsperson, responds on an ad hoc basis to complaints from taxpayers.
P9-31. Public perception of integrity.	B	B	Annual public perception surveys are conducted in conjunction with the World Bank, and the results are published promptly, but the use of the results is limited.
P9-32. Publication of activities, results, and plans.	C+	B	The SRC publishes its annual reports promptly but is less effective at publishing its operational plans in full, or before the period to which they relate.

Figure 1. Armenia: Distribution of Performance Scores

Indicator	2016	2025
P1-1	D	B
P1-2	B	C
P2-3	C	C
P2-4	D	A
P2-5	D	C
P2-6	C	C
P2-7	-	D
P3-8	A	B
P3-9	A	A
P3-10	B	B
P3-11	B	B
P4-12	D	B+
P4-13	-	B
P4-14	A	A
P5-15	A	A
P5-16	A	A
P5-17	D	D
P5-18	D+	B
P6-19	B	D
P6-20	D	C
P6-21	C	C
P6-22	C	A
P7-23	B	B+
P7-24	A	A
P7-25	C	C
P8-26	C	C
P8-27	C	B
P8-28	C	A
P9-29	C	B
P9-30	D+	C
P9-31	B	B
P9-32	C+	B
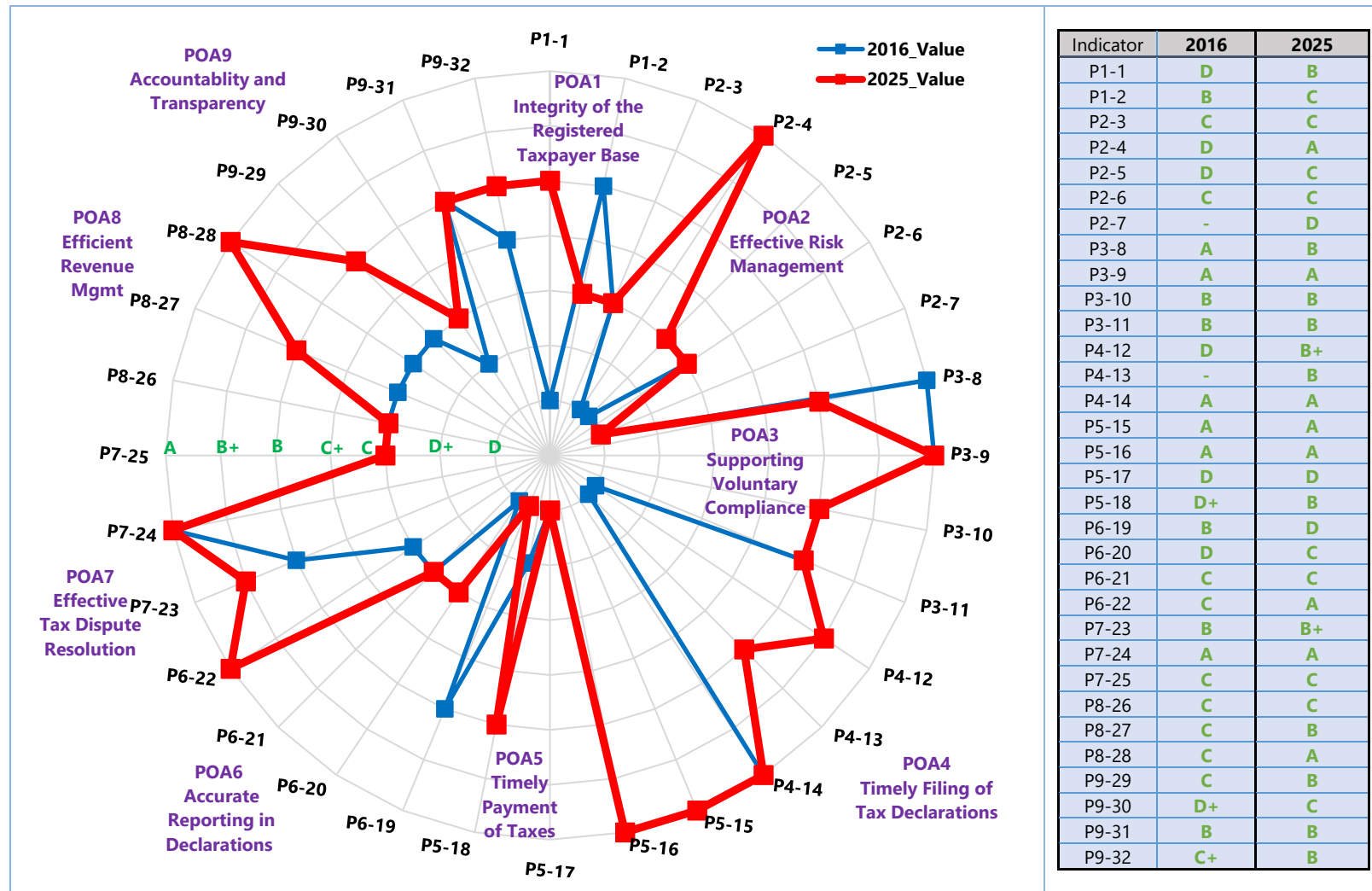
I. INTRODUCTION

This report documents the results of the TADAT assessment conducted in Armenia during the period 12/05/2025 to 27/05/2025 and subsequently reviewed by the TADAT Secretariat. The report is structured around the TADAT framework of nine POAs and 32 high level indicators critical to tax administration performance that is linked to the POAs. Fifty-five measurement dimensions are taken into account in arriving at each indicator score. A four-point 'ABCD' scale is used to score each dimension and indicator:

- 'A' denotes performance that meets or exceeds international good practice. In this regard, for TADAT purposes, a good practice is taken to be a tested and proven approach applied by a majority of leading tax administrations. It should be noted, however, that for a process to be considered 'good practice', it does not need to be at the forefront or vanguard of technological and other developments. Given the dynamic nature of tax administration, the good practices described throughout the field guide can be expected to evolve over time as technology advances and innovative approaches are tested and gain wide acceptance.

- 'B' represents sound performance (i.e. a healthy level of performance but a rung below international good practice).

- 'C' means weak performance relative to international good practice.

- 'D' denotes inadequate performance and is applied when the requirements for a 'C' rating or higher are not met. Furthermore, a 'D' score is given in certain situations where there is insufficient information available to assessors to determine and score the level of performance. For example, where a tax administration is unable to produce basic numerical data for purposes of assessing operational performance (e.g., in areas of filing, payment, and refund processing) a 'D' score is given. The underlying rationale is that the inability of the tax administration to provide the required data is indicative of deficiencies in its management information systems and performance monitoring practices.

For further details on the TADAT framework, see Attachment I.

1. Some points to note about the TADAT diagnostic approach are:

- TADAT assesses the performance outcomes achieved in the administration of the major direct and indirect taxes critical to central government revenues, specifically corporate income tax (CIT), personal income tax (PIT), value added tax (VAT) , domestic excise tax (with a focus on those registered domestic excise taxpayers who trade in the category of goods/services that contribute 70 percent of the total domestic excise revenue by value), and Pay As You Earn (PAYE) amounts withheld by employers (which, strictly speaking, are remittances of PIT). By assessing outcomes in relation to administration of these core taxes, a

picture can be developed of the relative strengths and weaknesses of a country's tax administration.

- TADAT assessments are evidence based (see Attachment V for the sources of evidence applicable to the assessment of Armenia).

- TADAT is not designed to assess special tax regimes, such as those applying in the natural resource sector. Nor does it assess customs administration.

- TADAT provides an assessment within the existing revenue policy framework in a country, with assessments highlighting performance issues that may be best dealt with by a mix of administrative and policy responses.

2. The aim of TADAT is to provide an objective assessment of the health of key components of the system of tax administration, the extent of reform required, and the relative priorities for attention. TADAT assessments are particularly helpful in:

- Identifying the relative strengths and weaknesses in tax administration.

- Facilitating a shared view among all stakeholders (country authorities, international organizations, donor countries, and technical assistance providers).

- Setting the reform agenda (objectives, priorities, reform initiatives, and implementation sequencing).

- Facilitating management and coordination of external support for reforms and achieving faster and more efficient implementation.

- Monitoring and evaluating reform progress by way of subsequent repeat assessments.

II. COUNTRY BACKGROUND INFORMATION

A. Country Profile

General background information on Armenia and the environment in which its tax system operates are provided in the country snapshot in Attachment II.

B. Data Tables

Numerical data gathered from the authorities and used in this TADAT performance assessment is contained in the tables comprising Attachment III.

C. Economic Situation

The economy is settling after three years of above potential growth which was supported by strong financial inflows from Russia, although there were challenges caused by the difficult regional security situation.

Gross Domestic Product (GDP) growth, year on year, for April 2025 is 4.5 percent, down from 8.3 percent in 2023, largely due to moderating trade and tourism flows from Russia.[1] Growth was supported by strong domestic consumption and private investment, especially in the construction and service sectors.

Inflation was 3.2 percent for the year to April 2025.[2] The current account deficit widened to 3.6 percent of GDP in 2024 and the fiscal deficit was 3.7 percent of GDP, partly because of lower than expected CIT, PIT and excise revenues, somewhat offset by higher dividends from copper and molybdenum mines. Central government debt was 48.3 percent of GDP.

Nominal wage growth declined over 2024 and was about 8 percent at the end of 2024, from a high of about 25 percent in early 2023. The unemployment rate stabilized at around 13 percent in 2024.

D. Main Taxes

The tax to GDP ratio has been growing in recent years, and was 22.5 percent for 2023.[3] The shares of major tax types in 2024 (excluding customs revenue) are: Value-Added Tax (VAT; accounting for 33.2 percent of collections), Personal Income Tax (PIT; accounting for 28.5 percent of collections, including 24.3 percent captured as a final withholding from employers) and Corporate Income Tax (CIT; accounting for 14.7 percent of collections).

Armenia has introduced a universal declaration of income (UDI) with effect from the 2024 financial year, to capture information from the 2023 reporting year onwards. Broadly this

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[1] Republic of Armenia and the IMF, Country data at: https://www.imf.org/en/Countries/ARM, accessed May 18, 2025.

[2] IMF DataMapper, at: https://www.imf.org/external/datamapper/profile/ARM, accessed May 18, 2025.

[3] World Development Indicators | DataBank at: https://databank.worldbank.org/Tax-revenue-as-gdp-ratio/id/4da172e2

requires all adult citizens, resident in Armenia for 183 days or more, to file an annual declaration covering all sources of income, taxable or not. The system is introduced in conjunction with electronic signatures. The due date for filing 2024 declarations has been extended to November 2025.

Further details on tax revenue collections are provided in Table 1 of Attachment III.

E. Institutional Framework

In 2016, the State Revenue Committee (SRC) was separated from the Ministry of Finance and became responsible for Tax and Customs administration. The current charter of the SRC was approved by Decision No. 702-L of the Prime Minister of the Republic of Armenia dated June 11, 2018.

The mission of the SRC is:

> *"In the area of tax services: to secure the collection of state budget revenues under the jurisdiction of the tax authority by delivering digital and high-quality services, applying targeted and seamless administration, and strengthening tax discipline; and*

> *In the area of customs services: to safeguard economic security and promote the sustainable development of the Republic of Armenia by facilitating foreign trade, enhancing customs administration, providing digital and high-quality services, and improving the effectiveness of customs control."[4]*

The top level structure is a Chair, a first deputy chair, four other deputy chairs (one currently vacant) and a General Secretary. The structure is largely organized around functional groupings, with functions related to integrity and security reporting to the Chairman, tax service and enforcement to the First Deputy Chair, and broadly; Customs, Strategy and International related functions each reporting to separate deputy chairs respectively. Operational and administration functions report to the General Secretary. There is no longer a Large Taxpayer Inspectorate (which existed at the last TADAT assessment in 2016), but responses to large taxpayers are coordinated by the use of a compliance improvement plan (CIP) focused on large taxpayers.

An organizational chart of the tax administration is provided in Attachment IV.

F. Current Status of Tax Administration Reform

The implementation of the UDI is a significant development in tax policy and administration, and in nation-building. At the time of the introduction of the legislation in 2022, the then Minister of Finance, Mr. Tigran Khachatryan said,

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[4] Website of the SRC at https://www.src.am/en/getMenusContents/212

"With the identification data provided by the tax authority, the declarant, entering the electronic system of tax reports, will find the pre-filled declaration for him there, will check the accuracy of the filled-in data, if necessary, will make changes or additions to them and approve the final version of the declarations."[5].

The Prime Minister at the time, Mr. Nikol Pashinyan, also provided context of the importance beyond tax administration, stating:

"We are making a decision regarding one of the most important institutions of the state. The logic of such steps perhaps derives from our ideological understanding that the state and the Republic of Armenia can survive only based on the existence of the will of its citizens to have a state. In other words, a state, especially a democratic state is based on the citizens' will to have a state. This is an institution that records this very will. The citizen, in fact, registers his will to have a state with these and a number of other institutions, and this is extremely important."

The 2024 Annual Report of the SRC also notes action to implement Government Resolutions[6] in six key areas: (1) modernization of electronic systems and infrastructure, (2) improving the quality of service to taxpayers and expanding the services provided, (3) reducing the shadow economy by improving tax control risk management systems, (4) increasing the efficiency of customs control by improving the customs risk management toolkit, (5) Improving the "One Stop, One Window" system, and (6) strengthening international cooperation.[7] This was in addition to also make improvements to the human resource management system.

Looking to the future, the SRC is also investigating the use of Artificial Intelligence. During the assessment the team became aware of the SRC signing a memorandum of understanding for collaboration with the American University of Armenia (AUA) on April 17, 2025. A workshop at the launch of the collaboration explored the use of machine learning and artificial intelligence (AI) in Armenia's tax administration. The Chairman of the SRC, Mr. Hakobyan, noted that the collaboration between the SRC and the AUA would help engage students and researchers in data-driven SRC initiatives, contributing to the training of a new generation of professionals aligned with ongoing public sector modernization efforts. [8]

G. International Information Exchange

Armenia is a member of the Global Forum on Transparency and Exchange of Information for Tax Purposes, and was assessed as "largely compliant" with the global forum standards in a combined second round peer review published in March 2025.[9] Armenia has exchange of

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[5] The universal income declaration system of individuals in Armenia will be introduced in stages from 2023 - Press releases - Updates - The Prime Minister of the Republic of Armenia

[6] Specifically: Government Resolution No. 1363-A dated 18.08.2021, Government Resolution No. 1902-L dated 18.11.2021, and the RA State Revenue Committee Resolution No. 1830-L dated 12.12.2019.

