

Digitisation of the application of tax law in Austria

Deliverable 3: Report from benchmarking research of international experience

Technical Support Instrument

Supporting reforms in 27 Member States



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Directorate-General for Structural Reform Support

REFORM@ec.europa.eu
+32 2 299 11 11 (Commission switchboard)
European Commission
Rue de la Loi 170 / Wetstraat 170
1049 Brussels, Belgium

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1. Executive Summary

This report presents evidence from an online survey of the experiences of other European countries' e-audit solutions. Based on a thorough analysis we identified five best practice countries: Denmark, France, Luxembourg, Poland, and Portugal. To capture all possible design features of e-audit solutions however we expand the geographical scope of the survey to all 27 EU member states.

The survey shows that the countries usually base their e-audit solution on the OECD SAF-T model with some adaptations to consider local specifics. The data format used is in general XML and the e-audit solution is usually mandatory for VAT purposes and voluntary for CIT and PIT purposes.

In most cases (92%), the e-audit solution is used for a standardized data transmission in case of a tax audit, followed by the automatization of tax audits (62%), monitoring of the businesses in regular intervals (46%), providing automation of tax audits (31%) as well as standardized data transmission in case of a tax assessment (15%).

The vast majority (60%) of the jurisdictions have implemented the e-audit scheme by law. 27% of the jurisdictions considered have implemented the e-audit scheme by a decree, and the remaining 13% used a different legal basis for their e-audit implementation. The majority of the jurisdictions (38%) chose to apply the e-audit regime to the largest taxpayers first and 31% applied it to a specific type of taxpayers first. Furthermore, the majority of the jurisdictions (45%) apply it to corporations, 30% to partnerships and another 25% to sole proprietors, whereby multiple answers were possible.

Besides legal aspects, also practical aspects haven been taking into account by the survey. An overall analysis shows that many e-audit schemes incorporate features aimed at (automatic) data analysis, substantiated by the fact that the most common features are the storage of e-audit data by tax authorities and merging e-audit data with other data and automatic analysis of e-audit data in tax audits (38%). Incentives and support for taxpayers or tax advisors, however, are less common, whereby the most common features from these categories are information about the result of the assessment of e-audit data and user support through Q&A-sections or support hotlines.

Regarding time and cost aspects of the e-audit schemes in place, the majority of the respondents (58%) stated that they spent more time when using the e-audit solution as compared to a regular tax assessment procedure, which basically results from significantly more time spent on data collection and preparation as well as preparatory activities for tax assessments. A similar result can be found regarding cost savings. The current e-audit systems employed therefore do not provide any cost and/or time savings.

2. Introduction

The objective of this deliverable is to provide a comprehensive survey of the experience of other countries that have recently implemented e-audit solutions. This survey is based on an online questionnaire programmed using MS Forms (see appendix).

The main objective of the online survey is to investigate the experiences from and attitudes towards e-audit solutions of tax advisors and members of the tax administrations from five best practice countries. We identify these five best practice countries based on multiple criteria regarding the country's level of digitization as well as the country's overall comparability to Austria. As a result, Denmark, France, Luxembourg, Poland, and Portugal were identified as best practise countries. However, to capture as many design features of an e-audit solution as possible we deliberately expanded the geographical scope of the survey beyond the five best practice countries to all 27 EU Member States.

The results of the survey are rather heterogeneous. However, in some aspects, such as the personal scope and the substantive scope as well as the legal basis and the implementation sequence of the e-audit solution general trends can be observed. This is also the case for the employed file format and the contents of the transmitted data. The majority of the countries employ the OECD SAF-T model or a national variant of it. Regarding the information transmitted the survey shows that the OECD SAF-T items "invoices", "general ledger", "payments" and "accounts receivable" are the ones that are most often part of the electronically transmitted data, followed by "accounts payable" and "inventory", indicating that countries are more strongly focused on data regarding the working capital than data regarding fixed assets, their depreciation and revaluation and data on personnel. For this transmission, more than two thirds of the jurisdictions use XML as file format, which could result from the fact that more than 60% either use SAF-T or a national adaption thereof as a basis. However, the interface between the companies' ERP system and the tax administrations' software causes concerns for the respondents.

Surprisingly, the employed e-audit solutions do not lead to perceived time and cost savings as 58% of the respondents report additional time requirements due to the e-audit solution in their country and thus perceive the e-audit solution as rather costly. Reasons for that can be seen in the acquisition and maintenance cost of software as well as additional quality control activities. The survey also shows that the countries that employ e-audit solutions on a voluntary basis do very rarely incentives the usage of the system with any specific advantages for the taxpayer.

The high level of position held and the high level of prior experience with e-audit schemes allows us to draw valuable inferences from the survey which makes these results and findings are of great importance for the implementation of possible approaches for Deliverable 4.

The reminder of this report is structured as follows: Section 3 describes the identification of the five best practice countries, section 4 explains the design process of the questionnaire, section 5 reports the results of the survey and section 6 concludes and presents key takeaways from the study.

3. Identification of potential best practise-countries

To identify countries of potential interest for the benchmarking research, we start with analysing potential countries by four criteria which in our view are of vital interest as these criteria represent key factors regarding the degree of digitization not only concerning tax authorities but rather e-governance as a whole as well as the degree of digitization of the economy and the respective society in general. For the data collection, highly reliable sources, such as OECD databanks, Eurostat etc are used. For comparability reasons, our focus is limited to EU and/or OECD member states as potential benchmark countries. The four selection and evaluation criteria are as follows:

- **Successful e-audit implementation:** Currently, besides Austria, there are already five countries within the **European Union (i.e., Luxemburg, Portugal, France, Lithuania and Poland)**¹ and one non-EU EEA Member State (i.e., Norway)² that have successfully implemented e-audit schemes. As each of these six countries has followed different implementation approaches these countries form a particularly interesting and valuable group of potential benchmark countries.
- **Degree of digitization of tax authorities:** Tax authorities worldwide have highlighted the loss of tax revenues each year through non-compliance, evasion, fraud and non-collection.³ Therefore, there is an increasing need for tax authorities to operate effectively and efficiently across different stakeholders and ask itself how new technologies, such as Distributed Ledger Technology (DLT; e.g. blockchain), robotic process automation (PRA) and artificial intelligence (AI) can help gain insights into and provide a better understanding of transactional data to improve efficiency, manage risk and be a business partner for the management and the organization.⁴ An OECD report⁵ shows how tax administrations are increasingly moving to e-administration by using a range of technology tools, data sources and analytics to increase tax compliance. Reports from other sources, such as the IMF and the Asian Development Bank, confirm this.⁶ As a result, five different levels of tax authority digitization have been identified in the past:⁷

¹ Rosar, Globale Initiative der OECD und Umsetzung der Finanzverwaltungen. In: Setnicka/Krippner/Rosar (2020), Digitalisierung im Steuer- und Rechnungswesen, p. 323 et seqq.

² KPMG, SAF-T (Standard Audit File – Tax) – New requirement to the accounting system for Norwegian corporate taxpayers, <https://home.kpmg/content/dam/kpmg/xx/pdf/2016/08/tnf-norway-aug25-2016.pdf> (Accessed April 16, 2021).

³ Dickler/de Roover/Moebus/Baptista/Bakker/Kale, Cross-Functional Collaboration and Change Management: The Key Ingredients for Tax Technology Transformation, Bulletin for international Taxation 2020, 626 (627).

⁴ Dickler/de Roover/Moebus/Baptista/Bakker/Kale, Bulletin for international Taxation 2020, 629 et seqq.

⁵ OECD, Tax Administration 2019: Comparative Information on OECD and other Advanced and Emerging Economies (2019).

⁶ Cf for example OECD, Advanced Analytics for Better Tax Administration: Putting Data to Work (2016).

⁷ Dickler/de Roover/Moebus/Baptista/Bakker/Kale, Cross-Functional Collaboration and Change Management: The Key Ingredients for Tax Technology Transformation, Bulletin for International Taxation, 2020, 626-636 (629); see also Burneikaitė, IMPACT OF TAX TECHNOLOGIES ON CURRENT AND FUTURE

TAX COMPLIANCE, Vilnius University Press, 2019, 49 (50).

- **Level 1: E-file:** use of payroll, financial and other standard data gathered electronically from received tax returns and periodically match this data looking for inconsistencies, if any.
- **Level 2: E-accounting:** use of accounting, trial balances and other additional data gathered electronically from received standard reporting files.
- **Level 3: E-match:** use even more advanced data such as bank statements in order to match data across different types of tax, taxpayers and jurisdictions in real time or near real time.
- **Level 4: Digital audit:** cross-check received tax fillings in real time or near real time to map the geographic economic ecosystem, in this level taxpayers receive from tax authorities electronic audit assessments to review.
- **Level 5: E-assessment:** assessment of tax dues without e-filing, in this level taxpayers are allowed to audit government calculations.

According to the literature, Austria currently operates at level 2, such as many other countries within the European Union (also countries that have already implemented e-audit systems). Thus, only EU and OECD member states operating at levels 3, 4 and 5 are taken into account for assessing potential best practise countries.

- **DESI-Index:** The Digital Economy and Society Index (DESI) is a composite index that summarises relevant indicators on Europe’s digital performance and tracks the evolution of EU Member States in digital competitiveness. It was developed by the European Commission to assess the development of the digital economy and society in EU countries. It does not solely focus on the degree or level of digitization of tax authorities, but on a far broader scope, such as e-governance in general. The index comprises five different areas, which are *connectivity*, *human resources*, *internet use*, *digital integration*, and *digital public services*. By providing data on the state of digitization of each Member State, it helps them to identify areas requiring priority investment and action.⁸ Among all EU member states, Austria currently ranges at number 13 out of the 28 member states (including the UK) as is illustrated the figure below:

⁸ European Commission, Digital Economy and Society Index (DESI) 2020, 10.

