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Raportul auditorului independent

Conducerii Serviciului Fiscal de Stat din Moldova

Opinie

1. Am auditat Situațiile financiare ale Proiectului de Modernizare a Administrației Fiscale (TAMP) - finanțat de Asociația Internațională de Dezvoltare (AID) și Banca Internațională pentru Reconstrucție și Dezvoltare (BIRD) în conformitate cu Acordul 5829-MD și respectiv Acordul 8625-MD, (Proiectul), care cuprinde bilanțul la 31 decembrie 2023, Rezumatul surselor și utilizărilor fondurilor și extrasul de cont desemnat pentru perioada 01 ianuarie 2023 - 31 decembrie 2023 și note, cuprinzând politici contabile semnificative și alte informații explicative (denumite împreună „Situații financiare ale proiectului”).
2. În opinia noastră, situațiile financiare aferente proiectului sunt pregătite, sub toate aspectele materiale, în conformitate cu baza contabilă descrisă în nota 2 la Situațiile financiare ale proiectului.

Baza opiniei

3. Am efectuat auditul în conformitate cu Standardele Internaționale de Audit (SIA). Responsabilitățile noastre, în conformitate cu aceste standarde, sunt descrise în continuare, în secțiunea Responsabilitățile auditorilor pentru auditul situațiilor financiare ale proiectului din raportul nostru. Suntem independenți de proiect în conformitate cu Codul Etic al Profesioniștilor Contabili (Codul IESBA), al Consiliului pentru Standarde Internaționale de Etică pentru Contabili, împreună cu cerințele etice care sunt relevante pentru auditul nostru aferent Situațiilor financiare ale proiectului în Republica Moldova, inclusiv legea și ne-am îndeplinit celelalte responsabilități etice în conformitate cu aceste cerințe și cu Codul IESBA. Considerăm că dovezile de audit pe care le-am obținut sunt suficiente și adecvate pentru a oferi o bază pentru opinia noastră.

Accentul pe aspecte - Baza Contabilității și Restrictionarea Utilizării

4. Atragem atenția asupra notei 2 la Situațiile financiare ale proiectului, care descrie baza contabilității. Situațiile financiare ale proiectului sunt întocmite exclusiv în scopul respectării condițiilor din acordurile de finanțare AID 5829-MD și BIRD 8625-MD

semnate între Guvernul Republicii Moldova la 28 iunie 2016. Ca urmare, Situațiile financiare ale proiectului ar putea să nu fie adecvate pentru un alt scop. Opinia noastră nu este modificată cu privire la acest capitol.

Alte aspecte – data de încheiere a Proiectului

5. Atragem atenția asupra Notei 1 la Situațiile Financiare ale Proiectului, care descrie că Proiectul TAMP a intrat în vigoare la 25 ianuarie 2017 și la data de 30 noiembrie sa încheiat.

Responsabilitățile conducerii și ale celor însărcinați cu guvernanta pentru Situațiile Financiare ale Proiectului

6. Conducerea este responsabilă pentru întocmirea și prezentarea echitabilă a acestor Situații Financiare ale Proiectului în conformitate cu baza contabilă descrisă în Nota 2; aceasta include determinarea faptului că baza contabilă a încasărilor și plăților de numerar este o bază acceptabilă pentru întocmirea situațiilor financiare ale proiectului în circumstanțe și pentru controlul intern pe care conducerea îl consideră necesar pentru a permite pregătirea situațiilor financiare ale proiectului care sunt lipsite de declarații greșite, fie din cauza fraudei sau a erorii.
7. La pregătirea Situațiilor Financiare ale proiectului, conducerea este responsabilă de evaluarea relevanței contabilității pe baza continuității activității, dezvăluind, după caz, aspecte legate de continuitatea activității și utilizând baza contabilității de continuitate a activității, cu excepția cazului în care conducerea intenționează să lichideze proiectul sau să înceteze operațiunile sau nu are altă alternativă realistă decât să facă acest lucru.
8. Cei însărcinați cu guvernanta sunt responsabili pentru supravegherea procesului de raportare financiară a Proiectului.

