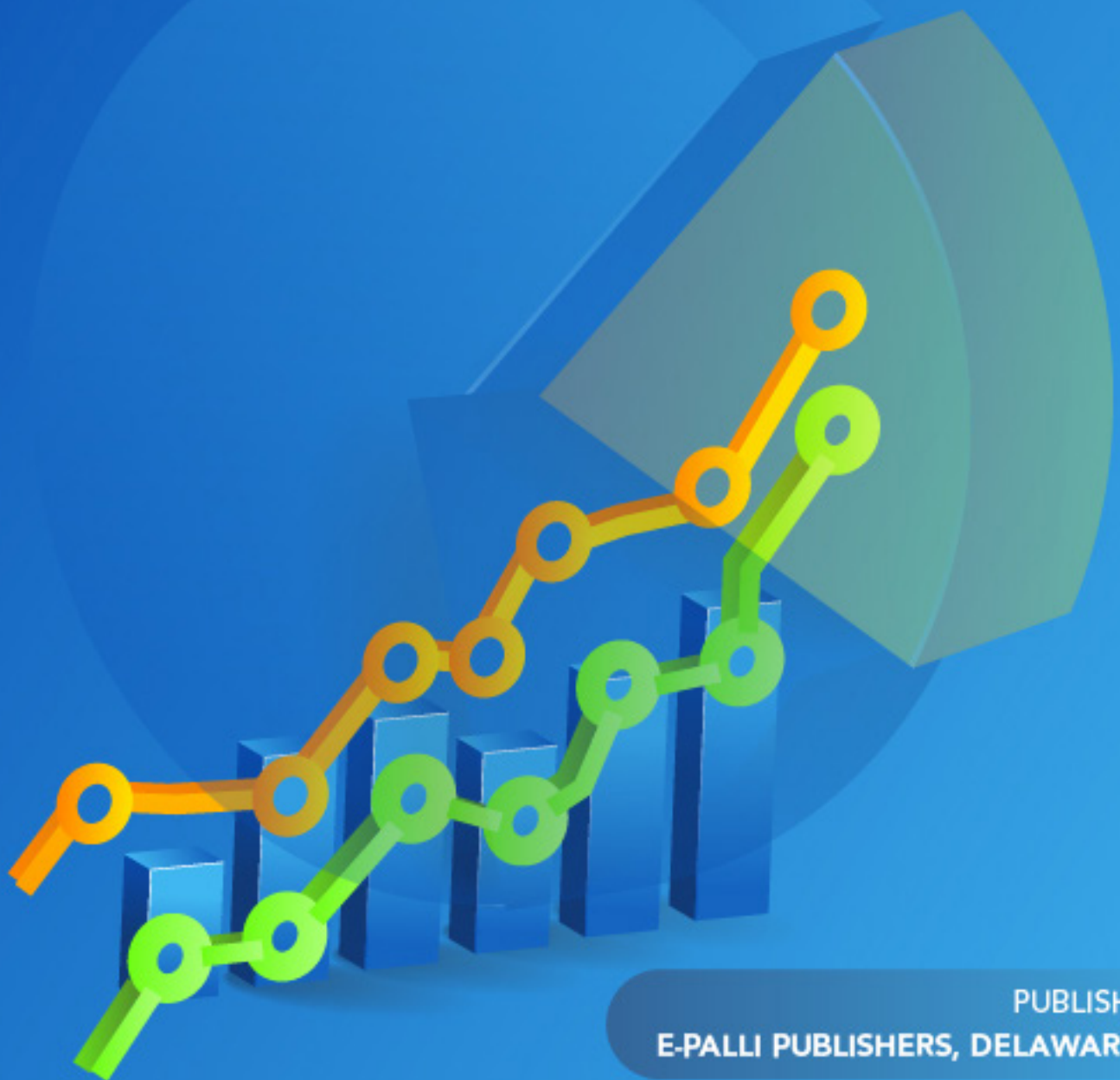




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E-VAT Adoption and VAT Revenue Performance in South Asia: Evidence from Bangladesh

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ABSTRACT

Electronic Value Added Tax (E-VAT) schemes play an important role in the process of tax administration modernization in South Asia but have vastly varying revenue effects in countries that have broadly similar tax policy goals. The objective of this study is to elaborate maturity of E-VAT system, performance of the VAT/GST revenue in six selected South Asian economies (S.A.E.) particularly in Bangladesh, taxpayer's behavior and challenges of implementing E-VAT system in selected S.A.E. It features a sequential explanatory mixed methods design that consists of secondary country-year data for fiscal years 2019-2024 and 25 semi-structured interviews with 5 NBR officials, 10 VAT consultants and 10 VAT-registered SME taxpayers. Due to the small panel sample ($n = 25$), this exploratory OLS regression analysis is not meant to uncover exact causal relationships. Although the rate of the standard VAT rate in Bangladesh is 15%, and the E-VAT platform has been operational since 2019, Bangladesh has a low VAT-to-GDP ratio of about 3.6%, compared to Nepal (5.3%) and India (6-7%) and the Maldives (approximately 12%). Furthermore, interview evidence showed there are institutional and operational issues in the real-life implementation of the e-invoice tool, including: Different revenue databases exist; The portal cannot always be relied upon when a large volume of e-invoicing occurs; There are low levels of taxpayer training; Taxpayer grievance mechanisms are weak; and E-invoicing is not mandatory. The study proposes the "Bangladesh E-VAT Adoption Framework (BEVAF)" which is an attempt to relate the institutional enablers with technology platform maturity, behavioral compliance results from an institutional perspective. The results validate a plan for the staged implementation of a reform program, touching on the following aspects: e-invoicing, database integration, assistance for taxpayers, audit risk scoring, mobile access to invoices, and penalty procedures reform.

INTRODUCTION

VAT is an important revenue source in South Asian countries and still has a very significant role to fund the public goods. Today, under the pressure of external strings attached to development loans and fiscal consolidation, there is a great need for effective mobilisation of domestic revenues in governments. The prevailing paper-based VAT regimes, with onsite control and manual journals verification of VAT ledgers are not able to cope with the complexities of the present business environment. It has led to the problems of compliance, administration delay, even in fairly high taxing countries, and VAT evasion possibilities.

To overcome these problems, South Asian governments have been working on electronic VAT systems over the last decade; electronic registration, online VAT return submission, electronic payment systems and automated audit tools. The reform rationale is simple: digital transactions will help decrease taxpayer compliance costs, establish a clear chain of evidence, broaden the tax base, and enhance tax administration integrity. But there have been some inconsistencies in the revenue generated from these investments. With the implementation of an E-VAT portal since July 2019, India's GST collections jumped significantly from FY 2019-20 to FY 2023-24,

whereas, the VAT collections in Bangladesh around 3.6% of GDP are at a relatively low standard rate of 15% even after being in operation since July 2019.

This gap is inspiring the present study. A number of services are being provided at the E-VAT portal (vat.gov.bd) such as e-Registration (eBIN), e-VAT return submission and e-VAT payment through Mushak 9.1. These services ought to inherently help enhance compliance. The central question here will then be: what is the institutional, technological/behavioural factors that led Bangladesh to having lower rates of VAT to GDP compared to other country/regions in the region and which reforms should be prioritised to close this gap?

