

E-Invoicing / E-Billing
Electronic Tax Reporting

International Market Overview & Forecast

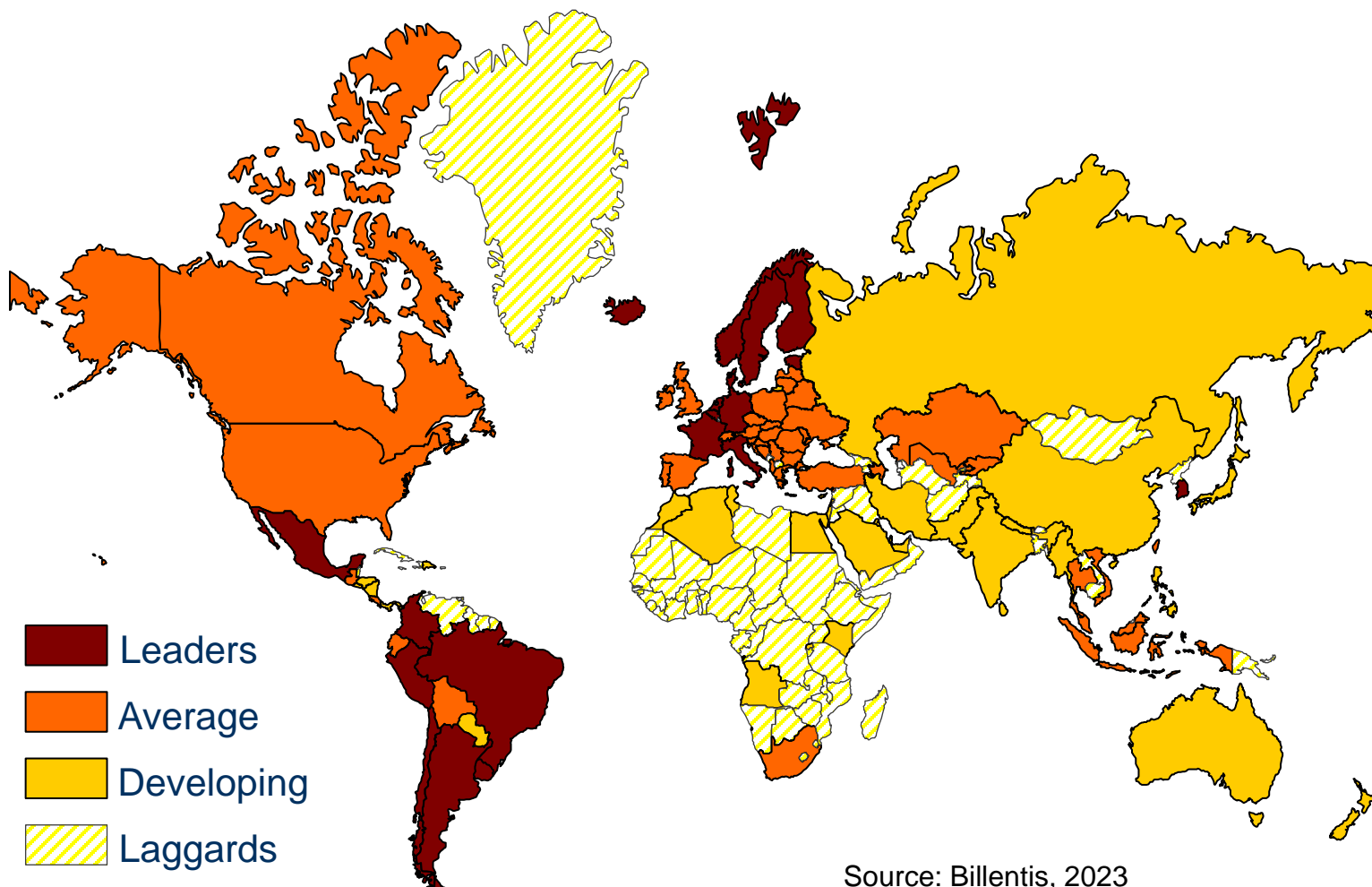


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Expected E-Invoicing Status 2023

B2B, B2G, G2B, B2C and G2C

Digitally issued by suppliers & received by buyers



Source: Billentis, 2023

Expected E-Bill/E-Invoice volume 2023 & trend radar



Recipient segment	Europe		LATAM		North America		APAC		Rest of World	
	Volume	Trend	Volume	Trend	Volume	Trend	Volume	Trend	Volume	Trend
Consumer	8	↗	17	↗	7	↗	25	↗	0.5	↗
Business & Government	10	↗	17	↗	8	↗	17	↗	0.5	↗

