TECHNICAL ASSISTANCE REPORT

REPUBLIC OF MOLDOVA

Tax Administration Compliance Planning

JUNE 2026

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This technical assistance (TA) was provided with financial support from FAD IMF01 Funding Program.

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Abbreviations and Acronyms

CGD	Compliance General Department
CIP	Compliance Improvement Plan
CIT	Corporate Income Tax
CITF	Center for Information Technologies in Finance
CRM	Compliance Risk Management
EU	European Union
GDP	Gross Domestic Product
IMF	International Monetary Fund
ISORA	International Survey of Revenue Administrations
LTO	Large Taxpayer Office
MDL	Moldovan lei – currency in Moldova
MOF	Ministry of Finance
OECD	Organization for Economic Cooperation and Development
PAYE	Pay-As-You-Earn
PIT	Personal Income Tax
RDF	Risk Differentiation Framework
STS	State Tax Service
TADAT	Tax Administration Diagnostic Assessment Tool
TC	Tax Code
VAT	Value-Added Tax

Preface

In response to a request for capacity development (CD) by Ms. Olga Golban, Director of the STS, an International Monetary Fund (IMF) Fiscal Affairs Department (FAD) team conducted a mission during the period March 30 – April 9, 2026. The mission supported the Moldova State Tax Service (STS) in developing a comprehensive compliance program and strengthening its analytical capacity.

During the mission, valuable meetings were held with STS Director Ms. Olga Golban, Deputy Director, Serghei Arhirii, and relevant tax officials: Ms. Lucia Potereanu, Head, Compliance General Department and representatives from the analytical department, Ms. Veronica Marandici, Head, Large, Taxpayers Department, managers and inspectors from Audit General Department, Tax Information and Evidence Department, Taxpayers Service General Department, Tax Methodology General Department and Transfer Pricing Department. Some sessions included, as well, discussions with officials from Tax Arrears and IT Departments.

A coordination meeting was held with representatives of development partners - the US Treasury OTA, the Swedish tax administration, and the EU.

The mission team expresses sincere appreciation for the excellent cooperation that it received from the authorities throughout its assignment. We would like to particularly acknowledge the contribution made by Ms. Irina Lupasco to the effective organization and smooth functioning of the mission.

Appreciation is also expressed to the IMF resident representative, Ms. Svetlana Cerovic and her office for support provided.

This report consists of an Executive Summary and the following three sections: (I) Background to the Strategy Process (II) Main Findings on the Enabling Environment: Legislation and Government Policy (III) Key Findings on Strategic Priorities (IV) Data Requirements for Tax Gap Estimations; and (V) Next Steps.

The draft compliance risk management strategy is provided in Annex I to this report, entitled “Republic of Moldova. Draft Compliance Risk Management Strategy for 2026 – 2028. April 2026,” prepared by Telita Snyckers.

Executive Summary

This mission had a dual and somewhat divergent focus. Discussions focused on two key topics which are complementary. The intention was to find synergies between work being done by different parts of the IMF, in this case notably developing a 3-year compliance strategy, and preparations required for an upcoming CIT and PIT tax gap study.

The STS's commitment to transformation is evident. It has continued improving data for a management information dashboard, initiated implementation of a single taxpayer account, started work on a graduated penalties regime, introduced elements of risk-based criteria into its VAT refund audit process, and has also begun updating its VAT gap estimates.

This report includes the following:

- Compliance risk management strategy
  - Background to the strategy development process
  - Key findings impacting strategic priorities
  - A discussion on the enabling environment in which the strategy exists, with notable legislative constraints
  - A discussion of the key priorities to be addressed in the strategy
- Data requirements for analysis and tax gap estimations
  - Assessing the impact of publishing details of taxpayers selected for audit, in advance
  - Data requirements for PIT and CIT tax gap estimates

Enabling environment and legislation impacting the strategy

In Moldova, many operational procedures are prescribed in primary legislation, limiting administrative flexibility. Modern approaches to drafting tax legislation emphasize principles-based primary laws. A proposed reform would centralize risk assessment and case selection across government, potentially reducing the STS's operational autonomy and disrupting its compliance risk management. Urgent engagement is required with the Minister of Finance in respect of the proposed legislative changes.

Efforts to transform the STS can be diverted from a government decision to introduce a government-wide single, centralized risk register. The implication of the decision is that the STS would lose the ability to have risk rules tailored to emerging risks in the tax system and effective compliance risk management (CRM) system to address these risks. Audit case selection would reportedly also be done by this central system. The government decision has the potential to fundamentally undo the progress the STS has made in transforming the organization into an effective risk-based administration. It is recommended to exclude the STS from this government arrangement.

Draft compliance strategy

The draft compliance strategy for 2026–2028 was developed using a wide range of inputs. These include the performance dashboard, the Integrity report[1], the result of IMF-led TADAT assessment in 2022[2], the 2024 audit diagnostic, earlier IMF recommendations, and the IMF VAT gap study from 2025.[3][4] Insights from these were assessed systematically, focusing on issues of strategic significance - those with broad impact, structural importance, and lasting effect. These include challenges that require coordinated, longer-term responses to address underlying causes and that can deliver sustainable improvements.

The resulting strategic priorities for the period 2026-2028 are presented in the draft compliance strategy. For each pillar, the strategy assesses the current state, using available data and operational evidence, and benchmarks these against international good practice, including established IMF, TADAT and OECD frameworks. Rather than restating detailed findings from prior assessments, the strategy distills their implications into a coherent framework that focuses on systemic weaknesses, root causes, and priority risks across the taxpayer lifecycle.

Data preparations for upcoming tax gap analysis

The data provided by STS for the policy impact evaluation of public listings can also be used to estimate the CIT gap using a bottom-up approach based on operational audit data. Data requirements and the feasibility of estimating the PIT gap using operational audit data were also discussed. The limited audit coverage and small number of audits make it impractical to estimate the PIT gap using a bottom-up approach based on operational audits.

Labor Force Survey data could be used for a top-down estimation of the shadow economy. The labor force data is collected by the National Bureau of Statistics. This channel is worth pursuing further, as it could provide important inputs to the CRM strategy.

