



ELECTRONIC ACCOUNTING IN MEXICAN SMES: AND THEIR APPLICATION OF IFRS

Alejandro Rodríguez Vázquez	Master in Taxes. Full-time professors at the Facultad de Contabilidad y Administración de Tecomán, de la Universidad de Colima, México.
Fabián Ojeda Pérez	Masters in Administrative Sciences and Taxes. Full-time professors at the Facultad de Contabilidad y Administración de Tecomán, de la Universidad de Colima, México.
Héctor Priego Huertas	Masters in Administrative Sciences and Taxes. Full-time professors at the Facultad de Contabilidad y Administración de Tecomán, de la Universidad de Colima, México.
Hugo Martín Moreno Zacarías	PhD Student in Transpacific Relations at the Universidad de Colima, México and Full-time professors at the Facultad de Contabilidad y Administración de Tecomán, de la Universidad de Colima, México.

ABSTRACT This research carries out a visualization of the obligation that prevails in SMEs in order to keep a control in their accounting records they perform and to be able to deliver to the Tax Administration Service the information requested by the tax mailbox in relation to their chart of accounts and the trail balance, as established by fiscal regulations. Continuing the fiscal authority with the aim of monitoring and collecting more taxes, has made a series of modifications to the Federal Tax Code and its regulations, which force taxpayers to fulfil the preparation of their accounting in electronic form and also meet the Financial Information Standards.

KEYWORDS : . Electronic accounting, Financial Information Standards, Auditing.

INTRODUCTION

The history of accounting must be traced back to the beginning of the fourteenth century, as mentioned by (Anzures, 2010) in Florence, Venice and Genoa, cities of active commerce at that time, double led accounting books have been found, which date back to the beginning of the 14th century, but the foundations of accounting technique were established by a Franciscan monk named Fray Luca Pacioli, who published in Venice, in 1494, a book of mathematics which was concerned about accounting.

The Political Constitution of the United States of Mexico, establishes in its art. 5, that no person shall be prevented from engaging in the profession, industry, trade or work that he wants to, being lawful. The exercise of this freedom can only be closed by judicial determination, when the rights of third parties are attacked, or by a governmental decision, dictated in the terms established by law, when the rights of society are offended. No one can be deprived of the product of his work, but by judicial decision (CPEUM, Chapter I, Art 5).

Traders established in national territory, have the obligation framed in art. 33 of the Commercial Code to carry out and keep an adequate accounting system.

The obligation to contribute to public expenditure by traders is established in Section IV of Article 31 which states: "The obligations of Mexicans are to: Contribute to public expenditures, as well as of the Federation, the Federal District or the State and Municipality in which they live in, in the proportional and equitable way provided by the laws "(CPEUM, Chapter II, Art 31, Fraction IV).

The obligations of Mexicans to contribute to public expenditure, lead them to relate them to public finances and it should be mentioned that the people who pay contributions, use state public services, hire services to this sector, find that the fundamental basis of their economic relations are centered on a fundamental institution; the Ministry of Finance, in this sense, it is necessary to study it systematically, from the point of view of political and legal finance. (Mabarak, 2007).

PROBLEM STATEMENT

Even before the entry into force of the electronic accounting obligation, The SMEs carried their accounting in specialized software and adapted to be able to carry in the accounting records, getting the financial information that serves for the fulfillment of their fiscal

obligations and the decision making, however they currently face a problem, that lies in the implementation of an electronic accounting system, which would involve large disbursements of investment in infrastructure and staff.

This situation reveals an obligation to inform the tax authority, accounting data so that the authority can implement control actions and thus have information for a better tax collection, so the problem lies with SMEs, because they must have implemented a software that meet those requirements, set out in Annex 24 of the Miscellaneous Fiscal Resolution for 2015.

RESEARCH OBJECTIVES

Analysis of the Obligation that SMEs must meet in implementing an Electronic Accounting system.

Study of the obligation to keep electronic accounting, in accordance with the tax provisions in SMEs.

Observation of the fiscal obligations established in the Miscellaneous Fiscal Resolution, its annexes and modifications.

THEORETICAL FRAMEWORK

As mentioned by (Anzures, 2010) before the fourteenth century there is no word that the companies have kept accounts, which is explained by the small trade that did not really merit a methodical registration of operations. It is possible that before that time isolated notes were made, but the short use of credit and the relatively recent introduction of paper and Arabic numbers (replacing the Romans, ninth century) were an unfavorable field for the development of the accounting.

Accounting is a technique used for the recording of operations that economically affect an entity and which systematically and structurally produces financial information as defined by Information Standard A1. Operations that economically affect an entity include transactions, internal transformations, and other events. (CINIF, 2016).

