



Ebooks and MyData

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Key Points for Current and Future Consideration



Tax Digitalization and other countries

Examples of foreign countries



Italy: E-invoices are transmitted electronically to the exchange system titled Sistema di Interscambio ('Sdi').



Croatia: Invoices are transmitted by the cash registers which are directly connected to the Croatian Tax Authorities' system.



Portugal: Invoices are transmitted by the cash registers which are directly connected to the Portugal Tax Authorities' system, while detailed files are transmitted to the Authorities on a monthly basis for VAT reconciliation purposes. The invoicing software will have to be certified by the Portuguese Tax Authorities.



Norway: Companies will have to be in position to present their accounting figures in a specified format (Standard Audit File Tax format).



Spain: Companies having turnover greater than 6M (as per filed VAT returns), are required to transmit data related to the invoices issued/received to the Spanish Tax Authorities (STA). This project is commonly referred as SII submission process.



Slovenia: The eDavki portal is the IT system of the Financial Administration of the Republic of Slovenia used in electronic transactions with the Financial Administration. Legal entities must use the eDavki portal (e-Tax portal) to submit and receive electronically their respective documents.



The approach of Greece

MyData Platform

What is MyData (my Digital Accounting & Tax Application)

- The Greek Tax Administration's effort for a pivotal digital transformation in terms of the authorities' interaction with companies.
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MyData is the IAPR's new e-books platform, which is used to:

- Monitor a company's inward/outward transactions.
 - Display the accounting and tax results of businesses in a standardized manner.
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Liable entities

- All Businesses and other entities keeping Accounting Books and Records pursuant to the Greek Accounting Standards Law (GAS).
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What it comprises of

- The Detailed Book, for monitoring (i) summarized information on the company's revenue/expense accounting/tax documents, (ii) classifications of such documents and (iii) necessary adjustments where required for the determination of the accounting and tax results of each fiscal year.
- The Summary Book, which displays aggregate results of the Detailed Book in the form of a summary on a monthly and annual basis.

Channels/methods of transmission



Electronic Invoicing

- Electronic Invoices can be transmitted to the MyData platform by certified e-invoicing providers
- There are 7 certified e-invoicing providers as of today



ERP Commercial Software

- Through the use of API (Application Programming Interface), which interconnects MyData platform with the company's ERP.



Special Data Entry Form at IAPR's website

- For Businesses that issue up to 50 accounting Documents.



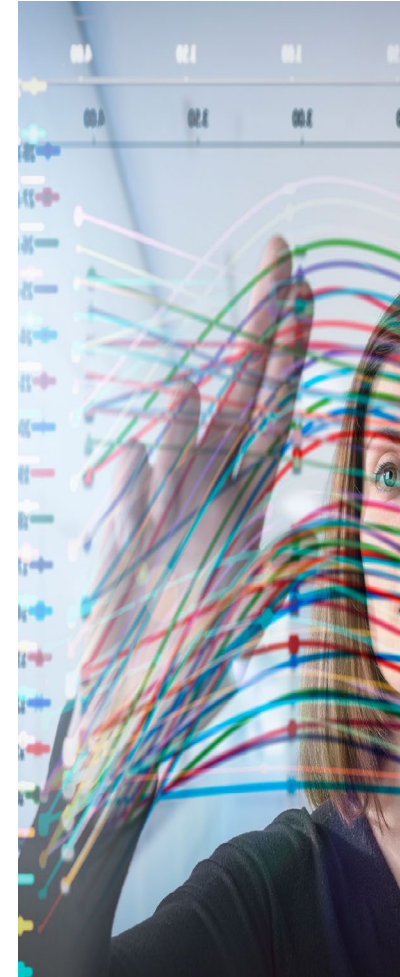
Electronic Tax Cash Registers

- For all retail transactions issued by cash machines connected to the e-send platform of the IAPR.



Tax Administration's invoicing platform (upcoming)

- IAPR's customizable invoicing platform which automatically transmits data to MyData platform.