[1] https://cna.md/ro/rapoarte-privind-rezultatele-evaluarii/raport-privind-evaluarea-integritatii-institutionale-4

[2] TADAT Performance Assessment, November 2022

[3] Republic of Moldova. Tax Audit Program Diagnostic, February 2025

[4] Republic of Moldova. Strengthening Tax Compliance Management: Insights from Risk Analysis, Management Information Reporting, and Tax Gap Evaluation. February 2026. (https://www.elibrary.imf.org/view/journals/019/2026/017/article-A000-en.xml)

Recommendations

Legislative framework		Proposed timeframe
1	Initiate urgent discussions with the Ministry of Finance to address legislative constraints, taking into account the legislative cycle. Consider seeking IMF CD legal and policy advice.	By 27 April 2026
2	Modernize tax legislation by shifting toward principles-based primary laws and moving operational procedures to secondary legislation and administrative guidance, to support risk-based administration and digitalization.	Ongoing
3	Review and amend overly restrictive legal provisions that limit risk-based controls, including rules on taxpayer registration enforcement, mandatory publication of audit lists, audit thresholds, and criminal investigation triggers.	By end 2027
4	Review legislation affecting cash transactions, with particular attention to high cash thresholds that weaken the STS's ability to address undeclared cash activity.	By end 2027
5	Separate tax administration procedures from tax policy provisions, potentially through a dedicated tax administration code, to improve flexibility, consistency, and alignment with modern compliance risk management.	Ongoing
Strategy development		
1	Review and finalize the compliance strategy, ensuring completeness, institutional ownership, and alignment with strategic priorities.	30 Nov 2026
2	Strengthen the role of the Compliance Risk Management Committee in approving the strategy, monitoring impact, and guiding prioritization based on taxpayer behavior.	Ongoing
3	Align operational plans and performance indicators with strategic priorities, and review the strategy annually using a structured compliance risk management cycle.	30 Nov 2026
4	Publish a high-level version of the strategy to enhance transparency and confidence in the STS's reform agenda.	10 Dec 2026
5	Closely monitor delivery of the data warehouse and automated Compliance Risk Management system, and continue developing management dashboards to support evidence-based decision-making.	Starting from 30 April
6	Continue to populate the management information dashboard, as information sources and analysis becomes available	Ongoing
7	Review the strategy for relevance and update	Annually in November

Preparation for future tax gap assessments		
1	STS to decide whether to proceed with a CIT gap estimation	June 1, 2026
2	STS should pursue the possibility of using data from the NBS, applying indirect methods to estimate envelope wages. Consideration could also be given to requesting targeted IMF capacity development (CD) support in this area.	June 1, 2026

I. Background to the Strategy Process

1. The December 2025 FAD HQ mission recommended that the STS develop a comprehensive compliance strategy outlining its approach to managing compliance through differentiated risk treatments tailored to specific risk types. The main output of this assignment is a draft compliance strategy document that will help the Moldova State Tax Service (STS) with creating a comprehensive compliance program for STS and with strengthening their analytical capabilities.[5]

2. Once finalized, elements of the strategy could be published. This would enhance transparency and could serve as an alternative to the current legislative requirement to disclose taxpayers selected for audit in the following year.

3. Effective compliance strategies evolve as tax administrations mature. In the early stages of institutional development, good practice emphasizes supportive interactions aimed at helping taxpayers comply, particularly where non-compliance is unintentional. Over time, however, these supportive measures need to be complemented and balanced by a stronger focus on taxpayers who deliberately do not comply and for whom facilitative approaches are unlikely to be effective. As a result, compliance strategies progressively shift toward a more balanced model - one that combines targeted enforcement actions against intentional non-compliance with continued efforts to make compliance easier for those willing to comply.

4. Against this background, the STS must seek to adopt a broader and more responsive approach to managing compliance risks. This shift requires a continued reassessment of whether compliance activities are focused on the right risks and taxpayer segments - namely those where interventions can have the greatest impact - and whether these activities are delivering measurable improvements in taxpayer behavior.

5. The draft compliance strategy for 2026–2028 was developed using a wide range of analytical and diagnostic inputs. These include the 2025 operational performance dashboard (updated by STS in March 2026), the Integrity report[6] and associated recommendations, the IMF-led TADAT assessment in 2022, the 2024 audit diagnostic, earlier IMF capacity development recommendations, and the IMF VAT gap study from 2025.[7][8]

6. Insights from these sources were assessed systematically. Focus was on: (i) observed patterns and issues emerging from both quantitative and qualitative evidence; (ii) whether these issues represent isolated concerns or reflect broader systemic weaknesses; (iii) the underlying root causes of systemic issues; and (iv) the most appropriate treatment options to address these root causes.

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[5] See Annex I for the "Republic of Moldova. Draft Compliance Risk Management Strategy for 2026 – 2028. April 2026," prepared by Telita Snyckers.

[6] https://cna.md/ro/rapoarte-privind-rezultatele-evaluarii/raport-privind-evaluarea-integritatii-institutionale-4

[7] Republic of Moldova. Tax Audit Program Diagnostic, February 2025

[8] Republic of Moldova. Strengthening Tax Compliance Management: Insights from Risk Analysis, Management Information Reporting, and Tax Gap Evaluation. February 2026. (https://www.elibrary.imf.org/view/journals/019/2026/017/article-A000-en.xml)

7. Not all observations arising from the various inputs are of strategic relevance. Many relate to incremental improvements in existing operational procedures and can be addressed through routine management actions. By contrast, the strategy focuses on issues of strategic significance—those with broad taxpayer impact, structural importance, and lasting effect. These include challenges that require coordinated, longer-term responses to address underlying causes rather than symptoms and that can deliver sustainable, system-wide improvements.

8. The resulting strategic priorities for the period 2026–2028 are presented in the draft compliance strategy. Several common principles underpin these priorities, including the central role of data in decision-making, sound governance, and strengthened analytical capacity, the importance of focusing resources on the highest-impact risks and taxpayer segments (particularly large taxpayers), the need to strengthen targeting before expanding activity levels, and the use of feedback loops to continuously refine and improve interventions. The strategy also recognizes that, even where issues fall outside STS's direct mandate like change in legislation, the administration can play an important influencing role to support improved compliance outcomes.

9. The draft CRM Strategy is structured around the four core taxpayer obligations - registration, filing, reporting, and payment. The four pillars together define the integrity of the tax system and the effective management of compliance risks. For each pillar, the strategy first assesses the current state of compliance and administrative practice, using available data and operational evidence, and benchmarks these against international good practice, including established IMF, TADAT and OECD frameworks.

10. Rather than restating detailed diagnostic findings or recommendations from prior assessments, the strategy distills their implications into a coherent framework that focuses on systemic weaknesses, root causes, and priority risks across the taxpayer lifecycle. The approach emphasizes proportionality, differentiation, and impact - seeking to balance facilitative measures for willing taxpayers with targeted enforcement for deliberate non-compliance.

11. Overall, the strategy provides a structured, data-driven basis for strengthening compliance outcomes by aligning operational priorities, analytical capacity, and governance arrangements across the four pillars. The draft strategy is provided in the annex entitled "Republic of Moldova. Draft CRM Strategy for 2026 – 2028. April 2026".