The accounting systems over the years have been modified and adapted to the new needs that companies require, as mentioned by (Anzures, 2010) the evolution of all accounting procedures began in the United States, country of great industrial progress, at the end of the 19th century, and in this first half of the twentieth century is when more

progress has been achieved, both for the philosophy of accounts, and for registration procedures, in which they have the help of machines, being able to judge of the advances by the great amount of accounting literature written in North America, which translations or adaptations have been made in other countries, but without any fundamental or important changes.

Electronic Accounting

As one of the obligations of legal persons to keep accounts, it is framed in the established tax provision, article 86 of the Income Tax Law mentioned in its section I: "Carrying the accounting systems in accordance with the Fiscal Code of the Federation, its Regulations and the Regulation of this Law and make records in them regarding their operations."

Likewise, it is established for individuals in article 110 of the Income Tax Law mentioned in section II: "To keep accounting in accordance with the Fiscal Code of the Federation and its Regulations, in the case of natural persons whose income for the year in question does not exceed two million pesos, shall keep their accounts and issue their vouchers under the terms of sections III And IV of article 112 of this Law".

Integration of Accounting, for tax purposes

The Accounting Integration (CFF, Article 28) is composed of accounting books, accounting systems and records, as well as working papers, account statements, special accounts, books and social records, inventory control and valuation method, disks and tapes or any other processable means of data storage, The equipment or electronic systems of tax registration and their respective registries, in addition to the supporting documentation of the respective entries. Therefore (RCFF, article 33) establishes what kind of documentation and information, and the additional elements that make up the accounting.

The documentation and information that make up the accounting is based on section A, article 33 of the Regulations of the Fiscal Code of the Federation (CODIGO FISCAL DE LA FEDERACION, 2017) and must contain the following:

1. The auxiliary accounting records or entries, including the catalog of accounts used for that purpose, as well as the policies of such records and entries;
2. The documentation and information of records of all operations, acts or activities, which shall be established in accordance with the necessary internal control and verification systems.

In respect of the accounting entries or entries that are included in the accounts must comply with the following requirements, established in section B of article 33 of the Regulations of the Fiscal Code of the Federation and refer to:

Be analytical and be carried out in the month in which the operations, acts or activities to which they refer are carried out, no later than five days after the operation, act or activity; Indicate the date of completion of the operation, act or activity, its description or concept, the quantity or unit of measure, if any, the form of payment of the transaction, act or activity, specifying whether it was cash, on credit, in installments or in partial payments, and the means of payment or termination of such obligation.

RESULTS

The tax registration system, which can be used by natural persons, is based on the Miscellaneous Fiscal Resolution for fiscal year 2014, in its rule I.2.8.2, to comply with article 28, section III of the Fiscal Code of the Federation, taxpayers of the tax incorporation regime, as well as the rest of the natural persons, will be able to access the electronic application "Tax Registration System", available through the SAT website, for which they must use their RFC and Password.

Accounting in electronic media

The accounting in electronic media, as based on Annex 24 of the Fiscal Miscellaneous Resolution for 2014 must contain, catalog of accounts used in the period, SAT account group code, Check Balance including initial balances, period movements and final balances of each and every asset, liability, capital, outcomes (income, costs, expenses) and memorandum accounts.

For the fiscal year 2015 some changes are made that establishes that the

taxpayers, must carry it in electronic systems with the capacity to generate files in XML format containing, a chart of accounts, Trial balance, the policies and subsidiary ledgers at level of G/L account (RMF, 2014).

For the year 2016, for the purposes of articles 28, section III of the CFF and 33, section B, fractions I, III, IV and V and 34 of its Regulations, taxpayers who are obliged to keep accounts and to enter monthly their Accounting information through the SAT Portal, must be carried in electronic systems with the capacity to generate files in XML format (RMF, 2016).

In fiscal year 2017, they may choose to use the electronic application "My accounts", available through the SAT Portal, for which they must use their RFC and Password., quoted in rule 2.8.1.20 (RMF, 2017).

CONCLUSIONS

The financial costs that SMEs must face are the investment they must make in staff training, the updating of accounting systems and the investment in computers may be necessary.

Accounting systems should be implemented as an obligation in SMEs, as established in the Commercial Code in its art. 33 where traders must hold and keep an adequate accounting system, which can be carried through the instruments, resources, registration and processing systems that best fit the particular characteristics of the business.

With the entry into force of electronic accounting and amendments to the Fiscal Code of the Federation and its regulations, it obligates SMEs to implement an accounting system that, in addition to complying with the requirements established in Annex 24 of the RMF 2014 and the Respective modifications that were made in the year 2015 complies with the Financial Information Standards, in the application of its structure and content.

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