

# **The digital era of taxation**

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**ABSTRACT:** *A significant number of the European member states have transferred part of their administrative-fiscal procedures in online as a response to the constant and powerful digitalization. Through the full digitalization, economic actors are expecting a zero cost disclosure and the improvement of information, leading to zero tax avoidance and tax evasion. Moving to online will also help the governments know anytime how much individuals earn, save or consume. In this case, the economy implies the necessary tax reform (European Commission, 2017; European Commission, 2018). This reform should target two centers of interest:*

- 1. digitalization of the national tax administrations and tax procedures;*
- 2. reform of the tax policies and tax rates.*

*Digitalisation doesn't represent just converting paper forms and queues in PDFs and clicks, digitalisation has to be refreshing and helpful. It has implications for taxation, tax policies and tax administration on both national and international level, representing a new tool and also a new challenge. For the moment, political leaders, media and society have expressed their concerns regarding tax planning of the multinational companies, so called MNEs, that take advantage of the gaps in the linkage between different tax systems and artificially reduce the taxable income or complete shifts to tax havens.*

*In this paper, I will approach this transition on a selection of countries, tax systems and implemented methods of digitalization, what are their main goals, influences, benefits and impediments of the process.*

**KEYWORDS:** *Taxation, digitalization, SAF-T, electronic invoicing, administration*

## **1. INTRODUCTION – The digital era**

Digitalisation goes hand in hand with the globalisation process, concerning corporate tax avoidance, creating the topic for debates that questioned the fitness of tax rules.

The digital era provides new opportunities of growing for businesses, targeting more areas: economic, innovation and human resources are just some examples. The digital growing of businesses can be seen also in PriceWaterhouseCooper's top public companies taking into consideration market capitalisation, this top is represented by seven tech giants. Aiming high, between 2008 and 2016 when the retail sector registered just 1% annual growth rate, e-commerce retailers have seen a more colorful situation meaning that the revenue growth rate was around 32%.

On the other side, looking from the fiscal perspective, the opportunities created by the digitalisation benefit tax administrations, the tax policy makers, in order to reduce tax evasion and protect their tax base, better manage compliance and reduce administrative burdens. Tax administrations are forced to answer to the current requirements of the century.

Taxing profits takes place where the value is created, but when it comes to digital activities, the administrations were caught unprepared – Where are they taxing if the company has almost no

physical presence and the principle of “permanent establishment” is not met? Where is the so-called “nexus”? and What do they tax? – business plans of digital business are mostly relied on knowledge, data and intangible assets. As for example, Hungary introduced in 2014 an advertising tax on companies exceeding a certain threshold on turnover for broadcasting or publishing advertisements.

The administrations also took into consideration the following aspects:

- **To increase e-administration:** online filling of tax returns and online payment of them. E-filling has increased above 70% for personal income and around 85% for corporate income tax. Along with the e-filling increase, the digital contact channels have increased, while on the traditional (physical contacts and paper forms) have decreased. There are even administrations that are using or planning to use artificial intelligence.
- **Understanding the behaviour of taxpayers through behavioural insights as a compliance tool:** administrations use behavioural insights and analytics to understand why and how the taxpayers act in order to design new policies and interventions. For this to take place, administrations are employing behavioural researchers and data scientists.
- **Compliance risk management:** administrations can intervene for special cases in earlier stages of the action rather than after tax returns were filled.
- **Compliance by design:** Availability and sharing of data is allowing compliance by design to exist and cover a variety of source of income. Administrations are introducing one by one systemic approaches for other classes of taxpayers, including software developer in order to integrate accounting systems and tax rules, as for example through e-invoicing or through electronic cash registers. There are more than 20 administrations having electronic invoice systems for tax purposes.
- **Aging of tax administration workforce:** Since 2014 there is a noticeable increase in the percentage of staff older than 54 years (more than 65%). This will consist in a big challenge for administrations since the digitalization represents operating heavily data in a modern world while also retaining intellectual knowledge.

Concluding the up-mentioned and proceeding further with this paper, we can agree that the digitalization of the tax administrations and their procedures, through a strong organization, information systems and professionalization of their employees, form the base for the whole future tax system reforms. Differing legal and illegal tax evasion, we can notice that tax evasion is one of the key factors of the process, followed by the constant development of the technology.

## 2. Literature Review

With digitalization being more and more presented in the business environment, researchers' interest has been dragged in understanding the phenomenon.

In 2020, in the international Tax Review, London, Haines Anjana approached the idea of electronic compliance and data exchanges stating that the processes will be automated and human intervention will only be needed for solving anomalies, “full automation being the future, where machines talk to machine”. Furthermore, the paper prepares the taxpayers for more and rigorous audits and an increase in the global directions regarding indirect taxes.

According to the European Commission, 2006, an e-Invoicing is that electronic transfer of information between business partners, named supplier and buyer. The European Commission is highly relating the electronic invoice to value added tax and electronic signature.

The electronic invoice, hereafter named e-Invoicing is the representative of digitalization of the traditional invoices, but the definition can depend on the country and even the business industry in which it is applied (DB Research, 2010).

Andrea Tolley, head of tax at GlaxoSmithKline (GSK) says that the company's tax functions get the most value of their teams. She described how they have moved to tax technology,

but they are still afraid that maybe the tax authorities will know more about them than they actual know and control.