Responsabilitățile auditorului pentru auditul Situațiilor Financiare ale Proiectelor cu Scop Special

9. Obiectivele auditului nostru sunt de a obține o asigurare rezonabilă cu privire la faptul că Situațiile Financiare ale Proiectului în ansamblu nu conțin denaturări semnificative, fie datorate fraudei sau erorii, și să emitem un raport al auditorului care să includă opinia noastră. Asigurarea rezonabilă este un nivel înalt de asigurare, dar nu este o garanție că un audit efectuat în conformitate cu SIA va detecta întotdeauna o denaturare semnificativă atunci când aceasta există. Denaturările pot apărea din fraudă sau eroare și sunt considerate semnificative dacă, individual sau în ansamblu, se poate aștepta în mod rezonabil să influențeze deciziile economice ale utilizatorilor luate pe baza acestor Situații Financiare ale Proiectului.
10. Ca parte a unui audit în conformitate cu SIA, ne exercităm raționamentul profesional și menținem scepticismul profesional pe parcursul auditului. Noi de asemenea:
 - Identificăm și evaluăm riscurile de denaturare semnificativă a Situațiilor Financiare ale Proiectului, fie ca urmare a fraudei sau erorii, proiectarea și efectuarea procedurilor de audit care răspund la aceste riscuri și obținerea de probe de audit

suficiente și adecvate pentru a oferi o bază pentru opinia noastră. Riscul de a nu detecta o denaturare semnificativă rezultată din fraudă este mai mare decât pentru una rezultată din eroare, deoarece fraudă poate implica coluziune, fals, omisiuni intenționate, denaturări sau anularea controlului intern.

- Obținem o înțelegere a controlului intern relevant pentru audit pentru a concepe proceduri de audit adecvate circumstanțelor, dar nu în scopul exprimării unei opinii cu privire la eficacitatea controlului intern al Proiectului.
 - Evaluăm caracterul adecvat al politicilor contabile utilizate și caracterul rezonabil al estimărilor contabile și al prezentărilor aferente făcute de conducere.
 - Evaluăm prezentarea generală, structura și conținutul Situațiilor Financiare ale proiectului, inclusiv dezvoltările, și dacă Situațiile Financiare ale Proiectului reprezintă tranzacțiile și evenimentele subiacente într-o manieră care realizează o prezentare echitabilă.
 - Obținem suficiente probe de audit adecvate cu privire la informațiile financiare ale Proiectului pentru a exprima o opinie asupra situațiilor financiare ale proiectului.
 - Aceste Situații Financiare ale Proiectului sunt întocmite în conformitate cu baza contabilă a încasărilor și plăților de numerar și nu includ active și datorii. Prin urmare, baza contabilității continuității activității nu este una dintre prezumțiile majore în baza cărora sunt întocmite aceste Situații Financiare ale Proiectului.
11. Comunicăm celor însărcinați cu guvernanta cu privire la alte aspecte, sfera planificată și calendarul auditului și constatările semnificative ale auditului, inclusiv orice deficiențe semnificative ale controlului intern pe care le-am identificat în timpul auditului nostru.
12. De asemenea, oferim celor însărcinați cu guvernanta o declarație conform căreia am respectat cerințele etice relevante cu privire la independență și le comunicăm toate relațiile și alte chestiuni despre care se poate considera în mod rezonabil că sprijină independența noastră și, acolo unde este cazul, garanțiile aferente.

