



The Finnish Real Time Economy -project: An Overview

Platform for Tax Good Governance

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Re-organising public and private services - ecosystems

The data required by the services is created in the course of daily routines - sharing of the data in the ecosystems allows for limiting or even abolishing the need for separate tax reporting

The parties to the ecosystem utilise the standardised data - processes in different instances support one another



Touchpoints for customers

Daily events providing a natural interface towards service providers

For an individual, the touchpoint can be e.g. sale of real-estate/apartment

For companies, the touch point is first and foremost the financial system/software

Natural ecosystems

Public and private services connected with the same event or phenomenon form a natural whole

Required components

Digitalisation and automation

Digital capabilities

Standardisation and interoperability

Vision: Finland is the most competitive operating environment in 2030



- Services will have moved to the web and are able to communicate with one another
- Companies will be able to move data efficiently and automation
- The economy will operate in real time
- Key business information, including orders, delivery information and invoices, will be transmitted automatically between companies
- The time required for fulfilling reporting obligations towards authorities will be significantly reduced: business data will also be transmitted to official instances such as Tax Authority and Statistics bureau



RTE as part of the Government Programme and the Finnish Sustainable Growth Programme

- The project implements the objectives of Prime Minister Marin's **Government Programme**, including
 - promoting the digitalisation of public administration and society as a whole
 - developing the operating environment of companies
 - having the world's best public administration
 - measures against grey economy
 - reducing unnecessary administrative obligations of companies and streamlining regulation
- Real-Time Economy is responsible for promoting the goals of the **Nordic Smart Government and Business** programme in Finland
- The project is a part of the **Finnish Sustainable Growth Programme**, and it is funded by the EU Recovery and Resilience Facility (RRF)
- The Ministry of Economic Affairs and Employment has set the project for **15 June 2021 – 31 December 2024**



Euroopan unionin rahoittama –
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Real-time economy is built together



- **The authorities responsible** for the Real-Time Economy project are
 - Finnish Patent and Registration Office (project management)
 - State Treasury
 - Finnish Tax Administration
 - Digital and Population Data Services Agency
 - Statistics Finland
- In the project **steering group**
 - Ministry of Economic Affairs and Employment (chair), Ministry of Transport and Communications, and the Ministry of Finance
 - Government agencies responsible for the sectors in question
 - Confederation of Finnish Industries, Finance Finland, Finnish Commerce Federation, Association of Finnish Municipalities, Federation of Finnish Enterprises, Association of Finnish Accounting Firms, and Technology Industries of Finland
- The project will succeed in its objectives when companies, service providers, software houses and the public sector take part in **joint development** and are committed to the change
- Joint development makes it possible to take account of the needs of companies and entrepreneurs and their different capabilities
- The objective is to ensure that those involved in the ecosystem will also participate in the planning of change and implement the specifications, rules and interfaces agreed upon in the project in a uniform manner



Key components of RTE-ecosystem



Digital identity

Goal state: the entire life cycle of companies is digitalised

Digital identity makes it possible for contracting partners or, for example, authorities to reliably identify a company and utilising business wallet, enables verifying the documents shared within the ecosystem

RTE key deliverables

- Digital establishment of a company
- eIDAS2 compatible digital identity and business wallet: a draft for functional specification and rulebook
- Model for sharing information based on consent



Digital business documents

Goal state: structured procurement messages, e-invoices and digital receipts as a standard practice

Machine readable business documents are automatically transferred within the ecosystem and linked to ERP / accounting systems

RTE key deliverables

- eReceipt rulebook
- Establishment of PEPPOL authority
- Enhancing the user volumes in each document type