II. Main Findings on the Enabling Environment: Legislation and Government Policy

12. Compliance strategies exist in a broader context of enablers and limitations. The mission identified two key limitations that have the potential to substantively influence the development and impact of the strategy:

- A government decision on introducing a centralized risk register and case selection process; and
- Rigid legislative practices, including detailing operational practices in primary legislation.

Government decision on introducing a centralized risk register and case selection process

13. Envisaged changes to legislation,[9] introducing a government-wide centralized risk register and case selection, have the potential to be enormously disruptive to the STS. The 2025 amendments transform the State Register of Controls from a passive transparency tool into an integrated, government-wide control management platform. As the amendments were raised at the closing meeting there was not time during the course of this assignment to explore the impact with local experts. Comments below therefore reflect a provisional view based on machine translated versions of the two pieces of legislation.

14. These changes shift key elements of risk application and inspection planning toward a centralized framework, with implications for the operational autonomy of control bodies.

- Article 9 assigns the Government authority to approve underlying risk criteria, methodology, and weighting across all control domains. This creates a centrally governed risk framework which limits autonomy in designing and applying independent risk analysis systems.
- Article 5 envisages public access to (elements of) the register.

15. This amendment builds on the legislation which requires publication of the names of taxpayers to be audited, in advance. Advice has already been given on multiple occasions about the undesirability of this requirement.

16. In-depth analysis of the proposed changes was not possible. The legislation cannot be read in isolation, but must be read in conjunction with Law No. 131/2012, which establishes a general framework for state audits. Alongside this, the machine translated English version appears to have some missing text which may influence the interpretation.

17. The government decision includes some exceptions, noting the following in respect of the STS. Given that the State Tax Service remains largely outside the substantive scope of Law No.

[9] Government Decision No. HG464/2018 of 23.05.2018 – new amendments coming into force 1 July 2027.

131/2012, except for registration, supervision, and reporting in the register, it could be argued that its tax-specific risk analysis system should remain institutionally distinct.

- Paragraph 4 of the Preamble states that "The State Tax Service ensure the interconnection of their own information systems, in which they record information on the planning and performance of controls, with the State Register of Controls, in order to ensure the exchange of data in order to provide electronically in it the data necessary to carry out and record the controls.
- Article 5 creates a further specific exception for the STS, in that it is exempt from the requirement to use "a single model for all control bodies and comply with the provisions of the annex to this Regulation, including the annexes to the State Register of Contraventions, and from the requirement that documents related to controls (control plan, motivation note, control delegation, control report, additional control report, additional report) must be "drawn up electronically, directly in the CSR."

18. The redesigned register potentially materially changes the operating environment within which audit selection and compliance risk management will function. However, the new register's role in workflow standardization, interoperability, performance monitoring, and central oversight may, in practice, narrow the STS' operational autonomy unless clear boundaries are maintained between the central control platform and the STS' internal compliance risk management system.

19. Given indications of concern within the STS, there appears to be a material degree of uncertainty regarding the extent to which the recent amendments apply to it. Government's intentions in respect of the STS are in any event not clear from the legislation. This ambiguity risks inconsistent implementation and may adversely affect the effectiveness of compliance risk management. It is therefore important that the Ministry of Finance and the State Tax Service urgently establish a clear, shared interpretation of the amendments, including their implications for audit selection, risk analysis, and the use of centralized systems, to provide legal certainty and preserve operational effectiveness.

20. To the extent that government may envisage curbing the STS' powers to conduct its own risk analysis and select its own cases, that poses a significant risk to work underway. Tax administrations should maintain internally controlled risk analysis systems and avoid wide disclosure of detailed risk methodologies. While transparency regarding taxpayer obligations and general areas of compliance focus is essential, the publication of operational risk rules undermines the effectiveness of CRM by enabling taxpayers to game detection thresholds, shift non-compliant behaviour to less visible channels, and exploit weaknesses in analytical models. It may also create legal rigidity, as published criteria risk being interpreted as binding standards, thereby constraining administrative discretion and adaptability. Consistent with international good practice, detailed risk assessment methodologies are treated as confidential enforcement tools, ensuring the integrity, flexibility, and deterrent effect of the compliance framework.

21. There are strong operational, behavioral, and governance reasons why tax administrations maintain internal (non-public) risk analysis systems. Disclosure of detailed risk scores, rules, and indicators is strictly controlled, even within the tax administration. Box 1 includes examples of these reasons.

Box 1. Principles to consider in disclosure of risk indicators

- If taxpayers know the exact risk rules, thresholds, or scoring weights, they can engineer behavior to fall just below detection thresholds while still being non-compliant.
- Publishing detailed indicators reduces detection capability and shifts behavior from compliance to avoidance of detection.
- Modern CRM systems must continuously evolve (new data sources, AI models, behavioral insights).
- If risk rules are public, frequent changes create uncertainty and legal challenges.
- Adversaries (including organized fraud networks) can reverse-engineer model changes.
- Risk systems are part of the enforcement toolkit - similar to intelligence methods in law enforcement – Publishing details would reveal matching logic
- When risks are visible, non-compliance moves rather than disappears. Public risk rules create distorted economic behavior, not genuine compliance.
- Public risk indicators can create unequal advantages. Large corporates with advisors can optimize against published risk criteria. Small businesses and individuals cannot. This results in regressive compliance outcomes and increased perception of unfairness
- If risk rules are formalized or widely published, they can become de facto legal standards and may be subject to challenge in court, potentially allowing taxpayers to argue "I did not meet your published risk criteria, therefore audit is invalid." This undermines risk-based flexibility.
- Effective compliance systems rely partly on uncertainty of detection. If taxpayers cannot predict when they will be audited they are more likely to be compliant.
- These measures protect against organized fraud and criminal exploitation, which is particularly critical for VAT carousel fraud and excise fraud. These actors act strategically, share intelligence and adapt quickly. Publishing risk indicators would enable industrial-scale circumvention.

22. There is a difference between transparency and operational secrecy. International good practice includes examples of what should be transparent: taxpayer obligations; compliance expectations; risk areas (e.g., cash economy, transfer pricing); and taxpayers' rights and safeguards. But international best practice is equally clear about what should remain internal to a tax administration, including risk scoring models, selection criteria, thresholds and triggers, data matching rules, and case selection algorithms.

