

SME Survey Response for Selected Non-OECD countries

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Macro:

Table 1. SME Survey Response to the Questionnaire: VAT- General

Country	1. Number of Businesses Registered for VAT	5. Number of Businesses Below Threshold not Registered/Businesses Above Threshold but not Registered
Albania	9,600 businesses until December 31, 2005; 12,000 businesses until July 2006	a. 3,600 is the number of businesses resulting with an annual turnover below the threshold (According to data received from computerized local offices). b. We have not observed any business with a turnover above the threshold and unregistered for VAT. Generally, businesses to be registered for VAT are defined when the threshold is exceeded and by the end of the year.
Algeria	485,000 businesses.	a. 633,959 (national data) b. Zero
Argentina	Total businesses 872,432; Companies 338,196; Individuals 534,236	...
Benin	4,254 businesses	a. About 120,000; b. Mostly businesses operating in the informal sector.
Bolivia	172,273 businesses	There is no VAT threshold
Brazil	3,000,000 businesses	All business in Brazil are obliged to pay VAT - there is no threshold for registration. Those that opt for the presumptive system (SIMPLES) pay a turnover tax which replaces the VAT.
Chile	846,657 businesses	There is no VAT threshold
China	Approximately 1.8 million businesses	...
Colombia	257,233 businesses	...
Kenya	Approximately 65,528 businesses	...
Peru	548,423 businesses	There is no VAT threshold
Trinidad and Tobago	22,593 businesses	...
Vietnam	42,305 businesses up to December 31, 2005	There is no VAT threshold

Source: Countries authorities.

Table 2. SME Survey Response to the Questionnaire: VAT- Design

Country	2. How many positive VAT rates do you apply? Which are the rates? Which of them is the standard rate? Do you have zero-rating (exemptions with credit) for supplies of goods or services other than exports?	3. Registration Threshold	4. Voluntary Registration Possible?	6. In case your VAT regime contains a threshold: a. Are related parties aggregated for threshold purposes? b. Are there estimates of the cost of the threshold?	7. Does your VAT system allow a reduction of net tax liability for SMEs? If yes, explain.	8. Do purchasers from unregistered businesses obtain imputed input credits under any circumstances?	35. VAT Withholding on Imports, Yes/No
Albania	a. A positive VAT rate, which stands at 20 percent; b. Other than exports, we apply a zero rating for supplies delivered to NATO.	The registration threshold is of leke 8 million in turnover.	Yes, according to VAT law, a business is registered as VAT taxpayer upon voluntary bases in spite of the turnover rate. 271 registrants were registered during 2005.	When the registration is applied in case the threshold is reached, there are no special rules for each business subject.	No, the actual VAT system doesn't allow a reduction or alleviation of net tax liability for SMEs.	The purchasers can't obtain input credits from unregistered businesses with the exception of producers of grapes, olive, milk and wheat.	Yes
Algeria	Two VAT rates are applied in Algeria: - a reduced rate of 7 percent; - a normal rate of 17 percent - a zero rate for supplies of goods and services (bread, bread flours, milk, medicines, goods and services by or on behalf of oil companies, etc.).	Since January 2007, with the introduction of the single flat tax, the real threshold is DA 3 million; a. Taxation threshold criterion = annual turnover; b. DA 100,000 (services) - DA 130,000 (other activities).	Yes, taxpayers not liable for payment of the VAT may opt into the VAT regime.	a. Separate application b. No estimate made.	No abatements, no reduction except for exemptions, and refunds.	Tax credit-not provided for	Yes
Argentina	VAT has 3 positive rates: 21 percent (general) 27 percent, and 10.5 percent. The 27 percent rate is applied to intermediate stages on supply of gas, electricity, water supplied through meters, and communication services	72,000 pesos for sales of services; 144,000 pesos for sales of goods; sale of any good priced 870,00 pesos or more.	Yes	...	No	No	Yes
Benin	One positive VAT rate; 18 percent	On annual turnover. Service providers with a turnover > 15,000,000. Businesses with a turnover > 30,000,000, which will soon be raised to CFAF 40 million.	Yes, a business below the threshold may opt into the regular VAT regime. 185 businesses have opted in.	a. The threshold is determined taking into account turnover by branches or secondary establishments, as appropriate; b. No.	No	No	Yes
Bolivia	One VAT-inclusive rate of 13 percent, which results in an effective rate of 14.94	There is no VAT threshold.	...	...	...	No	No

Table 2. SME Survey Response to the Questionnaire: VAT- Design

Country	2. How many positive VAT rates do you apply? Which are the rates? Which of them is the standard rate? Do you have zero-rating (exemptions with credit) for supplies of goods or services other than exports?	3. Registration Threshold	4. Voluntary Registration Possible?	6. In case your VAT regime contains a threshold: a. Are related parties aggregated for threshold purposes? b. Are there estimates of the cost of the threshold?	7. Does your VAT system allow a reduction of net tax liability for SMEs? If yes, explain.	8. Do purchasers from unregistered businesses obtain imputed input credits under any circumstances?	35. VAT Withholding on Imports, Yes/No
Brazil	There are many VAT-type taxes in Brazil. At the Federal Level, the PIS and the COFINS are the most broad VAT, with a standard rate of 1.65 percent and 7.6 percent, respectively. The Tax on Manufactured Goods (IPI) is a federal VAT restricted to industrialized goods and does not have a standard rate (though the modal rate is 10 percent). At state level, the ICMS (which in fact is the most important VAT in Brazil) has many rates (each state has the power to set its own rates) but has standard rate of 18percent.	There is no registration threshold for the federal VATs. However, business declaring under the presumptive regime (SIMPLES), which has a threshold of R\$2,400,000 annual turnover, pay a single turnover tax which replaces the VAT.	Do not apply given all enterprises should pay VAT. However, it must be said that the presumptive system is optional, so if the business does not want to declare under this system, it can normally register under the "regular system".	Do not apply	Yes, if the SME opt for the presumptive regime (SIMPLES). This regime will substitute for the VATs and other taxes and is levied as a %age of the annual turnover. Micro business can have a reduction of up 66% of regular tax liability, while small business can have a reduction of up 39% of regular tax liability - that is, the liability usually paid under the "real regime".	If the purchasers buy from business that opt for the presumptive regime (i.e., those who pay based on turnover), they do not obtain input credits.	No
Chile	One positive VAT rate of 19 percent.	There is no VAT threshold	...	...	No	No	No
China	Three rates: the standard rate of 17 percent, the low rate of 13 percent and a zero tax rate. The zero tax rate applies to exported goods, with the exception of instances in which the State Council has established other requirements.	Yes, but only for individuals. Current value-added tax threshold ranges are stipulated as follows: 1. the threshold for the sale of goods is monthly sales of 2,000-5,000 yuan. 2. The threshold for the sale of taxable labor is monthly sales of 1,500-3,000 yuan. 3. The threshold for tax payments per occurrence is sales per occurrence (day) of 150-200 yuan. The various provinces, autonomous regions, direct jurisdiction municipalities and cities specifically listed in the state plan may determine the applicable thresholds for their own areas from within the stipulated range based on actual circumstances, and report them to the State Administration of Taxation for its records.	No	Taxpayers with affiliate relationships should present applications for confirmation of status as ordinary taxpayers to the competent tax authorities separately, and will be confirmed as ordinary taxpayers only upon compliance with the stipulated confirmation conditions, including sales volume. Because we have yet to impute the taxation costs brought on by the relevant thresholds, we are unable to offer any conclusions.	Below threshold value added tax is levied on small taxpayers simply in accordance with sales volume and the tax rate; they are not permitted to deduct taxes on purchases.	According to the provisions of tax laws, a purchaser is entitled to obtain a special invoice for value-added tax purposes from the seller, but if the purchaser is a consumer, so that the goods purchased are tax-exempt goods, the seller must not issue such special invoices; additionally, small taxpayers must not issue special value-added tax invoices for goods sold; they should always issue ordinary invoices.	...
Colombia	7 different rates: 2 percent, 5 percent, 10 percent, 16 percent (standard rate); 20 percent, 25 percent, and 38 percent	Approximately US\$ 30,000 in sales/year or US\$ 40,000 in net assets (base 2005). For farmers net assets should be above US\$ 50,000.	Yes	...	No	No	No

Table 2. SME Survey Response to the Questionnaire: VAT- Design

Country	2. How many positive VAT rates do you apply? Which are the rates? Which of them is the standard rate? Do you have zero-rating (exemptions with credit) for supplies of goods or services other than exports?	3. Registration Threshold	4. Voluntary Registration Possible?	6. In case your VAT regime contains a threshold: a. Are related parties aggregated for threshold purposes? b. Are there estimates of the cost of the threshold?	7. Does your VAT system allow a reduction of net tax liability for SMEs? If yes, explain.	8. Do purchasers from unregistered businesses obtain imputed input credits under any circumstances?	35. VAT Withholding on Imports, Yes/No
Kenya	There are two VAT Rates: Standard rate-16 percent and Zero rate. Apart exports, there are certain goods and services that are zero-rated. These are outlined in the 5th Schedule of the VAT Act.	KShs 5 million However, there are certain categories of taxpayers who are registered regardless of their turnover limits. These are itemized in the 6th Schedule 1(c) and include dealers in: (Timber; motor vehicle parts and accessories; accountancy and any type of auditing, book keeping or similar service; advertising; legal and arbitration services; telecommunication services including rental of telecommunication equipment and installation services; exporters and etc.).	Yes, if such a company is dealing with registered withholding VAT agents, in which case they will have to claim their withholding VAT (This requires them to be registered.) About 672 taxpayers have been registered since the introduction of withholding VAT in October 2003.	a. The turnover of related parties/companies are aggregated together to determine the turnover. If the turnover is above the threshold, one VAT certificate is issued. Certified copies of the certificate should be displayed at the other branches. b. Data not available.	No	No	Yes
Peru	One positive rate of 19 percent (17 percent VAT and 2 percent municipal promotion)	There is no VAT threshold.	There is no threshold, but there are two simplified systems. Taxpayers can choose were they want to be taxed.	...	No	No	Yes
Trinidad and Tobago	There are two VAT Rates: Standard rate-15 percent and Zero rate.	Yes, TT\$200,000 gross turnover.	No	a. Each business separately b. Unable to determine to date.	No	No	Yes
Vietnam	There are 3 tax rates for VAT: (zero rate; 5 percent; 10 percent) - There is no standard tax rate - Tax rate of zero rate only applies for goods, export services and considered export goods. - There are 28 groups of goods, services exempted from VAT - Personal income that is lower than the minimal wage per month set by the Government does not have to pay VAT (income is identified by taking revenue deducted by reasonable business cost).	There is no VAT registration threshold.	...	...	No	No	Yes

Source: Countries authorities.

