DAGTVA

Dispositif technique Automatique de Gestion de la TVA

OR

ADMVAT

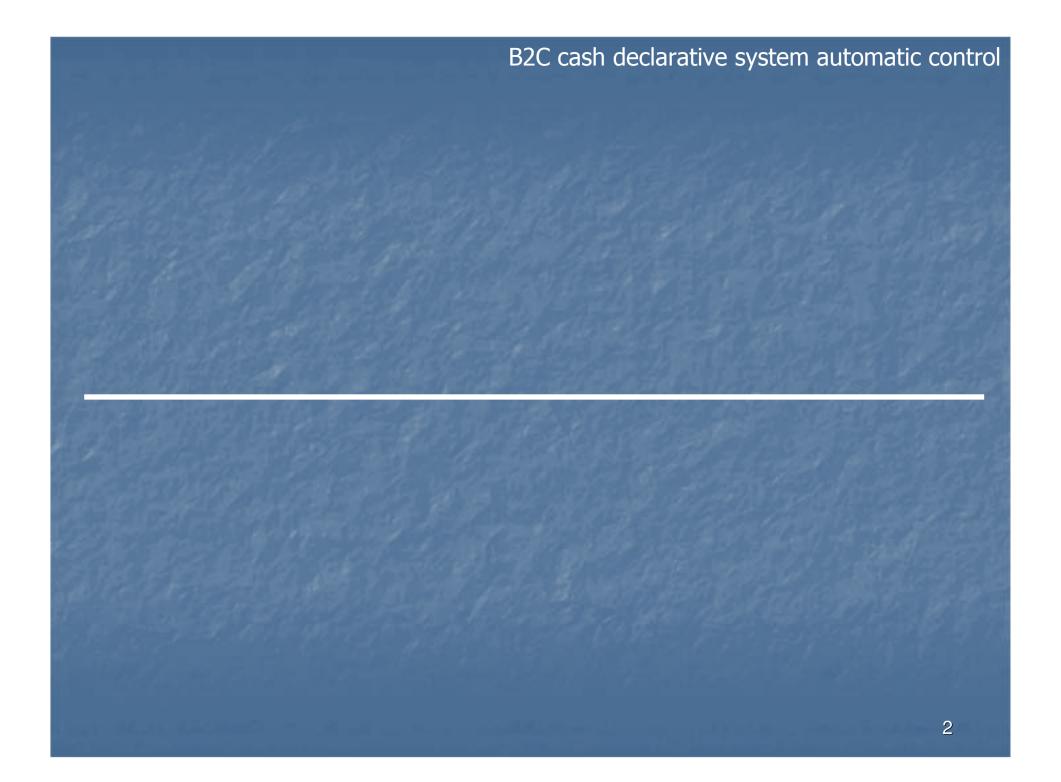
Automatic Device for Managing the Value Added Tax

Declarative system B2C

cash payment – automatic control

TCE = Tax Clearance Extraction

TCE = amount of VAT to levy



B2C cash declarative system automatic control DAGTVA is devided in two separates and autonomous parts. 3

Part Registrants & Tax authority

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The security and control of statements are assured by the tax authorities.

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Part Payments & Banking system

Part Registrants & Tax authority

The security and control of statements are assured by the tax authorities.

