

F I S C A L A F F A I R S D E P A R T M E N T

Albania

TADAT

Performance Assessment Report

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Khwaja, Michael O ' Grady and Stephen Vesperman

Technical Report | August 2022



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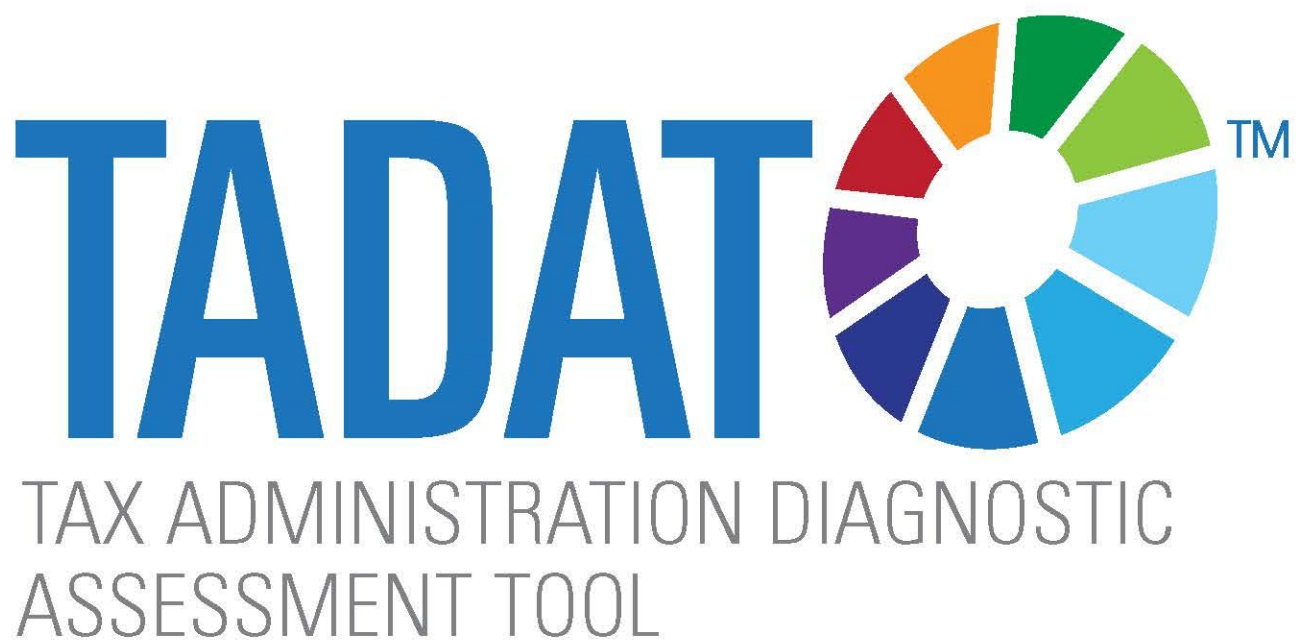


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ABBREVIATIONS AND ACRONYMS

AAD	Audit Alignment Department of the Government
ALL	Albanian Lek
CIT	Corporate Income Tax
CMC	Compliance Management Committee
CRM	Compliance Risk Management
DG	Director-General
EU	European Union
FAD	Fiscal Affairs Department
GDC	General Directorate of Customs
GDP	Gross Domestic Product
GDT	General Directorate of Taxation
HQ	Headquarters
HR	Human Resources
IAD	Internal Audit Directorate
IID	Internal Investigation (Anti-Corruption) Directorate
ISO	International Organization for Standardization
LTO	Large Taxpayer Office
MOFE	Ministry of Finance and Economy
MTRS	Medium-Term Revenue Strategy
NAIS	National Agency of Information Society
NBC	National Business Center
PAYE	Pay As You Earn
PIT	Personal Income Tax
POA	Performance Outcome Area
RTO	Regional Tax Office
SC	Social Contributions
SECO	State Secretariat for Economic Affairs (Switzerland)

SPAK	<i>Struktura e Posaçme Anti-Korrupsion</i> (Anti-corruption Structure)
SSAI	State Supreme Audit Institution
STA	Swedish Tax Agency
TADAT	Tax Administration Diagnostic Assessment Tool
TIN	Taxpayer Identification Number
TPS	Taxpayer Service Department
VAT	Value Added Tax

PREFACE

Following a request from Mr. Ceno Klosi, Director-General (DG) of the Albanian General Directorate of Taxation (GDT), a repeat assessment of the system of tax administration of Albania was undertaken during the period June 05 - 21, 2022 using the Tax Administration Diagnostic Assessment Tool (TADAT). The repeat TADAT, which follows a similar assessment to that carried out in June 2016, provides a highlight of reform achievements or lack thereof, and new baseline information that can be used to finetune reform priorities.

The assessment team comprised: Mr. Frank van Brunschot, IMF Fiscal Affairs Department (FAD) – team leader; Ms. Julia Dhimitri (World Bank), and Mr. John Leonard, Mr. Munawer Sultan Khwaja, Mr. Michael O’Grady, and Mr. Stephen Vesperman (all FAD experts). Ms. Suzan Uhlen, Swedish Tax Agency’s (STA) long term expert for Albania, and Mr. Jim Sorensen, an FAD revenue administration regional advisor for Southeastern Europe, participated as observers.

The assessment team met with Ms. Borjana Shaka (deputy DG), Mr. Artan Babaramo (Director Foreign Relations and Projects Management) and several other GDT managers and staff. The team also met with representatives of the National Agency of Information Society (NAIS) and the Albanian Institute of Certified Accountants. Field visits were made to the Large Taxpayer Office (LTO), the Taxpayer Service Department in Tirana, and the Regional Tax Office (RTO) of Durres. The assessment team also met with representatives of the donor community providing technical assistance to the GDT, including the European Union (EU), the Swiss State Secretariat for Economic Affairs (SECO), the World Bank, and the STA.

The assessment team expresses its appreciation for the authorities’ very cooperative participation in this assessment. In particular, we would like to thank Mr. Artan Babaramo, Director of Foreign Relations and Projects Management and his team, for the excellent coordination and organization of meetings and evidence.

This Performance Assessment Report (PAR), presented to the Deputy Minister of Finance and Economy, Ms. Vasilika Vjero, the DG Macroeconomics and Fiscal Affairs Department Fiscal Policy, Mr. Nikolla Lera, and the deputy DG of the GDT on June 21, 2022, contains the TADAT assessment of Albania’s tax administration system compared with good international practices in accordance with the 2019 TADAT Field Guide. The IMF Headquarters and the TADAT Secretariat reviewed this PAR, and the assessment team considered GDT’s comments and, as appropriate, reflected them in this final version of the report.

EXECUTIVE SUMMARY

This repeat TADAT assesses the performance of the Albanian tax administration system against international good practice. The results of the assessment indicate mixed performance across the nine performance outcome areas of the 2019 TADAT framework. Scores for 16 out of 32 indicators are in the A-B range reflecting strong performance while scores for the other 16 indicators are in the C-D range reflecting weak performance. Some of the areas showing weak performance scores (e.g., the level of tax arrears and payment compliance) were impacted by the November 2019 earthquake and the Covid-19 pandemic.

When comparing the aggregated performance at the indicator level between this and the last assessment in 2016, there is an improvement in performance in 13 indicators and a lower score is assessed for two indicators.

Some significant reforms in recent years include the move to fiscalization, consolidation of debt management in three offices, improved processing of VAT refunds and clearance of backlogs, strengthening the taxpayer register, an expansion of e-services, and the development of risk-based sectoral and informality projects. However, many challenges remain including the growing stock of tax arrears, the need to increase professionalism in the audit function and the LTO, the need for greater external engagement with intermediaries and key business representatives, the absence of significant feedback mechanisms from stakeholders, and the need to address deficiencies in the administrative review legal framework for tax dispute resolution.

The main strengths and weaknesses identified in this assessment are as follows:

Strengths

- Electronic filing and payment of all core tax declarations is mandatory.
- A strong commitment to services to taxpayers (as demonstrated during the pandemic).
- A robust registration database.
- A strong framework of withholding at source and advance payment arrangements.
- A sound automated tax accounting system that interfaces with the MOFE accounting system.
- High rates of timely tax declaration filing and a wide range of e-services through the e-Albania portal.

Weaknesses

- A large and escalating stock of arrears.
- A relatively weak audit function.
- Limited automatic access of third-party data including from financial institutions.
- A low rate of timely VAT payments.
- Insufficient environmental scanning for risk identification.
- Limited consultation with tax intermediaries and other stakeholders.

- A continuing focus on contemporary compliance risk management approaches.
- Transparency of plans and operational performance.
- Insufficient canvassing of views and feedback to monitor trends in public confidence in the tax administration.
- No administrative review of taxpayer appeals in the GDT.

Figure 1 provides a graphical snapshot of the distribution of scores and table 1 a summary of performance scores, including comparisons with the 2016 TADAT assessment. The scoring is structured around the TADAT framework's nine performance outcome areas (POAs) and 32 high level indicators critical to tax administration performance. An 'ABCD' scale is used to score each indicator, with 'A' representing the highest level of performance and 'D' the lowest.

Figure 1. Albania: Distribution of Performance Scores

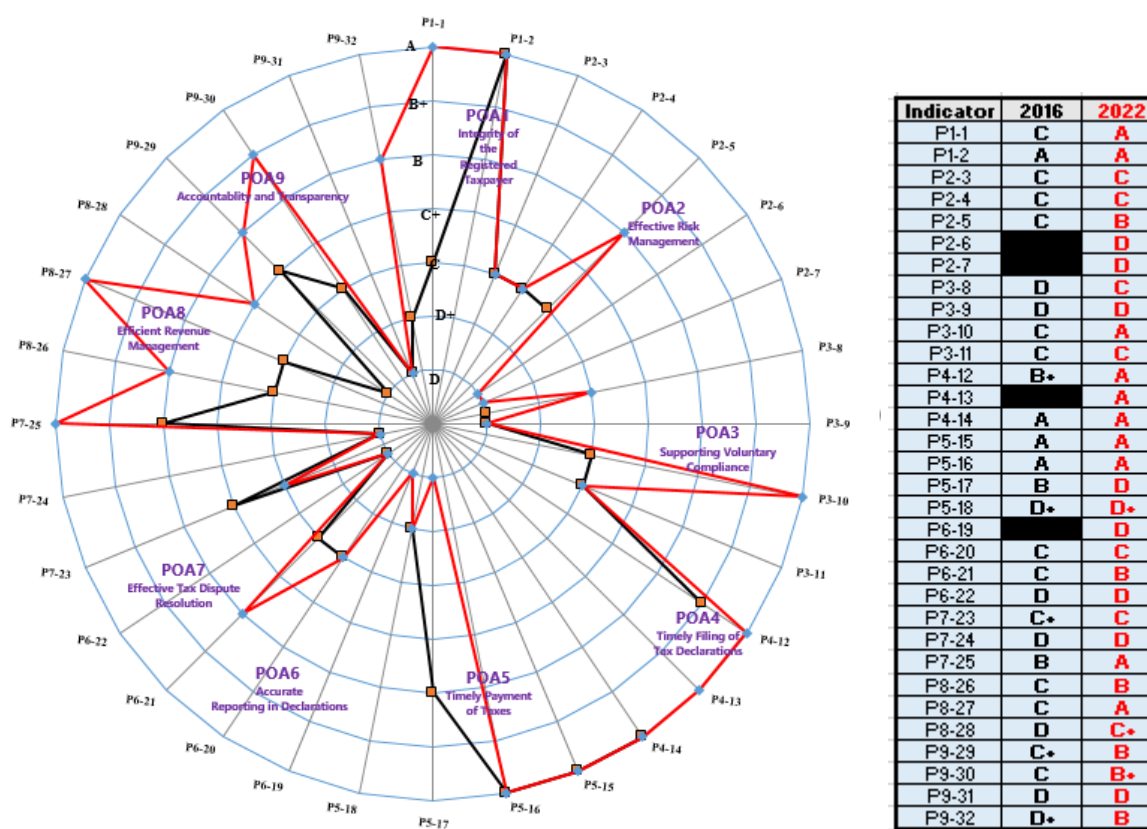


Table 1. Albania: Summary of TADAT Performance Assessment

Indicator	Scores 2016	Scores 2022	Summary Explanation of Assessment
POA 1: Integrity of the Registered Taxpayer Base			
P1-1. Accurate and reliable taxpayer information.	C	A	GDT's registration database is robust and has improved since the last TADAT assessment in 2016. The database is centralized and computerized and provides frontline staff with a full view of the taxpayer. It generates tax declarations automatically and provides secure access to taxpayers. Procedures exist in the law and manual and an automated process exists and is routinely applied to ensure the accuracy of the registration database.
P1-2. Knowledge of the potential taxpayer base.	A	A	Significant initiatives have been undertaken to identify unregistered and incorrectly registered businesses.
POA 2: Effective Risk Management			
P2-3. Identification, assessment, ranking, and quantification of compliance risks.	C	C	The GDT has a structured risk assessment process in place using both internal and external sources of information. However, broader environmental scans are not routinely undertaken.
P2-4. Mitigation of risks through a compliance improvement plan.	C	C	Compliance plans are developed each year. However, there is no information on the resources allocated to deliver all aspects of the compliance plan.
P2-5. Monitoring and evaluation of compliance risk mitigation activities.	C	B	An active compliance management committee approves and monitors all risk mitigation strategies. Evaluations of the strategies are not always documented and reviewed on a regular basis.
P2-6. Management of operational risks.		D	A structured institutional business risk assessment process is in place and a comprehensive business continuity plan has been developed. However, the effectiveness of GDT's business continuity plan has not been tested against international risk management standards.

