



TAX ADMINISTRATION AND TAX PERCEPTIONS

2020 SURVEY CONDUCTED AMONG TAXPAYER ORGANIZATIONS AND INDIVIDUAL ENTREPRENEURS

Main Findings and Some Comparisons with 2018 survey

About the project

“Supporting Tax Administration and Policy Leadership” (P170814) project is delivered by the World Bank in collaboration with the UK Government’s Good Governance Fund¹.

About the report

This report presents the main findings of a survey on tax administration and tax perceptions among Armenian taxpaying organizations and individual entrepreneurs, conducted in May 2020. The survey showed a positive trend in the attitudes of taxpayers towards tax administration and compliance.



CRRC-Armenia 2020

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¹ Views and conclusions expressed do not necessarily reflect the official policies of the UK Government, World Bank, the World Bank Executive Directors, or the governments they represent.

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- Aharon Chilingaryan, who developed the report, contributed to the development of the research tools and survey design;
- Haghine Manasyan, who led the research team, coordinated the research process and edited the Armenian language report;
- Ella Karagulyan, who developed the sampling design and coordinated data collection and processing;
- Sonya Msryan, who developed the charts and tables used in the report.

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Table of Contents

ACKNOWLEDGEMENTS	1
FOREWORD	3
LIST OF TABLES	5
ACRONYMS	8
TAX ADMINISTRATION AND TAX PERCEPTIONS IN ARMENIA	9
SUMMARY. THE MAIN FINDINGS OF THE SURVEY	15
KEY INFORMATION ON THE TAXPAYERS	20
ATTITUDES TOWARDS TAX LAW ABIDANCE	27
ATTITUDE TOWARDS THE SERVICES PROVIDED BY THE TAX AUTHORITY	35
ATTITUDE TOWARDS THE MEANS OF INFLUENCE ON TAXPAYERS	54
ORGANIZING TAX OPERATIONS IN BUSINESS AND BUSINESS PROSPECTS	62
CONCLUSIONS AND RECOMMENDATIONS	68
ANNEX 1. QUESTIONNAIRE OF TAX ADMINISTRATION AND TAX PERCEPTIONS SURVEY AMONG TAX PAYERS	70
ANNEX 2. SIMPLE FREQUENCY TABLES	94
ANNEX 3. SOME CROSS-TABULATIONS	121



FOREWORD

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The Tax Administration and Tax Perception Survey in Armenia is now one of the richest comparable data resources for tax administration since its inception back in 2013. This comprehensive survey encompasses small and medium size taxpayers. It was initiated under Supporting Tax Administration and Policy Leadership (STAPL) project which is funded by Good Governance Fund (GGF) of United Kingdom (UK) to further assist the Armenian Tax Administration (State Revenue Committee-SRC) to identify areas of reforms and potential gaps for the SRC to effectively address to reinforce the efficiency and effectiveness of the Armenian Tax Administration.

During the current pandemic, the SRC is experiencing some challenges and one of which is the difficulty associated with receiving regular feedback from taxpayers and maintaining constant engagement with them to facilitate regular exchange. The expectation is that this survey will greatly enhance the SRC's ability to identify ways in which it could continue to collect increasing the tax revenue while reducing the tax burden faced by for taxpayers which will most likely lead to increased voluntary compliance. The SRC Management understands that periodic surveys such as this one need to be carried out in the future and I am pleased that the SRC is planning to make this a requirement in the future.

Finally, I would like to thank everyone who was involved in the preparation of this survey and for the comprehensive and the high quality of the report which came as a result of our close collaboration with the SRC and the Consulting company –CRRC-Armenia Foundation.

We look forward to continuing our collaboration with the SRC in the future.

EDVARD K. HOVHANNISYAN

Chairman of the State Revenue Committee of RA



The State Revenue Committee continuously works towards modernizing tax administration and improving services provided to taxpayers. Recognizing the importance of innovation in service provision, the Committee adopted the concept of a "Digital SRC", which utilizes technological solutions and innovative management models in order to increase the efficiency of tax and customs processes, foster a favorable environment for businesses, provide high-quality and internationally competitive services, implement "invisible" but effective control, and reduce the human factor.

In order to further strengthen and assertively improve the tax authority-taxpayer relationship, the Committee undertakes studies of taxpayers' attitudes towards the tax authority, targeting different groups of taxpayers. In this latest study, the Committee focuses on small and medium-sized enterprises, which are among the most important drivers in increasing the competitiveness of our country's economy, ensuring inclusive and sustainable development. The feedback received from businesses is considered a guide to further development and improvement of administrative tools. Studying them reveals the challenges and possible inconveniences that they face, which aids in addressing these issues while improving the tax administration development strategy.

The results of this study show that most taxpayers have a positive attitude towards the tax authority, the tax administration, and the services provided to taxpayers. At the same time, the attitudes reveal a need to further improve services taking into account current demand and modern technological progress.

We believe that this research initiative will be ongoing and will contribute to the improvement of dialogue between government and the private sector via further tax administration reforms.

LIST OF TABLES

Table 1: Composition of interviewed taxpayers by the organizational type.....	12
Table 2: Distribution of interviewed taxpayers by province	12
Table 3: Distribution of interviewed taxpayers by the volume of annual turnover.....	12
Table 4: Composition of the interviewed taxpayers by legal status and annual turnover	12
Table 5: The share of unreported turnover to the tax authorities.....	27
Table 6: Usefulness assessment of the services currently delivered by the RA Tax Service.....	35
Table 7: Quality assessment of electronic services provided by the tax authority.....	36
Table 8: Assessment of various elements of the tax system.....	39
Table 9: Quality assessment of the RA SRC Training Center operation	43
Table 10: Quality assessment of the Call Center’s operation.....	43
Table 11: Quality assessment of the RA SRC Taxpayer Service Center’s operation.....	44
Table 12: Usefulness of the Consolidated Treasury Account.....	44
Table 13: Notifications received from various channels in the last 12 months	49
Table 14: How various services provided by the SRC contribute to the fulfilment of its tax administration function.....	51
Table 15: Organization/business prospects for the current and upcoming two years	67

LIST OF FIGURES

Figure 1: Composition of organizations and individual entrepreneurs by the volume of annual turnover ...	13
Figure 2: Years of business operation	13
Figure 3: Title of the respondent in the organization	14
Figure 4: Distribution of the respondents by the level of education	14
Figure 5: Organizational-legal status/form of the business	20
Figure 6: The biggest shareholder/owner of the business.....	20
Figure 7: The main sphere of business operation	21
Figure 8: Distribution of female and male employees in the organizations by decile groups.....	22
Figure 9: Representation of female employees in enterprises	22
Figure 10: Application of a corporate governance system in the organization	22
Figure 11: Executive director of the organization simultaneously as one of the main shareholders/owners	23
Figure 12: Decision-making body on tax-related issues in the organization.....	23
Figure 13: Organization has “law-abiding taxpayer” certificate granted by the SRC.....	24
Figure 14: Types of taxes paid by the business	24
Figure 15: Import/export activities of the business	25
Figure 16: Union/association membership of the organization.....	25
Figure 17: Share of women at managerial positions, including Board members of the organizations	26
Figure 18: Organization has a gender equality policy	26
Figure 19: Awareness of the Social Council of Revenue Administration Reforms of the SRC	27
Figure 20: How useful is the operation of the SRC’s Social Council of Revenue Administration Reforms in communicating with taxpayers	27
Figure 21: Importance and motivation of declaring and paying taxes honestly.....	29
Figure 22: Direction of tax administration essential for the improvement of business environmen.....	30
Figure 23: Directions of tax administration essential for the improvement of business environment.....	30
Figure 24: Benefits of the new amendments made in the Tax Code during the past two years for business	31
Figure 25: Benefits of the special tax regimes in Armenia for calculation of tax liabilities and payments.....	31

Figure 26: The biggest disadvantage of tax code/law abidance for the business..... 32

Figure 27: Attitude towards the penalties/sanctions for not reporting income by the taxpayers 32

Figure 28: Attitude towards the use of loopholes in legislation by taxpayers to reduce their tax payments 33

Figure 29: Perception of the changes in the behavior/attitude of tax and customs authorities towards the SRC employees and taxpayers..... 33

Figure 30: Quality assessment of the electronic services provided by the tax authority of the RA 36

Figure 31: Services requiring further improvement..... 37

Figure 32: Impact of the electronic system of services introduced by the tax authorities on the fulfilment of all of the tax obligations 37

Figure 33: Awareness of the new online services provided by the tax authorities 38

Figure 34: Benefits of the two new types of services provided by the tax authority for the business operations..... 38

Figure 35: Assessment of the initiatives undertaken by the SRC over the past three years for the improvement of tax administration 38

Figure 36: Perceptions of the attitude of the SRC towards the taxpayers..... 39

Figure 37: Factors in the tax legislation hindering businesses 40

Figure 38: Ease or difficulty of the SRC procedures 41

Figure 39: Attitude towards the functional transition of providing official tax-related clarifications from the SRC to the RA Ministry of Finance..... 41

Figure 40: Awareness of Horizontal Monitoring and its goals 41

Figure 41: Benefits of the Horizontal Monitoring implementation 42

Figure 42: Use of services provided by the SRC Training Center or other tax - related training providers 42

Figure 43: Perceptions of the professionalism and honesty of the tax administrators in the performance of their functions 45

Figure 44: Communication channels with the SRC during the past 12 months..... 45

Figure 45: Reasons for contacting the SRC in the past 12 months..... 46

Figure 46: Main sources of information about the changes in tax system/procedures, ranked..... 47

Figure 47: Preferable methods of receiving information from the tax authorities, ranked 48

Figure 48: Preferable method of receiving notifications about tax obligations..... 49

Figure 49: Clarity of the content of the notifications/messages..... 49

Figure 50: Perceptions of the changes in the manner of communication/treatment of the taxpayers within the past 12 months..... 50

Figure 51: Awareness and assessment of the Unified Standard of services to taxpayers adopted by SRC.... 50

Figure 52: Perceptions of the unbiased or discriminatory attitude of the SRC towards the taxpayers..... 50

Figure 53: Awareness of the strategic document of tax administration recently approved by the Government of RA..... 51

Figure 54: Relevance of the mobile application for communicating with the tax authority 52

Figure 55: Suggestions on the changes in the structure of the provided services..... 52

Figure 56: Suggestions on new services to be provided by the SRC 52

Figure 57: Suggestions on the new ways of providing SRC’s current services..... 52

Figure 58: Frequency of tax inspections conducted in the organization/ business during 2018-2019 54

Figure 59: Types of tax inspections conducted in the organization/business during 2018-2019..... 54

Figure 60: Awareness of the rights related to the tax inspections..... 55

Figure 61: Ability to exercise rights related to tax inspections 55

Figure 62: Negative aspects of tax inspections for the business..... 56

Figure 63: Positive aspects of tax inspections for the business 56

Figure 64: Frequency of the tax inspections 57

Figure 65: Feedback about the results of the tax inspections..... 57

Figure 66: Steps undertaken in the cases of disagreements with the tax inspection results 57

Figure 67: Awareness of the tax inspections and investigations based on risk assessments conducted through the SRC’s software 58

Figure 68: Perceptions of the fairness and impartiality of the function assessing risk indicators through the software..... 58

Figure 69: Frequency of notifications from the RA SRC Monitoring Center on tax risks of the organization’s operations..... 58

Figure 70: Frequency of accepting the truthfulness of the identified risks through the notifications on the transactions containing risks 59

Figure 71: Desire to receive notifications from the RA SRC related to the risks of the organization’s operations..... 59

Figure 72: Opinions about the internal analyses conducted by the SRC and the presentation of their protocols to the taxpayer 60

Figure 73: Opinions about the tax influence means/activities of collecting money in case of tax payment delays..... 61

Figure 74: Who are responsible for accounting, financial and tax reporting in the organization 62

Figure 75: Who deal with tax-related tasks..... 62

Figure 76: Does the company have a Tax Strategy 63

Figure 77: Who are responsible for the development and approval of the Tax Strategy of the organization..... 63

Figure 78: Professional experience of the current tax managers in the organization 63

Figure 79: Women's participation in tax management and gender discrimination in the company..... 64

Figure 80: Frequency of using outsourced paid consulting services..... 65

Figure 81: Annual spending on maintaining tax accounting, preparing tax reporting and other tax compliance issues..... 66

Figure 82: Annual spending on trainings on accounting and tax-related topics..... 66

Figure 83: Company’s prospects for the current (2020) and upcoming two (2021-2022) years..... 67

ACRONYMS

A	Annex
CCI of RA	Chamber of Commerce and Industry of the Republic of Armenia
CJSC	Closed Joint Stock Company
CNPO	Community non-profit organization
CRRC	Caucasus Research Resource Center
DK	Don't know
EEU	Eurasian Economic Union
FEACN	Foreign Economic Activity Commodity Nomenclature
GDP	Gross domestic product
HH	Household
JV	Joint venture
NGO	Non-governmental organization
OECD	Organization for Economic Cooperation and Development
RA	The Republic of Armenia
RA	Refuse to answer
SRC of RA	The State Revenue Committee of the Republic of Armenia
SNPO	State non-profit organization
SME	Small and medium-sized enterprise
STAPL	Supporting Tax Administration and Policy Leadership
VAT	Value Added Tax
WB	The World Bank

TAX ADMINISTRATION AND TAX PERCEPTIONS IN ARMENIA

SURVEY OF TAXPAYING ORGANIZATIONS AND INDIVIDUAL ENTREPRENEURS 2020

This research was conducted within the framework of the Supporting Tax Administration and Policy Leadership (STAPL) project². One of the objectives of the project is to increase the quality and efficiency of services provided to taxpayers by the RA State Revenue Committee by taking into account the perceptions and attitudes of taxpayers as well as their stances on tax compliance. To that end, periodical surveys are conducted, with the most recent one carried out in May 2020 with a random sample of 610 taxpayers representing small and medium-sized enterprises. When discussing the results of the survey, it is necessary to consider developments, challenges and opportunities in the field.

In recent years, the tax authority has faced several challenges that have led to the development of a new strategy for tax administration and the operation of the State Revenue Committee. These new challenges have arisen due to various factors such as amendments to the budget legislation, the Tax Code coming into force, the transfer of the responsibility of providing official tax and customs-related clarifications from the SRC to the RA Ministry of Finance as of July 1 2018, and the necessity to implement unified customs and indirect tax policies and administration after joining the Eurasian Economic Union. Additionally, Armenia has signed several international agreements including an agreement with the OECD regarding automatic data exchange and other tax administration issues. According to the World Bank's Doing Business project, many legislative changes related to tax administration in Armenia have been discussed and implemented in recent years. These legislative changes also include further strengthening the corporate governance system with a particular focus on the role of the institute of independent members of the Board of Directors, and the mandatory formation of an internal audit committee. The Horizontal Monitoring System came into force in 2019 to serve as a new basis for the relationship between the tax authority and taxpayers. From 2020, the legislation on transfer price regulations came into force, which requires a new level of targeted administration. The tax authority must also increase the efficiency of tax administration in part by implementing e-government tools for taxpayers such as mobile applications. A recently published report by the World Bank points out that “In Armenia, through the implementation of an effective Tax Administration Reform Program, 96 percent of tax services and documents are processed and filed electronically, significantly reducing the time for tax payments from 581 hours to 268 hours. As a result, the Tax Administration Agency increased tax collection from 16 percent to over 20 percent of GDP.”³

This research aimed to gauge the impact of the changes listed above on the perceptions and attitudes of small and medium-sized enterprises toward the composition, structure, and quality of tax administration services in Armenia.

² Supporting Tax Administration and Policy Leadership project implemented in partnership with the Government of Armenia is supported by the World Bank and funded by the UK Good Governance Fund.

³ Arizti, Pedro; Boyce, Daniel J.; Manuilova, Natalia; Sabatino, Carlos; Senderowitsch, Roby; Vila, Ermal. 2020. *Building Effective, Accountable, and Inclusive Institutions in Europe and Central Asia: Lessons from the Region*. World Bank, Washington, DC. © World Bank. <https://openknowledge.worldbank.org/handle/10986/34031> License: CC BY 3.0 IGO, p.14

The research focused solely on tax administration issues throughout all stages of the tax administration and collection process including:

- Taxpayer services with a special focus on electronic services using modern technology;
- Tax collection, enforcement measures, and tax control functions;
- Appeal processes for tax disputes;
- Tax management relations and tax paying strategies in organizations;
- Gender issues have also been revisited, including observations from the perspective of tax issues and administration.

The survey took into account the turnover volume of the micro, small and medium-sized businesses participating in the survey, the years of operation, the types of taxes paid and inclusion in special or general tax regimes, the possible impact of the shareholder structure, the use of external consulting services, and other factors to ensure statistical validity and representation.

The availability and accessibility of such multidimensional data enables other similar analyses by researchers, state authorities, the professional community, and other interested parties.

Note 1 on figures, tables and data

All of the charts and tables reflect all answers in percentages of the total, unless noted otherwise. In cases where respondents could choose more than one answer, the percentages do not add up to a 100—it is driven by the specificity of the analysis and is not a mathematical mistake. Numbers presented in the analysis may differ slightly from the numbers in the charts and tables, resulting from rounding up the numbers. In some cases, smaller numbers are excluded to avoid clutter in the presentation of the data.

Note 2 on the presentation of the figures, tables and data

The narrative contains references to charts and tables. Additionally, readers can have access to other materials, such as cross tabulations and comparative charts, which have been analyzed and used in the report; however, these tabulations and charts are only partially included in the narrative or annexes to avoid clutter. These additional materials are available at the CRRC–Armenia office or on the CRRC-Armenia [website](#).

CRRC-Armenia conducted similar surveys in 2013, 2016 and 2018. This report provides some comparisons with 2018 data. However, these few comparisons must be approached with caution, as the latest survey methodology, sample, and data collection methods are somewhat different from the previous one. Particularly, in accordance with the terms of reference, the 2020 survey mostly targeted individual entrepreneurs, small and medium-sized businesses, and women as respondents. The data collection was conducted through an online survey, which most probably explains a more frequent selection of “Don’t know” and “Refuse to answer” options.

In the case of the cross tabulations, it should be noted that only valid answers have been taken into consideration (don’t know and refuse to answer answers are excluded).

SURVEY METHODOLOGY AND SAMPLE

The aim of the nationwide survey among taxpayer organizations and individual entrepreneurs conducted in May 2020 was to reveal the perceptions of business taxpayers on tax administration.

1. The main characteristics of the survey among taxpayer organizations and individual entrepreneurs

- *Target population of the survey* – taxpaying organizations and individual entrepreneurs;
- *Geographical coverage* – all provinces of the Republic of Armenia and Yerevan;
- *Sampling frame or main population* – the list of taxpaying organizations and individual entrepreneurs provided by the State Revenue Committee of the Republic of Armenia;
- *Targeted sample size* - 600 interviews⁴, of which 200 are female entrepreneurs;
- *Margin of error* - +/- 3,8 percent;
- *Data collection tools* – tablet-based and online standardized questionnaire with phone interview guide for interviewers;
- *Method of data collection* – online and/or phone interviews⁵ with the following steps:
 - o Delivery of e-mails to the available electronic addresses of the selected taxpayer organizations and individual entrepreneurs;
 - o Follow-up calls with the selected taxpayer organizations and individual entrepreneurs;
 - o Conducting phone interviews in cases when the completion of the survey online was impossible.

Special note. The survey was planned to be conducted through face-to-face interviews, but as a result of the state of emergency declared in Armenia due to the spread of COVID-19, it was moved to an online platform.

2. Sampling Methodology

Below are the main sampling principles of the survey with taxpaying organizations and individual entrepreneurs:

- *Stratification by the volume of 2018 annual turnover* (up to 100 million AMD - micro, 100 to 500 million AMD - small, and 501 to 1500 million AMD-medium⁶) and taxpayer type (organizations and individual entrepreneurs);
- Sampling of organizations in each stratum according to the proportion of the number of organizations in the strata of the main population;
- *Main sampling - random selection* of around 4800 organizations;
- *Reserve sampling* composed of 1700 female entrepreneurs (individual entrepreneurs and founders of organizations);

⁴ 610 were surveyed.

⁵ 490 questionnaires completed online and 120 questionnaires over the phone.

⁶ The classification is based on the criteria established by the Law of the Republic of Armenia “On the state support of small and medium entrepreneurship”, article 2 (December 5, 2000 No. ZR-121).

- *Selection of the respondents* – decision makers on the operation of the organization and particularly on the key issues connected with taxes, for example the director, chief accountant, etc.

The following four Tables (1-4) and Figure 1 present the summary of the taxpayer organizations and individual entrepreneurs by province, type of organization, and the volume of annual turnover.

Table 1: Composition of interviewed taxpayers by the organizational type

Organizational type	Number
Organizations	390
Individual entrepreneurs	220
Total	610

Table 2: Distribution of interviewed taxpayers by province

Province	Number	Share, %
Yerevan	296	48.5
Aragatsotn	14	2.3
Ararat	34	5.6
Armavir	42	6.9
Gegharquniq	25	4.1
Kotayq	50	8.2
Lori	39	6.4
Vayots Dzor	8	1.3
Shirak	45	7.4
Tavush	26	4.3
Syuniq	31	5.1
Total	610	100.0

Table 3: Distribution of interviewed taxpayers by the volume of annual turnover

Turnover, mil AMD	Number of Interviewed
Up to 100	318
100-500	192
501-1500	90
Total	600⁷

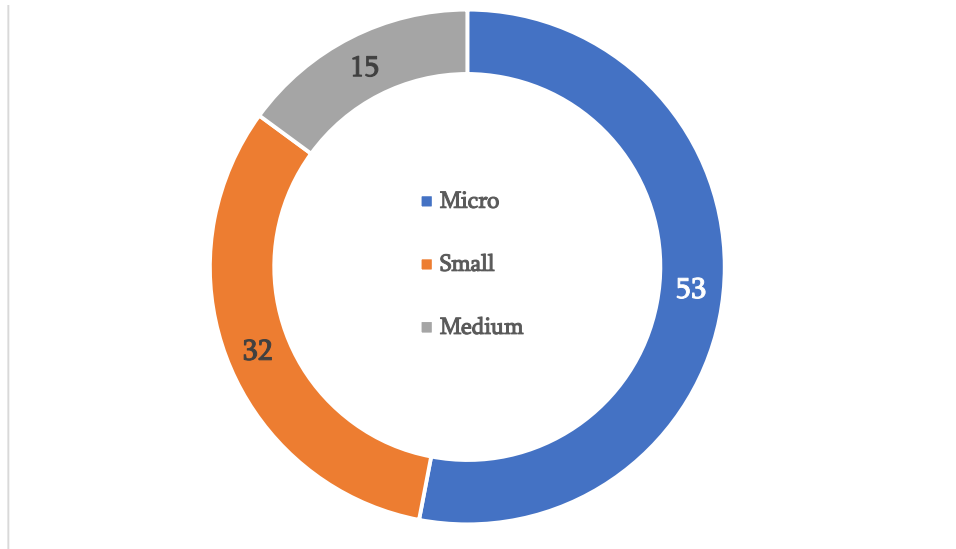
Table 4: Composition of the interviewed taxpayers by legal status and annual turnover

Turnover, mil AMD	Individual entrepreneurs	Organizations	Total
Up to 100	191	127	318
100-500	22	170	192
501-1500	2	88	90
Total	215	395	600

According to the table above and figure below, the share of organizations (hereafter, if not specified, should be understood as business taxpayers, including individual entrepreneurs) with an annual turnover of up to 500 million AMD is about 85 percent, which means that the survey mainly included micro and small businesses.

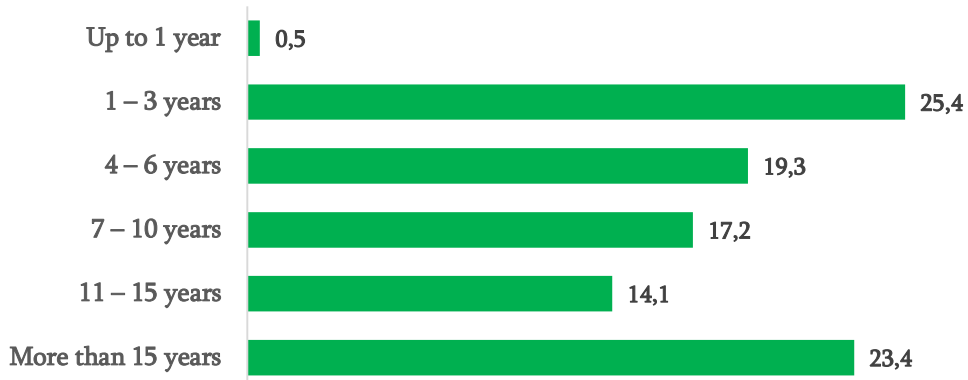
⁷ Ten organizations did not respond to the question on the volume of annual turnover.

Figure 1: Composition of organizations and individual entrepreneurs by the volume of annual turnover (% of total)



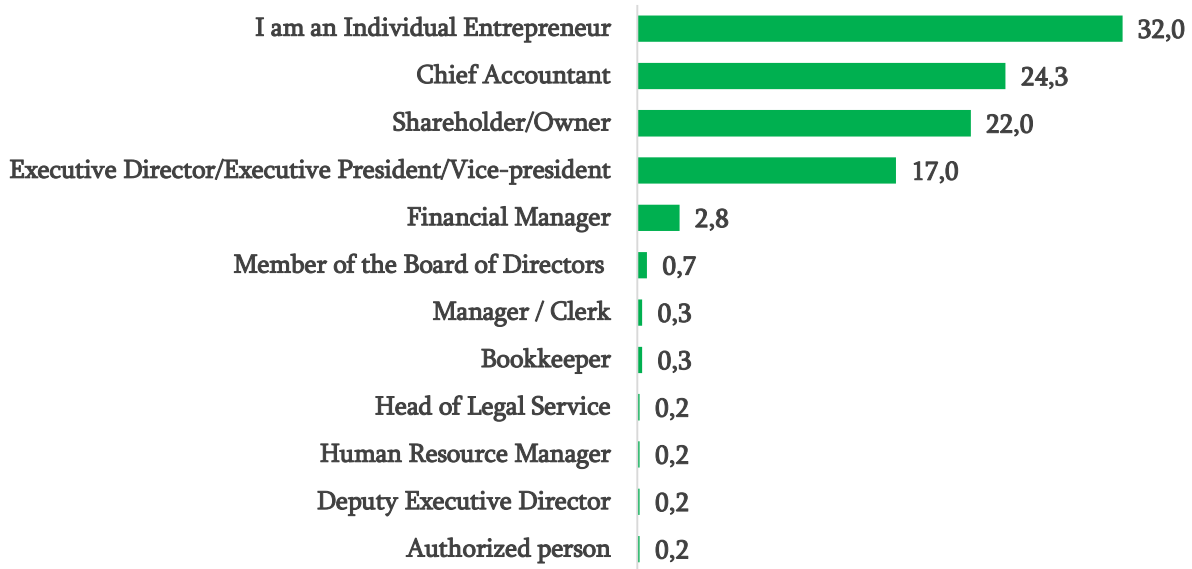
Forty five percent of surveyed taxpayers have been operating for six years, and the rest for a longer period, including 23.4 percent who have been operating for 15 years or more (see Figure 2). This means that there is a balanced sample of organizations with a diverse range of experience.

Figure 2: How many years has your business/organization been actually (actively) operating in Armenia? (% of total, n=610)



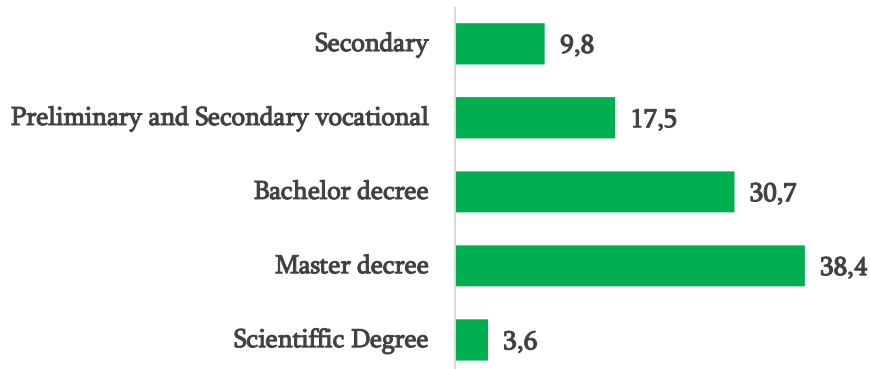
A significant share of the respondents was upper management – owners, directors, deputy directors, board members and financial directors (42.7 percent, see Figure 3 and Annex 2 Table1.1). In several cases, the managers invited the accountant or other informed employee to answer the questions.

Figure 3: What is your position (basic responsibility) in your organization? (% of total, n=610)⁸



The level of education of the entrepreneurs, or their representatives, was quite high: around 72 percent completed higher education, and around ten percent completed vocational education (see Figure 4).

Figure 4: Composition of respondents by the level of education (% of total, n=610)



⁸ The number of individual entrepreneurs in the sample is 220, which makes 36,1% of total number of interviewed businesses. However, in some cases the respondent was not the entrepreneur per se, but most likely the accountant.

SUMMARY. THE MAIN FINDINGS OF THE SURVEY

The survey showed that taxpayers in most cases exhibit a sufficient level of trust towards tax administration and law enforcement. The respondents also offered suggestions, which indicates their confidence that they will contribute to further clarification and regulation of the tax authority-taxpayer relationship.

The main findings are presented below:

PERCEPTIONS ON TAX COMPLIANCE

1. **Corporate governance systems are not common among organizations:** only 13.4 percent of the respondents answered "yes" to this question. **The existence of a corporate system does not play a big role among the decision makers on taxes.** The decisions on tax issues are made by the board of directors only in 2.8 percent of the surveyed organizations.
2. **Nine percent of respondents had a "law-abiding taxpayer" certificate.** While this institute is quite common, it is a controversial subject.
3. **The surveyed organizations are not really involved in specialized organizations or sectoral unions and associations, and are not particularly inclined to join.** About 5.5 percent of organizations are members of unions. Memberships in chambers of commerce and industry were more prevalent.
4. **Only three out of ten organizations are aware of the activities of the Social Council of Revenue Administration Reforms of the RA State Revenue Committee,** but seven out of ten consider the existence of that and similar structures important.
5. The responses to the sensitive question regarding undeclared taxable turnover to the tax authorities shows a low level of "shadow" activity - **6.6 percent.**
6. **The most important reason for declaring taxable turnover and paying taxes honestly was to "make a contribution as an active citizen."**
7. **The organizations considered the expansion of services to taxpayers to be a key component in tax administration reform.**
8. **The reduction of income tax rates, the tax exemption of micro-enterprises, the increase of the turnover tax threshold, and other recent changes have clearly been well received by organizations:** 57.4 percent of the respondents said that these reforms were useful or very useful for their businesses. Moreover, 74.1 percent of them believe that **such reforms will contribute to the voluntary payment of taxes.**
9. **According to respondents, a negative aspect of tax compliance is the potential decrease in income due to the non-elasticity of purchasing power.**
10. **About forty four (43.8) percent of respondents think that current penalties for not declaring taxable income are quite fair.**
11. **The answers to how acceptable it is for companies to use loopholes in legislation to reduce their tax payments were not certain.** Nevertheless, there were slightly more respondents who found it acceptable.
12. According to the prevailing majority (74.2 percent) of respondents, the State Revenue Committee's attitude towards its employees and taxpayers has improved over the past year. **The level of satisfaction with the treatment of taxpayers is higher in the case of the tax**

authority than in the case of the customs authority, although 72.5% of the respondents have not been engaged in import/export activities.

PERCEPTIONS OF SERVICES PROVIDED BY THE TAX AUTHORITY

1. On average, the organizations rated the **usefulness of services** provided by the tax authority at about 3.4 out of a maximum of four possible points. The e-reporting system and other e-services were considered particularly useful according to more than 95 percent of respondents.
2. **The quality of services scored less favorably than their usefulness:** 62 percent for the main services in comparison to the minimum 70 percent for the usefulness question. Among available services, the call center / hotline, which has had a significant improvement, was viewed as requiring the most need for progress to cover the demand.
3. **The organizations are confident that using a consolidated account and the possibility to pay taxes electronically contribute to the simplification of business processes.**
4. **The tax administration measures taken by the tax authority during the last three years were assessed positively:** 70.2 percent of respondents assessed them as positive and very positive.
5. **Within the structure of the tax system, the component called "Tax authority's trustworthiness" was perceived most positively compared to other components.**
6. **Most of the respondents who gave valid answers consider that the SRC does not discriminate against taxpayers.**
7. **The uncertain and inaccurate wording and ambiguous provisions in tax laws were the biggest hindrance for businesses in terms of tax legislation.**
8. **The difficulty of obtaining tax clarification / guidance was considered the most problematic of the procedures used by the SRC.** Moreover, most of the respondents do not know **whether the transfer of authority from the SRC to the RA Ministry of Finance two years ago contributed to the improvement of tax administration.**
9. **The horizontal monitoring system, which mainly targets large taxpayers, is not known or incomprehensible to many. This could be explained by the fact that the majority of respondents were representatives of small and medium-sized businesses.**
10. The topics of the SRC training center are relevant, and awareness about the seminars is sufficient. However, there is a need to ensure that the **courses become more useful and effective than those offered in the private sector.**
11. **Perceptions and assessments of the work of the taxpayer service centers are very positive.**
12. **The attitude towards tax administrators (SRC employees) in terms of being honest and professional in carrying out their functions was positive.**
13. **The main mean of communication that taxpayers use to contact the tax authority is still the telephone, and the most common reason for communication is to obtain legislative clarifications.**
14. **Organizations reported that the preferred source of information on regulatory changes in administrative matters is through direct notifications from the tax authorities.**

15. **The content of notifications/messages received from the tax authority is clearly stated. In addition, taxpayers prefer to be notified about changes in legal acts by e-mail.**
16. **Taxpayers are not well aware of the SRC's standard of service provision. In the same way, they are not aware of the Strategy of tax administration for 2020-2024.**
17. **Regardless of the previous point, the organizations are satisfied with the services they receive (79 percent of cases) and mainly expect expansion in the volume of awareness and consulting services.**
18. **Other new and desirable services can be grouped into two directions: new technological solutions (including creation of a mobile tax application) and internal audit and control functions within the SRC.**

PERCEPTION OF MEASURES INFLUENCING TAXPAYERS

1. The organizations did not express serious complaints regarding tax inspections.
2. **Most business taxpayers, 81 percent, are aware of their rights during tax inspections, and 53.7 percent are confident that their rights will not be violated.**
3. **Comparing with the 2018 survey results shows that examinations connected with inspections have become more substantial:** Taxpayers are more likely now to admit their mistakes, but if they do not agree with the tax authority, they are also more likely to fight for their rights.
4. Respondents **generally welcomed** the function of assessing risk indicators through a computer program, notifications about risks sent to businesses by the Monitoring Center, and the presentation of analytical results through internal desk study records.

ORGANIZING TAX OPERATIONS IN BUSINESSES

1. **It is not common in the organizations** to outsource accounting and financial and tax reporting functions, to involve consultants, or to have special training budgets on tax and customs issues (22.6 percent, 17.9 percent and 20.1 percent, respectively).

Nevertheless, there have been positive developments in this area over the past two years: according to the 2018 survey, only 8 (tax and customs), 10 and 4 percent, respectively, used external consulting services on tax, customs, legal and business matters.
2. Only 21 percent of organizations develop tax strategies and policies. **At the same time, in exceptional cases this only includes shareholders and boards of directors.**
3. **The organizations were cautiously optimistic about the expected and predicted financial and business results for the current and next two years.** This is the case even if the predictions of survey participants from two years ago did not fully materialize.

GENDER LENS

1. Only three of the business unions working on women's issues have women's issues specifically included in their missions, and **only 0.6 percent of the respondents are engaged in them** compared with the total of 5.5 percent union engagement.
2. The share of women in leadership positions of organizations and members of the boards is not large - **only 21 percent of the organizations participating in the survey had a share of women in leadership roles exceeding 50 percent.**

The predominance of women in the leadership of businesses in the provinces is rarer and lower than in Yerevan by 7.1 percentage points.

3. **Only 6.1 percent of organizations have any gender equality policy. Gender equality policy regulations can be found in 19.1 percent of organizations using corporate governance systems.**
4. Women (female respondents) **consider it significantly less acceptable than men to use legislative loopholes to reduce their own tax payments.**
5. Over sixty (60.5) percent of respondents **were confident that the SRC does not discriminate against female taxpayers, which is the most positive perception regarding discrimination among various other grounds.** Additionally, the opinions of women and men were similar on this matter.
6. **Tax managers are equally represented** by women and men.
7. Answers to questions regarding **the participation of women in tax administration** and gender discrimination in organizations show that:
 - 7.1. A considerable share of respondents – from 36 to 55 percent - either **did not know or refused to answer;**
 - 7.2. **Women are sufficiently represented among tax administrators.** At the same time, the respondents were not against the inclusion of more women in that subdivision of organizations;
 - 7.3. **Women are not worse off** in terms of wages in the tax administration subdivision;
 - 7.4. Respondents do not agree that most Armenian companies have a policy of promoting gender equality. However, **most are convinced that women and men have equal opportunities.**
8. Male and female respondents differed significantly in their responses in a number of cases. Cross-analysis revealed the following differences:
 - 8.1. There are significant differences between the opinions of female and male respondents in terms of the incentives to calculate and pay taxes fairly:
 - 77.4 percent of women and 66.3 percent of men cited contribution as an active citizen as an incentive;
 - 65.1 percent of women and 57.1 percent of men mentioned paying taxes for the development and expansion of the business as a factor;
 - 27.2 percent of women are certain that others also pay their taxes, while 40.6 percent of men think so;

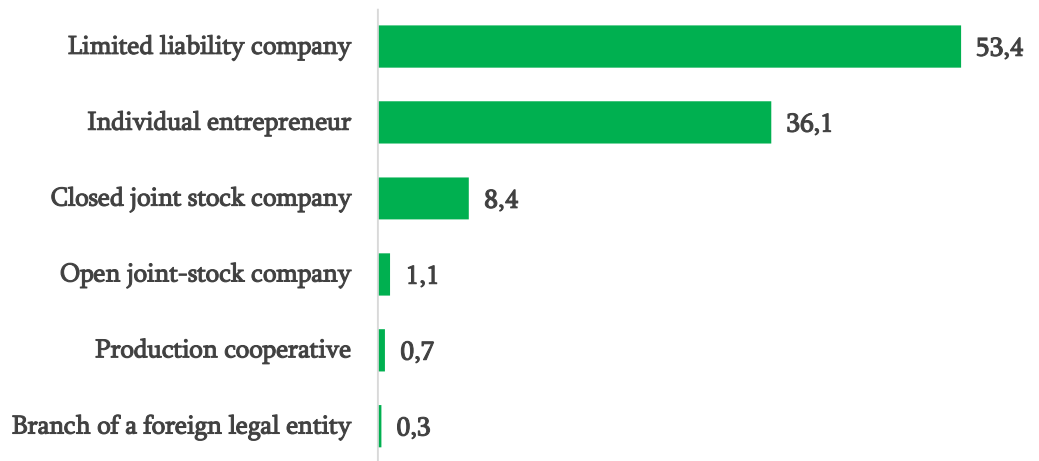
- 8.2. Only 19.6 percent of female respondents noted the tax authority's changed attitude towards its employees in comparison to 27 percent of male respondents.
- 8.3. Fifty-four percent of surveyed women and 63.6 percent of men rated the electronic report submission system "Very useful";
- 8.4. Fifty six percent (56.3)of female respondents and 64.2 percent of male respondents consider the quality of services provided by the Call Center "good" or "very good";
- 8.5. About fourteen (13.8) percent of women and 19.8 percent of men gave a negative assessment of the professionalism and sincerity of tax administrators;
- 8.6. Female and male respondents had different opinions about the communication/attitude of the SRC towards taxpayers. Thus, the share of those who said "Definitely yes" to the positive changes in the attitude of the SRC over the past 12 months was 36.8 percent among men and 29.6 percent among women;
- 8.7. 97.5 percent of women and 90.4 percent of men fully or somewhat agree with the statement "Women and men in our organization have equal opportunities."

