



TECHNICAL ASSISTANCE REPORT

REPUBLIC OF MOLDOVA

Advancing Audit Reforms

NOVEMBER 2025

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Contents

ABBREVIATIONS AND ACRONYMS	5
PREFACE	6
EXECUTIVE SUMMARY	7
RECOMMENDATIONS	8
I. INTRODUCTION	9
II. REFORM PROGRESS	10
A. Status of Action Plan Initiatives	10
B. Governance Arrangements	11
C. Issues Raised During the Visit	11
D. Impact of State Control Development Program on Reform Agenda	14
III. TAXPAYER SEGMENTATION	15
IV. DONOR CO-ORDINATION AND NEXT STEPS	19
Figures	
Figure 1. Audit Reform Progress, October 2025	11
Figure 2. Partial Organization Structure of the Audit General Department	16
Figure 3. Possible Taxpayer Segmentation	17
Tables	
Table 1. Distribution of STS Staff	13
Table 2. Benefits of Taxpayer Segmentation	15
Annexes	
I. STS Action Plan for the Audit Program	20
II. Summary of Select Countries with Voluntary Disclosure Regimes	25
III. Considerations for Graduated Penalties	26
IV. VAT Refund Risk Indicators	27
V. List of Analyses of Taxpayer Population	28

Abbreviations and Acronyms

CD	Capacity Development
EU	European Union
FAD	Fiscal Affairs Department
HNWI	High Net Worth Individual
HQ	Headquarters
HR	Human Resources
IMF	International Monetary Fund
IOTA	Intra-European Organization of Tax Administrations
ISORA	International Survey of Revenue Administrations
MOF	Ministry of Finance
OTA	US Treasury, Office of Technical Assistance
SC	Steering Committee
SCDP	State Control Development Program
STS	State Tax Service
VAT	Value-Added Tax
VDP	Voluntary Disclosure Program
WG	Working Group

Preface

At the request of the authorities, this capacity development (CD) activity provided assistance in implementing the action plan designed to strengthen the audit program and align it with international good practice. Implementation of the steps in the action plan has begun, and this visit will assess progress and provide specific advice on taxpayer segmentation.

This CD activity was conducted from October 8-17, 2025 by Ms. Susan Betts, a member of the FAD panel of external experts. During the visit, valuable meetings were held with Ms. Olga Golban, Director of STS, Mr. Petru Griciuc, Deputy Director, Mr. Serghei Arhirii, Deputy Director, Mr. Iuri Lichii, Deputy Director, Ms. Lilia Guidea, Head of Department, Tax Audit General Department, Mr. Grigore Prisneac, Deputy Head, Compliance General Department, Ms. Aliona Cornovan, Head, Audit Organization Department, Audit General Department, Ms. Veronica Marandici, Head, Large Taxpayer Service Department, Mr. Viorel Bejan, Head Large Taxpayer Audit, Ms. Ala Andreicu, Head Large Taxpayer Audit Department, Ms. Tatiana Botaniuc-Grosu, Head of Organizational Management and International Cooperation Department, and other managers from the Audit General Department.

Ms. Betts expresses sincere appreciation for the excellent cooperation received throughout the visit. In particular, Ms. Tatiana Botaniuc-Grosu and Ms. Irina Lupasco were instrumental in organizing the mission's meetings.

The report consists of an Executive Summary and the following four sections: (i) Introduction; (ii) Reform Progress; (iii) Taxpayer Segmentation; and (iv) Donor Coordination and Next Steps.

Executive Summary

Implementation of the action plan related to the audit reform agenda is progressing well. The action plan contains 23 initiatives, each of which has numerous implementation steps. Governance arrangements including a Steering Committee (SC) and Working Group (WG) have been implemented and are operational. Monitoring is conducted quarterly using a color-coding system to identify the status of the implementation steps.

Positive outcomes from the implementation to date have been identified. These include improvements in Value-Added Tax (VAT) refund management, the lifting of a hiring ban, and successful marketing activities with educational institutions to attract skilled auditors.

