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Level of Awareness of Tax Policy Among Small and Medium Entities in South Africa: A Scoping Review

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Abstract:

This study aims to find out how much small and medium enterprises (SMEs) in South Africa know about tax policies. SMEs help fight poverty, create jobs, and grow the economy. But many face big challenges, especially with complex tax rules. Even with these difficulties, SMEs must still follow tax laws and pay their taxes. The study uses a scoping review, which collects and reviews past research to understand how aware SMEs are of tax policies. It used set rules to include or exclude studies and collected data from sources like Science Direct, Google Scholar, ResearchGate, and others. Many SMEs in South Africa have low awareness of tax policies. There is a clear link between tax knowledge and the ability to follow tax rules. SMEs need specific knowledge to meet tax obligations. To be tax-compliant, they must first understand tax laws. There is a serious lack of tax knowledge among SMEs. SARS should boost efforts to educate SMEs about tax policies. This will help improve tax compliance. This study adds to the research on small business taxation and encourages more discussion and studies in this area.

Keywords:

SMEs; Tax Knowledge; Tax Policies Awareness; Tax Compliance, Tax Policy, Tax Evasion

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Introduction

SMEs are widely seen as key drivers of development and economic growth in South Africa and around the world. Ramharak (2016) estimates that in South Africa, SMEs employ about 60% of the labour force, make up 90% of formal businesses, and contribute roughly 34% of the country's GDP. Despite their important role, Oladejo et al. (2019) found that the challenges SMEs face and their ability to follow tax policy are linked. This means that if tax policy problems are reduced, the level of tax compliance will go up (Oladejo et al., 2019).

"Tax policy" refers to the key decisions and directions that shape the tax system, allowing governments to fund public spending and support economic growth (Cliche, 2012). Tax policy tries to balance raising the money governments need with helping the economy grow in a fair and lasting way (Organisation for Economic Development (OECD), 2021). Another main role of tax policy is deciding how to collect money in a way that ensures a steady and enough supply of revenue (Cliche, 2012). Tax systems need to be sustainable because their main job is to raise money for government operations and services (Evans & Joseph, 2015). Tax policy also helps share income more fairly and can make South Africa more attractive for investment and job creation (Evans & Joseph, 2015).

National Treasury (2024) agrees that it is important for taxpayers to be aware of tax policy, because the government depends on the tax system to raise money while also helping the economy grow, support jobs, and meet goals like fighting climate change. Tax rules can also affect people's and businesses' choices, encouraging or discouraging certain actions (Cliche, 2012). This means that understanding taxes can improve taxpayer behaviour and lead to better compliance (Pandapotan & Tjen, 2017). Tax awareness means that taxpayers know about tax rules and follow them (Pandapotan & Tjen, 2017). It also shows that how people see taxes affects how willing they are to follow tax rules (Pandapotan & Tjen, 2017). Torgler (2008) noted that low public tax awareness is one reason some taxes are not collected. Savitri (2016) found that one of the main reasons SMEs do not meet their tax duties is because they are not aware of the role taxes play.

Savitri (2016) also said that a taxpayer is seen as aware if they know about tax laws, understand that taxes fund the state, accept that tax rules must be followed, and are able to calculate, pay, and report taxes willingly and correctly. National Treasury (2024) states that the government is paying close attention to tax awareness because the long-term tax plan aims to increase the number of taxpayers and improve compliance and how taxes are managed. This will help raise enough money in a sustainable way while avoiding tax hikes where possible. In the past four years, SARS has raised more money by collecting unpaid taxes, adding more people to the tax system, improving compliance, and reducing illegal activities (South African Revenue Service (SARS), 2019).

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SARS is also trying to help SMEs meet tax obligations more easily through better services and digital tools (South African Revenue Service (SARS), 2019). However, despite these efforts, tax compliance is still a big challenge for SMEs. Many of them cannot afford the costs of compliance or do not have enough skilled staff to meet tax rules on time and correctly (Deloitte, 2019). Botha et al. (2021) also found that government red tape, legal compliance, and dealing with SARS and the Department of Labour remain big problems for small businesses in South Africa. This means many SMEs in developing countries, including South Africa, do not follow tax rules because they lack trained workers. Even though SMEs understand the need for laws and rules, they think simpler rules would help them comply better (Nieuwenhuizen, 2019). Cliche (2012) highlights that a tax system should not be too complex, as this makes it harder for taxpayers and government alike, making the system confusing and difficult to explain.