The research approach to answer this question is mixed method, which contains secondary data of revenue of all six South Asian economies and primary data of informant evidence in the form of interviews with 25 respondents selected for being purposive, and they based in the NBR, VAT consultants and SME taxpayers during nine months in 2025. The analysis is done based on three theories namely Technology Acceptance Model (TAM), Institutional Theory and E-Governance Theory. It then comes up with a potential policy-based overall framework (Bangladesh E-VAT Adoption Framework or BEVAF) and seven recommendations for the reforms.

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Research Objectives

The study aims at three things: (i) to comparatively analyze the degree of maturity of the E-VAT system, their characteristics of adoption, and revenue performance by the economies of South Asia; (ii) to identify and quantify the institutional, technological and behavioral determinants of VAT revenue performance in Bangladesh through regression analysis and qualitative evidence from interviews; and (iii) to prioritize, evidence-based policy recommendations using the BEVAF conceptual framework.

Research Questions

- RQ1: Are there relationships between the maturity of the E-VAT system and performance of VAT revenue in South Asian economies?
- RQ2: What are the reasons for Bangladesh's poor VAT-to-GDP ratio compared to its regional neighbors at institutional, technological and behavioral levels?
- RQ3: What is their perception of the existing E-VAT system by the NBR officials, VAT practitioners and SME taxpayers and what reforms they think should be done urgently?
- RQ4: Which policy options are more likely to be effective in narrowing the E-VAT revenue gap within reasonable time frame (say five years)?

LITERATURE REVIEW

VAT as a Revenue Instrument in Developing Countries

The theoretical basis for the VAT efficiency is to allow the output tax with each transaction to be matched with the input tax of the previous transaction, thereby providing an audit trail through the series of transactions. It is a self-enforcing system so that in developing countries with limited administrative capacity, it may be relevant, provided that there is a reliable documentation and invoice system (Bird & Gendron, 2007). Keen and Lockwood (2010) offer cross-country evidence that how well a country performs on VAT is not just a matter of the nature of the tax but of its administration as well. The significance of invoice records and administrative completeness is also highlighted by Ebrill, Keen, Bodin and Summers (2001) and is more applicable to the context in Bangladesh as their mandatory e-invoicing is not yet in place.

This institutional interpretation is now confirmed in recent evidence. Okunogbe and Tourek (2024) demonstrate that technology can be used to help with tax collection, but its impact will depend on other enabling factors, such as enforcement capacity and administrative incentives. Minh Le, Moreno-Dodson, and Bayraktar (2012) demonstrate that the variation in taxable capacity and tax effort between countries is due to differences in administrative quality, economic structure and compliance conditions. Additionally, e-government systems can enhance government capacity, according to Kochanova, Hasnain, and Larson (2020), though this effect will be

realized depending on the digital systems' incorporation into the administration process.

Electronic Tax Administration and Revenue Outcomes

The OECD Tax Administration 3.0 tax reform strategy goes beyond e-filing to deep into the integrated data-rich tax administration systems in which taxpayer transactions could be reported and confirmed more automatically. In this context, e-invoicing takes on a special significance as it generates third-party transaction data, which can be utilized to conduct compliance checks and select audit checks. As Slemrod and Gillitzer (2014) suggest, information-based enforcement is more effective if the IRS is able to be independent of taxpayer reporting of transactions.

E-filing offers the potential to lower costs of compliance and to enhance timeliness of filing, it does not seem to be enough in developing countries, as evidenced by experience. The implementation of e-invoices, e-way bills and digital enforcement in India's regional example, GSTN, demonstrates the links between phasing e-invoicing, e-way bills, and robust revenue performance. This study is not too sanguine about such evidence: India is a relevant example, but it is not a causal counterfactual for Bangladesh, as the two countries are very different in both size of markets and tax base, inflation rates, administrative ability, and institutional context. This broader pattern, that digital technology adoption in the financial and revenue sectors of developing economies delivers real but institutionally-conditioned gains rather than automatic ones, is consistent with recent cross-country evidence on digital finance adoption in developing economies (Asare *et al.*, 2025).

Taxpayer Compliance Behavior and Technology Acceptance

Two important factors to consider in the adoption of technology are perceived usefulness (PU) and perceived ease of use (PEOU) which were identified by Davis (1989) in his Technology Acceptance Model (TAM). For the E-VAT situation, the question is whether the taxpayers find an improvement in time saving, minimization of compliance risk or increase in certainty as a result of electronic filing. PEOU has to do with whether they have to seek special support to navigate the portal. However, if a taxpayer experiences errors or crashes while filing, or the error message is not clear, or helpdesk support is poor or digital literacy is low, these issues will result in a decrease in PU and PEOU and voluntary digital compliance is less likely to occur.

Fairness, institutional trust, income and digital skills, and previous compliance experiences also influence tax compliance behaviour. Loo, Evans and McKerchar (2010) stress that the explanation of tax compliance would be incomplete without taking into account the taxpayer's perceptions of the fairness and administrative reliability of the tax system. Alabede, Ariffin and Idris (2011)

demonstrate that attitudes and risk preferences influences compliance behaviour. Nkwe (2013) and Fjeldstad and Moore (2008) also find that, in some instances, technological reforms can be more advantageous to the smaller firms with limited administrative capacity than to bigger, formal firms that are technologically more capable. Beyond the compliance decision itself, tax compliance behavior among smaller enterprises also carries downstream consequences for firm-level sustainability; recent evidence from medium enterprises in a comparable South Asian institutional setting shows that compliance-related factors such as progressive taxation and revenue allocation are measurably linked to firms' net cash flow and investment capacity (Peru, 2025), reinforcing why SME-specific support, rather than generic taxpayer messaging, is treated as a distinct BEVAF component in this study.

South Asian Comparative Experiences

The most prominent regional example of digital indirect tax administration is with India's GSTN. It's phased e-invoicing requirement has been phased from larger firms to lower turnover including a level of below INR 5 crore since August 2023 with the help of e-way bills and digital return matching. The higher ratio of VAT in Nepal even with lower VAT rate compared to Bangladesh points towards the fact that administrative consistency, taxpayer support and compliance culture may be a more important factor than statutory rates. Jaffna should be viewed, not in the light of non-academic media reports but in the official ones from the IMF and the government of Sri Lanka, regarding the recent VAT reforms in the island nation. However, another challenge is illustrated in Pakistan by IRIS – digital registration does not necessarily lead to high compliance where informality and enforcement problems are still high.

Research Gap

There are three gaps that justify this study. First, digital tax administration is a topic that has been examined in developing nations but the literature on E-VAT in South Asia has not yet made much use of secondary policy data and has lacked evidence at stakeholder level, from Bangladesh. Secondly, this study, to the best of the author's knowledge, is one of the very few studies that merges the regional VAT/GST revenue indicators with primary interview data from NBR officials, VAT consultants, and SME taxpayers registered with VAT to explore the Bangladesh's E-VAT implementation at the operational level. Third, While the existing Tax Administration Assessment tools like TADAT have broad tax administration assessment, they do not offer a framework for adoption of E-VAT specifically for Bangladesh including the linkages between institutional enablers, the maturity of the tax technology platform and taxpayer behavior. This study seeks to bridge these gaps by developing a policy-oriented framework, BEVAF, which is not a causal model, but rather a framework that

identifies these factors.