Indicator	Scores 2016	Scores 2022	Summary Explanation of Assessment
P2-7. Management of human capital risks.		D	The GDT has a comprehensive human capital risk management process in place. However, it does not include the details of the risk assessment in their annual report.
POA 3: Supporting Voluntary Compliance			
P3-8. Scope, currency, and accessibility of information.	D	C	An extensive range of information on core tax obligations is readily available and easily accessible through multiple channels. Tailored information services have been developed for taxpayer segments and certain industry groups but there is insufficient tailoring for intermediaries and disadvantaged groups. Taxpayers are not always given timely advice on law or procedural changes.
P3-9. Time taken to respond to information requests.	D	D	No data is available on response times for telephone inquiries.
P3-10. Scope of initiatives to reduce taxpayer compliance costs.	C	A	Large numbers of small businesses were removed from profit tax and VAT obligations from 2021. Secure online access is available 24/7 for registration and account information. VAT declaration arrangements have been simplified as part of fiscalization. The PAYE form has recently been simplified.
P3-11. Obtaining taxpayer feedback on products and services.	C	C	Methods used to obtain feedback from taxpayers on GDT's service performance are ad hoc and not structured. Stakeholders are not routinely involved in the design and testing of taxpayer service programs.
POA 4: Timely Filing of Tax Declarations			
P4-12. On-time filing rate.	B+	A	High rates of on-time filing are reported for all core tax declarations.
P4-13. Management of non-filers.		A	Effective and timely action is taken where declarations for all core taxes are not filed by the due date.
P4-14. Use of electronic filing facilities.	A	A	Electronic filing of all core tax declarations is mandatory.
POA 5: Timely Payment of Taxes			

Indicator	Scores 2016	Scores 2022	Summary Explanation of Assessment
P5-15. Use of electronic payment methods.	A	A	Electronic payment of all core taxes is mandatory.
P5-16. Use of efficient collection systems.	A	A	There is withholding at source for employment income, interest and dividends. Advance payments arrangements are in place for income taxes.
P5-17. Timeliness of payments.	B	D	The rate of on-time VAT payments, by both volume and value, is low.
P5-18. Stock and flow of tax arrears.	D+	D+	The stock of arrears is high. Collectible debts and debts over 12 months old are increasing.
POA 6: Accurate Reporting in Declarations			
P6-19. Scope of verification actions taken to detect and deter inaccurate reporting.		D	Some key measures of audit effectiveness are reviewed by senior management. However, not all effectiveness measures are reported. The GDT prepares detailed monthly audit plans. Comprehensive field and desk audit manuals are used to ensure uniform practices.
P6-20. Use of large-scale data-matching systems to detect inaccurate reporting.	C	C	Large scale automated cross checking is undertaken. However, it is limited to internal sources, and data from employers, Customs and National Business Center (NBC).
P6-21. Initiatives undertaken to encourage accurate reporting.	C	B	The GDT has a well-established system of issuing binding public and private rulings. The GDT has not entered into any cooperative compliance arrangements.
P6-22. Monitoring the tax gap to assess inaccuracy of reporting levels.	D	D	A VAT tax gap analysis was undertaken in 2016. No tax gap estimate has been undertaken since 2016.
POA 7: Effective Tax Dispute Resolution			
P7-23. Existence of an independent, workable, and graduated dispute resolution process.	C+	C	First stage reviews of taxpayers' appeals are not conducted within the GDT; they are carried out instead by structures within the MOFE. Elements of the administrative review legal framework raise issues of procedural fairness, i.e., different first stage review channels (based on the value of tax in dispute), and strict pre-payment conditions.

Indicator	Scores 2016	Scores 2022	Summary Explanation of Assessment
			Information on appeal rights and the dispute process is available, and taxpayers are explicitly made aware of them.
P7-24. Time taken to resolve disputes.	D	D	As the GDT does not have an administrative review stage within its structure – the first review stage being within the MOFE structure – for TADAT purposes, it is not possible to score this indicator.
P7-25. Degree to which dispute outcomes are acted upon.	B	A	There is regular monitoring and analysis of all dispute outcomes, impact statements are prepared, and the analysis feeds into policy, law, and procedure changes.
POA 8: Efficient Revenue Management			
P8-26. Contribution to government tax revenue forecasting process.	C	B	A dedicated accounting and statistics unit in the GDT provides collection data and other input to revenue forecasting by the MOFE. Regular reports are prepared on tax expenditures and the stock of credits/refunds carried forward, but the stock of tax losses carried forward is not monitored.
P8-27. Adequacy of the tax revenue accounting system.	C	A	The GDT has a sound automated tax accounting system that interfaces with the MOFE accounting system. Payments are posted to taxpayer ledgers within one business day.
P8-28. Adequacy of tax refund processing.	D	C+	The GDT has risk-based verification processes for VAT refund claims and gives fast-track treatment to predominant exporters. Budget funds are currently allocated to meet legitimate refund claims as they arise. Excess VAT credits are offset against tax arrears and the law provides for interest on delayed refunds. Less than 70 percent by value of VAT refund claims were paid within the TADAT standard of 30 days in 2021.
POA 9: Accountability and Transparency			

Indicator	Scores 2016	Scores 2022	Summary Explanation of Assessment
P9-29. Internal assurance mechanisms.	C+	B	<p>The GDT has a Code of Ethics which is communicated to all staff.</p> <p>There is an organizationally independent internal audit directorate (IAD) that reports to the DG but not to an audit committee. There is an annual internal audit plan and a biannual audit strategy which covers all tax functions and financial management. There is a central repository of internal controls policies and procedures.</p> <p>Since 2016, internal audit and surveillance of the IT system are provided by the internal control unit of National Agency for Information Society (NAIS).</p> <p>The GDT also has Internal Investigation (anti-corruption) Directorate (IID), which reports directly to the DG and has appropriate investigative powers. The annual report contains statistics on disciplinary actions but does not specifically indicate integrity related statistics.</p>
P9-30. External oversight of the tax administration.	C	B+	<p>The State Supreme Audit Institution (SSAI) oversees GDT's financial and operational performance annually.</p> <p>An ombudsman, called Taxpayer Advocate, routinely examines complaints from taxpayers. The Special Anti-Corruption Structure (SPAK), is tasked with investigating corruption and organized crime at the highest levels of government.</p>
P9-31. Public perception of integrity.	D	D	<p>The GDT does not conduct statistically valid surveys at least every 4 years to monitor trends in public confidence in the tax administration.</p>
P9-32. Publication of activities, results and plans.	D+	B	<p>The GDT publishes the annual report of its financial and operational performance.</p> <p>The GDT's strategic plans and operational plans are published, but sometimes they are not made public in advance of the relevant period.</p>

I. INTRODUCTION

This report documents the results of the TADAT assessment conducted in Albania during the period June 5 – 21, 2022 and subsequently reviewed by the TADAT Secretariat. The report is structured around the TADAT framework of nine POAs and 32 high level indicators critical to tax administration performance that is linked to the POAs. Fifty-five measurement dimensions are taken into account in arriving at each indicator score. A four-point 'ABCD' scale is used to score each dimension and indicator:

- 'A' denotes performance that meets or exceeds international good practice. In this regard, for TADAT purposes, good practice is taken to be a tested and proven approach applied by a majority of leading tax administrations. It should be noted, however, that for a process to be considered 'good practice', it does not need to be at the forefront or vanguard of technological and other developments. Given the dynamic nature of tax administration, the good practices described throughout the field guide can be expected to evolve over time as technological advances and innovative approaches are tested and gain wide acceptance.
- 'B' represents sound performance (i.e., a healthy level of performance but a rung below international good practice).
- 'C' means weak performance relative to international good practice.
- 'D' denotes inadequate performance and is applied when the requirements for a 'C' rating or higher are not met. Furthermore, a 'D' score is given in certain situations where there is insufficient information available to assessors to determine and score the level of performance. For example, where a tax administration is unable to produce basic numerical data for purposes of assessing operational performance (e.g., in areas of filing, payment, and refund processing) a 'D' score is given. The underlying rationale is that the inability of the tax administration to provide the required data is indicative of deficiencies in its management information systems and performance monitoring practices.

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

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

- TADAT assesses the performance outcomes achieved in the administration of the major direct and indirect taxes critical to central government revenues, specifically corporate income tax (CIT), personal income tax (PIT), value added tax (VAT), domestic excise tax (with a focus is on those registered domestic excise taxpayers who trade in the category of goods/services that contribute 70 percent of the total domestic excise revenue by value), and Pay As You Earn (PAYE) amounts withheld by employers (which, strictly speaking, are remittances of PIT). By assessing outcomes in relation to administration of these core taxes, a picture can be developed of the relative strengths and weaknesses of a country's tax administration.
- TADAT assessments are evidence based (see Attachment V for the sources of evidence applicable to the assessment of Albania).

- TADAT is not designed to assess special tax regimes, such as those applying in the natural resource sector. Nor does it assess customs administration.
- TADAT provides an assessment within the existing revenue policy framework in a country, with assessments highlighting performance issues that may be best dealt with by a mix of administrative and policy responses.

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

- Identifying the relative strengths and weaknesses in tax administration.
- Facilitating a shared view among all stakeholders (country authorities, international organizations, donor countries, and technical assistance providers).
- Setting the reform agenda (objectives, priorities, reform initiatives, and implementation sequencing).
- Facilitating management and coordination of external support for reforms and achieving faster and more efficient implementation.
- Monitoring and evaluating reform progress by way of subsequent repeat assessments.

II. COUNTRY BACKGROUND INFORMATION

A. Country Profile

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

B. Data Tables

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

C. Economic Situation

Albania rebounded strongly from the earthquake and the Covid-19 pandemic but is currently facing headwinds through rising inflation. Albania was subject to two successive major shocks, an earthquake in November 2019 and the COVID-19 pandemic since March 2020. Overall, the Albanian economy has demonstrated resilience in the face of both shocks, with a smaller-than-expected contraction in 2020 followed by strong growth of 8.5 percent in 2021. The economic recovery is likely to continue in 2022, with growth projected at 4.0 percent despite sharp increases in food and energy prices and tighter financial conditions weighing down on economic activity. In the medium term, economic activity is expected to gradually recover to reach a potential growth of 3.4 percent, reflecting positive effects from high public investment levels, partly offset by adverse demographic and emigration factors.

Movements in the current account deficit have reflected recent and current shocks. The current account deficit had deteriorated to 9 percent of GDP in 2020 due to lower tourism receipts and merchandise exports which were partly offset by resilient remittances. While it improved in 2022, converging to the pre-pandemic ratio of 7.7 percent of GDP, as a result of a more favorable external environment and an easing of COVID-19 restrictions for tourists, a deterioration to over 8.0 percent of GDP is expected further in 2022 following a larger import bill for food and energy but a gradual return to pre-pandemic levels is expected over the medium term and would be financed by Foreign Direct Investment and planned Eurobond issuances.

Public debt has been declining since 2020 but remains the highest among the Western Balkans countries. Public debt increased from 67 percent of GDP in 2019 to about 76 percent during the pandemic. The increase reflected both an increase in domestic debt and foreign borrowing including Eurobond issuances. With high growth and domestic debt repayments, public debt has declined in 2021 and further in Q1-2022 to less than 70 percent of GDP. The share of external debt has been increasing since 2011 and currently accounts for about 34 percent of GDP. It is currently expected to decline over time to reach 27 percent of GDP by 2026 following lower deficits and planned Eurobond repayments.

After a small dip in 2020, the tax-to-GDP ratio has recovered to pre-pandemic levels. Tax revenues declined by only 1 percentage point to 24.2 percent of GDP in 2020, reflecting mainly lower

profit and personal income taxes.¹ In 2021, following the strong recovery, tax revenues increased to 2019 levels of 25.2 percent of GDP due mainly to higher VAT taxes. They are estimated² to slightly increase in 2022 to 25.4 percent of GDP on the back of higher inflation and stabilize at 25.5 percent of GDP starting 2023 following some gains from revenue administration reforms including fiscalization.³

D. Main Taxes

Core taxes account for most tax revenue in Albania. Between 2019-2021, revenue collection from core taxes including VAT, social contributions (SC), excise duties, PIT, and CIT accounted for about 85 percent of tax revenue (about 21 percent of GDP). VAT accounts for the largest share in core tax revenue (a three-year average of 39 percent), followed by SC (28 percent), domestic excise duties (13 percent), PIT (11 percent), and CIT (9 percent). Further details on tax revenue collections are provided in Table 1 of Attachment III.

E. Institutional Framework

The GDT is an administrative body established within the Ministry of Finance and Economy (MOFE). The GDT's legal framework, which defines its competence and organization, is set out in the Law on Tax Procedure. Day-to-day administration is the responsibility of the Director General (DG), who is appointed by the prime minister on the proposal of the Minister of Finance and Economy.

There are three senior management committees that guide the operations of the GDT: the Reform Management Committee (RMC) (strategic direction of the GDT and the supervision of the reform plan), the Operational Management Committee (OMC) (managing the annual planning process and monitoring the GDT's performance), and the Compliance Management Committee (CMC) (implementation of a compliance risk management (CRM) system). The three committees are chaired by the DG.

A function-based headquarters (HQ) structure is in place. It consists of three business streams (program design, operations, and support). In the organizational structure, each business stream is managed by a deputy DG (however two deputy DG positions, one for program design and another for support are currently vacant).

The organizational structure includes a network of 13 Regional Tax Offices (RTO) and a Large Taxpayer Office (LTO). The debt collection activities, which were based in the 13 RTOs, have been consolidated into three regional collection offices and in the LTO.

¹ This decline reflects both worse balance sheets and incomes at end-2019 as a result of the earthquake on which profits are paid in Q1-2020 as well as tax deferrals that were granted during the Covid-19 pandemic.

² IMF estimate

³ Fiscalization is the Government's headline anti-informality project that facilitates the real-time monitoring of sales (invoice) and purchase (receipt) transactions. Both cash and cashless invoices must be reported to the GDT (through a central government platform) at the time they are created. It applies to business-to-consumer (B2C), business-to-business (B2B) and business-to-government (B2G) transactions. The GDT estimates that this initiative has the potential to increase VAT collection by between 10 and 15 percent when fully implemented.

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

F. Current Status of Tax Administration Reform

Albania has been formulating a Medium-Term Revenue Strategy (MTRS) since 2019.⁴ The development of the strategy was delayed because of the double-shocks to the economy of the end-2019 earthquake and the COVID-19 pandemic. MTRS work was reactivated in 2021 and the government's intention was to finalize the MTRS in July 2022. However, the impact of increasing price levels has again delayed its introduction. As the GDT awaits the MTRS, no strategic plan was adopted. Capacity development support is currently being delivered through IMF, EU, SECO, and STA programs. Current reform initiatives include compliance risk management, data analytics, high-wealth individuals, debt management, organizational restructuring, and exchange of information.

G. International Information Exchange

Albania is a member of the Organization for Economic Cooperation and Development's Global Forum on Transparency and Exchange of Information for Tax Purposes. It started exchanges under the standard of automatic exchange of financial account information in 2020. Double taxation agreements (which include provisions on bilateral exchange of information for tax purposes) are in force with 41 countries. These include 21 EU member states, the United Kingdom, China, and Russia. In 2019, Albania signed the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting.

⁴ The MTRS is a high-level road map for mobilizing the tax revenues needed to finance Albania's spending needs over the medium term.

