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Global E-Invoicing: Mandates by Country

How will new e-invoicing requirements in selected countries affect your business?

Presented on 26th February 2025

Disclaimer

While we hope you'll find this discussion helpful, this session is for informational purposes only and is not legal or tax advice.

Avalara
Safe harbor statement

Meet your presenter

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Avalara

Alexander is responsible for Avalara E-Invoicing and Live Reporting for the DACH Region in Europe. With over 24 years experience in the e-invoicing and EDI business he is also a lecturer in Business informatics at the Cooperative Sate University in Stuttgart, Germany.

Agenda

1. Challenges of international e-invoicing and live reporting mandates

2. Advantages of e-invoicing and voluntary use of exchange networks

3. Update on ViDA

4. Latest news on mandates in Germany, France, Spain, Poland and the United Kingdom

5. E-invoicing in the United States

6. About Avalara

7. Avalara E-Invoicing and Live Reporting: A global solution for international challenges

International e-invoicing and live reporting

E-invoicing provides efficient exchange of structured invoice data that are machine-readable

Unstructured

Visible to people: human-readable

PDF, Word, Excel

VISUAL
DIGITALY CREATED / SCANNED
MANUAL PROCESSES

Structured

Visible to machines: machine-readable

XML (CII / UBL)

STRUCTURED
DIGITALY CREATED

Hybrid

Visible to people & machines: human-and-machine-readable

PDF/A-3 with XML

VISUAL	STRUCTURED
DIGITALY CREATED	
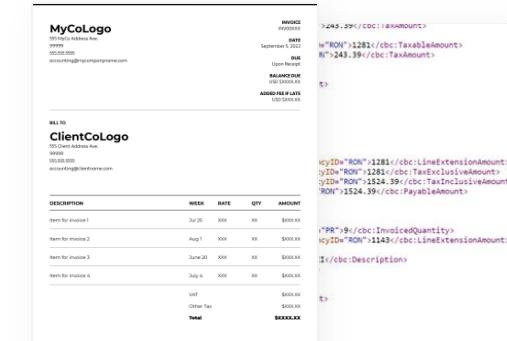
FULLY AUTOMATED INVOICE PROCESSING

Mandatory e-invoicing / live reporting is a way to enforce CTC

Tax authority motivation: getting important data – quickly

E-invoicing

Live Reporting

Exchange of e-invoices between **Suppliers** and **Customers**

- Consistent format and content of the document (standardized data)
- When **mandated**, typically via a specific **Government Platform**

Reporting of tax and transactional data to **Tax Authorities** in real time

- A parallel process to invoicing: Reporting invoice data via a **Government Platform**
- Tax office receiving invoice data after the invoice has been sent, but before VAT returns have been submitted

Mandatory E-Invoicing or Live Reporting:
The New Way of Reporting Tax in 'Real Time'

Global trends to digitization of tax reporting

In many countries, **digital reporting of tax obligations** is required.

Increasingly, governments require
- **live and e-reporting**
- **e-invoicing**
- or combination of both