[7] 25 Annual report 27. 03. 2025.doc

[8] RA SRC at https://www.src.am/en/getNews/993

[9] OECD (2025), *Global Forum on Transparency and Exchange of Information for Tax Purposes: Armenia 2025 (Second Round, Combined Review): Peer Review Report on the Exchange of Information on Request*, Global Forum on Transparency and Exchange of Information for Tax Purposes, OECD Publishing, Paris, https://doi.org/10.1787/d71a53f0-en.

information (EOI) arrangements with 155 partners through 52 double tax agreements (DTAs), 6 tax information exchange agreements (TIEAs), as a signatory to the Multilateral Convention on Mutual Administrative Assistance in Tax Matters, and as a member of the exchange of information agreement between the Member States of the Commonwealth of Independent States.

The main commercial partners for Armenia in terms of imports and exports are Russia, China, Switzerland, Germany and Iran. Armenia has EOI arrangements covering each of these jurisdictions. Armenia does not have EOI arrangements with Azerbaijan or Türkiye, two States which share borders with Armenia.

III. ASSESSMENT OF PERFORMANCE OUTCOME AREAS

A. POA 1: Integrity of the Registered Taxpayer Base

A fundamental initial step in administering taxes is taxpayer registration and numbering. Tax administrations must compile and maintain a complete database of businesses and individuals that are required by law to register; these will include taxpayers in their own right, as well as others such as employers with PAYE withholding responsibilities. Registration and numbering of each taxpayer underpin key administrative processes associated with filing, payment, assessment, and collection.

Two performance indicators are used to assess POA 1:

- P1-1—Accurate and reliable taxpayer information.
- P1-2—Knowledge of the potential taxpayer base.

P1-1: Accurate and reliable taxpayer information

For this indicator two measurement dimensions assess: (1) the adequacy of information held in the tax administration's registration database and the extent to which it supports effective interactions with taxpayers and tax intermediaries (i.e. tax advisors and accountants); and (2) the accuracy of information held in the database. Assessed scores are shown in Table 2 followed by an explanation of reasons underlying the assessment.

Table 2. P1-1 Assessment

Measurement dimensions	Scoring Method	Score 2016		Score 2025	
P1-1-1. The adequacy of information held in respect of registered taxpayers and the extent to which the registration database supports effective interactions with taxpayers and tax intermediaries.	M1	B	D	A	B
P1-1-2. The accuracy of information held in the registration database.		D		B	

The SRC operates a national computerized taxpayer registration database with all expected registration data. The database contains the taxpayer name, address, date and place of birth (or formation), e-mail address, the industry or sector type, the identity of associated persons such as owners, shareholders or managers, filing and payment obligations related to specific tax types, and a tax identification number (TIN). The 8-digit TIN is a unique, high-integrity number, with inbuilt check-digit. Primary registration is with the State Registry Agency (SRA) which also captures data from the national identification (ID) card, which itself contains a unique 10-digit high-integrity social service number (SSN), incorporating details such as gender and

date of birth. The SRA exchanges information in real-time with the SRC in order to give effect to taxpayer registration, and to allow for the SRC to generate a TIN. The system is able to generate managerial and statistical information from the data fields.

The registration system within the SRC interfaces with other systems such that SRC staff have a whole-of-taxpayer view of taxpayer details, including filing and payment activities, and whether a taxpayer is dormant or deregistered. The data is mirrored in the online 'cabinet" (taxpayer portal) for each taxpayer. Taxpayers can update their contact details in their cabinet, make payments, and check that payments are posted to their account. Changes made by SRC staff or taxpayers are recorded in system audit logs. The data is used for basic pre-filing of tax declarations. The data content, functionality and integrity measures in relation to the registration database are consistent with international good practice.

There is some cross-checking of data from other agencies, but it is limited. In relation to taxpayers that may not have registered there is some relevant data exchange with the SRA and the Central Bank (CB). Cross-checking with the central bank seems to involve the CB confirming whether a bank account nominated by a taxpayer is connected with that taxpayer, but there is no spontaneous provision of all bank account details to the SRC. As the SRA is the primary source of taxpayer registration data, cross-checking with this source is not sufficient to act as an indicator of the completeness of the registration database. The incorporation of the SSN and national ID card in the registration process with the SRA provides confidence in the integrity of the parties applying for registration. An electronic digital signature system is being introduced to supplement the national ID card for online transactions. In 2023, there was an internal audit report in relation to illegal entrepreneurship (unregistered taxpayers) that also noted some additional cross-checking of data from Customs and from energy providers. The internal audit report expressed confidence in the registration data, while recommending further risk assessment action.

P1-2: Knowledge of the potential taxpayer base

This indicator measures the extent of tax administration efforts to detect unregistered businesses and individuals. The assessed score is shown in Table 3 followed by an explanation of reasons underlying the assessment.

Table 3. P1-2 Assessment

Measurement dimension	Scoring Method	Score 2016	Score 2025
P1-2. The extent of initiatives to detect businesses and individuals who are required to register but fail to do so.	M1	B	C

The initiatives to detect unregistered taxpayers are ad hoc. There was evidence of tactical plans with some elements of detecting unregistered taxpayers, but not an overall operational plan. The main detection method in the tactical plans seems to have been field-based inspection,

with one day out of a minimum of five in each field activity applied to "detecting cases of illegal entrepreneurship". There was no evidence of systematic use of third-party data to detect unregistered taxpayers.

B. POA 2: Effective Risk Management

Tax administrations face numerous risks that have the potential to adversely affect revenue and/or tax administration operations. For convenience, these risks can be classified as:

- Compliance risks—where revenue may be lost if businesses and individuals fail to meet the four main taxpayer obligations (i.e. registration in the tax system; filing of tax declarations; payment of taxes on time; and complete and accurate reporting of information in declarations); and

- Institutional risks—where tax administration functions may be interrupted if certain external or internal events occur, such as natural disasters, sabotage, loss or destruction of physical assets, failure of IT system hardware or software, strike action by employees, and administrative breaches (e.g., leakage of confidential taxpayer information which results in loss of community confidence and trust in the tax administration). For TADAT purposes, institutional risk is divided into two components. These are:

  o *Operational risk*—refers to disruptive actions that destroy or affect part or all of the administration's assets and resources, such as buildings, IT, and other equipment, data and records; and

  o *Human capital risk*—refers to interruptions that affect the tax administration arising out of capability, capacity, compliance, cost and connection (engagement) gaps of and by its employees.

Risk management is essential to effective tax administration and involves a structured approach to identifying, assessing, prioritizing, and mitigating risks. It is an integral part of multi-year strategic and annual operational planning.

Five performance indicators are used to assess POA 2:

- P2-3—Identification, assessment, ranking, and quantification of compliance risks.
- P2-4—Mitigation of risks through a compliance improvement plan.
- P2-5—Monitoring and evaluation of compliance risk mitigation activities.
- P2-6—Management of operational (i.e. systems and processes) risks.
- P2-7—Management of human capital risks.

P2-3: Identification, assessment, ranking, and quantification of compliance risks

For this indicator two measurement dimensions assess: (1) the scope of intelligence

gathering and research to identify risks to the tax system; and (2) the process used to assess, rank, and quantify compliance risks. Assessed scores are shown in Table 4 followed by an explanation of reasons underlying the assessment.

Table 4. P2-3 Assessment

Measurement dimensions	Scoring Method	Score 2016		Score 2025	
P2-3-1. The extent of intelligence gathering and research to identify compliance risks in respect of the main tax obligations.	M1	B	C	C	C
P2-3-2. The process used to assess, rank, and quantify taxpayer compliance risks.		C		A	

The SRC does not make use of environmental scans as part of the process of identifying current and emerging compliance risks. The SRC undertakes sector-specific analysis and uses a range of third-party information from a range of sources (e.g. the company registration office, property cadasters, the police etc.), but the intelligence-gathering and research initiatives are at a basic level. There was no evidence of the use of scanning techniques such as SWOT[10] or PESTLE,[11] to consider how external factors may influence compliance risk.

The risk assessment process to assess compliance risks is consistent with international good practice. Compliance risk management (CRM) is governed by an overarching compliance strategy. The Tax Code mandates a risk-based approach, and a process for establishing risk criteria, contained in a formal government decree. The CRM strategy is supported by a structured risk identification, analysis and prioritization framework, including a government decree mandating the development of a risk register to which all staff have access. Quarterly reporting is mandated. Whilst elements are maintained in an Excel sheet, there is also a more sophisticated information technology (IT) solution that allows for capturing of scoring. Risk scores are assigned to specific taxpayers, considering e.g. the likelihood and consequence of non-compliance. Risk scores are used in the development of CIPs for higher risk sectors.

P2-4: Mitigation of risks through a compliance improvement plan

This indicator examines the extent to which the tax administration has formulated a compliance improvement plan to address identified risks. The assessed score is shown in Table 5 followed by an explanation of reasons underlying the assessment.

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[10] Strengths, Weaknesses, Opportunities, Threats. A commonly used environmental scanning technique.

[11] Political, Economic, Social, Technological, Legal, Environmental. A commonly used scanning technique for the environment external to an organization.

Table 5. P2-4 Assessment

Measurement dimension	Scoring Method	Score 2016	Score 2025
P2-4. The degree to which the tax administration mitigates assessed risks to the tax system through a compliance improvement plan.	M1	D	A

A suite of compliance improvement plans for selected sectors have been developed covering the sectors that pose the highest risks. The CIPs are developed in conjunction with the operational field offices and are incorporated into the activities of the various operational activities. These include large taxpayers with a turnover exceeding 400 million drams, the construction sector, importers and exporters, foreign economic operators, meat production, mining, and temporary importation of vehicles. Each of the respective CIPs considers the particular sector from the perspective of the various tax types, and the core compliance obligations, consistent with good international practice.

Resourcing of the compliance improvement plans is secured through dedicated capacity in regions, who focus their operational activities on higher risk sectors. For each of the riskier sectors selected as part of the ongoing CIPs, the specific activities that are required at the operational level are detailed. Implementation progress is monitored by the SRC Strategy Development and Coordination Division under the Development and Administration Strategy Programs Department using project management methodologies.

P2-5: Monitoring and evaluation of compliance risk mitigation activities

This indicator looks at the process used to monitor and evaluate compliance mitigation activities. The assessed score is shown in Table 6 followed by an explanation of reasons underlying the assessment.

Table 6. P2-5 Assessment

Measurement dimension	Scoring Method	Score 2016	Score 2025
P2-5. The process used to monitor and evaluate the impact of compliance risk mitigation activities.	M1	D	C

The process used to monitor and evaluate the impact of compliance risk mitigation activities is weak. Reports are produced about the progress of CIPs. These reports are routinely shared with senior management through the Mulberry electronic governance and document management platform. There was no indication of a formal governance process at a senior

management level. The Risk Council is mandated to meet on a quarterly basis, but last met in April 2024. Monitoring and evaluation at a senior level would appear to be ad hoc.

P2-6: Management of operational risks

This indicator examines how the tax administration manages operational risks other than those related to human resources. The assessed score is shown in Table 7 followed by an explanation of reasons underlying the assessment.

Table 7. P2-6 Assessment

Measurement dimensions	Scoring Method	Score 2016		Score 2025	
P2-6-1. The process used to identify, assess and mitigate operational risks.	M1	C	C	C	C
P2-6-2. The extent to which the effectiveness of the business continuity program is tested, monitored, and evaluated.		-		C	

ISO 27001 compliance provides sound information and communications technology operational risk management but does not cover all aspects of operational risk for tax administration. The ISO 27001 compliance requirements mean that there is a structured approach to assessing, prioritizing, managing and mitigating risks in relation to information and communications technology (ICT) systems, including business impact assessments. The SRC also incorporates other practices for ICT risk management, such as a comprehensive and structured risk analysis register, an IT-specific risk treatment plan, maintaining a duplicate backup site, due diligence on IT contractors, penetration tests, etc.

The approach to business continuity – and particularly in respect of non-IT related areas – is not yet adequately structured and systematized. Some business continuity processes, and operational risk management responsibilities have been assigned. This includes decrees on incident management, a detailed civil defense plan, a communications chain in the case of emergencies, and assigned roles relating to rescue, first aid and firefighting in the case of evacuations. However, operational risks are not systematically identified, assessed, prioritized, mitigated and documented in a risk register. There is no evidence of a broader business impact analysis being conducted, or the matching of operational risks to organizational performance, or of an explicitly articulated risk appetite or tolerance. There was no evidence of staff being tested on their operational risk management roles, or of a formal business impact analysis, or of the results of business continuity exercises being documented. There was only a basic capability in relation to overall operational risk management.

P2-7: Management of human capital risks

This indicator examines how the tax administration manages human capital risks. The

assessed score is shown in Table 8 followed by an explanation of reasons underlying the assessment.

Table 8. P2-7 Assessment

Measurement dimensions	Scoring Method	Score 2016		Score 2025	
P2-7-1. The extent to which the tax administration has in place the capacity and structures to manage human capital risks.	M1	-		D	
			-		D
P2-7-2. The degree to which the tax administration evaluates the status of human capital risks and related mitigation interventions.		-		D	

The SRC does not have formal processes to assess, prioritize and mitigate human capital risks. There is a basic human resources (HR) risk register that documents some generic human capital-related risks and the SRC has implemented a performance-based system to reward staff. The risk register includes simple scoring framework but does not seek to rank or prioritize the risks and does not suggest any risk mitigation or treatment strategies. There is no evidence of an active governance structure to review human resource risk issues, or to direct mitigating measures. Operational managers do not receive specialist training in managing human capital risks. There is no evidence of an external review of the HR system and operations.

