Reducing administrative burdens through standardisation
the creation of the Dutch taxonomy

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1   Introduction

The Dutch government intends to reduce the administrative burden of companies with twenty five percent. To realise this reduction one of the projects that was started is the Dutch Taxonomy Project (NTP[1]). This project uses an open standard to help companies and their intermediaries to draft, check and supply financial reports more efficient.

A request for more English information about the project was made by persons from several countries and with different backgrounds. We are pleased to fulfil part of this request and hope we contribute to new ways of thinking about reduction of the administrative burdens and the role governments and regulators can play in this field. We also hope that we can inspire people to do international quality testing of our assumptions and labour.

This overview describes the background of the Dutch Taxonomy Project, it's goals, experiences and expectations. It also describes the basic choices that are made with regard to the architecture of the Dutch taxonomy.

The overview is written from a general point of view. No technical knowledge is presumed. For more technical documents about the Dutch taxonomy we refer to the references in the back of this document.

With kind regards,

Harm Jan van Burg
Project leader Dutch Taxonomy Project

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[1] In Dutch: 'het Nederlandse Taxonomie Project' (NTP).

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2   Reducing the administrative burden

To perform its public tasks governments impose obligations on companies and citizens to act or refrain from actions and to provide information about these acts. Administrative burdens are the costs for companies to satisfy these obligations to provide information, that result from legislation. These costs result from the gathering, manipulating, registration, retention and provision of information.

The Dutch government has expressed the ambition to reach a reduction of 25 percent of the total administrative burden in fours years. This must result in a reduction of the administrative burden of approximately € 4 billion euro each year in 2007. All Dutch ministries have been requested to make proposals for reduction measures that sum up to the amount aspired.

The existing administrative burdens are calculated by multiplying the costs[2] that an average company has to make to comply with the number of companies that are obligated to comply with the regulations. For instance if an average small company has to spend € 3.000 to draft an annual account and 250.000 small companies have this obligation the administrative burden of this obligation amounts to € 750 million.

There are several possibilities to reduce the administrative burdens. The most important are

- ᵛ   Regulatory reform
- ᵛ   Better dissemination of information
- ᵛ   Standardisation and the use of information technology

Reduction of the administrative burden is possible through regulatory reform. For companies it is easier to comply with regulations that are in line with each other. In the Netherlands many equal definitions have different meanings in different regulations. Harmonising these definitions can make things easier for companies. To harmonize these definitions it is often necessary to review and change existing legislation. This is a time consuming process, especially in the European context where legislation is often (partially) harmonised on a European level.

As alternatives for regulatory reform one can try to provide companies with better information to fulfil their obligations or use standardisation and information technology to practically facilitate the companies. This can often lead faster to results than changing legislation. The three possibilities (legislation, information, standardization) do not exclude each other. On the contrary: they can reinforce each other to minimize the burdens.

The Dutch Taxonomy Project has chosen standardisation as the means for reduction. During the standardisation process existing legislation will be analysed. As a derived advantage of standardisation encountered differences in definition will be reported to the legislator, who can then decide which legislative steps are desirable for further reduction of the burden.

Tackling the burden of administrative costs on companies is a key element of the shared agenda set out by the Irish, Dutch, Luxembourg, UK, Austrian and Finnish Presidencies of the European Union in January 2004. In a joint statement they acknowledge that the administrative costs, borne by companies across the EU, present a significant burden on enterprise and a drag on growth.[3]

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[2] Internal (time) and external costs (bills) are calculated.
[3] See 'Advancing regulatory reform in Europe. A joint statement of the Irish, Dutch, Luxembourg, UK, Austrian and Finnish Presidencies of the European Union', 7 December 2004.

               www.xbrl-ntp.nl

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Besides the economic consequences decreasing the annoyances for companies can enhance the relationship between government and companies. Benefits like instant receipts, faster handling, electronic reminders is of great importance for companies.[4] Also better control with regard to the status of the process diminishes the felt annoyance.

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[4] 'Danish Enterprises and E-government, Usage, expectations and barriers.'

3   The Dutch Taxonomy Project

3.1   Goals

The Dutch Taxonomy Project was started in May 2004. The project intends to standardize financial reporting information in the relation between company and government. The project focuses on the main causes of administrative burdens in financial reporting, annual accounts, taxes and financial statistics. The main goal of the Dutch Taxonomy Project is to facilitate the reduction of the administrative burden for companies. We say facilitate as the actual realisation is dependent of the cooperation of several stakeholders like the tax office, chambers of commerce and last but not least the company itself. A cost reduction within certain governmental bodies can be a secondary result, but this is not the focus of the project.

As the use of the Dutch taxonomy will be voluntary, we leave the final decision for reduction to the company. The company can decide to do things less efficient. If it decides to do so, this decision is for its own cost and risk.

The Dutch Taxonomy Project is a joint effort of the Dutch Ministries of Finance and Justice. The Ministry of Justice is responsible for the legislation concerning annual accounts in the Netherlands, the Ministry of Finance for the tax legislation. The project also works together with the Ministry of Economics and its governmental agencies.

