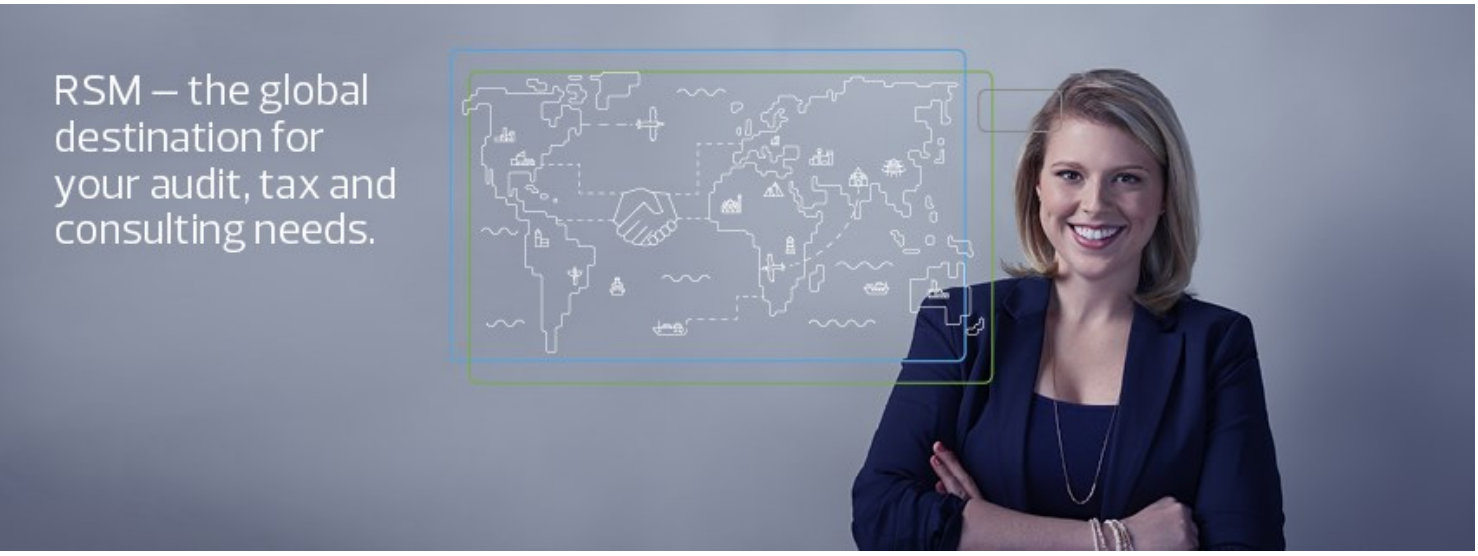


A NEW WAY TO SUBMIT TAX INFORMATION – THE CONCEPT OF A UNIFORM CONTROL FILE AS OF 1 JULY 2016

Tax Alert

Dear Sir or Madam,

On 5 October 2015, the President signed the Act of 10 September 2015 on Amending the Tax Regulations Act and Some Other Acts (Journal of Laws of 2015, item 1649). This act implements the concept of the so-called uniform control file (hereinafter referred to as "UKF") – an idea developed by the OECD which requires taxpayers using computer programs to submit accounting books and evidence in the form of structured format files. With the use of appropriate algorithms, the format will automatically allow tax authorities to extract the required substantive data and to verify them.

Art. 193a added to the Tax Regulations Act introduces an obligation to submit data in a specific, structured format. According to the Article, tax authorities shall have the right to require some or all accounting books and evidence to be submitted in electronic form in compliance with specific logical structures and by means of electronic communication or digital data carriers. Models of the aforementioned logical structures were published in Public Information Bulletin of the Ministry of Finance (Biuletyn Informacji Publicznej Ministerstwa Finansów) on 23 December 2015: http://www.mf.gov.pl/kontrola-skarbowa/dzialalnosc/jednolity-plik-kontrolny. Comments on the subject may be made until 26 January 2016 to the following e-mail address: jpk@mf.gov.pl. The final form taking into consideration the comments will be presented in the Regulation of the Minister of Finance which will most likely be issued in March/April 2016. It will include technical details relating to the method of submitting accounting books or evidence by means of electronic communication and it will list the types of information storage media on which any such books or evidence may be saved.

According to the explanatory note to the draft act, the UKF should apply to:

- tax proceedings;
- tax audits;
- verification activities, including verification activities of a taxpayer's contractor – provided that the taxpayer's contractor keeps accounting books with the use of computer programs.

