**Case studies on Digital and Innovative Financial Products and Services for MSMEs beyond Credit.**

The G20 Presidency of Indonesia 2022 and the Global Partnership for Financial Inclusion (GPFI), in partnership with the SME Finance Forum, are building a living database of successful examples of digital and innovative ﬁnancial products and services for MSMEs beyond credit. These non-credit ﬁnancial products and services may include, among others, digital payments, insurance, factoring, leasing, guarantee, and other risk management products.

Institutions, which have designed and implemented innovative ﬁnancial products and services beyond credit to help MSMEs especially **women entrepreneurs, youth entrepreneurs, and social ﬁnance recipients** are strongly encouraged to contribute case studies.

**Process and timeline**

To ensure consistent quality and integrity of the case studies, a panel of subject matter experts is being set up. The committee will review the submitted cases on regular basis, seek clariﬁcations and provide inputs where appropriate, before the case studies are accepted and published in the database.

Selected cases will be used as inputs into a G20 summary report which is expected to be drafted in June 2022

# **Section 1**

## Title\*

Tax Exemption for Tradesman

70 word(s) remaining

## **Short excerpt about the products/services\***

Tradesman exemption is regulated in Article 9 of the Income Tax Law. According to the article, those selling retail goods by travelling without a workplace or a motor vehicle, and artisans doing business by travelling and directly with the consumers without opening a workplace are within the scope of exemption.

In addition, those who sell the products they produce with their own labor at home without opening a workplace can benefit from the tradesman exemption.

On the other hand, since 2019, it has become possible for persons who benefit from the tradesman exemption to sell the products they produce in their homes on the internet, provided that they do not exceed the annual gross amount of the minimum wage (60,048 TL for the year 2022)

Likewise, those who sell the goods they produce in their homes without opening a separate workplace and without using machines and tools that can make industrial or mass production, only via the internet and similar electronic media (on condition that the sales amount does not exceed 320.000 TL for the year 2022) are included in the scope of the tradesman exemption.

Those within the scope of exemption can obtain a tradesman exemption certificate from the tax office in their place of residence. However, it is obligatory to obtain a document only for those who sell online.

Similarly, those who are engaged in occupations which are determined to have traditional, cultural and artistic value and are on the verge of disappearing such as hand weaving works, copper working, tile and pottery making, mother-of-pearl inlaid and wood carving, spoon making, walking stick making, saddle making, wood block printing, quilt making, felt making, sepiolite and oltu stone work, shoe making, kerchief making, embroidering can benefit from the tradesman exemption.

Those benefiting from the tradesman exemption should not be subject to income tax in real terms due to their commercial, agricultural or self employment income.

100 word(s) remaining

**What year was the innovation introduced\***

Bir öğe seçin.

**Number of MSMEs reached/served (esp. women/youth/migrant entrepreneurs, SMEs in general)\***

**Number of lives impacted (potential)\***

**Which institution implemented the solutions (offer products/services)\***

**Type of institutions**

Bir öğe seçin.

**Topic ( products/services )\***

**Location ( country and city )**

This exemption is applied throughout the country, without any regional restrictions.

# **Section 2**

**The challenges addressed by the products/services\***

200 word(s) remaining

**Which group does your product/service primarily target?**

Payment Remittance

Bir öğe seçin. Bir öğe seçin.

Savings Fin. Education

Bir öğe seçin. Bir öğe seçin.

Factoring Cash management

Bir öğe seçin. Bir öğe seçin.

Insurance

Bir öğe seçin.

Credit guarantee Other (specify)

Bir öğe seçin.

Risk management 70 character(s) remaining

Bir öğe seçin.

Bir öğe seçin.

**Description of the innovation ( products/services )\***

200 word(s) remaining

**Results/Impact created ( or potential impact ) \***

Please mention facts, numbers in terms of how many people were served especially women and youth entrepreneurs, how much saving, job creation etc.

**Lessons Learnt**

**Product/service/innovation: what need to be considered if the initiative is to be replicated?**

200 word(s) remaining

**Market conditions that determined the success of your products/services?**

200 word(s) remaining

**Policy/regulatory environment that either enables or hinders the success of your products/services**

200 word(s) remaining