Table 1. Country examples of confidential information in risk management

Country	What is Publicly Disclosed	What is Kept Confidential	Notable Features / Approach
United Kingdom – HM Revenue & Customs	High-level risk areas; compliance campaigns; behavioural expectations	Risk models; thresholds; audit selection logic; "Connect" analytics	Advanced data analytics platform; strong behavioural compliance focus
Australia – Australian Taxation Office	Risk frameworks (e.g. Justified Trust); risk zones; public guidance	Algorithms; scoring weights; triggers; anomaly detection	Cooperative compliance model; transparency at framework level only
New Zealand – Inland Revenue Department	Compliance focus areas; sector guidance	Predictive models; thresholds; case selection logic	Highly integrated data environment (START system)

Country	What is Publicly Disclosed	What is Kept Confidential	Notable Features / Approach
Canada – Canada Revenue Agency	Audit priorities; sectors of concern	Risk scoring systems; audit triggers; matching rules	Extensive third-party data usage
United States – Internal Revenue Service	Compliance campaigns; broad audit focus areas	DIF formulas; thresholds; AI models; selection filters	Historic transparency on concept, not operational detail
Denmark – Skattestyrelsen	Sector focus; compliance campaigns; guidance	Risk engines; selection criteria; data matching logic	Strong digital and third-party data integration
Netherlands – Belastingdienst	Cooperative compliance principles; risk themes	Risk ratings; model logic; audit triggers	Horizontal monitoring for large taxpayers
South Africa – South African Revenue Service	Strategic compliance programmes; risk areas	Risk segmentation; audit selection; fraud analytics	Post-reform focus on data science and risk engines
Chile – Servicio de Impuestos Internos	E-invoicing framework; compliance controls	Risk rules; anomaly detection; network analytics	Highly data-driven administration
Estonia – Estonian Tax and Customs Board	Real-time compliance tools; nudges; general risk signals	Behavioural models; scoring systems; triggers	Digital-first, proactive compliance
Sweden – Skatteverket	Compliance guidance; sector risks; behavioural messaging	Risk models; audit selection criteria; thresholds	Strong emphasis on trust and voluntary compliance
Norway – Norwegian Tax Administration	Public guidance; risk themes; digital compliance tools	Risk scoring; predictive analytics; enforcement triggers	Advanced use of pre-filled returns and third-party data
Finland – Finnish Tax Administration	Compliance expectations; sector insights	Risk engines; audit selection logic; thresholds	Extensive automation and data use
Germany – Federal Central Tax Office	Legal obligations; audit frameworks; sector focus	Risk selection criteria; scoring systems; audit triggers	Federal structure; risk methods largely decentralised but confidential
France – Direction Générale des Finances Publiques	Compliance obligations; anti-fraud focus areas	Data mining models; risk algorithms; thresholds	Increasing use of AI and data mining

Country	What is Publicly Disclosed	What is Kept Confidential	Notable Features / Approach
Spain – Agencia Tributaria	Annual control plans; priority risk areas	Risk scoring models; selection filters; thresholds	Publishes annual plan but not operational details
Italy – Agenzia delle Entrate	Compliance programmes; risk sectors; cooperative compliance	Risk algorithms; audit triggers; data analytics	Growing cooperative compliance regime
Poland – National Revenue Administration	Compliance focus areas; anti-fraud initiatives (e.g. VAT)	Risk models; STIR system logic; thresholds	Strong anti-VAT fraud analytics (STIR system confidential)
Lithuania – State Tax Inspectorate	Risk areas; compliance campaigns	Risk scoring; audit selection; data matching logic	Increasing digitalisation and analytics use
Romania – National Agency for Fiscal Administration	Sector risks; compliance focus	Risk models; thresholds; audit triggers	Developing risk-based systems
Georgia – Revenue Service of Georgia	Compliance expectations; service improvements	Risk engines; selection logic; thresholds	Customs and tax integrated risk systems
Singapore – Inland Revenue Authority of Singapore	Compliance focus areas; guidance; cooperative compliance	Risk models; audit selection; data analytics	Highly advanced analytics; strong voluntary compliance culture
United Arab Emirates – Federal Tax Authority	VAT compliance guidance; audit powers; risk areas	Risk scoring; audit triggers; analytics models	Rapidly developing risk systems post-VAT introduction
Brazil – Receita Federal do Brasil	E-invoicing systems; compliance requirements	Risk analytics; cross-matching rules; thresholds	Massive data environment (SPED system)

23. The government decision has the potential to fundamentally undo the progress the STS has made in transforming the organization into an effective risk-based administration. If indeed it is the intention to include the STS in some of the provisions relating to centralized risk analysis and case selection, effort should be made to ensure that the STS is excluded from the decision. The STS should retain its own automated CRM system, should be able to maintain its own set of confidential risk indicators, and should be able to select its own audits based on its assessment of risk.

General legislative framework

24. In Moldova, many operational procedures are prescribed in primary legislation, limiting administrative flexibility. This limits the administration's ability to adapt quickly to emerging risks, as

even minor procedural changes require legislative amendments, reducing flexibility to update risk treatments, introduce new approaches, or respond to changing compliance behaviours.

25. A number of priorities envisaged in the strategy are the result of this legislation which hampers the STS' ability to implement true risk-based controls. These include e.g. the following legislative requirements and restrictions:

- The STS is not able to enforce the registration of taxpayers;
- The requirement that all applications for VAT refunds must be audited
- The requirement to publish the names of taxpayers to be audited;
- Applying a monetary threshold for criminal investigations, with no reference to criminal intent;
- Limiting the ability to audit personal income tax taxpayers if their tax at risk is below 300,000 lei,
- The requirement to provide guarantees in order to qualify for installment arrangements

26. The effectiveness of legislation such as the law on cash payments may be affected by the scope of existing concessions. A focused review is needed to assess required changes. Current limits are high by international standards (e.g. a general monthly limit of 100,000 MDL for cash transactions and real estate caps of up to 1,610,000 MDL (in 2025), making it difficult for the STS to respond effectively to risks from undeclared cash transactions.

27. Modern approaches to drafting tax legislation emphasize principles-based primary laws, where core rules, rights, and obligations are set at a high level. Detailed operational matters are left to secondary regulations and administrative guidance. This enables tax administrations to adapt processes, risk treatments, and procedures more flexibly as risks evolve, without frequent legislative amendments. The result is a more responsive, easier-to-administer system aligned with risk-based compliance management, while maintaining legal certainty and taxpayer safeguards.

28. Digital transformation requires legal and administrative frameworks to evolve as a structural consequence of moving from paper-based to data-driven operations. Administrations that have advanced furthest in digitalization have adapted their legislative foundations, as rules designed for manual, document-centric processes create friction in automated, real-time environments. This pattern is consistent across jurisdictions: just as e-commerce required new rules on digital evidence, e-signatures, and e-invoicing, a digital operating model requires administrative procedures to be separated from fiscal policy and updated to reflect how automated systems operate.

29. A legislative architecture combining administrative and fiscal policy in a single law creates bottlenecks. It means that operational changes such as automated risk scoring, data exchange, or digital service delivery - must follow the same amendment process as tax policy changes. Legal modernization in administration is therefore a natural consequence of transformation. Separating administration from tax policy creates a more flexible and consistent system, particularly for risk-based tax administration. Many countries adopt a separate tax administration code to distinguish procedural rules from substantive tax

laws, improving clarity and enabling more flexible updates to operational rules as risks evolve, while supporting a coherent compliance framework across taxes. [10]

30. Engagement with the Minister of Finance is required in respect of the proposed legislative changes. Given the legislative cycle, it is important to initiate these discussions urgently.