3.2   Open standards

The Dutch Taxonomy Project uses the open standard 'eXtensible Business Reporting Language' (XBRL). This standard has been developed by an international non-profit consortium of approximately 250 major companies, organizations and government agencies, called XBRL International.[5] XBRL is an open standard, free of licence fees. The Dutch Taxonomy Project does not change the standard or develop the standard. This task remains the sole responsibility of XBRL International.[6]

The main advantages of the use of open standards include:

- Easier support and acceptance of participants
- Transparency
- Independency
- Interoperability

Using open standards for communication from and within the government contributes to better information exchange. Also restrictions in the choice for a supplier ('vendor lock in'), can be prevented.[7]

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[5] Source XBRL International, www.xbrl.org.
[6] Of course the project tries to contribute to the standard by sharing ideas and experiences.
[7] See also *Kamerstukken II* 2002/03, 28600 XIII, nr. 30 (Motie Vendrik).

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3.3 Taxonomy

The working out of the (XBRL) standard in the Dutch situation is done in a taxonomy. A taxonomy is a standard description and classification system for the contents of reports.[8] It can be compared to a dictionary in which the specific words and their meaning is formulated. In this comparison the Dutch taxonomy is the Dutch dictionary for financial reporting. This dictionary contains the words (data elements), their relations and references to their meaning (semantics).

3.4 Scope

The scope of the first version(s) of the Dutch taxonomy will be:

- ˅ Annual accounts
    - o Dutch General Accepted Accounting Principles (Dutch GAAP)
    - o International Financial Reporting Standards (IFRS)
- ˅ Taxes
    - o Company taxes
    - o Income taxes
    - o Value added taxes
    - o Wage taxes
- ˅ Financial statistics
    - o Financial institutions
    - o Non financial institutions
    - o Specifications of goods and services

The company drafts the obligatory reports and sends them to the authorized organization. In the Netherlands annual accounts have to be provided to the Chambers of Commerce, the tax declarations to the Tax Office and the statistics to Statistics Netherlands. In practice the obligated reports are often drafted under the formal responsibility of the director(s), often in cooperation with his intermediary (advisor). For large and medium sized a financial audit is performed, resulting in an audit report.

Below this is graphically represented.

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[8] Source: XBRL International.

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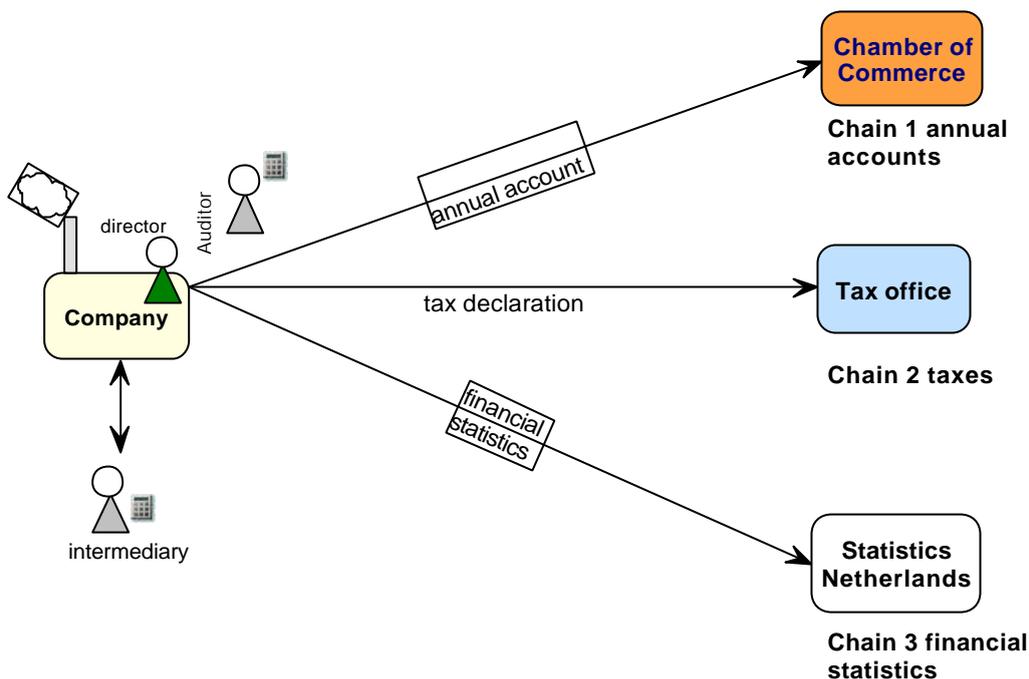
3.5 Business process

The Dutch Taxonomy Project takes the existing business processes of the companies as the basis for reduction. This sounds obvious, but in practice many projects deviate from this approach. Although existing legislation is leading for the drafting of the taxonomy, the possibilities for actual use of the taxonomy are paramount.