Part Payments & Banking system

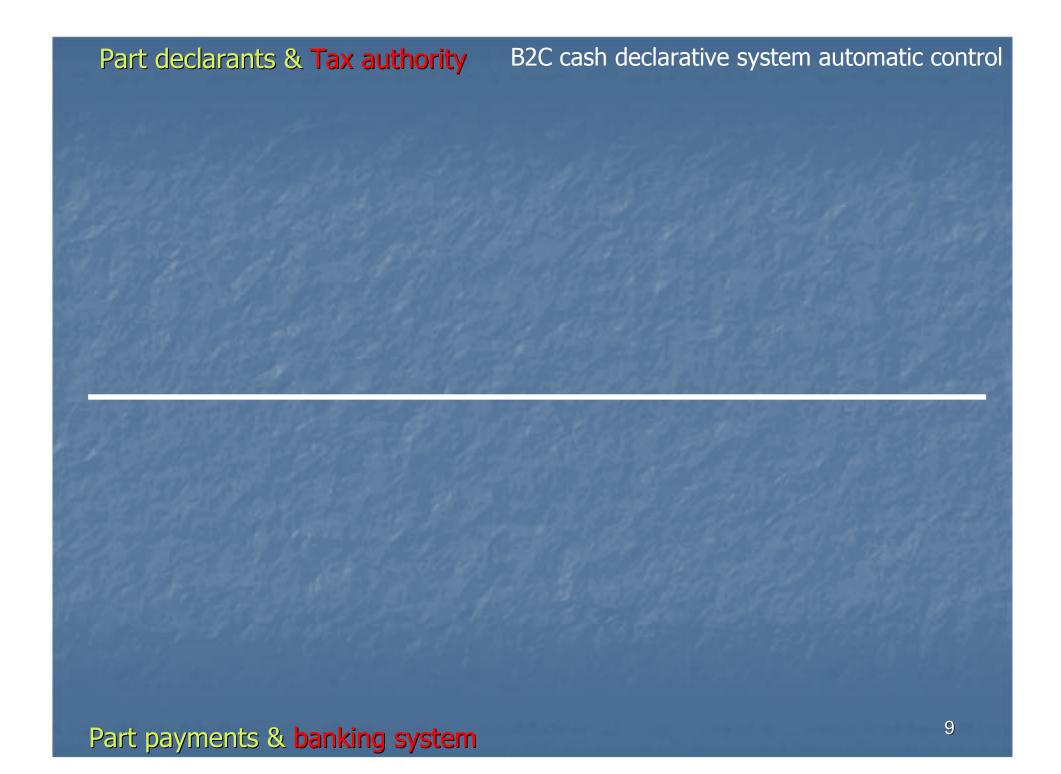
Like today, the security and control of payments are assured by the banking system.

Part Registrants & Tax authority

DAGTVA- -ADMVAT -

DAGTVA or ADMVAT use these two secured environments to create a third - tax withholding inviolable system.

Part + Payments & Banking system



B2C cash declarative system automatic control Part declarants & Tax authority 10

B2C cash declarative system automatic control

Purchaser U.C.

Seller B2

B2C cash declarative system automatic control

Purchaser U.C.

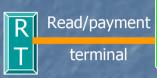
Seller B2

Tax authority

B2C cash declarative system automatic control

Purchaser U.C.





Local database
Sales records

Num Database of VAT cash payt declarations

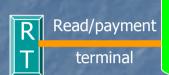
Database VAT
updates and cumulates
output VAT

B2C cash declarative system automatic control

Purchaser U.C.



Seller B2



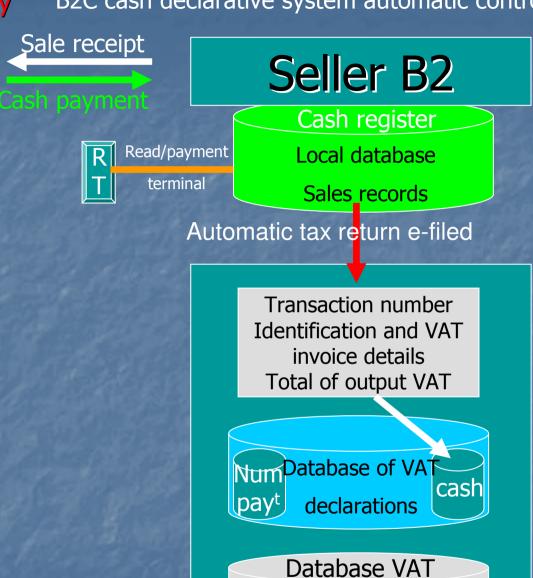
Cash register
Local database
Sales records

Numbatabase of VAT cash declarations

Database VAT updates and cumulates output VAT

B2C cash declarative system automatic control

Purchaser U.C.