The SRC does not have a process to evaluate human capital risks or mitigations. Without a formal system to assess and manage human capital risks, there is no opportunity for an effective evaluation of mitigation responses. The SRC does report on human capital issues in its Annual Report, but it does not have a formal assessment.

C. POA 3: Supporting Voluntary Compliance

To promote voluntary compliance and public confidence in the tax system, tax administrations must adopt a service-oriented attitude toward taxpayers, ensuring that taxpayers have the information and support they need to meet their obligations and claim their entitlements under the law. Because few taxpayers use the law itself as a primary source of information, assistance from the tax administration plays a crucial role in bridging the knowledge gap. Taxpayers expect that the tax administration will provide summarized, understandable information on which they can rely.

Efforts to reduce taxpayer costs of compliance are also important. Small businesses, for example, gain from simplified record keeping and reporting requirements. Likewise, individuals with relatively simple tax obligations (e.g., employees, retirees, and passive investors) benefit from simplified filing arrangements and systems that eliminate the need to file.

Four performance indicators are used to assess POA 3:

- P3-8—Scope, currency, and accessibility of information.
- P3-9—Time taken to respond to information requests.
- P3-10—Scope of initiatives to reduce taxpayer compliance costs.
- P3-11—Obtaining taxpayer feedback on products and services.

P3-8: Scope, currency, and accessibility of information

For this indicator four measurement dimensions assess: (1) whether taxpayers have the information they need to meet their obligations; (2) whether the information available to taxpayers reflects the current law and administrative policy; (3) how easy it is for taxpayers to obtain information. Assessed scores are shown in Table 9 followed by an explanation of reasons underlying the assessment.

Table 9. P3-8 Assessment

Measurement dimensions	Scoring Method	Score 2016		Score 2025	
P3-8-1. The range of information available to taxpayers to explain, in clear terms, what their obligations and entitlements are in respect of each core tax.	M1	A	A	A	B
P3-8-2. The degree to which information is current in terms of the law and administrative policy.		A		B	
P3-8-3. The ease by which taxpayers obtain information from the tax administration.		A		A	

Information on the main taxpayer obligations and entitlements is readily available in respect of all core taxes. The SRC website contains information on the main areas of taxpayer obligations (registration, filing, payment, and reporting of information in tax declarations), and entitlements. The website has a tax calendar, which lists the deadlines for submitting tax declarations and payments. The website also contains different taxpayer guides, e.g. income tax calculations, filing tax returns, paying income tax, and several other topics. There are English and Russian language versions of the website, although the Armenian language version contains more extensive and detailed information compared to the English language version. The E-tax system provides for online filing of tax returns and payments and related information.

Information is tailored to the needs of key taxpayer segments, key industry groups, tax intermediaries and disadvantaged groups. The SRC provides information tailored to different taxpayer segments, business sectors, and tax intermediaries through the official website and social media channels. ' These examples cover information relating to the implementation of the

UDI, taxi services, real estate rentals, turnover taxpayers, product marking, and foreign nationals. The SRC provides outreach activities to vulnerable groups. The website provides a tool for the visually impaired. Access to taxpayer service centers is facilitated through wheelchair ramps.

The SRC has a methodology and dedicated technical staff for updating and keeping information on tax law and administrative procedure current. The Information and Public Relations Division has several duties relating to website and social media management. The Division is responsible for ensuring all information on the SRC website is current, accurate, and engaging.

Taxpayers are made aware of changes in the tax law on a regular basis. As soon as the SRC learns that an amendment of the tax law, or administrative procedures that affects taxpayers will occur, the organisation starts preparations for general information for taxpayers about the pending changes. When government intentions are public, the awareness campaigns are launched. There was no evidence of a routine process of targeting specific information to relevant affected taxpayer groups.

Proactive training and educational programs are provided through a range of channels, including a training center. The training center hosts a comprehensive catalog of courses, covering many aspects of tax administration. There is a fee for training courses, but the business community feedback is that the fees are minimal and the courses are useful and affordable. Additionally, the SRC provides information to taxpayers through the call center, e-request system, taxpayer service department and social media platforms e.g. YouTube, and Facebook. Information in these channels is free of charge. All taxpayer obligations and entitlements are managed through the SRC's digital environment, and the SRC website and taxpayer portal (taxpayer cabinet) self-services are available 24/7.

P3-9: The time taken to respond to requests for information.

This indicator examines how quickly the tax administration responds to requests by taxpayers and tax intermediaries for information (for this dimension, waiting time for telephone enquiry calls is used as a proxy for measuring a tax administration's performance in information requests generally). Assessed scores are shown in Table 10 followed by an explanation of reasons underlying the assessment.

Table 10. P3-9 Assessment

Measurement dimension	Scoring Method	Score 2016	Score 2025
P3-9: The time taken to respond to taxpayers and tax intermediaries' requests for information.	M1	A	A

Taxpayers receive timely responses to their questions through telephone enquiries. The SRC operates a centralized call center, with relevant telephone management and monitoring

software. SRC has implemented service delivery standards. Approximately 81 percent of the calls to the SRC's call center are answered within 6 minutes.

P3-10: Scope of initiatives to reduce taxpayer compliance costs

This indicator examines the tax administration's efforts to reduce taxpayer compliance costs. Assessed scores are shown in Table 11 followed by an explanation of reasons underlying the assessment.

Table 11. P3-10 Assessment

Measurement dimension	Scoring Method	Score 2016	Score 2025
P3-10. The extent of initiatives to reduce taxpayer compliance costs.	M1	B	B

There are a range of initiatives to reduce taxpayer compliance costs. There is simplified reporting and recordkeeping for smaller businesses, including those that just operate on a turnover tax system in lieu of full VAT and CIT participation. Frequently asked questions are routinely analyzed to improve information products and services for taxpayers. The taxpayer portal ('cabinet') provides 24-hour access for taxpayers and their authorized representatives to registration and tax account details. There was no evidence that tax forms are regularly reviewed to remove requests for information which can be more easily obtained elsewhere, or which is no longer required by the SRC

P3-11: Obtaining taxpayer feedback on products and services

For this indicator, two measurement dimensions assess: (1) the extent to which the tax administration seeks taxpayer and other stakeholder views of service delivery; and (2) the degree to which taxpayer feedback is taken into account in the design of administrative processes and products. Assessed scores are shown in Table 12 followed by an explanation of reasons underlying the assessment.

Table 12. P3-11 Assessment

Measurement dimensions	Scoring Method	Score 2016		Score 2025	
P3-11-1. The use and frequency of methods to obtain performance feedback from taxpayers on the standard of services provided.	M1	A	B	A	B
P3-11-2. The extent to which taxpayer input is taken into account in the design of administrative processes and products.		B		B	

A series of taxpayer perception surveys have been conducted in conjunction with the World Bank. The surveys, based on statistically valid samples, are conducted annually by an independent party, covering all the key taxpayer segments. Additionally, the SRC also conducts regular surveys on their own behalf via the taxpayer portal.

There was no evidence provided that consultation extended to the design or testing of new approaches to administration. The SRC operates a Public Council on Revenue Administration reform with representation from state management bodies, the business community, experts and other stakeholder groups. Questions regarding the improvement of the administration of SRC and its business processes as well as services and information provided to taxpayers are analyzed and discussed at the council meetings. However, there is no evidence that there is an active involvement of taxpayers and intermediaries in the design or testing of new processes or products, which was also confirmed by representatives of the business community.

D. POA 4: Timely Filing of Tax Declarations

Filing of tax declarations (also known as tax returns) remains a principal means by which a taxpayer's tax liability is established and becomes due and payable. As noted in POA 3, however, there is a trend towards streamlining preparation and filing of declarations of taxpayers with relatively uncomplicated tax affairs (e.g., through pre-filling tax declarations). Moreover, several countries treat income tax withheld at source as a final tax, thereby eliminating the need for large numbers of PIT taxpayers to file annual income tax declarations. There is also a strong trend towards electronic filing of declarations for all core taxes. Declarations may be filed by taxpayers themselves or via tax intermediaries.

It is important that all taxpayers who are required to file do so, including those who are unable to pay the tax owing at the time a declaration is due (for these taxpayers, the first priority of the tax administration is to obtain a declaration from the taxpayer to confirm the amount owed, and then secure payment through the enforcement and other measures covered in POA 5).

Three performance indicators are used to assess POA 4:

- P4-12—On-time filing rate.
- P4-13—Management of non-filers
- P4-14—Use of electronic filing facilities.

P4-12: On-time filing rate

A single performance indicator, with four measurement dimensions, is used to assess the on-time filing rate for CIT, PIT, VAT and domestic excise tax, and PAYE withholding declarations. A high on-time filing rate is indicative of effective compliance management including, for example, provision of convenient means to file declarations (especially electronic filing facilities), simplified declarations forms, and enforcement action against those who fail to

file on time. Assessed scores are shown in Table 13 followed by an explanation of reasons underlying the assessment.

Measurement dimensions	Scoring Method	Score 2016		Score 2025	
P4-12-1. The number of CIT declarations filed by the statutory due date as a percentage of the number of declarations expected from registered CIT taxpayers.	M2	D	D	B	B+
P4-12-2. The number of PIT declarations filed by the statutory due date as a percentage of the number of declarations expected from registered PIT taxpayers.		D		B	
P4-12-3. The number of VAT declarations filed by the statutory due date as a percentage of the number of declarations expected from registered VAT taxpayers.		D		B	
P4-12-4. The number of domestic excise tax declarations filed by the statutory due date as a percentage of the number of declarations expected from registered domestic excise taxpayers.		-		B	
P4-12-5. The number of PAYE withholding declarations filed by employers by the statutory due date as a percentage of the number of PAYE declarations expected from registered employers.		D		A	

On time filing rates are high across all core taxes, but on-time filing by large taxpayers is below international good practice. Tables 4 – 10 of Attachment III show on-time filing rates for large taxpayers range from 99.5 percent for CIT and VAT to 97.2 percent for Excise.[12] On-time filing of PAYE returns is 99.7 percent.[13]

P4-13: Management of non-filers

This indicator measures the extent to taxpayers who have failed to file declarations when due are managed. The assessed score is shown in Table 14 followed by an explanation of reasons underlying the assessment.

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[12] International good practice is 100 percent on-time filing by large taxpayers for all core taxes..

[13] Attachment III, Table 10. The international good practice level is for on-time filing for PAYE returns is 90 percent or more filed on time..

Table 14. P4-13 Assessment

Measurement dimension	Scoring Method	Score 2016	Score 2025
P4-13. Action taken to follow up non-filers.	**M1**	-	**B**

There are effective processes for managing non-filers, although some hybrid processes may cause follow-up to take longer than one week. Automated processes are used to detect taxpayers that have not filed on time. Penalities for late filers of PIT declarations are managed through a hybrid proceedure that combines automated internal notification with manual processes. This apporach ensures that decisions to impose penalties on individuals are made by a human, recognising the need for sensitivity in such matters. The list of non-filers is distributed to relevant departments responsible for monitoring taxpayer compliance.

P4-14: Use of electronic filing facilities

This indicator measures the extent to which declarations, for all core taxes, are filed electronically. Assessed scores are shown in Table 15 followed by an explanation of reasons underlying the assessment.

Table 15. P4-14 Assessment

Measurement dimension	Scoring Method	Score 2016	Score 2025
P4-14. The extent to which tax declarations are filed electronically.	**M1**	A	A

Electronic filing is mandatory for all core taxes. Since 2018 it has been mandatory for taxpayers to submit all tax declarations electronically.

E. POA 5: Timely Payment of Taxes

Taxpayers are expected to pay taxes on time. Tax laws and administrative procedures specify payment requirements, including deadlines (due dates) for payment, who is required to pay, and payment methods. Depending on the system in place, payments due will be either self-assessed or administratively assessed. Failure by a taxpayer to pay on time results in imposition of interest and penalties and, for some taxpayers, legal debt recovery action. The aim of the tax administration should be to achieve high rates of voluntary on-time payment and low incidence of tax arrears.

Four performance indicators are used to assess POA 5:

- P5-15—Use of electronic payment methods.
- P5-16—Use of efficient collection systems.

- P5-17—Timeliness of payments

- P5-18—Stock and flow of tax arrears.

P5-15: Use of electronic payment methods

This indicator examines the degree to which core taxes are paid by electronic means without the direct intervention of bank staff or tax administration, including through electronic funds transfer (where money is electronically transferred via the Internet from a taxpayer's bank account to the Government's account), credit cards, and debit cards. Assessed scores are shown in Table 16 followed by an explanation of reasons underlying the assessment.

Table 16. P5-15 Assessment

Measurement dimension	Scoring Method	Score 2016	Score 2025
P5-15. The extent to which core taxes are paid electronically.	M1	A	A

All payments are made electronically. Electronic payments account for 100 percent of the number of payments and of the value of core tax collections. All tax payments for all taxpayers are made through the State Electronic Payment System via the SRC portal. The collected revenues are transferred electronically to the consolidated single SRC account at the RA Central Bank.

P5-16: Use of efficient collection systems

This indicator assesses the extent to which acknowledged efficient collection systems—especially withholding at source and advance payment systems—are used. Assessed scores are shown in Table 17 followed by an explanation of reasons underlying the assessment.

Table 17. P5-16 Assessment

Measurement dimension	Scoring Method	Score 2016	Score 2025
P5-16. The extent to which withholding at source and advance payment systems are used.	M1	A	A

There is substantial use of withholding and advance payments for efficient collection. All employment income is subject to withholding. Entrepreneurs or sole traders who are taxed under the personal income tax arrangements are required to make quarterly advance installment payments based on the prior year income. Quarterly advance installment payments are also required for CIT obligations. Institutions paying interest or dividend income are also required to withhold tax on dividend or interest income.