Theoretical Framework

The analytical architecture of the study is based on three complements. Technology Acceptance Model is used to explain the taxpayer side of the adoption behavior, Institutional Theory, to explain the role of the rules, enforcement, trust, and inter-agency coordination, and E-Governance Theory, to explain the gap between the design of the system and the implementation of the system in the field. These views contribute to an understanding of the different revenue impacts of “technically similar” digital tax regimes.

Technology Acceptance Model (TAM)

Davis's (1989) TAM is based on two factors: perceived usefulness and perceived ease of use. From the E-VAT perspective, perceived usefulness relates to whether taxpayers think that electronic filing will save time and/or lessen the compliance risk. Perceived ease of use refers to the ease with which taxpayers are able to use the system without needing special assistance. A lack of knowledge of the portal, digital illiteracy, cumbersome forms and doubts about the filing of acknowledgments can lead to lower perceptions and lower levels of voluntary compliance. The nature of these pathways is explored in more detail in Section 5, using evidence from interviewees.

Institutional Theory

The Institutional Theory of North (1990) sees organizational behavior as influenced by the formal rules (laws and regulations, and enforcement mechanisms) and informal norms (compliance culture, social norms and expectations, and trust in authorities). Conforming to practices under normative, coercive, and mimetic pressures is also a feature of organizations, a concept that can be used to explain decisions of taxpayer compliance (DiMaggio and Powell, 1983). In this view, broadly similar statutory rate structures for VAT explain the difference in the rates of Bangladesh and Nepal to GDP, with the divergence being attributed to differences in institutional aspects of VAT enforcement, including enforcement culture, inter-agency relationship and the relationship between the revenue authorities and taxpayers. Technology can make it more expensive for compliance, but can't, by itself, create the institutional environment in which the voluntary compliance becomes the preferred taxpayer strategy.

E-Governance Theory

The problem of the design-reality gap (Heeks, 2001) is the issue in digital government implementation in developing countries: complex systems are developed for environments characterized by strong infrastructure, high literacy among users, and robust support systems, but are transferred to countries with less developed infrastructure, less literacy, and less support. This is the case in the

implementation of the E-VAT in Bangladesh. It may be feasible for the digitally savvy businesses in Dhaka, but not necessarily for the agro-processing or district level SMEs who may have limited connectivity and accounting support. E-Governance theory, therefore, indicates that the technological enhancement should be complemented with training, support, reform of the enforcement of the laws, and engagement of stakeholders.

These three theories are used to motivate the research design, which has two parts: the conceptual and the methodological. The quantitative phase reflects institutional, technological and behavioral indicators related to the performance of VAT/GST revenues. The next, qualitative, phase explains the mechanism of such associations, in asking how the E-VAT system is experienced by officials, consultants and SMEs in the field. Based on this integration, the following BEVAF framework is proposed.

MATERIALS AND METHODS

Research Design

A sequential explanatory mixed-methods design (Creswell & Plano Clark, 2017) was used for this study. The first phase involved compilation and analysis of secondary data on six economies of South Asia to understand the maturity of the E-VAT system and revenue performance of VAT/GST in the economies. The associations between the institutional, technological, behavioral, and revenue variables were explored in a bid to find any directional. In the second phase, the findings from the quantitative phase were followed up with 25 semi-structured interviews to explicate the processes and obstacles. Two stages were merged in the process of interpretation: exploratory regression patterns helped to prioritize interview themes, and regression patterns based on the evidence from interviews supported interpretation of the statistical associations.

Selection of Study Countries

This comparative study introduces the six South Asian economies namely; Bangladesh, India, Pakistan, Nepal, Sri Lanka, Maldives. There were three criteria for country selection. First, they include all the South Asian Association for Regional Cooperation (SAARC) countries with complete and comparable indirect tax data over the last five fiscal years (2019–2024) in the reports of the national revenue authorities and/or in the IMF country reports and OECD Revenue statistics in Asia and the Pacific; Afghanistan and Bhutan were not included because their indirect tax data were either incomplete or not comparable over this period. Secondly, all six countries have implemented an indirect tax system based on VAT or GST and have a very similar statutory design which means that the revenue results can be compared without the need to control fundamentally different tax instruments. Third, the sample is purposefully diversified, in terms of E-VAT platform maturity, from early stages of rollout in Bangladesh and Nepal, to fully compulsory

e-invoicing in India and Maldives, thus helping to achieve the study's comparative objective: to identify the relationship between E-VAT platform maturity and revenue performance. The country singled out for the main interview evidence is Bangladesh: the most 'direct' empirical context for the study's core research question, considered as it combines the experience of operating an E-VAT platform with an historically low level of VAT collection relative to GDP.

Data Harmonization Across Countries

Harmonisation of the different reporting formats, fiscal year conventions and currencies of the six countries applying VAT/GST data was required before comparing them. To eliminate the impact of differences in market and economy size all revenues were converted to a percentage-of-GDP basis as was done in the original IMF and OECD source materials. Fiscal years were mapped so as to conform to a common July-June reporting period of most of the revenue authorities in South Asia, except for one (Maldives, calendar-year reporting) which have been mapped to a matching July-June period. Prior to averaging, the indicators which comprised the composite indicators SME_LIT and ENFORCEMENT (defined in Table 2) were min-max normalized to a common 0-100 scale in order to give comparable weight to indicators defined in different units or ranges and also to draw valid conclusions from the data. If a country didn't report a particular indicator for a particular year, the value available for the nearest previous year was retained instead of imputing a value somehow, which is considered to be a limit in the data set (Section 9.1) and not corrected via modeling.

Primary Data: Semi-Structured Interviews

Interviews were Conduct from February to October 2025. Purposive sampling was used to capture three stakeholder groups directly involved in the E-VAT system: 5 NBR officials, 10 VAT consultants, and 10 VAT-registered SME taxpayers. The distribution was chosen to balance policy-side, practitioner-side, and taxpayer-side perspectives while keeping the qualitative sample manageable for in-depth analysis. NBR officials were selected for roles in VAT administration, audit, customs/VAT intelligence, policy, and field operations. Consultants were selected to reflect sectoral diversity and practical exposure to client-side filing. SMEs were selected from different locations and sectors to capture variation in digital readiness and compliance experience. The interview protocol was based on TAM, Institutional Theory, and E-Governance Theory, pretested with two respondents, and revised before full data collection. Interviews lasted 45-75 minutes, were conducted in Bangla or English at the participant's choice, and were audio-recorded only after written consent. All interviews were transcribed. Themes were developed using reflexive thematic analysis (Braun & Clarke, 2006), including familiarization, initial coding, theme development, review, and interpretation. Data

saturation was assessed after the 22nd interview, followed by three confirmatory interviews to test whether new themes emerged.

Qualitative Trustworthiness

The trustworthiness of qualitative strand was dealt with the following three preparations. First, data and investigator triangulation was applied by comparing themes found in the three stakeholder groups (NBR officials, VAT consultants, SME taxpayers) for convergences and creating a flip chart to register convergences and divergences as mechanisms (e.g. fragmentation database, reliability portal) along with concrete examples and indicators, with convergences interpreted as corroborating evidence and divergences listed separately for discussion, not assumed away. Secondly, reflexivity was established by the author conducting a reflexive memo during the coding to reflect on setbacks and difficulties in alignment with professional

experiences to review how this professional experience may influence the interpretation of the theme and by going back to the original transcripts to see whether the wording of the theme resonated too strongly with that of the author's professional life, thereby checking for the design of the theme rooted in the participants own language. Thirdly coding verification was conducted using the Braun and Clarke (2006) reflexive thematic analysis stages (familiarisation, initial coding, theme development, theme review, and interpretation); eight (32%) of the transcripts were re-coded four weeks after the initial coding, comparing coding with previous findings and any discrepancy discussed with reference to the original transcript, rather than that of the majority as a single-coder design does not lend itself to formal interrater reliability statistic. These issues are not ones which remove interpretative judgment inherent in thematic analysis and this is acknowledged as a limitation in Section 9.1.