Pentru și în numele **Moore Stephens KSC SRL**

Vasile Benderschi

Nr. Certificatul de calificare al auditorului Seria AG Nr. 000121 din 08 februarie 2008

Republica Moldova , Chișinău
16 februarie 2024

TAX ADMINISTRATION MODERNIZATION PROJECT

**IDA AGREEMENT 5829-MD
IBRD AGREEMENT 8625-MD**

FINANCIAL STATEMENTS

For the period from January 1, 2023 to December 31, 2023

TAX ADMINISTRATION MODERNIZATION PROJECT
IDA AGREEMENT 5829-MD / IBRD AGREEMENT 8625-MD
FINANCIAL STATEMENTS
For the period from January 1, 2023 to December 31, 2023

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TAX ADMINISTRATION MODERNIZATION PROJECT
IDA AGREEMENT 5829-MD / IBRD AGREEMENT 8625-MD
FINANCIAL STATEMENTS
For the period from January 1, 2023, to December 31, 2023

1 Balance Sheet

	Period ended		
	December 31, 2023	December 31, 2023	December 31, 2023
	USD	EUR	Total, EUR converted USD
ASSETS			
Cash and cash equivalents			
Cash under IBRD 8625-MD	-	939	1,042
Cash under IDA 5829-MD	-	-	-
	-	939	1,042
Undisbursed funds			
IBRD 8625-MD Undisbursed balance	-	320,834	356,126
IDA 5829-MD Undisbursed balance	691	-	691
TOTAL UNDISBURSED FUNDS	691	320,834	356,817
TOTAL CASH AND CASH EQUIVALENTS	691	321,773	357,859
Cumulative expenditures			
IBRD 8625-MD – Expenses	-	10,778,064	11,963,651
IDA 5829-MD - Expenses	7,377,593	-	7,377,593
TOTAL CUMULATIVE EXPENSES for the period Jan 25, 2017 – Dec 31, 2023	7,377,593	10,778,064	19,341,244
TOTAL ASSETS	7,378,284	11,099,837	19,699,103
Source of funds (Funding)			
IBRD 8625-MD	-	11,099,837	12,320,819
IDA 5829-MD	7,420,000	-	7,420,000
Translation exchange difference EUR/USD (for IBRD 8625-MD)	-	-	-
Translation exchange difference XDR/USD (for IDA 5829-MD)	(41,716)	-	(41,716)
TOTAL FUNDING	7,378,284	11,099,837	19,669,103
TOTAL FUNDS AND LIABILITIES	7,378,284	11,099,837	19,669,103

TAX ADMINISTRATION MODERNIZATION PROJECT
IDA AGREEMENT 5829-MD / IBRD AGREEMENT 8625-MD
FINANCIAL STATEMENTS
For the period from January 1, 2023 to December 31, 2023

Balance Sheet (continued)

	Period ended		
	December 31, 2022	December 31, 2022	December 31,2022
	USD	EUR	Total, converted USD
ASSETS			
Cash and cash equivalents			
Cash under IBRD 8625-MD	-	11,424	12,196
Cash under IDA 5829-MD	-	-	-
	-	11,424	12,196
Undisbursed funds			
IBRD 8625-MD Undisbursed balance	-	568,400	606,824
IDA 5829-MD Undisbursed balance	151,229	-	151,229
TOTAL UNDISBURSED FUNDS	151,229	568,400	758,053
TOTAL CASH AND CASH EQUIVALENTS	151,229	579,824	770,249
Cumulative expenditures			
IBRD 8625-MD - Expenses	-	10,520,013	11,231,148
IDA 5829-MD - Expenses	7,224,405	-	7,224,405
TOTAL CUMULATIVE PROJECT EXPENSES for the period Jan 25, 2017 – Dec 31, 2022	7,224,405	10,520,013	18,455,553
TOTAL ASSETS	7,375,634	11,099,837	19,225,801
Source of funds (Funding)			
IBRD 8625-MD	-	11,099,837	11,850,167
IDA 5829-MD	7,420,000	-	7,420,000
Translation exchange difference EUR/USD (for IBRD 8625-MD)	-	-	-
Translation exchange difference XDR/USD (for IDA 5829-MD)	(44,366)	-	(44,366)
TOTAL FUNDING	7,375,634	11,099,837	19,225,801
TOTAL FUNDS AND LIABILITIES	7,375,634	11,099,837	19,225,801

