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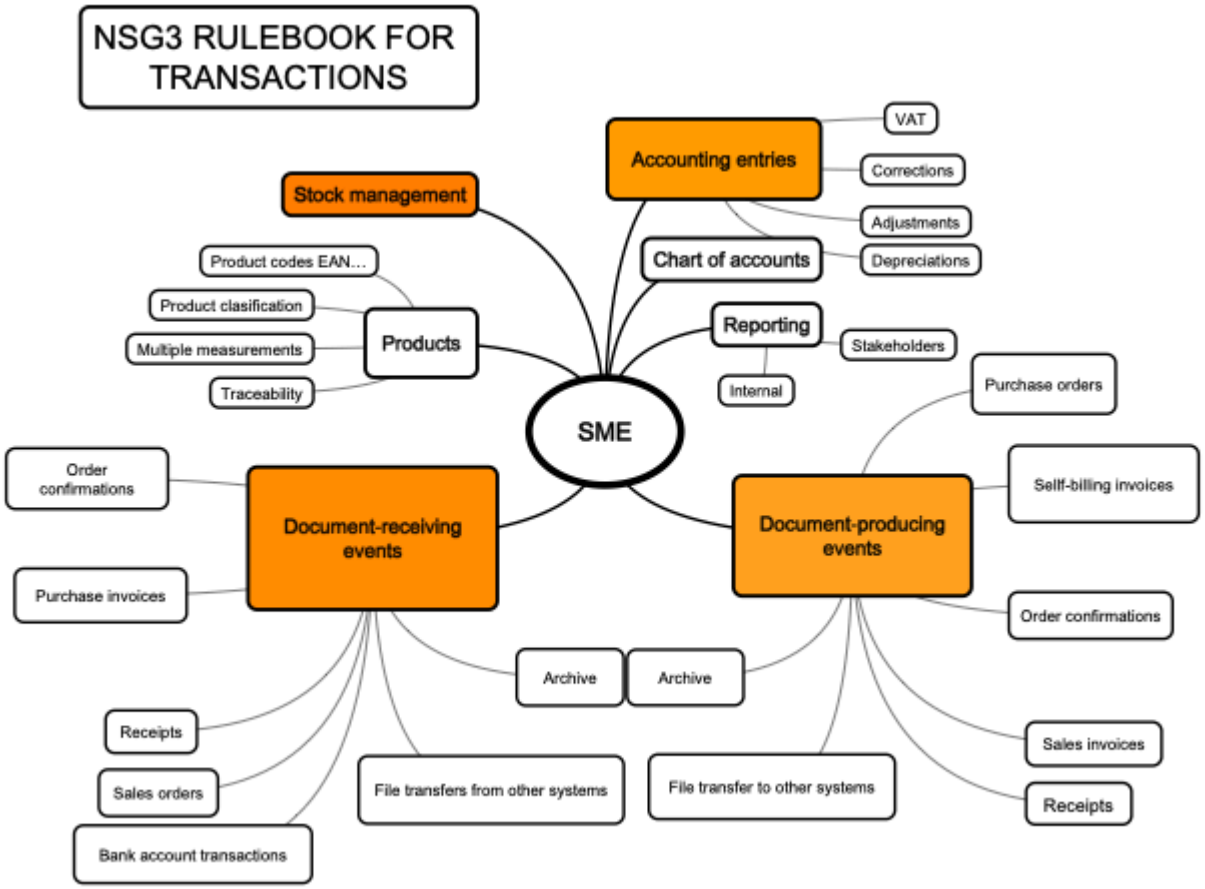
Content


NSG3 RULEBOOK FOR TRANSACTIONS
SME
Accounting entries
VAT
Corrections
Adjustments
Depreciations
Chart of accounts
Reporting
Stakeholders
Internal
Stock management
Products
Product codes EAN...
Product clasification
Multiple measurements
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Document-producing events
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Archive
File transfer to other systems
Sales invoices
Receipts

Introduction

The Rulebook describes the core business processes in which financial data and product information is transmitted, managed, stored and used, and suggests “rules” that these processes should follow in the future, in order to help SMEs benefit from the data to a higher degree than today. Thus, the focus of the descriptions in the Rulebook is the “to be” situation, and the elements described in the Rulebook does therefore not necessarily reflect the “as is” situation in the SMEs.

Based on the descriptions and suggested rules a number of action points have been formulated. The action points can be activities the SMEs, business system vendors or authorities need to do to help create more value from the data. As well as action points, the Rulebook suggests a number of use cases, showing the benefits of the data to the SMEs if they follow the “rules”.