Indra Burneikaite, head of Tax Group at Magnusson, in her paper entitled “Impact of tax technologies on current and future tax compliance” used Ernst&Young’s paper in order to sketch 5 levels for tax authorities and their technology appliance and digitalization:

- 1) E-filling: payroll, financial and other standard data from received tax returns – applicable in Netherlands, Sweden, Switzerland and Ukraine.
- 2) E-Accounting: accounting, trial balances – applicable in Austria, Belgium, Finland, Germany, Greece, Italy, Lithuania, Luxembourg and Norway
- 3) E-Matching – using more advance data such as bank statements in order to match data across tax types, taxpayers and jurisdictions – applicable in Czech Republic, Denmark, France, Hungary, Poland, Portugal, Slovakia and Turkey
- 4) E-auditing – Cross checking the tax filling in real time – applicable in Russia
- 5) E-assessing – Assessing tax dues without e-filling – applicable in Spain.

As stated in Indra Burneikaite’s paper, the increase in e-Commerce have force OECD to publish in 2005 their first version of SAF-T, following in 2010 to release the guidance for it’s second version and two years after to proceed with an Action Plan to strengthen the fight against tax fraud and evasion, after all, the main goal.

Along with previous literature review and personal findings I hope to obtain a clearer landscape of the status of digitalization in Europe and conclude about obstacles, positive and negative impact of the proposed mechanisms and also understand the opinion of professionals regarding the situation in Romania conducting a comparable research with other European countries.

### 3. Benefits of the digitalization in the tax evasion fight

The fast digitalization of the businesses and the slow response of the tax administrations, there are substantial losses in tax collection, along with an increased inequality – the actual direct taxes that should be paid by taxpayers ended up being paid in lower amounts in the case of technological based companies compared with those being paid by other traditional companies.

Along with the digitalization, coordinating international tax rules and creating better information sharing through digital tools, it will be more difficult for MNEs to artificially shift profits to offshore jurisdiction in order to proceed with tax avoidance or evasion. At this point, MNEs were taking advantage of the underdeveloped tax rules that were not internationally coordinated and lacked the approach of digitalization and globalization.

Since Organisation for Economic Cooperation and Development’s package in 2015 regarding BEPS (Base Erosion and Profit Shifting) the work continued with over 125 jurisdictions working together. Their objective was that a solution will be delivered by the end of 2020 regarding the tax challenges of the digitalisation, after reviewing the following matters:

1. Stopping the unreasonable transfer of profits between subsidiaries in different jurisdictions

*Table 1. Case study OECD – transfer of profits*

Actor A	Actor B	Link between actors	Comments and solution
Company A, France	Company B, Australia	A makes a payment to B Complex financial instrument France: interest, tax deductible Australia: dividend, tax exemption	Solution: Domestic law changes Under BEPS: Australia will deny the exemption, since the tax is deductible in France or the other way around

## 2. Helping the collection of VAT more effectively in the digital era

*Table 2. Case study OECD – collection of VAT*

Actor A	Actor B	Link between actors	Comments and solution
Consumer A, New Zealand	Developer B, New Zealand Developer C, Singapore	Normal action: A uses \$50 NZD to download an app from developer B => VAT (taxable in NZD)=15%*\$50NZD= 7.5NZD Second actor action: A uses \$50NZD to download an app from developer C => VAT not collected = 0	The second scenario leads to unfair competition to developer B Solution: OECD International VAT GST Guidelines => VAT should be paid in consumer's home country

## 3. Implementing a reporting template for MNEs where their profits, sales, employees and assets have their physical existence and where they are taxed

*Table 3. Case study OECD – reporting template*

Actor A	Actor B	Link between actors	Comments and solution
Group A, Spain	Research and Development B, Turkey Manufacturing C, Brazil Sales and intellectual property D, Panama	Tax administrations in B, C and D have no access to information related to A and they are unable to determine where profits are recorded for tax purposes. The lack of data makes it difficult to authorities to carry out transfer pricing assessments on transactions or even audit.	Solution: Country-by-Country template that will be shared with the administrative bodies of the jurisdictions where B, C, D operate.

## 4. Eliminate treaty transactions between jurisdictions

*Table 4. Case study OECD – treaty transactions between jurisdictions*

Actor A	Actor B	Link between actors	Comments and solution
Company A, Cayman Island	Company B, South Africa Letterbox Company C, Croatia	A licenses the intellectual property to B through company C allowing treaty shopping. There is no tax relation between A and B, but Croatia has a tax convention with South Africa => no withholding on royalties and no withholding on payments for Cayman Islands <ul style="list-style-type: none"> <li>Royalties are not taxable</li> </ul>	Solution: Adopt rules for only true residents qualification for treaty benefits and limitation on benefits rules => South Africa will be allowed to apply domestic rate of withholding In this case, tax treaties will prevent double taxation, not facilitate treaty shopping.

Governments and authorities try to combat tax evasion whenever they can with all the weapons they have. Lately they started to follow the concept of Big Data and collect more of it. Big Data is the tool that came from the future in order to fight against tax evasion.

## 4. Proposed Mechanisms

### 4.1. E-invoicing

Observing the estimation of global bill/ invoices volume in recent years 2019 – totalling 270 billion invoices for the B2C/G2C invoices and 280 billion for B2B/ B2G and G2B invoices, according to Billentis, we can also understand the impact of digitalization on invoicing.

In recent years, starting with 2019, digitalization has advanced so much and the implementation in business to government relations have become stronger, especially in relation to e-invoicing. In Europe, the growth is the result of the application of Directive 2014/55/EC, together with the provisions of Directive 2006/112/EC regarding the VAT purposes. In this regard, e-invoicing is strongly linked to VAT fraud and VAT gap.

