Digital transformation: Audit of the introduction of the accrual principle for direct federal tax
Federal Tax Administration

Key facts

As a result of the Hegglin motion, accounting in the area of direct federal tax will be modified. The Federal Tax Administration (FTA) is to switch from the cash principle to the accrual principle (C2S project) for the recognition of direct federal tax receipts, which account for approximately 30% of ordinary receipts (CHF 23.5 billion in 2020).

The C2S project is gradually replacing the cash principle in favour of the accrual principle

The C2S project is currently in the implementation phase and aims to support the requirements of the accrual principle by means of a new solution and, at the same time, to digitalise existing processes. The project is on track and the final solution is expected to be ready by the end of the year thanks to agile development methods. The data from December 2021 will be transmitted digitally for the first time in January 2022. Both systems will operate in parallel during fiscal 2022. The new solution is already in use, but accounting will continue to be carried out according to the cash principle using adjustment entries. The definitive accounting changeover to the accrual principle is planned for fiscal 2023.

Manual processes and checks are no longer necessary

With the new solution, the cantonal tax administrations must transmit the data digitally on a monthly basis. The system-supported plausibility rules preventively validate the entries. Manual input and comparison checks are thus no longer required at the FTA. The new DMAK application automatically sends reminders for any missing data. The improved data quality and shorter time frames simplify the accounting and statistics-driven follow-up tasks.

Digitalisation for improved effectiveness and efficiency

The C2S project uses regulatory requirements to examine processes and controls and make them more effective and efficient through digitalisation. New data will open up targeted additional possibilities to support business activities such as budgeting. The successful implementation of the project is the start, and the integration of further forms will follow.

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