The Rulebook is concerned with the behavior of SMEs and therefore the SMEs are a natural part of the target group. However, the processes and details described in the document are not necessarily something that SMEs are aware of in their everyday doings. The content of the Rulebook is therefore foremost meant to form the basis for a constructive dialogue with the advisors of SMEs, such as bookkeepers and accountants, business system vendors and application providers, who play a crucial role in delivering the benefits to the SMEs.

The Rulebook is separated into three main parts that go into detail with different business processes. The main parts are:

1. Document-producing events
2. Document-receiving events
3. Bookkeeping and accounting

1 Document-producing events

The first part of the Rulebook considers the processes of selling goods and services and the documents that are generated. We take the creation and sending of a sales invoice as our starting point. This process is important because the format and content of the invoice determines how the buying business can handle the invoice and the data that will be available to the buyer. The processes of sales receipts and purchase orders are also considered. We seek to establish a set of ground rules that suppliers should follow in order to support the customer in the NSG ecosystem. This will benefit the supplier as well since suppliers are also buyers.

1.1 Sales invoicing

A sales invoice is a voucher that is prepared whenever a company requests payment from a customer for goods or services delivered. The invoice contains important information about the

delivered good/service, such as a description and seller's product code and/or EAN code, quantity, price and terms of payment etc.

Standard eInvoices have certain qualities, requirements, and embedded functions important to the NSG ecosystem, i.e. it enables automatic handling of the invoice for the receiving business. Therefore, as a rule, whenever it is possible, the supplier should send eInvoices. This is treated in depth below:

1.1.1 Application producing the eInvoice file

The eInvoice application produces the eInvoice file and transmits it to the customer, while the data of the invoice must simultaneously be transferred to the seller's own accounting system. It might also be that the invoice is being created in the same system in which case the transmission to the business' own accounting system is invisible.

The produced eInvoice must comply with domestic VAT laws when specifying VAT, and on the content side should meet the demands of European Norm and thereby also the EU eInvoice directive 2014/55 although this norm is mandatory only in B2G invoicing. This is suggested because European Norm ensures that the content of the invoice meets the reporting needs of the business.

1.1.2 Sellers eCommerce system

If the seller uses an eCommerce system, where the buyer can make an order of selected goods, the seller should be able to produce an eOrder confirmation. This eOrder confirmation should contain all necessary information to be accepted as a voucher instead of invoice. In this case, an invoice is not needed for payment and bookkeeping.

The applications providing the eOrder or eOrder confirmation should use a similar standard structure related to either eInvoice or eReceipt.

Suggested rules:

Each invoice should be validated during the first step into the transmitting network to produce qualified eInvoices.

Use the same content and standard in eOrder, eOrder confirmation and eInvoice

Used taxonomy should be in compliance with PEPPOL

If the ordered purchase is paid in eCommerce, you should receive a receipt. With order confirmation, there are payment terms and an open order confirmation acts like an open invoice.

Use case:

Using eOrder confirmation instead of an eInvoice in ordering event, the buyer receives information as he orders and is thus able to upload information into his system much faster than with eInvoices, which are normally made and sent after delivery.

Accepting order and order confirmation as vouchers in bookkeeping has several advantages:

- buyer can ensure correct product information and references to products in catalogs,
- buyer can use product information in production and reporting even before the actual products have arrived
- buyer is able to use information in cash flow estimates earlier
- buyer has more benefit of a detailed document for the further processing than the seller and therefore has more incentives to adopt and demand structured data formats that can be read by the systems
- the buyer can add reference-information in the order to be used in the further processing, like for instance mapping to detailed accounts, automatic acceptance to pay etc.

1.1.3 eInvoice transmission

There are different infrastructures available for transmitting eInvoices, depending on the originating country. To ensure interoperability between the countries, The EU (joined by Singapore, Australia and New Zealand) has developed a common European transport infrastructure, called eDelivery, for transmitting eInvoices as well as a number of other electronic business documents. eDelivery is maintained and developed by the public-private European organisation Peppol (formerly OpenPEPPOL), and the business documents that can be transmitted through eDelivery are PEPPOL business documents. eDelivery was originally built for B2G trading but it also supports the needs of businesses that trade B2B. Therefore, as a rule, whenever it is possible, the supplier should use services compliant with the PEPPOL infrastructure.

The company creating eInvoices has to make an agreement with a service provider for transmitting the sales eInvoices to the customers. In eDelivery, service providers form a network where seller and buyer each can use their preferred service providers who then handle the transmission (in a so-called four-corner model). Service providers are required to validate and enable transmissions to other service providers, maintaining integrity and the standards of the transmitted documents.

If the company uses a business system vendor, who offers eInvoice transmission service or who has an agreement with another service provider, the company does not have to make their own agreement with a service provider.