A number of implementation issues were discussed during the visit. Additional information was provided on countries who have a Voluntary Disclosures Program (VDP). Criteria to implement a graduated penalty regime were identified. VAT refund criteria were highlighted. A template to implement an informal time study to determine how managers spend their time was provided, which will be used to determine whether the span of control of managers to auditors is too high. Discussions on the degree to which Headquarters (HQ) activities are separate from operational activities confirmed that all HQ activities are present and that HQ staff work in dedicated units. The remaining issue is whether the HQ units should report to a single HQ Deputy Director. Currently the reporting structure has some HQ units reporting to all four Deputy Directors, who each also have operational responsibilities.

An update on the impact of the State Control Development Plan (SCDP) on the State Tax Service (STS) was obtained. Further confirmation from the State Chancellery should be acquired to confirm the applicability or non-applicability of the SCDP on the STS.

Detailed discussions were held on taxpayer segmentation to determine if the STS has the appropriate segments in place to effectively manage compliance. Taxpayer segmentation is critical as it impacts risk assessment, workflows, resource allocation, and performance monitoring. Further analysis will be conducted to develop scenarios for management consideration.

Discussions were held with other development partners to coordinate Capacity Development (CD) activities. The meeting included the resident advisors for the US Treasury, Office of Technical Assistance (OTA) and the Swedish Tax Agency. Regular updates have been successful in ensuring there is no duplication of effort.

Recommendations

Reform Progress		
2.1	Implement a manager's time study for a period of three months.	February 2026
2.2	Consider whether further organizational streamlining by separating reporting lines based on HQ and operations would provide benefits.	December 2027
2.3	Follow up with the State Chancellery office to confirm the impact of the SCDP on the STS.	December 2025
Taxpayer Segmentation		
3.1	Obtain the data to populate the data analyses related to taxpayer segmentation by December 2025.	December 2025

I. Introduction

1. The STS is implementing reforms to their audit program to bring it in line with international good practice. Following a diagnostic of the audit program, a comprehensive action plan was developed.¹ The reform program will span a five-year period, being 2025-2029. Initiatives under the reform plan were prioritized and sequenced across the reform period.

2. The expert visit focused on three main activities. A review of the reform progress was undertaken, along with discussions on governance arrangements to manage the reform agenda. In-depth discussions were held on taxpayer segmentation, which is Initiative 3.3 in the action plan. Lastly, an update was obtained on the potential impact of the SCDP on the STS' shift to the risk-based approach to managing compliance. The SCDP is a recent government announcement that aims to standardize control activities across government.

¹ See *Moldova: Audit Program Diagnostic*, January 2025, S. Betts et al., IMF, and *Moldova: Action Plan for Audit Program Reform*, April 2025, S. Betts, IMF.

II. Reform Progress

A. Status of Action Plan Initiatives

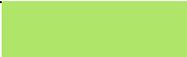
3. The action plan contains 23 initiatives within six themes. The themes include: (i) Compliance and the Role of Audit; (ii) Legislative Framework; (iii) Organization and Human Resources (HR); (iv) Processes and Procedures; (v) Performance Measurement; and (vi) Reform Management. The action plan is shown in Annex I.

4. Officials provided an update on the status of each initiative. Within each initiative, implementation steps were developed during the action plan development phase to identify the various steps that needed to be completed. In total, there are 175 steps contained in the action plan.

5. A number of positive outcomes were identified during the status update. VAT refund claims are now processed within 22 days; a reduction from the standard of 30 days. Officials also noted that 40 percent of VAT refund claims are processed without audit, highlighting the impact of enhancing the risk-based approach. It was also noted that in response to the challenge of hiring sufficient staff, the STS requested that the Ministry of Finance (MOF) remove the ban on hiring new recruits, and this request was granted. The STS also undertook staffing campaigns with educational institutions, promoting the STS, which has resulted in the STS receiving an adequate number of applications to fill vacant positions. In the past, it was reported that at times they would not receive any applications for audit positions. The STS also offered STS staff to transfer to audit to fill vacancies on a trial basis. If the employees want to remain in Audit, they will be transferred permanently. Filling vacancies in audit is a critical step in improving revenue performance.

