



Our work

Recording transactions

Production of specifications and reconciliations

Decisions on accounting and tax treatment

Analysis and reporting

- Management – operations and projects
 - Tax reporting
 - Financial statements to third parties
-

The drive for efficiency

The 1948 airlift to Berlin

- Paper too slow
- They developed electronic data transfer and formats to handle the logistics

The idea used in new areas:

- London Airport Cargo EDP Scheme at Heathrow 1971 – direct trader input allowing forwarding agents to enter information directly into the Customs processing systems
- DTI system established for ports in the 1980s

EDI

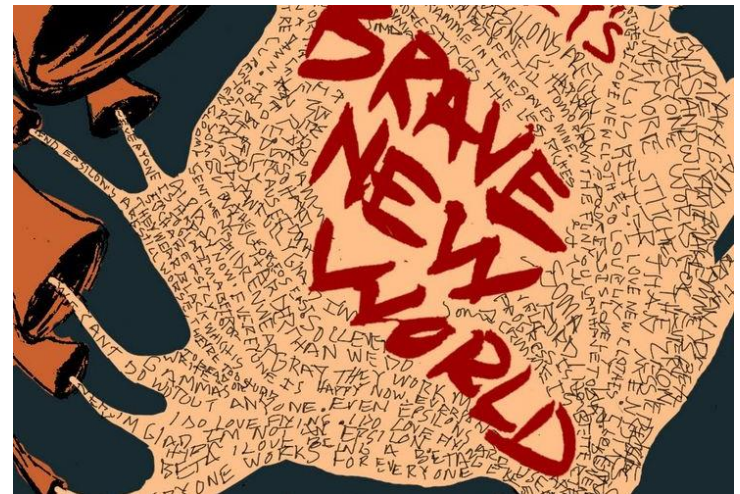
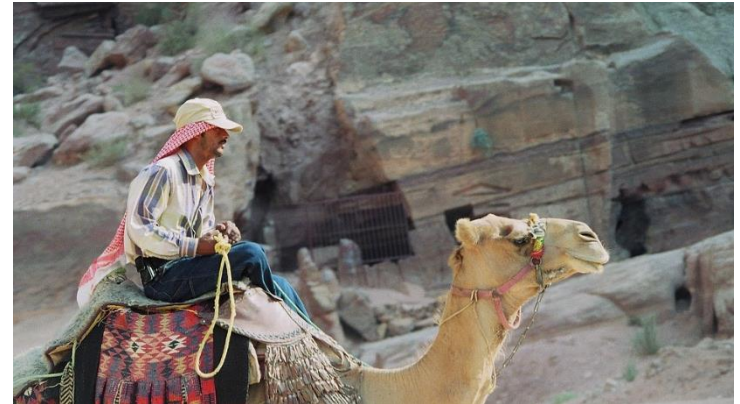
- Basically used by all large organizations

Governments have dragged their feet – all paper



Trends in accounting

- Scanning of invoices to record transactions
- Electronic filing and retrieval of accounting documents
- Automatic entry to accounts
- Automation of reconciliations - mainly bank
- Outsourcing
- Offshoring work to low wage countries
- IT – organizations increase their importance



A change of mind in government

Governmental organizations require all purchase invoices to be electronic to reduce processing costs

Huge VAT frauds in Europe. Different approaches to solutions:

- All invoicing through an invoicing system run by the government
 - Electronic daily/weekly transfer of invoicing information to the government
 - On request dump of all invoice information to the authorities
 - UK – small businesses must send copies of all supporting documents when filing tax returns
 - Tax authorities wants all filings to be electronic and detailed
-



Tools

- **WEB portals**
 - **Standard data format**
 - **World wide**
 - United Nations Centre for Trade Facilitation and Electronic Business - EDIFACT
 - Swift
 - OECD
 - **European**
 - CEN WS/BII – established to enhance speed and efficiency of European e-procurement
 - **Local**
 - EHF - CEN based
 - SAF-T – OECD based – Cooperation between government and private sector
 - Tax filing formats – salaries, bank balance, and tax returns
 - Account filing formats for the transfer of annual accounts
-

