Belastingdienst

Standard Business Reporting:

consolidated regulatory reporting

through the adoption of common (data) standards like XBRL

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Strategic Advisor SBR/XBRL
Netherlands Tax and Customs
Administration

July 2019, The Hague - Malaysia

SBR as part of the s2s-ecosystem of Tax

Private parties

companies:
- 1 mln persons
- 700k organisations

intermediairies:
- 15k organisations
  on behalf of
- 2 mln organisations
  - 3 mln persons

Digipoort SBR

1,1 mln Allowances

2,7 mln IT   (23%)

1,0 mln IT-B (73%)

3,7 mln VAT   (40%)

0,7 mln CIT   (86%)

8,2 mln WT   (96%)

CountryByCountry
Gift-tax
Dividend-withdrawal

Digipoort overig
pre-filled IT: data from:
- banks
- insurance c'ies
- pension funds

SBR public parties
- Tax Administration
- Business Register
- Education
- Public Housing
- Statistics

Digipoort SBR

0,2 mln Allowances

5,9 mln IT

0,5 mln VAT

1,0 mln CIT

Dividendtax
Car-tax

Private parties

intermediairies

banks
fleet-owners

MyGovernment
public portal

Tax Administration
MyTax
MyTaxBusinesses
MyAllowances

Private partiers
persons

persons
persons/organisation
persons

Public parties

Baseregistries

Public Parties

Playfield marketsupport

P = Personnel
I = suppliers of PKI
B = Bookkeeping
R = Reporting (annual accounts)
T = Tax

extension
2012

Extendum	Auxilium	Fiscount	FKC
650	180	700	300

SBR Council

SBR Expert groups

2011

NOVAK	NOAB	SRA
900	1.000	400

SBR Platform

SBR Program Team

P 10   I 4   B 250

[about 400]   R 8

Office oriented professional associations

(SAAS) Software suppliers   T 8

> 6 miljoen Private persons

Liable to pay tax   > 2 miljoen Companies

Tax

CoC

Chain of financial accountability

Regulatory authorities

BD

KvK

CBS

BAPI

[broadly 1.300.000]
605.000 Companies obliged to register

[± 16.000 BECON]

4.130+ Intermediaries

✓ Digipoort

BIV

Banks

FRC

P 10   I 4   B 250+

P 10   I 4   B 250   R 8   T 8

Person oriented professional associations

•Higher education
•Universities

SBR

NivRA	NBA	RB	NOB
NovAA	21.000	7.000	4.700

Standard Business Reporting
Programma
Een initiatief van de Nederlandse overheid
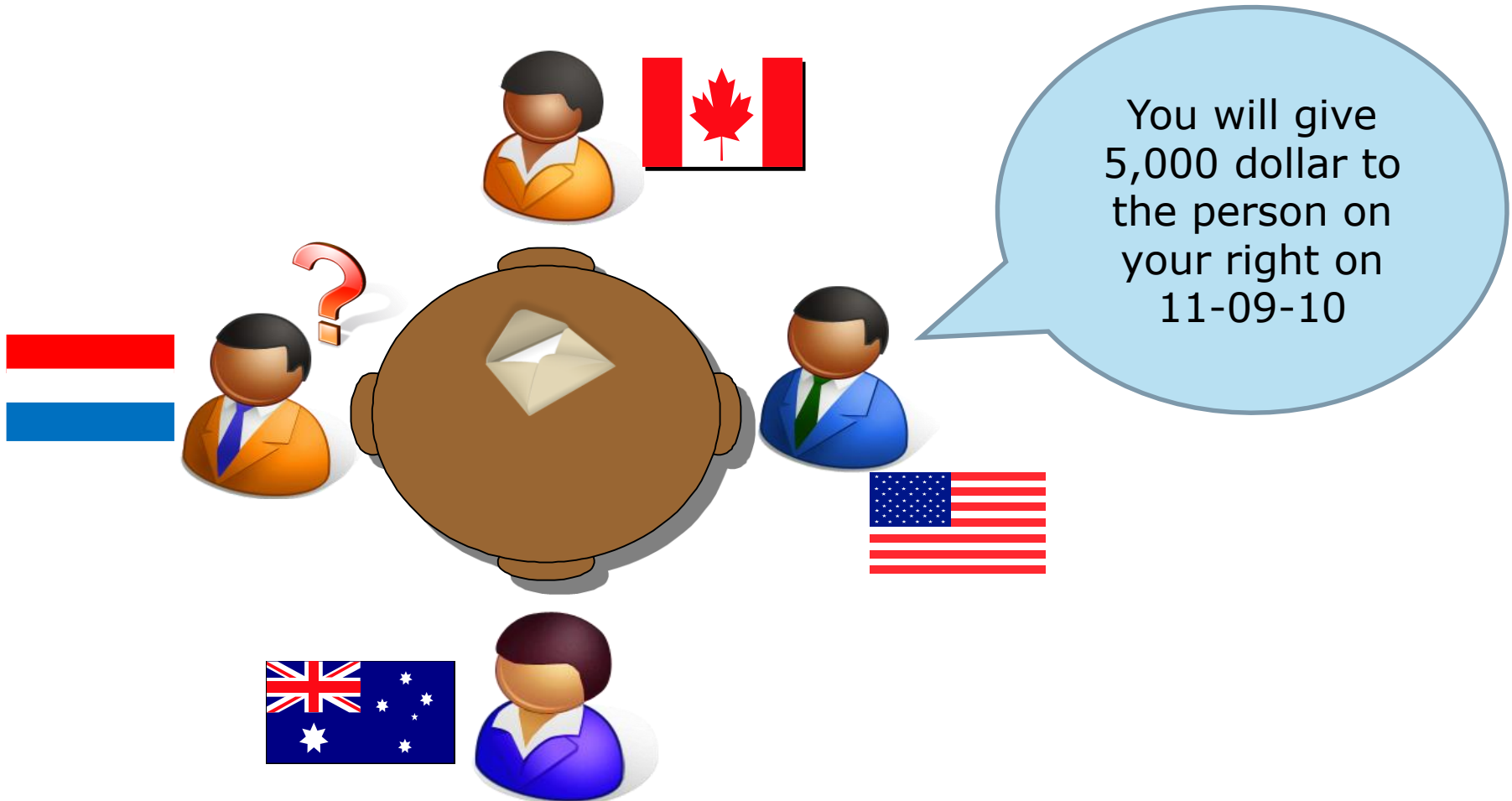
2

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Case XBRL

You will give 5,000 dollar to the person on your right on 11-09-10

Consistency and transparancy

Consistency:
- Structure
- Syntax

You will give 5,000 dollar to the person on your right on 11-09-10

Consistency and transparancy

Consistency:
Structure
Syntax

You will give 5,000 dollar to the person on your right on 11-09-10

Transparancy:
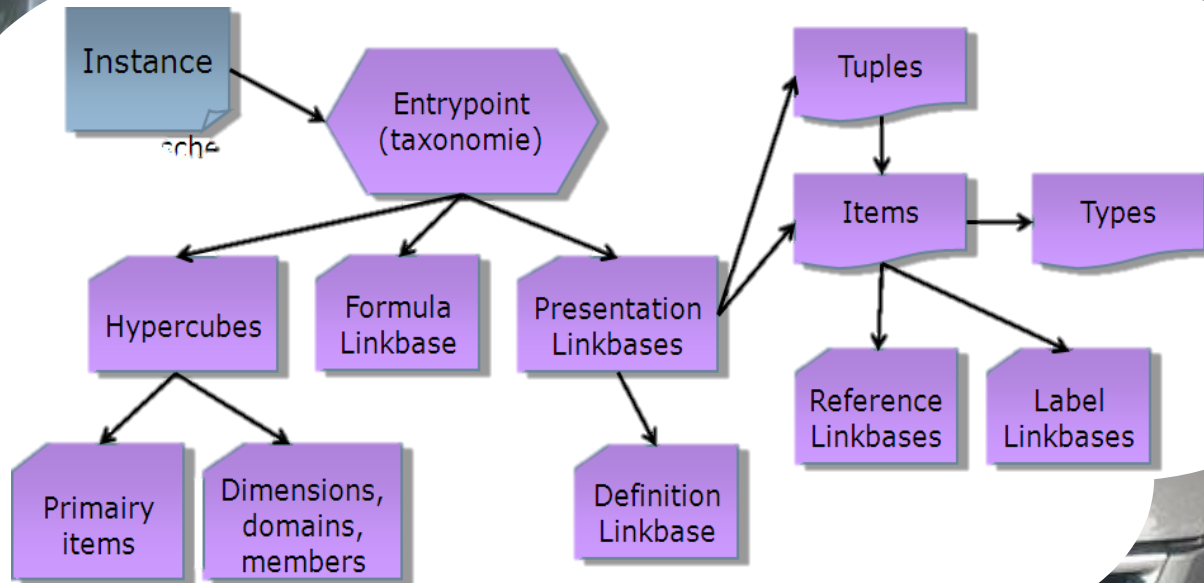- Semantics
- Presentation
- Relations

What is XBRL

<NAME>Frans</NAME>

XBRL is an XML-based (international) digital standard, which makes it possible to communicate, internally and externally, in a dynamic and uni-defined way (financial) facts.

