



The strategic development program of the State Tax Service for the years 2021 - 2023

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Content

<i>Acronyms</i>	3
<i>Introduction</i>	5
<i>I. Development vision of the State Tax Service (mission, vision, principles and values)</i>	7
<i>II. Profile of the State Tax Service</i>	8
Organizational chart of the State Tax Service.....	8
The staff of the State Tax Service.....	8
Financial resources of the State Tax Service	8
<i>III. The current situation</i>	9
SWOT analyses.....	14
<i>IV. Policy framework</i>	17
<i>V. Development objectives of the State Tax Service</i>	18
<i>VI. Program implementation, monitoring, reporting and evaluation</i>	31
<i>Annex</i>	32
The portfolio of the subdivisions within the State Tax Service	34
The budget of the State Tax Service.....	39
Strategic directions of the State Tax Service correlated with policy priorities at national and sectoral level	40

Acronyms

BPN/NPB	National Public Budget
CBTM/MTBF	Medium-term budgetary framework
CAN/NAC	National Anticorruption Center
CSI/CIS	Commonwealth of Independent States
DAI/IAD	Internal Audit Department
DAPGP/PPWMD	Public Procurement and Wealth Management Department
DCSI/CEID	Cooperation and Exchange of Information Department
DCFO/OTAD	Operational Tax Audit Department
DCFPO/POTAD	Post-Operational Tax Audit Department
DDI/IDD	Information Development Department
DEIF/ETID	Evidence and Tax Information Department
DGACM/LTAD	Large Taxpayers Administration Department
DGAF Centru/ GDTA Center	General Department of Tax Administration Center
DGAF mun. Chişinău/ GDTA Chişinău mun.	General Department of Tax Administration Chişinău mun.
DGAF Nord/ GDTA North	General Department of Tax Administration North
DGAF Sud/ GDTA South	General Department of Tax Administration South
DGC/ CGD	Compliance General Department
DGMIT/TFMGD	Taxes and Fees Methodology General Department
DGMPF/TPMGD	Tax Proceedings Methodology General Department
DMO/OMD	Organizational Management Department
DMRU/HRMD	Human Resources Management Department
DPI/IPD	Insolvency Proceedings Department
DSIA/ISACD	Internal Security and Anti-Corruption Department
FMI/IMF	International Monetary Fund
HG/GD	Government Decision
HP/PD	Parliament's Decision
IOTA	Intra-European Organization of Tax Administrations
IT	Information Technologies
mln	Million
PIB/GDP	Gross Domestic Product
PDS/SDP	Strategic Development Program
OCDE/OECD	Organization for Economic Cooperation and Development
SFS/STS	State Tax Service
SI/IS	Informational System
SIA/AIS	Automated Information System
SIA GEAP/ AIS MIPA	Automated Information System „Management and Issuance of Permissive Acts”
SIA CCDE/ AIS CCED	Automated Information System „Creation and circulation of electronic documents between the State Tax Service, banks and payment service providers - individuals”
SCITL/ LTFCs	Local Taxes and Fees Collection Service
SUA/USA	United States of America
TADAT	Tax Administration Diagnostic Assessment Tool
TAMP	Tax Administration Modernization Project

TVA/VAT
UE/EU

Value added tax
European Union

Introduction

The State Tax Service, over the last few years, has managed to carry out a multitude of important reforms, both structurally and operationally. The STS operates under the motto „*Tax official - in the service of the taxpayer*”, which involves, first of all, the development and provision of services, quality assistance based on innovative information technologies, respect and trust of taxpayers, efficient automated service, reduction the costs of fulfilling tax liabilities, the professionalism of employees and high standards of conduct.

The implementation of the Development Strategy of the State Tax Service for the years 2016 - 2020 highlighted the need to establish new and ambitious objectives in order to improve the tax administration's existing processes and procedures. The development level we have reached today reflects new development perspectives, and the current program comes to materialize these new horizons.

The Strategic Development Program of the State Tax Service for the years 2021 - 2023 describes the institution's activity directions in accordance with the medium-term public policy priorities, approved by the Government; plans in the medium term the institution's activity, describing how the public policy priorities stipulated in the national/sectoral/inter-sectorial strategic documents, for which the State Tax Service is responsible, will be achieved.

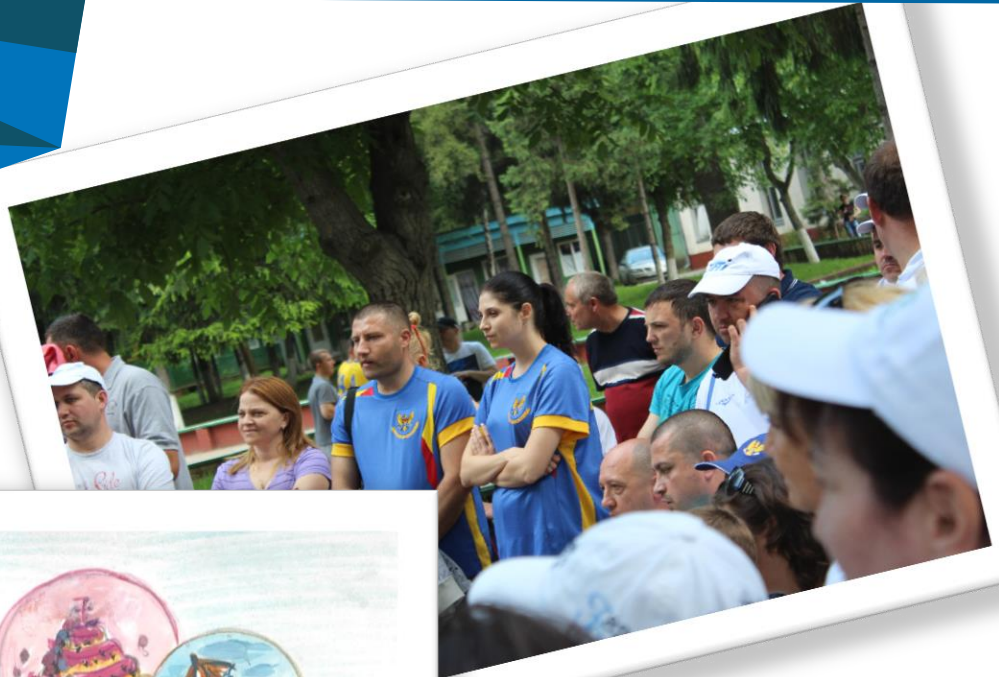
The Strategic Development Program of the State Tax Service for the years 2021 - 2023 was developed in accordance with the provisions of Government Decision no. 176 of March 22nd, 2011 on approving the Methodology for developing strategic development programs of central public administration authorities and the Guide on the elaboration of SDP. The program is the main document by which we identify ourselves, the central document from which derives all our actions in the medium term and as a result, represents: (i) the instrument of planning/prioritization of policies at the authority level, (ii) management tool for authority and (iii) communication tool both internally and externally.

The program is developed for a period of three years, and its implementation will be ensured by the operational (annual) planning of the activity, which will contain concrete measures to achieve the SDP, thus constituting its monitoring and evaluation tool.

This document was developed through a deliberate and inclusive process, involving the STS's employees, leaders, advisory groups, development partners and key stakeholders, including the Ministry of Finance. We designed this document so that we, the employees of the State Tax Service, can see our contribution to achieving the mission and set the key objectives that will guide our activity in the next three years.

Taxes - the price we pay for the possibility of living in a civilized society.

Oliver Wendell Holmes, Jr.



I. Development vision of the State Tax Service (mission, vision, principles and values)



Our mission is to ensure an efficient process of tax administration and service by creating conditions for taxpayers to comply with the law, uniform application of tax policy and regulations, ensuring the level of resources needed by the state to finance social projects and good development of the society, overall.



Our vision is to be a modern and performant, efficient and innovative tax authority that offers high quality services, by implementing simple and transparent processes, based on IT solutions and risk-based planning, meant to optimize the costs of tax administration, as well as to ensure the increase of voluntary compliance, by improving the collaboration relations and respecting the mutual commitments between the STS and taxpayers.



Our goal is to continuously promote the taxpayers spirit of voluntary compliance when declaring and paying tax liabilities, increase the tax administration's performance degree in order to strengthen the functioning and development of the state to meet socio-economic needs and provide taxpayers with qualitative tax services according to good European practices.



Principles and values of our vision's foundation are:

Respect - tax officials treat all taxpayers objectively, impartially and in accordance with the law in force;

Legality - all our employees work in strict compliance with the tax law, so as to ensure that all taxes and fees are paid correctly and on time;

Transparency - our results are public and can be monitored and controlled by the citizens and interested authorities, in accordance with the legislation in force;

Performance - the activity is carried out according to the highest parameters of professionalism, in order to meet the public interest, in conditions of economy, effectiveness and efficiency;

Professionalism and integrity - the feeling of dignity and justice is the fundamental support in exercising tax officials work duties. We exercise our duties correctly, honestly, professionally and we are aware of our responsibilities.

II. Profile of the State Tax Service

Organizational chart of the State Tax Service

The State Tax Service aims at the continuous improvement and enhancement of tax administration processes and procedures. The structure of the STS is also adapted to the development's needs and objectives. On January 1st, 2021, the State Tax Service operates on the basis of an optimized structure, which includes:

- The central apparatus, responsible for the methodological aspects, for planning, support, management, but also for the administration of the large taxpayers;
- 8 general departments of tax administration (North, South, Center, Chișinău mun., Arrears, Anti-fraud, Operational Tax Audit și Post-Operational Tax Audit);
- Departments of service and services provision to taxpayers at regional level.

Actual broad organizational chart is presented in annex no.1.

The staff of the State Tax Service

The employees of the State Tax Service represent the basic resource we have. Thus, our development is directly proportional to the performance and professionalism of each employee. The staffing limit set for the STS is 1 931 staff units. As of 31st of December 2020, within the STS there are actually employed 1 695 civil servants, the average age of employees being the lowest in the last nine years, at around 40 years.