... - 2020   2021   2022   2023   2024   2025   2026 - ...
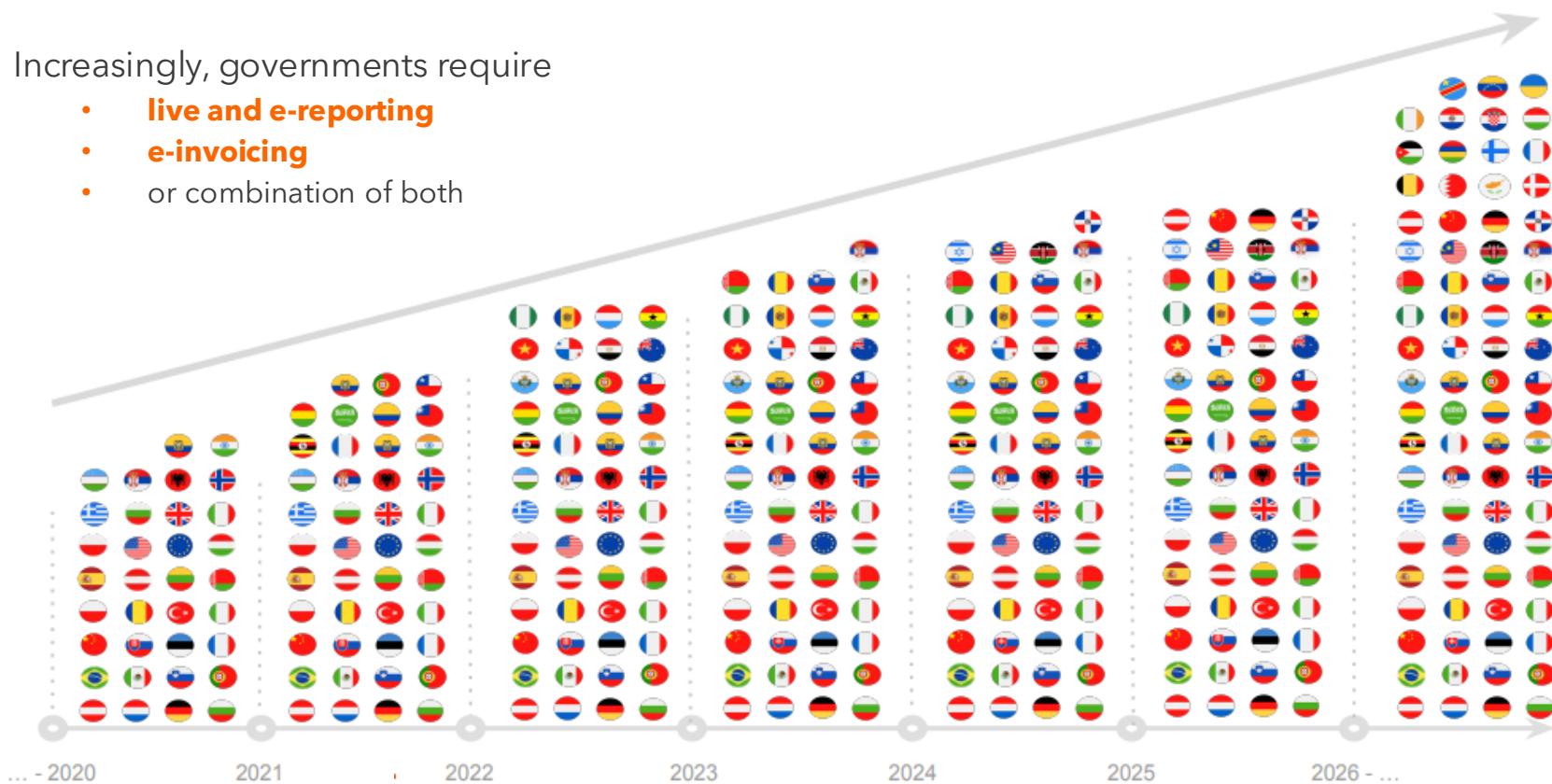
Key drivers behind e-invoicing / live reporting mandates:

Reduce the VAT gap
- Less time for fraud
- Summary VAT reporting intransparent

Compliance standardization
- All relevant VAT data
- Efficient audit checks

Regulations vary among countries and evolve over time

Timeline – last two decade and next 5 years

NOW

NEXT

| 2000 - 2021 | 2022 - 2023 | 2024 | 2025 | 2026 -2030 |

2000 - 2021
- **Argentina** – e-facture (& QR B2C since 2021)
- **Brazil** – NF-e electronic invoicing
- **Bolivia, Costa Rica, Chile, Colombia –** e-invoice CUFE
- **Ecuador**
- **Italy** – B2B/B2C (extension of B2G)
- **India** – B2B, QR codes B2C
- **Mexico**
- **Peru, Paraguay**
- **South Korea, Indonesia, Taiwan, Vietnam**
- **Turkey**
- **Portugal** – use of certified invoicing software
- **EU** – B2G (optional pan-EU using Peppol or individual mandates)
- **KSA** – Fatoorah E-Invoicing (Phase 1) + QR
- **Norway, Iceland, Australia, New Zealand, Singapore** – Peppol
- **Greece** - MyData VAT books – can send invoice data via E-Invoices
- **Hungary** – RTIR.
- **Spain** - SII

