

GUIDE

Finance Compliance in Germany with Yokoy

STAY UP-TO-DATE WITH VAT RATES, PER DIEMS, MILEAGE ALLOWANCE,
AND PROOF OF RECEIPT REGULATIONS

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Proof of receipt

Regulations in place

According to German regulation, companies can store expense receipts digitally.

The original physical receipts are no longer required if the picture of the receipts are stored and server hosted in Germany/EU and adhere to **principles of GoBD** (Grundsätze zur ordnungsmäßigen Führung und Aufbewahrung von Büchern, Aufzeichnungen und Unterlagen in elektronischer Form sowie zum Datenzugriff). The GoBD principles require companies to have a proper management and storage of books, records, and documents in forms. The authenticity of the origin, the integrity of the content and their legibility must be ensured throughout the retention period in the digital storage. The principle also states that the companies should ensure the following:

- Traceability & verifiability:** The processing of individual business transactions and the accounting and recording procedures used must be traceable. It must be possible to trace

the origin and processing of business transactions without any gaps (progressive and retrograde auditability).

- Obligation to keep individual records:** The law stipulates that cash register records must be kept individually. This means that each business transaction (e.g. each income or expenditure recorded in the cash register) must be recorded individually. For reasons of reasonableness, exceptions to this principle are only permitted within narrow limits, usually in connection with an “open shop cash register*.”

- Completeness:** The business transactions must be recorded in full and without gaps.

- Correctness:** Business transactions shall be accurately reflected in documents in accordance with the actual circumstances and in compliance with the legal provisions.

- Readability:** The reproduction must correspond to the original both visually and in terms of content if it is made legible (visual verifiability).



•**Mechanical evaluability:** Enabling a mathematical-technical evaluation, a full text search or an examination in the broadest sense.

•**Timely document backup:** Receipts must be backed up promptly and secured against loss. For cash management, the legislator prescribes in § 146, paragraph 1, sentence 2 AO that the records.

•**Order:** Business transactions shall be recorded in a systematic, clear, unambiguous and identifiable manner.

•**Immutability:** Once information has been introduced into the processing procedure, it may no longer be suppressed or overwritten, deleted, altered or falsified without being identified, so that its original content can no longer be determined.

•**Availability:** The data subject to retention must be available (for the duration of the statutory retention period) and must be able to be made readable without delay.

•**Integrity:** Integrity of the contents.

•**Authenticity:** Authenticity of origin. A business transaction can be clearly assigned to an originator.

•**Confidentiality:** Unauthorised access – both reading and writing – is to be prevented.



Yokoy's solution

Yokoy allows employees to upload or take pictures of receipts and submit them in the Yokoy app (mobile phone or computer).

Yokoy extracts all necessary data from the picture, prepares the expense report automatically in a few seconds and even validates the expense report by generating warnings to highlight specific events (e.g. duplicate of picture).

Depending on the workflow of the company, the data and pictures can be checked by multiple parties (including the Finance team) before the expense is approved, booked in the Finance tool and reimbursed to the employee. Such checks can include the correctness of the data or quality and completeness of the picture. Yokoy archives the pictures in

line with the requirements for storing

electronic photos for at least the statutory retention period.

Yokoy is **GoBD compliant** and adheres to all principles outlined. Yokoy can process & store expense receipts in Germany; therefore, you never have to worry about keeping your physical expense receipts.





Per diems

Regulations in place

Per Diems are fix amount allowances paid to employees for expenses incurred when travelling (for lodging, meals, and incidental expenses) without the need to have a receipt.

There are Per Diem rates defined by the German government, which outline permissible limits for meal and lodging reimbursements that come with no tax implications. However, any amounts surpassing these limits are regarded as taxable income for the employee.

Note: The rates are published by the German Government on a yearly basis.

PER DIEM DEDUCTIONS If the employee receives meal from the company/employer or already paid together with the accommodation, the meal should be deducted from the daily allowance. The deductions for each meal may vary:

- Breakfast – 20% deductible
- Lunch – 40% deductible
- Dinner – 40% deductible

ONE DAY DOMESTIC TRIP

Employees are allowed to receive Per Diem for single day trip. According to German regulation, the employee must travel more than 8 hours to receive Per Diem for the one-day business trip.