III. ASSESSMENT OF PERFORMANCE OUTCOME AREAS

A. POA 1: Integrity of the Registered Taxpayer Base

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

Two performance indicators are used to assess POA 1:

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

P1-1: Accurate and reliable taxpayer information

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

Table 2. P1-1 Assessment

Measurement dimensions	Scoring Method	Score 2022	
P1-1-1. The adequacy of information held in respect of registered taxpayers and the extent to which the registration database supports effective interactions with taxpayers and tax intermediaries.	M1	A	A
P1-1-2. The accuracy of information held in the registration database.		A	

GDT's registration database is robust and has improved since the last TADAT assessment in 2016. The database contains all relevant details for effective management of the tax system, including the economic sector based on the NACE Code⁵ and information about ownership type, associated entities, related parties, and intermediaries. The Taxpayer Service Department (TPS) in the GDT is responsible for maintaining the registration database. The National Business Center (NBC) undertakes the registration of all businesses and communicates it automatically within one business day to the GDT. Non-Governmental Organizations (NGOs) are registered by the Tirana District Court and the details are communicated to the GDT. For salaried employees, their national identification number issued under the Law on Civil Registry becomes their Taxpayer Identification Number (TIN). Foreign nationals, farmers, and casual traders need to apply online to the GDT for registration. After verification, their TIN is generated by the system.

⁵ NACE is the statistical classification of economic activities in the European Community.

The GDT registration database is centralized and computerized with each taxpayer having a unique TIN, validated through the use of a check digit. The registration subsystem interfaces with the filing, payment, and other tax subsystems and is, therefore, able to provide a whole-of-taxpayer view to authorized front-line staff. The system also produces a variety of statistics and management reports including status of active and passive taxpayers. It allows for deactivation and deregistration of taxpayers. The system automatically generates tax declarations for taxpayers at the start of the tax period. There is a robust access control of users, and the system provides a full audit trail of user access. Since 2017, the taxpayer portal “E-Albania” is available for taxpayers which provides them secure access to update details held in the database and check their taxpayer accounts.

Procedures exist in the law and manual⁶ and an automated process exists and is routinely applied to ensure the accuracy of the registration database. The six steps for deregistration are provided in the manual and these steps are replicated in the workflow of the computer system. Updating and deactivation happens in three ways: (1) changes made by the NBC; (2) application by taxpayers; and (3) information from other tax departments, e.g., audit. Deregistration needs a few additional steps. If a business has not filed declarations for 12 consecutive tax periods, the system automatically deactivates the taxpayer. Application for registration of legal entities is verified for authenticity by NBC and by the GDT for taxpayers that are required to register directly with the RTOs. The database is routinely crosschecked with data from Customs, NBC, and from July 1, 2022, through fiscalization. The Internal Audit Department examines GDT’s registration system and has indicated general confidence in its accuracy while recommending ways for further improvement.⁷ [Table 2 of Attachment III].

P1-2: Knowledge of the potential taxpayer base

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

Table 3. P1-2 Assessment

Measurement dimension	Scoring Method	Score 2022
P1-2. The extent of initiatives to detect businesses and individuals who are required to register but fail to do so.	M1	A

Significant initiatives have been undertaken to identify unregistered and incorrectly registered businesses. The GDT undertakes an extensive program of field inspections/visits to ensure registration of potential taxpayers. One of the activities of the field offices is to identify new taxpayers. Cross-checking occurs automatically with agencies such as Customs, NBC, and other law enforcement

⁶ Section 6 of the Manual for Taxpayer Service and Article 44 of the Tax Procedure Code specifies when to deactivate.

⁷ Internal Audit Report No. 20515 dated 28.10.2020, para 7.1.

agencies as well as from complaints/information from citizens. Fiscalization data will also be used for detecting unregistered businesses. There have been significant achievements in identifying nonregistered or incorrectly registered entities through the informality project. The Investigation Department has a specific unit that follows up on registration of unregistered businesses.⁸

B. POA 2: Effective Risk Management

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

- Compliance risks—where revenue may be lost if businesses and individuals fail to meet the four main taxpayer obligations (i.e., registration in the tax system; filing of tax declarations; payment of taxes on time; and complete and accurate reporting of information in declarations); and
- Institutional risks—where tax administration functions may be interrupted if certain external or internal events occur, such as natural disasters, sabotage, loss or destruction of physical assets, failure of IT system hardware or software, strike action by employees, and administrative breaches (e.g., leakage of confidential taxpayer information which results in loss of community confidence and trust in the tax administration). For TADAT purposes, institutional risk is divided into two components. These are:
 - *Operational risk*—refers to disruptive actions that destroy or affect part or all of the administration's assets and resources, such as buildings, IT, and other equipment, data and records; and
 - *Human capital risk*—refers to interruptions that affect the tax administration arising out of capability, capacity, compliance, cost and connection (engagement) gaps of and by its employees.

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

Five performance indicators are used to assess POA 2:

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

⁸ Report on plan of the informality project.

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

For this indicator two measurement dimensions assess: (1) the scope of intelligence gathering and research to identify risks to the tax system; and (2) the process used to assess, rank, and quantify compliance risks. Assessed scores are shown in Table 4 followed by an explanation of reasons underlying the assessment.

Table 4. P2-3 Assessment

Measurement dimensions	Scoring Method	Score 2022	
P2-3-1. The extent of intelligence gathering and research to identify compliance risks in respect of the main tax obligations.	M1	C	C
P2-3-2. The process used to assess, rank, and quantify taxpayer compliance risks.		C	

The GDT gathers and analyses information from both internal and external sources to build knowledge of compliance levels and emerging risks. Significant analysis of tax declarations and audit results are undertaken. Data from the recently implemented fiscalization initiative is not currently being used, however, planning is underway to optimize this valuable source of compliance data to more proactively identify risk clusters. Information from external sources is expanding and includes data from Customs, the NBC, and real property and motor vehicle registries. However, broader environmental scans to contribute to multi-year strategic planning processes are not routinely undertaken. More recently compliance intelligence was gathered during the Covid-19 pandemic from external sources for the e-commerce and pharmaceutical sectors. Limited analysis is undertaken to identify compliance risks associated with transfer pricing.

The GDT has a risk assessment process in place to identify, assess, and prioritize compliance risks but this is not part of a multi-year strategy. This process is comprehensively documented in a detailed risk management manual. It specifies risk assessments for all core taxes, the four main compliance obligations and several economic sectors. The risk directorate is responsible for managing the risk assessment processes including compiling and maintaining a detailed risk register. The risk assessment process is not part of a multi-year strategic planning process. However, the outcomes are linked to the broader annual business planning and reflected in GDT's annual operational plan.

The LTO has a separate risk assessment unit that prioritizes compliance risks and develops its own compliance plan. The LTO is currently undertaking analysis and research of each LTO taxpayer and classifying each taxpayer into one of four categories—high risk, medium risk (actively monitor), medium risk, and low risk. Currently 50 percent of cases identified for audit are selected by the LTO risk assessment unit with the remainder selected by the HQ risk directorate. However, the LTO risk profiling is not fully tailored to the large taxpayer segment.

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

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

Table 5. P2-4 Assessment

Measurement dimension	Scoring Method	Score 2022
P2-4. The degree to which the tax administration mitigates assessed risks to the tax system through a compliance improvement plan.	M1	C

The GDT produces an annual compliance plan each year that sets out key compliance risks and the mitigation strategies that have been designed to address those risks. The plan covers all core taxes and taxpayer segments and highlights risks associated with the four main tax obligations. An extract from the compliance plan is published on GDT's website providing a snapshot of the key risks that the GDT will be focusing on in the current year. Sectoral specific plans (in some cases multi-year) are developed for identified high risk sectors including the tourism and construction sectors. A comprehensive improvement plan has also been developed to address the high-level of informality in the economy.

The Compliance Plan is approved by the Compliance Management Committee (CMC). The committee includes the DG, deputy DGs, and the managers from the risk and audit directorates. Although there is some evidence of planned resource usage,⁹ it does not comprehensively cover resource requirements. Implementation of the compliance plan is formally reviewed by the CMC twice a year.

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

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

Table 6. P2-5 Assessment

Measurement dimension	Scoring Method	Score 2022
P2-5. The process used to monitor and evaluate the impact of compliance risk mitigation activities.	M1	B

The CMC formally approves and monitors the implementation of the compliance program. In addition, specific working groups are established to regularly monitor the progress of project-based compliance improvement initiatives. Over the past 12 months, working groups have been in place for the tourism sector, construction sector and labor informality projects. The working groups generally

⁹ E.g., in the tourism, construction and informality compliance improvement sectoral plans.

meet every two weeks. Evaluations of the effectiveness of risk mitigation strategies have been documented for sector specific projects (which represents over 50 percent of approved compliance risk mitigation activities). However, they are not routinely prepared for other compliance activities.

P2-6: Management of operational risks

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

Table 7. P2-6 Assessment

Measurement dimensions	Scoring Method	Score 2022	
P2-6-1. The process used to identify, assess and mitigate operational risks.	M1	C	D
P2-6-2. The extent to which the effectiveness of the business continuity program is tested, monitored and evaluated.		D	

The GDT has developed a comprehensive manual for dealing with operational risks. The manual incorporates three business continuity plans separately covering IT, physical security, and information security. The manual is updated each year to reassess, prioritize and review risk mitigation strategies. However, there is no evidence that business impact assessments are undertaken (except for the IT systems—see next paragraph) or that business continuity exercises are conducted on a regular basis. More recently however, the GDT’s response during the Covid-19 pandemic successfully prioritized the safety of staff, continued to support the community, and minimized disruption to tax administration business operations.

The IT systems in the GDT are managed by the National Agency for Information Society (NAIS).¹⁰ NAIS undertakes business impact assessments on a regular basis matching IT operational risk to GDT’s service and compliance requirements including cyber threat risks. Business continuity exercises are conducted for all NAIS staff on an annual basis. NAIS has received ISO 27001 certification on information security on behalf of the GDT. There are plans to extend ISO certification to the business operations of the GDT in the near future.

The effectiveness of GDT’s business continuity program has not been tested against international risk management standards. A planned post pandemic review has not yet been completed.

P2-7: Management of human capital risks

This indicator examines how the tax administration manages human capital risks. The assessed score is shown in Table 8 followed by an explanation of reasons underlying the assessment.

¹⁰ NAIS is a separate agency that is responsible for all national government IT systems

Table 8. P2-7 Assessment

Measurement dimensions	Scoring Method	Score 2022
P2-7-1. The extent to which the tax administration has in place the capacity and structures to manage human capital risks.	M1	B
P2-7-2. The degree to which the tax administration evaluates the status of human capital risks and related mitigation interventions.		D

The GDT has a formal process in place to assess human capital risks. A strategic management group comprising of the DG, Deputy DGs, and key HQ directors meet at least three times a year to review the human capital risk register and decide appropriate mitigation strategies. This work is coordinated by senior leaders of the GDT independent from the HR function. HR has 25 people from the HR unit who have been specifically trained in HR risk management. In addition, 30 managers across the GDT received training to understand and identify HR risks. This training was organized in 2020 by the Albanian School of Public Administration. The GDT uses the trained managers (who are independent of the HR function) to conduct a formal evaluation of the human capital risk status on an annual basis covering at least one risk in the key HR capital risk framework (as set out in Box 4 of the TADAT Field guide) and several additional risks in the capability and capacity risk categories (including ethics, engagement, training, and recruitment). This assessment is undertaken using an internationally recognized self-assessment questionnaire (with 111 questions). A detailed risk register is generated from this assessment.

An action plan is developed each year that sets out human capital risk management strategies to address identified risks. This action plan is approved by the DG and together with the questionnaire responses is submitted to the MOFE to review.

A formal employee performance appraisal system is in place and is conducted across the GDT every six months. Each employee's performance is appraised by their immediate manager and documented using a standard template. The outcomes from the appraisal process are used as an input into a training program and to update the human capital risk register.

The GDT does not include a section that mirrors the results of the HR risk assessment in its annual operations report.

C. POA 3: Supporting Voluntary Compliance

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

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

Four performance indicators are used to assess POA 3:

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

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

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

Table 9. P3-8 Assessment

Measurement dimensions	Scoring Method	Score 2022
P3-8-1. The range of information available to taxpayers to explain, in clear terms, what their obligations and entitlements are in respect of each core tax.	M1	C
P3-8-2. The degree to which information is current in terms of the law and administrative policy.		C
P3-8-3. The ease by which taxpayers obtain information from the tax administration.		A

Information on the main areas of core tax obligations and entitlements is readily available through various channels. There is an extensive range of material on the website¹¹ along with the e-service system¹² with respect to the main areas of core tax obligations for individuals, entrepreneurs, NGOs, and public entities. Information on the website is organized based on the life cycle of the taxpayers. It includes several YouTube videos¹³ providing step-by-step guidance on fiscalization, completing declarations, refund claims, etc. New businesses can register at all counters of the NBC or online through the e-Albania platform,¹⁴ with all needed information about registration/deregistration included in the website. Newly registered taxpayers receive an electronic notification of their filing and

¹¹ <https://www.tatime.gov.al/eng/>

¹² <https://www.tatime.gov.al/eng/c/7/e-services>

¹³ <https://www.tatime.gov.al/eng/c/8/44/video-trajnuese>

¹⁴ <https://e-albania.al/Default.aspx>

payment obligations in respect of each tax for which they are registered, and the home page of the website has a rolling “tax calendar”, which acts as an ongoing reminder of upcoming filing and payment deadlines across the main taxes. Each RTO has a taxpayer service center which provides a range of explanatory material and taxpayer service specialists deal with telephone and email queries.

Information is not tailored to meet the needs of tax intermediaries and disadvantaged groups.

The GDT customizes information material for some industries and segments (e.g., farmers, casual traders, and exporters). There is no significant tailoring of information to meet the specific needs of tax intermediaries,¹⁵ apart from information and training seminars.¹⁶ Tailored information is not yet available for disadvantaged groups.¹⁷

Information is kept current by a dedicated unit. A small team (with a staff of three)¹⁸ is responsible for coordinating the update of website, other public information and media releases. There is no comprehensive procedure¹⁹ on how to ensure changes in the law, technical interpretation, or administrative procedures are updated in a timely way so that taxpayers have the most current available information. All legislation is kept current on the website.

Taxpayers are not always alerted to changes in the law or administrative policy before the law or policy takes effect. They are generally made aware of changes to law and procedures after or very shortly before they take effect.²⁰ This is partly because the interval between enactment of legislation and its coming into effect is often very short. However, for some significant changes, such as fiscalization or VAT threshold changes, taxpayers are alerted and advised well in advance.²¹

The GDT provides a broad range of proactive taxpayer education programs. The taxpayer services directorate prepares a training and education program as part of its operational plans for each year, which includes training, seminars with the taxpayers, business representative groups and accounting bodies. Newly registered taxpayers are contacted by the Call Center, and then the RTOs offer a training program for small and medium taxpayers.²² School programs to educate students about taxes

¹⁵ In 2021, approximately 10,000 businesses were supported in the preparation of the financial statements by members of the Institute of Certified Accountants.