P5-17: Timeliness of payments

This indicator assesses the extent to which payments are made on time (by number and by value). For TADAT measurement purposes, VAT payment performance is used as a proxy for on-time payment performance of core taxes generally. A high on-time payment percentage is indicative of sound compliance management including, for example, provision of convenient payment methods and effective follow-up of overdue amounts. Assessed scores are shown in Table 18 followed by an explanation of reasons underlying the assessment.

Table 18. P5-17 Assessment

Measurement dimensions	Scoring Method	Score 2016		Score 2025	
P5-17-1. The number of VAT payments made by the statutory due date in percent of the total number of payments due.	M1	D	D	B	D
P5-17-2. The value of VAT payments made by the statutory due date in percent of the total value of VAT payments due.		D		D	

The value of payments made on time by large VAT payers is lower than international good practice.[14] For large VAT taxpayers, 92.1 percent, by number, and 86.6 percent, by value, of VAT payments were paid on time. In relation to overall VAT payments, 94.8 percent, by number, and 84.2 percent, by value, were paid on time. The weakest performance was the value of the VAT paid on time by large taxpayers.

P5-18: Stock and flow of tax arrears

This indicator examines the extent of accumulated tax arrears. Two measurement dimensions are used to gauge the size of the administration's tax arrears inventory: (1) the ratio of end-year tax arrears to the denominator of annual tax collections; and (2) the more refined ratio of end-year 'collectible tax arrears' to annual collections. A third measurement dimension looks at the extent of unpaid tax liabilities that are more than a year overdue (a high percentage may indicate poor debt collection practices and performance given that the rate of recovery of tax arrears tends to decline as arrears get older). Assessed scores are shown in Table 19 followed by an explanation of reasons underlying the assessment.

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[14] The international good practice is that 100 percent of VAT payments by large taxpayers (by number and value) are paid on time and that 90 percent of overall VAT payments (by number and by value) are paid on time.

Table 19. P5-18 Assessment

Measurement dimensions	Scoring Method	Score 2016		Score 2025	
P5-18-1. The value of total core tax arrears at fiscal year-end as a percentage of total core tax revenue collections for the fiscal year.	M2	B	D+	B	B
P5-18-2. The value of collectible core tax arrears at fiscal year-end as a percentage of total core tax revenue collections for the fiscal year.		D		A	
P5-18-3. The value of core tax arrears more than 12 months old as a percentage of the value of all core tax arrears.		D		D	

While tax arrears for the current year are less than 15 percent of current collections, more than 95 percent of uncollected tax debt is greater than 12 months old. The three-year average of core tax arrears to core tax collections was 14.2 percent. The three-year average of collectable tax arrears as a proportion of core tax collections was 3.7 percent. The three-year value of core tax arrears over 12 months old, as a percentage of all core tax arrears, was over 95 percent. The authorities advised that while they have a range of legislative powers to recover taxes not paid on time, it may take more than 12 months for these processes to be completed, presumably due to time period allowances in the legislation.

F. POA 6: Accurate Reporting in Declarations

Tax systems rely heavily on complete and accurate reporting of information by taxpayers in tax declarations. Tax administrations therefore need to regularly monitor tax revenue losses from inaccurate reporting, especially by business taxpayers, and take a range of actions to ensure compliance. These actions fall into two broad groups: verification activities (e.g., tax audits, investigations, and income matching against third party information sources) and proactive initiatives (e.g., taxpayer assistance and education as covered in POA 3, and cooperative compliance approaches).

If well designed and managed, tax audit programs can have far wider impact than simply raising additional revenue from discrepancies detected by tax audits. Detecting and penalizing serious offenders serve to remind all taxpayers of the consequences of inaccurate reporting.

Also prominent in modern tax administration is high-volume automated crosschecking of amounts reported in tax declarations with third-party information. Because of the high cost and relative low coverage rates associated with traditional audit methods, tax administrations are increasingly using technology to screen large numbers of taxpayer records to detect discrepancies and encourage correct reporting.

Proactive initiatives also play an important role in addressing risks of inaccurate reporting. These include adoption of cooperative compliance approaches to build collaborative and trust-based relationships with taxpayers (especially large taxpayers) and intermediaries to resolve tax issues and bring certainty to companies' tax positions in advance of a tax declaration being filed, or before a transaction is actually entered into. A system of binding tax rulings can play an important role here.

Finally, on the issue of monitoring the extent of inaccurate reporting across the taxpayer population generally, a variety of approaches are being used, including: use of tax compliance gap estimating models, both for direct and indirect taxes; advanced analytics using large data sets (e.g., predictive models, clustering techniques, and scoring models) to determine the likelihood of taxpayers making full and accurate disclosures of income; and surveys to monitor taxpayer attitudes towards accurate reporting of income.

Against this background, four performance indicators are used to assess POA 6:

- P6-19—Scope of verification actions taken to detect and deter inaccurate reporting.

- P6-20—Use of large-scale data-matching systems to detect inaccurate reporting.

- P6-21—Initiatives undertaken to encourage accurate reporting.

- P6-22—Monitoring the tax gap to assess inaccuracy of reporting levels.

P6-19: Scope of verification actions taken to detect and deter inaccurate reporting

For this indicator, four measurement dimensions provide an indication of the nature and scope of the tax administration's verification program. Assessed scores are shown in Table 20 followed by an explanation of reasons underlying the assessment.

Table 20. P6-19 Assessment

Measurement dimensions	Scoring Method	Score 2016		Score 2025	
P6-19-1. The nature and scope of the tax audit program in place to detect and deter inaccurate reporting.	M1	B	B	D	D
P6-19-2. The extent to which the audit program is systematized around uniform practices.		-		D	
P6-19-3. The degree to which the quality of taxpayer audits is monitored.		-		D	
P6-19-4. The degree to which the tax administration monitors the effectiveness of the taxpayer audit function.		-		D	

The tax audit program does not sufficiently select cases on the basis of assessed risk. Approximately 50 percent of audits undertaken by the SRC are selected due to referrals from the police forces or other agencies, or from mandatory legislative requirements to undertake comprehensive audits in cases of business insolvency. This may be a change of practice since the 2016 TADAT assessment, or was not apparent to that assessment team. This is the major factor resulting in a lower score for P6-19 in this assessment.

The audit program is not systematized around uniform practices, such as with the use of well-developed audit guides. The VAT audit guide largely details interpretive issues, is not regularly updated, and does not substantively contribute to uniform administrative audit practices.

There is no substantive quality assurance review of taxpayer audits. The reviews by the Comprehensive Tax Audit Monitoring Division are about whether auditors considered each of the identified risks, not audit quality.

The SRC does not monitor and evaluate the effectiveness of the taxpayer audit function. There is monthly and quarterly analysis of output performance of the audit program, such as the number of audits conducted, the value of assessed taxes, analyzed across different tax types and sectors, comparison with previous quarters, and other output statistics. However, there is no evidence of analysis of, or reporting on, broader compliance trends, comparative strike rate analyses, turnaround times for different audit types, return on investment, cost of collection, median audit yields, dispute rates, recidivism rates or wider revenue effects.

P6-20: Use of large-scale data-matching systems to detect inaccurate reporting.

For this indicator, one measurement dimension provides an indication of the extent to which the tax administration leverages technology to screen large numbers of taxpayer records against third-party information to detect discrepancies and encourage correct reporting. Assessed scores are shown in Table 21 followed by an explanation of reasons underlying the assessment.

Table 21. P6-20 Assessment

Measurement dimension	Scoring Method	Score 2016	Score 2025
P6-20. The extent of large-scale automated crosschecking to verify information reported in tax declarations.	M1	D	C

The SRC does not have sufficient access to bank information to allow for large scale automated crosschecking with information reported in tax declarations. The SRC does have access to data from VAT declarations and employers. The SRC also has access to information from other government agencies including the state register of legal entities, the state property cadaster, and customs data (internally).

P6-21: Initiatives undertaken to encourage accurate reporting

This indicator assesses the nature and scope of cooperative compliance and other proactive initiatives undertaken to encourage accurate reporting. Assessed scores are shown in Table 22 followed by an explanation of reasons underlying the assessment.

Table 22. P6-21 Assessment

Measurement dimension	Scoring Method	Score 2016	Score 2025
P6-21. The nature and scope of proactive initiatives undertaken to encourage accurate reporting.	M1	C	C

The Tax Code allows for the MOF to provide official clarifications (public rulings). They are prepared by the MOF and published on the SRC's website, and on the Armenian legislative website, focusing largely on common interpretive issues raised by taxpayers. Evidence suggests that since 2021, 3 such clarifications have been issued. The MOF provided a statement about the binding nature of these clarifications which was slightly ambiguous, but seemed to confirm that they are binding on the SRC, while not binding on taxpayers. The SRC is responsive to taxpayer queries, but the responses do not constitute a binding private rulings systems as envisaged in international good practice. There is, for instance, no process that stipulates the details a taxpayer needs to provide to qualify for a binding ruling, a formal process of consideration, a formal process for notifying the taxpayer of the outcome, or conditions under which the SRC would consider itself bound by ruling (or not).

There are no cooperative compliance arrangements.[15] The Tax Code provides for a process under which low-risk, compliant taxpayers ("diligent taxpayers") can apply for certification on an annual basis. This certification is valid for one year, and provides several benefits, e.g. faster processing of VAT refunds and disputes. It is also a requirement for accreditation as an authorized economic operator with Customs.

P6-22: Monitoring the tax gap to assess inaccuracy of reporting levels

This indicator examines the soundness of methods used by the tax administration to monitor the extent of inaccurate reporting in declarations. The assessed score is shown in Table 23 followed by an explanation of reasons underlying the assessment.

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[15] See definition in TADAT Field Guide.

Table 23. P6-22 Assessment

Measurement dimensions	Scoring Method	Score 2016	Score 2025
P6-22. The soundness of tax gap analysis method/s used by the tax administration to monitor the extent of inaccurate reporting.	M1	C	A

The SRC has an active and ongoing program of tax gap studies. This includes e.g. a VAT gap assessment in 2022, a CIT gap assessment covering 2020-2022, a CIT gap prediction for 2023, and PIT and social security gap assessments conducted in 2025, all of which were published. Credibility is ensured through the involvement of expert staff from organizations like the IMF.

Results of the tax gap assessments are actively used as part of the broader risk management process. Risk parameters are adjusted to reflect priority areas identified in the gap analyses, which in turn result in higher audit coverage of those sectors (as is also envisaged in article 336 of the Tax Code). In addition, compliance improvement plans are regularly developed for higher-risk areas identified in the gap assessments. Overall, the SRC's practices are consistent with good international practice in relation to monitoring tax gaps.

G. POA 7: Effective Tax Dispute Resolution

This POA deals with the process by which a taxpayer seeks an independent review, on grounds of facts or interpretation of the law, of a tax assessment resulting from an audit. Above all, a tax dispute process must safeguard a taxpayer's right to challenge a tax assessment and get a fair hearing. The process should be based on a legal framework, be known and understood by taxpayers, be easily accessible, guarantee transparent independent decision-making, and resolve disputed matters in a timely manner.

Three performance indicators are used to assess POA 7:

- P7-23—Existence of an independent, workable, and graduated dispute resolution process.
- P7-24—Time taken to resolve disputes.
- P7-25—Degree to which dispute outcomes are acted upon.

P7-23: Existence of an independent, workable, and graduated resolution process

For this indicator three measurement dimensions assess: (1) the extent to which a dispute may be escalated to an independent external tribunal or court where a taxpayer is dissatisfied with the result of the tax administration's review process; (2) the extent to which the tax administration's review process is truly independent; and (3) the extent to which taxpayers are

informed of their rights and avenues of review. Assessed scores are shown in Table 24 followed by an explanation of reasons underlying the assessment.

Measurement dimensions	Scoring Method	Score 2016		Score 2025	
P7-23-1. The extent to which an appropriately graduated mechanism of administrative and judicial review is available to, and used by, taxpayers.	M2	B	B	A	B+
P7-23-2. Whether the administrative review mechanism is independent of the audit process.		B		B	
P7-23-3. Whether information on the dispute process is published, and whether taxpayers are explicitly made aware of it.		B		B	

The dispute resolution process follows a three-tiered approach. The first is a single administrative appeal process, either to the SRC's internal Appeals Commission[16] or an appeal directly to the Administrative Court.[17] If a taxpayer is dissatisfied with the decision of the Appeals Commission, there is a legal right for the taxpayer to appeal to the specialized Administrative Court. If the taxpayer's appeal is wholly or partially rejected, they can appeal to a higher Court i.e. the Court of Appeals of Armenia. Data provided by the SRC for 2024 indicates that the dispute process is used.

The Appeals Commission is physically independent of the audit process, but there are connections between the audit function and the dispute resolution function. The Appeals Commission is internal to the SRC and is comprised of the Chairman of the SRC and eight other members as set out in the procedures. The members are drawn from various parts of the SRC including the heads of the Tax Administration Planning, Monitoring and Control Department and the Tax Inspectorate (Audit) Department. Audit members recuse themselves from decision-making when audit cases from their Department are being considered. The work of the Appeals Commission is supported by the Appeal Committee Operations Management Division. This is part of the Tax Administration Planning, Monitoring and Control Department, which is also responsible for the Comprehensive Tax Audit Monitoring Division. As a result, audit functions and functions to support the dispute resolution process fall under one manager.

There is general information about taxpayer dispute rights and processes, but no evidence that auditors are under written instruction to advise taxpayers of their rights. The SRC website contains information about the audit process, including how to appeal, links to the Tax

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[16] Between May 2024 and April 2025, 2,179 submissions were made to the Appeals Commission.

[17] For the 2024 calendar year 1,563 disputes were filed directly with the Administrative Court.

Code, contact information including where to file a dispute, and a sample template to allow for the submission of an appeal. An internet search reveals that a third party also provides more detailed information about the tax dispute process. Notices given to taxpayers at the conclusion of an audit explicitly advise taxpayers of their appeal. The assessment team was not able to find evidence that auditors are explicitly instructed in writing to inform taxpayers of their dispute rights and associated dispute procedures.