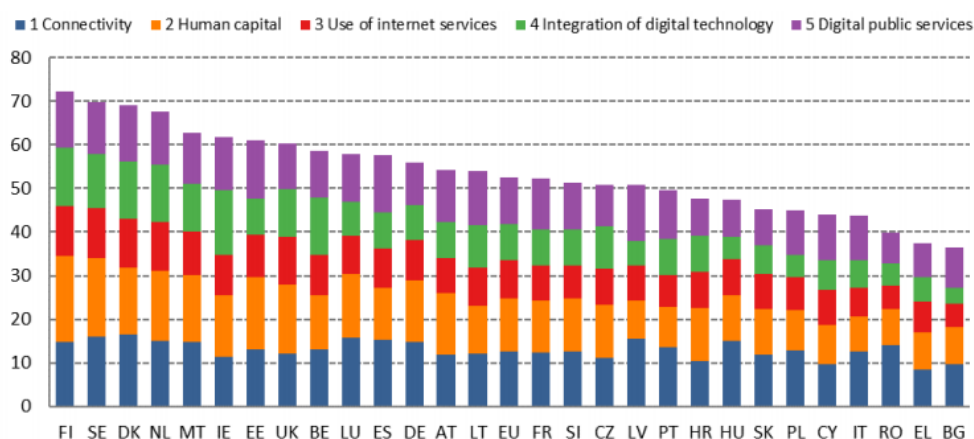


Figure 1: DESI-Index EU member states⁹

By taking into account the DESI-Index as a benchmarking criterion, **another twelve potential best practise countries (i.e., all countries that rank better than Austria) were identified.**

- **Macroeconomic Criteria:** The fourth and last benchmarking criterion are macroeconomic criteria in order to assess the comparability of the potential best practise countries with Austria. Macroeconomic parameters allow for better comparisons of tax systems, as differences across countries' tax systems are related to general macroeconomic trends and conditions.¹⁰ Therefore, the following macroeconomic criteria have been selected in order to assess the comparability:
 - **GDP per capita¹¹**
 - **Tax to GDP ratio¹²**
 - **Enterprise Structure¹³**
 - **Active Enterprises in the Business Economy¹⁴**

⁹ European Commission, Digital Economy and Society Index (DESI) 2020, 14.

¹⁰ OECD, Corporate Effective Tax Rates: Explanatory Annex (2019) 2.

¹¹ Constant price estimates of GDP are obtained by expressing values of all goods and services produced in a given year, expressed in terms of a base period. This approach has several advantages. First, GDP provides information on the development of production of a given country. Second, the GDP per capita allows for a comparison of different economic areas of different sizes with each other and is regarded as a measure of the material prosperity in a country or region. By doing so, the comparability of potential best practise countries can be assessed even if the countries differ in size and population.

¹² The tax-to-GDP ratio express aggregate tax revenues as a percentage of GDP. The total tax revenue as a percentage of GDP indicates the share of a country's output that is collected by the government through taxes. It can be regarded as one measure of the degree to which the government controls the economy's resources.

¹³ Austria is a country that is dominated by small and medium enterprises (SME), which make up to approximately 99.7% of all Austria-based enterprises. According to the EU Recommendation 2003/361/EC of the European Union, the size class "SMEs" is composed of enterprises that employ fewer than 250 people and either have an annual turnover not exceeding 50 million euros or a balance sheet total not exceeding 43 million euros.

¹⁴ Business demography statistics provide highly relevant information on the economic contribution of newly established enterprises, enterprises surviving the first years of activity and fast-growing enterprises in EU Member States. For each business demographic event, employment variables are available to capture their importance. The data can be analysed by economic activity of enterprises (NACE Rev.2), legal form and

Again, the consideration of the above-mentioned macroeconomic criteria led to several further potential best practise countries.

By taking these benchmarking criteria into account, the following countries can be considered best practise countries

- *Denmark*
- *France*
- *Luxembourg*
- *Poland*
- *Portugal*

4. Creation of the questionnaire

After identifying the best practise, a questionnaire was using established methods of qualitative empirical research. The survey was conducted remotely. For the final format, an online questionnaire was chosen for several reasons: first, it allows for gathering information on a remote and distant basis, which was necessary in order to ensure proper and comprehensive responses in a timely and efficient manner as well as to cope with COVID-19-related safety measures that were (largely) still in effect at the time of planning, creating and distributing the questionnaire. Moreover, the design as an online questionnaire and the distribution via the local tax authorities allowed for a better, more efficient and less time-consuming reachability of the respective respondents. Furthermore, we expected more honest and thoughtful answers due to the anonymity as well as the missing time pressure that may occur when the survey is conducted as an interview by one or more interviewers.

This development of the questionnaire encompassed the following steps:

- **Step 1: Creating the prototype for the questionnaire:** The questions were created by taking into account weaknesses and areas that may require improvement which have been identified by comparing the current state of digitization of the tax authorities in Austria and the benchmark countries, by closely examining the digital tax tools implemented by the tax authorities of the selected countries. This also contained process walkthroughs, where appropriate.
- **Step 2: Selecting the questions:** We went through detailed iterations to ensure that the questions target the needs and requirements in order to formulate the questions in a comprehensive manner to precisely meet the project targets. Continuous meetings with the responsible persons of the Austrian Federal Ministry of Finance (BMF) were also part of those iterations in order to ensure that the questions address the needs and requirements of the Austrian tax authorities and provide suitable information.
- **Step 3: Development of the final format and questions and items selection:** The selection procedure of the questions for the final version of the questionnaire was

employment size classes, as well as by region to reveal specific demographic patterns. Given that the number of active enterprises in the business economy are strongly related to tax matters, as well as their contribution to tax revenues, this is also a key factor concerning the determination of potential best practise countries.

performed through detailed iterations in Step 1 and Step 2. In a last step, the final format of the questionnaire was confirmed by the responsible persons of the BMF to ensure a procedure that is in line with all the stakeholders. In this stage, also the final format of the questionnaire (i.e., in particular the division into the six sections as well as the gap after Section 2 in the mandatory use (Section 3) and voluntary use (Section 4) of the questionnaire).

- **Step 4: Distributing the questionnaire to the respondents:** the questionnaire was distributed to the local tax authorities via the Austrian tax authorities' Central Liaison Office (CLO) in order to ensure an efficient and time-saving distribution. Furthermore, the questionnaire was distributed within the KPMG network encompassing all EU member states. The selected respondents were given a timeframe of three weeks to complete the questionnaire, with an additional reminder sent after two weeks.

5. Results of the Survey

5.1. Description of the survey instrument

The survey instrument is a nine-screen questionnaire with closed items as well as open questions designed for employees in the tax administrations as well as tax advisors.

The first section of the questionnaire contains demographic questions such as:

- Type of stakeholder – tax administration or tax advisor
- Country
- Function in Institution
- Prior experience with e-audit

The second section focuses on the contents and the purpose of the respective local e-audit scheme and the software solutions employed.

Section three focuses on the legal framework of the respective local e-audit scheme, asking e.g. whether the e-audit scheme is based on an act or on a decree, what types of taxpayers and which types of taxes are covered by the scheme and whether its application is mandatory or voluntary.

The fourth section included questions regarding the most important features of the e-audit scheme as well as taxpayer incentives. The respondents were asked whether certain aspects of an e-audit scheme such as an accelerated treatment of tax filings was available in their country. In order to take the large number of different design options into account, we decided not to specify certain features to be selected. Instead, the respondent is asked to enter up to six different features in text fields. Following the open-format question, participants indicated which features of e-audit schemes from a preselection of potential features were present in their jurisdiction. The preselection included 13 potential features divided into four categories:

- **Incentives for taxpayers/ tax advisers:** [(i) Accelerated treatment of tax filing if it is based on e-audit data; (ii) Protection against conventional tax audit if tax assessment is based on e-audit data; (iii) Accelerated appeal procedure against the tax

assessment; (iv) Taxpayers receive information about the result of the assessment of the e-audit data with special regards to consistence, reliability, data accuracy, uniformity, and comprehensibility]

- **Usage of (big) data:** [(i) Some or all the e-audit data is stored by the tax authorities; (ii) E-audit data is stored even if the e-audit process is aborted; (iii) E-audit data is used for additional analyses such as benchmarking purposes of similar taxpayers; (iv) E-audit data is merged with other data available to the tax authorities]
- **Process automation:** [(i) E-audit data is automatically analysed to generate a tax assessment; (ii) E-audit data is automatically analysed in tax audits; (iii) The e-audit process includes automated processes to facilitate utilization, such as pre-filled tax returns, etc]
- **Support for taxpayers/ tax advisers:** [(i) Taxpayers receive additional information about the audit process and Methods; (ii) The e-audit process includes support for users through a Q&A-section, support hotline, or similar.]

Subsequently, participants indicated the importance of the same 13 potential features (1 = least important; 5 = most important).

The fifth section focuses on the time and cost saving aspect of the e-audit solution. The questions aim at determining the time saving or additional time required as well as the cost saving or additional cost required per tax assessment from the e-audit process compared to traditional aspects in working hours or in EUR, respectively. The comparison for both time and cost aspects encompasses the following aspects: Data Collection, Data Preparation, Tax Assessment/Filing of Tax Return, Tax Audit and Appeal Process. For each category, the respondent is asked to provide information about

- Time saving
- Additional time
- Cost saving
- Additional costs

Additionally, the respondents are asked to provide information regarding the reason for the time/cost saving and/or additional time/costs. Therefore, the respondent is provided with a text field in order to specify the reasons as accurate as possible. The information derived therein gives valuable insights about the increase in efficiency derived by the use of an e-audit process, which can serve as a potential basis for the creation of a cost-benefit-ratio.

The last section of the questionnaire focuses on the personal experience with the e-audit scheme. Therefore, (dis-)advantages as well as experiences associated with the use of e-audit schemes are ranked by the respondents from 1 (completely disagree) to 5 (completely agree), and encompasses the following eight areas:

- Increase of legal certainty by using an e-audit process;
- Sufficiency of the information provided to the taxpayer after the e-audit process;
- Ease of the use of the e-audit process;

- Sufficiency of the support from the financial authorities taxpayers who use e-audit processes receive;
- Correctness of the results of the e-audit process;
- Capacity increase of the tax authorities to detect tax evasion by using an e-audit scheme;
- Resource efficiency increase of the tax authorities by using an e-audit scheme;
- Greater service orientation of the tax authorities by using an e-audit scheme.

5.2. Description of the sample and participants

The distribution of the data collection instrument started on October 22nd, 2021 and ended on November 12th, 2021 and was carried out on the one hand via the national CLOs (Central Liaison Office) in order to directly reach the responsible people of the respective national tax administrations. On the other hand, the data collection instrument was also forwarded directly to the responsible partners of the KPMG network in the respective EU Member States. Respondents were given two weeks to answer the questions contained in the questionnaire, after which a first reminder was sent out. After another week (i.e., a total of three weeks), the window for answering the data collection instrument was closed and the data analysis started. The questionnaire was distributed to local tax advisers within the KPMG network of the 27 EU member states by KPMG Austria as well as to local tax authorities of the five best practice countries by BMF in order to ensure a comprehensive and diversified response pattern.

