medius

Cirlene Strömblad - Pagero

E-faktura - Vänta inte på EUs krav, implementera nu

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Today's presenter

Cirlene Strömblad

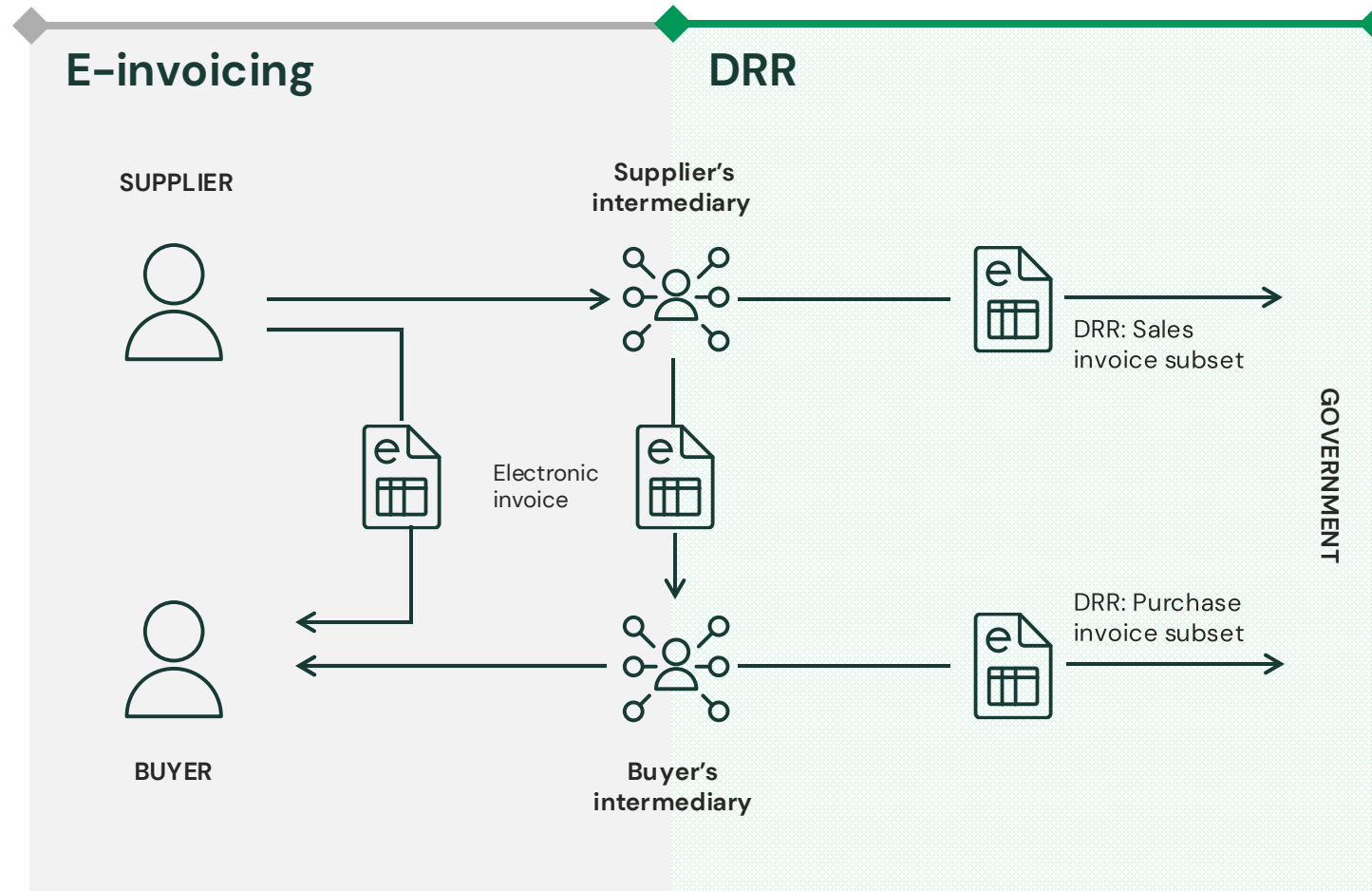**Pagero**, Regulatory Affairs Associate

10 October 2024

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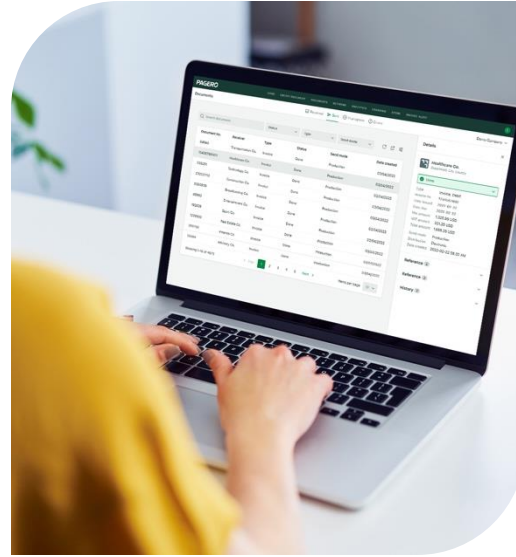
ViDA – an exemplary CTC implementation?

What is CTC?

(Continuous Transaction Controls)

Real-time data validation & sharing with government

BUT not necessarily by the government

Includes multiple **transactional documents**

