

# Analysis of good practices for implementing the Standard Audit File for Tax

Project “Enhancing tax compliance by implementation of SAF-T in Bulgaria”

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## ABBREVIATIONS

<b>Abbreviation</b>	<b>Description</b>
<b>DG REFORM</b>	Directorate General for Structural Reform Support
<b>EU</b>	European Union
<b>NRA</b>	National Revenue Agency
<b>OECD</b>	Organization for Economic Cooperation and Development
<b>SAF-T</b>	Standard audit file for tax, the standard file, the file

## 1 Objectives of this document

This report is developed within the project "Enhancing tax compliance by implementation of SAF-T in Bulgaria". The project is implemented according to Specific Contract REFORM/SC2022/050 of the European Commission's Directorate General for Structural Reform Support (DG REFORM) with a main beneficiary the National Revenue Agency of the Republic of Bulgaria (NRA, Agency).

The aim of the project is to assist the Agency in improving tax compliance by introducing the Standard Audit File for Tax (SAF-T, the standard file, the file), with specific objectives being as follows:

- ▶ **Specific objective 1:** Acquire specialized knowledge and skills of NRA staff by sharing best practices, processes, and methodologies with other tax administrations in the European Union (EU) that have successfully implemented the Organisation for Economic Co-operation and Development (OECD) SAF-T.
- ▶ **Specific objective 2:** Develop and prepare to implement all requirements for the collection of accounting data from large and medium-sized taxpayers in a uniform format based on SAF-T according to the OECD model.

## 2 Aspects and methods of analysis

The analysis was carried out through a desk study between 07 October 2022 and 31 March 2023 based on public information, a legal framework, information provided by the Beneficiary, as well as by analysing good practices and obtaining practical guidance from individuals involved in the implementation of SAF-T in other EU Member States.

For the purposes of building the analysis context and framework which to allow conclusions and proposals for the implementation of the reform, this report is based on the following methods of analysis:

### COLLECTION, STUDY AND ANALYSIS OF INFORMATION

The method involves collecting, examining and analysing existing documents and information, including public information and internal documents provided by the beneficiary. The main steps that have been implemented are:

- ▶ Identification of the documents and information needed for the analysis, including:
  - regulations – acts, regulations related to tax and control activities and the relevant functions of the Agency
  - internal documents of the NRA
  - academic literature
  - information and documents from external stakeholders
  - other documents provided by Beneficiary and/or Ernst & Young.

- ▶ Examining the documents and processing the information from them – the primary information collected from the sources is systematised, processed, aggregated and prepared for analysis.
- ▶ Preparation of a report – the results of the study are presented in a report. On the basis of analysis and assessment of the facts, relevant proposals, conclusions and findings have been drawn.

## **WORKSHOPS WITH THE BENEFICIARY**

- ▶ The workshops held for the purpose of the report aim to confirm, improve or reject the proposed options for implementing SAF-T, taking into account the Agency's strategic plans, objectives and resources.

### **3 Analysis of good practices**

The current analysis presents the process of implementing SAF-T according to the good practices observed in certain European countries where it has already been incorporated into their fiscal systems.

The analysis includes an overview of the following tax systems:

- ▶ Lithuania
- ▶ Norway
- ▶ Portugal
- ▶ Romania
- ▶ Poland
- ▶ Spain
- ▶ France.

The chosen approach involves presenting information according to the following criteria:

- ▶ General information on SAF-T implemented in the country concerned
- ▶ Introduction technique
- ▶ Types of taxes in scope
- ▶ Availability of a mandatory chart of accounts
- ▶ Range of taxable persons
- ▶ Implementation phases
- ▶ Frequency of submission

- ▶ High-level overview of SAF-T scheme
- ▶ Correction mechanism
- ▶ Specifics applicable to the model adopted in the country concerned.

When conducting the analysis, the aforementioned criteria are rendered inapplicable in instances where there is missing, unconfirmed, or inconsistent information regarding the specific tax system.