The amendment shall enter into force on 1 July 2016 and as of that date it will apply to large enterprises within the meaning of the Act on Freedom of Economic Activity. Under the transitional provisions, in the period from 1 July 2016 to 30 June 2018, small and medium entrepreneurs will have no obligation to provide data in accordance with the standard; however, they will be able to do it optionally. Thus, this category of taxpayers will be required to submit data to tax authorities in the form of UKF only as of 1 July 2018. At the same time, it should be noted that creating the transitional provisions deferring the moment of UKF being compulsory

at the request of tax authorities, the legislator did not refer in any way to the category of micro-enterprises. However, on the assumption of rationality of the legislator, the aforementioned transitional period should be considered to apply to them as well. Hopefully, this questionable issue will have been resolved before the entry into force of the new regulation.

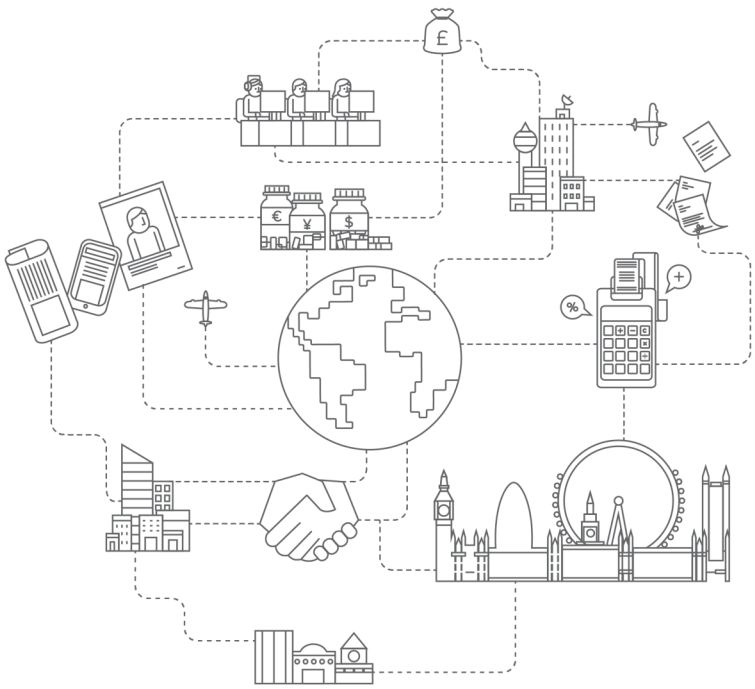
The introduction of this kind of standardisation of data reporting to tax authorities will significantly automate tax audits, which should shorten the duration of audits and increase their efficiency. Submitting data in electronic form should also save taxpayers' time and reduce their administrative costs associated with delivering documents to tax offices. On the other hand, it should be noted that taxpayers will need to have software allowing them to submit data in the requested format – which may lead to additional costs related to the acquisition or extension of the one used previously. With this in mind, a specific audit of the financial and accounting system in use, as well as the IT system in general, should be carried out without delay in order to adapt them to the new regulations, taking into account additional risks involved with transferring data in electronic form. In the event of failure to implement the changes on time, one must bear in mind possible criminal and fiscal liability for obstructing tax audit procedures.

RSM Poland is a member of RSM, the world's 7th largest network of independent advisory and auditing companies, with over 730 offices in more than 110 countries, employing over 37,500 professionals worldwide.

RSM Poland has been operating on the Polish market since 1991. Throughout this time we have gained vast knowledge and experience. We take pride in the unique team of professionals, counting among the best, that we were able to form.

Our company is shaped by our clients, whose requirements always take priority. That is why we offer comprehensive services tailored to meet individual needs. It is our clients who decide about the range of available services, while we give them opportunity for development and growth at every stage of their business.

Years of experience show that our approach is the key to mutual success.



RSM

Should you wish to discuss the above mentioned amendments in detail, feel free to contact us:

Tomasz BEGER
Tax Partner
Tax advisor (10197)
E: tomasz.beger@rsmpoland.pl
M: + 48 606 118 277

RSM Poland
Droga Dębińska 3b
61-555 Poznań, Poland
www.rsmpoland.pl
office@rsmpoland.pl

RSM Poland BLOG

Practical guide to taxes and business.
We invite you to read our publication!

Please note that the presented text should not be understood as legal advice, as each individual case requires a separate, thorough analysis. Henceforth, RSM Poland Spółka Doradztwa Podatkowego S.A. and RSM Poland Audyt S.A. assume no liability in connection with use of information, advice and suggestions included in this publication.

© RSM Poland, 2016

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Poland is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.