The OECD (2015) warns that overly complex tax rules for SMEs can hurt business growth by adding extra costs. These rules can also affect decisions, especially hiring, and discourage people from starting their own businesses. High tax compliance costs may also stop people from joining the formal economy or following certain tax rules (OECD, 2015). Therefore, SARS needs to create strategies that make it easier for small businesses to operate in a supportive and well-regulated environment (Adanlawo & Vezi-Magigaba, 2022). Tax compliance is vital for economic growth, and SMEs are seen as major contributors to progress in both rich and poor countries (Moise et al., 2020). For tax authorities and lawmakers to create better tax policies and strategies, they first need to understand how SMEs think and act when it comes to taxes.

This leads to our main research question: What extent is the level of tax policy awareness amongst SMEs in South Africa? This study tries to answer that question by using the scoping review framework developed by Arksey & O'Malley (2005), Mak & Thomas (2022), and Munn et al. (2018). The aim is to find key ideas, gaps in research, and the kind of evidence needed to support better policies, guide future research, and create useful solutions (Arksey & O'Malley, 2005; Mak & Thomas, 2022; Munn et al., 2018). This study adds to the existing research on tax policy by doing a scoping review, a type of research summary that, according to Arksey & O'Malley (2005), Mak & Thomas (2022), Munn et al. (2018), and Peters et al. (2015), lays out the available studies in a certain field and helps identify key themes, research gaps, and evidence types for shaping research, policy, and practice.

It is also a kind of evidence mapping that finds and organizes information based on set inclusion rules and topic relevance (Mak & Thomas, 2022; Munn et al., 2018). The main goal of this scoping review is to look at why tax compliance research is being done, what trends are emerging, and where the gaps are in understanding how tax policy affects SME tax behaviour in South Africa. We believe that this is the first research paper to carry out such a scoping review.

Methodology

This study uses a scoping review method based on the framework by Arksey and O'Malley (2005), Mak and Thomas (2022), and Munn et al. (2018) to look at how aware SMEs in South Africa are of tax policy. The main aim is to understand why research is being done in this area, point out new trends, and find gaps in current knowledge. A scoping review is a type of evidence summary that helps find and map existing studies that meet certain inclusion rules on a topic, concept, or issue (Mak & Thomas, 2022; Peters et al., 2015; Pham et al., 2014). It shows the main ideas and helps identify what kind of evidence exists to support policy, guide future research, and help with practical use (Arksey & O'Malley, 2005; Mak & Thomas, 2022; Peters et al., 2015; Pham et al., 2014). This method is useful when the topic is wide, complicated, or not well researched (Mak & Thomas, 2022; Peters et al., 2015). It allows for clear and structured data collection that can be trusted and checked (Munn et al., 2018). Because there is a lot of data, a scoping review works better than a meta-analysis (Sucharew & Macaluso, 2019). For more information, see Arksey and O'Malley (2005), Munn et al. (2018), Peters et al. (2015), and Sucharew and Macaluso (2019). The method includes five steps: (1) Identifying the research question, (2) Finding relevant articles, (3) Choosing studies, (4) Charting the data, and (5) Summarizing and reporting the findings.

Phase 1: Research Question Identification

Arksey and O'Malley (2005) scoping review methodology begins with generating a research question to be answered. This guides the development of search strategies. This scoping review aims of what is the level of awareness of tax policy among SMEs in South Africa? To ensure comprehensive coverage, the authors assume an extended approach to the study subject.

Phase 2: Relevant Studies Identification

To include as many relevant studies as possible, primary studies that help answer the research question were gathered using six sources: Science Direct, Google Scholar, ResearchGate, Google, snowballing, and manual journal searches. A broad search was done using Science Direct, Google Scholar, ResearchGate, and Google because they host many papers, including those indexed in Web of Science and Scopus, and have published studies on the topic (Matenda et al., 2021). Only studies from these sources were used to ensure consistency, reliability, and quality, helping reduce source bias. This scoping review only includes studies published from January 2015 to December 2024. This timeframe captures recent developments in tax policy in South Africa. Studies beyond December 2024 were excluded due to time limits. Articles not written in English were excluded because of translation costs. Also, only studies conducted in South Africa were included, as tax policies vary by country (Matenda et al., 2021).

