Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR)

41st SESSION 6 – 8 November 2024

Friday, 8 November 2024

Agenda item 5 (a). Updates on implementation of technical cooperation projects

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Experiences from Uganda's Informality Management for Compliance and Revenue Mobilization (IMCORE) Program

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- **1. Introduction**
- **2. UNCTAD Technical Assistance**
- 3. Uganda's E- Accounting Tool
- 4. Relevance of the E-Accounting tool
- **5. Screen shorts of the Tool**
- **6.** Conclusion



Introduction of IMCORE Program

- 1. To ease formalization of SMEs, Government conceived the Informality Management for Compliance and Revenue Mobilization (IMCORE) Program.
- 2. This program was designed as a Long term Study to appreciate motivations and challenges of informal operations within start-ups and small informal entities.
- 3. Focuses on boosting internal capacities of small informal businesses as well as equiping Business owners with practical business management skills, Apprenticeship opportunities to ease formalization.



UNCTAD Technical Assistance

- 1. The first phase of the Technical Assistance from UNCTAD focused on;
- (i) assessing the institutional, regulatory and administrative frameworks for accounting and reporting in the country

(ii) Supported development of tools to ease SME formalization and compliance.



Uganda e-Accounting Tool Process

- 1. Local consultant hired to support development of the eaccounting tool.
- 2. Benchmarked existing digital platforms for the SMEs accounting to check structure, functionalities, etc. April 2023
- 3. Several stakeholder engagements held to inform the Conceptualization of the e-accounting tool.
- 4. Testing of the pilot version, collecting feedback from key stakeholders.
- 5. First e-accounting tool validation held during the National Workshop in Uganda in June 2023.
- 6. Uganda E-Accounting tool's practical training of trainers' session for SMEs held in June, 2023.
- Conducted technical feasibility, usefulness and readiness of the tool by selected SMEs provided by Empretec Centre Uganda – August / September 2023.
- 8. Presentation of the tool to Ministry of Finance Top management for endorsement and ownership July 2024.
- 9. Second national validation of the tool held in July 2024, attended by MDAs, SMEs and researchers.

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E-Accounting Tool Advantages

- **1. Easy to understand** instructions, Tutorials and Training manuals)
- 2. Free Access to Small Informal Businesses; its online and can be accessed from anywhere in the world. Ugandans requested for offline options and translation into key local dialects
- **3. Simplicity;** Simplified accounting, all purpose financial statements and comprehensive performance analysis just in one click !
- **4. Reliability;** Data is safely and confidentially kept on-line and also has an off-line functionality.
- 5. Domesticated/ Tailored to Uganda's Micro small businesses needs regardless of entrepreneur's financial literacy levels.

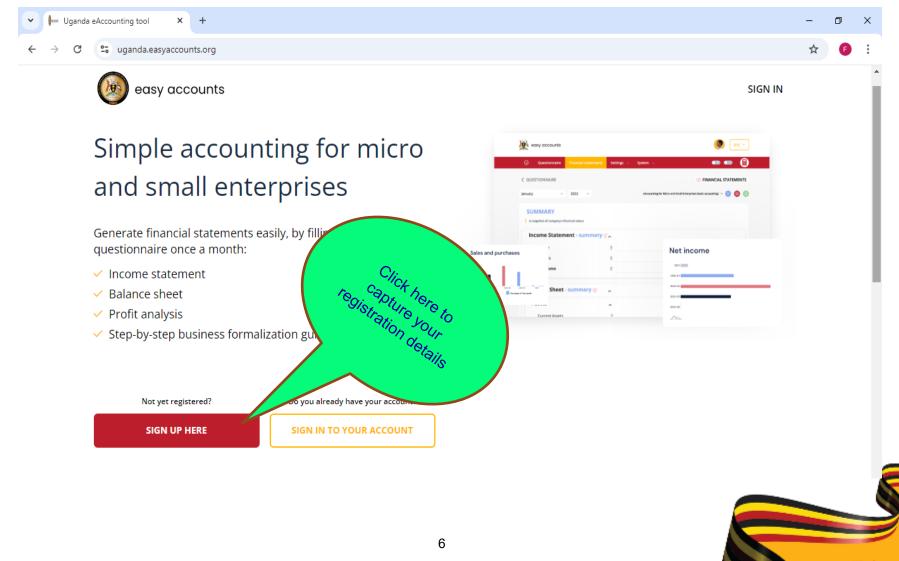
Thanks to UNCTAD, all SMEs involved in the project will access the e-accounting tool to be used for recording of transactions, reporting and producing financial statements.

