



Brazil's draconian tax regime is far worse than that of India

From Mr Juan Carlos Hidalgo.

Sir, The dubious reputation of having the world's most draconian tax regime, at least among large emerging economies, goes to Brazil, not India ("[India's tax laws are deterring investors](#)", editorial, February 13).

According to the [Global Competitiveness Report](#), neither tax rates nor tax regulations are among the top three most problematic factors of doing business in India, whereas they appear predominantly among Brazil's top deterrents for entrepreneurs. In this report, India ranks 44 on "effect of taxation on incentives to invest", while Brazil is near the bottom at 140.

The World Bank's [Doing Business](#) index also indicates that an average businessman in India spends 243 hours a year preparing and filing his taxes, but his Brazilian equivalent devotes more than 10 times that amount of time (2,600 hours).

I certainly don't doubt that India's tax system must be horrible. But Brazil somehow has managed to beat India at making life onerous for businesses.

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