Status: 26 February 2025

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2022 - 2023
- **Australia** – Peppol B2G E-Invoicing
- **Belgium** – Peppol B2G E-Invoicing
- **Italy** – E-Reporting for cross-border + E-Invoicing for SMEs
- **New Zealand** - Peppol B2G E-Invoicing
- **Portugal** – QR code on invoice
- **Poland** – KSeF E-Invoicing voluntary phase
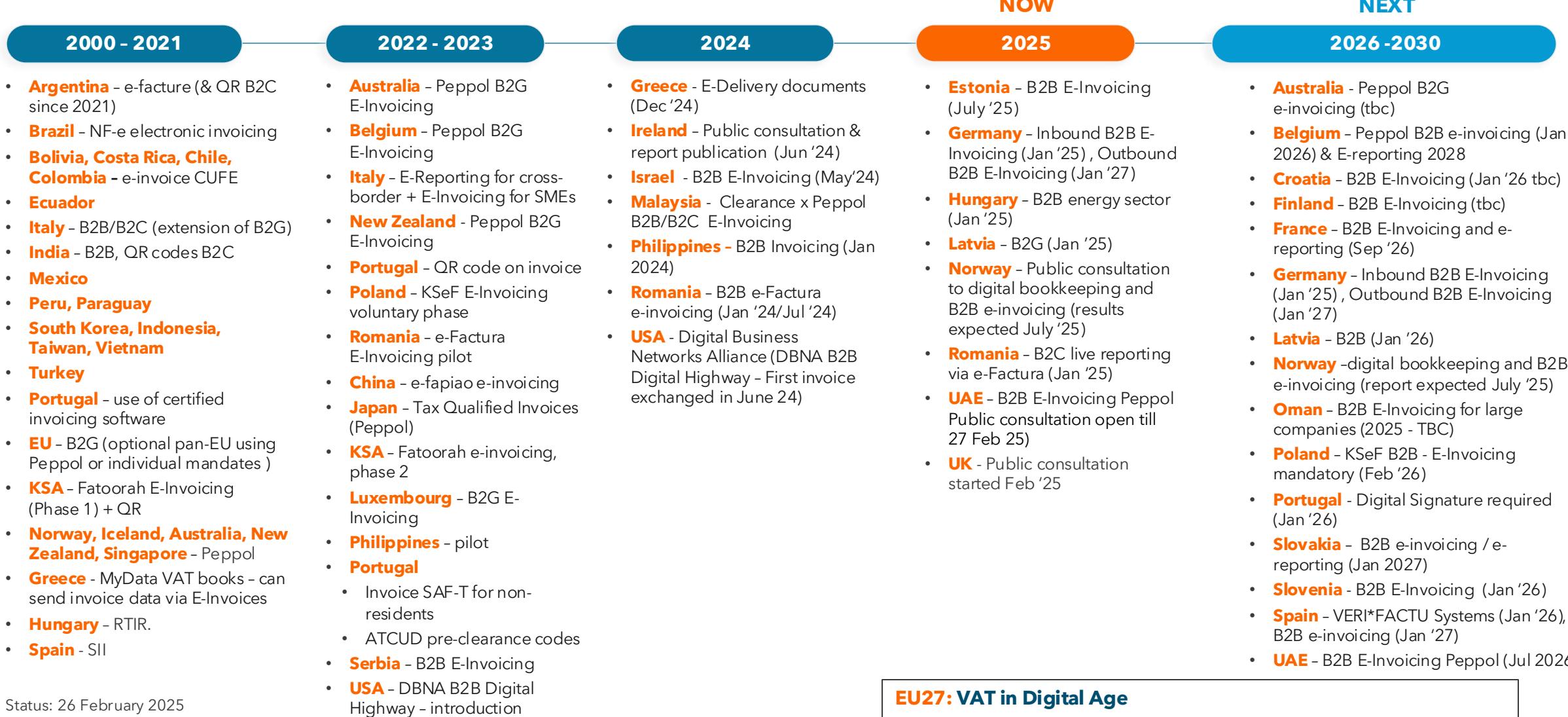- **Romania** – e-Factura E-Invoicing pilot
- **China** – e-fapiao e-invoicing
- **Japan** – Tax Qualified Invoices (Peppol)
- **KSA** – Fatoorah e-invoicing, phase 2
- **Luxembourg** – B2G E-Invoicing
- **Philippines** – pilot
- **Portugal**
  - Invoice SAF-T for non-residents
  - ATCUD pre-clearance codes
- **Serbia** – B2B E-Invoicing
- **USA** – DBNA B2B Digital Highway – introduction