¹⁶ On February 16, 2021, an MOU was signed between the GDT and the Institute of Certified Accountants.

¹⁷ The Government of Albania has approved the law on the use of technology for disadvantaged group, but such technology is not available yet.

¹⁸ Under the Director of Service and Registration of Taxpayers, Unit of Assistance and Support to Taxpayers. This team has also other taxpayer service and registration responsibilities.

¹⁹ Order No. 193, dated 12.08.2020 requires the website to be updated. However, it does not cover procedural steps for other information channels.

²⁰ For example, through targeted awareness-raising such as media releases, pop-up notifications in the taxpayer account, or notification e-mails.

²¹ e.g., 31,471 taxpayers and 3,433 accountants were trained as part of Fiscalization preparation and implementation.

²² 8,655 information visits for newly registered taxpayers.

have been designed but the implementation has been postponed due to COVID-19 pandemic. The GDT has entered into agreement with three universities.²³

Taxpayer information is available at no cost through different channels. These include: the website, walk-in facilities, technical notes, brochures, frequently asked questions, rulings,²⁴ telephone, e-mail and text messages, notification letters, face-to face requests, informative activities, and trainings.²⁵ The contact details of designated taxpayer service specialists in each RTO²⁶ are clearly flagged on the website. Since February 1, 2017, a call center has been established to provide services for all individuals and taxpayers. Access to information after office hours is available through the GDT's website.²⁷

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

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

Table 10. P3-9 Assessment

Measurement dimension	Scoring Method	Score 2022
P3-9: The time taken to respond to taxpayers and tax intermediaries' requests for information.	M1	D

Data are not available to determine the number of telephone enquiry calls answered within six minutes waiting time. There is no recording system in place that can give a reliable figure for telephone enquiry call waiting time. There is no call queuing system; if the number dialed is busy, the only option is to make another call. [Table 3 Annex III].

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

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

Table 11. P3-10 Assessment

²³ e.g., the agreement with the University of Tirana was signed on November 27, 2020.

²⁴ Both private and public rulings, which are issued by GDT are consolidated into the bulletins, which is prepared and published twice a year.

²⁵ The manual on taxpayer services elaborates on all the channels used by GDT. For instance, in 2021, on average 403,485 notices were sent to taxpayers; 117 meetings held; 59,024 consultation visits completed; 1,349 educational seminars conducted; and 217,415 taxpayers assisted (face-to-face).

²⁶ The contact details of designated taxpayer service specialists in each RTO including the individual's name, direct telephone and email details are provided at <https://www.tatime.gov.al/eng/c/9/157/regional-tax-directorates>

²⁷ <https://www.tatime.gov.al/eng/c/9/199/tax-administration-call-centre>

Measurement dimension	Scoring Method	Score 2022
P3-10. The extent of initiatives to reduce taxpayer compliance costs.	M1	A

The use of prefilled tax declarations for taxable businesses is increasing. Frequently asked questions and taxpayer misunderstandings are monitored and analyzed. PAYE declarations are prefilled based on data which is carried over from the previous return. Also, for annual personal income tax declarations (DIVA), payroll income is pre-filled. Starting July 2022, VAT declarations will be pre-filled from data provided under Fiscalization. Since January 2021, businesses are exempt from Profit Tax and VAT if their annual turnover is less than ALL 14 million and ALL 10 million respectively – this change removed large numbers of taxpayers from the obligation to make income and VAT declarations. Frequently asked questions and taxpayer misunderstandings are monitored to improve information dissemination.

Taxpayers and their intermediaries have 24-7 secure online access to registration and account details. The design and the content of tax declarations and other forms are reviewed periodically. The VAT declaration has been reviewed and simplified as part of fiscalization. The PAYE declaration has also been improved. The CIT declaration is planned to be reviewed in 2023.

P3-11: Obtaining taxpayer feedback on products and services

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

Table 12. P3-11 Assessment

Measurement dimensions	Scoring Method	Score 2022	
P3-11-1. The use and frequency of methods to obtain performance feedback from taxpayers on the standard of services provided.	M1	B	C
P3-11-2. The extent to which taxpayer input is taken into account in the design of administrative processes and products.		C	

The GDT regularly uses various methods to obtain feedback from taxpayers. Independent surveys have been conducted on a less regular basis. Feedback is gathered via basic questionnaires available in GDT's website and suggestion boxes in the RTOs. Furthermore, representatives of the GDT meet with business representatives (for example large taxpayers, the tourism sector, Chamber of Commerce, and Institute of Certified Accountants). The GDT has carried out two surveys (nationally and regionally) about taxpayer satisfaction with GDT services during the Covid-19 pandemic. An independent business perception survey including services to taxpayers was last conducted by the Albanian Investment Council in 2019. This was based on a statistically valid sample of key taxpayer segments. Independent taxpayer satisfaction surveys are planned with the assistance of the Swedish Tax Agency.

The GDT consults on an ad hoc basis with key taxpayer groups and intermediaries to identify administrative processes and product deficiencies. Stakeholders are involved in the design or testing of taxpayer service programs only on an ad hoc basis.

D. POA 4: Timely Filing of Tax Declarations

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

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

Three performance indicators are used to assess POA 4:

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

P4-12: On-time filing rate

A single performance indicator, with four measurement dimensions, is used to assess the on-time filing rate for CIT, PIT, VAT, domestic excise tax, and PAYE withholding declarations. A high on-time filing rate is indicative of effective compliance management including, for example, provision of convenient means to file declarations (especially electronic filing facilities), simplified declarations forms, and enforcement action against those who fail to file on time. Assessed scores are shown in Table 13 followed by an explanation of reasons underlying the assessment.

Table 13. P4-12 Assessment

Measurement dimensions	Scoring Method	Score 2022
P4-12-1. The number of CIT declarations filed by the statutory due date as a percentage of the number of declarations expected from registered CIT taxpayers.	M2	B
P4-12-2. The number of PIT declarations filed by the statutory due date as a percentage of the number of declarations expected from registered PIT taxpayers.		A
P4-12-3. The number of VAT declarations filed by the statutory due date as a percentage of the number of declarations expected from registered VAT taxpayers.		A
P4-12-4. The number of domestic excise tax declarations filed by the statutory due date as a percentage of the number of declarations expected from registered domestic excise taxpayers.		A
P4-12-5. The number of PAYE withholding declarations filed by employers by the statutory due date as a percentage of the number of PAYE declarations expected from registered employers.		A

The reported filing rates across all core taxes are high. Most declarations are electronically generated by the system and delivered to the taxpayers' e-service portal and pre-filled with known data. Strict adherence to statutory due dates is required. There are allowances only where the due date falls on a weekend or public holiday (to the next business day). No period of grace is provided. The awareness of declaration filing obligations is high. The GDT website contains detailed information concerning declaration requirements. Individual advance warning of a filing obligation is not given, but there is a "tax calendar" outlining the due dates for all taxes on the GDT website. The following are the on-time filing rates for core taxes [Tables 4-10 of Attachment III]:

All CIT taxpayers	93.1
Large CIT taxpayers	97.4
All PIT taxpayers	93.6
All Domestic Excise taxpayers ²⁸	100
Large Domestic Excise taxpayers	100
All VAT taxpayers	95.7
Large VAT taxpayers	99.2
All PAYE taxpayers	98.4

²⁸ Domestic excise payers are required to file details of the transaction and pay tax concurrently before goods can be released for circulation.

P4-13: Management of non-filers

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

Table 14. P4-13 Assessment

Measurement dimension	Scoring Method	Score 2022
P4-13. Action taken to follow up non-filers.	M1	A

Filing compliance is monitored automatically and followed up within five days. The GDT systems identify those taxpayers who were expected to file declarations but have not done so by the due date. Within five days of the due date, automatically generated reminders are sent to taxpayers who have not filed as expected. Penalties for late filing are automatically applied. Within ten days of the due date, a list of non-filers is automatically generated for the RTOs. Follow-up work is assigned, initially, to taxpayer services to encourage compliance. Where declarations remain outstanding, cases are escalated to the desk audit unit where dedicated staff make direct contact with the taxpayer to secure the declaration. In situations where a declaration is not required, either temporarily or permanently, the taxpayer register is updated with this information.

P4-14: Use of electronic filing facilities

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

Table 15. P4-14 Assessment

Measurement dimension	Scoring Method	Score 2022
P4-14. The extent to which tax declarations are filed electronically.	M1	A

Electronic filing of all declarations is mandatory. Secure transmission is facilitated via the taxpayer's electronic portal and data known to the GDT is prefilled. No other form of filing is permitted [Table 11 of Attachment III].

E. POA 5: Timely Payment of Taxes

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

Four performance indicators are used to assess POA 5:

- P5-15—Use of electronic payment methods.
- P5-16—Use of efficient collection systems.
- P5-17—Timeliness of payments
- P5-18—Stock and flow of tax arrears.

P5-15: Use of electronic payment methods

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

Table 16. P5-15 Assessment

Measurement dimension	Scoring Method	Score 2022
P5-15. The extent to which core taxes are paid electronically.	M1	A

All taxes have been paid electronically since 2015. This covers all tax types, and all payments are made through commercial banks. All funds are electronically transferred from the bank to the Treasury account and the details of payments are transmitted to the GDT daily.

P5-16: Use of efficient collection systems

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

Table 17. P5-16 Assessment

Measurement dimension	Scoring Method	Score 2022
P5-16. The extent to which withholding at source and advance payment systems are used.	M1	A

The tax code provides for withholding at source and advance payment arrangements.

Employment, interest, rent, and dividend (to residents) incomes are covered by withholding arrangements. Advance payment instalment systems are in place for profit tax.

P5-17: Timeliness of payments

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

Table 18. P5-17 Assessment

Measurement dimensions	Scoring Method	Score 2022	
P5-17-1. The number of VAT payments made by the statutory due date in percent of the total number of payments due.	M1	C	D
P5-17-2. The value of VAT payments made by the statutory due date in percent of the total value of VAT payments due.		D	

The on-time VAT payment performance has been adversely affected by the impact of the 2019 earthquake in Albania and the Covid-19 pandemic. These two events, in succession, have had significant economic impact on Albania and its businesses. On-time payment by *number* of payments was 71 percent for all taxpayers and 89 percent for large taxpayers. On-time payment by *value* scores are 73 percent for all taxpayers and 85 percent for large taxpayers—only marginally below the criteria for a “C” score. Taxpayers are made aware of the requirements to pay by the due date. The website contains a tax calendar with a list of payment due dates and outlining the instalment arrangements available to taxpayers who cannot pay on time. The website also outlines the collection enforcement options available under the law. A list of taxpayers who do not pay is also published on the website. [Table 12 of Attachment III].

P5-18: Stock and flow of tax arrears

This indicator examines the extent of accumulated tax arrears. Two measurement dimensions are used to gauge the size of the administration’s tax arrears inventory: (1) the ratio of end-year tax arrears to the denominator of annual tax collections; and (2) the more refined ratio of end-year ‘collectible tax arrears’ to annual collections.²⁹ A third measurement dimension looks at the extent of unpaid tax liabilities that are more than a year overdue (a high percentage may indicate poor debt collection practices and performance given that the rate of recovery of tax arrears tends to decline as arrears get older). Assessed scores are shown in Table 19 followed by an explanation of reasons underlying the assessment.

²⁹ For purposes of this ratio, ‘collectible’ tax arrears is defined as total domestic tax arrears excluding: (a) amounts formally disputed by the taxpayer and for which collection action has been suspended pending the outcome, (b) amounts that are not legally recoverable (e.g., debt foregone through bankruptcy), and (c) arrears otherwise uncollectible (e.g., the debtor has no funds or other assets).

Table 19. P5-18 Assessment

Measurement dimensions	Scoring Method	Score 2022
P5-18-1. The value of total core tax arrears at fiscal year-end as a percentage of total core tax revenue collections for the fiscal year.	M2	C
P5-18-2. The value of collectible core tax arrears at fiscal year-end as a percentage of total core tax revenue collections for the fiscal year.		D
P5-18-3. The value of core tax arrears more than 12 months old as a percentage of the value of all core tax arrears.		D

There is a very high level of tax arrears, and it continues to grow. In absolute terms, the value in each of the dimensions is expanding year on year over the 2019-2021 period. However, the total and the collectible arrears, as a percentage of total core revenue collections has marginally reduced between 2020 and 2021. Collectible arrears over 12 months old, as a percentage of total collectible arrears, has risen over the last two years to reach 85 percent by the end of 2021. The economic impact of the earthquake and the Covid-19 pandemic has exacerbated the difficulties in collecting arrears. While the current debt management practices may curtail the escalation of arrears over time, without a significant coordinated campaign to address arrears, including writing off arrears that are very unlikely to be collected, it will remain a challenge. [Table 13 of Attachment III].³⁰

F. POA 6: Accurate Reporting in Declarations

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

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

Also prominent in modern tax administration is high-volume automated crosschecking of amounts reported in tax declarations with third-party information. Because of the high cost and relatively low coverage rates associated with traditional audit methods, tax administrations are

³⁰ The GDT conducted a review of the write-off powers, under Article 103 of the Tax Procedures Law in 2017 / 2018. The review found that no debt can be written off before all avenues to recover the debt have been exhausted. The GDT advised that there are no cases where all such avenues have been exhausted.

increasingly using technology to screen large numbers of taxpayer records to detect discrepancies and encourage correct reporting.

Proactive initiatives also play an important role in addressing risks of inaccurate reporting.

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

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

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

- P6-19—Scope of verification actions taken to detect and deter inaccurate reporting.
- P6-20—Use of large-scale data-matching systems to detect inaccurate reporting.
- P6-21—Initiatives undertaken to encourage accurate reporting.
- P6-22—Monitoring the tax gap to assess inaccuracy of reporting levels.


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

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

Table 20. P6-19 Assessment

Measurement dimensions	Scoring Method	Score 2022
P6-19-1. The nature and scope of the tax audit program in place to detect and deter inaccurate reporting.	M1	B
P6-19-2. The extent to which the audit program is systematized around uniform practices.		A
P6-19-3. The degree to which the quality of taxpayer audits is monitored.		C
P6-19-4. The degree to which the tax administration monitors the effectiveness of the taxpayer audit function.		D

The GDT compiles an audit plan on a monthly basis. The monthly audit plan is compiled by the GDT's risk directorate using risk analysis data collated centrally and resource availability and other information from the audit directorate and RTOs. The monthly plan covers all core taxes, key taxpayer



segments and is weighted towards high-risk sectors. 70 percent of planned cases are selected centrally using the compliance risk module with the remaining cases selected by the audit directorate (including requests received from other agencies) and RTOs. A range of comprehensive, single issue and desk audits are used as direct and indirect methodologies. Audits of taxpayers in the large taxpayer segment are undertaken by a dedicated LTO. The LTO is currently assessing risk levels for each taxpayer in this segment and classifying taxpayers into one of four risk categories—high, medium (close monitoring), medium, low. The GDT does not routinely evaluate the impact of audits on levels of taxpayer compliance.