6. Officials have made good progress on implementing the action plan steps. A system of color-coding has been adopted to monitor the progress of each implementation step. The monitoring of progress is being conducted at the level of each implementation step, rather than at the initiative level. This provides for close monitoring of the progress, but may be onerous for staff reporting on each implementation step. If necessary, a shift can be made to monitor progress at the initiative level instead. Progress monitoring has been divided into four categories as shown below in Figure 1. In summary, 29 implementation steps have been completed, and another 16 are in progress. Overall, progress is on track with the established deadlines set out in the action plan. It is evident that officials have appropriately considered the inter-dependencies between initiatives to ensure that unexpected delays are not encountered.

Figure 1. Audit Reform Progress, October 2025

Description	Color Coding	Number of Steps
Completed		29
In Progress		16
Not Started		130
Delayed (deadline missed)		0
Total		175

B. Governance Arrangements

7. As recommended, the STS has implemented a Steering Committee (SC) and a Working Group (WG) to manage the reform plan. STS Order 362 establishes the SC and WG and outlines the membership of the SC, including the Director, Deputy Directors and heads of general departments.

8. The action plan is updated quarterly by the business owner responsible for the action item to reflect the work done during that period. The Audit Organization Department consolidates the updates on the master action plan and provides a report to management. The SC is provided the updates, and a decision is made by the Director whether a SC meeting is required to discuss the progress. Officials reported that the SC had met twice to date and that minutes are taken to record the decisions made.

C. Issues Raised During the Visit

Voluntary Disclosure Program

9. The diagnostic of the audit program recommended that the STS implement a voluntary disclosure program (VDP). This was recommended to enable the STS to remove the current practice of allowing taxpayers to self-correct their return once they had been identified for audit. Most VDP programs stipulate that once a taxpayer has been identified for any type of audit or enforcement action, they can no longer apply for the VDP program. The purpose of the VDP program is to allow taxpayers who have been non-compliant in the past to come forward and correct their past returns and pay the additional tax owed. The benefit of the program is that penalties and/or interest may not be applied.

10. Officials requested additional information related to countries who have a VDP program. Implementing a VDP program will require legislative changes, so the STS should consult with the MOF as they consider this recommendation. The International Monetary Fund (IMF) developed a Technical Note

on policy and administrative considerations related to a VDP program². A table with some countries who have a VDP program, as reported by the International Survey of Revenue Administrations (ISORA), is contained in Annex II.

Graduated Penalties

11. A recommendation was made in the audit diagnostic that the STS should consider implementing graduated penalties. The STS is in the process of developing a survey for Intra-European Organization of Tax Administrations (IOTA) member countries to determine what penalty regimes they have in place. The expert reviewed the survey and concluded that the survey was complete and should provide the information needed to consider graduated penalties in Moldova.

12. Officials are interested in the criteria that a country would use to implement a graduated penalty. A number of factors can be used to determine the degree of the graduated penalty. Annex III outlines some criteria for consideration. Further IMF assistance may be available to develop internal policy guidelines if the STS introduces graduated penalties.

VAT Refund Risk Criteria

13. Officials requested assistance in identifying risk criteria for VAT refunds. Government Decision 93 outlines what risks should be evaluated in relation to VAT refunds. Updates may be necessary based on good practice. The IMF has a How-To note on the topic of VAT refund management.³ Included in this note is a set of criteria often used to allocate low, medium, or high risk ratings to VAT refund claims. The criteria are outlined in Annex IV. Additional risk criteria can be developed with development partner support. Given that risk assessment is currently done using Excel spreadsheets, consideration should be given to which indicators can be reasonably implemented before the risk assessment process is automated.