Recommendations

- Initiate urgent discussions with the Ministry of Finance to address legislative constraints, taking into account the legislative cycle. Consider seeking IMF CD legal and policy advice.
- Modernize tax legislation by shifting toward principles based primary laws and moving operational procedures to secondary legislation and administrative guidance, to support risk based administration and digitalization.
- Review and amend overly restrictive legal provisions that limit risk based controls, including rules on taxpayer registration enforcement, mandatory publication of audit lists, audit thresholds, and criminal investigation triggers.
- Review legislation affecting cash transactions, with particular attention to high cash thresholds that weaken the STS's ability to address undeclared cash activity.
- Separate tax administration procedures from tax policy provisions, potentially through a dedicated tax administration code, to improve flexibility, consistency, and alignment with modern compliance risk management.

[10] This is consistent with advice given as part of the development of an automated compliance risk system for the STS.

III. Key Findings on Strategic Priorities

31. CRM is a core pillar of modern tax administration, alongside sound governance, effective performance management, and robust data and analytical capabilities. CRM provides a structured framework for systematically identifying, assessing, and addressing the risks that threaten revenue collection and the integrity of the tax system. By moving away from reactive, case-by-case enforcement toward a strategic, evidence-based approach, CRM enables tax administrations to target their resources more effectively, tailor interventions to different taxpayer behaviors, and support voluntary compliance. It also promotes fairness by ensuring that compliant taxpayers are not disadvantaged and enhances trust by making enforcement actions transparent, proportionate, and well targeted. When implemented effectively, CRM strengthens revenue performance, improves service delivery, and contributes to a more credible and resilient tax system and a more predictable business environment.

32. Despite its importance, CRM is often applied in an ad hoc or fragmented manner, limiting its effectiveness and sustainability. A clearly articulated CRM strategy is therefore essential to provide a common vision, define priorities, and align risk identification, treatment, and monitoring processes across the administration. Such a strategy helps embed CRM as a routine management practice rather than a stand-alone exercise and ensures that compliance initiatives are coherent, evidence-based, and linked to broader reform objectives. To support this objective, the mission has developed a draft CRM strategy, which provides a structured starting point for institutionalizing CRM and guiding its phased implementation.

33. The key priorities for the compliance strategy were identified using a wide range of analytical and diagnostic inputs. These include the 2025 operational performance dashboard (updated by STS in March 2026), the Integrity report[11] and associated recommendations, the IMF-led TADAT assessment in 2022, the 2024 audit diagnostic, earlier IMF capacity development recommendations, and the IMF VAT gap study from 2025.[12][13] The resulting priorities reflect those areas that span all taxpayer obligations; includes the various touchpoints a tax administration has with a taxpayer throughout their normal lifecycle; reflects that fact that different segments have different risk profiles; and includes all core tax types.

Registration

34. A taxpayer register currently exists for VAT and excise taxes, but a comprehensive register covering all core taxes (CIT, PIT, and payroll taxes) is still under development. This constrains the administration's ability to systematically manage registration, filing, and payment obligations across the tax system. Work is now underway to address this gap, with initial priority given to CIT and payroll taxes.

[11] https://cna.md/ro/rapoarte-privind-rezultatele-evaluarii/raport-privind-evaluarea-integritatii-institutionale-4

[12] Republic of Moldova. Tax Audit Program Diagnostic, February 2025

[13] Republic of Moldova. Strengthening Tax Compliance Management: Insights from Risk Analysis, Management Information Reporting, and Tax Gap Evaluation. February 2026. (https://www.elibrary.imf.org/view/journals/019/2026/017/article-A000-en.xml)

35. Strengthening the registration function through a strategic and phased approach, rather than addressing individual deficiencies in isolation is very important. Key weaknesses in the current framework - including limited data quality controls, weak management of inactive taxpayers, incomplete identification of related parties, and constraints in enforcing registration - underscore the need for a clearly defined registration strategy aligned with compliance risk management objectives.

36. Priority actions include completing the establishment of a comprehensive register covering corporate income tax, personal income tax, and payroll taxes. Enhancing legal and operational capacity is required to enforce registration of unregistered taxpayers. Improvements are also needed in the accuracy of industry classification data to support effective segmentation and risk analysis, alongside the introduction of system-based indicators to clearly distinguish active from inactive taxpayers. In addition, the register should enable systematic identification of related parties, supported by targeted communication initiatives to ensure timely deregistration of inactive entities.

On-time filing

37. With the current data environment, filing obligations - particularly for CIT, where multiple regimes apply - cannot be identified automatically and require extensive manual intervention. As a result, on-time filing performance cannot be reliably measured over time, confidence in filing data is reduced, and significant staff resources are absorbed by manual processes.

38. Therefore there is the need for a coherent on-time filing strategy **that shifts the administration from reactive, labor-intensive follow-up toward a more centralized, data-driven approach**. Key challenges currently include decentralized follow-up of non-filers, low electronic filing rates (notably for PIT), limited use of proactive reminders, and weak management information systems, all of which constrain effective performance monitoring and segmentation of filing behavior. These challenges are further compounded by the absence of comprehensive taxpayer registers for core taxes.

39. To strengthen compliance management, priority should be given to fast-tracking the implementation of an automated risk management system and data warehouse.[14] This enables integrating on-time filing indicators into management reporting with segmentation of late filers, centralizing and automating reminder and enforcement notices, and establishing a standardized escalation framework to guide the consistent application of compliance actions such as calls, letters, visits, and audits.

Reporting – audits and fiscal visits

40. Audit activity is not yet sufficiently risk-based, with a substantial share driven by statutory requirements rather than assessed compliance risks. In particular, the mandatory audit of all VAT refund claims absorbs a significant proportion of audit capacity despite relatively low yields, limiting the administration's ability to focus resources on higher-risk areas.

41. There is a need to further embed risk analysis and differentiation into audit and fiscal visit planning. While fiscal visits provide a graduated compliance approach - progressing from desk-based analysis to field engagement and escalation to audit where needed - the reliance on manual processes

[14] According to STS's official plan, system requirements are scheduled for completion by June 2026, with implementation expected by December 2027.

constrains scalability and reduces the capacity available for higher-value interventions. Limited information on audit outcomes and impact further weakens management's ability to assess effectiveness and guide resource allocation.