Benefits and challenges for Taxpayers

Benefits



- ✓ **Reduction of management costs for companies in the medium term or long run**
- ✓ **Automation in the filing of tax returns**
- ✓ **Gradual abolishment of Summary Lists of Customers-Suppliers (MYF)**
- ✓ **Reduction of lead time in tax refunds**
- ✓ **Reduction in storage costs of hard copies/files**
- ✓ **Tax incentives are provided by the IAPR for the companies opting to use E-invoicing providers**

- **Initial increment of implementation costs – However such costs are expected to be “amortized” in the future.**
- **Adaptation period required**
- **Additional managerial burden in the first stages of implementation**

Challenges



Benefits and challenges for IAPR

Benefits



- ✓ **Optimization of tax audits' system.**
- ✓ **Capability of crosscheck audits operation**
- ✓ **More effective assessment of taxpayers' that should be audited**
- ✓ **Minimization of resources in the future**

- **Real time transmission of revenues invoices**
- **Timeline for roll out of “complete” MyData process**
- **Taxpayers' resistance to the said “change”**

Challenges



Reporting dates

Reporting dates

- The mandatory reporting of sales data starts on **1 October 2021** for Companies with double entry books that report turnover over EUR 50 000.
- The accounting documents that will be issued during the first 3 semesters of 2021 will be required to be transmitted no later than **31 March 2022**.
- The above extension does not appear to apply for Companies issuing sales documents through certified e-invoicing providers.
- Companies not affected by the COVID19 crisis using Cash Tax Registers and with a turnover exceeding EUR 100 000 are required to start transmitting their sales documents issued through such registers on a Real Time basis from **1 September 2021** onwards.
- Companies not affected by COVID19 crisis using Cash Tax Registers and with a turnover up to EUR 100 000 are obliged to act as above from **1 October 2021** onwards.
- All other entities using Cash Tax registers are obliged to do the relevant transmissions of sales documents as from **1 November 2021**.
- **Explicitly for 2021** entities are **not** obliged to make characterizations of expenses.

Current status

Current status

- Tax Administration intends to roll out all functionalities of such process in stages, starting initially with the transmission of revenues and expenses
- The tax officials keep an open channel of communication with representative Groups and/or Unions among various sectors of the market in relation to the development of the project
- Large groups and local entities have started the relevant implementation of MyData software solutions and making already transmissions to MyData environment
- It appears though that a significant number of companies will not likely be ready by the above dates



Key Points for Current and Future Consideration

What companies should consider



Selection of potential tax and/or IT support for implementation phase



Reassessment of the company's accounting/commercial processes



Cost/benefit assessment for the potential utilization of an e-invoicing provider



Selection of the appropriate ERP or middleware IT solution



Configuration of the company's systems



Staff training and adaptation to the new requirements/internal processes

Additional considerations

- The procedure is still in progress. The IAPR's intention is to develop the platform “on the go” along with the assistance/input of taxpayers (by identifying errors and potential deficiencies).
- At first stage, there is no intention to impose penalties and/or other sanctions in case of non-compliance by the taxpayers.
- The “real time” transmission requirement, seems to cause a lot of issues/problems for the liable entities with respect to the compliance of their respective accounting/commercial systems.
- Taking all the above into perspective, it appears that the Greek Tax Authorities have made the initial step towards the country's tax digitalization, urging the Greek companies to adapt and develop their systems in such direction.

CFO's potential MyData agenda going forward



Staffing requirements and skillset

Staffing resources are critical to success. The skills of the team will have to combine strong knowledge of the business/ERP flows, tax/accounting background, analytical thinking and ability to communicate in local language so as to interact with local clients/vendors.



Process & responsibilities

Define roles and workflows focused on people's capabilities to ensure effectiveness, greater accuracy and remove inefficiencies. As a result Finance Department's process may need to be assessed, re-evaluated and modified/re-designed.



Reconciliation needs

Reconciliation entails matching the balances on statutory accounts with the corresponding entries in your ebooks. Need for potential tools as both relevant MyDATA IT solutions and the MyDATA platform itself do not provide relevant functionalities yet.



KPIs/Analytics

Define KPIs to measure/track efficiency, effectiveness, compliance, timeliness, quality, performance and human resource utilization (e.g. volume of discrepancies identified per vendor and process within a reporting cycle)



Questions

$$V_{rms} = \sqrt{\frac{3}{2} R T}$$
$$C_p = \frac{5}{2} R$$
$$C_v = \frac{3}{2} R$$
$$\gamma = \frac{C_p}{C_v} = \frac{5}{3}$$
$$P = \frac{1}{3} n \langle v^2 \rangle$$



Thank you



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