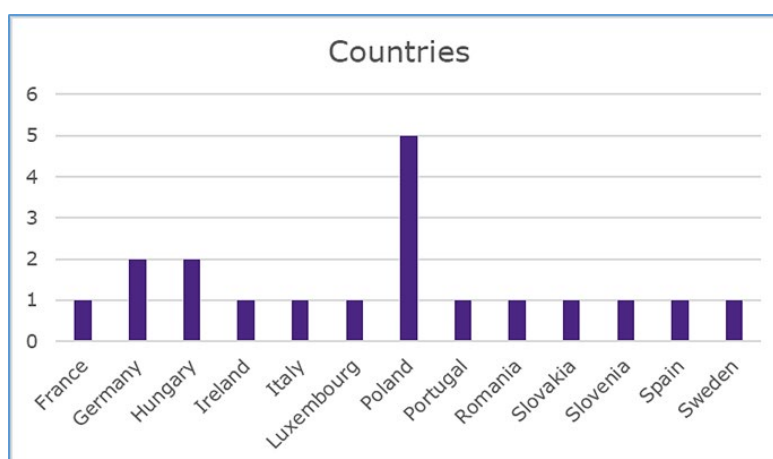


Figure 2: Participants by countries.

Out of the 27 EU member states, respondents from 13 countries participated in the questionnaire as illustrated in Figure 2. Besides Poland (five respondents) and Germany as well as Hungary (two respondents each), only one respondent of each EU member state has completed and successfully submitted the questionnaire, amounting to a total of 19 respondents. Additionally, to the 19 completed questionnaires we received answers per e-mail from two respondents from Denmark (one tax advisor and one tax administrator) and one tax advisor from Latvia stating that their countries do not have an e-audit solution as of yet. All our benchmarking countries participated in the survey except for Denmark.



Figure 3: Participation by stakeholders

Of the 19 respondents officially recorded, only 5% (i.e., one respondent) were employed by tax authorities, whilst the remaining 95% were all employed by tax advisory firms or tax advisers, respectively, as illustrated by Figure 3.

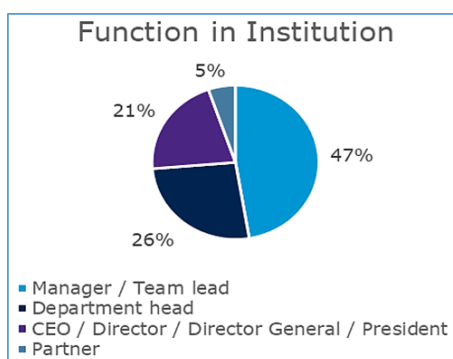


Figure 4: Participants by function in the corresponding institution

As illustrated by Figure 4, the majority of the participants held the positions of manager or team leader (47% or 9 respondents). This outcome can be seen quite positively, since those respondents usually lead operative activities and therefore can give valuable insights about the advantages and disadvantages, time and/or cost savings as well as the impact potential incentives for the taxpayer or tax adviser might have from a daily operational perspective. Another 26% (i.e., 5 respondents) held the position of a department head, also being close to the daily operational activities. 21% (i.e., 4 respondents) as well as another 5% (i.e., 1 respondent) held the position of CEO / Director / Director General / President or Partner, respectively. Summing up all respondents hold rather high positions in their respective institutions leading to the assumption that we received highly informed answers from an operative point of view, providing valuable insights regarding the potential advantages and disadvantages from the perspective of the daily user.

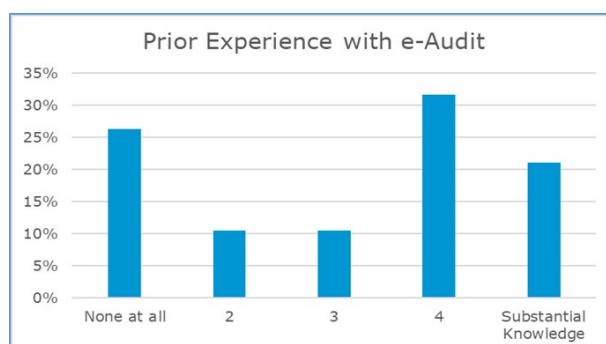


Figure 5: Participants' prior experience with e-audit schemes

Additionally, to the high positions held in their respective firms the respondents have a high individual experience with e-audit systems. As illustrated by Figure 5, 75% of the respondents have already dealt with e-audit schemes in the past or are familiar with those used in their jurisdictions. Since the respondents were given the opportunity to rank their personal experience from 1 to 5 (1 = no experience at all; 5 = substantial knowledge), categories 2 to 5 are deemed to represent respondents with different levels of experience:

- Category 2 (basic knowledge): 11% of the respondents, i.e., 2 persons
- Category 3 (average knowledge): 11% of the respondents, i.e., 2 persons
- Category 4 (major knowledge): 32% of the respondents, i.e., 6 persons
- Category 5 (substantial knowledge): 21% of the respondents, i.e., 4 persons

The remaining 26% of the respondents have answered not to have any experience with e-audit schemes at all, which can be for several reasons: either there is in fact no e-audit scheme in place in those jurisdictions, there is a mandatory e-audit scheme only for certain tax types or types of legal form, or a voluntary e-audit scheme and in both latter cases, the respondents do not have clients that fall under the personal and/or material scope or have chosen not to opt for a tax assessment via e-audit.¹⁵

Notwithstanding the small number of respondents, we are confident that both the high level of position held and the high level of prior experience with e-audit schemes allows us to draw valuable inferences from their answers regarding their experience with e-audit schemes.

¹⁵ This assumption is backed by the fact that in four jurisdictions (i.e., France, Germany, Ireland, and Slovakia) the use of the e-audit scheme implemented in those jurisdictions is mandatory for neither tax type (personal income tax, corporate income tax and value-added tax). Of course, this does not necessarily mean that these respondents were from those jurisdictions, but it provides for a slight indication.

5.3. Software Solutions

	FRA	GER	HUN	IRE	ITA	LUX	POL	POR	ROM	SVK	SLO	ESP	SWE	Occurrence	
General ledger/journal data	X	X	X	X		X	X	X		X	X	X	X	11	85%
Accounts Receivable	X	X	X	X		X	X	X		X	X			9	69%
Customer Master Files	X		X	X		X	X	X		X		X		8	62%
Accounts Payable	X	X	X	X		X		X		X	X			8	62%
Supplier Master Files	X		X	X		X	X	X		X				7	54%
Invoices	X	X	X	X	X	X	X	X	X	X	X	X		12	92%
Payments	X	X	X	X	X	X	X	X		X	X	X		11	85%
Fixed Assets		X	X	X		X	X			X	X	X		8	62%
Asset Master Files	X		X	X		X	X			X		X		7	54%
Depreciation & Revaluation	X	X	X			X				X		X		6	46%
Inventory	X	X	X			X	X	X		X		X		8	62%
Product Master Files	X		X	X		X		X		X				6	46%
Movements	X	X	X			X	X	X		X				7	54%
Data on personnel	X		X	X	X					X		X		6	46%
<i>No of Items</i>	<i>13</i>	<i>9</i>	<i>14</i>	<i>11</i>	<i>3</i>	<i>13</i>	<i>10</i>	<i>10</i>	<i>1</i>	<i>14</i>	<i>6</i>	<i>9</i>	<i>1</i>		

Table 1: Types of data transmitted in the e-audit process by jurisdictions

Table 1 shows the contents of the national e-audit scheme. The questionnaire presented the respondents with items of the OECD SAF-T model. Only two countries (Hungary and Slovakia) include all items of the OECD SAF-T model in their e-audit solution. The majority of the countries allow for or demand the electronic transmission of between 10 to 13 items. However, in Romania (invoices) and in Sweden (general ledger) only one item is transmitted electronically to the tax administration.

When focusing on the transmitted data one can see that the items “invoices” (12), “general ledger” (11), “payments” (11) and “accounts receivable” (9) are the ones that are most often part of the electronically transmitted data. Together with the items “accounts payable” (8) and “inventory” (8) it seems that countries are more strongly focused on data regarding the working capital than data regarding fixed assets, their depreciation and revaluation and data on personnel. When considering that most of the existing e-audit solutions are used for VAT purposes (see further below) this result is plausible and not very surprising.

Additionally, to the items of the OECD SAF-T model we asked the respondents whether there are any additional information / data that is disclosed electronically to the tax administration. Here we received several answers that deepen our understanding of the shared information. For example:

“all data that directly or indirectly impact the computation of the corporate income tax result”

These examples show that to some extent the national e-audit solutions extend their applications compared to the OECD SAF-T model and that the contents of the transmission depend on the type of taxpayer as well as the type of tax that is covered by the respective e-audit solution.

Table 1 as well as the examples above show that the national e-audit solutions are usually based on the OECD SAF-T model, however often deviate from it in some details. This is also illustrated by Figure 6 below. 23% of the jurisdictions considered reported that the SAF-T standard provided by the OECD is used for the data transmission, whereas 38% of the jurisdictions reported to use a national adaptation of the OECD SAF-T model that is tailored to specific national needs and requirements. The same portion of the jurisdictions (i.e., 38%) reported that another, different solution is currently in place in their respective jurisdiction. This result supports the current Austrian transmission standard, which also makes use of a structure similar to that envisaged by the OECD - with some differences resulting from the need to tailor the system to Austrian requirements.

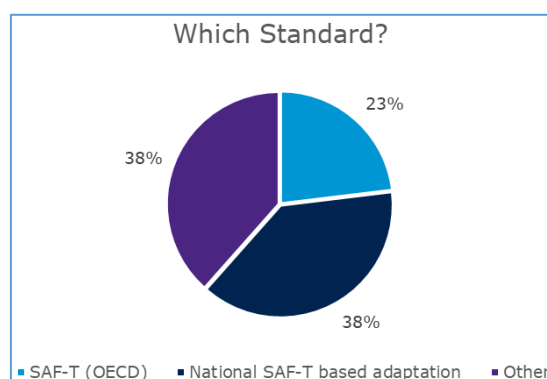


Figure 6: Transmission Standard

When asked about the transmission software and the file format 23% of the countries report that they use a specialized transmission software provided by the tax administration and 46% report that the transmission is based on a “plug-in” into their commercial / ERP software. The remaining 31% report that no standardized software solution exists in their country. The respondent from Ireland for example reported that there is “*Limited support by ERP providers*” in their country.