AND not exclusive to invoices

Makes **retroactive audit** redundant

BUT does not preclude business automation

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Main drivers to introduce CTC

- Harness **data**

- Increase **efficiency**

- Prevent **tax** evasion

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How tax administrations view an invoice

Fiscal document
that carries some commercial elements

- Most jurisdictions in Latin America and Africa
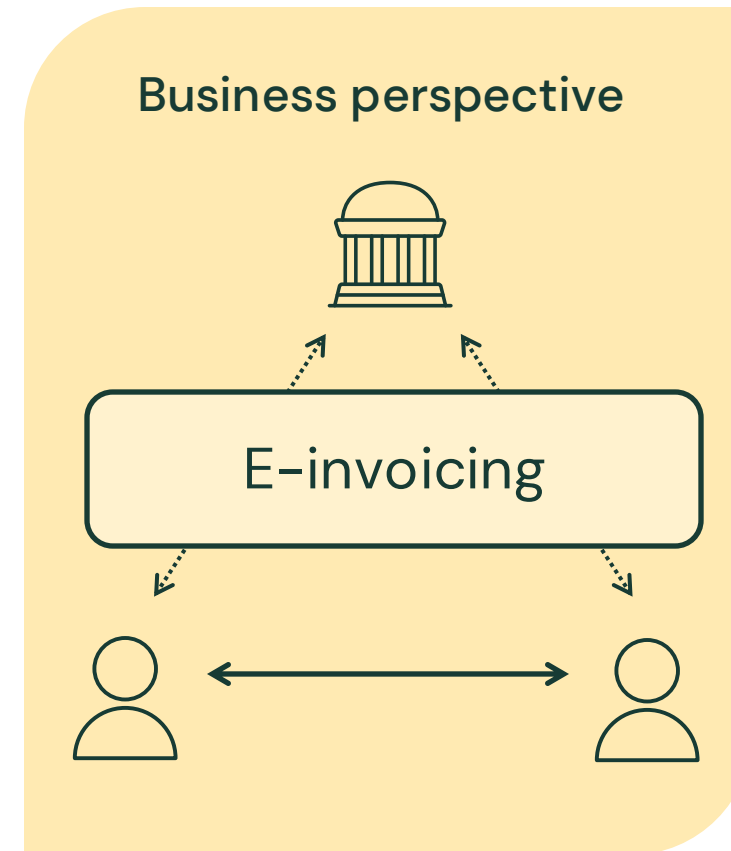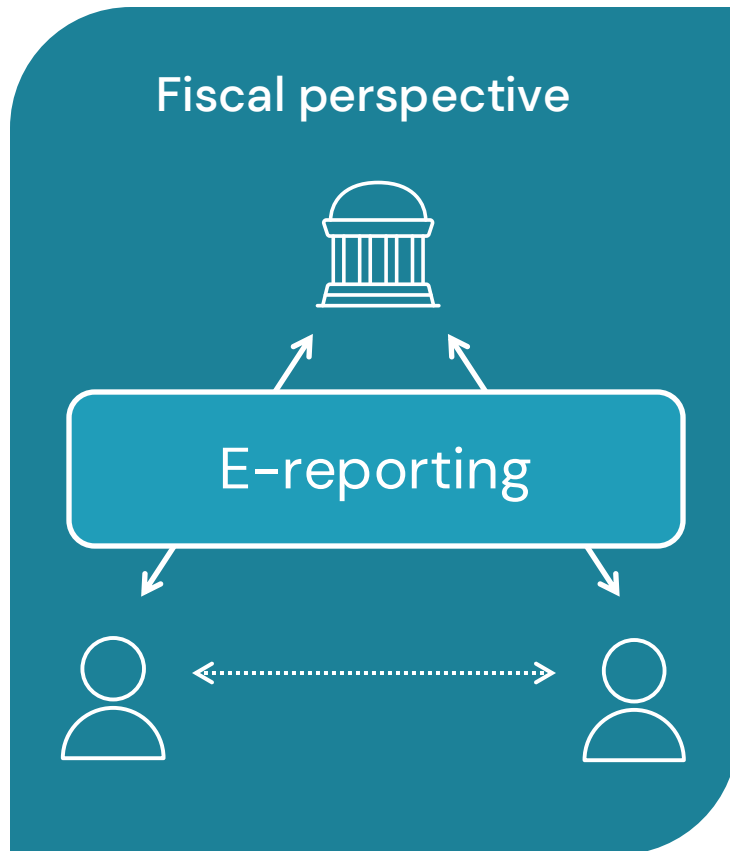- Some jurisdictions in Europe, Asia and Middle-East