Understanding the VAT gap and its role in the development of the electronic invoicing, concentrating on the influence of the governments, is an essential aspect. Globally, the VAT Gap is between 20% and 30% of the public revenue, meaning half a trillion EUR.

Table 5. Causes of VAT gap and ways to reduce the gap

Causes of the VAT Gap	How to reduce it
Fake employees and costs related	Electronic salary statements
Domestic fraud and thief of physical supplies	Digital link between the physical and virtual world and a digitalized trade
Undeclared supplies and transactions	AI, matching invoices with other costs and inventory
Wrong amounts on the invoices	E-invoicing and AI implemented to identify those amounts
Cash payments with no proof documentation and tax declarations	Electronic cash registers to submit reports in real time to tax authorities and require non-cash payments above certain threshold
Invoicing between phantom partners	Require e-invoicing and generate routines

Starting with 2019, e-invoicing is mandatory. It is implemented and applied in Italy(FatturaPa), Hungary(Online Szamla) and Portugal(through eSPap) and considered by governments of France, Poland, Spain and many others, but the aspects regarding it will be further discussed in Chapter 4.

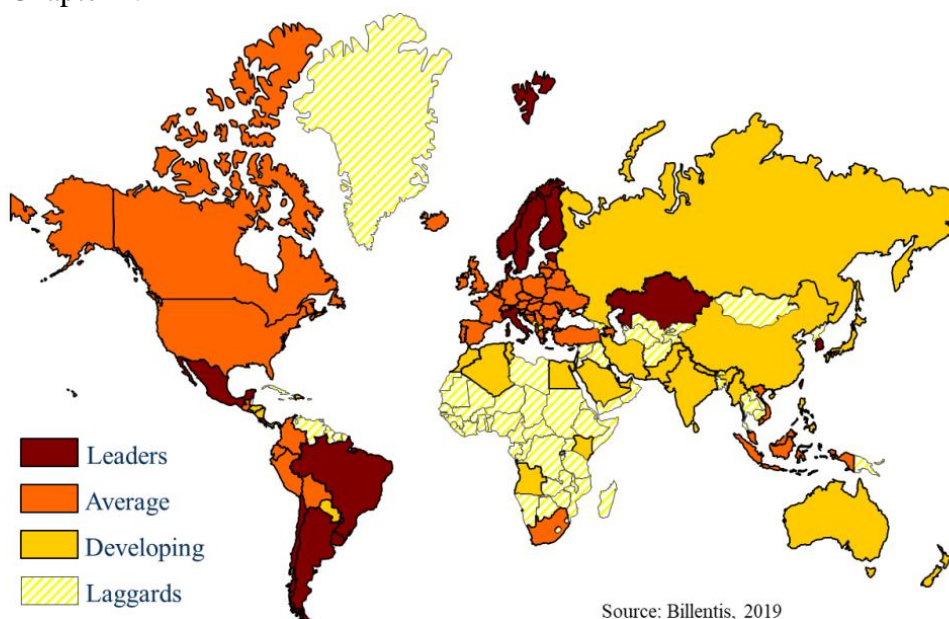


Fig.1 Source: Billentis, 2019 – Marketing maturity for e-Invoicing

The advantages of the e-invoicing follow the points:

- Real-time tracking: faster availability of input tax and reduction of costs of postage, printing and storage;
- One-time reporting of B2B invoices: the taxpayer will report the invoices just once, following the authentication by the Invoice Registration Portal and issuing the Invoice Reference Number. After this, it will be auto-populated in the return form, reducing the manual reporting process;
- Creation of e-way bill: Made for vehicles, it is an easier way of keeping track and update the details;
- Decreasing costs with postage and printing: Taking into consideration 14 billion B2B invoices that are not sent electronically, the savings could add up to EUR 260 bn per year, meaning 2% of Europe GDP.