Table 3. SME Survey Response to the Questionnaire: Administrative Simplification and Compliance Incentives

Country	9. Are there any modified administrative requirements (for example, less frequent returns/simplified record-keeping) targeted to SMEs? If yes, explain	28. Do you have simplified accounting provisions for taxing small businesses, (for example, simplified balance sheet and profit and loss statement or cash accounting in place of accrual accounting)? If yes, please describe the provisions and qualification criteria (if any), and indicate whether in general they reduce tax liability for small businesses.
Albania	No, specific rule on the creation of more simplified procedures for record keeping.	Simplified methods for the calculation of small business taxes, which consist in keeping only the selling and buying book, which serves for the calculation of the simplified tax from the total selling (turnover). Meantime, law no.7761, dated 19.01.1993 sets out only the ways on keeping accounts for small and big businesses.
Algeria	Yes, both incorporated and unincorporated business: a. Quarterly filing, rather than monthly. Eligibility criterion: total taxes paid DA 150,000/year; b. Yes	Simplified accounting applies only for the IFU. The only requirement is to keep a register of revenues and expenditures initialed by the tax administration.
Argentina	No	No
Benin	Yes, VAT declarations are filed on a quarterly rather than a monthly basis.	The simplified real system is subject to simplified accounting requirements. The presumptive system is subject to keeping books or records of revenue and expenses. The amount of the tax may be lower than the minimum required for the real or simplified system.
Bolivia	No	No
Brazil	Yes, for those who opt for the presumptive system (SIMPLES). They pay eight different taxes at once using a single payment form (including the state and municipal consumption taxes), in only one single monthly payment - all as a percentage of the turnover. They should maintain simplified accounting and submit an annual simplified return.	Yes, there is simplified accounting (cash method) for all business that opt for the presumptive system. They should issue invoices and keep all invoices and books in proper order. The self-employed individuals declaring under PIT also use simplified accounting methods.
Chile	Yes, taxpayers under the simplified system should file every four months. Also, they are not required to issue sales invoices.	Yes, they can maintain a simplified accounting.
China	The simple method of calculating tax payable is in effect for small taxpayers selling goods or taxable labor. In other words, sales revenue for the current period is multiplied by the tax rate to calculate tax payable; deduction of tax on purchases is not permitted. The standard for commercial enterprise small taxpayers is that if annual sales volume is less than 1.8 million yuan, the 4 percent tax rate shall apply; the standard for industrial enterprise small taxpayers is that if annual sales volume is 1 million yuan, the 6 percent tax rate shall apply. The simple taxation method applies to small taxpayers, including incorporated and unincorporated enterprises.	In 2004, the Ministry of Finance issued the Small Enterprise Accounting System, greatly simplifying accounting for small enterprises and adopting simplified balance sheet and profitability statements. However, there is still no evidence to indicate that such simplified accounting rules have universally alleviated the tax obligations of small enterprises.
Colombia	Taxpayers in the VAT simplified system are not required to issue sales invoices, charge VAT in their sales, file VAT or income tax returns.	Small businesses in the simplified regimen are allowed to use simpler sales book where they post their sales daily. No other books are required.
Kenya	No, there are no specific administrative requirements targeted at SMEs. However, with effect from January 2007, the turnover tax will be implemented for taxpayers whose annual turnovers are below Kshs 5 million. Implementations modalities are being developed.	...
Peru	No, but there are two simplified systems. One replaces income tax and the other replaces both income tax and VAT.	The taxpayers in the simplified system do not have to keep accounting books.
Trinidad and Tobago	No	...
Vietnam	Vietnam has no special policies in terms of VAT for SMEs.	There is no simplified accounting provision for taxing small businesses, either incorporated or unincorporated. There is only one accounting system applies for all forms of business.

Source: Countries authorities.

Table 4. SME Survey Response to the Questionnaire: Incorporated and Unincorporated Business: Tax Base, Rates and Prepayments

Country	11. a. Differences in Tax Base	11.b. Tax Rates	Minimum tax regime	Can tax withholding (VAT,...) on import be credited against income tax?
Albania	The difference between incorporated and unincorporated businesses (physical and juridical) is as follows: a. Small businesses pay the local tax, simplified profit tax, income tax and social and health insurances tax. These businesses don't keep the balance sheet, but they keep the turnover book. b. Medium and large businesses are included in VAT scheme, in the profit tax, income tax, social and health insurances tax.	...	Only a minimal income tax is applied for those who receive a wage of up to 14,000 leke per month.	No
Algeria	Real system; unincorporated a. IFU turnover < 3,000,000; b. Real tax system if turnover > 3,000,000	Unincorporated (turnover < 3,000,000) IFU a) 6 percent of turnover: purchase – resale b) 12 percent turnover: other activities - - (turnover > 3,000,000) + partnerships - (real system) tax on overall income of individuals (IRG)/profits from commercial activities (BIC)= progressive rate structure - Corporations real system IBS [corporate income tax] a) 25 percent - Normal rate b) 12.5 percent Reduced rate (reinvesting).	There is a minimum tax of DA 5,000.	Yes, 4 percent deduction on import applicable to certain goods intended for resale in unaltered state.
Argentina	...	...	Yes	No
Benin	There are no differences	The tax rates are different: 38 percent for corporations and 35 percent for unincorporated businesses and sole proprietorships.	Yes, there is a form of minimum income tax equal to 0.5 percent of turnover with a floor of 100,000 francs up until December 31, 2006. In 2007, this percentage has been increased to 0.75 percent of turnover with a floor of 200,000 francs.	No
Bolivia	There are no differences in the bases for the two groups.	25 percent for both incorporated and unincorporated businesses.	No	No
Brazil	The incorporated businesses (juridical entities) may opt for the presumptive regimes depending if they qualify for them (see details under Presumptive Regimes). If they declare under the real regime, they should undertake accrual accounting and pay its taxes accordingly. The tax base of the presumptive regimes is the annual turnover while the tax base of the real system is the profit (income minus expenses and legal adjustments). If they declare as a self-employed (individual) under the PIT, they will pay on net income (income minus expenses) following the PIT rates, and are allowed to undertake cash accounting.	Tax rates (federal taxes on profits) for the real regime are: 24 percent or 34 percent (depending on the profit level). Tax rates for the presumptive regime (which substitutes for eight different taxes) ranges from 4 percent to 11.61 percent of the turnover (for a regular commercial business). There is a special presumptive system for medium enterprises (substituting only the income tax), which rates are the same as the real regime, but the tax base is presumed based on coefficients applied to the annual turnover. The PIT rates has two positive brackets (15 percent and 27.5 percent).	No	No
Chile	There are no differences in the bases for the two groups.	Rate of 17 percent for corporations. I/	No	No

Table 4. SME Survey Response to the Questionnaire: Incorporated and Unincorporated Business: Tax Base, Rates and Prepayments

Country	11. a. Differences in Tax Base	11.b. Tax Rates	Minimum tax regime	Can tax withholding (VAT,...) on import be credited against income tax?
China	The basis for the calculation of tax for incorporated enterprises and unincorporated enterprises is essentially the same: taxable income is obtained by subtracting the relevant costs, expenses and losses from gross income and making the appropriate tax adjustments. However, pursuant to tax law provisions, differences exist with respect to the basis for calculating tax for domestically owned incorporated enterprises and foreign owned incorporated enterprises, primarily manifested in differences in the requirements with respect to pre-tax deductions, e.g. the pre-tax deduction requirements for wages, benefit expenses and public welfare or charitable losses and contributions.	For domestically owned incorporated enterprises, a single, uniform enterprise income tax rate of 33 percent applies; for domestically owned unincorporated enterprises, five-tiered progressive individual income tax rates for income in excess of specified amounts apply: for annual taxable income of 5,000 yuan or less, the tax rate is 5 percent; for portions in excess of 5,000 yuan up to 10,000 yuan, the tax rate is 10 percent; for portions in excess of 10,000 yuan up to 30,000 yuan, the tax rate is 20 percent; for portions in excess of 30,000 yuan up to 50,000 yuan, the tax rate is 30 percent; for portions in excess of 50,000 yuan, the tax rate is 35 percent. Foreign owned incorporated enterprises and unincorporated Chinese-foreign cooperative business operation enterprises that adopt uniform calculation and payment of taxes: a single uniform tax rate applies, with an enterprise income tax rate of 30 percent and a local income tax rate of 3 percent.	No	...
Colombia	There are no differences in the bases for the two groups	20 percent special regim; and 35 percent general regim.	Yes, based on the net worth	No
Kenya	KRA uses the 'real system'. There are no differences between incorporated and unincorporated business in the calculation of taxable profits (income). The only difference exists on the rates applied in calculating the tax liability.	For incorporated businesses, the rate is 30 percent while for un-incorporates businesses, income tax brackets are applied as follows: ANNUAL TAXABLE PAY KSHS RATES OF TAX IN EACH KSHS 1-121,968 10 percent Next 114,912 15 percent Next 114,912 20 percent Next 114,912 25 percent Excess over 466,704 30 percent	No	No
Peru	There are no differences in the bases for the two groups.	One rate of 30 percent for both incorporated and unincorporated businesses.	No	No
Trinidad and Tobago	Same except where legislation permits allowances in respect of incorporate business only and oil and other businesses.	A single tax rate for incorporated and unincorporated businesses except for Insurance and Petroleum Companies.	Yes. Income tax on all business profits must not be less than 2 percent of gross income.	No
Vietnam	The differences between incorporated and unincorporated businesses: - Incorporated businesses pay tax through declaration method. - Unincorporated businesses, depending on their conditions, pay tax according to either declaration method or presumptive method.	...	No	No

Source: Countries authorities.

1/ Chile has an integrated tax system where corporate taxes are only an installment towards the personal income tax liability of the owner.

Table 5. SME Survey Response to the Questionnaire: Criteria for Presumptive Taxation

Country	22. Criteria to Qualify for Presumptive Taxation	23. Opt out Possibilities (Yes/No)	21. Is the simplified/presumptive tax regime levied in lieu of income tax only? If not, please list the other major taxes for which it substitutes (for example, VAT, local income taxes or social contributions).
Albania	Yes, the only criterion is the annual turnover threshold of up to leke 8 million.	The taxpayer that has a juridical or physical status and an annual turnover has the right to request registration at small business (which is treated only with simplified tax) or be included in the integrated system (it will be treated for VAT, profit tax, social and health insurance and income tax).	The simplified profit tax presumes both VAT and the Tax. This mode of taxation doesn't exclude income taxes, social and health insurance contributions and local taxes.
Algeria	Turnover is the criterion used. The current threshold is DA 3,000,000/year.	Taxpayers subject to the IFU can opt into the real system; the other data are not yet available.	IFU replaces the VAT, the TAP [professional activities tax] and the IRG [tax on overall income of individuals]. It does not affect the IBS [corporate income tax].
Argentina	Taxpayers with sales below VAT threshold	Yes	CIT, VAT, and social security contribution
Benin	Enterprises under the presumptive system are subject to that system based on their turnover or the nature of their business. The threshold for application of the presumptive system is CFAF 40 million for businesses and CFAF 15 million for service providers.	Yes, businesses under the simplified real system may opt into the real system, and those under the presumptive system may opt into the simplified real system. No statistics are available on taxpayers that have opted into the real system.	Both yes and no. In areas where there is no Urban Property Register (RFU), presumptive taxation replaces income tax only. However, in areas where there is an RFU, presumptive taxation covers a number of taxes, namely VAT, business profits tax (BIC), general income tax (IGR), employer contribution (VPS), business and professional licenses.
Bolivia	Should be an individual taxpayer with assets worth below a threshold (Bs. 37,000)	Yes	CIT and VAT
Brazil	There are two different presumptive systems in Brazil. Both systems are for juridical entities. The SIMPLES is for business with turnover level below R\$ 2,400,000 (however, some restrictions apply for particular economic sectors that cannot opt for this system). The "Lucro Presumido" is for companies with turnover level below R\$ 48,000,000 (and there are also restrictions for specific economic sectors). Therefore, the criteria involves a mix of turnover level and economic activity.	Yes, all taxpayers have the option to declare under the real regime. The presumptive regimes are optional and no mandatory under any circumstance.	The SIMPLES is levied in lieu of eight different taxes and contributions, including state and municipal taxes, as follows: income tax, federal VAT-type taxes (IPI, PIS and COFINS), the social contribution on Net Profit (a type of income tax), the social security contribution (employer's part), the state VAT (ICMS) and the municipal service tax. The "Lucro Presumido" is levied only in lieu of the income tax.
Chile	Should be a retailer with sales below a threshold.	Yes	The simplified systems is meant to replace the VAT. However, there is a special CIT system for some small taxpayers. Such system is based on an annual fee or on a percent of sales.
China	According to the tax laws currently in force in China, the tax determination and collection method (presumptive taxation) is implemented in the following six situations: the provisions of law or administrative regulation do not require the establishment accounting books; the provisions of law or administrative regulation require the establishment of accounting books, but accounting books have yet to be established; accounting books have been unilaterally destroyed without authorization, or the entity refuses to provide tax information; although accounting books have been established, the accounts are disorderly, or cost information, income documentation and expense documentation are incomplete, making it difficult to audit the books; there is a tax obligation, but tax filings were not completed within the specified time frame, and the tax authorities subsequently ordered filing within a limited time frame, and such filing is delinquent; the basis for calculating tax reported by the taxpayer is obviously low, and there is no legitimate reason for it. The conditions for implementing tax determination and collection (presumptive taxation) and the conditions for reduction or exemption from value-added tax or other indirect taxation are not entirely the same.	According to the tax laws currently in force in China, taxpayers who meet the criteria for the tax determination and collection method (presumptive taxation) shall implement the tax determination and collection method, and are not permitted to independently elect to implement the audit collection method (actual system).	According to the actual tax collection administration situation in China, the tax determination and collection method (presumptive taxation) applies not only to income tax, but also to tax varieties including value-added tax, business tax and stamp tax.
Colombia	...	No	...
Kenya	...	...	...
Peru	Basically the criteria is to have sales below US\$ 72,000/year. Some constraints apply.	Yes	VAT and income tax
Trinidad and Tobago	...	...	...