Commercial document
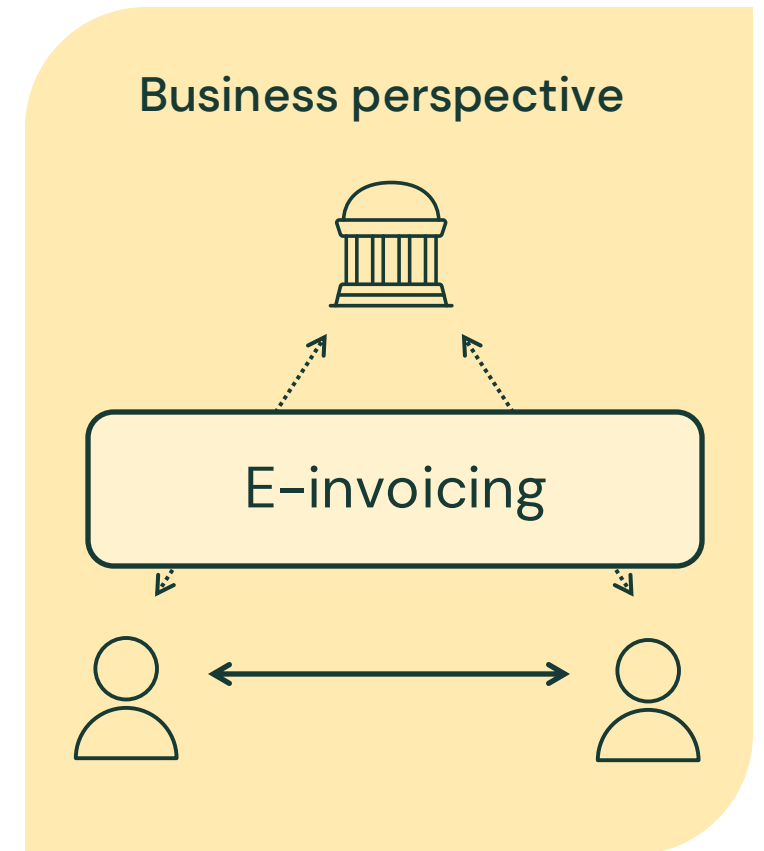**that carries some fiscal elements**
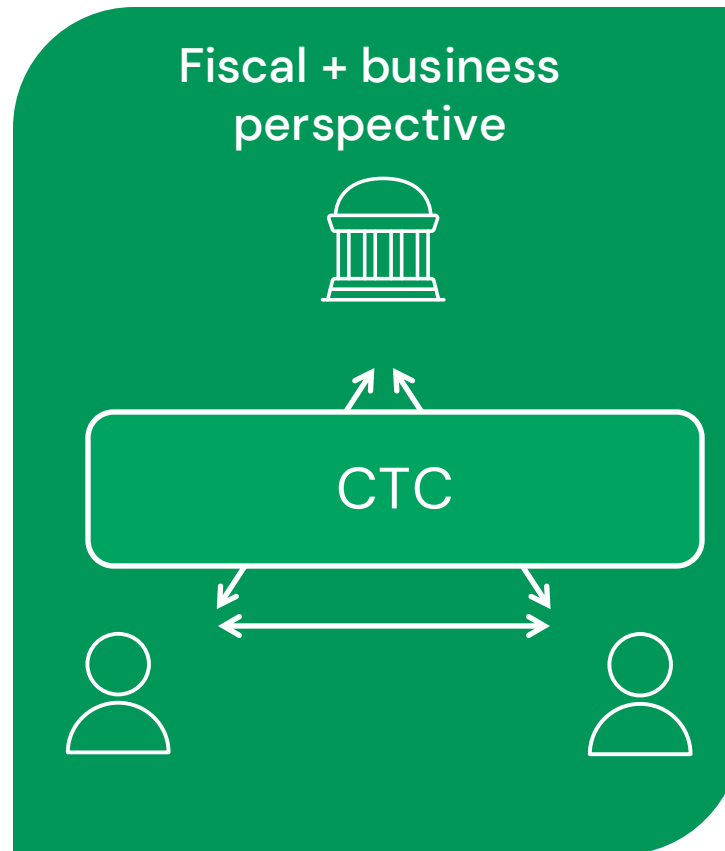