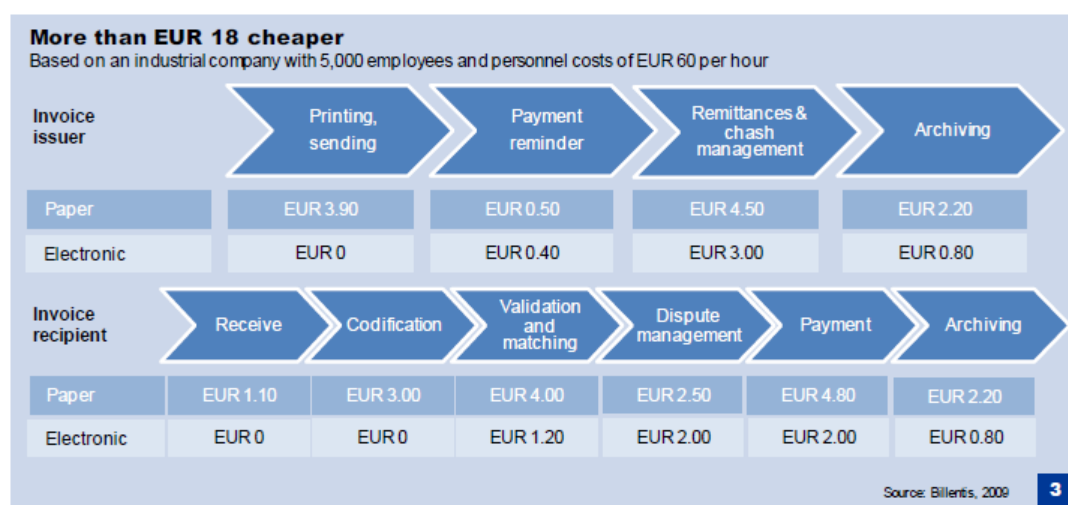
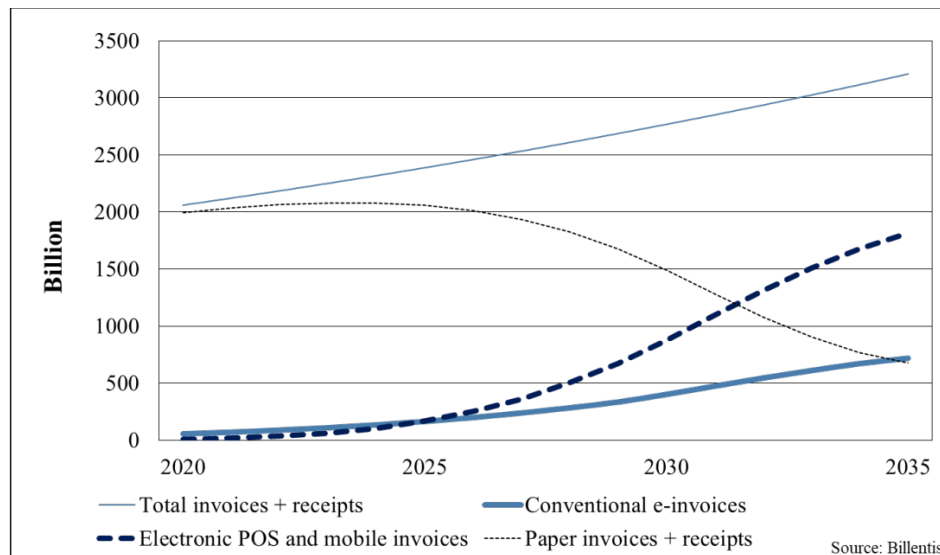


Fig.2 Source: Billeitis, 2009 – Cost of invoice

- Helping the buyers: Faster share on the platform as well as receiving notifications on the e-mail ID mentioned on the e-invoice. Buyers can facilitate the reconciliation of the invoice with the purchase order and also accept or reject the invoice in real time;
- Reduction in frauds and tax evasion: The real-time kept with the tax authorities will lead to a reduction of frauds, as well as tax evasion. The intentional manipulation of the invoices will not be possible since they will be generated before actually carrying out the transaction, authorities observing fake reporting in time;
- Reduction in data entry errors: Uploading the e-invoice on a common portal and auto-populating will eliminate the manual process that can be caused by human error;
- Interoperability: Having the same format, the invoice generated can be processed by other software and allow interoperability;
- QR codes: If needed, a requester can scan the QR code and generate the invoice as many times as needed.



*Fig.3 Source: The e-invoicing journey 2019-2025, Bruno Koch Billentis, May 2019 – Expected development of global invoice and receipt volumes*

Following the up-mentioned advantages, it is expected that globally the e-invoicing volume will multiply til 2035, when it will maybe reach the saturation level.

#### **4.2. E-Reporting, SAF-T**

Differentiating itself from e-invoicing, Standard Audit File for Tax, shorten SAF-T, is a file based on the XML standard that contains accounting data enhancing the electronic exchange of data, also including standard tests performed by audit. Due to globalization and because of the various accounting systems, standardization is a critical actor in order to identify tax fraud, through this system, authorities, gained greater control over tax data.

The full list of benefits regarding the implementation of SAF-T target more areas:

- The files are secure;
- Procedures are simplified in order to collect data in electronic format;
- Data is readable due to standardized format;
- Improving quality and availability of data;
- Auditing tax administrations becomes faster and more efficient;
- Promotes tax compliance;
- Even when operating in different countries, having different requirements it is still efficient;
- Reducing administrative costs when it comes to tax administrations;
- Reducing costs for companies, SAF-T making it easier to fill the needed resources of the companies.

Main usage of SAF-T in Europe is targeting the VAT compliance and reporting other electronic accounting data. Some of the European countries to be taken into consideration are: Portugal(first user), Hungary, Poland, Norway, Lithuania, Austria and Luxembourg.

The process takes a very smooth action starting with the system integration with the company's ERP and collecting tax and invoice data, generates XML SAF-T files according to the structure of the company, further connects with the tax authority integrating notifications from the authority, guarantees long-term storage of the files and their statuses and apply further security measures, including electronic signatures.

The connection between the tax authority and the company is made through EDICOM's Global VAT Platform that is especially designed to handle electronic VAT declaration forms as well as e-invoicing and other commercial or tax-related communications.

## 5. The implementation of the proposed methods for a selection of countries

### 5.1. Italy/ Germany regarding e-invoicing

#### 5.1.1. Italy

Italy, as the third largest economy in Europe, ranked by GBCI 2020 as being 40 out of 77 most complex accounting and tax jurisdiction. There are 14 different tax payments required and the total represents 47% of the profits, starting with VAT – 22%, corporate income tax – 24% and tax on interest 26%.

The invoice is called FatturaPA and has been mandatory since 2014, in the B2G relation.

In 2018, Italy received the approval from the European Union to launch the B2B and B2C e-invoicing starting from January 1, 2019.

Tax evasion in Italy is considered a criminal offence if the unpaid taxes exceeds a certain threshold, being sanctioned through administrative actions.