P7-24: Time taken to resolve disputes

This indicator assesses how responsive the tax administration is in completing administrative reviews. Assessed scores are shown in Table 25 followed by an explanation of reasons underlying the assessment.

Table 25. P7-24 Assessment

Measurement dimensions	Scoring Method	Score 2016	Score 2025
P7-24. The time taken to complete administrative reviews.	M1	A	A

Over 95 percent of taxpayer disputes are completed within 30 days, consistent with the statutory deadline in the procedures for the Appeals Commission. This level of completion is consistent with international good practice.

Taxpayer surveys indicate that there has been some decline in satisfaction with the Appeals Commission. A 2023 Taxpayer Perceptions Survey conducted with the assistance of the World Bank indicated that 46.2 percent of taxpayers were satisfied with the process of appealing to the Appeals Commission, compared with 51.5 percent satisfaction with Court procedures. The 2024 Taxpayer Perceptions Survey noted a 6.5 percent decline in satisfaction with the Appeals Commission process and an increase in satisfaction with the Court procedures, to 67.9 percent.

P7-25: Degree to which dispute outcomes are acted upon

This indicator looks at the extent to which dispute outcomes are taken into account in determining policy, legislation, and administrative procedure. The assessed score is shown in Table 26 followed by an explanation of reasons underlying the assessment.

Table 26. P7-25 Assessment

Measurement dimension	Scoring Method	Score 2016	Score 2025
P7-25. The extent to which the tax administration responds to dispute outcomes.	M1	C	C

There was some evidence of ad hoc adjustment of administrative practices in response to analysis of disputes. The SRC staff were able to recount how a law change in relation to businesses being required to offer cashless payments was leading to many disputes where businesses or entrepreneurs were penalized, due to the taxpayer's bank not offering cashless payment infrastructure. In this context the assessment team could not identify any formal instruction to administratively pause audit adjustments. However, a review of decisions of the Appeals Commission revealed that taxpayers appealing on this matter had their appeals accepted in the period until all banks could offer cashless payment infrastructure.

There was no evidence that the SRC routinely prepares decision impact statements for Court decisions. The assessment team could not find evidence of any formal analysis of Court decisions by the SRC. On balance the SRC has a basic level of performance in relation to acting on the outcomes of disputes.

H. POA 8: Efficient Revenue Management

This POA focuses on three key activities performed by tax administrations in relation to revenue management:

- Providing input to government budgeting processes of tax revenue forecasting and tax revenue estimating. (As a general rule, primary responsibility for advising government on tax revenue forecasts and estimates rests with the Ministry of Finance. The tax administration provides data and analytical input to the forecasting and estimating processes. Ministries of Finance often set operational revenue collection targets for the tax administration based on forecasts of revenue for different taxes.)
- Maintaining a system of revenue accounts.
- Paying tax refunds.

Three performance indicators are used to assess POA 8:

- P8-26—Contribution to government tax revenue forecasting process.
- P8-27—Adequacy of the tax revenue accounting system.
- P8-28—Adequacy of tax refund processing.

P8-26: Contribution to government tax revenue forecasting process

This indicator assesses the extent of tax administration input to government tax revenue forecasting and estimating. The assessed score is shown in Table 27 followed by an explanation of reasons underlying the assessment.

Table 27. P8-26 Assessment

Measurement dimensions	Scoring Method	Score 2016	Score 2025
P8-26. The extent of tax administration input to government tax revenue forecasting and estimating.	M1	C	C

The SRC contributes to government revenue forecasting and oversees collection levels but does not actively track tax expenditures and losses carried forward. The SRC collects data on tax revenue and economic conditions, providing input for budgeting and revenue forecasting. According to the Budgetary and Treasury Law of the Republic Armenia, a revenue forecast should be prepared and updated twice a year or when requested. The SRC monitors actual tax collection by preparing a trend analysis and a forecast analysis against budget forecasts and provides the analysis to the government each quarter. While the SRC promptly pays VAT refund claims, the estimation process creates a working file which is not public and cannot be shared with other parties. There appears to be an annual estimate of tax expenditures undertaken by the Ministry of Finance as part of the government budget process, using data from the SRC and the National Statistical Committee, however there was no evidence of the SRC having dedicated and expert staff which undertake this function. , or are involving in ongoing monitoring and reporting of tax losses or carried forward credits. reporting on the impact of tax expenditures, or of monitoring the stock of carried-forward tax losses.

P8-27: Adequacy of the tax revenue accounting system

This indicator examines the adequacy of the tax revenue accounting system. Assessed scores are shown in Table 28 followed by an explanation of reasons underlying the assessment.

Table 28. P8-27 Assessment

Measurement dimension	Scoring Method	Score 2016	Score 2025
P8-27. Adequacy of the tax administration's revenue accounting system.	M1	C	B

The systems and practices in relation to the revenue accounting system are sound. The SRC has an automated accounting system, delivered and maintained by a provider which itself maintains the highest level national quality certification, in relation to the conformance of its products. The system electronically interfaces with the CB treasury, and MOF systems, allowing for posting of payments and liabilities within one business day. The internal audit department does not conduct regular reviews of the revenue accounting system, but there are annual external audits of the complete system, and quarterly external audits of various components of the system.

P8-28: Adequacy of tax refund processing

For this indicator, two measurement dimensions assess the tax administration's system of processing VAT refund claims. Assessed scores are shown in Table 29 followed by an explanation of reasons underlying the assessment.

Table 29. P8-28 Assessment

Measurement dimensions	Scoring Method	Score 2016		Score 2025	
P8-28-1. Adequacy of the VAT refund system.	M2	B	C	A	A
P8-28-2. The time taken to pay (or offset) VAT refunds.		D		A	

The automated risk-based verification process allows 98 percent of VAT refunds to be processed within 30 days. The SRC has introduced an automated risk-based verification process that assesses excess credit VAT returns, with a preference for expediting the process for low-risk (diligent) taxpayers. Table 15 in Attachment III shows 98 percent of VAT refunds, (by number of cases and by value) are processed within 30 days. The SRC can apply any excess VAT refund amounts to be offset against other tax obligations. The SRC has authority to utilize VAT collected for the payment of VAT refunds. Approved refund amounts are credited to the taxpayer's account, accessible through the taxpayer portal. If VAT refunds are delayed, daily interest accrues to the taxpayer.

I.   POA 9: Accountability and Transparency

Accountability and transparency are central pillars of good governance. Their institutionalization reflects the principle that tax administrations should be answerable for the way they use public resources and exercise authority. To enhance community confidence and trust, tax administrations should be openly accountable for their actions within a framework of responsibility to the minister, government, legislature, and the general public.

Four performance indicators are used to assess POA 9:

- P9-29—Internal assurance mechanisms.

- P9-30—External oversight of the tax administration.

- P9-31—Public perception of integrity.

- P9-32—Publication of activities, results, and plans.

P9-29: Internal assurance mechanisms

For this indicator, two measurement dimensions assess the internal assurance mechanisms in place to protect the tax administration from loss, error, and fraud. Assessed scores are shown in Table 30 followed by an explanation of reasons underlying the assessment.

Table 30. P9-29 Assessment

Measurement dimensions	Scoring Method	Score 2016		Score 2025	
P9-29-1. Assurance provided by internal audit.	M2	C	C	C	B
P9-29-2. Staff integrity assurance mechanisms.		C		A	

The SRC has an organizationally independent internal audit (IA) unit, but it has not been subjected to external review. The IA unit organizationally reports to the Audit Committee chaired by the Chairman of the SRC. It has an annual plan covering expected checks and areas of review. There is ongoing specialized and general training for internal auditors. There was no evidence of an external review of the IA function, or that there was an organized central repository for IA procedures. The internal security department monitors audit trails of user access.

The SRC has good staff integrity assurance mechanisms. The SRC has implemented a code of ethics aligned with general rules for civil servants' behavior and was developed by the Committee on Corruption Prevention. The ethics and conduct requirements are communicated through the electronic document management system, that has records of receipt of the communication and an audit trail of staff receiving and opening these messages. There is a dedicated Internal Security Department and anti-corruption unit that reports directly to the Chairman, and which operates under the guidance of the national Anti-Corruption Committee. The unit does have suitable investigative powers and regularly interacts with the Anti-Corruption Committee and has a memorandum of understanding with the Armenian Economic Crimes Unit. The SRC maintains statistics on staff who were investigated on ethics-related issues and the statistics relating to disciplinary actions are published as part of the SRC's annual report.

P9-30: External oversight of the tax administration

Two measurement dimensions of this indicator assess: (1) the extent of independent external oversight of the tax administration's operations and financial performance; and (2) the investigation process for suspected wrongdoing and maladministration. Assessed scores are shown in Table 31 followed by an explanation of reasons underlying the assessment.

Table 31. P9-30 Assessment

Measurement dimensions	Scoring Method	Score 2016		Score 2025	
P9-30-1. The extent of independent external oversight of the tax administration's operations and financial performance.	M2	D	D+	C	C
P9-30-2. The investigation process for suspected wrongdoing and maladministration.		C		C	

The SRC's annual financial statements are audited by the Audit Chamber of Armenia annually, but there is no annual program of operational performance audits. The Audit Chamber does audit the tax revenue accounting system, but there was no evidence of any other type of operational audit by an external party. The SRC provides comments on the annual draft report by the Audit Chamber, which are then included in a final published report.

The Human Rights Defender, partly fulfilling the role of an ombudsperson, responds on an ad hoc basis to complaints from taxpayers. Where complaints are received from taxpayers, the SRC is invited to provide feedback, which is then included in a report that is presented at the National Assembly. In exceptional cases, the Human Rights Defender may lead an investigation into specific issues (e.g. where proposed amendments to the Tax Code that could disproportionately affect legal service providers and potentially limit access to free legal aid). However, investigating taxpayer complaints is not something the Human Rights Defender routinely does, and it does not regularly and systematically make recommendations to the SRC in respect of taxpayer complaints. Notably, the SRC also does not maintain data on the number of taxpayer complaints submitted to the Human Rights Defender.

Armenia has a national anti-corruption agency. The agency is responsible for the development of an Armenian-wide anti-corruption strategy and plan. It has oversight of the SRCs anti-corruption policies. The SRC actively engages with the Anti-Corruption Agency in the investigation of the most serious cases of alleged corrupt conduct of tax officials.

P9-31: Public perception of integrity

This indicator examines measures taken to gauge public confidence in the tax administration. The assessed score is shown in Table 32 followed by an explanation of reasons underlying the assessment.

Table 32. P9-31 Assessment

Measurement dimension	Scoring Method	Score 2016	Score 2025
P9-31. The mechanism for monitoring public confidence in the tax administration.	M1	B	B

Annual public perception surveys are conducted in conjunction with the World Bank, and the results are published promptly, but the use of the results is limited. Annual perception surveys for 2023 and 2024 were based on statistically valid samples and the results were published within six months of the surveys being completed. The surveys covered some perceptions of integrity and public confidence but had a higher focus on perceptions of service. The SRC takes into account feedback about matters of integrity, including by providing monthly statistics on complaints to the public. The 2024 survey showed a 1.8 percent increase in perceptions of the professionalism and integrity of tax officials compared with the 2023 survey. However, there was no evidence about how the surveys were used in public relations campaigns.

P9-32: Publication of activities, results, and plans

Two measurement dimensions of this indicator assess the extent of: (1) public reporting of financial and operational performance; and (2) publication of future directions and plans. Assessed scores are shown in Table 33 followed by an explanation of reasons underlying the assessment.

Table 33. P9-32 Assessment

Measurement dimensions	Scoring Method	Score 2016		Score 2025	
P9-32-1. The extent to which the financial and operational performance of the tax administration is made public, and the timeliness of publication.	M2	A		A	
			C+		B
P9-32-2. The extent to which the tax administration's future directions and plans are made public, and the timeliness of publication.		D		C	

Annual reports outline full financial and operational performance and are made public. The annual report for 2023 was published in February 2024, and the report for 2024 was published in March 2025. The annual report for 2024 covers revenue collection, progress on modernization and legislative reforms, details on control and enforcement activities, taxpayer service initiatives, IT systems enhancements, collaboration with other international authorities, developments in respect of human resource management, and oversight mechanisms.

The SRC does not publish its complete operational plans. A Strategic Plan, covering 2021 to 2025, was published in December 2020. However, the SRC does not publish its operational plans. The assessment team was able to identify that some elements of the operational plans were published, in different documents, and at separate times. Further, some of this information was published at least 6 months after the start of the period covered by the operational plan.

Attachment I. TADAT Framework

Performance outcome areas
TADAT assesses the performance of a country's tax administration system by reference to nine outcome areas:

1. **Integrity of the registered taxpayer base:** Registration of taxpayers and maintenance of a complete and accurate taxpayer database is fundamental to effective tax administration.

2. **Effective risk management:** Performance improves when risks to revenue and tax administration operations are identified and systematically managed.

3. **Supporting voluntary compliance:** Usually, most taxpayers will meet their tax obligations if they are given the necessary information and support to enable them to comply voluntarily.

4. **On-time filing of declarations:** Timely filing is essential because the filing of a tax declaration is a principal means by which a taxpayer's tax liability is established and becomes due and payable.

5. **On-time payment of taxes**: Non-payment and late payment of taxes can have a detrimental effect on government budgets and cash management. Collection of tax arrears is costly and time consuming.

6. **Accurate reporting in declarations**: Tax systems rely heavily on complete and accurate reporting of information in tax declarations. Audit and other verification activities, and proactive initiatives of taxpayer assistance, promote accurate reporting and mitigate tax fraud.

7. **Effective Tax Dispute Resolution:** Independent, accessible, and efficient review mechanisms safeguard a taxpayer's right to challenge a tax assessment and get a fair hearing in a timely manner.

8. **Efficient revenue management:** Tax revenue collections must be fully accounted for, monitored against budget expectations, and analyzed to inform government revenue forecasting. Legitimate tax refunds to individuals and businesses must be paid promptly.

9. **Accountability and transparency:** As public institutions, tax administrations are answerable for the way they use public resources and exercise authority. Community confidence and trust are enhanced when there is open accountability for administrative actions within a framework of responsibility to the minister, legislature, and general community.