The financial statements and accompanying notes on pages 4 to 13 were signed and approved on behalf of the Project's management on February 16, 2024, by:

Mr. Petru GRICIUC
Deputy Director

Mrs. Svetlana RODIDEAL
Deputy Head of Economic and Finance Department, Head of Unit



TAX ADMINISTRATION MODERNIZATION PROJECT
IDA AGREEMENT 5829-MD / IBRD AGREEMENT 8625-MD
FINANCIAL STATEMENTS

For the period from January 1, 2023, to December 31, 2023

Summary of Sources and Uses of Funds

	Period ended		
	December 31, 2023	December 31, 2023	December 31, 2023
	USD	EUR	Total, EUR converted USD
OPENING CASH BALANCES			
IDA 5829-MD Designated Account	-	-	-
IBRD 8625-MD Designated Account	-	11,424	12,681
Own funds	-	-	-
TOTAL OPENING CASH BALANCES	-	-	12,681
FINANCING			
IDA 5829-MD	153,186	-	153,186
Designated account	-	-	-
Direct payments	-	-	-
Reimbursement against Disbursement	153,186	-	153,186
Linked Indicators	-	-	-
IBRD 8625-MD	-	247,566	274,798
Designated account	-	132,021	146,543
Direct payments	-	115,545	128,255
Reimbursement against Disbursement	-	-	-
Linked Indicators	-	-	-
Total Financing	153,186	247,566	427,984
EXPENDITURES			
Goods, Non-consulting services, consulting services, training & incremental operating costs under IBRD 8625-MD	-	258,051	286,437
Eligible expenditures under Disbursement Linked Indicators IDA 58290	153,186	-	153,186
Eligible expenditures under Disbursement Linked Indicators IBRD 86250	-	-	-
Total Expenditures	153,186	258,051	439,623
CLOSING CASH BALANCES			
IDA 5829-MD Designated Account	-	-	-
IBRD 8625-MD Designated Account	-	939	1,042
Own funds	-	-	-
TOTAL CLOSING CASH BALANCES	-	939	1,042

TAX ADMINISTRATION MODERNIZATION PROJECT
IDA AGREEMENT 5829-MD / IBRD AGREEMENT 8625-MD
FINANCIAL STATEMENTS
For the period from January 1, 2023 to December 31, 2023

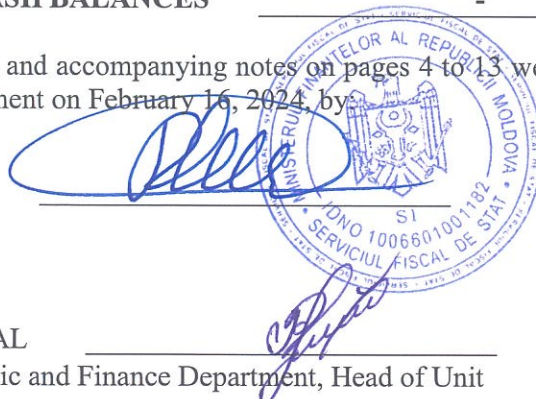
Summary of Sources and Uses of Funds (continued)

	Period ended		
	December 31, 2022	December 31, 2022	December 31, 2022
	USD	EUR	Total, converted USD
OPENING CASH BALANCES			
IDA 5829-MD Designated Account	85	-	85
IBRD 8625-MD Designated Account	-	-	-
Own funds	-	-	-
TOTAL OPENING CASH BALANCES	85	-	85
FINANCING			
IDA 5829-MD	1,577,881	-	1,577,881
Designated account	-	-	-
Direct payments	-	-	-
Reimbursement against Disbursement	-	-	-
Linked Indicators	1,577,881	-	1,577,881
IBRD 8625-MD	-	91,600	97,792
Designated account	-	91,600	97,792
Direct payments	-	-	-
Reimbursement against Disbursement	-	-	-
Linked Indicators	-	-	-
Total Financing	1,577,881	91,600	1,675,673
EXPENDITURES			
Goods, Non-consulting services, consulting services, training & incremental operating costs	85	80,176	85,681
Eligible expenditures under Disbursement	-	-	-
Linked Indicators IDA 58290	1,577,881	-	1,577,881
Eligible expenditures under Disbursement	-	-	-
Linked Indicators IBRD 86250	-	-	-
Total Expenditures	1,577,966	80,176	1,663,562
CLOSING CASH BALANCES			
IDA 5829-MD Designated Account	-	-	-
IBRD 8625-MD Designated Account	-	11,424	12,196
Own funds	-	-	-
TOTAL CLOSING CASH BALANCES	-	11,424	12,196