KEY INFORMATION ON THE TAXPAYERS

The Constitution of the Republic of Armenia has defined the duty of each citizen to pay taxes, whether a natural person or a "corporate" unit-organization. Article 61 part 8 of the Constitution states the following: "Everyone shall be obliged to pay taxes, duties and other obligatory payments to the state or community budget according to the law." Business taxpayers play a key role in contributing to the development of the country through their efforts. There is a need for cooperation based on understanding and trust between businesses and the State Revenue Committee as the government body that carries out tax administration. This research is based on the results of a representative survey, and reveals the business community's perceptions about tax administration, taxation, the ease of paying taxes, the quality and structure of services provided by the tax authority, perceived problems, and proposed solutions to problems.

Among the surveyed business taxpayers, 89.5 percent had a "simple" organizational status – individual entrepreneurs or limited liability companies (see Figure 5 and Annex 2 Table 1.3).

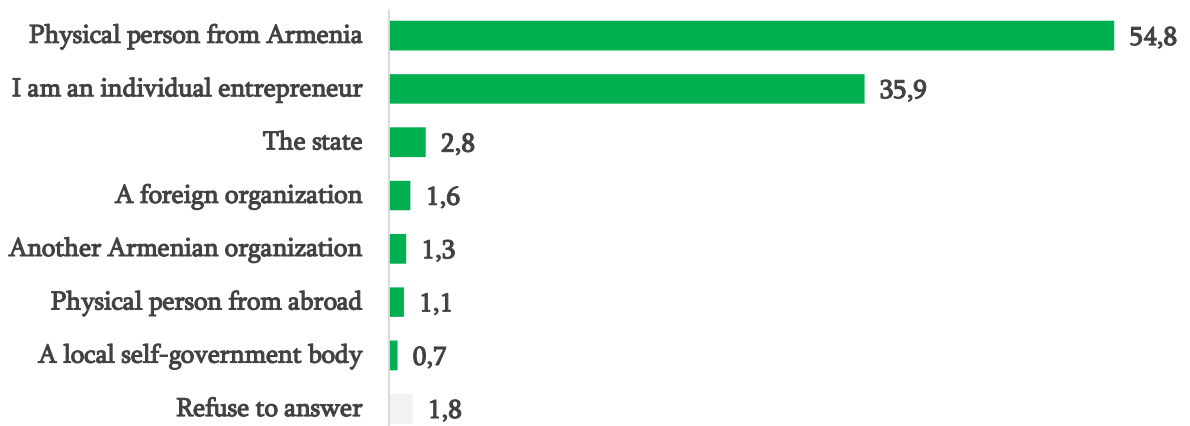
Figure 5: What is the organizational-legal status/form of your business? (% of total, n=610)



The choice of this legal status may be due to its simplicity and fewer regulatory requirements. In the case of individual entrepreneurs, it can also be due to the ease of accounting with significantly lower requirements for reporting, and their desire to "start small and easy."

There were very few foreigners (physical persons or organizations) among the surveyed business owners – 2.7 percent ("shareholder/participant" organization – 1.6 percent and shareholder/participant physical person – 1.1 percent, see Figure 6).

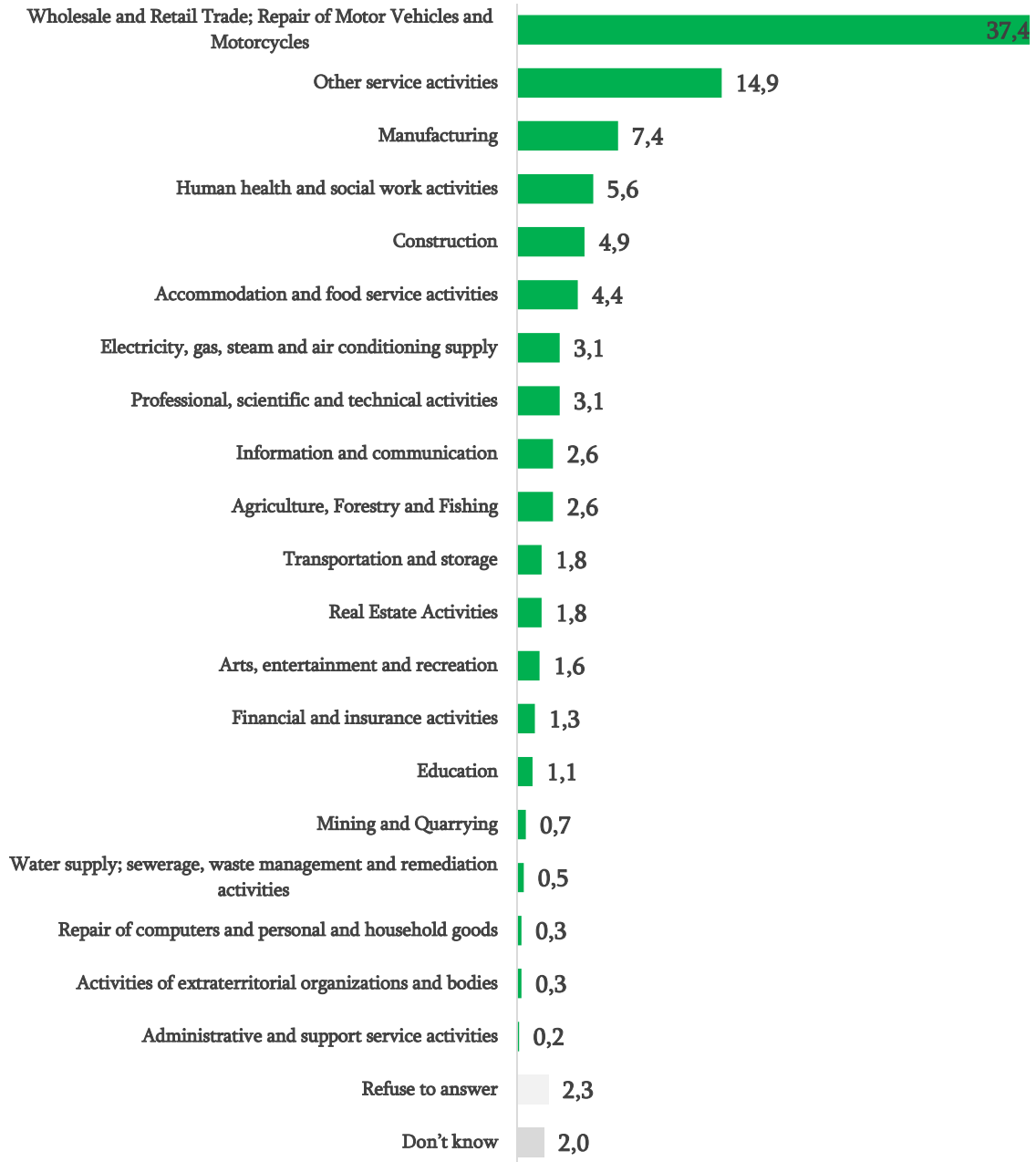
Figure 6: Who is the biggest shareholder/owner of your business? (% of total, n=610)



In Armenia, the establishment of organizations by individuals and their management as individual entrepreneurs is more common than by other organizations, acquisition of a subsidiary, or other mixed shareholder practice. The main shareholders/participants of the surveyed organizations are natural persons.

Almost sixteen (15.6) percent of the organizations represent the industrial sector (sum of the economic activity sectors: “Agriculture, forestry, fishing,” “Mining and Quarrying,” “Manufacturing” and “Construction”), and 52.3 percent are in trade and service sectors (see Figure 7).

Figure 7: And what is the main type of your business operations? (% of total, n=610)



Women are less represented among the staff of organizations than men: there were no female employees in 26 percent of the organizations, and only every sixth organization had only female employees (see Figures 8 and 9).

Figure 8: Distribution of female and male employees in organizations by decile groups, cumulative (% , n=610)

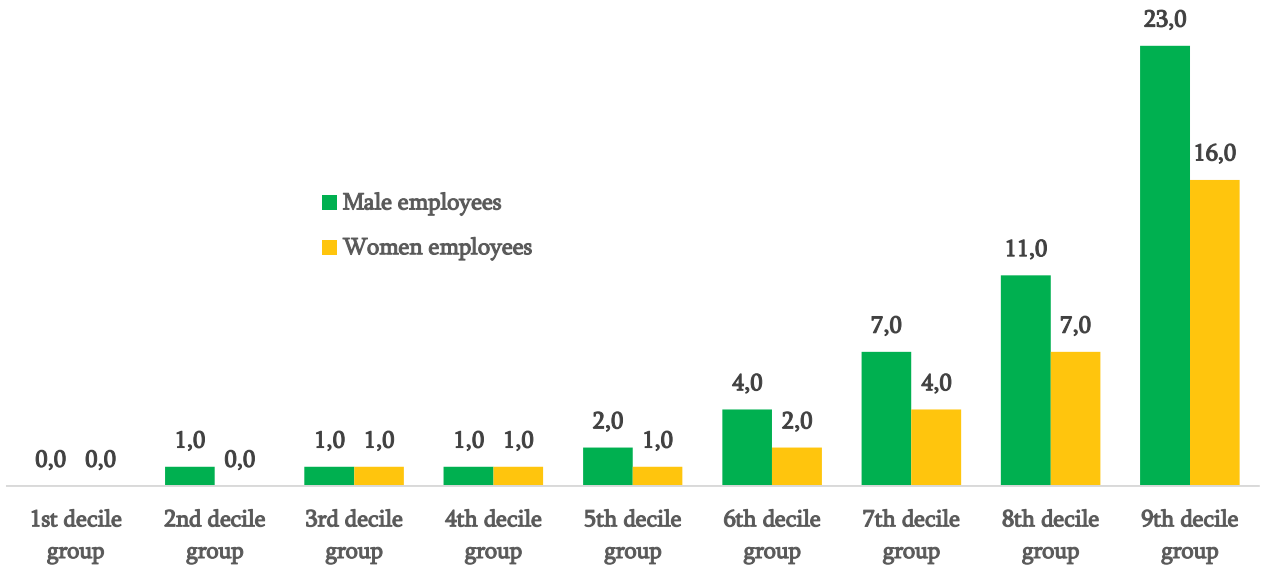
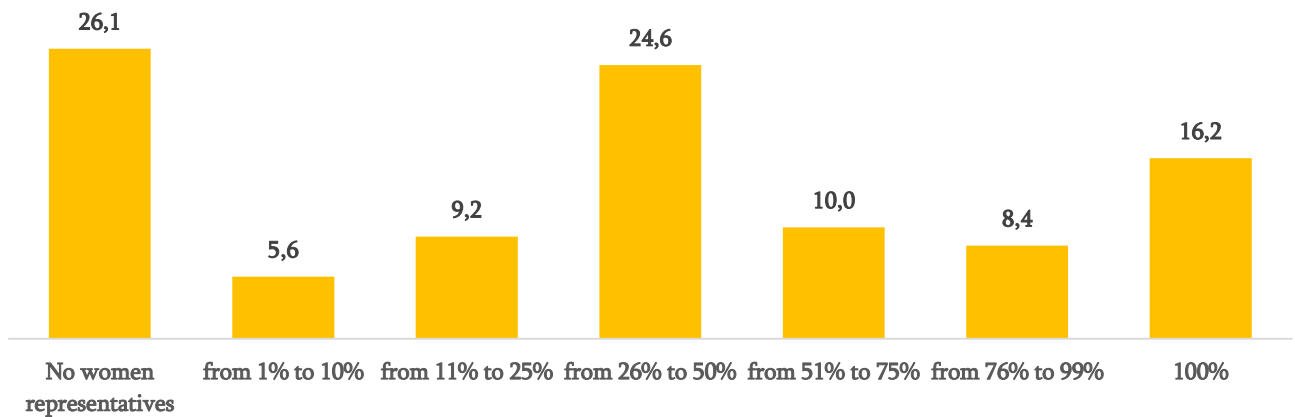
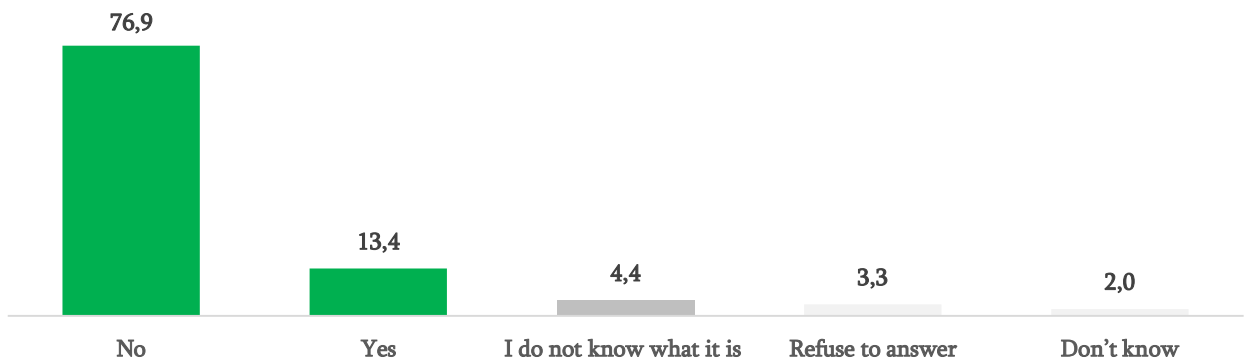


Figure 9: Representation of female employees in enterprises; horizontal axis shows the range of the share of female employees among the total number of employees (% of total, n=610)



Corporate governance systems are not common in organizations (see Figures 10 and 11); only 13.4 percent of respondents gave a positive answer to this question. A small segment of respondents does not know what “corporate governance” means. They were also not aware of the division of power between the shareholders/stockholders and the managers, the meaning of the board of directors and other collegial governance bodies, and the role of committees, including the role of the internal audit committee.

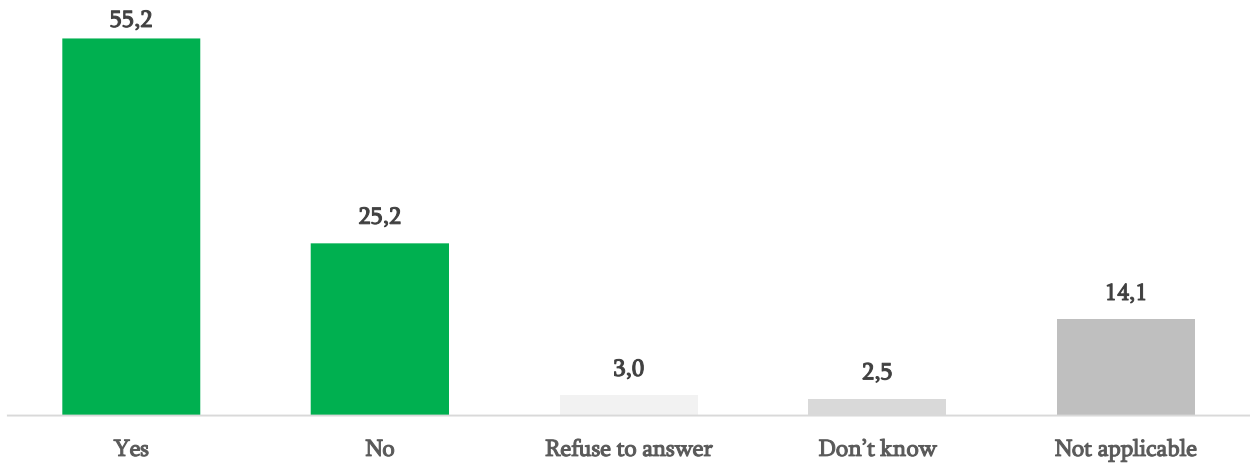
Figure 10: Has the corporate governance system been actually launched in your organization? (% of total, n=610)



- ✓ Note: Cross-analysis of the survey results shows that the share of taxpayers with corporate governance systems among those that use tax, accounting and audit consulting services as well as outsource accounting is 20.8 percent in comparison to the 9.1 percent of group that does not use outsourced services (see Table [CQ1.7&Q5.6](#)).

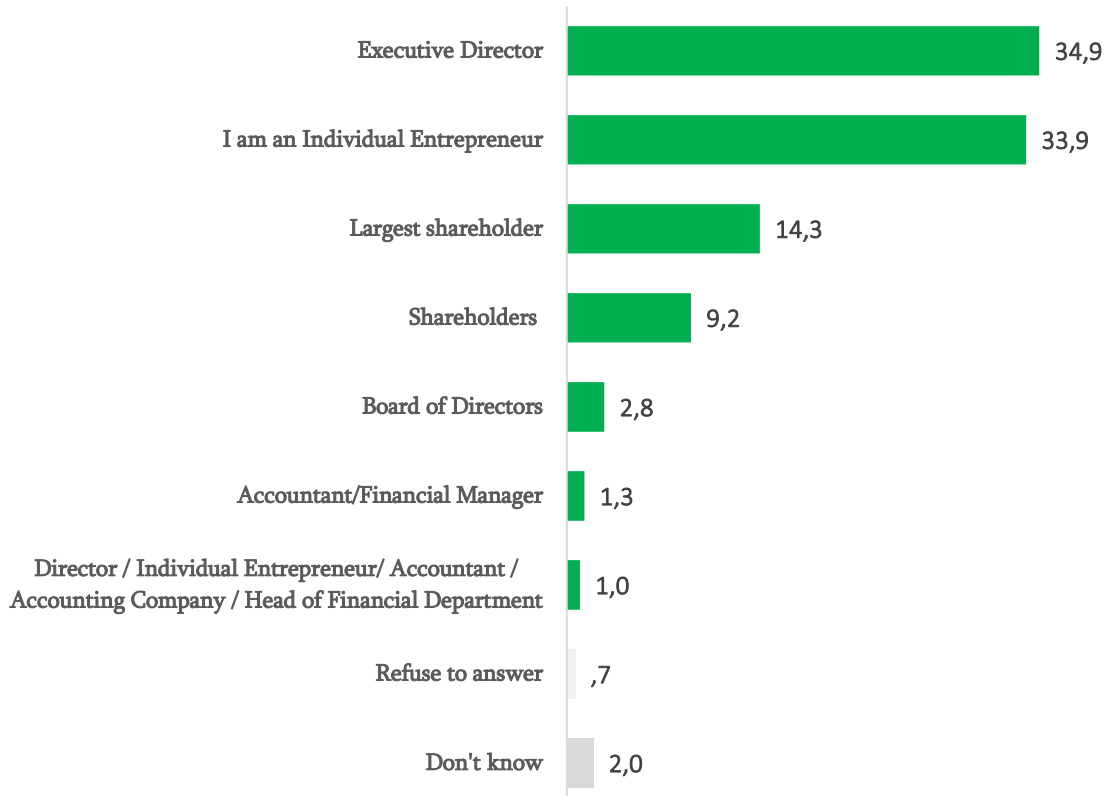
Given that the principles of the corporate governance system are not very common and that most organizations are small and micro, it is not surprising that in **55.2 percent of organizations, the CEO is the founder / participant.**

Figure 11: Is the executive director of your enterprise simultaneously also one of the main shareholders/owners? (% of total, n=610)



The existence of a corporate system does not play a big role among tax decision makers. The decision on tax issues is made by the board of directors in only 2.8 percent of the surveyed organizations (see Figure 12). Furthermore, in only 9.2 percent of cases does the largest shareholder consult with smaller shareholders.

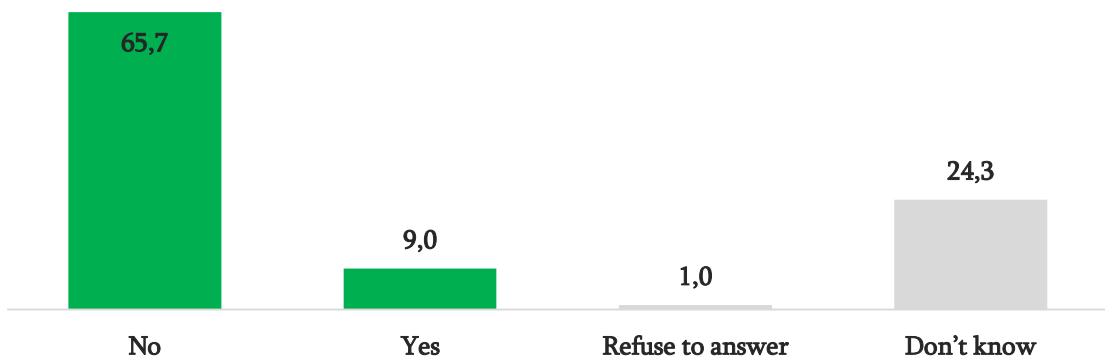
Figure 12: In your company which bodies are the decision makers in tax-related issues? (% of total, n=610)



- ✓ Note: Cross-analysis of the survey results shows (see Annex 3, Table CQ5.6&Q1.9) that within the group of taxpayers who use tax, accounting and audit consulting services as well as outsource accounting, in 4.5 percent of the cases the Board of Directors makes the decisions on tax issues.

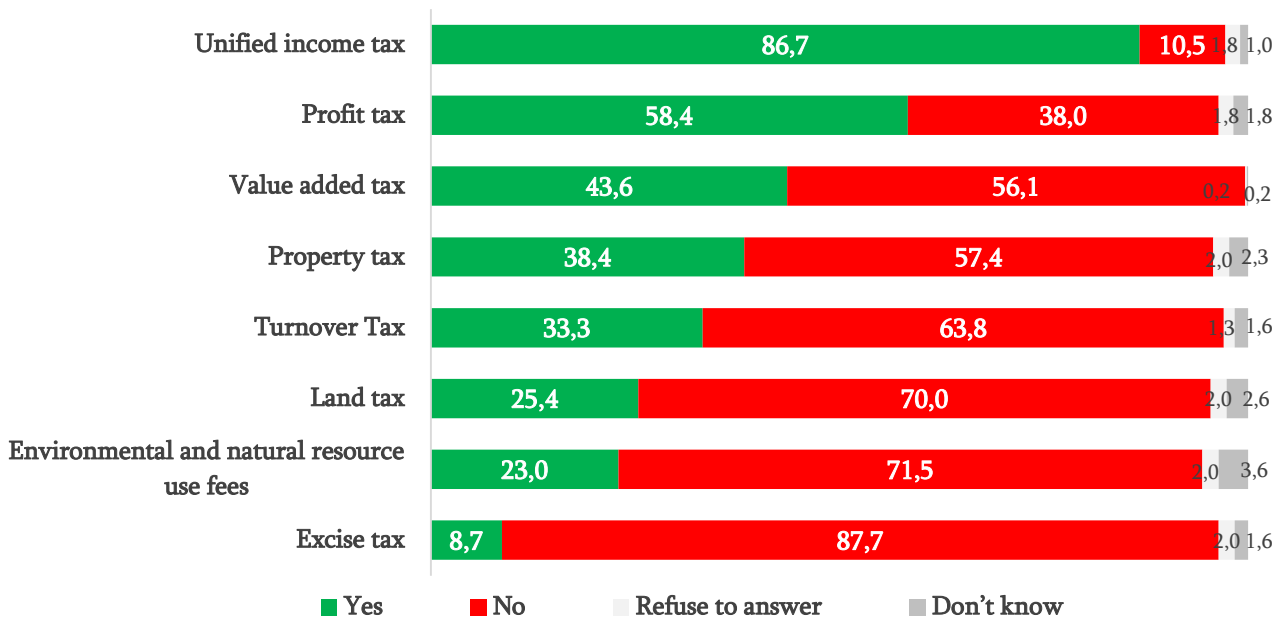
Nine percent of the respondents had a “law-abiding taxpayer” certificate (see Figure 13). While growing in popularity⁹, this status remains controversial among businesses—the status is not legally defined, and taxpayers are not fully aware on its advantages or additional requirements. One of the reasons of the award being controversial is also the fact that those with certificate often appear among lists for inspections, and their names may appear in mass media as incompliant taxpayers. At the same time, 68 percent of respondents considered the registration system of law-abiding taxpayers useful; 51.5 percent assessed the quality of its services “Good” and “Very good” (see Tables 6 and 7).

Figure 13: Does your organization have a “law-abiding taxpayer” status granted by the RA State Revenue Committee (SRC)? (% of total, n=610)



Armenian businesses mostly pay direct taxes (see Figure 14).

Figure 14: Please mention which of the following types of taxes are paid by your business? (% of total by line, n=610)

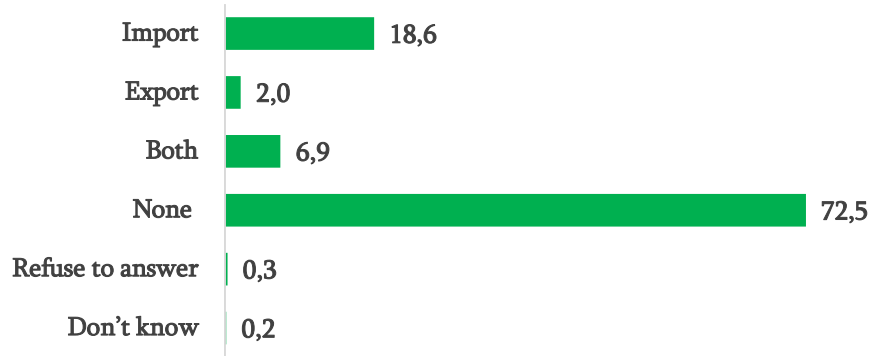


⁹ According to the SRC reference, while the decree of September 25, 2018 regulating the institute of law-abiding taxpayers provides that only VAT payers can apply for such a certificate (previously, turnover taxpayers could also apply), in January-May 2020, 53 taxpayers received a law-abiding taxpayer certificate in comparison to only 21 for the same period of 2019.

Nearly 86.7 percent of the surveyed taxpayers deal with income tax, and 58.4 percent with profit tax. These responses also indicate the predominance of micro and small taxpayers/ - only 43.6 percent deal with value added tax, 8.7 percent with excise tax, and 23 percent with environmental and natural resource usage fees. The latter is lower than the share of those that pay property tax – 38.4 percent, or turnover taxpayers – 33.3 percent.

Only 20.6 percent of taxpayers were involved in foreign economic activity (see Figure 15). The share of importers significantly exceeds the exporters among the taxpayers involved in foreign economic activity.

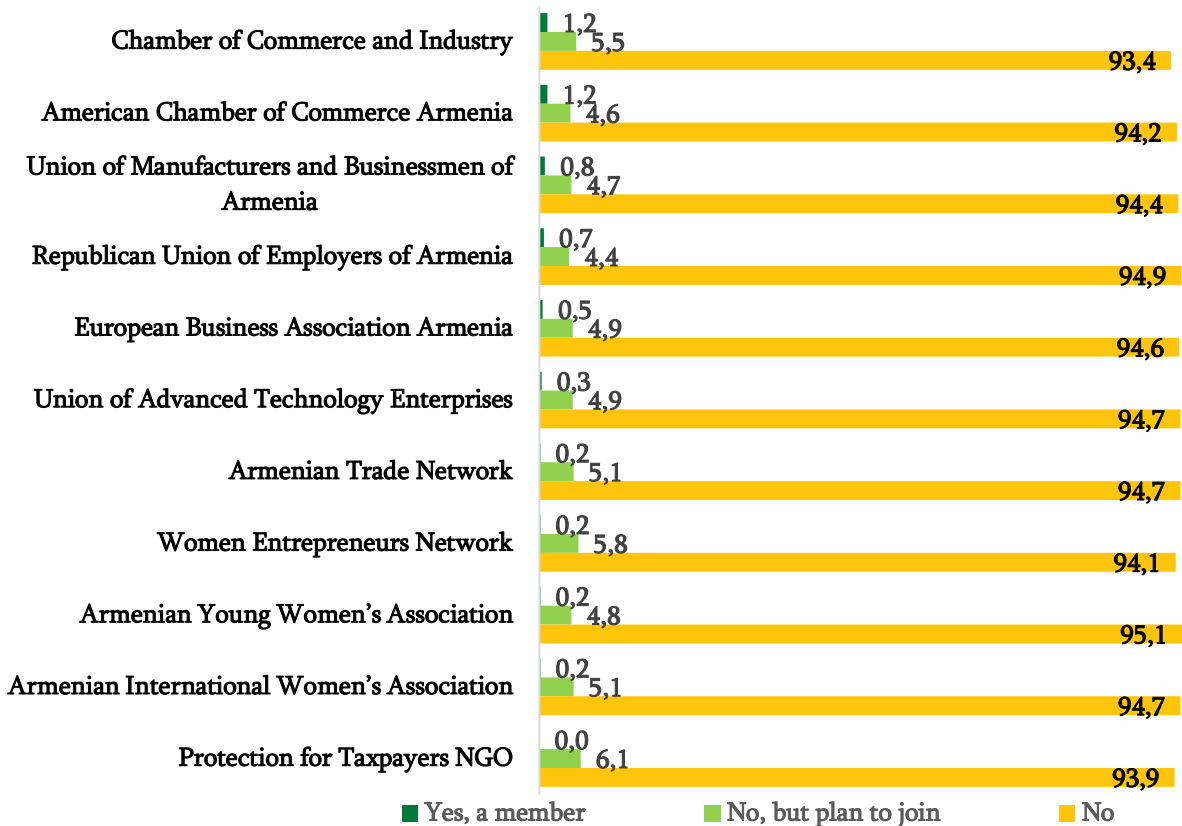
Figure 15: Is your business engaged in importing/exporting goods/services?, % of total, n=610



Organizations do not tend to join professional organizations and sectoral unions and associations.

Around 5.5 percent have union membership: 1.2 percent of surveyed organizations are members of the Armenian Chamber of Commerce and Industry and the American Chamber of Commerce and Industry (see Figure 16).

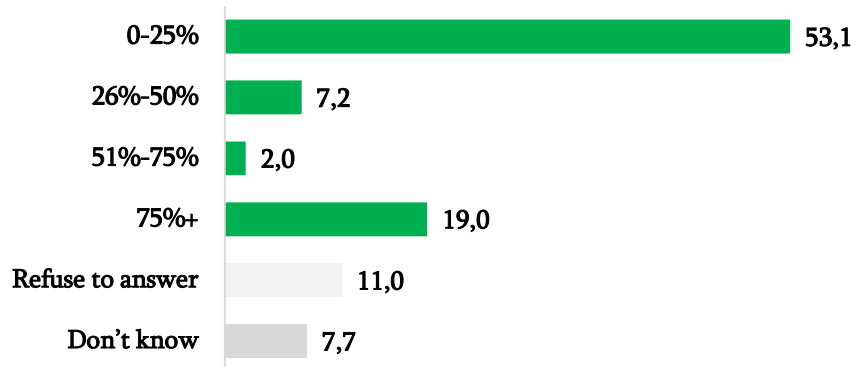
Figure 16: Is your organization a member of any union, association? If yes, which of the following associations/networks are you a member of or plan to join? (% of total by line, n=610)



- ✓ Note on gender lens: of total, 0.6 percent of the respondents are engaged in the three business unions working on women’s issues.

The share of women in the leadership of organizations and the members of the boards is not large - the share of women in leadership positions exceeds 50 percent in only 21 percent of the organizations participating in the survey (see Figure 17).

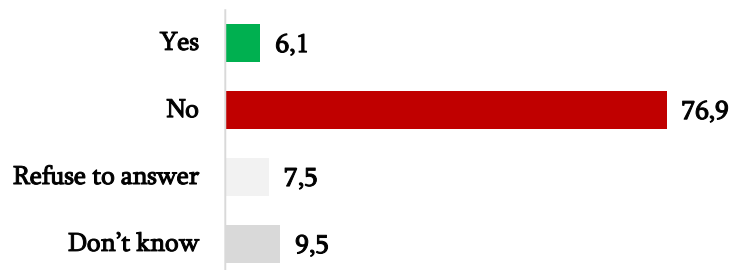
Figure 17: What is the share of women at managerial positions, including Board Members, at your company? (% of total, n=610)



- ✓ Note: Cross-analysis of the survey results shows that the predominance of women in the leadership of businesses in the provinces is rarer and lower than in Yerevan by 7.1 percent points (see Table CQ1.14).

The situation is bleak with another important gender indicator. **Only 6.6 percent of organizations have any gender equality policy** (see Figure 18).

Figure 18: Does your company have a Gender equality policy (any code(s) of ethics, harassment prevention procedures, mechanisms to assure equal wages for women and men, etc.?) (% of total, n=610)



- ✓ Note: Cross-analysis of survey results shows that among organizations using corporate governance systems, 19.1 percent have gender equality policy regulations (see Table CQ1.7&Q1.15).

ATTITUDES TOWARDS TAX LAW ABIDANCE

Business taxpayers are still new to the activities of the Public Council of Revenue Administration Reforms of the RA State Revenue Committee (see Figures 19 and 20).

Figure 19: Are you aware of the Social Council of Revenue Administration Reforms of the RA State Revenue Committee? (% of total, n=610)

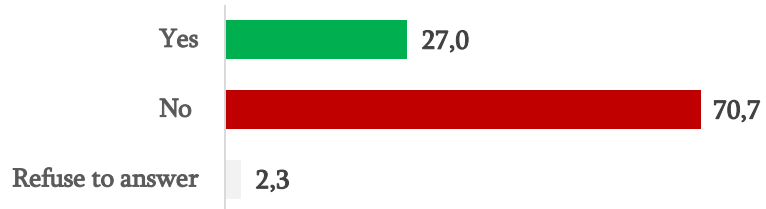
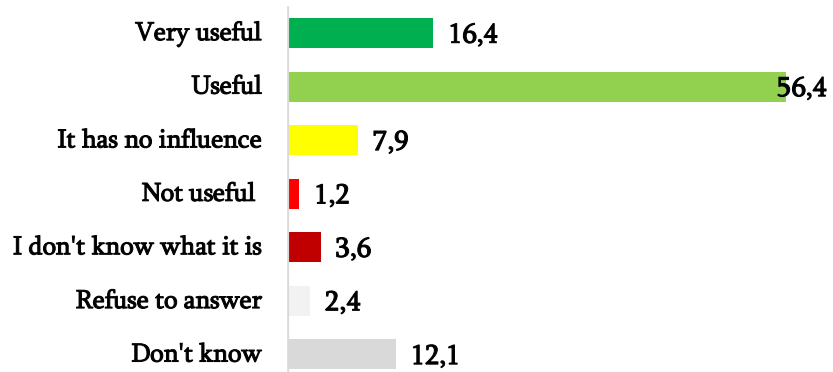


Figure 20: How useful is the work of the Social Council of Revenue Administration Reforms of the RA State Revenue Committee in (terms of) communicating with taxpayers? (% of total, n=165)



Over seventy (70.7) percent of the respondents were unfamiliar with the Social Council of Revenue Administration Reforms of the RA State Revenue Committee or why it was created most likely due to its newness and the respondents being mainly micro and small business. At the same time, 72.8 percent of those that were aware of the entity assessed its activities as “Useful” and “Very useful.”

Responses to the sensitive question regarding undeclared taxable turnover shows a low level of weighted average “shadow” activity - 6.6 percent (see Table 5). One can speculate that the respondents were cautious in answering this question knowing that the survey deals with the tax authorities. Another fact that likely played a role here is that the majority of respondents are small and medium-sized businesses, for which alternative tax systems with low tax burden have been launched since the beginning of 2020. In which case, hiding turnover has no benefits.

Table 5: What share¹⁰ (in %) of the turnover for the entire economic activity like your business do you believe remains unreported to the tax authorities? (% of total)

Share of unreported turnover	n=610 (including options DK and RA)	n=219 (without options DK and RA)
0%	27.4	76.3
1%-25%	4.9	13.7
26%- 50%	2.0	5.5
More than 50%	1.6	4.6
Refuse to answer	8.0	
Don't know	56.1	

¹⁰ The average indicator is the average of all the mentioned specific levels.

The analysis shows the following picture:

- 64.1 percent of the organizations could not or refused to answer the question regarding the percentage of undeclared turnover.
- 76.3 percent of the 219 organizations that provided a valid answer to the question chose an optimistic response of zero percent unreported.
- The weighted indicator is 6.6 percent (16.2 percent in 2018 survey).

Box 2. Undeclared turnover: scientific experiment results

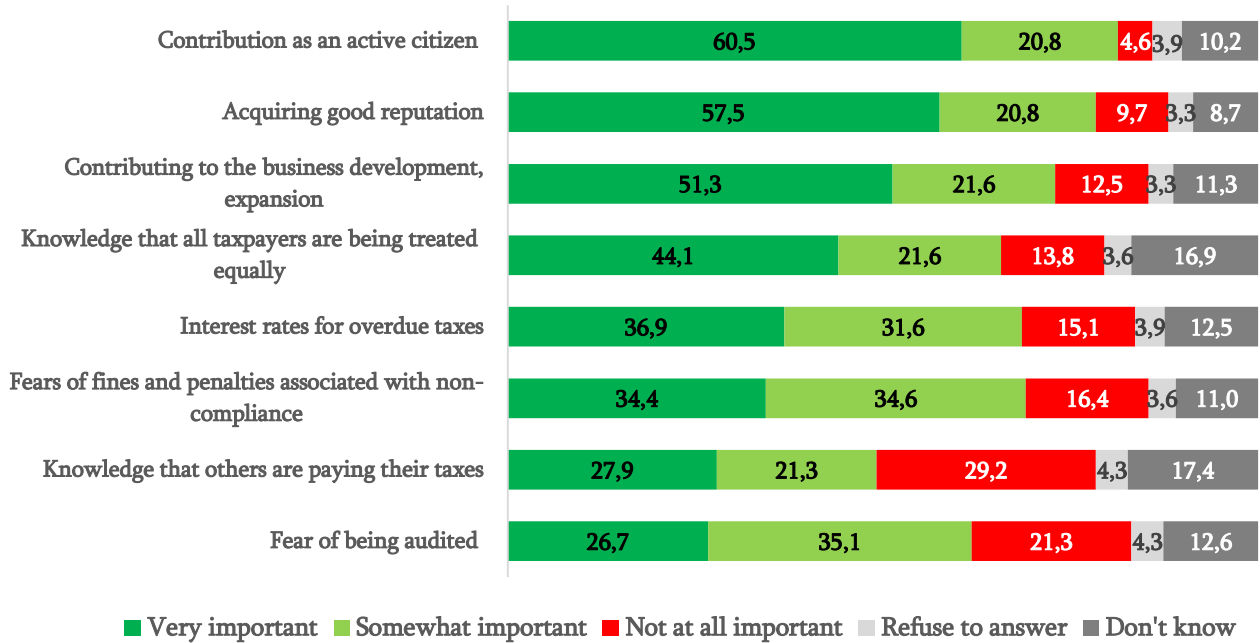
Respondents in the research experiment were randomly included in two groups, each of which was asked the question on tax avoidance (empirical expectation of the respondent about the behavior of other tax payers) while framing it positively for the first group, and negatively – for the second group.

The scale (see the Table below) was the same for everyone. Although in both cases the answer "Don't know" had a significant share in the results, nevertheless about a quarter of the respondents in the first group reported that more than 80 percent of businesses declare and pay their taxes in full.

	According to you, what share of taxpayers declare and pay their taxes in full ? Group 1:	What share of taxpayers declare partially and underpay their taxes? Group 2:
Less than 20%	5.6	9.1
21-40%	4.0	6.1
41-60%	6.3	5.2
61-80%	11.0	6.5
More than 80%	24.9	9.7
Refuse to answer	3.3	4.9
Don't know	44.9	58.6

“Contribution as an active citizen” and “Acquiring good reputation” were the most frequently mentioned important reasons for declaring taxable turnover and paying taxes honestly. Trust that all taxpayers are being treated equally also made the list of important reasons (see Figure 21). These results, which are noticeably and positively different from previous surveys, could be due to the fact that in the last year and a half, Armenia has been experiencing a period of intensified feelings of civic awakening.

Figure 21: In your opinion, how important is each of the following to motivate taxpayers like you to declare and pay their taxes honestly? (% of total by line, n=610)



- ✓ Note: Cross-analysis of the survey results shows that there are significant differences between the opinions of female and male respondents in terms of incentives to calculate and pay taxes fairly (see Table [CQ2.6&Q5.11](#)):
 - 77.4 percent of women and 66.3 percent of men cited contribution as an active citizen as an incentive;
 - 65.1 percent of women and 57.1 percent of men mentioned paying taxes for the development and expansion of the business as a factor;
 - 27.2 percent of women are certain that others also pay their taxes, while 40.6 percent of men think so.