## Lithuania

<b>General information</b>	<p>SAF-T in Lithuania includes detailed accounting data that is made available to the tax authorities on request for the purpose of controlling the tax obligations of obliged entities. SAF-T should be prepared in accordance with the official file requirements and transmitted in XML format.</p> <p>In addition to the tax authorities, the file may also be requested by customs authorities, financial crime investigation services and social security authorities.</p>
<b>Introduction technique</b>	<p>The obligation has been introduced through a provision in the Accountancy Act. Additionally, an order from the Executive Director of the tax administration, as well as clarifications and specifications of the SAF-T scheme, have been issued. Furthermore, technical requirements for completing the scheme and the list of necessary specifications have been updated by order of the tax administration.</p>
<b>Types of taxes in scope</b>	<p>VAT, Corporate tax</p>
<b>Availability of a mandatory chart of accounts</b>	<p>None</p>
<b>Range of taxable persons</b>	<p>Mandatory submission by local companies only.</p> <p>SAF-T filing is not mandatory for foreign entities registered for VAT purposes in Lithuania, including branches, agencies of foreign entities, permanent establishments, public companies, and non-profit organizations.</p>
<b>Implementation phases</b>	<ul style="list-style-type: none"> <li>▶ From 1 January 2018, for companies with a net sales revenue for 2016 exceeding EUR 700 000;</li> <li>▶ From 1 January 2019, for companies with net sales revenues for 2017 exceeding EUR 300 000;</li> <li>▶ From 1 January 2020 onwards, for companies with net sales revenues exceeding EUR 300 000 in the year preceding the year before.</li> </ul>



<b>Frequency of submission</b>	Upon request
<b>SAF-T Scheme</b>	<p>The following elements of the OECD scheme are in place:</p> <ul style="list-style-type: none"> <li>▶ Header;</li> <li>▶ Master File;</li> <li>▶ General Ledger Entries;</li> <li>▶ Source Documents.</li> </ul> <p>Four types of spreadsheets have been introduced to compare the data of the ERPs companies' systems to the parts of the scheme, namely:</p> <ul style="list-style-type: none"> <li>▶ General ledger accounts;</li> <li>▶ A VAT table;</li> <li>▶ A CIT Table;</li> <li>▶ Analysis type table "Profit".</li> </ul>
<b>Correction mechanism</b>	Information not available
<b>Specifics</b>	<p>SAF-T may be submitted in whole or divided into parts. The parts in which the file can be divided into are General Ledger, sales data, purchase data, payment data, movements of goods, data on transactions in assets.</p> <p>If the person chooses to submit the file in parts, it should comply with the requirements for such a submission. In addition, the individual parts can be broken down by period, especially if the period for which the file is requested is more than a year.</p> <p>In addition to SAF-T, Lithuania has now introduced i.SAF, which is the electronic invoicing system, which introduces information on VAT invoices. A system i.VAZ has been introduced where information on the transport of goods is entered.</p>

## Norway

<b>General</b>	<p>SAF-T is a standard file used for the exportation and exchange of different types of accounting transaction data in XML format. The development of SAF-T in Norway is the result of a joint cooperation between the business community, the accounting sector and the Norwegian tax administration.</p> <p>The SAF-T version implemented is limited to the level of accounting, including transactions with customers and suppliers. All the necessary basic data are also included. Future SAF-T versions will include information on documents such as details of invoices and movements of goods and transactions in assets. Other elements will further be added.</p> <p>The main objective of the SAF-T is to serve:</p> <ul style="list-style-type: none"><li>▶ to extract and make available accounting data upon request of the Norwegian tax administration or other public authorities;</li><li>▶ as a format for the archiving of the necessary accounting data for those obliged to keep accounts as specified in Norwegian accounting legislation;</li><li>▶ as a data transfer format for changing accounting software;</li><li>▶ as a format for transferring data from accounting software to other systems, such as tax calculation systems, business inspection software, consultancy systems, etc.</li></ul> <p>The introduction of SAF-T in Norway has been reported as affecting software developers and suppliers, who have to include the export functionality of SAF-T with accounting data in their products, the persons obliged to keep accounts in Norway and the Norwegian tax administration. It is only in the case of an audit that there is an obligation for an undertaking required to keep accounts to submit SAF-T to the tax administration.</p>
<b>Introduction technique</b>	<p>The obligation was introduced by a provision in the Tax Administration Act, as well as in the accounting regulations issued by the Ministry of Finance.</p>
<b>Types of taxes in scope</b>	<p>VAT</p>