2024
- **Greece** - E-Delivery documents (Dec '24)
- **Ireland** – Public consultation & report publication (Jun '24)
- **Israel** - B2B E-Invoicing (May'24)
- **Malaysia** - Clearance x Peppol B2B/B2C E-Invoicing
- **Philippines –** B2B Invoicing (Jan 2024)
- **Romania** – B2B e-Factura e-invoicing (Jan '24/Jul '24)
- **USA** - Digital Business Networks Alliance (DBNA B2B Digital Highway – First invoice exchanged in June 24)

2025
- **Estonia** – B2B E-Invoicing (July '25)
- **Germany** – Inbound B2B E-Invoicing (Jan '25) , Outbound B2B E-Invoicing (Jan '27)
- **Hungary** – B2B energy sector (Jan '25)
- **Latvia** – B2G (Jan '25)
- **Norway** – Public consultation to digital bookkeeping and B2B e-invoicing (results expected July '25)
- **Romania** – B2C live reporting via e-Factura (Jan '25)
- **UAE** – B2B E-Invoicing Peppol Public consultation open till 27 Feb 25)
- **UK** - Public consultation started Feb '25

2026 -2030
- **Australia** - Peppol B2G e-invoicing (tbc)
- **Belgium** – Peppol B2B e-invoicing (Jan 2026) & E-reporting 2028
- **Croatia** – B2B E-Invoicing (Jan '26 tbc)
- **Finland** – B2B E-Invoicing (tbc)
- **France** – B2B E-Invoicing and e-reporting (Sep '26)
- **Germany** – Inbound B2B E-Invoicing (Jan '25) , Outbound B2B E-Invoicing (Jan '27)
- **Latvia** – B2B (Jan '26)
- **Norway** –digital bookkeeping and B2B e-invoicing (report expected July '25)
- **Oman** – B2B E-Invoicing for large companies (2025 - TBC)
- **Poland** – KSeF B2B - E-Invoicing mandatory (Feb '26)
- **Portugal** - Digital Signature required (Jan '26)
- **Slovakia** – B2B e-invoicing / e-reporting (Jan 2027)
- **Slovenia** - B2B E-Invoicing (Jan '26)
- **Spain** – VERI*FACTU Systems (Jan '26), B2B e-invoicing (Jan '27)
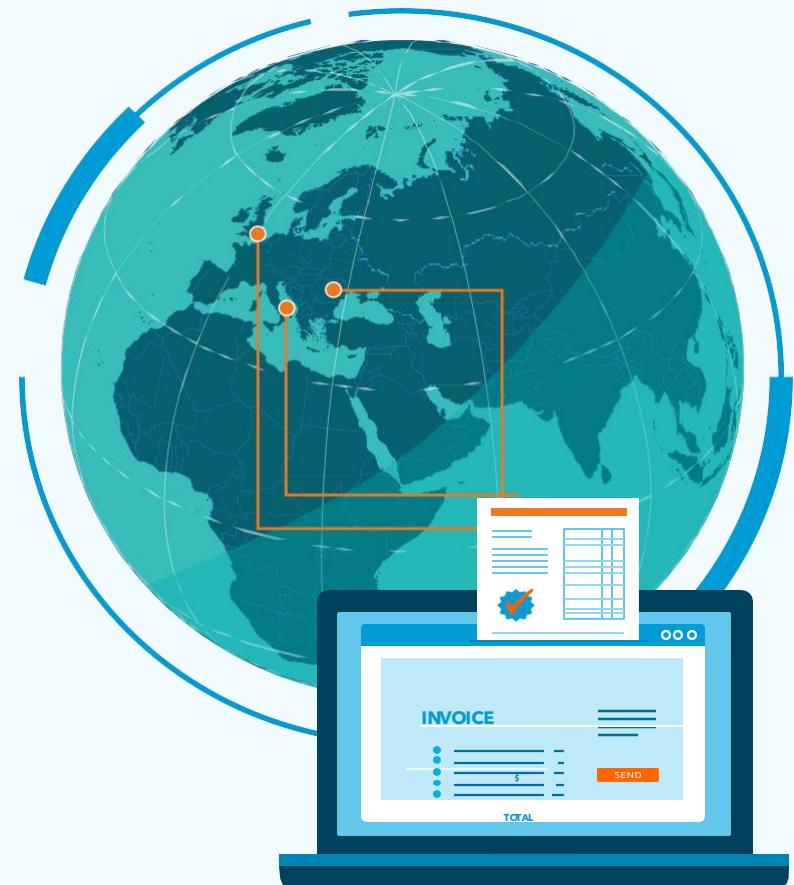- **UAE** – B2B E-Invoicing Peppol (Jul 2026)