Organizations considered the expansion of services to taxpayers to be essential in tax administration reform to improve the business environment.

Expansion of tax payer services was mentioned as most essential in 27.7 percent of all answers provided by the surveyed business taxpayers, followed by "tax control" by the tax authority mentioned in 16.9 percent of answers. Interestingly, when separately looking at the first, second, and third dimensions of reform ranking by their essentiality, the rank for the first preference remains the same (see Figures 22 and 23).

Figure 22: Which dimension of the reforms of tax administration do you consider to be essential for the improvement of business environment? (% of all answers; up to three possible answers; n=1399, on average - 2.3 answer per respondent)

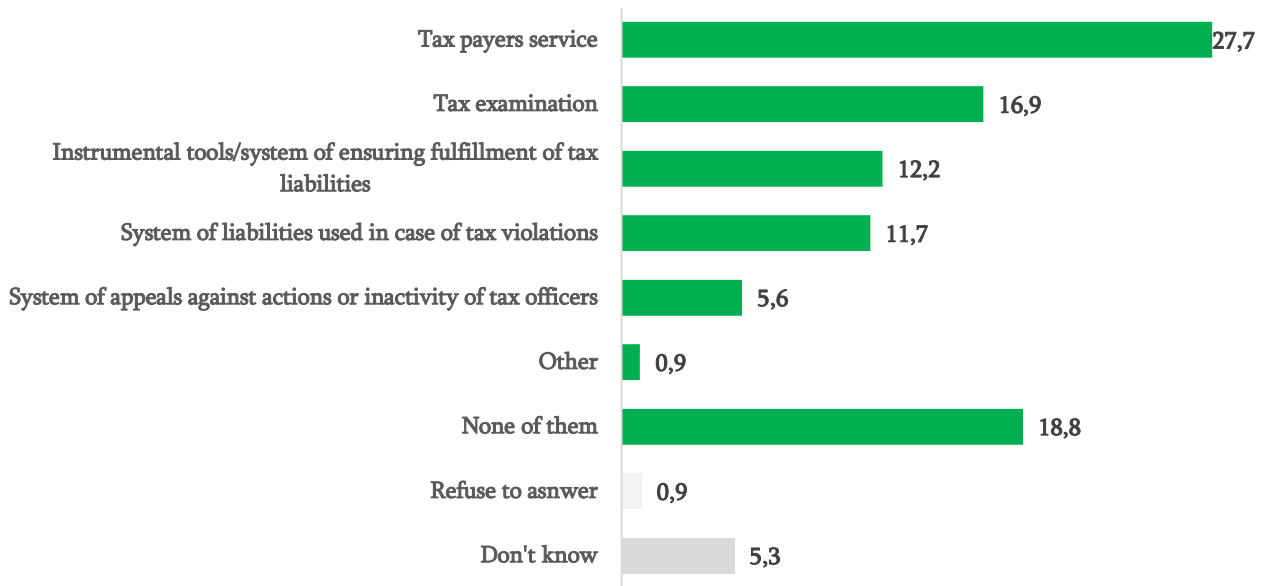
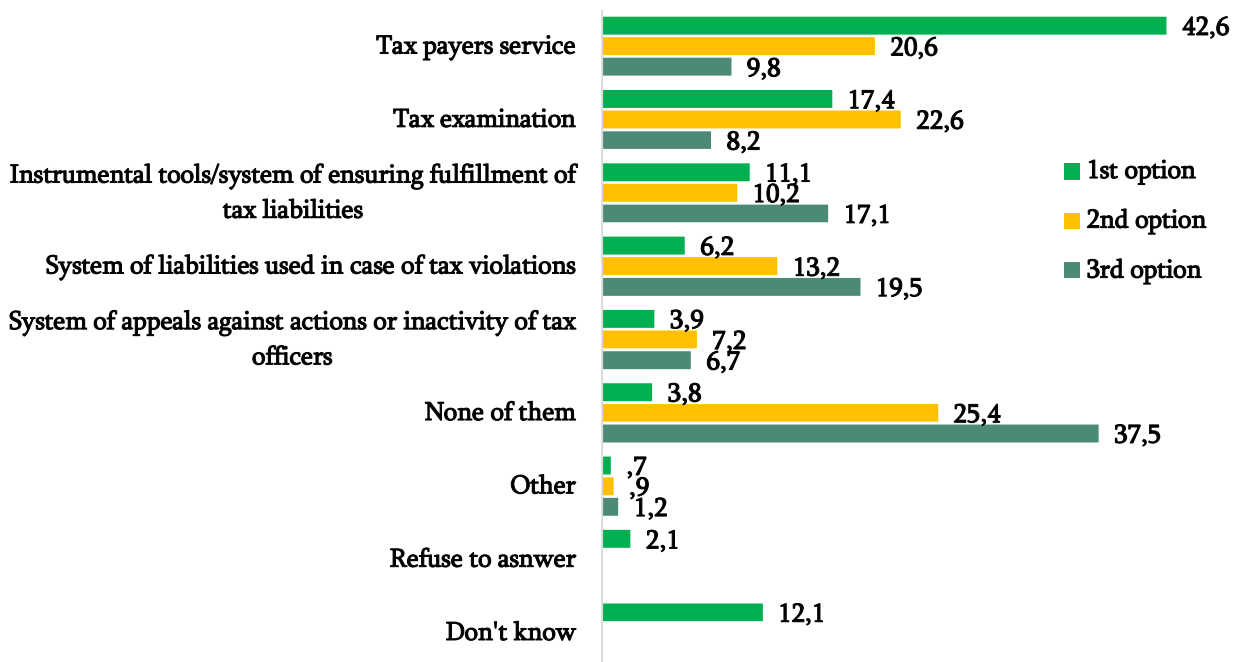


Figure 23: Which dimension of the reforms of tax administration do you consider to be essential for the improvement of business environment? (% of total by priority; n=610 for the first priority, n=461 for the second priority, and n=328 for the third priority)

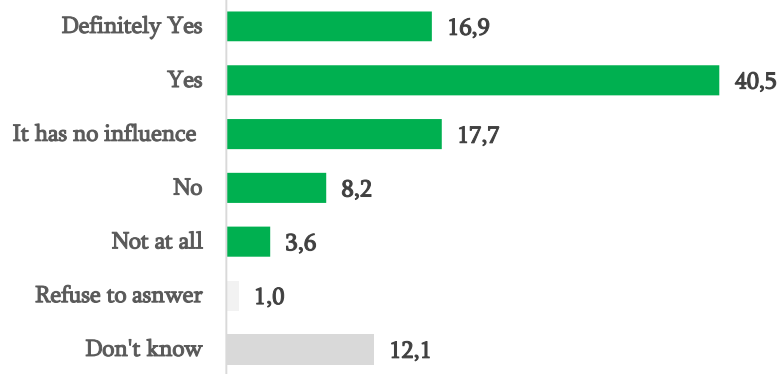


The respondents did not consider the system of appeals against actions or inactivity of tax officers as an area requiring serious reforms.

- ✓ Note: Cross-analysis of the survey results shows that the respondents in the Armenian provinces outside Yerevan expressed greater importance for the control over the “fulfillment of tax liabilities” and less importance for taxpayer services (see Table CQ2.7).

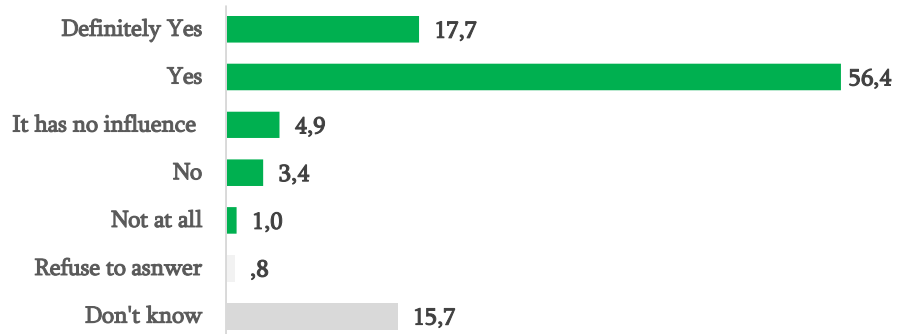
Substantial tax reforms since January 2020, such as tax exemption for micro-enterprises, the increase of the turnover tax threshold, dividend tax changes, excise tax changes, and others, have clearly been well-received by organizations: 57.4 percent of respondents said that these reforms were useful or very useful for their business (Figure 24).

Figure 24: Do you agree that your business will benefit from the new amendments made in the Tax Code during the past two years (decrease of income tax rates, tax exempting of microenterprises, raising turnover tax threshold, changes in dividend taxing, changes in excise taxing, etc.)? (% of total, n=610)



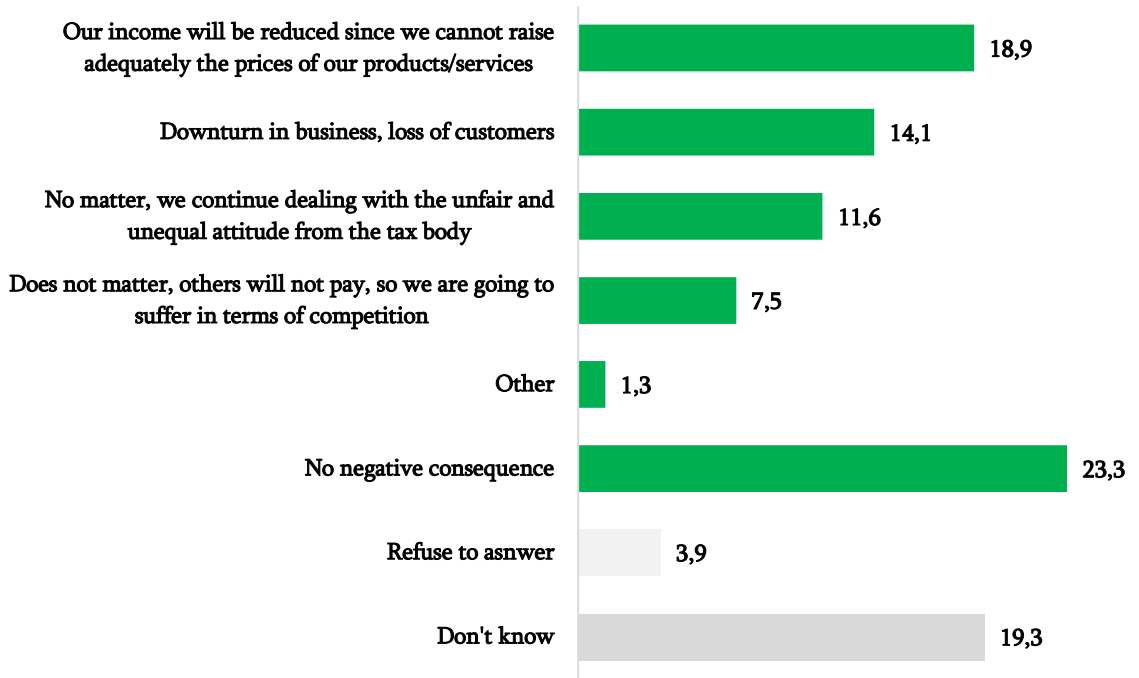
Since the beginning of 2020, significant changes have been introduced in alternative, special taxation systems: the turnover tax threshold was raised, the system of exempting micro-enterprises from taxes was introduced, etc. Organizations have greatly endorsed these changes in alternative tax systems: **74.1 percent of them believe that such reforms will contribute to the voluntary payment of taxes** (see Figure 25).

Figure 25: Do you think the special tax regimes now underway in Armenia (turnover tax, micro entrepreneurship taxes) facilitate the calculation of tax liabilities and payments? (% of total, n=610)



The respondents first mentioned the decrease of income and business decline among the negative consequences of tax law abidance (see Figure 26).

Figure 26: In your opinion, what is the most disadvantage of tax code/law abidance on the business in general? (% of total, n=610)

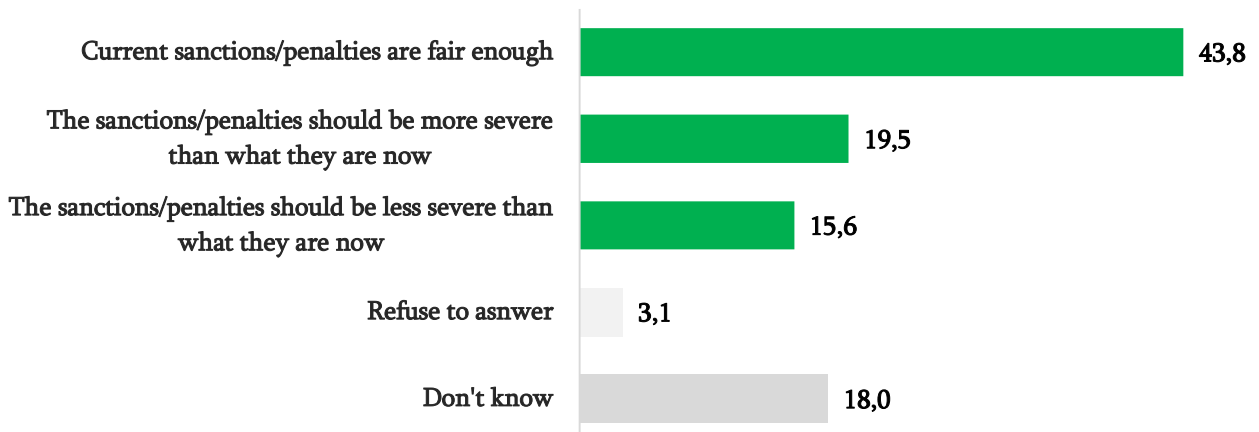


Interestingly, about a quarter of the taxpayers noted that tax law abidance does not have negative consequences.

- ✓ Note: in comparison to the results of the 2018 survey, the share of those that saw the decrease of income as a negative factor has decreased from 24.5 percent in 2018 to 18.9 percent in 2020.

Regarding the penalties for undeclared income and hiding taxable income, **43.8 percent of the respondents believe current sanctions are fair**. One in five respondents said that fines could be more severe, and one in six suggested easing them a bit (Figure 27)¹¹.

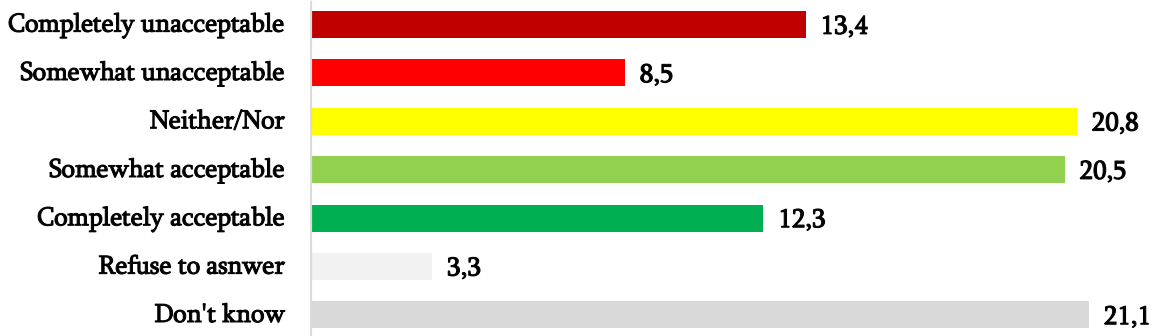
Figure 27: If a taxpayer does not report all of income in order to pay less taxes, what do you think the penalties/sanctions should be? (% of total, n=610)



¹¹ It is worth recalling the results of the priming experiment: half of the randomly selected respondents who were primed with their public goods preferences reported a higher tax morale (see the Box 2). However, the differences in preferences between the two groups are not statistically significant due to small sample size.

The respondents were asked **whether it is acceptable to use loopholes in the legislation to reduce their tax payments, and the responses were inexplicit**: 20.8 percent were neutral, and 24.4 percent did not know or refused to answer. **Nevertheless, among valid answers, those that found it acceptable were greater than those who found it unacceptable** (32.8 percent versus 21.9 percent of those that find it unacceptable). There have not been enough public discussions regarding this topic (Figure 28).

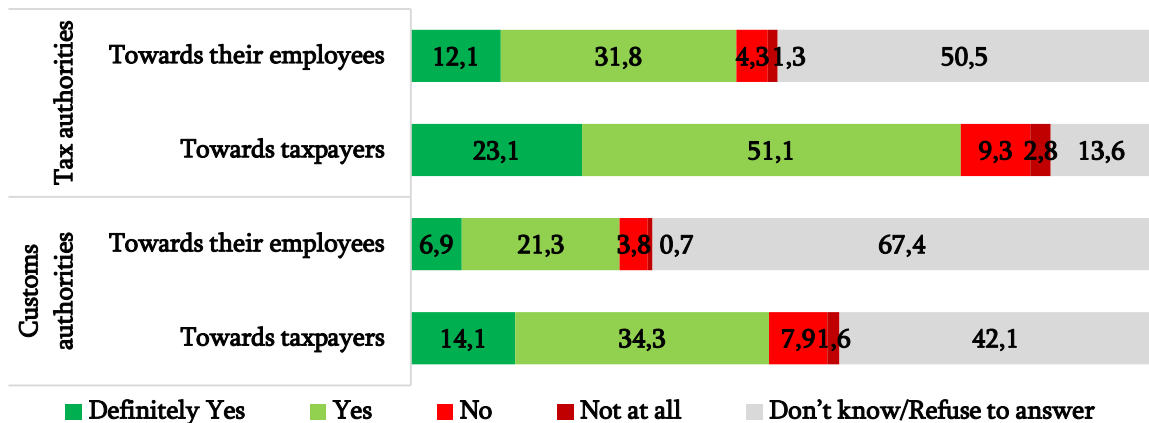
Figure 28: Do you think that taxpayers/firms like yours using loopholes in legislation to reduce their tax bill is ... (% of total, n=610)



- ✓ Note: Cross-analysis of the survey results shows that:
- Women (female respondents) consider it significantly less acceptable than men to use legislative loopholes to reduce their own tax payments (see [CQ2.14&Q5.11](#)).
 - Micro and small organizations (those with an annual turnover of up to 500 million AMD) consider completely unacceptable using legislative loopholes twice more than the medium-sized (those with an annual turnover of more than 500 million AMD) organizations (see Table [CQ2.14&Q1.11.1](#)).

According to the majority of respondents, the behavior (attitude) of the SRC’s tax and customs authorities towards their employees and taxpayers has changed. Thus, 74.2 percent of the respondents reported about the tax authority’s positive behavior change towards the taxpayers and 48.4 percent about the positive behavior change of the customs authority. At the same time, interestingly, many are not aware of the attitude change of the SRC towards its employees, and particularly the attitude change towards the employees of the customs authority (see Figure 29).

Figure 29: In your opinion, has the behavior/attitude of SRC tax and customs authorities towards their employees and taxpayers improved within the last year? (% of total by line, n=610)



- ✓ Note: Cross-analysis of the survey results shows that:
 - Female respondents were less certain that the attitude of the tax authority towards its employees has changed: 19.6 percent versus 27 percent of male respondents (see Table [CQ2.15.1&Q5.11](#)).

ATTITUDE TOWARDS THE SERVICES PROVIDED BY THE TAX AUTHORITY

In this section, detailed questions were asked about the services provided by the tax authority focusing on:

- Electronic services;
- Tax authority-taxpayer communication;
- Issues related to information exchange.

Business taxpayers considered the electronic report submission system and electronic services particularly useful (over 90 percent of the respondents, see Table 6 and Figure 30).

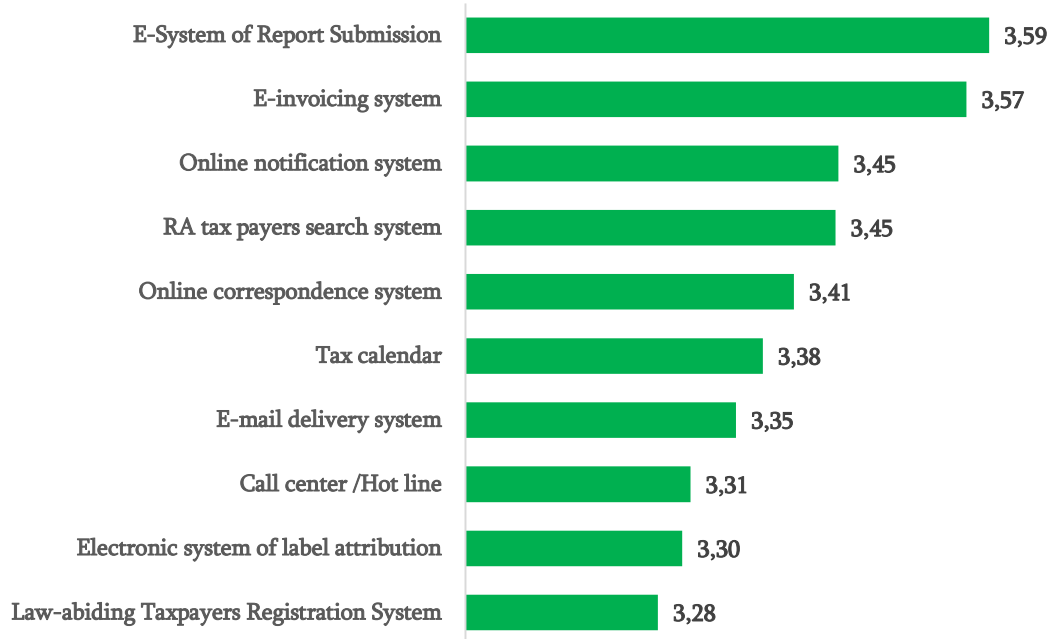
Table 6: How would you assess the following services delivered by the RA Tax Service? (% of total by line, n=610)

Option	Very useful	Useful	Useless	Completely useless	Don't know / Refuse to answer
E-System of Report Submission	55.2	36.2	0.7	0.0	7.9
E-invoicing system	52.3	36.7	0.7	0.2	10.2
Online notification system	42.8	44.8	2.3	0.0	10.2
RA taxpayers search system	40.3	43.1	1.5	0.3	14.8
Online correspondence system	39.5	45.7	2.5	0.5	11.8
Call Center /Hot line	33.9	43.4	3.4	2.3	16.9
Tax calendar	33.8	46.4	2.1	0.2	17.5
E-mail delivery system	33.1	47.0	2.6	0.5	16.7
Law-abiding Taxpayers Registration System	26.9	41.1	3.4	1.5	27.0
Electronic system of label attribution	23.9	35.6	2.5	1.1	36.9

The following should be highlighted among the responses to the question regarding **the usefulness of services**:

- There is a large variation of the "very useful" component in the overall usefulness structure depending on the services - from 55.2 percent to 23.9 percent.
 - The average usefulness rating of the mentioned services was about 3.4, which is a high indicator from four possible points (see Figure 30).
 - The similarity of the answers leads us to assume that the names of the following services sound confusingly similar: "online notification system", "online correspondence system" and "e-mail delivery system."
 - The "Law-abiding Taxpayers Registration System" was rated comparatively less useful. This may be due to the lack of clarity about the purpose of the service and the benefits that come with it.
- ✓ Note: Cross-analysis of the survey results shows that:
- Fifty-four percent of surveyed women and 63.6 percent of men rated the electronic system of report submission "Very useful" (see Table [CQ3.1&Q5.11](#)).

Figure 30: How do you rate the quality of e-services (electronic services) that are rendered to you by the tax bodies? (average in a scale 1-4 scale, 4 being the highest, n=610)



In addition to the usefulness, the respondents were also asked about the quality of services. Regarding the quality of electronic services, the positive rating for most of them exceeds 62 percent. A large majority of the respondents – 72.2 percent – found the quality of the e-invoicing system to be very good or good. Half of the respondents said the same about the Call Center (see Table 7).

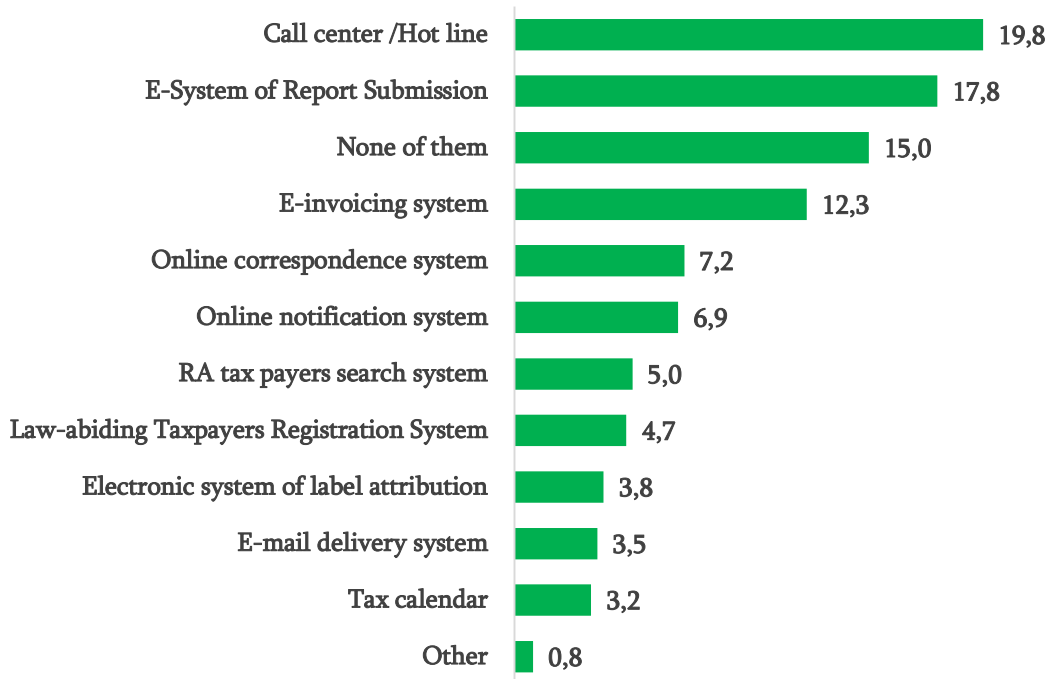
Table 7: How would you rate the quality of electronic services that are rendered to you by the tax bodies? (% of total by line, n=610)

Options	Very Good	Good	Satisfactory	Bad	Very Bad	Don't know/Refuse to answer
E-System of Report Submission	28.5	41.3	18.2	2.0	1.0	9.0
E-invoicing system	27.9	44.3	14.9	2.0	0.2	10.8
RA taxpayers search system	23.8	42.5	16.2	0.7	0.5	16.4
Online notification system	22.6	46.9	17.0	1.0	0.5	12.0
Online correspondence system	21.6	44.4	16.4	2.5	0.7	14.4
Tax calendar	21.3	44.6	13.8	0.5	0.3	19.5
E-mail delivery system	20.3	42.3	15.9	1.1	0.2	20.2
Call center /Hot line	18.5	31.6	23.3	4.4	4.1	18.0
Law-abiding Taxpayers Registration System	17.2	34.3	12.3	1.3	0.7	34.3
Electronic system of label attribution	14.3	32.3	11.3	0.5	0.7	41.0

- ✓ Note: Cross-analysis of the survey results shows that:
 - Female respondents were less positive about the quality of the services provided by the Call Center. 56.3 percent of female and 64.2 percent of male respondents (61.2% of all) consider the quality of the services provided by the Call Center “good” or “very good” (see Table CQ3.2&Q5.11).

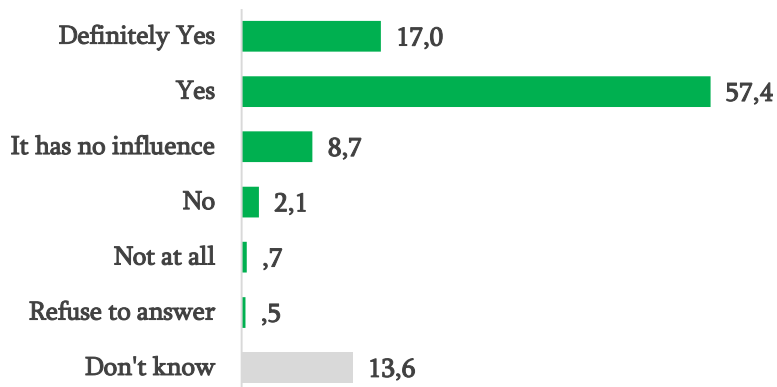
In response to the question regarding the **further improvement and quality of services**, respondents mentioned the Call Center/Hotline as requiring the most improvement (see Figure 31).

Figure 31: Services requiring further improvement (multiple-choices, 1143 answers, in average - 1.87 answer per respondent, % of total)



According to 74.4 percent of organizations, the electronic services system contributes to fulfilling all tax obligations (see Figure 32).

Figure 32: Does the electronic system of services introduced by tax authorities promote the fulfilment of all of the tax obligations? (% of total, n=610)



The questions on the two new types of online services show that organizations are well aware of the **consolidated account(80.3 percent)** and the **possibility of paying taxes electronically (74.1 percent)**. Among those aware of the services, **84 percent** are confident that these innovations **simplify business processes** (see Figures 33 and 34).

Figure 33: Which of the below mentioned new online services rendered by tax authorities are you aware of? (% of total by service, n=610)

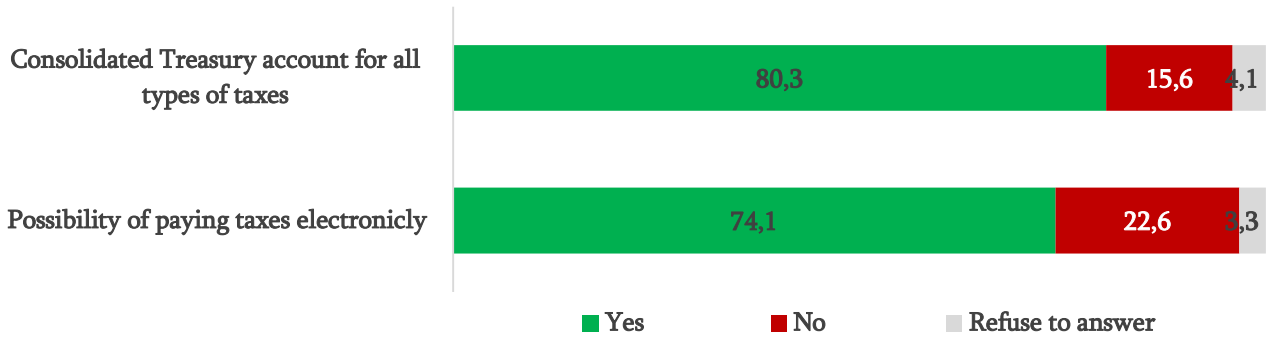
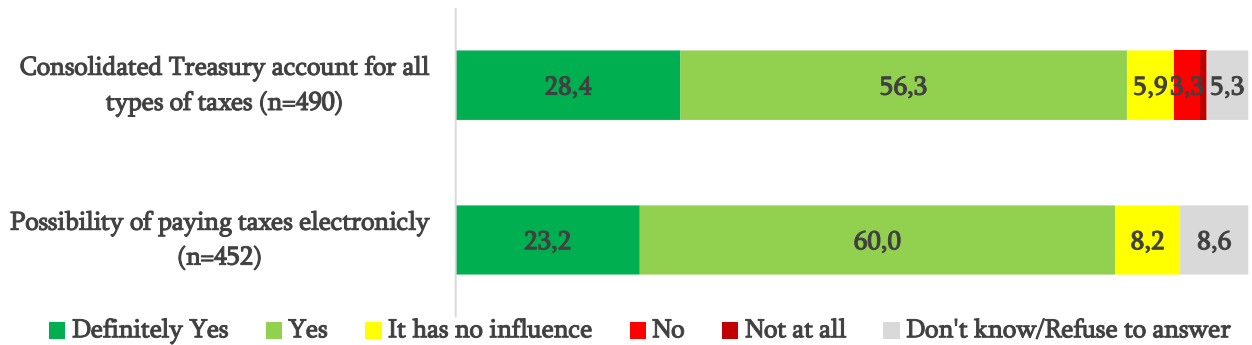
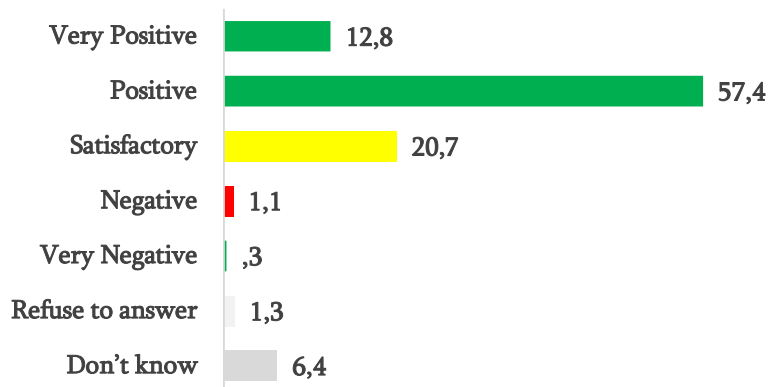


Figure 34: Do the new types of services being rendered by tax authority directly promote or at least simplify your business operations? (% of total by service)



Tax administration measures initiated by the tax authority over the past three years also have high approval ratings: they were rated very positively or positively by 70.2 percent of the respondents (see Figure 35).

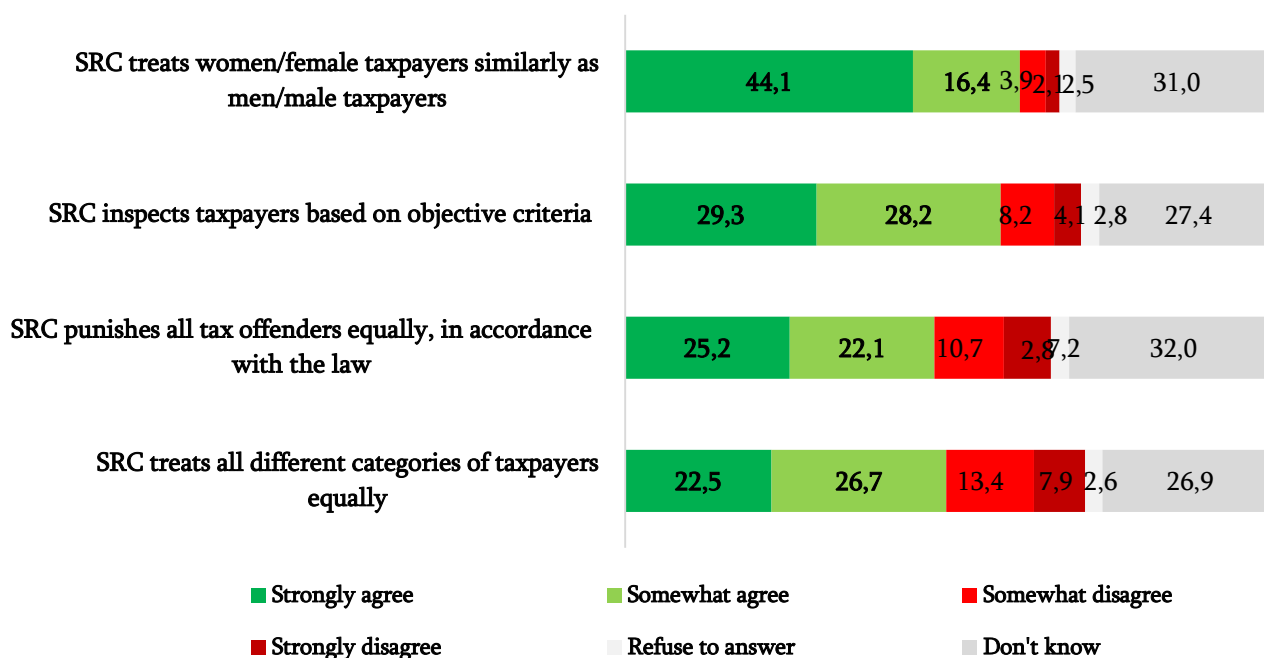
Figure 35: How do you rate, in general, the initiatives undertaken by tax authorities over the last three years for the improvement of tax administration (introduction of various e-services, simplifications in tax calculation, automation of different tax procedures resulting with reduction of costs for taxpayers, etc.)? (% of total, n=610)



✓ Note: In comparison to the results of the 2018 survey, the sum of positive and very positive ratings has increased from 62.5 percent to 70.2 percent.

On whether the SRC discriminates against taxpayers or treats them equally, the majority of those who gave a valid answer believes there is no discriminatory attitude (see Figure 36).

Figure 36: How does the SRC treat taxpayers in Armenia? (% of total by line, n=610)



The following should be added regarding these responses:

1. From a gender perspective: confidence that female taxpayers are not discriminated against is the highest – 60.5 percent;
2. About one third of the respondents could not or did not want to answer the question. This speaks to “transitional times,” that is one third of the taxpayers are in no hurry to say that the tax administration is characterized by equal treatment of all.

Taxpayers also assessed the elements of the tax system: 73.6 percent of respondents rated the “Tax authority’s trustworthiness” positively (very good, good, enough), while 6.2 percent rated it negatively (bad and very poorly). The ratio of positive and negative assessments of the tax administration elements is 76.3 and 5.7 percent, respectively. There were more negative perceptions of “tax rates” (20 percent) than other components of the tax system, which can be considered an element of tax policy rather than an element of tax administration (see Table 8).

Table 8: How would you assess the tax system? (% of total by line, n=610)

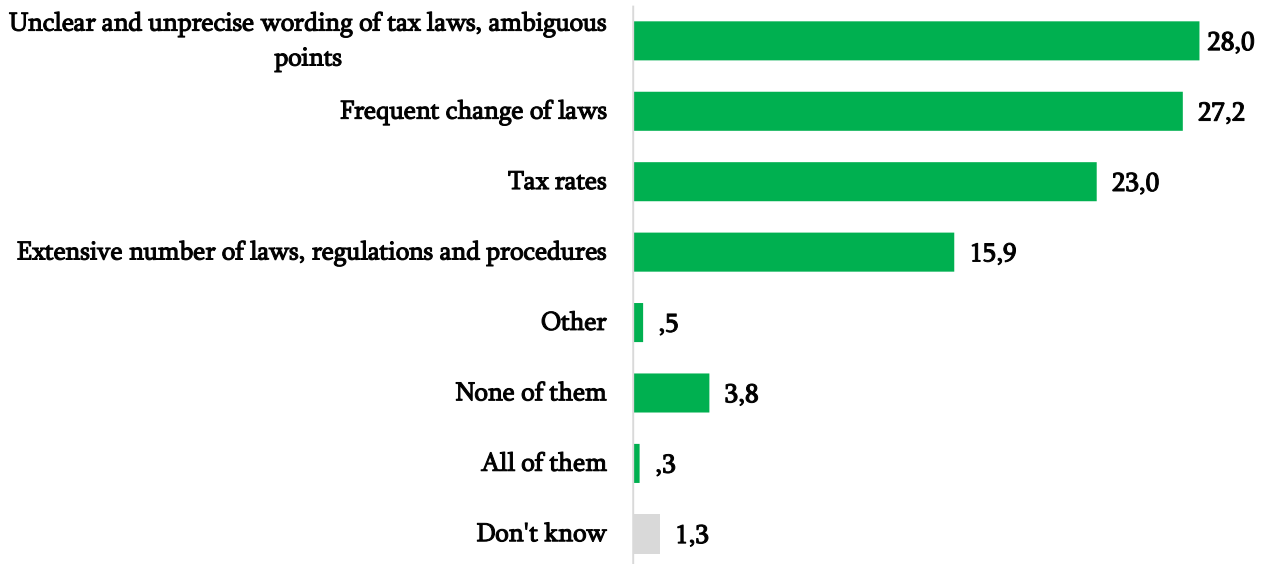
Option	Very good	Good	Enough	Bad	Very Poor	Don't know/Refuse to answer
Tax authority’s trustworthiness	5.9	28.4	39.3	4.9	1.3	20.2
Tax administration (implementation and enforcement of tax laws)	3.8	29.5	43.0	4.9	0.8	18.0
Tax inspections procedures¹²	3.6	23.4	40.3	4.4	0.7	27.5
Tax legislation accessibility	3.3	24.9	42.1	14.3	4.4	11.0
Tax rates	3.1	22.1	44.4	16.9	3.1	10.3
Tax legislation clarity	2.5	22.8	44.1	13.6	4.9	12.1

The answers to the question show that more efforts are needed to further clarify tax legislation, as well as to make it more accessible.