The capacities related to the human resources of the STS are presented in the tables in annex no.2, and the distribution of the units according to the structure, as well as the mission of each subdivision is presented in annex no.3.

Financial resources of the State Tax Service

The State Tax Service, as a public authority, carries out its activity based on the financial resources allocated annually in accordance with the State Budget Law. In 2020, the State Tax Service used budgetary resources in the amount of MDL 530.72 million. The cost of the tax administration to one MDL of revenues accumulated at NPB for the year 2020, is MDL 0.013. The trend of recent years shows that, although the expenditures recorded by the STS are slightly increasing, the amounts of revenues accumulated by the STS to the budget have also increased. The costs of tax administration in recent years are presented in diagram no.1. The detailed information related to the budgetary allocations are presented in annex no.4.

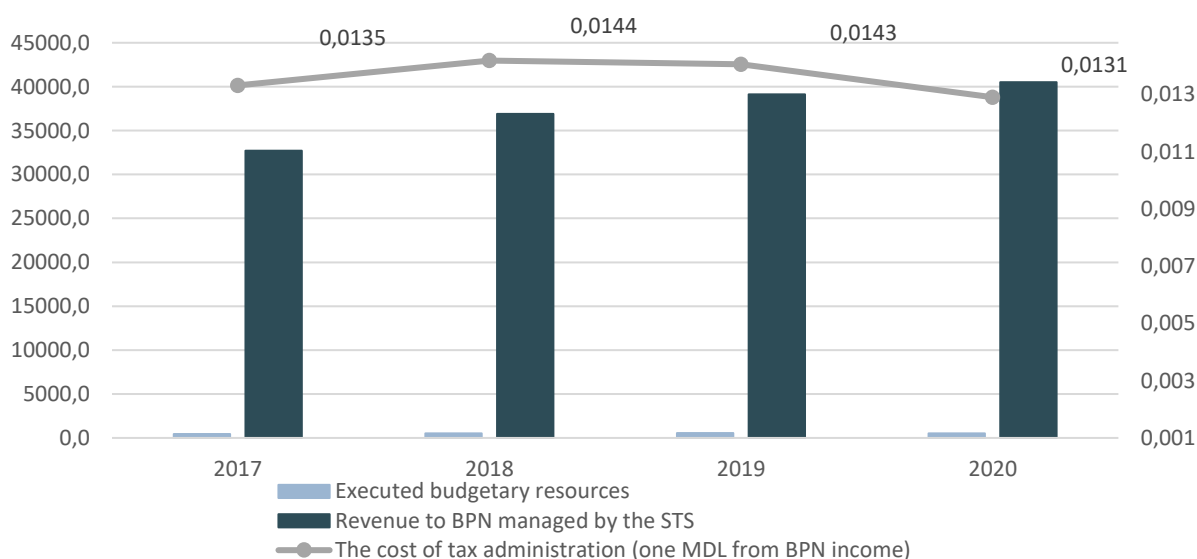


Diagram no.1. The cost of tax administration to one MDL of income accumulated at NPB

III. The current situation

The year of 2016 was the reform year for the STS, not only because of the approval of a series of strategic documents of major importance such as the STS Development Strategy for 2016-2020, the STS IT Development Strategy for 2016-2020, the Communication Strategy of the STS for the years 2016 - 2018, the STS Professional Development Strategy for the years 2017 - 2020, but also due to the implementation of the Project for the preparation of the TAMP Tax Administration Modernization Project and the conclusion of the related financing and loan agreements, as well as the approval of Law no.281 of 16th of December 2016 by which the reorganization of the Main State Tax Inspectorate and the absorption of the territorial state tax inspectorates took place, with implementation from 1st of April 2017.

Therefore, the year of 2017 was marked by an extensive reorganization process that contributed to the strengthening not only of institutional capacities, but also had a major impact on both taxpayers and the entire financial management system.

Thus, the unitary system of tax administration allowed the standardization of the services offered to the taxpayers. Through these new management mechanisms, we focused our activities on standardizing the service process, with a friendly and open approach to all taxpayers.

In 2018, the attributions of the STS were extended, so that, starting with October 1st following the amendment of the Code of Criminal Procedure, the State Tax Service was invested with the attribution of finding crimes (provided in certain articles of the Criminal Code). These legislative changes come to optimize, in the long run, the criminal investigation processes at national level.

The year 2020 was also marked by the strengthening of institutional capacities. Thus, by Law no. 188 of September 11th, 2020 on amending some normative acts, the State Tax Service was invested with the attribution of criminal investigation and investigation of crimes given in competence according to the Code of Criminal Procedure. Also, starting with July 1st, 2020, in order to centralize the arrears management function, we created the Arrears Tax Administration General Department.

At the same time, we have taken measures to centralize the post-operational and operational tax audit functions, to exercise the function of criminal investigation and special investigation activity, as well as the attributions in the field of taxpayers tax registration and the State Tax Register management. The new structure has been operational since January 1st, 2021.

Starting with January 1st, 2021, the Anti-Fraud General Department was created as a structural subdivision of the State Tax Service, being assigned the functions of criminal investigation and special investigation activity for some economic crimes provided according to the provisions of the Criminal Code. Also, starting with July 1st, 2021, the new structure of the STS will enter into force, being centralized the functions of legal assistance and management of confiscated assets, by creating the Legal Expertise General Department of and the Confiscated Assets Management Department.

Also, aware of the need to standardize activities within the new centralized structure, during the years 2017 - 2018, we provided the description and mapping of tax administration processes. This allowed the detection and elimination of existing gaps in the activity, the standardization of tax administration procedures and processes, as well as the streamlining of taxpayer service processes. The catalog of processes is continuously updated and completed in accordance with the normative and procedural changes that take place in tax administration.

The reform of the institution has given tangible results to the achievement of performance indicators on revenue collection to the budget. The revenues accumulated to the national public budget, which we manage, in the year of 2020 registered an increase of 47% compared to 2016. Our capacity to ensure the collection of budget revenues, tends to increase, as it can be seen in the diagram no. 2.

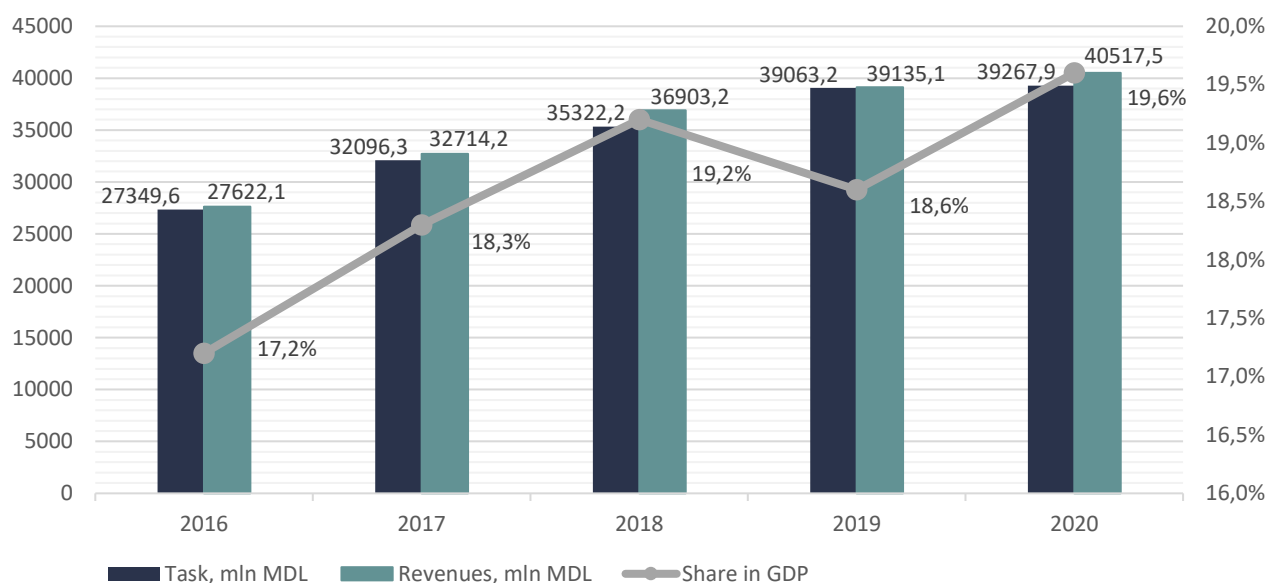


Diagram no.2. The evolution of the revenues at NPB administered by the STS and their share in GDP during the years 2016 - 2020

Efficient collection of taxes and fees is a cornerstone of an efficient budget system, and voluntary compliance is for us the priority tool for ensuring revenue. During the years 2016 - 2020 we strengthened our relations with taxpayers by implementing their annual Compliance Programs. Thus, we focused our efforts on complying with taxpayers in the segments of the national economy with the highest risks of non-compliance, such as construction, agriculture, public catering services, etc. The 2018 Compliance Program also included an innovative compartment, namely individuals subject to income estimation by methods and from indirect sources. We also pay more attention to the undertaking of actions to reduce the phenomenon of „envelope” salaries and „undeclared” work. Thus, for example, the share of taxes and fees paid at one MDL sold for 2020 compared to 2019 increased by 30%, and compared to 2016 - an increase of 66%.