The majority of the countries (69%) employ XML as file format another 15% use HTML or XBRL and two countries have other solutions (see Table 2). Again, the respondent from Ireland reported that the file format “*Tends to be agreed with Tax Authority*”.

	FRA	GER	HUN	IRE	ITA	LUX	POL	POR	ROM	SVK	SLO	ESP	SWE	Occurrence	
XML	X		X		X	X	X	X	X	X	X			9	69,23%
HTML / XBRL		X										X		2	15,38%
Other				X									X	2	15,38%

Table 2: Standardized data format used for transmission by jurisdictions

5.4. Purpose of the e-audit solution

	FRA	GER	HUN	IRE	ITA	LUX	POL	POR	ROM	SVK	SLO	ESP	SWE	Occurrence	
Standardized data transmission in case of a tax audit	X	X	X	X	X	X	X	X	X	X	X	X		12	92%
Standardized data transmission in case of tax assessment							X					X		2	15%
Monitoring of businesses in regular intervals			X	X	X		X	X			X			6	46%
Automatization of tax assessments	X	X	X			X				X		X		8	62%
Automatization of tax audits			X			X				X		X		4	31%
Other														0	0%
<i>No of Items</i>	2	2	4	2	2	3	3	2	1	3	2	4	0		

Table 3: purpose of e-audit schemes by jurisdictions

In most cases (92%), the purpose of the e-audit scheme is standardized data transmission in case of a tax audit, followed by an automatization of tax audits (62%), monitoring of the businesses in regular intervals (46%), providing automation of tax audits (31%) and a standardized data transmission in case of a tax assessment (15%).

In Spain and Hungary, four of the five purposes are covered by the e-audit scheme (i.e., standardized data transmission in case of a tax audit, monitoring of the businesses in regular intervals, providing automation of tax audits, as well as in the least cases standardized data transmission in case of a tax audit [Hungary] or standardized data transmission in case of tax audits and tax assessments as well as automatization of tax audits and tax assessments). While in most other jurisdictions, two or three of these purposes are covered by the e-audit scheme in place, there is only one jurisdiction (Romania) that covers only one of the purposes stated in the questionnaire.

5.5. Legal Framework

Regarding the legal framework, in a first step an assessment was performed, in which the respondents had to choose between a law, decree or any other legal basis which acts as a basis for the implementation of the e-audit scheme currently in place in the corresponding jurisdiction.

As Figure 7 points out, the vast majority (i.e., 60%) of the jurisdictions have implemented the e-audit scheme by law. 27% (i.e., 4 jurisdictions) of the jurisdictions considered have implemented the e-audit scheme by a decree, and the remaining 13% (i.e., 2 jurisdictions) used a different legal basis for their e-audit implementation.

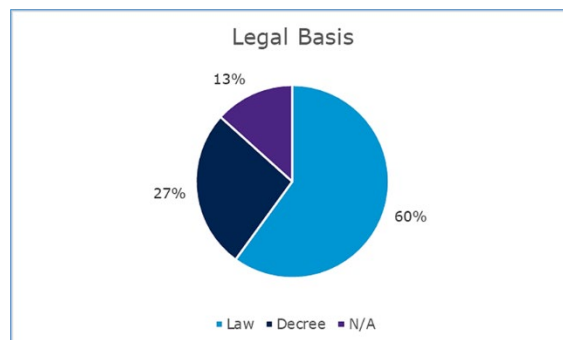


Figure 7: Legal basis for the e-audit implementation by type of legal basis

Table 4 illustrates the used legal basis from a country-by-country perspective. From this table it can be seen that from the four countries that implemented the e-audit solution by a decree two (Hungary and Poland) also have a law. We assume that this is to be interpreted as these countries have a law that is further explained or specified by a decree.

	FRA	GER	HUN	IRE	ITA	LUX	POL	POR	ROM	SVK	SLO	ESP	SWE	Occurrence
Law	X	X	X	X	X	X	X		X	X				9 60%
Decree			X				X	X				X		4 27%
N/A											X		X	2 13%

Table 4: Legal basis for the e-audit implementation by jurisdictions

In a further step, an assessment on the first application of the e-audit scheme in the corresponding jurisdictions was performed in order to assess the way Austria plans to start the implementation of its own e-audit scheme. It is currently envisaged that the first stage of implementation in Austria, is limited to small businesses (income/expense or surplus accountants with turnover of up to EUR 700,000).¹⁶ In other words, Austria plans to start with the smallest taxpayers in terms of a test phase.

As illustrated by Table 5, none of the jurisdictions considered chose a similar approach. Instead, the vast majority of the jurisdictions considered (i.e., 38% or 5 out of 13 jurisdictions) chose to apply the e-audit scheme to the largest taxpayers first. This may be due to the (high) administrative expenses as well as the software requirements, which might be more affordable in particular in the light of a cost-benefit-ratio to the largest taxpayers, i.e., large corporations or partnerships.

¹⁶ Engelbert/Schwarz, SAF-T (Standard Audit File – Tax) – ein Instrument der begleitenden Kontrolle, in Müller/Woischitzschläger/Zöchling (Eds), Co-operative Tax Compliance in Österreich, 2019, 103 and 105.

	FRA	GER	HUN	IRE	ITA	LUX	POL	POR	ROM	SVK	SLO	ESP	SWE	Occurrence	
Largest Taxpayers	X		X				X		X			X		5	38%
Smallest Taxpayers														0	0%
Specific Taxpayer Types		X		X	X	X								4	31%
N/A								X		X	X		X	4	31%

Table 5: First application of the e-audit scheme by jurisdictions

On the other hand, 31% of the jurisdictions applied the e-audit scheme to a specific type of taxpayers first. This can either be based on a personal scope (i.e., certain legal forms or certain types of persons), or based on a material scope (i.e., certain tax types or income types). Another portion of the same size (i.e., also 31% or 4 of the jurisdictions considered) neither applied the e-audit scheme to the largest, smallest or specific taxpayers first, but in a different way.

Table 6 presents the legal forms covered by the e-audit currently in place in the corresponding jurisdictions. Five countries (Germany, Hungary, Ireland, Italy and Poland) apply their e-audit solution to all types of taxpayers (corporations, partnerships and sole proprietors). France applies it to corporations and partnerships while Luxembourg, Romania and Spain apply it to corporations only.

	FRA	GER	HUN	IRE	ITA	LUX	POL	POR	ROM	SVK	SLO	ESP	SWE	Occurrence	
Corporations	X	X	X	X	X	X	X		X			X		9	45%
Partnerships	X	X	X	X	X		X							6	30%
Sole Proprietors		X	X	X	X		X							5	25%
N/A								X		X	X		X		

Table 6: Types of taxpayers covered by e-audit schemes by jurisdictions

Table 6 also shows that the majority of countries (45%) applies the e-audit scheme to corporations. 30% apply the e-audit scheme (also) to partnerships, and the remaining 25% applies it (also) to sole proprietors. This might be – as already pointed out – due to the (high) administrative expenses as well as the software requirements, which might be more affordable in particular in the light of a cost-benefit-ratio to the largest taxpayers, i.e., large corporations or partnerships. It can be noted that most of the responding jurisdictions apply their e-audit scheme not only to one type of taxpayers, however, to a minimum of two of the three categories surveyed by the questionnaire.

In this context, has to be noted that 4 of the 13 jurisdictions responded that they do not apply their e-audit process to either of the three types of taxpayers, which can arise from different causes. The most apparent would be a hybrid situation, i.e., that the jurisdiction applies different criteria in order to assess the qualification of an entity as (fiscally intransparent) corporation or (fiscally transparent) partnership.¹⁷ This can be substantiated by the example

¹⁷ Pinetz/Steiner, Der Typenvergleich in der steuerlichen Beratungspraxis (2019) 2.

of Slovakia, which is one of those four jurisdictions not to choose one of the three categories of taxpayers provided in the questionnaire. For example, a Slovakian *komanditná spoločnosť* (k.s.) is considered a company within the meaning of the EU Parent-Subsidiary Directive, even if from an Austrian perspective this type of company would qualify as a partnership - i.e., as fiscally transparent - and not as a corporation.

5.6. Taxes Covered

Figure 8 and Table 7 focus on the types of taxes that are covered by the respective national e-audit solution. Respondents were asked whether the three main types of taxes VAT, Corporate Income Tax (CIT) and Personal Income Tax (PIT) were covered by their national e-audit solution and whether this coverage was mandatory or voluntarily.

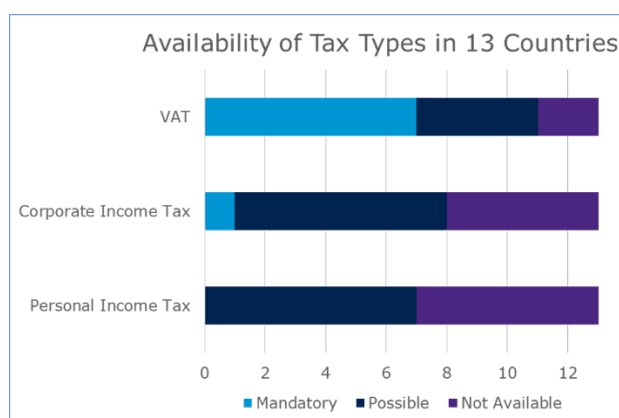


Figure 8: Availability of tax types for e-audit-schemes in 13 jurisdictions

Focusing on the question whether the usage of the e-audit solution is mandatory or voluntary, one can see from Figure 8 that the systems are mostly mandatory for VAT (7 of 11 jurisdictions) but voluntary for the direct taxes CIT and PIT.

Table 7 provides a country-by-country break down of the data shown in Figure 8. It shows that Hungary, Italy, Luxemburg, Poland, Portugal, Romania and Spain are the countries that mandatorily demand the taxpayers to submit their VAT data using the countries' e-audit solution and that France, Germany, Ireland and Slovakia allow their taxpayers to use the country's e-audit solution voluntarily when filing VAT returns. The only country that mandatorily demands CIT data to be transmitted electronically is Spain, while France, Germany, Hungary, Ireland, Italy, Poland and Slovakia allow their taxpayers to use the system for CIT purposes. These countries also allow this for personal income tax purposes with the exception of Poland.