As a result of its different business processes the company saves operational and financial data in its (accounting)systems. Examples of processes are sales, production or purchase processes. The recorded data is primarily used to control the business processes. Secondarily the company uses this data to draft its annual account, declare its taxes and provide statistics. As many, particularly small companies, lack the specific knowledge for external reporting, intermediaries like tax advisors or accountants are used.

Eventually the director(s) is responsibly for the reports that are provided to the (governmental) regulators. If he does not satisfy his obligations sufficiently he can even be liable for damages of third parties.

Below these processes are graphically represented.

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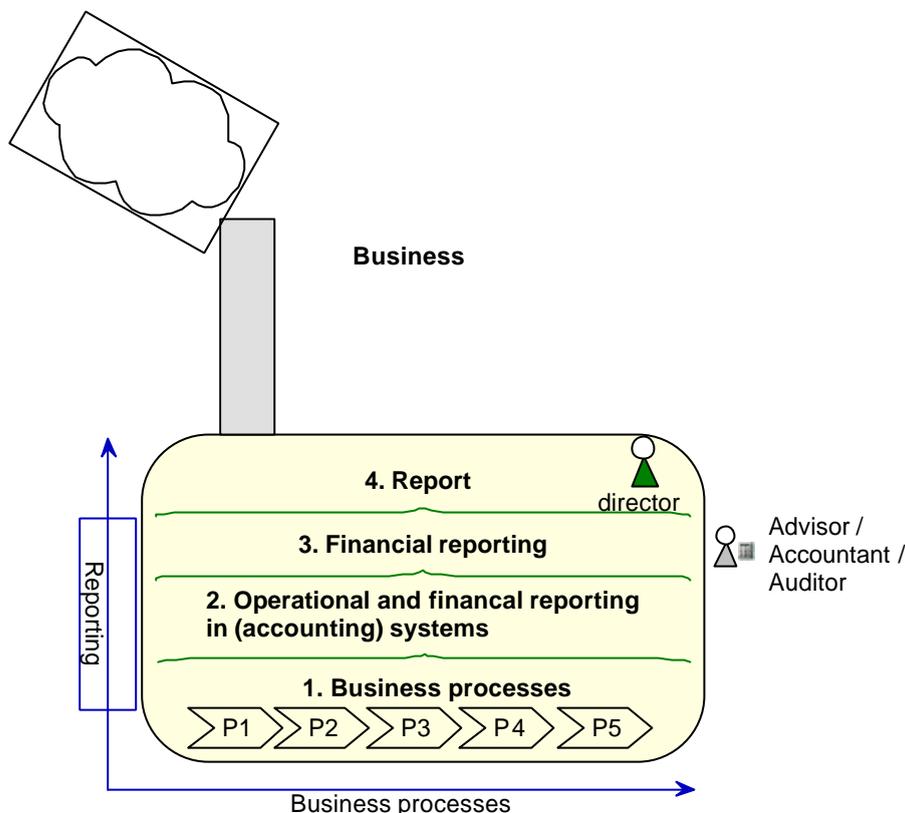
To reduce the burdens the drafting of the reports must take less time for the company, or its advisor(s).[9] Using a standard data model (taxonomy) can enable faster and better gathering of information to facilitate reporting and the exchange of data between advisor and company. Because of the multiple chains (annual accounts / taxes / statistics) the Dutch taxonomy also makes (better) integration of different types of software possible.

An efficient conversion of the data resulting from the business processes and financial systems into the obligated reports can save time for companies and intermediaries. Also a strong harmonization between the annual account and profit tax for small companies could result in a large reduction.[10] The company stores the information in one place and uses it for multiple reports ('store once, use many'). In the most efficient situation the company should be able to draft the different requested reports by pressing the button in their software.

3.6 Focus

Because of the segmentation of the number of small, medium and large companies in the Netherlands the focus of the project is on small companies and their business processes. The vast majority of Dutch companies is small or economic not active (finance and holding structures). Although the burdens expressed in euros per company are much larger for a large company than for small ones the sum of the burden is much bigger for small companies.[11] To realize a substantial reduction it is therefore necessary to reduce burdens for small businesses.
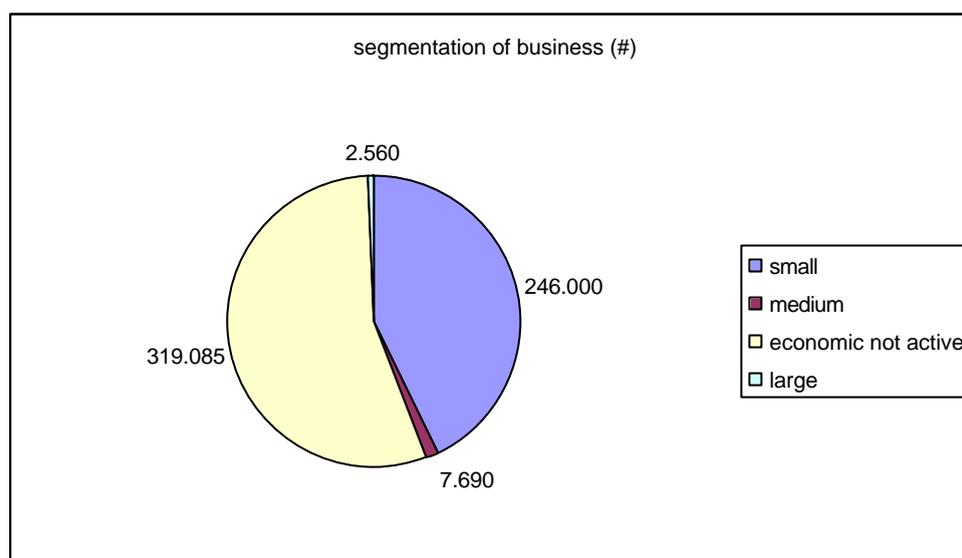
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[9] Or the hourly fee must drop.
[10] Some countries use the annual account also for tax purposes.
[11] The relative burden (the costs divided by the turnover) is much smaller for large businesses.