Table 5. SME Survey Response to the Questionnaire: Criteria for Presumptive Taxation

Country	22. Criteria to Qualify for Presumptive Taxation	23. Opt out Possibilities (Yes/No)	21. Is the simplified/presumptive tax regime levied in lieu of income tax only? If not, please list the other major taxes for which it substitutes (for example, VAT, local income taxes or social contributions).
Vietnam	Presumptive tax is based on revenue and percentage of taxable income depending on the business sector and location.	Real system is applied to businesses that introduce invoices and accounting system according to regulations. Households and businesses that do not introduce invoices and accounting system apply presumptive tax method.	All enterprises practice accounting system and invoices pay tax according to regulations in Corporate income tax law. Businesses households , individual businessmen, foreign individuals and organizations doing business in Vietnam not introducing invoices and accounting systems pay tax according to presumptive method (including VAT and corporate income tax).

Source: Countries authorities.

Table 6. SME Survey Response to the Questionnaire: Criteria for Presumptive Taxation

Country	20. Tax Base	Tax Rates by Region	Does Revenue Accrue to Sub-National Governments?	Is there a Simple Patent?
Albania	The presumptive levels of local taxes for small businesses are divided in three categories depending on the municipality's venue. Due to this division, the venue was decided in conformity with law 9432, dated October 13, 2005.	...	...	...
Algeria	IFU applies only to unincorporated businesses (PP and individual enterprises).	...	...	No, the IFU is the only simplified regime.
Argentina	The system applies to both incorporated and unincorporated taxpayers.	...	...	No
Benin	The Simplified Tax System (RSI) applies to all types of taxpayers, individuals or corporations, whose annual turnover meets the established threshold.	There are differences in the tax treatment of small businesses. In towns that have a special status, small enterprises are subject to a composite tax, the single professional tax (TPU), and are not required to declare. Their tax is calculated using an automatic formula based on data collected by tax officers during the annual tax surveys. Small businesses in other localities are subject to the presumptive BIC, whose base is the result of an understanding with the taxpayer and is renewable by tacit rollover to the next year. A reform is under way to harmonize treatment in the case of small enterprises.	...	Yes, it is applicable to all enterprises. In case of itinerant or unorganized vendors who sell on markets or the street, the patent is a presumptive tax that pays the tax liability in full.
Bolivia	The simplified system is applicable only to individual traders. It is based on the trader's assets and are paid bimonthly.	...	...	Simple patents are charged by municipal governments.
Brazil	The tax base for both the SIMPLES and the "Lucro Presumido" is the annual turnover.	No, rates vary only in function of the turnover level.	Yes, part of the SIMPLES revenue goes to the states and municipalities, given that it is an integrated system (i.e., collected substituting the state VAT and the municipal service tax).	No
Chile	In the case of VAT, the base of the presumptive taxation is the value of the taxpayers' assets (building, vehicles). In the case of VAT the system is based on monthly fees. These fees are established by the authorities based on level of sales, inventory turnover, assets (buildings, equipment, etc.)	...	...	There is a municipal fee which is calculated as 0.5% of the capital of the company.
China	According to the provisions of the Law of the People's Republic of China Concerning the Administration of Tax Collection and the Provisional Regulations for the Determination and Collection of Enterprise Income Tax, regardless of whether a taxpayer is an unincorporated enterprise or a medium or small incorporated enterprise, only those which match one of six tax determination (presumptive taxation) situations shall adopt the tax determination and collection method. Taxpayers implementing the tax determination and collection method may adopt the fixed amount collection method or the determined taxable income rate collection method, as well as other reasonable methods.	...	...	No
Colombia	The base of the presumptive tax is the taxpayer's net worth. In some circumstances the gross assets can be used as tax base after some deductions. Part of the assets devoted to agriculture and fishing are exempt.	...	...	No
Kenya	...	...	...	No

Table 6. SME Survey Response to the Questionnaire: Criteria for Presumptive Taxation

Country	20. Tax Base	Tax Rates by Region	Does Revenue Accrue to Sub-National Governments?	Is there a Simple Patent?
Peru	The tax is based on gross sales, gross purchases, consumption of electricity and telephone services and on the maximum price of individual goods. A monthly fee is established based on these factors.	...	...	No
Trinidad and Tobago	There is no Simplified or presumptive taxation in Trinidad and Tobago but Income Tax on all business profits must not be less than 0.2% of Gross Income.	...	...	No
Vietnam	Vietnam applies presumptive tax method with individual business households, individual enterprise, and foreign individual enterprise organization in Vietnam that have not practiced accounting system and invoices.	...	...	No

Source: Countries authorities.

Table 7. SME Survey Response to the Questionnaire: Special Tax Incentives

Country	10. Are there any special tax incentives specifically for SMEs (for example reduced VAT rates, or allowances and tax credits targeted at small and medium - sized businesses?)	19. Are there any tax advantages available only for large firms or large investments (perhaps in particular regions)? If yes, please describe.
Albania	No, however, businesses that exert activities in the production field for the first time benefit from the non-payment of the profit tax for a six months period.	No
Algeria	No	Tax advantages are granted regardless of the size of the businesses. The criteria applied are the type of activity and where the business is located. The ANDI arrangement provides a specific system for certain large investments. The ANSEJ arrangement provides an investment threshold of DA 10,000,000.
Argentina	Yes, there is a VAT reduced rate of 10.5% for publicity services supplied by SMEs	No
Benin	No	With respect to investments, a business that acquires capital goods amounting to more than CFAF 40 million may benefit from a refund of VAT credit.
Bolivia	No	No
Brazil	No, the only incentives are the presumptive regimes themselves (SIMPLES and Lucro Presumido).	No
Chile	No	No
China	China does not yet have special value-added tax preferences for small and medium-sized enterprises.	The tax laws currently in force in China have no tax benefits targeting large enterprise or large scale investments.
Colombia	No	No
Kenya	No	The only tax advantage relates to set-off of import duty for investment in a project costing more than USD 70,000. However, prior approval must be given by the Minister.
Peru	No	No
Trinidad and Tobago	No	Yes
Vietnam	No	All enterprises in general (regardless of sizes) receive CIT incentives if they have projects invested in preferred sectors, investment in difficult or especially difficult areas

Source: Countries authorities.

Table 8. SME Survey Response to the Questionnaire: The Tax Treatment of Business Losses

Country	The Tax Treatment of Business Losses
Albania	For incorporated businesses: losses carried forward up to 3 years. In case of small businesses: losses can't be transferred.
Algeria	Losses carried forward up to 5 years.
Argentina	Losses carried forward up to 4 years.
Benin	Losses carried forward up to 3 years.
Bolivia	Losses carried forward up to 4 years.
Brazil	Those taxpayers declaring under the presumptive system (SIMPLES) do not have business losses to deduct given they pay taxes as a certain percentage of their turnover (i.e., there is no calculation of net profit/loss). So this is different from those declaring under the real system, where there this calculation takes place. If there is a business loss, it can be carried forward without time limit, but there is a limitation on the amount of the compensation.
Chile	Losses carried forward indefinitely.
China	Losses carried forward up to 5 years.
Colombia	Losses carried forward up to 8 years.
Kenya	Business losses cannot be carried backwards. However they can be carried forward indefinitely.
Peru	Losses carried forward up to 4 years.
Trinidad and Tobago	Losses carried forward indefinitely.
Vietnam	Losses carried forward up to 5 years.

Source: Countries authorities.

Table 9. SME Survey Response to the Questionnaire: Taxes on Capital Gains

Country	18. How do you treat Capital Gains on the Sale of a Small Businesses?
Albania	Legislation on tax doesn't treat the sale of a small business. The sale of small business assets is treated as revenues from selling and these incomes are taxed.
Algeria	Short term (- 3 years): 35% abatement; Long term (+ 3 years): 70% abatement.
Argentina	Capital gains are treated under the income tax.
Benin	The capital gains on the sale of a small business are subject to the tax on business profits (BIC).
Bolivia	Capital gains are treated under the income tax.
Brazil	Capital gains are treated under the income tax.
Chile	Capital gains are treated under the income tax.
China	China currently has no capital gains tax. Therefore, the relevant provisions of the enterprise income tax apply to incorporated enterprise capital gains obtained from the sale of a small enterprise currently under development, and enterprise income tax is levied against capital gains as well as income from production and operations.
Colombia	Capital gains are treated under the income tax.
Kenya	Currently there is no capital gains tax since its suspension in 1985. However, with effect from January 2007, the tax will be re-introduced. Implementation modalities are being worked out.
Peru	Capital gains are treated under the income tax.
Trinidad and Tobago	No different. Only short term capital gains chargeable to income tax.
Vietnam	In small businesses, capital gains will be put under category of other incomes to calculate income tax of the business.

Source: Countries authorities.

Table 10. SME Survey Response to the Questionnaire: Social Security Contributions and Other Taxes

Country	34 Do you give any other tax concessions to small business other than those mentioned under the consumption and business income tax regimes? For example, do you have any special regulations regarding social security payments for small businesses (such as thresholds/different rates)? Can self-employed individuals opt out of social security, public health care and other schemes that are compulsory for employed workers?	c. Are there any special concessionary provisions regarding property tax for small business?	d. Are there any special concessionary provisions regarding the wealth tax for small business?	e. Do you have any other concessionary provisions targeted to small and medium business (e.g., subsidized loan programs, guarantees, government grants, etc.)?
Albania	Payment of contributions for social and health insurances is compulsory for all the employees and their employers and for all the persons economically active (self employed). The taxable base for contributions can't be below the minimum wage and above a monthly maximum wage.	No	No	No
Algeria	Tax and quasifiscal advantages are granted to approved businesses in the context of the ANDI, ANSEJ, and CNAC arrangements; a. Reduced rate applied for employer's social security payments, 7% instead of 26% b. No	No	No	Yes
Argentina	Employers with up to 80 employees with sales below a given threshold, which increase their number of employees, are granted with a reduction in their social security contribution for a period of 12 months. This is an interim feature of the tax system.	No	No	Yes
Benin	...	...	...	...
Bolivia	No	No	No	No
Brazil	The only concession is the one included in the SIMPLES. The social security contribution paid by the employer is included in the SIMPLES for that the business pays it as a percentage of the turnover (ranging from 1.2% to 2.7% of total turnover) instead of the payroll (standard rate is 20% of payroll). The self-employed should contribute to the social security system.	No	No	Yes, there are micro credit programs, in which the interest rates are usually lower than the average standard market rate.
Chile	No	No	No	No
China	...	...	...	...
Colombia	...	...	...	...
Kenya	There are no specific concessions to small businesses other than those that apply to all taxpayers. As mentioned earlier, size does not matter. All taxpayers are treated equally. In addition, self-employed individuals are not required to be members of social security, public health or any other schemes that are compulsory for employed workers.	No	No	No
Peru	No	No	No	Yes
Trinidad and Tobago	No, there are no special concessions regarding payments. However, self-employed can opt not to pay social security (NIS) but must pay for public health care (Health Surcharge)	No	No	Yes
Vietnam	...	No	No	...

Source: Countries authorities.

