



Framework for e-books digital platform released for public consultation

On August 1st 2019, the Greek Independent Authority of Public Revenue (IAPR) published the framework for the operation of the digital platform, myDATA, for public consultation, which will last until 6 September. The platform will enable companies to maintain electronic books (e-books) and record invoice and tax receipt data as well as certain other data.

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The following describes the key features of the e-books process:

Categories of e-books

The myDATA platform will include two categories of e-books:

1. An analytical entries book (analytical book) where companies will record a summary of all tax documents supporting their revenues/expenses, characterize the nature of their transactions and make all necessary year-end accounting entries to determine their annual accounting and tax results; and
2. A summary reporting book (summary book) where companies will report aggregate monthly and annual accounting and tax results and any related tax liabilities.

Data to be transmitted

E-books will be used for the following:

- Transmitting and recording a summary of a company's revenue and expense documents for tax purposes, including information on counterparties to a transaction, the value of each transaction, applicable taxes, stamp duties, miscellaneous duties and deductions, but without any analytical distinction made regarding the kinds of goods sold or the nature of services provided;
- Characterizing recorded transactions, including classifying expense/revenue transactions related to the purchase/sale of goods, services, fixed assets, etc.; and
- Recording all necessary accounting entries, e.g. payroll, depreciation, year-end accrued revenues/expenses, etc. to determine annual accounting and tax results.

These data will be referred to collectively as "standardization of tax document data." A company's revenue will be updated in its e-books as it transmits a summary of all relevant tax documents that it has issued (i.e. invoices and receipts for the sale of goods and the provision of services) and, simultaneously, the receiving company's expenses will be updated in its own e-books.

A company will have to transmit a summary of tax documents that it has received only in certain cases, such as when it receives an invoice for the purchase of goods or services from a party that is not required to maintain books under Greek law (e.g. individuals, foreign companies, etc.) or when the issuer is required to maintain books under Greek law but has failed to transmit its summary of invoices by the applicable deadline.

A company still will be required to transmit the other data mentioned above (characterization of recorded transactions and necessary accounting entries for the determination of accounting and tax results).

Method of data transmission

Various methods will be available to transmit tax documents:

- A company's accounting-enterprise resource planning (ERP) software. An intermediate software (Application

Programming Interface (API)) is under development to facilitate the interaction between the myDATA platform and companies' accounting-ERP software. API will allow accounting software developers to update their software in order to have e-books posted in real time or at specific intervals. To this end, a cloud-based interface (RESTAPI) will be available through IAPR, thus enabling ERPs and other accounting software to be linked to the IAPR's platform efficiently and continuously;

- A special platform on www.aade.gr/myDATA allowing manual uploads (for companies that have a limited number of tax documents and that do not use accounting-ERP software);
- Tax machines for retail transactions directly linked to IAPR (this alternative is not expected to be available right away and, in the interim, all retail transactions will be recorded collectively through accounting-ERP software or the special platform); or
- E-invoicing, where all electronically issued invoices will be transmitted automatically to the myDATA platform.

For each successful transmission, the IAPR will provide a Unique Recording Number (URN), irrespective of the transmission method used.

Data transmission deadlines

IAPR is considering the 20th day of the month that VAT returns are filed as the potential deadline to transmit standardized tax document data. As a result, all data would have to be transmitted monthly by companies keeping double entry books and quarterly by companies keeping single entry books.

The deadline to transmit all necessary year-end accounting entries (for the determination of accounting and tax results) will be the same as the deadline for filing the corporate income tax return.

Cross-checks of data between filed tax returns and e-books

All companies will continue to submit their tax returns based on the data recorded in their statutory books, which they will continue to maintain as is the current practice. However, based on the new process, all data included in filed tax returns will be cross-checked against e-books data. The initial cross-check will take place the day following the tax return submission deadline. If a discrepancy is discovered, the IAPR will send an automated message to the company to make all necessary corrections over a two-month "harmonization period" (e.g. coordination with the relevant counterparty for transmission of pending tax documents, filing of amended tax returns, etc.). For example, if a company has received an expense tax document that has not been recorded in its analytical book, it will include the corresponding expense in its tax returns and harmonize the data in the tax returns with its e-books through the process described above. The following table below illustrates the two-month harmonization period:

Two-month harmonization period

Returns for VAT, withholding tax, stamp duty, etc.		Corporate income tax returns
1 st quarter	From 1 May to 30 June	Within two months following the corporate income tax return deadline
2 nd quarter	From 1 August to 30 September	
3 rd quarter	From 1 November to 31 December	
4 th quarter	From next year's 1 February to 31 March	

Immediately after the expiration of the two-month harmonization period, data from the relevant tax returns will be again compared with e-books data. This second comparison will show either:

1. Consistency;
2. Justifiable inconsistency; or
3. Unjustifiable inconsistency that may lead to a tax audit or penalties depending on the severity of the discrepancies.

Furthermore, a company that transmits data from tax documents that it received from a domestic company due to the latter's noncompliance will cause a discrepancy in the issuing company's e-books, which may trigger a tax audit.

Timetable for implementation of the new program

The IAPR plans to run a pilot of the digital platform in the autumn of 2019 and the IAPR's governor has announced that the platform will be fully operational by 2020, at which time all companies and freelancers as well will be required to maintain e-books.

Objectives, concerns and next steps

The main objectives of the e-books system are the automation of the tax return preparation and filing process, reduction of companies' administrative costs, elimination of suppliers/customers statements (i.e. MYF statements), acceleration of tax refunds and optimization in the selection of cases for tax audit, which should deter tax evasion.

However, it is common for such programs to create, at least in their initial stage, various difficulties and potential additional costs for companies' accounting departments, depending on their organizational and operating structure and the specifics of their business and tax position. Therefore, challenges may arise as companies prepare for the new program and during its implementation.

No draft legislative bill has been published, only the framework for the operation of the platform and procedures to be followed. Nevertheless, companies should consider preparing as soon as possible for the upcoming changes.

We will provide updates on legislative or other developments as they occur.



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