42. The STS should strengthen analysis of audit outcomes and integrate results into regular management reporting. It should review requirements to publish detailed taxpayer information in audit plans and instead maintaining transparency on selection principles. Audit planning should further embed risk analysis and differentiation, including greater use of tax gap insights, tailored approaches for large taxpayers, and more risk-based treatment of VAT refunds. In parallel, the share of audits selected through risk analysis should be increased, alongside expanded use of quality assurance audits to support continuous improvement.

Reporting – other tools

43. Several preventative compliance tools remain underdeveloped, limiting the administration's ability to improve reporting accuracy upstream. The formal rulings framework is rarely used, largely due to high fees, resulting in taxpayers relying instead on informal explanations. While this provides practical guidance, it offers less legal certainty and weakens the role of rulings as a preventive compliance instrument.

44. The framework for amending tax returns also weakens deterrence. Amendments remain possible even after taxpayers are effectively selected for audit, and system controls do not prevent or flag repeated or strategically timed amendments. As a result, audit effectiveness may be reduced, and amendment behavior is not systematically reflected in risk analysis.

45. To strengthen legal certainty and compliance, the rulings regime should be reviewed—particularly fees and administrative processes - to encourage greater uptake. System controls should be introduced to restrict amendments once a taxpayer is selected for audit and to ensure amendment behaviour is captured within risk analysis.

On-time payment

46. Payment processes are fully electronic, and withholding and advance payment arrangements are in place. However, on-time payment performance is not yet systematically measured, limiting understanding of compliance behavior and constraining the ability to design targeted interventions.

47. There are weaknesses in payment enforcement following audits. Collectability of audit assessments is low - particularly for assessments based on indirect audit methods - while payment rates for assessments derived from direct audit approaches appear significantly higher. This points to the need for a differentiated strategy to improve post-audit collection outcomes.

48. Although legal mechanisms exist to offset tax liabilities, including the withholding of VAT refunds for taxpayers with outstanding debts, these processes rely heavily on manual intervention. The absence of automation reduces effectiveness and timeliness, increases administrative costs, and weakens overall payment enforcement.

49. The STS should, once the data warehouse is operational, calculate on-time payment indicators in line with TADAT definitions. Drivers of late payment need to be analyzed and implement corrective strategies - including reviewing penalties and enforcement measures - and address low collectability of audit assessments, particularly those based on indirect methods. In addition, introducing a single taxpayer account with automated offsetting would enhance timeliness, efficiency, and enforcement outcomes.

Debt management

50. Debt management is constrained by systems limitations and the largely manual nature of current processes. This restricts the regular production of key performance indicators such as the ratio of debt to revenue, the share of collectible debt, and the stock of debt outstanding for more than 12 months. In particular, the absence of automated data extraction and an agreed methodology limits the ability to distinguish collectible from uncollectible debt.

51. The current approach to installment agreements - characterized by strict requirements for collateral and notary involvement - significantly limits uptake and diverges from international good practice. This reduces opportunities to support voluntary compliance and prevent debt escalation. In addition, debt management remains largely reactive, with limited use of preventive approaches or predictive analytics to identify taxpayers at risk of default and intervene early.

52. Key performance metrics - such as debt-to-revenue ratios, collectible debt, and debt older than 12 months - should be integrated into regular management reporting. This should be supported by an automated case management system for improved monitoring and handling. In parallel, restrictions on installment agreements should be reviewed to better support voluntary compliance, and a risk-based approach to case prioritization should be introduced, complemented over time by preventive measures and predictive analytics.

Disputes

53. Dispute resolution timelines have continued to improve, with average processing times declining from 24.2 days in 2024 to 20.9 days in 2025, and early indications of further improvement in 2026. There is scope to better leverage complaints and disputes data by introducing structured classification and analytics. Systematic coding of cases by issue type, taxpayer segment, and root cause would allow this information to feed into risk models, strengthening early risk identification, improving treatment strategies, and helping reduce recurring and avoidable disputes.

54. A structured framework should be introduced to analyze the underlying causes of disputes and provide formalized feedback to improve audit quality and effectiveness. It would also be used to inform the risk analysis process, and identify systemic issues requiring regulatory change.

Penalties and sanctions

55. The effectiveness of the penalties regime is undermined by relative low collection rates. While average penalties assessed amount to MDL 119,000 per case, about 36 percent of this amount is ultimately paid, weakening the deterrent effect of sanctions.

56. Given the administration's strong emphasis on taxpayer support, an effective risk management approach requires an appropriate balance. This includes facilitative measures for taxpayers willing to comply, alongside credible penalties for persistent non-compliance.

57. The current fines determination process is overly complex and discretionary, particularly for simpler cases, increasing administrative costs and the risk of inconsistent outcomes. For more complex cases, a standardized and graduated penalties framework - linked to factors such as severity, compliance history, cooperation, and intent - would improve proportionality, consistency, and transparency. Work on developing such a framework is already underway.

58. Penalties and sanctions should be strengthened by introducing an automated, graduated framework. Data on the proportion of penalties actually paid should be incorporated into management reporting, and a methodology developed to assess whether penalties are effectively influencing taxpayer behaviour.

Criminal investigations

59. Case selection for criminal investigations is primarily based on a monetary threshold, with limited consideration of indicators of criminal intent. As a result, cases with the highest revenue risk or strongest indications of deliberate non-compliance are not consistently prioritized.

60. Criminal investigations form part of the broader compliance risk management framework; however, available management information is limited. Analysis of earlier annual reports (data up to end-2025) indicates a decline in both the number of investigations initiated and cases referred for prosecution, while reporting does not consistently track key indicators such as investigations started, referrals, prosecutions, or convictions.

61. Criminal investigations should be strengthened by embedding a centralized, risk-based case selection process in place of monetary thresholds. Outcomes of investigations should be systematically tracked in management reporting, and the process need to be reviewed to identify efficiency gains.

Large taxpayers

62. Large taxpayers have a distinct risk profile, characterized by complex corporate structures and access to sophisticated tax planning that can enable profit shifting, base erosion, and the exploitation of cross-border mismatches. These features, combined with opaque group structures and data gaps, make it challenging for the tax administration to obtain a complete and accurate view of large taxpayers' economic activity and tax risk.

63. At present, there is no overarching strategy to manage compliance risks for large taxpayers. Large taxpayers are included in general audit plans. While the administration places strong emphasis on supportive and service-oriented engagement with large taxpayers - resulting in generally good on-time filing and payment outcomes - this approach alone is unlikely to detect significant or complex non-compliance. Responsibilities for large taxpayers are fragmented across service, audit, and risk units, following the discontinuation of the previous Large Taxpayer Office, resulting in a siloed approach and the absence of an end-to-end view of large taxpayer compliance.

64. Risk identification and audit approaches are not yet sufficiently tailored to the large taxpayer segment. Audit coverage has declined in recent years, and audit guidance largely applies uniform methods across taxpayer segments, limiting the detection of complex risks such as transfer pricing and profit shifting. While steps are underway to strengthen risk differentiation and transfer pricing guidance, management reporting specific to large taxpayers - including audit effectiveness and impact - is currently limited.