1.1.4 Invoice content

1.1.4.1 Customer information

Customer information is needed to transmit the invoice to the right receiver and address it to the responsible person or relevant order so the invoice can be handled further. Customer information also contains information about delivery address and agreed payment and other terms.

Each seller should know and add information concerning VAT handling in cases where the customer is not domestic and in cases where the customer does not operate under the standard local VAT laws. VAT category codes are tools to indicate these specific cases. These codes are also used in the domestic market to separate certain special handlings of VAT (e.g. used goods, exempt goods, or exempt sectors). Using VAT category codes and VAT rates in the invoice, sellers and buyers can collect the data for VAT reporting automatically from invoices. The categories within the EU VAT union are defined here.

Suggested rule:

Customer information of companies should be available from public registers in structured form.

Use case:

Entering a new customer's information into a sales system could be automated and avoid possible misspellings or lacking information.

1.1.4.2 Invoice line information

There are various things that can be specified about products in an invoice row, depending on the buyer's needs. In general, SMEs needs for product details are quite limited, although essential for determining product profitability or to fulfill reporting demands of used products in production processes. In addition various taxes (excise tax) besides VAT are collected based on sold or used goods, so data describing the products/services are necessary to enable correctly automated tax reporting.

Mandatory contents for invoice lines from the **Semantic data model of the core elements of an electronic invoice:**

- **Invoice line ID**

- **Item name**
- **Invoiced quantity**
- **Invoiced quantity unit of measure code**
- **VAT rate** (mandatory in domestic trade)
- **VAT category code**
- **Invoice line net price without VAT**

- **Total price without VAT**

see also https://docs.peppol.eu/poacc/billing/3.0/bis/#_item_information

1.1.4.3 VAT information at row level

Mandatory requirements for product information are set in VAT laws. In an invoice there must be a description (at least a name) of the bought goods or/and services, the amount of goods/service, their VAT rate, VAT category code, delivery date (various delivery dates by product lines) and price without/with VAT. The same rules concern invoice and receipt (except delivery date) and order/order confirmation, if the order confirmation is also due to payment and covering the actual invoice. EU regulation enables member states to allow companies (SMEs) to choose from two main rules to pay VAT; delivery based or payment (cash based VAT)

1.1.4.4 Multiple measurements

There are no strict rules, how to describe the measurement of goods. Often the only measurement field is the amount of invoiced items, which is mandatory and the measurement for the individual product package is mentioned only e.g. in the description of the product. It is impossible to use this kind of measurements in product calculations. In the invoice line it is possible to give several different measurements; one package measure, transportation measure and warehouse measure

1.1.4.5 One package measure

Net Content (the quantity of the product in the package along with the unit measure typically printed on the label for the selling market). This measure is needed for different product calculations e.g. usage of material.

Suggested rules:

- Item identifier (seller's/buyer's/standard product code or ID) should be used always to identify the product to be used in reports and calculations.
- Product classification code (optional), should be used according to selected standard
  - Product classification code could define VAT rate in buyers country
  - Product classification codes could be used to separate other taxes collected based on sold goods (seller) or refunded according purchased goods or services e.g. energy tax or excise taxes (buyer)
- One package measure
  - Net Content (the quantity of the product in the package along with the unit measure typically printed on the label for the selling market). This measure is needed for different product calculations e.g. usage of material.
- Net content (the quantity of the product inside the package) is a very valuable measurement for calculations, and should be mandatory. Measurement fields could be repetitive to enable other needed measures (packed on pallets for transportation).

Use cases:

- Sending eInvoices to your customers is a good service because the customer can automate processes of acceptance, reporting and bookkeeping. Also, if net content is available in a structured way in the eInvoice, it can form the basis of reports about stock balance and project calculations by the customer.
- As a supplier you benefit from sending eInvoices as they are normally paid faster than paper or pdf invoices and don't get lost by the customer.

1.1.5 Invoice information in user's own system

Detailed information from each sales eInvoice should be stored in the seller's business system. This information may be used to combine and relate invoice data for categorization or analysis, such as tracking different customers' history, or an analysis of the profitability of specific products or customers. Sales transactions form (or are usually named as) "sales journal" in the bookkeeping system. Payments, with their own detailed information, have been reconciled with invoices and form their own journal in bookkeeping.

1.1.6 Self-billing

Self-billing is used in some industries, where the buyer measures and qualifies products delivered and defines pricing due to results. The buyer produces invoices as self-billing and sends the documents to the seller and pays the invoice amount to sellers bank account. The seller is in the current situation dependent on the buyer's system, and receives normally paper or pdf documents from the buyer. Self-billing is typical in the food industry, e.g produced fish, meat, grain and milk are measured, qualified and priced by the seller company.