Indicators and associated measurement dimensions

A set of 32 high-level indicators critical to tax administration performance are linked to the performance outcome areas. It is these indicators that are scored and reported on. A total of 55 measurement dimensions are taken into account in arriving at the indicator scores. Each indicator has between one and five measurement dimensions.

Repeated assessments will provide information on the extent to which a country's tax administration is improving.

Scoring methodology

The assessment of indicators follows the same approach followed in the Public Expenditure and Financial Accountability (PEFA) diagnostic tool so as to aid comparability where both tools are used.

Each of TADAT's 55 measurement dimensions is assessed separately. The overall score for an indicator is based on the assessment of the individual dimensions of the indicator. Combining the scores for dimensions into an overall score for an indicator is done using one of two methods: Method 1 (M1) or Method 2 (M2). For both M1 and M2, the four-point 'ABCD' scale is used to score each dimension and indicator.

Method M1 is used for all single dimensional indicators and for multi-dimensional indicators where poor performance on one dimension of the indicator is likely to undermine the impact of good performance on other dimensions of the same indicator (in other words, by the weakest link in the connected dimensions of the indicator).

Method M2 is based on averaging the scores for individual dimensions of an indicator. It is used for selected multi-dimensional indicators where a low score on one dimension of the indicator does not necessarily undermine the impact of higher scores on other dimensions for the same indicator.

Attachment II. Armenia: Country Snapshot

Geography	Armenia is a landlocked country in the South Caucasus region. It is geographically located in West Asia within the Armenian plateau. It is bordered by Georgia to the north, Iran to the south, Azerbaijan to the east and Turkey to the west. It has an area of 29,743 km^2. The capital, and largest city, is Yerevan.
Population	2.99 million (2023), (Source: World Bank, https://data.worldbank.org/country/armenia)
Adult literacy rate	100 percent of persons aged 15 and over can read and write. (Source: https://data.worldbank.org/country/armenia)
Gross Domestic Product	Nominal GDP: USD 26.258 billion. (2025) (Source: World Economic Database, IMF, April 2025)
Per capita GDP	USD 8,857. (2025) (Source: World Economic Database, IMF, April 2025)
Main industries	Mining (molybdenum, gold, copper, diamonds), jewelry, agriculture (wheat, barley, figs, apricots, olives, pomegranate), food production, textiles, tourism, tobacco and beverage production (including alcoholic beverages).
Communications	80 Internet users per 100 people. (2023) 135 Mobile 'phone subscribers per 100 people: (2022) (Source: World Bank)
Main taxes	VAT (33.2 percent), PIT (28.5 percent), CIT (14.7 percent), Other Taxes (12.6 percent) (excluding customs revenue)
Tax-to-GDP	22.4 percent in 2024, excluding customs tax collections.
Number of taxpayers	CIT (107,914); PAYE (893,044), PIT (6,381); VAT (83,614), Domestic Excise Taxes (614), and Turnover Tax (207,229)
Main collection agency	State Revenue Committee of the Republic of Armenia
Number of staff in the main collection agency	1,205 related to tax functions, as part of a total workforce (tax and customs administration) of 2,556.
Financial Year	Calendar year.

Attachment III. Data Tables
A. Tax Revenue Collections

Table 1. Tax Revenue Collections, (2022-2024)[1]	[2022]	[2023]	[2024]
In local currency (millions)			
National budgeted tax revenue forecast[2]	1,843,917	2,203,710	2,613,640
Total tax revenue collections	1,887,220	2,159,601	2,278,667
Corporate Income Tax (CIT)	222,805	321,521	335,715
Personal Income Tax (PIT)	511,293	606,484	650,078
Pay As You Earn (PAYE) withholding by employers	422,933	492,165	554,046
Value Added Tax (VAT) net[18]	679,556	767,174	755,867
- Value-Added Tax (VAT)—gross domestic collections	609,643	696,583	760,908
- Value-Added Tax (VAT)—collected on imports	282,910	358,970	285,141
- Value-Added Tax (VAT)—refunds paid	(212,997)	(288,379)	(290,182)
Excises on domestic transactions	84,488	94,011	93,031
Excises—collected on imports	43,011	55,435	53,517
Social contribution collections	64,457	90,292	103,395
Other domestic taxes[3]	281,609	224,685	287,065
In percent of total tax revenue collections			
Total tax revenue collections	100.0	100.0	100.0
Corporate Income Tax (CIT)	11.8	14.9	14.7
Personal Income Tax (PIT)	27.1	28.1	28.5
Pay As You Earn (PAYE) withholding by employers	22.4	22.8	24.3
Value Added Tax (VAT) net	36.0	35.5	33.2
- Value-Added Tax (VAT)—gross domestic collections	32.3	32.3	33.4
- Value-Added Tax (VAT)—collected on imports	15.0	16.6	12.5
- Value-Added Tax (VAT)—refunds paid	(11.3)	(13.4)	(12.7)
Excises—collected on domestic transactions	4.5	4.4	4.1
Excises—collected on imports	2.3	2.6	2.3
Social contribution collections	3.4	4.2	4.5
Other domestic taxes	14.9	10.4	12.6
In percent of GDP			
Total tax revenue collections	22.2	22.8	22.4
Corporate Income Tax (CIT)	2.6	3.4	3.3
Personal Income Tax (PIT)	6.0	6.4	6.4
Pay As You Earn (PAYE) withholding by employers	5.0	5.2	5.4
Value Added Tax (VAT) net	8.0	8.1	7.4
- Value-Added Tax (VAT)—gross domestic collections	7.2	7.3	7.5
- Value-Added Tax (VAT)—collected on imports	3.3	3.8	2.8
- Value-Added Tax (VAT)—refunds paid	(2.5)	(3.0)	(2.8)
Excises—collected on domestic transactions	1.0	1.0	0.9
Excises—collected on imports	0.5	0.6	0.5
Social contribution collections	0.8	1.0	1.0
Other domestic taxes	3.3	2.4	2.8
Nominal GDP in local currency (millions)	8,501,449	9,492,514	10,193,415

Explanatory notes:

[1] This table gathers data for three fiscal years (e.g. 2022 - 2024) in respect of all domestic tax revenues collected by the tax administration at the national level, plus VAT and Excise tax collected on imports by the customs and/or other agency.

[2] This forecast is normally set by the Ministry of Finance (or equivalent) with input from the tax administration and, for purposes of this table, should only cover the taxes listed in the table. The final budgeted forecast, as adjusted through any mid-year review process, should be used.

[3] 'Other domestic taxes collected at the national level by the tax administration include, for example, property taxes, financial transaction taxes, and environment taxes.

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[18] Value Added Tax = (gross domestic VAT collected + VAT collected on imports) − VAT refunds paid

B. Movements in the Taxpayer Register

Table 2. Movements in the Taxpayer Register, (2022 – 2024) (Ref: POA1)					
	Registered taxpayers[1] [A]	Taxpayers otherwise not required to file[2] [B]	Taxpayers Expected to File [C] = [(A) − (B)][3]	Memorandum items[4] [D]	
				New Registrations [D1]	Taxpayers deregistered during year [D2]
[2022]					
Corporate income tax	74,935	419	74,516	14,507	1,245
Personal income tax	11,223	-	11,223	16	47
PAYE withholding (# of employers)	808,995	2,113	806,882		
Value Added Tax	68,811	42,761	26,050	11,084	2,363
Domestic excise tax[5]	665		665	23	1
Other taxpayers	177,369	2,323	175,046	14,529	2,799
[2023]					
Corporate income tax	88,197	378	87,819	8,989	2,588
Personal income tax	6,800	-	6,800	77	47
PAYE withholding (# of employers)	856,339	2,123	854,216		
Value Added Tax	77,532	49,453	31,589	11,508	4,208
Domestic excise tax[5]	714		714	34	-
Other taxpayers	189,099	2,307	205,038	14,406	6,516
[2024]					
Corporate income tax	94,598	2,585	92,013	14,535	1,219
Personal income tax	6,379	-	6,379	43	41
PAYE withholding (# of employers)	893,044	2,317	890,727		
Value Added Tax	77,623	46,437	31,186	8,624	2,633
Domestic excise tax[5]	698		698	21	1
Other taxpayers	196,989	2,894	240,310	14,158	3,918

Explanatory Notes:

[1] A registered taxpayer who is in the tax administration's taxpayer database.

[2] Taxpayers not required to file declarations' means taxpayers who are registered but are currently not required to file by law or regulation and are explicitly flagged in the automated tax administration system.

[3] Expected filing calculations to be used in Indicator P4-12.

[4] Taxpayer register activity information.

[5] For purposes of a TADAT assessment, the focus is on those registered domestic excise taxpayers who trade in goods/services that contribute 70 percent of the total domestic excise revenue by value.

C. Telephone Enquiries

(Ref: POA 3)

Month	Total number of telephone enquiry calls received	Telephone enquiry calls answered within 6 minutes' waiting time	
		Number	In percent of total calls
April, 2024	24,952	20,354	81.57
May, 2024	18,079	14,391	79.60
June, 2024	17,434	13,881	79.62
July, 2024	23,715	19,245	81.15
August, 2024	20,182	16,341	80.97
September, 2024	22,329	18,011	80.66
October, 2024	22,951	18,508	80.64
November, 2024	19,746	15,784	79.94
December, 2024	21,971	17,713	80.62
January, 2025	26,696	22,432	84.03
February, 2025	29,990	24,641	82.16
March, 2025	28,679	23,631	82.40
12-month total	**276,724**	**224,932**	**81.28**

Table 3. Telephone Enquiry Call Waiting Time (April 2024 - March 2025)

D. Filing of Tax Declarations

(Ref: POA 4)

Table 4. On-time Filing of CIT Declarations for 2024

	Number of declarations filed on-time[1]	Number of declarations expected to be filed[2]	On-time filing rate[3] (In percent)
All CIT taxpayers	92,013	92,438	99.5
Large taxpayers only	1,764	1,772	99.5

Explanatory notes:

[1] 'On-time' filing means declarations (also known as 'returns') filed by the statutory due date for filing (plus any 'days of grace' applied by the tax administration as a matter of administrative policy).

[2] 'Expected declarations' means the number of CIT declarations that the tax administration expected to receive from registered CIT taxpayers that were required by law to file declarations.

[3] The 'on-time filing rate' is the number of declarations filed by the statutory due date as a percentage of the total number of declarations expected from registered taxpayers, i.e. expressed as a ratio:

$$\frac{Number\ of\ CIT\ declarations\ filed\ by\ the\ due\ date}{Number\ of\ declarations\ expected\ from\ active\ CIT\ taxpayers} \times 100$$

Table 5. On-time Filing of PIT Declarations for 2023		
Number of declarations filed on-time[1]	Number of declarations expected to be filed[2]	On-time filing rate[3] (In percent)
5,330	5,960	89.4

Explanatory notes:

[1] 'On-time' filing means declarations (also known as 'returns') filed by the statutory due date for filing (plus any 'days of grace' applied by the tax administration as a matter of administrative policy).

[2] 'Expected declarations' means the number of PIT declarations that the tax administration expected to receive from registered PIT taxpayers that were required by law to file declarations.

[3] The 'on-time filing rate' is the number of declarations filed by the statutory due date as a percentage of the total number of declarations expected from registered taxpayers, i.e. expressed as a ratio:

$$\frac{Number\ of\ PIT\ declarations\ filed\ by\ the\ due\ date}{Number\ of\ PIT\ declarations\ expected\ from\ active\ PIT\ taxpayers}\ x\ 100$$

PIT data is for 2023 because, as part of the introduction of the Universal Declaration of Income, filing dates for the 2024 year were extended to November 2025.

Table 6. On-time Filing of Value-Added Tax Declarations—All VAT taxpayers (April 2024 – March 2025)			
Month	Number of declarations filed on-time[1]	Number of declarations expected to be filed[2]	On-time filing rate[3] (In percent)
April, 2024	22,867	23,007	99.4
May, 2024	23,159	23,282	99.5
June, 2024	23,466	23,578	99.5
July, 2024	23,597	23,694	99.6
August, 2024	23,891	24,007	99.5
September, 2024	24,304	24,402	99.6
October, 2024	24,720	24,830	99.6
November, 2024	24,947	25,058	99.6
December, 2024	25,466	25,587	99.5
January, 2024	24,138	24,306	99.3
February, 2024	24,779	24,924	99.4
March, 2024	24,447	24,559	99.5
12-month total	**289,781**	**291,234**	**99.5**

Explanatory notes:

[1] 'On-time' filing means declarations filed by the statutory due date for filing (plus any 'days of grace' applied by the tax administration as a matter of administrative policy).

[2] 'Expected declarations' means the number of VAT declarations that the tax administration expected to receive from registered VAT taxpayers that were required by law to file declarations.

$$\frac{Number\ of\ VAT\ declarations\ filed\ by\ the\ due\ date}{Number\ of\ declarations\ expected\ from\ active\ VAT\ taxpayers}\ x\ 100$$

Table 7. On-time Filing of Value-Added Tax Declarations—Large taxpayers only (April 2024 – March 2025)			
Month	Number of declarations filed on-time[1]	Number of declarations expected to be filed[2]	On-time filing rate[3] (In percent)
April, 2024	1,762	1,771	99.5
May, 2024	1,765	1,773	99.5
June, 2024	1,760	1,771	99.4
July, 2024	1,768	1,775	99.6
August, 2024	1,768	1,776	99.5
September, 2024	1,767	1,777	99.4
October, 2024	1,768	1,779	99.4
November, 2024	1,761	1,769	99.5
December, 2024	1,769	1,778	99.5
January, 2024	1,753	1,760	99.6
February, 2024	1,746	1,755	99.5
March, 2024	1,688	1,696	99.5
12-month total	**21,075**	**21,180**	**99.5**

Explanatory notes:

[1] 'On-time' filing means declarations filed by the statutory due date for filing (plus any 'days of grace' applied by the tax administration as a matter of administrative policy).