Between 2016 and June 30th, 2021, we continued the initiatives to automate the processes related to tax administration by developing new systems and offering taxpayers new services, including:

- AIS „Case management system”, the module „Tax audit – legal entities” stage I (2018) – allows the formation, storage, evidence and analyses of documents and actions within the tax audit performed on legal entities. AIS „Case management system” is a complex information project, for this reason we have not yet reached the level of development we wanted and this strategic development exercise will ensure progress in implementing the system;
- AIS „e-Application” developed over the years by the State Tax Service, is an information solution designed to replace the traditional procedure of submitting applications by the taxpayers with a modern mechanism based on information technologies. Thus, the system allows the electronic processing of applications submitted online by the taxpayers and the

issuance of certificates by the State Tax Service using the electronic signature to: perform/postpone tax audits; modification of the tax period; tax liability extinguishment by compensation and/or financial means refund; registration of contracts for the leasing of real estate by individuals; online registration of taxpayers/subdivisions; issuance/prolongation of entrepreneurial patents, etc.;

- The module „Single account” within the AIS „Taxpayer’s single account” (2018) – allows the payment of tax liabilities through a single instrument. In 2019 the „Single account” module was integrated with the MPay governmental service which allows the payment of tax liability through a single instrument;
- The AIS „Management and issuance of the permissive acts” upon issuance of the Registration Certificate as a technical assistance center for cash registers (MCC) with fiscal memory (2018) – provides the issuance certificate service via the AIS GEAP, which is a single window for issuing permissive acts that is held by the Public Services Agency;
- Income tax refund application through the AIS „Electronic return” – offers the possibility to submit online the application for income tax refund paid/withheld in addition to individuals who do not carry out entrepreneurial activity;
- The AIS „Tax liabilities extinguishment through LTFCS” (2017) – aims to optimize the process of organisation and record of tax liabilities related to taxes and fees administered by the local tax collection services. In 2020 we launched the AIS „Tax liability extinguishment through LTFCS – version 2.0”;
- The AIS „Creation and circulation of electronic documents between the State Tax Service, banks and payment service providers – individuals” (2018) – allows the electronic transfer of information by the banks and payment service providers of information confirming the opening, modification or close of bank accounts by individuals. In 2019 the module „Creation and circulation of electronic documents between the State Tax Service, banks and payment service providers – individuals” within the AIS CCED was updated and offers the possibility to record information received from the banks and payment service providers about the opening, modification and closure of bank/payment accounts of foreign individuals and legal persons who do not have taxable objects, do not have tax liabilities and are missing from the information system of the STS, including for resident individuals who have a temporary identity card. In 2020 we launched for experimental operation the AIS „Enforcement mandates register” which aims to ensure the IT and information needs of the actors involved in the procedures for enforcement of claims based on public law provisions under the Administrative Code;
- The AIS „Electronic service for individuals citizens for the payment of taxes and fees” (2019) – instrument through which the taxpayers have the possibility to transfer through a single payment note, the full amount for the payment of all taxes and fees;
- The AIS „e-Invoice” within the public procurement, which ensures deliveries by businesses within public procurement on the territory of the country, only with the use of the electronic tax invoice (2020);
- The AIS „e-Commerce-VAT” (2020), with the following modules: the subject registration module, tax liability return module and the module for recording tax liabilities, which allow non-resident taxable persons to register and submit online VAT returns, while ensuring an electronic record of their liabilities and payments;

- The AIS „Electronic cabinet of the taxpayers” (2020) which allows taxpayers online access to the electronic tax services and management of access to services;
- The AIS „Electronic sales monitoring” stage I (2020), which provides services for entrepreneurs, public authorities and citizens and covers all organizational, functional and technical aspects in the field of sales records and monitoring in the Republic of Moldova. Also, on 25th of June 2021 there was launched the AIS „Electronic sales monitoring” stage II;
- The AIS „Electronic register of the employees” in the budgetary sector (2020) launched for experimental operation within the following public institutions: the Ministry of Finance and subordinated institutions or in which it has the quality of founder, the Ministry of Health, Labour and Social Protection, National House of Social Insurance and the National Medical Insurance Company which contributes to improving the process of employees' evidence.
- The new web page of the State Tax Service (2021), a portal with a multidimensional, dynamic and intuitive structure in which the latest trends in the field of interaction with the users and exposure of multimedia elements have been implemented.

Also, in the first semester of 2021, there was launched the system for assessing taxpayers' satisfaction with the services provided by the State Tax Service in the piloting process, an important step in identifying the needs of taxpayers and also improving the quality of their service.

Electronic tax services are gaining popularity among taxpayers. Thus, according to the annual national survey „Perception, assimilation and support by the population of the e-Government and the governmental services modernization”, published by the I.P. „Electronic Government Agency” in 2020, tax services are in the top of the most accessed services by the respondents (32,8%)¹.

In order to develop our skills in the field of IS audit, we benefited, during two assistance missions, from the support and expertise of the experts from the International Assistance Program of the US Treasury Department. It is worth mentioning that the State Tax Service constantly applies the national standards of internal audit, offering recommendations to increase the efficiency of processes, recommendations that, for the most part, are implemented by the STS structures.

The independent survey conducted by the S.C. Magenta Consulting S.R.L. in 2018 at national level to assess the level of taxpayer's satisfaction, reveals that about 69% of individuals surveyed (1026 respondents)² and 76% from the legal entities (549 respondents)³ are satisfied with the services we offer. According to 73% of individual respondents and 87% of legal respondents, our employees, with whom they interacted, were kind and expressed a desire to help. At the same time, among the difficulties encountered by respondents were those related to the online submission of returns, so that about 35% of legal entities mentioned that these are difficult to load or in some cases not loaded at all, especially on the day of submission deadline. In this field, we continue to aim to develop electronic services and make them useful for taxpayers.

¹ The annual national survey „Perception, Assimilation and Support of the e-Government and Public Services Modernization by Citizens of the Republic of Moldova”, conducted by the Center for Sociological Research CSB-Research <https://www.egov.md/en/resources/polls/raportul-analytical-of-the-national-annual-survey-2020>

² Report on the level of satisfaction of individuals towards the services and activity of the State Tax Service https://sfs.md/uploads/files/Docs/cooperare-internationala/proiectul-tamp/Comunicate_de_presa_fizice02-05-2019.pdf

³ Report on the level of satisfaction of legal entities towards the services and activity of the State Tax Service https://sfs.md/uploads/files/Docs/cooperare-internationala/proiectul-tamp/Comunicate_de_presa02-05-2019.pdf

During the years 2016 - 2020 we managed to advance 45 positions - from 78th place in 2016, to 33rd place in 2020, in terms of „Payment of taxes” in the ranking of „Doing Business” made by the World Bank. The trend of improvement was determined by the introduction of the electronic tax return system, the online payment of taxes and the number of tax returns reduction.

These results (33rd place at the „Payment of taxes” chapter) contributed to the qualification of the Republic of Moldova in the last ranking on the 48th place, out of a total of 190 countries, ahead of neighboring countries - Romania with 7 positions and Ukraine with 16 positions.

We currently have the support and assistance of development partners such as the World Bank, the International Monetary Fund, the US Treasury Department and the Swedish Tax Agency.



The TAMP tax administration modernization project is implemented with the support of the World Bank. The project was started in 2017 and is in progress (the restructuring of the project took place in 2019 and 2020). Thus, the development objective of the project and the concept has been modified and refers to

„supporting business survival and supporting employment through temporary tax facilities in the context of COVID-19 and improving the services provided to taxpayers in the Republic of Moldova”.

As a support activity for the implementation of the TAMP Project, within the International Assistance Program of the US Treasury Department, during the years 2017 - 2020, the State Tax Service received technical support and assistance, especially in: elaboration of the Taxpayer Service Strategy, Taxpayer Service Manual and conducting communication training with taxpayers in the exercise of tax management functions by tax officials, development and description of the Operational Manual on Arrears Management, improvement of the Tax Audit Manual and audit of the information technologies, as well as other support activities. The program is continued in 2021, ensuring the consolidation of the established objectives.



In September 2018, a new cooperation project was launched with the Swedish Tax Agency for the period 2018 - 2021. The project is funded by the Swedish Agency for International Cooperation and Development. The objectives

of the cooperation project are to develop human resource management capacities, to strengthen capacities for the international exchange of information and to improve the tax arrears management.

With the support of the International Monetary Fund, the State Tax Service had successfully implemented the Revenue Management Project funded by the Government of the Netherlands which focused on two general objectives: 1) strengthening the tax administration management and organizational arrangements and 2) strengthening the tax administration's basic functions. During the years 2017 - 2020, considerable results were achieved, among which: the restructuring of the State Tax Service, the establishment of the ascertaining tax fraud function, but also operational activities to consolidate the main functions of tax administration. In the context of the project, there have been carried out works to clean the taxpayers' register, eliminate inactive taxpayers and invalid entities, as well as develop the concept of the new state tax register, but also the employees' register, which will ensure the integrity of the taxpayers' database with all current information for tax purposes.







Based on the results obtained within the project, starting with 2021, the State Tax Service implements a new technical assistance project "Strengthening fiscal governance in the EU's Eastern Partnership countries - stage II", focused on further development and improvement of tax administration functions.

On a medium term, achievement of the State Tax Service Development Program objectives for 2021-2023 may be influenced by the emergence and amplification of some disturbances generated by the internal or external factors, the COVID-19 impact on the economy of the Republic of Moldova, but also drought, which in 2020 severely affected the branch of national agriculture. In order to be prepared to prevent and respond to the risks associated with the unpredictable situations, the State Tax Service approved the Plan for the continuity of the STS activity in exceptional situations (the STS Order no. 330 of June 30, 2020).