<b>Availability of a mandatory chart of accounts</b>	The chart of accounts may be drawn up on an optional basis in accordance with the financial standard SAF-T accounts (2 or 4-digit) or in accordance with the profit and loss account of the type of business, respectively.
<b>Range of taxable persons</b>	<p>A SAF-T file is mandatorily submitted by any undertaking with accounting obligations using electronic accounting systems. Undertakings with turnover below 5 million and those with fewer than 600 accounting transactions are exempted from the requirement. However, if these undertakings have accounting information available in electronic format, the requirement also applies to them.</p> <p>Software providers are responsible for adapting their accounting products to enable compliance with the new standard upon request.</p>
<b>Implementation phases</b>	<p>As of January 1, 2020, the obligation to submit the file upon request by the tax administration was introduced, replacing its previous non-mandatory status. Prior to this date, there was no obligation to report transactions.</p> <p>The initial version of the standard was developed in 2016, primarily focusing on providing account information (accounting book) and details of suppliers and customers. Since then, subsequent versions have been released, with the current version being the fifth iteration. In 2016, the working group produced the first version, followed by an improved version later that same year. Subsequently, a new version of the standard was prepared each year from 2017 to 2019.</p>
<b>Frequency of submission</b>	At that time, it is submitted only upon request in the course of a tax control proceeding.
<b>SAF-T Scheme</b>	<p>The following elements of the OECD scheme are in place:</p> <ul style="list-style-type: none"> <li>▶ Header;</li> <li>▶ Master Files;</li> <li>▶ General Ledger Entries;</li> </ul>

	<ul style="list-style-type: none"> <li>▶ Source Documents.</li> </ul>
<b>Correction mechanism</b>	None

## Portugal

<b>General</b>	<p>The SAF-T version introduced in Portugal is a standard file, in XML format, which collects all the tax and accounting information of a company.</p> <p>This file is intended to allow the easy exportation at any time of a pre-defined set of accounting information and records in readable format irrespective of the program used.</p> <p>In Portugal, the SAF-T file can be divided into 4 types (with common tables among them and specific tables for each type):</p> <ul style="list-style-type: none"> <li>▶ SAF-T accounting file (C) – includes company chart of accounts, accounting transactions, customers, suppliers, tax codes and payments;</li> <li>▶ SAF-T billing file (F) – includes basic data (customers, suppliers and products/services), business documents for customers, tax codes, movements of goods, working papers and payments (receipts);</li> <li>▶ Integrated SAF-T file (I) – includes all accounting and billing information;</li> <li>▶ Self-billing (S) – includes only business documents to customers, products/services and tax codes.</li> </ul>
<b>Introduction technique</b>	<p>The deadlines for submitting the accounting SAF-T file have been postponed several times, although the necessary legislative changes have not been delayed. For the tax administration as well as for businesses, it has proven to take longer time to be implemented from a technical point of view.</p>
<b>Types of taxes in scope</b>	<p>In Portugal, SAF-T has not been explicitly introduced to track certain tax liabilities of taxpayers. Rather, the</p>

submission of the file allows the tax administration to obtain more detailed information on the transactions carried out by the taxpayer and thus to conduct more efficient tax control procedures and analyses of taxpayers' profiles.

The SAF-T accounting file encompasses a comprehensive collection of accounting records and supplementary information utilized by the Portuguese tax administration for conducting additional assessments, primarily focusing on corporation tax while also covering other identifiable taxes within the accounting records.

Moreover, it includes data enabling more thorough scrutiny, particularly concerning VAT but also extending to other taxes.

Within the SAF-T file, a mandatory table is available for recording VAT, alongside a product table where parafiscal taxes may be included.

