

Implementation of Electronic Interchange and e-archiving Projects



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Agenda

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First impressions and reality

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Business processes

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Looking back on four years' experience

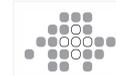


About Keyon

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Proven know-how

- Set-up and development of the FDF-approved, OELD-I-compliant CA at EAN Switzerland
- Various successfully completed projects in the areas of electronic invoicing (OELD-I) and electronic archiving (GeBüV)
- Tried-and-tested signature framework
- Official participant in the consultation process regarding ZertES for the Swiss Federal Office of Communication (OFCOM)



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First-class references

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Swiss Passport 06
Ultimate Security
with Solutions from Keyon

1. Name/Noom
Cognome/Name/Sumame
Kölliker
2. Vorname(n)/Prénom(s)
Nomen/Prénom(s)/Grafu/Name(s)
Andrea
3. Nationalität/Nationalité
Cittadinanza/Nationalität/Nationality
Schweiz/Suisse/Svizzera/Switzerland

4. Identifikations/Code de naissance
Dati di nascita/Date de naissance/Date of birth
27. März 1972



CREDIT SUISSE

UBS

Zürcher Kantonalbank

ETH Zürich

Telekom Finance

Relkurs Service

swisscom IT SERVICES

PostFinance

RAIFFEISEN

Swiss Re

IBM

WINCOR NIXDORF

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MIGROS

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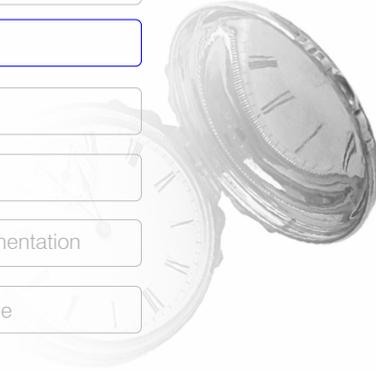
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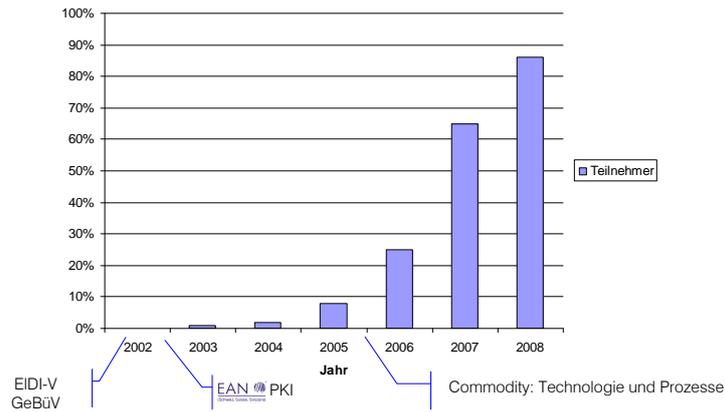
■ First impressions...

- New legislation to be introduced
- High costs, time and energy required for very few benefits
- Lack of guidelines for implementation
- No products and no know-how available on the market

■ ... often lie. The reality is different:

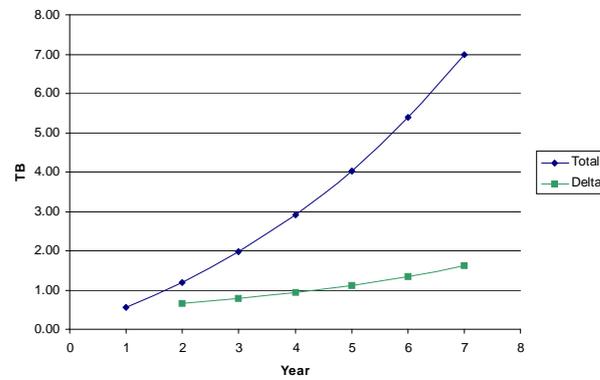
- Legislation in force since 2002
- Many benefits, fast amortization, efficient invoice processing, archiving and ILM including implementation of auditing and compliance processes
- Clear guidelines for implementation, high degree of legal certainty
- Mature products and know-how available on the market, short implementation time