XBRL is meant for transfer of data

DOC
Consistency:
•Structure
•Syntax
Transparancy:
•Semantics
•Presentation
•Relations

❖ **Fixed Record Length (FRL)**

`8787.3550Stationsstraat   Apeldoorn   De Vries   3600024000`

❖ **Comma Separated Values (CSV)**

`8787.35;50;Stationsstraat;Apeldoorn;De Vries;36000;24000`

❖ **eXtensible Markup Language (XML)**

Consistency and a beginning of transparancy

❖ **eXtensible Business Reporting Language (XBRL)**

XML-based with great transparancy

XML: Consistency and beginning of transparancy

```xml
<?xml version="1.0" encoding="utf-8"?>
<ICTdeclaration>
 <Name>8787.35</Name>
 <Adress>
  <Street>50</Street>
  <Nr>Stationsstraat</Nr>
  <City>Apeldoorn</City>
 </Adress>
 <Profit valuta="test">De Vries</Profit>
 <Turnover>36000</Turnover>
 <Costs>24000</Costs>
</ ICTdeclaration >
```

XML: Consistency and beginning of transparancy

```xml
<?xml version="1.0" encoding="utf-8"?>

<ICTdeclaration xmlns:xsi=http://www.w3.org/2001/XMLSchemaInstance"
    xsi:schemaLocation="ib-2011.xsd">

 <Name>De Vries</Name>

 <Adress>

  <Street>Stationsstraat</Street>

  <Nr>50</Nr>

  <City>Apeldoorn</City>

 </Adress>

 <Profit valuta="USD">8787.35</Profit>

 <Turnover>36000</Turnover>

 <Costs>24000</Costs>

</ICTdeclaration>
```

XSD
Consistency:
• Structure
• Syntax

DOC (GSP)
Transparancy:
• Semantics
• Presentation
• Relations

XBRL: consistency and transparancy

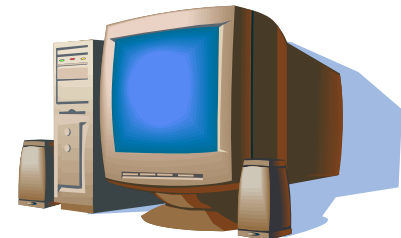Data-specification (transparancy)

Report-specification(consistency)

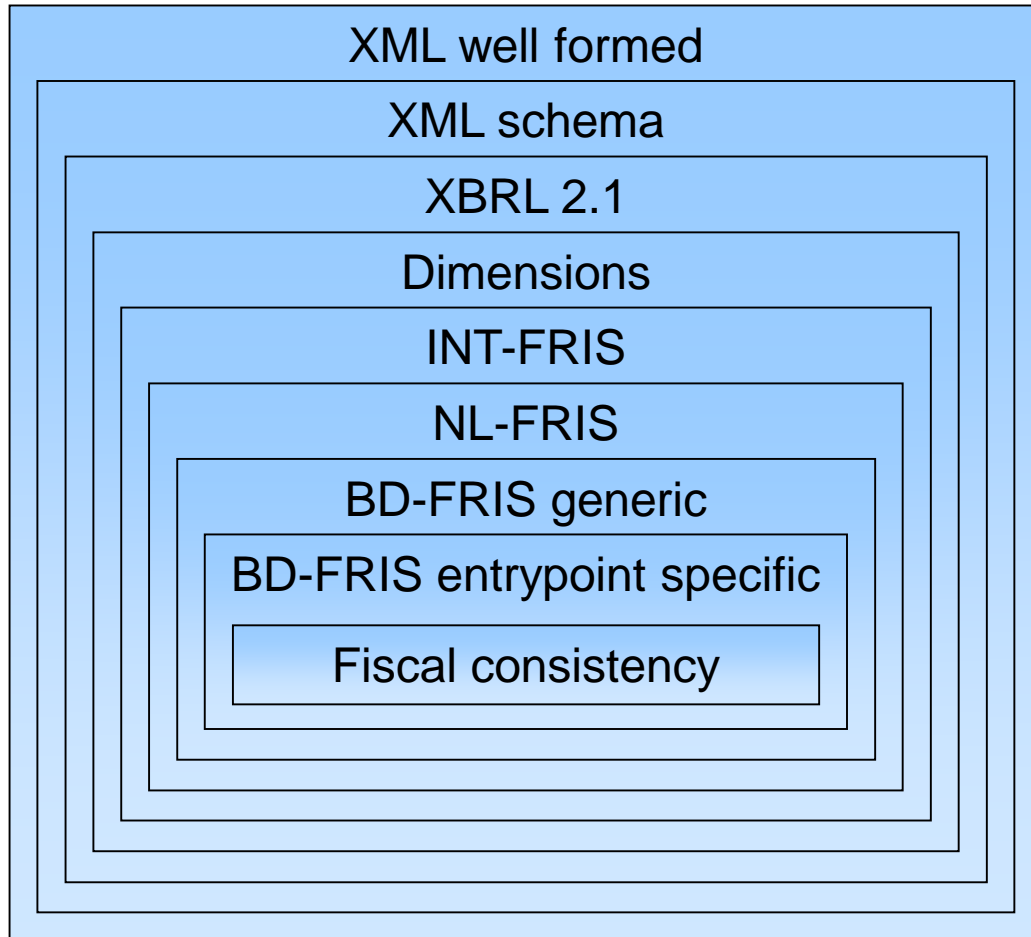Validation mechanisme

_____ +

XBRL

===================================

Layers of validation regarding XBRL-instances

XML well formed
XML schema
XBRL 2.1
Dimensions
INT-FRIS
NL-FRIS
BD-FRIS generic
BD-FRIS entrypoint specific
Fiscal consistency

Topics to discuss:

SBR in the Netherlands

- objectives
- cross domain approach
- paradigms (report once / store once) → define once
- framework of agreements
- lessons learned

Why, how, what

Governance

- public-private-program
- stakeholder management

Assurance

Standardization

- data
- referential chart of accounts
- data modelling
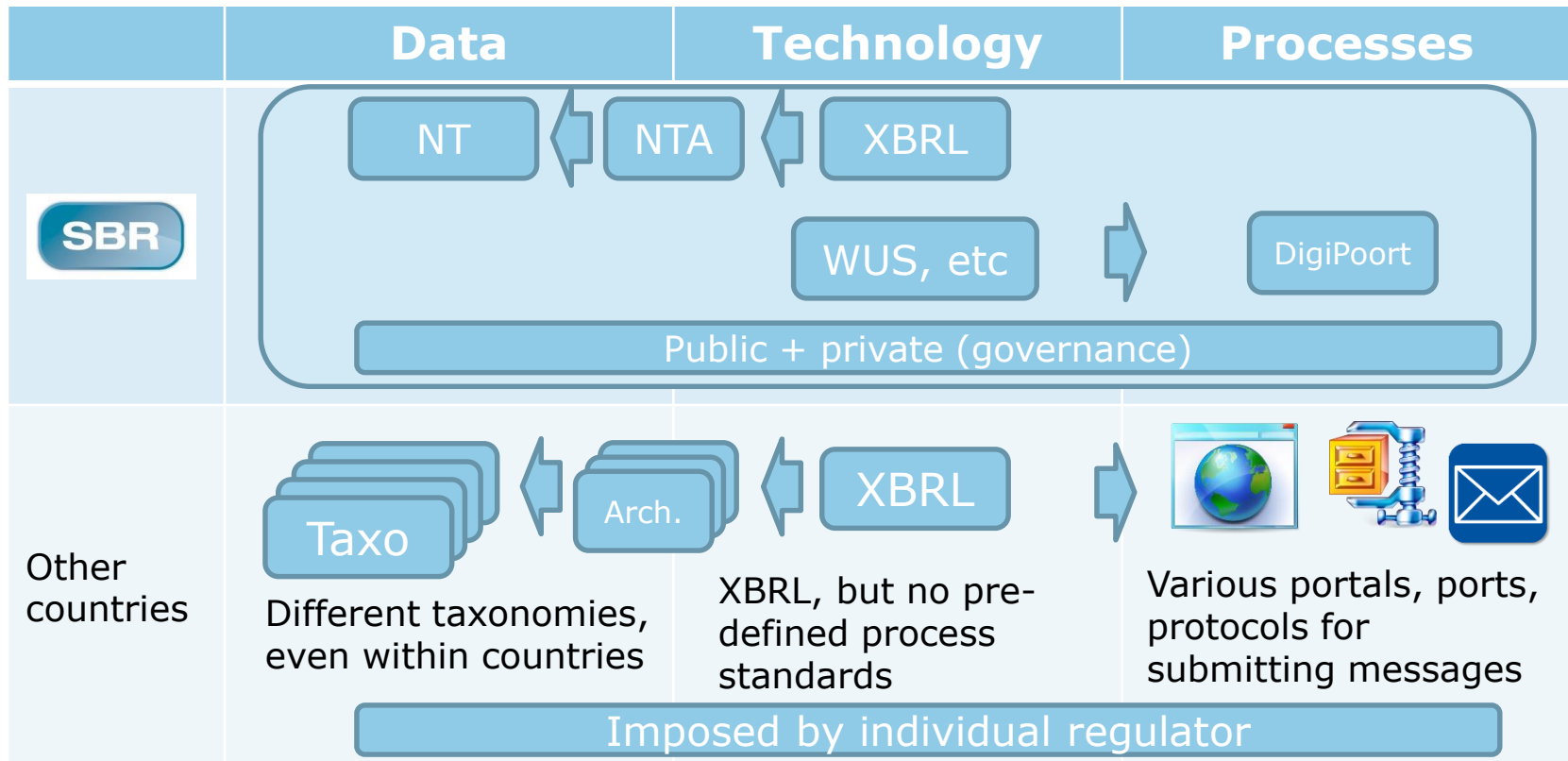
Standard Business Reporting