If the employee travels:

- More than or equal to 8 hours, then the employee is entitled to receive reduced Per Diem rate of 14€
- Less than or equal to 8 hours, the employee is not entitled to receive any Per Diem

MULTI-DAY BUSINESS TRIP

If the employee travels for multiple days and has overnight stays during the business trip, the employee is entitled to receive:



- Reduced Per Diem allowance of 14€ for the day of departure and arrival
- Full Per Diem allowance for the rest of the day(s) during the business trip

PER DIEM RULE Per diem rates are highly influenced by the location and duration of the business trip. The German government has a set of rules that may vary based on each business trip. **MIDNIGHT RULE** Unlike the name says, the business trip does not necessarily have to be at midnight; the employee can travel in anytime of the day to receive Per Diem. If the business trip meets the below requirement, then the employee receives Per Diem based on this rule:

- Midnight rule applies only if the business trip falls within two calendar days
- Travel time:
 - Day 1 = < 8 hours
 - Day 2 = < 8 hours
 - Total travel time = > 8 hours

If both the requirements are met, the employee is entitled to receive Per Diem of 14€ for both these days.

3 MONTH RULE According to German regulation, Per Diem is taxable after 3 months of consecutive travel to the same location.

3-month rule commences if the employee travels to the same location or works in a temporary work location for at least three consecutive days in a week. If the employee travels to the same location less than 3 days in a week, the three-month rule does not apply.

If the employee receives Per Diem for 3 months according to the above-mentioned criteria, then the Per Diem is subjected to income tax after 3 months. Additionally, if the employee does not travel to the same location for at least 4 weeks, then the calculation will reset, resulting to an initiation of a new calculation. **M REPORT** Employees should be able to have clear reporting on their reimbursement, including Per Diem and Mileage allowances every month; this supports employees and companies submit a report to tax authorities in Germany.



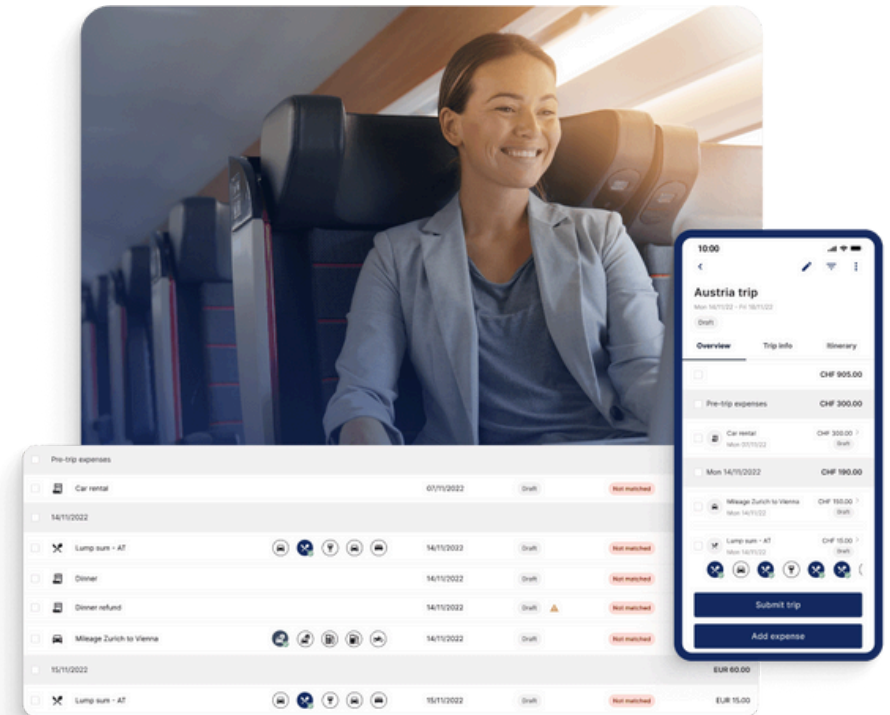
BENEFITS-IN-KIND In some cases, employees receive meal from the company this commences the benefits-in-kind rule. For such instances, the German government states that if the meal provided by the company is more than what's recommended by the government, then the value of the meal is considered taxable.

Yokoy's solution

As you can imagine, these rules could be quite complex, and you must always verify the user's travel history to calculate Per Diem and check the amount that falls under income tax.

A company can enter different Per Diem rates and the respective calculation rules. Per Diems are thereby automatically calculated based on the rates and the calculation rules without any manual work needed from the employees.

If the user receives an allowance that is higher than the governmental rate, the difference can be booked/exported differently to the Finance tool.