*Table 6. Limits for considering the action a criminal offence*

<b>Tax offence</b>	<b>Unpayment limit</b>	<b>Total income limit</b>
Fraudulent tax declaration	>30,000 EUR	5% of total income or >1.5 mil EUR
Inaccurate tax declaration	>150,000 EUR	10% of total income or >3 mil EUR
Omitted tax return	>50,000 EUR	N/A
Omitted payment of withholding tax and of VAT	>250,000 EUR	N/A
Issue of improper invoices	All matters	All matters
Destruction of accounting documents	All matters	All matters

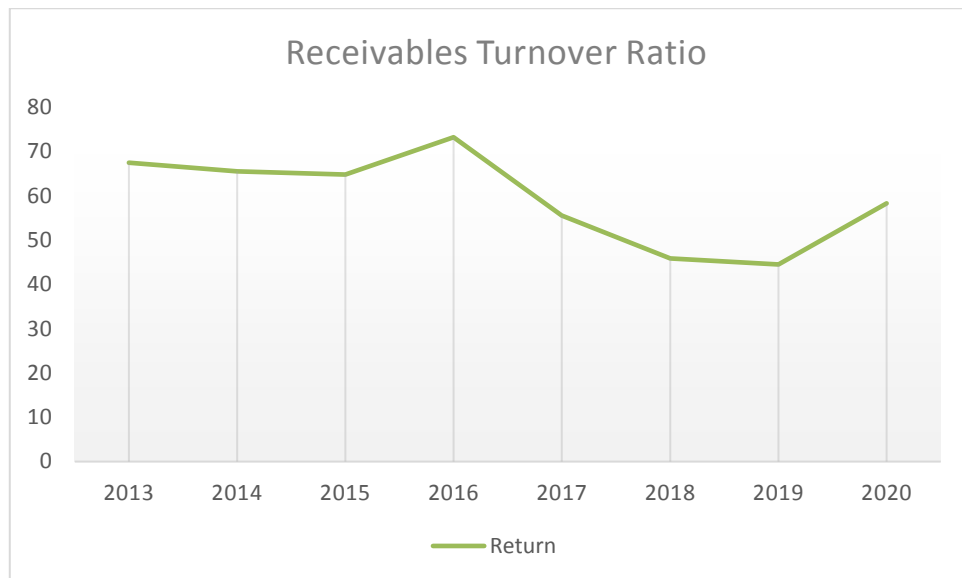
For the next discussion I will analyse the benefits of some Italian companies regarding the implementation of electronic invoicing, focusing mainly on previous years of 2019 and after, with the accessible data from their reports and other communications. The main benefits I will try to approach in order to reach some conclusions are:

- 1) Optimization of cash flow and working capital;
- 2) Decrease of the receivables turnover ratio;
- 3) An increase in discounts for early payments;
- 4) Doubtful customers (provisions);
- 5) Increase in working capital and cash flow management from the usage of predictable payment flows;
- 6) Carbon savings.

After a quick Google search of “top companies in Italy” we can find Eni S.p.A. being a multinational with activity in the industry of oil and gas. Part of their business model is represented by the digitalization process, approaching the e-invoicing portal and “Eni e-fatt”. The list of features checks the following bullets:

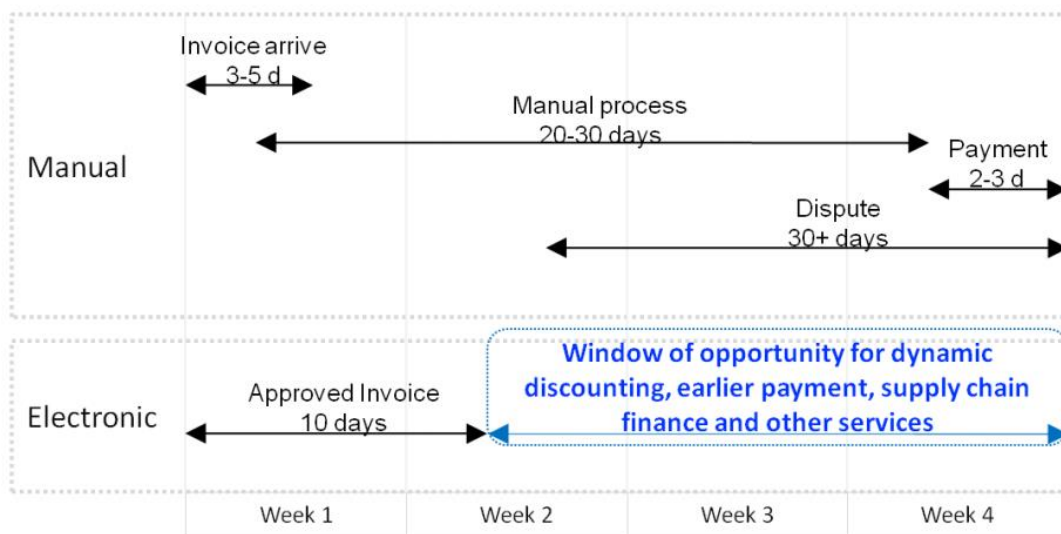
- Sending invoices to the company and its subsidiaries in an electronic format;
- View the processing status of the invoices;
- View the details of payments;
- View and request changes to personal data.