Managerial Time Reporting

14. Identifying options to address the STS' high spans of control was a recommendation from the audit diagnostic. The concern with a high number of employees reporting to a single manager is that often there is insufficient time to provide technical and audit assistance to staff, which could hinder an employee's development and skills in addressing non-compliance. Particularly with new staff, the manager to staff ratio should be carefully considered to ensure the on-the-job training needed can be provided on a timely basis.

15. An informal time study of managers' time is recommended. Without knowing how managers spend their time, it is difficult to gauge whether they have sufficient time to assist auditors and to review completed audit files. A template was developed that the STS could use to ask managers to track their time. It is recommended that a period of three months would be sufficient to get an understanding of how time is being spent. Managers should estimate how time was spent on a daily basis (best estimate at the end of each business day) and allocate the time on the timekeeping spreadsheet among the various

² See *Voluntary Disclosure Programs: Design, Principles and Administrative Considerations*, IMF

<https://www.imf.org/en/Publications/TNM/Issues/2022/04/06/Voluntary-Disclosure-Programs-Design-Principles-and-Implementation-Considerations-516211>

³ See *How to Manage Value-Added Tax Refunds*, IMF <https://www.imf.org/en/Publications/Fiscal-Affairs-Department-How-To-Notes/Issues/2021/05/10/How-to-Manage-Value-Added-Tax-Refunds-50357>

categories of activities a manager may be expected to complete. Before implementing the informal time study, the STS managers should review the categories on the template and add additional activities where warranted. The purpose is to capture any activity that requires a significant amount of time. A category 'other' was also included in the template for activities that occur infrequently. Once the time study is complete, an analysis of the results will dictate what further action may be required.

HQ Functions and Organization Structure

16. The audit diagnostic recommended that the organization structure be updated to separate operational activities from HQ functions. Clarification was sought regarding this recommendation as officials state that their HQ activities are separate from operational. It is clear that the recommended HQ functions are all present within the STS. Further, personnel working on HQ functions are in dedicated units. As a result, there is no concern regarding employees having to split their time between operational and HQ activities. Good practice advocates for a further separation organizationally so that all delivery activities report through a reporting structure for operational work and that HQ reporting structure contains only HQ functions. In the STS, the HQ units are interspersed with operational units reporting to the four Deputy Directors.

17. Consideration should be given to whether benefits could be obtained by having a complete separation of HQ and operational activities. This could be achieved by designating two Deputy Directors to HQ responsibilities and two Deputy Directors to manage the operations or one Deputy Director for HQ and the remaining three for operations. An issue to be considered is whether the allocation of staff would be reasonable under each of these scenarios. Table 1 outlines the distribution of staff between HQ and operations.

Table 1. Distribution of STS Staff

Name	Number of Staff
Operations	
Large Taxpayer Service Department	22
Tax Services Department	720
Audit General Department	411
Claim Recovery and Insolvency	183
Anti-fraud	60
HQ	
HQ	404
Total	1,800

Source: STS

18. Organizational changes related to the STS overall should likely be deferred until automation has been implemented. To avoid multiple organization structure changes, officials could wait until new processes are designed after automation. From an audit perspective, organizational changes within the Audit Department could be implemented sooner, as required. Decisions on taxpayer

segmentation could necessitate structure changes in the audit department. This issue is addressed in Section III of this report.

D. Impact of State Control Development Program on Reform Agenda

19. The SCDP 2025-2028 was approved by the government on May 14, 2025. It applies to all government services that conduct inspections, such as food safety, public health, environmental protection, customs, tax, and many more. The stated purpose for introducing the new law is to streamline the activity of control bodies to prepare for European Union (EU) accession.

20. Discussions with officials were held in May 2025 to determine the impact of the SCDP on the STS' risk-based compliance approach. A number of potential issues were identified which would benefit from further clarification from the State Chancellery, who are responsible for the program. During this visit, an update was requested from officials regarding the clarifications to the applicability of the SCDP to the STS' operations.

21. Officials advised that formal confirmation had not yet been received, but that informally they were advised that the SCDP does not apply to the STS. It is recommended that officials seek written confirmation of any applicability of the SCDP to the STS to ensure that there are no unforeseen risks to implementing modern approaches to risk management and audit in the STS.

