

Factsheet Dutch Taxonomy Project

Reducing the administrative financial burden of businesses in financial reporting chains

The Dutch Taxonomy Project (NTP) aims to find ways to significantly cut back the administrative burden of businesses related to financial reporting.

Cause

The Dutch government has committed itself to cutting the administrative burden by twenty five percent in four years. Various ministries have been requested to make proposals for reduction of the administrative burden.

The Ministry of Justice and the Ministry of Finance in a joint effort intend to reduce the administrative burden of businesses by using the open standard of XBRL (extensible Business Reporting Language), to make the composing of reports and exchange of financial data easier.

What is NTP's role?

NTP moderates and facilitates developments in several financial reporting chains. The aim of this project is to coordinate interests and activities of the stakeholders, particularly the Tax Department, the Chambers of Commerce and Statistics Netherlands. This coordination must pave the way for the actual efficient and effective exchange of financial data.

NTP plans to streamline the reporting processes, identify stakeholders, inventories preconditions, obstacles and critical success factors, promotes the implementation of (open) exchange standards and attempts to gain the support of all stakeholders. In addition NTP supports and coordinates the development of the Dutch XBRL taxonomy that will be used by the Dutch government. The first version of the Dutch taxonomy will be finished in the first half of 2005.

NTP focuses on three important reporting chains:

- Reporting of taxes; for instance profits tax, wage taxes, value added taxes (VAT) and income taxes
- Reporting of annual accounts
- Reporting of economic statistics

We do realise that many other reporting chains exist. After the first framework has been accomplished other reporting chains will follow.

What NTP doesn't do

NTP does not realise reduction of the administrative burden, as this will be accomplished by businesses, in a joint effort with the governmental institution that demand the financial data. These demanding institutions are themselves responsible for the implementation of XBRL in their backoffice systems. NTP is not responsible for the realisation of the planned reduction in the administrative burden for businesses, but contributes to it.

NTP has no mandate, special powers or budget, and can therefore only achieve results on a basis of collaboration between commissioners and stakeholders. NTP does not develop software.

NTP makes use of the existing open standard XBRL. The development and maintenance of the XBRL standard continues to be the responsibility of XBRL International. It is the explicit intention to safeguard the open character of the XBRL standard and the taxonomy. The government, represented by the institutions that demand financial data, will become a member of an

organisation that will manage and maintain the taxonomy. **NTP** will contribute actively to the development of the Dutch taxonomy.

What is XBRL?

eXtensible business Reporting Language (XBRL) is an open standard for composing electronic reports and data exchange by means of the internet, based on XML (eXtensible Markup Language) (source: XBRL the Netherlands). The project will make use of the international XBRL standard version 2.1.

What is a taxonomy?

A taxonomy is a standard description and classification system for the contents of reports (source: XBRL International). Within **NTP** a framework (architecture) is drafted within which the eventual Dutch taxonomy will be placed.

More information:

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