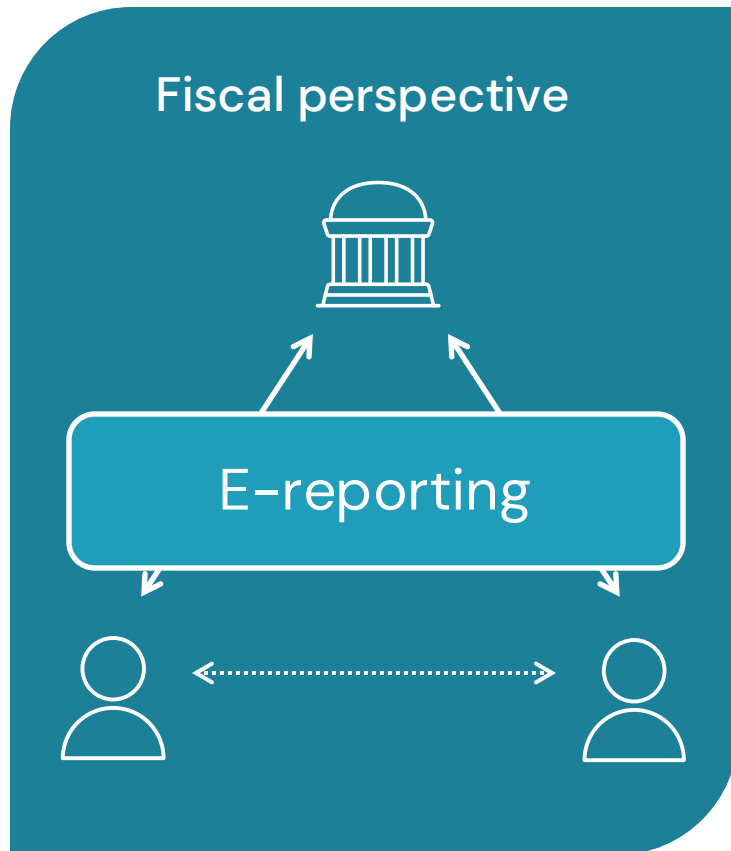
- USA, Canada
- Most jurisdictions in Europe
- Some jurisdictions in Asia and Middle-East

