Introducing NSG

Overall presentation
Nordic Smart Government wants to:

Make life easier for small and medium-sized companies in the Nordic region by making business data accessible and usable across the Nordics.
The ambition of the Nordic prime ministers

To create the most integrated region in the world

By establishing a digital infrastructure between businesses, business partners and authorities

To make life easier for businesses in the Nordics

NORDIC SMART GOVERNMENT
“One of the most important Nordic collaboration projects”

“Nordic Smart Government is one of the most important Nordic collaboration projects within the business sector in 2018-2020. Working to simplify work processes through digitalization is a unique opportunity to report and obtain real-time financial data”.

MIKAEL DAMBERG
Sweden’s Minister for Business and Innovation, and speaker for the Nordic business administrators in 2018
What is NSG?
Introducing Nordic Smart Government

Nordic Smart Government is a collaborative programme for aligning the digital infrastructure in the Nordic region. Our aim is to make business data accessible and usable across the Nordics – thereby integrating the region even further.
## Today

Buying and selling – a chain of manual processes – in digital silos and not standardised

<table>
<thead>
<tr>
<th>ORDER</th>
<th>INVOICE</th>
<th>RECEIPT</th>
<th>BOOKKEEPING</th>
<th>REPORTING</th>
<th>3RD PARTIES BEFORE REPORTING</th>
</tr>
</thead>
</table>
| Buyer places an order - email, phone, online | Seller sends an invoice – paper, PDF, sometimes electronic | Often in paper format when you buy something directly in a shop | • Manual typing  
• Need of overview  
• Payments without invoices  
• Balancing with bank  
• Bookkeeper/auditor | • VAT-reporting  
• Annual reporting  
• Reporting to Statistics  
• Tax reporting | Credit information, bank statement, and other relevant economic information, compiled and sent manually |
Vision

Aligning the digital infrastructure in order to make business data accessible and usable across the Nordics

Automatic flow of structured and standardized data from electronic catalogues, orders, invoices and receipts – and share real time data with third parties for credit assessment, business intelligence including automatic reporting to authorities.
## Key findings through user Journeys

1. **SMEs should use digital transaction documents to save time**  
   - Many SMEs still send invoices on paper or PDF.  
   - Since the data is not yet fully digitalised, information is lost, and data cannot flow digitally in real-time

2. **SMEs want to get credit easily**  
   - Lack of timely credit assessment data weakens time-to-market for SMEs and even obstructs short-term growth

3. **SMEs want to know if their business partner is trustworthy**  
   - Difficult to reliably check whether a new customer or supplier has liquidity or is in fact a fraudulent business

4. **SMEs face barriers when switching of systems**  
   - Data cannot be moved between systems  
   - The lack of common standards make it hard for SMEs to buy add-on services from other suppliers

5. **SMEs want easy control of cash-flow and liquidity**  
   - It is time-consuming to get an adequate and timely overview of the economic situation when calculations are done using manually collected data.  
   - Lacking an updated overview, SMEs cannot make informed decisions

6. **SMEs want easy access to new markets**  
   - Cross border business is a hassle due to high administrative burdens  
   - SMEs might not know the formal requirements and regulations in cross-border trading  
   - There is a lack of knowledge about the benefits of digital transaction documents when going Nordic
Increasing the use of structured data on business transactions

Will provide a higher quality of real-time business data that businesses can utilize while reducing the manual handling of book keeping. This enables easier and better exchange of data, products and services, which will serve both service providers (bank, accountant, insurance) and trading partners.

And enable new data-driven services and business opportunities.

It will serve authorities.
Recommendations to enable NSG

1. **Businesses use digital business documents**
   There are several ways to regulate regarding this recommendation. In general, amendments will be needed to increase digital business document adoption, as there is a lack of incentives to use the digital document formats (electronic orders, invoices, and receipts).

2. **Businesses use systems with Open Accounting enabled**
   Business systems should enable third-party access to financial transaction data with consent from the business who owns the data. Open Accounting will improve interoperability and portability, and restrictions to the storage of business document data. Storing data in digital form should be allowed by law. If necessary, interoperability and portability should be regulated.

3. **Businesses are born digitally**
   When registering a new company, we can ensure that it has the digital systems that ensure consistency, digital processing of business documents and compliance with law. This will increase the use of business systems and ultimately increase the adoption of digital business documents.

4. **Easy compliance and know-your-customer services**
   Government authorities (or private actors) should provide validation and warning services helping businesses to operate in a secure and compliant business environment.

5. **Simplified reporting and statistics for businesses**
   Automated reporting should be enabled and supported by law. To lessen the administrative burden of businesses, authorities must be able to share data between authorities.

6. **Product Information**
   Standards for product codes should be identified and developed, and the use of product codes from common product registries should be widespread in digital business documents. Relevant sectors should adopt and support standardized e-catalogues and governments could lead the way in e-commerce by promoting e-commerce in general and demanding the use of e-catalogues in public procurement.
Who is NSG?
Who Is NSG?

