



REPUBLIC OF ESTONIA
MINISTRY OF ECONOMIC AFFAIRS
AND COMMUNICATIONS

Real-Time Economy

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Relevance and importance

Ursula von der Leyen, President of the European Commission, has said:

The European Strategy for Data aims to ensure that the EU becomes a role model and leader in a data-driven society. To this end, the EU intends to create a single market for data with a truly functioning European Data Space, to make unused data available, allowing it to move freely within the European Union and across sectors for the benefit of businesses, researchers and administrations.

Estonia's public and private sector organisations agree business data must move across borders and sectors in an unambiguous (based on the same protocol / standard) and machine-readable form, and as realistic or real-time as possible.

Relevance and importance

Carrying out the analysis and making proposals necessary for the transition to the real-time economy is also set in the **Government of the Republic of Estonia's Action Plan 2019-2023** to create preconditions for reducing administrative burdens and bureaucracy and implementing the once-only principle and machine-readable interoperability.

It can be said that the implementation of the concept of the real-time economy has already begun. Estonia together with the Nordics and Baltics have taken joint international and national steps towards real-time economy.

In the future, we want to systematically and thoughtfully implement the real-time economy as a cross-sectoral and cross-border concept, which is why the Ministry, in cooperation with representatives of ministries, associations and the private sector, has developed a real-time economy vision for 2020-2027.

RTE background

- + RTE concept was first developed in Finland in 2005 by Aalto University in cooperation with private sector partners
- + first action towards RTE in Estonia in 2016 by Estonian Association of Information Technology and Communications
- + RTE working group in the Estonian Ministry of Economic Affairs and Communications in the beginning of 2018
- + From the end of 2019, the Ministry began to be more active in promoting and implementing RTE

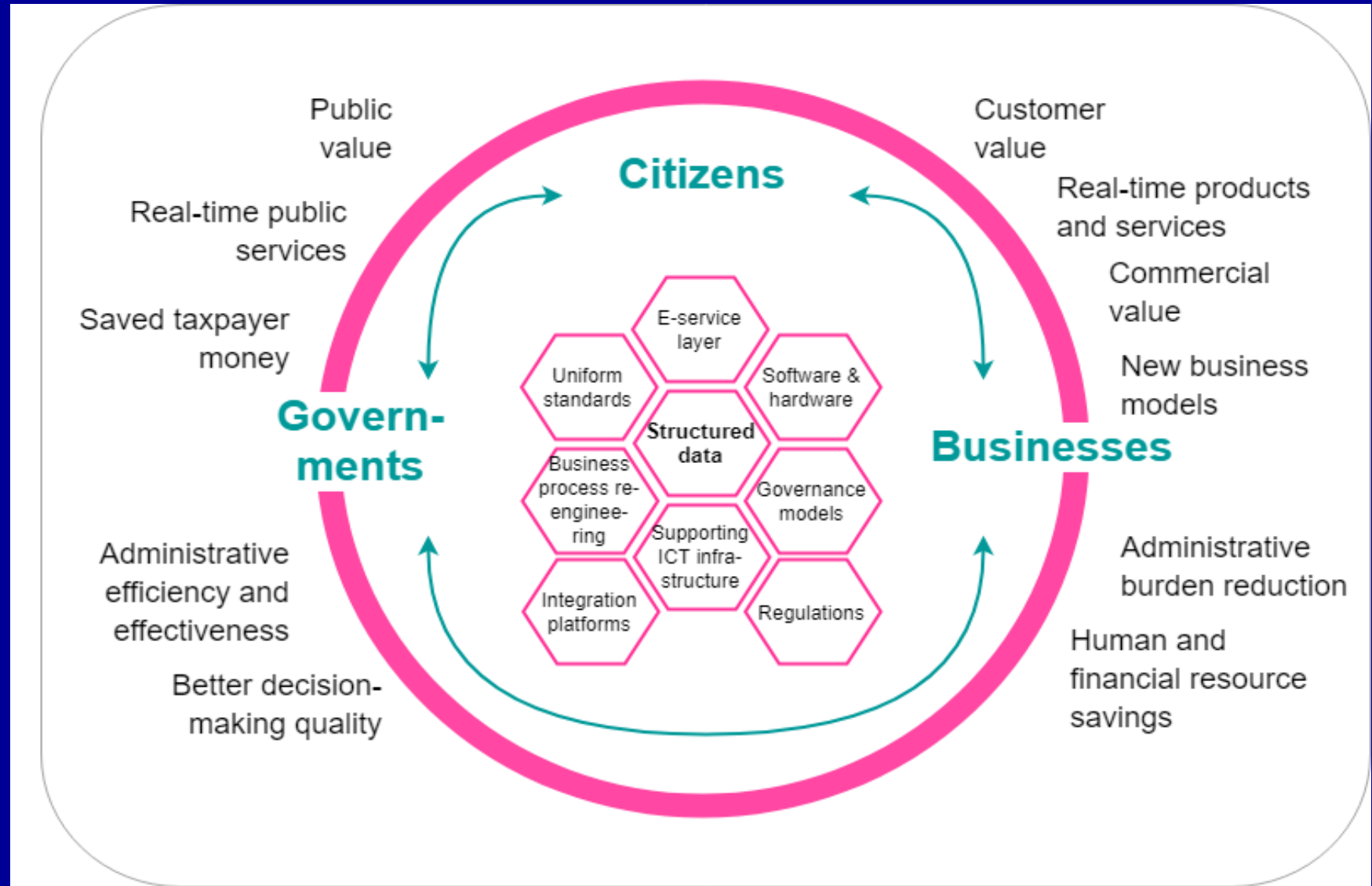
What is Real-Time Economy?

