

40th UN/CEFACT Forum

8-12 May 2023

Accounting & Audit Domain Meeting
9-10 May 2023

Anita Patel, Domain Coordinator



Introductions

Welcome from the Domain Coordinator, Accounting & Audit (A+A)

Domain experts

- Anita Patel, Domain Coordinator
- Elina Koskentalo
- Eugenio Virguti
- Eric Cohen
- Davide Panizzolo

Discussion topics

A+A RDM project overview

About the pilot project: sales/VAT tax use case

Relationships and interdependencies with Buy Ship Pay RDM

Migration of mappings to GEFEG

GEFEG training plan (tentative)

Meeting objectives

- Agree a way forward on production of RDM deliverables
- Develop a migration plan to import existing mappings into GEFEG
- Provide an overview of the A+A RDM project to new attendees
- Obtain input and feedback from experts

RDM project overview



The project will map data standards used for accounting, tax, auditing, financial management and financial reporting

These data standards enable accounting software packages and Enterprise Resource Planning (ERP) systems to represent and exchange accounting data

The mapping will be performed at the semantic (its precise meaning) and structured data levels

Structured data elements are organized to allow data to be searchable and machine readable, which will help to make the project deliverables easier to implement

RDM project overview

Standards to be mapped

- Core components Library (UN CCL)
- XBRL GL
- SAF-T

RDM project overview

Project deliverables

1. A Business Requirements Specifications (BRS) document within CEFACT's Accounting Bundle Collection
2. An Accounting & Audit Reference Data Model (RDM) that will provide the standardized dataset for the Accounting Bundle within deliverable 1, including:
 - Mappings at the structural and semantic level between UN CCL and XBRL-GL
 - Mappings at the structural and semantic level between UN CCL and SAF-T
 - Implementation guides for deliverable 2

Why does this project matter

In a nutshell, system interoperability

International data standards help companies bridge national and localized data models and connect the dots in a new way

This project will make it more efficient, faster and easier for users of different accounting software packages and ERP systems to share digital data seamlessly and reliably

For example, a company in the US that has mapped its accounting package or ERP system to XBRL GL will be able to send invoices and purchase orders electronically to a company in France that has mapped its accounting package or ERP system to UN CCL

Pilot project

Approach

- Proof of concept (POC) for a sales tax (invoice) use case
- Select a sub-set of mappings and model to a business process
- Develop the BRS and RDM (hierarchical data model of 3 global standards)

Why we selected this pilot

- Smaller and specific scope
- Test and extract lessons learned
- Review the project scope and timelines
- De-risk the project
- Publish minimum viable product (MVP) and obtain feedback

Pilot project

The proof of concept (POC) is in progress to validate the RDM

The sample developed is a trade invoice with VAT

The POC demonstrates that VAT data can be expressed in both XBRL-GL and SAF-T

POC results will be used to develop a limited scope RDM and BRS

Pilot project findings

Tax administrators/authorities want VAT detail and summarized tax reports

- Details include invoice and payments data
- Summarized tax report will be an aggregation of totals from the relevant documents
- CEFAC representations are in part from three different domains
- XBRL GL can represent trade documents, accounting information, mappings between any two points, and XBRL represents end reports
- SAF-T lacks mappings and end reports

Use case: Transform data from any format using a RDM

Credit: Eric Cohen

More use cases

Potential opportunities for implementation of the RDM

- Environmental taxes (carbon tax)
- Global minimum corporation tax (slide 13)
- Digital services tax (DST)
- Digitalization and distributed ledger technology (DLT) adoption

