

NTP continues as Standard Business Reporting Program

Signing covenants next step towards large-scale XBRL filing

With the signing of two covenants between government and various intermediaries on 11 December in The Hague, and additionally a widening of tasks of the Dutch Taxonomy Project (NTP) the use of the Dutch Taxonomy gets a new impulse. "A small milestone in the history of the taxonomy", according to State Secretary for Finance, Jan Kees de Jager.



During a festive NTP year-end meeting, State Secretary for Finance De Jager started by signing a two-year pilot with the Limited Corporation Tax Return in XBRL. The pilot will start on the 1st of January 2009 and relates to Corporation Tax returns over 2008 and 2009. The Limited Corporation Tax Return implies a decrease of 75 percent of data elements to be filed by entrepreneurs. "We are actually putting advantages into practice, and they are evident", according to De Jager.

Minister of Justice Ernst Hirsch Ballin signed the other covenant which acts as an extension of the first pilot. With this covenant the signatories want to stimulate filing to the Chamber of Commerce of XBRL Annual Reports based at the Fiscal Annual Report. Due to a legislation change, the combination of the Annual Report and the Corporation Tax Return becomes reality in 2009. This will enable small legal entities to send their Fiscal Annual Report not only to the Tax Office, but to the Chamber of Commerce as well. "I truly hope this will be the opening towards large-scale filing of Annual Reports in XBRL to the Chamber of Commerce. All involved participants will benefit, according to Hirsch Ballin.

The covenants are signed by seven intermediaries: GIBO Group, BDO CampsObers, CreAim, Grant Thornton, Berk Accountants en Belastingadviseurs, Reeleezee and Flynth adviseurs en accountants. This group is likely to expand to twelve parties.



Information reduction

NTP-project manager Harm Jan van Burg has high expectations regarding the effect of the two covenants. "This starts the reduction of the amount of information entrepreneurs have to provide. As from now the Tax Office can get used to operate with less data, to experience this is still sufficient." At the same time, the pilot of the Limited Corporation Tax Return and the covenant that covers the double use for filing of the Annual Report can lead to an acceleration of the introduction of the taxonomy, Van Burg believes. "We will achieve larger filing amounts, one to two years earlier". Due to the participation of accountants with many SME's in their customer base, many entrepreneurs will be reached directly. Van Burg: "We cover a large market segment with this."

Flynth advisers en accountants really wanted to participate in the pilot of the Limited Corporation Tax Return. "It is a development which cannot be ignored by entrepreneurs. In time, our customers will ask for it", said Piet Hoenderdos of the accountancy department of Flynth. The covenant partners agreed to deliver a minimum of 500 Corporation Tax Returns, a number not causing any problems for Flynth.

Change

As of 2009, the Dutch Taxonomy Project will proceed under the name of Standard Business Reporting (SBR) Program, the new name which was introduced at the year-end meeting.

The change of direction concerns the widening and deepening of the tasks of the Dutch Taxonomy Project, being the result of the decision by parliament to assign the project to the 'Central Government Reform Programme'. The widening of the taxonomy to other sectors is already getting shape. Both the Ministry of Health, Welfare and Sport and the Ministry of Education, Culture and Science will start to use the taxonomy to reduce the level of administrative burdens in health care and education.

Within four years, the approach of the Dutch Taxonomy Project has been copied to both national and international initiatives. Australia is the first country which took up a similar initiative, introducing the name the name Standard Business Reporting. To gain international uniformity, the Dutch Taxonomy Project will also use this name for the new Program. At the same time, the Netherlands will take on another Australian initiative, namely the pay off " a government initiative". "This addition to the name appears to have much power and authority. The start of the program is initiated by government, which safeguards (the control of) consistency and continuity", according to Mariette Lokin, coordinating council-advisor legislation of the Ministry of Justice, on behalf of project manager Harm Jan van Burg, because he had lost his voice at the year-end meeting.

Together they presented the booklet 'From NTP to SBR', which was composed at the occasion of the transition from project to program. The first edition was handed over to Jenny Thunnissen, currently Inspector General at the Ministry of Transport, Public Works and Water Management, but former Director General of the Tax and Customs Administration. "Thunnissen has built the foundation of the Dutch Taxonomy", according to Van Burg and Lokin. "Without her support the Dutch Taxonomy Project – a unique collaboration between the businesses and government, but also a unique collaboration between Justice and Finance – would never have existed."

Part II of the booklet contains the user manuals for composing annual reports at fiscal foundations and the Limited Corporation Tax Return. "This already is reduction of administrative burdens for businesses", as Van Burg explained. "These 16 pages user manual replaces the 1600 pages guidelines of the Council for Annual Reporting. This is massive progress in deregulation."