Key objectives:

- Reduce administrative burden for business in dealing with regulatory reporting
- Improve transparancy
- Improve the quality of information reported
- Stimulate innovation in the economy

Multi domain approach with focus on:

- voluntary **governance** based on a coalition of the willing
- **standardization** of key elements such as process, data and technology

SBR vs. XBRL – key differences

	Data	Technology	Processes
SBR	NT ← NTA ← XBRL	WUS, etc →	DigiPoort
	Public + private (governance)		
Other countries	Taxo ← Arch. ←	XBRL →	
	Different taxonomies, even within countries	XBRL, but no pre-defined process standards	Various portals, ports, protocols for submitting messages
	Imposed by individual regulator		

NT(A) = Netherlands Taxonomy (Architecture)　　　　　WUS = WSDL/UDDI/SOAP: communication standards

Positioning SBR within paradigms

		Information supplier	
		Natural person	Business or gov. agency
Information frequency	Lifetime events / central registry data	Personal lifecycle: birth, marriage, job, etc.	Business registration data
	Periodic reporting	*Example: taxes* Manual reporting in portal, and increasingly m2m	*Examples: tax, statistics, statutory, etc.* Structured data Machine-to-machine Frequent, Repetitive High volume

Once-only

Focus of SBR

Harmonization and standardization
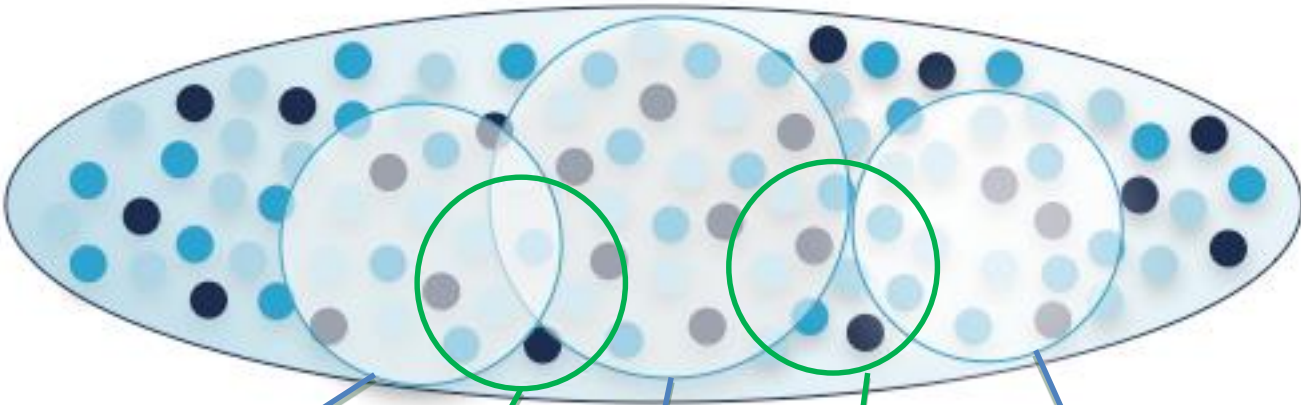
SBR
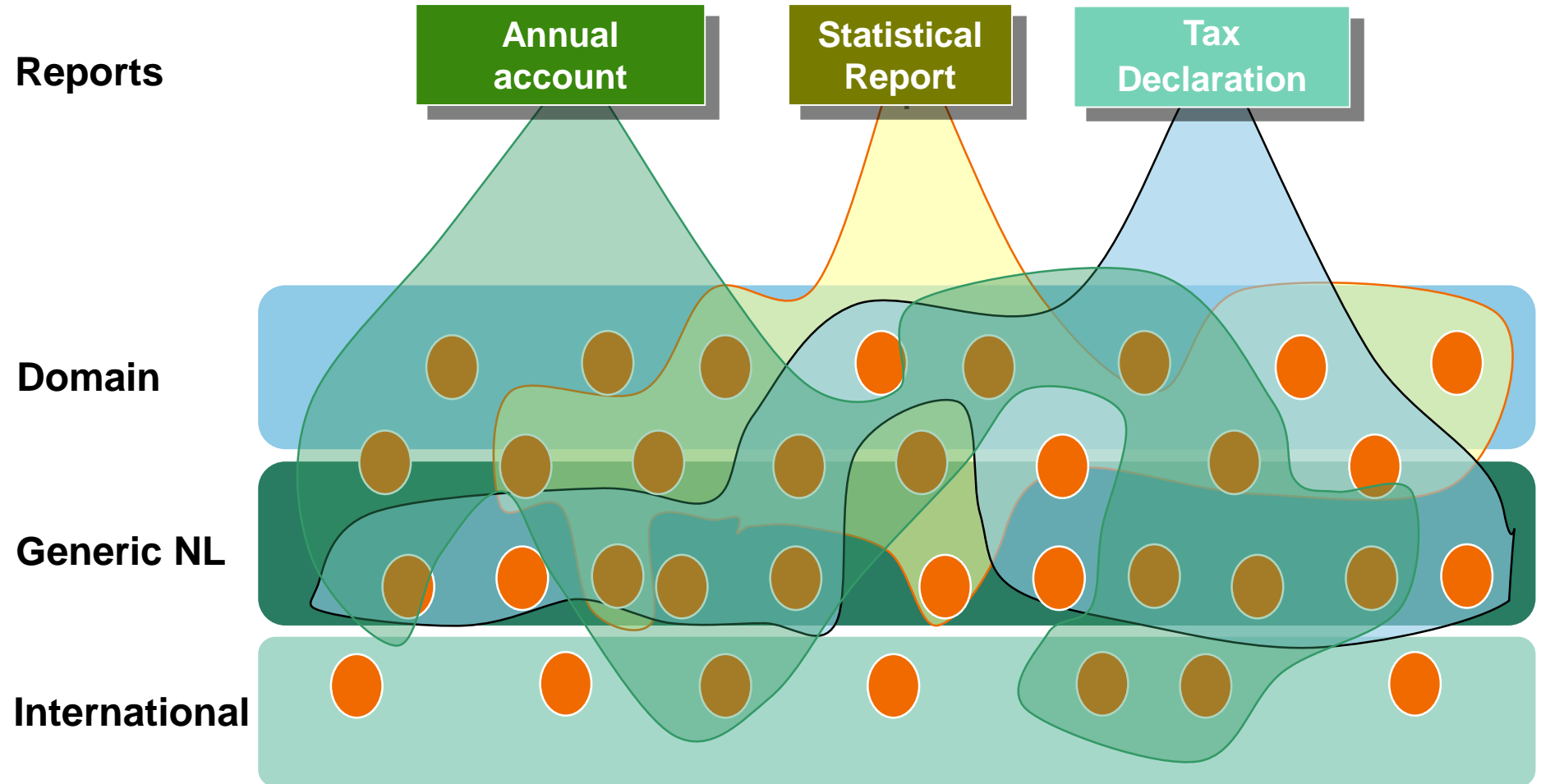
Legislation & Rules

Definitions

European legislation

Financial Reporting GAAP

Tax legislation

Elements

Reports

Statistics filing

Financial Statement

VAT filing

Datasets

Open Data

Open Data

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Core taxonomy and extensions are not static

Key data processes

• Adding new domains
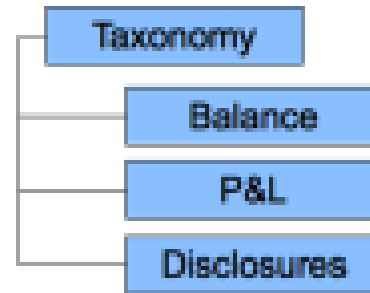
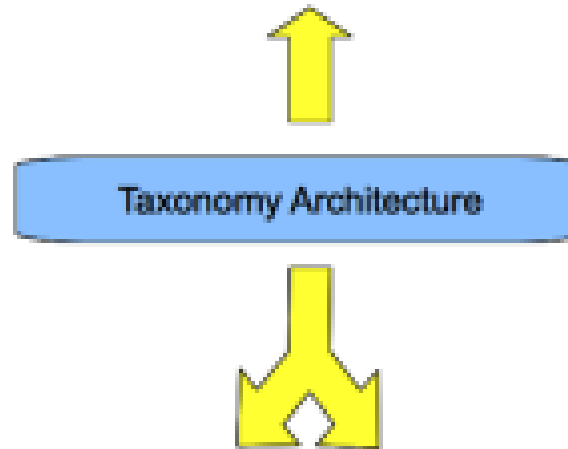• Normalization

• Harmonization

Re-use

Little re-use

XBRL: 3 levels of standardization

Taxonomy

Taxonomy
architecture

XBRL
specification

SBR taxonomy building principles: hierarchy

- the taxonomy is a proper representation of legislation and rules
- always choose the option that reduces the regulatory and reporting burden for business
  - facilitate mapping
  - facilitate instance creating
- design (and modularize) the taxonomy to support use and re-use of elements and components
- architecture facilitates taxonomy maintenance with coherence and consistency
- comply with relevant established international 'best practices'

Dutch Taxonomy Architecture:
- wiki on SBR-NL.NL

SBR: Dutch Taxonomy

Tax Administration
- IT/CIT (1.000/750 data-elements)
- VAT/ICT (40/40)

Chambers of Commerce
- annual accounts

Banks
- revisioning of loans
  - reports for persons based upon IT-report
  - reports for companies based upon annual accounts

Maintenance of Taxonomy

Taxonomy has to be maintained because of:
- changes in data-demand (legislation, policy etc)
- changes in architecture

