

**Brazil, Italy, France, Mexico among the top 10 most complex while the Cayman Islands, BVI, Jersey, Hong Kong make up the least complex places in the world for financial compliance.**

China is the most complex place in the world for accounting and tax compliance, followed by Brazil, Turkey, Italy and Argentina - according to TMF Group's second annual [Financial Complexity Index 2018](#).

The leading provider of global business and compliance services ranked 94 jurisdictions across Europe, the Middle East, Africa, Asia Pacific and the Americas; 1 being most complex through to 94 the least complex. For a second year, the Cayman Islands came in as the least complex place for compliance from an accounting and tax perspective.

To determine the rankings with its in-country experts, TMF Group used a 74-question survey with weighted complexity parameters, namely; regulatory compliance, tax, statutory reporting and bookkeeping.

## **THE 10 MOST COMPLEX JURISDICTIONS FOR FINANCIAL COMPLIANCE**

1. China
2. Brazil
3. Turkey
4. Italy
5. Argentina
6. France
7. Bolivia
8. Colombia
9. Mexico
10. Russia

## RESULTS SUMMARY

**Asia Pacific's** largest economy is now the world's most complex for accounting and tax. China is at number 1, largely driven by the continued embedding of the Golden Tax System, which aims to introduce stricter monitoring and enhanced data sorting and transparency.

**In the Middle East**, Turkey drops out of the top spot this year as government efforts to simplify regulation begin to kick in. While the UAE's introduction of a VAT - in line with gulf-wide treaty obligations - sees this once-easy jurisdiction rise in the rankings.

**Europe** is a less simple place to do business than some might imagine, with France, Italy and Russia in the top 10 most complex. France's increase in complexity comes just as its new government begins a business-friendly simplification process.

**Latin America** comprises half of the world's 10 most complex jurisdictions for accounting and tax compliance. The last 12 months have seen several countries begin the process of introducing digitised filing for company accounts. This has created a short-term complexity spike.

The least complex jurisdictions in the 2018 Index remain largely unchanged from last year, but **the UAE is a notable move** out of the top 10 least complex.

**Commenting on the rankings, TMF Group's Global Head of Service Lines Deborah Williams said:** "Our second Financial Complexity Index is dominated by the impact of the global move towards transparency and conformity. We see many countries passing reforms to simplify their economies not only to attract investment, but to ensure the country ticks the compliance box for movements such as the OECD'S Base Erosion and Profit Shifting (BEPS) project and the Common Reporting Standard (CRS).

"Each jurisdiction is tackling these global issues in a different way, and short-term complexity spikes are common. However we expect the initiatives will reduce the accounting and tax complexity in these jurisdictions in the future.

"Curiously, while one of the top trends in global financial compliance remains the future impact of technology, our Index results tell us that fewer jurisdictions are worried about cybersecurity and data privacy. The introduction of Global Data Protection Regulation (GDPR) in Europe in May 2018 and its worldwide ramifications for business may see this issue trend upwards in next year's index.



**Global reach**  
Local knowledge

“When it comes to cross-border business success, knowing and understanding the local requirements for financial compliance can prove vital. Seeking the support of in-country experts – such as ourselves – allows companies of all sizes to maintain focus on their core business.”

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NOTES TO EDITORS

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