The programme is a collaboration between the following Nordic organizations:

**DENMARK**
- The Danish Business Authority
- The Danish Tax Authority
- The Danish Statistical Agency

**SWEDEN**
- The Swedish Companies Registration Office
- The Swedish Tax Authority
- The Swedish Statistical Agency

**NORWAY**
- The Brønnøysund Register Centre, Norway
- The Norwegian Tax Authority
- The Norwegian Statistical Agency

**FINLAND**
- Finnish Patent and Registration Office
- Finnish Tax Administration
- Statistics Finland

**ICELAND**
- Iceland Revenue and Customs
- Statistics Iceland
Why the Nordic region?

**Facts**

- 2 million small and medium sized enterprises (SMEs) in the Nordic region = more than 90% of our businesses
- 20% of our trade with goods and services is within the Nordic region
- The 12th biggest economy (BNP) in the world

**Culture**

- We share the same values, and we share the same vision and goal
- And we share the same challenges when it comes to digitalization in our region
- Digital maturity potential is high
Why NSG?
NSG creates shared value for everyone

COMPANIES

1. Reducing administrative burden
   • Automating reporting, fast handling
   • Simplifying trade via aligned standards and automated VAT – including cross border handling in the Nordics

2. Increased transparency → Increased trust
   • Increased availability of detailed information
   • Make smarter decisions from more information and better analysis

3. Increased empowerment of businesses
   • Ownership of data
   • By using one standard, data becomes easier to transfer from one business vendor to another (portability)
   • Easier to be an entrepreneur

FINANCIAL DATA SERVICE PROVIDERS

• Access to higher quality of real time data for e.g. improved credit assessment
• Better payment-methods between banks and businesses

BUSINESS SYSTEM VENDORS

• Access to higher quality of real-time data for product development and innovation
• Fewer demands from authorities, since everyone will be operating according to common standards
• New business opportunities

AUTHORITIES

• Better and more timely information for statistics, policy and regulation, as well as for service, compliance and control
• Improved transparency and tax auditing
• Minimal document management → reduce administrative burden and save operation costs
By making business data accessible and usable for businesses and authorities, savings are estimated to be 25-27 billion euros annually from 2027.

(EY 2018)
How NSG?
Collaboration is key

NSG is a complex and ambitious programme spanning stakeholders, service vendors, businesses, financial partners and authorities.

NSG is here to facilitate this collaboration – across the Nordics and across the various national projects – in order to ensure that everyone is steering towards the same goal of ultimately making life more simple for businesses in the Nordics.
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Step-by-step Implementation

• This is a comprehensive and ambitious project including numerous stakeholders
• Hence we take a step by step implementation
• We have divided the roll-out into xx steps
Milestones

- **By 2021**, a public-private organisation has been established to govern the implementation of the NSG roadmap
- **By 2023**, SMEs can freely choose to move their business data between business systems
- **By 2023**, sales and purchases can be handled digitally across the Nordic region in compatible formats
- **By 2023**, 80% of the Nordic business systems have implemented common tools (APIs), so service providers can access an SMEs’ data with appropriate consent
- **By 2025**, the Nordic SMEs have saved 500 million EUR by using smart services and real-time data
- **By 2027**, the Nordic countries are the most integrated region in the world
Overview

2020-2022

• Business systems enable digitalization
• Increased uptake of eDocuments with structured data for secure and compliant trade
• Open APIs for sharing financial data with 3rd parties in SME business systems

2022-24

All SME’s digitalize
Standardization phase:
• - Standardization of APIs and certification of the APIs for sharing financial data
• - Common semantic model for financial data
• - Authorities enable reporting via APIs

2024-25

• "Next phase"
• Real-time business analytics
• Machine learning
• Automated reporting

2025-26

• Reaping the benefits of digitalization
• “Green phase or product data phase”
• Product data
• eCatalogs and eOrders
• Common Nordic standards for Sustainable reporting
Short term 2020-2023

- Adoption of eInvoices - implementation in business systems and extending regulations beyond public procurement for B2B
- Born digital - SMEs use digital business system
- Adoption of eReceipts - Receipt of eReceipts in all business systems
- Adoption of digital product codes
- Integrity in the business document exchange
- Trusted services to enable and increase secure business
- Standardize access to business systems transactional data (technical interoperability)
- Standardize content of business system transactional data (semantic interoperability)
- Common representation of base registry data on businesses (semantic interoperability)
- Maintain confidentiality and availability of business system
- Generate and automate financial reports
- Permanent Governance for Nordic Smart Government: National, Nordic and EU-level
Nordic Smart Government roadmap

An action plan for implementation of the ecosystem, to be delivered to the Nordic Ministers of Business, Copenhagen September 2020

- Initiatives to spread uptake of structured data (e-documents) among the SMEs
- Regulatory changes to remove barriers for automated and consent-based flow of data
- Guidelines that protect SMEs needs and enforce fair sharing of data and ensure efficient competition in the market.
- Capabilities of business systems and actions to ensure interoperability and portability
- Governance model for an effective collaboration between the actors that enables up-to-date development and implementation in relation
- Based on user principles protecting SMEs needs for control of data, simple sharing of data and possibility to change service providers and choose tailormade services
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