Timeline

01-04-20xx	NTA published
	NT-alpha-generic published
	Data-demand (Tax) frozen
01-07-20xx	NT-alpha-Tax published
01-10-20xx	NT-alpha-2-Tax published
01-11-20xx	NT-beta (Tax, CoC, CBS) published
01-12-20xx	NT-final published
31-12-20xx	NT-final in production

Reporting chain

Business

Intermediairy

| Chain |
| Data |
| Processes |
| Technology |

Receiving party 1

Receiving party 2

Receiving party 3
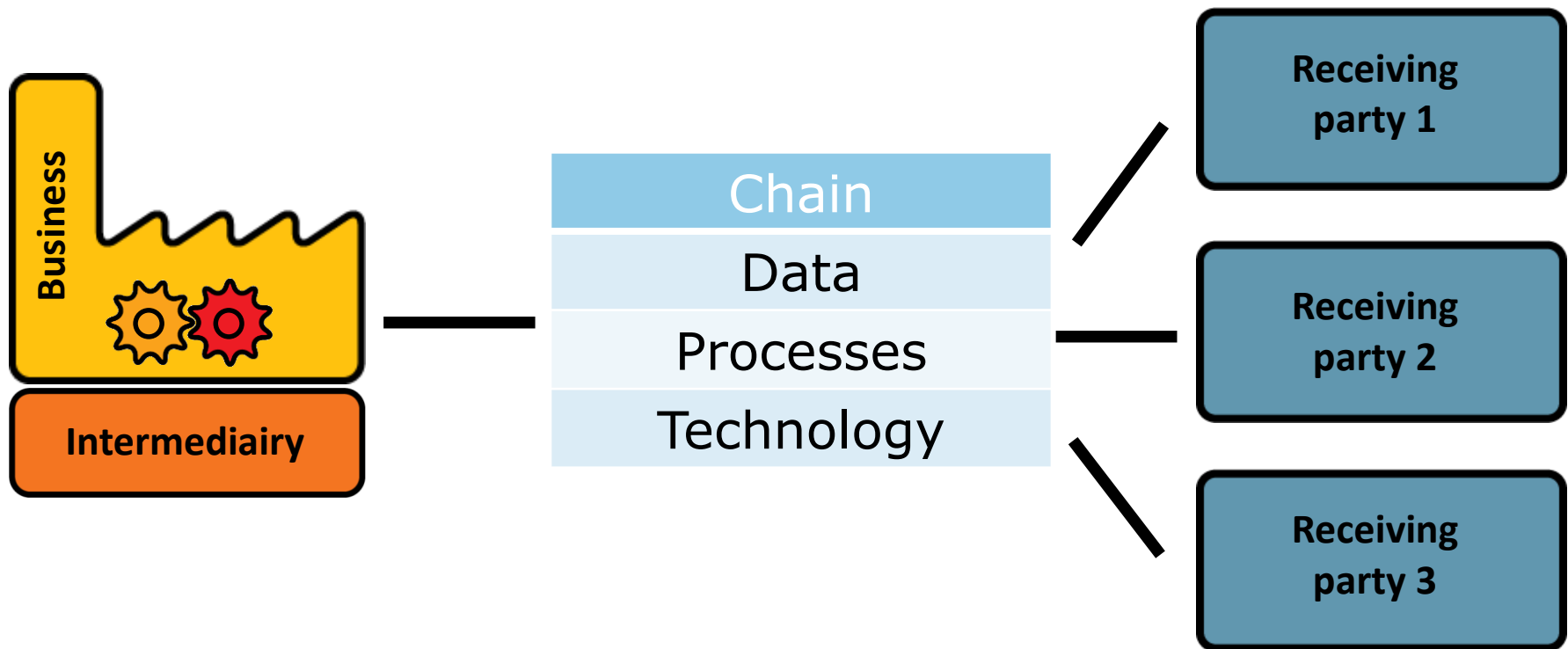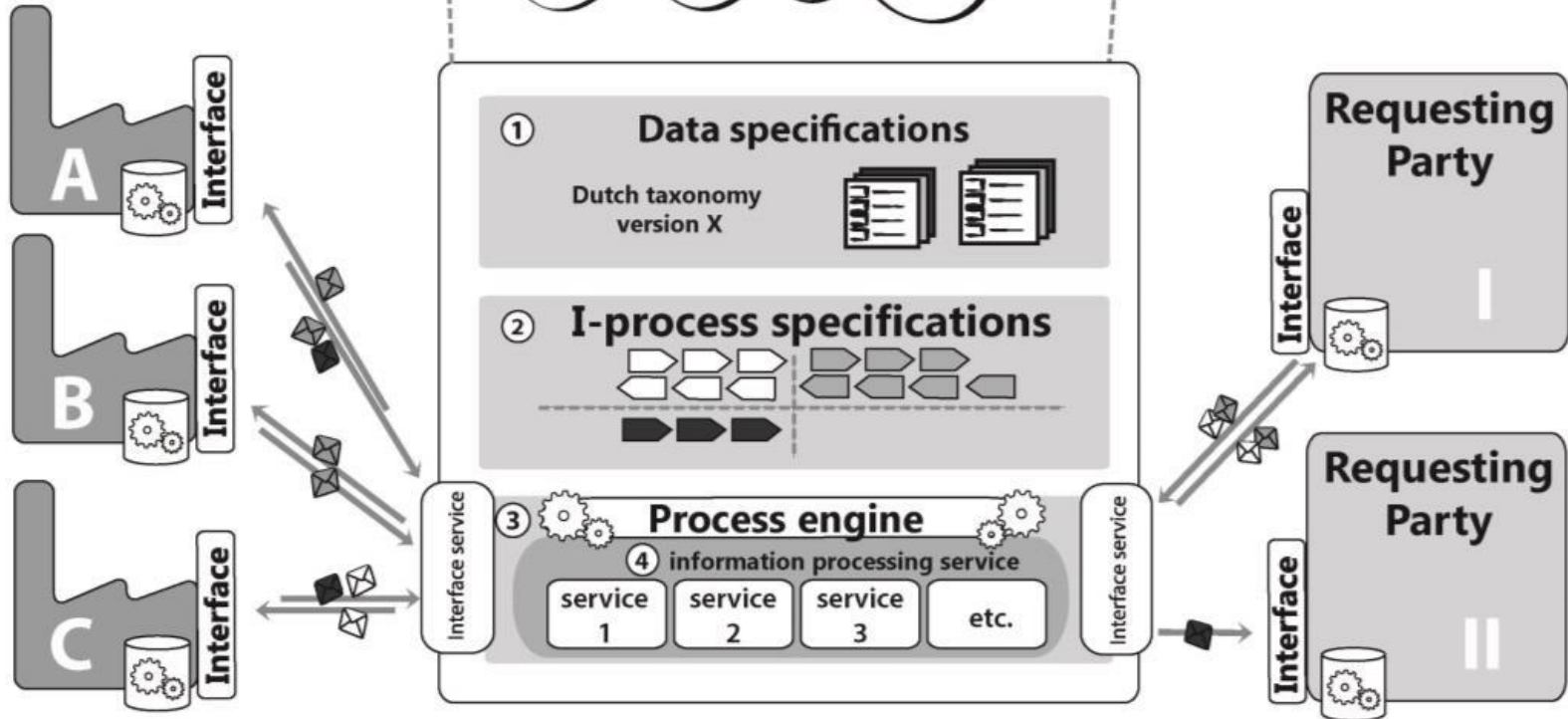
SBR program: designed to address a key issue

Reporting chain: Tax filing

700.000 companies

86% of Corporate Income Tax

Business

Intermediairy

12.000 tax service providers

200 softwaresuppliers

Chain
Data
Processes
Technology

12 million Tax Return Forms 2015

Tax Administration

Receiving party 2

Receiving party 3

Reporting chain: Tax filing

700.000 companies

86% of Corporate Income Tax

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200 softwaresuppliers

Chain
Data
Processes
Technology

12 million Tax Return Forms 2015

Tax Administration

Receiving party 2

Receiving party 3

Framework: Taxfiling

- Core Taxonomy

- No assurance on Tax Return Form

- Identification of supplier and taxpayer
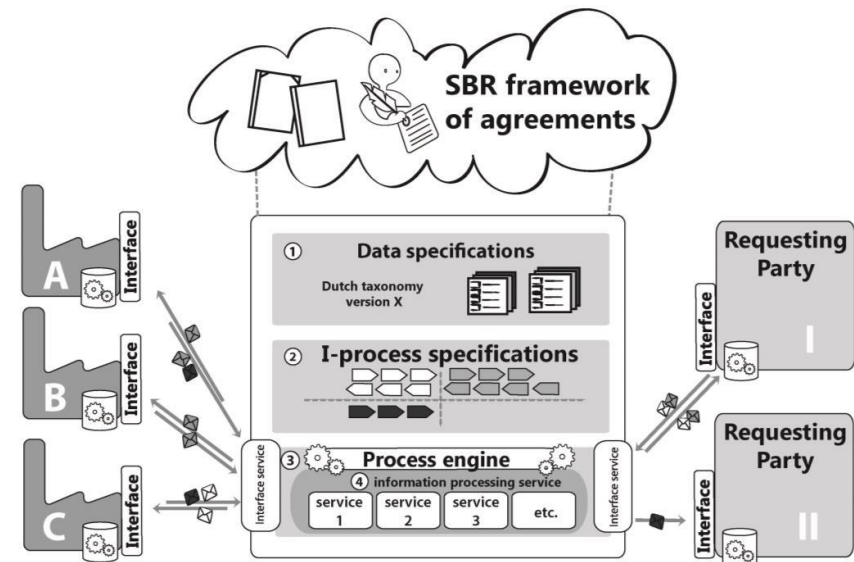
IT: Income Tax (using XBRL)