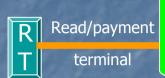
15

updates and cumulates output VAT

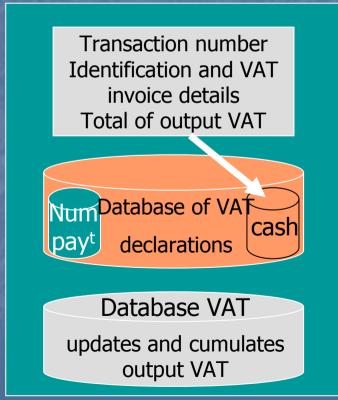
B2C cash declarative system automatic control

Purchaser U.C.





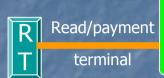
Cash register
Local database
Sales records



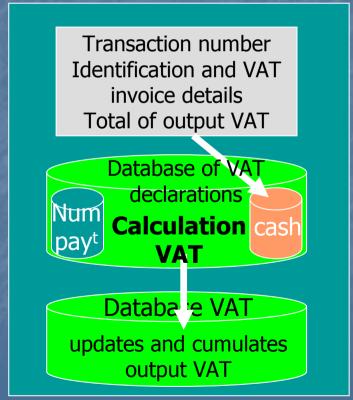
B2C cash declarative system automatic control

Purchaser U.C.





Cash register
Local database
Sales records



B2C cash declarative system automatic control

Purchaser U.C.

Seller B2



Cash register
Local database
Sales records

Where is the control?

Transaction number
Identification and VAT
invoice details
Total of output VAT

Database of VAT
declarations
Available
TCE

Databa & VAT
updates and cumulates
output VAT

End process

Example of transactions communicated between cash register and Tax authority

CASH REGISTER 102									
N° seq	Date	Typ e	TOTAL	VAT	Cumuls				
239	2/5/15 10:30	CA	100,00	20,00	20,00				
240	2/5/15 10:31	CA	50,00	10,00	30,00				
241	2/5/15 10:32	CA	70,00	14,00	44,00				
242	2/5/15 10:33	СВ	65,00	13,00	57,00				
243	2/5/15 10:34	CA	82,00	16,40	73,40				
244	2/5/15 10:35	СВ	35,00	7,00	80,40				
245	2/5/15 10:36	CA	45,00	9,00	89,40				
246	2/5/15 10:37	СВ	12,00	2,40	91,80				
247	2/5/15 10:38	CA	89,00	17,80	109,60				
248	2/5/15 10:39	CA	154,00	30,80	140,40				
249	2/5/15 10:41	CA	22,00	4,40	144,80				
250	2/5/15 10:42	CA	15,00	3,00	147,80				
251	2/5/15 10:43	CK	38,00	7,60	155,40				
252	2/5/15 10:44	СВ	54,00	10,80	166,20				
253	2/5/15 10:45	CK	63,00	12,60	178,80				
254	2/5/15 10:46	CA	96,00	19,20	198,00				
255	2/5/15 10:48	CA	24,00	4,80	202,80				
256	2/5/15 10:49	СВ	75,00	15,00	217,80				
257	2/5/15 10:50	СВ	32,00	6,40	224,20				
258	2/5/15 10:51	CA	10,00	2,00	226,20				
259	2/5/15 10:52	CK	18,00	3,60	229,80				