*Fig.4 Source: Personal graph from Eni's financial statements*

Observing the evolvement of the receivables turnover ratio over the years, taking into consideration the financial crisis that had its peak between 2010 and 2012 with further impact. The year 2019 represents the year of e-invoicing, observing the lowest value in the recent years, 44.49 days, compared with previous years and with the highest value in 2016, 73.21 days. Furthermore, 2020, affected by the COVID-19 pandemic, has increased with almost 31%, to 58.31 because of the new economic crisis, but still not exceeding the record value registered in 2016.



*Fig.5 Source: Bottomline Technologies – Timeline of invoices*

The manual invoicing process normally consists in different steps that extend the whole process, while in electronic, approving invoicing could take only 10 days, creating a new uncrowded window for early payment, of 2 weeks or more. The difference between lowest and highest value Eni experienced being of 28.72 days, meaning more than 4 weeks, represents this opportunity window.

Another company to observe, providing traditional and needed products, is Barilla, world's largest pasta producer.

Despite the observed benefits in the cases presented above, multiple businesses confirmed that there is already a generic rule that the usage of electronic invoice can result in savings of 60-80% compared to the old and traditional way of doing things. It is estimated that at the moment 40% of the organisations exchange invoices electronically, but in the future the percentage will double.

### **5.1.2. Germany**

Like many other countries, Germany has begun the process of implementing standards for e-invoicing, with 32,000 million e-invoices exchanged every year, a strong and largest economy in Europe and high level of technology. Germany's journey started in 2010 along with the introduction of Directive 2010/45/EU, furthermore in 2017, the new e-Government Act was implanted as a response to the adoption of the new EU Directive 2014/55/EU. Through the directive, e-invoices are considered as being equal to paper invoices, without any conditions applied, but Germany came further with changes in tax legislation in order to fulfil the requirements of the Directive.

The Federal Ministry of the Interior published an ordinance stating that all federal authorities must receive and also process e-invoices in the Xrechnung format or other formats approved by the European Standard on e-invoicing dated on 27 November 2018. KoSIT has announced that Xrechnung 1.0 version will exist from October 2017. From November 2020 suppliers must issue e-invoices in Xrechnung format or other format found under the European standard. Along with the new implementations, severe penalties result with the non-compliance. For the future, it is expected that 70% of invoices exchanged in Germany will be through electronic channels, making it extensive to all transactions by 2025.

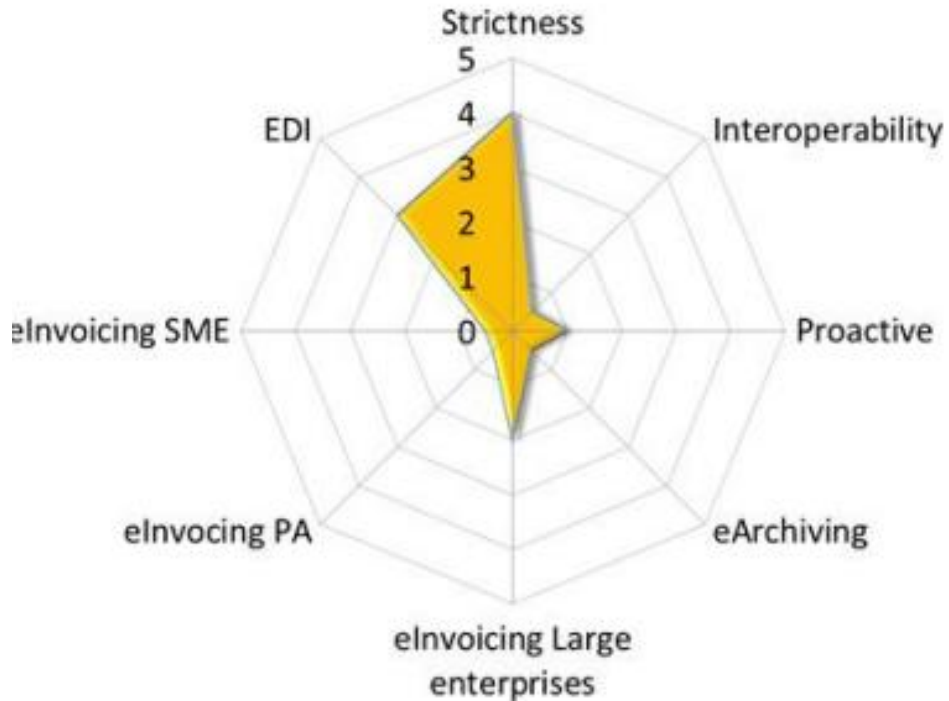
Germany can also differentiate itself from the rest of the countries with the recently founded Forum für elektronische Rechnungen being a platform for direct cooperation with the state in order to promote e-Invoicing (DB Research, 2010)

Even though Germany presents a great view in the e-invoicing matter, at the moment B2C and B2B electronic invoicing is not obligatory, around 10% of the German companies adopting full e-Invoicing, while 58% of the largest companies, especially in the automotive and engineering sectors are using e-Invoicing. Taking in consideration this fact, I expect in the further analysis that the results obtained will not generate a clear view of the benefits of using e-invoicing in Germany, being comparable with the situation presented in Italy.

Summarizing the up-mentioned we can refer to the spider web diagram (*Fig.6*). It can be concluded the low balance of the e-Invoicing dimensions, but a high level of strictness regarding the implementation, but without being directly related to the strictness, the adoption reaches low levels with lack of interoperability and proactivity.

The main factors that keep Germany on track with the discussed matter is the high experience and development of EDI and the strong and solid economy in Europe, having access to high quality technology and specialized human resources.