¹² This refers to the tax authority's procedures for regulating relations with taxpayers, such as tax reporting, tax payment, or tax authority appeals.

As a logical continuation of the previous question, the respondents were asked what part of tax legislation hinders businesses. According to 28 percent of respondents, from the tax legislation perspective, **unclear and imprecise wording of tax laws, ambiguous points** are the biggest obstacles. Frequent changes of laws was named as the second biggest obstacle (27.2 percent, see Figure 37).

Figure 37: What tax legislation issue hinders your business or businesses like yours the most? (% of total, n=610)

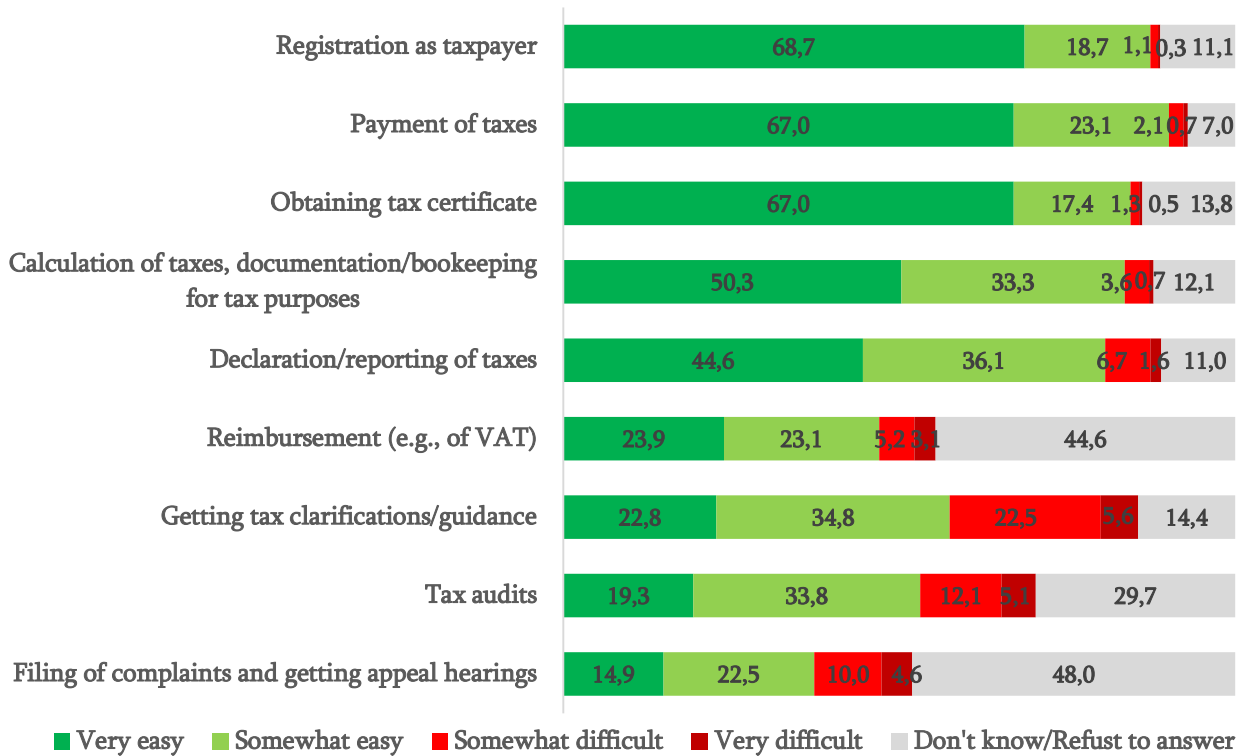


It is important to note that the ambiguousness of laws was considered a bigger obstacle than the extensive number of laws, regulations and procedures.

- ✓ Note: Cross-analysis of the survey results shows that in comparison to the general sample, unclear and imprecise wording of tax laws, ambiguous points and frequent change of laws are considered as a less hindering factor for organizations in the industrial sector. For them tax rates and the extensive number of laws, regulations and procedures hinder business more (see Table [CQ3.9&Q1.5](#)).

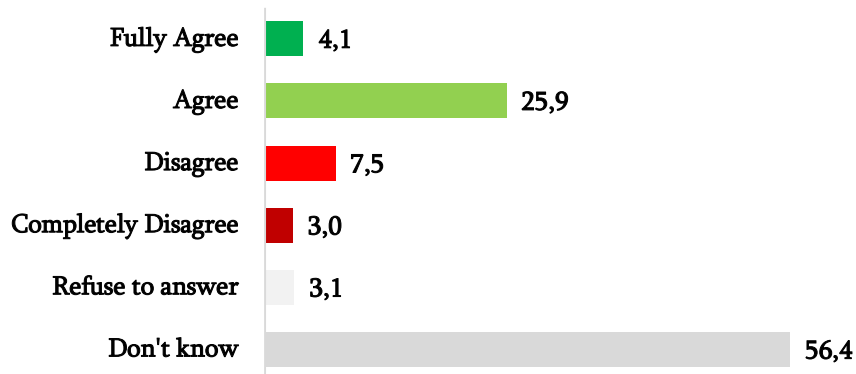
In the relationship with the SRC, receiving tax clarifications/guidance was the most problematic procedure: 28.1 percent of respondents considered it to be difficult or very difficult. Tax audit was the second (17.2 percent), and filing complaints (14.6 percent) – the third most problematic procedure (see Figure 38).

Figure 38: According to you, how easy or difficult are the following SRC related procedures in general? (% of total by line, n=610)



The majority of the respondents – 56.4 percent – do not know or cannot answer whether the transfer of the mandate of providing official tax-related clarifications from the SRC to the RA Ministry of Finance has contributed to the improvement of tax administration (see Figure 39).

Figure 39: Since July 1, 2018, the eligibility of providing official tax-related clarifications has been transferred from SRC to the RA Ministry of Finance that is responsible for developing state revenue policy and legislation. To what extent do you agree that it has contributed to more clear performance of tax administration functions by SRC? (% of total, n=610)



Many are not aware of or do not understand the Horizontal Monitoring System (see Figures 40 and 41).

Figure 40: Do you know what the Horizontal Monitoring is and its goals? (% of total)

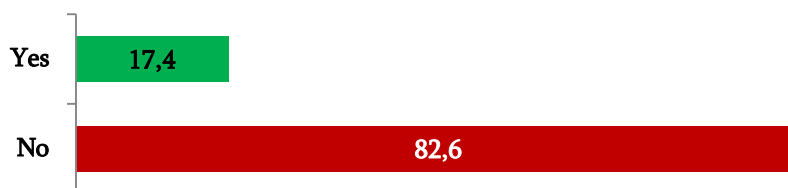
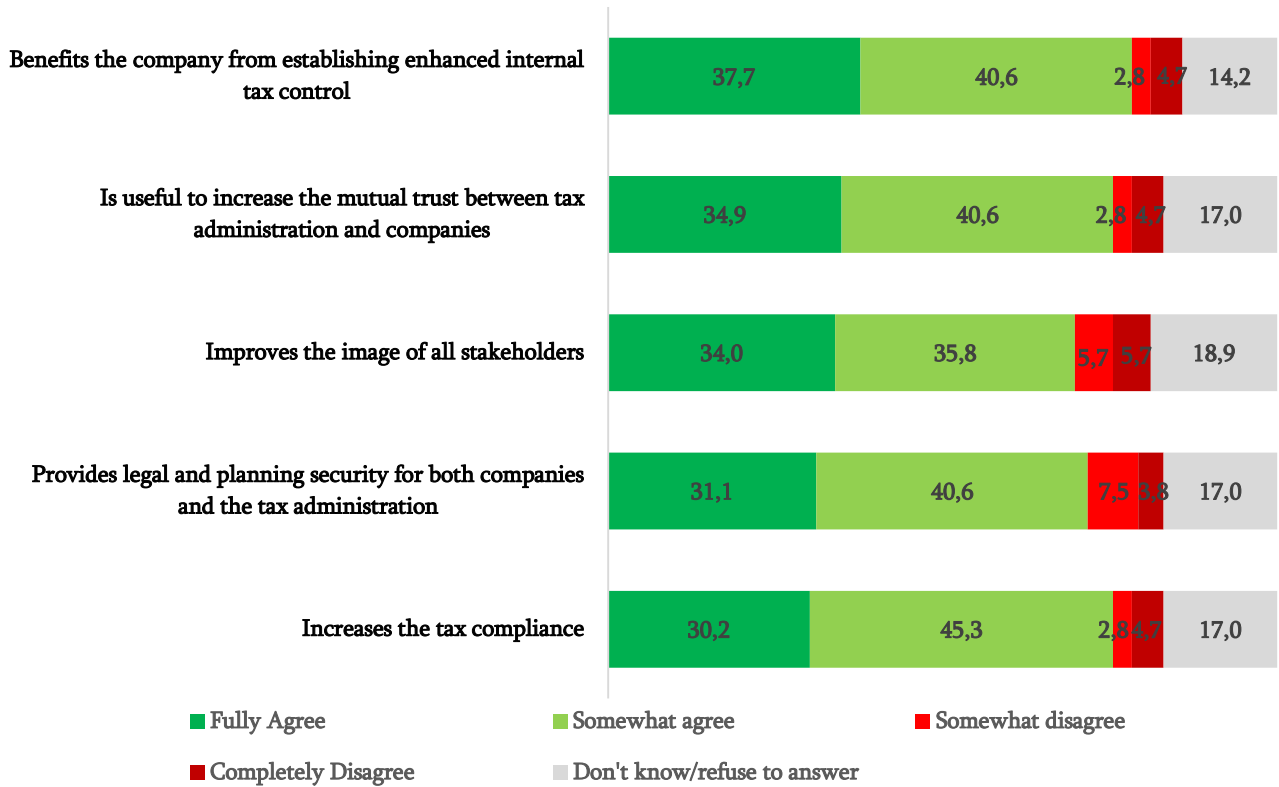


Figure 41: Do you think that the implementation of the Horizontal Monitoring ... (% of total among those informed, by line, n=106)



The survey findings show that

- Only 17.4 percent of the respondents are aware of the system;
- Among respondents who were aware of the system, the similar responses to all the listed useful aspects of the system makes their level of their awareness questionable.
- Somewhat differently,
 - o 11.3 percent of respondents do not agree that the Horizontal Monitoring System provides legal and planning security for both organizations and the tax administration;
 - o 11.4 of the respondents do not agree that the Horizontal Monitoring System improves the image of all stakeholders.

The services of the SRC Training Center are used less often than the services of other similar organizations. Moreover, while positively assessing the quality of the Center's work, 27.4 percent do not agree that the SRC Training Center's courses are more useful and effective than those provided in the private sector, and 11.5 percent do not agree that the center considers the suggestions and remarks of the trainees after each training (see Figure 42 and Table 9).

Figure 42: Have you ever used the services of SRC Training Center or other tax related training providers? (% of total by line, n=610)

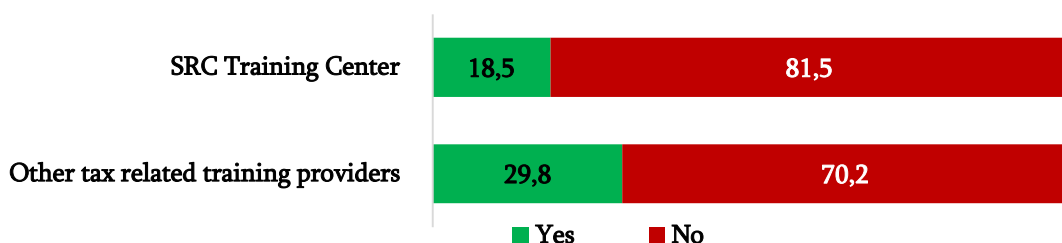


Table 9: Please rate the quality of work of the RA SRC Training Center responding to the following viewpoints to the extent you agree with (% of total by line, n=113)

Option	Fully Agree	Agree	Disagree	Completely Disagree	Don't know/Refuse to answer
Dissemination of information about seminars is quite effective	21.2	69.0	0.9	2.7	6.2
Topics included in the Curriculum/agenda of the SRC Training Center are always pertinent/up-to-date	15.9	69.9	2.7	2.7	8.8
The trainers are professionals and the answers to the questions posed are explicit and complete	15.0	65.5	7.1	2.7	9.7
They are considering the suggestions and remarks of the trainees after each training	11.5	45.1	8.8	2.7	31.9
The SRC training courses are more useful and effective than those of similar services providers of the private sector	7.1	35.4	18.6	8.8	30.1

From 32.3 to 46.6 percent of organizations were satisfied with the work of the Call Center¹³ (Hotline) (see Table 10).

Table 10: Please rate the quality of work of the RA SRC Taxpayer Service Centers responding to the following viewpoints to the extent you agree with (% of total by line, n=610)

Option	Fully Agree	Agree	Disagree	Completely Disagree	I have not used	Don't know/Refuse to answer
Call Center services are accessible; the phone calls are promptly responded.	4.6	31.8	26.1	9.2	13.8	14.6
The specialists who respond to the calls are professionals who answer the questions in a clear and explicit manner	6.4	40.2	18.4	3.4	13.8	17.9
The responses provided by the Call Center are effective so that there does not emerge a further need to apply to tax-related consulting companies	5.2	30.7	23.9	7.4	15.1	17.7
The Call Center has a FAQ list and it helps the quick categorization of questions received and provision of the same /identical answers	4.1	28.2	9.8	3.1	20.3	34.4

Important to note, that:

- About one third of the respondents have not used or do not know about this tool;
- The respondents were particularly more unaware of the “frequently asked questions” procedure of the Call Center.

Perceptions and assessments of the work of the Taxpayer Service Centers were quite high (see Table 11 and Annex 2, Table 3.17).

¹³ It is worth noting that during the first half of 2020, the call center received 152,795 inquiries vs. 124,311 - in the first half of 2019; thus, the inquiries have increased by 23 percent. Eighty percent of questions were on tax-related laws and administration and 20% - customs-related (see <https://www.petekamutner.am/mdNews.aspx?sid=src&nid=7248>).

Table 11: Please rate the quality of work of the RA SRC Taxpayer Service Centers responding to the following viewpoints to the extent you agree with (% of total by line, n=610)

Option	Fully Agree	Agree	Disagree	Completely Disagree	Don't know/Refuse to answer
Information posted on the walls of service centers is regularly updated;	6.1	33.0	6.6	1.3	53.1
Service centers have a queue control panel and it promotes quality service provision	6.7	38.9	7.7	2.6	44.1
Service rendering specialists serve as public service providers rather than representatives of inspection and punitive unit.	11.0	51.5	5.9	1.0	30.7
To express their opinion on customer service quality, taxpayers usually use anonymous evaluation equipment installed at service centers	4.1	22.6	7.9	2.6	62.8

Based on the information above, one can conclude that:

- Organizations that mainly use e-services do not visit Service Centers and / or do not actually read the information posted on their walls (53.1 percent said don't know or refuse to answer). For the same reason, probably, 44.1 to 62.8 percent are unaware of the functionalities of the queue control panel, the anonymous evaluation equipment, and information terminals; Organizations, mainly using e-services, do not visit Service Centers and / or do not actually read the information posted on their walls (53.1 percent said don't know or refuse to answer). For the same reason, probably, 44.1 to 62.8 percent are unaware of the functionalities of the queue control panel, the anonymous evaluation equipment, and information terminals;
- When excluding "don't know" and "refuse to answer" options, **72 to 90 percent of those giving a valid response are satisfied** with the services of the Service Centers.

Taxpayers are more aware of the Consolidated Treasury Account and especially appreciate the possibility of receiving information on tax obligations online. About 72 percent fully agree or agree that the Consolidated Treasury Account enables accessing information on taxpayers' tax obligations and structure at any time (see Table 12).

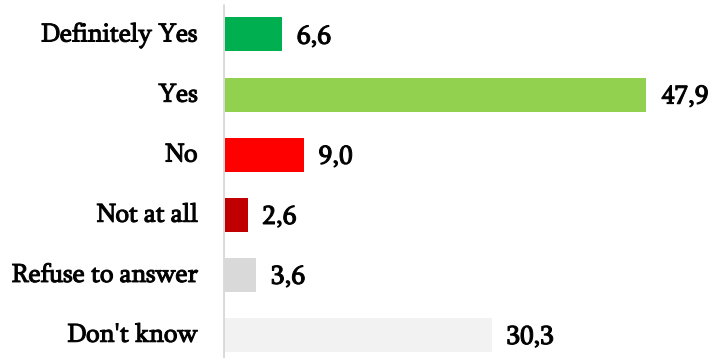
Table 12: To what extent do you agree with the following viewpoints the Consolidated Treasury Account?

Viewpoint / statement	Fully Agree	Agree	Disagree	Completely Disagree	Don't know/Refuse to answer
The availability of Consolidated Treasury Account enables accessing 24/7 online information on taxpayers' tax obligations/responsibilities.	22.1	49.8	3.0	0.2	24.9
Thanks to the Consolidated Account, the mechanisms for recalculations done as a result of accurate reports submission,	19.3	50.3	4.8	0.8	24.8

and calculation of penalties for overdue liabilities have been simplified.					
Thanks to this account, non-formal claims / exhortation by tax authorities for overpayments are ruled out, because additional payments are not considered as state budget revenue.	16.9	50.7	3.1	0.5	28.9

The respondents expressed a positive attitude towards tax administrators (SRC employees) and viewed them as being honest and professional in carrying out their duties. 54.5 percent of the respondents said “definitely yes” and “yes” (see Figure 43).

Figure 43: Are those who carry out tax administration professional and honest while performing their functions? (% of total, n=610)



✓ Note: Cross-analysis of the survey results shows that female and male respondents have somewhat different opinions about the professionalism and sincerity of the tax administrators. Thus, 86.2 percent of women and 80.2 percent of men believed in it (See Table CQ3.19&Q5.11).

Telephone remains the main means of communication with the tax authority. Around 90 percent of respondents had used it at least once in the past year and 51.6 percent had used it at least four times. The most common reason for contacting the tax authority was to obtain legislative clarifications (36.6 percent of contact cases, see Figures 44 and 45, Annex 2 Table 3.22).

Figure 44: How many times did you use the following methods of contacting the SRC? (% of total by line, n=407)

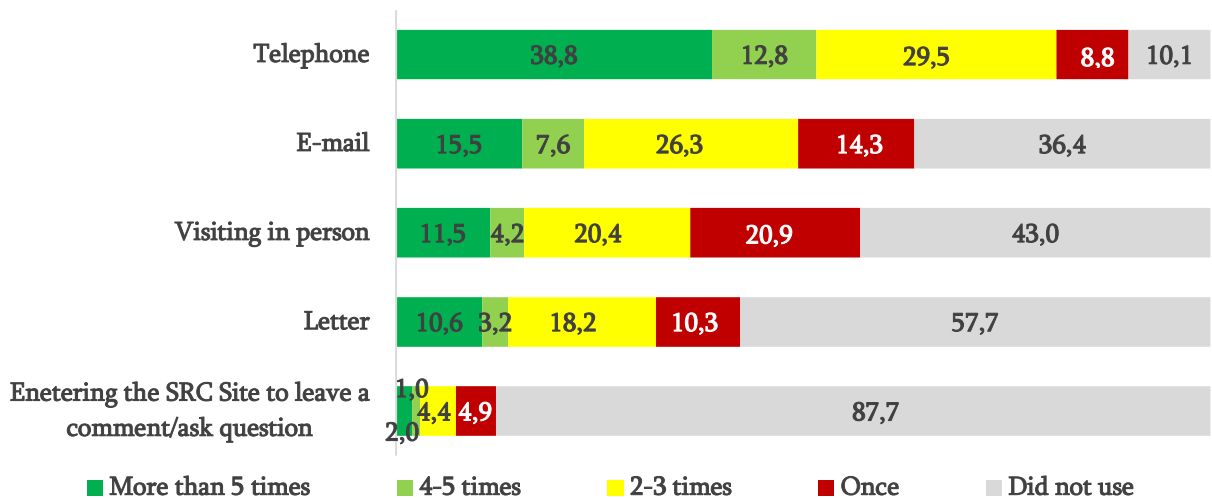
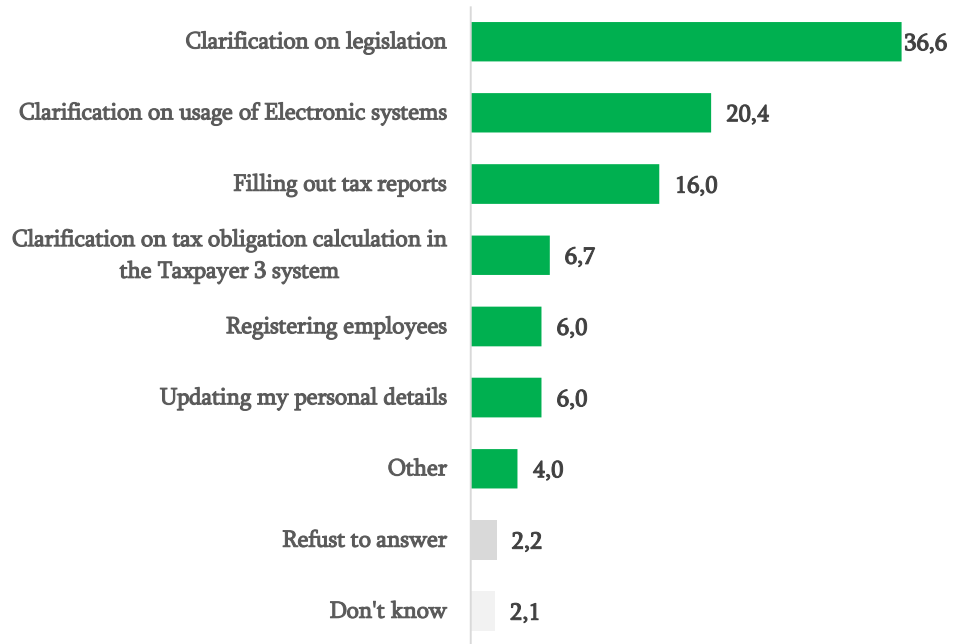


Figure 45: What were the reasons for contacting the State Revenue Committee in the last 12 months? (% of all the answers, n=730, in average - 1.2 answer per respondent)



The actual sources of information on changes in tax administrative regulations were mainly official bulletins (legal information systems: arlis.am, irtek.am, etc.), as well as the Tax Service website: <http://www.petekamutner.am/>. Notifications received directly from the tax authorities were mentioned as the preferred source (see Figures 46 and 47).

Figure 46: What are your main sources of receiving information about the changes in tax system/procedures? (% of total by priority; n=610 for the first, n=534 for the second, and n=393 for the third option)

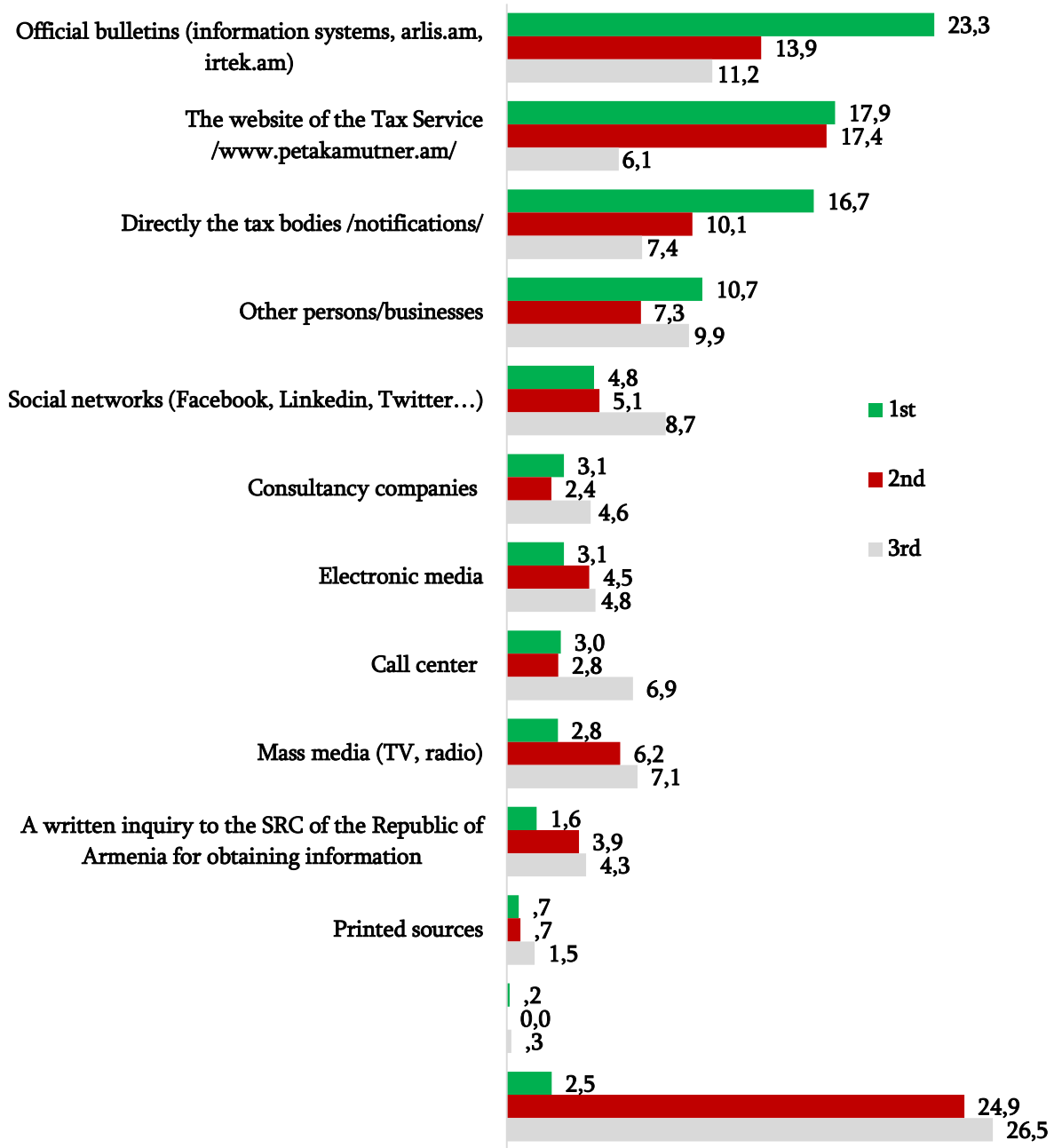
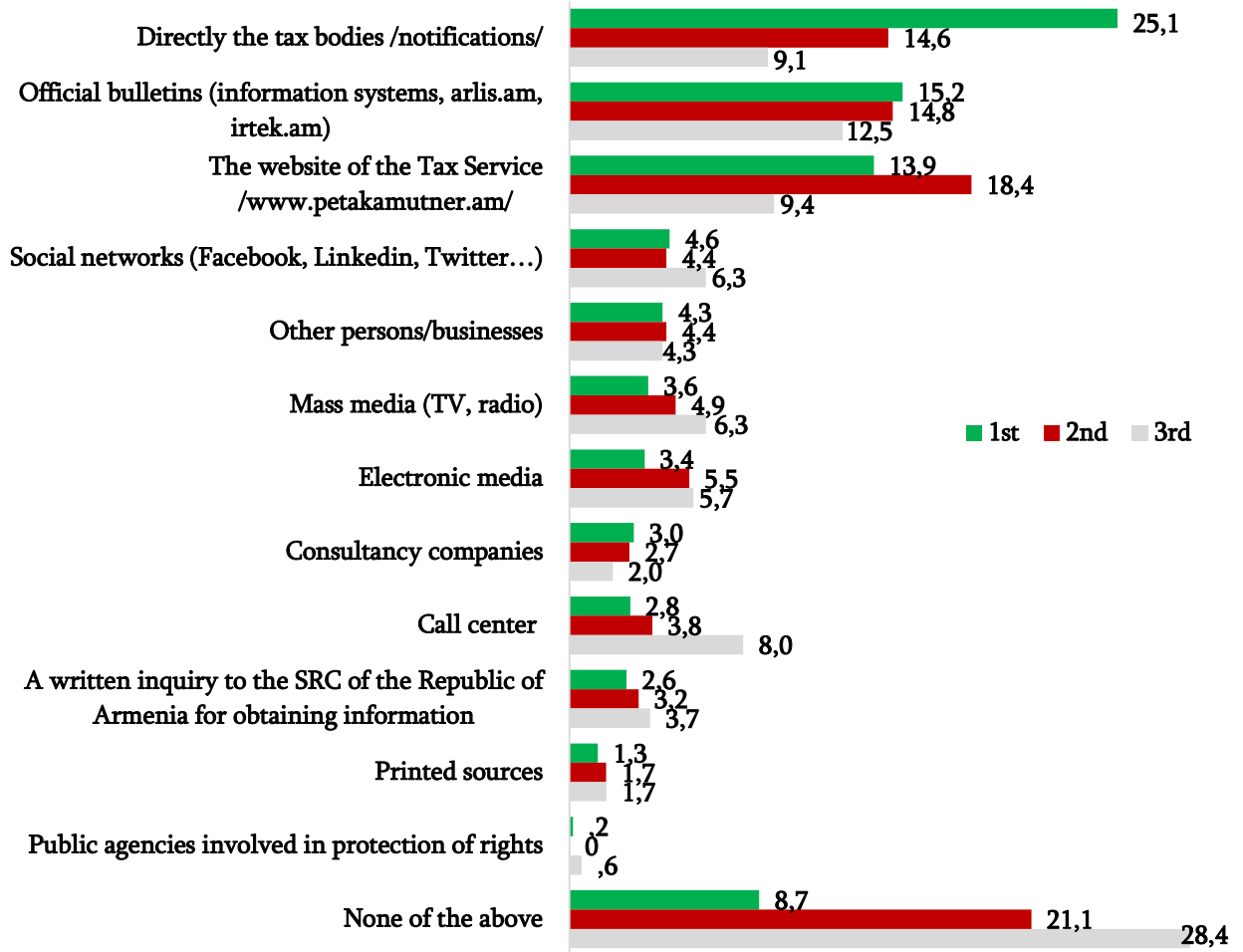


Figure 47: Please mention, what is the preferable and most reliable way of receiving information issued by a tax body? (up to three responses; % of total by priority: n=610 for the first, n=473 for the second, and n=352 for the third)



Considering the responses to the two questions presented above, it is worth noting that,

- **Receiving information from official bulletins** (23.3 percent) dominates the current information structure. However, organizations prefer to **communicate directly with the tax authority in the form of notifications** (25.1 percent).
- Organizations were also asked in which of the current services they would like to see new approaches, and the two most predominant choices were awareness raising and consulting services (See Figures 55-57).

✓ Note: Cross-analysis of the question regarding the preferred source of information for legislative changes in tax administration shows that micro and small organizations more often prefer electronic media, mass media and other individuals/businessmen as a source of information than medium-sized organizations (See Table [CQ3.23&Q1.11.1](#)).

Notifications are sent to taxpayers during tax collection mostly via e-mail and regular mail. In fact, taxpayers prefer to be notified via e-mail. The content of the notifications/messages is clearly worded in 63.9 percent of cases (see Figure 48, Table 13 and Figure 49).

Figure 48: What is your ONE preferred communication channel to get notifications from SRC about your tax obligations? (% of total, n=610)

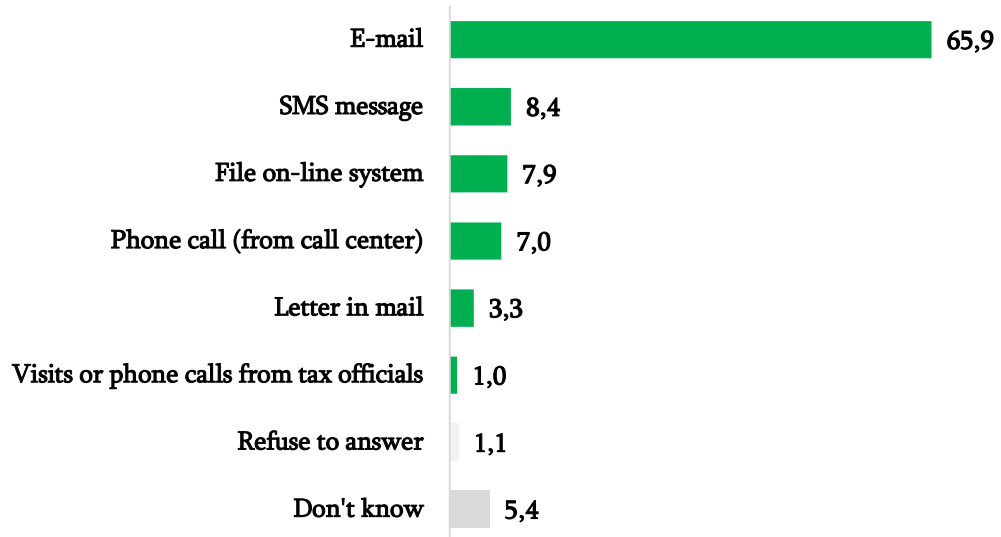
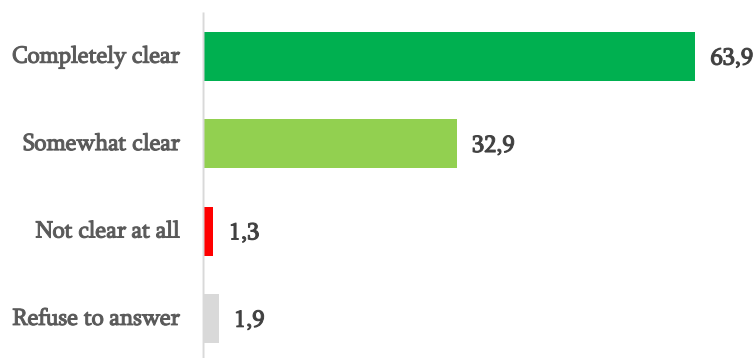


Table 13: How many notifications have you received from the following channels in the last 12 months? (% of total by line, n=610)

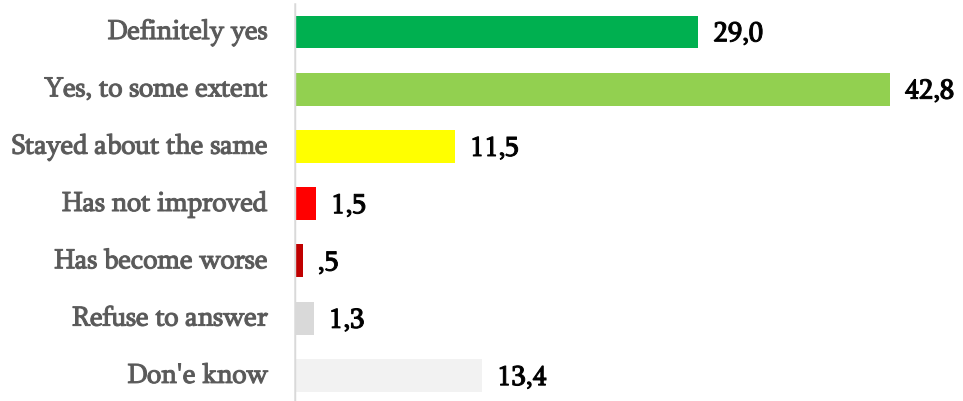
	Never	1-2 times	3-5 times	6-11 times	12+	Don't know/refuse to answer
Visits from tax officials	66.1	17.0	3.0	1.0	0.7	12.3
File on-line system	54.1	19.7	4.4	1.3	1.3	19.2
Letter in mail	53.4	23.4	7.5	2.5	1.3	11.8
E-mail	22.6	36.1	20.5	4.6	3.9	12.3

Figure 49: How clear was the content of these notifications/messages? (% of total, n=465)



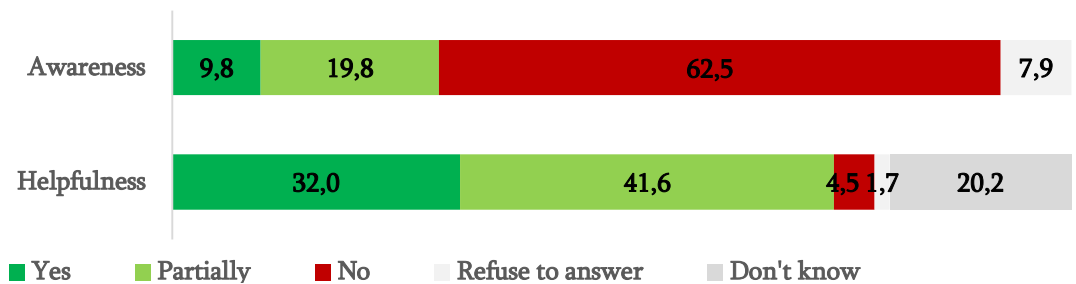
The manner of communication with taxpayers has significantly improved over the last 12 months (71.8 percent, see Figure 50). The standard of service provision adopted by the SCR has contributed to this improvement. Only three out of ten respondents are aware of the standard, while 73.6 percent of those who are aware of it find it useful (see Figure 51).

Figure 50: Do you think SCR's way /manner/ of communication with taxpayers improved within the last 12 months? (% of total, n=610)



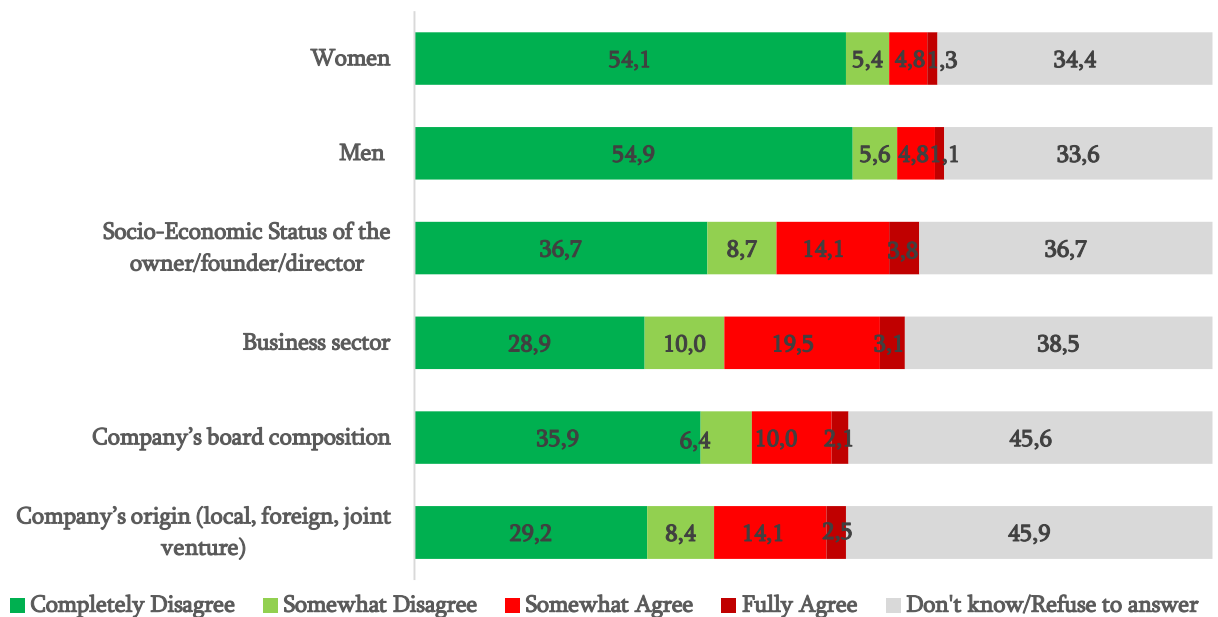
- ✓ Note: Cross-analysis of survey results shows that female and male respondents had somewhat differing opinions regarding the communication/attitude of the SRC towards taxpayers. Thus, the share of those who said “Definitely yes” to the positive changes in the attitude of the SRC over the past 12 months was 36.8 percent among men and 29.6 percent among women (See Table CQ3.28&Q5.11).