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Phase 3: Study Selection

The search approach selected numerous irrelevant studies for this review. This can be attributed in part to the scoping review's emphasis on breadth over depth. Studies that do not answer the main research question are excluded from the review. Additionally, duplicate references are physically removed to ensure unbiased results.

Eligibility Criteria

The main aim of this research is to answer the question: What is the level of awareness of tax policy among SMEs in South Africa? The study includes all relevant literature that fits the set inclusion criteria within the South African context. A scoping review is used, which is a structured literature review known for being transparent, thorough, and well-organized (Lame, 2019). These qualities help ensure that the research question is clearly answered and not vague or disorganized (Pittaway & Cope, 2007; Rousseau et al., 2008). The inclusion and exclusion criteria were carefully chosen to allow fair comparison and maintain quality (Arksey & O'Malley, 2005). Scoping reviews also include a wide range of sources, including non-peer-reviewed studies (Sucharew & Macaluso, 2019). This review uses peer-reviewed articles, South African tax legislation, and dissertations to fill gaps in literature and ensure rich content. Only English-language studies are included.2.3.2

Title and Abstract Suitability Vetting

As noted by Pham et al. (2014), titles and abstracts are first screened for eligibility. If unclear, the introduction or conclusion is reviewed. A vetting form is designed, tested, and revised before use (see Appendix A).

Data Collection

The purpose of this scoping review is to explore the level of awareness of tax policy among SMEs in South Africa. A comprehensive search is essential to ensure high-quality findings, as some sources offer more valuable data than others (Appelbaum et al., 2018). Scoping reviews help map key concepts, theories, and gaps in evidence using studies that meet set criteria (Appelbaum et al., 2018). This method is suitable for topics that are new, complex, or not fully explored (Peters et al., 2015). Since the goal is to provide an overview, risk of bias assessments are not required, which helps minimize bias and strengthen reliability (Sucharew & Macaluso, 2019). Following a vetting process, all eligible full-text articles are reviewed. A structured template collects key features such as author, year, aim, variables, methods, and results (see Appendix B). Of 357 initially identified studies, 247 were excluded for focusing on tax compliance costs, incentives, or initiatives. Only 30 articles were included. Figure 1 shows the selection process.

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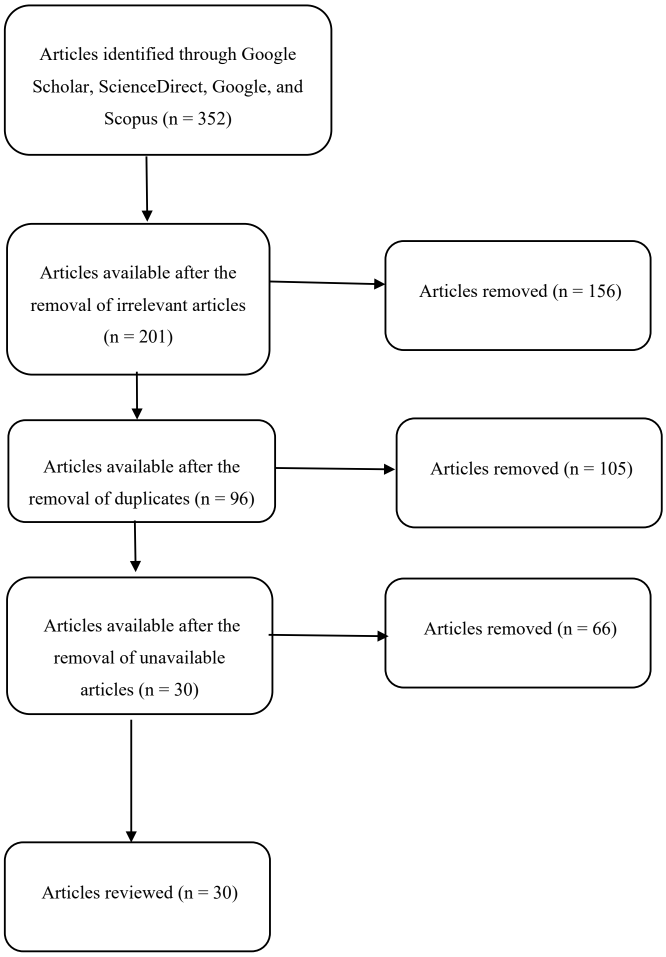

Table 1: Study selection process flowchart

Phase 4: Data Charting

Charting means a technique for synthesizing and interpreting qualitative data by sifting, charting and sorting material according to key issues and themes (Arksey & O'Malley, 2005; Munn et al., 2018). In the scoping study method, studies also are not distinguished in terms of the soundness of their design, nor be attributed the relative weights of their data. This scoping study charts data into policy actors: SMEs, tax authorities and other general taxpayers.