Recommendations

- Implement a manager's time study for a period of three months, by February 2026.
- Consider whether further organizational streamlining by separating reporting lines based on HQ and operations would provide benefits, by December 2027.
- Follow up with the State Chancellery office to confirm the impact of the SCDP on the STS, by December 2025.

III. Taxpayer Segmentation

22. The audit diagnostic contained a recommendation to consider further taxpayer segments in addition to the Large Taxpayer segment already in existence. A presentation on taxpayer segmentation was delivered to officials to highlight the benefits of separating the taxpayer population into groups with similar characteristics. The typical taxpayer segments employed by modern tax administrations were also discussed. Table 2 outlines the benefits of taxpayer segmentation.

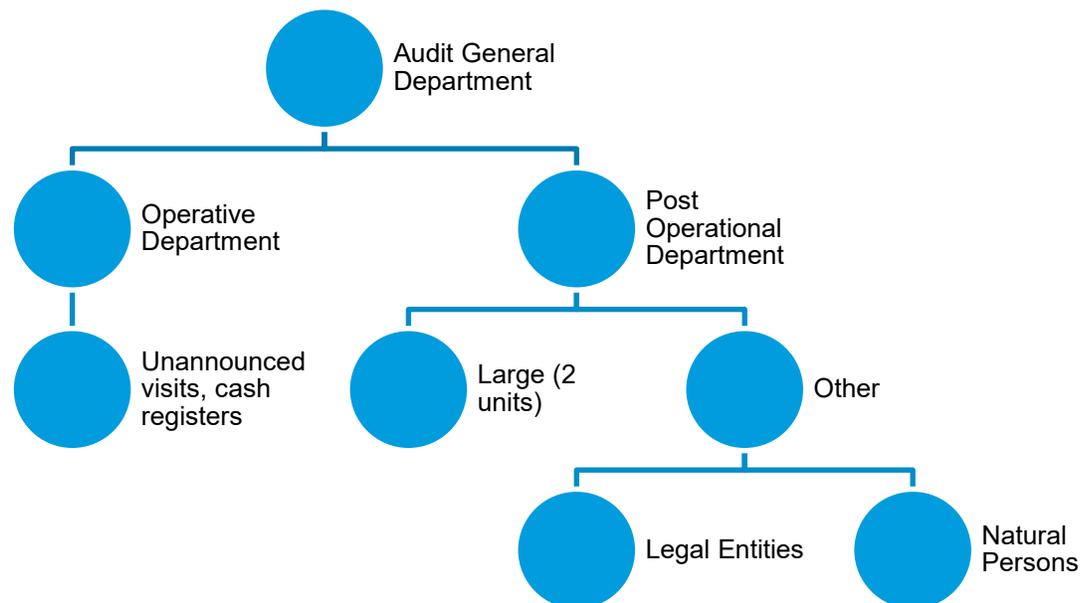
Table 2. Benefits of Taxpayer Segmentation

Benefit	Description
Improves compliance management	Different risks and behaviors within different segments. Can design compliance strategies that address each group's risk profile.
Enables targeted service delivery	Tailored support and communication. Increase voluntary compliance.
Enhances resource efficiency	Prioritize high impact taxpayers (highest relative risk).
Supports policy and performance evaluation	Monitor compliance trends, forecast revenue, evaluate tax policies.
Strengthens fairness and transparency	Consistent treatment within each taxpayer category.
Facilitates digital transformation	Modern administrations use segmentation to personalize digital interactions.
Resulting in.....	A strategic, data-driven and service-oriented organization. Higher compliance at a lower cost.

23. Ensuring the taxpayer segments meet a tax administration's needs is critical. Segmentation impacts risk assessment, workflows, resource allocation, and how the STS monitors its performance.