Figure 51: In 2019 the SRC adopted a Unified Standard of services to taxpayers. Are you aware on that Standard? If yes, please assess if it is important for you? (% of total, n=610 for awareness and n=178 for helpfulness)



Most taxpayers do not see any discrimination on the part of the tax authorities (see Figure 52).

Figure 52: To what extent do you agree with the following statement: “While administering the tax system, SRC discriminates against taxpayers on the following grounds? (% of total by line, n=610)



As a note,

1. About 60 percent of both male and female respondents thought that the SRC does not discriminate based on gender, while about two thirds said "I don't know" or refused to answer. Moreover, there is more certainty that the SRC does not discriminate based on gender than any of the other listed possible bases for discrimination by the SRC.

2. Taxpayers have less confidence in the objectivity of the SRC in terms of the business sector and the origin of the company (local, foreign, joint venture) - 38.9 and 37.6 percent, respectively, did not agree that the SRC is biased.

The answers regarding the “adjacent” services and types of regulations that are usually indirectly attributed to the tax authority were indefinite (see Table 14).

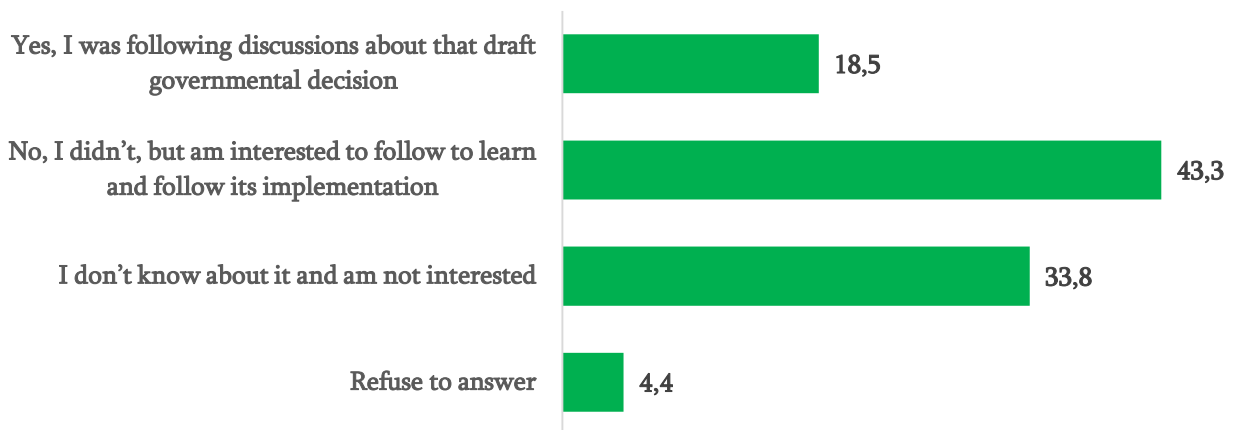
Table 14: To what extent the delivery of the following services by the SRC contributes to the improvement of the public trust in SRC? (% of total by line, n=610)

	Fully contributes	Contributes	Has no influence	Does not contribute	Does not contribute at all	Refuse to answer
Control over involvement in entrepreneurial activity without state registration and/or without a license	13.3	39.5	3.3	5.7	5.9	32.3
Increasing the efficiency of tax control and customs control activities	12.8	49.0	3.1	2.3	1.0	31.8
Providing an effective platform for cooperation between the taxpayers and SRC	15.9	48.5	3.8	1.3	1.0	29.5
Improving the quality of public services	13.1	47.7	3.8	1.5	1.5	32.5

Presumably, the question was somewhat difficult, and one third of respondents refused to answer.

Many (81.5 percent) are not aware of the Strategy of tax administration for 2020-2024. At the same time, half of taxpayers are interested in being informed about its implementation (see Figure 53). Additionally, the Strategic Plan was approved on December 12, 2019 and is available on the SRC’s website¹⁴. While it does not include mandatory rules for the taxpayers, it envisages awareness raising measures to form a “Community-SRC” culture of trust.

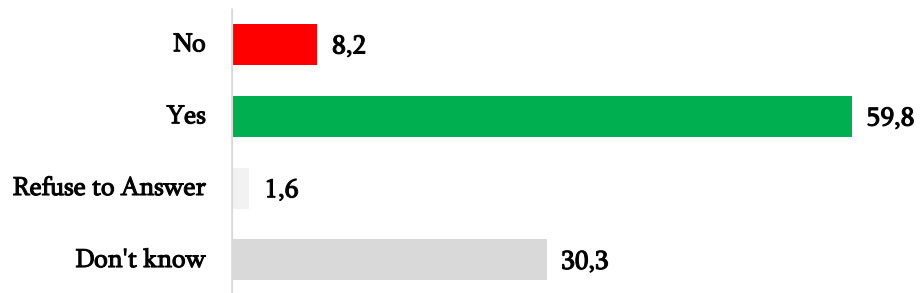
Figure 53: The Government of RA recently accepted Strategy of tax administration for 2020-2024 years. Have you been following discussions on it and/or are you interested to learn about it? (% of total, n=610)



¹⁴ See https://www.petekamutner.am/Shared/Documents/ts/ts/Tax_Service_Reform_Projects/vr_hhk_2019_1830L_hvl.pdf

According to taxpayers, the use of a mobile application for communication with the tax authority is desirable: 59.8 percent of respondents responded positively to the idea (see Figure 54).

Figure 54: Do you think new mobile application development for on-line submission of tax returns and reception of notifications from the tax administration will be useful to make the interaction between the taxpayers and tax administration more effective? (% of total, n=610)



Taxpayers were also asked an open-ended question, asking them to offer suggestions for improving the services already provided as well as to offer suggestions for new services: the organizations that responded to this question (176) were mostly satisfied with the services provided (79 percent, see Figure 55), but expected expansion of awareness raising and consulting services¹⁵. Suggested new services focused on two directions: new technological solutions and internal audit control functions within the SRC (see Figures 56-57).

Figure 55: What new services do you think should be delivered by the SRC? (% of total valid answers, n=176)

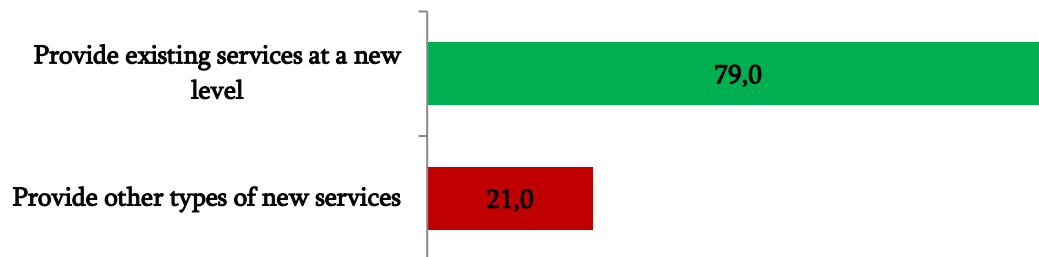


Figure 56: In what new ways should the existing services be provided (% of valid answers, n = 117)

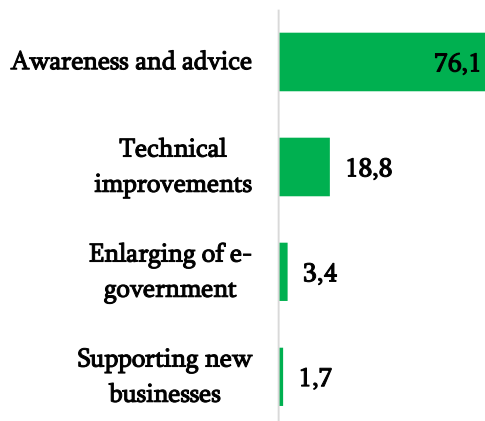
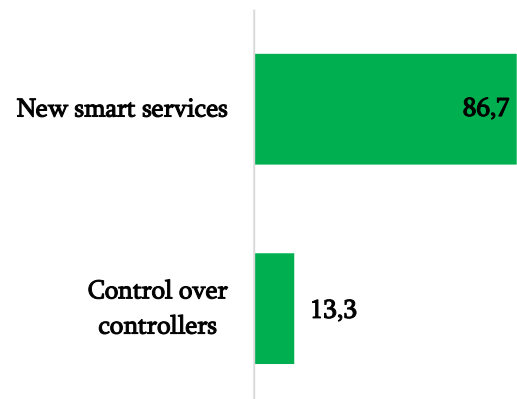


Figure 57: What other new services should the SRS provide (% of valid answers, n = 30)



The analysis of open-ended question answers shows that:

¹⁵ When categorizing the services, only the suggestion responses were taken into account, which were coded and grouped into one of the two groups. The calculations were based only on valid answers, excluding I do not know and refuse to answer options.

- From the perspective of improving current services, 76.1 percent of the organizations that responded to this open-ended question specifically requested awareness raising and consulting services.
- Among the 30 organizations that offered suggestions for new types of services, 86.7 percent mentioned new technological services, particularly the creation of a mobile tax application and a portal for clarifications. 13.3 percent of them suggested internal audit and other organizational measures to “control the controller.”

Box 3. Channels of communication and the preference of the business community on how their paid taxes are spent

In the second scientific experiment conducted within the scope of the research, randomly selected groups were asked different questions. The first group answered the following question “Do you think that the level of advertisements on Facebook has increased so much that it reduces the effectiveness of advertisements?” The responses are as follows:

- Not at all - 12.5 percent
- Somewhat reduces - 49.2 percent
- Completely reduces - 4.7 percent
- Don’t know and Refuse to answer – 33.6 percent

The second group was asked: “If it were up to you, where would you like more of the tax revenues to be directed to?” The responses are as follows:

- Defense - 33.3 percent
- Education - 25.2 percent
- Healthcare - 25.0 percent

The respondents also mentioned transportation and infrastructure (4.1 percent), social protection (3.9 percent), police (2.2 percent), environment and other spheres (0.7 percent each). Interestingly, only five percent said don’t know or refused to answer.

ATTITUDE TOWARDS THE MEANS OF INFLUENCE ON TAXPAYERS

The entrepreneurs did not mention any surprises connected with tax inspections (Figures 58-59).

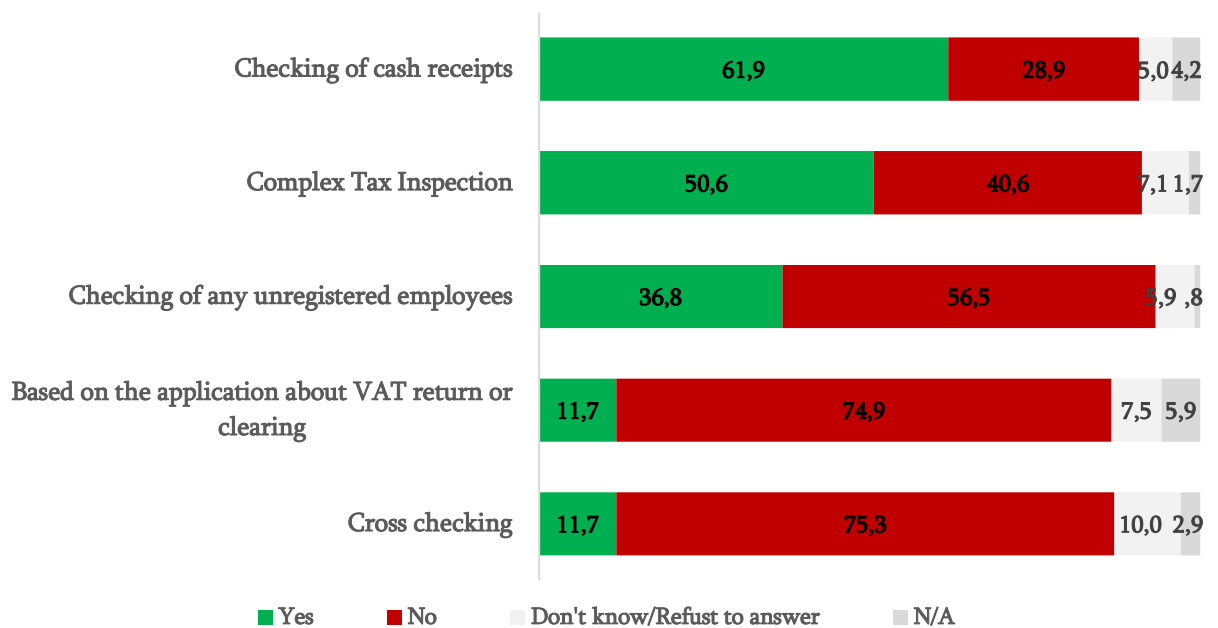
The analysis shows the following:

- Only 39.2 percent of business taxpayers had dealt with tax inspection.
- Inspection of cash register was predominant in other types of inspections (61.9 percent).

Figure 58: Did any tax inspection (study) take place in your organization/ business during 2018-2019?

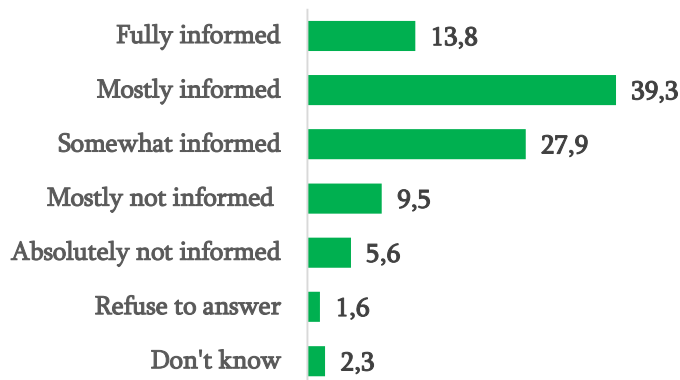


Figure 59: What kind of tax inspection (audit, study, measurement) has been performed in your organization/business during 2018-2019? (% of total by line, n=239)



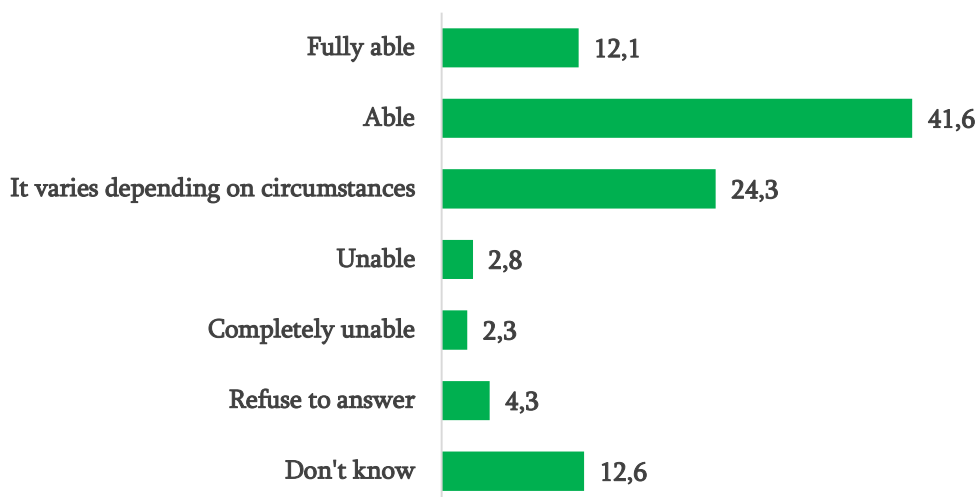
The majority of business taxpayers are informed about their rights related to tax inspections: 53.1 percent are fully or mostly informed, and an additional 27.9 percent are somewhat informed (Figures 60, 61).

Figure 60: To what extent you are informed about your rights related to the tax inspections (studies, measurements)? (% of total, n=610)



Over half (53.7 percent) of respondents are confident that they are fully able or able to exercise their rights related to tax inspections.

Figure 61: To what extent you are able to exercise your rights related to tax inspections? (% of total, n=610)



According to businesses, the presumption of taxpayer guilt from the very beginning, as well as the lengthy, time-consuming processes are among the most negative aspects of tax inspections. Seeing their own mistakes and correcting them was mentioned as the most positive aspect (Figures 62 and 63).

Figure 62: Which of the mentioned items are the negative sides of tax inspections for your business? (% of all answers n=640)

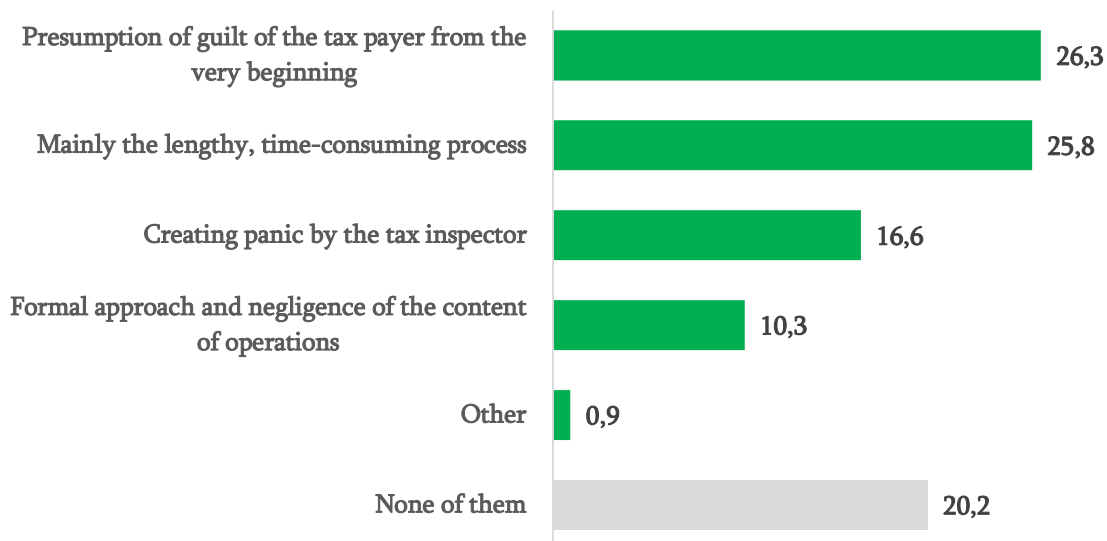
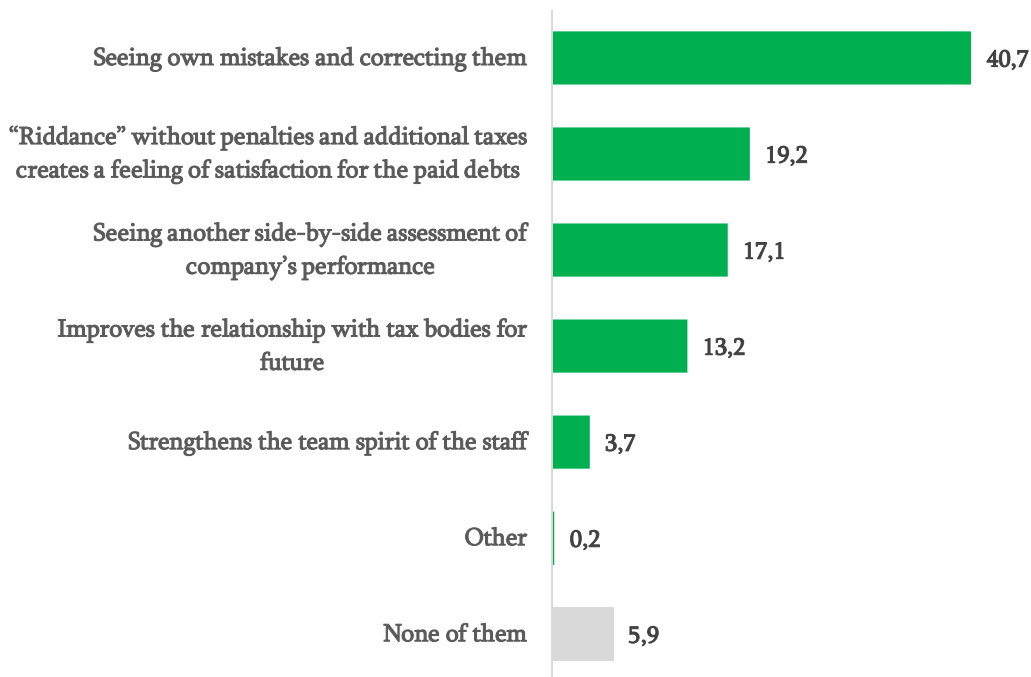


Figure 63: Which of the mentioned items are the positive sides of tax inspections for your business? (% of all answers, n=843)



The number of those who disagree with the results of tax inspections was small, however those who disagree undertake active steps to resolve it (see Figures 64, 65). 74.9 percent of the representatives of 223 organizations that had a tax inspection or gave a valid answer stated that they did not disagree with the results of the audits, while 19.3 percent expressed their disagreement. Only 5.8 percent did not express their disagreement.

Figure 64: Have you ever expressed your disagreement about the results of tax inspections? (% of total, including DK, RA, no inspections options; n=610)

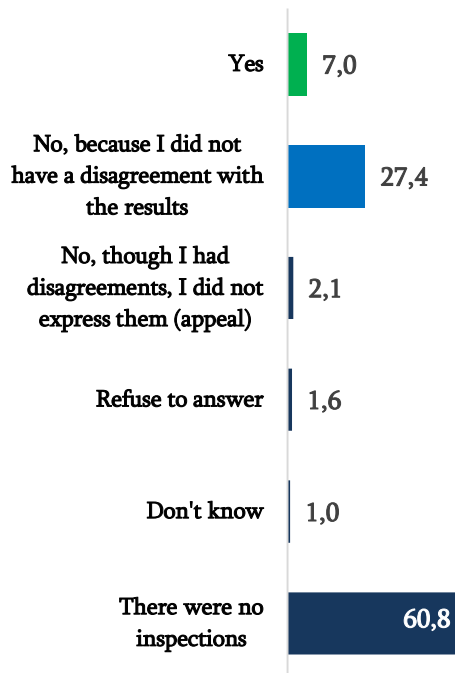
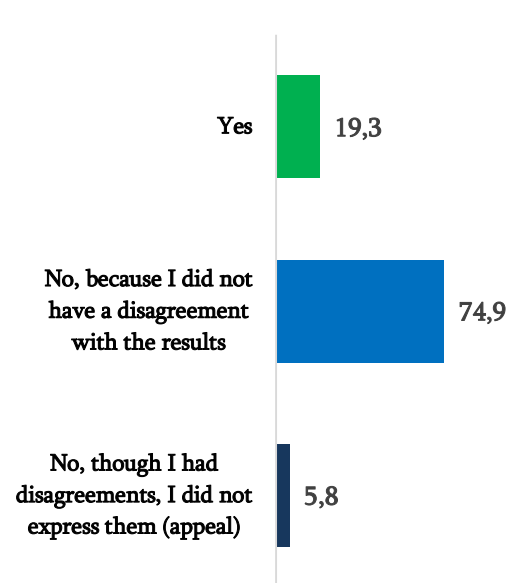
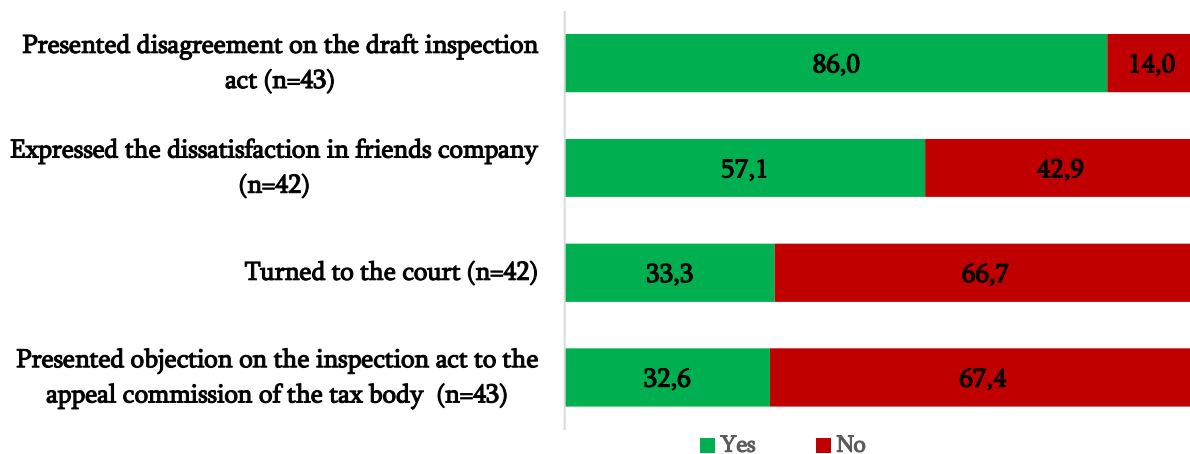


Figure 65: Have you ever expressed your disagreement about the results of tax inspections? (% of total, w/o DK, RA, no inspections options n=223)



Business taxpayers who disagreed during the inspections took active steps to address their issues, which included pursuing all three means of expressing disagreement: expressed disagreement on the draft inspection statement, presented their objections on the inspection statement to the tax authority appeal commission, and presented their case in court. The taxpayers also expressed their dissatisfaction in the company of friends (presumably discussing the main points) (see Figure 66).

Figure 66: What steps have you taken up for cases when you have disagreed with the tax inspection results? (% of total by line)



- ✓ Note: Comparison with the 2018 survey results shows that examinations connected with the inspections have become more substantial: taxpayers are more likely now to admit their mistakes, but if they do not agree with the tax authority, they are more likely to fight for their rights. In particular, the share of those who disagreed with inspection reports decreased (from 23.5 percent to 19.3 percent), but the share of those who objected to the draft inspection act has increased (from 58.5 percent to 86 percent).

The risk indicators assessment has become an acceptable concept among the taxpayers; a large majority of the organizations are aware of it, and half of them believe in its fairness and impartiality (Figures 67 and 68).

Figure 67: Are you aware that according to the law, tax inspections and investigations are carried out through a domestic software program within SRC based on the assessed risk indicators? (% of total, n=610)

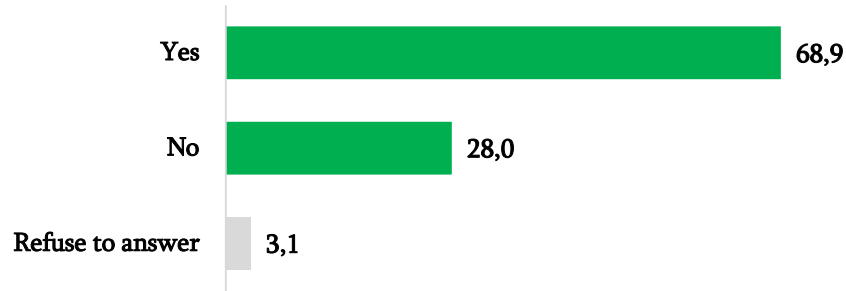
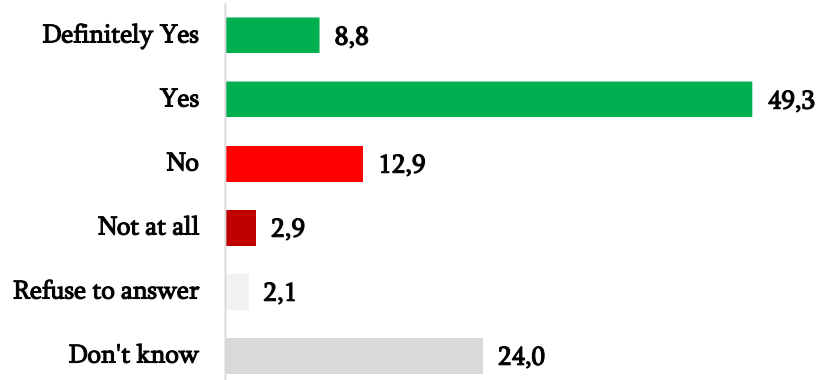
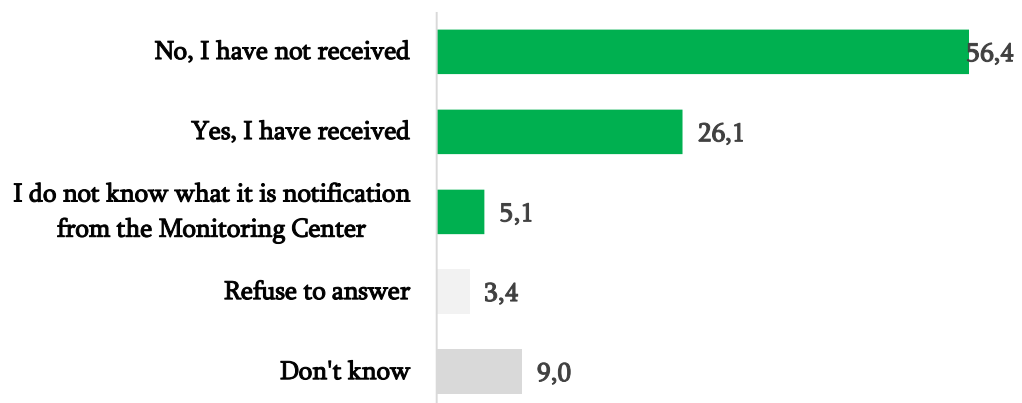


Figure 68: Do you agree that the risk indicators assessment through the software program is carried out fairly and impartially according to the procedure established by Law and specially defined methodology? (% of total, n=610)



The function¹⁶ of the Monitoring Center to identify and notify businesses about risks is still in the making, and yet 47.8 of notified businesses (12.5 percent of the total number of respondents) is not agree with the identified risks, in general, businessmen welcome the institution of notifications: 26.1 percent of respondents have received a notification about risks and 45.9 percent of them agreed with the accuracy of the risks listed in the notification. 80.8 percent of all respondents expressed interest in receiving notifications about risks and operationally eliminating their causes (Figures 69-71).

Figure 69: Have you received a notification from the RA SRC Monitoring Center stating that your (taxpayer's) behavior/conduct has a risk of transactions done through cash registers and (or) settlement documents? (% of total, n=610)



¹⁶ Before sending notifications, the employees of the relevant department of the SRC, of course, thoroughly analyze the risks of each business, and the notifications mostly refer to revenue fluctuations, which is considered useful for taxpayers in terms of business analysis. However, revenue fluctuations may be related to industrial factors and many other internal and external circumstances, the reporting on which is not a direct tax administration function.

Figure 70: Have you accepted (agreed on) the credibility of the notified risks on those transactions that were identified as a result of tax risks monitoring process? (% of total, n=159)

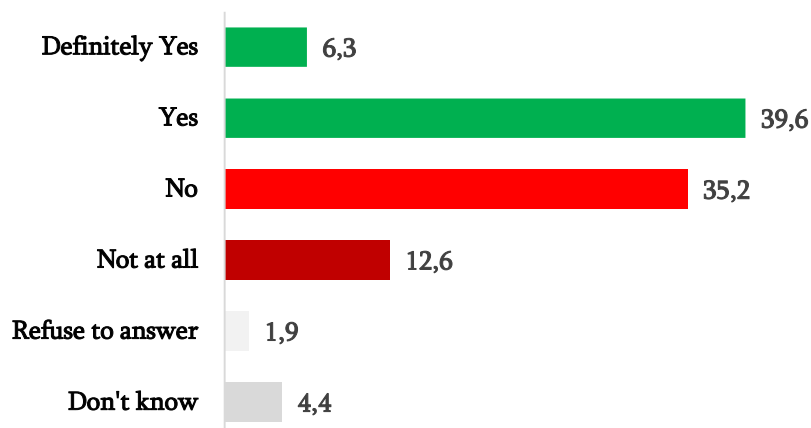
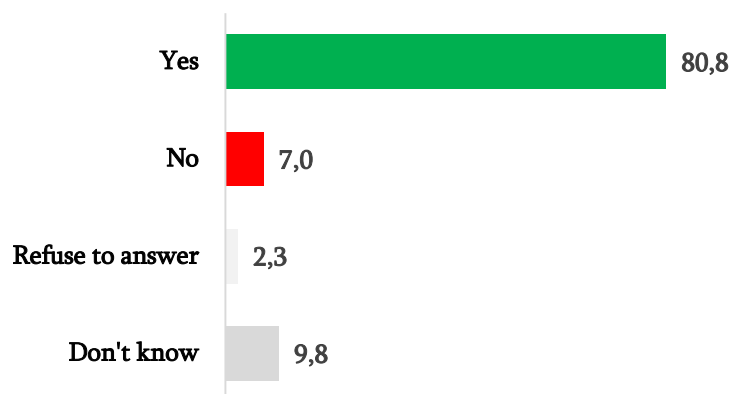


Figure 71: Would you like to receive notifications from the RA SRC that will expose to you the risks related to your activity, enabling you to eliminate the reasons that generate those risks in a work routine format? (% of total, n=610)



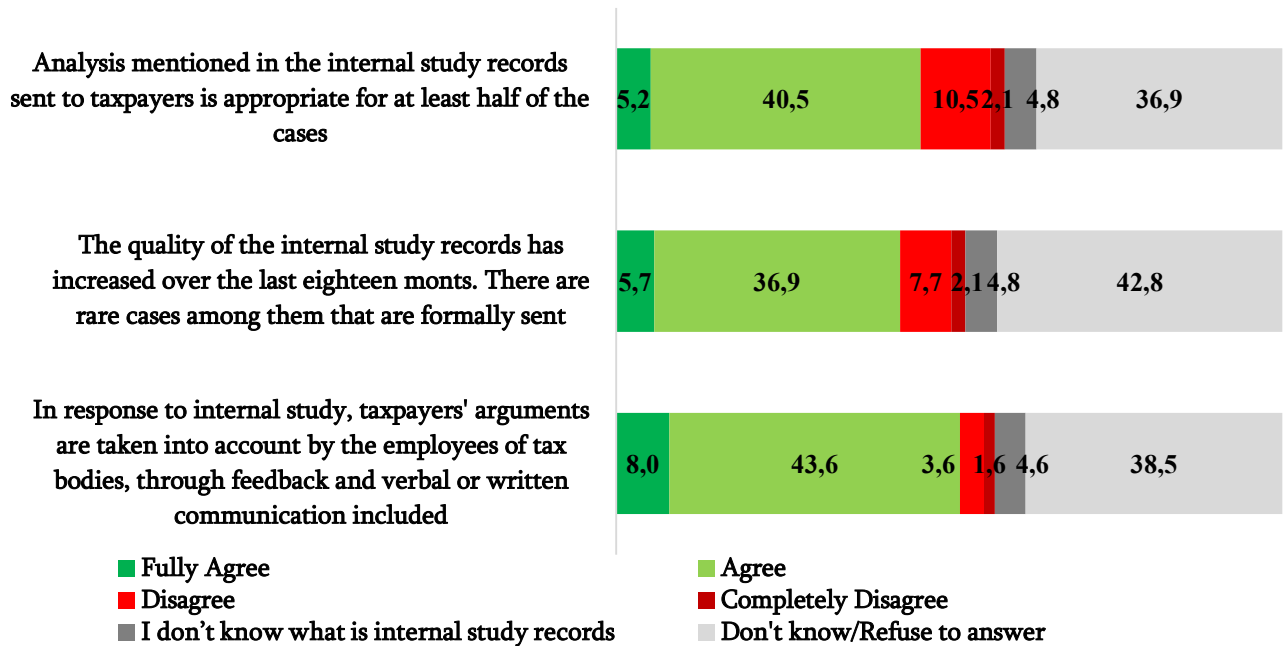
- ✓ Note: Comparison of the findings presented in the figures with the 2018 survey results shows that:
 - Organizations have started to receive notifications more frequently – 26.1 percent versus 22.8 percent¹⁷;
 - The share of those disagreeing with the tax authority notifications regarding risk symptoms has decreased from 60.5 percent to 47.8 percent.
 - The readiness to cooperate receiving notifications that identify risks of their operation has slightly increased – from 77 percent to 80.8 percent.

The internal analyses¹⁸ of tax protocols have already gained a steady and valued role in the dialog between tax administrators and business taxpayers. 45.7 percent of respondents agree that the analyses are relevant in at least half of the cases, 42.6 percent think they are to the point, and 51.5 percent think that taxpayers’ feedback about them is taken into account (Figure 72).

¹⁷ According to SRC report, the Monitoring Department has sent notifications to 9310 taxpayers in 2019 and 6089 taxpayers in 2018.

¹⁸ The aim of the desk analyses without visiting businesses or requesting documents is to verify the accuracy of tax calculations and reporting, and to compare various indicators in the reports with information acquired from state institutions in accordance with the law. In 2019 SRC conducted 33 thousand desk analyses (by 13 percent less than in 2018).

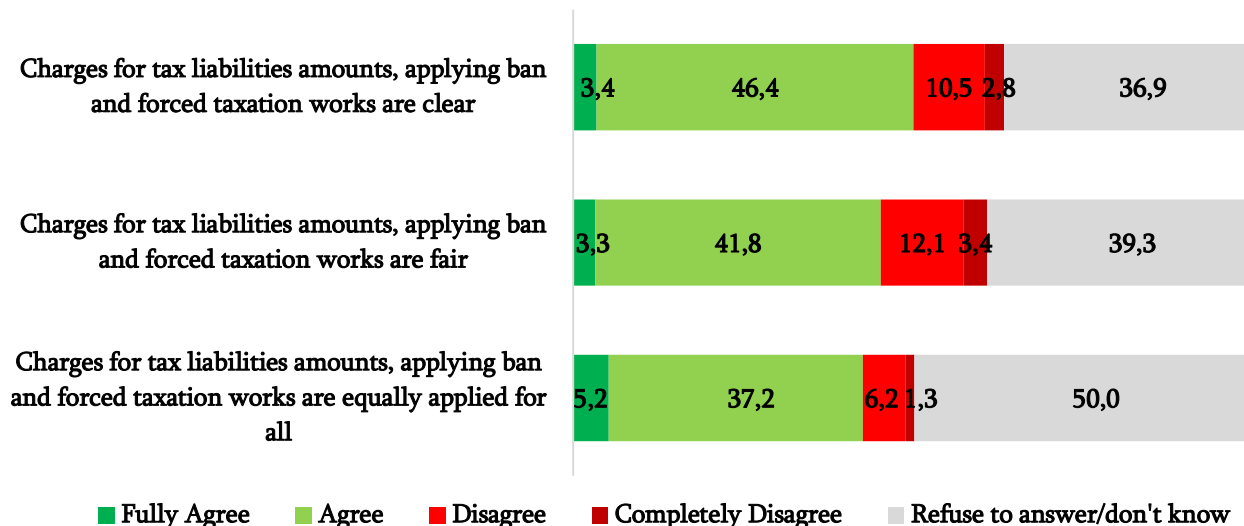
Figure 72: To what extent do you agree with the mentioned viewpoints on conducting internal analysis by the SRC and presenting their protocols to the taxpayer? (% of total by line, n=610)



- ✓ Note: Comparison of the findings presented in the figures with the 2018 survey results shows that organizations have become more demanding. All indicators have decreased in comparison to two years ago:
 - Responses to the first viewpoint: 45.7 percent found the studies relevant versus 65.8 percent in 2018.
 - Responses to the second viewpoint: 42.6 percent agree that the internal studies are informal versus 61.2 percent in 2018.
 - Responses to the third viewpoint: 51.6 percent agree that taxpayers' arguments are taken into account versus 73 percent in 2018.

In terms of tax collection, most taxpayers do not yet perceive that the tax authority exhibits a fair and equal attitude towards everyone (Figure 73). The impact of not being sufficiently informed about the tax collection process may be a factor as this survey included mostly micro, small and medium-sized businesses and entrepreneurs.