What is e-invoicing?

Fiscal perspective

E-reporting

Business perspective

E-invoicing

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On the brink of convergence

Fiscal perspective — E-reporting

Fiscal + business perspective — CTC

Business perspective — E-invoicing

Main e-invoicing & CTC models

Interoperability

Service provider* — 2 → Service provider
Service provider* ← 5 — Service provider
1 6 — Supplier
4 3 — Buyer

Real-time reporting (RTR)

2 3 — Government
Service provider — 1 → Service provider
Service provider ← 4 — Service provider
Supplier / Buyer

Clearance

1 2 → Government ← 4 3
Service provider — 3 → Service provider
Service provider ← 6 — Service provider
Supplier / Buyer

Centralised Exchange (CE)

1 2 → Government ← 4 3
Service provider / Service provider
Supplier / Buyer

5-corner

2 3 → Government ← 5 6
Service provider — 1 → Service provider
Service provider ← 4 — Service provider
Supplier / Buyer

Peppol   Finland
Switzerland

* i.a. ERP, SP, EDI, WF, etc.

Hungary   South Korea
Spain (Basque)

Chile   Mexico
Saudi Arabia (B2B)

Italy   Romania
Türkiye

Peppol   GENA Global Exchange Network Association
Singapore   NORDIC SMART GOVERNMENT & BUSINESS
Belgium

France   Spain
Hybrid

Standardized   Non-standardized   Regulated

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Exemplary Countries in Focus

France

When / What / Who

✓ **B2G e-invoicing** has been mandatory via ChorusPro since several years

✓ **B2B e-invoicing & DRR (jointly, CTC)** are set for gradual introduction as follows:

✓ 1 January 2025: Pilot phase

- 1 September 2026: Mandatory for large and intermediate-sized companies to issue e-invoices and do e-reporting. All taxpayers must be able to receive e-invoices

- 1 September 2027: Mandatory for small enterprises to issue e-invoices and do e-reporting

✓ **E-invoicing** for all transactions conducted between two taxable persons established in France when the French e-invoicing rules are applicable

✓ **E-reporting** for transactions conducted with foreign operators and B2C transactions. (Foreign operators can also be subject to e-reporting in France.)

Impact

✓ **4 ways to fulfil e-invoicing/reporting obligations:** manually, own EDI, OD intermediary, or PDP intermediary (must fulfil significant requirements)

✓ **Reporting frequency:** invoices varies depending on VAT returns filing frequency (monthly or every 10 days), while payment data it's monthly

✓ **Peppol POC** is being conducted between candidate PDPs to ensure roaming

✓ **Chorus** is expected to be discontinued for B2G e-invoicing

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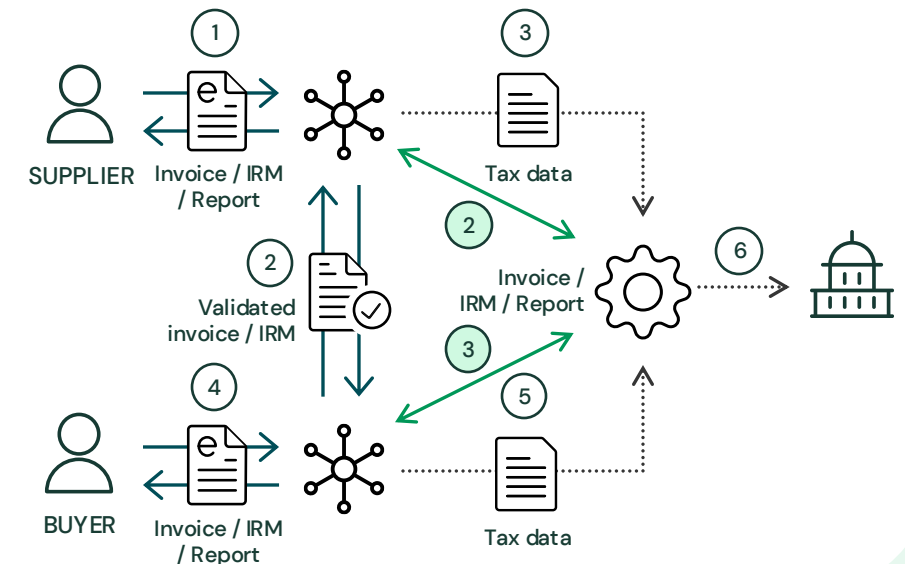
Germany

When / What / Who

- ✓ **B2G e-invoicing** is mandatory incl. MLR for most contracting authorities. The same mandate applies to many B2G suppliers. **Peppol** is the default and the predominant standard.

- ✓ **B2B e-invoicing & DRR (jointly, CTC)** is expected to become mandatory separately:
  1) E-invoicing during 2025-2028, and
 2) DRR post 2028, based on ViDA developments.