The proposed medium-term objectives are some potential ones, the development's success being largely dependent on the resources availability (human, technological, financial) and on the national and regional conjunctures (Government's support, uniformity of reforms). Thus, the strengths and weaknesses (the internal factors framework), but also, the opportunities and threats (the external factors framework) that we identified at the elaboration stage of this management document are described in the following scheme:

SWOT analyses

 Strengths	 Weaknesses
<ul style="list-style-type: none"> • Restructuring the STS and unifying the tax administration; • The work processes described and adapted to the new organizational structure; • High capacity to manage the receipts at BPN, according to the established tasks; 	<ul style="list-style-type: none"> • Lack of a fully integrated information system; • Lack of reliable taxpayers register; • Program to raise and improve the quality of the tax administration and audit that needs improvement; • Reduced capacities in the project management implementation;

<ul style="list-style-type: none"> • High level of compliance with the internal audit national standards; • Efficiency in collecting taxes and fees and reducing tax evasion through compliance programs based on risk analysis; • Activities to ensure and maintain a high level of institutional integrity carried out continuously; • High capacity to absorb technical assistance provided by the external donors; • Institutional risk management system developed and implemented; • Implemented training and guidance program for human resources/leaders; • Implemented and developed performance evaluation system; • Efficient internal communication channels; • Increased capacity of response to illegal actions. 	<ul style="list-style-type: none"> • Insufficient mechanism for controlling and ensuring the quality of work and information security through remote work; • Workspace not fully adapted to the development capabilities; • Lack of a tool to assess the taxpayer's satisfaction level with the services provided by the STS; • Insufficiently outlined quality and service standards; • Insufficient practices to investigate complex cases of economic and tax evasion.
 Opportunities	 Threats
<ul style="list-style-type: none"> • Civil society support for streamlining and modernizing tax administration; • Support from external donors in promoting and implementing tax administration reforms; • The possibility of improvement, under the OECD Convention, the exchange of information with other states in order to identify individuals or legal persons, which avoid reporting the income and pay the taxes; • Strengthening the criminal prosecution processes at national level as a result of the investment of the STS with the function of ascertaining and prosecuting crimes; • Facilitating the exchange of the governmental data with other connected institutions through the resources provided by the I.P. „Electronic Governance Agency”; 	<ul style="list-style-type: none"> • Instability and/or ambiguities of the legislative framework in the tax field; • Reduced flexibility in the part related to the tax legislation modification; • Cyber security high sensitivity at national level; • Complexity high degree of tax evasion schemes; • Changing governance priorities.



<ul style="list-style-type: none">• Efficient communication and support of the Ministry of Finance in promoting tax reforms;• Continuous and up-to-date information the public on the activities carried out, including through the official website and through the external communication channels use.	
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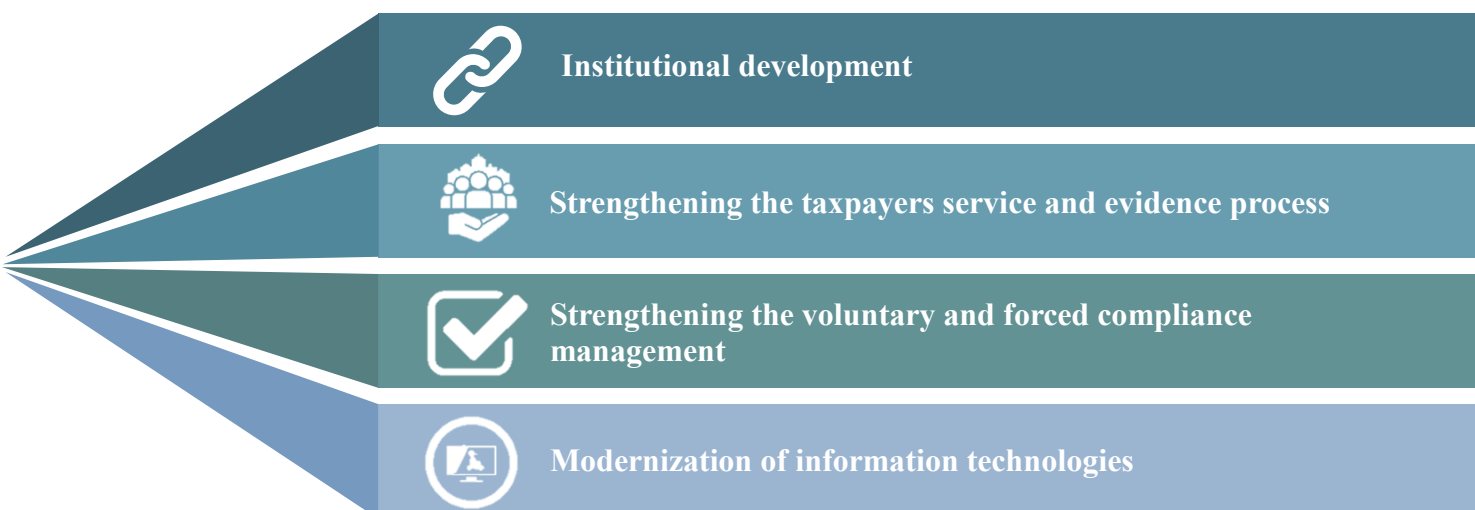
IV. Policy framework

Our development is closely linked to the development of the whole state, in general, and of the administrative system, in particular. The State Tax Service has medium and long-term responsibilities and commitments stipulated in various national and sectoral development documents further to be fulfilled.

Thus, in order to ensure our strategic orientation in light of the national objectives, we have formulated the general directions that we must achieve. Their correlation with the policy priorities is presented in Annex no.5.

V. Development objectives of the State Tax Service


Taking into account the progress we have achieved so far, as well as the responsibilities and obligations at national and sectoral level that the State Tax Service has, for the next three years we have set the following development objectives:



These priority directions are addressed in the light of the pressing issues we face as an institution, but also society in general, including those caused by the COVID-19 pandemic. We want that our measures to have not only a fiscal impact, but also an administrative, economic, environmental, social one:

- ✔ increasing the of taxpayers degree of voluntary compliance;
- ✔ increasing the tax revenues administered by the State Tax Service;
- ✔ high level of fiscal discipline among taxpayers;
- ✔ predictability in fiscal policy;
- ✔ high level of transparency in the activity;
- ✔ increased confidence of business and citizens in the tax institution;
- ✔ high level of response to the people with disabilities needs;
- ✔ efficient and effective institutional management;
- ✔ information capabilities to respond to and corespond to taxpayers' requests;
- ✔ personalized approach of different groups in the interaction with the tax authority;
- ✔ intact environment with zero tolerance for corruption incidents;
- ✔ increased level of satisfaction and physical and mental safety of employees;
- ✔ reducing the time to comply with tax liabilities;
- ✔ ensuring respect for fundamental human rights.

In this sense, we have set development goals according to the table below.


SDP objective	Performance indicator/s	Responsible ⁴	Implementati on period	Instruments	Note on funding	Capacity requirements
1	2	3	4	5	6	7
 General objective 1: Institutional development						
1.1. Streamlining the organizational structure of the STS by centralizing positions	- positions of legal assistance and expertise, management of centralized confiscated assets; - functional and optimized structure	OMD	2021 – 2023	- reorganization plan; - Order regarding the structure; - performance report	State budget	Knowledge in the field of change management
	-single headquarters of the functional STS	PPWMD	2023			
	- cost of tax administration of 0.011 per one MDL of income accumulated at NPB	OMD				
1.2. Improving the internal managerial audit system able to ensure the implementation of policies in the tax field as a result of carrying out internal audit missions, as well as maintaining a high level of compliance with the internal audit operations	- the level of the followed recommendations implementation by at least 85%; - the overall satisfaction level of the audited units towards the audit services provided by at least 75%; - optimized information systems and applications as a result of their audit in accordance with the National	IAD	2021 – 2023* ⁵	- audit missions; - program to ensure and improve the internal audit activity quality within the STS	State budget	In-depth knowledge in the field of information systems audit; Exchange of experience for taking over best practices

⁴ Note: In the context of possible structural changes during the implementation of the SDP, if other changes will not require its revision, the included objectives are to be automatically transferred to the responsibility of the structure that took over the related function/attribution.

⁵The implementation period marked with an asterisk (*) indicates that the indicators are to be achieved annually during the implementation of the Development Program of the State Fiscal Service for the years 2021 - 2023

	Internal auditing standards and international best practices; – level of compliance with the national internal audit standards of 90%					
1.3. Improving the internal managerial audit system by establishing an efficient risk management system to ensure compliance with the principles of good governance	<ul style="list-style-type: none"> - at least 90% of the critical risks related to the processes managed by the STS are properly documented (identified, passported and evaluated) taking into account the internal methodology as well as the performance criteria related to the TADAT evaluation system; - evaluation of the STS according to the TADAT methodology performed 	Risk Committee	2021 – 2023	<ul style="list-style-type: none"> - risks passportization; - business processes description; - annual self-assessment of internal managerial audit 	State budget	Knowledge in the field of risk management; Taking over international best practices related to the human capital risk management
	<ul style="list-style-type: none"> - STS certification process with at least one international ISO quality certificate initiated 	OMD				
1.4. Improving the human resources management system	<ul style="list-style-type: none"> - leadership consolidation mechanism within the implemented STS; - training activities without additional budget carried out at the level of 90% according to the approved annual plan 	HRMD	2022 – 2023	<ul style="list-style-type: none"> - concept; - internal normative act 	State budget	Knowledge of data collection and analysis and completion of questionnaires
1.5. Ensuring the optimal working conditions for the officials of the consolidated structure of the State Tax Service	<ul style="list-style-type: none"> - renovated STS headquarters; - 100% of renovation and arrangement works carried out from those for which budgetary resources have been allocated 	PPWMD	2021 – 2023	<ul style="list-style-type: none"> - procurement of equipment and materials; - repair works 	State budget; the TAMP project	Negotiation skills