Table 1: is a summary of the primary interview participants that were involved in this study (n = 25, Feb-Oct 2025).

Stakeholder group	Nunmer of person	Selection logic	Coverage
NBR officials	5	Selected to be directly involved in VAT administration, policy, audit, customs/ VAT intelligence, and field operations.	6-17 years of professional engagement in VAT sector.
VAT consultants and practitioners	10	Selected for advisory experience from across sectors and types of clients.	Business practice on Dhaka, Chattogram, manufacturing, RMG, ICT, FMCG/pharma, real estate, telecom and SME focused.
VAT-registered SME taxpayers	10	Selected to document barriers from taxpayer's perspective by sector and location.	Narayanganj, Gazipur, Sylhet, Tongi, Khulna, Dhaka, Mymensingh, Chattogram, and Bogura.

Note: The identifiers of the participants are prefixed with coded identifiers (NBR = National Board of Revenue official; TC = Tax Consultant; SME = SME Taxpayer). All names have been anonymised. Anonymized details of the participants are given in Appendix B.

Ethical Considerations

The present study was conducted following the ethical norms in human subjects research in the field of social sciences. An information sheet was given before every interview and explained to the participants the purpose of the study, that the participation is voluntary, and that the participants are free to discontinue the participation at any time without any consequences. Written informed consent was obtained prior to each interview and sound recording was only used with explicit consent. Participants were identified with coded labels – NBR-01 to NBR-05, TC-01 to TC-10 and SME-01 to SME-10. None of the personally identifying information is reported. The material for the interviews was obtained from devices which were password protected and only accessible for the writer. The study was conducted according to the professional standards of research ethics in taxation and management research which included informed consent, confidentiality, voluntary participation and disclosure of a conflict of interest. The author declares that there are

no external funding, nor conflict of interest.

Regression Analysis

To show the contribution of the various factors an exploratory OLS regression model was estimated, distinguishing between institutional, technological and behavioral factors. In the form of an exploratory model, the OLS regression presented here should be read as a way to get a sense of the direction of the relationships and policy priorities, and there is some caution to be taken in the results given the small panel sample. The study comprised 25 country-year observations of six South Asian economies from 2019 to 2024 from the officially verified secondary sources. VAT/GST revenue as % GDP is the dependent variable. The specification is: $VAT_GDP = \beta_0 + \beta_1(E_FILING) + \beta_2(TRAINING) + \beta_3(SME_LIT) + \beta_4(UPTIME) + \beta_5(E_INVOICE) + \beta_6(INFORMAL) + \beta_7(ENFORCEMENT) + \epsilon$ Where: E_FILING = e-filing adoption rate (%); TRAINING = taxpayer training and support investment proxy; SME_LIT = composite SME digital literacy index;

UPTIME = VAT/GST portal uptime (%); E_INVOICE = mandatory e-invoicing implementation (binary, 1 = yes); INFORMAL = informal economy share of GDP; ENFORCEMENT = composite enforcement capacity index; ϵ = error term.

All variables are in percentage unless otherwise stated. Unless stated otherwise, all variables are expressed in percentages. The construction of the dataset was based on the structure of the WDI, the OECD Revenue Statistics in Asia and the Pacific, the IMF country reports as well as the reports of the revenue authorities. Multidisciplinary was examined by using Variance Inflation Factors (VIFs, all VIFs were less than 3.2). A Breusch–Pagan test for heteroscedasticity was not significant ($p = 0.24$), nor did the Durbin–Watson test indicate that there was significant auto correlation ($DW = 1.94$). The data used in this model are small in number ($N=25$), and there are seven independent variables, so the results should be considered only exploratory and may be sensitive to over-fitting.

Three ordinary-least-squares assumptions were checked

directly: multicollinearity (via VIF, all below 3.2), heteroscedasticity (via the Breusch-Pagan test, $p = 0.24$), and autocorrelation (via the Durbin-Watson statistic, $DW = 1.94$), as reported above. Normality of residuals was assessed visually via a Q-Q plot, which showed no material departure from normality given the small sample. Robustness was further assessed by re-estimating the model excluding the Maldives, whose VAT-to-GDP ratio is a statistical outlier driven by tourism dependency; this check, reported in full in Appendix A, shows materially unchanged coefficient signs and significance patterns ($n = 20$). The most significant threat to interpretation is potential endogeneity: countries with stronger fiscal capacity may be more able to invest in e-filing and enforcement in the first place, so observed associations may partly reflect reverse causality rather than the reforms' causal effect on revenue; this possibility is discussed further as a study limitation in Section 9.1 and is one reason the model is presented as exploratory rather than confirmatory throughout the paper.

Table 2: Variable Construction Summary for the Exploratory OLS Model

Variable	Measurement / scale	Construction logic	Primary source type	Expected sign
VAT_GDP	VAT/GST revenue as % of GDP	VAT/GST revenue divided by GDP for each country-year.	National revenue reports; WDI/IMF/OECD macro data	Dependent variable
E_FILING	Percentage / adoption proxy	Percentage of the return filing which are electronically filed in the VAT/GST system of the country	National revenue authority reports	Positive
TRAINING	Training/support proxy	Annual taxpayer training, outreach, and support effort where reported or inferable from official materials.	Revenue authority reports and policy documents	Positive
SME_LIT	Composite index	Proxy for SME digital readiness based on available digital literacy, ICT access, and SME support indicators.	WDI, national reports, OECD/IMF materials	Positive
UPTIME	Percentage	Reported or documented reliability of the VAT/GST portal during filing periods.	Revenue authority and system performance materials	Positive
E_INVOICE	Binary dummy	1 where mandatory e-invoicing is implemented for the relevant taxpayer group; 0 otherwise.	CBIC/GST Council and national revenue authority materials	Positive
INFORMAL	% of GDP	Estimated informal economy share of GDP.	IMF/World Bank/OECD materials	Negative
ENFORCEMENT	Composite index	Proxy for audit, risk scoring, cross-verification, and enforcement capacity.	Revenue authority reports and institutional diagnostics	Positive

Table 3: Exploratory OLS Regression Results, Determinants of VAT/GST Revenue as a Percentage of GDP

Variable	Coefficient (β)	Std. Error	t-Statistic	p-Value
Intercept	0.842**	0.231	3.645	0.001
E-filing Adoption Rate (%)	0.387***	0.094	4.117	<0.001
Taxpayer Training/Support Investment	0.214**	0.078	2.744	0.009
SME Digital Literacy Index	0.296**	0.102	2.902	0.006
VAT Portal Uptime (%)	0.173*	0.065	2.661	0.012
Mandatory E-Invoicing (Dummy: 1=Yes)	0.441**	0.118	3.737	0.001
Informal Economy Share of GDP (-)	-0.318**	0.087	-3.655	0.001
Enforcement Capacity Index	0.259**	0.091	2.846	0.008
Model Fit Statistics	$R^2 = 0.812$	Adj. $R^2 = 0.786$	$F = 31.47$ ($p < 0.001$)	$n = 25$; $DW = 1.94$

Note: *** $p < 0.001$; ** $p < 0.01$; * $p < 0.05$. This dataset contains 25 data points (country-years) after dropping observations for 6 South Asian economies for the period 2019-2024. DW = Durbin-Watson statistic. Coefficients are exploratory and unstandardized, and should be viewed as direction of association, rather than causality.