Table 11. SME Survey Response to the Questionnaire: Tax Administration Organization of Structure

Country	36. Is your tax administration (or some processes within your organization) organized along client-based lines (for example, individuals, small, medium, and large businesses)?	37. Does your tax administration have special offices or service points for small- or medium-sized businesses?	38. Does your tax administration have any special administrative arrangements for large taxpayers (for example, a Large Taxpayer Unit), and if so, what is the definition of a large taxpayer (turnover, grouping rules)?	39. If there are special administrative arrangements for large taxpayers, please provide the following information: a. What taxes are covered by these arrangements? b. How many large taxpayers are there (out of all taxpayers)? c. What is the "large" taxpayer share of all revenue and by tax type? d. What was the main motivation in establishing these arrangements?
Albania	The tax administration is comprised of: 1. Small business sector, where there are registered those physical and juridical persons whose annual turnover is smaller than 8 000 000. 2. Large business sector, where there are registered those juridical persons with an annual turnover of over 8 000 000 leke resulting from their activity. 3. The sector of Larger Taxpayers.	The tax administration has separate offices for services it offers both to small and large business taxpayers concerning tax legislation.	There is a special branch for Large Taxpayers, which is called the Branch of Large Taxpayers. A taxpayer is a taxpayer in this branch on condition that his annual turnover is around 150 000 000. There are taxpayers who are grouped as large taxpayers such as Banks, Insurance Institutions, in spite of the annual turnover.	a. There are no special arrangements for Large Taxpayers. They pay all tax liabilities just like a taxpayer who is registered in the large business sector. b. The number of large taxpayers is: 1. 460 registered taxpayers, who present their declarations, are being controlled and make payments next to the large taxpayer's branch. 2. 450 other taxpayers who are registered and make declarations and payments at the regional Tax Branches, but who are controlled from the Large Taxpayers Branch. c. 59.93 percent of VAT; 63.94 percent of profit tax; 48.72 percent of overall tax revenues (net). and d. The Large Taxpayers are grouped with the intention to be better managed and audit in a more efficient way the large businesses that give the greatest contribution for tax revenues.
Algeria	Yes, - Large taxpayers office (DGE): turnover > DA 100,000,000 (corporations) - Medium taxpayers office (CDI): DA 3,000,000 < turnover < DA 100,000,000 (real system) - Small taxpayers office (CPI): in turnover < DA 3,000,000 (lump-sum system, IFU) Only the DGE is operational (January 2, 2006)	CDI and CPI not yet operational	DGE: turnover > DA 100,000,000 (K corporations), oil, mining, and foreign companies.	a. - Oil and mining taxes - Foreign enterprise taxes - Corporate taxes, IBS, VAT and other withholding. b. 3,200 taxpayers, or 0.3 percent of all taxpayers; c. 45 percent of government revenue; • 67 percent of corporate tax (IBS); • 68 percent of VAT; • 100 percent of oil taxes; d. Risk management, optimization of revenues and controls, better customer service.
Argentina	The National Tax administration is organized by functions and by taxpayer segment	Yes, as there are special units for large and medium size taxpayers, the local offices are specialized in small taxpayers.	Yes, a combination of criteria is used to characterize large taxpayers (the amount of taxes paid, volume of operation, etc.)	a. All taxes, b. 65,000 large taxpayers, c. 86.6 percent of total revenue
Benin	There is a Large Enterprise Directorate, a Medium Size Enterprise Directorate and departmental directorates responsible for small enterprises. - The units of the Large Enterprise Directorate manage the files of all the large enterprises with respect to both assessments and collections. - The Medium Size Enterprise Directorate manages the assessment and collection files of all medium size enterprises. - The departmental directorates manage the files of small enterprises with respect to assessments and collections.	There are plans to have special units for SMEs. For example, in Cotonou, three small enterprise (CIPE) and two medium size enterprise (CIME) tax centers are planned; c) ...	Yes, the Directorate General of Taxes and Government Property has a Large Enterprise Directorate, which handles the files of taxpayers with a turnover ranging from: To December 31, 2006 Service providers: Turnover > CFAF 40,000,000; Businesses: Turnover > CFAF 100,000,000. Starting 2007 Service providers and businesses alike: Turnover > CFAF 300,000,000. This limit takes into account the turnover of secondary establishments or branches.	a. BIC (business profits tax) TVS (tax on company vehicles) IGR (general income tax) AIB (on service provision and on local procurement) IRVM (tax on income from securities) IRC (tax on income from claims) VPS (employer contribution) IPTS (progressive tax on wages and salaries) VAT (Value Added Tax) THYDRO (tax on oil and gas)(currently Single Specific Tax on Petroleum Products - TSUPP) TBOISSONS (tax on beverages) TFB (tax on wheat flour) TTC (tax on tobacco and cigarettes) TPC (tax on perfumes and cosmetics) THCGA (tax on edible oils and fats) TUCA (single tax on insurance contracts) TJH (tax on games of chance) b. Number of large taxpayers in 2006: 1,225. c) ...

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Bolivia	The National Tax administration is organized by functions and by taxpayer segment	No, however, the regular regional and local offices are mainly utilized by MPEs	Yes, there is a LTU. The definition of large taxpayer is based on taxes paid, taxes assessed, and total turnover	a. All taxes are covered, b. From the 209,666 taxpayers, 1,553 are considered large taxpayers, c. They account for 79 percent of the total collection
Brazil	The tax administration is largely organized along functional lines, but does have some client-based specialization. At the central level, there is a special department for monitoring the Large Taxpayers. There are also specialized branches for administering Financial Institutions and Multinational Corporations.	No, the Taxpayer Assistance Centers deal with both small and large taxpayers.	Yes, there are special units for large taxpayers. A large taxpayer is mainly defined accordingly to its turnover level.	a. It covers all major taxes, especially the income taxes and VATs (PIS and Cofins). B. 12.162 (2006) c. 77 percent d. the revenue concentration on these large taxpayers and the need of better controlling them.
Chile	The National Tax administration is organized by functions but it includes a Large Taxpayer Office (audit only)	No, there are not. However there are Internet centers that SMEs can use free of charge to file and pay and to access the tax department web site	Yes, there is a LTU. The definition is based on sales, amount of taxes withheld, amount of imports, amount of budget (for government agencies) and those under supervision of the banking supervision agency.	a. all taxes; b. 1840 taxpayers (0.9 of the CIT taxpayers and 0.26 percent of VAT payers); c. 42 of the total revenue; d. to apply special, more careful controls on the large taxpayers. The motivation to establish the LTU was to provide differentiated services and apply special controls on the large taxpayers.
China	There are no individual administrative institutions in China’s tax system that are established explicitly according to the type of taxpayer, but as the economy develops and the number of taxpayers increases, in order to strengthen the administration of tax sources, tax source administration departments in various localities, under the principle of lex situs, are exploring administration according to taxpayer type. Institutions primarily continue to be established according to administrative district.	No, however, the State Administration of Taxation has individual household and bazaar tax administration offices established to manage individual industrial or commercial households, and some regions have established branches (offices) specifically to manage bazaars.	The various provinces and municipalities have directly subordinate branches specifically in charge of large enterprises. Criteria are formulated by the various localities based on local enterprise size and the level of economic development; there is no nationally uniform standard. For example, the Shaanxi Province Administration of Taxation, the Guizhou Province Administration of Taxation and the Xinjiang Region Administration of Taxation.	a. Implementation of centralized payment of business tax and income tax for the railroad, civil aviation, posts, telecommunications, financial services and insurance industries. The include all types of taxes payable by enterprises, primarily value-added tax, consumption tax, income tax and business tax. b. c. d. More targeted in nature, they permit greater impartiality and fairness in the formulation of policy. Strengthens focused management of tax sources, reduces collection costs, raises work efficiency, and prevents erosion of tax revenue.
Colombia	Yes, the Tax Department has special units for large taxpayers, for companies, and for individual taxpayers.	No	Yes, there is a LTU in Bogotá. Large taxpayers are defined discretionarily by the administration. But the selection is based on taxes paid, sales, and taxes withheld.	a. All taxes. b. c. 85 percent of the total collection. d. The objective of the LTU is to establish special control on the large taxpayers who account for.

Table 11. SME Survey Response to the Questionnaire: Tax Administration Organization of Structure

Country	36. Is your tax administration (or some processes within your organization) organized along client-based lines (for example, individuals, small, medium, and large businesses)?	37. Does your tax administration have special offices or service points for small- or medium-sized businesses?	38. Does your tax administration have any special administrative arrangements for large taxpayers (for example, a Large Taxpayer Unit), and if so, what is the definition of a large taxpayer (turnover, grouping rules)?	39. If there are special administrative arrangements for large taxpayers, please provide the following information: a. What taxes are covered by these arrangements? b. How many large taxpayers are there (out of all taxpayers)? c. What is the "large" taxpayer share of all revenue and by tax type? d. What was the main motivation in establishing these arrangements?
Kenya	Our tax administration organizes taxpayers on client and function based. The creation of Large Taxpayers Office caters for large taxpayers, while other small taxpayers are under the Domestic Revenue. Further, the taxpayers in the LTO have been organized according to sectors (e.g. Telecommunication, Banks & Insurance companies, Construction etc).	No	With effect from July 2006, the Large Taxpayers Office was created to offer services to large taxpayers. There are 808 large taxpayers. They were selected on the following criteria: <ul style="list-style-type: none"> - All companies with annual turnover in excess of Kshs 750 million plus their subsidiaries. - Banks and insurance companies irrespective of turnover threshold. - Manufacturers of wines and spirits irrespective of turnover threshold - State Corporations with annual turnover/budget in excess of Kshs 750 million. - Central Government Ministries and Department. - Local Authorities with City status - High net-worth individuals-directors, shareholders of the corporate bodies mentioned above 	a. Taxes administered by LTO are domestic taxes i.e. VAT, Income Taxes, and Excise duty b. There are 808 LTO taxpayers, all of which are corporate taxpayers (i.e. incorporated businesses). Currently there are about 730,000 active corporate taxpayers. c. LTO Share of all revenue by tax type Tax Type Share 1. VAT 70.3 percent 2. PAYE 68.5 percent 3. Corporate tax 69.1 percent 4. Withholding Income Tax 74.3 percent 5. Excise on Airtime 100.0 percent 7. Excise Duty Domestic 96.5 percent d. The motivation of establishing LTO was: <ul style="list-style-type: none"> - To provide one stop shop on tax matters affecting large taxpayers. - Give the large taxpayers special attention because of their unique compliance patterns and sophisticated accounting systems. Schedule 13
Peru	The National Tax administration is organized by functions and by taxpayer segment	No, however, the regular regional and local offices are mainly utilized by MPEs	Yes, there is a National large taxpayer office and one large taxpayer office in each region. The criteria for selecting large taxpayers includes amount of taxes paid, sales, purchases, salaries paid, and assets	a. All taxes. b. As of July 2006 there were 15,777 large taxpayers under control. c. 69.13 percent, the main motivation for the establishment of the LTUs was the concentration of the collection in a small number of taxpayers
Trinidad and Tobago	Functional Lines mainly but has separate administration of the Energy Based Industry and large taxpayers.	No	Yes, turnover over \$100,000,000.TT	a. Income Tax, Petroleum Taxes and VAT, b. 300, c. Over 70 percent, d. Monitoring of Tax Collections.
Vietnam	Tax office has developed many business models such as household business procedures, business procedures for enterprises, auditing etc. All are based on the requirement of tax office and characteristics of each type of taxpayers (household business can have different procedure than enterprises)	Yes, we have. At the GDT of taxation and local tax offices, we do have tax payers services (divisions in the GDT and in the provincial tax offices, and teams at district tax offices). According to statistics, most of these office activities are assisting SMEs	GDT has been piloting tax self-assessment for taxpayers that have good compliance history in 9 provincial offices. Criteria to choose pilot businesses are: enterprises with more than 300 billions VND of annual turnover and tax liabilities of more than 5 billions VND	a. The GDT is developing a tax management model for large taxpayers by piloting tax self-assessment at several provincial offices; types of tax that apply self-assessment includes: VAT, Corporate income tax, Special consumption tax, Natural resource tax. b. Up until now, the total number of pilot tax payer has reached 4,126; about 2 -3 percent total number of tax payers nation-wide. c. Contribute to 58 percent of national total tax received. d. The goal of this pilot is to have a basis and experience lesson to expand this mechanism to the whole nation in 2007. Therefore, step by step to increase the tax compliance of enterprises and enhance efficiency in tax management of Vietnam. Then gradually we can integrate into the region and the world.