Estimated electronic invoices/bills 2023 (billion, strongly rounded)

Relative growth rates ↗

- Most promising market regarding invoice volume, absolute and relative e-invoice growth until 2027!
- China with tremendous growth of electronic consumer bills and tickets; the B2B segment will soon be prepared for country-wide roll-out of special VAT invoice (e-fapiao).
- In India, further roll-out step for country-wide mandatory e-invoice registration is likely; proportion of received e-invoices steadily increases.
- Oman intends to launch an e-invoicing program including Continuous Transaction Controls.
- The Philippines launched an e-invoicing/e-receipt program; mandatory for the largest taxpayers.
- The Saudi Arabian e-invoicing system is now fully operational and the mandate affects already the largest businesses.

- E-invoicing and electronic tax reporting pushed by public sector
- Real-time audit or invoice data mining by tax authorities with the aim of combating tax evasion
- Mandates for e-invoicing in a majority of Latin American countries
- Ongoing evolution for invoice-related digitalization
 - Exchange of all fiscal documents just in electronic format; affects 20-30 messages
 - Enable the financing and speed up the cash flow of small and medium enterprises, e.g. Electronic Invoice Factoring

- Payment, Trade Finance, Dynamic Discounting and Procurement as main drivers in the B2B segment
- No indications that public sector intends to become a catalyst
- Still preference for optimization of internal operations (AR and AP management), but focus on collaboration and electronic interaction between trading partners increasing
- The [Business Payment Coalition](#) proceeds with a market pilot effort to build and test a virtual network that will enable businesses of all kinds to exchange e-invoices with one another by establishing a secure, open e-invoice delivery framework between providers.

- The market is in a transition period with average growth and a lot of preparatory work for the next big milestone.
- EU Member States are preparing their legal and operational environment for the '[VAT in the Digital Age](#)' (ViDA) initiative. One key component builds the cross-border and digital near-real-time reporting based on e-invoicing.
- Although not strictly necessary, most Member States should take this as an opportunity to also make B2B e-invoicing mandatory domestically.
- In contrast to most other regions of the world, many European countries also use the opportunity in Step 1 to oblige businesses in the role as buyer to become e-invoicing-ready before the suppliers have to take action.
- The big boost may start mid-of 2024 and end in 2028.

Appendix

- Screening and interpreting 750+ key sources, including:
 - Official statistics in particular from countries with clearance models, knowing these figures accurately
 - Country and industry specific user surveys
 - Figures from large invoice issuers & recipients (e.g. telecom, utilities, card issuers, public sector, health services, retail industry), published online or in corporate responsibility reports
 - Figures of leading service providers
 - Consolidated figures of domestic E-Invoicing associations
- Numerous interviews with local experts
- In total, results of surveys with 20,000+ enterprises and 15,000+ consumers are considered in these statistics and forecasts

Definitions as used in my statistics

Not considered as e-invoices:

Fiscal documents not representing a commercial transaction followed by 'demand for payment', e.g. bank statements, waybills

Fully digital invoices that are not tax-compliant due to lack of integrity, authenticity and legibility

'Electronic invoices' that are supported by legally relevant paper summary invoices (parts of the EDI world), scanned or printed/archived by recipients (if just the paper version is stored as the 'new' de-facto original).

'Asymmetric e-invoice', buyers can demand a printed invoice and consider it as the legal original invoice.

Major bulk of paper invoices, even if in parallel some invoice data are transmitted to the tax authorities or trading partner.

E-invoices in the broader legal sense:

'Simplified low value' e-invoices with reduced content requirements (often just 4-8 mandatory data fields) and without customer authentication.

Legally can this category include invoices in a broader sense.

E-invoices in the narrow legal sense:

Only this part is included in the statistics.

E-invoices with the full content (typically 8-16 mandatory fields) and authentication of the issuer & recipient.

Two organisations in the role as supplier and buyer exchange a digital and tax-compliant invoice as the valid original invoice. They exchange them directly, via service providers and/or via the platform provided by tax authorities. These e-invoices are preserved. They are the only relevant original invoices for the tax authorities and auditors.

Paper representations can be found, but will never be considered as the legal original versions.

Why the total invoice volume might quadruple until 2035

- Today, we count about 10 times more anonymous low value invoices/tickets/receipts than full content invoices in letter/A4 format.
- Due to new legal requirements and the digitisation, a significant proportion of these receipts is gradually upgraded towards full content invoices and electronically exchanged between trading parties.