24. Beyond the large taxpayer segment, the STS divides its population based on the presence of business income. Taxpayers are segregated into two categories: legal entities and natural persons (see Figure 2). However, the legal entities category contains those taxpayers with business income, whether incorporated or unincorporated. Taxpayers in the natural persons category include those with salary income, income from abroad, those with real estate transactions, and those with expenses to claim against their income. The natural persons category focuses on voluntary compliance, rather than on audit. In total, the population in 2024 for both the legal entities and natural persons segments was 1,656,371 taxpayers. The size of this population warrants further segmentation.

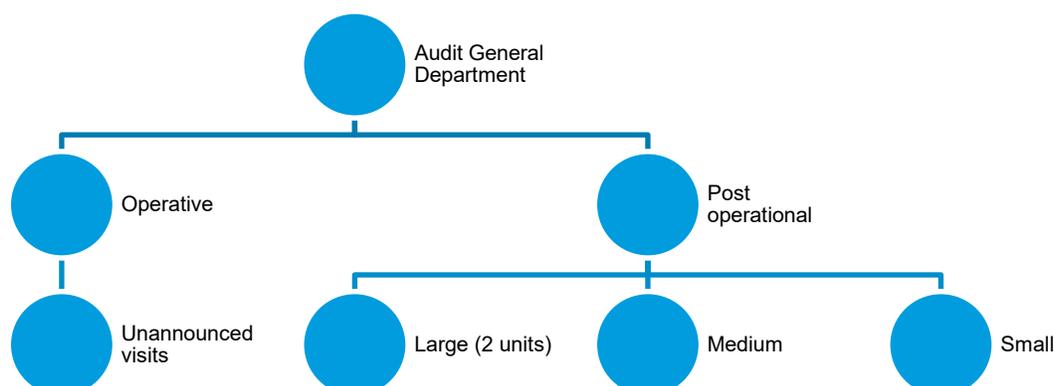
Figure 2. Partial Organization Structure of the Audit General Department



25. Typically, a key consideration in selecting taxpayer segments is the size of the business or income source. One of the main goals of segmentation is to divide the population into groups with similar characteristics. This allows the tax administration to better risk assess the population and better target service offerings, among other benefits.

26. Many administrations segment their taxpayer base into Large, Medium, and Small taxpayers. Depending on the size of the taxpayer population, a tax administration could combine Small and Medium into one segment. Some countries have a separate segment for High-Net-Worth Individuals (HNWIs); other countries include them in the Large taxpayer segment, recognizing the complexity of the tax affairs of these individuals. Figure 3 shows this structure in the context of the STS's organizational structure.

Figure 3. Possible Taxpayer Segmentation



27. The key difference in the organization structures is the division of the population based on whether business income has been reported or according to turnover. The current segments separate entrepreneurial activity into one category and other types of income into another category. An alternate segmentation could focus on separate segments based on turnover. The best approach is the one that assists the STS in better managing compliance, and identifying and addressing non-compliance.

28. Other factors can impact the decision on taxpayer segments. The VAT gap analysis highlighted a high degree of non-compliance in small taxpayers with turnover less than MDL 800,000. If non-compliant for VAT purposes, there is a high risk that these taxpayers are also non-compliant for income tax purposes. Consideration should be given to creating a small taxpayer segment to closely monitor compliance of these taxpayers.

29. While no longer a taxpayer segment, the STS monitors the top 500 income earners in Moldova as part of their compliance efforts for high wealth individuals. The approach to managing the compliance of these individuals is based on income, rather than on the taxpayer's net worth. The HNWI segment must focus on the accumulation of 'wealth' rather than the reporting of income as taxpayers may use unreported income to accumulate their assets domestically or abroad. Recent audit results indicate that only two taxpayers were audited in 2024, and minimal additional tax was assessed. Using an indirect audit approach to identify and assess the accumulation of wealth would almost certainly yield better results. Access to data to identify worldwide assets could be a constraint in managing the compliance of high wealth individuals. This factor should be considered before deciding to implement a HNWI taxpayer segment. A presentation was made on implementing a HNWI program and there are numerous considerations to be evaluated prior to implementing a HNWI.