	FRA	GER	HUN	IRE	ITA	LUX	POL	POR	ROM	SVK	SLO	ESP	SWE	Possible	Mandatory	Not Available
Personal Income Tax	P	P	P	P	P	NA	NA	NA	NA	P	NA	P	NA	7	0	6
Corporate Income Tax	P	P	P	P	P	NA	P	NA	NA	P	NA	M	NA	7	1	5
VAT	P	P	M	P	M	M	M	M	M	P	NA	M	NA	4	7	2

P=Possible, M=Mandatory, NA=Not Available

Table 7: Availability of tax types for e-audit-schemes by jurisdictions

5.7. Most Important Features and Taxpayer Incentives

In an open-format question, participants from 9 countries provided information on the most important features of the e-audit scheme in their jurisdictions. As shown in Table 8, responses diverged considerably. For example, while the Hungarian e-audit scheme was deemed beneficial for tax collection, allowing targeted desk audits, and the term “Efficiency” was attributed to the German system, many e-audit schemes, including those from Hungary, Luxemburg, Poland, Portugal, and Romania, were described as either complex, intransparent, or as creating significant demands to businesses IT systems or software providers. Most other descriptions focused on process-oriented features, such as the possibility of real-time data processing in Poland, the regular provision of invoice data in Portugal, or the OECD SAF-T format used in Romania.

FRA	<ul style="list-style-type: none"> Assess tax position of the company Mandatory transfer of books through specific data format 	LUX	<ul style="list-style-type: none"> Complete accounting data; Requires significant IT development on the side of businesses
GER	<ul style="list-style-type: none"> Efficiency Automation 	POL	<ul style="list-style-type: none"> Complexity; Standardization and automatization; Real-time processing of big data; Cross-checking data of both transaction partners
HUN	<ul style="list-style-type: none"> Used for very targeted desk audits Quick provision (usually real time) of sales invoices Led to a significant challenge for businesses Positive effect on tax collection 	POR	<ul style="list-style-type: none"> Obligatory for taxpayers to produce a SAF-T file every year Data must be provided upon request (generally in an audit) Additional monthly communication of invoice data regardless of audit Significant demand to software providers
IRE	<ul style="list-style-type: none"> Assess compliance by inquiring on specific date to support tax returns 	ROM	<ul style="list-style-type: none"> SAF-T format follows OECD Intransparent guidelines by tax authorities
ITA	<ul style="list-style-type: none"> Standardized process Monitoring of transactions Availability of pre-filled tax returns 		

Table 8: Most important features of e-audit schemes

Following the open-format question, participants from the 13 countries indicated which features of e-audit schemes from a preselection of potential features were present in their jurisdiction (see Table 9). The preselection included 13 potential features concerning 1) possible incentives for taxpayers, 2) use of big data, 3) process automation, and 4) support

for taxpayers in the e-audit process. Many e-audit schemes seem to incorporate features aimed at (automatic) data analysis. Indeed, the most common feature is the storage of e-audit data by tax authorities (46%), followed by merging e-audit data with other data and automatic analysis of e-audit data in tax audits (38%). Incentives and support for taxpayers or tax advisors are less common. The most common features from these categories are information about the result of the assessment of e-audit data and user support through Q&A-sections or support hotlines (23% each).

Incentives for Taxpayers / Tax Advisors														
	FRA	GER	HUN	IRE	ITA	LUX	POL	POR	ROM	SVK	SLO	ESP	SWE	Occurrence
Accelerated treatment of tax filing if it is based on e-audit data		X												1 8%
Protection against conventional tax audit if tax assessment is based on e-audit data			X						X					2 15%
Accelerated appeal procedure against the tax assessment		X												1 8%
Taxpayers receive information about the result of the assessment of the e-audit data with special regards to consistence, reliability, data accuracy, uniformity and comprehensibility	X	X	X											3 23%
Usage of Big Data														
	FRA	GER	HUN	IRE	ITA	LUX	POL	POR	ROM	SVK	SLO	ESP	SWE	Occurrence
Some or all the e-audit data is stored by the tax authorities		X	X		X		X	X				X		6 46%
E-audit data is stored even if the e-audit process is aborted		X	X		X		X							4 31%
E-audit data is used for additional analyses such as benchmarking purposes of similar taxpayers		X	X		X		X							4 31%
E-audit data is merged with other data available to the tax authorities	X	X			X	X	X							5 38%
Process Automation														
	FRA	GER	HUN	IRE	ITA	LUX	POL	POR	ROM	SVK	SLO	ESP	SWE	Occurrence
E-audit data is automatically analyzed to generate a tax assessment							X					X		2 15%
E-audit data is automatically analyzed in tax audits		X	X		X		X					X		5 38%
The e-audit process includes automated processes to facilitate utilization, such as pre-filled tax returns, etc.					X							X		2 15%
Support for Taxpayers / Tax Advisors														
	FRA	GER	HUN	IRE	ITA	LUX	POL	POR	ROM	SVK	SLO	ESP	SWE	Occurrence
Taxpayers receive additional information about the audit process and methods		X	X											2 15%
The e-audit process includes support for users through a Q&A-section, support-hotline, or similar			X			X						X		3 23%

Table 9: Availability of e-audit features by jurisdiction

Subsequently, participants indicated the importance of the same 13 potential features. As the most important features overall, participants chose data storage by tax authorities and automatic data analysis. Accelerated appeal procedure was considered least important.

However, as illustrated in Figure 9 to Figure 12, responses vary considerably, indicating little consensus among participants on what constitutes an important feature of e-audit schemes.

Concerning the first category of features – incentives for taxpayers (see Figure 9) – only one feature shows a clear trend: 50% of participants attributed no or little importance to accelerated appeal procedures, and only 10% saw it as very important. In comparison, the other three features (information about results, protection against conventional tax audits, and accelerated treatment of tax filing) show less distinct results: All three features were considered important or very important by 35-45% of participants, and 25-35% selected no or low importance.

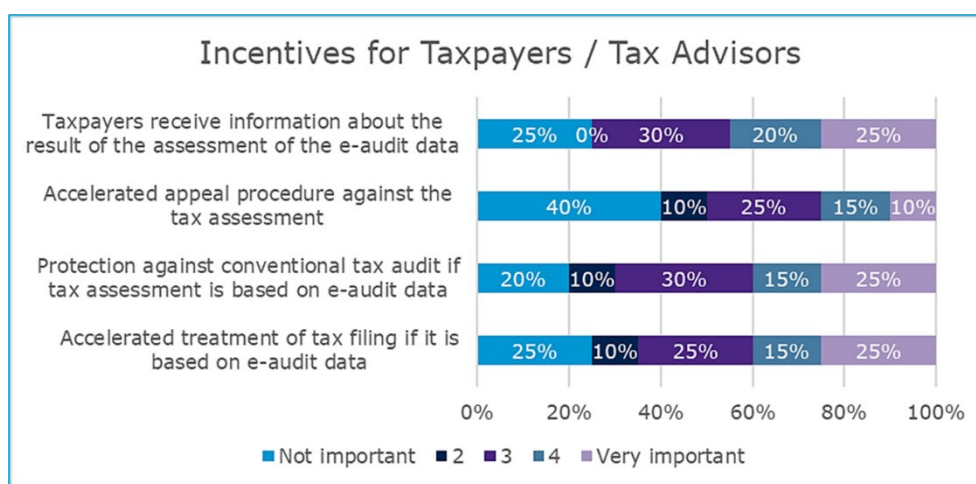


Figure 9: Importance of e-audit features concerning incentives for taxpayers and tax advisors

Regarding the use of (big) data in e-audit schemes (see Figure 10), participants are again not in agreement on the importance of either of the four features. While all four features are considered important or very important by 30-45% of participants, many participants appeared undecided, particularly for the two features additional analyses and data storage even when the process is aborted, where 45% of participants chose the middle answer category.

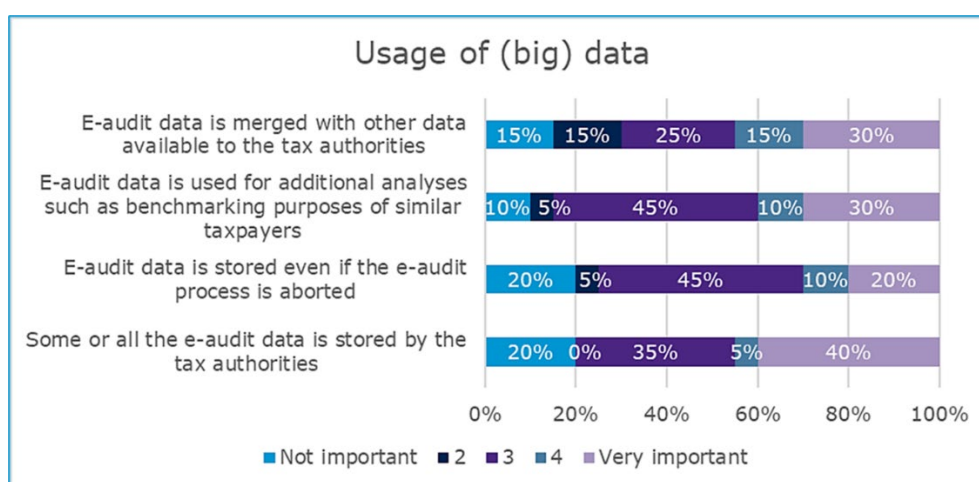


Figure 10: Importance of e-audit features concerning the usage of (big) data

With regards to process automation (see Figure 11), the automatic analysis of e-audit data is considered most important, with 40% of participants indicating very high importance. Automatic tax assessments are also considered important or very important by 45% of participants.