Audit manuals have been developed for both field and desk audits. Auditors are required to apply the procedures set out in the manuals. Twelve sector-specific audit methodology guidance notes (such as for construction, gambling, and manufacturing) are incorporated into the manuals. The manuals provide detailed guidance on audit procedures (including indirect audit methodologies) and the procedures (including prescribed audit timelines) that must be followed at the commencement of, during and when finalizing an audit. Detailed guidance such as on developing an audit plan, using templates for working papers, advising taxpayers of audit finding and dispute rights are provided in the manuals. The manuals are reviewed every two years. An auditor training program, with modules based on various elements of the audit manuals, is developed and delivered each year.

The quality of taxpayer audits is reviewed on a regular basis. A specific organizational unit in the HQ undertakes the reviews which are then considered by the directors from the risk and audit directorates. The outcomes from the reviews are summarized in a note to the head of each of the RTOs from the DG for actioning by the RTO. However, there is no checklist to review audit quality and no evidence that adjustments to audit procedures or training programs have been made in response to the findings of these reviews.

GDT's senior management monitors the effectiveness of the audit function using data from the case management system. There is information available on the number and type of audits completed, the percent of audit cases with and without adjustments, the value of audit adjustments and the elapsed time of audit cases. However, these reports do not provide data on the percent of audit closures with reduced adjustments, average or medium audit yields or statistics on cases appealed.

The GDT does not routinely monitor and evaluate the effectiveness of significant elements of the audit function. Some analysis of the impact of the implementation of compliance strategies has been undertaken for sector specific projects (e.g., the tourism sector). However, information on the subsequent compliance behavior of audited taxpayers is not compiled in a systematic way.

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

For this indicator, one measurement dimension provides an indication of the extent to which the tax administration leverages technology to screen large numbers of taxpayer records against third-party information to detect discrepancies and encourage correct reporting.

Assessed scores are shown in Table 21 followed by an explanation of reasons underlying the assessment.

Table 21. P6-20 Assessment

Measurement dimension	Scoring Method	Score 2022
P6-20. The extent of large-scale automated crosschecking to verify information reported in tax declarations.	M1	C

Large scale automated cross checking of data is undertaken to verify information filed in VAT and income tax declarations. However, the use of external data sources is limited. Data from Customs, the NBC, and employers (for cross-checking employment income) is used. Automated collection and cross checking of data from financial institutions³¹, shareholder and real property registers are not in place. The recently introduced fiscalization system will be a valuable source of business taxpayers' sales and purchases information for automated cross checking and prefilling when it is fully implemented.

P6-21: Initiatives undertaken to encourage accurate reporting

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

Table 22. P6-21 Assessment

Measurement dimension	Scoring Method	Score 2022
P6-21. The nature and scope of proactive initiatives undertaken to encourage accurate reporting.	M1	B

The GDT has an established system of issuing binding public and private rulings in place. Public binding rulings are published on the GDT's website and generally aim to clarify policy positions related to new legislation (most recently providing guidance for taxpayers with the implementation of fiscalization). However, the topics covered by the current suite of published public rulings are limited.

The GDT has not entered into any cooperative compliance arrangements with taxpayers. Although there has been an increased level of engagement with taxpayers in the large taxpayer segment to improve legal certainty for those taxpayers, it has not yet evolved into adopting cooperative arrangements between the GDT and taxpayers.

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

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

³¹ Interest income from financial institutions is subject to final withholding.

Table 23. P6-22 Assessment

Measurement dimensions	Scoring Method	Score 2022
P6-22. The soundness of tax gap analysis method/s used by the tax administration to monitor the extent of inaccurate reporting.	M1	D

The GDT does not monitor the extent of inaccurate reporting using appropriate methodologies at regular intervals. A VAT tax gap estimate was undertaken in 2016 using the methodology developed by the IMF. A follow up estimate was planned for 2021 to build the capacity to perform regular tax gap analysis. However, it has been deferred due to the Covid-19 pandemic. There is no evidence that the VAT gap estimate influenced the design of compliance interventions to improve accuracy of reporting although it was used to identify sectors with the highest level of revenue leakage. There has not been any further tax gap analysis work since the 2016 estimate.

G. POA 7: Effective Tax Dispute Resolution

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

Three performance indicators are used to assess POA 7:

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

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

For this indicator three measurement dimensions assess: (1) the extent to which a dispute may be escalated to an independent external tribunal or court where a taxpayer is dissatisfied with the result of the tax administration's review process; (2) the extent to which the tax administration's review process is truly independent; and (3) the extent to which taxpayers are informed of their rights and avenues of review. Assessed scores are shown in Table 24 followed by an explanation of reasons underlying the assessment.

Table 24. P7-23 Assessment

Measurement dimensions	Scoring Method	Score 2022	
P7-23-1. The extent to which an appropriately graduated mechanism of administrative and judicial review is available to, and used by, taxpayers.	M2	D	C

P7-23-2. Whether the administrative review mechanism is independent of the audit process.		D	
P7-23-3. Whether information on the dispute process is published, and whether taxpayers are explicitly made aware of it.		A	

First stage administrative reviews are not conducted within the tax administration. Taxpayer appeals against GDT assessments or decisions are (since 2017)³² reviewed at the first instance stage by structures within the MOFE rather than the GDT.³³ The MOFE's Tax Appeals Directorate (TAD) reviews and decides on taxpayer appeals where the tax in dispute is less than ALL 20 million (about €170,000). Administrative reviews involving disputed tax above ALL 20 million are examined and decided by a Tax Appeals Commission (TAC)—also within the MOFE structure. Administrative review stage decisions are binding on the GDT. Under the scoring criteria for dimensions 1 and 2 of POA 7-23, the requirements for a 'C' or higher score are not met where first stage reviews are not conducted within the tax administration.³⁴

The taxpayer can appeal an administrative review decision to courts of general jurisdiction, with a further right of appeal to the higher courts. If dissatisfied with the administrative review outcome, the taxpayer may appeal—on matters of both fact and law—to the Administrative Court and, if still dissatisfied, to the Administrative Court of Appeals. There is a further right of appeal to the Supreme Court on points of law. A taxpayer may not appeal to the courts without first going through the administrative review process. Taxpayers use the formal dispute resolution process—in 2021, 1,387 administrative review appeals were received (see Table 14 of Attachment III), and approximately 260 cases were further appealed to the Administrative Court.

Information on the dispute resolution process is publicly available and is explicitly notified to taxpayers. General information on appeal rights and procedures is available on the GDT website with links to the relevant law.³⁵ The audit manual contains instructions to explicitly inform taxpayers of appeal rights and procedures and this information is also included in notices of assessment and administrative review outcomes. A small number of (anonymized) summaries of decision outcomes

³² Prior to January 2017, first stage administrative reviews were dealt with by a TAD within the GDT, which was organizationally separate from the audit department.

³³ Taxpayers can offer observations to the audit department in the regional directorate if dissatisfied with an inspector's audit report findings *before* an assessment is issued (Article 83 of the Law on Tax Procedures). However, this is not considered a first stage administrative review – once the assessment is issued, the taxpayer's only recourse for administrative review is to the appeal structures in the MOFE.

³⁴ The international good practice norm is that first-stage reviews are conducted within the tax administration (but organizationally separate from the audit department that made the disputed assessment or decision). See, for example, Table A.37 of the OECD publication *Tax Administration 2021 – Comparative Information on OECD and other Advanced and Emerging Economies*. Locating the first administrative review within the tax administration provides the best opportunity to resolve issues quickly and inexpensively (where this is possible), and to identify and speedily correct recurring errors and misinterpretations – e.g., through improved training and instructions for inspectors or better taxpayer information and interpretation clarity.

³⁵ For example, <https://www.tatime.gov.al/c/3/10/31/ankimimi>

dating from 2017, but not subsequent years, has been published on the MOFE website. The GDT regularly publishes a bulletin of tax appeal outcomes in the Administrative Court of Appeal and the higher courts.

P7-24: Time taken to resolve disputes

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

Table 25. P7-24 Assessment

Measurement dimensions	Scoring Method	Score 2022
P7-24. The time taken to complete administrative reviews.	M1	D

As the GDT does not have an administrative review stage within its structure—the first review stage being within the MOFE—for TADAT purposes it is not possible to score this indicator. The information provided for timely³⁶ completion of MOFE administrative reviews during 2021 indicated that the percentage of decisions finalized within 30, 60 and 90 days were 4.2 percent, 38.5 percent, and 93.2 percent respectively (taking as the denominator the opening stock plus the number received in the year). [Table 14 of Attachment III].

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

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

Table 26. P7-25 Assessment

Measurement dimension	Scoring Method	Score 2022
P7-25. The extent to which the tax administration responds to dispute outcomes.	M1	A

There is regular monitoring and analysis of all dispute outcomes, impact statements are prepared, and the analysis feeds into policy, law, and procedure changes. Regular reports of administrative review outcomes are prepared by the TAC and the TAD. These reports, which are sent to the Minister of Finance and Economy, the MOFE Fiscal Policy directorate and the GDT, include impact analysis and recommendations for policy or procedural change, where appropriate.

³⁶ The general statutory deadline for the MOFE to decide on first stage reviews is 60 days. If the administrative appeal does not meet certain formal requirements, the time for review may be extended, but in no case should the time for review exceed 90 days starting from the date of receipt of the complaint. (Article 109 of the Law on Tax Procedure and Section 109.3 of MOFE Instruction No. 24, dated 02.09.2008, as amended.)

H. POA 8: Efficient Revenue Management

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

- Providing input to government budgeting processes of tax revenue forecasting and tax revenue estimating. (As a general rule, primary responsibility for advising government on tax revenue forecasts and estimates rests with the Ministry of Finance. The tax administration provides data and analytical input to the forecasting and estimating processes. Ministries of Finance often set operational revenue collection targets for the tax administration based on forecasts of revenue for different taxes.)³⁷
- Maintaining a system of revenue accounts.
- Paying tax refunds.

Three performance indicators are used to assess POA 8:

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

P8-26: Contribution to government tax revenue forecasting process

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

Table 27. P8-26 Assessment

Measurement dimensions	Scoring Method	Score 2022
P8-26. The extent of tax administration input to government tax revenue forecasting and estimating.	M1	B

A dedicated accounting and statistics unit in the GDT provides collection data and other input to revenue forecasting by the MOFE. Revenue forecasts are prepared by the Fiscal Policy Directorate of the MOFE—using a mix of macroeconomic predictions and time series models based on tax collection data provided by GDT. Apart from collection data, the GDT’s accounting and statistics directorate also prepares statistical reports covering a wide range of information from tax declarations (including breakdowns by region, economic sector, business size, number of employees, and reported salary ranges). This information, while mainly used for internal monitoring and planning of GDT activity, is available to the MOFE for forecasting purposes. There is scope for more proactive GDT

³⁷ It is common for Ministries of Finance to review budget revenue forecasts and related tax collection targets during the fiscal year (particularly mid-year) to take account of changes in forecasting assumptions, especially changes in the macroeconomic environment.

involvement in assisting revenue forecasts, e.g., by feeding into the MOFE additional analysis of taxpayer and sectoral behaviors and particularly data and trends from monitoring the largest taxpayers. Monthly reports of variances between budgeted and planned collections are published on the MOFE website. The MOFE is also informed of any significant trends in VAT refund claims although there is a high degree of volatility in this area.

Regular reports are prepared on tax expenditures and the stock of credits/refunds carried forward, but the stock of tax losses carried forward is not monitored. Tax expenditure reports are regularly prepared by the MOFE and published on the Ministry's website.³⁸ Statistical reports prepared by the GDT's accounting and statistics directorate include the amount of taxpayer credits available for set off against future liabilities. The stock of any unreimbursed VAT refund arrears is published quarterly on the GDT's website.³⁹ At the end of 2021, ALL 77.7 billion in accumulated VAT credit was held in the system for 45,348 VAT taxpayers. This is equivalent to 17.7 percent of 2021 revenue collections or 4.4 percent of GDP.⁴⁰ There is monitoring of the numbers of taxpayers showing tax losses, but there is no reporting of the accumulated losses likely to impact future Profit Tax collections.⁴¹

P8-27: Adequacy of the tax revenue accounting system

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

Table 28. P8-27 Assessment

Measurement dimension	Scoring Method	Score 2022
P8-27. Adequacy of the tax administration's revenue accounting system.	M1	A

The GDT has a sound automated tax accounting system that interfaces with the MOFE revenue accounting system. All payments are posted to taxpayer ledgers within one business day. Suspense account cases are minimal and cleared quickly. The GDT carries out a monthly reconciliation by tax type and reconciles payments and transfers to the treasury. The system is regularly audited by the State Supreme Audit Institution and elements of the accounting system are regularly included in internal audit work programs.

³⁸ <https://www.financa.gov.al/shpenzimet-tatimore-2/>

³⁹ <https://www.tatime.gov.al/c/8/129/466/rimbursimi-i-tvsh-se-dhe-stoku>

⁴⁰ The amount of VAT credits has accumulated over decades and a substantive component of the total amount are credits older than 5 years. In practice, these old credits cannot be refunded, as claims must be made within 5 years of when the credit arose. No data was made available that separates the accumulated VAT credits that potentially could be claimed. There is no data available that separates the value of the unclaimed VAT credit that potentially could be claimed (either by refund, if within the 5-year time limit, or by set off against future liabilities) from those that are unlikely to ever be claimed from VAT credits that are unlikely to ever be claimed.

⁴¹ Losses can be carried forward for up to three consecutive years.

P8-28: Adequacy of tax refund processing

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

Table 29. P8-28 Assessment

Measurement dimensions	Scoring Method	Score 2022	
P8-28-1. Adequacy of the VAT refund system.	M2	A	C+
P8-28-2. The time taken to pay (or offset) VAT refunds.		D	

The GDT has risk-based verification processes for VAT refund claims and gives fast-track treatment to predominant exporters. Improved risk-based refund screening and workflows introduced in 2020 (and recently updated) have significantly reduced the average interval between refund requests and reimbursements. Referrals for pre-refund audits are now limited mostly to the highest-risk cases. Further recent improvements include online refund applications. While there is some automation, all VAT refund claims involve an element of manual screening. Predominant exporters meeting certain criteria are fast-tracked.