Impact

- ✓ **All businesses established**, inc. fixed establishments, in Germany and required to issue invoice for their sales will be required to issue electronic invoice

- ✓ The scope includes only **domestic invoices,** excluding **simplified invoices** (<250EUR)

	Paper invoice	EN e-invoice	EN EDI* e-invoice	EDI* e-invoice	Other e-invoice
2024	Allowed	Allowed (with buyer consent)	Allowed (with buyer consent)	Allowed (with buyer consent)	Allowed (with buyer consent)
2025/ 2026	Allowed	Allowed	Allowed	Allowed (with buyer consent)	Allowed (with buyer consent)
2027	Allowed**	Allowed	Allowed	Allowed** (with buyer consent)	Allowed** (with buyer consent)
2028	Not allowed	Mandatory	Mandatory	Not allowed	Not allowed

Electronic Data Interface communication in UN/Edifact format
*** Only businesses with turnover < 800 TEUR*
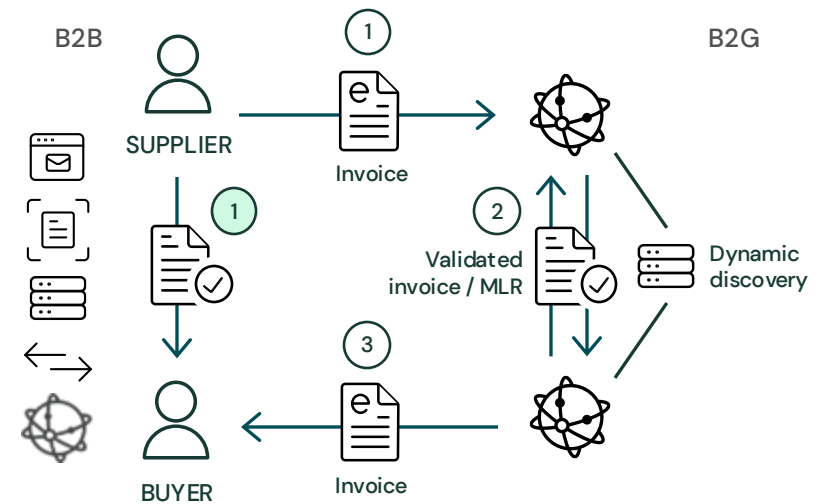
Poland

What / when / who:

- ✓ **January 2022** – start of voluntary adoption of KSeF started

- ✓ Phased timeline for the KSeF obligation:
    - **February 2026** – Companies turnover >PLN 200 million (ca EUR 46 million) per year
    - **April 2026** - The rest of the businesses

Impact:

- ✓ **All invoices must be exchanged via KSeF central platform**, where large businesses are offered API, while the small ones a portal

- ✓ KSeF ID assigned to an invoice must be presented on the related credit note

Latest Developments:

- ✓ Many critical errors detected
- ✓ Proposed changes:
    - Specifications of QR codes and collective identifiers will be released
    - B2C is back in the discussion
    - Attaching attachments allowed for certain industries
    - Alignment between KSeF environments, i.e., test, pre-production (demo), and production
    - Able to issue invoices up to PLN 450 ca. EUR 100 (maximum PLN 10,000 per month) outside of KSeF— Small businesses
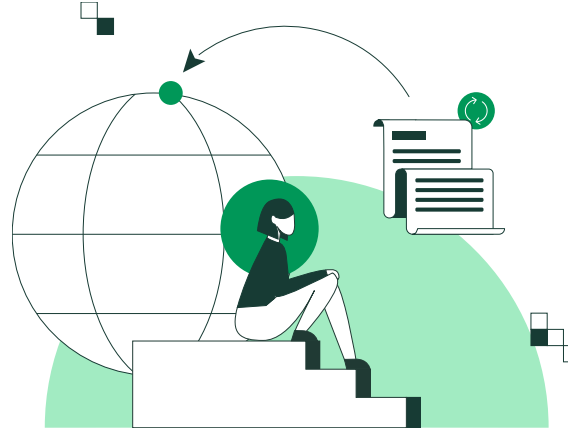