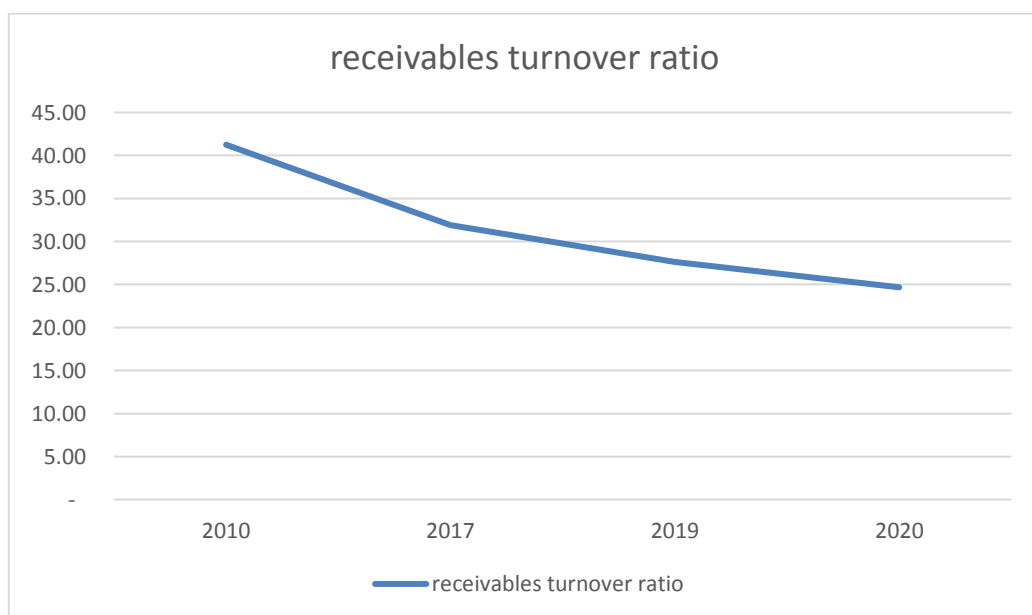
On the other hand, Germany should be carefully enough with the applied rules and legislation regarding e-Invoicing since their trend is to drastically differentiate it from traditional paper-based invoice.



*Fig.6 Spiderweb diagram, DB Research, 2010*

As of Adidas Group's website, using e-invoicing even though it is not obligatory in Germany, most of the expectations of the e-invoicing usage are:

- Migration of the paper documents in the electronic processing;
- Consolidation of multiple solutions in other platform;
- Integration of leading systems;
- Onboarding of their partners;
- Creation of higher transparency in the invoice as well as in the payment process;
- Provision of relevant information of invoices, purchase orders and receipts.



*Fig.7 Source: Personal graph from Adidas's financial statements*

At the beginning of the e-invoice journey, as stated above, in 2010, we can see that the receivables turnover ratio was around 41.25 days, meaning more than 1 month. Further phases of the electronic invoice in Germany doesn't have a direct impact, since it is mandatory, but the benefits over the years can be clearly seen, observing a decrease of 22.67% in 2017, 33% in 2019 and not being affected in 2020 of the pandemic, it is observed a decrease of 40.18% comparable to 2010, the receivables turnover ratio being 24.68 days.

On the other hand, there is an observable difference between years 2019 and 2020 regarding the accruals for outstanding invoices, observing a decrease in the accruals of 28.63%.

As a conclusion, Germany is still a new player when it comes to e-Invoicing, not treating it with the seriousness of a strong phenomenon that can generate a lot of benefits for all of its actors. Germany should proceed with a review of the regulatory framework and adapt it to the new wave.

## **6. SAF-T and E-Invoicing in Romania**

Under a 2020 research, Romania finds itself as being the leader in tax gaps, meaning a 37.89% tax gap. In order to reduce this gap and also combat VAT fraud, Romania has to comply and implement different types of VAT controls. Regarding this, Romania's SAF-T plans are still on track, with a first pilot appliance in July 2021, starting to become obligatory in 2022. The pilot appliance will be based on 2,700 large taxpayers.

On the other hand, a more realizable aspect is the implementation of a normative act regarding the electronic invoice, the Finance Minister hoping to bring back 2% of the GDP and diminish the tax evasion, giving as an example Italy's situation where the e-Invoicing has increased the state budget up to 2% of GDP. As a contrary argument, specialists think that other mechanisms, such as the up-mentioned SAF-T file or the connection of electronic cash registers to ANAF, are more probable to generate positive differences. At this moment they are advancing slowly, living some scepticism when it comes to the e-Invoicing.

In Romania, PwC has conducted a survey regarding the main advantages of the SAF-T implementation. 47% of respondents stated that the period of tax inspections will decrease, while the actual collecting of taxes will increase.

Accordingly, the objectives that the authorities are seeking are:

- Analysing the activities of ANAF in order to understand the trend of controls;
- The actual implementation of SAF-T;
- Forming a procedure of fines for the taxpayers that are not uploading the formed SAF-T;
- Update of the knowledge and aptitudes of the authorities personnel for the new implemented procedure.

### **6.1. Understanding the opinion of certified accountants, accountants and auditors regarding the digitalization**

As a further research for the Romanian implementation of SAF-T, I have conducted a form targeting certain questions regarding the opinion of certified accountants, accountants, auditors and other persons working in the economic area that might be the users of the E-Invoicing or SAF-T.

I have gathered 120 answers, out of which 88 were expressed by accountants, 16 auditors, 8 financial controllers and 8 fiscal consultants. Out of the 120 respondents, 48 are certified accountants.