Mileage allowance

Regulations in place

Mileage expenses are aimed to cover the employee's commute cost for business trips when using a private vehicle apart from the daily allowance/Per Diem.

The German government recognises the below mileage allowances as a flat-rate for all costs incurred for the usage of private vehicles for a business trip.

- 0.30€ per Kilometer for Car
- 0.20€ per Kilometer for a Motorcycle

If the employee receives the amount more than what's recommended by the government, the additional amount falls under income tax.

For example: The government recommends 0.30€ Per kilometer; however, if the employee receives 0.50€ per kilometer, the difference of 0.20€ per kilometer would be subjected to income tax and needs to be accounted differently.

Yokoy's solution

Yokoy recognises all the official rates defined by the government and therefore can automatically calculate mileage expenses based on the distance travelled. If a company decides to pay more than the rates defined by the government, Yokoy can export/ book the excess amount separately in the Finance tool.

The screenshot displays the Yokoy app interface for calculating mileage. The main window shows a calculation for a trip from Zurich to Munich, resulting in a total of EUR 62.03. The interface includes fields for business purpose, from/to addresses, and a map showing the route. A sidebar on the right lists the itinerary with dates and times for departure, border crossings, and arrival. At the bottom, there is a virtual card for Yokoy Visa Platinum Business with a 'Delete' button.

EUR 62.03
Zürich - Munich mileage

Business purpose/description*
Zürich - Munich mileage

Mileage rate*
Kilometer rate

From (address)*
Zürich, Switzerland

To (address)*
Munich, Germany

Calculate the distance

Distance (one way)*
310.15 km

Roundtrip (double distance)

Itinerary

- 14/11/2022 - 09:00
Departure from Zurich - Switzerland (CH)
- 14/11/2022 - 10:00
Border crossing Switzerland (CH) - Austria (AT)
- 14/11/2022 - 11:00
Arrival at Vienna - Austria (AT)
- 15/11/2022
Stay at Vienna - Austria (AT)
- 16/11/2022
Stay at Vienna - Austria (AT)
- 17/11/2022
Stay at Vienna - Austria (AT)
- 18/01/2022 - 17:00
Departure from Vienna - Austria (AT)
- 18/01/2022 - 18:00
Border crossing Austria (AT) - Switzerland (CH)
- 18/01/2022 - 19:00
Arrival at Zurich - Switzerland (CH)

yokoy

VISA
Platinum Business

Virtual Card

Delete Save Submit



VAT rates

Regulations in place

German government levies VAT rates for exchange of goods and service. There are three different VAT rates relevant for expense management:

- Standard VAT – 19% for most of the goods and services
- Reduced VAT – 7% for Health care, books, water supplies, Food items and a lot more
- No/Zero VAT – 0% for VAT exempted goods and services

In addition to these VAT rates, Germany also levies "Special" VAT rate for certain goods and services such as for:

- Good and services falling under the 30/70 Rule
- Gifts >35€
- Gifts <35 €

Yokoy's solution

Yokoy automatically extracts all VAT rates relevant for expense management (see table above) on the receipt pictures. Companies can also add additional VAT rates for extraction, if relevant.

Yokoy can also extract VAT rates from other countries (e.g. Germany) and book/export them separately in the Finance tool.

Additionally, Yokoy offers standard integrations with external VAT reclaim providers, whereby the receipt pictures and the extracted VAT rates are for specific countries are automatically sent from Yokoy to the third party.

Why Inplenion.ERP?

Inplenion.ERP stands out as a trusted partner for businesses seeking to achieve financial excellence and compliance through cutting-edge solutions. With a strong partnership with Yokoy, we empower organizations to streamline their spend management and ensure compliance across multiple subsidiaries, currencies, and regulatory frameworks.

As Yokoy's strong partner, Inplenion.ERP brings unparalleled knowledge and experience to help businesses harness the full potential of Yokoy's AI-driven spend management suite. Our tailored approach focuses on integrating financial compliance solutions seamlessly into your operations, enabling greater visibility, efficiency, and control over financial processes. With a proven track record of delivering over 500 successful projects worldwide, including 50+ Yokoy implementations, Inplenion.ERP is committed to driving operational excellence and ensuring that our clients remain compliant and competitive in today's dynamic business environment.

Choose Inplenion.ERP for a partner that understands your financial challenges and offers solutions that drive sustainable growth and compliance.



**Interested in how Inplenion.ERP can enhance
your spend management process?**

[Book a demo](#)