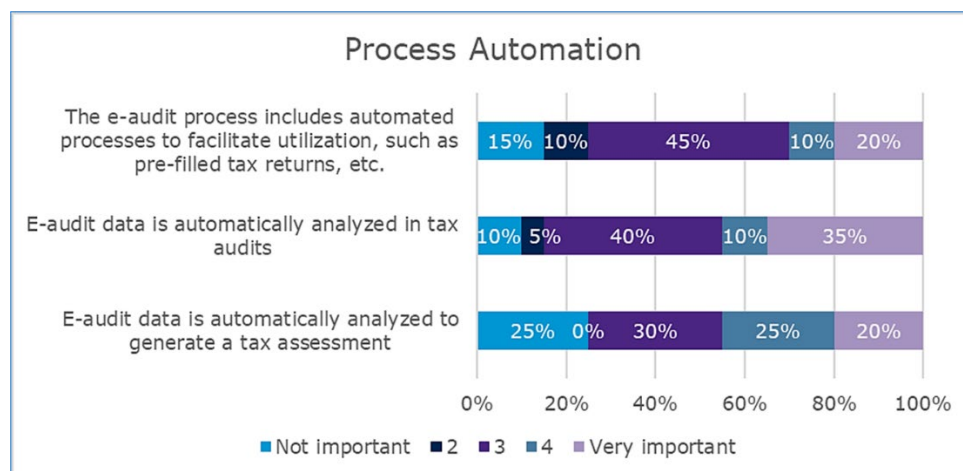


Figure 11: Importance of e-audit features concerning process automation

With regards to support for taxpayers (see Figure 12), participants are again divided, with 35-45% indicating that support and additional information are important or very important, and 35-45% responding with low or very low importance.

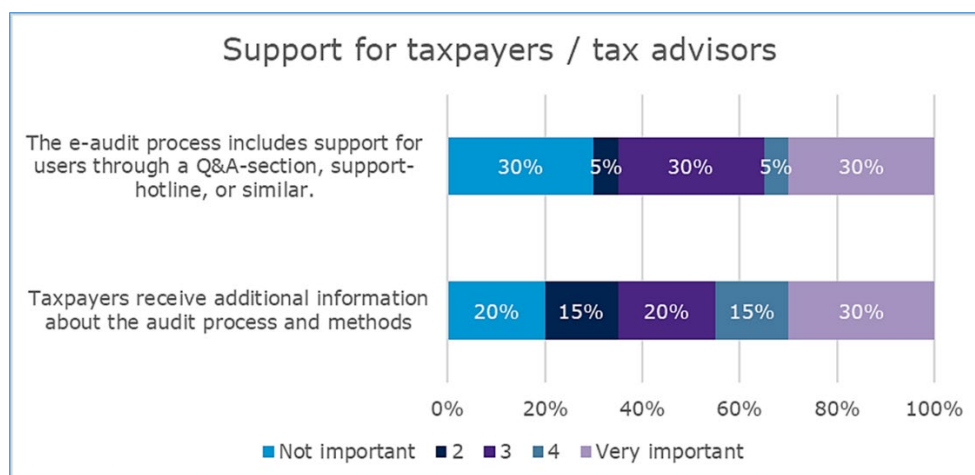


Figure 12: Importance of e-audit features concerning support for taxpayers or tax advisors

The participants were also asked to provide a general assessment of e-audit schemes and their effects by indicating agreement to eight statements (see Figure 13). While some statements show distinct trends, there was little agreement among participants. Overall, participants appear to perceive an increase of tax authorities' audit efficiency, while at the same time noting a lack of usability and support for taxpayers.

With regards to the increase of legal certainty, responses are balanced between agreement and disagreement, with 50% of participants indicating indifference. Concerning sufficient information for taxpayers, more participants agreed than disagreed, but a large proportion was undecided. The third and fourth statement were evaluated most negatively: 35-40% of

participants gave a negative assessment of the ease to use e-audit processes and the support for taxpayers.

Most participants were indifferent about the correctness of e-audit results, with 65% choosing the neutral answer option. The assessment of increased capacity to detect tax evasion and increased efficiency of tax authorities was comparably positive, with 50% of participants responding with agreement to the two respective statements. Regarding the last statement on increased service-orientation by tax authorities, responses are again heterogeneous, with a slight trend towards agreement.

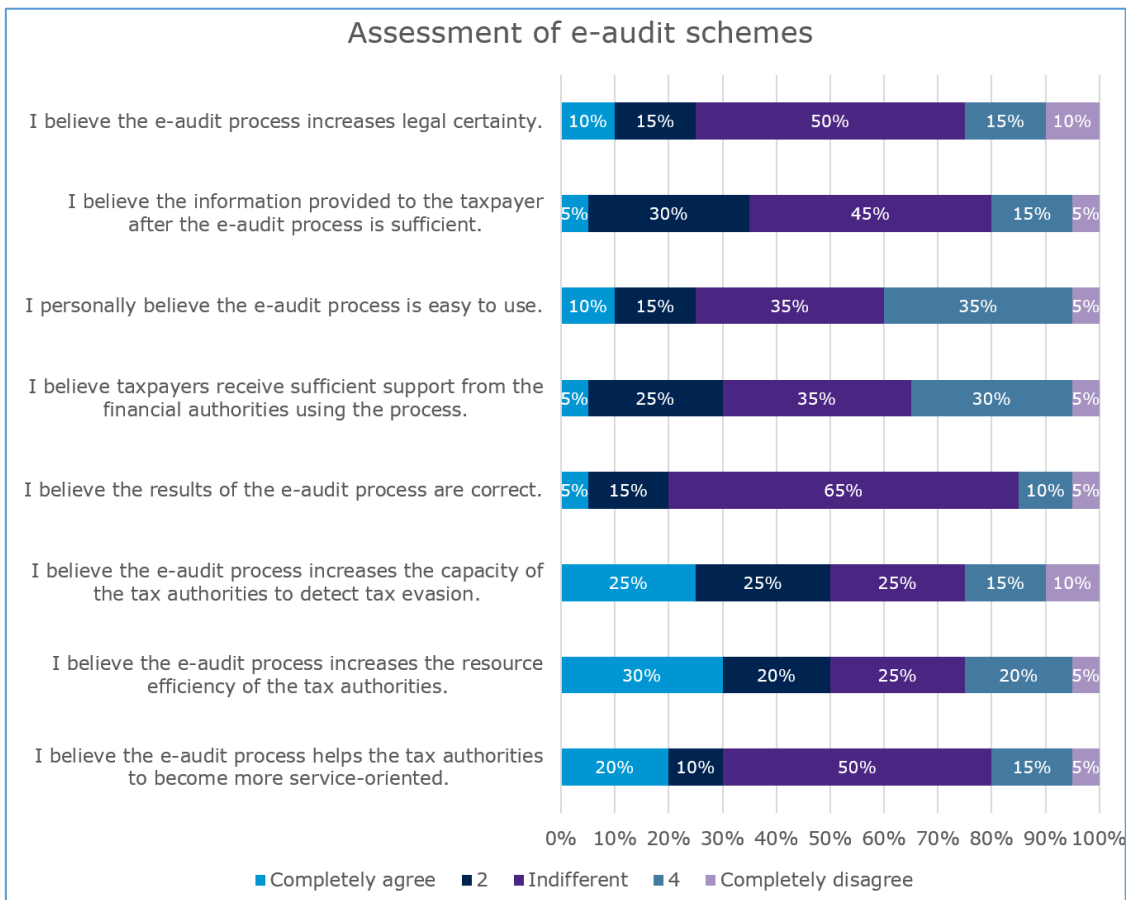


Figure 13: General assessment of e-audit schemes

5.8. Time Savings / Additional Time Spent

Having analysed the most important features that go along with the e-audit schemes in the corresponding jurisdictions, an assessment of the time and cost saving, or the additional time and costs required for using the e-audit processes is performed.

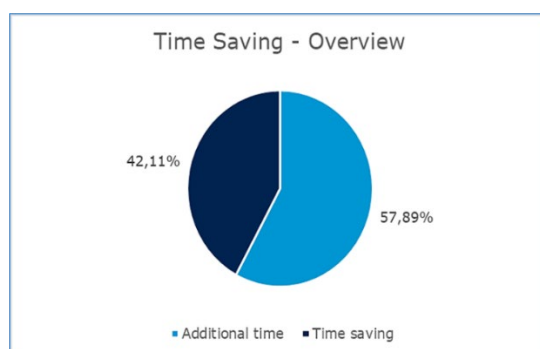


Figure 14: Overview of the perceived time saving

Figure 14 presents an overview of the question whether the respondents experience a time saving effect attributable to the e-audit solution. Surprisingly, the majority of the respondents (i.e., 58% or 11 out of 19 respondents) stated that they spent more time when using the e-audit solution as compared to a regular tax assessment procedure. The remaining 42% of the respondents reported that the use of the e-audit process in their respective jurisdiction leads to time savings from an overall perspective.

Figure 15 decomposes the tax assessment procedure in the following five aspects to identify the areas that are connected to the strongest increase or decrease in time spent for one client:

- Data collection;
- Data preparation;
- Tax assessment;
- Tax Audit;
- Appeal process;

This decomposition shows that data collection leads on average to the highest amount of additional time spent with 13.35 additional working hours followed by “tax assessment” with 10.78 additional working hours and “data preparation” with 6.00 additional working hours on average. The aspect “appeal process” does not report any substantial time savings or additional time spent (1.33 additional working hours). Only the aspect “tax audit” however leads to a time saving (average time saved 8.36 working hours per tax audit).

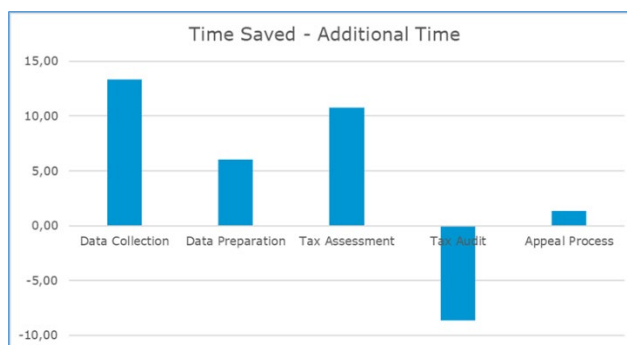


Figure 15: Perceived time saving and additional time required by task on a net basis

Closely connected to the time saving / additional time aspect of the e-audit solution we asked the respondents to estimate their cost saving / additional cost incurred by the e-audit solution. For the five aspects of the tax assessment procedure on average, the following additional costs were estimated:

- Data collection: EUR 10,823,53 additional costs
- Data preparation: EUR 9,512.44 additional costs
- Tax assessment: EUR 258.00 additional costs
- Tax audit: EUR 4,215.00 additional costs
- Appeal process: EUR 22.50 additional costs

The respondents also provided small written statements explaining the reasons for the additional costs or cost savings:

“complexity of the ERP and managing the local constraints of each jurisdiction”
“licence costs for additional features of ERP or third-party solution”
“Reconciliation of the data reported real-time and the VAT return data”
“time saving for the analysis of necessary data that could be downloaded in an organized and framed structure; time saving for the preparation of tax return that could be downloaded as pre-filled tax return”

Summing up these statements the most cost intensive aspect of the e-audit solution is the IT software framework. The establishment of the software infrastructure is seen as either time consuming when developed in-house or rather expensive when provided by an external software provider. Additionally, to the one-off acquisition cost (including annual licence fees) the maintenance of the system as well as the implementation of proper interfaces between the tax administration and the employed ERP systems is considered time consuming and costly. Also, the necessary quality control of the output of the system seems to be a concern.