#### Availability of a mandatory chart of accounts

In Portugal, there are mandatory charts of accounts that follow international standards. However, it must be borne in mind that there is no uniform mandatory chart of accounts for all companies. For example, financial institutions, non-profit organizations and microenterprises apply different standards in this regard. To our knowledge, no changes have been made to the charts of accounts used due to the introduction of the SAF-T in Portugal.

However, the use of SAF-T in Portugal until now has shown that the structure of the file is still insufficient to fully understand and control accounting information due to flexibility in the use of the accounts by different entities. The Portuguese tax administration therefore adjusted the structure of the SAF-T file with the creation of taxonomies, that is to say, correlation tables allowing the specification of the accounts used by the taxable person in accordance with the accounting provisions used by different taxable persons.

The national chart of accounts applicable to most companies in Portugal is governed by Regulation 218/2015.

The SAF-T accounting file contains a table called GeneralLedgerAccounts, which lists all accounts used in the accounting transactions reported in the file. This table contains a field filled in with the reference classification of accounts used by the company:

- ▶ 'S' – Common SNC (accounting standardization system);
- ▶ 'N' – International Accounting Standards;

	<ul style="list-style-type: none"> <li>▶ 'M' – SNC (Accounting Standardization System) for micro-entities;</li> <li>▶ 'O' – Other accounting notes whose taxonomy is not codified.</li> </ul>
<b>Range of taxable persons</b>	<p>Residents and non-residents subject to corporate income in Portugal, who are principally engaged in commercial, industrial or agricultural activities and organize their accounts using software, are required to submit the annual SAF-T accounting file.</p> <p>On the other hand, companies which have had a turnover above EUR 50 000 in the year before are obliged to use certified billing software by the Portuguese tax authority. This software allows the generation of a Billing SAF-T.</p>
<b>Frequency of submission</b>	<p>The Billing SAF-T file shall be submitted on a monthly basis to the portal of the Portuguese tax authorities on their website with the data relating to documents issued in the previous month. The deadline for submitting the Billing SAF-T is by the 5<sup>th</sup> day of the following month, with the deadline being extended to the 8<sup>th</sup> day of the following month for 2023.</p> <p>The accounting SAF-T file is drawn up annually and sent to the Portuguese tax administration upon request in the context of a control procedure. The annual submission is expected to be mandatory from January 2025.</p>
<b>SAF-T Scheme</b>	<p><b>SAF-T invoicing file:</b></p> <ol style="list-style-type: none"> <li>1. Header</li> <li>2. Master File <ol style="list-style-type: none"> <li>1. Customers</li> <li>2. Suppliers</li> <li>3. Products – Description table of goods and services used as described in the invoicing software</li> <li>4. Tax Table – table of tax codes and rates</li> </ol> </li> </ol>

3. Source Documents

1. Sales invoices – information on all sales tax documents
2. Movement of goods – information on transport documents
3. Working documents – any other documents issued to a customer, e.g. pro forma invoices
4. Payments

**SAF-T accounting file:**

1. Header
2. Master File
  1. GeneralLedgerAccounts – description of the chart of accounts used by the specific company
  2. Customers
  3. Suppliers
  4. Tax Table
3. GeneralLedgerEntries – information on all accounting entries for the reporting period
4. Source Documents
  1. Payments

**Correction mechanism**

The SAF-T file may be amended at the initiative of the taxpayer when it detects an error or non-compliance. Portuguese legislation provides for the possibility of imposing penalties where information on tax obligations is submitted after the deadline or when gaps or inconsistencies are identified.

With regard to the SAF-T Billing file, the procedure entails submitting a request for the deletion of the previously submitted file, followed by the subsequent submission of a new file. The request should contain an explanation of the errors and the reasons in the file necessitating a change, as well as the procedures undertaken to correct them. If there is a need to correct billing information, a new correction document such as a credit or debit note should be issued.