Real-Time Economy (RTE) is a digital ecosystem where transactions between different economic actors take place in or near real time.

Real-Time Economy = „invisible“ administrative activities = more time for business

The goal of the real-time economy is to implement a structural change in the administration and management of the company by improving the quality of data and applying digital technologies, including artificial intelligence and blockchain technologies, to automate activities.

Real-Time Economy ecosystem



The goal of the Real-Time Economy vision 2020-2027

- + create technical and regulatory capacity to improve the quality and availability of business data; and
- + enable digital and automatic exchange of business data in communication between different parties
- + carry out semantic analysis, structuring and standardization of data using appropriate and secure data exchange channels.

Three main directions for actions

- + **Creating the technical capabilities of the real-time economy**

The aim of the action line is to increase the quality and availability of business data and to enable their real-time exchange in communication between different parties through semantic analysis, structuring and standardization of data and the use of appropriate data exchange channels.

- + **Regulating and supporting the transition to real-time economy in cooperation between the private and public sectors**

The aim of the action line is to support the private and public sectors in adopting real-time economic solutions through a regulatory framework that enables it.

- + **Cross-border cooperation in the Baltic Sea region and at EU level**

The aim of the action line is to continue active cross-border co-operation in the Baltic Sea Region, with the Nordic countries and more generally at the level of the European Union in order to move together towards the transition to the real-time economy.

Strategic sub-objectives

The strategic objectives with the expected deadlines are:

- + Widespread use of **e-invoicing** in business-to-business transactions (2023)
- + Widespread use of **e-receipts** (2025)
- + Transition **to machine-readable reporting** (including preferably the use of the XBRL GL standard) (2025)
- + Widespread use of **e-waybills** (2025)
- + Introduction of **standardized digital product and service codes, information and catalogs** (2027)
- + **Real-time and consent-based** sharing the company data to third parties (2027)
- + Piloting and implementing the concept of real-time economy for the introduction of new solutions (2027)
- + Active international cooperation with Member States, in particular the Baltic Sea States and the Nordic countries (2027)

Digital Single Market

EU Data Economy

Real-Time Economy

Tools

EU Strategy for data

Principles towards a human-centric, thriving, and balanced data economy

Tallinn Declaration on eGovernment

Real-Time Economy Vision

Standards for data exchange (incl XBRL GL, UBL, UN/CEFACT)

EU data space

Data processing (incl AI, machine learning)

Data exchange platforms (incl X-road, e-Delivery – PEPPOL)

Standards for semantic data (incl EU Norme-receipt, Statistics)

- Data protection (incl GDPR)
- Cybersecurity
- Reuse of data (incl Once-Only principle)

- E-identification, authentication, authorization
- Data quality (incl accuracy and availability)
- Public open data
- Source data

RTE-related activities in EU

Cross-border projects

+ **Nordic Smart Government 3.0**

The aim is to support growth and innovation in the Nordic countries and to reduce the administrative burden on SMEs by making transaction data available across borders in real time.