Forecast: Electronic business processes used in trade up until 2008



Challenges: Management of large volumes of data

- Exponential growth of the data to be managed



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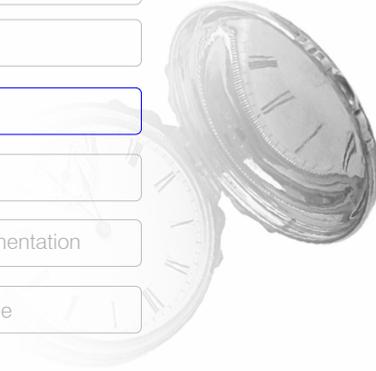
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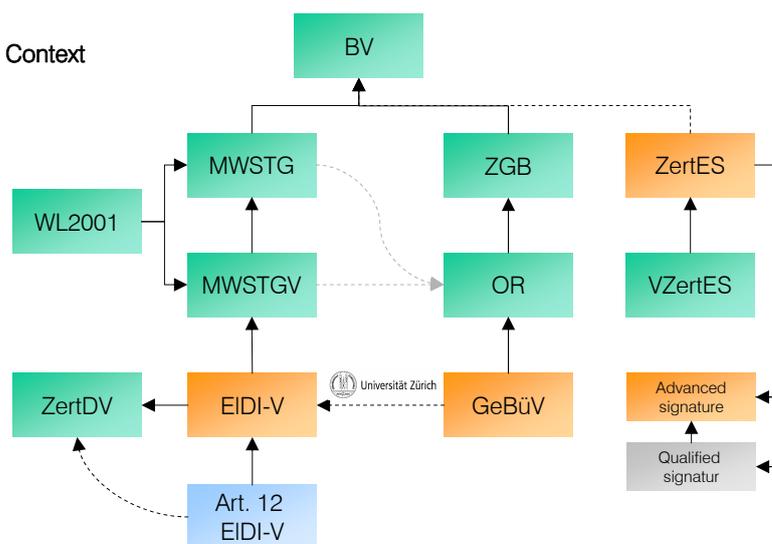
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How can we be certain that the integrated solutions meet the legal requirements?

■ Legal bases in Switzerland

- **ZertES** – Federal law on digital signatures, equal legal status of digital signatures and paper signatures
- **OELD-I** – Ordinance of the Swiss Federal Department of Finance on electronically transmitted data and information. Requirements for electronic receipts relating to deduction of input tax and collection of taxes.
- **GeBüV** – Ordinance on account management and storage

■ Context



It is generally acknowledged that the requirements for a digital signature are higher from the OELD-I point of view than from the GeBüV point of view. In addition, the requirements for a digital signature are more clearly defined in the OELD-I than in the GeBüV.

■ **Drawing up process documentation**

- Classification of documents and description of the ILM taking into account the storage periods
- Description of organizational processes, in particular internal and external auditing processes and control mechanisms
- Definition of responsibilities
- Draw up working instructions
- Description of the technical processes involved, in particular the following:
 - Maintenance of data integrity
 - System limitations and data flow
 - Recording the various processes
 - Indexing and access to data

■ **Assessment of process documentation**

Submit process documentation to the authorities in order to obtain a positive assessment.

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Conclusion

We can see that the processing and storage processes described meet the VAT guidelines. Checking of receipts and archive by auditors and other authorised persons is guaranteed. We have no reservations about the solution described.

■ **Many internal benefits of process documentation**

- Specification of the technical and organizational processes as the basis for implementation
- Basis for internal control system and internal/external auditing processes
- Basis for creating and implementing guidelines
- Basis for presenting evidence in the event of damage and for performing one's duty of care