The procedure is similar for the SAF-T accounting file – if there is need for adjustments, they must be carried

	<p>out in new transactions cancelling or adjusting the previous ones.</p>
<p><b>Specifics</b></p>	<p>SAF-T gives the tax administration access to a large amount of information allowing more comprehensive and in-depth tax audits.</p> <p>Information from the SAF-T accounting file is used to validate the amounts from the company's financial statements as well as the amounts from the DC tax declarations.</p> <p>The SAF-T Billing file, in turn, allows for comparison with VAT returns and control of the issue of invoices by licensed invoicing software. Each document issued by such software shall be signed by a digital signature and shall contain a unique identification code, both of which shall be included in the SAF-T billing file.</p> <p>The digital signature is encrypted information about invoice number, invoice date, accounting date, amount and previous digital signature. This encrypted information allows the tax administration to track the numbering and dates of the tax documents issued. In addition, all invoices issued to VAT-registered persons whose VAT numbers are correctly listed and included in the SAF-T invoice file are assigned to the person concerned and can access them through their account in the tax administration portal. Accordingly, if such a person does not find an invoice issued to them in his account in the tax administration portal, they can only enter it. This mechanism improves the quality of cross-checks that tax authorities could carry out.</p>

## Romania

<p><b>General</b></p>	<p>When implementing the SAF-T in Romania, the National Agency for Fiscal Administration has chosen the approach of introducing the whole SAF-T scheme according to the standard developed by the OECD.</p> <p>The latest version of the standard – SAF-T 2.0 has been introduced in Romania on 1 January 2022.</p> <p>The file is designed to allow control authorities to access tax and accounting information easily for analytical purposes. With the introduction of the SAF-T, the National Agency for Fiscal Administration aims for modernization via optimization of the fiscal audit and improvement of the voluntary tax compliance.</p>
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## Introduction technique

One of the expected results of the implementation of the SAF-T in Romania is the improvement of the data exchange between the National Agency for Fiscal Administration and taxable persons in the course of control proceedings. The tax administration is enabled to carry out ex ante checks mainly by electronic means, hence minimizing the need for them to be carried out on the spot.

A stepwise approach has been taken for the submission of the SAF-T file to the tax administration:

- ▶ No later than the last calendar day of the month following the reference period (calendar month/quarter as appropriate) for information other than stocks and fixed assets
- ▶ No later than the deadline for submission of financial statements for the financial year, in the case of information D406 for fixed assets
- ▶ By the deadline set by the tax authorities, which may not be less than 30 calendar days from the date of the request, in the case of inventory information D406.

Given the complexity of the new reporting requirements, the fiscal administration has granted a grace period for the submission of the first reports from the date of entry into force of the requirements for the submission of the SAF-T file applicable to each category of taxpayers. In case of monthly reporting, the grace period is calculated as follows:

- ▶ six months for the first reporting,
- ▶ five months for the second reporting,
- ▶ four months for the third reporting,
- ▶ three months for the fourth reporting, and
- ▶ two months for the fifth reporting.

In addition to monthly reporting, the administration also maintained quarterly reporting obligations in respect of the required information according to the type of tax due.

The obligation to submit the file was introduced in the Romanian Tax Procedure Code and its specification, such as grace periods, information to be submitted, etc., was introduced by orders of the Executive Director of the tax administration. Detailed manuals outlining the technical requirements for the file and the information to be submitted at each stage of the scheme have been developed and published for taxpayers.

<p><b>Types of taxes in scope</b></p>	<p>The filing allows the tax administration to obtain more detailed information on the transactions carried out by the taxpayer and thus perform more efficient tax control procedures and analyses of taxpayers' profiles.</p> <p>SAF-T contains a large set of accounting records and other information that can be used by the Romanian tax administration to carry out additional checks on both corporate tax and other taxes that can be identified in the accounting records. The file also contains information allowing for more in-depth control of mainly VAT, as well as all other direct and indirect taxes.</p> <p>The SAF-T file provides for the existence of a mandatory table relevant to VAT and a table of products where parafiscal taxes may be included. Accordingly, the companies also reflect their excise duties in the file.</p>
<p><b>Availability of a mandatory chart of accounts</b></p>	<p>In Romania, there are mandatory charts of accounts that follow international standards. For budgetary institutions, the keeping of a chart of accounts is mandatory by law.</p> <p>For companies, there are standardized charts of accounts by sector which regulate the synthetic part of the balance sheet whereby the accounts are analytical. It shall be borne in mind that there is no single mandatory chart of accounts for all companies. A basic requirement for systematization of the information in the SAF-T file is that it should be extracted from the accounts at analytical level.</p> <p>To our knowledge, no changes have been made to the charts of accounts used due to the introduction of the SAF-T in Romania.</p>
<p><b>Range of taxable persons</b></p>	<p>The legislation specifically lists the types of entities that have an obligation to submit and includes a provision setting out such an obligation also for all non-explicitly specified persons. A subsequent provision includes a list of the entities for which there will be no obligation to file. These include, for example, individuals, family businesses, law firms, notary offices and notaries, public institutions regardless of the source of their funding, and public administrations.</p> <p>There is also a requirement for the submission of the SAF-T file by persons not established in Romania but operating in the country through a permanent establishment as well as those with a VAT registration number in Romania only (e.g., taxable persons registered through direct registration, taxable persons registered through a tax representative, permanent establishments). In the specific case of taxable persons registered through a tax representative, the date on which the SAF-T file will become mandatory depends on the category of</p>