Figure 73: To what extent do you agree with the following viewpoints related to tax influence means/activities of collecting money in case of delaying the payment of taxes? (% of total, n=610)

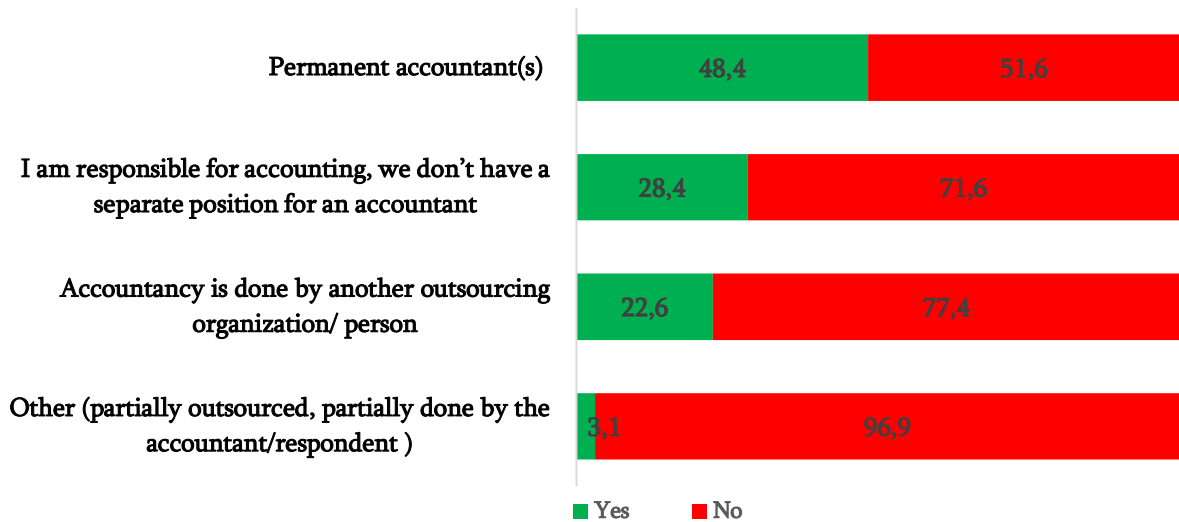


- ✓ Note: Cross-analysis of the survey results shows that micro and small businesses, compared to medium-sized businesses, were more likely to answer "I don't agree" and "I don't agree at all" when asked about the second and third lines in the Figure (see Table [CQ4.16&Q1.11.1](#)).

ORGANIZING TAX OPERATIONS IN BUSINESS AND BUSINESS PROSPECTS

Organizations are still significantly inclined not to outsource accounting, financial and tax reporting: these services are outsourced in only one out of four cases (Figure 74).

Figure 74: Who is responsible for accounting in the organization? (% of total by line, n=610)



- ✓ Note: Cross-analysis of the survey results shows that organizations with corporate governance systems are less likely to outsource accounting and financial and tax reporting (see Table CQ5.1&Q1.7).

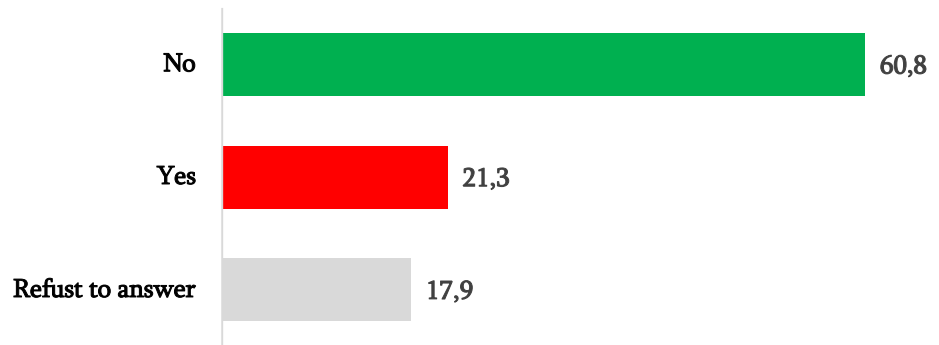
Organizations deal with tax-related affairs mainly internally, with only one in four using external assistance (see Figure 75).

Figure 75: How does the company deal with tax-related tasks (accounting, filing declarations, responding to requests/notifications from SRC, etc.)? (% of total, n=610)



Only 21.3 percent of organizations has a tax strategy (see Figure 76).

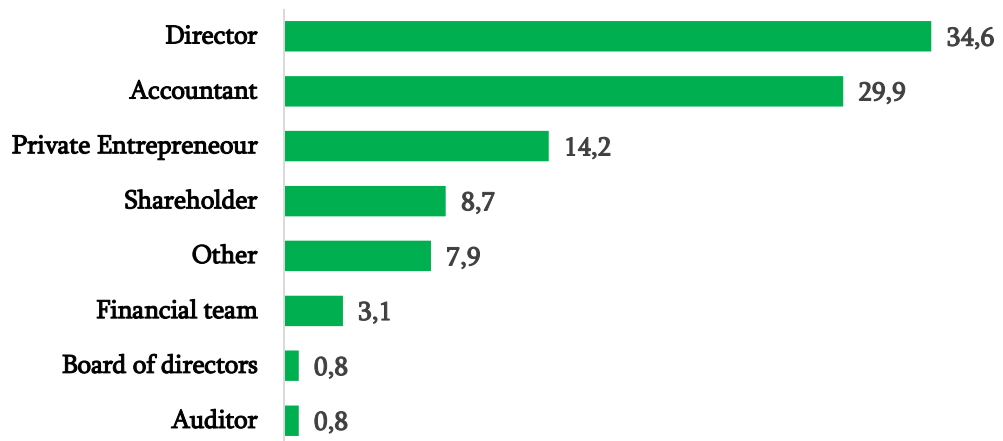
Figure 76: Does your company have a Tax Strategy? (% of total, n=610)



- ✓ Note: Cross-analysis of the survey results shows that having a tax strategy is twice higher in the organizations with corporate governance systems than in the ones that do not have a corporate governance system: 44.9 percent versus 21.9 percent (see Table CQ5.3&Q1.7).

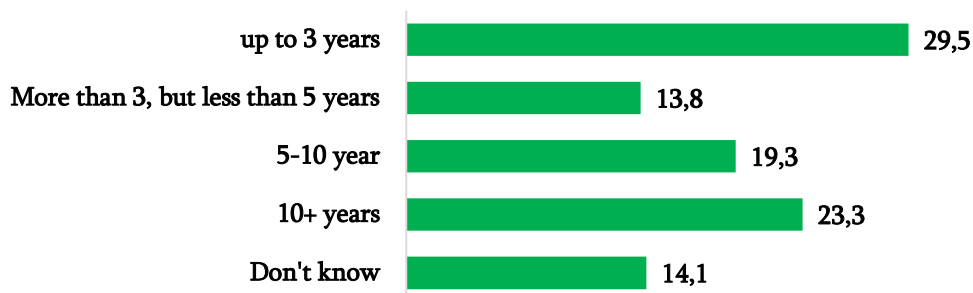
In organizations with a tax strategy, it is mostly developed by the executive (64.1 percent of cases). Shareholders or the board of directors are involved in its development or approval in only 9.4 percent of cases (see Figure 77).

Figure 77: Who does develop and approve the Tax Strategy of your organization? (% of total, n=127)



About half of tax managers at the surveyed organizations have up to five years of experience in tax management, and the other half has more than five years of experience, including 23.3 percent with more than ten years of experience (see Figure 78).

Figure 78: Professional experience of the current tax managers (responsible for tax matters person) at the companies? (% of total, n=610)

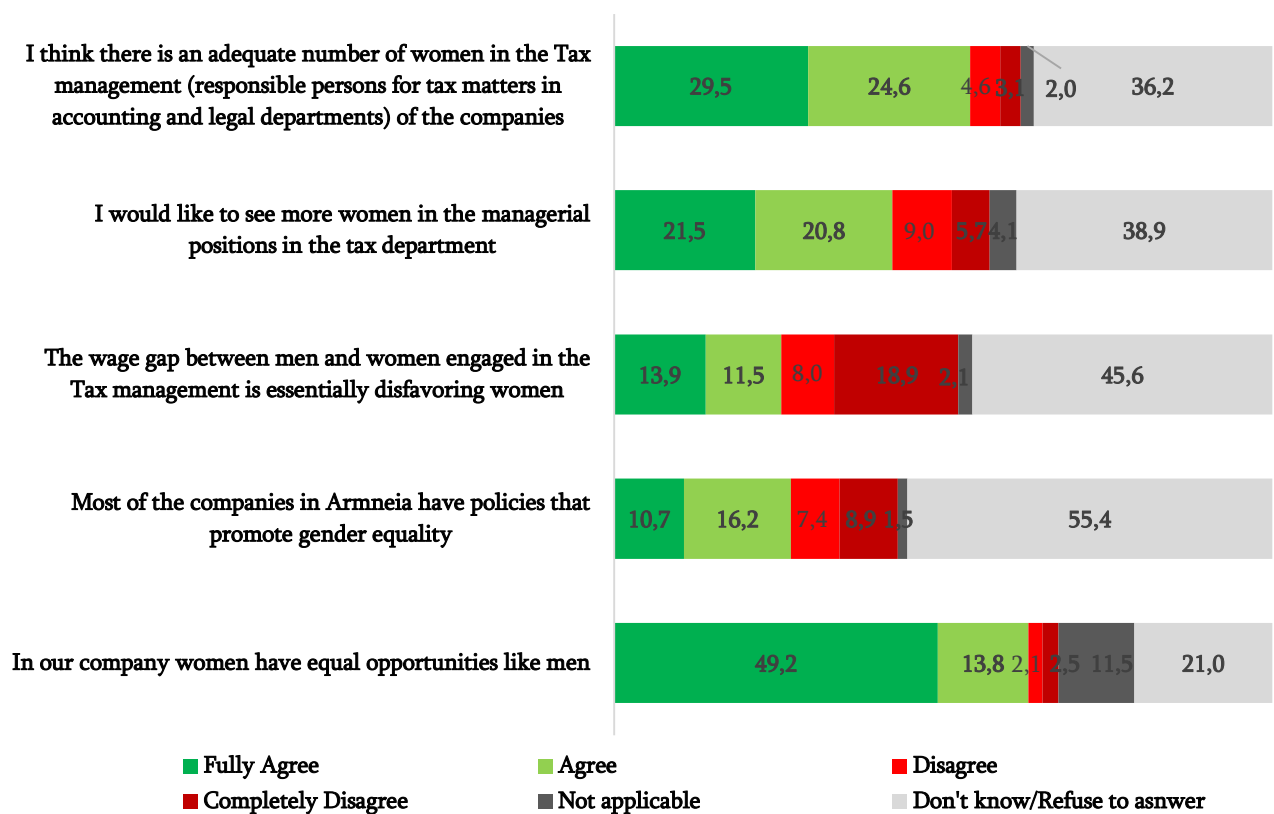


From a gender perspective: women and men are equally represented among tax managers (see Annex 2 Table 5.2).

The responses to gender related questions presented in Figure 79 show that:

- The respondents (36-55 percent) chose the "I don't know / RA" options quite often in response to most of the questions related to gender issues;
- **Women are sufficiently represented among tax managers.** At the same time, the respondents were not against the inclusion of more women in that subdivision of organizations;
- The respondents disagreed that the wage gap between men and women engaged in tax management is essentially disfavoring women;
- The respondents disagreed that most of companies in Armenia have policies that promote gender equality. At the same time, the majority was certain that men and women have equal opportunities.

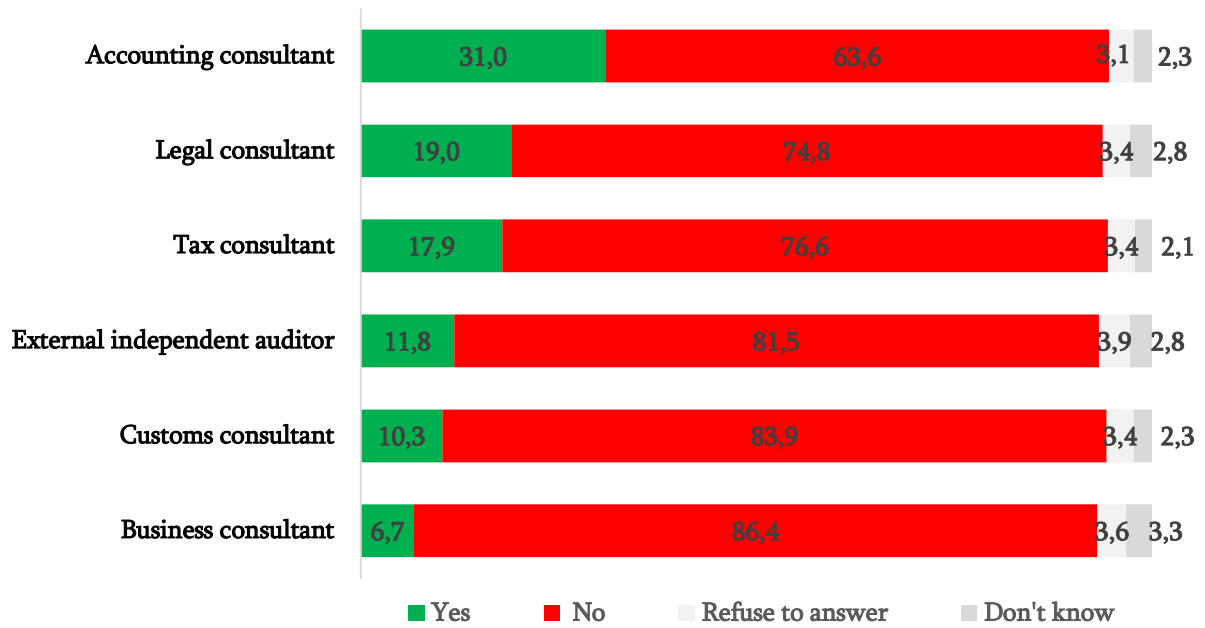
Figure 79: To what extent do you agree with the following statements regarding women's participation in tax management and gender discrimination in your company? (% of total by line, n=610)



- ✓ Note: Cross-analysis of the survey results shows that there is a significant difference between the answers of male and female respondents to the question “Men and women in our organization have equal opportunities.” 97.5 percent of female respondents somewhat or fully agree with this statement in comparison to 90.4 percent of male respondents (see Table [CQ5.5&Q5.11](#)).

Returning to the use of consulting services, it should be reiterated that this is not a common practice yet, and accounting, tax and legal advice dominate the list of these services (see Figure 80).

Figure 80: Do you use the service of a paid consultant, external audit and had composed internal audit function? (% of total by line, n=610)

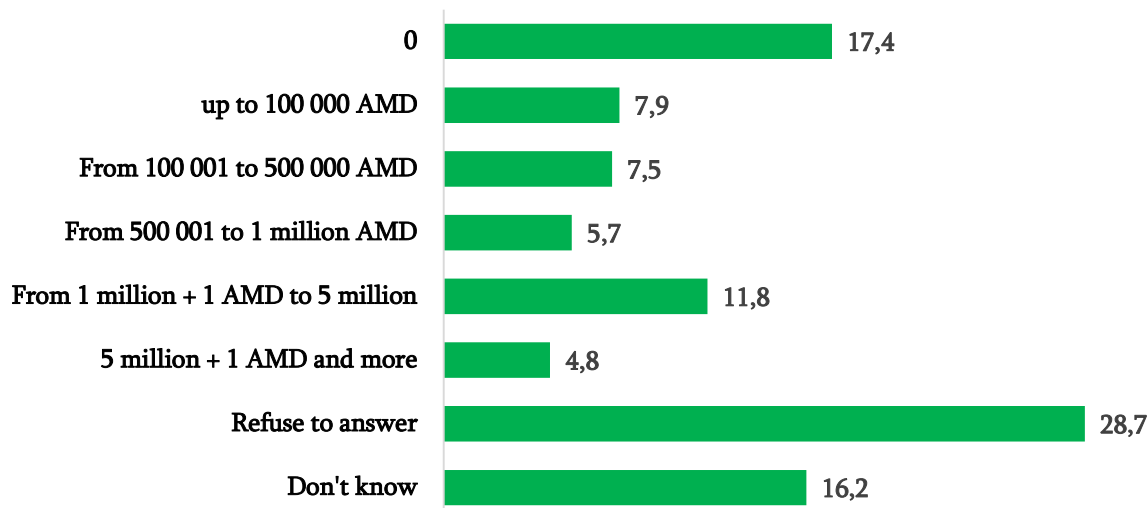


The findings presented in the Figure show that:

- The relatively high 31 percent of those using accounting services is not based on consulting but is rather its outsourcing. Same is true for audit.
- ✓ Note: Comparison with the 2018 survey results shows **an increase in the use of consulting services in all directions in the past two years.**
 - Taxes: from eight to 17.9 percent;
 - Customs: from eight to 10.3 percent;
 - Legal matters: from ten to 19 percent;
 - Business matters: from four to 6.7 percent.

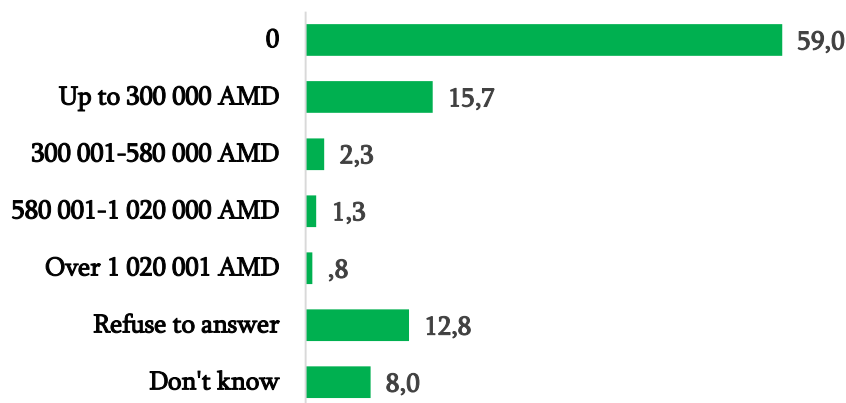
The organizations do not keep a special account of expenses for accounting and tax calculation and payment functions (see Figure 81). According to the Figure below, 44.9 percent of organizations found it difficult or refused to answer the question of how much money was spent on maintaining tax accounting and preparing tax reporting, and 17.4 percent said they did not have any expenses in this respect.

Figure 81: According to rough calculations, how much do you spend per year for maintaining tax accounting and preparing tax reporting, dealing with other tax compliance issues? (% of total, n=610)



Six out of ten organizations do not have a budget for accounting and tax related trainings (see Figure 82).

Figure 82: Approximately how much do you spend per year for trainings on tax and related topics? (% of total, n=610)

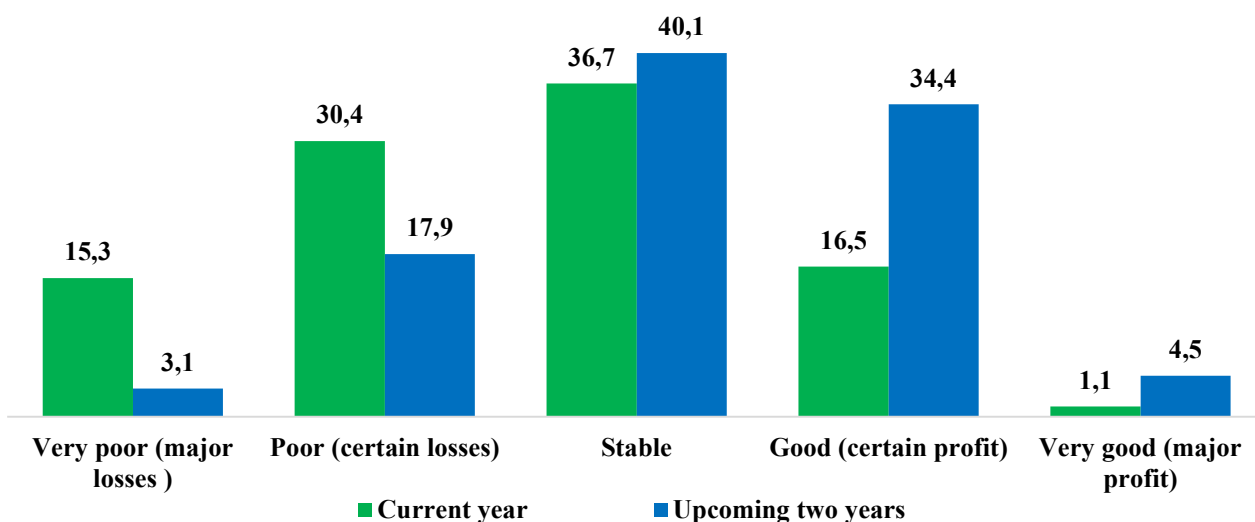


Analysis of the figure shows that:

- Fifty-nine percent of the organizations does not have a budget for accounting and tax related trainings;
- 20.1 percent of the surveyed businesses received training; moreover, 78 percent of them do not spend more than 300 thousand AMD on trainings annually.
- ✓ Note: The comparison with the 2018 survey results show that there has been no progress in this matter.

The organizations were cautiously optimistic about the expected and predicted financial results of the current and the next two years (see Figure 83 and Table 15).

Figure 83: How would you characterize the financial position of your company/business in the current fiscal year and in upcoming two (2021-2022) years? (% of total by period, n=610)



Analysis of the figure and comparison with 2018 survey results show that the current mood is less optimistic, however there are expectations combined with uncertainty for stability and growth in the future (the share of ‘don’t know’ responses for 2021-2022 are quite high).

Table 15: How would you characterize the perspectives of your company/business in this year and in the upcoming two years? (% of total by period)

Options	2018 survey –expectations for the next three years (n=400)	2020 survey (n=610)	
		Expectations for 2020	Expectations for 2021-2022
Good and very good (profits)	51.1	15.9	27.0
Stabile	23.8	33.1	27.9
Poor and very poor (losses)	7.5	41.1	14.6
Do not know	17.5	9.8	30.5
Total	100.0	100.0	100.0

CONCLUSIONS AND RECOMMENDATIONS

The survey showed that the State Revenue Committee has high ratings among taxpayers. It is particularly so for the following areas: Service Centers, electronic services, e-system of report submission, online notification and internal analyses system, the SRC Training Center, and the new flexible system of tax payments.

According to survey results, the SRC has received high scores in a number of areas, which in direct and indirect sense translates into a vote of “stability” and trust. This allows for the pursuit of improvements and changes in already existing or growing issues.

According to the analysis of the survey results,¹⁹ the following are among already existing or newly arising problems:

1. Receiving comprehensive clarifications on the application of tax legislation has not yet been fully addressed. The system of official clarifications remains indefinite. This incurs additional operating costs for the businesses.
2. The business community is not well aware of the "tax policy / strategy" category. This limits the impact of such a powerful tool on public tax collection.
3. The taxpayers are not well familiar with the tax enforcement services which are scored lower compared to other services. Though the majority of informed taxpayers agreed that the tax authority treats everyone fairly and equally while implementing enforcement measures, the share of those who expressed disagreement remains notable. Thus, the tax authorities need to expand further the public relations campaign to assure that tax enforcement measures are fair and equally applied for all. This will contribute to paying taxes voluntarily.
4. Businesses have become used to services provided by the SRC, and now the issue is with the quality and speed of services. This is a global problem, given international developments in tax administration.
5. There is a lack of cooperation between small and medium businesses and professional unions. The problem is that the Social Council of the State Revenue Committee, which has been operating for years, has to continue expanding its operational capacity in order to raise awareness among mentioned businesses and nurture the channel between them and the tax authorities.
6. There was no clarity among respondents regarding whether businesses are allowed to use legislative loopholes or not. According to the survey, businesses are more inclined to make use of them, and do not perceive any limits regarding their permissibility, “aggressiveness”, or characteristics.

We propose the following recommendations to contribute to the solution of the highlighted issues:²⁰

1. Expand work to inform taxpayers about services with special attention towards prompt notification of legislative changes.
2. Launch a special portal for categorizing taxpayers’ questions and answers.

¹⁹ This is the fourth similar survey on tax legislation, administration, attitudes and perceptions of the tax authority. The previous surveys included large businesses and taxpayer households.

²⁰ The proposed suggestions and directions of solutions are, in fact, presented in the SRC’s tax administration strategy and the 4-year program. In that sense, we hope that these Recommendations will be complementary and emphasizing.

3. Improve and support further the work of the Call Center, the load of which significantly increased in the current year.
4. Through the Social Council of the SRC, work more intensively with industrial and professional associations and accounting companies, as well as universities on tax related issues so that to expand further awareness raising and provision of demanded clarifications.
5. The government should be more proactive to identify and eliminate the existent loopholes in the tax legislation.
6. Cooperate with non-commercial organizations working in the field of corporate governance to assess potential collaboration regarding the inclusion of tax payment issues in the agendas of different companies.

To assess the impact of the Supporting Tax Administration and Policy Leadership Program and improvement of tax administration, among the tasks of this study, a few baseline indicators were requested, some of them - gender-disaggregated. In order to define and calculate these indicators, the most relevant questions of the questionnaire were selected and the assessment method was proposed. The results are presented in the table below:

No	Indicator	No of the question	Method of calculation	Baseline indicator
Gender Disaggregated Indicators				
1.	Taxpayer perceptions on tax related issues and trust towards the tax authority	Q2.15	The indicator is defined as a share of taxpayers who answered "definitely yes" or "yes" to the question "In your opinion, has the behavior/attitude of SRC tax authorities towards taxpayers improved within the last year?".	All: 86.0% Female: 85.6% Male: 86.1%
		Q3.8	The indicator is defined as a share of taxpayers who rated the trustworthiness (reliability) of the tax authority as "good" or "very good".	All: 42.9% Female: 41.4% Male: 43.9%
2.	Woman entrepreneurs' perceptions on SME access to taxpayer services and information	Q3.1	The indicator is defined as an average share of women respondents who assessed "useful" and "very useful" the listed ten services provided by the RA SRC Tax Service.	Female: 66,7% (Male: 65.0%; All: 65.8%)
3.	Woman entrepreneurs' perceptions on fair and equal treatment of taxpayers	Q3.7	The indicator is defined as a share of women respondents who strongly or to some extent agree with the following statement: "SRC treats all taxpayers equally".	Female: 72.8% (Male: 73.7%; All: 73.4%)
Common Indicators				
4.	The number of times/frequency with which the respondents have contacted the SRC	Q3.21	The indicator is defined as an average share of taxpayers who contacted the SRC using various methods less than 6 times a year (the average number of contacting the SRC).	All: 56.1%
5.	Voluntary tax compliance issues/behaviour/motives	Q2.6	The indicator is defined as a share of taxpayers who DID NOT mention the option "Fears of fines and penalties associated with non-compliance" as "very important" while answering the question on importance of various factors that motivate taxpayers (like themselves) to declare and pay their taxes honestly.	All: 59.7%

ANNEX 1. QUESTIONNAIRE OF TAX ADMINISTRATION AND TAX PERCEPTIONS SURVEY AMONG TAX PAYERS

Tax Administration and Tax Perceptions Survey of Taxpaying Organizations, Individual Entrepreneurs February, 2020

SU ID	_____
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Region	_____
City/Village	_____

ID of Interviewer	_____
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Hello, my name is [last name, first name] and I represent the Caucasus Research Resource Center-Armenia (CRRC-Armenia). I am collecting data for a survey commissioned by the World Bank (WB) jointly with the UK's Good Governance Fund (GGF) to assess the attitudes of the business community towards the tax administration and the tax policy reforms in Armenia. This is a subsequent survey following previous surveys commissioned by United State Agency for International Development (USAID), WB and conducted by CRRC-Armenia in 2013, 2016 and 2018, and aims to bring the data up to date with more recent developments in the field, as well as to inform the policy-makers and tax authorities on attitudes and perceptions of taxpayers in Armenia enabling improvement of tax regulation and administration.

Your organization has been randomly selected from the general list, along with 600 other organizations, thus forming a representative sample. Your responses are important source of information for the State Revenue Committee (SRC)/decision-makers/policy-makers in understanding and analyzing the existing tax policy and administration. The information that you provide will remain strictly confidential and will be used only in aggregated form, without attribution to your name or identifying information about your business, and will be used only for research purposes. The survey will take us about 45-50minutes to complete. Thank you very much for your time and responses in advance.

Day/Month/Year	____/____/____
----------------	----------------

Beginning of interview: [Interviewer: USE 24-HOUR CLOCK] Hour: |__|__| |__|__|Min.

1. BASIC INFORMATION

Interviewer, read the following text: “Now I am going to ask a few questions to get some basic information about you/your organization.”

1.1. What is your position (basic responsibility) in your organization?

Shareholder/Owner	1
Executive Director/Executive President/Vice-president	2
Member of the Board of Directors (including the Chairman and external independent directors)	3
Financial Manager	4
Chief Accountant	5
Head of Legal Service	6
Human Resource Manager	7
I am an Individual Entrepreneur	8
Other(Specify_____)	9

1.2. How many years has your business/organization been actually (actively) operating in Armenia?

Up to 1 year	1
1 – 3 years	2
4 – 6 years	3
7 – 10 years	4
11 – 15 years	5
More than 15 years	6
Don't know/Refuse to answer	-1/-2

1.3. What is the organizational-legal status/form of your business?

Limited liability company	1
Closed joint stock company	2
Open joint-stock company	3
Production cooperative	4
Individual entrepreneur	5
Other (Specify_____)	6

1.4. Who is the biggest shareholder/owner of your business?

Physical person from Armenia	1
Physical person from abroad	2
A local self-government body	3
Another Armenian organization	4
A foreign organization	5
The state	6
I am an individual entrepreneur	7
Other(Specify_____)	8
Don't know/Refuse to answer	-1/-2

1.5. [Card 1.5] And what is the main type of your business operations? [Interviewer: show the card 1.5, accept one response]

Agriculture, Forestry and Fishing	1
Mining and Quarrying	2
Manufacturing	3
Electricity, gas, steam and air conditioning supply	4
Water supply; sewerage, waste management and remediation activities	5
Construction	6
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	7
Transportation and storage	8
Accommodation and food service activities	9
Information and communication	10
Financial and insurance activities	11
Real Estate Activities	12
Professional, scientific and technical activities	13
Administrative and support service activities	14
Public administration and defense; compulsory social security	15
Education	16
Human health and social work activities	17
Arts, entertainment and recreation	18
Other service activities	19
Repair of computers and personal and household goods	20
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	21
Activities of extraterritorial organizations and bodies	22
Don't know/ Refuse to answer	-1 / -2

1.6. What is the number of employees – men and women separately, at your organization as of now?

Men	_____
Women	_____

1.7. Has the corporate governance system (distribution of authorities between the shareholders, board of directors, committees next the Board, the executive director, an internal audit function, etc.) been actually launched in your organization?

Yes	1
No	0
I do not know what it is	2
Don't know/Refuse to answer	-1 / -2

1.8. Is the executive director of your enterprise simultaneously also one of the main shareholders/owners?

Yes	1
No	0
Don't know/Refuse to answer	-1/-2

1.9. In your company which bodies are the decision makers in tax-related issues?

Majority shareholders	1
Shareholders	2
Board of Directors	3
Executive Director	4
Myself (I'm an individual entrepreneur)	5
Other _____	6
DK/RA	-1/-2

1.10. Does your organization have a “law-abiding tax payer” status granted by the RA State Revenue Committee (SRC)?

Yes	1
No	0
DK/RA	-1/-2

1.11. Please mention which of the following types of taxes are paid by your business?

Type of tax	Yes	No	DK/ RA
Profit tax	1	0	-1/ -2
Value added tax	1	0	-1/ -2
Excise tax	1	0	-1/ -2
Unified income tax (income tax and compulsory social payment)	1	0	-1/ -2
Property tax	1	0	-1/ -2
Land tax	1	0	-1/ -2
Turnover Tax	1	0	-1/ -2
Environmental and natural resource use fees	1	0	-1/ -2

1.11.1. How much was the turnover of your business in 2019?

Up to 100 million AMD	1
100 million AMD - 500 million AMD	2
500 million AMD - 1.5billion AMD	3
More than 1.5billion AMD	4
DK/RA	-1/-2

1.12. Is your business engaged in importing/exporting goods/services?

Import	1
Export	2
Both	3
None	4
Don't know/Refuse to answer	-1/-2

1.13. Is your organization a member of any union, association? (new 2019) If yes, which of the following associations/networks are you a member of or plan to join? /One answer in each line/

	Yes, a member	No, but plan to join	No	DK/ RA
Chamber of commerce and industry (ARMCCI)	1	2	3	-1/-2

Republican Union of Employers of Armenia (RUEA)	1	2	3	-1/-2
Union of Manufacturers and Businessmen of Armenia (UMBA)	1	2	3	-1/-2
American Chamber of Commerce Armenia (AmCham)	1	2	3	-1/-2
European Business Association Armenia (EBA)	1	2	3	-1/-2
Armenian Trade Network (ATN)	1	2	3	-1/-2
Union of Advanced Technology Enterprises (UATE)	1	2	3	-1/-2
Women Entrepreneurs Network https://businesswoman.am/	1	2	3	-1/-2
Armenian Young Women's Association (AYWA) https://aywa.am/	1	2	3	-1/-2
Armenian International Women's Association (AIWA)	1	2	3	-1/-2
Protection for Taxpayers NGO	1	2	3	-1/-2
Other, please specify _____	1	2	3	-1/-2

1.14. What is the share of women at managerial positions, including Board Members, at your company?
(Interviewer, accept one answer)

0-25%	1
26%-50%	2
51%-75%	3
75%+	4
DK/RA	-1 / -2

1.15. Does your company have a Gender equality policy (any code(s) of ethics, harassment prevention procedures, mechanisms to assure equal wages for women and men, etc.)? If yes, since when?
Please also name one important regulatory document.

Yes	1	Number of years _____	Document name _____
No	0		
DK/RA	-1/-2		

2. GENERAL TAX CODE/LAW ABIDANCE

Interviewer, read the following text: "In this next set of questions I'd like to hear your/your organization's opinions about the tax code in general and law acceptance.

2.1. Are you aware of the Social Council of Revenue Administration Reforms of the RA State Revenue Committee?

Yes	1	
No	0	⇒2.3
DK/RA	-1/-2	

2.2. How useful is the work of the Social Council of Revenue Administration Reforms of the RA State Revenue Committee in (terms of) communicating with tax payers?

Very useful	1
Useful	2
It has no influence	3
Not useful	4
Not useful at all	5
DK/RA	-1 / -2

2.3. What share (in %) of the turnover for the entire economic activity like your business do you believe remains unreported to the tax authorities?

_____	Percent
DK/RA	-1/-2

Experiment 1: Requires split ballot/randomization into two groups, 1 and 2 (300 respondents in each group)]

2.4. According to you, what share of taxpayers declare and pay their taxes in full?

Less than 20%	1
21-40%	2
41-60%	3
61-80%	4
More than 80%	5
DK/NR	-1/-2

2.5. According to you, what share of taxpayers declare partially and underpay their taxes?

Less than 20%	1
21-40%	2
41-60%	3
61-80%	4
More than 80%	5
DK/NR	-1/-2

End of experiment

2.6. In your opinion, how important is each of the following to motivate taxpayers like you to declare and pay their taxes honestly?

(Interviewer, show Card 2.6; accept all the answers)

	Not at all important	Somewhat important	Very important	DK/RA
Contribution as an active citizen (responsibility)	1	2	3	-1/-2
Contributing to the business development, expansion	1	2	3	-1/-2
Acquiring good reputation	1	2	3	-1/-2
Fear of being audited	1	2	3	-1/-2
Fears of fines and penalties associated with non-compliance	1	2	3	-1/-2
Interest rates for overdue taxes	1	2	3	-1/-2

Knowledge that others are paying their taxes	1	2	3	-1/-2
Knowledge that all taxpayers are being treated equally (with respect to audits, fines, etc.)	1	2	3	-1/-2
Other (specify _____)	1	2	3	-1/-2

2.7. Which dimension of the reforms of tax administration do you consider to be essential for the improvement of business environment? [Interviewer: accept up to three responses, writing first, second and third responses in the right column]

1	Tax payers service	
2	Tax examination	
3	System of liabilities used in case of tax violations	
4	Instrumental tools/system of ensuring fulfillment of tax liabilities	
5	System of appeals against actions or inactivity of tax officers	
6	Other _____	
7	None of the above	
-1/-2	Don't know/Refuse to answer	

2.8. (New 2019) In the past two years (2018-2019) new amendments were made in the Tax Code (decrease of income tax rates, tax exempting of microenterprises, raising turnover tax threshold, changes in dividend taxing, changes in excise taxing, etc.) that will enter into force in January 2020. Do you agree that your business will benefit from these amendments?

Definitely Yes	1
Yes	2
It has no influence	3
No	4
Not at all	5
Don't know/ Refuse to answer	-1 / -2

2.9. Do you think the special tax regimes now underway in Armenia (turnover tax, micro-entrepreneurship taxes) facilitate the calculation of tax liabilities and payments?

Definitely Yes	1
Yes	2
It has no influence	3
No	4
Not at all	5
Don't know/Refuse to answer	-1 / -2

Experiment 2: Requires split ballot/randomization into two groups, 1 and 2 (300 respondents in each group)

2.10. (new 2019) Control group: [Randomly assigned to group 1] Do you think that the level of advertisements on Facebook has increased so much that it reduces the effectiveness of advertisements (e.g. from the retail stores in Armenia)?

Not at all	1
Somewhat	2

Completely	3
DK/NR	-1/-2

2.14. (new 2019) Treatment group [Randomly assigned to group 2] Tax revenues are used to finance public services and goods that are meant to benefit all Armenians. If it were up to you, where would you like more of these tax revenues to be directed? [Interviewer, accept up two categories]

Defense	1
Police	2
Education	3
Health	4
Transportation/infrastructure	5
Redistribution through social assistance	6
Environment	8
Other (specify) _____	9
DK/NR	-1/-2

End of experiment

2.12. (CARD 2.12) In your opinion, what is the most disadvantage of tax code/law abidance on the business in general?

Our income will be reduced since we cannot raise adequately the prices of our products/services	1
Does not matter, others will not pay, so we are going to suffer in terms of competition	2
No matter, we continue dealing with the unfair and unequal attitude from the tax body. I don't think the tax body will notice and encourage the change in my behavior	3
Downturn in business, loss of customers	4
Other (specify _____)	5
No negative consequence [Do not read]	6
Don't know/Refuse to answer	-1/-2

2.13. If a taxpayer does not report all of income in order to pay less taxes, what do you think the penalties/sanctions should be?

The sanctions/penalties should be more severe than what they are now	1
The sanctions/penalties should be less severe than what they are now	2
Current sanctions/penalties are fair enough	3
DK/RA	-1/-2

2.14. Do you think that taxpayers/firms like yours using loopholes in legislation to reduce their tax bill is:

Completely acceptable	1
Somewhat acceptable	2
Neither/Nor	3
Somewhat unacceptable	4
Completely unacceptable	5
DK/RA	-1/-2

2.15. (Card 2.15) In your opinion, has the behavior/attitude of SRC tax and customs authorities towards their employees and taxpayers improved within the last year?

	Tax authorities		Customs authorities	
	Towards their employees	Towards taxpayers	Towards their employees	Towards taxpayers
Definitely Yes	1	1	1	1
Yes	2	2	2	2
No	3	3	3	3
Not at all	4	4	4	4
Don't know/Refuse to answer	-1 / -2	-1 / -2	-1 / -2	-1 / -2

3. ATTITUDE TOWARDS THE SERVICES RENDERED BY TAX AUTHORITIES

The services provided to taxpayers by tax authorities are various. In recent years, electronic means and modern technologies have widely been used in tax service provision. In this questionnaire, for overall assessment of attitude towards the services rendered to taxpayers, these services have been pooled together in this section, specifying certain tax-related issues, such as electronic services (e-services), tax body-taxpayer communication, information exchange.