Among the positive direction indicators the most significant ones are mandatory e-invoicing ($\beta = 0.441$) and e-filing adoption rate ($\beta = 0.387$). Share in informal economy is the most negative β (-0.318). The statistical results also show that SME digital literacy and enforcement capacity are also statistically significant. The proportion of time spent on the portal is important but is the least significant of the predictions. This trend indicates that technical reliability enhancements are needed but will not be enough to improve revenue performance unless they are integrated into the institutions, coupled with e-invoicing and taxpayer acceptance and backed by better enforcement capacity.

Secondary Data Sources

The secondary data was collected from the annual reports of National Board of Revenue (NBR) and the VAT statistical materials of the National Board of Revenue (NBR); Central Board of Indirect Taxes and Customs

(CBIC) of India, GST Council of India, Federal Board of Revenue (FBR Pakistan) and Inland Revenue Department of Nepal, Inland Revenue Department of Sri Lanka, and Maldives Inland Revenue Authority (MIRA). Data on international macroeconomic and comparative were obtained from the Bangladesh Economic Review, Fiscal Monitor and country reports of IMF; OECD Revenue Statistics in Asia and the Pacific; and World Development Indicators. Whereas possible, all revenue comparisons are made as a percentage of GDP, to reflect economic size differences.

Findings and Analysis

E-VAT System Maturity Across South Asia

Table 4 provides a comparison of the six study economies' E-VAT systems. The results reveal noteworthy gaps in e-invoicing adoption, system integration and revenue results. The two countries that are doing the best in the sample, India and the Maldives, have implemented

Table 4: E-VAT System Comparative Overview - South Asia (FY 2023-24)

Country	VAT Rate	VAT/GDP%	System	E-Invoicing	Primary Institutional Challenge
Bangladesh	15%	3.6%	E-VAT (vat.gov.bd, est. 2019)	Only Vat return Filling in Online .(Planned to all form)	Absent e-invoicing mandate; fragmented NBR databases; informal sector scale;taxpayer awareness outside urban areas
India	5 - 2 8 % (GST)	6.0-7.0%	GSTN (est. 2017)	Mandatory (phased)	Multi-rate complexity; compliance fatigue among small traders
Pakistan	17%	4.0-4.5%	FBR IRIS (est. 2018)	Partial	Narrow formal economy base; systemic registration-to-compliance gap
Nepal	13%	5.3%	IRD e-portal (est. 2020)	Partial	Rural digital infrastructure; taxpayer awareness outside urban centers

Sri Lanka	18%	~5.0%	R A M I S / I R D (est. 2019)	Partial	Post-2022 economic crisis recovery; administrative capacity rebuilding
Maldives	8%/16%	~12.0%	MIRA e-portal (est. 2011)	Mandatory	High tourism dependency; limited domestic economy diversification

mandatory e-invoicing. The Bangladesh portal is up and running, but its success in terms of revenue collection is limited due to reliability issues during peak hours, data architecture issues between various departments, limited acceptance by taxpayers and lack of mandatory e-invoicing. .

Bangladesh VAT Revenue Trends (FY 2019-20 to FY 2023-24)

The trend of VAT collection in Bangladesh in the last 5 years after the introduction of E-VAT portal is presented in Table 5. The nominal collections went up from around BDT 81,000 crore to BDT 128,000 crore or about 58%.

Table 5: Bangladesh VAT Revenue Collection Trends (FY 2019-20 to FY 2023-24)

Fiscal Year	VAT Collection (BDT Crore)	NBR Tax Share	YoY Growth	Nominal	Key Development
FY 2019-20	~81,000	38.5%	-		E-VAT portal launched; COVID-19 disruption in H2
FY 2020-21	~88,000	38.8%	+8.6%		Remote filing protocols expand during pandemic period
FY 2021-22	~95,000	39.0%	+7.9%		Active eBIN registrations exceed 300,000 entities
FY 2022-23	~1,06,000	39.5%	+11.6%		Post-pandemic consumption recovery; base broadening
FY 2023-24 (est.)	~1,28,000	38.5%	+20.8%		Strongest single-year growth in E-VAT era

But, if compared with the GDP growth of the same time period in Bangladesh, the VAT to GDP ratio had more or less improved but had stayed around 3.6%. This is the fundamental issue that the paper is trying to solve in diagnosis: collections grew, but not as fast as revenue productivity.

India-Bangladesh Revenue Comparison (FY 2019-24)

Table 6 shows the rate of increase of VAT revenue in

Bangladesh with the amount of GST collected in India during the last five years. The value of collection for the Goods and Services Tax in India rose by 80.7% while VAT collection rose by 58.0% in Bangladesh. It is very important to consider this comparison in a cautious way due to the differences in economic size, tax base, in the inflation, in the consumption recovery, in the administration capacity, in the structure condition, etc. between the two countries. The experience of India indicates that phased e-invoicing, digital enforcement

Table 6: India GST vs. Bangladesh VAT - Revenue Growth Comparison (FY 2019-20 to FY 2023-24)

Fiscal Year	India GST (INR Lakh Cr)	India YoY%	Bangladesh VAT (BDT Cr)	BD YoY%
FY 2019-20	12.22	-	~81,000	-
FY 2020-21	11.37	-6.9%	~88,000	+8.6%
FY 2021-22	14.83	+30.4%	~95,000	+7.9%
FY 2022-23	18.10	+22.0%	~1,06,000	+11.6%
FY 2023-24	22.08	+21.9%	~1,28,000	+20.8%
5-Year Cumulative	+80.7%	-	+58.0%	-

and revenue growth are likely to be correlated but it is not possible to make direct comparison with the revenue growth in Bangladesh without normalization and controlled analysis.

Primary Interview Evidence

NBR Officials: Database Fragmentation as a Binding Constraint

The structural disintegration of revenue databases in Bangladesh is the biggest administrative hindrance to

the performance of E-VAT. NBR-01 explained that a business could be able to register large import transactions at the Customs level, and on the VAT portal it could enter insignificant amounts in the field for purchases of inputs, without an automatic “flag” being raised due to the lack of communication between the systems. The institutional aspect of this issue was already discussed in NBR-04 articulated the institutional dimension of this problem: “Structural segregation of the data bases of the VAT, income tax and customs systems means that the task of

linking these systems into a single taxpayer record is not a software project, but rather a continuous institutional commitment, and inter-departmental cooperation, yet to be realized.” (Additional Commissioner, VAT Policy Division, NBR-04, October 2025)

NBR-02 underscored that the technical feasibility of risk-based AI audit selection in Bangladesh’s existing IT landscape and potential to boost audit productivity through the use of AI was possible without the need for extra field staff. NBR-03 believed that the amount of paper-based fraud was reduced by about 30% with the introduction of Mushak 9.1, but said that the input tax credit chains were still inherently hard to validate without the mandatory implementation of the e-invoicing system. NBR-05 highlighted the need to address the gap between portal design and reality – many non-metropolitan SMEs do not have internet access or computer literacy and they do not necessarily have access to devices. This result is consistent with the findings of the Institutional Theory, as digital rules have to be formally in place and inter-agency coordination and enforcement mechanisms have to be complete in order to generate compliance gains.

