

ORACLE®

eAuditing – Strategic Vision

Approach to eAuditing and Recommendations

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Safe Harbor Statement

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eAuditing

- 1 Global adoption of eAuditing
- 2 Summary and Recommendations
- 3 ISO/PC295 – Oracle Format Analysis

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Global adoption of eAuditing

Country-specific or free format



Global adoption of eAuditing

SAF-T



MANDATORY

PLANNED

OPTIONAL

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Global adoption of eAuditing

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



- STANDARD
- LITTLE DEVIATIONS
- MED. DEVIATIONS
- MANY DEVIATIONS

Oracle's Approach Strategy

- **Present Strategy:** Provide country specific audit files for localized countries as they pop up
- **Future Strategy:** Rationalize, standardize on SAF-T and provide adaptable templates

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Summary and Recommendations

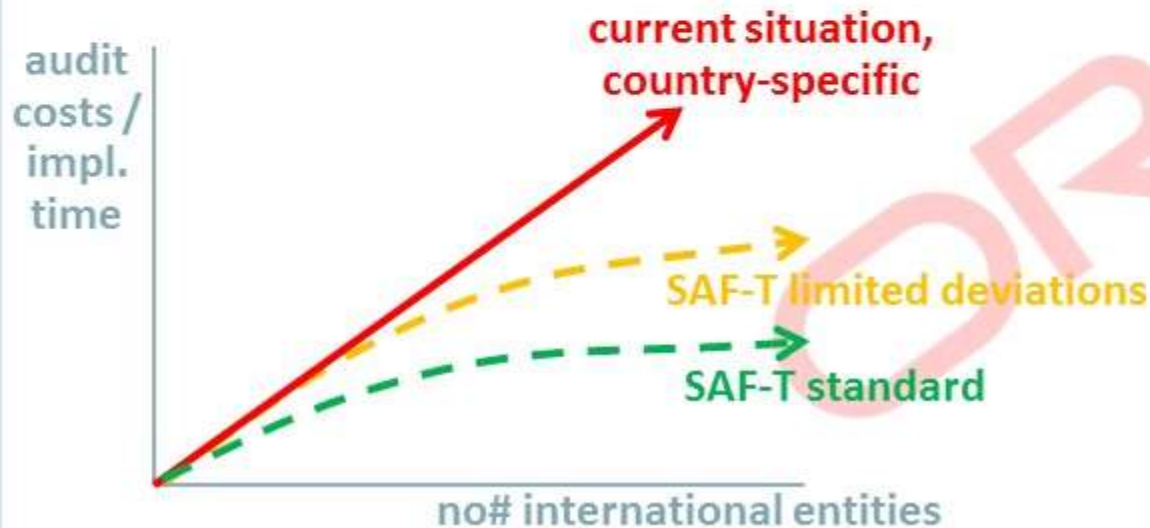
Present Situation

- 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

Present Situation

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



Summary and Recommendations

Recommend approach

- An EU-wide Tax Authority
 - Cover the complete tax cycle, minimal deviations, from tax rules, tax determination and collections, to settlement
- A Standardized electronic auditing specification
 - Best practices
 - No deviations and simple
- A Global approach
 - BEPS, Transfer Pricing, Profit Sharing

Summary and Recommendations

And finally

- **“Think big, start small”**
- *“It’s best to have 50% of something than 90% of nothing”*
- *“An audit file is NOT a database replica”*
- *“An audit file is NOT the single auditing solution”*
- *“We’d rather no progress, than suddenly having 28 new audit files to produce”*
- *“Can the audit file file replace anything we’re delivering right now?”*

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ISO/PC295 – Oracle Format Analysis

Highlights

- Complex set of tables
 - Structure is complex. Huge amount of data is challenging for ERP software to handle
- Missing fields:
 - Transaction currency field is missing.
 - Might be replaced by functional currency
 - VAT registration field for supplier and customer are missing
 - Supplier TIN field is included in data set. Different type of registration numbers might be required

ISO/PC295 – Oracle Format Analysis

Highlights - continued

- Missing fields:
 - Only 3 tax codes are supported per transaction
 - Several tax codes (goods, services, standard rate, reduced rate, etc) and exercise taxes might apply
 - Tax rounding is not supported
 - Tax point date is not supported
 - Tax currency is not supported
 - Invoice UUID is missing (unique universal invoice ID)

ISO/PC295 – Oracle Format Analysis

Impressions

- ISO/PC295
 - Structure is complex and certain fields are missing
 - An issue for countries already on the SAF-T track
 - It is yet another standard to be added to reporting obligations by all
- SAF-T
 - Format is well thought over and could evolve to “V3”
 - Still being adopted by a growing number of countries such as Norway and UAE
 - Is an open approach, allowing to include additional tables (not recommended)

Integrated Cloud

Applications & Platform Services

Integrated Cloud

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