[2] 'Expected declarations' means the number of VAT declarations that the tax administration expected to receive from large taxpayers that were required by law to file VAT declarations.

[3] The 'on-time filing rate' is the number of VAT declarations filed by large taxpayers by the statutory due date as a percentage of the total number of VAT declarations expected from large taxpayers, i.e. expressed as a ratio:

$$\frac{Number\ of\ VAT\ declarations\ filed\ by\ the\ due\ date\ by\ large\ taxpayers}{Number\ of\ VAT\ declarations\ expected\ from\ active\ large\ taxpayers}\ x\ 100$$

Table 8. On-time Filing of Domestic Excise Tax Declarations		
[for those excise tax goods/services categories contributing, by value, 70 percent of total domestic excise tax]		
(April 2024 - March 2025)		

Month	Number of declarations filed on-time[1]	Number of declarations expected to be filed[2]	On-time filing rate[3] (In percent)
April, 2024	525	528	99.4
May, 2024	533	537	99.3
June, 2024	530	532	99.6
July, 2024	526	531	99.1
August, 2024	537	543	98.9
September, 2024	525	529	99.2
October, 2024	534	539	99.1
November, 2024	545	548	99.5
December, 2024	560	564	99.3
January, 2024	505	511	98.8
February, 2024	511	516	99.0
March, 2024	502	507	99.0
12-month total	**6,333**	**6,385**	**99.2**

Explanatory notes:

[1] 'On-time' filing means declarations filed by the statutory due date for filing (plus any 'days of grace' applied by the tax administration as a matter of administrative policy) by registered domestic excise tax taxpayers who contribute up to 70 percent, by value, of the total domestic excise tax revenue.

[2] 'Expected declarations' means the number of excise tax declarations that the tax administration expected to receive from registered domestic excise tax taxpayers (the focus is on those registered domestic excise taxpayers who trade in the categories of goods/services that contribute 70 percent of the total domestic excise revenue by value) that are required by law to file excise tax declarations.

[3] The 'on-time filing rate' is the number of excise tax declarations filed by taxpayers by the statutory due date as a percentage of the total number of excise duties declarations expected from registered domestic excise tax taxpayers who trade in the categories of goods/services that contribute 70 percent of the total domestic excise revenue by value, i.e. expressed as a ratio:

$$\frac{Number\ of\ domestic\ excise\ tax\ declarations\ filed\ by\ the\ due\ date}{No.\ of\ domestic\ excise\ tax\ declarations\ expected\ from\ active\ domestic\ excise\ tax\ taxpayers}\ x\ 100$$

Table 9. On-time Filing of Domestic Excise Tax Declarations—Large taxpayers only (April 2024 – March 2025)			
Month	Number of declarations filed on-time[1]	Number of declarations expected to be filed[2]	On-time filing rate[3] (In percent)
April, 2024	38	39	97.4
May, 2024	38	39	97.4
June, 2024	39	40	97.5
July, 2024	41	42	97.6
August, 2024	40	42	95.2
September, 2024	42	44	95.5
October, 2024	39	40	97.5
November, 2024	40	41	97.6
December, 2024	46	46	100.0
January, 2024	38	39	97.4
February, 2024	40	42	95.2
March, 2024	37	38	97.4
12-month total	478	492	97.2

Explanatory notes:

[1] 'On-time' filing means declarations filed by the statutory due date for filing (plus any 'days of grace' applied by the tax administration as a matter of administrative policy) by large taxpayers registered for domestic excise tax.

[2] 'Expected declarations' means the number of excise tax declarations that the tax administration expected to receive from ALL large taxpayers registered for domestic excise tax and are required by law to file excise tax declarations.

[3] The 'on-time filing rate' is the number of excise tax declarations filed by large taxpayers by the statutory due date as a percentage of the total number of excise duties declarations expected from large taxpayers registered for domestic excise tax taxpayers, i.e. expressed as a ratio:

$$\frac{\textit{Number of domestic excise tax declarations from large taxpayers filed by the due date}}{\textit{No. of domestic excise tax declarations expected from active large taxpayers registered for domestic excise tax}} \; x \; 100$$

Table 10. On-time Filing of PAYE Withholding Declarations (filed by employers) (April 2024 – March 2025)			
Month	Number of declarations filed on-time[1]	Number of declarations expected to be filed[2]	On-time filing rate[3] (In percent)
April, 2024	70,476	70,691	99.7
May, 2024	70,918	71,138	99.7
June, 2024	71,412	71,623	99.7
July, 2024	71,221	71,451	99.7
August, 2024	71,450	71,648	99.7
September, 2024	71,865	72,076	99.7
October, 2024	71,901	72,124	99.7
November, 2024	71,903	72,116	99.7
December, 2024	72,063	72,272	99.7
January, 2024	71,015	71,233	99.7
February, 2024	71,009	71,226	99.7
March, 2024	69,832	70,031	99.7
12-month total	855,065	857,629	99.7

Explanatory notes:

[1] 'On-time' filing means declarations filed by the statutory due date for filing (plus any 'days of grace' applied by the tax administration as a matter of administrative policy).

[2] 'Expected declarations' means the number of PAYE withholding declarations that the tax administration expected to receive from registered employers with PAYE withholding obligations that were required by law to file declarations.

[3] The 'on-time filing rate' is the number of PAYE withholding declarations filed by employers by the statutory due date as a percentage of the total number of PAYE withholding declarations expected from registered employers, i.e. expressed as a ratio:

$$\frac{Number\ of\ PAYE\ withholding\ declarations\ filed\ by\ the\ due\ date}{Number\ of\ PAYE\ witholding\ declarations\ expected\ from\ registered\ employers} \ x\ 100$$

E. Electronic Services
(Ref: POAs 4 and 5)

Table 11. Use of Electronic Services, (2022 – 2024)[1]			
	[2022]	**[2023]**	**[2024]**
Electronic filing[2] (In percent of all declarations filed for each tax type)			
CIT	100.0	100.0	100.0
PIT	100.0	100.0	100.0
PAYE (Withholding)	100.0	100.0	100.0
VAT	100.0	100.0	100.0
Domestic excise tax (for all registered taxpayers)	100.0	100.0	100.0
Large taxpayers (all core taxes)	100.0	100.0	100.0
Electronic payments[3] (In percent of total **number** of payments received for each tax type)			
CIT	100.0	100.0	100.0
PIT	100.0	100.0	100.0
PAYE (Withholding)	100.0	100.0	100.0
VAT	100.0	100.0	100.0
Domestic excise tax (for all registered taxpayers)	100.0	100.0	100.0
Large taxpayers (all core taxes)	100.0	100.0	100.0
Electronic payments (In percent of total **value** of payments received for each tax type)			
CIT	100.0	100.0	100.0
PIT	100.0	100.0	100.0
PAYE (Withholding)	100.0	100.0	100.0
VAT	100.0	100.0	100.0
Domestic excise tax (for all registered taxpayers)	100.0	100.0	100.0
Large taxpayers (all core taxes)	100.0	100.0	100.0

Explanatory notes:

[1] Data in this table will provide an indicator of the extent to which the tax administration is using modern technology to transform operations, namely in areas of filing and payment.

[2] For purposes of this table, electronic filing involves facilities that enable taxpayers to complete tax declarations online and file those declarations via the Internet.

[3] An electronic payment is a payment made from one bank account to another via electronic means without the direct intervention of bank staff instead of using cash or check, in person or by mail. Methods of electronic payment include credit cards, debit cards, and electronic funds transfer (where money is electronically transferred via the Internet from a taxpayer's bank account to the Treasury account). Electronic payments may be made, for example, by mobile telephone where technology is used to turn mobile phones into an Internet terminal from which payments can be made.

F. Payments
(Ref: POA 5)

Table 12. VAT Payments Made During 2024						
	VAT payments made on-time[1]		VAT payments due[2]		On-time payment rate[3] (In percent)	
	All VAT payers	Large VAT payers	All VAT payers	Large VAT payers	All VAT payers	Large VAT payers
Number of payments	221,547	74,114	233,739	80,503	94.8	92.1
Value of payments	739,138,527,574	552,111,783,103	867,556,976,610	637,385,816,474	85.2	86.6

Explanatory notes:

[1] 'On-time' payment means paid on or before the statutory due date for payment (plus any 'days of grace' applied by the tax administration as a matter of administrative policy).

[2] 'Payments due' include all payments due, whether self-assessed or administratively assessed (including as a result of an audit).

[3] The 'on-time payment rate' is the number (or value) of VAT payments made by the statutory due date in percent of the total number (or value) of VAT payments due, i.e. expressed as ratios:

- The on-time payment rate by number is: $\frac{Number\ of\ VAT\ payments\ made\ by\ the\ due\ date}{Total\ number\ of\ VAT\ payments\ due} \ x\ 100$

- The on-time payment rate by value is: $\frac{Value\ of\ VAT\ payments\ made\ by\ the\ due\ date}{Total\ value\ of\ VAT\ payments\ due} \ x\ 100$

G. Domestic Tax Arrears
(Ref: POA 5)

Table 13. Value of Tax Arrears, (2022 – 2024)[1]			
	[2022]	**[2023]**	**[2024]**
	In local currency (millions)		
Total core tax revenue collections (from Table 1)[2] **(A)**	1,844,209	2,104,166	2,225,150
Total core tax arrears at end of fiscal year[3] **(B)**	269,431	290,210	319,193
Of which: Collectible[4] **(C)**	64,030	77,389	85,889
Of which: More than 12 months' old **(D)**	257,143	278,133	307,371
	In percent		
Ratio of (B) to (A)[5]	14.6	13.8	14.3
Ratio of (C) to (A)[6]	3.5	3.7	3.9
Ratio of (D) to (B)[7]	95.4	95.8	96.3

Explanatory notes:

[1] Data in this table will be used in assessing the value of core tax arrears relative to annual collections and examining the extent to which unpaid tax liabilities are significantly overdue (i.e. older than 12 months).

[2] For purposes of the denominator in this Table, total core tax revenue collections includes the following: CIT, PIT, PAYE, net VAT, Excise on domestic taxes, SCC (where it is a major source of revenue) and other domestic taxes . It excludes excise duty on imports.

[3] 'Total core tax arrears' include tax, penalties, and accumulated interest.

[4] 'Collectible' core tax arrears is defined as the total amount of domestic tax, including interest and penalties, that is overdue for payment and which is not subject to collection impediments. Collectible core tax arrears therefore generally exclude: (a) amounts formally disputed by the taxpayer and for which collection action has been suspended pending the outcome, (b) amounts that are not legally recoverable (e.g., debt foregone through bankruptcy), and (c) arrears otherwise uncollectible (e.g., the debtor has no funds or other assets).

[5] i.e. $\dfrac{\textit{Value of total core tax arrears at end of fiscal year (B)}}{\textit{Total core tax collected for fiscal year (A)}} \; x \; 100$

[6] i.e. $\dfrac{\textit{Value of collectible core tax arrears at end of fiscal year (C)}}{\textit{Total core tax collected for fiscal year (A)}} \; x \; 100$

[7] i.e. $\dfrac{\textit{Value of core tax arrears >12 months' old at end of year (D)}}{\textit{Value of total core tax arrears at end of fiscal year (B)}} \; x \; 100$

Data adjusted to conform with Table footnote 2.

H. Tax Dispute Resolution
(Ref: POA 7)

	Number of administrative review cases				**Finalized within 30 days**		**Finalized within 60 days**		**Finalized within 90 days**	
Table 14. Finalization of Administrative Reviews (April 2024 - March 2025)										
Month	Stock at beginning of month [A]	Received during the month [B]	Finalized during the month [C]	Stock at end of month [A + B - C]	Number [E]	In percent of total [F] = [E / A+B]	Number [G]	In percent of total [H] = [G /A+B]	Number [I]	In percent of total [J] = [I / A+B]
Apr 2024	195	326	269	252	263	97.77	6	2.23	0	0.00
May 2024	252	222	339	135	312	92.04	27	7.96	0	0.00
Jun 2024	135	121	197	59	182	92.39	14	7.11	1	0.51
Jul 2024	59	130	136	53	130	95.59	5	3.68	1	0.74
Aug 2024	53	123	136	40	133	97.79	3	2.21	0	0.00
Sep 2024	40	142	133	49	130	97.74	3	2.26	0	0.00
Oct 2024	49	131	108	72	105	97.22	3	2.78	0	0.00
Nov 2024	72	129	136	65	134	98.53	2	1.47	0	0.00
Dec 2024	65	141	108	98	103	95.37	5	4.63	0	0.00
Jan 2025	98	150	159	89	146	91.82	13	8.18	0	0.00
Feb 2025	89	302	167	224	161	96.41	6	3.59	0	0.00
Mar 2025	224	262	254	232	250	98.43	4	1.57	0	0.00
12-month total					**2,049**	**95.66**	**91**	**4.25**	**2**	**0.09**

I. Payment of VAT Refunds

(Ref: POA 8)

Table 15. VAT Refunds, 2024		
	Number of cases	Value in local currency
Total VAT refund claims received **(A)**	11,132	249,537,100,021
Total VAT refunds paid[1]	8,577	221,536,229,459
Of which: paid within 30 days **(B)**[2]	8,489	220,497,760,733
Of which: paid outside 30 days	88	1,038,468,726
Total VAT refund claims declined[3]	2,423	24,020,079,131
Of which: declined within 30 days **(C)**	2,423	24,020,079,131
Of which: declined outside 30 days	0	0
Total VAT refund claims not processed[4]	132	3,980,791,431
Of which: no decision taken to decline refund	131	2,942,486,631
Of which: approved but not yet paid or offset	1	1,038,304,800
In percent		
Ratio of (B+C) to (A)[5]	98.0	98.0

Explanatory note:

[1] Include all refunds paid, as well as refunds offset against other tax liabilities.

[2] TADAT measures performance against a 30-day standard.

[3] Include cases where a formal decision has been taken to decline (refuse) the taxpayer's claim for refund (e.g., where the legal requirements for refund have not been met).

[4] Include all cases where refund processing is incomplete—i.e. where (a) the formal decision has not been taken to decline the refund claim; or (b) the refund has been approved but not paid or offset.