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TAX ADMINISTRATION MODERNIZATION PROJECT
IDA AGREEMENT 5829-MD / IBRD AGREEMENT 8625-MD
FINANCIAL STATEMENTS
For the period from January 1, 2023, to December 31, 2023

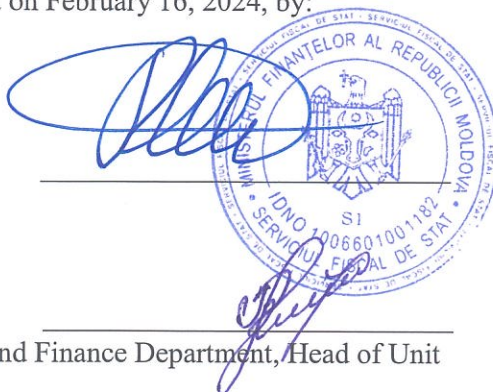
2 Designated Account Statement

	Period ended December 31, 2023 USD
Opening balance, January 1	-
Add:	
Sources of funds – IDA 5829-MD	-
	-
Less:	
Refund to IDA from DA during the period	-
Uses of funds	-
Funds transferred to project account USD	-
Exchange Rate Differences	-
Closing balance, December 31	-

	Period ended December 31, 2023 EUR
Opening balance, January 1	11,424
Add:	
	-
Sources of funds – IBRD 8625-MD	132,021
Funds received from account EUR	-
Less:	
Refund to IBRD from DA during the period	-
Uses of funds	142,506
Funds transferred to account EUR	-
Exchange Rate Differences	-
Closing balance, December 31	939

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Notes to the Financial Statements

1. GENERAL INFORMATION

The objective of the Project was to improve revenue collection, tax compliance and taxpayer services in the Republic of Moldova. Since September 2020, the objective is to support business survival and sustain employment in the context of the COVID-19 pandemic, through temporary tax relief, and improve taxpayer services in the Republic of Moldova. The Tax Administration Modernization Project (TAMP) became effective on January 25, 2017 and has its closing date on November 30, 2023.

The Project consists of the following parts:

Part 1. Tax Policy, Tax Administration Reforms, and Operational Development

Provision of financing for Eligible Expenditure Program to support the Borrower in increasing efficiency of the tax policy and tax administration, including strengthening the operational capacity of the State Tax Service of Moldova through, inter alia,

- (a) increasing nominal value of the specific and minimal excise rates for all tobacco products under tariff position 240220 for the year 2021 by at least 15 percent compared to the Excise Rates from 2020;
- (b) ensuring that supplies of goods by insolvent subjects are taxed with VAT on the reverse charge principle;
- (c) improving the usability of the STS website, through the launching of a single STS website which would, inter alia, (i) support to requirements of people with special needs; (ii) allow taxpayers to submit income statements electronically through their personal account created on the site; (iii) be synchronized with the state web sites through the automated information exchange (open data); (iv) have a new searching system which will reflect the final version of the legal documents, specifying all amendments and additions; and (v) have a feedback mechanism through the online (chat) assistance service;
- (d) strengthening the capacity of STS staff to deliver taxpayer services by developing a Manual on taxpayer services and training the STS staff on its use; and
- (e) developing and carrying out of an electronic taxpayer survey tool.