65. For large taxpayers, priority should be given to re-establishing the Large Taxpayer Office. The strategy should focus on developing an end-to-end compliance risk management strategy; a review the adequacy of risk rules to identify more complex forms of evasion; develop comprehensive large taxpayer-specific audit guides; separately track compliance indicators in management reporting**.**

High income / high wealth individuals

66. STI does not yet have a dedicated compliance strategy for high-income / high-wealth individuals. Although this segment is reflected in compliance planning, risks related to complex wealth structures, offshore assets, and the use of intermediaries are not managed in a systematic or targeted manner. International good practice - including segmentation, tailored risk rules, and specialized treatment approaches - has not yet been fully adopted for this segment. Consequently, there is a need to further strengthen and develop the instruments dedicated to this segment, especially in the field of cross-border transactions, complex structures and the extensive use of data from international information exchange

67. Current engagement with high-income individuals is largely service-oriented, focusing on fiscal visits and guidance to the top income earners. Some general control and verification mechanisms are applied, but can be further developed by strengthening specialized capacities and expanding analytical tools dedicated to the high-income segment. While this supports voluntary compliance, it is not designed to identify significant or complex non-compliance. There is no dedicated audit program or specialist audit capacity for this group, and only a small number of high-wealth individuals are currently subject to audit scrutiny.

68. Risk identification and analysis for high-wealth individuals remain limited. Existing risk rules and audit guidance are not sufficiently calibrated to detect sophisticated non-compliance, and analytical work linking declared income to indicators of wealth is not yet applied in a structured, multi-year manner. This constrains the administration's ability to effectively identify, prioritize, and address tax risks in this segment. Further work should expand and refine existing risk rules and analytical tools dedicated to this segment.

69. The strategy for high income / high wealth should focus on developing an end-to-end compliance risk management strategy and include it in the Large Taxpayer Office. This includes a review of the adequacy of risk rules to identify more complex forms of evasion; develop comprehensive large audit guides; separately track compliance indicators in management reporting. This requires consolidating and deepening the already existing framework - including developing additional rules on cross-border transactions, complex ownership structures and the extended use of automatic exchange of information.

Informal economy

70. Informality is presumably widespread, with about one-third of firms reporting unfair competition from informal operators and notable undeclared work in labor markets.[15] The economy remains cash-dependent, especially with "envelope wages" in retail, and small business transactions. Financial inclusion has improved, but gaps remain: a non-trivial minority (around 10–20 percent) are reportedly still unbanked or underbanked, particularly in rural and low-income groups. Overall, Moldova combines high informality, significant cash use, and partial financial inclusion, underscoring the need for structural reforms.

71. Strategically important priorities for the informal economy should focus on root causes of current challenges. Report on activities in the cash economy using a structured, tabulated format to allow for easy comparisons with other fiscal visit and audit activities, and to facilitate decision-making; review the strategy for dealing with "envelope wages" to identify more systemic solutions; prioritize the procurement of a data warehouse, and populate with data from fiscal cash registers; strengthen analysis of data from fiscal cash registers to identify anomalies; assess the extent to which phantom ware / zappers may be contributing to under-declaring sales from fiscal cash registers.

Excise duties

72. Excise manufacturers are subject to a control framework based on licensing, tax stamps, production monitoring, and regular inspections. Compliance is tracked through monthly reporting, thematic checks, and ratio analysis by product and taxpayer, with additional controls for ethyl alcohol and tobacco. Moldova is also transitioning from basic excise marking toward a national tobacco traceability system, expected to enter into force in March 2027.

73. Despite these measures, excise risks are not yet adequately managed. Illicit tobacco consumption remains persistent - estimated at around 7–8 percent nationally in 2025, with higher prevalence in border regions - driven by counterfeit products, diverted "illicit whites," and cross-border smuggling. Gaps in excise movement controls and incomplete adoption of EU-standard warehousing and tracking systems continue to weaken the effectiveness of the current control environment. The control of the movement of excisable products involves shared competences between several authorities, however production, declaration or movement of excisable goods fall directly under control of the STS.

74. A number of practical measures would significantly improve the management of excise as a core tax. These include the development of targeted risk rules focused on identifying more complex evasion by excise manufacturers; and developing a comprehensive audit guide that details more complex risks in excise manufacturing. The STS should also, on an ongoing basis, conduct a comparative analysis of tax stamps issued against production volumes declared. This is a basic and critical part of managing excise compliance, consisting of a simple calculation. This could perhaps form part of future CD.

- **Net used stamps** = Number of tax stamps issued – stamps returned / destroyed / unused
- **Expected stamped volume** =

[15] https://www.enterprisesurveys.org/en/data/exploreeconomies/2024/moldova?view=table&subGroup=-1&topic=24&countries=All+Economies%2F%2FAll+Economies%2F%2F2024%2F%2F129%2F%2Fnull&subtopic=29&regions=Europe+%26+Central+Asia&IndicatorIds=134%2C130%2C235

Local production for domestic sale (*declared to the STS*)
+ Imported volume for domestic sale (*data from Customs*)
– exported volume (*data from Customs*)
- warehouse stock increase (*declared to the STS*)

- **Variance** = Net stamps issued – expected stamped products

Recommendations

- Review and finalize the compliance strategy, ensuring completeness, institutional ownership, and alignment with strategic priorities.
- Strengthen the role of the Compliance Risk Management Committee in approving the strategy, monitoring impact, and guiding prioritization based on taxpayer behavior.
- Align operational plans and performance indicators with strategic priorities, and review the strategy annually using a structured compliance risk management cycle.
- Publish a high level version of the strategy to enhance transparency and confidence in the STS's reform agenda.
- Closely monitor delivery of the data warehouse and automated Compliance Risk Management system, and continue developing management dashboards to support evidence based decision making.
- Continue to populate the management information dashboard, as information sources and analysis becomes available
- Review the strategy for relevance and update

IV. Data Requirements for Tax Gap Estimations

Recent Compliance Risk Management Developments at STS

75. STS continues their work on improving data for the dashboard. The December 2025 mission suggested STS to implement a dashboard to support management for visual reporting. The information in the dashboard will inform senior management in their discussions on impact, efficiency, and effectiveness.

76. STS has initiated the implementation of a single taxpayer account, building on prior IMF advice.[16] This reform is expected to reduce the compliance burden by simplifying the process for taxpayers to meet their payment obligations.

77. STS has decided to update its VAT gap estimates and integrate the results into its compliance risk management process. The update is based on the R scripts developed during the July and December 2025 missions. STS analysts have set the end of June as the deadline for this.

