



The 5th BRITACOF

Deepening Tax Administration Cooperation for High-Quality Belt and Road Development
Hong Kong, China 24-26 / 9 / 2024



WHAT?

E-invoicing

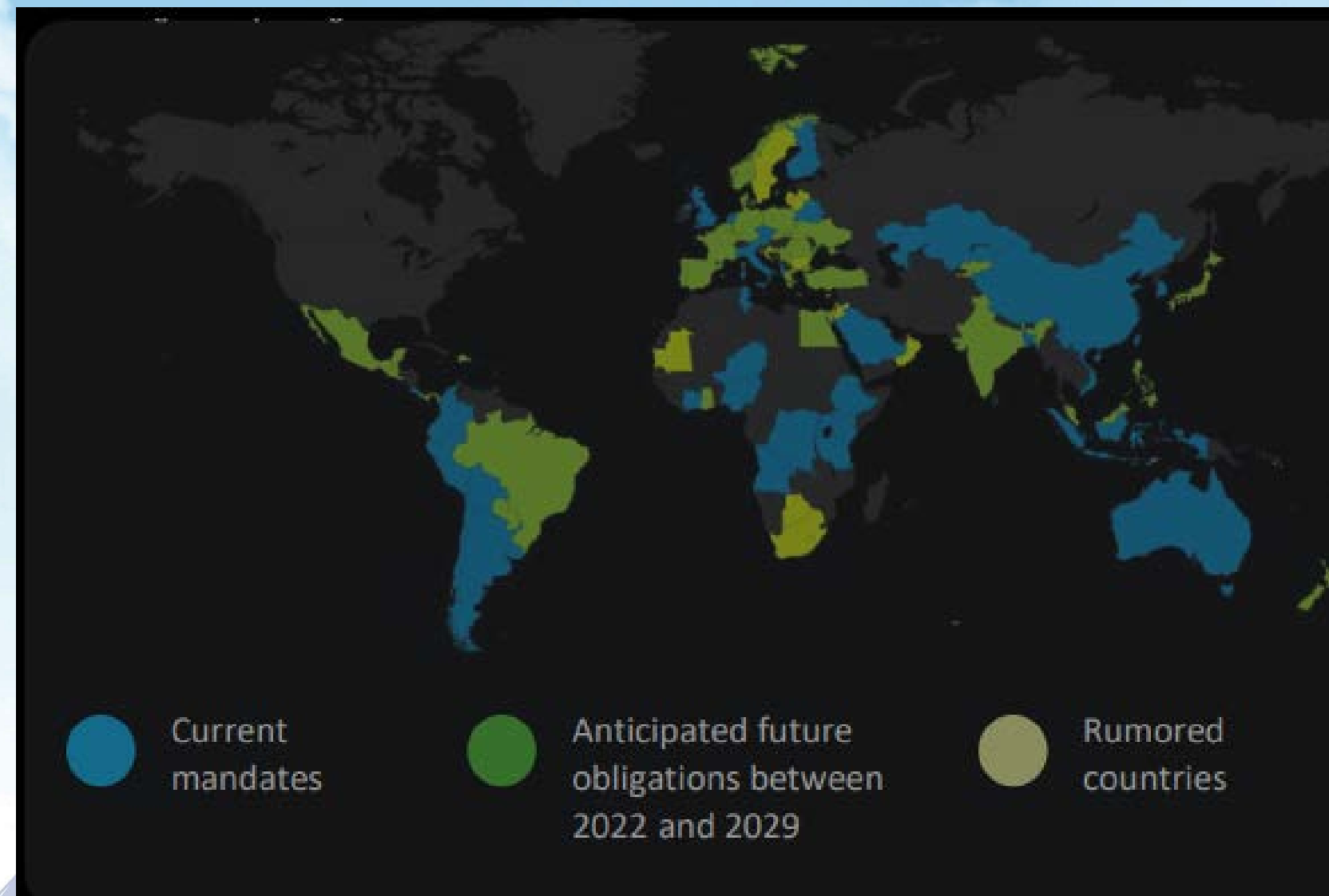
Process of sending and receiving invoices electronically in a structured data which allows for its automatic and electronic processing between businesses.

E-Reporting

Process of electronically submitting tax-related information to the tax authorities. It is often complementary to e-invoicing and requires companies to transmit all information related to their AP/AR invoicing to the tax authorities within a certain timeframe.