3.1. (CARD 3.1) Using a scale of 1-4, where ‘1’ means “Completely useless” and ‘4’ means “Very useful”, how would you assess the following services delivered by the RA Tax Service? [Interviewer: accept one response per line]

Types of Services		Completely useless	Useless	Useful	Very useful	DK/RA
1.	E-System of Report Submission	1	2	3	4	-1/-2
2.	E-invoicing system	1	2	3	4	-1/-2
3.	RA tax payers search system	1	2	3	4	-1/-2
4.	Online notification system	1	2	3	4	-1/-2
5.	Online correspondence system	1	2	3	4	-1/-2
6.	Law-abiding Taxpayers Registration System	1	2	3	4	-1/-2
7.	Tax calendar	1	2	3	4	-1/-2
8.	E-mail delivery system	1	2	3	4	-1/-2
9.	Call center /Hot line	1	2	3	4	-1/-2
10.	Electronic system of label attribution	1	2	3	4	-1/-2
11.	Other (specify _____)	1	2	3	4	-1/-2

3.2.a. (CARD 3.2) How do you rate the quality of e-services (electronic services) that are rendered to you by the tax bodies? Use a scale of 1 to 5, where “1” means “Very Bad” and “5” means “Very Good”? [Interviewer: accept one response per line]

3.2.b. Please also point out the services that according to you should be updated in order to improve these services (Interviewer: ask this question after 3.2.a is completed, accept as many responses as mentioned, use code 1 for “YES” and 0 – for “No”)

	3.2.a		3.2.a
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Types of Services		Very Bad	Bad	Satisfactory	Good	Very Good	DK/RA	Should be updated (1-yes, 0-No)
1.	E-System of Report Submission	1	2	3	4	5	-1/-2	
2.	E-invoicing system	1	2	3	4	5	-1/-2	
3.	RA tax payers search system	1	2	3	4	5	-1/-2	
4.	Online notification system	1	2	3	4	5	-1/-2	
5.	Online correspondence system	1	2	3	4	5	-1/-2	
6.	Law-abiding Taxpayers Registration System	1	2	3	4	5	-1/-2	
7.	Tax calendar	1	2	3	4	5	-1/-2	
8.	E-mail delivery system	1	2	3	4	5	-1/-2	
9.	Call center /Hot line (presentation of inquiries via Hot line system)	1	2	3	4	5	-1/-2	
10.	Electronic system of label attribution	1	2	3	4	5	-1/-2	
11.	None of the above	1	2	3	4	5	-1/-2	
12.	Other (specify _____)	1	2	3	4	5	-1/-2	

3.3. Does the electronic system of services introduced by tax authorities promote the fulfilment of all of the tax obligations?

Definitely Yes	1
Yes	2
It has no influence	3
No	4
Not at all	5
Don't know/Refuse to answer	-1 / -2

3.4. Which of the below mentioned new online services rendered by tax authorities are you aware of?

	Yes	No	RA
Consolidated Treasury account for all types of taxes which allows automatic transfer of the overpaid tax amounts under one tax type to the repayment of another type of pending tax liabilities	1	0, =>3.6	-2
Possibility of paying taxes electronically	1	0, =>3.6	-2

3.5. Do the new types of services being rendered by tax authority directly promote or at least simplify your business operations?

	Definitely Yes	Yes	It has no influence	No	Not at all	DK/RA
Consolidated Treasury Account for all types of taxes which allows automatic transfer of overpaid tax amounts under one tax type to the repayment of another type of pending tax liabilities	1	2	3	4	5	-1 / -2
Possibility of paying taxes electronically	1	2	3	4	5	-1 / -2

3.6. How do you rate, in general, the initiatives undertaken by tax authorities over the last three years for the improvement of tax administration (introduction of various e-services, simplifications in tax calculation, automation of different tax procedures resulting with reduction of costs for taxpayers, etc.)?

Very Positive	1
Positive	2
Satisfactory	3
Negative	4
Very Negative	5
Don't know/Refuse to answer	-1 / -2

3.7. Please rate the following in terms of how the SRC treats taxpayers in Armenia

	Strongly disagree	Somewhat disagree	Somewhat agree	Strongly agree	DK/RA
SRC treats all different categories of taxpayers equally (by size, sector, gender, socio-economic status of the owner/founder/director, etc.)	1	2	3	4	-1/-2
SRC treats women/female taxpayers similarly as men/male taxpayers	1	2	3	4	-1/-2
SRC inspects taxpayers based on objective criteria	1	2	3	4	-1/-2
SRC punishes all tax offenders equally, in accordance with the law	1	2	3	4	-1/-2

3.8. Please rate the levels of the following elements of the tax system. Use a scale of 1 to 5, where “1” means “Very poor” and “5” means “Very good”.

	Very Poor	Bad	Enough	Good	Very good	DK/RA
Tax legislation clarity	1	2	3	4	5	-1/-2
Tax legislation accessibility	1	2	3	4	5	-1/-2
Tax administration (implementation and enforcement of tax laws)	1	2	3	4	5	-1/-2
Tax rates	1	2	3	4	5	-1/-2
Tax inspections procedures	1	2	3	4	5	-1/-2
Tax authority's trustworthiness	1	2	3	4	5	-1/-2

3.9. In your opinion, what tax legislation issue hinders your business or businesses like yours the most? (Accept one answer)

Unclear and unprecise wording of tax laws, ambiguous points	1
Frequent change of laws	2
Tax rates	3
Extensive number of laws, regulations and procedures	4
Other (specify)	5

3.10. According to you, how easy or difficult are the following SRC related procedures in general?

	Very difficult	Somewhat difficult	Somewhat easy	Very easy	DK/RA
Registration as taxpayer	1	2	3	4	-1/-2
Calculation of taxes, documentation/bookkeeping for tax purposes	1	2	3	4	-1/-2
Getting tax clarifications/guidance	1	2	3	4	-1/-2
Declaration/reporting of taxes	1	2	3	4	-1/-2
Payment of taxes	1	2	3	4	-1/-2
Obtaining tax certificate	1	2	3	4	-1/-2
Reimbursement (e.g., of VAT)	1	2	3	4	-1/-2
Tax audits	1	2	3	4	-1/-2
Filing of complaints and getting appeal hearings	1	2	3	4	-1/-2

3.11. Since July 1, 2018, the eligibility of providing official tax-related clarifications has been transferred from SRC to the RA Ministry of Finance that is responsible for developing state revenue policy and legislation. To what extent do you agree that it has contributed to more clear performance of tax administration functions by SRC?

Fully Agree	1
Agree	2
Disagree	3
Completely Disagree	4
Don't know/Refuse to answer	-1 / -2

3.12. Starting 2019, the Horizontal Monitoring System (a cooperative voluntary mechanism between the large taxpayers and tax administration) came into effect. Do you know what the Horizontal Monitoring is and its goals?

Yes	1	
No	2	⇒ 3.14

3.13. If the answer to the previous question is YES then, do you think that the implementation of the Horizontal Monitoring:

	Completely Disagree	Disagree	Agree	Fully Agree	DK/RA
Increases the tax compliance	1	2	3	4	-1/-2

Benefits the company from establishing enhanced internal tax control	1	2	3	4	-1/-2
Provides legal and planning security for both companies and the tax administration	1	2	3	4	-1/-2
Improves the image of all stakeholders	1	2	3	4	-1/-2
Is useful to increase the mutual trust between tax administration and companies	1	2	3	4	-1/-2

3.14. Have you ever used the services of SRC Training Center or other tax related training providers?

	Yes	No
SRC Training Center	1	2⇒3.16
Other tax related training providers	1⇒3.12	2⇒3.16

3.15. (Card 3.15) Please rate the quality of work of the RA SRC Training Center responding to the following viewpoints to the extent you agree with. Please use a scale of 1-4, where “1” means "Completely Disagree" and “4” means "Fully Agree".

		Fully Agree	Agree	Disagree	Completely disagree	DK/RA
1.	Topics included in the Curriculum/agenda of the SRC Training Center are always pertinent/up-to-date	1	2	3	4	-1/-2
2.	Dissemination of information about seminars is quite effective	1	2	3	4	-1/-2
3.	The trainers are professionals and the answers to the questions posed are explicit and complete	1	2	3	4	-1/-2
4	They are considering the suggestions and remarks of the trainees after each training					
5.	The SRC training courses are more useful and effective than those of similar services providers of the private sector	1	2	3	4	-1/-2

3.16. Please tell us if you used the services of the SRC "Call Center" ("Hot Line") and share your opinion on the quality of work of the Center, responding to the following viewpoints to the extent you agree with. Please use a scale of 1-4, where “1” means "Completely Disagree" and “4” means "Fully Agree".

		Fully agree	Agree	Disagree	Completely disagree	I have not used	DK/RA
1.	Call Center services are accessible; the phone calls are promptly responded.	1	2	3	4	5	-1/-2
2.	The specialists who respond to the calls are professionals who answer the questions in a clear and explicit manner	1	2	3	4	5	-1/-2

3.	The responses provided by the Call Center are effective so that there does not emerge a further need to apply to tax-related consulting companies	1	2	3	4	5	-1/-2
4.	The Call Center has a FAQ list and it helps the quick categorization of questions received and provision of the same /identical answers	1	2	3	4	5	-1/-2

3.17. Please tell us if you used the services of Taxpayers Service Centers and rate the quality of their work responding to the following viewpoints to the extent you agree with, using a scale of 1-4, where “1” means "Completely Disagree" and “4” means "Fully Agree".

		Fully agree	Agree	Disagree	Completely disagree	I have not used	DK/RA
1.	Information posted on the walls of service centers is regularly updated; taxpayers can use that information for assessing the tax consequences of their transactions	1	2	3	4	5	-1/-2
2.	Service centers have a queue control panel and it promotes quality service provision	1	2	3	4	5	-1/-2
3.	Service rendering specialists serve as public service providers rather than representatives of inspection and punitive unit.	1	2	3	4	5	-1/-2
4.	To express their opinion on customer service quality, taxpayers usually use anonymous evaluation equipment installed at service centers	1	2	3	4	5	-1/-2
5.	Tax information terminals available at service centers are functional and used by taxpayers and service center specialists	1	2	3	4	5	-1/-2

3.18. Let us talk about the Consolidated Treasury Account: to what extent do you agree with the following viewpoints? Please rate using a scale of 1-4, where “1” means "Completely Disagree" and “4” means "Fully Agree".

		Fully agree	Agree	Disagree	Completely disagree	DK/RA
1.	The availability of Consolidated Treasury Account enables accessing 24/7 online information on taxpayers’ tax obligations/responsibilities.	1	2	3	4	-1/-2
2.	Thanks to this account, non-formal claims / exhortation by tax authorities for overpayments are ruled out, because additional payments are not considered as state budget revenue.	1	2	3	4	-1/-2
3.	Thanks to the Consolidated Account, the mechanisms for recalculations done as a result of accurate reports submission, and calculation of penalties for overdue liabilities have been simplified.	1	2	3	4	-1/-2

3.19. Are those who carry out tax administration (taxpayer service centers, data processing performers, analysis and monitoring, departments/units that apply tax audits and other means of impact) professional and honest while performing their functions?

Definitely Yes	1
Yes	2
No	3
Not at all	4
DK/RA	-1 / -2

3.20. Have you contacted the SRC in the last 12 months?

Yes	1	
No	2	⇒3.23

3.21. If you contacted the SRC in the last 12 months, then how many times did you use the following methods of contacting? (Interviewer: one answer per row)

	Did not use	Once	2-3 times	4-5 times	More than 5 times
Telephone	1	2	3	4	5
Letter	1	2	3	4	5
E-mail	1	2	3	4	5
Visiting in person	1	2	3	4	5
Entering the SRC Site to leave a comment/ask question	1	2	3	4	5
Other (Specify)_____	1	2	3	4	5

3.22. If you have contacted the SRC using any of the methods listed above, please state the reason for contacting. Please select up to 5 options.

Clarification on usage of Electronic systems	1
Clarification on legislation	2
Filling out tax reports	3
Clarification on tax obligation calculation in the Taxpayer 3 system	4
Registering employees	5
Updating my personal details (including authorized person data)	6
Other (Specify)	7

3.23 (CARD 3.23) What are your main sources of receiving information about the changes in tax system/procedures? [Interviewer: Accept up to three responses, writing first, second and third responses in right column]

1	Directly the tax bodies /notifications/	
2	The website of the Tax Service /www.petakamutner.am/	
3	Official bulletins (information systems, arlis.am, irtek.am)	
4	A written inquiry to the SRC of the Republic of Armenia for obtaining information	
5	Consultancy companies	
6	Other persons/businesses	
7	Public agencies involved in protection of rights	

8	Printed sources	
9	Electronic media	
10	Social networks (Facebook, LinkedIn, Twitter...)	
11	Mass media (TV, radio)	
12	Call center	
13	None of the above [Do not read]	
14	Other (please specify)	
	DK/RA	-1 / -2

3.24. (CARD 3.24) Please mention, what is the preferable and most reliable way of receiving information issued by a tax body? [Interviewer: Accept up to three responses, writing first, second and third responses in right column]

1.	Directly the tax bodies /notifications/	
2.	The website of the Tax Service /www.petakamutner.am/	
3.	Official bulletins (information systems, arlis.am, irtek.am)	
4.	A written inquiry to the SRC of the Republic of Armenia for obtaining information	
5.	Consultancy companies	
6.	Other persons/businesses	
7.	Public agencies involved in protection of rights	
8.	Printed sources	
9.	Electronic media	
10.	Social networks (Facebook, LinkedIn, Twitter...)	
11.	Mass media (TV, radio)	
12.	Call center	
13.	None of the above [Do not read]	
14.	Other (please specify)	
	DK/RA	-1 / -2

3.25. What is your ONE preferred communication channel to get notifications from SRC about your tax obligations?

SMS message	1
File on-line system	2
E-mail	3
Phone call (from call center)	4
Letter in mail	5
Visits or phone calls from tax officials	6
Other (please specify)	7
DK/RA	-1/-2

3.26. How many notifications have you received from the following channels in the last 12 months?

	Never	1-2	3-5	6-11	12+	DK/RA
File on-line system	0	1	2	3	4	-1/-2
E-mail	0	1	2	3	4	-1/-2
Letter in mail	0	1	2	3	4	-1/-2
Visits from tax officials	0	1	2	3	4	-1/-2

Other (please specify)	0	1	2	3	4	-1/-2
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3.27. In general, how clear was the content of these notifications/messages?

Not clear at all	1
Somewhat clear	2
Completely clear	3
RA	-2

3.28. Do you think SRC’s way/manner/ of communication with taxpayers improved within the last 12 months?

Definitely yes	1
Yes, to some extent	2
Stayed about the same	3
Has not improved	4
Has become worse	5
DK/RA	-1/-2

3.29. In 2019 the SRC adopted a Unified Standard of services to taxpayers. Are you aware on that Standard? If yes, please assess if it is important for you?

	Awareness	Helpfulness
Yes	1	1
Partially	2	2
No	3	3
DK/NR	-1/-2	-1/-2

3.30. To what extent do you agree with the following statement: “While administering the tax system, SRC discriminates against taxpayers on the following grounds? (Use a scale of 1 to 4, where “1” means “Completely Disagree” and “4” means “Fully Agree”).

	Completely Disagree	Somewhat Disagree	Somewhat Agree	Fully Agree	DK/RA
Gender of the owner/director	1	2	3	4	-1/-2
- women	1	2	3	4	-1/-2
- men	1	2	3	4	-1/-2
Socio-Economic Status of the owner/founder/director	1	2	3	4	-1/-2
Business sector	1	2	3	4	-1/-2
Company’s board composition	1	2	3	4	-1/-2
Company’s origin (local, foreign, joint venture)	1	2	3	4	-1/-2

3.31. (CARD3.31) In your opinion, to what extent the delivery of the following services by the SRC contributes to the improvement of the public trust in SRC? Use a 1-5 scale, where ‘1’ means “Does not contribute at all” and ‘5’ means “Fully contributes”.

	Does not contribute at all	Does not contribute	Has no influence	Contributes	Fully contributes	DK/RA
Control over involvement in entrepreneurial activity without state registration and/or without a license (illegal activity)	1	2	3	4	5	-1/-2
Increasing the efficiency of tax control and customs control activities	1	2	3	4	5	-1/-2
Providing an effective platform for cooperation between the taxpayers and SRC	1	2	3	4	5	-1/-2
Improving the quality of public services	1	2	3	4	5	-1/-2
Other (specify _____)	1	2	3	4	5	-1/-2

3.32. The Government of RA recently accepted Strategy of tax administration for 2020-2024 years. Have you been following discussions on it and/or are you interested to learn about it?

Yes, I was following discussions about that draft governmental decision	1
No, I didn't, but am interested to follow to learn and follow its implementation	2
I don't know about it and am not interested	3
Refuse to answer	-1

3.33. Do you think new mobile application development for on-line submission of tax returns and reception of notifications from the tax administration will be useful to make the interaction between the taxpayers and tax administration more effective?

Yes	1
No	0
DK/RA	-1/-2

3.34. What new services do you think should be delivered by the SRC?

New services:

OR

deliver the existing services in the following way:

4. ATTITUDE ON THE MEANS OF INFLUENCE ON TAXPAYERS

Now let's turn to the next set of questions. We'd like to hear your/your organization's opinions on the means of influence of the tax authorities on taxpayers.

4.1. Please, tell me, did any tax inspection (study) take place in your organization/ business during 2018-2019?

Yes	1	⇒4.3
No	0	
DK/RA	-1/-2	

4.2. What kind of tax inspection (audit, study, measurement) has been performed in your organization/business during 2018-2019? [Interviewer: accept one response per line]

	Yes	No ⇒4.5	Not applicable	DK/RA	
Complex Tax Inspection/tax audit	1	0	3	-1/-2	⇒4.5
Based on the application about VAT return or clearing	1	0	3	-1/-2	
Cross checking	1	0	3	-1/-2	
Checking of any unregistered employees	1	0	3	-1/-2	
Checking of cash receipts	1	0	3	-1/-2	
Other (specify _____)	1	0	3	-1/-2	

4.3.(CARD4.3) Please, mention to what extent you are informed about your rights related to the tax inspections (studies, measurements) using a scale of 1 to 5, where ‘1’ means “Completely not informed” and ‘5’ means “Fully informed”?

Absolutely not informed	1
Mostly not informed	2
Somewhat informed	3
Mostly informed	4
Fully informed	5
DK/RA	-1 / -2

1.4. (CARD4.4) Please, mention to what extent you are able to exercise your rights using a scale of 1 to 5, where ‘1’ means “Completely unable” and ‘5’ means “Fully able”?

Completely unable	1
Unable	2
It varies depending on circumstances	3
Able	4
Fully able	5
DK/RA	-1 / -2

4.5. (CARD4.5) Which of the below items are the negative sides of tax inspections for your business. [Interviewer: accept up to three responses]

Mainly the lengthy, time-consuming process	1
Formal approach and negligence of the content of operations	2
Presumption of guilt of the tax payer from the very beginning	3
Creating panic by the tax inspector	4
Other (specify _____)	5
None of the above [Do not read]	6
DK/RA	-1/-2

4.6. (CARD4.6) Which of the below items are the positive sides of tax inspections for your business? [Interviewer: accept up to three responses]

Seeing another side-by-side assessment of company’s performance	1
Seeing own mistakes and correcting them	2

“Riddance” without penalties and additional taxes creates a feeling of satisfaction for the paid debts	3
Strengthens the team spirit of the staff	4
Improves the relationship with tax bodies for future	5
Other (specify _____)	6
None of the above [Do not read]	7
DK/RA	-1/-2

4.7. Have you ever expressed your disagreement about the results of tax inspections?

Yes	1	⇒4.10
No, because I did not have a disagreement with the results	0	
No, though I had disagreements, I did not express them (appeal)	2	
There were no inspections	3	
DK/RA	-1/-2	

4.8. What steps have you taken up for cases when you have disagreed with the tax inspection results?

[Interviewer: accept one response per line]

	Yes	No	DK/RA
Presented disagreement on the draft inspection act	1	0	-1/-2
Presented objection on the inspection act to the appeal commission of the tax body	1	0	-1/-2
Turned to the court	1	0	-1/-2
Expressed the dissatisfaction in friends' company	1	0	-1/-2

4.9. (CARD4.9) Please, tell me how satisfied you are regarding the following procedures. Use a scale of 1-5, where ‘1’ means “Fully dissatisfied” and ‘5’ means “Fully satisfied”? [INTERVIEWER: Accept one response per line. If there are no answers or not applicable then, write 0]

	Code	DK/RA
In the process of the discussion of the Tax inspection draft act		-1/-2
In the process of appealing the Tax inspection act in the Appeal Commission of the SRC		-1/-2
During the court trial		-1/-2

4.10. Are you aware that according to the law, tax inspections and investigations are carried out through a domestic software program within SRC based on the assessed risk indicators?

Yes	1	⇒ 4.14
No	0	
Refuse to answer	-2	

4.11. Do you agree that the risk indicators assessment through the software program is carried out fairly and impartially according to the procedure established by Law and specially defined methodology?

Definitely Yes	1
Yes	2
No	3

Not at all	4
DK/RA	-1 / -2

4.12. Have you received a notification from the RA SRC Monitoring Center stating that your (taxpayer's) behavior/conduct has a risk of transactions done through cash registers and (or) settlement documents?

Yes, I have received	1	⇒ 4.14
No, I have not received	0	
I do not know what it is notification from the Monitoring Center	2	
DK/RA	-1 / -2	

4.13. Have you accepted (agreed on) the credibility of the notified risks on those transactions that were identified as a result of tax risks monitoring process?

Definitely Yes	1
Yes	2
No	3
Not at all	4
DK/RA	-1 / -2

4.14. Would you like to receive notifications from the RA SRC that will expose to you the risks related to your activity, enabling you to eliminate the reasons that generate those risks in a work routine format?

Yes	1
No	2
DK/RA	-1 / -2

4.15. Functions of tax administration include submission of tax internal study records by the tax authority to the taxpayer as a result of internal analysis conducted by the tax body, as well as monitoring of other information available in the tax body's database and tax reporting. With that regard, to what extent do you agree with the following viewpoints? Please rate based on your and your partners experience using a scale of 1-4, where "1" means "Completely Disagree" and "4" means "Fully Agree".

		Don't know what it is	Completely Disagree	Disagree	Agree	Fully Agree	DK/RA
1.	Analysis mentioned in the internal study records sent to taxpayers is appropriate for at least half of the cases	0	1	2	3	4	-1/-2
2.	The quality of the internal study records has increased over the last eighteen months. There are rare cases among them that are formally sent	0	1	2	3	4	-1/-2
3.	In response to internal study, taxpayers' arguments are taken into account by the employees of tax bodies, through feedback and verbal or written communication included	0	1	2	3	4	-1/-2

4.16. To what extent do you agree with the following viewpoints related to tax influence means/activities of collecting money in case of delaying the payment of taxes? Please rate using a scale of 1-4, where “1” means "Completely Disagree" and “4” means "Fully Agree".

	Completely Disagree	Disagree	Agree	Fully Agree	DK/RA
Charges for tax liabilities amounts, applying ban and forced taxation works are <i>clear</i>	1	2	3	4	-1/-2
Charges for tax liabilities amounts, applying ban and forced taxation works are <i>fair</i>	1	2	3	4	-1/-2
Charges for tax liabilities amounts, applying ban and forced taxation works are <i>equally applied for all</i>	1	2	3	4	-1/-2

5. ORGANIZING TAX OPERATIONS IN BUSINESS AND BUSINESS PROSPECTS

In the last section of the questionnaire we would like to ask a few more questions to learn on organization of tax operations in your company/organization.

5.1. Who is responsible for accounting in the organization? [Interviewer: more than one response possible]

Permanent accountant(s) _____	1	How many permanent accountants do you have? _____
Accountancy is done by another outsourcing organization/ person	2	
I am responsible for accounting	3	
Other (partially outsourced, partially done by the accountant/respondent)	4	

5.2. How does the company deal with tax-related tasks (accounting, filing declarations, responding to requests/notifications from SRC, etc.)?

Directly by the company	1
Through an accounting outsourcing organization/ person	2
Both directly and through accounting outsourcing organization/ person	3
DK/RA	-1/-2

5.3. Does your company have a Tax Strategy? If yes, who does develop and approve it?

Open question _____

5.4. Please tell us a little about the current tax manager (responsible for tax matters person) at your company?

		up to 3 years	More than 3, but less than 5 years	5-10 year	10+ years	DK
1	For how many years has the current tax manager been holding the position/function?	1	2	3	4	-1
2	Is the person male or female?	Male 1		Female 2		

5.5. To what extent do you agree with the following statements? Please rate using a scale of 1-4, where “1” means "Completely Disagree" and “4” means "Fully Agree"

	Completely Disagree	Disagree	Agree	Fully Agree	DK/RA	N/A
I think there is an adequate number of women in the Tax management (responsible persons for tax matters in accounting and legal departments) of the companies	1	2	3	4	-1/-2	-5
I would like to see more women in the managerial positions in the tax department	1	2	3	4	-1/-2	-5
The wage gap between men and women engaged in the Tax management is essentially disfavoring women	1	2	3	4	-1/-2	-5
Most of the companies in Armenia have policies that promote gender equality	1	2	3	4	-1/-2	-5
In our company women have equal opportunities like men	1	2	3	4	-1/-2	-5

5.6. Do you use the service of a paid consultant, *external* audit and had composed *internal* audit function? [Interviewer: accept one response per line]

	Yes	No	DK/RA
Tax consultant	1	0	-1/-2
Customs consultant	1	0	-1/-2
Legal consultant	1	0	-1/-2
Business consultant	1	0	-1/-2
External independent auditor	1	0	-1/-2
Accounting consultant	1	0	-1/-2

5.7. According to rough calculations, how much do you spend per year for maintaining tax accounting and preparing tax reporting, dealing with other tax compliance issues?

_____	Million AMD
DK/RA	-1 / -2

5.8. According to rough calculations how much money do you approximately spend yearly on trainings on tax and related topics?

0	1
Up to 300 000 AMD	2
300 001-580 000 AMD	3
580 001-1 020 000 AMD	4
Over 1 020 001 AMD	5
DK/RA	-1 / -2

5.9. How would you characterize the financial position of your company/business in the current fiscal year?

Very poor (major losses during the previous year)	1
Poor (certain losses during the previous year)	2
Stable	3
Good (certain profit during the previous year)	4
Very good (major profit during the previous year)	5
DK/RA	-1 / -2

5.10. How would you describe the perspectives of your organization/business over this and the upcoming two years?

Very poor (major decrease is expected)	1
Poor (moderate decrease is expected)	2
Stable	3
Good (moderate expansion is expected)	4
Very good (major expansion is expected)	5
DK/RA	-1 / -2

5.11. Gender of the respondent.

Male	1
Female	2

5.12. How old are you? [age] _____

5.13. Respondent's education [**Interviewer**, don't read out the answers]

Secondary	1
Preliminary vocational	2
Secondary vocational	3
Student	4
Bachelor decree	5
Master decree	6
Scientific Degree	7
DK/RA	-1/-2

Thank you

Let us know if you have any questions, suggestions, and comments to make/pass.

End of interview [**INTERVIEWER: USE A 24-HOUR REGIME**] Hour |__|__| |__|__| Min.

ANNEX 2. SIMPLE FREQUENCY TABLES

Note 1: The number of the table corresponds to the question number of the questionnaire.

Note 2: If there is no other note, all data is presented as a whole (N=610)

Table 1.1.

What is your position (basic responsibility) in your organization?		
Position	Frequency	Percent
I am an Individual Entrepreneur	195	32.0
Chief Accountant	148	24.3
Shareholder/Owner	134	22.0
Executive Director/Executive President/Vice-president	104	17.0
Financial Manager	17	2.8
Member of the Board of Directors	4	0.7
Manager / Clerk	2	0.3
Bookkeeper	2	0.3
Head of Legal Service	1	0.2
Human Resource Manager	1	0.2
Deputy Executive Director	1	0.2
Authorized person	1	0.2
Overall	610	100.0

Table 1.2.

How many years has your business/organization been actually (actively) operating in Armenia?		
Years	Frequency	Percent
Up to 1 year	3	0.5
1 – 3 years	155	25.4
4 – 6 years	118	19.3
7 – 10 years	105	17.2
11 – 15 years	86	14.1
More than 15 years	143	23.4
Overall	610	100.0

Table 1.3.

What is the organizational-legal status/form of your business?		
	Frequency	Percent
Limited liability company	326	53.4
Individual entrepreneur	220	36.1
Closed joint stock company	51	8.4
Open joint-stock company	7	1.1
Production cooperative	4	0.7
Branch of a foreign legal entity	2	0.3
Overall	610	100.0

Table 1.4.

Who is the biggest shareholder/owner of your business?		
	Frequency	Percent
Physical person from Armenia	334	54.8
I am an individual entrepreneur	219	35.9
The state	17	2.8
A foreign organization	10	1.6
Another Armenian organization	8	1.3
Physical person from abroad	7	1.1
A local self-government body	4	0.7
Refuse to answer	11	1.8
Overall	610	100.0

Table 1.5.

And what is the main type of your business operations?		
	Frequency	Percent
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	228	37.4
Other service activities	91	14.9
Manufacturing	45	7.4
Human health and social work activities	34	5.6
Construction	30	4.9
Accommodation and food service activities	27	4.4
Electricity, gas, steam and air conditioning supply	19	3.1
Professional, scientific and technical activities	19	3.1
Information and communication	16	2.6
Agriculture, Forestry and Fishing	16	2.6
Transportation and storage	14	1.8
Real Estate Activities	12	1.8
Arts, entertainment and recreation	11	1.6
Financial and insurance activities	11	1.3
Education	10	1.1
Mining and Quarrying	8	0.7
Water supply; sewerage, waste management and remediation activities	7	0.5
Repair of computers and personal and household goods	4	0.3
Activities of extraterritorial organizations and bodies	3	0.3
Administrative and support service activities	2	0.2
Refuse to answer	2	2.3
Don't know	1	2.0
Overall	610	100.0

Table 1.7.

Has the corporate governance system (distribution of authorities between the shareholders, board of directors, committees next the Board, the executive director, an internal audit function, etc.) been actually launched in your organization?		
	Frequency	Percent
No	469	76.9
Yes	82	13.4
I do not know what it is	27	4.4
Refuse to answer	20	3.3
Don't know	12	2.0
Overall	610	100.0

Table 1.9.

In your company which bodies are the decision makers in tax-related issues?		
	Frequency	Percent
Executive Director	213	34,9
I am an Individual Entrepreneur	207	33,9
Largest shareholder	87	14,3
Shareholders	56	9,2
Board of Directors	17	2,8
Accountant/Financial Manager	8	1,3
Director / Individual Entrepreneur/ Accountant / Accounting Company / Head of Financial Department	6	1,0
Refuse to answer	4	0,7
Don't know	12	2,0
Overall	610	100.0

Table 1.8.

Is the executive director of your enterprise simultaneously also one of the main shareholders/owners?		
	Frequency	Percent
Yes	337	55.2
No	154	25.2
Refuse to answer	18	3.0
Don't know	15	2.5
Not applicable	86	14.1
Overall	610	100.0

Table 1.10.

Does your organization have a “law-abiding tax payer” status granted by the RA State Revenue Committee (SRC)?		
	Frequency	Percent
No	401	65.7
Yes	55	9.0
Refuse to answer	6	1.0
Don't know	148	24.3
Overall	610	100.0

Table 1.11.

Please mention which of the following types of taxes are paid by your business?					
	Yes	No	Refuse to answer	Don't know	Total
Profit tax	58,4	38,0	1,8	1,8	100.0
Value added tax	43,6	56,1	0,2	0,2	100.0
Excise tax	8,7	87,7	2,0	1,6	100.0
Unified income tax (income tax and compulsory social payment)	86,7	10,5	1,8	1,0	100.0
Property tax	38,4	57,4	2,0	2,3	100.0
Land tax	25,4	70,0	2,0	2,6	100.0
Turnover Tax	33,3	63,8	1,3	1,6	100.0
Environmental and natural resource use fees	23,0	71,5	2,0	3,6	100.0

Table 1.11.1.

How much was the turnover of your business in 2019?		
	Frequency	Percent
Up to 100 million AMD	311	51.0
100 million AMD - 500 million AMD	154	25.2
500 million AMD - 1.5 billion AMD	77	12.6
More than 1.5 billion AMD	41	1.8
Refuse to answer	16	6.7
Don't know	11	2.6
Overall	610	100.0

Table 1.12.

Is your business engaged in importing/exporting goods/services?	
Import	18.6
Export	2.0
Both	6.9
None	72.5
Refuse to answer	0.3
Don't know	0.2
Percent	100.0

Table 1.13.

Is your organization a member of any union, association? (new 2019) If yes, which of the following associations/networks are you a member of or plan to join?				
	Yes, a member	No, but plan to join	No	Percent
Chamber of commerce and industry (ARMCCI)	1,2	5,5	93,4	100.0
American Chamber of Commerce Armenia (AmCham)	1,2	4,6	94,2	100.0
Union of Manufacturers and Businessmen of Armenia (UMBA)	0,8	4,7	94,4	100.0
Republican Union of Employers of Armenia (RUEA)	0,7	4,4	94,9	100.0
European Business Association Armenia (EBA)	0,5	4,9	94,6	100.0
Union of Advanced Technology Enterprises (UATE)	0,3	4,9	94,7	100.0
Armenian Trade Network (ATN)	0,2	5,1	94,7	100.0
Women Entrepreneurs Network https://businesswoman.am/	0,2	5,8	94,1	100.0
Armenian Young Women's Association (AYWA) https://aywa.am/	0,2	4,8	95,1	100.0
Armenian International Women's Association (AIWA)	0,2	5,1	94,7	100.0
Protection for Taxpayers NGO	0,0	6,1	93,9	100.0

Table 1.14.

What is the share of women at managerial positions, including Board Members, at your company?		
	Frequency	Percent
0-25%	324	53,1
26%-50%	44	7,2
51%-75%	12	2,0
75%+	116	19,0
Refuse to answer	67	11,0
Don't know	47	7,7
Overall	610	100.0

Table 1.15.

Does your company have a Gender equality policy (any code(s) of ethics, harassment prevention procedures, mechanisms to assure equal wages for women and men, etc.? If yes, since when?		
	Frequency	Percent
Yes	37	6,1
No	469	76,9
Refuse to answer	46	7,5
Don't know	58	9,5
Overall	610	100.0

Table 2.1.

Are you aware of the Social Council of Revenue Administration Reforms of the RA State Revenue Committee?		
	Frequency	Percent
Yes	165	27,0
No	431	70,7
Refuse to answer	14	2,3
Overall	610	100.0

Table 2.2.

How useful is the work of the Social Council of Revenue Administration Reforms of the RA State Revenue Committee in (terms of) communicating with tax payers?		
	Frequency	Percent
Very useful	27	16,4
Useful	93	56,4
It has no influence	13	7,9
Not useful	2	1,2
I don't know what it is	6	3,6
Refuse to answer	4	2,4
Don't know	20	12,1
Overall	165	100.0

Table 2.3.

What share (in %) of the turnover for the entire economic activity like your business do you believe remains unreported to the tax authorities?		
	Frequency	Percent
0%	167	27,4
1%-25%	30	4,9
26%- 50%	12	2,0
More than 50%	10	1,6
Refuse to answer	49	8,0
Don't know	342	56,1
Overall	610	100.0

Table 2.6.

In your opinion, how important is each of the following to motivate taxpayers like you to declare and pay their taxes honestly?						
	Very important	Somewhat important	Not at all important	Refuse to answer	Don't know	Percent
Contribution as an active citizen (responsibility)	60.5	20.8	4.6	3.9	10.2	100.0
Acquiring good reputation	57.5	20.8	9.7	3.3	8.7	100.0
Contributing to the business development, expansion	51.3	21.6	12.5	3.3	11.3	100.0
Knowledge that all taxpayers are being treated equally (with respect to audits, fines, etc.)	44.1	21.6	13.8	3.6	16.9	100.0
Interest rates for overdue taxes	36.9	31.6	15.1	3.9	12.5	100.0
Fears of fines and penalties associated with non-compliance	34.4	34.6	16.4	3.6	11.0	100.0
Knowledge that others are paying their taxes	27.9	21.3	29.2	4.3	17.4	100.0
Fear of being audited	26.7	35.1	21.3	4.3	12.6	100.0

Table 2.7.

Which dimension of the reforms of tax administration do you consider to be essential for the improvement of business environment?			
	First	Second	Third
Tax payers service	42,6	20,6	9,8
Tax examination	17,4	22,6	8,2
Instrumental tools/system of ensuring fulfillment of tax liabilities	11,1	10,2	17,1
System of liabilities used in case of tax violations	6,2	13,2	19,5
System of appeals against actions or inactivity of tax officers	3,9	7,2	6,7
Other	3,8	25,4	37,5
None of them	0,7	0,9	1,2
Refuse to answer	2,1		
Don't know	12,1		
Overall	100.0	100.0	100.0

Table 2.12.

In your opinion, what is the most disadvantage of tax code/law abidance on the business in general?		
	Frequency	Percent
Our income will be reduced since we cannot raise adequately the prices of our products/services	115	18,9
Downturn in business, loss of customers	86	14,1
No matter, we continue dealing with the unfair and unequal attitude from the tax body. I don't think the tax body will notice and encourage the change in my behavior	71	11,6
Does not matter, others will not pay, so we are going to suffer in terms of competition	46	7,5
Other	8	1,3
No negative consequence	142	23,3
Refuse to answer	24	3,9
Don't know	118	19,3
Overall	610	100.0

Table 2.13.

If a taxpayer does not report all of income in order to pay less taxes, what do you think the penalties/sanctions should be?		
	Frequency	Percent
Current sanctions/penalties are fair enough	267	43,8
The sanctions/penalties should be more severe than what they are now	119	19,5
The sanctions/penalties should be less severe than what they are now	95	15,6
Refuse to answer	19	3,1
Don't know	110	18,0
Overall	610	100.0

Table 2.14.

Do you think that taxpayers/firms like yours using loopholes in legislation to reduce their tax bill is		
	Frequency	Percent
Completely unacceptable	82	13,4
Somewhat unacceptable	52	8,5
Neither/Nor	127	20,8
Somewhat acceptable	125	20,5
Completely acceptable	75	12,3
Refuse to answer	20	3,3
Don't know	129	21,1
Overall	610	100.0

Table 2.15.

In your opinion, has the behavior/attitude of SRC tax and customs authorities towards their job and taxpayers improved within the last year?							
		Definitely Yes	Yes	No	Not at all	Don't know/RA	Percent
Tax authorities	Towards their job	12,1	31,8	4,3	1,3	50,5	100.0
	Towards taxpayers	23,1	51,1	9,3	2,8	13,6	100.0
Customs authorities	Towards their job	6,9	21,3	3,8	0,7	67,4	100.0
	Towards taxpayers	14,1	34,3	7,9	1,6	42,1	100.0

Table 3.1.

Using a scale of 1-4, where '1' means "Completely useless" and '4' means "Very useful", how would you assess the following services delivered by the RA Tax Service?						
	Very useful	Useful	Useless	Completely useless	Don't know/RA	Percent
E-System of Report Submission	55,2	36,2	0,7	0,0	7,9	100.0
E-invoicing system	52,3	36,7	0,7	0,2	10,2	100.0
Online notification system	42,8	44,8	2,3	0,0	10,2	100.0
RA tax payers search system	40,3	43,1	1,5	0,3	14,8	100.0
Online correspondence system	39,5	45,7	2,5	0,5	11,8	100.0
Call center /Hot line	33,9	43,4	3,4	2,3	16,9	100.0
Tax calendar	33,8	46,4	2,1	0,2	17,5	100.0
E-mail delivery system	33,1	47,0	2,6	0,5	16,7	100.0
Law-abiding Taxpayers Registration System	26,9	41,1	3,4	1,5	27,0	100.0
Electronic system of label attribution	23,9	35,6	2,5	1,1	36,9	100.0

Table 3.2.a.

How do you rate the quality of e-services (electronic services) that are rendered to you by the tax bodies? Use a scale of 1 to 5, where "1" means "Very Bad" and "5" means "Very Good"?							
	Very Good	Good	Satisfactory	Bad	Very Bad	Don't know/RA	Percent
E-System of Report Submission	28,5	41,3	18,2	2,0	1,0	9,0	100.0
E-invoicing system	27,9	44,3	14,9	2,0	0,2	10,8	100.0
RA tax payers search system	23,8	42,5	16,2	0,7	0,5	16,4	100.0
Online notification system	22,6	46,9	17,0	1,0	0,5	12,0	100.0
Online correspondence system	21,6	44,4	16,4	2,5	0,7	14,4	100.0
Tax calendar	21,3	44,6	13,8	0,5	0,3	19,5	100.0
E-mail delivery system	20,3	42,3	15,9	1,1	0,2	20,2	100.0
Call center /Hot line	18,5	31,6	23,3	4,4	4,1	18,0	100.0
Law-abiding Taxpayers Registration System	17,2	34,3	12,3	1,3	0,7	34,3	100.0
Electronic system of label attribution	14,3	32,3	11,3	0,5	0,7	41,0	100.0

Table 3.2.b.