Transfer of digital financial data

Goal state: seamless movement of data between the ecosystem partners

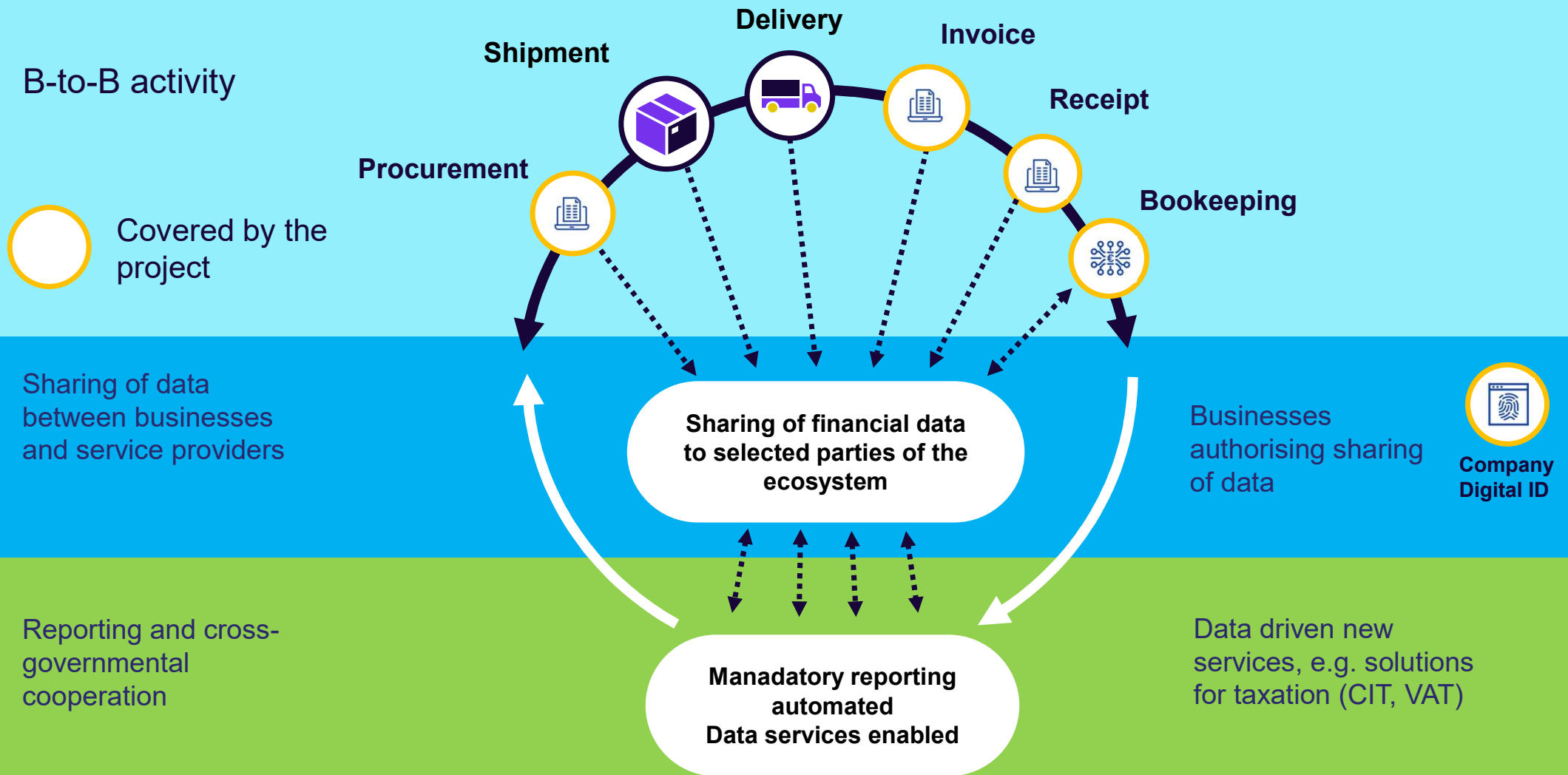
Standardisation of the data (content and format) enables applying once only - principle within the ecosystem; standardisation of the APIs will allow for seamless flow of real-time high-quality data

RTE key deliverables

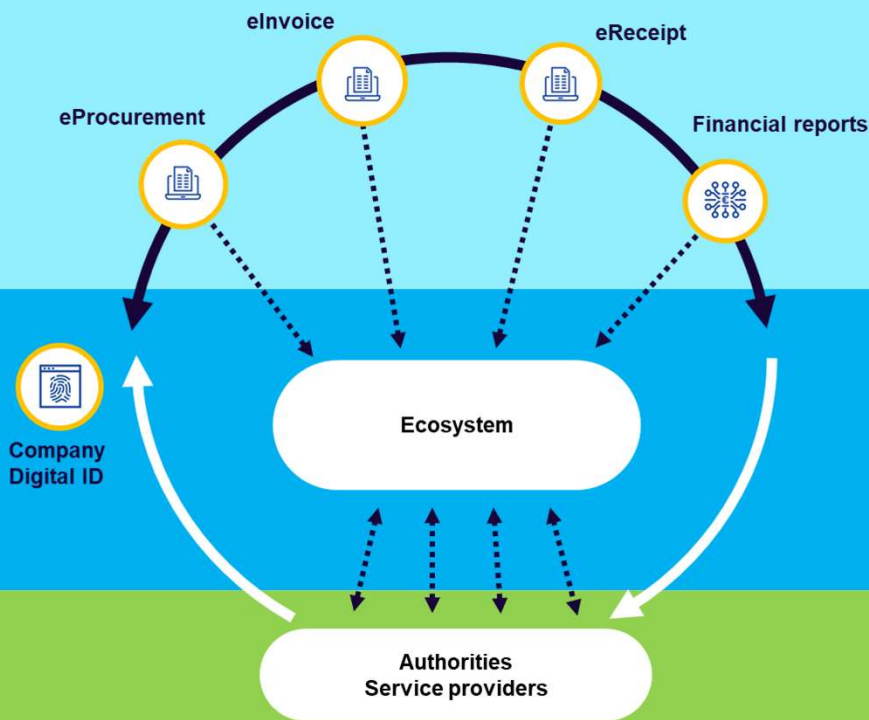
- Standardisation of data to enable once only -principle
- Implementation of digital, structured financial statements
- Minimum viable ecosystem for movement of financial data



2030 goal: real-time economy ecosystem



Potential implications for tax and compliance



Better data

- Structured data results in better data quality - less need for corrections and controls
- Enhanced analytics and risk forecasting, targeted support and controls

Real-time VAT

- eInvoices and eReceipts containing data points forming the basis for **transactional VAT-reporting**
- SME VAT-proposal/position?
- Real-time (split) payment?

Real-time CIT

- eInvoices and eReceipts forming the basis of **financial reporting**
- **Standardised and structured financial reporting** for all ecosystem participants
- Allows development of relaxed CIT reporting requirements
- Under construction: compliance by design
- Certified financial systems?
- CIT-proposal/position for SMEs?
- Real-time settlement?

Possible additional services

- Tax footprint / tax behaviour report
- Know your customer services
- Supporting sustainability reporting



Real Time Economy

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#DigitalEconomy #RealTimeEconomy

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