WHY NOW?



- Governments worldwide are adopting e-invoicing and e-reporting to reduce the VAT gap.
- Over 60 countries currently require digital reporting in various forms, with diverse timelines.
- The European Commission's new proposal to introduce real-time digital (e-)reporting based on mandatory structured e-invoicing for businesses that operate cross-border in the EU, feeding into a central tax data warehouse. The aim is to establish a harmonized e-invoicing and e-reporting framework for domestic transactions in the EU by 2028
- By 2030, it is anticipated that nearly all countries will incorporate electronic reporting into their tax systems.



CHALLENGES AND OPPORTUNITIES IN TAX DIGITALIZATION

WHO IS IMPACTED?

A wide range of businesses across various industries. The impact largely depends on:



1. The presence in a given jurisdiction



2. The nature of the business (B2B/B2G>B2C)



3. The type of transaction businesses engage in (local/xborder/volume)

TODAY

IMPORTANT CROSS-FUNCTIONAL IMPACTS

E-invoicing and e-reporting affects various departments Finance, Accounting, Tax, Sales, etc., causing structural changes in a wide variety of processes.

DIVERSE LANDSCAPE

Different countries have varying e-invoicing & e-reporting requirements, leading to a complex and evolving regulatory landscape.

INCREASED TAX COMPLIANCE SCRUTINY

E-invoicing & E-reporting enhances tax authorities' ability to detect non-compliance, possibly leading to more automated audits & penalties.

DATA INCONSISTENCY

Multiple data sources, such as ERP systems, can result in inconsistent and poor-quality tax data

LACK OF STRATEGY

Without a clear vision, strategy, and ownership, risk challenges in implementation and future compliance

TOMORROW

COST SAVINGS

E-invoicing reduces expenses associated with paper, printing, postage, and manual data entry, leading to significant cost savings over time

EFFICIENCY GAINS

Automated invoicing quickens the billing cycle, enhancing efficiency and enabling tax process automation and improvement.

FASTER PAYMENTS

- Quicker invoice processing and delivery result in faster payment cycles, improving cash flow and working capital management.

IMPROVED ACCURACY

Electronic formats and automated workflows minimize errors, reducing disputes and improving the accuracy of financial data