This does explicitly not mean that there are no possibilities for large and medium sized companies.

In the pie diagram below the number of companies of a certain size are depicted. In the Netherlands there are 246.000 small companies (43%), 319.085 companies that are economic not active[12] (56 %), 7.690 medium sized companies (1 %) and 2.560 large companies (0,5 %).

segmentation of business (#)

2.560

246.000

319.085

- small
- medium
- economic not active
- large

7.690

Source of data: 'Baseline measurement administrative burdens' (Sira Consulting)

3.7   Planning and control

To realise a reduction within the given (political) timeframe it is necessary to plan and control the activities that have to be performed. Four phases were foreseen at the start of the project:

1. Start up phase
2. Identifying financial reporting chains
3. Realisation and implementation
4. Maintenance

In the start up phase consensus was reached with the relevant stakeholders on focus, scope and support. The organisational structure was established and the framework on which to build the further activities was drafted, parts of which can be found in this overview. [13]

In the second phase the financial reporting chains were identified and researched. Also the data elements were gathered, the architecture of the taxonomy was designed and the first version of the actual taxonomy was drafted and built.

In the third phase a business case will be performed. Interested parties can start 'Proofs of Concepts' (PoCs). The PoCs must show that it is possible to draft the different reports with the Dutch taxonomy and existing incorrectness must be revealed. Software suppliers, accounting firms, governmental bodies, advisors and companies will participate in the business case.

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[12] For instance finance and holding structures.
[13] See paragraph 3.8.

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Temporary maintenance of the taxonomy is performed by the Dutch Taxonomy Project. This include upgrading the first versions of the Dutch taxonomy as a result of the practices that arise from the business case.

In the fourth actual implementation of the stable version of the Dutch taxonomy must be performed by software suppliers, the Tax Office, Chambers of Commerce and Statistics Netherlands. The taxonomy will be maintained by an organisation specialised in maintenance and the taxonomy will go through regular update cycles.

The phases are roughly planned according the following timeline:

	2004				2005				2006			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
phase I		▓	▓									
phase II			▓	▓	▓	▓						
phase III						▓	▓	▓				
phase IV									▓	▓	▓	▓

3.8   Organisation

To achieve the planning the project organisation was drafted, the different groups were established and participants were allocated. The following groups are part of the project organisation:

- ˅   Project owners
- ˅   Stakeholders committee
- ˅   The Dutch Taxonomy Project
- ˅   Project group coordination
- ˅   Taxonomy workgroup

These groups are described below.

Project owners

The project owners (Ministry of Justice and Ministry of Finance) guard the progress and budget exhaustion, check the milestones and products. The project leader of the project reports periodically on subject concerning content, progress and financial matters.

Stakeholders committee

The stakeholders committee is set up to gain and preserve the necessary support of the stakeholders at an administrative level. The representatives must have enough mandates to commit their organisation. The stakeholders committee is advised by the Dutch Taxonomy Project, the project group coordination and the taxonomy workgroup.

The Dutch Taxonomy Project drafts a declaration of intent, to be signed by each of the stakeholders committee. In this declaration of intent the stakeholders are asked to pronounce that they will make use of the Dutch taxonomy.

Project groups

Four project groups were established:

- ˅ Project group annual accounts
- ˅ Project group taxes
- ˅ Project group statistics
- ˅ Project group architecture

The first three project groups work out the partial taxonomies of the annual accounts, taxes and economic statistics. They do this by filling in a template provided by the Dutch Taxonomy Project. The project group architecture designs the architecture and builds the actual taxonomy based on the gathered data in the template by the other project groups.

Before starting the work the project groups drafted a project plan in which they stated their approach, milestones, results and planning. A shared template for the project plan is used, to make the plans of the different groups comparable. These plans were discussed and approved in the project group coordination.