On the other hand, as mentioned by the respondent from Italy the system also has time and thus cost saving potential if the system actually can be used to speed up the tax filing and tax assessment procedure.

6. Summary and key takeaways for the Austrian tax system

The survey into other European countries’ e-audit solutions provides valuable insights that can function as a blueprint for the Austrian implementation or relaunch of e-audits. While the

responses are to some extent heterogeneous some common features of these e-audit solutions can be detected:

- Software Solutions and Format
 - Most countries base their e-audit scheme strongly on the OECD SAF-T model and demand the submission of at least 9 of the 14 items of the OECD SAF-T model.
 - The countries focus strongly on items representing the working capital. The most common item is “Invoices” followed by “general ledger”, “payments” and “accounts receivable”.
 - The data transmission is usually facilitated by a “plug-in” into the companies’ ERP or commercial software and uses the file format XML.
- Legal Framework
 - The majority of the countries introduced the e-audit solution using an implementation act (only two countries additionally provide guidance using a decree).
 - The vast majority of the countries implemented their system for large taxpayers first; no country started its implementation process with small taxpayers.
 - The majority of the countries employ the system for all types of taxpayers; some countries however restrict the use to corporations and/or partnerships
- Taxes Covered
 - In general VAT is covered and often mandatory
 - Countries allow the use of the system for CIT and PIT but rarely make it mandatory
- Incentives for Taxpayers
 - The countries covered by the survey very rarely grant the taxpayers specific incentives.
 - Two countries provide a protection against a traditional tax audit
 - Three countries provide more information regarding the outcome of the e-audit procedure
 - One country provides an accelerated tax assessment as well as an accelerated appeals procedure
- Usage of Big Data
 - Countries use the electronic data more extensively by merging the data with other sources and by using it for additional benchmarking analyses
 - These aspects are also seen as important by the taxpayers/tax advisors
- Time and Cost Saving

- The e-audit systems do not provide any cost / time savings
- In fact, the respondents experience the e-audit systems as rather time consuming and costly
- Especially the interface between the companies' ERP system and the tax administrations' software causes concerns

These results and these findings are of great relevance and importance for the implementation of possible approaches for Deliverable 4 to elaborate a tailor-made strategy for an implementation plan with legal and operational measures for implementing digital audits in Austria.

Annex I: Questionnaire

Online questionnaire - *e-audit*

Dear participant,

Thank you very much for taking part in this survey by KPMG Austria (commissioned by the European Commission on behalf of the Austrian Ministry of Finance as beneficiary) on the topic of electronic data transfer and automatization in tax audits (hereafter "e-audit" process), such as processes using the Standard Audit File - Tax (SAF-T) and comparable solutions.

All answers provided by you in this survey are confidential and anonymous and will be used for qualitative analyses and to generate aggregated statistics; individual responses will not be shared with third parties.

We appreciate your time and effort and thank you for your participation!

If you have any questions or remarks about this survey, feel free to contact atw@kpmg.at!

* Erforderlich

1. Demographics

With the following questions we would like to find out more about you and the function you perform, without contradicting the anonymity of course.

1. What type of stakeholder do you represent? *

- Ministry of Finance / Tax authorities
- Tax consultancy / Tax advisor
- Business organization / Taxpayer
- Sonstiges

2. In which country do you work? *

- Austria
- Belgium
- Bulgaria
- Croatia
- Republic of Cyprus
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Ireland
- Italy
- Latvia
- Lithuania
- Luxembourg
- Malta
- Netherlands

- Poland
- Portugal
- Romania
- Slovakia
- Slovenia
- Spain
- Sweden

3. Which of the following best describes your position in your organization? *

- CEO / Director / Director General / President
- CFO
- Department head
- Manager / Team lead
- Employee
- Intern
- Sonstiges

4. How much experience do you personally have with e-audit processes such as

SAF-T? *

1	2	3	4	5
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None at all

Substantial
experience

2. E-Audits in your country

The following questions are designed to cover technical details about the e-audit scheme in your jurisdiction, such as the data format and data covered.

5. Please select the types of data that are transmitted digitally in your country's e-audit process? (multiple selections possible) *

- General ledger/journal data
- Accounts Receivable
- Customer Master Files
- Accounts Payable
- Supplier Master Files
- Invoices
- Payments
- Fixed Assets
- Asset Master Files
- Depreciation & Revaluation
- Inventory
- Product Master Files
- Movements
- Data on personnel (i.e. social security number, beginning and ending of employment etc)

6. In addition to the above, which other types of data are transmitted in your country's e-audit process?

Please specify.

7. What are the purposes of the e-audit process in your country?
(multiple selections possible) *

- Standardized data transmission in case of a tax audit
- Standardized data transmission in case of tax assessment
- Monitoring of businesses in regular intervals
- Automatization of tax audits
- Automatization of tax assessments
- Sonstiges

8. What software solutions exist in your country that support the e-audit process? (multiple selections possible) *

- Integrated e-audit functionality in commercial software (i.e. ERP-systems)
- Specialized software provided by the authorities
- Sonstiges

9. On which standard is your country's e-audit process based? *

- SAF-T (OECD)
- National SAF-T based adaptation
- Sonstiges

10. On what standardized data format is the e-audit process based? *

- XML
- XBRL
- PDF-A
- HTML
- None
- Sonstiges

11. For which types of taxes is using the e-audit scheme possible, mandatory, or not available? *

	Possible	Mandatory	Not available
Personal Income Tax	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Corporate Income Tax	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
VAT	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

12. The use of the e-audit process in your country is... *

- Completely mandatory
- Completely voluntary
- Partly mandatory and partly voluntary

3. Mandatory e-audit

The following questions address the legal framework, the implementation as well as the personal and material scope of application.

13. What is the legal basis for using e-audit in your country? *

- A law
- A decree
- Sonstiges

14. The use of the mandatory e-audit depends on... *

- a turnover threshold or any other criteria, e.g. mode of taxable profit calculation (please specify in the next question)
- a certain tax type (please specify in the next question)
- both (please specify in the next questions)

15. Please describe the turnover threshold or other criteria that the use of mandatory e-audit depends on. *

16. On which tax type does the mandatory e-audit depend on? *

- Personal Income Tax
- Corporate Income Tax
- VAT
- Sonstiges

17. Please describe the turnover threshold or other criteria that the use of mandatory e-audit depends on. *

18. On which tax type does the mandatory e-audit depend on? *

- Personal Income Tax
- Corporate Income Tax
- VAT
- Sonstiges

19. In what order was the e-audit process implemented in your country? *

- Starting with small taxpayers
- Starting with the largest taxpayers
- Starting with specific types of taxpayers only

20. What types of taxpayers are covered by your country's e-audit system? *

- Sole Proprietors
- Partnerships
- Corporations
- Sonstiges

21. What types of taxes are covered by the e-audit scheme? *

- Personal Income Tax
- Corporate Income Tax
- VAT
- Sonstiges

4. Voluntary e-audit

The following questions are designed to determine the acceptance of the voluntary e-audit scheme in your jurisdiction as well as the subject to tax and taxes covered.

22. What is the legal basis for using e-audit in your country? *

- a law
- a decree
- Sonstiges

23. How many of the taxpayers [for tax authorities] / your clients [for tax advisors] in your country use e-audit at a regular basis? *

- 0%-25%
- 26%-50%
- 51%-75%
- 76%-100%

24. For what types of taxes are e-audits predominantly used? *

- Personal Income Tax
- Corporate Income Tax
- VAT
- Sonstiges

25. What is the legal form of the taxpayers that use e-audit predominantly? *

- Sole Proprietors
- Partnerships
- Corporations
- Sonstiges

26. How often do taxpayers in the following turnover ranges use e-audits?
(if voluntary) *

	0%-25%	26%-50%	51%-75%	76%-100%
Under EUR 35,000.00	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
EUR 35,000.00 – 100,000.00	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
EUR 100,001.00 – 500,000.00	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
EUR 500,001.00 – 1,000,000.00	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Over EUR 1,000,000.00	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3/4. Partly mandatory and partly voluntary e-audit

The following questions are designed to address the legal framework, the implementation as well as the personal and material scope of application as well as determine the acceptance of the voluntary e-audit scheme in your jurisdiction and the subject to tax and taxes covered.

27. What is the legal basis for using e-audit in your country? *

- A law
- A decree
- Sonstiges

28. The use of the mandatory e-audit depends on... *

- a turnover threshold or any other criteria, e.g. mode of taxable profit calculation (please specify in the next question)
- a certain tax type

29. Please describe the turnover threshold or other criteria that the use of mandatory e-audit depends on. *

30. On which tax type does the mandatory e-audit depend on? *

- Personal Income Tax
- Corporate Income Tax
- VAT
- Sonstiges

31. In what order was the e-audit process implemented in your country? *

- Starting with small taxpayers
- Starting with the largest taxpayers
- Starting with specific types of taxpayers only

32. What types of taxpayers are covered by your country's e-audit system? *

- Sole Proprietors
- Partnerships
- Corporations
- Sonstiges

33. What types of taxes are covered by the e-audit scheme? *

- Personal Income Tax
- Corporate Income Tax
- VAT
- Sonstiges

34. How many of the taxpayers [for tax authorities] / your clients [for tax advisors] in your country use e-audit at a regular basis? *

- 0%-25%
- 26%-50%
- 51%-75%
- 76%-100%

35. For what types of taxes are e-audits predominantly used? *

- Personal Income Tax
- Corporate Income Tax
- VAT
- Sonstiges

36. What is the legal form of the taxpayers that use e-audit predominantly? *

- Sole Proprietors
- Partnerships
- Corporations
- Sonstiges

37. How often do taxpayers in the following turnover ranges use e-audits? *

	0%-25%	26%-50%	51%-75%	76%-100%
Under EUR 35,000.00	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
EUR 35,000.00 – 100,000.00	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
EUR 100,001.00 – 500,000.00	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
EUR 500,001.00 – 1,000,000.00	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Over EUR 1,000,000.00	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

5. Characteristics of the e-audits process and their impact

The following chapter addresses the advantages and possible disadvantages of the e-audit scheme in your jurisdiction in terms of functionality, usage of (big) data, process automation as well as incentives and support for taxpayers.