Suggested rule:

The buyer should use eInvoicing according to the European Norm also in these Self-billing cases

Use case:

A seller would be able to upload sales information into his own sales system and use detailed data about the products and customers in his own sales reporting and bookkeeping.

1.2 Sales receipts

When selling over the counter, invoices are not normally issued. Instead, the Point-of-sales (POS) system produces receipt to the customer. Like eInvoices, standard eReceipts have certain qualities, requirements, and embedded functions important to the NSG ecosystem, i.e. it enables automatic handling of the receipt in the customers business system. This is treated in depth underneath:

1.2.1 Content of receipt

Receipts are vouchers of purchased and paid goods or services. There might be country specific legislation for receipts due to prevent fraud. Regulation defines the mandatory content of receipt. The business buyer is not able to deduct paid VAT according to VAT legislation, if the receipt doesn't meet the regulation.

POS systems register all sales into the seller's business system in digital form. Derived from the registration of the sales, receipt is printed to the buyer.

The address ID is entered into the credit card information by the card issuer and with the other information added to the eReceipt. The actual credit card number is delivered hidden in the shop's system. E.g. in a paper receipt the middle digits of the card number is hidden. Only the authorised companies can deliver the payment information to the card issuer companies. Every eReceipt has its own receipt ID, which is also delivered with the payment to the card issuer. This ID is used to reconcile receipt and payment. In cash payments, there are solutions to read address ID from QR code or barcode.

Suggested rules:

Every sales system e.g. POS system or other solutions should be able to store the company customer's eReceipt's delivery ID in the eReceipt. Delivery ID guides the eReceipt to the buying company's service provider who in turn forwards it to the buying company. Delivery ID doesn't contain information about the actual buyer.

B2B eReceipts should be delivered to the customers using a similar infrastructure as in B2B eInvoice transmission

The eReceipt's content should be standardized on European level like the European Norm for eInvoices.

Both eReceipt and payment information should contain the same transaction ID for reconciliation with credit card company's invoice or bank account transaction.

(see 1 Standardized e-receipts - architecture assessment.)

Use case:

The buyer could upload eReceipt file into his business system in structured form without manual work and could also use automation in booking and reporting.

1.2.2 Payment information in receipt

Each receipt contains information about the payment, bank card, credit card, cash. In business use, all the receipts are also vouchers and in card payment cases must be reconciled with credit card company's invoice or bank account transaction.

The European Cards Stakeholders Group (ECSG), the association promoting cards harmonisation in the Single Euro Payments Area (Single Euro Payments Area) publishes the Single Euro Payments Area Cards Standardisation Volume. In the **Volume book 2- 'Functional Requirements'** has Requirement T92, which describes the minimum receipt information.

Req T92: The POS system shall provide a transaction receipt to the Cardholder after a successful authorisation process. The transaction receipt may be combined with the sales receipt.

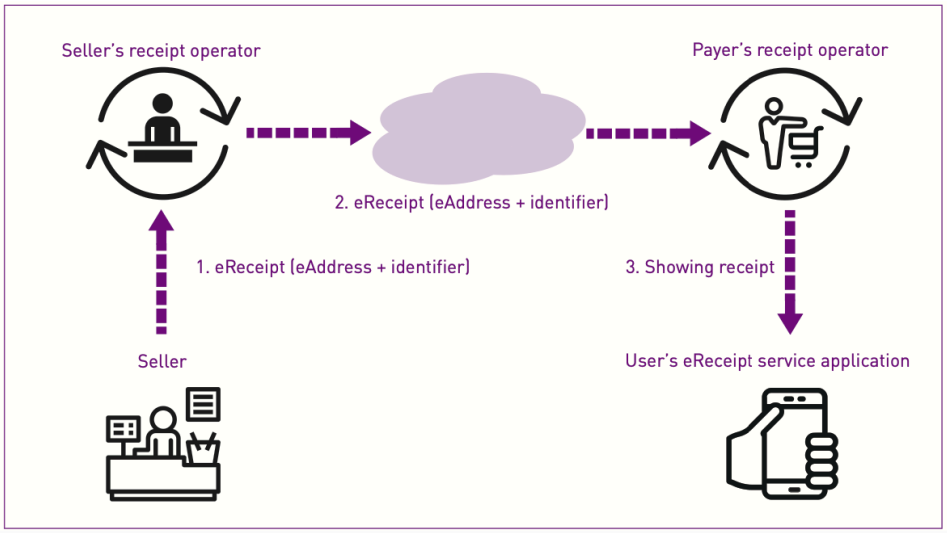
The following are the minimum data that shall be provided. The sequence of the data elements provided is not mandatory. Additional data may be provided but is out of scope of this document.