Project group coordination

In the project group coordination group the project leaders of the project groups discuss the approach, results and planning. If necessary measures are taken to safeguard the progress of the projects. The project group also analyses whether further advantages in the field of efficiency or quality can be achieved as a result of the experiences and best practices.

Taxonomy workgroup

The taxonomy workgroup evaluates and advices on the Dutch taxonomy in its different stages of development. The workgroup is one of the important quality assurance measures with regard to the Dutch taxonomy. Also the workgroup researches the feasibility of the introduction of the Dutch taxonomy in the company administration and financial software. The workgroup reports to the Dutch Taxonomy Project and to the project group coordination. In the workgroup more than thirty five individuals from audit firms, software suppliers, government bodies and others participate. People who are interested are free to participate in this group.[14]

Below the organisational structure is graphically represented.

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[14] Membership of XBRL Nederland may be requested.

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Project owners

Support

Stakeholder committee

Coordination

the Dutch Taxonomy Project

Processes / time / budget

Project group coordination

Quality

Taxonomy work group

Project group taxonomy for annual accounts

Structure

Project group architecture

Project group taxonomy for taxes

Project group taxonomy for statistics

4 Drafting a taxonomy

4.1 Approach

To draft a usable taxonomy demands much more than just gathering technical data. It involves considerations of interest, interpretations, commitment and support of multiple parties. This means that proper documentation is of utmost importance. Minutes of meetings are drafted and published and reports, documents and other information are made publicly available. In the Dutch situation the coordinating role of the Dutch Taxonomy Project forms the binding factor between the different stakeholders.

Aspects that make the Dutch Taxonomy Project rather unique in relation to other countries is the active role of the Dutch government, the scope (multiple chains) and the intense cooperation and communication between the different stakeholders.[15] The project is effective by stressing the mutual benefits and combining efforts and interests. Through cooperation the participants have broadened their vision on the matter of financial reporting and the use of the standard.

The participants in the Dutch Taxonomy Project include auditors, software suppliers, the Dutch accounting standards board, representatives of employers and representatives of governmental bodies (chamber of commerce, tax office and statistics Netherlands). Also contacts with other financial regulators took place.

To actually draft the first version of the Dutch taxonomy four stages were distinguished:

       i.   Drafting of list with data elements per domain[16]:
      ii.   Normalisation (removing doubles)
     iii.   Drafting of the architecture
     iv.   Drafting of the Dutch taxonomy

Ad. i. De data elements wee gathered per domain and provided in separate (excel) sheets. The Dutch Taxonomy Project provided the template for these sheets.

Ad. ii. After stage i the gathered data is normalised. Double data elements was removed from the sheets.

Ad. iii. Simultaneous with stage i a structure (architecture) for the Dutch taxonomy was proposed. The structure describes the relations between the different parts of the taxonomy. The structure is described in a document, that is also available in English.[17]

Ad. iv. In stage iv the data elements were built in a XBRL taxonomy based on the proposed architecture.

4.2 Maintenance

Drafting a taxonomy is the first step, maintaining the taxonomy after the first release is the next. Without proper maintenance companies and software suppliers parties will have less intention to use the taxonomy. Maintaining a taxonomy means that one or more organisations or institutions must facilitate changes in the taxonomy. If rules change updates of the taxonomy can be necessary. Tasks, powers and responsibilities must be divided between the stakeholders. Also

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[15] This cooperation model is well known in the Netherlands ('poldermodel').
[16] Annual account, statistics, taxes.
[17] Description architecture Dutch Taxonomy.

clear and just procedures must be available to manage changes efficiently. Finally the updated taxonomy must be published and be available for users.

For the establishment of an adequate organisation for maintenance technical, administrative, organisational, economical and legal activities must be performed.

4.3 Legal issues

With regard to the drafting of taxonomies several legal issues can be encountered. The most important are intellectual property (IP) and liability for the use of the taxonomy.

Contributors to the Dutch taxonomy transfer all intellectual property rights to the State of the Netherlands. The taxonomy will be distributed under a certain license that enables users to be legally entitled to use the taxonomy for certain purposes.[18]

Important questions with regard to the license that may arise are:

- v   Who is allowed to use the taxonomy?
- v   Who is allowed to publish the taxonomy?
- v   Will a fee be asked for the use of the taxonomy?
- v   Are other people allowed to make new taxonomies based on mine?
- v   Can other people use the name of my taxonomy?

The Dutch taxonomy will be made freely available and the taxonomy may be used for any purpose. Parties are allowed to draft (commercial and non-commercial) extensions. The main prohibition will be that no others allowed to publish a new taxonomy under the name 'the Dutch Taxonomy'. This would lead to uncertainty about the question which taxonomy is to be used by companies to provide information to the Dutch governmental bodies. The first test versions of the taxonomy will be provided under a more limited license.

4.4 Communication

To communicate efficiently with the multiple stakeholders the project uses a portal with an open and closed part. Project results, background information, upcoming events and other information is published on the portal.

The portal can be found on www.xbrl-ntp.nl. In time more English information will be made available.