Since 2009, regarding 2008, mandatory in 2013, regarding 2012
• TR: Tax Return

Starting 2012, regarding 2011
• (request for) Extension of filing, mandatory in 2014, regarding 2013
• C-TDF: Copy of Tax Demand Form, mandatory in 2015, regarding 2014

Starting 2012, regarding 2013
• PR-IT: Provisional (assesment) Tax Return, mandatory in 2013, regarding 2014

Total Tax Returns: 13 mln   Total Tax Returns S2S: 3,8 mln

CIT: Corporate Income Tax (using XBRL)

Since 2010, regarding 2009, mandatory in 2013, regarding 2012
- TR: Tax Return

Starting 2012, regarding 2011
- (request for) Extension of filing, mandatory in 2014, regarding 2013
- C-TDF: Copy of Tax Demand Form, mandatory in 2015, regarding 2014

Starting 2012, regarding 2013
- PR-CIT: Provisional (assesment) Tax Return, mandatory in 2013, regarding 2014

Total Tax Returns: 0,7 mln   Total Tax Returns S2S: 0,7 mln

VAT / ICT (using XBRL)

Since 2009, regarding 2009, mandatory in 2014, regarding 2014
* VAT: Vallue Added Tax
* ICT: Intra-Community Transactions

Starting 2014, regarding 2014
* C-DTF: Copy of Tax Demand Form, mandatory in 2015, regarding 2015

Total VAT-forms: 8,7 mln   Total VAT S2S: 3,5 mln
Total ICT-forms: ???k   Total ICT S2S 350k

Received by the Tax Administration using SBR

Year	2012	2013	2014	2015	2016	2017	2018	2019
VAT	168.932	337.523	2.441.669	3.136.602	3.310.367	3.521.186	3.746.344	1.978.466
Sup-VAT				20.159	80.475	163.011	352.106	164.063
MOSS				23	58	41	44	11
ICT	9.229	33.446	194.752	246.875	280.575	314.078	346.555	169.967
CIT	1.059	328.667	572.649	596.898	620.287	640.008	667.804	279.508
IT	255	2.781.205	3.512.474	3.655.041	3.575.616	3.743.709	3.706.526	2.247.012
PR-CIT	0	13.641	77.225	89.303	106.604	114.200	132.448	88.469
PR-IT	0	49.751	234.919	270.270	285.759	300.360	306.379	198.170
Ext. request	0	1.733	603.955	673.304	902.814	895.217	1.110.010	1.009.865
Inheritance Tax				0	0	0	0	0
Gift Tax				0	0	0	231	1.741
CountryByCountry							620	61
Dividend Tax							2.152	1.131
Wages Tax				75.228	2.539.453	7.654.383	8.476.651	3.725.108
Allowances			18.174	351.477	946.556	1.015.990	1.056.021	525.050
Total	179.475	3.545.966	7.655.817	9.115.180	12.648.564	18.362.183	19.903.891	10.388.622

2019 = January - May

Sent by the Tax Administration using SBR

Year	2013	2014	2015	2016	2017	2018	2019
Pre-filled (C)IT			85.667	436.188	746.967	969.678	819.403
C-TDF-IT	28.120	1.809.441	4.349.709	5.894.184	4.639.835	5.850.751	1.821.067
C-TDF-CIT	1.569	251.131	699.557	849.795	917.083	1.011.010	558.773
C-TDF-VAT		81.567	323.399	411.031	450.047	476.320	223.246
C-TDF-Allowances			23.009	97.694	139.704	186.997	60.958
DividendTax Collective Decree						1.566	653
DividendTax Confirmation BO						226	352
Car-tax						300	2.753
Response Ext. Request				688.411	3.200.104	3.188.078	1.497.640
Total	29.689	2.142.139	5.458.332	7.591.198	6.753.932	8.307.759	3.422.489

2019 = January - May

SBR-reports

VAT: Value Added Tax Return Form

Sup-VAT: supplementary filing of VAT

ICT: filing of Intra Communautary Transactions

CIT: filing of Corporate Income Tax Return Form

IT: filing of Income Tax Return Form

IT-B: filing of Income Tax Return Form by a person with a business

PR-CIT: Provisional (assesment) Tax Return Form Corp.Inc. Tax

PR-IT: Provisional (assesment) Tax Return Form .Inc. Tax

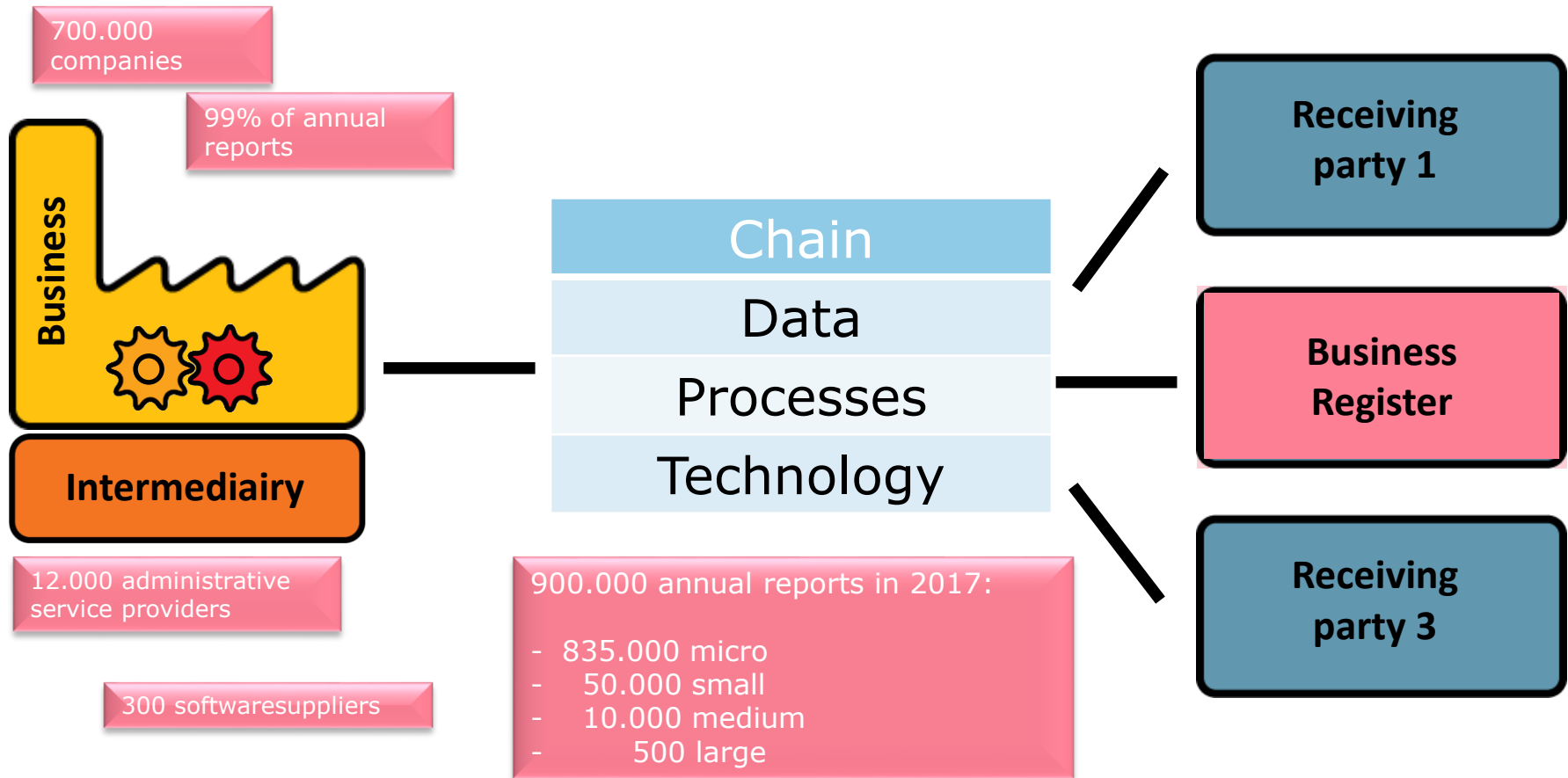Ext. request (extra): forms meaning to extend the time of filing

Wages

Allowances

C-TDF-IT: copy of Tax Demand Form

Reporting chain: Annual reports

700.000 companies

99% of annual reports

Business

Intermediary

12.000 administrative service providers

300 softwaresuppliers

| Chain |
| Data |
| Processes |
| Technology |

900.000 annual reports in 2017:

- 835.000 micro
- 50.000 small
- 10.000 medium
- 500 large

Receiving party 1

Business Register

Receiving party 3

Framework: Annual Reports

- Core Taxonomy
- Optional: Preparer Extensions
- Consistent Presentation rules:
  - company
  - auditor
  - business register
  - users

- Optional: Assurance

- Identification of supplier and reporting company (and auditor)