Results and Discussion

No	Authors	Title of the study	Journal/Report names or Phd/Dissertation	Summary of the result
1	Schneider (2017),	The Burden of the South African Taxpayer and Tax Freedom Day	BDO report 2017	Measuring the tax compliance burden on South African taxpayers, especially SMMEs, is vital for fiscal policy, as excessive burdens can lead to tax avoidance or shifting income and capital to lower-tax jurisdictions, undermining revenue and economic growth.
2	Smulders et al. (2017)	Determinants of external tax compliance costs: Evidence from South Africa	South African Journal of Accounting Research	SMEs are vital to the economy but face challenges due to complex tax laws. Tax awareness, education, and accounting knowledge significantly impact their ability to comply with tax obligations.

3	Baru (2016),	The impact of tax knowledge on tax compliance.	Journal of Advanced Research in Business and Management Studies,	Raising taxpayer awareness improves understanding of tax laws, leading to better attitudes and increased voluntary compliance with the tax system.
4	Small Business Project (SBP) (2015)	To examine the challenges facing small businesses in South Africa	Growth_Index_Headline_Results 2015.	SBP highlights regulatory burdens on SMEs: frequent changes, conflicting rules, and poor government communication.
5	Shiya (2018)	Investigating the relationship between tax information availability and tax compliance of SMMEs in the Kroonstad area	Masters Dissertation	There is a strong link between tax compliance and knowledge. In South Africa, 67% of small business owners feel they lack tax knowledge, affecting compliance. Additionally, 63% of SMEs fail to submit tax returns due to confusion. Providing clear tax

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				information at registration could improve compliance.
6	Nieuwenhuizen (2019)	The effect of regulations and legislation on small, micro and medium enterprises in South Africa	International Journal of Entrepreneurship	Business owners report they lack the information required to grasp changes in tax regulations and do not have workers with the requisite skills to assist them with all of their compliance needs. They noted that tax compliance is critical, but they felt that tax regulations should be simplified to help SMEs comply.
7	Ndlovu (2015)	A comparative study on the tax compliance burden and tax incentives for SMME's in South Africa	Masters Dissertation	SMEs need tax knowledge to comply, but self-assessment creates opportunities to evade taxes by underreporting amounts owed.

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8	Matarirano et al. (2019)	Tax compliance costs and small business performance: Evidence from the South African construction industry'	South African Journal of Business Management	The analysis found that South Africa's tax system burdens small businesses and contradicts good tax principles. Many SMEs, especially in developing countries, struggle to comply not from unwillingness but due to limited tax knowledge and poor understanding of their obligations.
9	Sephapo et al. (2016):	Tax compliance: An administrative burden for small business enterprises (SMEs).	Corporate Ownership & Control Journal	Most respondents see tax rules as burdensome due to frequent returns and high costs. SMEs feel complex tax laws reduce productivity and are hard to understand
10	(South African Revenue Service (SARS), 2019):	Taxation guide for Small and Medium Micro Enterprises.	Tax guide for micro businesses.	SARS supports SME growth by hosting webinars to improve tax knowledge and

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				help understand tax obligations.
11	Botha et al. (2021)	Challenges, barriers and policy development for South African SMMEs – does size matter?	Development Southern Africa, Taylor & Francis Journals	Despite government efforts, small business owners still find tax regulations confusing. After two decades, more work is needed to improve clarity and support for SMMEs.
12	Deloitte. (2019)	The tax compliance burden for small and medium size enterprises (SMEs).	Report on the tax compliance burden of SMEs	Deloitte confirms that despite government efforts, the financial burden of tax compliance remains a major challenge for SMEs lacking staff and expertise to meet requirements effectively.
13	Olla (2016)	A discussion of the tax burden on SMEs in South Africa.	Masters Dissertation	SARS must urgently launch more campaigns to inform SMEs about concessions and build trust. It is also crucial that any tax policy