Source: Countries authorities.

Table 12. SME Survey Response to the Questionnaire: Tax Administration Specialized Procedure for Small Taxpayers

Country	41& 42 Special Taxpayer Education Programs?	43. Are there Incentives to Encourage Conventional or Electronic Filing?	44. Is there Single Payment?	45. Do small taxpayers benefit from concession regarding sanctions for late payment?	46. Do first time offenders benefit from concessions regarding penalties?	40. Does your tax administration make use of a business registration number? If yes, is this a single business registration number used for all taxes or by "all" government agencies?
Albania	The tax administration provides feedback to its large and small business taxpayers through publications and announcements about laws concerning taxes and their amendments. It also uses leaflets, placards, Website, special television shows and different announcements in the media to inform about direct contacts with taxpayers concerning problems they are confronting in the tax legislation field and meetings with business associations.	The tax administration doesn't use incentives.	No	They can't make concessions since they are not permitted by legislation. Penalties and interests are established by law.	According to tax legislation, we don't make concessions in the application of penalties for first time offenders.	There is a taxpayer's register and each taxpayer has an identification number, (NIPT) which is used for the payment of all taxes, but which is not used by other governmental agencies.
Algeria	Distribution of pamphlets and guides, Internet, press releases, welcome center, and information.	Electronic filing not yet operational.	Interim prepayment system for the IRG and the IBS; Partial payment possible at the DGE.	Application of late-payment penalties.	Increased penalties are applies to offenders, regardless of taxpayer type and the number of incidents.	Tax identification number value for all taxes.
Argentina	Yes, taxpayers have access to a number of educational information and services.	Yes, those filing through Internet have longer hours to file their returns.	Yes, for the simplified system only.	Tax administration can not forgive fines or interest but taxpayer can benefit from payment by installments.	Sanctions are gradual depending on if it is 1st, 2nd, or 3rd offense.	The tax administration use a unique number for individuals and companies. Sub national tax administrations and other Government departments are also adopting such number.
Benin	Benin's Tax Administration has an awareness promotion department called the Information and Research Directorate (DIE), which operates a communication unit in charge of disseminating tax measures and procedures. However, newly registered enterprises do not receive any special training. Site visits are frequent during the fiscal year. The purpose of most visits is to perform tax audits during which the assessment and audit units provide tax advice. Yes. However, the Beninese Tax Administration does not yet have its own website.	No	Yes	Yes, late fee for late payments; moratory interest for late payment on tax returns.	Yes, 20 percent, if bad faith is not involved.	The Tax Administration uses a business identification number called the INSAE, which will soon be replaced with another more suitable registration number called the single tax identifier (IFU). It will be a single number used for all financial administrations and government agencies.
Bolivia	The tax department has a division in charge of taxpayer services and education. The division coordinates its programs with different groups of taxpayers, including the SMEs.	SMEs have easier access to the electronic filing system and to the Internet services provided by the tax department.	No	Fines can be reduced if taxpayers agree to pay at earlier stages of the enforcement process. Discounts are for 100%, 80%, 60%, or 40% percent, depending on the stage where payment is made.	No	The tax department uses a business identification number assigned by another agency (business register).

Table 12. SME Survey Response to the Questionnaire: Tax Administration Specialized Procedure for Small Taxpayers

Country	41& 42 Special Taxpayer Education Programs?	43. Are there Incentives to Encourage Conventional or Electronic Filing?	44. Is there Single Payment?	45. Do small taxpayers benefit from concession regarding sanctions for late payment?	46. Do first time offenders benefit from concessions regarding penalties?	40. Does your tax administration make use of a business registration number? If yes, is this a single business registration number used for all taxes or by "all" government agencies?
Brazil	Yes, it counts with special services for small taxpayers especially to ensure better data quality. For example, there is a particular attention on helping taxpayers to classify their right economic activity. Also it provides information on the presumptive systems and make sure only taxpayers with estimated revenue below the threshold register for it. There are also tax education programs, including those taught in schools for children and teenagers. All information is also available in the web site http://leaozinho.receita.fazenda.gov.br/	All corporations (including the small ones) must submit their tax returns electronically. Individuals may choose between electronic or paper return, but over 97% submit it electronically. There is no additional incentive for that beyond the simplification and faster processing themselves.	Yes, in the case of SIMPLES, where up to 8 different taxes are paid at once using a single payment form.	Concessions can only be given by law. Sporadically the law has authorized programs that can reduce interests and penalties of tax arrears, usually under the condition that the taxpayers pay the current tax liabilities on time.	No	Yes, there is a single TIN for all taxes administered by the Federal Tax Administration (Receita Federal). Currently there is a project to implement a single TIN for all tax administrations in different levels of government (Federal, State and Municipal). This integrated number is already implemented in two states (Sao Paulo and Bahia). Other states and municipalities have already signed the agreement for the TIN integration and the technical work is in progress.
Chile	Besides the assistance through the Internet and through a call center, the tax department give lectures on tax issues to public and private entities, chambers of commerce, and unions.	Taxpayers filing and paying electronic have long deadlines to file/pay and shorter deadlines for refunds	No	Fines and interests can be reduced in up to 100%. Taxpayers are granted bigger discounts if they request an agreement for payment in installments through the Internet.	No	The tax administration use a unique number for individuals and companies. Sub national tax administrations and other Government departments adopt such number.
China	China's tax departments provide education and service programs for startup enterprises. The Taxpayer Service Standards (Trial) issued by the State Administration of Taxation explicitly stipulate that tax authorities should establish sound tax counseling systems. Tax administrators should provide prompt tax counseling to taxpayers that have completed tax registration and obtained confirmed taxpayer eligibility. Based on taxpayer needs, they should use electronic communication to provide a variety of service means, including consulting service, reminder service and site visit service. There are no special institutions. However, the tax department 12366 tax service hotline and tax websites do cover small and medium-sized enterprises.	A voluntary filing system is in place for enterprises, which may elect to file electronically, in person or by post.	According to the provisions of Article 31 of the Law Concerning the Administration of Tax Collection, taxpayer and withholding agents shall pay or settle tax obligations in accordance with the deadlines stipulated by law or regulation, or stipulated by tax authorities according to laws and regulations. In the event that a taxpayer is unable to pay tax as scheduled due to special difficulties, payment of tax may be extended with the approval of the provincial, autonomous region or direct municipality administration of taxation and the local tax administration, but the maximum extension must not exceed three months.	No, specific small taxpayer regime. All taxpayers must receive tax authority approval to extend payment of tax.	No	In China, taxpayers have centralized taxpayer identification numbers, which we call the "Taxpayer Identification Number," i.e., the tax registration number for taxpayers. Enterprise tax registration numbers apply to all types of taxes, but they are not a centralized (the only) code used by all government institutions. Other codes are also used in other government institutions.

Table 12. SME Survey Response to the Questionnaire: Tax Administration Specialized Procedure for Small Taxpayers

Country	41& 42 Special Taxpayer Education Programs?	43. Are there Incentives to Encourage Conventional or Electronic Filing?	44. Is there Single Payment?	45. Do small taxpayers benefit from concession regarding sanctions for late payment?	46. Do first time offenders benefit from concessions regarding penalties?	40. Does your tax administration make use of a business registration number? If yes, is this a single business registration number used for all taxes or by "all" government agencies?
Colombia	Yes, special activities are carried out before launching new taxpayer services or changes in the tax systems.	Taxpayers are provided with a free electronic signature which allows them to file returns electronically and to check information on their own compliance.	No	No	No	Yes, the administration uses a number for business registration. This number is used to identify the companies before government and private entities. For individuals it uses the national id number.
Kenya	Yes, there are taxpayer education programmes which are coordinated centrally under Support Services Department. New taxpayers are also educated at time of registration. In addition all new registrants are taken through a seminar, which is done once a month. Compliance checks are conducted to ascertain the taxpayers compliance with tax laws. This includes amongst other things, record keeping, returns filing etc. Compliance checks are not an audit.	We have not yet reached the level of electronic filing of returns.	Our tax administration does not provide that all taxes be paid in a single payment. For instance cheques for VAT and Income Taxes have to be paid using separate cheques. In addition, due dates are also different for various taxes thus making it practically impossible to have payments made in one single payment.	Late payment penalties and interest are applicable. The late payment penalty is 20% of tax due and 2% interest monthly on of outstanding tax.	No, there are no concessional application of penalties for first time offenders.	Yes, there are two identification that are used: a. Income Tax Pin number- This applies to all taxpayers. b. VAT number- This applies to all VAT registered taxpayers. However, all VAT taxpayers must have an Income Tax PIN before registration as a VAT taxpayer. Use of Income Tax PIN is mandatory for certain transactions which are listed in the 13th Schedule of the Income Tax Act CAP 470.
Peru	Seminars are available (monthly programs) focusing on taxpayers and the public in general.	A simplified payment system (pago fácil) has been introduced to motivate taxpayers to increase the use of electronic filing and payment.	No	Fines can be reduced if taxpayers agree to pay at earlier stages of the enforcement process.	The system is designed to increase the penalty in case of recurrence.	The tax administration has a TIN which is required to be shown in transactions with the tax administration and with any government agency that the tax department deems necessary
Trinidad and Tobago	Yes For new taxpayers up on request.	No	Yes	Yes, penalties and interest.	Yes	Yes, it is not a single registration number. There is a different number for each tax and there is no registration number used by all government agencies.
Vietnam	Measures to educate tax payers to understand and obey well tax law is through propaganda, inspection and punishment for any tax violation. Tax bureau creates a show on radio, talk shows about tax on television; build tax reports, organize annual dialog with tax payers. At tax offices, they should have live telephone line to answer queries about tax declaration, book keeping, bills and receipts usage for newly registered tax payers; organize training regularly for newly registered tax payers. Leaflets were printed and given out free to all tax payers.	Regularly, declaration is carried out with the normal paper tax returns form; with small businesses, declaration procedure is very simple (1 form for all types of taxes). Small businesses use more simple procedure than big businesses. In 2006, tax offices have started to pilot test software assisting tax declaration (two-direction bar code). However, tax offices have not used e-filing.	According to tax law, there is no definition of single payment. When there is outstanding amount of tax need to be paid, tax payers pay at the State Treasury, or transfer money through bank account to the State Treasury.	Yes, we have. According to regulations in the tax law, late payment of tax will be punished monetarily. Each day of late payment will punished equivalent to 0.1% of the late amount due.	Yes, according to the regulations in tax law, first time violation will receive the lightest mode of punishment (warning or lowest fine). There is no other system for SMEs.	According to the Enterprises Law, after completing all the paperwork, procedure to register for business license, the licensing office will issue the certificate together business registration code. When business declares for tax, they will be issued a tax identification number (TIN). TIN and business registration code are different. TIN is also used at the Custom's office. In operation, tax office cooperates with registration office to issue TIN and registration code. The Government is instructing tax bureau and registration bureau to unify administration procedure and issue license to businesses more conveniently.

Table 12. SME Survey Response to the Questionnaire: Tax Administration Specialized Procedure for Small Taxpayers

Country	41& 42 Special Taxpayer Education Programs?	43. Are there Incentives to Encourage Conventional or Electronic Filing?	44. Is there Single Payment?	45. Do small taxpayers benefit from concession regarding sanctions for late payment?	46. Do first time offenders benefit from concessions regarding penalties?	40. Does your tax administration make use of a business registration number? If yes, is this a single business registration number used for all taxes or by "all" government agencies?
<p>GDT has built a website so tax payers can access to search for tax information as well as research on related documents. They also have direct, on document or through telephone consultation. Organizing activities for SMEs to compete on the understanding of tax law, assisting SMEs to answer queries on tax. They are building an automatic answer phone. In several mountainous provinces, they are implementing propaganda through theatre so that tax payers can listen and visualize at the same time. Several documents have been edited to cut short and translated into ethnic languages.</p>						

Source: Countries authorities.