	<p>taxpayers in which the tax representative is included.</p> <p>The taxable entities required to submit the file are essentially categorized into three groups:</p> <ul style="list-style-type: none"> <li>▶ large taxpayers;</li> <li>▶ medium-sized taxpayers;</li> <li>▶ small taxpayers.</li> </ul>
<p><b>Implementation phases</b></p>	<p>Depending on the categories of taxable persons, the submission of SAF-T is mandatory as follows:</p> <ul style="list-style-type: none"> <li>▶ For large taxpayers (falling in this category on 31 December 2021) as of 1 January 2022. Except for large taxpayers that were not in this category on 31 December 2021 for whom the deadline is 1 July 2022.</li> <li>▶ For medium-sized taxpayers (included in this category on 31 December 2021) as of 1 January 2023.</li> <li>▶ For small taxpayers (falling in this category on 31 December 2021) from 1 January 2025</li> <li>▶ Exceptionally, financial, banking and (re)insurance companies (i.e., large taxpayers as of 31 December 2021) since 1 January 2023.</li> </ul>
<p><b>Frequency of submission</b></p>	<p>The SAF-T file is submitted on a monthly or quarterly basis following the procedure for submitting the VAT return. Regarding the frequency of submission, on a monthly basis taxpayers submit accounting information, information on a transaction basis, i.e., information on sales and purchases, as well as payments and, on an annual basis, transmit data relating to assets.</p> <p>A grace period for the first reporting is granted to taxpayers. During this period, taxpayers who do not submit a monthly SAF-T file or submit error files will not be subject to sanctions.</p> <p>The deadlines for corrections (10 days after the end of the month – to remedy any issues in the file) are also taken into account without the imposition of sanctions. For the submission of a correction of the initial declaration, it is recommended to re-submit the entire file and not partly only the corrected fields.</p>
<p><b>SAF-T Scheme</b></p>	<p>The SAF-T scheme in Romania contains all the requirements of version 2.0 (SAF-T Schema 2.0) of the OECD Standard.</p>

The scheme refers to detailed accounting and tax information relevant to the accounting records of the enterprise's general ledger, receivables, liabilities, inventories, fixed assets, etc.

## Poland

<p><b>General</b></p>	<p>In Poland, SAF-T files shall be submitted in XML format approved by the Ministry of Finance, either electronically or on technical media.</p> <p>SAF-T files, as currently submitted, do not cover excise or local tax obligations and do not provide exhaustive information on taxpayers' assets.</p> <p>Starting from October 1, 2020, SAF-T has replaced the process of VAT returns in Poland.</p>
<p><b>Types of taxes in scope</b></p>	<p>Information submitted via SAF-T files in Poland is mainly used to monitor and control VAT obligations of persons. The main purpose of the submission of files is better control of VAT accounting and fight against VAT fraud.</p> <p>The information could in theory also be used for verification of CIT obligations.</p>
<p><b>Availability of a mandatory chart of accounts</b></p>	<p>Poland does not have full standardization of the national chart of accounts. The Polish Accounting Act sets the general framework of the chart of accounts and any entity can build its own chart of accounts following the basic rules.</p> <p>The chart of accounts should be used for the proper preparation of the balance sheet and profit and loss account – the layout of the selected accounts should correspond to specific elements of the profit and loss account (e.g., financial charges, other operating income, etc.). The layout of the chart of accounts should allow for effective production of income statements, the implementation of a program, the overall activities of the organization, etc.</p>