Part 2. Institutional Development

Provision of support for strengthening STS performance and service delivery, including through inter alia:

- (a) the purchase and installation of technical hardware and software to support the functioning of the existing and future IT and communication systems, and training equipment; (b) the carrying out of training activities; and (c) the carrying out of regular taxpayer satisfaction surveys; and (d) the technical development and establishment of the new STS's website with improved usability and broadened functionality to replace the two existing web-sites.

Part 3. IT Infrastructure and System Modernization

Provision of support for the purchase and installation of tax administration modernization tools, including the provision of relevant hardware and software, and training regarding, inter alia, its functions, management reporting and document management tools.

Notes to the Financial statements

1. GENERAL INFORMATION (continued)

Part 4. Management and Change Management

- (a) Carrying out of capacity building activities supporting the Borrower's change management process to implement the activities referred to in Parts 1, 2, 3 and 5 above, including: (i) the carrying out of awareness campaigns and training activities on the implementation of said reforms; and (ii) the establishment of a private sector advisory panel for citizen engagement; and
- (b) Project implementation, monitoring and evaluation including through: (i) the carrying out of the Project audits; and (ii) the financing of Operating Costs.

Part 5. Maintaining employment and business survival in the context of COVID-19 pandemic

Provision of support for the implementation of Government programs on granting subsidies for salaries and VAT refund to mitigate the negative fiscal impact of the COVID-19 pandemic. This Component has two Performance Based Conditions:

- (a) support sustaining business operations and employments levels in the context of COVID-19;
- (b) support establishing the relevant legal frameworks to efficiently and effectively implement the tax relief programs, introducing a public awareness campaign to ensure adequate information dissemination as well as optimum access by eligible beneficiaries, operationalizing grievance mechanisms and ensuring transparent reporting on the implementation of the programs.

Pursuant to the amendments signed to the Financing Agreements in September 2020, the Project was restructured into 5 major parts, as a result of including Part 5. The new structure of the Project consists of the following parts:

- Part 1. Support Tax Policy, Tax Administration Reforms and Operational Development
- Part 2. Institutional Development
- Part 3. IT Infrastructure and System Modernization
- Part 4. Project Management and Change Management
- Part 5. Maintaining employment and business survival in the context of Covid-19 pandemic

PROJECT FUNDING

IDA 5829-MD and IBRD 8625-MD financing agreements

The IDA 5829-MD and IBRD 8625-MD were signed between the Republic of Moldova and International Development Association and the International Bank for Reconstruction and Development on June 28th 2016, in amount of SDR 5,300,000 (equivalent of USD 7,420,000 at the historical exchange rate of 1.4 SDR for 1 USD) and USD 12,580,000, respectively. The financing agreements were signed in order to achieve the objective of the Project: to strengthen State Tax Service capacity through increased efficiency and effectiveness.

Notes to the Financial Statements

2. BASIS OF ACCOUNTING

These Financial Statements of the project are prepared solely for the purpose of complying with the terms of the IDA 5829-MD and IBRD 8625-MD Financing Agreements, signed between the Republic of Moldova and International Bank for Reconstruction and Development (“IBRD”) and the International Development Association (“IDA”). As a result, Financial Statements for the Project may not be suitable for another purpose.

The Financial Statements have been prepared in accordance with the basis of preparation and significant accounting policies described below.

(a) Basis of preparation

The Financial Statements have been prepared in accordance with the cash basis of accounting under the International Public Sector Accounting Standards (IPSAS).

The amounts are expressed in USD and EUR, and are prepared for the period from January 01st 2023 to December 31th 2023.

(b) Functional and presentation currency

The Financial Statements’ functional and presentation currency is the United States Dollars (USD) for IDA credit and Euro for IBRD loan.

The transactions performed in other currencies are converted and reported in USD/ EUR using the official exchange rate of National Bank of Moldova on the date of payment. Total funding has been accounted at the historical rate at the approval of the Project Financing.

The Undisbursed balance under the Credit IDA 5829-MD in the Financial Statement is calculated using the USD/SDR rate at the period end. The exchange rate of USD/SDR as at 31 December 2023 is 1.3400.