VAT Consultants: System Reliability and Complexity

In VAT consultant interviews, two issues were frequently mentioned: Portal performance and Regulatory complexity. Of the 40% of clients filing mid-sized filings during the 15th-20th filing window, about 40% had system failures, according to TC-03. Taxpayers may not trust that late-filing penalties will be enforced if there are technical issues, while the relationship between a client and consultant will be negatively affected by this, consultants pointed out. The phased e-invoicing plan will start from those with transactions worth of more than Tk. Funding of 5 crore is technically feasible within a year of time if backed with a clear policy decision by NBR..

The most complained issue by the clients was input tax credit reconciliation which has been handled by TC-07 in Mushak 9.1 version. The reconciliation logic on the return form is not often consistent with actual supply-chain timing as purchase invoices could be received after the return filing date and the purchase invoice is adjusted but the automated audit logic is not adjusted accordingly, thus causing the impression of a discrepancy. This is in line with E-Governance Theory, where the technical designs do not necessarily complement the existing processes at the field level, and can generate compliance barriers instead of easing it.

SME Taxpayers: Barriers and Experiences

The pattern of experiences of SMEs with E-VAT varied across regions, with those in Dhaka having a fairly good experience of engaging with the portal and businesses in Sylhet, Khulna, Mymensingh, and Bogura reporting that they have quite a few problems in operating it. A sense of fairness has been the problem in SME-03’s penalty history.

“The portal recorded our data but there has been no receipt of

acknowledgment of the input data; we had been slapped with a late filing penalty that cost more than the BDT 45,000. We had been slapped with a late filing penalty of BDT 45,000; there is no dispute mechanism available to our small business; the portal recorded our data without providing a receipt of an acknowledgment of our data..” (Director, Construction Materials, Sylhet, SME-03, February 2025)

SME-07 found a Training Decay: after launching, the Taxpayer Awareness session was only given once, but the interface and VAT rules underwent significant changes over time. SME-09 was supportive of principle of e-invoicing but required good lead time and sector specific guidance. The results are in line with TAM as they show that low perceived ease of use, low levels of support and doubts about filing results negatively affect voluntary digital compliance.

The Bangladesh E-VAT Adoption Framework (BEVAF)

Theoretically, exploratory regression results, and evidence from interviews indicate that E-VAT revenue performance is a result of three interacting factors - institutional, technology platform maturity and taxpayer behaviour responses. Three of these relationships are mediated by digital literacy, infrastructure quality, trust in the tax system, support programs and the size of the informal economy. Hence, this study suggests the Bangladesh E-VAT Adoption Framework (BEVAF) as a policy oriented framework of interpretation of these relationships in the context of Bangladesh (Figure 1).

This is the Bangladesh E-VAT Adoption Framework (BEVAF), an institutional, technological and behavioral model to understand E-VAT adoption in Bangladesh. BEVAF divides E-VAT performance determinants into three layers, dependent on each other. The legal environment, NBR administrative capacity, enforcement mechanisms, inter-agency data integration, governance integrity and policy stability are all examples of institutional enablers (Layer 1). Layer 2 comprises of e-BIN, Mushak 9.1, e-payment, AI audit analytics, mandatory e-invoicing, and mobile access. The Behavioral Compliance Outcomes are in Layer 3, such as compliance rates, productivity (VAT to GDP), SME formalization, and audit detection efficiency.

To shed light on how the investments in Layers 1 and 2 relate to the desired Layer 3 outcomes, BEVAF also introduces five mediating factors: taxpayer digital literacy, quality of physical and digital infrastructure, taxpayer trust, targeted support programs, and size of the informal economy. The lagging impact of these moderating factors on the central South Asian conundrum – the fact that Bangladesh has a 15% VAT rate and a 3.6% VAT/GDP ratio while Nepal has a 13% standard rate and a 5.3% VAT/GDP ratio – is illustrative. Consequently, BEVAF reads it as a mediation problem and not a rate problem – there are only gains in revenue when there are institutional and behavioral conditions conducive to the compliance of the technology and statutory rates.

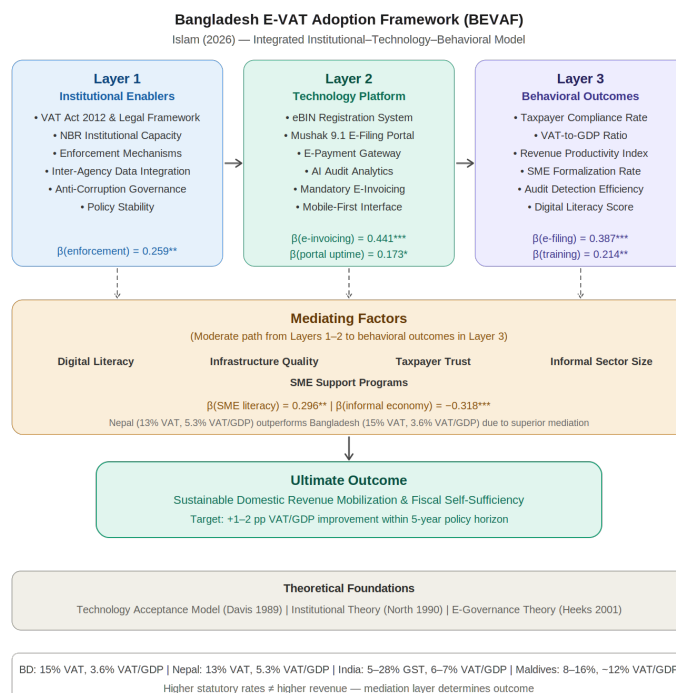


Figure 1: The desire to adopt E-VAT in Bangladesh has been encapsulated in the Bangladesh E-VAT Adoption Framework (BEVAF), as an integrated institutional-technology-behavioral model (Islam, 2026).

BEVAF is not similar to broad tax administration diagnostic frameworks like TADAT and domestic revenue mobilization frameworks. TADAT is a system-wide assessment of tax administration performance while BEVAF is not as broad and is more operationally oriented towards the adoption of E-VAT in Bangladesh. BEVAF connects institutional enablers, platform maturity and taxpayer actions in a sequence of reforms. Orthogonal coefficients in Figure 1 are standardize exploratory coefficients, and should be interpreted as direction of effect not effect size.

Discussion

Since this was a preliminary, exploratory regression ($n = 25$, 17 degrees of freedom), the results are considered as direction findings and future studies with a larger panel of observations are needed to validate these findings. Empirical results confirm the theoretical arguments regarding the need for introducing a digital VAT portal as a step towards better revenue regime performance as this is only a necessary condition, and not a sufficient one. Bangladesh's nominal VAT collections have been on the rise since 2019, and the portal is seemingly helpful to digitally empowered businesses in urban areas. But for now, the ratio of VAT to GDP has not improved significantly as the conditions for having a high-value audit trail have not yet been met: compulsory e-invoicing, integration of the data in the tax administration's databases, consistent enforcement and ongoing taxpayer assistance. The highest exploratory coefficient ($\beta = 0.441$) in the sample of South Asia is found for the variable mandatory

e-invoicing. This discovery is consistent with the theoretical premise that the third party transaction data can enhance the verification, audit selection and input tax credit reconciliation process. It shouldn't be considered as a definitive causal assessment, since those countries that will implement e-invoicing might have already had stronger administrative capacity. The results of the interviews carried out at TC-01 and SME-09 indicate that Bangladesh's approach may be gradual, beginning with the large firms, and providing enough lead time and industry-specific assistance to the smaller firms.

