eAuditing – Strategic Vision

Approach to eAuditing and Recommendations

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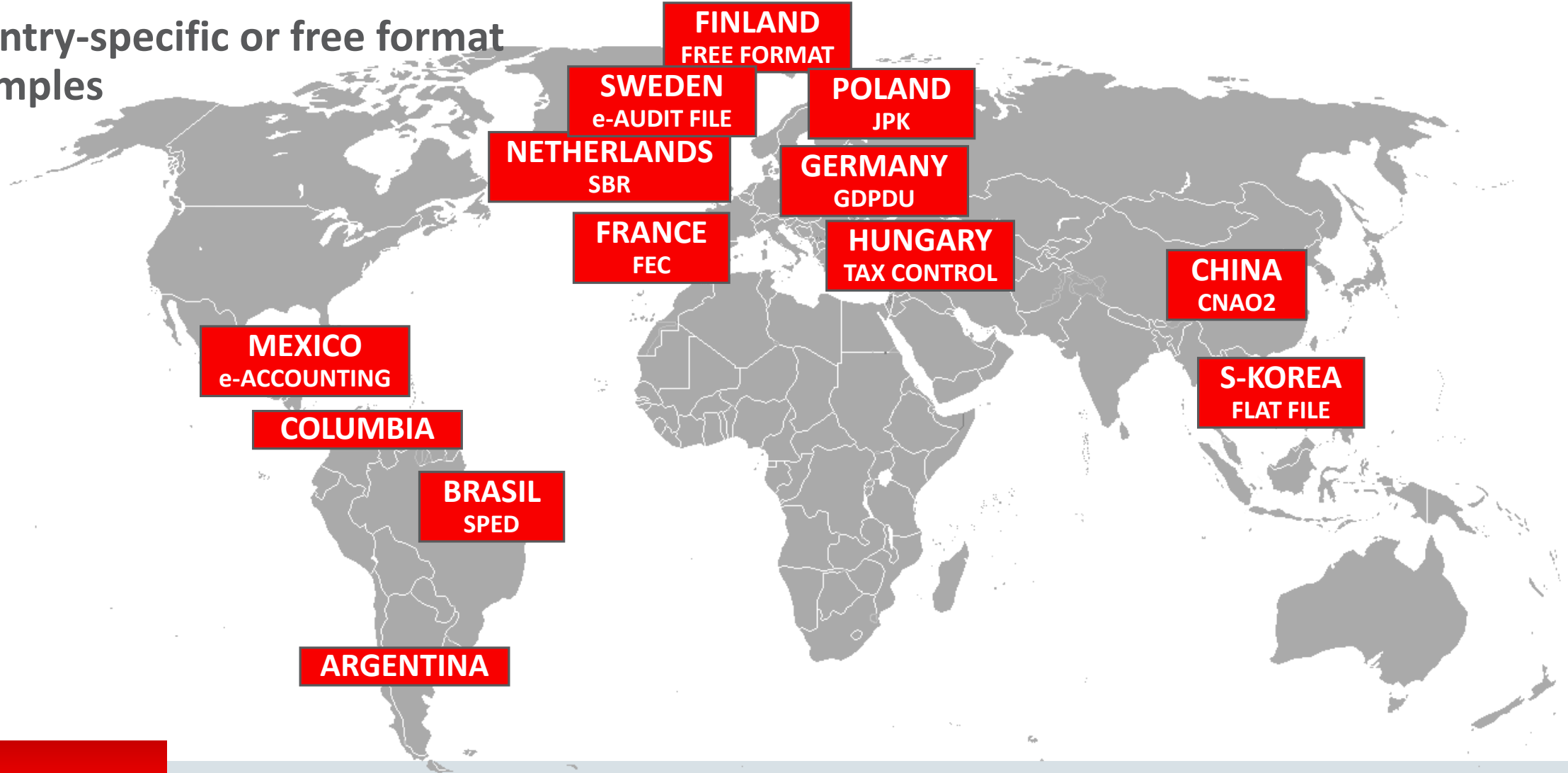
eAuditing