TAX AUTHORITY- FILE OF STATMENTS										
Identification transfer	Date	Туре	TOTAL	cumuls	VAT	cumuls				
FR83404833048-10-239	2/5/15 10:30	CA	100,00	100,00	20,00	20,00				
FR83404833048-10-240	2/5/15 10:31	CA	50,00	150,00	10,00	30,00				
FR83404833048-10-241	2/5/15 10:32	CA	70,00	220,00	14,00	44,00				
FR83404833048-10-242	2/5/15 10:33	СВ	65,00	285,00	13,00	57,00				
FR83404833048-10-243	2/5/15 10:34	CA	82,00	367,00	16,40	73,40				
FR83404833048-10-244	2/5/15 10:35	СВ	35,00	402,00	7,00	80,40				
FR83404833048-10-245	2/5/15 10:36	CA	45,00	447,00	9,00	89,40				
FR83404833048-10-246	2/5/15 10:37	СВ	12,00	459,00	2,40	91,80				
FR83404833048-10-247	2/5/15 10:38	CA	89,00	548,00	17,80	109,60				
FR83404833048-10-248	2/5/15 10:39	CA	154,00	702,00	30,80	140,40				
FR83404833048-10-249	2/5/15 10:41	CA	22,00	724,00	4,40	144,80				
FR83404833048-10-250	2/5/15 10:42	CA	15,00	739,00	3,00	147,80				
FR83404833048-10-251	2/5/15 10:43	CK	38,00	777,00	7,60	155,40				
FR83404833048-10-252	2/5/15 10:44	СВ	54,00	831,00	10,80	166,20				
FR83404833048-10-253	2/5/15 10:45	CK	63,00	894,00	12,60	178,80				
FR83404833048-10-254	2/5/15 10:46	CA	96,00	990,00	19,20	198,00				
FR83404833048-10-255	2/5/15 10:48	CA	24,00	1014,00	4,80	202,80				
FR83404833048-10-256	2/5/15 10:49	СВ	75,00	1089,00	15,00	217,80				
FR83404833048-10-257	2/5/15 10:50	СВ	32,00	1121,00	6,40	224,20				
FR83404833048-10-258	2/5/15 10:51	CA	10,00	1131,00	2,00	226,20				
FR83404833048-10-259	2/5/15 10:52	CK	18,00	1149,00	3,60	229,80				
	Identification transfer FR83404833048-10-240 FR83404833048-10-241 FR83404833048-10-242 FR83404833048-10-243 FR83404833048-10-244 FR83404833048-10-245 FR83404833048-10-246 FR83404833048-10-247 FR83404833048-10-250 FR83404833048-10-250 FR83404833048-10-251 FR83404833048-10-252 FR83404833048-10-255 FR83404833048-10-255 FR83404833048-10-255 FR83404833048-10-255 FR83404833048-10-256 FR83404833048-10-257 FR83404833048-10-257 FR83404833048-10-257	Identification transferDateFR83404833048- 1-2392/5/15 10:30FR83404833048-10-2402/5/15 10:31FR83404833048-10-2412/5/15 10:32FR83404833048-10-2422/5/15 10:33FR83404833048-10-2432/5/15 10:34FR83404833048-10-2442/5/15 10:35FR83404833048-10-2452/5/15 10:36FR83404833048-10-2462/5/15 10:37FR83404833048-10-2472/5/15 10:38FR83404833048-10-2482/5/15 10:39FR83404833048-10-2492/5/15 10:41FR83404833048-10-2502/5/15 10:42FR83404833048-10-2512/5/15 10:43FR83404833048-10-2522/5/15 10:45FR83404833048-10-2532/5/15 10:46FR83404833048-10-2542/5/15 10:48FR83404833048-10-2552/5/15 10:49FR83404833048-10-2562/5/15 10:49FR83404833048-10-2572/5/15 10:50FR83404833048-10-2572/5/15 10:51	Identification transfer Date Type FR83404833048-10-239 2/5/15 10:30 CA FR83404833048-10-240 2/5/15 10:31 CA FR83404833048-10-241 2/5/15 10:32 CA FR83404833048-10-242 2/5/15 10:33 CB FR83404833048-10-243 2/5/15 10:34 CA FR83404833048-10-244 2/5/15 10:35 CB FR83404833048-10-244 2/5/15 10:35 CB FR83404833048-10-245 2/5/15 10:35 CA FR83404833048-10-246 2/5/15 10:36 CA FR83404833048-10-246 2/5/15 10:37 CB FR83404833048-10-247 2/5/15 10:38 CA FR83404833048-10-248 2/5/15 10:39 CA FR83404833048-10-249 2/5/15 10:41 CA FR83404833048-10-250 2/5/15 10:42 CA FR83404833048-10-251 2/5/15 10:43 CK FR83404833048-10-252 2/5/15 10:45 CK FR83404833048-10-253 2/5/15 10:46 CA FR83404833048-10-255 2/5/15 10:49 CB	Identification transfer Date Type TOTAL FR83404833048-10-239 2/5/15 10:30 CA 100,00 FR83404833048-10-240 2/5/15 10:31 CA 50,00 FR83404833048-10-241 2/5/15 10:32 CA 70,00 FR83404833048-10-242 2/5/15 10:33 CB 65,00 FR83404833048-10-243 2/5/15 10:34 CA 82,00 FR83404833048-10-244 2/5/15 10:35 CB 35,00 FR83404833048-10-245 2/5/15 10:36 CA 45,00 FR83404833048-10-245 2/5/15 10:37 CB 12,00 FR83404833048-10-246 2/5/15 10:38 CA 89,00 FR83404833048-10-247 2/5/15 10:38 CA 89,00 FR83404833048-10-248 2/5/15 10:41 CA 22,00 FR83404833048-10-250 2/5/15 10:42 CA 15,00 FR83404833048-10-250 2/5/15 10:43 CK 38,00 FR83404833048-10-251 2/5/15 10:45 CK 63,00 FR83404833048-10-252 2/5/15 10:46 CA	Identification transfer	Identification transfer Date Type TOTAL cumuls VAT FR83404833048-1-239 2/5/15 10:30 CA 100,00 100,00 20,00 FR83404833048-10-240 2/5/15 10:31 CA 50,00 150,00 10,00 FR83404833048-10-241 2/5/15 10:32 CA 70,00 220,00 14,00 FR83404833048-10-242 2/5/15 10:33 CB 65,00 285,00 13,00 FR83404833048-10-243 2/5/15 10:34 CA 82,00 367,00 16,40 FR83404833048-10-244 2/5/15 10:35 CB 35,00 402,00 7,00 FR83404833048-10-245 2/5/15 10:35 CA 45,00 447,00 9,00 FR83404833048-10-246 2/5/15 10:35 CB 12,00 459,00 2,40 FR83404833048-10-247 2/5/15 10:35 CB 12,00 459,00 2,40 FR83404833048-10-248 2/5/15 10:38 CA 89,00 548,00 17,80 FR83404833048-10-250 2/5/15 10:41 CA <				