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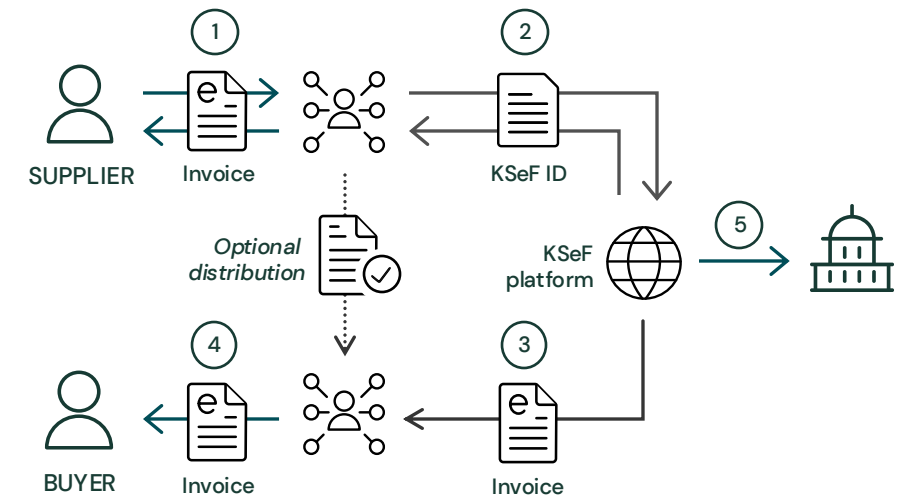
It's not only about AR but also AP... LATAM

- All LATAM is Clearance

- E-signature is mandatory in almost all countries

- All LATAM has AP validation, and many of them :

- Invoice Responses
  - Chile
  - Costa Rica
  - Uruguay
  - Dominican Republic
  - Colombia
  - Panama
  - Paraguay
  - Peru
  - Brazil

*Orange colour letters are countries with Acknowledgment of Receipt

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What is AR & AP automation?

Accounts Receivable (AR) automation is, simply put, a way of automating, streamlining and enhancing sales invoice issuance processes.

This leads to **getting paid** and **be paid more quickly** for issued sales invoices.

Accounts Payable (AP) automation is, simply put, a way of automating, streamlining and enhancing routine vendor invoice activities.

This leads to **safer, more efficient, and cost-effective operations**.

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How CTC tap into your AR & AP processes

Filtering documents that are not subject to e-invoicing.

Filtering documents that are subject to govt. controls.

Enriching documents to be issued with **values returned by the government.**

Enriching documents with **values returned by the government in a parallel CTC process.**

Applying numbering ranges, provided by govt., instead of or in addition of those generated natively by the source system.

Re-issuing the same invoice if rejected by the customer.

Processing **additional values** assigned by government.

Returning electronic invoice statuses, incl. within set timeframes.

Requirement to accept invoices issued by the supplier and not an intermediary contracted by the buyer.

Requirement to accept **multiple predefined structured formats**.

Validation of e-signatures applied by the supplier.

Explicit or implicit **requirement to validate received invoice** with a predefined platform.

Fetching fiscal invoices from a predefined platforms.

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The list of examples is non exhaustive.

Consequences of non-compliance

Monetary penalties
(Due to non-compliance)

Increased OPEX
(Due to missing functionalities or manual handling)

Decreased profitability
(Due to VAT impossible to deduct or claim)

Worsened working capital
(Due to extended DSO and inability to get paid)

Shutting down business
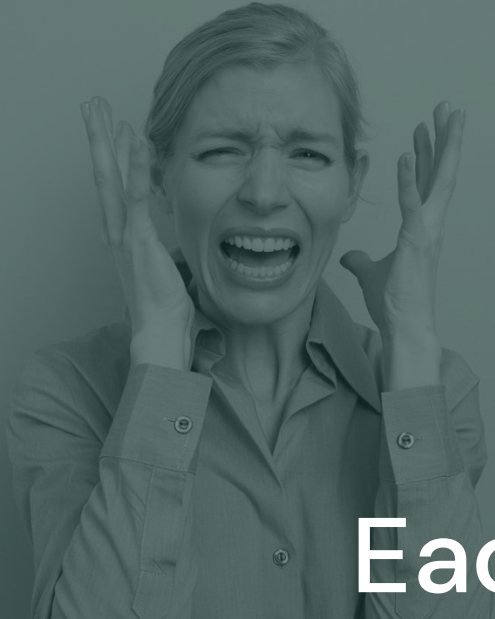(Due to inability to issue a valid invoice)

Criminal charges and imprisonment

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Tax manager trying to solve all of this alone

