# Digitalisation of tax administration Real time economy project

# BusinessEurope perspective



### **Business focus**

- Early involvement and dialogue with business
- Use the existing data without the need for adjustment by the businesses
- Reasonable timetable so business can incorporate required changes to systems through regular updates
- Businesses should have **flexibility to make** corrections of data as part of the ordinary business processes
- Trust-building design including integrated security with transparency about who accesses data

#### Real-Time Economy

The Real-Time Economy project is set up by the Ministry of Economic Affairs and Employment of Finland. The goal of the project is to create the conditions for a digital economy.

The project will run from 2021 to 2024. The work done in the project will build a foundation for

The Finnish Patent and Registration Office (PRH) is implementing the project in collaboration with the Finnish Tax Administration and the State Treasury. The other authorities participating in the project are the Digital and Population Data Services Agency and Statistics Finland. In addition, a large number of

The Real-Time Economy project is a part of Finland's Sustainable Growth Programme. The budget of the project is covered from the EU Recovery and Resilience Facility from the beginning of 2021.

#### What is digital economy?

The digital economy is a system where all business transactions are based on digital, structured

In a digital economy, all services are online and able to talk to each other. Key business data moves entirely electronically and in real time – even to the authorities. When companies' business data is processed automatically, they save time and money. Companies can also control their own data and

The vision of the project is to create a national digital ecosystem for businesses that is compatible with the other Nordic countries. The system will enable online invoices, e-receipts and business data to

## The project coordinates the Nordic Smart Government and Business work

The RTE project is also coordinating the implementation of the Nordic Smart Government and Business (NSG&B) project in Finland and representing Finland in the NSG&B collaboration.

NSG&B is a project run by the Nordic trade registers to enhance the automation and use of financial data between businesses and from businesses to the authorities. Read more about the NSG&B



## **Business focus**

- Simplifying administration should be primary purpose - control focus risks undermining this
- Should support standardisation
- Important to reflect different processes in small and large companies
- Once-only principle and reuse of data
- Authorities should use access to data to create **value** for the businesses

## Nordic Smart Government and Business

Nordic Smart Government and Business (NSG&B) is a project run by the Nordic trade registers to enhance the automation and use of financial data between businesses and from businesses to the

In addition to the trade register offices, several other authorities, businesses and organisations are taking part in the project. The participants from Finland include the Finnish Patent and Registration Office (PRH), the Finnish Tax Administration, the State Treasury, and Statistics Finland.

Phase 4.0 of the project will run from 2021 to 2024.

The project is financed by Nordic Innovation, a company operating in close cooperation with the

#### Objectives of the project

The vision is to create a shared real-time economy in the Nordic countries. A digital economy, digitalising financial administration, could lighten the administrative burden of small and medium-si enterprises (SMEs). On 1 September 2020, the Nordic Ministers of Economic Affairs approved a roadmap for the NSG project to implement a real-time economy in the Nordic countries.

The digital economy will make life simpler for SMEs and save money. Based on an estimate of the project, two million SMEs in the Nordic countries will save 500 million euros by 2025, if they use electronic business data and financial administration services.

In order to implement the digital economy, financial data, receipts, invoices and financial statements must be in electronic format. This will allow data to be transmitted automatically.

<sup>2</sup>hase 3.0 of the project examined how financial data could flow from one system to another in identical and machine-readable form and in real time

#### More information about the project

A video of the NSG&B project describes the digital economy from the SMEs perspective.

- Watch the video on the PRH's YouTube channel (in Finnish).
- Watch the video on the NordicSmartGovernment website (in English).



#### **Business focus**

- Use RTE project to support the countries' coordinated implementation of rules
- Should be designed for EU efficient single market and for competitiveness in a global perspective
- Good starting point in EU's existing principles for Digital-ready policies (and legislative acts)
- Strengthened preparatory processes for the development of future digital tax regulation and with increased collaboration across policy areas





https://joinup.ec.europa.eu/collection/better-legislation-smoother-implementation/digital-ready-policies

## Thank you

Questions or comments?

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European Commission Platform for Tax Good Governance Meeting 7 March 2023: Agenda item 1: Real Time Economy project