30. Further analysis is required prior to the STS making decisions on any changes to their current taxpayer segments. Key questions were identified that would help determine the analysis needed to consider taxpayer segmentation options. These questions focused on whether separate segments were needed for small and HNWI and whether the large taxpayer segment is the right size to best manage compliance. A series of data analyses were identified to help answer those questions. Annex V outlines the analyses identified and provides sample templates for aggregating the data. The

STS should review and update the templates if required and gather the necessary data. Anonymization of taxpayer names is recommended to ensure taxpayer confidentiality.

31. The process of analyzing the population to determine the most appropriate taxpayer segments will be an iterative one. Once the data is reviewed related to the current analyses, there will undoubtedly be additional analysis to be conducted. The results of each round of data analysis will further inform the STS and allow options to be identified for consideration by management. FAD assistance is available to continue this analysis. Once established, it is expected that the segments would remain constant for the medium term (at least 3-5 years). Major events, such as implementing transfer pricing rules, or a change in compliance behaviors of taxpayers may necessitate a re-evaluation in the future.

Recommendation

- Obtain the data to populate the data analyses related to taxpayer segmentation by December 2025.

IV. Donor Co-ordination and Next Steps

32. The expert met with development partners to co-ordinate CD activities. Updates on CD activities were provided by Mr. Scott Prentky of the US Treasury, Office of Technical Assistance (OTA), and Ms. Ingegerd Widell of the Swedish Tax Agency. A team from Sweden will visit Moldova in November 2025 to undertake a fact-finding mission related to compliance risk management. Further coordination will be required once the scope of work is better understood. The OTA is focusing on auditor timekeeping, taxpayer service related to phone operations, advanced pricing arrangements and transfer pricing training, and criminal investigations. The expert updated development partners on the objectives of the current IMF visit and the planned HQ mission in December 2025. Development partners concluded that the coordination of CD was helpful and committed to continued engagement.

33. Work should continue on implementing the action plan for the audit program. In conjunction with this priority, there are a number of data analyses that should be completed to help inform upcoming decisions on taxpayer segmentation. Further FAD assistance may be available as implementation issues arise.

Objective: Modernize the audit program in line with international good practice		2025				2026				2027				2028				2029				Priority	
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4		
	Managing the audit program (R24, R26, R27, R28) <ul style="list-style-type: none"> • Increase the number of planned audits • Use project approach to test risks • Review mix of planned/unplanned Analyze effectiveness of all audit types																						
4.5	Enhance Quality Assurance Program (R31)					●	→	●														Low	
4.6	Automation (R32-R35)		●																			●	High
4.7	<ul style="list-style-type: none"> • Automated risk management system • Automated case management system • Data visualization and data analytics tools • Secure data warehouse Update Audit processes (R40-R44) <ul style="list-style-type: none"> • Enhance pre-audit work stage through standard risk profiling and analysis 																						

Objective: Modernize the audit program in line with international good practice		2025				2026				2027				2028				2029				Priority
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	
	<ul style="list-style-type: none"> Set materiality thresholds Digitalize working papers with appropriate security arrangements Implement a case level timekeeping system delegation of authorities on penalties 																					
Theme 5: Performance Measurement																						
5.1	Review existing KPIs (R36, R37) <ul style="list-style-type: none"> measurable qualitative and quantitative 																					Medium
5.2	Develop management dashboard of Key Performance Indicators (KPIs) (R38)																					
5.3	Strengthen employee awareness of their role in achieving STS objectives (R39)																					
Theme 6: Reform Management																						
6.1	Implement reform governance		●●																			

Annex II. Summary of Select Countries with Voluntary Disclosure Regimes

Country	Administration can reduce penalties	Administration can reduce interest
Austria	✓	x
Belgium	✓	✓
Croatia	✓	x
Czech Republic	✓	✓
Denmark	✓	x
France	✓	✓
Georgia	✓	✓
Greece	✓	x
Hungary	✓	✓
Lithuania	✓	✓
Malta	✓	✓

Source: ADB, CIAT, IMF, IOTA and OECD, International Survey of Revenue Administrations 2018-2022, Table B.35