Goals – tax authorities

Short term

- On demand download of all data from tax payer to tax office using the SAF-T format

Long term

- Direct access to all accounting data online
- No filings from the tax payer – the tax authorities will assess tax based on the data in the accounting system

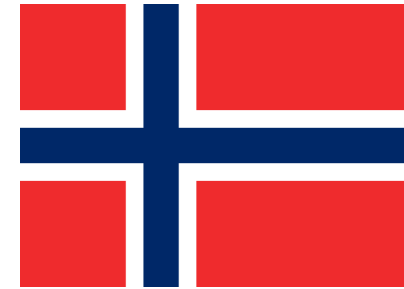




Status - Norway Tax returns natural persons

- Tax authorities produces the tax return on behalf of the individual. Draft return is electronically available to all individuals at March 31. (Since 2005)
- All data reported to tax authorities by employers, banks, registers of properties and cars etc.
- Individuals do not have to sign the return as long as there are no changes. (Solution from 2008)
- Changes should be reported by April 30.
- Individuals involved in business will have to prepare amended returns – all filing is electronic.
- Paper returns are not accepted
- Using the government WEB portal for filing is difficult

Status in Norway - business



Use of cash

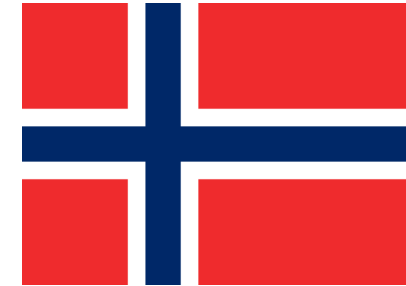
- B2B – non existent (< NOK 1 000; NOK 10 000)
- B2C – almost non existent – cards/phones (< NOK 40 000)
 - SAF-T cash register requirement – only officially approved systems allowed from 2019
- C2C – in the process of becoming fully electronic – presently minimal use of cash

Banking

- Almost all agreements are signed electronically
- All payments electronic
- Payments received downloaded from bank and booked against receivable – automated matching
- Bank statements electronic – normally highly automated reconciliation

Invoice/credit note to customers

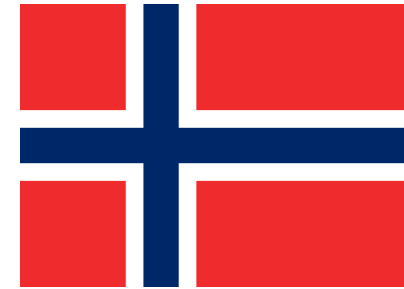
- Still a reasonable volume of invoices on paper
 - The government (state level) require all invoices to be transferred using the EHF format (local suppliers) or PEPPOL BIS 2.0 (foreign suppliers) – implemented in 2012
 - EHF to be used by all businesses have been discussed – plan for 2018 implementation is delayed
 - All current accounting systems can send/receive EHF
-



Status Norway - business

Invoices from suppliers

- EHF, scanning and paper allowed
 - No need to keep paper copies when scanned/electronic copy
 - Most current accounting system stores the invoice copies in the accounting system
 - All current accounting systems can receive EHF invoices. PEPPOL to a lesser degree
 - Electronic approval of invoices is a problem – to many people in the SB market like paper
 - Accounting system suggest account to be charged – copies previous handling of invoice from same supplier
 - The accountants role – check correct entry, verify VAT and tax treatment, internal allocation to profit centers, projects etc. (The local knowledge)
-