Budget funds are currently allocated to meet legitimate refund claims as they arise, but the law still allows for refund by instalment where claims exceed ALL150 million. There is a history of significant VAT refund arrears, particularly arising from large infrastructure and energy projects, where legitimate refund claims by the companies involved were not paid as they arose, but instead were paid in instalments. This situation arose from past insufficient funding of VAT refunds—mostly due to over-optimistic forecasting. The stock of arrears has recently been fully cleared and legitimate refund claims are now fully paid within the statutory time limit. However, a Council of Ministers decision of February 2020⁴², providing a legal basis for refund by instalment of legitimate VAT refunds due where the claim exceeds ALL 150 million, is still extant.

Excess VAT credits are offset against tax arrears and the law provides for interest on delayed refunds. Offsetting applies against all other types of arrears except social contributions. Interest payments are made on delayed refund payments, however, only upon the taxpayer's request.⁴³ There are plans to change the IT system to pay interest automatically, without request.

During 2021, less than 70 percent of refund claims received by value were paid within 30 days. Significant progress has been made over the past two years in reducing the time taken to pay (or offset) legitimate refunds. The legal timelines for VAT refunds are 30 days for predominant exporters and 60 days for others (after submitting the claim) and these legal timelines are now mostly met.

⁴² Council of Ministers decision "On Procedures and Criteria of the Agreement for the Payment of Taxes on Value Added Tax, published the official gazette No. 22, dated 24 February 2020.

⁴³ Currently all legitimate refund claims are paid within the statutory time limits of 60 days.

Information provided shows that during 2021, just over 70 percent of the *number* of refund claims received were paid, offset, or declined within 30 calendar days. However, the equivalent *value* figure was 63 percent. [Table 15 of Attachment III].

I. POA 9: Accountability and Transparency

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

Four performance indicators are used to assess POA 9:

- P9-29—Internal assurance mechanisms.
- P9-30—External oversight of the tax administration.
- P9-31—Public perception of integrity.
- P9-32—Publication of activities, results, and plans.

P9-29: Internal assurance mechanisms

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

Table 30. P9-29 Assessment

Measurement dimensions	Scoring Method	Score 2022	
P9-29-1. Assurance provided by internal audit.	M2	B	B
P9-29-2. Staff integrity assurance mechanisms.		B	

The GDT has an organizationally independent Internal Audit Directorate (IAD) that reports to the DG but not to an audit committee.⁴⁴ The IAD has two units with a total staff of eight, each with over 20 years' experience in tax administration and 5 years' experience in internal audit. All auditors are certified as public sector internal auditors. Each auditor has to undergo 40 hours of compulsory training each year provided by the Audit Alignment Department (AAD) of the government. The AAD conducts an independent review of all internal audit operations of the (IAD) once every five years.⁴⁵

⁴⁴ The GDT provided written comments stating that an audit committee was established in March 2016. This committee was functional only until June 2021, when its mandate was finished. Since TADAT is an assessment at a point in time, there is agreement that, at the time when the assessment was done, an audit committee did not function."

⁴⁵ Law on Internal Auditing in the Public Sector No. 114/2015 and Instruction 100/2016 of MOF

The last review was conducted in 2020.

There is a central repository of internal controls policies and procedures. There is an annual internal audit plan and a biannual audit strategy which covers all tax functions and financial management.⁴⁶ The plan is drafted by 30 September of the previous year for approval by the DG and then submitted to the AAD. Internal audits are conducted based on procedures laid out in the internal audit manual⁴⁷ and the audit results as well as the responses are reflected in the final report. The central repository is on the intranet.⁴⁸

Since 2016, internal audit and surveillance of the IT system are provided by the internal control unit of NAIS.⁴⁹ The audit trail of user access is robust. There is a regularly updated user access list which provides effective surveillance. There are firewalls to protect against fraud. NAIS has IT security arrangements with an international security firm.⁵⁰ There are plans to further upgrade and strengthen cybersecurity in the GDT, including ISO 27001 certification.⁵¹

The GDT also has an Internal Investigation (anti-corruption) Directorate (IID), which reports directly to the DG. The Code of Ethics is communicated to all staff.⁵² This directorate has a head and eight inspectors who have judicial police powers in terms of investigation of cases. The Directorate is responsible for the detection and prevention of staff corruption and violations of laws and procedures relating to conflicts of interest and ethical behavior. The directorate cooperates with relevant enforcement agencies including the public prosecutor's office, the police and the Anti-corruption agency and the High Inspectorate of Asset Declaration & Conflict of Interest. IID maintains anonymized integrity statistics. While the annual report provides statistics on disciplinary measures generally, it does not explicitly identify integrity statistics.⁵³ The Code of Ethics is communicated to all new recruits through special induction training. The Code is also available on the GDT website.⁵⁴

P9-30: External oversight of the tax administration

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

⁴⁶ Internal Audit Annual Plans for 2021 and 2022.

⁴⁷ Internal Audit Manual.

⁴⁸ Intranet: <https://192.168.221.35>

⁴⁹ <https://akshi.gov.a1>

⁵⁰ Jones Group International

⁵¹ Plan for IT System and Information Strategy.

⁵² Regulation on Internal Investigation Directorate.

⁵³ Annual report containing statistics on disciplinary proceedings.

⁵⁴ Code of Ethics of the GDT.

Table 31. P9-30 Assessment

Measurement dimensions	Scoring Method	Score 2022	
P9-30-1. The extent of independent external oversight of the tax administration's operations and financial performance.	M2	B	B+
P9-30-2. The investigation process for suspected wrongdoing and maladministration.		A	

The State Supreme Audit Institution (SSAI) is a constitutional body that oversees the GDT's financial statements and its operational performance annually. There is an annual program of financial audit as well as performance audits of GDT functions.⁵⁵ Along with its findings, the SSAI submits to the GDT a six-month program of implementation of its recommendations. The GDT responds to the findings of the SSAI.⁵⁶ While the findings of SSAI audits are published on the institution's website, the responses of the GDT are not published.⁵⁷ Although the responses of the GDT are not published, the status of implementation of some of the recommendations is contained in next year's report of the SSAI.

An ombudsman, called Taxpayer Advocate, with the mission to protect taxpayers' interest about the treatment they have received from the GDT, routinely examines complaints from taxpayers. Taxpayers can make complaints by phone or email. The Taxpayer Advocate makes regular contact with the TPS and the Legal and Technical Department of the GDT to resolve taxpayers' complaints. It prepares quarterly and annual reports. Systemic issues and their recommended solutions are reported to the DG and the finance minister.

The Special Anti-Corruption Structure⁵⁸ (SPAK), created in 2017, is tasked with investigating corruption and organized crime at the highest levels of government. It consists of the National Bureau of Investigation, the Special Prosecutor, and the Special Courts. SPAK collaborates with the GDT's Internal Investigation Directorate and investigates the more serious cases. The DG regularly monitors the recommendations of SPAK. Where disciplinary proceedings are recommended, SPAK sends its proposals to the DG who instructs the HR Department to carry out the recommendations.

P9-31: Public perception of integrity

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

⁵⁵ Audit plans: https://www.klsh.org.al/content_pdf/96 and https://www.klsh.org.al/content_pdf/235

⁵⁶ State Auditor Reports on performance of GDT for 2020, 2022.

⁵⁷ SSAI Audit Reports: https://www.klsh.org.al/content_pdf/163

⁵⁸ *Struktura e Posaçme Anti-Korrupsion*

Table 32. P9-31 Assessment

Measurement dimension	Scoring Method	Score 2022
P9-31. The mechanism for monitoring public confidence in the tax administration.	M1	D

The GDT does not conduct any surveys to monitor the level of public confidence in the organization.

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

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

Table 33. P9-32 Assessment

Measurement dimensions	Scoring Method	Score 2022	
P9-32-1. The extent to which the financial and operational performance of the tax administration is made public, and the timeliness of publication.	M2	A	B
P9-32-2. The extent to which the tax administration's future directions and plans are made public, and the timeliness of publication.		C	

The GDT publishes the annual report of its financial and operational performance. These are made available on its website⁵⁹ within the first quarter of the year following the fiscal year reported on. The Annual Report 2019 was published on March 6, 2020, while the Annual Reports for 2020 and 2021 were published on April 28, 2021 and March 29, 2022, respectively.⁶⁰

The GDT's strategic plans and operational plans are sometimes made public in advance of the period covered, and sometimes beyond the three months from the commencement of the relevant period. The GDT published corporate strategy plans for 2014-2017, 2015-2019, and 2017-2021 on its website.⁶¹ Both the strategic plans for 2015-2019 and 2017-2021 were published simultaneously on December 20, 2016, thus the latter in advance, and the former a year after the commencement of the relevant period.⁶² As for the operational plans,⁶³ evidence available on the circular No. 13 from June 24, 2019, issued by the HR department shows that the operational plan for


⁵⁹ <https://www.tatime.gov.al/eng/c/8/42/49/strategy-and-reports> (English) and <https://www.tatime.gov.al/c/8/42/49/strategjia-dhe-raporte> (Albanian)

⁶⁰ Email confirmation of the dates of publication of the annual reports.

⁶¹ Email confirmation of the dates of publication of the annual reports.

⁶² Email confirmation of the dates of publication of the strategic plans.

⁶³ Operational plan 2020.pfd



2020 was disseminated in advance of the period under consideration.⁶⁴ In February 2021, the DG established a working group for the strategic plan 2022-2026. The draft has been prepared. However, it is predicated on the completion of the government's MTRS. The development of the MTRS has been delayed by the impact of the end 2019 earthquake, the covid19 pandemic and more recently rising price levels. Along with the operational plans, the key performance indicators for the relevant years are published.

⁶⁴ Circular of the HR Directorate referring to circular No. 13 dated 24.05.2019 for the operational plans for 2020

Attachment I. TADAT Framework

Performance outcome areas

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

1. **Integrity of the registered taxpayer base:** Registration of taxpayers and maintenance of a complete and accurate taxpayer database is fundamental to effective tax administration.
2. **Effective risk management:** Performance improves when risks to revenue and tax administration operations are identified and systematically managed.
3. **Supporting voluntary compliance:** Usually, most taxpayers will meet their tax obligations if they are given the necessary information and support to enable them to comply voluntarily.
4. **On-time filing of declarations:** Timely filing is essential because the filing of a tax declaration is a principal means by which a taxpayer's tax liability is established and becomes due and payable.
5. **On-time payment of taxes:** Non-payment and late payment of taxes can have a detrimental effect on government budgets and cash management. Collection of tax arrears is costly and time consuming.
6. **Accurate reporting in declarations:** Tax systems rely heavily on complete and accurate reporting of information in tax declarations. Audit and other verification activities, and proactive initiatives of taxpayer assistance, promote accurate reporting and mitigate tax fraud.
7. **Effective Tax Dispute Resolution:** Independent, accessible, and efficient review mechanisms safeguard a taxpayer's right to challenge a tax assessment and get a fair hearing in a timely manner.
8. **Efficient revenue management:** Tax revenue collections must be fully accounted for, monitored against budget expectations, and analyzed to inform government revenue forecasting. Legitimate tax refunds to individuals and businesses must be paid promptly.
9. **Accountability and transparency:** As public institutions, tax administrations are answerable for the way they use public resources and exercise authority. Community confidence and trust are enhanced when there is open accountability for administrative actions within a framework of responsibility to the minister, legislature, and general community.



Indicators and associated measurement dimensions

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

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

Scoring methodology

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

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

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

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

Attachment II. Albania: Country Snapshot

Geography	Albania is a country in the Western Balkans in Southeastern Europe, located south of Montenegro and Kosovo and North of Greece. Albania has a long coastline of about 476 km but most of the country rises into mountains and hills from north to south. The capital and largest city is Tirana.
Population	2.8 million (Source: World Bank, 2022)
Adult literacy rate	98 percent of persons aged 15 and over can read and write. (Source: World Bank—based on 2018 census)
Gross Domestic Product	US\$18.3 billion (Source: IMF, 2022)
Per capita GDP	US\$6,541 (Source: IMF, 2022)
Main industries	Main industries include food; footwear, apparel and clothing; lumber, oil, cement, chemicals, mining, basic metals, hydropower. Albania has some natural resources, and the economic structure is dominated by agricultural activities and electricity generation. (Source: CIA World Factbook)
Communications	- Internet users per 100 people 72. - Mobile phone subscribers per 100 people: 91. (Source: World Bank, 2022)
Main taxes	Social Contributions and VAT together contribute over 53 percent of all central government revenues; the other main taxes are national taxes, excises, PIT and CIT. (Source: MOFE)
Tax-to-GDP	24.8 percent—including social contributions. (Source: Table 1 of Attachment III))
Number of active taxpayers (2021)	CIT (50,677); PAYE employers (98,421), PIT (92,120); VAT (66,894), and Domestic Excise Taxes (290)
Main collection agency	General Directorate for Taxation (GDT) https://www.tatime.gov.al/ . The General Directorate for Customs (GDC) https://dogana.gov.al/ collects excises, VAT on imports, and customs duties
Number of staff in the main collection agency	1,450
Financial Year	Calendar year

Attachment III. Data Tables

A. Tax Revenue Collections

Table 1. Tax Revenue Collections [2019-21] ¹			
	[2019]	[2020]	[2021]
In Albanian Lek (ALL)			
Total tax revenue collections	374,213,113,073	348,704,514,340	415,436,307,510
Corporate Income Tax (CIT)	36,484,399,230	28,358,795,173	35,664,554,458
Personal Income Tax (PIT)	46,226,037,449	37,069,163,285	43,801,086, 902
Of which: Pay As You Earn (PAYE) withholding	22,279,841,613	21,904,012,451	25,347,418, 218
Value Added Tax (VAT) net ⁶⁵	133,482,909,662	130,138,011,503	161,660,584,619
- Value-Added Tax (VAT)—gross domestic collections	49,456,617,626	46,174,824,843	54,461,470,341
- Value-Added Tax (VAT)—collected on imports	107,535,748,000	100,474,719,000	131,301,237,000
- Value-Added Tax (VAT)—refunds paid	(23,509,455,964)	(16,511,532,340)	(24,102,122,722)
Excises on domestic transactions	3,622,501,880	1,289,190,709	1,155,449,346
Excises—collected on imports	27,102,905,574	27,952,708,749	32,106,854,035
Social contribution collections	94,167,402,203	94,116,871,590	106,266,159,753
Other domestic taxes ²	33,126,957,075	29,779,773,331	34,781,618,397
In percent of total tax revenue collections			
Total tax revenue collections	100.0	100.0	100.0
Corporate Income Tax (CIT)	9.7	8.1	8.6
Personal Income Tax (PIT)	12.4	10.6	10.5
Of which: Pay As You Earn (PAYE) withholding	6.0	6.3	6.1
Value Added Tax (VAT) net	35.7	37.3	38.9
- Value-Added Tax (VAT)—gross domestic collections	13.2	13.2	13.1
- Value-Added Tax (VAT)—collected on imports	28.7	28.8	31.6
- Value-Added Tax (VAT)—refunds paid	6.3	4.7	5.8
Excises—collected on domestic transactions	1.0	0.4	0.3
Excises—collected on imports	7.2	8.0	7.7
Social contribution collections	25.2	27.0	25.6
Other domestic taxes	8.9	8.5	8.4
In percent of GDP			
Total tax revenue collections	23.5	22.6	24.8
Corporate Income Tax (CIT)	2.2	1.8	2.0
Personal Income Tax (PIT)	2.7	2.3	2.5
Of which: Pay As You Earn (PAYE) withholding	1.3	1.4	1.4
Value Added Tax (VAT) net	7.9	8.0	9.1
- Value-Added Tax (VAT)—gross domestic collections	2.9	2.9	3.1

⁶⁵ Value Added Tax = (gross domestic VAT collected + VAT collected on imports) – VAT refunds paid.