The result is an ecosystem of interoperable digital solutions by 2027.

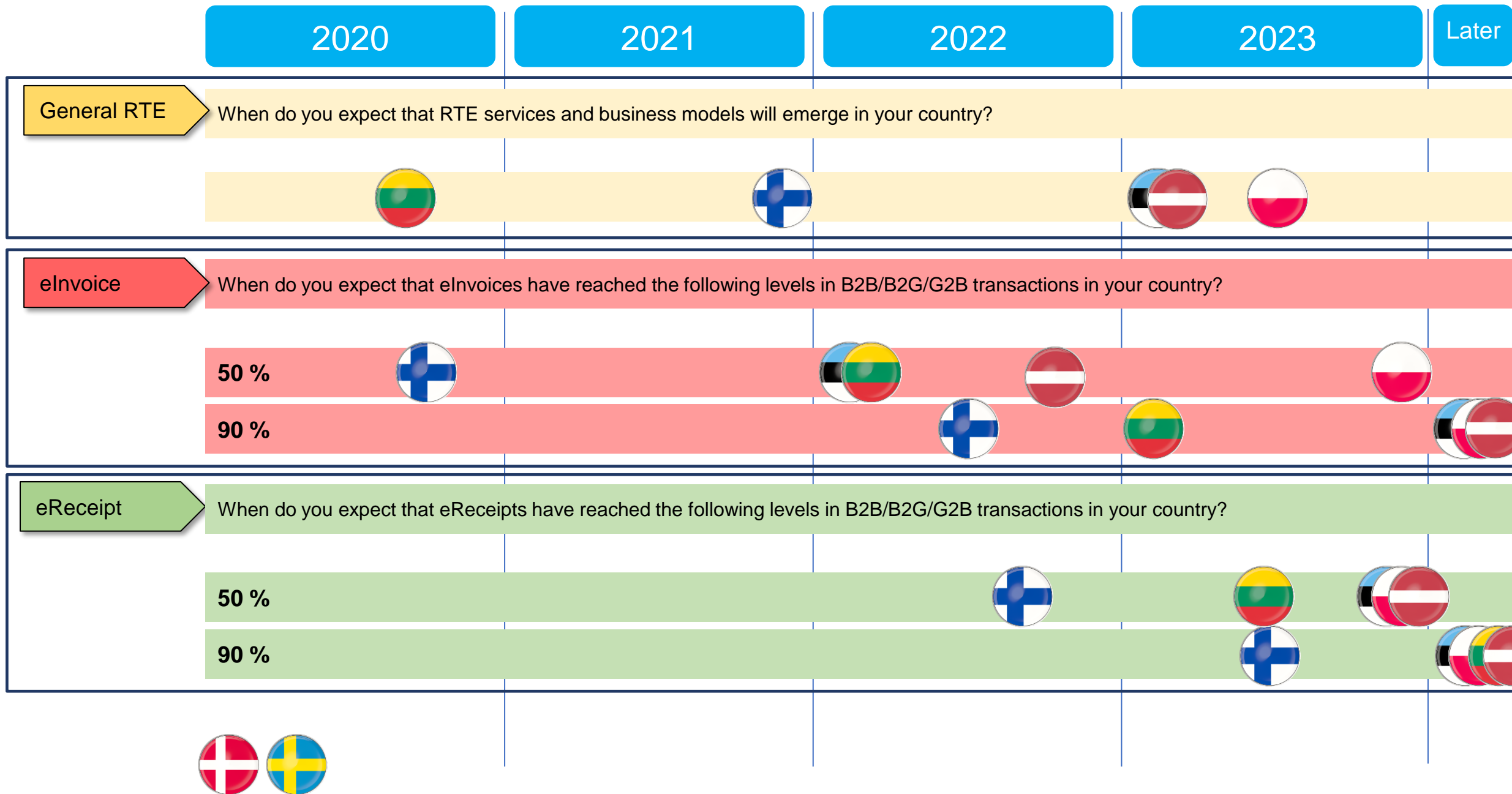
+ **DIGINNO (continuing as DINNOCAP from 2021)**

A unique network for innovative solutions in public-private co-operation to speed up the process towards the Baltic Sea Region digital single market.