	<ul style="list-style-type: none"> - system for monitoring and evaluating the capacity to perform the established tasks 	IDD				
	<ul style="list-style-type: none"> - assured process of replacing hardware equipment that meets the needs of the STS 	OMD	2021 – 2023			
1.6. Improving the climate of institutional integrity and taking steps to minimize the corruption's degrading effects	<ul style="list-style-type: none"> - applied measures to ensure the climate of institutional integrity; - annual institutional integrity survey 	ISACD	2021 – 2023	<ul style="list-style-type: none"> - approved normative acts / internal procedures; - electronic tool for assessing the degree of taxpayer satisfaction; - anti-corruption plan 	State budget	Knowledge of national legislation in the field of integrity and anti-corruption
	<ul style="list-style-type: none"> - anti-corruption plan implemented at least 90% 	OMD				
1.7. Ensuring the exchange of information with tax administrations of other states	<ul style="list-style-type: none"> - automatic exchange of information on financial accounts with foreign tax administrations under the OECD Framework Convention "Multilateral Agreement of the Competent Authorities for the Automatic Exchange of Information on Financial Accounts"; - assured exchange of information in accordance with the Protocol on the exchange of information in electronic form between the CIS Member States 	CEID	2021 – 2023	<ul style="list-style-type: none"> - adjusted regulatory framework; - OECD recommendations 	State budget	Knowledge in the field of automatic exchange of information with other states; Skills in knowing the language of international circulation
1.8. Strengthening international cooperation	<ul style="list-style-type: none"> - support and assistance for 100% of the activities 	OMD	2021 – 2023*	<ul style="list-style-type: none"> - action plan; 	State budget	Project management skills;

relations and implementing the objectives set in the development projects carried out with the support of the development partners	requesting assistance provided to the experts and employees of the STS involved; - reports prepared and presented to the top management; - the project results matrix monitored and presented annually to the STS topmanagement - the TAMP project implemented			- missions of foreign experts;- implementation reports		Communication skills in international languages
 General objective 2: Strengthening the taxpayers service and evidence process						
2.1. Increasing the quality of services for taxpayers, including electronic services	- 10% increase in the share of electronic services in total tax services; - the share of electronic returns at the level of 85% in total returns submitted; - evaluation of the STS as a service provider; - 100% electronic services integrated on the new official website of the STS	IDD	2021 – 2023	- tax services reengineering; - integrated government services; - methodology for reengineering and capacity assessment - survey on electronic services quality	State budget	Abilities to apply the reengineering methodology
2.2. Improving taxpayers' service capacities	- satisfaction degree of the individual and legal taxpayers increased by 5% compared to the reference data ⁶ ;	OMD	2021 – 2023	- generalized basis of fiscal practice; - taxpayer service strategy;	State budget	Knowledge on developing quality standards;

⁶ The reference year is 2018, the year in which the independent survey was conducted by the S.C. Magenta Consulting S.R.L. https://sfs.md/uploads/files/Docs/cooperare-internationala/proiectul-tamp/Comunicate_de_presa02-05-2019.pdf; https://sfs.md/uploads/files/Docs/cooperare-internationala/proiectul-tamp/Comunicate_de_presa_fizice02-05-2019.pdf


	- identified standard cost estimation procedure			- electronic tool for assessing the taxpayer's degree of satisfaction		Survey organization skills; Analysis and interpretation skills of the survey results; Knowledge of the regulatory framework on issues of physical and mental disability
	- implemented system for directing taxpayers requesting service through vouchers or pre-programmed; - quality standards of the elaborated tax services	IDD				
	- at least four annual taxpayer surveys	CEID				
	- improved process of the people with disabilities inclusion; - report on respect for the rights of taxpayers people with disabilities, on accessibility and non-discrimination prepared and presented to the top management of the STS	SOAMGD (Service Organization and Arrears Management General Department)	2021 – 2023	- Taxpayers service strategy for the years 2021-2026	State budget	Knowledge of national legislation in the field of social inclusion
2.3. Improving communication skills with taxpayers	- 7.1 million visits to the STS website - educating young people in the tax field by conducting annual trainings among students	CEID	2021 – 2023	- communication strategy; - popularization campaigns; - new STS website; - information materials	State budget; TAMP project; Interinstitutional cooperation project between the STS and FTA (foreign tax administrations)	Customer-oriented communication knowledge and skills; Social media marketing knowledge and skills

2.4. Improvement the taxpayers and tax revenue evidence procedures	<ul style="list-style-type: none"> - Developed state tax register; - Implemented Electronic register of the employees in the budget and real sector; - Implemented AIS "Electronic sales monitoring" 	IDD	2021 – 2023	<ul style="list-style-type: none"> - exchange of experience; - instructions, guides; - contract with the technical-technological administrator of the IS of the STS 	State budget	Knowledge and skills in project management; Prioritization and negotiation skills
2.5. Ensuring the obtaining and evidence of data on contravention fines applied by all legally authorized entities	- implemented AIS "Register of contravention fines"	IDD	2021	- informational system	State budget	Knowledge and skills in project management
2.6. Improving tax legislation	<ul style="list-style-type: none"> - amendments to the Tax Code promoted (uniform tax regime of payments made by the employer for the benefit of employees, express regulation of the taxable nature of non-residents' incomes, exclusion from the road tax system of tolls for motor vehicles registered in the Republic of Moldova, with the simultaneous increase of the rate of excise duty on petroleum products, the determination of the subjects of the taxation of the real estate tax according to the situation from January 1st of each management period); - proposals for adjusting the regulatory framework in line 	TFMGD	2022 – 2023	<ul style="list-style-type: none"> - draft legislative acts; - legislation 	State budget	Knowledge of good practices in the field of tax administration

	with international good practice in order to broaden the scope of VAT for cross-border sales of goods, made on electronic platforms in B2C format; – elaborated single mode of tax administration, including taking to tax evidence, related to the activity practiced in any organizational-legal form by the natural persons					
 General objective 3: Strengthening the management of voluntary and forced compliance						
3.1. Increasing the taxpayers voluntary compliance when reporting and paying tax liabilities fully and timely.	– identified fiscal gap for the most relevant segments of the national economy; – implemented measures to reduce the fiscal gap; – control resources redirected from activities with a low risk of non-compliance to vulnerable segments with a high risk of non-compliance; – annual increase by 25% of the share of taxes and fees calculated at one MDL sales as a result of compliance actions.	CGD	2021 – 2023	- analytical notes; - compliance program	State budget	Knowledge of good international practices in the management of the fiscal gap; Knowledge in determining the compliance time
	- Compliance strategy for high-income individuals implemented at at least 70%	LTAD				
	- the record of the Producer and Domestic Producer	IDD	2021			

	Declarations provided within the AIS " LTFCS "					
3.2. Improving the efficiency of the non-compliance risk management system, including in terms of accomplishing the task of finding crimes, prosecuting and special investment activity	- developed automated system for assessing the risks of tax non-compliance	IDD	2021 – 2023	- information system; - tax audits	State budget	Ability to analyze and identify the risks of tax evasion and liabilities non-fulfillment to the budget
	- 95% resultant audits; - 85% amounts collected as a result of audits from the total amounts calculated (<i>except for those calculated by the estimated method, contested at the STS or in court, amounts reduced as a result of examining the appeal and amounts reduced according to art.234 (2) of the Tax Code</i>); - implemented tax compliance measures on the high risk segments	CGD				
	- developed information system of the STS to respond to the information needs in fraud detection and investigation; - implemented reports generating information available in the IS of the STS relevant for the frauds detection	DDI	2021 – 2023	- adjusted information systems	State budget	Developed analytical skills
	– developed case management system	DDI	2021 – 2023	- information systems;	State budget	

3.3. Strengthen audit processes and procedures within the STS	<ul style="list-style-type: none"> - form for evaluating the tax audit quality implemented within the developed case management system; - streamlined audit processes and procedures by methods and indirect sources 	TPMGD		<ul style="list-style-type: none"> - exchange of information; - adjusted normative framework 		<p>Knowledge and skills in project management;</p> <p>Capacities to take over the good practices of tax administration;</p> <p>Knowledge in evaluating the audit quality;</p> <p>Knowledge and skills in the use of indirect sources of information</p>
3.4. Increasing the efficiency of revenue collection and debt management processes	<ul style="list-style-type: none"> - revenues collected at the level of 100% of those forecasted; - 6.48% share of tax arrears in total revenues administered by the STS; 	ETID	2021 – 2023	<ul style="list-style-type: none"> - reports with reference to the analysis of revenue receipts administered by the STS; - informational system 	State budget	<p>Knowledge of good income forecasting practices;</p> <p>Abilities to implement effective arrears recovery measures</p>
	- improved process of the confiscated assets evidence and management	TFMGD				
	- the “Claim recovery” module within the adjusted AIS “Case management system”	IDD				
3.5. Ensuring the monitoring and collection of tax liabilities of debtors in the insolvency process	<ul style="list-style-type: none"> - management and evidence process of current and historical payment liabilities paid by taxpayers in the procedure of the developed enterprise restructuring plan; - developed AIS "Management of insolvency proceedings" 	IPD	2021 – 2022	<ul style="list-style-type: none"> - adjusted information systems 	State budget	Advanced claim recovery skills

	- streamlined processes and procedures for the recovery of claims under subsidiary liability	IPD	2022 – 2023	- approved internal procedures; - business process description	State budget	Knowledge in the field of insolvency; Exchange of experience for taking over best practices; Advanced claim recovery skills
3.6. Streamlining the collaboration with the bailiffs on the segment of diminishing the arrears at BNP	- the module “Connecting bailiffs” implemented within the AIS CCDE	IDD	2021 – 2022	- informational system	State budget	Knowledge and skills in project management
3.7. Streamlining the evidence and execution of Enforcement Orders	- the module “Execution Mandates Register” implemented within the AIS CCDE	IDD	2021 – 2022	- informational system	State budget	Knowledge and skills in project management
3.8. Strengthening the capacities to detect and combat tax evasion schemes	- at least 90% of external training in the field of international taxation carried out from those planned	OMD	2021 – 2022	- exchange of experience; - external assistance	US Treasury Assistance Program; Project to strengthen tax governance in the EU's Eastern Partnership countries (Stage II)	Knowledge and skills in pursuing and investigating cases of economic evasion
	- organized and carried out at least one training in the field of tax pursuing and investigation according to the needs of the STS	HRMD				
 General objective 4: Information technologies modernization						
4.1. Development of the integrated information system	- developed and approved concept of the integrated tax	IDD	2021 – 2023	- contract for the development and maintenance of the	State budget; TAMP project	Knowledge in the field of cyber and information security,

	administration information system; - improved cyber security and information security policy; - catalog of business processes within the reliable STS; - ensured migration process of information subsystems on modern platforms; - developed mobile application for declaring and paying tax liabilities			information systems; - modified normative framework		including the national regulatory framework
4.2. Alignment of technical and infrastructure capacity in line with the needs of the information system, organizational structure and legislative changes	- assured 100% of the hardware needs; - network and infrastructure adapted to the needs of the STS information system, including in terms of security	IDD	2021 – 2023	- acquisitions; - maintenance works	State budget; TAMP project	Knowledge in the field of cybernetics