CA = cash **CB** = card Payment **CK** = cheque payment

Principle of control and treatment of the transactions in the accounting books and records

As shown in the above table in the previous screen and below, you can see that each transaction presents the cumulative amounts of the previous statments.

77.2	CAS	SH REGI	STER 10	W. 22		TAX AUTHORITY- FILE OF STATMENTS						
N°seq	Date	Туре	TOTAL	VAT	Cumuls	Identification transfer	Date	Туре	TOTAL	cumuls	VAT	cumuls
239	2/5/15 10:30	CA	100,00	20,00	20,00	FR83404833048-11-239	2/5/15 10:30	CA	100,00	100,00	20,00	20,00
240	2/5/15 10:31	CA	50,00	10,00	30,00	FR83404833048-11-240	2/5/15 10:31	CA	50,00	150,00	10,00	30,00
241	2/5/15 10:32	CA	70,00	14,00	44,00	FR83404833048-11-241	2/5/15 10:32	CA	70,00	220,00	14,00	44,00
242	2/5/15 10:33	СВ	65,00	13,00	57,00	FR83404833048-11-242	2/5/15 10:33	СВ	65,00	285,00	13,00	57,00
243	2/5/15 10:34	CA	82,00	16,40	73,40	FR83404833048-11-243	2/5/15 10:34	CA	82,00	367,00	16,40	73,40
244	2/5/15 10:35	СВ	35,00	7,00	80,40	FR83404833048-10-244	2/5/15 10:35	СВ	35,00	402,00	7,00	80,40

We know that with DAGTVA, they are obliged to transmit all transactions electronicaly to the Tax authority. The statments stettled by card or cheque always arrive in banking system and tax fraudsters can't suppress these types of sales (payments).

Because, with these types of payment, the bank will request the TCE (Tax Clearance Extraction) from the Tax authority and, the Tax authority must have calulated this TCE Before responding to the bank, before spliting the payment into the Net and VAT amounts.

This obligation will apply also to cash amounts received.

The control begins when the first payment by card or cheque arrives in Tax authority.