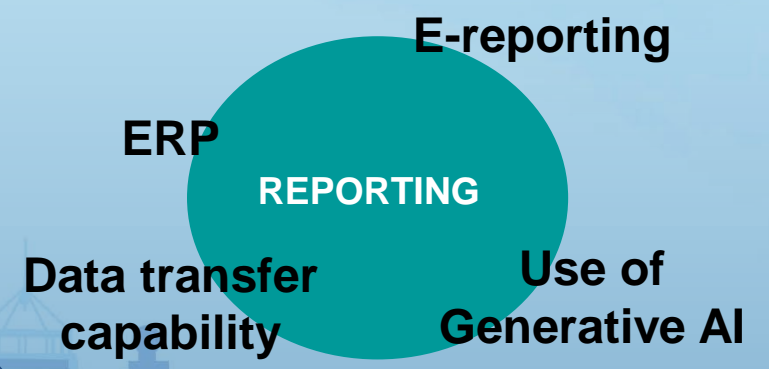
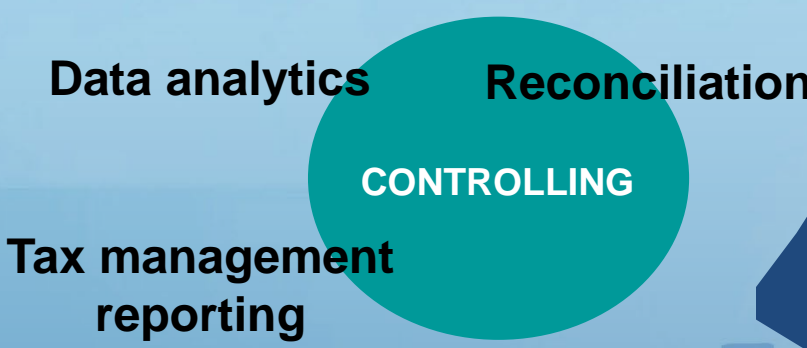
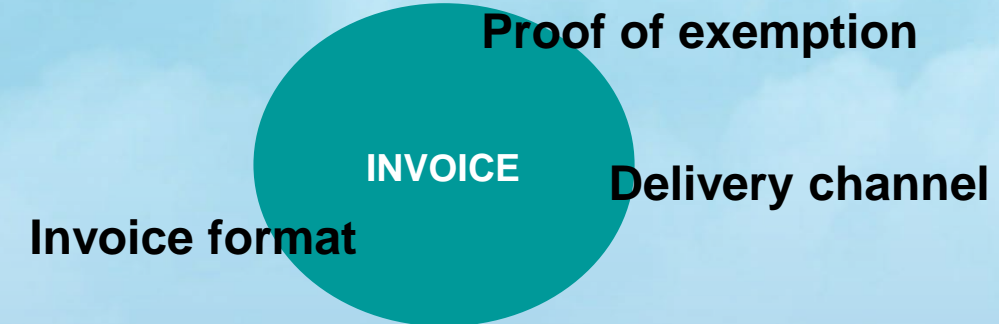
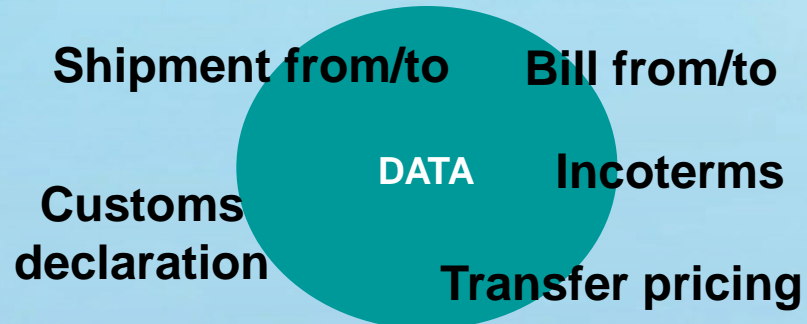
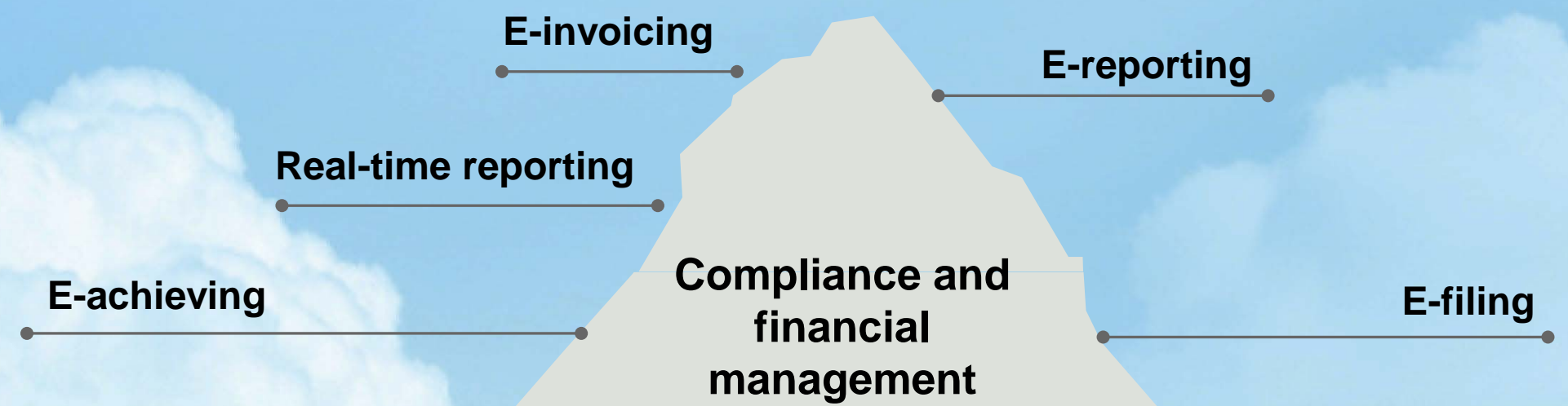
COMPLIANCE AND AUDIT READINESS

E-invoicing systems help maintain accurate records, facilitating retrieval and audit preparation, leading to improved compliance with tax and regulatory requirements



The 5th BRITACOF

Deepening Tax Administration Cooperation for High-Quality Belt and Road Development
Hong Kong, China 24-26 / 9 / 2024



Functional & Operational Impact of e-invoicing and e-reporting