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[18] The website of Creative Commons (www.creativecommons.org) contains potential licenses and explanations on the subject.

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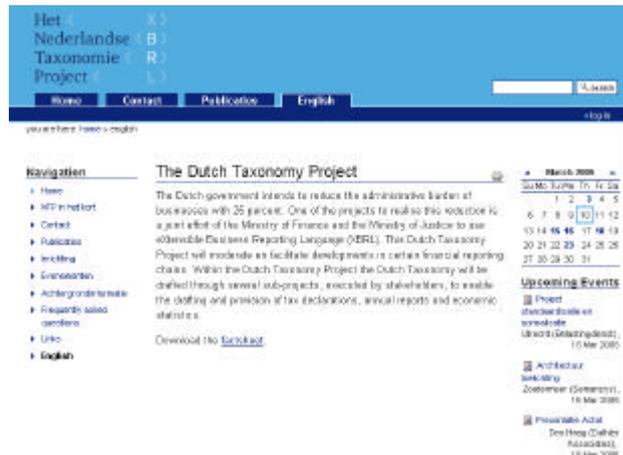
4.5 Identifying companies

To receive and process the reports that are drafted by the company (or its intermediary) the receiving organisation must be able to identify the reporting company and the type of report it is providing. Therefore it proved necessary to gather information on the description of companies. It also proved valuable to gather information on other compulsory and useful information and the frequency of reporting.[19] Some of this information is also useful for validation purposes in the future. When a report is received it will be checked according certain validation rules.[20] One of these rules could for instance involve checking the conformity of reported company name and registration number.

Within XBRL International the 'Global Common Document' (GCD) is drafted with regard to the identification of companies. As for different countries and different types of information the relevant description of companies differs standardisation of this information was not completed at an international level. For national taxonomies this means additional standardisation is necessary. For the Dutch situation this activity proved to be very valuable as it showed the differences between the definition of a company for annual accounts, taxes and statistics. In practice companies are confronted with these differences when they draft their reports.[21]

4.6 Best practices

The best practices mentioned below have no guarantee for success as they derive from the Dutch situation. In the Dutch situation the development of the taxonomy was initiated by the Dutch government. In other countries the banking sector or regulators are often leading parties. Historical, cultural or factual circumstances can influence the appropriate approach in specific countries or situations. Nevertheless we like to share some of our best practices.

- ᵥ Timing, planning and speed is crucial
- ᵥ Build trust by realising goals and milestones in time
- ᵥ Combine efforts if possible
- ᵥ Cooperate through mutual benefits
- ᵥ Be transparent
- ᵥ Do instead of talk

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[19] For instance, contactperson and registration numbers.
[20] In addition to the XBRL and XML technical validation rules.
[21] Dutch companies need multiple registration numbers. For a small company this can easily mean the use of more than ten different numbers.

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- v   Obtain sufficient (political) pressure
- v   Select the relevant chains
- v   Use business criteria (cost reduction / better services)
- v   Let the viewpoint (and the processes) of the companies be leading
- v   Design a modular taxonomy
- v   Manage expectations
- v   Do not forget the exchange processes and corresponding infrastructure
- v   Do not underestimate maintenance
- v   No real standardisation without administrative support / commitment
- v   Reserve time for education
- v   And finally it is not an easy job, but a rewarding one

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5   Architecture of the Dutch taxonomy

5.1   'Dutch tree'

The Dutch taxonomy can be compared to a tree (the Dutch tree). The trunk is formed by elements that are (semantically) identical within different domains and the taxonomy for the International Financial Reporting Standards.

Identical elements

If two data elements, for instance 'profit' have the exact same meaning within two domains (for instance in taxes and statistics) the data element is placed in the trunk.

International Financial Reporting Standards

Companies are obligated to report under certain accounting standards (generally accepted accounting principles or GAAP). Accounting standards define the ways in which certain elements of an annual account can be reported. For instance the value of a property can be reported under the actual value or under the historic cost. Companies that are quoted on a stock exchange in Europe are obligated to report under the International Financial Reporting Standards (IFRS). This was decided in a regulation of the European Parliament and the European Commission.[22]

The IFRS are drafted and accepted by an international standard-setting body, viz. the International Accounting Standards Board (IASB).[23] The International Accounting Standards Committee Foundation (IASCF) under which the IASB resides has drafted a taxonomy for reporting under the IFRS (IFRS-taxonomy). This IFRS-taxonomy[24] was used as part of the trunk of the first version of the Dutch taxonomy.

The branches are formed by the domain specific taxonomies and their data elements (the leafs).

5.2   Modularity

The Dutch tree is modular. This enhances usability. This makes it also easier to maintain as responsibilities can be better divided. The large amount of data elements can better be managed and a modular structure with separate taxonomy components makes adherence of new branches easier. The concept of modularity is not yet fully developed. The modularity issue will be considered in relation to international developments and best practices.

As the different domains (branches) will be interdependent, close cooperation of the domains remains important.