EU27: VAT in Digital Age

E-Invoicing and live reporting reform: Mandatory B2B e-invoicing and live reporting for intra-EU cross-border transactions from **2030**

13

E-invoicing requirements vary from country to country

On a **global** scale, E-Invoicing Compliance is **a challenge**

- Regulatory challenges
- Technical challenges

Challenges Businesses Face with E-invoicing

A quick summary

NO GLOBAL STANDARD FOR E-INVOICING

Different countries have unique mandatory e-invoicing requirements, posing significant challenges for businesses.

MANAGING FUTURE MANDATES

The timeline for new mandates is rapidly approaching.

Businesses must ensure their technology can support these mandates with minimal disruption.

MANAGING CURRENT AND FUTURE COSTS

Business costs will inevitably be part of implementing an e-invoicing solution to ensure compliance, however future costs might be a challenge for businesses.

MANAGING THE COMPLEXITY

Maintaining the new e-invoicing technology landscape alongside existing business systems can be complex and must remain up-to-date to ensure ongoing compliance.

Technical challenges: Multiple implementation models

There is no 'one size fits all' implementation

Interoperability Model (Four-Corner Model)	Real-Time Reporting Model	Clearance Model	Central Issuance Model	Decentralized CTC Model (Five/Six-Corner Model)
Periodical VAT Reporting Post-Issuance Audit	Live VAT Reporting / Real-Time Reporting	Live VAT Reporting / Real-Time Reporting	Live VAT Reporting / Real-Time Reporting	Continuous Transaction Control with Real-Time Reporting or Clearance

Invoices delivered over an interoperable network	Post issue reporting	Invoices are cleared to issue by an authority	Invoices are issued through an authority	Combines Four-Corner Model with Real-Time Reporting or Clearance
Peppol	Hungary	Portugal	Italy	Possible future state model in France

No Tax Authority Involvement	Tax Authority Involvement

Non-compliance bears significant risk of penalties

Overview

FRANCE

ISSUER

- **€15** per e-invoice violating the rules

- **€250** per missed obligation for e-reporting data

PDP

- €15 per e-invoice violating the rules

- €750/missed obligation for e-reporting data

(Planned upon mandates coming into effect)

POLAND

- For invoices issued outside of the mandate:

- Up to 100% of the invoice's tax amount

- Up to 18.7% of the total invoice amount for invoices without tax

(Planned upon mandates coming into effect)

ROMANIA

- Companies **issuing** invoices outside of the mandate: 1000-10000 Lei (**€200 - €2 000**) - from April 2024

- Companies **accepting** invoices outside of the mandate: A fine of the **VAT value** + no deduction of VAT

ITALY

- Issuer: **In-country** invoice created outside of the mandate**: €2 per invoice** (up to €400/month)

- Recipient: Cross-border invoice not reported **€2 per invoice** (up to €400/month)

- Incorrect VAT calculation:
    - Seller: 90% -180% of the VAT value
    - Buyers: up to 100% of the VAT if he did not ask to correct the VAT data

MEXICO

- **$300+** per missing or incorrect e-invoice

- **$15+** per invoice not matching accounting records (eContabilidad)

HUNGARY

ISSUER: Up to **€1,250** per unreported invoice

Benefits of e-invoicing – more than " just compliance"

Cost savings
No more paper, printing, or postage costs in AR; reduction in AP costs.

Enhanced security
Secure transmission and encryption help protect against fraud and cyber crime.

Reduced errors
Automated processing reduces human errors and helps to ensure data accuracy.

Increased efficiency
Automated invoice transmission saves time, streamlines processes, and reduces use of resources.

E-invoicing

Better business relationships
Smoother transactions improves customer and supplier interactions.

Faster payments, better cashflow
Instant invoice delivery speeds up approval and payments and supports cash management.

Enhanced compliance
Automatically generated audit trails support legal compliance.

Expanded global reach
Instant cross-border invoicing facilitates international and local business.