1 ▸ Global adoption of eAuditing

2 ▸ Oracle Coverage and Strategy

3 ▸ Summary and Recommendations

eAuditing

1 Global adoption of eAuditing

2 Oracle Coverage and Strategy
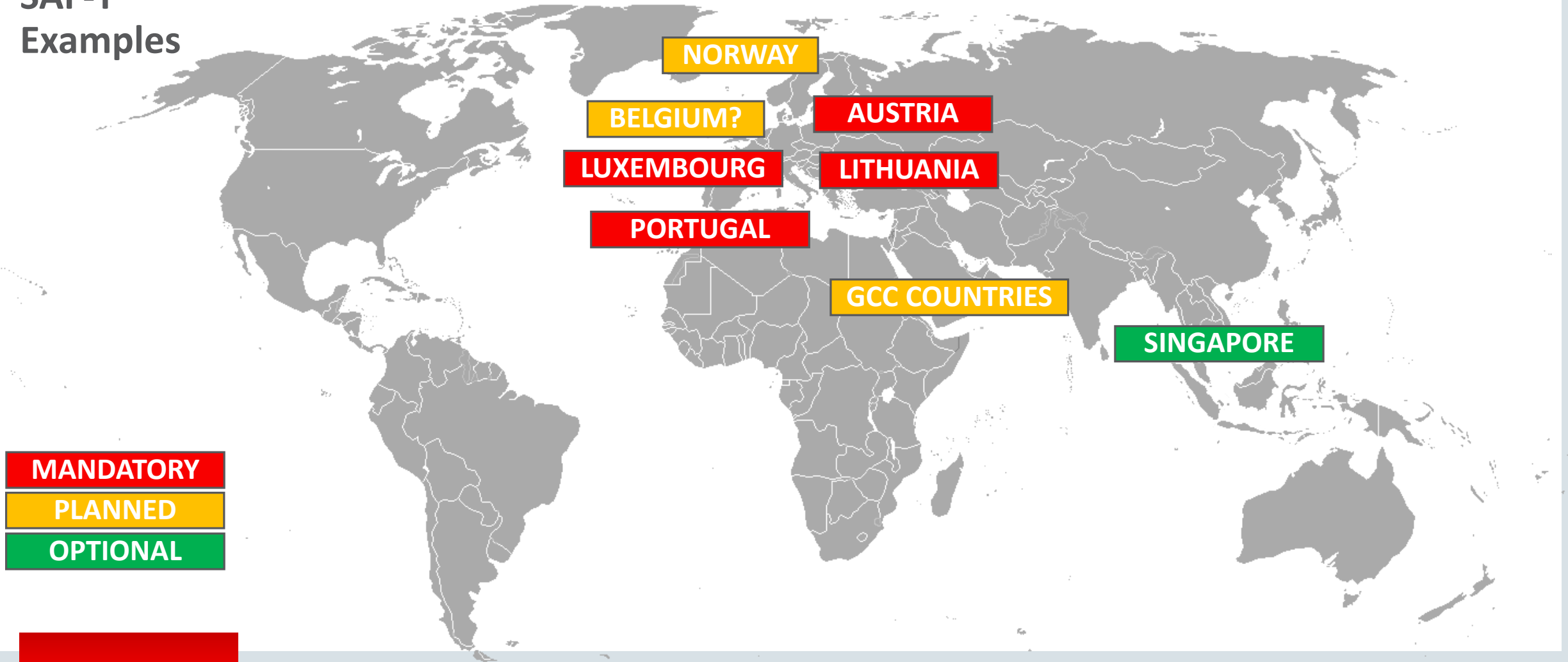
3 Summary and Recommendations

Global adoption of eAuditing

Country-specific or free format Examples

FINLAND
FREE FORMAT

SWEDEN
e-AUDIT FILE

POLAND
JPK

NETHERLANDS
SBR

GERMANY
GDPDU

FRANCE
FEC

HUNGARY
TAX CONTROL

CHINA
CNAO2

MEXICO
e-ACCOUNTING

S-KOREA
FLAT FILE

COLUMBIA

BRASIL
SPED

ARGENTINA

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Global adoption of eAuditing

SAF-T
Examples

NORWAY

BELGIUM?

AUSTRIA

LUXEMBOURG

LITHUANIA

PORTUGAL

GCC COUNTRIES

SINGAPORE

MANDATORY

PLANNED

OPTIONAL

Global adoption of eAuditing

SAF-T | Standard vs. country-specific deviations
Examples

NORWAY

AUSTRIA

LUXEMBOURG   LITHUANIA

PORTUGAL

SINGAPORE

STANDARD

LITTLE DEVIATIONS

MED. DEVIATIONS

MANY DEVIATIONS

Global adoption of eAuditing

Use Case based on country-specific reports

- **Multi National Corporation (MNC):**
  - Having operations in 5 EMEA countries, Mexico and China
  - Implement 7 different audit reports
    - Different extracts and layouts
    - Different reporting formats (XML / flatfile)
    - Different level of data detail
  - Data mapping
  - Maintain 7 different audit reports
    - Different report release policies

Global adoption of eAuditing

Use Case based on SAF-T

- **Multi National Corporation (MNC):**

  - Having operations in 5 EMEA (SAF-T) countries, Dubai and Singapore

  - Implement 1 audit reports, with 7 (minor) deviations

    - Limited difference in layouts
    - Limited difference in level of data detail

  - Data mapping

    - One time exercise, with minor adjustments

  - Maintain 7 different audit reports

    - Different report release policies, minor impact

eAuditing

Oracle Coverage and Strategy per product line

ORACLE® E-BUSINESS SUITE

- EMEA (ex's):
  - Germany: GDPdU (Partner Solution)
  - France: FEC
  - Poland : JPK
  - Portugal : SAF-T (PT)
- LAD (ex's):
  - Brazil: SPED Fiscal & contabil
  - Mexico: Electronic Accounting, Contabilidad en Medios electronicos
- JAPAC (ex's):
  - China: CNAO2

