**INITIATIVES/PROJECTS THAT HAVE RECENTLY BEEN UNDERTAKEN BY TANZANIA AND THE EXPERIENCE/ LESSONS LEARNT**

Over the years, the Government of Tanzania (GOT) and the Tanzania Revenue Authority (TRA) have taken various initiatives in digitalization of the economy:

1. Bringing individuals activities under shadow economy to official registration after once-off payment of tax under minimum presumptive scheme.

**Experience**. A lot of hawkers and peddlers registered (about 1,479,886), GOT collected huge amount of tax with very little cost (about TZS 29.6 Billion equivalent to US$ 12.8 million).

1. Enhancing tax investigation techniques to uncover tax revenue laws offenders including, taxation of high net-worth individuals; application of forensic evidence from Computer Forensics Lab, in the Tax Investigations Department.

**Experience:** Enhancing tax investigations especially the application of forensic digital evidence recovery from Computer Forensics Lab, had left taxpayers vulnerable to be exposed of their malpractices, hence forcing them to raise their tax compliance by filing returns within due dates and paying tax accordingly.

1. **Automation of tax payment systems.** Introduction of Electronic Fiscal Devices (EFD), Online returns submissions, electronic stamps, upgrading the Integrated Tax Administration System (I-Tax) and automating Customs Systems (TANCIS). Also Electronic mobile phones payment systems such as M-Pesa by Vodacom, Tigo-Pesa by MIC, Airtel-Money by Airtel, Ezzy-Money by Zantel and Max-Malipo by Selcom.

**Experience:** Online filing and tax payment systems eliminated long queues during the due dates and automatically enhanced tax compliance.

1. **Simplifying regulatory conditions**. TRA unified all functions in one office and created one stop centres for border post. Unified tax office with other regulatory payment functions in order to save taxpayers compliance time and cost.

**Experience:** Tax complains against TRA had tremendously decreased and automatically raised tax compliance to all TRA Revenue Departments.

1. **Sectorial Review**. The GOT and TRA have done critical review on important sectors in the economy such as Mining sector, Financial sector (Bureau De Change), and Tourism.

**Experience:** The review has brought positive outcome by increasing Government take in form of tax revenue and non-tax revenue which has enabled Tanzania to undertake huge development projects that, Tanzania had never undertaken before by relying at 100% on her own revenue sources.

1. **Legal Reforms**. Introduction of Tax Administration Act to standardise tax procedure for all taxes. Reducing tax rates, VAT from 20% to 18%; Corporate tax from universal rate of 30% to 25% for newly business or under Dar-Es-Salaam Stock Exchange Market. Introduction of taxpayers Charter that stipulated rights of the taxpayers.

**Experience:** Changes increased voluntary compliance and tax collections.