> International exchange networks for efficient e-invoice exchange

Peppol
(Originally PEPPOL: Pan-European Public Procurement On-Line)

- Initiated in 2008 to set standards for procurement
  - Technical delivery network + specifications for e-invoicing (and other procurement processes)
  - Access only through 'Access Points'
  - Managed by the OpenPEPPOL Association*

- EU

- Several countries outside EU
  - Japan
  - Australia
  - New Zealand
  - Malaysia
  - Singapore (as INVOICE NOW)
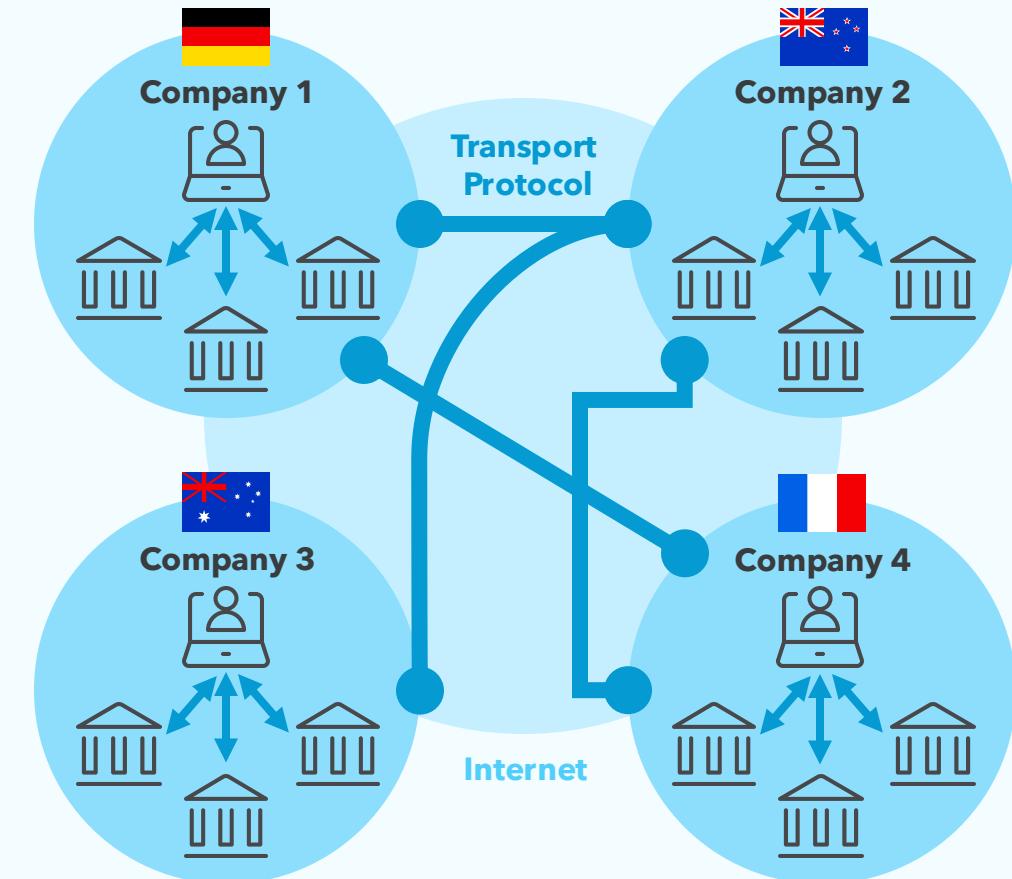
*500 members from 39 countries at the end of 2021

DBNA in the United States

Avalara is a Certified Service Provider for DBNA in the US

Launched 2023 after success market pilot by the Business Payment Coalition in the US

Open network allowing secure and efficient B2B e-document exchange

- e-invoices
- other e-documents

Target: Helping US companies improve B2B payment processes

- faster payments
- higher efficiency
- improved relationship with suppliers and buyers

https://dbnalliance.org/

ViDA

ViDA

ViDA: **VAT package for the digital age**

A set of requirements, covering 3 areas:

Digital VAT reporting
Real-time VAT reporting based on e-invoicing

- Companies issue e-invoices for <u>cross-border transactions</u> and automatically transfer the data to in-country tax authority platforms.

- A new EU-wide IT system will collect the data from in-country systems to detect suspicious activities and fraud attempts.

VAT for the platform economy
Deemed supplier model for platform operators

- Where providers using the platform do not pay VAT themselves, platform operators will be responsible for collecting and remitting VAT ('deemed supplier').