Disclaimer: for illustration purposes only, not tax advice

Alternate pilot project

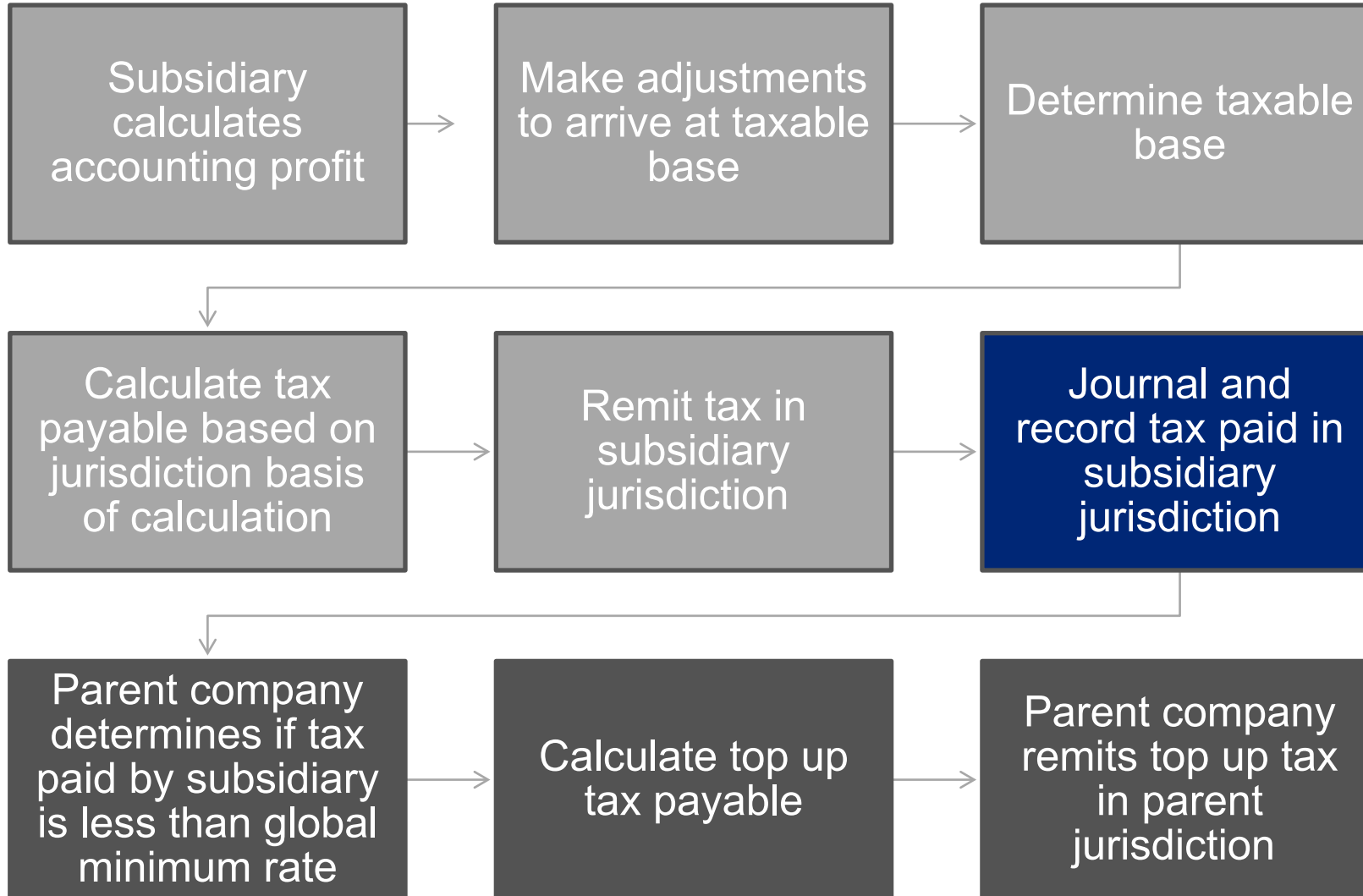
We considered a global minimum corporation tax use case

- Applies to multinational corporations
- Agreed by 136 countries
- Imposes an effective corporation tax rate of at least 15%
- Eliminates tax advantages gained by paying taxes in jurisdictions with lower rates

