

# Government-to-Business: The Brazilian Public Digital Bookkeeping System (Sped) and the eSocial Project

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**Abstract.** This paper presents some initiatives of government-to-business in Brazil: The Sped and its project called eSocial. The Sped Fiscal is the Brazilian Public Digital Bookkeeping System and it can be considered an innovation in the relation between the government and the corporate taxpayers, especially in the informatization area. In this research, we explain how it works and its regulatory legislation. After that, we show some benefits of this system. The eSocial Project is the Digital Bookkeeping System of Tax, Social Security and Labor Obligations which is integrated to the Sped Fiscal system. So we make comments about both projects in order to present these new features which have been in development in Brazil.

**Keywords:** Government-to-Business, Public Digital Bookkeeping System.

## 1 Introduction

The advance of electronic government has been increasing in Brazil, including the aspects related to the Public Administration informatization and exchange of information among databases. In this context, we can see that there are some projects at development especially in the fiscal area.

One of these initiatives is called Sped Fiscal, which means the Public Digital Bookkeeping System (*Sistema Público de Escrituração Digital*).

We begin this paper by making an introduction about the government-to-business (G2B) in order to identify the relation between the government and the corporate taxpayers.

Then, we present the Sped Fiscal, how it works and its regulatory legislation. Finally, it is shown some benefits of this system, and also making some comments about the eSocial Project which is integrated to the Sped Fiscal system.

## 2 Government-to-Business (G2B)

Electronic government (e-gov) can be considered a form of knowledge organization which will allow many acts simply and purely bureaucratic structures disappear and performing tasks that require a more complex human activity is facilitated. [1]

It is possible to classify the electronic government according to three issues: the government-to-government (G2G), the government-to-citizen (G2C) and the government-to-business (G2B).

In general, “the area of G2B has received scant attention in the current e-government literature. Governments spend a large portion of their e-government budget on citizen services, and therefore the focus in the web-domain has been strongly citizen focused as well”. [2]

In Brazil, we can see that the development of G2B seems to be mainly focused in the tax obligations and in the fiscal area, however there are some initiatives in electronic bidding, such as the Federal Law 10.520/2002 [3].

Many authors say that the government to government is the relation between government and the commercial business sector, however it is not restricted to the bidding area, it also include the technological resources that must be used in order to give information to the government about the bookkeeping and other legal requirements.

So, in a few words, we present the objective of the use of the Sped Fiscal, which is a modern and informatic system developed in order to become easier for the taxpayers give information and meet its accessories obligations, by using the digital certification to transmit the information to the tax administrations and regulatory agencies, by its digital signature in the electronic documents, which have legal value in Brazil.

### **3 Brazilian Public Digital Bookkeeping System – The Sped Fiscal**

The Sped was created by the Decree no. 6.022/2007 and this system is an integrated initiative of tax administrations in the three spheres of government: federal, state and municipality, making partnership with some companies in order to plan and find out rapid solutions to the tributary obligations, also with the participation of the taxpayers in the definition of the means of meeting these obligations and build a new relation between both based on transparency.

The aim of Sped Fiscal is promoting the integration of Fiscal Administrations, through the standardization and sharing of financial and tax information, subject to legal restrictions; streamlining and standardizing the tributary accessory obligations to taxpayers, with the establishment of separate single transmission these obligations of different regulatory agencies; making more rapid identification of tax offenses, with improved process control, the speed of access to information and more effective oversight of operations with the intersection of data and electronic audit; and others.

According to the Article 2<sup>nd</sup> of the Decree no. 6.022/2007 [4], with the changes of the Decree no. 7.979/2013 [5], “The Sped is an instrument that unifies the activities of receipt, validation, authentication and storage of books and documents that integrate accounting and book keeping entrepreneurs and legal entities, including immune or exempt by single, computerized flow of information”.

In the operation of Sped, these books and documents will be emitted in electronic way, with digital signature, using the Brazilian Public Key Infrastructure, known as ICP-Brasil, which was created by the “Medida Provisória no. 2.200-2/2001”. [6]

However, the taxpayers still have the obligation of keeping these e-books and e-documents under their responsibility in the way and in the time required by the law.

Beyond that it's possible the participation of representatives of business and legal companies, including immune or exempt entities representing the national professional accounting area, in activities related to Sped, which may be requested by the Secretariat of the Federal Revenue of Brazil's Ministry of Finance (article 5<sup>th</sup>, §2º, Decree 6.022/2007, with the alteration of the Decree 7.979/2013).

#### **4 Some benefits of the Sped Fiscal and the eSocial Project**

We believe that there will be many benefits with the use of the Public Digital Bookkeeping System for the taxpayers, such as the elimination of paper documents and cost reduction with their storage and with the rationalizing and simplifying the accessory obligations. Maybe the great benefit of Sped Fiscal, especially to the government and to the society, is the reduction of tax evasion.[7]

A study in Brazil about the point of view of the citizens about the impact by the use of Sped Fiscal has shown that “Brazilian taxpayers believe in a significant improvement in reducing the number of accessory tax obligations and many have prospects that will benefit in the future, especially in relation to reducing the risk of fraud and lower operating costs”.[8]

Beyond the Sped Fiscal, there is also the eSocial Project which has been developed by the Federal Government and is named the Digital Bookkeeping System of Tax, Social Security and Labor Obligations, which is also integrated to the Sped.

We can say the eSocial Project will unify the transmission of information by the employer in relation to employees. The use of eSocial aims to facilitate the guarantee of social security and labor rights, simplifying fulfillment of obligations and enhance the quality of information of labor relations, social security and tax.

The provision of information to replace eSocial delivery of the same information in other forms and statements that are subject to forced eSocial with standardization of information and reducing the amount of obligations.

In the end, there will be more difficult to commit fraud against the Brazilian social security system and labor, so that it is possible to say that the Sped and the eSocial Project may become the Big Brother Fiscal in Brazil in the knowlegement society.[9]

#### **Conclusion**

Government-to-business in Brazil has been in development, not only in the bidding area with the use of electronic bidding by the government, but especially in tax and fiscal area, as we can see at the projects Sped Fiscal and eSocial.

Both projects are initiatives in Brazil which will help the Fiscal Administrations exchange information about companies and employees and may be used against the employers or companies which are not working as well as they should do.

Since the Legal Act named “Medida Provisória nº 2.200-2”, which created the Brazilian Public Key Infrastructure, known as ICP-Brasil, many projects related to the informatics system have been developed in this country.

The Decree no. 6.022/2007 has brought an importante innovation in the relation between government and companies. However we can't forget that there are many other projects at the Federal Government in the tax and fiscal area which has already been in operation, such as the electronic invoice (e-NF).

The integration of the Fiscal Administrations which is one of the goal of the Sped Fiscal and also one of the objectives of the Brazilian Constitution at the article 37, number XXII, related to the integration and exchange tax information among them.

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