This will ease SME formalization, compliance and Competitiveness in Uganda.





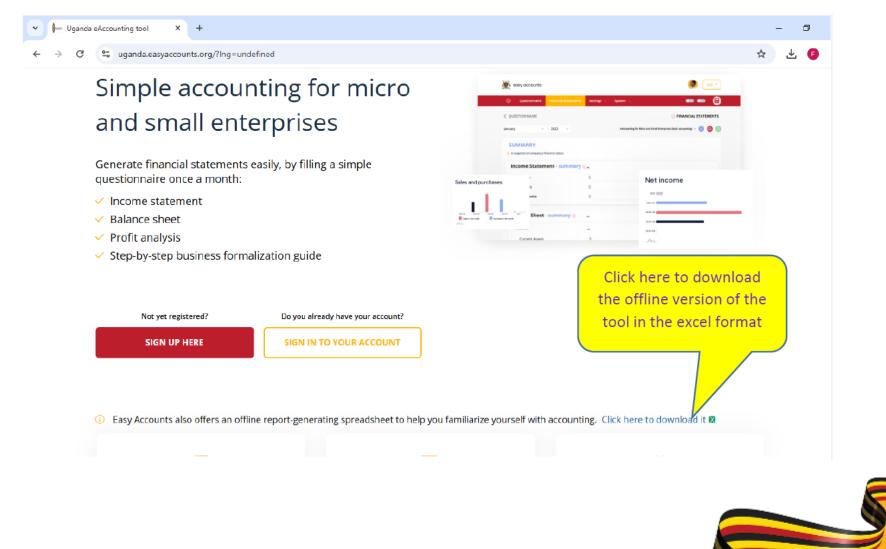
1. Signing into the tool



2. You can Capture your transactions using the web-based Tool



3. Offline Tool version available in case of unreliable internet.



4. Formulas in grey cells help in auto populating the tool

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-	PURCHASES	55.000												55.000	
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5. Formalisation and Tax information

easy accounts									
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2024

Step-by-step guide to formalizing a business in Uganda

Business formalization refers to the process of legally registering and structuring a business to ensure it operates within the Ugandan legal framework.

A formal business is one that has registered with Uganda Registration Services Bureau (URBS) and obtained a business or Company name, registered for taxes with Uganda Revenue Authority (URA) and obtained a Tax Identification Number (TIN) and has secured permission to trade in any desired area/place through obtaining a Trading License

The business formalization process begins with the LIDSP, where one gets a Certificate of Pegistration (for a business) or a Certificate of Incorporation (for a company). Businesses

Why do I need to register my business?

- Growth and continuity: Enhanced business reputation leads to a broader and loyal clientele, which is essential for business expansion and growth.
- Better access to financial services: Such as bank loans and other Government financial interventions that are essential for business expansion.
- Attracting investors: Formally registered businesses are more attractive to investors who may want to buy into your establishment.
- Acquiring a TIN: Helps you process land transactions and eases the payment of stamp duty on land transfers and motor vehicle applications.
- Claim tax refunds: Formalization helps you claim tax refunds where you could have paid excess taxes.

Business Formalization Process

Step 1 – Business/Company Registration with URSB

Insights from recent implementation of the Accounting Development - Uganda

Conclusion

- 1. All stakeholders have high expectations for this program
- 2. UNCTAD continues to provide global best practices to supplement local knowledge and expertise for the success of this program.
- 3. Government is committed to implement this program to;
 - a) Pilot and study this tool as we appreciate the motivations for informal operations
 - b) Establish the most appropriate incentive framework for formalising the SMEs in Uganda
 - c) Share lessons from the National rollout of this program



Thank You For Listening