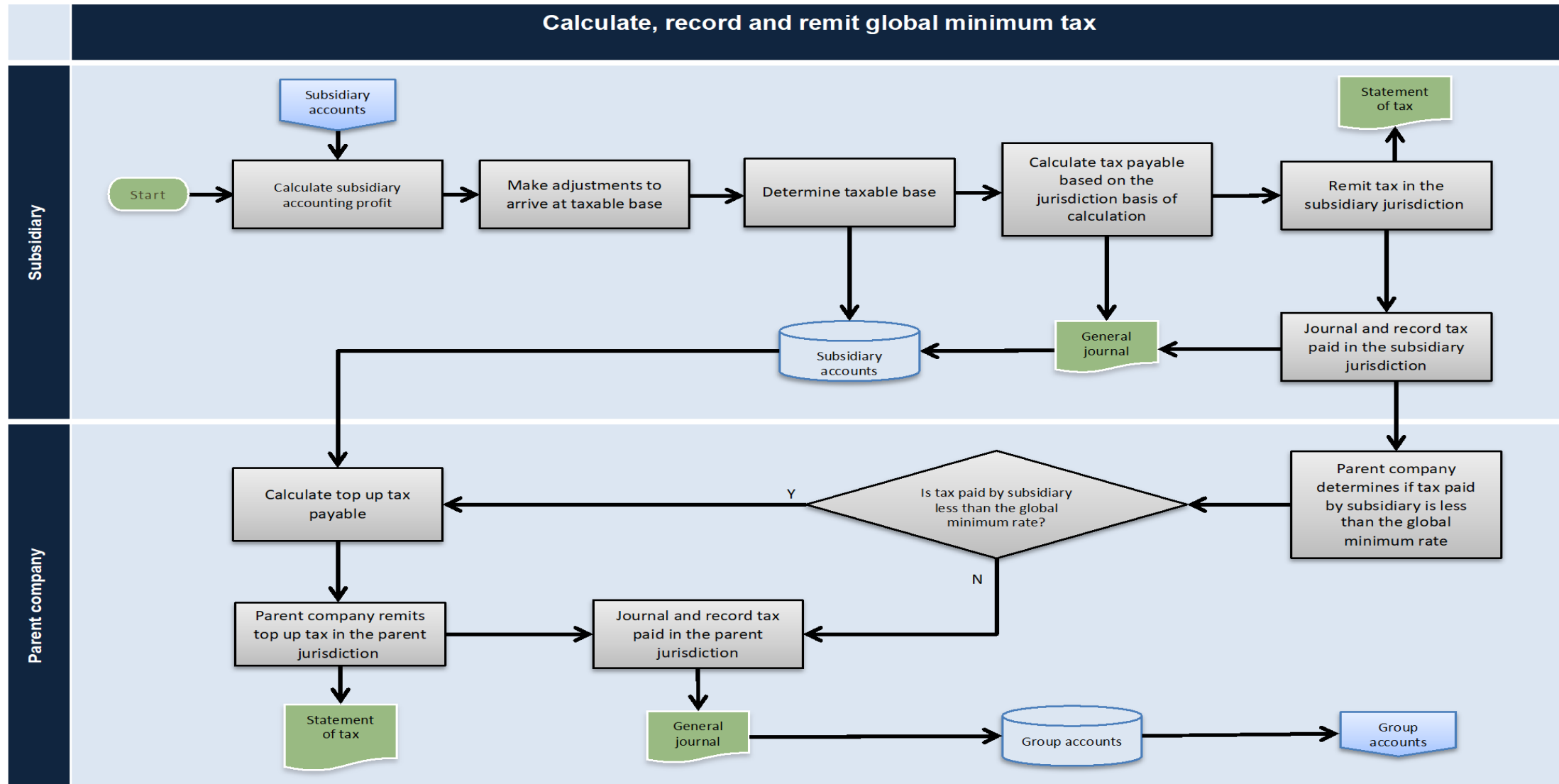
How it will be administered

- A 'top up tax' is paid by the parent company if income made down the ownership chain has been taxed below the global minimum rate

Global minimum corporation tax process



Global minimum corporation tax process model



Relationship with Buy Ship Pay RDM

Understand the relationship between A+A RDM and BSP RDM
Understand impact on deliverables

- Extension to the BSP RDM or
- Separate A&A RDM

Possible approach

- A+A RDM is nested within the BSP RDM
- Import XBRL-GL into GEFEG
- Develop RDM in GEFEG

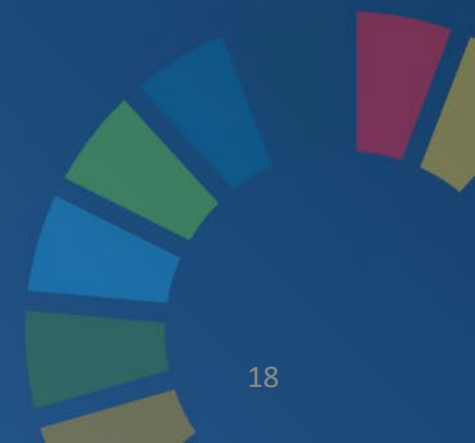
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**Thank you for your
attention!**

Appendix



Mentions

SAF-T

<https://www.oecd.org/tax/country-by-country-reporting-xml-schema-user-guide-for-tax-administrations.htm>

<https://www.oecd.org/ctp/exchange-of-tax-information/CbC-Schema-v2.0.zip>

XBRL-GL

<https://specifications.xbrl.org/specifications.html>

<https://en.wikipedia.org/wiki/XBRL>

<https://specifications.xbrl.org/work-product-index-xbrl-gl-xbrl-gl-2015.html>

Mentions

A+A forum materials

https://unece.org/fileadmin/DAM/cefact/cf_forums/2020_October_Geneva/PPTs/12Oct_01-A_A-DomainMtgIntro.pdf

https://www.unece.org/fileadmin/DAM/cefact/cf_forums/2020_October_Geneva/PPTs/12Oct_05-A_A-Workshop.pdf

https://www.unece.org/fileadmin/DAM/cefact/cf_forums/2020_October_Geneva/PPTs/12Oct_02-A_A_-2020-10-12-mb.pdf

https://www.unece.org/fileadmin/DAM/cefact/cf_forums/2020_October_Geneva/PPTs/12Oct_03-A_A-NordicSmartGovMapping-XBRL-GL_SAF-T.pdf

https://www.unece.org/fileadmin/DAM/cefact/cf_forums/2020_October_Geneva/PPTs/12Oct_04_-A_A-FDanjon-Mapping.pdf