The first discussed matter regarding the benefits of the digitalisation has followed 7 results: the decrease in receivables turnover, the decrease in the usage of paper, the more efficient usage of human resources, diminishing the tax evasion, facilitating the process of sending the information to tax authorities as well as to business partners. Along some of the respondents have also proposed another benefit: the process of data reconciliation will be more effective. A percentage of 33.3% of the respondents have identified the decrease in the trade receivables as

one of the benefits, even though, these days, during pandemic, this trend can be affected by the economic problems arisen in every country. We observed this in the fifth chapter when we discussed the situation of Italian and German companies. In the case of the Italian company, Eni, which has seen a decrease in the trade receivables during the years, in 2020 having an increase which we can guess that it comes from the economic problems that Italy have faced because of the COVID-19 pandemic, the receivables days still being lower than the highest value they have faced before.

The benefits identified by the respondents were actually of 86,7% in the case of communication with business partners and authorities. The classical “file with rail” will now be just a click, the queue will be replaced with the uploading speed of the SAF-T file. The same situation can be observed in the communication with partners, being easier and faster to get a notification that you received an e-Invoice, coming back whenever you want to see it again, instead of waiting them to get scanned by the partner and when needed, to just search for it in the famous archive room, that is full of invoices.

All of the respondents agreed that the digitalization will simplify the activity of accountants and fiscal consultants. A percentage of 40% of the respondents have rated the level of adaptation to globalization and digitalization of the authorities with a 3, on a scale from 1 to 5. Most of the respondents (46.7%) have considered that 2 was more suitable for the rate, and 6.7% rated with 1 and respectively 4. I can conclude that most of the professionals consider that the authorities are not adapted, this can also be seen in the situation of virtual cashiers, even though everyone wanted them in previous years, authorities failed to flourish the existence of them.

On the other side of the spectre, when it comes to the adaptation of the accountants on the digitalization process, after viewing the rated of 46.7% for a rate of 3 and 53.3% for a rate of 4, I can conclude that accountants are more involved in the digital era, also observing the global average age for accountants and auditors being 43.8. A percentage of 66.7% of the respondents are familiarized with the procedure for E-Invoicing, while for SAF-T only 46.7% are familiarized. For SAF-T, besides the 46.7% of the familiarize respondents, 40% of them don't really know what SAF-T is and are not interested in the news about the appliance of it in Romania. Because of not really knowing about SAF-T, the respondents don't know how the authorities have prepared or what activities they will further follow in order to implement SAF-T. In this regard, only 13.3% of the respondents consider that the authorities are prepared for further actions on SAF-T. On the same note, 33.3% of the respondents don't know if the authorities are prepared for E-Invoicing, as well as 46.7% of them believe that the authorities are not prepared at all to analyse the returns directly on invoices.

As being observed previously, accountants and the business sector are the most prepared for the implementation of E-Invoicing, a percentage of 93.3% of the respondents believe that the businesses represented by the management are prepared. A really interesting rate can be observed when asking if the businesses are prepared for the implementation of SAF-T, basically all of the answers for this question are encouraging. A percentage of 20% said that they believe the businesses are ready, 46.7% admitted that they don't know what to say about this and 33.3% consider that they are not. I believe that the answers found in the “I don't know” or even “No” part are also the result of the authorities not properly making the users understand what SAF-T is and what it does, even though, as presented before, this was one of the objectives of ANAF. Same trend can further be expanded to the accountants, 93.4% of them believe that they are ready to use E-Invoicing, but when it comes to SAF-T, a percentage of 46.7% don't know anything the implementation and 33.3% deny the fact that they are ready for the implementation.

All of the proposed mechanisms (E-Invoicing, SAF-T as virtual reporting and virtual cashiers) were considered to have a positive impact on the administrative activietes as well as tax compliance.

Regarding the industries that can benefit more than the others from the usage of the proposed mechanisms we can note: HORECA, accounting and audit services, software services and banks.

## Conclusions

It was hard to collect data about the SAF-T appliance in different countries, even in Portugal which was the first one implementing it. The benefits could be seen in accordance with the authorities and their further behaviour in the communication with the taxpayers.

When it comes to Romania, the constant delay of the implementation of SAF-T in previous years can sustain the results obtained in Chapter 6.1. Authorities might not be prepared for what is coming and maybe for the moment, in the first quarter of the implementation, the businesses will observe the slowness of the activities because as concluded before, accountants don't know yet what they have to do, when they have to do, why and how. Romania doesn't lack the technological mindset of the young generations of accountants, but it lacks the technological mindset of the authorities. In order to be in "trend" with other big countries in Europe, we should also understand the importance of the technological base that lays at the bottom of the whole system.

On the other hand, when it comes to e-Invoicing, businesses and accountants saw them before, interacted with invoices in a PDF format. The new approach will not be such a surprise as SAF-T. In this regard, they consider they are more prepared for the e-Invoice than the SAF-T.

Benefits of both of the mechanisms were discussed in the paper, some of them could be directly seen in the performance of companies or of the countries, in the reduction of the VAT gap, the relation with foreign business partners, the efficient cost and human resource allocation and many more.

In 2020, as well as 2021, I expect a growth of the whole digitalized system, because of the pandemic, the social distancing restrictions that do not permit large queues or crowded workplaces.

I would further like to approach the discussion next year for my dissertation thesis, having more data, with SAF-T implemented in Romania and some more time spent with the pandemic.

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