



## Closing Report of the Consultation on How to Encourage Small and Medium Enterprise Owners to Achieve Tax Compliance

### 1- Overview of the Consultation

This consultation aimed to engage the community—particularly small and medium enterprise (SME) owners—to gather their views on tax compliance challenges and to identify incentives and mechanisms that help increase tax compliance and support the sustainability of this vital sector.

### 2- Public Inputs and Feedback

- **Number of participants:** 14 participants (with multiple responses from SME owners and individuals working in the business sector)
- **Participating categories:**
  - Small and medium enterprise owners (business sector)
  - Individuals from the business sector
- **Interaction with the Authority:**
  - The majority had prior dealings with the Federal Tax Authority
- **Level of tax knowledge:**
  - The results showed that awareness of current programs is moderate and requires further enhancement
- **Role of technology:**
  - The results indicated that most participants believe that the use of technology helps facilitate tax compliance

### 3- Key Findings

- Identifying the complexity of certain procedures as one of the main challenges facing small and medium enterprises in achieving tax compliance.
- Broad agreement on the importance of combining awareness and incentives rather than relying on enforcement alone.



- Participants emphasized the role of digital solutions in:
  - Reducing time and effort
  - Simplifying compliance
  - Improving the experience of business owners

#### 4- Key Recommendations

- Offering incentive schemes linked to early or continuous compliance.
- Simplifying procedures through more flexible digital tools.
- Launching specialized awareness programs for small and medium enterprise owners.
- Providing supportive tax guidance and advisory channels.

#### 5- Actions Taken / Proposed

- Studying the development of awareness programs and incentive schemes that support the small and medium enterprise sector.
- Enhancing the use of digital tools to facilitate compliance procedures.
- Expanding partnerships with relevant entities and the private sector to support tax compliance.