Table 13. SME Survey Response to the Questionnaire: Tax Administration Specialized Audit Procedure for Small Taxpayers

Country	47. Is there Separate Audit by Tax Type for Small Taxpayers? Is it different for larger taxpayers?	Which System is used for Risk selection?	49. Are there Separate Instructions, Guidelines or Specific Segment Information for Staff Conducting SME Audits?
Albania	The Tax Administration generally audits all types of taxes, but in many cases it audits special taxes according to an approved program of control.	On June 2005, a project about 'data mining' and data analyses for VAT taxpayers was implemented in Durres taxpayers' branch in cooperation with CAM Albania (now CAFAO). The project intended to further promote the work for risk analyses by PwC started in this tax branch, which was based on more advanced methodologies. Consequently, risk profiles for VAT taxpayers in Durres were set up basing on historical data. The project will continue with the integration of risk profiles in the pilot Integrated System in Durres with the intention to reach the following targets: - Recommendations of the integrated tax system concerning selection of taxpayers for auditing. - Evaluation of tax control performance after gathering sufficient statistical data. - Planning of trainings in order that know-how on "data mining" and usage of software tools especially for this intention (SPSS, Clementine, Answer Tree etc.) are transferred from Cam-A experts to tax staff.	Actually auditing of taxpayers classified by the questionnaire as SME (small and large taxpayers, excluding VIP) is performed in conformity with auditing procedures defined in the Tax Control Manual. For the auditing process of this category, a series of circulars which deal with improvement of performance indicators, increase of the auditing quality and establishment of relations with other structures in the Tax Branch are disseminated. On the other hand, drafting of Industrial Notes for vital sectors, such as construction, transport, tourism has already started. Steps of the Auditing Department are coordinated with the training sector as well in order to focus on auditing of the small business with the intention of increasing the number of registered taxpayers. This will lead to an enlarging of VAT taxpayers bases.
Algeria	All SMEs are audited, and large taxpayers are subject to spot checking by type of tax.	No	No
Argentina	Both forms are applied (single tax audit on in depth audit). This applies to all taxpayers.	Information cross checking is the main tool used for risk selection. The same selection criteria is applied to all taxpayers. However, in the case of SMEs, the system checks if their estimated revenue based on information crosschecking matches their status as SME.	Instructions are related to the audit program or the type of audit to be carried out thus they are not directed related to the type of taxpayers.
Benin	...	...	...
Bolivia	Both forms are applied (single tax audit on in depth audit). This applies to all taxpayers	A risk-based system is applied for audit selection. For audit purposes taxpayers are grouped in three categories: large taxpayers, medium size taxpayers and other taxpayers.	...
Brazil	It depends if the SME is declaring under the presumptive regime or not. Under SIMPLES, all taxes are audited integrated, given that there is one single base (turnover) for all of them. Otherwise, especially for large taxpayers, it can be audit separately, depending on the audit strategy.	Yes, there are risk selection systems for auditing taxpayers.	Yes, there are specific guidance for those auditing the SIMPLES.
Chile	Both forms are applied (single tax audit on in depth audit). This applies to all taxpayers	Information cross checking and computer-based analysis of some aspects of the return and particularities of the taxpayer. A data warehouse is being implemented to improve taxpayer selection for audit. It will cover all taxpayers.	No

Table 13. SME Survey Response to the Questionnaire: Tax Administration Specialized Audit Procedure for Small Taxpayers

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China	Corresponding to foreign audit concepts, China's audits can be divided into two major categories: one category is tax payment evaluations, and the other category is tax audits. These two tasks are not limited to small and medium-sized enterprises, but there are differences in the weighting of selection of cases for evaluation and audit based on the degree of risk. Typically, the focus is placed on key tax sources such as large enterprises.	No, judgments are made based on multiple methods and multiple criteria.	No, however, plans for the implementation of examinations must be made prior to the audits based on the various types of taxpayers.
Colombia	Both forms are applied (single tax audit on in depth audit). This applies to all taxpayers	Taxpayer selection for audit is made regardless the taxpayer size	No
Kenya	Currently, the Department has implemented the comprehensive audits i.e. auditing all types of taxes together. The same applies to all taxpayers including the large taxpayers.	Selection of all taxpayers, including large taxpayers, is based on risk. This is determined by use of industry benchmarks and performance of taxpayers in the same kind of trade.	There are no separate instructions/guidelines for staff conducting audits on SMEs. All taxpayers are treated equally. The Audit Manual is applied uniformly when dealing with any taxpayer.
Peru	MPEs audited is predominantly issue oriented. The idea is to select a couple of items and audit a large number of taxpayers.	Selection of taxpayers for audit is based on risk analysis. Information cross checking is intensively used for selection of taxpayers for audit.	Yes
Trinidad and Tobago	SME's are audited separately for different type of Taxes. Large taxpayers are audited for all type of taxes together.	Yes. Risk selection is done for small and medium taxpayers but both risk and coverage are applied to large taxpayers.	No
Vietnam	In Vietnam, we don't separate audit units for big enterprises and SMEs. However, in our work, there are groups that are specifically assigned to audit tax in SMEs.	Tax office has developed a method to manage tax based on risk for all businesses of all sizes. However, different from large taxpayers, risk analysis for SMEs can not combine information analysis method with experience management method.	There aren't many instruction documents to assist inspectors of SMEs. In principle, all documents, instructions for inspectors are used in general for inspection, checking, there are instructions on how to inspect and check SMEs that pay presumptive tax, or compare bills, receipts, book keeping with real work. However, tax office organizes training regularly, to disseminate experience in inspecting SMEs to inspectors.

Source: Countries authorities.

Table 14. SME Survey Response to the Questionnaire: Start-ups, Impediments and Revenue Collection Obstacles

Country	52. Do you have any regulations specifically targeted to start-ups? Are these based on size of initial investment?	55. Are there any special tax policy measures for SMEs that have not been addressed in the questions above? What are deemed to be the greatest impediments to SME formation and growth created by the national tax system?	56. What are the main obstacles in the tax system to collecting revenues consistent with legal obligations and size in your country?
Albania	They don't have any regulation or law specifically targeted to start-ups. These subjects perform their activity according to all enforced tax laws.	A series of measures consisting in the improvement of tax legislation in the business field especially in agriculture are being considered.	The information infrastructure serving to taxpayers is continuously improved with the intention that they have better knowledge on their liabilities and make payments more easily.
Algeria	Advantages granted (setup – operation) a. ANSEJ: Investment < DA 10,000,000 b. ANDI: no investment thresholds	No	Obstacles relate to the efficiency of formal control of all returns.
Argentina	No	...	...
Benin	No	...	...
Bolivia	No	...	...
Brazil	No	No, accordingly to the National Bureau of Geografy and Statistics, the major impediments to SME formation and growth are not in the tax system, but they arise from client-related problems (48.6%), market competition (44.5%) and low profits (34.4%).	The major problem is underreporting.
Chile	No	The main problem with the system is that the systems in place are not of general application and favor only particular sectors.	...
China	Yes, but the provisions are relatively complex, involving tax policy and regulations.	<p>First, enterprises with foreign investment enjoy a greater number of tax benefits; additionally, using value-added tax, consumption tax and business tax as the tax basis, domestically-owned enterprises must pay from 1 percent to 7 percent in urban development and maintenance tax and 3 percent in education surtax, while urban development and maintenance tax and education surtax are not collected from foreign-owned enterprises. All of this results in a substantial difference in the tax burdens of domestically-owned and foreign-owned enterprises. From the overall perspective, foreign-owned enterprises are larger in scale and enjoy more benefits; the majority of small and medium-sized enterprises are domestically-owned, which puts them in an unfair competitive position.</p> <p>Secondarily, regional differences exist in China's tax policies. Although these policy differences are not specifically targeted at small and medium-sized enterprises, they have a detrimental effect on interregionally balanced development of small and medium-sized enterprises; generally speaking, small and medium-sized enterprises enjoy a greater number of tax benefits in the economically developed coastal region.</p> <p>Third, restricted by their size, some small and medium-sized enterprises do not qualify as ordinary taxpayers, and are therefore unable to issue special value-added tax invoices; this affects the options available to small and medium-sized enterprises when engaging in economic activities with other enterprises, and increases the transaction costs for the economic activities of small and medium-sized enterprises. Additionally, for small and medium-sized enterprises that are small taxpayers, the value-added tax is collected using a fixed rate collection method with two tax rate grades: 4 percent or 6 percent. Small taxpayers cannot deduct taxes on purchases. Fourth, legal protections of preferential tax policies are insufficient. China's preferential tax policies for small and medium-sized enterprises currently in effect are relatively sporadic, with the majority appearing and supplemental provisions or notices.</p> <p>The hierarchical level of tax laws is relatively low, and tax policies differ greatly in different regions, so that they lack systemization and standardization. All of this affects the stability and solemnity of tax policy toward small and medium-sized enterprises.</p>	<p>The primary factors which affect collection in full of tax revenue from small and medium-sized enterprises are not tax policy factors; rather, they are administration system factors, factors concerning the ability of tax personnel to control taxes according to law, and factors related to societal coordination and protection of the tax environment. Compared to large enterprises, the problems of low financial management standards and poor awareness of tax payment obligations are common among small and medium-sized enterprises, and the problems of tax evasion and avoidance in business activities are relatively prominent.</p> <p>Under the limitations of insufficient tax collection administration forces, tax authorities have adopted the simple and convenient tax determination and collection method with respect to many small and medium-sized enterprises, but this can easily result in the problems of over-reliance on fixed tax administration and a relaxing of requirements with respect to small and medium-sized enterprise financial management and examination counseling.</p> <p>This enables a growing number of small enterprises to remain outside the standard tax administration system, resulting in massive erosion of tax revenue.</p>

Table 14. SME Survey Response to the Questionnaire: Start-ups, Impediments and Revenue Collection Obstacles

Country	52. Do you have any regulations specifically targeted to start-ups? Are these based on size of initial investment?	55. Are there any special tax policy measures for SMEs that have not been addressed in the questions above? What are deemed to be the greatest impediments to SME formation and growth created by the national tax system?	56. What are the main obstacles in the tax system to collecting revenues consistent with legal obligations and size in your country?
Colombia	Yes, there are regulations targeted to start-ups. They are based on the type of activity and on investment in capital goods.	No	Instability and complexity of the tax system, preferential treatments, narrow tax bases, high and numerous tax rates, interim measures, high administration and taxpayer costs.
Kenya	There are no regulations for start ups with regard to their tax obligation.	There are no other special tax policy measures for SMEs.	Obstacles in the tax system to collecting revenues: -Generally low tax compliance by the taxpayers. -Shortage of resources (manpower, motor vehicles etc) -Taxpayers want value for money. Therefore the expenditure on the side of the Government should satisfy the taxpayers.
Peru	No	No	Tax exemptions for certain zones in the country.
Trinidad and Tobago	No	No	Lack of trained staff for Enforcement and Compliance.
Vietnam	In terms of tax policies, all businesses that have projects belong to the preferential categories of investment receive exemption or low corporate income tax. The level of concession is based on the scope of the investment; taxing and location of the tax area, concessionary tax rate for newly established enterprises in the encouraged field of investments receive the highest concession.	Vietnam does not have special policies for SMEs besides the discussions mentioned above. However, SMEs can obtain concessionary provision of taxation if they are in the qualified sectors (agriculture, fishery, scientific development, new technology, healthcare...), high export rate, hire a large number of female employees, enterprise operates in secluded and economically difficult condition areas.	The biggest obstacle of the taxation system in order to collect tax reasonably according to the laws and size of the enterprises is: SMEs still have several non official business transactions that do not reflect the income, payment legally. Therefore, tax calculation also incurs errors compared to the real situation of the enterprise.

Source: Countries authorities.