Assurance:
- XBRL-report must give fair view
- XBRL-audit statement:
  - report gives fair view
  - uses NBA-Taxonomy
  - signed
- XBRL-report and XBRL-audit statement are linked
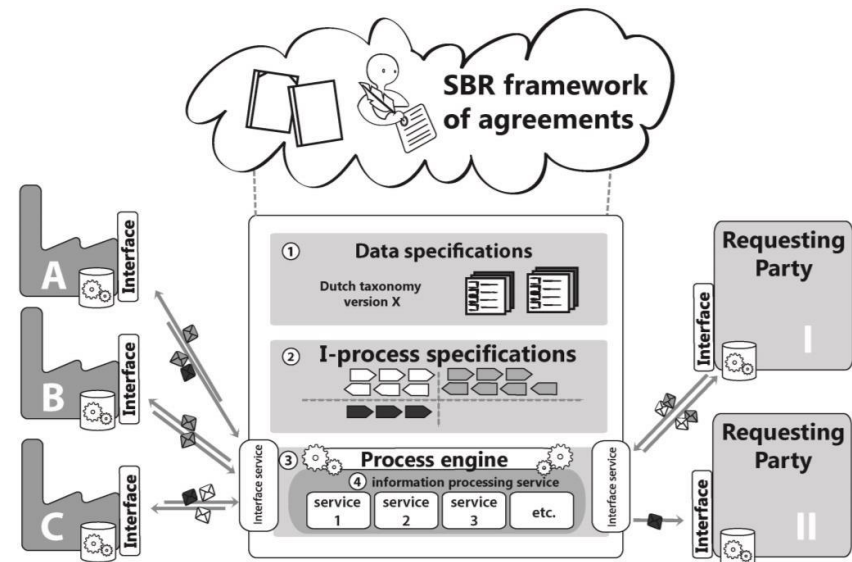
Why — SBR — Reduction of administrative burden · Transparency · Efficiency

How — Standardisation: Data definitions · Processes · Technology

What — Open standards · Digital only · Structured data / System-to-system: Taxonomy → Private Extensions → SBR Assurance → Uniform Presentation

Filing annual accounts

Filing an annual account with the Business Register (held and managed by the Chamber of Commerce) is mandatory for legal persons:

- Private Limited Company (largest group by far; 900,000)
- Public Limited Company
- Cooperative
- Mutual Insurance Society
- Association running an enterprise
- Foundation running an enterprise

Dutch Civil Code, Book 2, title 9

Content annual account depends on size

Small (98% of all legal persons, turnover < 8.8 million Euros)
- Condensed balance sheet
- Limited notes

Medium-sized and large (2%)
- (Extensive) balance sheet
- Profit and loss account
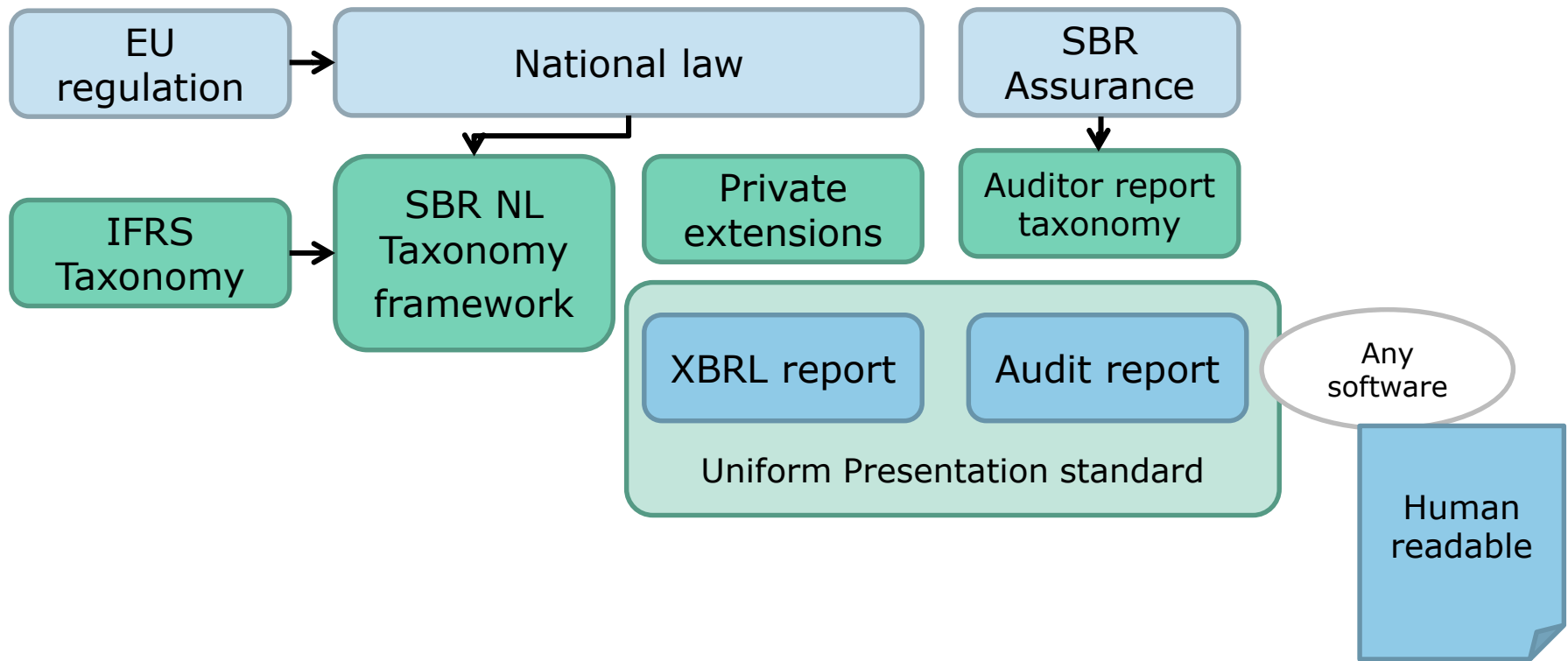- Annual report
- Auditor's report

Received by Chambers of Commerce using SBR

Year	2012	2013	2014	2015	2016	2017	2018	2019
System to system	7.497	27.686	93.646	146.728	218.589	547.932	482.866	209.731
Portal			13.891	26.565	42.112	124.097	120.705	0
Medium-sized							4.272	1.640
Total	7.497	27.686	107.537	173.293	260.701	672.029	607.843	211.371

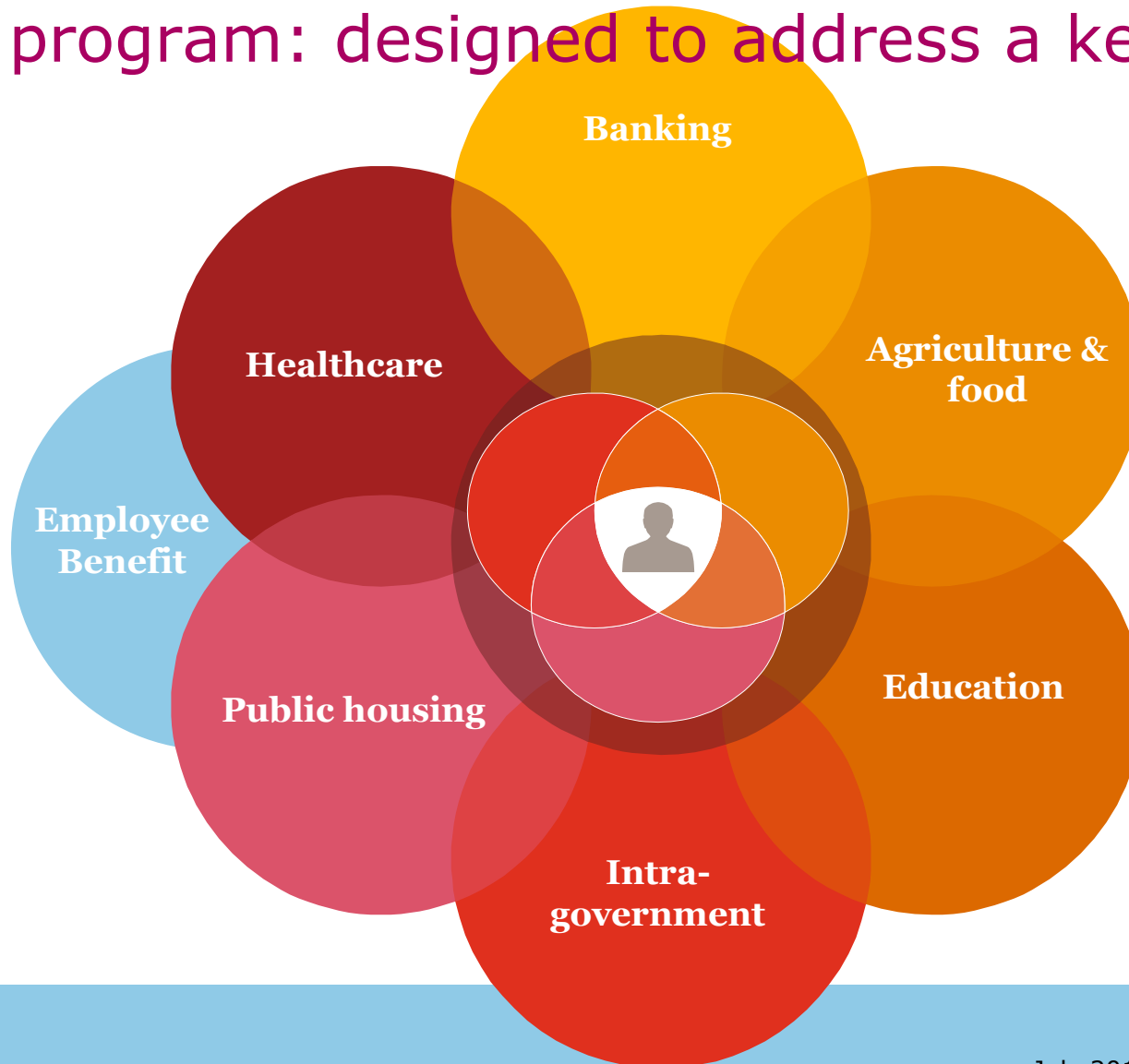2019 = January – May (no insight in division between S2S and Portal)

