

Robot Accountant

Problems:

Income: *Revenue is recognized when the company fulfills its obligations under the contract with the buyer, that is, when control over the goods is transferred to the buyer. This principle is called revenue recognition - this is from the wording of the law.*

In other words, businesses are literally forced to recognize as income something that, in essence, is not income. As a result, the act of GIVING away an asset from one economic entity to another, regardless of whether monetary compensation is received, is considered RECEIVING an asset.

Expenses: *Acquiring assets (such as goods or materials) from suppliers is recognized as an expense at the moment of receipt if it concerns inventory that will be used or sold in the company's ordinary activities - this is also from the wording of the law.*

In other words, economic entities are allowed to recognize as expenses something that, in essence, is not an expense. As a result, RECEIVING an asset from other economic entities, regardless of whether it has been paid for or not, is considered a loss of an asset. Use of an asset. COSTS.

Role of Invoice and Delivery Note: In accounting, an invoice is considered an accounting document, while a Delivery Note, which records the fact of the transfer of products from the seller to the buyer, is not an accounting document.

The INVOICE is an informative document that shows what, where, when, and for what needs to be paid. It does not record any facts.

The DELIVERY NOTE, on the other hand, is a document that records the fact of the transfer of an asset from one person to another.

Depreciation: Depreciation is usually (in most cases) calculated based on instructions prepared by tax authorities. There are other methods, but they are rarely used, especially when it comes to SMEs, where over 80% of the population in developed economies works. Tax instructions reflect average parameters. In reality, however, assets may last much longer or significantly less than the periods specified in tax instructions. But companies are forced to use tax instructions as a basis rather than real-life data.

As a result, current accounting very distortedly, and essentially completely incorrectly, reflects the current economic situation of the sought economic entity. All

these extremely distorted balances and reports go "upward". Based on them, the general statistics of the economic state of the whole country are calculated. Which, of course, is extremely distorted. And all this still happens in the computer age when we already have the ability to very accurately and in great detail record and display literally all processes. The task of accounting is to show the real picture of the state of all assets of the economic entity at any point in time.

Cause of the Problems:

All these problems are derivatives of "old" accounting, which was conducted manually for centuries. "Shortened" entries were allowed. That is, instead of several detailed double entries, one or two simplified entries were allowed. This is again explained by the costly manual labor. This can be compared to a game of checkers, where I take several opponent's checkers with one move. Either I do it in one macro step, or I step-by-step show why I take each checker. If we imagine that a checker weighs several tons, I will do everything in one move. If it is light and I have time, I can show all the moves.

And it's no wonder. This year marks 330 years since the Italian mathematician Luca Pacioli published his work describing the principle of double-entry bookkeeping. Since then, little has changed.

Computerization and AI Implementation

Modern methods of automation of control and accounting allow for very precise and highly detailed tracking of every step, every action.

Our Company's Development

For this purpose, our company has developed a special **Digital Accounting Protocol (DAP)**, the principle of which is very similar to the TCP/IP protocol and which with the highest accuracy displays the state of the economic entity's assets at any point in time. It is also light, transparent, and clear, and based on it, algorithms and programs for automating various types of accounting entries have been created. New types of entries and new rules have also been introduced. But all this simply, transparently, and clearly allows displaying the movement and state of all enterprise assets in real-time. Accordingly, we have also developed new formulas and algorithms for calculating the enterprise's balance sheet, income and loss statement, VAT calculation, and report generation.

We call this **Real Biz Accounting**.

We have developed our unique proprietary SaaS accounting system, within which all the above developments are implemented.

How do we propose to implement all this in practice?

Switzerland is a unique country. Besides the fact that there are essentially 5 official languages here, that accounting can be conducted in any currency, that there is no strict standard for the chart of accounts, that there are VAT payment modes based on the actual payment, not just on shipment as in other countries, in addition to all this, Switzerland also has very flexible and effective mechanisms for adopting new laws and the best judicial system.

We plan to create two accounting systems for a certain group of enterprises:

- A. The old, i.e., the current system.
- B. Real Biz Accounting.

Based on the prepared accounts, conduct a comparative analysis and show economic efficiency both for economic entities and for the country's economy as a whole.

After that, come up with a legislative initiative to allow accounting based on **DAP**. Namely, to conduct **Real Biz Accounting**.

For anyone familiar with our developments, it is absolutely clear that this law will be adopted. It is impossible to continue forcing people to walk on crutches, as they did before and still do, when there is already an opportunity to walk on legs. Modern accounting is so hopelessly outdated that trying to use AI for it now is like trying to attach a modern car engine to a horse-drawn carriage.

I think it makes sense to repeat once again. Currently, the TRANSFER of an asset is recorded as RECEIVING it and vice versa, RECEIVING an asset is recorded as TRANSFER only because it was previously very laborious and expensive to record correctly manually. For example, today the average cost of one double entry in Switzerland is CHF 3 (three Swiss francs). Correct registration increases the number of accounting entries several times over. Accounting service today is already considered extremely expensive. Proper accounting service done manually would be extremely and unacceptably expensive.

However, the implementation of computers, AI, DAP, and based on them the automation of accounting entries makes this more than real.

Robot Accountant

Moreover, the implementation of DAP and the use of AI allows for 100% automation of accounting. That is, to create a full-fledged Robot Accountant who will manage accounting completely without human involvement.

The next step will be to obtain certification for this Robot Accountant.

The following steps will be to roll out this solution in all other countries.

One promising direction is also the integration of our Real Biz Accounting with PODs (Personal Online Datastores) technology from the [Post-Platforms Foundation](#).

The implementation and development of the Robot Accountant will reduce the cost of one accounting entry to 1 cent. Whereas, again, for example, in Switzerland this figure is currently CHF 3 (three Swiss francs).

The transition to Sensible Accounting is inevitable. And this will have many derivatives. Which, ultimately, will bring colossal economic benefits.