THE USE OF SALES REGISTER MACHINES

Background:
The use of sales registration machines began in Addis Ababa, Ethiopia in February 2008 and its use has expanded significantly during the past 3 ½ years. The use of the machines at a regional level got underway in 2010/11 and already traders in Tigray and Amhara have begun to use them. Traders in other regions are also expected to use these machines soon.

It is now estimated that over 28,000 traders use sales register machines in Ethiopia which is a significant increase from June 2010 when there were only 4,386 users.

This has subsequently increased the number of cash register machines used by traders from 5,771 to 32,208.

According to the Cash Register Machine Administration and Implementation Team Leader, Mr. Anteneh Tamirat, the traders purchase the machines from 8 suppliers who are allowed to import them free of duty. The price for a machine can range from 5,000 to 13,000 birr, depending on the type.

The list of the 8 suppliers includes:

- Petram Plc;
- Haron Computer Plc;
- Omedad Plc;
- Jupiter Trading Plc;
- Merchandise Wholesale & Import Trade Enterprise (MWITE);
- Addis Home Depot Plc;
- I-POS International Trading Plc; and
- Ambasel Trading Plc.
These suppliers are accredited by the Ethiopian Revenues and Customs Authority (ERCA) to supply the sales register machines. ERCA has recently accredited 4 additional importers, thereby raising the number to 12.

In addition to supplying the machines, Anteneh said that the suppliers are also responsible for offering training to customers on how to operate the machines, as well as maintenance for the machines should they fail to work correctly.

By the end of the previous fiscal year the suppliers had offered training to 28,891 traders and fixed 3,804 machines.

**Current Position:**

These machines have been of considerable benefit to both the traders and ERCA and help the traders quickly process their customer's transactions and accurately keep their records.

ERCA is able to assess and collect tax accurately and to trace any attempt of tax evasion using a central computer, which collects data from the local systems used by the traders, specifically information on the total sale when a customer purchases several items.

**Next Steps:**

ERCA plans to expand the number of traders who use cash register machines from 28,891 to 128,891 by the end of the current budget year. In addition to the stock the suppliers have, ERCA has requested via the Ethiopian Commercial Bank, sufficient funds to import 60,000 sales register machines in the current fiscal year. Ato Anteneh said that in the current budget year, all VAT registered traders, small and medium businesses across the country are expected to begin using the sales register machines. Business owners should also be aware that they are legally obliged to use the machines.

By Abebe Hunachew