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				changes do not increase burdens but instead support SMEs' growth and compliance efforts.
14	Newman et al. (2018):	Literature review on the impact of tax knowledge on tax compliance among small medium enterprises in a developing country.	International Journal of Entrepreneurship,	The study found SMEs, especially in developing countries, struggle with tax compliance due to limited knowledge. Improving tax knowledge alone, without addressing high tax rates and corruption, does not improve their compliance behavior.
15	Dlamini (2022):	Factors influencing tax compliance of Small and Medium enterprises in the Durban Area	Masters Dissertation	Tax compliance faces challenges from complex regulations and tax regimes, leading SMEs to seek lower-tax options, which harms society. Poorly implemented tax systems increase costs and reduce efficiency.

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				Establishing formal institutions to create clear rules and encourage compliance is essential for improvement.
16	Naicker and Rajaram (2019)	The effectiveness of tax relief initiatives on SMEs in South Africa	Acta Universitatis Danubius. Œconomica Journal,	High taxes and regulations deter SMEs from formalizing. Current efforts to improve tax knowledge are ineffective, and small business owners want more government support to understand their tax obligations.
17	Ramharak (2016)	The tax education needs of SMEs business owners in the construction industry	Masters Dissertation	If business owners and managers gain essential tax knowledge, their compliance may improve. She stressed that enhancing tax education is the best way to boost compliance for

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				businesses and individuals.
18	Sithebe (2022)	The relationship between tax knowledge and tax compliance: A survey of Small and Medium-Sized Enterprises in Durban.	Masters Dissertation	The study showed tax knowledge and complexity affect SME compliance. Frequent tax changes and limited SARS training hinder understanding. Using tax practitioners and training can improve compliance.
19	Schutte et al. (2019)	An evaluation of the turnover tax system in South Africa.	Theoretical and Applied Economics Journal	The research shows SMMEs lack knowledge about the turnover tax system, leading to low participation. The government must restructure it to better support SMMEs and economic growth.
20	Dabla-Norris et al. (2017)	Tax Administration and Firm Performance: New Data and Evidence for	International Monetary Fund journal	The study shows stronger tax administration boosts productivity in small, young firms, offsetting

		Emerging Market and Developing Economies		their disadvantages. Despite high compliance costs, simplified tax policies' effectiveness remains mixed, highlighting important policy implications.
21	Lekhanya (2016)	Determinants of survival and growth of small and medium enterprises in rural KwaZulu-Natal.	Masters Dissertartion	The study concluded that stringent government regulations and bureaucratic licensing processes hinder SMEs' ability to grow their businesses.
22	Akinyemi and Adejumo (2018):	Government policies and entrepreneurship phases in emerging economies: Nigeria and South Africa.	Journal of Global Entrepreneurship Research	Government initiatives impact entrepreneurship stages differently; some tax policies benefit certain phases more, requiring stakeholders to recognize these variations.

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				As a result, policymakers looking to effectively support entrepreneurship may target specific phases at times to increase entrepreneurial activity in those phases.
23	The Global entrepreneurship monitor (GEM) (2016):	Can small business survive in South Africa?	Global entrepreneurship monitor (GEM): South African Report 2015/16 - Is South Africa heading for an economic meltdown?	The report cites red tape, strict labor laws, corruption, political uncertainty, and competition as key reasons SMEs fail. Policymakers must address these barriers to encourage and support new generations of entrepreneurs.
24	Ngcobo and Sukdeo (2015):	Challenges facing SMMEs during their first two years of operation in South Africa	Corporate Ownership and Control Journal	Most SMEs view government policies as obstacles, despite initiatives to improve their tax knowledge awareness.

25	Nankoo (2022):	The effectiveness of taxpayer education programs on small businesses enterprises tax compliance in South Africa	African journal of corporate governance research	The study finds SMEs feel the government inadequately promotes tax education, causing informal operations and unintentional noncompliance. Although SARS initiatives improve tax understanding, most SMEs remain unaware of these programs.
26	National Treasury (2024)	2024 budget review - revenue trends and tax proposals	Report on 2024 budget review - revenue trends and tax proposals	National Treasury (2024) emphasizes tax policy awareness, aiming to broaden the tax base, improve compliance, and support revenue generation, economic growth, employment, and policy goals like climate action.
27	(Naape, 2023)	Tax Knowledge, Tax Complexity and Tax Compliance in	Finance, Accounting and Business Analysis	The study found that education level and democracy

				significantly influence tax compliance, with tax knowledge strongly and positively linked to higher compliance rates, supported by statistically significant results.
28	The Davis Tax Commitee (2016)	Second and final report on Small and Medium Enterprises for Minister of Finance	Davis Tax committee report	The committee noted SARS established 138 small business desks nationwide, fulfilling 2015 Budget commitments to support small business development by easing tax compliance and demonstrating commitment to government policy initiatives.