SBR Assurance

EU regulation	→	National law		SBR Assurance

SBR NL Taxonomy framework ← IFRS Taxonomy

Private extensions

Auditor report taxonomy ← SBR Assurance

Uniform Presentation standard
- XBRL report
- Audit report

Any software

Human readable

International	Member state	Preparer	Auditor	Consumer

SBR program: designed to address a key issue

Banks: credit reports

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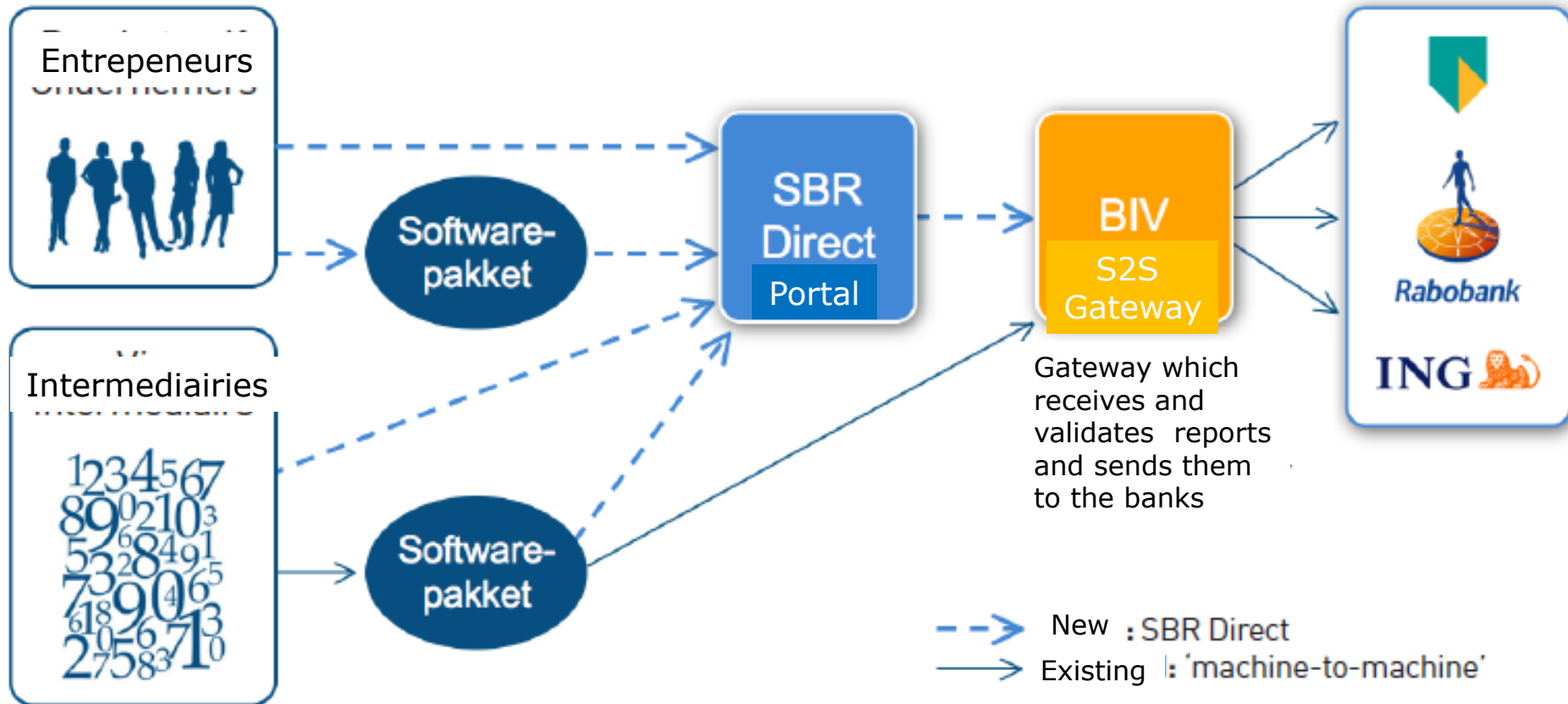
Ministry of education (OCW): a digital world

Wet- en regelgeving en Taxonomie

IFRS

Internationale standaard

Wet- en regelgeving

BW/RJ KvK

Dutch Gaap

IFRS Taxonomie

RJ-KVK Taxonomie

Nationale standaard Ned. Taxonomie
(Beheerder; Logius)

OCW regels RJO en RJ660

Extra rules for this sector

OCW Taxonomie

OCW standaard
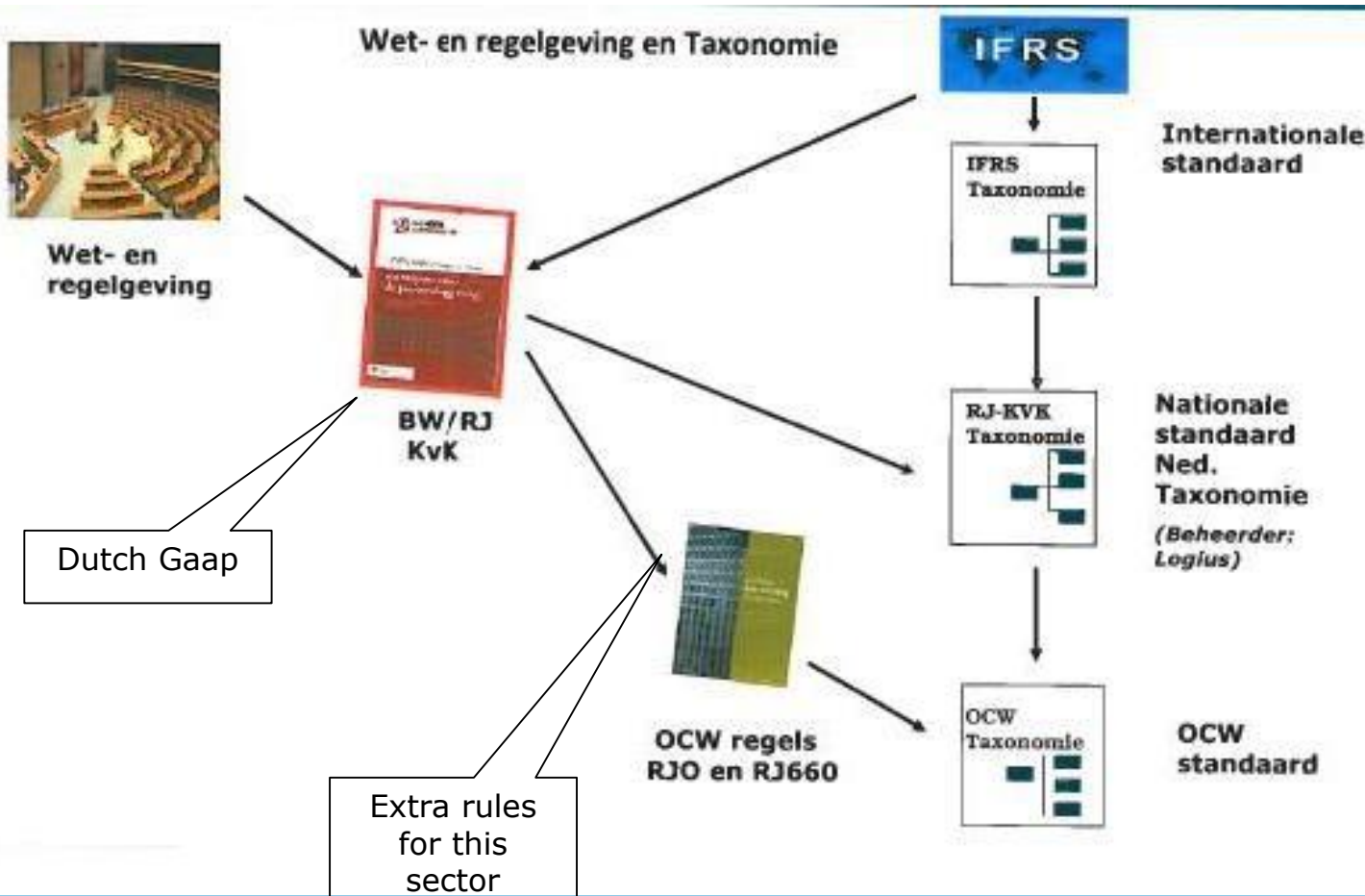
Received by Ministry of Education using SBR

Year	2015	2016	2017	2018	2019
Portal	106	1.667	1.749	1.783	87
System to system	0	0	0	0	0
Total	106	1.667	1.749	1.783	87

Population (max)

- 58 Universities and Higher professional education (HBO)
- 68 Secondary vocational education (MBO)
- 1478 Primary Education (PO) and Secondary Education (VO)
- 179 Education-related institutions

2019 = January - April

Received by Authority for Public Housing

Year	2017	2018	2019
Prognosis		852	112
Annual Account		0	0
Total	0	852	112

Population (max)

- 300 corporations for Public Housing
- more than 1 filing per corporation

2019 = January - April

Banks: developments:

- standardisation on a higher level:
  - from integrated Creit Revisioning Report to re-use of Tax-report and Annual Account

- give information to the auditor
  - standard banking statement
  - re-using the process-standards of the pre-filled Income Tax

- from reporting to data sharing:
  - real estate
  - leasing

# SBR: An easy approach? Definitely not

- Coalition of the willing is never easy

- It takes a strong vision and shared purpose to get the right results

- The shared purpose drives which stakeholders need to be at the table

- Representatives from stakeholders need to be at the right level

- How to manage a multi domain program?