The risks that may occur in the implementation process of the Program refer to:

Internal risks	External risks
<ul style="list-style-type: none"> • staff (staff fluctuation, insufficient motivation, lack of support in strengthening international relations at government level, supporting the poor perception of the importance of change by some tax officials, etc.); • random flow of tasks and employee demand; • Insufficient capacity to plan, manage objectives at the middle and lower level of management 	<ul style="list-style-type: none"> • legislative gaps, deficiencies in government policies and management; • changing funding priorities (budgetary or within projects); • lack of service offers in accordance with the minimum requirements provided by law

At the same time, the following **risk minimization / diminishing measures** are proposed:

- ☐ Implementation of efficient human resources management policies, in order to reduce the phenomenon of staff fluctuation, as well as non-financial stimulation of employees;
- ☐ Identification of possible alternative financing opportunities, in order to cover the expenses associated with the implementation of the Program's actions and/or the justification of the priorities submitted in the process of the MTBF elaboration;
- ☐ Efficient implementation of the communication strategy, which will contribute to the diminishing of the institutional/personal resistance of the employees towards the strategic changes;
- ☐ Improving the time management system and the tools for monitoring the interdependence between tasks;
- ☐ Capacity building in the field of project management which will contribute to increasing the capacity for planning, management and monitoring of strategic objectives.



VI. Program implementation, monitoring, reporting and evaluation

In order to achieve the performance, we have set in the objectives of this Program, it is necessary to monitor and evaluate progress.

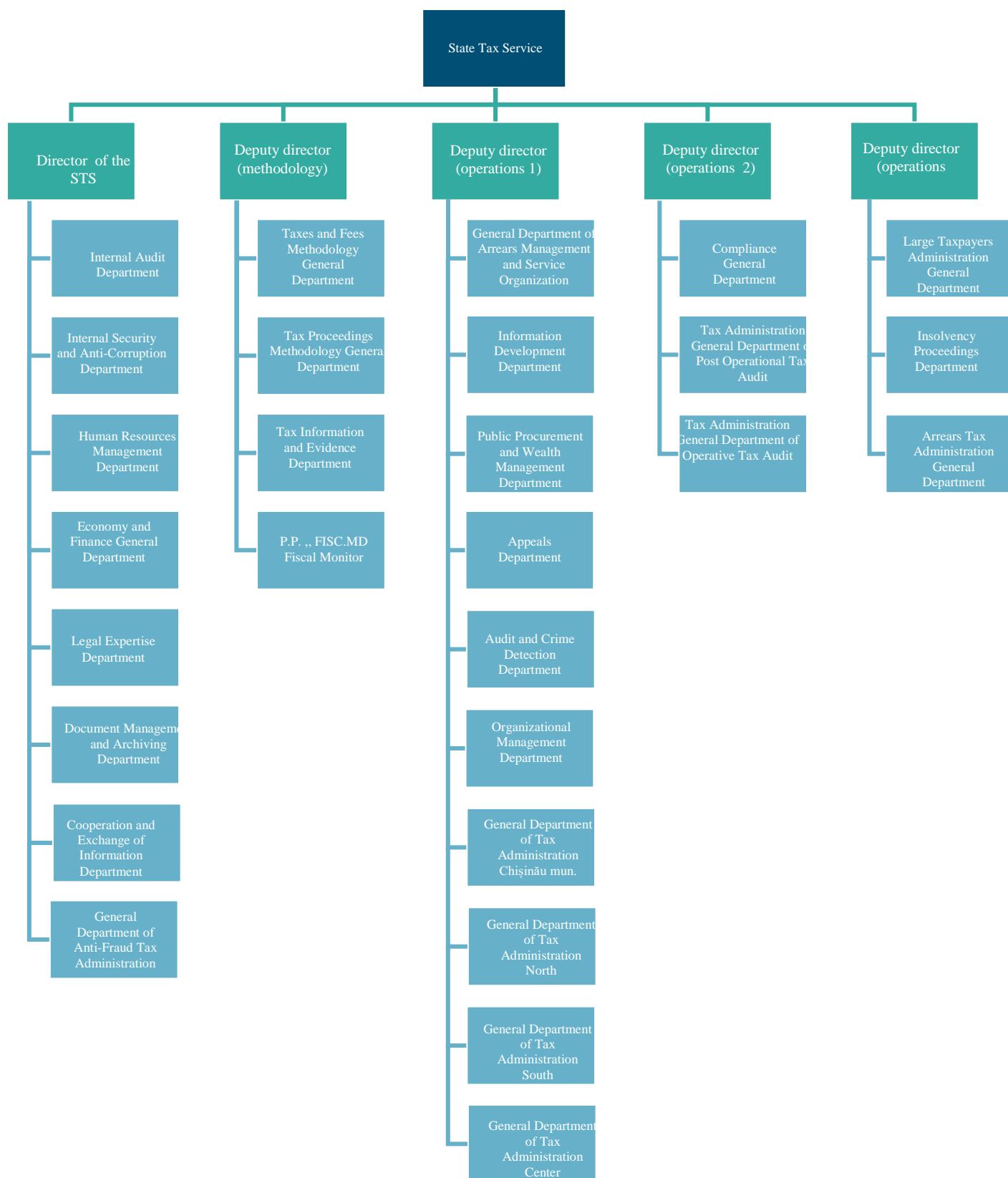
We will ensure the monitoring of the level of achievement of the indicators, and implicitly of the objectives, through the annual planning. Thus, the annual activity plans of the STS will contain concrete actions and results for the established objectives. The objective will be included in the plan according to the stipulated implementation period and will contain the intermediate result that we are going to achieve, as well as the effective target. When setting the target, the reference value will be indicated, if possible, so that progress can be observed. Monitoring will be done by quarterly reporting on the annual plan.

The evaluation of the program level of implementation is annual and will be done by reporting the objective level of progress and performance obtained in the implementation process. Interim reports will be prepared during the first quarter of the next year of implementation. The reports will be analyzed within the Executive Council of the State Tax Service. The reports will indicate the progress achieved, as well as the new implementation opportunities, threats on achieving the established result and possible solutions. When elaborating them, the provisions of the Guide for the elaboration of the SDP of the authorities, elaborated by the State Chancellery in accordance with GD no. 176 of March 22nd, 2011 regarding the approval of the Methodology for elaborating the strategic development programs of the central public administration authorities will be taken into account. At the same time, depending on the information available and the progress made, the Program may be reviewed annually and adjusted as necessary.

The final evaluation of the Program will be carried out in the first semester of 2024 and will include as well the impact analysis. The final report is to be analyzed within the Executive Council of the State Tax Service or another decisive body created within the authority. The evaluation can be done by self-evaluation or by external experts.

Broad Organizational Chart of the State Tax Service

(to the situation of June 30th, 2021)



Staff capacities of the State Tax Service

Staff table 1					
Age	Management staff	Execution staff	Staff with special status	Technical staff	Total
<25	0	18	0	4	22
25 – 34	21	397	6	13	437
35 – 44	59	402	10	15	486
45 – 54	70	313	5	18	406
> 55	53	218	0	73	344
Total	203	1348	21	123	1695

Staff table 2				
Seniority in public service	Management staff	Execution staff	Staff with special status	Total
<2	0	144	0	144
From 2 to 7 years	12	309	9	330
From 8 to 15 years	56	279	5	340
>15	135	616	7	758
Total	203	1348	21	1572

Staff table 3					
Gender	Management staff	Execution staff	Staff with special status	Technical staff	Total
Female	127	942	6	43	1118
Male	76	406	15	80	577
Total	203	1348	21	123	1695

Staff table 4					
Year	Management staff	Execution staff	Staff with special status	Technical staff	Total
2020	203	1348	21	123	1695
2019	221	1384	18	93	1716
2018	223	1411	17	93	1744
2017	218	1368	-	84	1670
2016	295	1219	-	148	1662

The portfolio of the subdivisions within the State Tax Service

Full name of the subdivision	Number of the approved units	The role, the mission of the subdivision	The main products / results of the subdivision
<i>Top management</i>	5	<i>The mission of the STS top management is to ensure the efficient management of the institutional activity and resources, to ensure the accomplishment of the tasks and functions of the State Tax Service, to ensure the execution of legislative acts, as well as to solve the problems of operative, organizational, economic-financial activity.</i>	<i>The conformable management of the institution, the achievement of institutional performance objectives, ensuring the continuity of the authority's activity</i>
Internal Audit Department	7	The mission of the department is to provide advice and provide objective assurance on the effectiveness of the internal management audit system, providing recommendations for its improvement, thus contributing to improving the activity of the State Tax Service.	Audits carried out; audit reports; internal management recommendations
Internal Security and Anti-Corruption Demapartment	6	The mission of the department is to combat acts of corruption, corruption and protectionism within the State Tax Service and to ensure the institutional and professional integrity of the employees of the State Tax Service in the exercise of public office.	Activities to prevent, detect and combat acts of corruption, related to corruption and protectionism within the STS; petitions, addresses, notifications and complaints about the actions or inactions of the examined STS employees
Human Resources Management Department	21	The mission of the department is to promote and implement an efficient management of human resources, by training, developing and maintaining a body of professional civil servants, efficient for creating a modern and efficient organization.	Personal file of the employees; training plan; holiday schedule; employee assistance; employment competitions
Economy and Finance General Department	29	The mission of the department consists in maintaining and consolidating the financial and budgetary management of the State Tax Service, through: compliance with the normative framework and internal regulations; effectiveness and efficiency of operations; security and optimization of assets and liabilities; security and integrity of information.	Elaborated budget; executed budget; accounting; financial reporting
Legal Expertize Department	13	The mission of the department is to ensure compliance of normative acts issued by the State Tax Service with the provisions of the legislative	Draft normative acts; analytical and explanatory notes in the