- Value-Added Tax (VAT)—collected on imports	6.4	6.2	7.4
- Value-Added Tax (VAT)—refunds paid	1.4	1.0	1.4
Excises—collected on domestic transactions	0.2	0.1	0.1
Excises—collected on imports	1.6	1.7	1.8
Social contribution collections	5.6	5.8	6.0
Other domestic taxes	2.0	1.8	2.0
Nominal GDP in Albanian Lek	1,691,727,000,000	1,617,541,000,000	1,769,258,000,000

Explanatory notes:

¹ This table gathers data for three fiscal years (2019-21) in respect of all domestic tax revenues collected by the tax administration at the national level, plus VAT and excise tax collected on imports by the customs and/or other agency.

² 'Other domestic taxes collected at the national level by the tax administration include, for example, property taxes, financial transaction taxes, and environment taxes.

B. Movements in the Taxpayer Register

Table 2. Movements in the Taxpayer Register [2019-21]

(Ref: POA1)

Table 2. Movements in the Taxpayer Register [2019-21]					
(Ref: POA1)					
	Registered taxpayers ¹ [A]	Taxpayers otherwise not required to file ² [B]	Taxpayers Expected to File [C] = [(A) – (B)] ³	Memorandum items ⁴ [D]	
				New Registrations [D1]	Taxpayers deregistered during year [D2]
[2019]					
Corporate income tax	45,098	21,982	23,116	1,035	69
Personal income tax	36,083	24,796	11,287	13,847	--
PAYE withholding (# of employers)	84,454	40,178	44,276	6,848	438
Value Added Tax	89,860	34,703	55,157	5,580	619
Domestic excise tax ⁵	276	-		15	9
Other taxpayers (Simplified Profit Tax)	178,235	90,764	87,471	15,480	2,838
[2020]					
Corporate income tax	47,471	23,018	24,453	897	51
Personal income tax	82,949	23,633	59,316	46,826	--
PAYE withholding (# of employers)	90,573	42,905	47,668	7,475	310
Value Added Tax	94,937	37,196	57,741	4,927	516
Domestic excise tax ⁵	282	-		19	11
Other taxpayers (Simplified Profit Tax)	183,540	94,339	89,201	13,512	1,992
[2021]					
Corporate income tax	50,677	24,111	26,566	1,244	50
Personal income tax	92,120	33,568	58,552	9,161	--
PAYE withholding (# of employers)	98,421	46,364	52,057	9,271	328
Value Added Tax	66,894	37,587	29,307	3,006	300
Domestic excise tax ⁵	290	-		10	5
Other taxpayers (Simplified Profit Tax)	190,062	100,212	89,850	16,774	2,055

Explanatory Notes: ¹ A registered taxpayer who is in the tax administration's taxpayer database.

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

³ Expected filing calculations to be used in Indicator P4-12. The minor differences between the expected filing numbers in this table and tables 4-10 have no impact on the findings of the assessment

⁴ Taxpayer register activity information.

⁵ For purposes of a TADAT assessment, the focus is on those registered domestic excise taxpayers who trade in goods/services that contribute 70 percent of the total domestic excise revenue by value. Taxpayers expected to file is not available – excise declarations are only required prior to the release of goods into free circulation.

C. Telephone Enquiries

(Ref: POA 3)

Table 3. Telephone Enquiry Call Waiting Time (2021)			
Month	Total number of telephone enquiry calls received	Telephone enquiry calls answered within 6 minutes' waiting time	
		Number	In percent of total calls
Jan	13,649	-	-
Feb	12,248	-	-
Mar	3,581	-	-
Apr	5,594	-	-
May	12,122	-	-
Jun	28,036	-	-
Jul	12,853	-	-
Aug	14,858	-	-
Sep	5,387	-	-
Oct	15,472	-	-
Nov	13,236	-	-
Dec	10,506	-	-
12-month total	147,542	-	-

D. Filing of Tax Declarations

(Ref: POA 4)

Table 4. On-time Filing of CIT Declarations (2021)			
	Number of declarations filed on-time ¹	Number of declarations expected to be filed ²	On-time filing rate ³ (In percent)
All CIT taxpayers	26,616	28,562	93.2
Large taxpayers only	833	855	97.4

Explanatory notes:

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

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

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

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

Table 5. On-time Filing of PIT Declarations (2021)		
Number of declarations filed on-time ¹	Number of declarations expected to be filed ²	On-time filing rate ³ (In percent)
33,931	36,257	93.6

Explanatory notes:

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

² 'Expected declarations' means the number of PIT declarations that the tax administration expected to receive from registered PIT taxpayers that were required by law to file declarations. *This table deals only with PIT taxpayers registered and filing under the DIVA scheme, i.e., where the income exceeds ALL 2 million or where there is more than one income source.*

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

$$\frac{\text{Number of PIT declarations filed by the due date}}{\text{Number of PIT declarations expected from registered PIT taxpayers}} \times 100$$

Table 6. On-time Filing of VAT Declarations—All VAT taxpayers (2021)

Month	Number of declarations filed on-time ¹	Number of declarations expected to be filed ²	On-time filing rate ³ (In percent)
Jan	25,631	27,580	92.9
Feb	26,534	28,070	94.5
Mar	26,640	27,975	95.2
Apr	26,787	28,152	95.2
May	27,224	28,449	95.7
Jun	27,645	28,862	95.8
Jul	27,917	29,083	96.0
Aug	27,939	29,076	96.1
Sep	28,151	29,189	96.4
Oct	28,252	29,214	96.7
Nov	28,342	29,321	96.7
Dec	28,583	29,662	96.4
12-month total	329,645	344,633	95,7

Explanatory notes:

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

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

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

$$\frac{\text{Number of VAT declarations filed by the due date}}{\text{Number of declarations expected from registered VAT taxpayers}} \times 100$$

Table 7. On-time Filing of VAT Declarations—Large taxpayers only (2021)			
Month	Number of declarations filed on-time ¹	Number of declarations expected to be filed ²	On-time filing rate ³ (In percent)
Jan	853	859	99.3
Feb	849	858	99.0
Mar	852	857	99.4
Apr	848	856	99.0
May	849	854	99.4
Jun	842	853	98.7
Jul	846	853	99.2
Aug	847	853	99.3
Sep	849	852	99.7
Oct	842	852	98.9
Nov	844	851	99.3
Dec	848	850	99.8
12-month total	10,169	10,248	99.2
Explanatory notes: ¹ 'On-time' filing means declarations filed by the statutory due date for filing (plus any 'days of grace' applied by the tax administration as a matter of administrative policy). ² 'Expected declarations' means the number of VAT declarations that the tax administration expected to receive from large taxpayers that were required by law to file VAT declarations. ³ The 'on-time filing rate' is the number of VAT declarations filed by large taxpayers by the statutory due date as a percentage of the total number of VAT declarations expected from large taxpayers, i.e., expressed as a ratio: $\frac{\text{Number of VAT declarations filed by the due date by large taxpayers}}{\text{Number of VAT declarations expected from large taxpayers}} \times 100$			

Table 8. On-time Filing of Domestic Excise Tax Declarations (2021)
[for those excise tax goods/services categories contributing, by value, 70 percent of total domestic excise tax]

Month	Number of declarations filed on-time ¹	Number of declarations expected to be filed ²	On-time filing rate ³ (In percent)
Jan	989	989	100
Feb	909	909	100
Mar	1,411	1,411	100
Apr	1,275	1,275	100
May	1,595	1,595	100
Jun	1,806	1,806	100
Jul	1,654	1,654	100
Aug	1,540	1,540	100
Sep	1,611	1,611	100
Oct	1,172	1,172	100
Nov	1,200	1,200	100
Dec	1,407	1,407	100
12-month total	16,569	16,569	100

Explanatory notes:

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

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

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

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

Table 9. On-time Filing of Domestic Excise Tax Declarations—Large taxpayers only (2021)

Month	Number of declarations filed on-time ¹	Number of declarations expected to be filed ²	On-time filing rate ³ (In percent)
Jan	368	368	100
Feb	398	398	100
Mar	648	648	100
Apr	655	655	100
May	695	695	100
Jun	879	879	100
Jul	859	859	100
Aug	811	811	100
Sep	717	717	100
Oct	533	533	100
Nov	501	501	100
Dec	701	701	100
12-month total	7,765	7,765	100

Explanatory notes:

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

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

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

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

Table 10. On-time Filing of PAYE Withholding Declarations (2021)			
Month	Number of declarations filed on-time ¹	Number of declarations expected to be filed ²	On-time filing rate ³ (In percent)
Jan	47,152	48,007	98.2
Feb	47,363	48,162	98.3
Mar	47,714	48,678	98.0
Apr	48,338	49,114	98.4
May	48,774	49,623	98.3
Jun	49,212	50,236	98.0
Jul	49,645	50,480	98.3
Aug	49,864	50,642	98.5
Sep	50,133	51,015	98.3
Oct	50,552	51,190	98.8
Nov	50,764	51,408	98.7
Dec	50,935	51,712	98.5
12-month total	590,446	600,267	98.4
Explanatory notes: ¹ 'On-time' filing means declarations filed by the statutory due date for filing (plus any 'days of grace' applied by the tax administration as a matter of administrative policy). ² 'Expected declarations' means the number of PAYE withholding declarations that the tax administration expected to receive from registered employers with PAYE withholding obligations that were required by law to file declarations. ³ The 'on-time filing rate' is the number of PAYE withholding declarations filed by employers by the statutory due date as a percentage of the total number of PAYE withholding declarations expected from registered employers, i.e., expressed as a ratio: $\frac{\text{Number of PAYE withholding declarations filed by the due date}}{\text{Number of PAYE withholding declarations expected from registered employers}} \times 100$			

E. Electronic Services

(Ref: POAs 4 and 5)

Table 11. Use of Electronic Services, [2019-21] ¹			
	[2019]	[2020]	[2021]
	Electronic filing² (In percent of all declarations filed for each tax type)		
CIT	100	100	100
PIT	100	100	100
PAYE (Withholding)	100	100	100
VAT	100	100	100
Domestic excise tax (for all registered taxpayers)	100	100	100
Large taxpayers (all core taxes)	100	100	100
	Electronic payments (In percent of total number of payments received for each tax type)		
CIT	100	100	100
PIT	100	100	100
PAYE (Withholding)	100	100	100
VAT	100	100	100
Domestic excise tax (for all registered taxpayers)	100	100	100
Large taxpayers (all core taxes)	100	100	100
	Electronic payments (In percent of total value of payments received for each tax type)		
CIT	100	100	100
PIT	100	100	100
PAYE (Withholding)	100	100	100
VAT	100	100	100
Domestic excise tax (for all registered taxpayers)	100	100	100
Large taxpayers (all core taxes)	100	100	100
Explanatory notes:			
¹ Data in this table will provide an indicator of the extent to which the tax administration is using modern technology to transform operations, namely in areas of filing and payment.			
² For purposes of this table, electronic filing involves facilities that enable taxpayers to complete tax declarations online and file those declarations via the Internet.			

F. Payments

(Ref: POA 5)

Table 12. VAT Payments Made During 2021						
	VAT payments made on-time ¹		VAT payments due ²		On-time payment rate ³ (In percent)	
	All VAT payers	Large VAT payers	All VAT payers	Large VAT payers	All VAT payers	Large VAT payers
Number of payments	53,328	3,775	75,017	4,242	71.1	89.0
Value of payments	45,160,083,917	26,278,806,610	61,918,801,738	30,793,193,137	72.9	85.3

Explanatory notes:

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

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

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

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

G. Domestic Tax Arrears

(Ref: POA 5)

Table 13. Value of Tax Arrears [2019-21] ¹			
	[2019]	[2020]	[2021]
In Albanian Lek (ALL)			
Total core tax revenue collections (from Table 1) ² (A)	343,487,705,619	319,462,614,882	382,174,004,129
Total core tax arrears at end of fiscal year ³ (B)	116,994,227,355	122,468,410,183	134,934,681,547
Of which: Collectible ⁴ (C)	103,275,384,013	108,746,062,538	120,636,269,203
Of which: More than 12 months' old (D)	95,156,303,204	99,686,675,561	115,213,797,177
In percent			
Ratio of (B) to (A) ⁴	34.1	38.3	35.3
Ratio of (C) to (A) ⁵	30.1	34.0	31.6
Ratio of (D) to (B) ⁶	81.3	81.4	85.4

Explanatory notes:

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

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

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

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

⁵ i.e. $\frac{\text{Value of total core tax arrears at end of fiscal year (B)}}{\text{Total core tax collected for fiscal year (A)}} \times 100$

⁶ i.e. $\frac{\text{Value of collectible core tax arrears at end of fiscal year (C)}}{\text{Total core tax collected for fiscal year (A)}} \times 100$

⁷ i.e. $\frac{\text{Value of core tax arrears >12 months' old at end of year (D)}}{\text{Value of total core tax arrears at end of fiscal year (B)}} \times 100$

H. Tax Dispute Resolution

(Ref: POA 7)

Table 14. Finalization of Administrative Reviews (2021)