<p><b>Range of obliged persons and implementation stages</b></p>	<p>In addition to domestic companies, non-resident persons who have only a VAT number in the country are obliged to file the SAF-T in Poland.</p> <p>When the requirement to submit the SAF-T was introduced in Poland in 2016, a distinction was made between micro, small, medium-sized and large enterprises. The first group of taxable persons includes large companies. In the following years, the scope was extended to the three remaining groups until the obligation to file the SAF-T was imposed on all business entities (irrespective of size).</p> <p>The obligation to submit all SAF-T files by large enterprises was introduced from 1 January 2016.</p> <p>For small and medium-sized enterprises, an obligation to submit the SAF-T file for VAT purposes was introduced on 1 January 2017 and for all files to be submitted from 1 January 2018 onwards.</p> <p>For micro enterprises, the submission of all SAF-T files is mandatory from 1 January 2018.</p> <p>The distinction between enterprise groups is made on the basis of three criteria: number of employees, turnover and value of assets.</p>
<p><b>Frequency of submission</b></p>	<p>Only the SAF-T VAT file is submitted monthly via the portal of the Ministry of Finance. The other SAF-T files are provided to the tax administration primarily on request, typically in a technical medium rather than through electronic means.</p>
<p><b>SAF-T Scheme</b></p>	<p>Several different SAF-T files have been developed and submitted in Poland as follows:</p> <ul style="list-style-type: none"> <li>▶ JPK_KR – SAF-T file for account information;</li> <li>▶ JPK_WB – SAF-T file for bank statements;</li> <li>▶ JPK_MAG – SAF-T stock file;</li> <li>▶ JPK_VAT (old version) and JPK_V7 (new version) – VAT SAF-T;</li> <li>▶ JPK_FA – SAF-T for VAT sales invoices;</li> <li>▶ JPK_FA_RR – SAF-T for VAT sales invoices on flat-rate farmers;</li> <li>▶ JPK_PKPIR – SAF-T for a revenue and expenditure book (only for entities using a book of income and expenditure);</li> </ul>

	<ul style="list-style-type: none"> <li>▶ JPK_EWP – SAF-T for the revenue register (for micro entities only).</li> </ul>
<p><b>Adjustment mechanism</b></p>	<p>There is a procedure for adjustment of the VAT SAF-T. The correction may be initiated by the taxpayer if the error is detected by them– there is no final date for making the correction for these cases. If discrepancies are detected by the tax authorities, the taxpayer has a specific time limit to provide explanations and/or to correct the error. The correction in this file is done by resubmitting only the amended section.</p> <p>As regards the structures of SAF-T upon request (i.e. JPK_KR, JPK_WB, JPK_MAG, JPK_FA, JPK_FA_RR, JPK_PKPIR, JPK_EWP), the correction procedures are not formally specified, but as a rule appear to be as follows: corrections are made only on the basis of the authority’s request (which may indicate errors that should be corrected in the course of the tax audit) and require resubmission of corrected XML files.</p>
<p><b>Specifics</b></p>	<p>Failure to file within the prescribed time limit constitutes an infringement or may even constitute a tax offence.</p> <p>Moreover, failure to provide SAF-T upon request by the tax authorities may result in penalties. Sending SAF-T files with errors could incur a fine of PLN 500 for each non-compliance. Sanctions will be imposed through a ruling unless the taxpayer provides explanations or adjusts the SAF-T accordingly.</p> <p>Upon the introduction of the obligation to file the SAF-T in Poland, the file is subject to the same tax control rules as all other documents audited under traditional control procedures.</p> <p>In other words, the tax authority should ask the taxpayer to provide evidence in relation to the information provided in the SAF-T files in the form of electronic files and set it a specific deadline for the submission of such evidence. The time limit shall be determined by reference to the nature of the evidence and the course of the proceedings but shall not be less than 3 days. It is worth mentioning that the SAF-T files have not fully replaced the other documents for tax control purposes. They are additional elements that can be audited in addition to or separately from other documents and evidence.</p>