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Procurement manager

CFO

Tax manager

Each function trying to solve all of this on their own
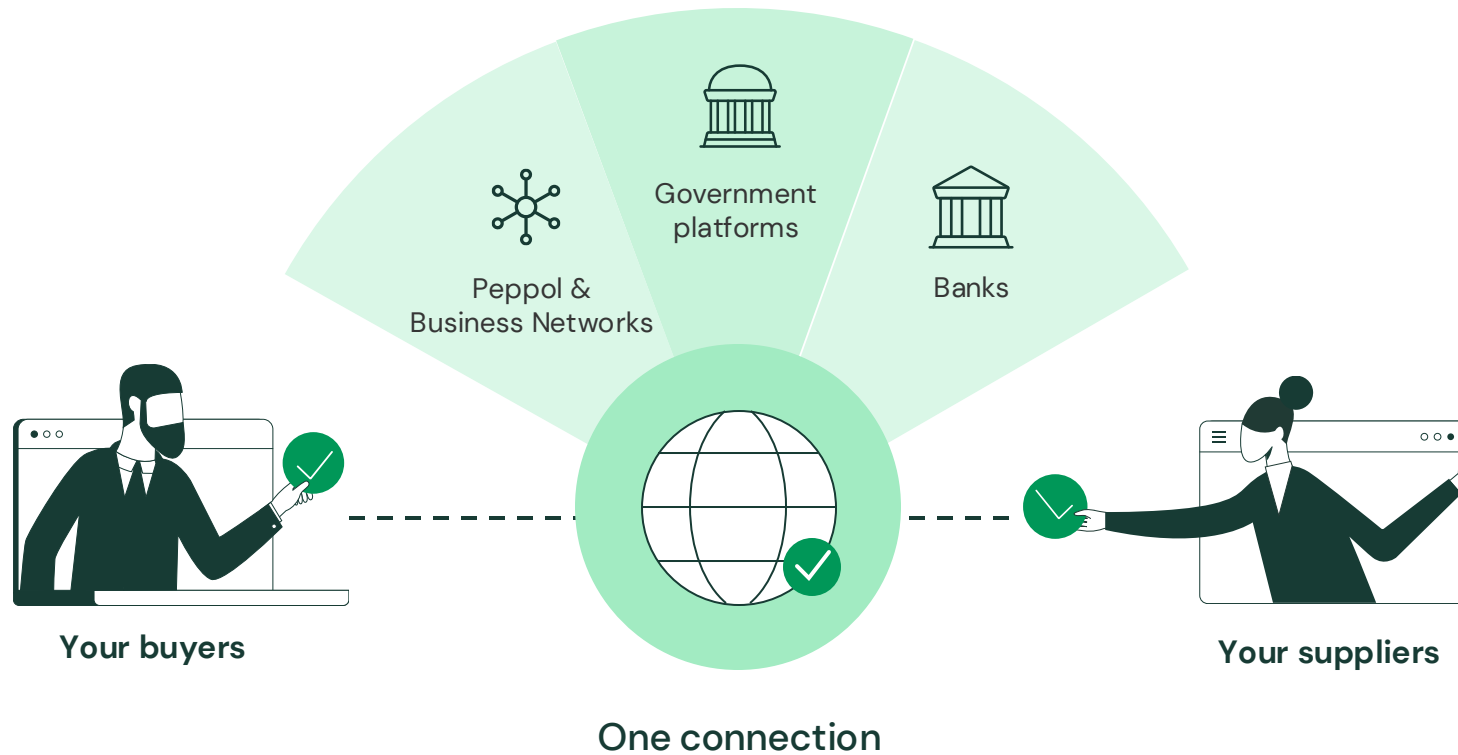
IT manager

Logistics manager

Business person

Working together

Smart Business Network
End-to-end CTC Compliance and Business Automation

70+ roamings

Portals

EDI

Email

Print

Your buyers

Peppol & Business Networks

Government platforms

Banks

One connection

Your suppliers

70+ roamings

Portals

EDI

Onboarding

Capture

Supported models: **Post-audit | Centralised exchange | Clearance | Peppol | Interoperability | Real-time reporting | 5-corner | ViDA-ready**

E-invoicing & CTC compliance

Tax determination & periodic reporting

AP & AR automation

Purchase-to-pay & order-to-cash

Transport management

E-banking

Key take-aways

CTC mandates
are here to stay

Be strategic, proactive
and align stakeholders

Consider wider
automation beyond
VAT compliance

Read more in our folder:

• Learn how Medius and Pagero are seamlessly integrated;

• Connect to access a network of 14+ million businesses;

• Ensure compliance with global e-invoicing standards.

Thank you!

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