- Transaction Date and Transaction Time
- Transaction Amount and Transaction Currency
- Truncated PAN
- Payment Brand name
- Acceptor name and location
- Transaction Reference number
- The Card Service, e.g., 'Payment'
- Transaction Result, e.g., 'Approved'

Information on card payment data required on the receipt can be found in SEPA Cards Standardisation Volume https://www.europeanpaymentscouncil.eu/news-insights/news/ecsg-publishes-new-version-sepa-cards-standardisation-volume-effective-today

1.2.3 Transmission infrastructure

eReceipts transmission infrastructure is under development and there are only some examples of built infrastructures. The picture below is an example from Finland, where eReceipts already are in use. The picture is from a guidelines document made by the RTECO project and it is describing the process delivering eReceipt from seller to buyer via service providers. In addition to this process, there is another process for payment, where the payment information is carried from the seller to the card issuer and the actual payment from buyer to seller via card issuer.



Link to the eReceipt guidelines document:

https://teknologiateollisuus.fi/sites/default/files/file_attachments/2018_ekuitti_eng_sisus_vedos_6_0.pd

1.3 Archiving vouchers from sales

Companies are obliged to archive all bookkeeping material and all the mandatory reports for a number of years, depending on local legislation. In case the bookkeeping material is archived by e.g. accounting firm, the seller company might be responsible to archive sales documents separately. Audit trail must be fulfilled. All the transactions and aggregated figures found in mandatory reports must link back to the eDocuments via the audit trail. Local legislation differs concerning mandatory reports and mandatory archiving timelines.

Suggested rule:

eInvoices, eOrder confirmations, eReceipts and payments should be archived in their xml format with a tool to visualize the content

Use case:

If there is a need to verify buyers and sellers documents, the eInvoice or eOrder with invoice information in structured original format contains all the detailed information delivered between seller and buyer.

1.4 Purchase order and seller's order confirmation in eCommerce

Buyer can make a purchase order via seller's website, ordering portal or using their own purchase ordering system. Seller makes an order confirmation with delivery date/s and gives the information to the buyer. The order confirmation should consist of all the mandatory information required for invoices. In this case purchase invoices are not needed and the order confirmation will be handled as a voucher and be the basis for the payment. Structured eOrder and eOrder confirmation can enable automation in procurement processes and bookkeeping.

Suggested rule:

In case of orders there should be a possibility to add bookkeeping account information already during the ordering for automation in procurement process

Use case:

The person who makes the order usually also accepts and gives account number/dimensions to the transaction. The received eOrder confirmation or eInvoice based on eOrder information can automatically accepted and booked to the dimensions and bookkeeping accounts given before.

2. Document-receiving events

SME when performing business processes related to the purchase of goods/services –
what the document-receiving SME will have to do to fulfill its role in the future ecosystem, as consumer of another stakeholder's documents

2.1 Purchase invoices

2.1.1 Application for receiving invoices

All the incoming invoices have to be accepted before payment. Acceptance can be done using an application, which enables different combinations of acceptance rules. In addition the application can provide features to add bookkeeping information to the invoices either adding account numbers and possible dimensions manually or using automation. Automation can also be used even to accept invoices, which have based on orders already accepted. The application can also provide the process to archive electronic invoices in structured form.

2.1.2 Acceptance

Each purchase invoice or receipt must be accepted by a person (or automated system), who has the authorization to do so. Often it is the person responsible for ordering goods or services. Without acceptance, invoices should not be forwarded to the payment procedure. There are several

acceptance models from one person only to two persons or chain of persons due to responsibilities. Most micro-SMEs have very simple rules; normally the owner has the task of accepting invoices. With eOrders, eInvoices and eReceipts, more automated acceptance flows are enabled (if the received eInvoice matches the fields of the original eOrder, for example).

Suggested rules:

Vendor information should be used from received structured invoice instead of system's build in vendor register, which is updated manually. In this way, all changes will be stored without manual update and could be compared with the official registries.

Vendor information should be verified against business registry data.

As for the payment and the bank account number to be paid, there should be extra procedure to check if the account number is changed from the previous invoice or check the bank account number from an official register. This is to control fraud.

There should be a control of the vendors company ID to check that the company really exists.

Received accepted invoices should be stored with their detailed row information.

Use case:

Detailed information from accepted eInvoices could be used by different applications for cash flow estimates, stock management, product reports, VAT reporting, etc.

2.1.3 Accounting automation

After being accepted, purchase invoices/receipts are turned into bookkeeping vouchers.