Country	50. Do tax offices cooperate with local governments, other government agencies, or private sector organizations (such as small business associations) to register and enforce compliance among small/ medium size business (e.g., use of tax clearance certificates)?	51. Are there any plans to reform SME administrative arrangements or certain elements of it in your country? If so, describe the reform plans and the reasons and motivation for the reform.	53. What efforts are taken in order to reduce the compliance costs for small businesses (both on a comprehensive as well as tax-specific basis)?	54. Does your tax administration measure or estimate the compliance (taxpayers) and administration (tax agencies) costs of your tax system? If yes, do you make separate estimates for different taxpayer segments groups, in particular for SME taxpayers? If you have estimates, please describe.
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Albania	Yes, the tax administration exchanges information with the local authority concerning the number of registered taxpayers and revenues gathered from small business taxpayers.			
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Table 15. SME Survey Response to the Questionnaire: Administration and Compliance Costs

Country	50. Do tax offices cooperate with local governments, other government agencies, or private sector organizations (such as small business associations) to register and enforce compliance among small/ medium size business (e.g., use of tax clearance certificates)?	51. Are there any plans to reform SME administrative arrangements or certain elements of it in your country? If so, describe the reform plans and the reasons and motivation for the reform.	53. What efforts are taken in order to reduce the compliance costs for small businesses (both on a comprehensive as well as tax-specific basis)?	54. Does your tax administration measure or estimate the compliance (taxpayers) and administration (tax agencies) costs of your tax system? If yes, do you make separate estimates for different taxpayer segments groups, in particular for SME taxpayers? If you have estimates, please describe.
China	China's tax revenue data at present is classified according to enterprise registration type and industry. The data in the following table are for reference only.	Since the institution of tax reform in 1994, China has continually reformed relevant aspects of taxation and collection, including reforms with respect to small and medium-sized enterprise administration. The primary motivation for the reforms has been to raise the quality and efficiency of collection administration.	In order to raise taxpayer compliance, China's tax authorities have persisted in strengthening tax source management and optimizing taxpayer services. We have introduced an awareness of risk management, implemented tax payment evaluations and a collection administrator system, and strengthened tax departments' informatization development. We have also actively studied management and service system innovations and structural innovations and simplified tax filing procedures, and we have implemented service means including tax counseling, filing and payment prompting, tax law publicity, and taxpayer credit rating administration, offered diversified filing and payment methods, and persisted in the keeping government affairs transparent, offering legal remedies and actively developing the 12366 tax payment service hotline and the tax website. Among these developments are overall requirements as well as requirements for the various tax types.	China's tax authorities propose overall requirements for reducing costs to both the taxpayers and the collectors, and attach importance to the degree of taxpayer compliance with the tax system. We have made some beneficial forays into the calculation and estimation of compliance, but we still lack a uniform standard and effective estimation and calculation means and methods, and urgently need to learn from advanced international experience with respect to tools in this area.
Colombia	The tax department cooperates with state tax administrations and chambers of commerce with a focus on the facilitation and control of tax compliance	No	...	No
Kenya	Yes, there is cooperation between KRA and other Government agencies in enhancing compliance to tax laws. Examples are: -All traders who deal with Government agencies must be tax compliant. In this regard they must be issued with a tax clearance certificate. -All Government Agencies, and Departments, and other selected withholding VAT agents are required to withhold VAT from their suppliers before payment. -The Authority is also using the Provincial Administration for taxpayer education. -There are also certain types of transactions that require that a taxpayers be registered e.g. Land transactions, electricity connections and water connections	The turnover tax for SMEs will become effective in January 2007. This tax will apply to taxpayers whose annual turnovers is Kshs 5 million or below. The tax will be 3% of turnover. This was introduced to cater for the informal sector whose contribution to tax revenues was minimal yet it contributes a significant percentage of the country's GDP.	Efforts taken to reduce the compliance costs for SMEs and other taxpayers include amongst others -Establishment of DTD offices at the regions to offer one-stop service to taxpayers -Taxpayer education -Implementation of set-off of refunds against tax for taxpayers. -Implementation of EFT payment of taxes -Simplification of returns and record-keeping requirements.	The tax administration does not measure the compliance cost cost of taxpayers. The tax administration cost is measured through cost of collection. Generally, KRA's aim is to retain the cost of collection at no more than 1.5%.
Peru	The tax department cooperates with public and private organizations in the training of taxpayers on tax issues. It also helps with information exchange.	The authorities are introducing at government and the tax department is an important player in the process. It is registering the interested persons and providing them with access to the system.	The bookkeeping requirements have been considerably reduced. There are 2 simplified systems available to small taxpayers.	There are no estimates of compliance costs. However the tax department estimates the collection costs.

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Trinidad and Tobago	No	No	None	No
Vietnam	Tax offices always cooperate with local authority and other governmental agencies in managing SMEs. Central tax office or local tax office both have regulations to cooperate with related governmental agencies and local authority in managing enterprises in areas such as: Circular about consulting committee in wards/communes, regulations on coordination between business registration office, police, treasury etc.	SMEs are managed mainly at district level. GDT is carrying out pilot reform of several district offices. Reform content: gradually moving from taxpayer-based tax management to self-assessment. Majority of the district structure will move to taxpayers services, audit, tax returns processing, tax collection. The reform anticipates completing in year 2010. Purpose of the reform: to improve the efficiency of tax management in districts, to collect precise, enough, in time all types of taxes to put into budget and to reduce administration cost for tax office and tax payers; Changing tax management to be more in depth and applied information technology more widely in tax management. Promote propaganda activities to assist tax payers to improve attitude to abide the law. Apply regulation "one stop shop" to solve enterprises' queries.	The reform at district level is part of the effort to simplify the administration procedure that can easily create inconvenience and waste resources for small businesses. Enterprises are the first to benefit because they can reduce cost and time in carrying tax duty.	At the moment, the tax authorities has not been able to total up how much enterprises have saved in terms of time and money by the effect of the reform. Nevertheless, SMEs benefit a lot from the reform programs.

Source: Countries authorities.

Table 16. Distribution of Taxpayers by Size and Taxing Regime

(In national currency)

		All Taxpayers			Taxpayers under Simplified Regimes	Taxpayers under Presumptive Regimes
		Small	Medium	Large		
Albania	Number of Companies	42,270	11,800	460	42,270	...
	<i>Unincorporated</i>	42,270	...	...	...	...
	<i>Incorporated</i>	...	11,800	460	...	...
	Total Tax Paid	1,439	18,040	18,847	...	...
	(million leke)	...	...	...	...	...
	<i>Unincorporated</i>	1,439	...	...	1,439	...
	<i>Incorporated</i>	...	18,040	18,847	...	...
	Total Turnover	...	...	...	...	...
	<i>Unincorporated</i>	...	...	...	...	...
	<i>Incorporated</i>	...	...	...	...	...
	Number of Employees	58,100	250,000	39,000	...	...
<i>Unincorporated</i>	58,100	...	...	58,100	...	
<i>Incorporated</i>	...	250,000	39,000	...	...
Algeria	Number of Companies	673,002	205,626	3,296 1/	...	673,002
	<i>Unincorporated</i>	673,002	162,205	...	...	673,002
	<i>Incorporated</i>	...	43,421	3,296	...	...
	Total Tax Paid	26	292	916 2/	...	...
	<i>Unincorporated</i>	26	...	...	...	...
	<i>Incorporated</i>	...	292	916	...	...
	Total Turnover	...	...	...	...	...
	<i>Unincorporated</i>	...	...	...	...	...
	<i>Incorporated</i>	...	...	...	...	...
	Number of Employees	...	...	...	...	...
	<i>Unincorporated</i>	...	...	...	...	...
<i>Incorporated</i>	...	...	...	...	...
<i>Incorporated</i>	...	...	...	...	...
Argentina	Number of Companies	2,894,552	1,934,206	66,564	1,733,911	...
	<i>Unincorporated</i>	2,863,737	1,343,818	21,192	1,723,660	...
	<i>Incorporated</i>	30,815	590,388	45,372	10,251	...
	Total tax paid	1,326,459	14,688,037	103,836,734	1,024,529	...
	<i>Incorporated</i>	...	...	...	...	...
	<i>Unincorporated</i>	...	...	...	...	...
	Total Turnover	...	...	...	...	...
	<i>Unincorporated</i>	...	...	...	...	...
	<i>Incorporated</i>	...	...	...	...	...
	Number of Employees	...	...	...	...	...
	<i>Unincorporated</i>	...	...	...	...	...
<i>Incorporated</i>	...	...	...	...	...
<i>Incorporated</i>	...	...	...	...	...

Table 16. Distribution of Taxpayers by Size and Taxing Regime

(In national currency)

		All Taxpayers			Taxpayers under Simplified Regimes	Taxpayers under Presumptive Regimes
		Small	Medium	Large		
Benin	Number of Companies	...	...	...	...	...
	<i>Unincorporated</i>	...	...	...	...	...
	<i>Incorporated</i>	...	...	...	...	...
	Total Tax Paid	...	...	...	...	...
	<i>Unincorporated</i>	...	...	...	...	...
	<i>Incorporated</i>	...	...	...	...	...
	Total Turnover	...	...	...	...	...
	<i>Unincorporated</i>	...	...	...	...	...
	<i>Incorporated</i>	...	...	...	...	...
	Number of Employees	...	...	...	...	...
<i>Unincorporated</i>	...	...	...	...	...
<i>Incorporated</i>	...	...	...	...	...
Bolivia	Number of Companies	112,428	5,932	1,533	24,504	...
	<i>Unincorporated</i>	97,340	2,366	157	24,504	...
	<i>Incorporated</i>	15,088	3,566	1,376	...	...
	Total Taxes paid	1,294,355,269	...	11,119,408,026	...	...
	<i>Unincorporated</i>	365,194,757	...	1,899,770,464	...	...
	<i>Incorporated</i>	929,160,512	...	9,219,637,562	...	...
	Total turnover	...	9,743,234,580	27,619,805,613	...	...
	<i>Unincorporated</i>	...	1,852,213,171	1,899,770,464	...	...
	<i>Incorporated</i>	...	7,891,021,409	25,720,035,149	...	...
	Number of employees	...	...	...	...	...
<i>Unincorporated</i>	...	...	...	...	...
<i>Incorporated</i>	...	...	...	...	...
Brazil	Number of Companies	2,030,000	700,000	180,000	1,826,546	629,889
	<i>Unincorporated</i>	...	...	...	...	...
	<i>Incorporated</i>	...	...	...	1,826,546	629,889
	Total Tax Paid	5,850,000,000	35,000,000,000	320,200,000,000	2,321	15,137
	<i>Unincorporated</i>	...	...	...	...	...
	<i>Incorporated</i>	...	...	...	2,321	15,137
	Total Turnover	180,400,000,000	268,000,000,000	2,400,000,000,000	159,840	221,080
	<i>Unincorporated</i>	...	...	...	...	...
	<i>Incorporated</i>	...	...	...	159,840	221,080
	Number of Employees	...	...	...	3,826,602	1,853,587
<i>Unincorporated</i>	...	...	...	...	...
<i>Incorporated</i>	...	...	...	3,826,602	1,853,587	
Chile	Number of Companies	634,804	16,959	8,538	33,085	118,439
	<i>Unincorporated</i>	459,815	2,270	260	30,686	107,580
	<i>Incorporated</i>	174,989	14,689	8,278	2,399	10,859

Table 16. Distribution of Taxpayers by Size and Taxing Regime

(In national currency)