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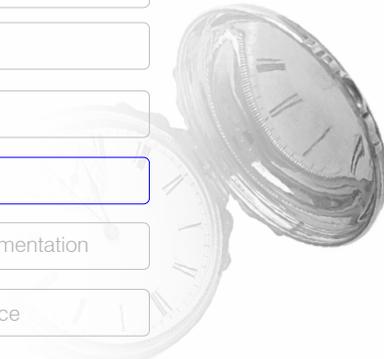
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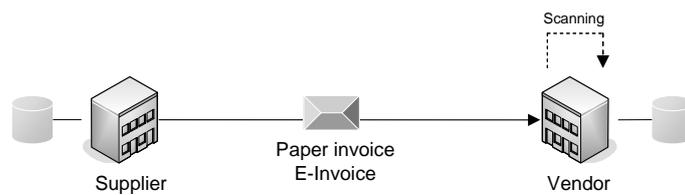


Business processes

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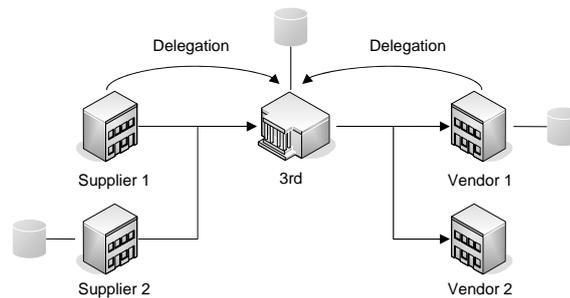
■ Business processes relating to electronic invoices

- **B2B:** Transmission of invoices from the sender to the receiver
 - Electronic invoices (OELD-I): automated invoice processing
 - Paper invoices: scanning and electronic archiving (GeBüV)



■ **Business processes relating to electronic invoices**

- **B2B via third parties:** Transmission of invoices from the sender to the receiver via a service provider
 - Electronic invoices (OELD-I)
 - Delegation of the signature and/or validation
 - Paper invoices, scanning and electronic archiving (GeBüV)



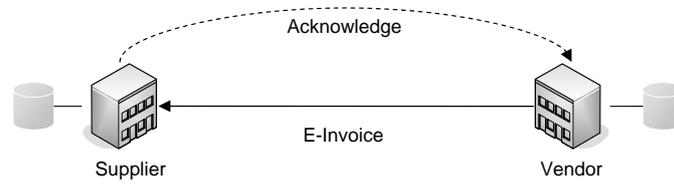
■ **Business processes relating to electronic invoices**

- **B2C:** Transmission of invoices from the sender to the customer
- Analogous infrastructure for the sender as in the B2B process
- Heterogeneous infrastructure for the client
 - Use of standard tools (Adobe PDF)
 - Availability of solution-specific tools

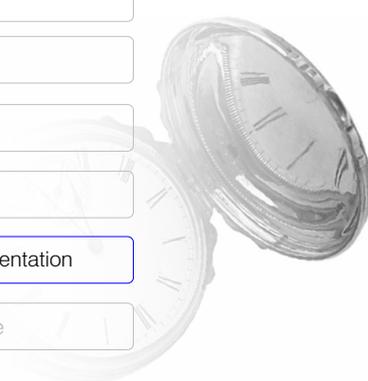


■ Business processes relating to electronic invoices

- **Self-billing:** Transmission of invoices from the sender to the receiver
 - Technical receipt
 - (Tacit agreement)



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What organizational and operational measures are to be taken and why?

■ **E-business and archiving is the responsibility of Management**

- Management needs to draw up and implement instructions and guidelines on electronic management of accounts and is responsible for observing the law. Breaking the law would mean losing claims as a result of a lack of evidence or the obligation to pay damages under civil law.
- In case of dispute, it must be proven that the duty of care was performed. The process documentation forms the basis of the methodology for presenting evidence.
- The specified technical and organizational IT processes form an integral part of commercial book-keeping.

■ **Best practice standards**

- **ISO 27001:** Specifies the requirements for manufacturing, introducing, operating, monitoring, maintaining and improving a documented information security management system taking into account the risks throughout the organization.
- **Cobit:** A control framework developed by ISACA for IT governance. A comprehensive standard of testing for use in IT auditing which defines what is to be implemented.
- **BSI (German Federal Office for Information Security) *IT-Grundschutz catalogues containing standard information security measures:*** Offer a simple way to identify and take the most up-to-date IT security measures.

Certification must not be the primary objective.