The Undisbursed balance under the Credit IBRD 8625-MD in the Financial Statement is calculated using the EURO/USD rate at the period end. The exchange rate of EUR/USD as at 31 December 2023 is 0.9009.

(c) Foreign currency difference

The foreign currency difference is determined as the difference between undisbursed balance of IDA-Credit available in SDR or IBRD-Loan available in EUR and translated in USD at the reporting exchange rate, total cumulative Project expenditures in USD (accounted in USD at the date of the transactions) and Total funding presented in USD at the historical rate (date when the Project has been approved).

(d) Designated Account (DA)

The Designated Account (“DA”), opened by the State Treasury at the National Bank of Moldova, is the account through which funds are received. Also, all payments for eligible expenses are made from this DA and if the payment is in local currency it is made through transitory account.

(e) Transitory accounts

The transitory accounts are held at State Treasury for the converted amount in MDL, since the payments within the country can be done only in the local currency (MDL). The conversion is made using the exchange rate of USD / EUR vs MDL published by the National Bank of Moldova at the date of payment.

Notes to the Financial Statements

2. BASIS OF ACCOUNTING (continued)

(f) Sources of funds (Funding)

The sources of funds (funding) are the amounts committed by the International Development Association and International Bank for Reconstruction and Development according to the financing agreements.

(g) Project expenditure (Uses of funds)

The uses of funds are the amounts spent for covering eligible expenditures for the needs of the Project and funds disbursed transferred to the Ministry of Finance for the achievement of Disbursement Linked Indicators, as defined by the credit and loan agreements.

These are recognized on a cash basis method.

(h) Undisbursed funds

Represents the balance of funds which are not yet drawn from the Sources of funds.

(i) Cash and cash equivalents

Total cash and cash equivalents comprises: cash and cash equivalents in banks drawn from the Sources of funds and which are not yet used for project expenditure.

TAX ADMINISTRATION MODERNIZATION PROJECT
IDA AGREEMENT 5829-MD / IBRD AGREEMENT 8625-MD
FINANCIAL STATEMENTS
For the period from January 1, 2023 to December 31, 2023

Notes to the Financial statements

3. WITHDRAWAL SCHEDULE

		Application amount SDR	Amount disbursed USD	USD
IDA 5829-MD				
Application No. 35		111,877	153,186	
Total disbursed during January 1st, 2023 – December 31st, 2023, period				(153,186)
Prior period disbursements				(7,224,407)
Total cumulative disbursed as at December 31st 2023				(7,377,593)
		Application amount EUR	Amount disbursed USD	USD
IBRD 8625-MD				
Application No. 007		25,500	27,854	
Application No. 008		52,521	57,484	
Application No. 009	Direct payment	115,545	126,273	
Application No. 012		54,000	59,152	
Total disbursed during January 1st, 2023 – December 31st, 2023, period				(270,763)
Prior period disbursements				(12,583,320)
Total cumulative disbursed as at December 31st 2023				(12,854,083)

TAX ADMINISTRATION MODERNIZATION PROJECT
IDA AGREEMENT 5829-MD / IBRD AGREEMENT 8625-MD
FINANCIAL STATEMENTS

For the period from January 1, 2023, to December 31, 2023

Notes to the Financial Statements

SUMMARY OF EXPENSES (SOE) SCHEDULE

<i>World Bank Number of the SOE</i> <i>IBRD 8625-MD</i>	Period January 1 st 2023 - December 31 st 2023 USD	Period January 1 st 2023 - December 31 st 2023 EUR	Period January 1 st 2023 - December 31 st 2023 Total USD
SOE reported to WB for the period January 1, 2023 to June 30, 2023	-	24,329	27,005
SOE reported to WB for the period July 1, 2023 to October 31, 2023	-	29,657	32,920
SOE reported to WB for the period November 1, 2023 to December 31, 2023	-	88,520	98,257
Uses of funds during 2023 – specific costs	-	142,506	158,182
Funds used in the prior periods – specific costs	1,347,153	-	1,347,153
Cumulative uses of funds – specific costs as at December 31st 2023	1,347,153	142,506	1,505,335