Please also point out the services that according to you should be updated in order to improve these services	
Call center /Hot line	19,8
E-System of Report Submission	17,8
None of them	15,0
E-invoicing system	12,3
Online correspondence system	7,2
Online notification system	6,9
RA tax payers search system	5,0
Law-abiding Taxpayers Registration System	4,7
Electronic system of label attribution	3,8
E-mail delivery system	3,5
Tax calendar	3,2
Other	0,8
Percent	100.0

Table 3.3.

Does the electronic system of services introduced by tax authorities promote the fulfilment of all of the tax obligations?		
	Frequency	Percent
Definitely Yes	104	17,0
Yes	350	57,4
It has no influence	53	8,7
No	13	2,1
Not at all	4	0,7
Refuse to answer	3	0,5
Don't know	83	13,6
Overall	610	100.0

Table 3.4.

Which of the below mentioned new online services rendered by tax authorities are you aware of?				
	Yes	No	Refuse to answer	Percent
Consolidated Treasury account for all types of taxes	80,3	15,6	4,1	100.0
Possibility of paying taxes electronically	74,1	22,6	3,3	100.0

Table 3.5.

Which of the below mentioned new online services rendered by tax authorities are you aware of?							
	Definitely Yes	Yes	It has no influence	No	Not at all	Don't know/RA	Percent
Consolidated Treasury account for all types of taxes (n=490)	28,4	56,3	5,9	3,3	0,8	5,3	100.0
Possibility of paying taxes electronically (n=452)	23,2	65,6	60,0	8,2	0,0	0,0	100.0

Table 3.6.

How do you rate, in general, the initiatives undertaken by tax authorities over the last three years for the improvement of tax administration (introduction of various e-services, simplifications in tax calculation, automation of different tax procedures resulting with reduction of costs for taxpayers, etc.)?		
	Frequency	Percent
Very Positive	78	12,8
Positive	350	57,4
Satisfactory	126	20,7
Negative	7	1,1
Very Negative	2	0,3
Refuse to answer	8	1,3
Don't know	39	6,4
Overall	610	100.0

Table 3.7.

Please rate the following in terms of how the SRC treats taxpayers in Armenia							
	Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree	Refuse to answer	Don't know	Percent
SRC treats women/female taxpayers similarly as men/male taxpayers	44,1	16,4	3,9	2,1	2,5	31,0	100.0
SRC inspects taxpayers based on objective criteria	29,3	28,2	8,2	4,1	2,8	27,4	100.0
SRC punishes all tax offenders equally, in accordance with the law	25,2	22,1	10,7	7,2	2,8	32,0	100.0
SRC treats all different categories of taxpayers equally	22,5	26,7	13,4	7,9	2,6	26,9	100.0

Table 3.8.

Please rate the levels of the following elements of the tax system							
	Very good	Good	Enough	Bad	Very Poor	Don't know/Refuse to answer	Percent
Tax authority's trustworthiness	5,9	28,4	39,3	4,9	1,3	20,2	100.0
Tax administration (implementation and enforcement of tax laws)	3,8	29,5	43,0	4,9	0,8	18,0	100.0
Tax inspections procedures	3,6	23,4	40,3	4,4	0,7	27,5	100.0
Tax legislation accessibility	3,3	24,9	42,1	14,3	4,4	11,0	100.0
Tax rates	3,1	22,1	44,4	16,9	3,1	10,3	100.0
Tax legislation clarity	2,5	22,8	44,1	13,6	4,9	12,1	100.0

Table 3.9.

In your opinion, what tax legislation issue hinders your business or businesses like yours the most?		
	Frequency	Percent
Unclear and unprecise wording of tax laws, ambiguous points	171	28,0
Frequent change of laws	166	27,2
Tax rates	140	23,0
Extensive number of laws, regulations and procedures	97	15,9
Other	3	0,5
None of them	23	3,8
All of them	2	0,3
Don't know	8	1,3
Overall	610	100.0

Table 3.10.

According to you, how easy or difficult are the following SRC related procedures in general?						
	Very easy	Somewhat easy	Somewhat difficult	Very difficult	Don't know/RA	Percent
Registration as taxpayer	68,7	18,7	1,1	0,3	11,1	100.0
Payment of taxes	67,0	23,1	2,1	0,7	7,0	100.0
Obtaining tax certificate	67,0	17,4	1,3	0,5	13,8	100.0
Calculation of taxes, documentation/bookkeeping for tax purposes	50,3	33,3	3,6	0,7	12,1	100.0
Declaration/reporting of taxes	44,6	36,1	6,7	1,6	11,0	100.0
Reimbursement (e.g., of VAT)	23,9	23,1	5,2	3,1	44,6	100.0
Getting tax clarifications/guidance	22,8	34,8	22,5	5,6	14,4	100.0
Tax audits	19,3	33,8	12,1	5,1	29,7	100.0
Filing of complaints and getting appeal hearings	14,9	22,5	10,0	4,6	48,0	100.0

Table 3.11.

Since July 1, 2018, the eligibility of providing official tax-related clarifications has been transferred from SRC to the RA Ministry of Finance that is responsible for developing state revenue policy and legislation. To what extent do you agree that it has contributed to more clear performance of tax administration functions by SRC?	
Fully Agree	4,1
Agree	25,9
Disagree	7,5
Completely Disagree	3,0
Refuse to answer	3,1
Don't know	56,4
Percent	100.0

Table 3.12.

If the answer to the previous question is YES then, do you think that the implementation of the Horizontal Monitoring:		
	Frequency	Percent
No	504	82,6
Yes	106	17,4
Overall	610	100.0

Table 3.13.

If the answer to the previous question is YES then, do you think that the implementation of the Horizontal Monitoring:						
	Fully Agree	Somewhat agree	Somewhat disagree	Completely Disagree	Don't know/RA	Percent
Benefits the company from establishing enhanced internal tax control	37,7	40,6	2,8	4,7	14,2	100.0
Is useful to increase the mutual trust between tax administration and companies	34,9	40,6	2,8	4,7	17,0	100.0
Improves the image of all stakeholders	34,0	35,8	5,7	5,7	18,9	100.0
Provides legal and planning security for both companies and the tax administration	31,1	40,6	7,5	3,8	17,0	100.0
Increases the tax compliance	30,2	45,3	2,8	4,7	17,0	100.0

Table 3.14.

Have you ever used the services of SRC Training Center or other tax related training providers?			
	Yes	No	Percent
SRC Training Center	18,5	81,5	100.0
Other tax related training providers	29,8	70,2	100.0

Table 3.15.

Please rate the quality of work of the RA SRC Training Center responding to the following viewpoints to the extent you agree with. (n=113)						
	Fully Agree	Agree	Disagree	Completely Disagree	Don't know/RA	Percent
Dissemination of information about seminars is quite effective	21,2	69,0	0,9	2,7	6,2	100.0
Topics included in the Curriculum/agenda of the SRC Training Center are always pertinent/up-to-date	15,9	69,9	2,7	2,7	8,8	100.0
The trainers are professionals and the answers to the questions posed are explicit and complete	15,0	65,5	7,1	2,7	9,7	100.0
They are considering the suggestions and remarks of the trainees after each training	11,5	45,1	8,8	2,7	31,9	100.0
The SRC training courses are more useful and effective than those of similar services providers of the private sector	7,1	35,4	18,6	8,8	30,1	100.0

Table 3.16.

Please tell us if you used the services of the SRC Call Center; (Hot Line) and share your opinion on the quality of work of the Center, responding to the following viewpoints to the extent you agree with							
	Fully Agree	Agree	Disagree	Completely Disagree	I have not used	Don't know/ Refuse to answer	Percent
Call Center services are accessible; the phone calls are promptly responded.	4,6	31,8	26,1	9,2	13,8	14,6	100.0
The specialists who respond to the calls are professionals who answer the questions in a clear and explicit manner	6,4	40,2	18,4	3,4	13,8	17,9	100.0
The responses provided by the Call Center are effective so that there does not emerge a further need to apply to tax-related consulting companies	5,2	30,7	23,9	7,4	15,1	17,7	100.0
The Call Center has a FAQ list and it helps the quick categorization of questions received and provision of the same /identical answers	4,1	28,2	9,8	3,1	20,3	34,4	100.0

Table 3.17.

Please tell us if you used the services of Taxpayers Service Centers and rate the quality of their work responding to the following viewpoints to the extent you agree with							
	Fully Agree	Agree	Disagree	Completely Disagree	Don't know/Refuse to answer	Percent	
Information posted on the walls of service centers is regularly updated	6,1	33,0	6,6	1,3	53,1	100.0	
Service centers have a queue control panel and it promotes quality service provision	6,7	38,9	7,7	2,6	44,1	100.0	
Service rendering specialists serve as public service providers rather than representatives of inspection and punitive unit.	11,0	51,5	5,9	1,0	30,7	100.0	
To express their opinion on customer service quality, taxpayers usually use anonymous evaluation equipment installed at service centers	4,1	22,6	7,9	2,6	62,8	100.0	
Tax information terminals available at service centers are functional and used by taxpayers and service center specialists	4,6	31,0	5,7	1,3	57,4	100.0	

Table 3.18.

Let us talk about the Consolidated Treasury Account: to what extent do you agree with the following viewpoints?

	Fully Agree	Agree	Disagree	Completely Disagree	Don't know/Refuse to answer	Percent
The availability of Consolidated Treasury Account enables accessing 24/7 online information on taxpayers' tax obligations/responsibilities.	22,1	49,8	3,0	0,2	24,9	100.0
Thanks to the Consolidated Account, the mechanisms for recalculations done as a result of accurate reports submission, and calculation of penalties for overdue liabilities have been simplified.	19,3	50,3	4,8	0,8	24,8	100.0
Thanks to this account, non-formal claims / exhortation by tax authorities for overpayments are ruled out, because additional payments are not considered as state budget revenue.	16,9	50,7	3,1	0,5	28,9	100.0

Table 3.19.

Are those who carry out tax administration (taxpayer service centers, data processing performers, analysis and monitoring, departments/units that apply tax audits and other means of impact) professional and honest while performing their functions?

	Frequency	Percent
Definitely Yes	40	6,6
Yes	292	47,9
No	55	9,0
Not at all	16	2,6
Refuse to answer	22	3,6
Don't know	185	30,3
Overall	610	100.0

Table 3.20.

Have you contacted the SRC in the last 12 months?

	Frequency	Percent
No	203	33,3
Yes	407	66,7
Overall	610	100.0

Table 3.21.

If you contacted the SRC in the last 12 months, then how many times did you use the following methods of contacting? (Interviewer: one answer per row) (n=407)						
	More than 5 times	4-5 times	2-3 times	Once	Did not use	Percent
Telephone	38,8	12,8	29,5	8,8	10,1	100.0
E-mail	15,5	7,6	26,3	14,3	36,4	100.0
Visiting in person	11,5	4,2	20,4	20,9	43,0	100.0
Letter	10,6	3,2	18,2	10,3	57,7	100.0
Entering the SRC Site to leave a comment/ask question	2,0	1,0	4,4	4,9	87,7	100.0

Table 3.22.

If you have contacted the SRC using any of the methods listed above, please state the reason for contacting. Please select up to 5 options		
	Frequency	Percent
Clarification on legislation	267	36,6
Clarification on usage of Electronic systems	149	20,4
Filling out tax reports	117	16,0
Clarification on tax obligation calculation in the Taxpayer 3 system	49	6,7
Registering employees	44	6,0
Updating my personal details\	44	6,0
Other	29	4,0
Refust to answer	15	2,2
Don't know	16	2,1
Overall	610	100.0

Table 3.23.

What are your main sources of receiving information about the changes in tax system/procedures? (first, second and third choices combined)		
	Frequency	Percent
Official bulletins (information systems, arlis.am, irtek.am)	260	16,7
The website of the Tax Service /www.petakamutner.am/	226	14,5
Directly the tax bodies /notifications/	185	11,9
Other persons/businesses	143	9,2
Social networks (Facebook, LinkedIn, Twitter...)	90	5,8
Mass media (TV, radio)	78	5,0
Electronic media	62	4,0
Call center	60	3,9
Consultancy companies	50	3,2
A written inquiry to the SRC of the Republic of Armenia for obtaining information	48	3,1
Printed sources	14	0,9
Public agencies involved in protection of rights	2	0,1
None of them	252	16,2
Other	15	1,0
Do not know	46	3,0
Refuse to answer	23	1,5
Overall	1554	100.0

Table 3.24.

Please mention, what is the preferable and most reliable way of receiving information issued by a tax body?			
	1st	2nd	3rd
Directly the tax bodies /notifications/	25,1	14,6	9,1
Official bulletins (information systems, arlis.am, irtek.am)	15,2	14,8	12,5
The website of the Tax Service /www.petakamutner.am/	13,9	18,4	9,4
Social networks (Facebook, LinkedIn, Twitter...)	4,6	4,4	6,3
Other persons/businesses	4,3	4,4	4,3
Mass media (TV, radio)	3,6	4,9	6,3
Electronic media	3,4	5,5	5,7
Consultancy companies	3,0	2,7	2,0
Call center	2,8	3,8	8,0
A written inquiry to the SRC of the Republic of Armenia for obtaining information	2,6	3,2	3,7
Printed sources	1,3	1,7	1,7
Public agencies involved in protection of rights	0,2	0	0,6
None of the above	8,7	21,1	28,4
Other persons/businesses	0,8	0,4	2,3
Refuse to answer	2,6		
Don't know	7,9		
Percent	100.0	100.0	100.0

Table 3.25.

What is your ONE preferred communication channel to get notifications from SRC about your tax obligations?		
	Frequency	Percent
E-mail	402	65,9
SMS message	51	8,4
File on-line system	48	7,9
Phone call (from call center)	43	7,0
Letter in mail	20	3,3
Visits or phone calls from tax officials	6	1,0
Refuse to answer	7	1,1
Don't know	33	5,4
Overall	610	100.0

Table 3.26.

How many notifications have you received from the following channels in the last 12 months?							
	Never	1-2 times	3-5 times	6-11 times	12+	Don't know/refuse to answer	Percent
Visits from tax officials	66,1	17,0	3,0	1,0	0,7	12,3	100.0
File on-line system	54,1	19,7	4,4	1,3	1,3	19,2	100.0

Table 3.27.

In general, how clear was the content of these notifications/messages?		
	Frequency	Percent
Completely clear	297	63,9
Somewhat clear	153	32,9
Not clear at all	6	1,3
Refuse to answer	9	1,9
Overall	465	100.0

Table 3.28.

Do you think SCR's way/manner/ of communication with taxpayers improved within the last 12months?		
	Frequency	Percent
Definitely yes	177	29,0
Yes, to some extent	261	42,8
Stayed about the same	70	11,5
Has not improved	9	1,5
Has become worse	3	0,5
Refuse to answer	8	1,3
Don'e know	82	13,4
Overall	610	100.0

Table 3.29.

In 2019 the SRC adopted a Unified Standard of services to taxpayers. Are you aware on that Standard? If yes, please assess if it is important for you?						
	Yes	Partially	No	Refuse to answer	Don't know	Percent
Awareness	9,8	19,8	62,5	7,9	0,0	100.0
Helpfulness	32,0	41,6	4,5	1,7	20,2	100.0

Table 3.30.

To what extent do you agree with the following statement: “While administering the tax system, SRC discriminates against taxpayers on the following grounds?						
	Completely Disagree	Somewhat Disagree	Somewhat Agree	Fully Agree	Don't know/RA	Percent
Women	54,1	5,4	4,8	1,3	34,4	100.0
Men	54,9	5,6	4,8	1,1	33,6	100.0
Socio-Economic Status of the owner/founder/director	36,7	8,7	14,1	3,8	36,7	100.0
Business sector	28,9	10,0	19,5	3,1	38,5	100.0
Company's board composition	35,9	6,4	10,0	2,1	45,6	100.0
Company's origin (local, foreign, joint venture)	29,2	8,4	14,1	2,5	45,9	100.0

Table 3.31.

In your opinion, to what extent the delivery of the following services by the SRC contributes to the improvement of the public trust in SRC?							
	Fully contributes	Contributes	Has no influence	Does not contribute	Does not contribute at all	Refuse to answer	Percent
Control over involvement in entrepreneurial activity without state registration and/or without a license	13,3	39,5	3,3	5,7	5,9	32,3	100.0
Increasing the efficiency of tax control and customs control activities	12,8	49,0	3,1	2,3	1,0	31,8	100.0
Providing an effective platform for cooperation between the taxpayers and SRC	15,9	48,5	3,8	1,3	1,0	29,5	100.0
Improving the quality of public services	13,1	47,7	3,8	1,5	1,5	32,5	100.0

Table 3.32.

The Government of RA recently accepted Strategy of tax administration for 2020-2024 years. Have you been following discussions on it and/or are you interested to learn about it?		
	Frequency	Percent
Yes, I was following discussions about that draft governmental decision	113	18,5
No, I didn't, but am interested to follow to learn and follow its implementation	264	43,3
I don't know about it and am not interested	206	33,8
Refuse to answer	27	4,4
Overall	610	100.0

Table 3.33.

Do you think new mobile application development for on-line submission of tax returns and reception of notifications from the tax administration will be useful to make the interaction between the taxpayers and tax administration more effective?		
	Frequency	Percent
No	50	8,2
Yes	365	59,8

Refuse to Answer	10	1,6
Don't know	185	30,3
Overall	610	100.0

Table 3.34.

What new services do you think should be delivered by the SRC?		
Option	Number of answers	%
Provide existing services at a new level	139	79,0
Provide other types of new services	37	21,0
Overall	176	100.0

Table 3.34.

What new services do you think should be delivered by the SRC?		
Option	Number of answers	%
Awareness and advice	89	76,1
Technical improvements	22	18,8
Enlarging of e-government	4	3,4
Supporting new businesses	2	1,7
Overall	117	100.0

Table 3.34.

What new services do you think should be delivered by the SRC?		
Option	Number of answers	%
New smart services	26	86,7
Control over controllers	4	13,3
Overall	30	100.0

Table 4.1.

Please tell me, did you any tax inspection (study) take place in your organization/business during 2018-2019?		
	Frequency	Percent
No	332	54,4
Yes	239	39,2
Refuse to answer	23	3,8
Don't know	16	2,6
Overall	610	100.0

Table 4.2.

What kind of tax inspection (audit, study, measurement) has been performed in your organization/business during 2018-2019?				
	Yes	No	N/A	Percent
Checking of cash receipts (n=234)	64,5	31,2	4,3	100.0
Complex Tax Inspection (n=229)	53,7	44,5	1,7	100.0
Checking of any unregistered employees (n=232)	37,9	61,2	0,9	100.0
Based on the application about VAT return or clearing (n=228)	12,7	80,7	6,6	100.0
Cross checking (n=222)	12,6	84,2	3,2	100.0

Table 4.3.

Please, mention to what extent you are informed about your rights related to the tax inspections (studies, measurements) using a scale of 1 to 5, where '1' means "Completely not informed" and '5' means "Fully informed"?		
	Frequency	Percent

Fully informed	84	13.8
Mostly informed	240	39.3
Somewhat informed	170	27.9
Mostly not informed	58	9.5
Absolutely not informed	34	5.6
Refuse to answer	10	1.6
Don't know	14	2.3
Overall	610	100.0

Table 4.4.

Please, mention to what extent you are able to exercise your rights using a scale of 1 to 5, where '1' means "Completely unable" and '5' means "Fully able"?

	Frequency	Percent
Fully able	74	12,1
Able	254	41,6
It varies depending on circumstances	148	24,3
Unable	17	2,8
Completely unable	14	2,3
Refuse to answer	26	4,3
Don't know	77	12,6
Overall	610	100.0

Table 4.5.

Which of the below items are the negative sides of tax inspections for your business?

	Frequency	Percent
Presumption of guilt of the tax payer from the very beginning	168	26,3
Mainly the lengthy, time-consuming process	165	25,8
Creating panic by the tax inspector	106	16,6
Formal approach and negligence of the content of operations	66	10,3
Other	6	0,9
None of them	129	20,2
Overall	640	100.0

Table 4.6.

Which of the below items are the positive sides of tax inspections for your business? (up to 3 answers)		
	Frequency	Percent
Seeing own mistakes and correcting them	343	40,7
“Riddance” without penalties and additional taxes creates a feeling of satisfaction for the paid debts	162	19,2
Seeing another side-by-side assessment of company’s performance	144	17,1
Improves the relationship with tax bodies for future	111	13,2
Strengthens the team spirit of the staff	31	3,7
Other	2	0,2
None of them	50	5,9
Overall	843	100.0

Table 4.7.

Have you ever expressed your disagreement about the results of tax inspections?		
	Frequency	Percent
Yes	43	18.0
No, because I did not have a disagreement with the results	167	69.9
No, though I had disagreements, I did not express them (appeal)	13	5.4
Refuse to answer	10	4.2
Don’t know	6	2.5
Overall	239	100.0

Table 4.8.

What steps have you taken up for cases when you have disagreed with the tax inspection results?			
	Yes	No	Percent
Presented disagreement on the draft inspection act (n=43)	86,0	14,0	100.0
Expressed the dissatisfaction in friends company (n=42)	57,1	42,9	100.0
Turned to the court (n=42)	33,3	66,7	100.0
Presented objection on the inspection act to the appeal commission of the tax body (n=43)	32,6	67,4	100.0

Table 4.9.

Please, tell me how satisfied you are regarding the following procedures. Use a scale of 1-5, where ‘1’ means “Fully dissatisfied” and ‘5’ means “Fully satisfied”?							
	Fully satisfied	Rather satisfied	Neutral	Rather dissatisfied	Fully dissatisfied	N/A	Percent
In the process of the discussion of the Tax inspection draft act	41,3	36,4	11,2	1,9	7,8	1,5	100.0
In the process of appealing the Tax inspection act in the Appeal Commission of the SRC	2,9	0,5	1,0	0,5	2,9	92,3	100.0
During the court trial	1,5	1,5	0,0	0,0	0,0	97,0	100.0

Table 4.10.

Are you aware that according to the law, tax inspections and investigations are carried out through a domestic software program within SRC based on the assessed risk indicators?

	Frequency	Percent
Yes	420	68,9
No	171	28,0
Refuse to answer	19	3.1
Overall	610	100.0

Table 4.11.

Do you agree that the risk indicators assessment through the software program is carried out fairly and impartially according to the procedure established by Law and specially defined methodology?

	Frequency	Percent
Definitely Yes	37	8,8
Yes	207	49,3
No	54	12,9
Not at all	12	2,9
Refuse to answer	9	2,1
Don't know	101	24,0
Overall	420	100.0

Table 4.13.

Have you accepted (agreed on) the credibility of the notified risks on those transactions that were identified as a result of tax risks monitoring process?

	Frequency	Percent
Definitely Yes	10	6,3
Yes	63	39,6
No	56	35,2
Not at all	20	12,6
Refuse to answer	3	1,9
Don't know	7	4,4
Overall	159	100.0

Table 4.12.

Have you received a notification from the RA SRC Monitoring Center stating that your (taxpayer's) behavior/conduct has a risk of transactions done through cash registers and (or) settlement documents?

	Frequency	Percent
No, I have not received	344	56,4
Yes, I have received	159	26,1
I do not know what it is notification from the Monitoring Center	31	5,1
Refuse to answer	21	3,4
Don't know	55	9,0
Overall	610	100.0

Table 4.14.

Would you like to receive notifications from the RA SRC that will expose to you the risks related to your activity, enabling you to eliminate the reasons that generate those risks in a work routine format?

	Frequency	Percent
Yes	493	80,8
No	43	7,0
Refuse to answer	14	2,3
Don't know	60	9,8
Overall	610	100.0

Table 4.15.

Functions of tax administration include submission of tax internal study records by the tax authority to the taxpayer as a result of internal analysis conducted by the tax body, as well as monitoring of other information available in the tax body's database and tax reporting							
	Fully Agree	Agree	Disagree	Completely Disagree	I don't know what is internal study records	Don't know/RA	Percent
Analysis mentioned in the internal study records sent to taxpayers is appropriate for at least half of the cases	5,2	40,5	10,5	2,1	4,8	36,9	100.0
The quality of the internal study records has increased over the last eighteen months. There are rare cases among them that are formally sent	5,7	36,9	7,7	2,1	4,8	42,8	100.0
In response to internal study, taxpayers' arguments are taken into account by the employees of tax bodies, through feedback and verbal or written communication included	8,0	43,6	3,6	1,6	4,6	38,5	100.0

Table 4.16.

To what extent do you agree with the following viewpoints related to tax influence means/activities of collecting money in case of delaying the payment of taxes?						
	Fully Agree	Agree	Disagree	Completely Disagree	Don't know/RA	Percent
Charges for tax liabilities amounts, applying ban and forced taxation works are clear	3,4	46,4	10,5	2,8	36,9	100.0
Charges for tax liabilities amounts, applying ban and forced taxation works are fair	3,3	41,8	12,1	3,4	39,3	100.0
Charges for tax liabilities amounts, applying ban and forced taxation works are equally applied for all	5,2	37,2	6,2	1,3	50,0	100.0

Table 5.1.

Who is responsible for accounting in the organization?			
	Yes	No	Percent
Permanent accountant(s)	48,4	51,6	100.0
I am responsible for accounting; we don't have a separate position for an accountant	28,4	71,6	100.0
Accountancy is done by another outsourcing organization/ person	22,6	77,4	100.0
Other (partially outsourced, partially done by the accountant/respondent)	3,1	96,9	100.0

Table 5.2.

How does the company deal with tax-related tasks?		
	Frequency	Percent
Directly by the company	381	62,5
Through an accounting outsourcing organization/ person	153	25,1
Both directly and through accounting outsourcing organization/ person	33	5,4
Refust to answer	23	3,8
Don't know	20	3,3
Overall	610	100.0

Table 5.3.

Does your company have a Tax Strategy?		
	Frequency	Percent
No	371	60,8
Yes	130	21,3
Refuse to answer	109	17,9
Overall	610	100.0

Table 5.4.

For how many years has the current tax manager been holding the position/function?		
	Frequency	Percent
up to 3 years	180	29,5
More than 3, but less than 5 years	84	13,8
5-10 year	118	19,3
10+ years	142	23,3
Don't know	86	14,1
Overall	610	100.0

Table 5.5.

To what extent do you agree with the following statements?							
	Fully Agree	Agree	Disagree	Completely Disagree	Not applicable	Don't know/Refuse to answer	Overall
I think there is an adequate number of women in the Tax management (responsible persons for tax matters in accounting and legal departments) of the companies	29,5	24,6	4,6	3,1	2,0	36,2	100.0
I would like to see more women in the managerial positions in the tax department	21,5	20,8	9,0	5,7	4,1	38,9	100.0
The wage gap between men and women engaged in the Tax management is essentially disfavoring women	13,9	11,5	8,0	18,9	2,1	45,6	100.0
Most of the companies in Armenia have policies that promote gender equality	10,7	16,2	7,4	8,9	1,5	55,4	100.0
In our company women have equal opportunities like men	49,2	13,8	2,1	2,5	11,5	21,0	100.0

Table 5.6.

Do you use the service of a paid consultant, external audit and had composed internal audit function?					
	Yes	No	Refuse to answer	Don't know	Percent
Tax consultant	17,9	76,6	3,4	2,1	100.0
Customs consultant	10,3	83,9	3,4	2,3	100.0
Legal consultant	19,0	74,8	3,4	2,8	100.0
Business consultant	6,7	86,4	3,6	3,3	100.0
External independent auditor	11,8	81,5	3,9	2,8	100.0
Accounting consultant	31,0	63,6	3,1	2,3	100.0

Table 5.7.

According to rough calculations, how much do you spend per year for maintaining tax accounting and preparing tax reporting, dealing with other tax compliance issues?		
	Frequency	Percent
0	106	17,4
up to 100 000 AMD	48	7,9
From 100 001 to 500 000 AMD	46	7,5
From 500 001 to 1 million AMD	35	5,7
From 1 million + 1 AMD to 5 million	72	11,8
5 million + 1 AMD and more	29	4,8
Refuse to answer	175	28,7
Don't know	99	16,2
Overall	610	100.0

Table 5.8.

According to rough calculations how much money do you approximately spend yearly on trainings on tax and related topics?		
	Frequency	Percent
0	360	59.0
Up to 300 000 AMD	96	15.7
300 001-580 000 AMD	14	2.3
580 001-1 020 000 AMD	8	1.3
Over 1 020 001 AMD	5	.8
Refuse to answer	78	12.8
Don't know	49	8.0
Overall	610	100.0

Table 5.9. -5.10.

How would you characterize the financial position of your company/business in the previous fiscal year?							
	Very poor (major losses)	Poor (certain losses)	Stable	Good (certain profit)	Very good (major profit)	Don't know/Refuse to answer	Percent
Current year	13,8	27,4	33,1	14,9	1,0	9,8	100.0
Upcoming two years	2,1	12,5	27,9	23,9	3,1	30,5	100.0

Table 5.11.

Gender of the respondent		
	Frequency	Percent
Male	377	61,8
Female	233	38,2
Percent	610	100.0

Table 5.12.

How old are you?		
	Frequency	Percent
From 19 to 30	59	9,7
From 31 to 40	188	30,8
From 41 to 50	151	24,8
From 51 to 60	126	20,7
61 and more	86	14,1
Overall	610	100.0

Table 5.13.

Respondent's education		
	Frequency	Percent
Secondary	60	9,8
Preliminary vocational	7	1,1
Secondary vocational	100	16,4
Student	2	0,3
Bachelor decree	185	30,3
Master decree	234	38,4
Scientific Degree	22	3,6
Overall	610	100.0

ANNEX 3. SOME CROSS-TABULATIONS

Note 1. The calculations do not include the "I do not know" and "Refuse to answer" options.

Note 2. To number the Cross-tables the numbers of respective questions and the letter "C" are used.

Table CQ1.7&Q5.6

	Q1.7.Has the corporate governance system (distribution of authorities between the shareholders, board of directors, committees next the Board, the executive director, an internal audit function, etc.) been actually launched in your organization?		
5.6. Do you use the service of a paid consultant, external audit and had composed internal audit function?	Yes	No	Don't know what it is
Yes	75.0	20.8	4.2
No	86.8	9.1	4.1

Table CQ1.8&Q1.7

	Q1.8. Is the executive director of your enterprise simultaneously also one of the mainshareholders/owners?			
Q1.7.Has the corporate governance system (distribution of authorities between the shareholders, board of directors, committees next the Board, the executive director, an internal audit function, etc.) been actually launched in your organization?		No	Yes	Percent
	No	24,8	75,2	100.0
	Yes	54,4	45,6	100.0
	Don't know what it is	55,6	44,4	100.0

Table CQ1.14

What is the share of women at managerial positions, including Board Members, at your company? By geographical location of the business, %					
	0-25%	26%-50%	51%-75%	75%+	Percent
Regional	70,6	7,1	2,0	20,4	100.0
Yerevan	59,8	10,8	2,9	26,6	100.0

Table CQ1.7&Q1.15

	Q1.15.Does your company have a Gender equality policy (any code(s) of ethics, harassment prevention procedures, mechanisms to assure equal wages for women and men, etc.? If yes, since when?			
Q1.7.Has the corporate governance system (distribution of authorities between the shareholders, board of directors, committees next the Board, the executive director, an internal audit function, etc.) been actually launched in your organization?		Yes	No	Percent
	No	4,9	95,1	100.0
	Yes	19,1	80,9	100.0
	Don't know what it is	16,7	83,3	100.0

Table CQ2.6&Q5.11.

In your opinion, how important is each of the following to motivate taxpayers like you to declare and pay their taxes honestly? By sex of the respondent, %					
	Respondent sex	Very important	Somewhat important	Not at all important	Percent
Contribution as an active citizen (responsibility)	Female (n=195)	77.4	19.0	3.6	100.0
	Male (n=329)	66.3	27.4	6.4	100.0
Contributing to the business development, expansion	Female (n=195)	65.1	23.6	11.3	100.0
	Male (n=329)	57.1	26.4	16.6	100.0
Knowledge that all taxpayers are being treated equally	Female (n=195)	27.2	31.1	41.7	100.0
	Male (n=329)	40.6	24.8	34.6	100.0

Table CQ2.7

Which dimension of the reforms of tax administration do you consider to be essential for the improvement of business environment? (up to 3 answers); By geographical location of the business			
	Regional (n=271)	Yerevan (n=252)	Percent
Tax payers service	71,2	77,0	100.0
Tax examination	49,8	40,5	100.0
System of liabilities used in case of tax violations	31,7	30,6	100.0
Instrumental tools/system of ensuring fulfillment of tax liabilities	29,9	35,7	100.0
System of appeals against actions or inactivity of tax officers	11,4	19,0	100.0
Other	1,1	3,6	100.0
None	51,3	49,2	100.0

Table CQ2.14&Q5.11

Do you think that taxpayers/firms like yours using loopholes in legislation to reduce their tax bill is ...						
	Completely acceptable	Somewhat acceptable	Neither/Nor	Somewhat unacceptable	Completely unacceptable	Percent
Female (n=165)	11,5	26,1	26,1	14,5	21,8	100.0
Male (n=296)	18,9	27,7	28,4	9,5	15,5	100.0

Table CQ2.14&Q1.11.1

Do you think that taxpayers/firms like yours using loopholes in legislation to reduce their tax bill is ...						
	Completely acceptable	Somewhat acceptable	Neither/Nor	Somewhat unacceptable	Completely unacceptable	Percent
Micro and Small(n=355)	14,9	27,0	26,2	11,5	20,3	100.0
Medium (73)	23,3	31,5	27,4	8,2	9,6	100.0

Table CQ2.151&Q5.11

In your opinion, has the behavior/attitude of Tax authorities towards their employees?					
	Definitely Yes	Yes	No	Not at all	Total
Female (n=102)	19.6	65.7	9.8	4.9	100.0
Male (n=200)	27.0	63.5	8.0	1.5	100.0

Table CQ3.1&Q5.11

Assessment of the E-System of Report Submission of the RA Tax Service by gender of the respondents, %				
	Very Useful	Useful	Useless	Percent
Female(n=213)	54.0	45.5	0.5	100.0
Male (n=349)	63.6	35.5	0.9	100.0

Table CQ3.2&Q5.11

How do you rate the quality of e-services rendered to you by the tax bodies? Call center /Hot line, by sex of the respondents, %						
	Very good	Good	Satisfactory	Bad	Very bad	Percent
Female(n=213)	18.4	37.9	29.5	7.9	6.3	100.0
Male (n=349)	25.2	39.0	27.7	3.9	4.2	100.0
All (n=562)	22.6	38.6	28.4	5.4	5.0	100.0

Table CQ3.9&Q1.5

In your opinion, what tax legislation issue hinders your business or businesses like yours the most?								
	Unclear and unprecise wording of tax laws, ambiguous points	Frequent change of laws	Tax rates	Extensive number of laws, regulations and procedures	Other	None	All	Percent
Taxpayers in Industry	25,3	25,3	28,4	18,9	0,0	2,1	0,0	100.0
Taxpayers in other sectors	28,5	28,3	22,7	15,2	0,6	4,4	0,4	100.0

Table CQ3.19&Q5.11

Assessment of Professionalism and honesty of tax administrators in performing their functions, by gender of the respondents, %					
	Definitely yes	Yes	No	Not at all	Percent
Female (n=145)	13.1	73.1	11.0	2.8	100.0
Male (258)	8.1	72.1	15.1	4.7	100.0

Table CQ3.23&Q1.11.1

Preferable way of receiving information issued by a tax body, %		
	Micro and small	Medium
Directly the tax bodies /notifications/	18.6	17.1
The website of the Tax Service /www.petakamutner.am/	19.2	13.0
Official bulletins (information systems, arlis.am, irtek.am)	14.5	16.2
A written inquiry to the SRC of the Republic of Armenia for obtaining information	14.1	20.8
Consultancy companies	5.4	3.2
Other persons/businesses	5.4	2.8
Public agencies involved in protection of rights	5.2	2.3
Printed sources	4.7	6.0
Electronic media	4.3	6.9
Social networks (Facebook, LinkedIn, Twitter...)	2.9	5.1
Mass media (TV, radio)	2.7	3.2
Call center	1.7	1.4
None of the above	0.1	0.9
Other	1.1	0.9

Table CQ3.28&Q5.11

Do you think SCR's way/manner/ of communication with taxpayers improved within the last 12 months? By gender of the respondent, %						
	Definitely yes	Yes, to some extent	Stayed about the same	Has not improved	Has become worse	Percent
Female (n=199)	29.6	51.8	15.1	2.0	1.5	100.0
Male (n=321)	36.8	49.2	12.5	1.6	0.0	100.0
All	34.0	50.2	13.5	1.7	0.6	100.0

Table CQ4.16&Q1.11.1

To what extent do you agree with the following viewpoints related to tax influence means/activities of collecting money in case of delaying the payment of taxes? By size of business, %.					
<i>Statement. Charges for tax liabilities amounts, applying ban and forced taxation works are fair</i>					
	Fully Agree	Agree	Disagree	Completely Disagree	Percent
Micro and small (n=355)	4.5	67.9	21.3	6.3	100.0
Medium (n=73)	11.9	69.5	15.3	3.4	100.0
All (n=428)	5.8	68.2	20.2	5.8	100.0
<i>Statement. Charges for tax liabilities amounts, applying ban and forced taxation works are equally applied for all</i>					
Micro and small (n=355)	8.1	77.0	12.3	2.6	100.0
Medium (n=73)	25.5	62.7	9.8	2.0	100.0
All (n=428)	11.1	74.6	11.9	2.5	100.0

Table CQ5.1&Q1.7

Q1.7. Has the corporate governance system been actually launched in your organization?	Q5.1. Who is responsible for accounting in the organization?				
	Permanent accountant(s)	Accountancy is outsourced	I am responsible for accounting	Other (e.g. mix)	Percent
No (n=476)	43.3	23.1	30.7	2.9	100.0
Yes (n=87)	70.1	19.5	9.2	1.1	100.0
All	47.4	22.6	27.4	2.7	100.0

Table CQ5.3&Q1.7

Q1.7 Has the corporate governance system been actually launched in your organization?	Q5.3. Does your company have a Tax Strategy?			
		No	Yes	Percent
	No (n=398)	78.1	21.9	100.0
	Yes (n=69)	55.1	44.9	100.0
All (n=467)	74.7	25.3	100.0	

Table CQ5.5&Q5.11

Q5.11 Respondent sex	Q5.5. To what extent do you agree with the following statement: In our company women have equal opportunities like men				
	Fully agree	Agree	Disagree	Completely Disagree	Percent
Female (n=163)	79.1	18.4	1.2	1.2	100
Male (n=249)	72.8	20.4	3.2	3.6	100
All (n=412)	72.8	20.4	3.2	3.6	100

Table CQ5.6&Q1.7

Has the corporate governance system (distribution of authorities between the shareholders, board of directors, committees next the Board, the executive director, an internal audit function, etc.) been actually launched in your organization?				
	No	Yes	Don't know what it is	Percent
Non-tax, accounting and auditing consultants	86,8	9,1	4,1	100.0
Tax, accounting and auditor consulting users	75,0	20,8	4,2	100.0

Table CQ5.6&Q1.9

	Q5.6. Do you use the service of a paid consultant, <i>external</i> audit and had composed <i>internal</i> audit function?	
Q1.9. In your company which bodies are the decision makers in tax-related issues?	Non-tax, accounting and auditing consultants	Tax, accounting and auditor consulting users
Executive Director	36,3	37,7
I am an Individual Entrepreneur	35,4	29,9
Shareholder/Owner	14,8	15,6
Shareholders together	9,2	9,8
Member of the Board of Directors (including the Chairman and external independent directors)	1,8	4,5
Chief Accountant	1,5	1,2
Director / Individual Entrepreneur / Accountant / Accounting Company / Head of Financial Department	0,9	1,2
Total	100.0	100.0

Table CQ5.1

Who is responsible for accounting in the organization? By geographical location of the business			
	Regional (n=313)	Yerevan (n=295)	All (n=608)
Permanent accountant(s)	48.9	45.5	47.2
I am responsible for accounting	19.9	24.4	22.1
Accountancy is done by another outsourcing organization/ person	28.7	26.6	27.7
Other (partially outsourced, partially done by the accountant/respondent)	2.5	3.6	3.0
Total	100.0	100.0	100.0