Table 2: Collating, Summarising and Reporting the Results

Many studies have shown that small and medium-sized enterprises (SMEs) play an important role in helping a country grow its economy and create jobs (Lekhanya, 2016; Nasrallah & El Khoury, 2022; Nduruchi et al., 2017; Vadra, 2022). Tax knowledge means understanding the basic ideas of tax policy, how taxes are assessed, and how they are applied in a country (Fauziati et al., 2020). Figure 2 shows that in the past 10 years, 15 studies have been published in journals and 7 master's dissertations have

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been done. We also note that SARS published only 1 report, while other organisations like BDO, OECD, and National Treasury published 7 reports. Figure 2 below shows the flowchart of reviewed articles.

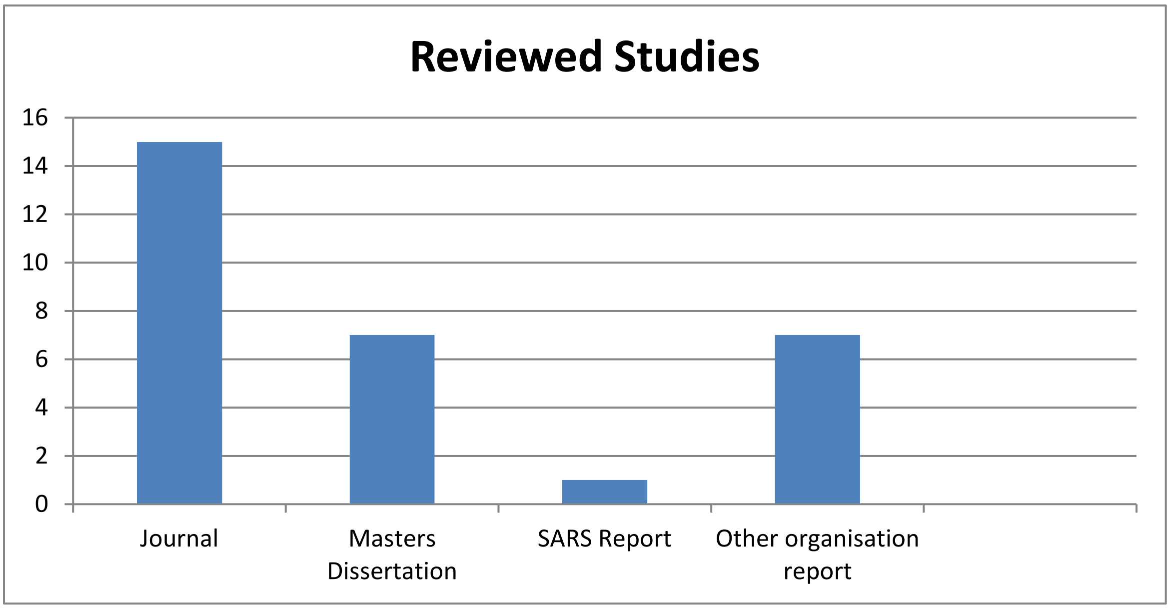

Figure 1: Reviewed Studies

Tax Awareness of SMEs in South Africa (Discussion of Studies)

The Davis Tax Committee (2016) stated that SMEs are important for economic development. A study by Smulders et al. (2017) gives insights into what causes external tax compliance costs in South Africa. Their findings highlight that SMEs play a big role in the economy. However, even though SMEs are important, most respondents in studies by Ngcobo and Sukdeo (2015) and Sephapo et al. (2016) said that tax rules are a burden for SMEs. This is because they have to submit tax returns often and face high costs to prepare and submit them. SMEs feel that tax laws are difficult, and they believe the time spent on tax matters affects their productivity (Sephapo et al., 2016).

