

- SUNAFIL has improved measures and tools that are useful to control, inspect and sanction the frauds in the labour system and to incentivize compliance,
- SUNAT has implemented simplified and digitalized solution to increase the number of taxpayers, with a specific focus on MSMEs.

1.5 A social label for enterprises integrating youth, women, migrants and those people living in the most vulnerable situations (people with disabilities, indigenous people, racial and sexual minorities, domestic workers and those in precarious employment) by facilitating their access to formal jobs is designed and implemented together with the European Chambers of Commerce in Peru.

Specific objective 2: “pro-employment growth” by strengthening a productive chain

2.1 A selected key productive chain and/or strategic corridor has generated higher formality and decent jobs within its inter-linked sub-suppliers and businesses.

Specific objective 3: Generating better opportunities for decent work and productive jobs for youth, women, migrants and those people living in the most vulnerable situations

3.1. A dedicated financial instrument is available on the market (“gender bond”) to promote the formalization and access to credit of women MSMEs enterprises.

3.2. Dedicated services for employment intermediation and other active labour market programmes are available to youth, women, migrants and those people living in the most vulnerable situations and are tailored to their specific needs.

3.2 Indicative Activities

Activities relating to Output 1.1: Procedures, processes and tools for formalization of MSMEs enterprises are simplified and incentives for formalization are provided to them

- A1.1.1. Support in the simplification of digitalization of work registration and operations and reduction of the "compliance costs" of formalization (licensing, taxes, and setting-up business of micro, small, and medium-sized enterprises).
- A1.1.2. Assist in the evaluation of incentives for MSMEs linked to the reduction of formalization costs (in relation to both tax and social security contributions) and support to the formulation of valuable alternatives, aligning tax incentives with non-wage labour incentives.
- A1.1.3. Assist in the definition and creation of incentives for companies that pay decent salaries, goods and/or services and taxes, digitally through electronic wallets or mobile money.
- A1.1.4. Proposal for mechanisms for the inclusion of self-employed workers in social insurance schemes through adapted and progressive mechanisms that reduce social contributions for low-income workers and simplify registration.
- A1.1.5. Dedicated support to MSMEs that have potential or are transiting towards formality.

Activities related to Output 1.2: Norms, procedures, processes and tools for formalization of employees are simplified and incentives for formalization are provided to the employers

- A1.2.1. Assist in simplifying the processes and the administrative procedures for registering employees by employers (la “planilla”).
- A1.2.2. Assist in designing incentives for employers to register and hire workers formally.

Activities related to Output 1.3: The services provided by the state agencies, programmes and platforms dedicated to formalization of businesses and workers (“Formaliza Peru”), and labour intermediation services (“Centros del Empleo”, and others) are strengthened and made more inclusive

- A1.3.1. Assist in identifying the main bottlenecks hampering formalization of businesses and self-employed workers.
- A1.3.2. Assist in defining inter-agencies mechanisms to speed-up procedures and eliminate redundancies.