<https://isoradata.org>

Annex III. Considerations for Graduated Penalties

Consideration	Description
Level of Taxpayer Culpability	Levels: Honest mistake Negligence Gross negligence Intentional evasion or fraud
Nature of the Non-Compliance	Late filing/payment Underreporting Failure to keep records Failure to provide information/cooperate
Amount of tax involved	Depends on financial impact Often use a percentage of the tax underpaid
Compliance History	First-time offence Repeated offence – higher penalty
Degree of Cooperation	Full cooperation Obstruction, delay tactics
Disclosure Type and Timing	Voluntary disclosure (before audit) Prompt disclosure Disclosure after audit starts
Complexity and Reasonableness	Complex tax law or taxpayer used a reasonable interpretation – penalty may be lower
Intent and Behavioral Indicators	Evidence of deliberate falsification Destruction or alteration of records
Proportionality and Deterrence	Not excessive relative to tax underpaid Should support deterrence – encouraging future compliance

Annex IV. VAT Refund Risk Indicators

Risk Level	Illustrative Indicators of Risk Level	Appropriate Response to Refund Claim
Low	<p>Regular exporter with two years of export history.</p> <p>Records show that account books have been properly maintained for the last two years.</p> <p>No evidence of fraud or significantly overstated refunds have been found in the last two years.</p> <p>History of accurate, timely remittance of all taxes.</p> <p>VAT monthly returns have been audited twice in the last 36 months.</p> <p>Refund claim level is in line with previous valid applications.</p> <p>Claim is below trigger value</p>	<p>Claim would be approved without conducting a full audit.</p> <p>Claims would be subject to random selection for post payment review.</p>
Medium	<p>Refund claim exceeds previously approved amounts considerably.</p> <p>Claim exceeds stipulated trigger value, but otherwise meets the low-risk classification.</p> <p>All past VAT and income tax returns filed with no material arrears.</p>	<p>Conduct desk verification.</p> <p>Management judgment to be applied regarding appropriateness of prepayment audit.</p>
High	<p>VAT taxpayer meeting any one of the following tests would be classified as high risk:</p> <p>First-time refund claim.</p> <p>Refund claim exceeds trigger value.</p> <p>Claim deviates significantly from normal claim pattern.</p> <p>Previous claims rejected or significantly reduced during audit.</p> <p>Currently in arrears for any tax.</p> <p>Penalized for late payment or underreporting within last 12 months.</p>	<p>Automatic desk verification used to inform field audit selection.</p> <p>Conduct field audit of this VAT return only.</p>

Annex V. List of Analyses of Taxpayer Population

HNWI

1. List of high income taxpayers based on reported income. The data would be for the three latest years filed, and would include a breakdown of their reported sources of income

Large Taxpayers

2. List of taxpayers by turnover, from highest to lowest, including tax paid.
3. Audit results by industry sector, along with the additional tax assessed for that sector, and the number of audits completed.
4. Compare the list of international taxpayers to the large taxpayer list as it currently stands. Identify those who are not on both lists.

Small

5. Number of taxpayers in the following ranges:
 - 0-800,000 MDL
 - 800,000 – 1.2M MDL
 - 1.2M MDL to the bottom of the large taxpayer range

In addition to the number of taxpayers in each of these ranges, include the industry code, the number of employees and whether the business is a legal entity or a proprietorship

6. Additional tax assessed by same revenue ranges in #5. Include the number of audits conducted and the additional tax.

Whole Population

7. List the number of taxpayers by tax type:
 - Corporate Income Tax (which includes sole proprietors)
 - Personal Income Tax (salary earners)
 - VAT
 - Pay As You Earn (PAYE)

Whole Population (minus Large)

8. List of taxpayers by turnover (from 0 to the bottom of the large taxpayer segment), listed from highest to lowest. Include turnover, whether it's a legal entity or natural person, and industry code (two-digit level of the industry code)

Please anonymize taxpayer names to ensure confidentiality.