## Spain

<b>General</b>	<p>Spain has not, strictly speaking, introduced an obligation to submit a SAF-T file using the OECD concept and scheme. However, Spain has put in place a similar system for the submission of information in a structured XML file on invoices issued to and received by the national tax administration, which we understand from the documents reviewed that it was created specifically for the needs of the State.</p> <p>This system is called SII (Immediate Supply of Information) and is the electronic submission of VAT invoicing data. The system is an application developed by the tax administration for e-declaration for VAT purposes. This annex allows taxable persons to submit all details of invoices issued and received in the Annex within four calendar days and includes sending those invoices to the tax administration.</p> <p>The system aims to simplify tax compliance, reduce costs for companies by automating the process and improve state control, including by carrying out cross-checks.</p> <p>The system has been in place in Spain on 1 July 2017 and is defined as very close to real-time invoicing or so-called e-invoicing. The use of this system does not impose an obligation of prior approval/validation of a transaction by the tax administration.</p>
<b>Range of taxable persons</b>	<p>Taxable persons include those, subject to the obligation to charge VAT, particularly:</p> <ul style="list-style-type: none"><li>▶ Large companies with an annual turnover exceeding EUR 6 million;</li><li>▶ VAT groups;</li><li>▶ Companies involved in monthly VAT refund procedures;</li><li>▶ Other taxable persons who would voluntarily wish to use the system.</li></ul>
<b>Scheme and submission of information</b>	<p>In Spain, data transmission via the SAF-T format shall be made in an XML file. This file can be sent directly via the ERP system used by the company, or by uploading the file on the tax authorities' portal.</p> <p>The scope of the information provided shall include:</p> <ul style="list-style-type: none"><li>▶ Details of invoices issued – within four calendar days after the invoice has been issued;</li></ul>

- ▶ Information on invoices received – within four calendar days after entry of an accounting record (but always prior to the 16th day of the following month);
- ▶ Information on intra-EU transactions – within four calendar days of dispatch or receipt of the goods;
- ▶ Investment.

## France

<p><b>General</b></p>	<p>France, similar to Spain, has not yet introduced an obligation to submit a SAF-T file according to the OECD model, but has set up another system with similar purposes and <i>modus operandi</i>.</p> <p>The system introduced in France is called the FEC (ag., etc. <i>Audit file for France</i>; Bill.v. <i>Audit file for France</i>). The file contains, in practice, accounting information from the taxable persons' accounting records which is submitted to the national tax administration in the course of tax inspection proceedings.</p> <p>The system was introduced on 1 January 2014.</p> <p>The file to be submitted should contain information on the company's accounting records for a given financial year. Companies have 15 days from the initiation of a tax audit to prepare and submit the file. If the file is not submitted, is submitted in an incomplete or non-compliant form, the result may be a challenge/rejection of all accounting entries as well as related declarations and taxes (VAT, KA, etc.). In addition, the taxable person may be subject to an administrative penalty.</p>
<p><b>Range of taxable persons</b></p>	<p>The group of taxable persons includes companies established in France which keep their accounts in electronic form, foreign persons registered for VAT purposes in France and branches incorporated in France of non-residents.</p>
<p><b>Scheme and submission of information</b></p>	<p>The tax administration provided taxpayers with four types of XML files, depending on the type of accounting and taxation. The mandatory fields in respect of an accounting entry vary between 18 and 22 according to the type of taxation and include the following data:</p>



- ▶ Date of entry of the accounting record;
- ▶ Unique number of the accounting record;
- ▶ Accounting account number (France appears to have a standardized chart of accounts);
- ▶ A description of the accounting record;
- ▶ Reference to an additional document;
- ▶ Debit amount;
- ▶ Credit amount;
- ▶ Payment date;
- ▶ The method of payment;
- ▶ Customer identification number.



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