SMEs often have several periodically repetitive transactions, such as material purchases, phone, insurance, rent, cleaning bills etc. The bookkeeping information is often or always the same for these types of transactions, and could easily be automated according to vendor or product information.

In orders, there are fields for accounting references to be given (added by buyer) or in sales invoices (added by seller). In the case of eInvoices/eOrders, the accounting references may be read by the system and bookkeeping entries may be automatically created based on this information.

Accounting entries must include date, voucher number, description, account number and money amount. Minimum content due to VAT legislation is: product name, amount, VAT rate, price and date of delivery/invoice/receipt.

Suggested rule:

Accounting automation in VAT bookings should be based on suggestions from information in eDocuments about VAT category codes and VAT rates. Suggestions need to be controlled, changed, if needed and accepted before reporting by company's representatives.

2.1.4 Product information

See the above descriptions of sales invoices and content. The purchase invoice is a sales invoice for the party that has created it so same mandatory rules for content apply.

There is furthermore a need for product classification codes, which could be used in purchase invoices for other tax (excise tax) reporting purposes than VAT. Governments have decided to collect product specific tax or compensate enterprises in various taxations, e.g. energy or transportation costs. In these cases, there should be possibility to add codes during the acceptance flow, so that data for reporting and refund applications is stored correctly.

Suggested rule:

The acceptance systems should provide a possibility to add product classification code to the invoice line

Use case:

Product classification codes could be used to collect information about purchased goods for possible compensation from government e.g. energy tax.

2.2 Receipts (purchase)

Companies pay smaller and instant purchases e.g. travel expenses by credit card or bank card and possibly mobile payment. Received receipts are vouchers to be entered into bookkeeping.

Suggested rule:

Buyer should be able to receive electronic eReceipt in standard structured form.

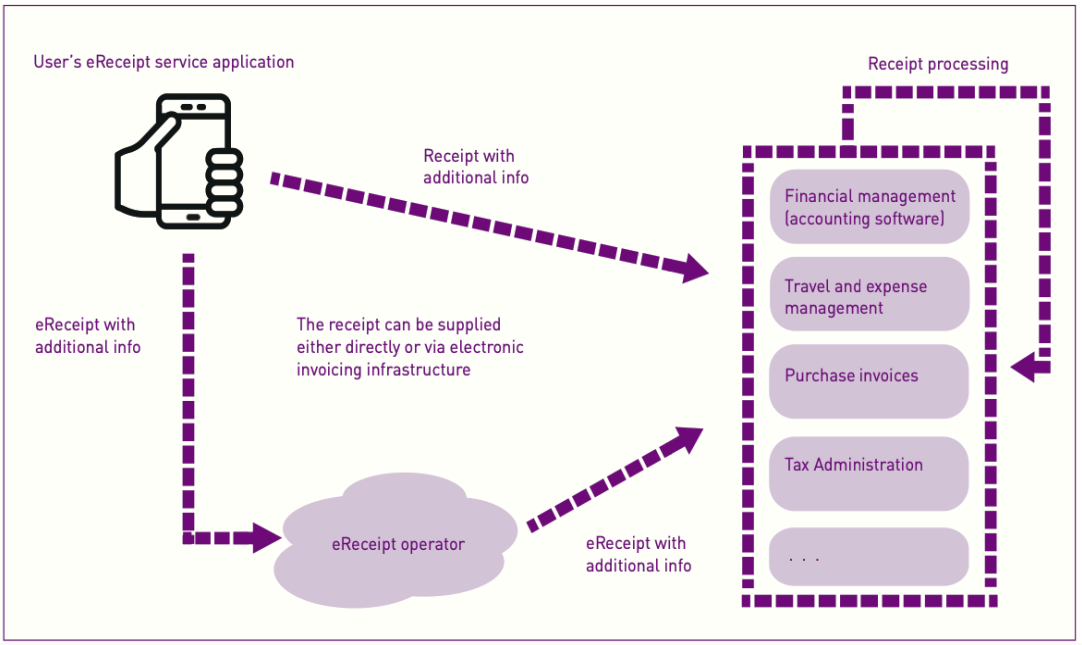
2.2.1 Buyers' process to start receiving eReceipts

1. Select payment method (credit card, bank card, mobile)

2. Choose the service provider for transmitting eReceipts, add eAddress(delivery ID) to buyer's payment system (credit card etc.) and enable buyers system to process eReceipts; acceptance, store and booking etc.

3.Enable to reconcile eReceipts with bank account payments (bank account related cards) or credit card companies eInvoices. Reconciling can be automated by using eReceipt's identifier code in credit card invoice or bank account transaction.

