

## **Defender's assessment of the RA State Revenue Committee activities in 2011**

### **Shortcomings and problems identified**

- Verifications made in State Revenue Committee have shown that in certain cases, the taxpayer's accounts and reports were not analyzed and studied timely and properly by the officials of the Committee and activities were not effectively organized.
- In the specialized custom house for custom processing of motor vehicles the values of additional spare parts on the car having an impact on the customs value have not been properly represented.
- The full observance of the established rules of conduct for tax and customs officers is not still widespread in the work of the system.
- Only two or three courses of the study on the presentation of declarations were annually organized by State Income Committee for customs mediators and economic entities. In result the level of the process of self declarations of economic entities is still low, while the number of declarations made by the mediators is large. In such situations high prices set by customs mediators became additional economic burden for businesses.
- The changes made in RA law " On Value Added Tax" (06.12.2011), which was adopted in haste and without public discussion, are considered negative. The State Revenue Committee, within its jurisdiction did not provide the necessary consistency in conducting public discussion of the draft for changes in tax legislation and introducing and applying them within a reasonable time.

### **Recorded positive developments**

- There is a full transition to the risk based inspection system from ubiquitous control in tax and customs system; the risk based inspection system has been automated.
- In 2011, the State Revenue Committee has taken steps to exclude taxpayer - inspector communication, introducing electronic reporting system instead.
- The organization of services for taxpayers has been reformed, by running the taxpayer service centers in revenue system, by tax-payers call centers, information terminals, as well as the educational centre of the **SRC**.
- The tax and customs legislation for small and medium enterprises has been simplified by the introduction of favorable tax regimes and the optimization of number and frequency of reporting.
- The widespread use of cash machines and cash registers and the culture of receiving coupons has been developed.

- TWM automated declaration system has been inserted in Administration of the customs, which is aimed at reducing the time required for customs clearance and customs control efficiency.
- Documents and time required for customs formalities have been reduced, the number of documents required for customs control has been reduced by 5, now only 3 documents are required for customs clearance.

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*The list of the identified positive developments, gaps and shortcomings is not exhaustive.*

*The introduced Chapter (19) of the HRD Annual Report 2011 is available in full at [http://pashtpan.am/pages/downloadPdf/file\\_id/572](http://pashtpan.am/pages/downloadPdf/file_id/572) .*

*The HRD Annual Report 2011 was developed based on the complaints received by the Staff of the Human Rights Defender, legislation analysis, trustworthy and non-disclaimed publications in press, reports of the international and local organizations as well as information received during the interviews with field specialists and human rights defenders.*