		framework in force, representation of the interests of the State Tax Service in courts and other bodies, providing legal assistance in the activity of the State Tax Service and uniform application of legislation.	legislative field; procedural acts in legal cases
Information Developmant Department	15	The mission of the department is to ensure the development of the information system of the State Tax Service in order to support the development of all tax administration processes and the provision, to taxpayers, of electronic tax services in optimal conditions and maximum security.	Automated information systems and services; technical documentation related to the information system; exchange of information with external information systems
Public Procurement and Wealth Management Department	99	The mission of the department is to provide material resources, goods, services and physical infrastructure for the development of the activity in optimal conditions and maximum safety, as well as to ensure the efficient management of the State Tax Service patrimony by compliant and timely execution of public procurement procedures and logistics.	Procurement documents; repair and arrangement works, efficient management of the institution's patrimony.
Document Management and Archieving Department	17	The mission of the department consists in exercising control over the observance of the unique system of secretarial works within the State Tax Service, as well as ensuring assistance in order to carry out the activity of the State State Service management.	Conformable management of input / output documents; well administered document management system; institutional management assistance.
Tax Information and Evidence Department	16	The mission of the department is to ensure and monitor the processes of taxpayers, tax liabilities and revenues evidence administered by the State Tax Service, management and capitalization of information held by the State Tax Service.	Analytical-informational reports; information provided to applicants
Cooperation and Exchange of Information Department	9	The mission of the department consists in the inter-institutional cooperation with foreign tax authorities based on the legal instruments of profile international and regional organizations by organizing an effective communication of the authority, by efficient exchange of information, by creating a positive image that will strengthen taxpayers' confidence and increase transparency in the activity of the State Tax Service.	Press Releases; press conferences / briefings; meetings organized with the business environment; drafts of the treaties and information exchange agreements; organized external visits
Taxes and Fees Methodology General Department	31	The mission of the department is to develop, implement and monitor the practical application of tax administration methodologies for taxes, fees and other payments, the administration of which, in accordance with the	Methodologies; instructions; processes improvement recommendations; analytical and explanatory notes; draft

		legislation in force, is entrusted to the State Tax Service, and to popularize the tax legislation.	normative acts; reports; official position on the popularized tax legislation application.
Tax Proceedings Methodology General Department	18	The mission of the department is to develop rules and methodological procedures for tax administration in the field of tax audits, enforcement of sanctions for violations of tax law, application of cash registers, taxpayers' evidence, tax revenues and liabilities, assurance and enforcement measures application.	Methodologies, instructions, analytical and explanatory notes, draft normative acts, reports.
Compliance General Department	31	The mission of the department is to identify tools of treatment for taxpayers on voluntary/forced compliance and to encourage compliance with tax legislation, as well as planning and organizing effective measures to combat tax evasion, pseudo-entrepreneurial activity, by planning audits, other tax administration procedures using risk analysis.	Compliance risk system; compliance program; audit plan.
Organizational Management Department	13	The mission of the department consists in promoting, coordinating, implementing activities of strategic importance for the institution; developing partnership relations with the external tax administrations and international bodies in tax reform projects; as well as in ensuring the increase of the efficiency, effectiveness and sustainability of the assistance by organizing and coordinating the activity of the structural subdivisions.	Strategic documents; action plans; monitoring / evaluation reports; functional project implementation process.
General Department of Arrears Management and Service Organization	20	The mission of the department is to ensure the functionality and increase the efficiency of tax administration procedures in the field of taxpayer service, arrears management and enforcement procedures.	Taxpayer service strategy; service manual, organized taxpayers training process.
Insolvency Proceedings Department	27	The mission of the department is to defend the patrimonial interests of the state related to the collection of payments related to the National Public Budget in the insolvency proceedings in which the State Tax Service is a part.	Good insolvency practices implemented; budget receivables recovered in the insolvency proceedings to which the STS is a party; tax administration risks related to the identified insolvency process.
Large Taxpayers Adminisatrtrion Department	73	The mission of the department consists in exercising the functional tasks and attributions, oriented towards ensuring the observance by the large taxpayers of their obligations provided by the legislation, the expected result being the correct calculation, full and timely payment to the budget of their tax liabilities.	Services and assistance provided to the large natural and legal taxpayers, voluntary and forced compliance measures, measures to improve the tax

			administration of large taxpayers.
Audit and Crime Detection Department	25	The mission of the department is to exercise control over compliance with the law on the correct calculation, full and timely payment to the budget tax liabilities amounts and other payments by taxpayers, as well as to ensure all actions to establish the offenses provided at art.241 - 242, 244 , 244 ¹ , 250 - 253 and 335 ¹ of the Criminal Code and notifying the law enforcement bodies about the constituent elements of the crimes found, as well as collecting and analyzing information of interest in a timely manner in order to establish possible crimes.	Audits performed; ascertaining minutes; the materials in which constitutive elements of the committed offenses were recorded and presented to the law enforcement bodies.
Appeals Department	11	The mission of the department is to examine appeals against decisions of the State Tax Service, actions (inactions) of employees of the State Tax Service, examination of prior requests against other administrative acts issued by the State Tax Service, analysis of cases that led to complaints in administrative litigation, as well as the presentation of proposals for closing the gaps found in the process of examining the previous appeals / applications.	Decisions on appeals; information notes on the deficiencies found; explanatory letters for structural subdivisions.
Arrears Tax Administration General Department	145	The mission of the department consists in the efficient exercise of tax administration actions, which aim at applying measures of insurance and enforcement of arrears, promoting taxpayers' compliance with the arrears payment, increasing the arrears management process efficiency, and representing the interests of the State Tax Service in civil litigation related to enforcement actions, including in the enforcement made by the bailiffs.	Applied enforcement measures; recovery of arrears and other unpaid payments to the National Public Budget, accomplished revenue plans to the National Public Budget.
General Department of Anti-Fraud Tax Administration	91	The mission of the department consists in exercising the special activity of investigations, finding and criminal prosecution regarding the offenses provided at art. 241 - 242, 244, 244 ¹ , 250 - 253 and 335 ¹ of the Criminal Code.	Notifications examined; actions on initiating criminal cases and investigation; analyzes performed and crimes found.
Tax Administration General Department Post Operational Tax Audit	265	The mission of the department is to exercise control over compliance with the law on the correct calculation, fully and timely payment to the budget of the tax liabilities amounts, other payments, and the fulfillment of other obligations by the taxpayers.	Audits performed, audit acts; audit decisions, minutes on contraventions; amounts calculated and fines applied; the completed database regarding the audit activity; applied efficient audit methods.

Tax Administration General Department Operative Tax Audit	148	The mission of the department is to exercise control over compliance with the law on the correct calculation, fully and timely payment to the budget of the tax liabilities amounts and other payments and the fulfillment of other obligations by the taxpayers.	Audits performed, audit acts; audit decisions; minutes of contraventions; amounts calculated and fines applied; the database regarding the audit activity completed; applied efficient audit methods.
General Departments of Tax Administration Chişinău mun., North, Center and South	269- GDTA Chişinău mun.; 200- GDTA North, 220- GDTA Center 107- GDTA South In total:796	The mission of the departments Chisinau mun., North, Center and South is to ensure the efficient exercise of tax administration procedures.	Accomplished monthly income tasks and forecasts of monthly income at NPB, taxpayers services and assistance; seminars with the taxpayers; registered economic operators subdivisions.

The budget of the State Tax Service

Year	Total budget carried out (MDL)	% – maintenance and operating expenses	% – transfers to other organizations ⁷
2020	530 726 336,86	20,53%	0,09%
2019	557 820 983,89	20,61%	0,08%
2018	530 607 018,04	24,43%	0,09%
2017	442 267 635,89	25,56%	0,18%

⁷ The information reflects the share of transfers made as membership fees of international organizations (IOTA, OECD) from the total budget carried out

Strategic directions of the State Tax Service correlated with policy priorities at national and sectoral level

Strategic direction	Source (policy document)	The objective according to the source
Promoting a supportive and motivating entrepreneurial environment that supports innovation, completeness and creativity, that creates favorable conditions for investment, the creation of attractive jobs and new economic opportunities	National Development Agenda 2030 (Sustainable Development Objectives 2030)	8.3 Promoting development-oriented policies that support productive activities, create decent jobs, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro, small and medium-sized enterprises, including through access to financial services
	National Development Strategy "Moldova 2030"	Ensuring an environment in which entrepreneurship, including social initiative, is encouraged by the state, especially among young people, the rural population, people with disabilities, women and families with migrations - the most vulnerable groups in terms of access to economic opportunities. This involves reducing the number and simplifying the obtaining of permissive documents, simplifying the tax and customs administration, optimizing the number of state audits and increasing their efficiency through several actions on risk factors, as well as other measures aimed at creating and developing business.
	Activity program of the Government of the Republic of Moldova (Government Action Plan for the years 2020 - 2023, GD no. 636/2019)	<ul style="list-style-type: none"> • Improving the business environment to increase the number of reliable companies motivated to invest in the Republic of Moldova and to implement innovations, able to create attractive jobs, ensure high productivity and competitive export-oriented production; • Restoring the functionality of the regulatory impact assessment mechanism in order to avoid increasing the administrative pressure on the business environment; • Implementation of a set of measures designed to reduce the administrative burden on the business environment
Creating an integrated institutional climate, cultivating zero tolerance for acts of corruption and eliminating discriminatory practices	National Development Agenda 2030 (Sustainable Development Goals 2030)	16.5 Significant reduction of corruption and bribery in all its forms
	National Development Strategy "Moldova 2030"	<ul style="list-style-type: none"> • Strengthening integrity in the public sector, ensured by cultivating a climate of zero tolerance for corruption by increasing control over accountability, transparency and resilience towards risks of corruption of the public officials; • Promoting healthy competition on the market, eliminating discriminatory and anti-competitive practices