Received eReceipts should be accepted as company's business transaction, acceptance resembles the process of invoice acceptance, but differs due to payment. eReceipts are already paid and they have to be matched with the payment information in credit card company's invoice or bank account payment information. The eReceipt standard should provide identification information from the payment process to enable automatic reconciliation. The picture below is from the document eReceipt Guidelines made in RTECO project in Finland. (link to document, see Sales eReceipt)



2.3 Payment transactions or bank account statements

Bank account transactions are an essential part of business and content of bookkeeping material.

Some banks are offering electronic bank account statements or payment information in structured form. In SEPA area banks follow the SEPA ISO standard[1], but only part of taxonomy is mandatory and there are a lot of differences between the banks.

Bank account statements or payment transactions can be downloaded as xml-files through APIs into business systems to be refined to bookkeeping entries and payments to receivables or payables. These electronic bank account transactions enable several possibilities to automate accounting processes.

SEPA ISO standard enables the use of RF payment reference to reconcile receivable payments. RF payment reference is included in the sales eInvoice structure's payment information part and should be used in payment information, when recording the payment. The seller company receives all the RF payments separately to be uploaded in the business system. Normally RF reference consists of customer number and invoice number and a check digit. It can be used as a barcode also.

Suggested rules:

In order to facilitate automated accounting for electronic bank account transactions, the banks should send electronic receipts of their own service fees or loans and provide the information using standard.

RF payment reference should be used to automate receivables reconciliation by companies.

2.4 Transaction transfers from other systems

Business systems might consist of several independent applications, which transfer information between each other using file transfers. These file transfer definitions are usually made customised to fulfill the needs of each individual transfer. E.g. payroll system is usually isolated from the accounting system. Payroll system produces information to bookkeeping and also possibly to calculations and business analytics. Information transfers between systems and applications should follow standard.

Suggested rule:

[1] ISO 20022

API exporting the transactions should support XBRL GL taxonomy or other international taxonomy e.g SAF-T.

There should be mapping between transmitting taxonomies to enable conversions between.

3 Stock management

Companies who trade or produce goods have to keep books of the goods in stock. Delivered, purchased goods should be booked into the stock management system with information about product; ID, name, delivery date, amount of goods and price per unit without VAT. Sold goods or goods taken into the production process should be booked out of the stock management system with information about product; ID, name, delivery date and amount of goods.

Value of stock can be counted by different methods; FIFO (first in, first out), LIFO etc. by products. The value of stock must be booked in bookkeeping at least into the financial statements. The value of stock should meet the real value of the goods either lowering the prices or booking goods out of the stock. List of the goods in stock should be attached to the bookkeeping material of financial statements.

Value of stock is important information for business; how much money is tied-up in goods, the correct sales margin can be counted only with the real value of stock.

Suggested rules:

Stock management transactions should be collected from structured eOrder confirmation, eInvoice or eReceipt by choosing the products to be booked into stock or out of stock. For production there should be dedicated application to book goods out of stock to the production process.

Use cases:

The value of stock could be counted in real time.

Simple stock management could help SMEs to lower costs by reducing unnecessary orders.

Sales margin could be calculated and followed.

4 Bookkeeping and Accounting

Bookkeeping is the system that consists of all information defined in bookkeeping laws. Part of the bookkeeping information must be entered manually directly into the bookkeeping system from voucher describing the transaction e.g. adjustments, depeciations etc. and part of the entries are formed in other systems following bookkeeping laws.

Adjustments, corrections or debreciations must be described in vouchers (called often memo vouchers /general ledger voucher) or in the system inside the entered transaction description, if there is room enough to give all the needed information. The description and/or calculations must be available in audit. Sometimes these are related to invoices adjusted to next period, in these cases description space is normally enough.

Using structured invoices, receipts, orders and payment transactions, bookkeeping entries are formed or given in the systems, which are handling structured transactions data and are then automatically part of bookkeeping (sub bookkeeping systems).

In bookkeeping all the transactions are categorized according to the bookkeeping laws by account numbers. All transactions are divided between profit & loss and balance sheets. Profit & loss report or side of transactions are reset every financial year and the result is entered into a balance sheet to add or decrease equity. Very often taxation is also based on bookkeeping information.

4.1 Accounting entries

Accounting entries derived from one voucher are divided between debit (+) and credit (-) and the sum of these entries must be zero. Basic rules are for sales credit, purchase or costs is debit, increase in assets debit, increase in liabilities and equity is credit.

4.2 VAT

In each document concerning VAT, there must be a summary of VAT amounts by VAT rates in local sales and by VAT category codes in some special cases. If there is cross-border sales, it must be divided into categories according to the customer’s country and sold items (EU goods, EU services, sales to the third countries) using VAT category codes.

