

Summary

The Protection of Rights without Borders NGO (hereinafter as the Organization) has implemented the Project entitled “Public Administration System Reforms: Is Armenia Creating a New Reality” (The Project) within the period of March 01 of 2020 to March 31 of 2021, with the financial assistance of the National Democratic Endowment (NED).

In the scope of the Project, 223 decisions out of 333 decisions filed to the RA Administrative Court against the RA State Revenue Committee within the period of 2019 and 2020 respectively and adopted until June 30 of 2020 have been examined by the Organization.

By the examined cases, 137 applications have been completely satisfied (62%), 38 applications (31%) have been rejected, 14 application have been satisfied partially (6%) and 1 application was submitted by applicants, the decision in regard to one applicant was satisfied completely, in regard to the other applicant the application was rejected, as for the 68 applications (39%), the latter were rejected.

It turns out, that in the majority of cases, administration related problems were recorded.

The applications in regard to the majority of the satisfied cases (47 applications, 21 %) were submitted on the grounds of the application of the cash registers and (or) the failure to maintain the rules of the monetary calculations through the cash register machines, as well as the failure to maintain the tax payment within the prescribed deadline (65 applications, 29%).

It was detected, that by the decisions on the application of the administrative penalty on the failure to maintain the rules of the monetary calculations through the cash register machines, as well as the failure to carry out the tax obligations, the administrative body does not carry out proper administration, which leads to the violation of the right to ownership and the right to be heard.

In both cases, the administration related problems recorded by the RA Administrative Court were similar, particularly, while carrying out the administrative proceeding instituted on the ground of the failure to maintain the rules of the monetary calculations through the cash register machines, the tax officers exceeded their authorities without being authorized to carry out control purchase. However, as shown by the statistics, after satisfying the applications filed by these kinds of requirements, during the whole process of the monitoring, the administrative body

mentioned the same legal bases in the instruction document, by which the court states, that the latter is not a ground for carrying out a control purchase.

The electronic notification practice has not been changed either, although the RA Administrative Court has stated for many times, that the notification through the application of the given method cannot be considered as a proper notification.

The administrative body continues to send the notifications electronically and in the outcomes of improper notification, the tax obligations are not charged.

In the outcomes of the improper administration conducted by the RA State Revenue Committee, the tax obligations envisaged by the current legislation are not charged, as a result of which the state carries material damage, which is also demonstrated through judicial expenditure, since both state fees and representative expenditures, as well as other judicial expenditures are paid from the state budget.

Overall, the RA State Revenue Committee was obliged to pay the applicants money in the amount of 2.175.000 AMD as a reasonable remuneration for legal costs.

Taking into consideration the circumstance that the amount of the tax obligation presented to the applicant is not visible by all the cases, it was impossible to clearly mention, how much tax liability should have been entered to state budget in the outcomes of administrative acts recognized annul by the procedural violations, which was not conducted.

Before summarizing the monitoring outcomes a meeting was organized with the representative of the RA State Revenue Committee.

During the meeting held on March 30 of 2021, the representatives of PRWB and RA State Revenue Committee discussed the raised problems and the recommendations for their solutions presented by the SRC.

The approach of the SRC on concrete issues will also be presented in the report.