38. What are the most important features of e-audits in your country, both from the perspective of its functionality and purpose, and its impact on your organization?

Please list up to six e-audit characteristics.

39. Does the e-audit process in your country include the following? *

Incentives for Taxpayers / Tax Advisors

	Yes	No	I don't know
Accelerated treatment of tax filing if it is based on e-audit data.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Protection against conventional tax audit if tax assessment is based on e-audit data.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Accelerated appeal procedure against the tax assessment.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Taxpayers receive information about the result of the assessment of the e-audit data with special regards to consistence, reliability, data accuracy, uniformity and comprehensibility.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

40. Does the e-audit process in your country include the following? *

Usage of (big) data

	Yes	No	I don't know
Some or all the e-audit data is stored by the tax authorities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E-audit data is stored even if the e-audit process is aborted	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E-audit data is used for additional analyses such as benchmarking purposes of similar taxpayers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E-audit data is merged with other data available to the tax authorities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

41. Does the e-audit process in your country include the following? *

Process Automation

	Yes	No	I don't know
E-audit data is automatically analyzed to generate a tax assessment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E-audit data is automatically analyzed in tax audits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The e-audit process includes automated processes to facilitate utilization , such as pre-filled tax returns, etc	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

42. Does the e-audit process in your country include the following? *

Support for taxpayers / tax advisors

	Yes	No	I don't know
Taxpayers receive additional information about the audit process and methods	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The e-audit process includes support for users through a Q&A-section, support-hotline, or similar.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

43. Please rate the importance of the respective characteristics. *

Incentives for Taxpayers / Tax Advisors

	Not at all important				Very important
<p>Accelerated treatment of tax filing if it is based on e-audit data.</p>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<p>Protection against conventional tax audit if tax assessment is based on e-audit data.</p>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<p>Accelerated appeal procedure against the tax assessment.</p>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<p>Taxpayers receive information about the result of the assessment of the e-audit data with special regards to consistence, reliability, data accuracy, uniformity and comprehensibility.</p>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

44. Please rate the importance of the respective characteristics. *

Usage of (big) data

	Not at all important			Very important	
Some or all the e-audit data is stored by the tax authorities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E-audit data is stored even if the e-audit process is aborted	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E-audit data is used for additional analyses such as benchmarking purposes of similar taxpayers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E-audit data is merged with other data available to the tax authorities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

45. Please rate the importance of the respective characteristics. *

Process Automation

	Not at all important			Very important	
E-audit data is automatically analyzed to generate a tax assessment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E-audit data is automatically analyzed in tax audits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The e-audit process includes automated processes to facilitate utilization, such as pre-filled tax returns, etc.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

46. Please rate the importance of the respective characteristics. *

Support for taxpayers / tax advisors

	Not at all important					Very important				
Taxpayers receive additional information about the audit process and methods.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The e-audit process includes support for users through a Q&A-section, support-hotline, or similar.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6. Overall attitude and assessment

The last chapter of this questionnaire addresses the overall impact of the e-audit process for the taxpayer in terms of time, costs and the perceived personal opinion based on your experiences.

47. Overall, how would you describe the impact of the e-audit process for the taxpayer? *

1	2	3	4	5
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Very negative

Very positive

48. Please estimate the average time saving or additional time spent of your organization per tax assessment from the e-audit process in working hours compared to traditional tax assessment methods for the following aspects: *

Data Collection

- Time saving (please specify in hours in the next question)
- Additional time (please specify in hours in the next question)

49. Please estimate the average time saving of your organization per tax assessment from the e-audit process regarding *Data Collection* in hours. *

Der Wert muss eine Zahl sein.

50. Please estimate the average additional time expenditure of your organization per tax assessment from the e-audit process regarding *Data Collection* in hours. *

Der Wert muss eine Zahl sein.

51. Please estimate the average time saving or additional time spent of your organization per tax assessment from the e-audit process in working days compared to traditional tax assessment methods for the following aspects: *

Data Preparation

- Time saving (please specify in hours in the next question)
- Additional time (please specify in hours in the next question)

52. Please estimate the average time saving of your organization per tax assessment from the e-audit process regarding *Data Preparation* in hours. *

Der Wert muss eine Zahl sein.

53. Please estimate the average additional time expenditure of your organization per tax assessment from the e-audit process regarding *Data Preparation* in hours. *

Der Wert muss eine Zahl sein.

54. Please estimate the average time saving or additional time spent of your organization per tax assessment from the e-audit process in working days compared to traditional tax assessment methods for the following aspects: *

Tax Assessment / filing of tax return

- Time saving (please specify in hours in the next question)
- Additional time (please specify in hours in the next question)
- Not applicable

55. Please estimate the average time saving of your organization per tax assessment from the e-audit process regarding *Tax Assessment / filing of tax return* in hours. *

Der Wert muss eine Zahl sein.

56. Please estimate the average additional time expenditure of your organization per tax assessment from the e-audit process regarding *Tax Assessment / filing of tax return* in hours. *

Der Wert muss eine Zahl sein.

57. Please estimate the average time saving or additional time spent of your organization per tax assessment from the e-audit process in working days compared to traditional tax assessment methods for the following aspects: *

Tax Audit

- Time saving (please specify in hours in the next question)
- Additional time (please specify in hours in the next question)
- Not applicable

58. Please estimate the average time saving of your organization per tax assessment from the e-audit process regarding *Tax Audit* in hours. *

Der Wert muss eine Zahl sein.

59. Please estimate the average additional time expenditure of your organization per tax assessment from the e-audit process regarding *Tax Audit* in hours. *

Der Wert muss eine Zahl sein.

60. Please estimate the average time saving or additional time spent of your organization per tax assessment from the e-audit process in working days compared to traditional tax assessment methods for the following aspects: *

Appeal Process

- Time saving (please specify in hours in the next question)
- Additional time (please specify in hours in the next question)
- Not applicable

61. Please estimate the average time saving of your organization per tax assessment from the e-audit process regarding *Appeal Process* in hours. *

Der Wert muss eine Zahl sein.

62. Please estimate the average additional time expenditure of your organization per tax assessment from the e-audit process regarding *Appeal Process* in hours. *

Der Wert muss eine Zahl sein.

63. Please estimate the average cost saving or additional cost expenditure of your organization per tax assessment from the e-audit process in EUR compared to traditional tax assessment methods for the following aspects: *

Data Collection

- Cost saving
- Additional costs

64. Please estimate the average cost saving of your organization per tax assessment from the e-audit process regarding *Data Collection* in EUR. *

Der Wert muss eine Zahl sein.

65. What is the reason for the costs saved?

66. Please estimate the average additional cost expenditure of your organization per tax assessment from the e-audit process regarding *Data Collection* in EUR. *

Der Wert muss eine Zahl sein.

67. What is the reason for additional costs?

68. Please estimate the average cost saving or additional cost expenditure of your organization per tax assessment from the e-audit process in EUR compared to traditional tax assessment methods for the following aspects: *

Data Preparation

- Cost saving
- Additional costs

69. Please estimate the average cost saving of your organization per tax assessment from the e-audit process regarding *Data Preparation* in EUR. *

Der Wert muss eine Zahl sein.

70. What is the reason for the costs saved?

71. Please estimate the average additional cost expenditure of your organization per tax assessment from the e-audit process regarding *Data Preparation* in EUR. *

Der Wert muss eine Zahl sein.

72. What is the reason for additional costs?

73. Please estimate the average cost saving or additional cost expenditure of your organization per tax assessment from the e-audit process in EUR compared to traditional tax assessment methods for the following aspects: *

Tax Assessment / filing of tax return

- Cost saving
- Additional costs
- Not applicable

74. Please estimate the average cost saving of your organization per tax assessment from the e-audit process regarding *Tax Assessment / filing of tax return* in EUR. *

Der Wert muss eine Zahl sein.

75. What is the reason for the costs saved?

76. Please estimate the average additional cost expenditure of your organization per tax assessment from the e-audit process regarding *Tax Assessment / filing of tax return* in EUR. *

Der Wert muss eine Zahl sein.

77. What is the reason for additional costs?

78. Please estimate the average cost saving or additional cost expenditure of your organization per tax assessment from the e-audit process in EUR compared to traditional tax assessment methods for the following aspects: *

Tax Audit

- Cost saving
- Additional costs
- Not applicable

79. Please estimate the average cost saving of your organization per tax assessment from the e-audit process regarding *Tax Audit* in EUR. *

Der Wert muss eine Zahl sein.

80. What is the reason for the costs saved?

81. Please estimate the average additional cost expenditure of your organization per tax assessment from the e-audit process regarding *Tax Audit* in EUR. *

Der Wert muss eine Zahl sein.

82. What is the reason for additional costs?

83. Please estimate the average cost saving or additional cost expenditure of your organization per tax assessment from the e-audit process in EUR compared to traditional tax assessment methods for the following aspects: *

Appeal Process

- Cost saving
- Additional costs
- Not applicable

84. Please estimate the average cost saving of your organization per tax assessment from the e-audit process regarding *Appeal Process* in EUR.

*

Der Wert muss eine Zahl sein.

85. What is the reason for the costs saved?

86. Please estimate the average additional cost expenditure of your organization per tax assessment from the e-audit process regarding *Appeal Process* in EUR. *

Der Wert muss eine Zahl sein.

87. What is the reason for additional costs?

88. Please indicate how much you agree with the following statements according to your own personal experience. *

	completely agree		indifferent		completely disagree
I believe the e-audit process increases legal certainty.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I believe the information provided to the taxpayer after the e-audit process is sufficient.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I personally believe the e-audit process is easy to use.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I believe taxpayers receive sufficient support from the financial authorities using the process.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I believe the results of the e-audit process are correct.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I believe the e-audit process increases the capacity of the tax authorities to detect tax evasion.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I believe the e-audit process increases the	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

resource efficiency of the tax authorities.



I believe the e-audit process helps the tax authorities to become more service-oriented.





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