		All Taxpayers			Taxpayers under Simplified Regimes	Taxpayers under Presumptive Regimes
		Small	Medium	Large		
	Total Taxes paid	335,650	142,747	1,286,508	12,027	31,062
	<i>Incorporated</i>	169,738	15,515	5,075	10,396	25,734
	<i>Unincorporated</i>	165,912	127,232	1,281,433	1,631	5,328
	Total turnover	18,568,779	14,404,757	144,311,660	371,084	2,893,429
	<i>Unincorporated</i>	8,759,657	1,729,394	1,279,065	320,238	2,287,330
	<i>Incorporated</i>	9,809,122	12,675,363	143,032,595	50,846	606,099
	Number of employees	1,953,072	1,042,271	2,566,816	33,368	184,273
	<i>Incorporated</i>	689,931	109,418	38,627	27,904	104,513
	<i>Unincorporated</i>	1,263,141	932,853	2,528,189	5,464	79,760
China	Number of Companies	...	...	...	...	...
	<i>Unincorporated</i>	...	...	...	...	...
	<i>Incorporated</i>	...	...	...	...	...
	Total Tax Paid	...	...	...	...	...
	<i>Unincorporated</i>	...	...	...	...	...
	<i>Incorporated</i>	...	...	...	...	...
	Total Turnover	...	...	...	...	...
	<i>Unincorporated</i>	...	...	...	...	...
	<i>Incorporated</i>	...	...	...	...	...
	Number of Employees	...	...	...	...	...
	<i>Unincorporated</i>	...	...	...	...	...
	<i>Incorporated</i>	...	...	...	...	...
Colombia	Number of Companies	...	...	6,544	...	...
	<i>Unincorporated</i>	...	...	...	...	...
	<i>Incorporated</i>	...	...	...	...	...
	Total Tax Paid	...	...	11,020,834	...	...
	<i>Unincorporated</i>	...	...	...	...	...
	<i>Incorporated</i>	...	...	...	...	...
	Total Turnover	...	...	384,476,430	...	...
	<i>Unincorporated</i>	...	...	...	...	...
	<i>Incorporated</i>	...	...	...	...	...
	Number of Employees	...	...	...	...	...
	<i>Unincorporated</i>	...	...	...	...	...
	<i>Incorporated</i>	...	...	...	...	...
Kenya 3/	Number of Companies	...	...	...	...	...
	<i>Unincorporated</i>	...	...	...	...	...
	<i>Incorporated</i>	...	...	...	...	...
	Total Tax Paid	...	...	...	...	...
	<i>Unincorporated</i>	...	...	...	...	...
	<i>Incorporated</i>	...	...	...	...	...

Table 16. Distribution of Taxpayers by Size and Taxing Regime

(In national currency)

		All Taxpayers			Taxpayers under Simplified Regimes	Taxpayers under Presumptive Regimes
		Small	Medium	Large		
	Total Turnover	...	...	...	...	...
	<i>Unincorporated</i>	...	...	...	...	...
	<i>Incorporated</i>	...	...	...	...	...
	Number of Employees	...	...	...	...	...
	<i>Unincorporated</i>	...	...	...	...	...
	<i>Incorporated</i>	...	...	...	...	...
Peru	Number of Companies	...	652,089 4/	15,643	246,614 5/	69,379
	<i>Unincorporated</i>	...	495,426 4/	2,486	246,614	57,900
	<i>Incorporated</i>	...	114,604 4/	11,325	...	6,488
	Total Tax Paid	...	2,746	25,285	88	99
	<i>Unincorporated</i>	...	936	144	88	74
	<i>Incorporated</i>	...	1,588	24,987	...	14
	Total Turnover	...	77,135	281,201	5,975	1,771
	<i>Unincorporated</i>	...	26,036	3,734	5,975	1,414
	<i>Incorporated</i>	...	42,578	272,510	...	194
	Number of Employees	...	623,512	1,362,081	7,364	10,033
	<i>Unincorporated</i>	...	55,823	9,790	7,364	3,938
	<i>Incorporated</i>	...	515,228	1,329,194	...	3,655
Trinidad and Tobago	Number of Companies	...	...	...	...	...
	<i>Unincorporated</i>	...	...	...	...	...
	<i>Incorporated</i>	...	...	...	...	...
	Total Tax Paid	...	...	...	...	...
	<i>Unincorporated</i>	...	...	...	...	...
	<i>Incorporated</i>	...	...	...	...	...
	Total Turnover	...	...	...	...	...
	<i>Unincorporated</i>	...	...	...	...	...
	<i>Incorporated</i>	...	...	...	...	...
	Number of Employees	...	...	...	...	...
	<i>Unincorporated</i>	...	...	...	...	...
	<i>Incorporated</i>	...	...	...	...	...
Vietnam	Number of Companies	...	...	...	...	...
	<i>Unincorporated</i>	...	...	...	...	...
	<i>Incorporated</i>	...	...	...	...	...
	Total Tax Paid	...	...	...	...	...
	<i>Unincorporated</i>	...	...	...	...	...
	<i>Incorporated</i>	...	...	...	...	...
	Total Turnover	...	...	...	...	...
	<i>Unincorporated</i>	...	...	...	...	...
	<i>Incorporated</i>	...	...	...	...	...

Table 16. Distribution of Taxpayers by Size and Taxing Regime

(In national currency)

	All Taxpayers			Taxpayers under Simplified Regimes	Taxpayers under Presumptive Regimes
	Small	Medium	Large		
Number of Employees
<i>Unincorporated</i>
<i>Incorporated</i>

Source: Countries authorities.

1/ Optimal taxpayer base of the DGE

2/ Taxes paid by enterprises within the range of the startup of the DGE, including taxation of oil.

3/ Our taxpayers have not been categorized into small and medium. Therefore data on the same is not available. Secondly there are neither simplified nor presumptive regimes in our tax administration.

4/ The figures for the medium taxpayers includes small taxpayers.

5/ Simplified system based on presumptive taxation to replace VAT and Income tax.

6/ Simplified system based on presumptive taxation to replace Income tax only.

Table 17. Distribution of Businesses by Turnover

(In US\$ and local currency)

Country	Turnover	Number of Businesses	Aggregate Turnover in this size class	Year
	(US \$)		(In leks)	
Albania 1/	0 - 50,000	3,032	3,427,470,983	The first six months 2006
	50,000 - 500,000	3,032	60,657,760,725	
	500,000-2,000,000	2,249	111,090,405,175	
	2,000,000-10,000,000	370	150,357,650,145	
	10,000,000-50,000,000	55	97,174,622,098	
	+ 50,000,000	9	110,112,292,937	
	Total	8,747		
	(US \$)		(In dinars)	
Algeria	0 - 50,000	
	50,000 - 500,000	...	...
	500,000-2,000,000	...	...
	2,000,000-10,000,000	...	...
	10,000,000-50,000,000	...	...
	+ 50,000,000	...	...
	Total	...	...
	(US\$)		(In pesos)	2005
Argentina	0 - 50,000	66,617	506,567	
	50,000 - 500,000	51,527	11,000,746	
	500,000-2,000,000	31,954	33,052,709	
	2,000,000-10,000,000	18,186	77,593,568	
	10,000,000-50,000,000	5,078	104,290,136	
	+ 50,000,000	1,404	337,502,526	
	Total	174,766	563,946,252	
	(US\$)		(In CFA Francs)	2005
Benin 2/	0 - 50,000	97	0	
	50,000 - 500,000	8	2 563 127	
	500,000-2,000,000	44	54 697 307	
	2,000,000-10,000,000	183	1 058 974 092	
	10,000,000-50,000,000	328	8 420 698 080	
	+ 50,000,000	805	1 133 117 275 693	
	Total	1,465		
	(US\$)		(In bolivianos)	
Bolivia	0 - 50,000	172,855	549,050,637	
	50,000 - 500,000	6,776	952,671,384	

Table 17. Distribution of Businesses by Turnover

(In US\$ and local currency)

Country	Turnover	Number of Businesses	Aggregate Turnover in this size class	Year
	500,000-2,000,000	1,096	1,105,517,583	
	2,000,000-10,000,000	475	1,972,766,562	
	10,000,000-50,000,000	122	2,411,773,860	
	+ 50,000,000	24	2,901,324,090	
	Total	181,348	9,893,104,116	
<hr/>				
Brazil	(US\$)		(In reais)	2003
	0 - 50,000	1,679,416	24,652,821,524	
	50,000 - 500,000	923,219	138,045,411,089	
	500,000-2,000,000	158,291	149,774,871,334	
	2,000,000-10,000,000	58,632	249,895,666,451	
	10,000,000-50,000,000	16	335,099,230,871	
	+ 50 million	5	2,187,436,189,765	
	Total	2,840,970	3,084,904,191,034	
<hr/>				
Chile	(In fiscal unit)		(In pesos)	2005
	00 No sales reported	76.563	0	
	01 Micro [0,1 - 200 UF]	169.076	234.136	
	02 Micro [200,1 - 600 UF]	127.416	824.236	
	03 Micro [600,1 - 2.400 UF]	149.604	3.258.061	
	04 Small [2.400,1 - 5.000 UF]	53.138	3.235.225	
	05 Small [5.000,1 - 10.000 UF]	33.743	4.159.605	
	06 Small [10.000,1 - 25.000 UF]	25.264	6.857.516	
	07 Medium [25.000,1 - 50.000 UF]	10.434	6.394.730	
	08 Medium [50.000,1 - 100.000 UF]	6.525	8.010.027	
	09 Large [100.000,1 - 200.000 UF]	3.738	9.182.203	
	10 Large [200.000,1 - 600.000 UF]	2.956	17.367.796	
	11 Large [600.000,1 - 1.000.000 UF]	666	9.053.103	
	12 Large [1.000.000 UF or more]	1.178	108.708.558	
	Total	660.301	177.285.196	
<hr/>				
China	(US\$)		(In yuan)	...
	0 - 50,000	...	...
	50,000 - 500,000	...	...
	500,000-2,000,000	...	...
	2,000,000-10,000,000	...	...
	10,000,000-50,000,000	...	...
	+ 50,000,000	...	...
	Total	...	...

Table 17. Distribution of Businesses by Turnover

(In US\$ and local currency)

Country	Turnover	Number of Businesses	Aggregate Turnover in this size class	Year
	(In local currency)		(In pesos)	2005
Colombia	0 - 500	184,142	14.603.837	
	500 - 1000	16,007	11.383.351	
	1000 - 2000	11,898	16.762.461	
	2000 - 3000	5,075	12.414.444	
	3000 - 4000	2,891	9.992.890	
	4000 - 5000	2,031	9.075.627	
	5000 - 10000	4,261	29.800.012	
	Total	226,305		
	(In local currency)		(In shillings)	Data below relates to year 2004
Kenya 3/	Below 3,000,000*	53,610	8,002	
	3,000,000- 4,000,000	2,483	8,373	
	5,000,000-9,000,000	2,965	19,671	
	10,000,000-49,000,000	4,140	91,904	
	50,000,000-99,000,000	949	66,161	
	100,000,000-249,000,000	799	123,385	
	Above 250,000,000	582	605,760	
	Total	65,528	991,107	
	(US\$)		(In nuevos soles)	2005
Peru	0 - 50,000	490,133	7,988	
	50,000 - 500,000	138,736	20,500	
	500,000-2,000,000	25,667	24,935	
	2,000,000-10,000,000	10,003	41,835	
	10,000,000-50,000,000	2,429	50,114	
	+ 50,000,000	763	212,967	
	Total	667,731	358,339	
	(US\$)		(In TT dollars)	2004
Trinidad and Tobago	0 - 50,000	488	\$1.041.894	
	50,000 - 500,000	290	\$72.851.179	
	500,000-2,000,000	340	\$387.363.292	
	2,000,000-10,000,000	301	\$1.390.953.055	
	10,000,000-50,000,000	630	\$4.504.429.033	
	+ 50,000,000	32	\$5.148.333.220	
	Total	2,049		
	(US\$)		(In dong)	

Table 17. Distribution of Businesses by Turnover

(In US\$ and local currency)

Country	Turnover	Number of Businesses	Aggregate Turnover in this size class	Year
Vietnam	0 - 50,000	...	...
	50,000 - 500,000	...	...
	500,000-2,000,000	...	...
	2,000,000-10,000,000	...	...
	10,000,000-50,000,000	...	...
	+ 50,000,000	...	...
	Total	...	...

Source: Countries authorities.

1/ These data are available only for 9 largest and computerized tax local offices out of a total 37 local tax offices.

2/ The businesses covered are those that submitted their financial statements.

3/ Includes Nil and non-filers (about 47,330).