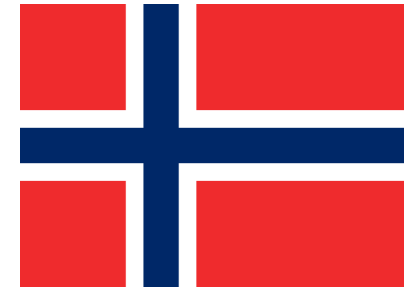
Status Norway - business

Payroll

- Fully integrated systems
 - Tax card info electronically collected from authorities
 - All reporting to tax/social security electronic from payroll system
 - Complicated legislation relating to agreements, rights etc. Specialist area.
- Manual reporting next to impossible

Travel expenses

- Electronic systems for recording travel expenses is normal
 - All documents electronic – pictures on mobile etc.
 - Lots of detailed regulations requiring specialized knowledge
-



Status Norway - business

General ledger entries

- Electronic documentation and storage allowed

SAF-T reporting

- General ledger, customer and supplier data first step
- Shall be available starting 01/01/2018

Board of director protocols

- Electronic storage allowed
- Electronic signing allowed

Shareholders meeting – limited use

- Can be performed using electronic means
- Electronic signatures are allowed

Tax return

- Only electronic signatures

Financial statements

- Electronic signatures accepted
-

Data standards

- CEN - implemented in the form of EHF
 - Standard electronic order and invoice format
 - All purchases of goods and services handled using a standard format
 - All invoices transferred in open format
 - Solution for data transfer between accounting systems
 - Effects
 - No future use of scanning?
 - No risk of recording a transaction in the wrong company
 - No errors in the information recorded
 - Accounting performed when goods/services are ordered?
-

Expected effects of SAF-T accounting

Tax

- Expect to go from on demand reporting to periodic transfer of all data
- Expect to perform controls on an overall basis – company internal and against other companies
- Audits performed without notification

Auditor

- Move from sample to population
- Programs to do audit steps on all customers based on downloaded data
- Central download of data for all customers

Change of accounting systems and accountants will be easy

Standard interface to proprietary systems as regards accounting information

Expected effects of SAF-T accounting

Automated reconciliations

- Customers
- Suppliers

Analysis – management advice

Financial statements and tax return – easy transfer of data to specialist programs

Consolidation of data – Consolidated financial statements

No need to keep old versions of accounting systems to fulfill data access requirements – storage of accounting data for 5 years

Effect on accountants

Disappearing work

- Almost no data entry in connection with transactions
- Almost no scanning
- Very limited work related to reconciliations – automated process and reduced number of errors
- No filing of tax returns etc.

Accounts need to be up to date at all times

Work that requires judgement will still be there

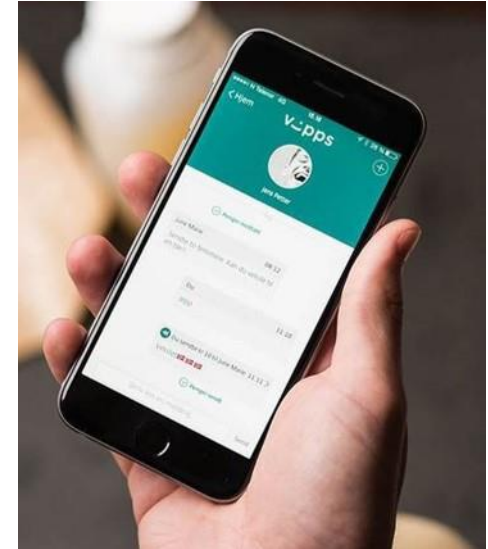
- Accounting legislation
- Tax legislation – income/VAT/other indirect taxes
- Interpretation of data

New knowledge

- Technical knowledge relating to data query, databases etc.
-

Issues for panel discussion

- Use of cash in your country?
- How automated is the handling of banking transactions?
- Has your country established a standard format for electronic invoicing and solution for transfer of such data?
- What is the status regarding SAF-T?
 - Format in place
 - Implementation in all relevant local accounting systems
- Willingness in population to use automated solutions
- Tax authorities – goals
- Consequences for accountants and tax advisors?





E-mail: post@flattum.no

Web: www.flattum.no

Telefon: +47 22 98 21 20