Frequent changes in tax rules also mean that SME owners and managers must spend too much time on tax compliance, especially because they lack the knowledge needed to meet tax obligations (Schutte et al., 2019). The Small Business Project (SBP) (2015) found that regular changes in regulations, overlapping and unclear requirements from different government levels, and poor communication cause SMEs to spend too much time on compliance. The report said SMEs spend an average of eight working days per month on red tape, which takes time away from earning income and results in lost revenue (Small Business Project (SBP), 2015).

Sithebe (2022) showed how tax knowledge and complexity affect how SMEs behave when it comes to paying taxes. The study found that regular tax changes make it harder for SMEs to understand the laws

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because the rules are complex. Dlamini (2022) also noted that high taxes and the cost of meeting regulations hurt SME growth. The study added that strict government rules stop SMEs from growing their businesses (Dlamini, 2022). It also showed that hard-to-get business licences and too much bureaucracy slow down business growth (Lekhanya, 2016).

Because of this, many small businesses avoid entering the formal economy. They fear they will have to pay taxes and struggle to grow or survive (Dabla-Norris et al., 2017; Naicker & Rajaram, 2019). Making tax rules easier for SMEs can help them grow and focus more on their core business (Olla, 2016). It is important for policymakers and service providers to remove barriers that stop people from starting businesses (Schneider, 2017).

Shiya (2018) found that many small business owners in South Africa feel they do not know enough about taxes. About 67% believe this affects their ability to follow tax rules. Also, 63% of SMEs that do not file tax returns say it is because they are unaware of tax policies. Nieuwenhuizen (2019) supports this, saying business owners often do not have enough information to understand tax changes and lack skilled staff to help them comply.

In fact, strict rules may even stop small businesses from leaving the informal sector (Bhorat et al., 2018). SMEs struggle with tax not because they don’t want to comply, but because they only have basic tax knowledge (Matarirano et al., 2019). The study showed that SMEs in developing countries often do not follow tax rules because they do not fully understand them (Newman et al., 2018). This leads them to avoid taxes, not out of bad intent, but because they believe time spent on tax reduces productivity (Ndlovu, 2015). Shiya (2018) emphasized that SMEs would follow tax laws more if they got clear tax information and understood different tax categories when registering their business.

Smulders et al. (2017) stressed the importance of raising tax awareness and educating SMEs. Their accounting knowledge also helps improve tax compliance. SMEs often don’t know their tax rights and duties. Since the tax system depends on voluntary compliance, it is important that SMEs understand tax laws and any changes (Smulders et al., 2017). Baru (2016) and the Organisation for Economic Development (OECD) (2021) also said that building tax awareness helps SMEs understand the rules better. This leads to a better attitude toward paying taxes and improves voluntary compliance. Ramharak (2016) found that if business owners have the right tax knowledge, their compliance improves. She added that the best way to increase tax compliance is through better tax education.

The South African Revenue Service (SARS) (2019) report says that SARS knows SMEs are important to the economy and wants to help them grow. SARS also hosts webinars on tax laws to help taxpayers understand their duties and improve their knowledge. This is supported by the National Treasury (2024), which explains that the government takes SME tax awareness seriously. Its long-term plan focuses on

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increasing the number of taxpayers and improving SME tax compliance. The government depends on taxes to raise money and support economic growth, jobs, and goals like climate action.

However, Akinyemi and Adejumo (2018) argue that SARS' efforts are not effective in helping SMEs understand tax laws. Botha et al. (2021) also said that even with government programs, many SME owners still find tax rules confusing. They believe that more must be done to support SMEs, even after two decades of effort (Botha et al., 2021). The Deloitte (2019) report agrees, saying that despite all efforts, small business owners still see tax rules as a barrier to compliance.

As a result, many SMEs feel the government is not doing enough to improve tax education in South Africa. Some SMEs operate informally and don't register their businesses because they think they lack the knowledge and skills to comply. Others may not mean to break the rules—they just don't know what the laws are or how to follow them (Nankoo, 2022). Nankoo (2022) also found that SME tax awareness, education, and accounting skills all play a big role in whether they comply. Tax knowledge is closely linked to higher chances of following tax rules (Naape, 2023).

Gaps in the Literature

This section presents the research gaps found in the reviewed studies and other supporting articles related to tax policy awareness among SMEs in South Africa. These gaps can be used as opportunities for future research in this area. Since low tax policy awareness among SMEs can lead to non-compliance, this is an important and valuable topic for researchers who want to explore under-researched areas with great potential.