■ **Components**

- IT security management
- Organisation and personnel
- Pre-emergency planning concept and handling of security occurrences
- Data security concept
- Access concept
- Change management
- Raising awareness and conducting training on IT security
- Migration concept
- etc.

The key to success is people.

■ **Auditing processes**

- Proof that the technical and organizational processes described in the process documentation were followed
- Regular checking of the integrity of the archived documents

■ **Receipt**

- VAT-compliant content of invoices (Art. 37 of the law on VAT (MWSTG) etc.)
- Integrity of data (electronic signature, OELD-I, GeBüV)
- Authenticity of data (electronic signature, OELD-I)
- Machine analysability (OELD-I)
- Paper equivalent of the electronic receipt

■ **ERP**

- Validation of the electronic invoice prior to entry
- Correct entry of business transactions
- Linking ERP (entry) to the archive (receipt), retrograde audit trail
- Indexing for evaluation and ensuring readability of the accounting entries
- Access for auditors

The focus is on business process auditing .
Electronic documents now form the basis of information retrieval.

■ **Archive**

- Linking the archive (receipt) to ERP (entry, progressive audit trail)
- Indexing for evaluation and ensuring readability of the archived data
- Proof of integrity in connection with long-term archiving (validation of electronic signature)
- Long-term archiving (archiving of large volumes of data within the statutory storage period, backup and restore, business continuity planning etc.)
- Migration concept (data format, electronic signature, archive software)

■ **Additional technical processes**

- Recording the process steps
- Archiving of in-house formats and validation protocols
- Dedicated validation service for auditors and other authorised persons

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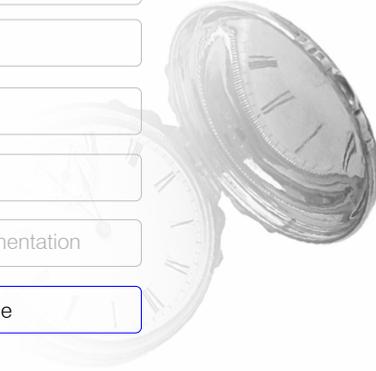
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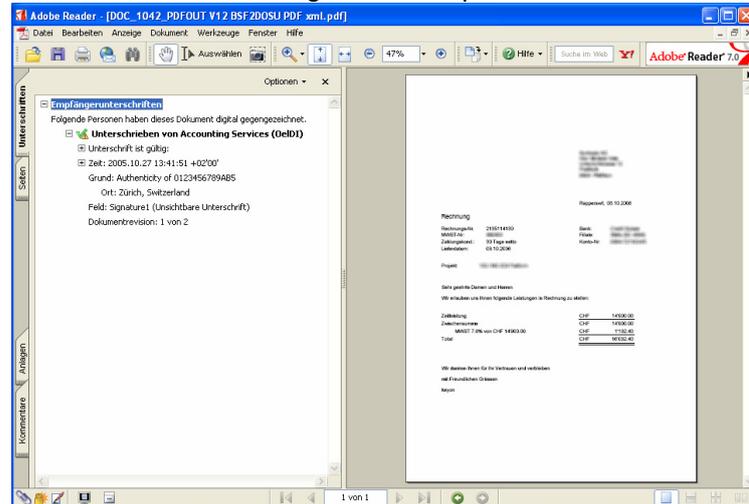
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■ Implementation of various electronic business processes

- Projects in finance, trade, industry and services
- Invoice processing and tax-related processes
 - Invoicing and self-billing
 - In-house or outsourced processing at home and abroad
 - National and international invoice processing
- Legally valid archiving of electronic data
 - Migration of large volumes of data from WORM to HD
 - Low-cost archiving concepts using electronic signatures

Bank records and accounting vouchers for partners and clients



Low project risks, efficient implementation

- Organizational, technical and legal know-how is available
- Technology and service providers are available (commodity)
- Project implementation on time and within budget

Legislation

- Adaptation of legal provisions to technical development
 - OELD-I II
 - TAV Zert-ES

Thank you for your attention



If you have any questions whatsoever, please do not hesitate to ask.



For security reasons