- Change and investments for many stakeholders need to be synchronized to be effective

- Timing is everything : the impact of a filing mandate

Nitesh Bharosa | Remco van Wijk | Niels de Winne | Marijn Janssen (eds.)
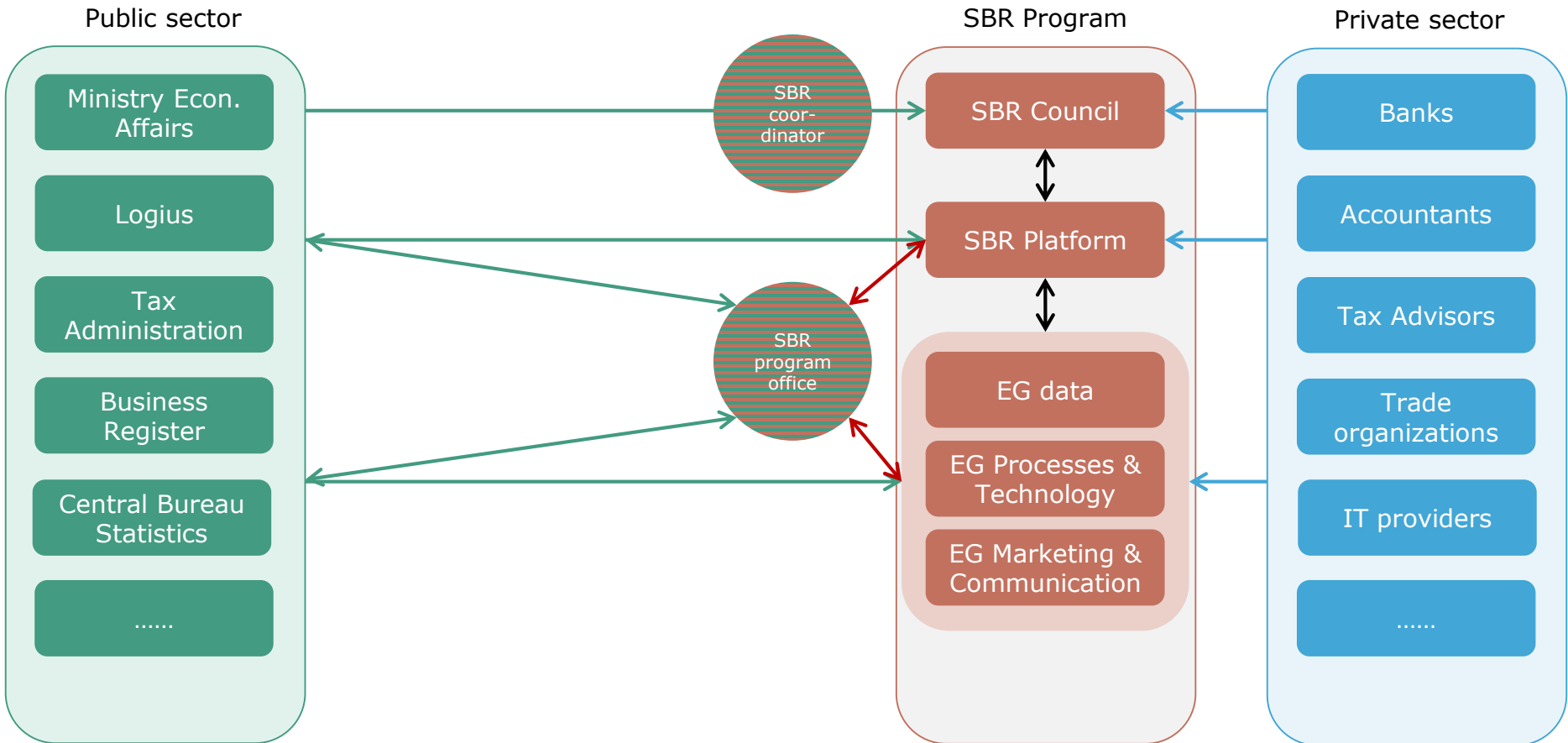
CHALLENGING
THE
CHAIN

Governing the automated exchange
and processing of business information

Theories of Rogers and Moore
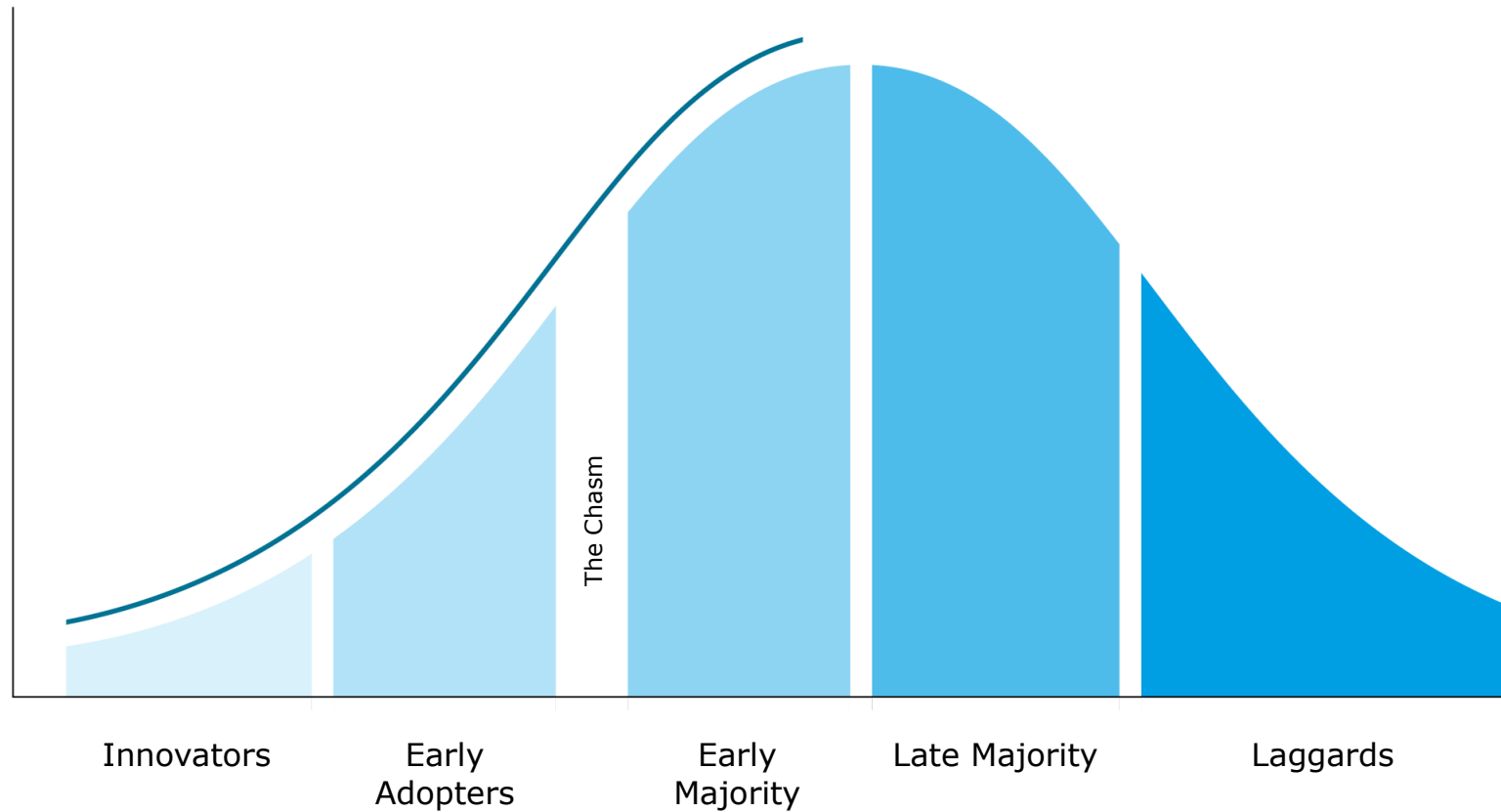
SBR program organisation

SBR: business case for <u>Government</u>

- Introduction of a multi domain taxonomy and XBRL standard allows for:

  - elimination of manual processes

  - significant increase of quality and comparability of information

  - analytics

- The opportunity to continue to reduce the administrative burden for business

SBR: business case for <u>Business</u>

- Avoidance of different taxonomies per domain

- Ability to better align the external reporting taxonomies with internal data models enable system to system reporting

- Reuse of data for other domains such as credit reporting and other private initiatives

SBR: business case for <u>Accounting Profession</u>

- Significant process simplification and automation in non added value processes (filing processes)

- Additional data analytics opportunities

- Additional advisory opportunity for clients (benchmarking)

Challenging the chain

- Describes SBR from challenge to solution

- Contains insights from specialists and academics

- Examplifies paradigms shifts necessary for large scale public-private IT programmes

- Pre-release:
  - Website: www.sbr-nl.nl/challengingthechain
  - Email: challengingthechain@logius.nl
  - Twitter: #SBR_nl

  - Release:
  - Available end of May after formal presentation