This last payment by card or cheque presents the cumulative amount of VAT since the cash register was activated by the cashier.

DAGTVA ensures that all sales settled by card or cheque cannot be falsified.

In the exemple below, transaction 244 shows the sum of VAT: $80,40 \in$. The software of Tax authority searches in the file the previous transaction paid by card or cheque and finds the transaction 242 with total VAT of $57 \in$. The difference between the two records gives the transaction 243 $(80,40-7-57) = 16,40 \in$ of VAT. Even if this sale is'nt registered due to fraud, the sequential number of the record is known. Therefore the transaction 243 settled in cash must be present in cash register!

This result gives the amount of VAT (and also the all taxes) of the transaction 243. Therefore it's not the transaction 243 paid in cash witch is not directly controlled.

CASH REGISTER 10									
N°seq	Date	Туре	TOTAL	VAT	Cumuls				
239	2/5/15 10:30	CA	100,00	20,00	20,00				
240	2/5/15 10:31	CA	50,00	10,00	30,00				
241	2/5/15 10:32	CA	70,00	14,00	44,00				
242	2/5/15 10:33	СВ	65,00	13,00	57,00				
243	2/5/15 10:34	CA	82,00	16,40	73,40				
244	2/5/15 10:35	СВ	35,00	7,00	80,40				

	TAX AUTHORITY - FILE OF STATMENTS										
Ì	Identification transfer	Date	Туре	TOTAL	cumuls	VAT	cumuls				
ĺ	FR83404833048-10-239	2/5/15 10:30	CA	100,00	100,00	20,00	20,00				
	FR83404833048-11-240	2/5/15 10:31	CA	50,00	150,00	10,00	30,00				
ľ	FR83404833048-11-241	2/5/15 10:32	CA	70,00	220,00	14,00	44,00				
	FR83404833048-11-242	2/5/15 10:33	СВ	65,00	285,00	13,00	57,00				
	FR83404833048- 11-243	2/5/15 10:34	CA	82,00	367,00	16,40	73,40				
	FR83404833048-11-244	2/5/15 10:35	СВ	35,00	402,00	7,00	80,40				

With DAGTVA it's also impossible to remove or modify by « skimming » any transactions by using software like « Phantomware » and « Zappers ».

CASH REGISTER 10									
N°seq	Date	Туре	TOTAL	VAT	Cumuls				
239	2/5/15 10:30	CA	100,00	20,00	20,00				
240	2/5/15 10:31	CA	50,00	10,00	30,00				
241	2/5/15 10:32	CA	70,00	14,00	44,00				
242	2/5/15 10:33	СВ	65,00	13,00	57,00				
243	2/5/15 10:34	CA	82,00	16,40	73,40				
244	2/5/15 10:35	СВ	35,00	7,00	80,40				

TAX AUTHORITY - FILE OF STATMENTS									
Identification transfer	Date	Туре	TOTAL	cumuls	VAT	cumuls			
FR83404833048-11-239	2/5/15 10:30	CA	100,00	100,00	20,00	20,00			
FR83404833048- 10-240	2/5/15 10:31	CA	50,00	150,00	10,00	30,00			
FR83404833048-11-241	2/5/15 10:32	CA	70,00	220,00	14,00	44,00			
FR83404833048-11-242	2/5/15 10:33	СВ	65,00	285,00	13,00	57,00			
FR83404833048-11-243	2/5/15 10:34	CA	82,00	367,00	16,40	73,40			
FR83404833048-10-244	2/5/15 10:35	СВ	35,00	402,00	7,00	80,40			

You can also see on transaction 242 that it was impossible to falsify the previous amounts of any transactions on and between 239 to 241.

The transactions adjusted by substitution of higher to lower prices does not match with the same recorded file held by the Tax authority.

Idem, it's also impossible to renumber the sequential transaction numbers. The position of each record can't be removed or changed.

With DAGTVA is also possible to have in the cash register's software the obligation to send to the Tax authority the initial record of the first daily sale and the final record when the cash register is shut down at the end of the day.

To conclude: it's through the control of the card and cheque payments that cash transactions are effectively controled.