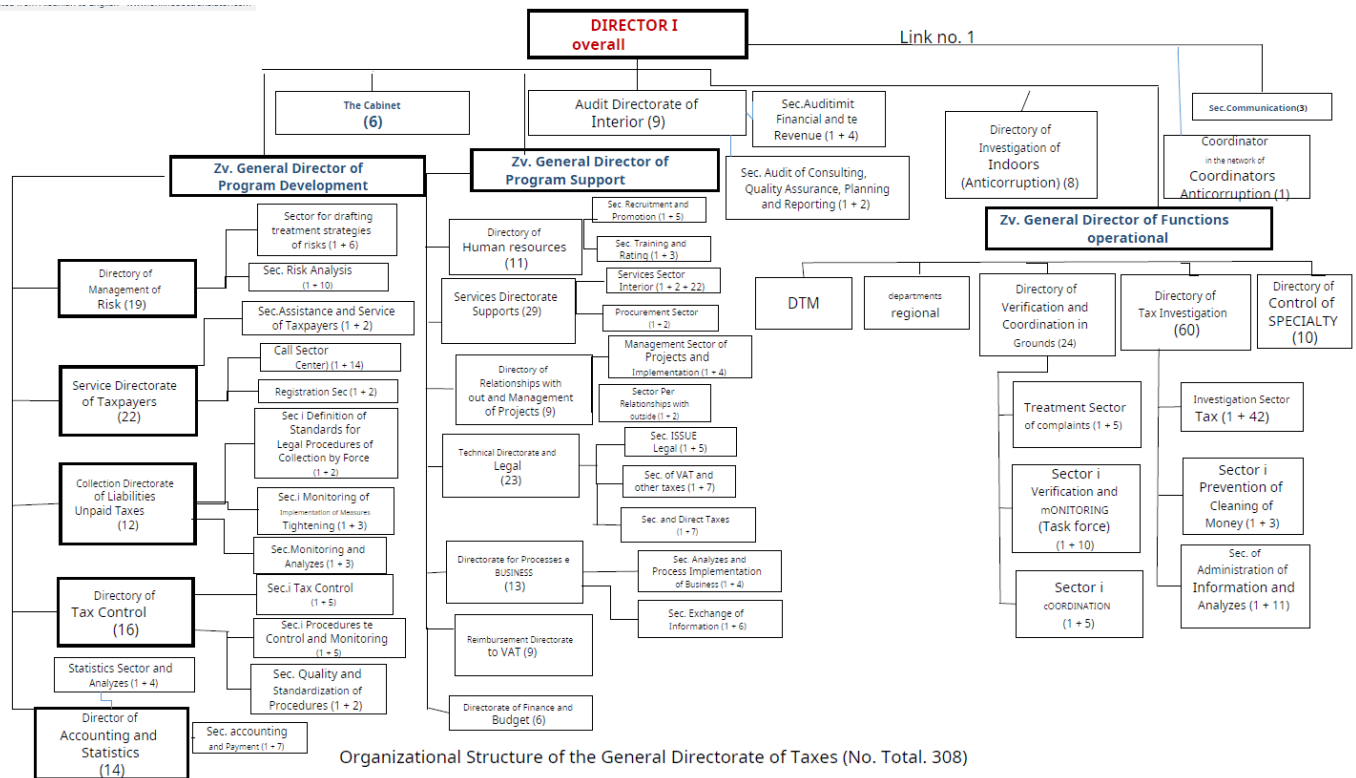
Month	Number of administrative review cases				Finalized within 30 days		Finalized within 60 days		Finalized within 90 days	
	Stock at beginning of month [A]	Received during the month [B]	Finalized during the month [C]	Stock at end of month [D] = [A + B - C]	Number [E]	In percent of total [F] = [E / D]	Number [G]	In percent of total [H] = [G / D]	Number [I]	In percent of total [J] = [I / D]
Jan	272	62	132	202	4	2.0	27	13.4	101	50.0
Feb	202	86	101	187	1	0.5	29	15.5	71	38.0
Mar	187	117	69	235	3	1.3	23	9.8	43	18.3
Apr	235	107	62	280	1	0.4	21	7.5	40	14.3
May	280	161	83	358	0	0.0	15	4.2	68	19.0
Jun	358	108	138	328	1	0.3	45	13.7	92	28.0
Jul	328	115	157	286	13	4.5	72	25.2	72	25.2
Aug	286	126	187	225	5	2.2	82	36.4	100	44.4
Sep	225	122	212	135	11	8.1	98	72.6	103	76.3
Oct	135	130	140	125	5	4.0	56	44.8	80	64.0
Nov	125	108	118	115	9	7.8	52	45.2	57	49.6
Dec	115	145	147	113	17	15.0	49	43.4	81	71.7
12-month total				2,589	70	2.7	569	21.9	908	35.1

I. Payment of VAT Refunds

(Ref: POA 8)

Table 15. VAT Refunds (2021)		
	Number of cases	Value in Albanian Lek
Total VAT refund claims received (A)	1,643	21,726,000,000
Total VAT refunds paid ¹	1,244	24,923,042,308
Of which: paid within 30 days (B) ²	743	8,364,000,000
Of which: paid outside 30 days	289	5,158,039,772
Total VAT refund claims declined ³	423	5,230,000,000
Of which: declined within 30 days (C)	423	5,230,000,000
Of which: declined outside 30 days	0	0
Total VAT refund claims not processed ⁴	188	2,973,960,228
Of which: no decision taken to decline refund	0	0
Of which: approved but not yet paid or offset	188	2,973,960,228
In percent		
Ratio of (B+C) to (A) ⁵	70.9	62.6
<p>Explanatory note:</p> <p>¹ Include all refunds paid, as well as refunds offset against other tax liabilities.</p> <p>² TADAT measures performance against a 30-day standard.</p> <p>³ Include cases where a formal decision has been taken to decline (refuse) the taxpayer's claim for refund (e.g., where the legal requirements for refund have not been met).</p> <p>⁴ Include all cases where refund processing is incomplete—i.e. where (a) the formal decision has not been taken to decline the refund claim; or (b) the refund has been approved but not paid or offset.</p> <p>⁵ i.e. $\frac{\text{VAT refunds paid within 30 days (B)} + \text{VAT refunds declined within 30 days (C)}}{\text{Total VAT refund claims received (A)}} \times 100$</p>		

Attachment IV. Organizational Chart



Attachment V. Sources of Evidence

Indicators	Sources of Evidence
P1-1. Accurate and reliable taxpayer information.	<ul style="list-style-type: none"> • Interviews with the GDT Taxpayer Service Director. • Presentation of live registration system by the Taxpayer Service Center in Tirana. • Interview with registration staff at the Durres RTO. • GDT website www.tatime.gov.al. • NBC website https://qkb.gov.al. • Article 44 of the Tax Procedure Code. • Section 6 of the Manual for Taxpayer Service. • Internal Audit Report No. 20515 dated 28.10.2020, para 7.1. • Table 2 of attachment III.
P1-2. Knowledge of the potential taxpayer base.	<ul style="list-style-type: none"> • Interviews with GDT Headquarters and Regional Directorate Tirana staff. • Interview with RTO Durres staff. • Report on plan for verification and data on results.
P2-3. Identification, assessment, ranking, and quantification of compliance risks.	<ul style="list-style-type: none"> • Charter and recent minutes of CMC. • Compliance Risk Register (March 2022). • Risk Management Manual (2022). • LTO Risk Manual. • LTO Sector Risk Analysis. • Fighting Informality Project (GDT website). • Taxpayer Profile Template. • Overview of Labor Market Informality Project. • Field Observation – LTO and RTO.
P2-4. Mitigation of risks through a compliance improvement plan.	<ul style="list-style-type: none"> • GDT 2022 Annual Compliance Plan. • Café and Restaurant Sector Compliance Improvement Plan. • Pharmaceutical Sector Compliance Improvement Plan.
P2-5. Monitoring and evaluation of compliance risk mitigation activities.	<ul style="list-style-type: none"> • LTO performance and audit results (ppt). • Compliance audit results. • Example of audit report.
P2-6. Management of operational (i.e., systems and processes) risks.	<ul style="list-style-type: none"> • Business continuity plan. • Disaster management manual. • Information security procedures.
P2-7. Management of human capital risks.	<ul style="list-style-type: none"> • Human capital risk questionnaire. • GDT employee performance appraisal process. • Staff engagement survey.
P3-8. Scope, currency, and accessibility of information.	<ul style="list-style-type: none"> • GDT weblink www.tatime.gov.al (showing range of information on core taxes/functions, based on taxpayer segments).

Indicators	Sources of Evidence
	<ul style="list-style-type: none"> Regulation on staff functions (August 2020) dealing with the requirement to update website. Taxpayer service manual. Taxpayer service education and contact program covering years 2019-2021. Cooperation agreement with universities (November 2020). Interviews with taxpayer service staff in Tirana Service Center, call center, and Durres RTO.
P3-9. Time taken to respond to information requests.	<ul style="list-style-type: none"> Table 3 of attachment III.
P3-10. Scope of initiatives to reduce taxpayer compliance costs.	<ul style="list-style-type: none"> Weblink to e-Albania – showing range of GDT-related online services via this portal: e-albania.al/Default.aspx.
P3-11. Obtaining taxpayer feedback on products and services.	<ul style="list-style-type: none"> MoU between GDT and Institute of Certified Accountants. Albanian Investment Council survey (2019). Minutes of meetings with taxpayers on Fiscalization. Minutes of the tourism sector meeting in Durres.
P4-12. On-time filing rate.	<ul style="list-style-type: none"> Tables 4-10 of attachment III. Website stating filing requirements and a tax calendar https://www.tatime.gov.al/eng/c/3/10/declaration. Interviews with HQ staff regarding prefilled declarations.
P4-13 Management of non-filers.	<ul style="list-style-type: none"> Interviews with HQ staff. Interviews with RTO staff. GDT procedures manual.
P4-14. Use of electronic filing facilities.	<ul style="list-style-type: none"> Table 11 of attachment III. Interviews with HQ staff. Interviews with RTO staff. Observation of electronic filing facilities. GDT website (https://www.tatime.gov.al/eng/c/3/10/declaration-and-payment). Tax Procedure Law.
P5-15. Use of electronic payment methods.	<ul style="list-style-type: none"> Table 11 of attachment III. Tax Procedure Law.
P5-16. Use of efficient collection systems.	<ul style="list-style-type: none"> Interviews with HQ staff. Tax Procedure Law.

Indicators	Sources of Evidence
P5-17. Timeliness of payments.	<ul style="list-style-type: none"> Table 12 of attachment III. Interviews with HQ staff.
P5-18. Stock and flow of tax arrears.	<ul style="list-style-type: none"> Table 13 of attachment III. Interviews with HQ staff. GDT organizational chart.
P6-19. Scope of verification actions taken to detect and deter inaccurate reporting.	<ul style="list-style-type: none"> Field and desk audit manuals. Compliance audit program. Monthly audit plan. Auditor training program. Fighting informality project (GDT website). Reports on quality of audits. Tourism sector compliance improvement outcomes. Field observation – LTO and RTO.
P6-20. Use of large-scale data-matching systems to detect inaccurate reporting.	<ul style="list-style-type: none"> Interview with HQ staff.
P6-21. Initiatives undertaken to encourage accurate reporting.	<ul style="list-style-type: none"> Examples of public rulings and practice notes.
P6-22. Monitoring the tax gap to assess inaccuracy of reporting levels.	<ul style="list-style-type: none"> VAT Gap Analysis Report November 2016.
P7-23. Existence of an independent, workable, and graduated dispute resolution process.	<ul style="list-style-type: none"> Chapter XIII of the Law on Tax Procedures. GDT web link on appeal rights: tatime.gov.al/c/3/10/31ankimimi Audit manual and copies of audit letter and notice of assessment regarding notification of appeal rights. Council of Ministers' decision of 11.12.2016 on membership and procures of the TAC in the MOFE.
P7-24. Time taken to resolve disputes.	<ul style="list-style-type: none"> Art. 109 of Law on Tax Procedure concerning time limit for making an administrative review decision.
P7-25. Degree to which dispute outcomes are acted upon.	<ul style="list-style-type: none"> Reports of TAD and TAC. Examples of legal changes arising from issues identified during the activity of the TAD and the TAC.
P8-26. Contribution to government tax revenue forecasting process.	<ul style="list-style-type: none"> Report prepared by the GDT's accounting and statistics directorate. Weblink to published reports of tax expenditures www.financa.gov.al/shpenzimet-tatimore-2/...
P8-27. Adequacy of the tax revenue accounting system.	<ul style="list-style-type: none"> Spreadsheet examples of monthly reconciliation with treasury. Supreme State Audit Report Oct 2020. Internal audit reports.

Indicators	Sources of Evidence
P8-28. Adequacy of tax refund processing.	<ul style="list-style-type: none"> GDT internal regulation on risk-based verification for VAT refund claims.
P9-29. Internal assurance mechanisms.	<ul style="list-style-type: none"> Interviews with director of the GDT's Internal Audit Department, internal Investigation Department and HR department. Training plan for internal auditors for 2020-2022. Regulation of the Audit Alignment Department of the MOFE. Law on Internal Auditing in the Public Sector No. 114/2015 and Instruction 100/2016 of MOF. Internal Audit Annual Plans for 2021 and 2022. Central repository on Intranet: https://192.168.221.35 Internal audit and surveillance of IT system; https://akshi.gov.al. Plan for internal surveillance of the IT system. Plan for IT System and Information Strategy. Training plan for staff of Internal Investigation Department. Regulation on Internal Investigation Directorate. Memo indicating example of coordination with the Anti-Corruption Agency. Annual report containing statistics on disciplinary proceedings. Code of Ethics of the GDT.
P9-30. External oversight of the tax administration.	<ul style="list-style-type: none"> Interview with staff of GDT's Internal Audit Department. Memo as example of disciplinary proceedings undertaken by the GDT on the recommendation of the Anti-corruption agency. Law on the Organization and Functioning of Institutions for Fighting Corruption and Organized Crime. Law No. 95/2016. Memo informing the MOFE on systemic issues raised by the Tax Ombudsman.pdf. Memo on Taxpayers Ombudsman recommendations and GDT responses. Taxpayer Ombudsman Law 9920/2016 Taxpayer Advocate's mission. https://www.tatime.gov.al/eng/c/135/136/the-mission-of-the-taxpayer-advocate. Monitoring Reports of SSAI: https://www.klsh.org.al/content_pdf/18. SSAI Audit Reports: https://www.klsh.org.al/content_pdf/163

Indicators	Sources of Evidence
	<ul style="list-style-type: none"> SSAI Audit Reports on performance of GDT for 2020, 2022. SSAI Audit plans: https://www.klsh.org.al/content_pdf/96 and https://www.klsh.org.al/content_pdf/235.
P9-31. Public perception of integrity.	<ul style="list-style-type: none"> No data.
P9-32. Publication of activities, results and plans.	<ul style="list-style-type: none"> Interview with staff of Taxpayer Service Department. https://www.tatime.gov.al/eng/c/8/42/49/strategy-and-reports (English) and https://www.tatime.gov.al/c/8/42/49/strategjia-dhe-raporte (Albanian). Email confirmation of the dates of publication of the annual reports. Email confirmation of the dates of publication of the strategic plans. Operational Plan 2020.pdf Circular of the HR Directorate referring to circular No. 13 dated 24.05.2019 for the operational plans for 2020. GDT Performance Indicators 2021.pfd.

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