ORACLE® JD EDWARDS

- EMEA (ex's):
  - Germany: GDPdU
  - France: FEC
  - Poland : JPK
  - Portugal : SAF-T (PT)
- LAD (ex's):
  - Brazil: SPED Fiscal & contabil
  - Mexico: Electronic Accounting, Contabilidad en Medios electronicos
- JAPAC (ex's):
  - China: CNAO2

ORACLE® PEOPLESOFT

- EMEA (ex's):
  - France: FEC
  - Portugal : SAF-T (PT) (Customer Solution)
- LAD (ex's):
  - Brazil: SPED Fiscal & contabil
  - Mexico: Electronic Accounting, Contabilidad en Medios electronicos (Partner Ataway)
- JAPAC (ex's):
  - China: CNAO2

Oracle Coverage and Strategy

Strategy

- **Strategy:**   Provide country specific audit files for localized countries

- **Future Strategy:** Rationalize, standardize on SAF-T v2 and provide adaptable templates

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eAuditing

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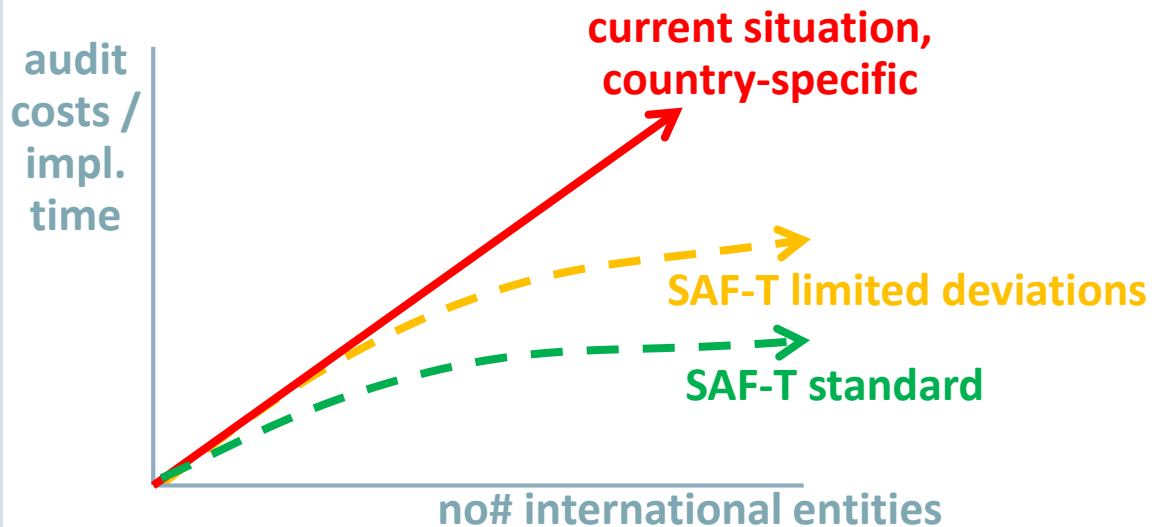3 Summary and Recommendations

Summary and Recommendations

Summary (1/2)

- Multiple, heterogeneous formats and processes
  - Files (xml, flat, csv,…), reports, on-demand, periodic, optional / mandatory / combination, …

- Information silos
  - Unable to integrate

- Global audits are very difficult, ineffective and inefficient
  - "Language" barriers

Summary and Recommendations
Summary (2/2)

- No global best practices
  - Continuously re-inventing the wheel
- **Auditing is expensive for Tax Payers, Tax Authorities and software vendors**

audit costs / impl. time

current situation, country-specific

SAF-T limited deviations

SAF-T standard

no# international entities

Summary and Recommendations

Recommend approach

- EU-wide Tax Authority
  - Cover the complete tax cycle, minimal deviations, from tax rules, tax determination and collections, to settlement

- Standardized electronic auditing
  - Best practices

- Global approach
  - BEPS, Transfer Pricing, Profit Sharing

Summary and Recommendations

Recommend approach | The ideal

- Adopt a single e-Audit format: OECD SAF-T
  - « Pure » OECD SAF-T
  - No deviations
  - Simplification

Summary and Recommendations

Recommend approach

- A «generic» SAF-T extract, including OECD SAF-T v2 data and country-specific «light» deviations

- An OECD SAF-T v2 out-of-the-box template

- A user tool to address potential country-specific deviations
  - Add / change / delete fields, lists of values, traits, etc.

- **Think big, start small**
  - Define a clear scope and prioritized list of e-Audit files
  - Premise: An e-Audit file is not intended to cover 100% of audit information requirements

Integrated Cloud

Applications & Platform Services

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