5.3   Language

The data element names (those are not seen by the end user) are drafted in English. The data labels are in Dutch, so the end user can read the relevant statements in Dutch.

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[22] Regulation (EC) No 1606/2002 Of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.
[23] www.iasb.org.
[24] More precise: the version of June 2004.

5.4 Review

Review of the architecture is done by the taxonomy workgroup and by publishing a description of the key elements of the architecture in an English document. Finally the taxonomy itself will be made available for national and international review. National review will take place during the business case.

6   Transforming government

6.1   Electronic government

To realise the optimal situation it is necessary that the companies can gather and provide the requested information as easy as possible. Also it is of the utmost importance that the reliability, confidentiality and legal status of the data provision is arranged. Companies can also be better informed on the status of the processing of their reports by the government. Therefore to achieve the full potential additional services, like authentication or infrastructure, are needed. Building a data model (taxonomy) is the foundation to build the services on.

Determining factors for the design of the services are applicable legislation, the business processes of the requesting parties to be implemented in a process infrastructure, the technical infrastructure, the actual data of the companies and the data elements of the Dutch taxonomy.

In the Dutch situation the European and Dutch legislation determine the margins within which the data requesting parties (for instance Tax Office) organise their business processes. These processes can be implemented in a process infrastructure (the back office) and a technical infrastructure (the communication services). To provide the user trustworthy services it is necessary to identify, authenticate and authorise users. Other crucial factors for successful electronic government services are authentication and identification of companies (and their directors) and reliability (possibility of electronic signing). Finally the data model (the taxonomy) will have to be maintained, to make future adoptions possible.

Below this is graphically represented.
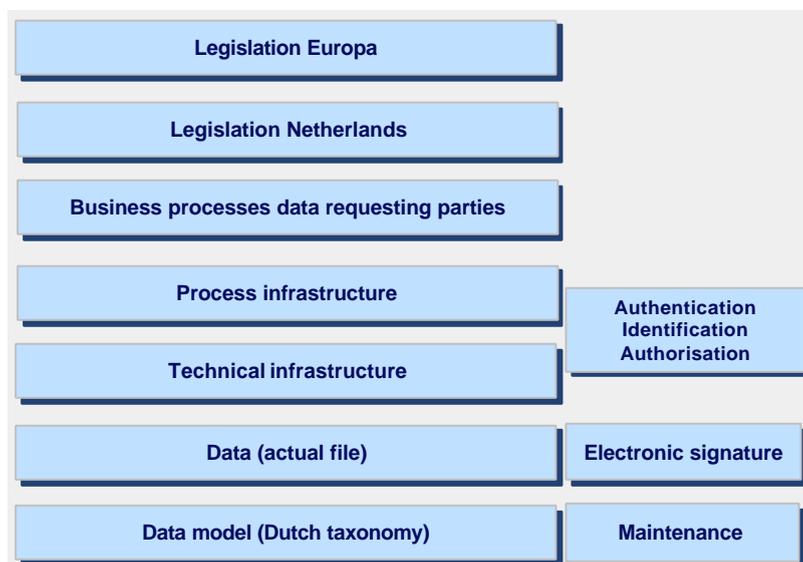
6.2   Governmental services

Improving governmental services can make reduce annoyance and costs inside and outside the government. Examples of services are the creation of 'a single window', i.e. one place (website)

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where companies can find (financial) governmental information and exchange this information.[25] This does not necessarily mean one large governmental data warehouse. Through data standardisation (including Dutch taxonomy) and coordination between governmental bodies a situation could be reached in which the representative of a company (or his intermediary) could log in and find information on all financial transactions that have taken place with the government. Also future transactions could be mentioned to help companies plan and budget transactions. A very rough sketch of what this could look like is depicted below.

6.3   Provide once, use many

Many times we encountered the idea to provide data once and use this data many times within government. The company provides for instance a big data file and different governmental agencies use or distribute this data. This idea sounds good and is often associated with large reduction of the administrative burden. In practice it has some serious disadvantages and large reductions are improbable. The main disadvantages exist in the following areas:

- legal
- organisational
- technical

From a legal point of view information is provided to governmental bodies based on laws that allow them to receive and process this information. If you want that companies provide information just once they must provide a bulk with all information at one moment to the government. This information would have to be divided and send to the authorized governmental bodies. Besides the technical problems, this leads to serious questions on information security and trust. Besides for a company this would mean that it would need to gather all data simultaneously. That would be some serious burden. Also legislative action would be needed for a (new) governmental agency to be legally allowed to receive and process the bulk information.

Therefore we oppose the idea to provide information once, use many for the situation in the Netherlands. For reduction of the administrative burdens it is far more efficient to make the gathering of information easier for companies than to force governmental agencies to use each others information. We see one exception to this rule and that is the basic information about companies, addresses, persons, maps, edifices and parcels. The drawback is that the gathering of this basic information leads to very limited burdens. After all, the company knows its own name and postal address.