[5] i.e. $\dfrac{VAT\ refunds\ paid\ within\ 30\ days\ (B) + VAT\ refunds\ declined\ within\ 30\ days\ (C)}{Total\ VAT\ refund\ claims\ received\ (A)}\ x\ 100$

Attachment IV. Organizational Chart

Chairman of RA SRC
Eduard Hakobyan

Internal Security Department
-

- Inquiry and Operational Search Department
- Anti-Smuggling Department
- Internal Audit Department
- Legal Department
- SRC "Training Center" State Non-Profit Organization

First Deputy Chairman of RA SRC
Vrezh Mkhitaryan

- Tax Inspectorate-Department of Current Control of Taxpayers
- Comprehensive Tax Audit Department
- Taxpayer Service Department
- Tax Administration Planning, Monitoring and Control Department
- Tax Information and Risk Analysis Department

Deputy Chairman of RA SRC
Hamlet Sahakyan

- Development and Administration Strategy Programs Department
- Administration Methodology and Procedures Department
- Non-profit Organization Control Division

Deputy Chairman of RA SRC
Rafayel Gevorgyan

- International Taxation Department
- Gaming Control Division
- International Cooperation Department
- SRC "G Solutions" State Non-Profit Organization

Deputy Chairman of RA SRC
Karen Tamazyan

- Department of E-Commerce and Air Transport Operations
- Department of Customs Service and Control at State Border Land Checkpoints
- Post-Release Control and Inspections Department
- Foreign Economic Activity Customs Service and Control Department
- Customs Risk Management and Statistics Department

Deputy Chairman of RA SRC
-

General Secretary of RA SRC
Edgar Gevorgyan

- Staff Management Department
- Financial Accounting Department
- Procurement Administration and Administrative And Economic Support Department
- Secretariat
- Information and Public Relations Division

- Advisor to SRC Chairman
- Advisor to SRC Chairman
- Assistant to SRC Chairman
- Assistant to SRC Chairman

Attachment V. Sources of Evidence

Indicators	Sources of Evidence
P1-1. Accurate and reliable taxpayer information.	• Mission team observation of the taxpayer data system as operated by front line customer service staff • System documentation: Web service for data exchange with the State Register – 3,6,7,9 State Register. • armenia-tin document at https://www.oecd.org/content/dam/oecd/en/topics/policy-issue-focus/aeoi/armenia-tin.pdf.o • Tax Code, Article 287, Part 4 • Tax Code, Articles 297 - 303 • System documentation: Electronic Reporting System – 7,8 File Online System Procedure • See: Data exchange with other departments in 10 document
P1-2. Knowledge of the potential taxpayer base.	• See: Regarding the risks identified by the Internal Audit Department in the direction of revealing illegal entrepreneurship in 17 document • Public audit plans for 2023 and 2024 • Appendix_CIP document • 1_Presentation_ԱՇխ_ՊԼԱՆ document • տեղեկատվություն – Registration Audits Report
P2-3. Identification, assessment, ranking, and quantification of compliance risks.	• CRM strategy • Order establishing risk criteria • Risk assessment process • Risk register order; Listing of risks and response example • Risk register description • Risk register screenshot • Risk scoring for particular importer exporters
P2-4. Mitigation of risks through a compliance improvement plan.	• List of compliance improvement plans • Construction CIP • Large taxpayers CIP • Customs CIP • Field activity for risky sectors document • CIP Working group project management
P2-5. Monitoring and evaluation of compliance risk mitigation activities.	• Large taxpayers CIP assessment • Construction CIP assessment • Risk Department minutes • Risk Analysis monthly report • Internal audit report on CIPs • Order on Risk Council • Risk Council meeting April 2024

Indicators	Sources of Evidence
P2-6. Management of operational (i.e. systems and processes) risks.	• Decree on implementing ISO27001 • Decree 205 to approve guidelines for ISO27001 • IT Risk assessment report, September 2024 • IT risk treatment plan • Decree 203 to approve procedures for ICT security • Civil defence plan • Civil defence emergency responsible persons
P2-7. Management of human capital risks.	• Internal Audit Strategic Plan 2024 - 2026 • 2024 Annual Report • HR note: Problems in the process of staffing • HR Risk register • HR bonus payments and performance management
P3-8. Scope, currency, and accessibility of information.	• https://src.am/en/getMenusContents/139 • https://src.am/en/getMenusContents/111 • VAT Refund screenshot • https://src.am/en/showCalendarPage/117 • https://www.src.am/en/getMenusContents/122 • https://self-portal.taxservice.am/en/sign-in/ • Description of E-Tax system (taxpayer portal) and information available, pp7-11 • Examples of targeted info to TP segments and sectors, procedures for updates • Wheelchair ramp video evidence • Information and Public Relations Division • Trainings, educational programs to TP spreadsheet • https://e-request.am/en • https://www.youtube.com/channel/UCi2PoPkMrJ6D2Lt09QZztlg • https://www.facebook.com/petekamutner/
P3-9. Time taken to respond to information requests.	• Attachment III, Table 3 • Order of the Chairman of the State Revenue Committee of the Republic of Armenia dated March 14, 2019 No. 169-L, see page 1, • Article on TP service, examples of targeted communication, service delivery standards
P3-10. Scope of initiatives to reduce taxpayer compliance costs.	• Tax Code, Article 269 • Tax Code, Article 253 • Tax Code, Articles 327 (2), 348 (10), and 442 (1), • Decision No. 65-E of the President of the SRC of the RA, February 23, 2023, "On the Compliant Taxpayer Organization" program • Tax Code, Article 3 (14) • https://self-portal.taxservice.am/en/sign-in/ • Decision No. 321-N of the Government of the Republic of Armenia, February 2, 2023, "On Approving the Procedure for Using Pre-Filled Tax Returns • https://www.easypay.am/en/article/5145 • FAQ procedure document • Examples of updating FAQ's document • https://src.am/en/getNews/839 • Tax Code, Article 307 (8) • https://self-portal.taxservice.am/en/sign-in/

Indicators	Sources of Evidence
P3-11. Obtaining taxpayer feedback on products and services**.	- Tax survey 2023 report_WB document - Tax survey 2024 report_WB document - Public Council on Revenue administration reform, pp 5-6
P4-12. On-time filing rate.	Attachment III, Tables 5-10
P4-13 Management of non-filers.	- Tax Code, Articles 4 (64), 304 (2), 309 (1), and 398 (5.1) - Tax Code, Article 402 (1)
P4-14. Use of electronic filing facilities.	- Attachment III, Table 11 - Tax Code, Article 53 (5)
P5-15. Use of electronic payment methods.	- https://www.e-payments.am/en/about/ - https://www.src.am/en/getMenusContents/194
P5-16. Use of efficient collection systems.	Tax Code, Article 135
P5-17. Timeliness of payments.	Attachment III, Table 12
P5-18. Stock and flow of tax arrears.	- Attachment III, Table 13 - P5-18-3 document
P6-19. Scope of verification actions taken to detect and deter inaccurate reporting.	- Regulation on conducting tax audit - Tax Code, Article 332, 333 and 336 - Order organizing and conducting audits document - Government Decree 570 of 2017 - Audit plans for 2023 and 2024 - Analytics Toolkit, see particularly e.g. sheet 8 - Appendix_CIP document - Thematic audit compare risk score with audit findings document - VAT Audit Guide - Process explanation pre-audit questionnaire document - Results report pre-audit analysis document, Sheet 3 - Pre-audit analysis instructions - Risk items pre audit questionnaire v audit feedback compared document - Complex audit management report - Risk audit results analysis 2025 - Audit report comparative quarters 2024 2025

Indicators	Sources of Evidence
	• Audit report April 2024 • Audit report April 2025 • Compliance results monitoring • Risk audit results analysis, Sheets "field" and "tool"
P6-20. Use of large-scale data-matching systems to detect inaccurate reporting.	• Data exchange with other departments document • Risk Assessment Process document
P6-21. Initiatives undertaken to encourage accurate reporting.	• Tax Code, Article 306(2) • Rulings by SRC at https://www.src.am/am/getMenusContents/229 • https://www.arlis.am/documentView.aspx?docID=158668 • Tax Code, Article 307(8) • Questions that support by Ministry of Finance • Explanations by Ministry of Finance document • Tax Code, Article 35(4) • Gov decision document • Order MoF establish procedure for clarifications • Explanations rulings • Example 1 Question • Example 1 Response • Data on applications for tax compliance certificates • Government Order on tax clearance certificates • Government Decree 190 on tax clearance certificates
P6-22. Monitoring the tax gap to assess inaccuracy of reporting levels.	• https://www.imf.org/en/Publications/technical-assistance-reports/Issues/2024/09/11/Republic-of-Armenia-Technical-Assistance-Report-Corporate-Income-Tax-Gap-Estimation-Based-554743?utm • https://www.imf.org/en/Publications/technical-assistance-reports/Issues/2024/11/01/Republic-of-Armenia-Technical-Assistance-Report-Corporate-Income-Tax-Gap-Prediction-2023-556864?utm • https://www.imf.org/en/Publications/technical-assistance-reports/Issues/2025/05/09/Republic-of-Armenia-Technical-Assistance-Report-Personal-Income-Tax-and-Social-Security-566839?utm • IMF PIT and SSC Gaps Report (Jan 2025) • IMF CIT Gap Prediction Report (2023) • VAT Gap referenced in PIT and SSC Gaps Report (2025) • Armenia Revenue Administration gap analysis: VAT Gap_info_SRC (May 2022) • Presentation – gap (2025) • https://armstat.am/en/?nid=82
P7-23. Existence of an independent, workable, and	• Attachment III, Table 14 • 3_Data Court document • Tax_survey_report_2024_eng_682dba7a6bf7f document, p12 • Dispute Procedures ARLIS, Article 6. • Dispute Procedures ARLIS, Article 13 • RA SRC at https://src.am/en/worker/43

Indicators	Sources of Evidence
graduated dispute resolution process.	• Sample Appeal Application Form • posts_8966600077321_002_ARMENIA_2_ document, p8 • 8_Հանձն.+ակտ (Advice of Appeal Rights in Audit Notice), p6 • SRC website: *About Tax Control* at https://scr.am/en/getMenusContents/129
P7-24. Time taken to resolve disputes.	• Attachment III, Table 14 • Dispute Procedures ARLIS, Article 11 • Tax_survey_report_2024_eng_682dba7a6bf7f document, p12
P7-25. Degree to which dispute outcomes are acted upon.	• Observation by assessment team
P8-26. Contribution to government tax revenue forecasting process.	• Audit Report issued by the Chamber of Auditors of the Republic of Armenia, October 31 2024 • Audit Report issued by the Chamber of Auditors of the Republic of Armenia, January 30, 2025 • 5.Tax_Expenditures_2025 document
P8-27. Adequacy of the tax revenue accounting system.	• SRC's Accounting System document • 8-27 document • Audit Reports of the Chamber of Auditors of the Republic of Armenia. • Report 2024 one-year-old document
P8-28. Adequacy of tax refund processing.	• Attachment III, Table 15 • Tax Code, Article 80 • Tax Code, Article 272(2)
P9-29. Internal assurance mechanisms.	• SRC Organogram, https://www.src.am/am/workersPage/214 • Cover note government decree establishing Internal Audit committee • Internal Audit regulations • Law on Internal Audit • 2024 Annual report, pp 121-124 • Internal Audit plan • Internal Audit training with Netherlands • Internal Audit training program • Anti-corruption report https://www.src.am/storage/menu_contents_2020/vr_hakakorrazm_1332n_2019_hv4_6467292893a23 document • Feedback from Internal Security

Indicators	Sources of Evidence
P9-30. External oversight of the tax administration.	• SRC response to audit reports • Anti-corruption decree strategy plan • Perceptions Survey 2018 • https://www.src.am/storage/menu_contents_2020/vr_hakakorrazm_1332n_2019_646728f9f3b99 document • "The State Revenue Committee and the Investigative Committee are actively cooperating," at https://www.src.am/am/getNews/438, • https://www.src.am/storage/menu_contents_2020/vr_hakakorrazm_1332n_2019_646728f9f3b99 document • https://www.src.am/am/getMenusContents/2020 • https://www.src.am/storage/menu_contents_2020/vr_hakakorrazm_1332n_2019_hv4_6467292893a23 document • Anti-corruption report • https://www.src.am/storage/menu_contents_2020/vr_hakakorrazm_1332n_2019_hv4_6467292893a23 document • Screenshot, web inspector
P9-31. Public perception of integrity.	• Tax survey report 2023 • Tax survey report 2024 • https://src.am/storage/publications/1672921245_63b6c09d4568e document • https://src.am/storage/publications/tq_goh_gnah_zek_2023_649d2397df7ec document • https://www.src.am/en/getNews/969 • Survey questions in 23 document • Tax administration and tax perceptions: Main findings of the survey conducted in Armenia in 2020, at https://crrc.am/wp-content/uploads/2019/03/STAPL-REPORT_Eng_w_AnnexesForewords • SRC report on taxpayer queries at: https://www.src.am/am/getMenusContents/248
P9-32. Publication of activities, results, and plans.	• 2023 Annual report at: https://www.gov.am/files/docs/5659 • 2024 Annual report • SRC Development and Administration Improvement Strategy • Applications for new initiatives under the 2026-2028 MTEF of the RA State Revenue Committee at: https://www.src.am/am/getMenusContents/2020 • MTEF 2026 – 2028 • ՀՀ ԿԱՌԱՎԱՐՈՒԹՅԱՆ ՈՐՈՇՈՒՄԸ ՀՀ ԿԱՌԱՎԱՐՈՒԹՅԱՆ 2019 ԹՎԱԿԱՆԻ ԴԵԿՏԵՄԲԵՐԻ 12-Ի N 1830-Լ ՈՐՈՇՄԱՆ ՄԵՋ ՓՈՓՈԽՈՒԹՅՈՒՆՆԵՐ ԿԱՏԱՐԵԼՈՒ ՄԱՍԻՆ

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