78. STS intends to extend tax gap estimation beyond VAT. During the current mission, STS and FAD discussed the scope of potential further FAD assistance on tax gap estimation, including data requirements for estimating Corporate Income Tax and Personal Income Tax gaps.

STS agreed with FAD to undertake an impact evaluation of the effects of publicly listing taxpayers to be audited in the following year. This work relates to the requirement under Article 216 of the Tax Code of the Republic of Moldova for STS to publish the list of taxpayers subject to tax audits for the coming year.

Policy Impact Evaluation of Publishing Audit Lists

79. STS has signed a letter of understanding (LoU) with FAD on analytical work to assess the impact of public audit listings on taxpayer compliance. The analytical work aims to assess the compliance effects of publicly listing firms selected for audit and based on the results to formulate recommendations to strengthen audit effectiveness. Specifically, it will examine post-audit compliance among listed firms, potential spillover effects on non-listed firms, and impacts on voluntary filing, reporting, and payment behavior. The analysis will draw on international evidence on audit deterrence and adapt these methods to Moldova's institutional context.

80. Data requirements were discussed in detail. First, it was confirmed that only businesses (legal entities) are subject to public listing. Second, data is available for 2018-2024. The risk indicators developed in 2017, which were used to generate the public audit listing for 2018, are also available.

81. During these discussions it became clear that STS does not have a register for CIT, PIT and payroll taxes. This also means that STS does not have a registration and deregistration date. STS

[16] TADAT Performance Assessment, November 2022

knows if a business is liable for CIT if it declares or pays CIT. However, it should be noted that the STS is currently developing a digitalized system for the “Register of Tax Subjects”.

82. The IMF team requested all CIT and payroll tax (withholding) declarations. While this is feasible for CIT, providing payroll tax data may be more challenging for STS due to the monthly filing cycle and frequent revisions. Nevertheless, STS will make best efforts to provide the requested information.

Timeline

83. STS plans to begin data extraction in July, with data expected to be available by the end of the month. However, STS is currently heavily engaged in operational data preparation for the second half of 2026, as well as in updating the VAT gap estimate and meeting several MoF targets. As an interim step, STS will provide data for a single year (2018) as soon as possible - potentially ahead of July - to serve as a test dataset.

Data Requirements for CIT and PIT gap estimation

84. The data provided by STS for the policy impact evaluation of public listings can also be used to estimate the CIT gap using a bottom-up approach based on operational audit data. The data requirements are similar to those used for the VAT gap estimations during the July and December 2024 missions, but applied to CIT. These include registry data, CIT returns, audit results, risk selection criteria, and a limited set of additional data sources.

85. Data requirements and the feasibility of estimating the PIT gap using operational audit data were also discussed. During the discussions, it was mentioned that there are approximately 100 audits per year related to individuals. The limited audit coverage (primarily high income taxpayers) and small number of audits make it impractical to estimate the PIT gap using a bottom-up approach based on operational audits.

86. A meeting with the National Bureau of Statistics of the Republic of Moldova (NBS) examined whether Labor Force Survey data could be used for a top-down estimation of the shadow economy. NBS indicated that the survey includes questions that may allow the indirect identification of envelope wages. This potential should be explored further. NBS also noted that access to anonymized microdata is possible, subject to a formal application, after which NBS determines whether access can be granted.

87. Based on anecdotal evidence, the figure cited in the draft strategy - indicating that 5.1 percent of employees report receiving wages “in envelopes,” rising to around 6.5 percent in some years and quarters - appears low. Nevertheless, this channel is worth pursuing further, as it could provide important inputs to the CRM strategy.

Recommendations

- STS to decide whether to proceed with a CIT gap estimation

- STS should pursue the possibility of using data from the NBS, applying indirect methods to estimate envelope wages. Consideration could also be given to requesting targeted IMF capacity development (CD) support in this area.

V. Next Steps

Enabling legislative environment

88. Start engagement with the Minister of Finance in respect of the proposed legislative changes.

Strategy development

89. The STS should review the draft strategy for accuracy and completion. Given the short time span of this assignment, it was not possible to assess the relevance of all possible inputs, and it was not possible to engage with all relevant stakeholders. It is therefore important for the SDS to review the draft, to revise inclusion that it does not deem appropriate, and to add strategic initiatives that may not have been included in this draft.

90. Approval of the strategy, and subsequent monitoring of performance against the various priorities, should be done by the CRM committee. The committee should play a more active role in terms of assessing where the STS is focusing on the right issues and on the right taxpayers, and on whether it is having the desired impact on taxpayer behaviour.

91. Work of the CRM committee should be strengthened, including refocusing its scope and role. A structured agenda, which covers discussions on the different taxpayer obligations, and the impact the STS is having on taxpayer behaviour, should form a regular part of the conversations at the committee.

92. Operational business plans should be reviewed in view of the strategic priorities. This is important in order to ensure that the necessary attention is given to strategic priorities. For 2027, it would also be important to update key performance indicators for those strategic priorities where quantitative measures were established.

93. The CRM strategy should be reviewed at least once a year. As was done with the current strategy development process, reports, analysis and recommendations should be considered, to assess whether the current strategic priorities remain relevant. This includes a consistent focus on taxpayer obligations and the compliance risk management cycle, supported by a systematic process:

- What are we observing? (Look at both quantitative and qualitative inputs)
- Does this reflect strengths or weaknesses?
- What are the root causes for what we are observing?
- Identify treatment options that speak to the root causes
- Prioritize those treatment options that address systemic weaknesses and the biggest revenue leakages.

94. A version of the strategy should be made available for the public. This need not be a comprehensive version, but should highlight the key strategic changes the STS wishes to pursue. The purpose is to ensure a level of transparency, and give taxpayers a level of comfort that the STS is a modern, responsive tax administration that is focused on adopting good practices. It should include

messaging that the STS is focusing on systemic solutions that will make compliance easier for compliant taxpayers, and that will enable it to better identify and respond to intentional non-compliance.

95. Closely monitor and track progress with the data warehouse and automated CRM solution. Any issues should immediately be escalated, as these two solutions are critical for this strategy and for the effective functioning of the STS.

96. Work on populating the data management information dashboard should continue. While the envisaged data warehouse will make this task much easier, work should in the meantime proceed with populating as many of the fields as possible, in order to develop a simple management information report. This includes data on the main taxpayer obligations, including on time filing rights, on time payment rates, and data on debt management.

Annex I. Moldova – STS - Draft CRM Strategy 2026 – 2028

Due to the high volume, the draft "*Republic of Moldova: Compliance Risk Management Strategy for 2026–2028 (April 2026),*" prepared by Telita Snyckers, is available at the following link:

- Republic of Moldova - Compliance Risk Management Strategy for 2026–2028 (April 2026),.docx