The performance of Nepal as a comparative case is worth being looked at as a policy reference point, but shouldn't be taken literally. The average of its VAT/GDP ratio at 13% standard is 5.3%, indicating that the administrative consistency, taxpayer education and compliance norms are important, together with technology. The Nepal experience in BEVAF is mediated through the intermediary: Taxpayer support, trust and enforcement practice can play a role in bridging the tax rule and compliance. Bangladesh's NBR can also do low-cost institutional investments following the steps of the other countries, but the evidence of the interview suggests that the training and outreach aspects are lagging behind the changes in the portal and rules.

The interview information provides insight into an operation that is not captured in statistics. More often, for many SME taxpayers who are not located in Dhaka, the E-VAT portal is a compliance facilitator and they suffer from unclear system generated errors, limited responsiveness of helpdesk, uncertainty of

acknowledgment, and an inequitable penalty regime. The experiences decrease the PUE and PU as predicted by TAM. Technical changes and institutional signals –

such as changing penalty procedures, more responsive helplines and outreach to non-metropolitan businesses – are needed to restore taxpayer confidence.

Table 7: Prioritized Strategic Reform Matrix - Bangladesh E-VAT System

Priority	Strategic Intervention	Evidence Basis	Horizon
1 - Critical	Mandate e-invoicing by companies having annual turn over of Tk. 5 crores and above within 12 months and incrementally increase the limit. 50 lakh + above within 36 months (with the condition of SME training and technical support).	Highest exploratory coefficient: $\beta = 0.441^{***}$ India e-invoicing benchmark (CBIC, 2023; GST Council, 2024) TC-01, SME-09	12-36 months
2 - Critical	Unified Database Integration: Automate e-BIN reconciliation and allow to share data at the API level between NBR's VAT, Income Tax and Customs information systems, using a single taxpayer ID.	Enforcement index: $\beta = 0.259^{**}$ NBR-01, NBR-04 (October 2025) Okunogbe & Tourek (2024)	24-48 months
3 - High	Regional SME Facilitation Centers: Create training and technical support centers in all eight divisional cities, multilingual helpline support and rolling interface clinics following major portal change and/or rules change.	SME digital literacy: $\beta = 0.296^{**}$ SME-07 training decay evidence Kochanova et al. (2020)	12-24 months
4 - High	AI-Assisted Audit Risk Scoring: Apply the same automated risk-scoring algorithm as done by the GSTN for non-filer identification/under reporting of highest 500 risk profiles.	NBR-02 audit yield estimate GST Council (2024) Enforcement $\beta = 0.259^{**}$	18-36 months
5 - Medium	Portal Reliability and Mobile-First Redesign: Ensure the Portal is available to use 99.5%+ of the time during peak filing periods and provide a usable mobile interface for Mushak 9.1 return filing.	Portal uptime: $\beta = 0.173^*$ TC-03 (40% failure rate) SME-04, SME-10	12-18 months
6 - Medium	Penalty Procedure Reform: Provide a “portal-error grievance” mechanism for taxpayers to appeal penalties based on system error within a 15-day window, and be transparent regarding the process.	SME-03 penalty case Fjeldstad & Moore (2008) institutional trust SME-05	6-12 months
7 - Strategic	Identify annual milestones, publication of public KPIs, and an independent joint review process with the NBR, professional bodies and academia.	OECD Tax Administration 3.0 (2024) BEVAF framework TADAT diagnostic logic NBR-04	Ongoing

Policy Recommendations

Exploratory regression coefficients, evidence from interviews and the BEVAF framework are combined to prioritise the seven recommendations below. They are not as precise revenue forecasts, but in order of preferences for reform.

CONCLUSION

The study delved into the reasons behind the less than desired outcome of Bangladesh's E-VAT system compared to some cooperating nations in the region after six years of implementation. The data collected during the exploratory, cross-country regression and the 25 primary interviews are similar: the absence of a digital portal is not the problem. The E-VAT portal has been launched in Bangladesh but the integration is not sufficient in the

institutional aspect. While the introduction of eBIN registration and the filing of Mushak 9.1 has laid the groundwork for digital invoicing, a number of challenges remain that hinder the positive impact of this technology on the revenue stream. Although eBIN registration and the Mushak 9.1 filing has prepared the ground for digital invoicing, various issues are limiting the positive effect of this technology on the revenue stream.

An exploratory regression ($R^2 = 0.812$) shows that mandatory e-invoicing and e-filing adoption are the most significant positive directional indicators of the performance of VAT-to-GDP in the sample of countries in South Asia, while the informal economy size is the most significant negative directional indicator. The quantitative pattern also is understandable based on the evidence collected during the interviews over the

9-month period, which identified the following problems as operational constraints that recurred across the board: database fragmentation (NBR-04), portal reliability issues (TC-03), penalty fairness issues (SME-03), and training decay (SME-07).

The Framework of BEVAF (Theory-driven, Policy-actionable framework for understanding these patterns) was proposed to help interpret the patterns. It illustrates how institutional enablers and technology platform maturity relate and influence each other, and how the interaction between them, along with several variables, such as digital literacy, infrastructure quality, taxpayer trust, support programs, and informal economy size, lead to behavioral compliance outcomes.

The study not only presents Bangladesh-specific findings, but also contributes to the main theory that both Technology Acceptance Model (TAM) and Institutional Theory (IT) jointly, rather than separately, affect and explain digital tax reform outcomes: When and if the tax reform platform is successfully adopted, and the institutional enforcement capacity is absent, the impact of the TAM is undermined (TAM needs IT); on the other hand, if the tax reform platform is not successfully adopted prior to any institutional enforcement capacity, the impact of the latter is undermined as well (IT needs TAM; there is design-reality gap in E-Governance Theory). The novel aspect of the BEVAF's theoretical contribution is its attempt to operationalize this joint relationship in a single framework of diagnostics instead of three different options, which would amount to three parallel explanations. The practical relevance of the Framework in the other two dimensions—enabler and behaviour—is not unique to Bangladesh but represents any developing economy trying to modernise VAT or GST administration grappling with aspects of this three-way interaction as it moves to digitisation, and the staged way of reforming such a scheme can provide a template of a starting diagnostic for any country trying to move to modern administration of tax, beyond Bangladesh.