The reviewed studies show that there are only a few studies focused on tax policy awareness in the South African context. Most existing research looks at tax compliance costs. These studies mainly focused on the costs of tax compliance, tax initiatives, and incentives for SMEs, and how these affect small business tax compliance. However, more research is needed to understand how aware SMEs are of tax policies in the South African context (as shown in figure 1). Possible research questions could include: What role should the tax system play in ensuring the tax compliance of South African SMEs? Does tax awareness have any role in the tax compliance of SMEs?

Tax compliance is important for economic development, and SMEs are seen as key players in promoting growth and progress in both developed and developing countries (Moise et al., 2020). Therefore, for policymakers and tax authorities to create and apply good tax policies and strategies, they must first understand how much SMEs know about tax and how they behave. This study adds to the knowledge on tax policy awareness in South African SMEs by using the scoping review framework by (Arksey & O'Malley, 2005; Mak & Thomas, 2022; Peters et al., 2015).

Study Contribution

The research topic is important for managing tax systems, especially at times when policymakers are looking for ways to collect more budget revenue. The study also adds to the knowledge on tax policy awareness among SMEs in South Africa. This study supports the idea that there is a strong link between tax policy awareness and tax compliance. If SMEs know about their tax responsibilities, they are more likely to comply. As a result, this finding may help tax officials find better ways to create effective tax education programs to improve SMEs' awareness of tax policies. In this way, it also helps with policymaking. Lastly, this study has added new practical evidence to the existing research in this area by showing how aware SMEs are of tax policy. It will be useful to researchers, academics, and policymakers.

Conclusion

This study used a scoping review approach to examine the level of tax policy awareness among SMEs in South Africa. The findings show that most SMEs lack sufficient knowledge and understanding of tax policies, which affects their ability to comply with tax regulations. Many small business owners struggle to keep up with changing rules and often do not have the expertise to manage compliance effectively.

Although the government and tax authorities have introduced programs to improve tax awareness among SMEs, these initiatives have not had the desired impact. As a result, many SMEs continue to view tax regulation as a major barrier to growth and remain in the informal sector. This contributes to a negative attitude toward taxation and poor compliance. Tax knowledge, education, and accounting skills are essential for SMEs to determine their tax responsibilities and comply voluntarily. Improving these areas can lead to better tax attitudes and increased revenue collection. For future research, a more detailed scoping review could explore the link between tax knowledge and compliance among SMEs. Expanding the study to include more databases, a longer timeframe, and non-English articles could offer deeper insights. This review highlights the importance of addressing knowledge gaps to support SME growth and compliance.

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Appendices

	Assessment			**Comments**
	Yes	No	Can't tell	
1. Does the study examine the level of awareness on tax policy among SMEs in South Africa?				

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Reviewer decision

- The study will be incorporated for further screening and assessments, if the answer is "Yes" to both questions, i.e., 1 and 2
- The entire study will be acquired for further evaluation and decision making at this stage, If the answer is "Can't tell" for question 1.

Appendix A: Title and abstract relevance screening form

<table>
<tr><th>Variable</th><th colspan="6">Category</th><th>Explanation</th></tr>
<tr><td>1. Publication type</td><td>Journal Article</td><td>Book Chapter</td><td>Thesis</td><td>Reports Grey literature</td><td>Conference Proceeding</td><td>Other Specify… …</td><td></td></tr>
<tr><td>2. Author(s)/Year</td><td colspan="6"></td><td></td></tr>
<tr><td>3. Country of data origin</td><td colspan="6"></td><td></td></tr>
<tr><td>4. Study main focus</td><td colspan="2">Tax knowledge on tax policies</td><td colspan="2">Tax compliance costs</td><td colspan="2">Tax incentives and initiatives</td><td></td></tr>
<tr><td rowspan="2">5. Does the study examine the level of awareness of tax policy among SMEs in South Africa?</td><td colspan="2">Yes</td><td colspan="2">No</td><td colspan="2">Can't tell</td><td rowspan="2"></td></tr>
<tr><td colspan="2"></td><td colspan="2"></td><td colspan="2"></td></tr>
<tr><td>Only carry on if the answer to question 5 is "Yes"</td><td colspan="7"></td></tr>
</table>

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Author(s) (publication year)	Title of the study	Journal/Report and Maters and Phd dissertations	Summary of the result

Appendix B: Data characterisation form