TAX ADMINISTRATION MODERNIZATION PROJECT
IDA AGREEMENT 5829-MD / IBRD AGREEMENT 8625-MD
FINANCIAL STATEMENTS
For the period from January 1, 2023 to December 31, 2023

Notes to the Financial Statements

4. SUMMARY OF ELIGIBLE EXPENDITURES UNDER DLI

<i>World Bank Summary of eligible expenditures under Disbursement Linked indicators Ministry of Finance and State Tax Service</i>	Period January 01st 2023 - December 31st 2023
	USD
IDA 5829-MD	
Funds disbursed to Ministry of Finance (recurring costs of MF)	153,186
IBRD 8625-MD	
Funds disbursed to Ministry of Finance (recurring costs of MF)	-
Uses of funds during 2023 - Eligible expenditures under Disbursement Linked Indicators	153,186
Funds used in the prior periods - Eligible expenditures under Disbursement Linked Indicators	18,451,807
Cumulative uses of funds Eligible expenditures under Disbursement Linked Indicators as at December 31st 2023	18,604,993

5. EXPENDITURE DETAIL BY ACTIVITY

	Period January 01st 2023 - December 31st 2023	Cumulative as at December 31st 2023
	USD	USD
IBRD 8625-MD		
Part 1: Tax Policy, Tax Administration Reforms and Operational Development	-	-
Part 2: Institutional development	19,884	83,326
Part 3: IT infrastructure and System Modernization	243,537	243,537
Part 4: Project Management and Change Management	23,016	48,569
Part 5: Maintaining employment and business survival in the context of COVID-19 pandemic	-	11,588,219
Total	286,437	11,963,651
IDA 5829-MD		
Part 1. Tax Policy, Tax Administration Reforms, and Operational Development	153,186	3,076,408
Part 2. Institutional Development	-	523,203
Part 3. IT Infrastructure and System Modernization	-	695,608
Part 4. Project Management and Change Management	-	42,746
Part 5. Maintaining employment and business survival in the context of COVID-19 pandemic.	-	3,039,628
Total	153,186	7,377,593
Total expenditures by project activity	439,623	19,341,244

Notes to the Financial Statements

5 EXPENDITURE DETAIL BY PROJECT ACTIVITY

On June 26, 2023, the report on achievement of Performance-Based Conditions (PBC 5.2) was provided "*Evaluation report on roll-out results for six months of implementation*" under PBC 5 "*Introduced an electronic taxpayer survey tool*" in accordance with the provisions of the conditions for PBC 5.2 set out in Schedule 2, Section IV.B of the Financing Agreement, and PBC 5 Part 1 "Tax Policy, Tax Administration Reform, and Operational Development", which disburses against PBCs, the corresponding amount of SDR 110,000.00 for PBC 5.2. The remaining amounts of SDR 1,674.63 for PBCs 1.1 to 1.3 and SDR 202.30 for PBC 4.2 per our Achievement Confirmation Letters dated January 22, 2021, and March 31, 2021, were withdrawn in a total Credit amount of SDR 111,876.93.

6. SUBSEQUENT EVENTS

During the period December 31st, 2023, and until the date these Financial Statements have been authorised for issuing, the following payments have been made:

	Amount	Amount	
	EUR	USD	USD
IBRD 8625-MD			
IT Infrastructure and System Modernization	88,520	98,257	
Total amounts paid during December 01st 2023 – January 31th 2024 period			98,257

After the date of the authorization for issuing of these Financial Statements, the following payments are planned to be made:

	Amount	Amount	
	EUR	USD	USD
TAMP Financial audit	4,500	4,995	
Total amounts to be paid after – January 31th 2024 period			4,995

The remaining balance of EUR 939, from Designated Account will be refunded to World Bank.