Study Limitations

There are four major limitations to this study. Firstly, the geographical distribution of the interview sample is limited; some of the upazilas in the rural areas have not been well represented, and smaller secondary towns are under represented. Secondly, the regression model uses 25 country-year observations. This is sufficient only for initial exploratory research and sufficient precision in the estimates could be gained with the use of a 10 year-panel or larger cross country data. Third, the remark of potential endogeneity between e-filing adoption, e-invoicing, capacity of enforcement and performance of VAT/GST cannot be entirely overcome within the current OLS approach. Reverse causality is a possibility as countries with more revenue capacity are more likely to take digital tax reform measures. Future research should employ instrumental variable estimation, difference-in-differences designs, and/or natural experiments

associated with the roll out of e-invoicing. Fourth, there is the absence of fully-harmonized official indicators in some countries and years for the SME digital literacy and enforcement capacity measurements. With these restrictions in mind, the regression should be interpreted as being directional and exploratory, with the qualitative evidence serving as mechanisms or layers of supporting evidence.

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Appendix A: Robustness Check, Exploratory OLS Regression Excluding Maldives (n = 20)

To assess the robustness of the results, exploratory OLS regression equations were also generated with the inclusion of Maldives. Exploratory OLS regression equations excluding Maldives (n = 20) were also developed to test robustness of the result. Also, to test the sensitivity of the results, the exploratory OLS model was again estimated but this time without the Maldives, where the GDP to VAT/GDP ratio is exceptionally high, in part because of the tourism dependency of the Maldives economy. The overall pattern is not just Maldives, as the direction of the

Table 8: Table A1: OLS Regression Robustness Check - Full Sample (n=25) vs. Excluding Maldives (n=20)

Variable	Full Model β (n=25)	Excl. Maldives β (n=20)	Direction Consistent?	Sig. Maintained?
Intercept	0.842***	0.791***	Yes	Yes
E-filing Adoption Rate	0.387***	0.371***	Yes	Yes
NBR Annual Training Invest.	0.214**	0.203**	Yes	Yes
SME Digital Literacy Index	0.296**	0.281**	Yes	Yes
VAT Portal Uptime	0.173*	0.161*	Yes	Yes
Mandatory E-Invoicing (D)	0.441***	0.429***	Yes	Yes
Informal Economy Share	-0.318***	-0.301***	Yes	Yes
Enforcement Capacity Index	0.259**	0.247**	Yes	Yes
Model Fit	$R^2 = 0.812$	$R^2 = 0.793$	Adj. $R^2 = 0.786 \rightarrow 0.761$	Stable

Note: *** $p < 0.001$; ** $p < 0.01$; * $p < 0.05$. All standard errors are assumed to be robust. Coefficients are exploratory, and should be thought about as directional-related associations, not causal estimates. There are 7 independent variables in the OLS regression and few number of observations. The usefulness of the model is that it can help to pinpoint reform priorities and provide an overview of conflict which can be used to triangulate interview evidence, but the model alone cannot be used for precise forecasting or causal inference.

major coefficients was largely unchanged in the sample. The reduced sample, however, only has 20 observations and the robustness check is still an exploratory check.

Appendix B: Full Primary Interview Participant Profile with Core Mechanisms Identified (n = 25; Feb-Oct 2025)

Table 9: Full Primary Interview Participant Profile

ID	Designation / Sector	Exp.	Core Mechanism Identified
NBR-01	Deputy Commissioner, VAT (Large Taxpayer Unit)	14 yrs	Sub optimal database designs hamper the ability to do automated cross-verification work between VAT, customs and income tax records.
NBR-02	Asst. Commissioner, VAT Audit Wing	9 yrs	The amount of yield that the audit wing can gain from the use of risk-based AI to select the audit without adding more team people, could be significant.
NBR-03	Dy. Commissioner, Customs & VAT Intelligence	12 yrs	Without e-invoicing, there is no way to ensure the input credit chain with Mushak 9.1 also reduces paper transaction fraud by ~30%.
NBR-04	Addl. Commissioner, VAT Policy Division	17 yrs	Backward and forward compatibility of tax rate leads to non-compliance issue for business for several months in each revision of tax rate.
NBR-05	VAT Inspector, Dhaka North Commissionerate	6 yrs	SMEs in non-metropolitan areas need to be supported multiple times face-to-face to file just one Mushak 9.1 return.
TC-01	Senior VAT Consultant, Dhaka (Big-4 affiliated)	18 yrs	1st Phasing of Mandatory e-Invoicing for the firms with Turnover greater than Tk. We included 5 crore to be technically feasible within a maximum of 12 months with a clear NBR policy decision.
TC-02	Tax Consultant, Chittagong (Manufacturing)	11 yrs	Frequent unexpected change in their duty obligations and frequently there is compliance uncertainty all along the chain of supply and chain of command.
TC-03	Chartered Accountant, VAT Practice	15 yrs	Portal processing failures during the 15th day of next month filing window affect close to 40% of mid-size client for return filings.
TC-04	VAT Advisor, RMG Sector Specialist	13 yrs	This is a manual process with a typical cycle time of 5 months for the entire export VAT refund process,

TC-05	Tax Consultant, ICT Sector	8 yrs	VAT exemption in the software services sector is inconsistently administered, and regularly leads to classification problems.
TC-06	VAT Practitioner, SME-focused Consultancy	7 yrs	A significant proportion of SME & Company clients still require assistance even to log in to the VAT portal.
TC-07	Senior Advisor, Pharma & FMCG Sector	16 yrs	The highest number of client complaints with Input tax credit reconciliation in Mushak 9.1.
TC-08	Consultant, Real Estate VAT	10 yrs	The advance tax provisions of SRO No. 181 law/2025/309 Mushak(section-126) are also not understood correctly by the property developers , Importers & traders
TC-09	VAT Consultant, Telecom Sector	12 yrs	Even at SMEs portal interface, the way it was functioning wasn't very comfortable when compared to big companies with digital skills.
TC-10	Tax Advisor, BGMEA-affiliated	9 yrs	BGMEA affiliated should be made available for eBIN Verification API and should help in reducing input credit chain disputes.
SME-01	MD, Textile Trading, Narayanganj	6 yrs VAT	An exclusive two member team for VAT compliance for almost BDT 80 lakhs annual VAT liability.
SME-02	Proprietor, Food Processing, Gazipur	4 yrs VAT	Error message is displayed on the portal which is not comprehensible and NBR helpline is available only till early afternoon & during holiday time.
SME-03	Director, Construction Materials, Sylhet	8 yrs VAT	Late payment penalty of BDT 45000 was issued for not getting the portal acknowledgment in time; there is no grievance mechanism available.
SME-04	Owner, Garments Accessories, Tongi	5 yrs VAT	The mobile version of the portal won't work, and the Portal relies on an old laptop, with a patchy internet connection.
SME-05	Managing Partner, Retail Chain, Khulna	7 yrs VAT	The ability of the district-level VAT offices to be digitally ready varies widely, and the employees are still operating from paper offices.
SME-06	Director, ICT Services, Dhaka	3 yrs VAT	Ambiguity over classification of software services as a major concern; software services are efficient for the ICT users.
SME-07	Proprietor, Agro-processing, Mymensingh	5 yrs VAT	One NBR training session conducted in 2022, is now outdated because of the drastically altered interface & laws.
SME-08	CEO, Logistics Company, Chattogram	9 yrs VAT	Manual VAT management has been observed in the SMEs, which could be mended by introducing digital system via e-challan..
SME-09	Owner, Printing & Packaging, Dhaka	6 yrs VAT	In principle supports e-invoicing reform with at least 18 months lead time with sectoral guidance provided.
SME-10	Director, Healthcare Products, Bogura	4 yrs VAT	An NBR developed mobile application would be very helpful with regard to compliance access outside the major cities.