For the information reported with the Dutch Taxonomy we would therefore like to replace the statement 'provide once, use many' with the statement 'store once, use many'.

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[25] See 'Recommendation and guidelines on establishing a single window to enhance the efficient exchange of information between trade and government', Recommendation No. 33 First edition approved by UN/CEFACT.

6.4   Transparency and supervision

Annual accounts of companies in the Netherlands do not really provide comparable information.[26] Companies can use different accounting standards. [27] Meaningful benchmarking between companies and the detection of fraud was therefore very difficult. After the accounting scandals of Enron, Ahold and Parmalat the call for more transparency and meaningful reports increased. This has resulted in the obligatory introduction of the International Financial Reporting Standards in Europe for companies that are quoted on the stock exchange.[28] The introduction of uniform accounting standards strongly enhances the value of the reported information. The introduction of standardised reports (XBRL and Dutch Taxonomy) can make reports more reliable, easier to analyse and compare. This increase in efficiency, transparency and comparability can hopefully contribute to the recovery of the necessary trust in financial reporting.

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[26] In a Dutch proverb: comparing apples with pears.
[27] A company can even change accounting standard for different annuals accounts, making results between years very difficult to compare.
[28] Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.

Het ⟨ X ⟩
Nederlandse ⟨ B ⟩
Taxonomie ⟨ R ⟩
Project ⟨ L ⟩

7   Conclusion

Building the Dutch taxonomy is an exciting step forwards to reduce administrative burdens with regard to financial reporting in the Netherlands. We are happy to share some of our experiences and results with you.

In a world where more and more companies operate internationally, national initiatives are nice, but by definition limited in scope. Therefore we would like to express our support of an European approach to further facilitate companies within the member states of the European Union, to reduce costs and to stimulate economic growth. The European market could benefit from transparent and uniform reporting. Drafting and publishing the Dutch taxonomy can hopefully be an example and a step in the right direction.

We hope you can benefit from the efforts made and invite you to check, test and use the Dutch taxonomy and to contribute to its further improvement.

Het ⟨   X ⟩
Nederlandse ⟨ B ⟩
Taxonomie ⟨ R ⟩
Project ⟨   L ⟩

References

Documents

ᵛ   Factsheet Dutch Taxonomy Project
ᵛ   Dutch Taxonomy Architecture (English summary)

Links

Dutch Taxonomy Project   www.xbrl-ntp.nl
XBRL International   www.xbrl.org
XBRL in Europe   www.xbrl-eu.org
XBRL Nederland   www.xbrl-nederland.nl

Annex I Members of the Dutch Taxonomy Project

Project leader
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Project ‹   L ›

Annex II Members of the steering committee

- ᵥ   Association of Chambers of Commerce (Vereniging van Kamers van Koophandel)
- ᵥ   Association of small and medium enterprises the Netherlands (MKB Nederland)
- ᵥ   Central Bureau of Statistics (Centraal Bureau voor de Statistiek)
- ᵥ   Dutch accounting standards board (Raad voor de Jaarverslaggeving)
- ᵥ   Dutch Advisory Board on Administrative Burden (Actal)
- ᵥ   ICT and Administrative Cost Reduction programme (Programma ICTAL)
- ᵥ   Ministry of Justice (Ministerie van Justitie)
- ᵥ   Royal Institute of Registered Auditors (Nederlands Instituut van Registeraccountants)
- ᵥ   Tax office (Belastingdienst)
- ᵥ   Association for large enterprises the Netherlands (VNO-NCW)
- ᵥ   XBRL Netherlands (XBRL Nederland)

Het ⟨   X ⟩
Nederlandse ⟨ B ⟩
Taxonomie ⟨   R ⟩
Project ⟨   L ⟩

Annex III Architecture

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                              ┌──────────────┐
                              │    Report    │              Per subject/
                              └──────────────┘              target group

  ┌──────────┐          ┌──────────┐  ┌──────────┐  ┌──────────┐   Form
  │  Taxes   │          │   Sets   │  │   Sets   │  │   Sets   │   Sets
  │ ┌────────┴─┐        └──────────┘  └──────────┘  └──────────┘
  └─┤Statistics│
    │ ┌────────┴─┐
    └─┤  ....    │
      └──────────┘

  ┌──────────┐   ┌──────────────┐   ┌──────────┐   Domain
  │DataTypes │   │  Elements    │   │Relations │   specific
  │  (RJ)    │─▶ │Annual account│─▶ │          │
  └──────────┘   └──────────────┘   └──────────┘
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  ┌──────────┐   ┌──────────────┐   ┌──────────┐
  │DataTypes │─▶ │   GEN-Base   │─▶ │Relations │
  │          │   │Generic       │   │          │
  │          │   │Elements      │   └──────────┘   Dutch
  └──────────┘   │Netherlands   │                  Tree
                 └──────────────┘
  ┌────────────────────────────────────────────┐
  │           IFRS Waiver taxonomy             │
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  │                  IFRS                      │
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