VAT bookings in to bookkeeping are collected mainly from VAT summaries in the invoices. Account numbers for the payable and deductible VAT amounts can be set as default. These bookings can be automated due to the strict rules.

If the invoice consists of some special VAT handling (VAT category codes), information can be on invoice total VAT breakdowns and on individual invoice row VAT breakdowns. To handle VAT codes

correctly, the reporting application must recognise VAT category codes. All kinds of VAT should be able to report directly from transactions, although reporting should be checked, completed and accepted by the company's representative.

4.3 Corrections

In the case of error or mistake in bookkeeping entry already stored in the business system there should be a process to correct. Correction process should store the original entry also and cover it by a nullifying entry and a new correct entry. The original and nullifying entries can be hidden in normal reporting, but could be seen when needed.

4.4 Adjustments and depreciations

Adjustments and depreciations are purely accounting entries. These accounting entries are company's internal transactions and are added to the bookkeeping to adjust reports to meet the reporting periods actual situations. These entries should be documented by separate vouchers or in the description of accounting entries.

4.5 Archiving transactions

Archiving of accounting information is mandatory in all countries, but regulations differ. Archiving concerns bookkeeping documents, financial statements and vouchers.

Suggested rules:

All the bookkeeping entries should be archived in an electronic way using standard structure and interface, which gives auditors and other (authorised) stakeholders a possibility to analyse data in many different ways and different purposes.

XBRL GL is one example of taxonomies to cover all kinds of transactions in accounting in standard electronic format.

Use cases:

In case of changing the business system, all the transactions and eDocuments/vouchers in the current system could be transferred to the new system and used in comparison to the coming years.

Audits could be done using standard structured transactions and eDocuments via APIs to business system

4.6 Chart of accounts

A chart of accounts is a listing of the names and numbers of the accounts that a company has identified and made available for recording transactions in its general ledger. In most countries a company has the flexibility to tailor its chart of accounts to best suit its needs, including adding accounts as needed. In some countries a certain chart of accounts is mandated to be used in order to make the accounting data more understandable for different stakeholders, accountants, auditors, etc.

Within the chart of accounts you will find that the accounts are typically listed in the order of balance sheets and profit and loss reports.

Balance sheet accounts	• Assets • Liabilities • Owner's (Stockholders') Equity
Income statement accounts	• Operating Revenues • Operating Expenses • Non-operating Revenues and Gains • Non-operating Expenses and Losses

Within the categories of operating revenues and operating expenses, accounts might be further organized by business function (such as producing, selling, administrative, financing).

In addition to chart of accounts there are needs to report separately departments, product lines, etc. These are normally handled with separate dimensions which are used along with the actual account no. Using multiple dimensions might cause errors and business systems can provide a possibility to store allowed combinations as e.g. organization chart.

Standard charts of accounts are used in some countries. They are normally designed in collaboration with public and private partners. The main goal is to standardise reporting towards authorities and also make business reports more comparable inside the country. To enable standard chart of accounts in Nordic countries, several legislations should be harmonized, concerning e.g. bookkeeping, tax, business.

Suggested rule:

Standard chart of accounts should consist only of the mandatory accounts to fulfill the needs for detailed information according bookkeeping, tax and business legislation. Businesses needs could be solved using sub accounts or dimensions along with the transaction in addition to the main account in chart of accounts.

Use cases:

Mandatory reporting could be standardized and would be comparable within businesses and industries.

4.7 Extracting data and making e.g. industry specific reports

By using structured data from eOrders, eInvoices and eReceipts that are stored at row level, you will be able to extract e.g. product data and create reports at any detailed level. Reports intended for public authorities, for different kinds of associations, as well as reports for internal use can be created automatically and without the use of manual setups and solutions.

Suggested rule:

Structured data from received documents should be stored in details, e.g. invoice/order/ receipt row level containing information about purchased products.

Use cases:

Mandatory reporting of purchased and consumed products in the production process could be created utilizing structured data directly from the business system or stored transactions by the SME and could be controlled by the authority.

Using due date information from sales and purchase eOrders and eInvoices, cash flow estimates can be automatically updated continuously.

Invoice line information about purchased goods' amounts and prices can be used in profitability calculations with the sales information.

[1] The international tax themes are http://www.unece.org/trade/untdid/d08b/tred/tred5305.htm

and https://service.unece.org/trade/untdid/d13b/tred/tred5153.htm

https://ec.europa.eu/cefdigital/wiki/display/CEFDIGITAL/Registry+of+supporting+artefacts+to+implement+EN16931