Other national projects in EU:

- + **Finland** has the world's first academic competence center dedicated to RTE (RTECC) - XBRL consortium, SME50, TARU, TALTIO, RTECO, KATRE, etc.
- + **The Netherlands** - Harmonized and Automated Standard Business Reporting (SBR).
- + **Denmark** – since 2005 mandatory e-invoicing in B2G. In 2019 public authorities are connected to PEPPOL, other public sector by 2020. By the end of 2020, mandatory e-invoicing was also planned for B2B.

Real-Time Economy Roadmap for DIGINNO countries



Achieving the real-time economy creates the following opportunities:

- + The implementation of the real-time economy ensures that our entrepreneurs gain time in terms of communication with the state and fulfillment of obligations through the possibility of automatic fulfillment of obligations.
- + Business-to-business transactions are automated, data quality has improved and cross-border cooperation is easier.
- + The introduction of RTE ecosystem solutions has increased significantly, and RTE has created opportunities for micro-enterprises to manage and administer the company.
- + The Nordics and Baltics stand out in the European Union and in the world in transition to real-time economy.
- + Citizens and businesses use various RTE solutions on a daily basis, such as e-receipts and automated data-driven reporting in the public sector.
- + The ability of the public sector to react quickly to economic developments has improved significantly.
- + Better opportunities have been created for planning state revenues based on more accurate economic forecasts.
- + RTE has made business more transparent, accelerated the movement of goods, and digital data exchange enables significantly better planning of activities and use of resources by supply chain actors.

In real-time economy:

- annual reports and monthly declarations **are not required**, at least not in a traditional way;
- tax accounting principles are changing, e.g. **VAT billing can be a real-time background activity**;
- companies can easily share their company data with their partner on request **to be trustworthy and make business quicker**;
- in a circular economy, a company provides **real-time information on the waste from its production** to enable it to be reused by another company or to monitor real-time waste information by the state;
- today's accountants have become **financial advisors** or financial managers, who can provide valuable advice based on adequate financial information, thanks to high quality data and innovative technologies (such as AI) that are able to work together **to produce highly accurate economic forecasts**.
- the entrepreneur spends more **than 90% of his time** in the core business and invests in the development of **new innovative products and services**,
- **the administrative burden on the state has been significantly reduced** and the resources freed up are aimed at creating more efficient infrastructure and **providing quality services** that do not disturb or burden the business

In real-time economy:

- + In **e-commerce**, the report required for customs and tax operations has already been prepared at the time of the cross-border transaction and sent to customs to avoid duplication of data entry and time-consuming control processes at the border crossing point.
- + In **road transport**, thanks to available and real-time e-waybills (eCMR), it is possible to share relevant information on request to, for example, the police, without carrying large paper folders on road and carrying out manual roadside checks by the police.
- + More efficient, high-quality and automated **anti-money laundering processes** are in place due to the real-time availability of information (based on the person's consent and third parties' request) from the respective source, without filling in excessive paperwork and carrying out extensive control measures.
- + The combination of real-time technologies (common data exchange standards, platforms and taxonomy) with, for example, blockchain technology and automated data storage technologies (such as QR and RFID) allows **the customer to track the entire product supply chain** thanks to digitally mapped and standardised product information. As a result, the problem of counterfeiting of products will be significantly reduced, for example in the food industry (including the wine and honey industries) and will raise consumer awareness of monitoring the climate impact of consumption choices.



Real-Time Economy homepage (in translation)

<http://realtimeeconomy.ee/>