	National Integrity and Anti-Corruption Strategy for 2017-2022, HP draft amendment to HP No. 56/2017	<ul style="list-style-type: none"> • Ensuring the employment and promotion of public agents based on merit and professional integrity; • Ensuring compliance with the regime of incompatibilities, restrictions in the hierarchy and limiting advertising; • Ensuring compliance with the regime of declaration of assets and personal interests; • Ensuring compliance with the conflict of interest regime and non-admission of favoritism; • Ensuring compliance with the gift regime; • Ensuring the non-admission, denunciation and treatment of inappropriate influences; • Ensuring the non-admission and denunciation of manifestations of corruption; protection of integrity detectors; • Ensuring intolerance of integrity incidents; • Ensuring compliance with transparency in the decision-making process; • Ensuring compliance with access to information of public interest; • Ensuring transparent and accountable management of public assets and external assistance; • Ensuring the implementation and observance of ethics and deontology norms; • Ensuring compliance with the regime of restrictions and limitations in connection with termination of employment, employment or service relations and migration of public officials in the private sector (slippers); • Ensuring the implementation of corruption risk management; • Training of public agents and leaders of public entities on the rigors of institutional integrity; • Ensuring the continuity of the implementation of sectoral / local anti-corruption plans; • Sending all the draft normative acts subject to anti-corruption expertise, after finalizing the projects following the approval, to the CNA in order to carry out the anti-corruption expertise; • Elaboration of the coordination mechanism in the process of recovery of criminal assets; • Creation of the database for the record of criminal assets made unavailable, seized or confiscated
Capacity building, increasing institutional efficiency and effectiveness	National Development Agenda 2030 (Sustainable Development Goals 2030)	16.6 Develop the efficiency, accountability and transparency of institutions at all levels

	Roadmap on improving the competitiveness of the Republic of Moldova (Policy Matrix), GD no. 4/2004	Streamlining the mechanism for providing information and cooperating with public institutions for the continuous and permanent exchange of information on taxpayers
	Public finance management development strategy 2013 - 2022, GD no. 573/2013	<ul style="list-style-type: none"> • Raising the professionalism of the employees of the State Tax Service through diversified and continuous training; • Creating the right conditions for the functioning of the unified structure of the STS
Creating an enabling environment for inclusive, participatory and sustainable and transparent development	National Development Agenda 2030 (Sustainable Development Goals 2030)	<ul style="list-style-type: none"> • 16.7 Ensuring the receptive, inclusive, participatory and representative decision-making process at all levels; • 16.10 Ensuring equal access to information for all citizens
	Public finance management development strategy 2013 - 2022, GD no. 573/2013	Implementation of the Communication Strategy of the State Tax Service
Streamlining tax administration and improving tax and fees collection capacity	National Development Agenda 2030 (Sustainable Development Goals 2030)	17.1 Strengthen the mobilization of internal resources, including through external support, to improve national capacity to collect taxes and other revenue
	National Development Strategy "Moldova 2030"	Streamlining tax administration and combating the informal economy and tax evasion (general objective 3), which, in parallel with the increase in revenue provided for in general objective 1, will expand the tax base and increase budget revenues.
	Activity program of the Government of the Republic of Moldova (Government Action Plan for the years 2020 - 2023, GD no. 636/2019)	<ul style="list-style-type: none"> • Ensuring the exchange of information with foreign tax administrations based on the international standards of the OECD Global Forum on Transparency and Exchange of Information for Tax Purposes; • Evaluating the effectiveness of existing facilities and introducing new types of subsidies to stimulate the sustainable development of the economy and increase budget revenues (facilities must motivate the payment of taxes and increase the added value); • Consolidation and extension of the application of methods and indirect sources for estimating the income of individuals
	Public finance management development strategy 2013 - 2022, GD no. 573/2013	<ul style="list-style-type: none"> • Simplification of the procedures for calculating, reporting and paying tax liabilities; • Increasing the taxpayers level of voluntary compliance with the tax legislation provisions; • Elaboration and implementation of annual fiscal compliance programs;

		<ul style="list-style-type: none"> • Improving the process of managing large taxpayers by developing and implementing Compliance Programs; • Reducing the shadow economy by improving the compliance risk management module; • Elaboration of the operational manual in part related to the management of arrears; • Improving the processes and procedures for managing arrears in order to reduce them; • Standardization and improvement of the enforcement process
Development and strengthening of public, public-private partnerships	National Development Agenda 2030 (Sustainable Development Goals 2030)	17.17 Encourage and promote effective public, public-private and civil society partnerships, based on the partnerships' experience and resource strategies
	Activity program of the Government of the Republic of Moldova (Government Action Plan for the years 2020 - 2023, GD no. 636/2019)	<ul style="list-style-type: none"> • Strengthening the dialogue with the business environment, in order to take all possible actions to increase the competitiveness of the national economy at regional level; • Restoring the dialogue between public authorities and business exponents, especially in the process of developing and promoting policies with fiscal and regulatory impact; • Maintaining a constructive dialogue with the local public administration authorities, respecting the principles of local financial and decision-making autonomy, within the limits of the legal framework
	Roadmap on improving the competitiveness of the Republic of Moldova (Policy Matrix), GD no. 4/2004	Training the public-private partnership in the implementation of new methods and procedures of tax administration in certain sectors of the national economy and monitoring them by ensuring the functionality of the Compliance Council
Contributing to the eradication of the phenomenon of informal work	National Development Agenda 2030 (Sustainable Development Goals 2030)	10.4 Policies adoption, in particular tax, wage and social protection policies, and gradually achieve greater equality
	National Development Strategy "Moldova 2030"	<ul style="list-style-type: none"> • Strengthening the capacities of institutions with functions of analysis of the domestic and international labor market and control in the field of occupational safety; • Eradication of informal employment, by increasing the level of information, penalties and institutional capacities to identify, penalize and combat those practices (according to general objective 3)
Improving capacities to prevent and combat tax fraud	National Development Strategy "Moldova 2030"	Developing Pillars 2 and 3, by providing an easy regulatory and tax framework and, at the same time, establishing a sufficient prudential framework to prevent possible frauds.

	Public finance management development strategy 2013 - 2022, GD no. 573/2013	Development of action plans to prevent and combat tax evasion and fraud by strengthening fraud investigation capabilities and developing the system for identifying tax evasion risks
	National prevention and control strategy of money laundering and terrorist financing for the years 2020 - 2025, HP no.239 / 2020	2.3.3. Carrying out a detailed analysis of the extent to which legal entities registered in the Republic of Moldova may be or are used in money laundering and / or terrorist financing
		2.3.4. Identify and ensure the implementation of relevant risk mitigation measures identified in the assessment of the use of legal persons in money laundering and / or terrorist financing
		2.3.6. Organizing training and other information measures for relevant competent authorities and reporting entities on the risks and types of use of legal persons in money laundering and / or terrorist financing
		4.2.7. Assessment of the non-profit sector in order to identify the categories of organizations vulnerable to being used for terrorist financing
Improving and streamlining audit procedures	National Development Strategy "Moldova 2030"	Streamlining audits by empowered institutions through better risk targeting and increasing competences in identifying infringements, collecting relevant evidence and enforcing sanctions
	Activity program of the Government of the Republic of Moldova (Government Action Plan for the years 2020 - 2023, GD no. 636/2019)	Identifying and reducing the tax and customs gap for segments of the national economy with increased risks of evasion
	Public finance management development strategy 2013 - 2022, GD no. 573/2013	<ul style="list-style-type: none"> • Continuous updating of the Tax Audit Manual • Increasing the audits results by standardizing the process of performing tax audits; • Automation of the processes related to the tax audit activity
	Roadmap on improving the competitiveness of the Republic of Moldova (Policy Matrix), GD no. 4/2004	Limitation of the number and regulation of the procedure for carrying out audits (in the agricultural sector)
Expansion and improvement of tax services, with	National Development Strategy "Moldova 2030"	<ul style="list-style-type: none"> • Adapting physical infrastructure and public services to the needs of vulnerable groups, especially people with disabilities and the elderly;

increased emphasis on the development of electronic services		<ul style="list-style-type: none"> • Ensuring integrated, accessible (non-discriminatory, physically, economically, geographically and informatively), acceptable and quality public services at every stage of life, corresponding to the individual needs of people, including people belonging to vulnerable groups.
	Activity program of the Government of the Republic of Moldova (Government Action Plan for the years 2020 - 2023, GD no. 636/2019)	<ul style="list-style-type: none"> • Expanding and improving electronic services provided to citizens and entrepreneurs; • Improving the taxpayer registration process by developing the Taxpayers' Register and the Employees' Register; • Implementation of AIS "e-Invoice" in public procurement
	Public finance management development strategy 2013 - 2022, GD no. 573/2013	<ul style="list-style-type: none"> • Improving and expanding the scope of electronic services provided to taxpayers, including e-return services, e-payments; • Continuous description and review of the processes within the STS , including those corelated with the taxpayers; • Increasing the taxpayers level of satisfaction related to the services provided by the State Tax Service; • Increasing up to 70% of the share of electronic returns in the total of the submitted tax reports.
	Roadmap on improving the competitiveness of the Republic of Moldova (Policy Matrix), GD no. 4/2004	<ul style="list-style-type: none"> • Elaboration of new software for the functional activity of the State Tax Service, which will allow the tax administration efficiency, the tax reporting simplification, the modernization of the services provided to the taxpayers and, respectively, the raising of their satisfaction level; • Improving business processes within the State Tax Service, in order to optimize the economic agents tax administration procedures.