

**AN INVESTIGATION ON THE FACTORS AFFECTING THE IMPLEMENTATION OF
ELECTRONIC TAX REGISTER IN VAT COLLECTION
A CASE OF TREFI EAST AFRICA LIMITED**

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ABSTRACT

This study sought to identify factor affecting the implementation of the electronic tax register in small and medium enterprises in Nairobi County, despite the fact that the tax register benefits both the taxpayer and the tax man. The study focused on retailers, wholesalers, and distributors. It also included professionals like accountants, surveyors, and consultants. The self assessment system has made VAT highly prone to tax evasion. Concerns during audit and compliance checks have revealed that KRA has been loosing tax due to tax evasion and tax fraud.

A variety of controls previously introduced have had minimal effect on tax evasion and falsification. Self-administered open and closed ended questionnaires were utilized in collecting primary data from the field. Data collected was analyzed using tabulation procedure. The main factors challenging the implementation of ETR machines in many businesses are; the cost of ETR machines, Negative perception and fear of penalties.