

MINUTES OF THE PRE-BID MEETING
FOR THE
Supply and Installation of Software and IT Equipment for Tax Audit Case Management and Analytical Tools' Systems
IFB No: TAMP G-1.5.4
Tax Administration Modernization Project, Credit Number: 5114-AM

The pre-bid meeting was held on 10 November 2017, 15:00 (local time) at the Ministry of Finance of RA.

The following persons participated in the Pre-Bid Meeting:

Edgar Avetyan	Executive Director of the Foreign Financial Projects Management Center of the RA Ministry of Finance of RA
Anahit Basentsyan	Tax Administration Modernization Project Coordinator
Mikayel Pashayan	Head of the IT Department ,SRC of the GoA
Armen Nazaryan	Head of Project Implementation Division of the IT Department, SRC of the GoA
Mkhitar Ayvazyan	Deputy Head of the Department of Risk Management and Tax Compliance Programs, SRC of the GoA
Hasmik Shamamyan	Chief Procurement Specialist of the Foreign Financing Projects Management Center of the Ministry of Finance of RA

And below listed representative of the Potential Bidders:

“Flexibility Integrity Professionalism Software” Inc.

Mr. Arman Margaryan

During the Pre-Bid meeting the following questions of the Bidder were clarified by Project Coordinator and Representatives of SRC and FPPMC:

Question 1. Is the working language between the Customer and the Client Armenian or English?

Clarification 1. Considering that the Contract party shall work with the SRC staff from various units during the implementation of contract activities, the working language shall be Armenian.

Question 2. What do you mean by the requirement “To create goods circulation database”, whether it is goods tracking and what is your perception of this requirement.

Clarification 2. The goods circulation database implies tracking, analysis of information in the tax body, interconnection of transactions, as well as not indexed data.

Question 3. What do you imagine the application of **Big Data tool** and how?

Clarification 3. **Big Data Analysis** tool application implies a set of flexible tools of inquiries through appropriate interfaces and identification of anomalies by establishing appropriate criteria.

Question 4. How do you imagine **Machine Learning** within the scope of these activities?

Clarification 4. The implemented system shall be a platform for establishing basic behavior rules and identifying essential deviations through applying **Machine Learning** tools.

Question 5. Why does **Big Data Analyse** tool perform analysis, in addition to performing quick analysis?

Clarification 5. In addition to performing quick analysis, **Big Data Analyse** tool will be used to conduct market surveys and forecasts by applying configurable search with various indicators.

Question 6. Shall development of data structure and establishing its connection with other databases be performed by the bid participants?

Clarification 6. Yes, the development of information structure and establishment of connection with other databases shall be ensured by bid participants through close cooperation with the SRC and SRC Contractor.

Question 7. Can the performer involve a subcontractor in the process of Project implementation?

Clarification 7. Yes, in accordance with the clause ITB 6.1 (c) of the Bid Data Sheet of the Bidding Documents.

Question 8. In terms of tax audit planning:

- a. Are criteria used for planning fixed or can they change and if they change, what is the frequency, and based on what do they change?
- b. What is the current format of storing the results and is there a need to upload the data on prepared plans for the past years in the newly designed system data depository?

Clarification 8. In terms of tax audit planning:

- a. The criteria used for planning are not fixed, they can be modified based on the decision of the SRC of the GoA Chairman, before the beginning of tax audit planning functions of the next year. At that, tax types can be changed, which are involved in the risk assessment stage, as well as the threshold criteria of taxpayer classification and weight coefficients applied by tax types can be changed. The system shall ensure the criteria and entry of formula used for preparing the preliminary plan and editing before the start of planning functions with no need to make software changes in the system.

- b. Planning results, data used and registered in the process of planning and the registered data are currently stored as .xls and .doc files, as well as in hard copies. Upload of data on the plans prepared for previous years in the data depository of the newly designed system is not implied.

Question 9. In terms of acts of audit and audit task orders:

- a. What is the number of tax audits planned on a monthly basis and whether a simultaneous operation by data exchange between the newly designed system and the current system?
- b. How is the compliance with the existing laws ensured for automated calculation of formula of fines and penalties in automated generation of acts of audit.

Clarification 9. In terms of acts of audit and audit task orders:

- a. The number of budget audits is determined in an expertize-analytical way and is directly considered as a derivative of the SRC policy. The total number of partial audits and investigations depends both on the risks identified as a result of cameral studies, and the number of appropriate resources existing in the tax body for conducting actual audit. The number of local audits is reducing in parallel with the automation of the SRC functions.

Simultaneous operation of the newly designed system and currently existing system with data exchange between by them is not planned. Within the frames of the newly designed system a software tool is required for automatic transfer of the information in the currently existing database of the “Audit Task Orders and Acts Recording Automated System” (the data exist for the audits conducted from Year 2005 to present) to the newly designed system database. After data transfer and pilot operation of the newly designed system the entire migration to the new system is implied. Meanwhile the newly designed system shall continue its operation integrated with the Taxpayer 3 system in terms of transfer of audit results, to ensure final calculations in the taxpayers’ personal ledgers.

- b. To ensure automated generation of the acts of audit a software tool is required for automated entry of standardized information on the laws specifying the amounts of fines and penalties. At that, data entry shall be ensured and storage on the database for the appropriate norms of the laws, both for previous and amended versions, so to be able to use the application of the existing law for each identified violation at the moment of violation. The software tool shall ensure entry of the formula for calculations designed beforehand and editing by the user with no need to make additional changes in the software.

Question 10. For monitoring of audit results:

Is there an automated feedback implied based on audit monitoring results for transferring data with the existing Risk Based Assessment System?

Clarification 10. For monitoring of audit results:

No automated feedback for data transfer with the existing Risk Based Assessment System is not implied with audit monitoring results. The data received through the monitoring subsystem are subject to further discussion for making appropriate decisions. Based on the decision made, changes can be made both in terms of making changes in the assessment criteria in the existing Risk Based Assessment System, and for the purpose of training of related tax inspectors involved in the audits.

Question 11. For Operative and Investigation measures

Is there a mutual link between the tax audits conducted and performing operative and investigation measures?

Clarification 11. For Operative and Investigation measures:

Ensuring mutual link between the tax audits conducted and operative and performing investigation measures to exclude conducting audit on the same topic with various task orders from various units of the tax body. Provided there is a decision made on conducting audits in the process of entry of the appropriate task order (or the decision of the Head of OI department), receiving of information on the existence of already opened audit with the taxpayer at the moment shall be ensured. If for instance, audit on unlicensed activity is planned to be conducted with the taxpayer and based on the information received it turns out that budget audit has already started with the same taxpayer, which also includes an issue on unlicensed activity, then a decision on the new audit shall not be approved. In addition, in issuing a new task order or a decision on new OI measures, when generating the beginning of audit period automatically by the system, both the results of prior tax audits, as well as that of OI measures shall be considered.

Anahit Basentsyan

Project Coordinator of TAMP