- The platform will collect the VAT directly from the buyer or service recipient and then remit it to the tax authorities.

One-stop shop-VAT registration
Expansion of the scope of the current OSS

- Will be covering not only cross-border B2B supplies but also business-to-consumer sales to another Member State.

- Will cover scenarios when businesses want to transfer stock to another Member State only at a later stage (when selling directly to consumers in that country).

ViDA: **Obligation** to use e-invoicing in cross-border B2B and B2G transactions

01

Dec 2022
EU Commission: ViDA proposal

The ViDA concept announced: Single VAT registration, VAT within platform economy, e-invoicing and DRR* for intra-EU transactions

02

Nov 2024
ECOFIN: ViDA accepted

Agreed that ViDA will become an official EU directive => must be implemented by EU countries

03

2025
EU Parliament: approved 12 Feb 2025

EU countries can require mandatory e-invoicing for in-country transactions.

No exemption required from the EU.

04

2030
Mandatory DRR and e-invoicing for transactions within the EU

EU transactions: Only e-invoices compliant to EN 16931 allowed. Member states have certain flexibility.

05

2035
Harmonization of domestic e-invoicing and reporting systems

Harmonization of existing DRR platforms in the individual countries with the central ViDA platform

*DRR = Digital Reporting Requirements

> Germany

Germany

Mandatory e-invoicing

- **January 2025:** All businesses must be ready to **receive e-invoices** in B2B transactions

- **Obligation to issue** e-invoices starts later:

    - **January 2027** for businesses with > 800,000 € of turnover

    - **January 2028** for all business

- Applies to **taxable persons** doing B2B in Germany (exempt: simplified invoices, invoices < 250 EUR, tickets for passenger transportation, etc.).

- E-invoice clearly defined as structured data for automated processing, the format that must be **compliant with the EN 16931**

    - XRechnung
    - ZUGFeRD

- The EDI exchange can only be used after January 2028 with adjustments or being compliant to EN 16931

- No clearance model currently but clearly stated that reporting functionality will come at a later stage (the final model not yet defined).

Germany

01

January 2025
All businesses must be **prepared to receive** e-invoices

Paper-based invoices are still permitted

This does not apply to invoices for services that are tax-free, invoices for small amounts of up to EUR 250, travel tickets and cross-border invoices.

02

Until December 2026 there needs to be an agreement between the invoice issuer and invoice recipient

Agreement required on the electronic format to be used. Consent can be given in the form of a framework agreement (e.g. in the general terms and conditions) or by implication.

03

January 2027
Only companies with yearly revenue over 800K EUR must **issue e-invoices**

Permitted national electronic invoice formats such as XRechnung, ZUGFeRD and EDI-processes

04

January 2028
All companies must send electronic invoices

Each business, beside exemptions, must issue e-invoices.

EDI-processes must be updated, adjusted and compliant with EN 16931.

05

Later stage - TBC
E-reporting function or clearance model to be introduced

Harmonization with the EU ViDA initiative.

German e-invoicing standards: XRechnung vs ZUGFeRD

E-invoices for B2B in Germany must be issued, transmitted, and received in a structured electronic format that enables automated electronic processing.

XRechnung

Structured electronic invoice format

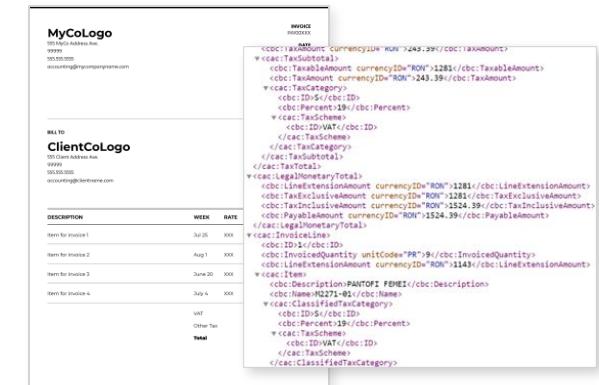Compliant to EN 16931

⇒ **machine readable**

Only for automated processing

ZUGFeRD*

Hybrid electronic invoice format

Since ver. 2.1.1, compliant to EN 16931 and identical with the French format Factur-X

Combines:

• **structured XML file => machine readable**

• **PDF/A-3 => human readable**

For both, automated processing and manual handling

*Zentraler User Guide des Forums elektronische Rechnung Deutschland

What format to use …

Three formats for e-invoicing, all EN 16931 compliant

Peppol BIS Billing

- UBL 2.1 XML
- Delivery: Via Peppol as the singular delivery network

- Machine readable: YES
- Human readable: NO

- Use: **B2B & B2G e-invoicing in Germany, cross-border**
- Growing global adoption: EU, Australia, New Zealand, Singapore, Japan, Malaysia

XRechnung

- UBL 2.1 XML
- Delivery: Peppol, German government portals (ZRE, OZG-RE)

- Machine readable: YES
- Human readable: NO

- Use: **B2G e-invoicing in Germany**
- Territory: Germany (public sector & some businesses)

ZUGFeRD

- Hybrid format (PDF + XML (CII))
- Delivery: Email, AS2, exchange portals

- Machine readable: YES
- Human readable: YES

- Use: **B2B e-invoicing in Germany, especially when businesses transition from PDFs**
- Territory: Germany, France (as Factur-X)

➔ Which - permissible - format is used is a question of civil law that can only be decided between the contracting parties.

What format to use …

Another format for e-invoicing, not necessarily EN 16931 compliant

EDI

- EDIFACT (incl. subsets), VDA
- Delivery: Via industry common protocols like X.400, AS2, OFTP2

- Machine readable: YES
- Human readable: NO

- Use: **B2B in Germany, cross-border, customs-declaration**
- Industry: Automotive, Retail, Chemical Industry, and others

Until 31 December 2027

Under certain conditions, structured electronic invoice formats that do not comply with the EN 16931 series of standards can also be used, such as the EDI procedure.

Starting 01 January 2028

The use of established electronic invoice formats such as EDI procedures and EDIFACT can continue to be used beyond the transitional periods described, but only if it is possible to correctly and completely extract the informations required under the VAT Act.

This extraction needs to be in an XML format of the EN 16931 series of standards.

Keyword: double conversion

➔ Which - permissible - format is used is a question of civil law that can only be decided between the contracting parties.

> France

France

Quick overview
B2B e-invoicing & e-reporting <1/2>

- **E-invoicing and e-reporting mandate** for French businesses from September 2026.

- Taxpayers established in France and VAT-registered businesses.

- Decentralized CTC: Businesses must use certified providers – 'Partner Dematerialisation Platforms' (**PDPs**). The PDPs will:
    - Exchange the complete invoices
    - Report data via the portal "Portail Public de Facturation (PPF)"

- **E-invoicing:**

    - **Issuing, transmission and receipt** of domestic B2B e-invoices in an electronic format (UBL, CII or Factur-X).

    - Invoices must be exchanged via an **approved third-party** called Partner Dematerialisation Platform (**PDP**)*

    - The **public invoicing portal** - the "Portail Public de Facturation" (PPF) will only be used to receive the e-reporting data from PDPs

*Avalara is a certified PDP that can fulfil the role.

France

Quick overview
B2B e-invoicing & e-reporting <2/2>

- **E-reporting**:

  - **B2B non-domestic intra-community invoice data** (Buyer & Supplier established in EU) in real time

  - B2B Export invoices (goods and services outside of the EU - the Seller reports)

  - B2B Import of services (from outside of the EU (the Buyer reports)

  - **B2C invoicing/receipt data** to the tax authorities in a structured format **(XML)**

  - Reporting of **payment data**

Note: Despite its name, the "Portail Public de Facturation" is no longer a free platform for exchanging e-invoices between companies. It now functions solely as a reporting tool, collecting data provided by businesses via their PDPs.

France
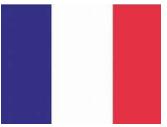
01

2017
First e-invoicing platform: Chorus Pro

02

2024
Accreditation of PDP providers. Announcement of the new scope of the PPF

03

2025
Implementing of PPF and testing of functionality.

04

1 September 2026
Obligation to receive e-invoices: *All companies*

Obligation to send: *Large companies*

05

1 September 2027
All companies required to send e-invoices

The B2G e-invoicing platform Chorus Pro was developed and is operated by AIFE (State agency for financial informatics)

First step of the PDP accreditation process completed. The functionality of the PPF platform tested.

Interoperability of PDPs and testing the PPF's reporting functionality (PPF to be used for collection of data only.

All businesses must have selected their PDPs to be able to receive e-invoices, while only large businesses must use PDPs for sending.

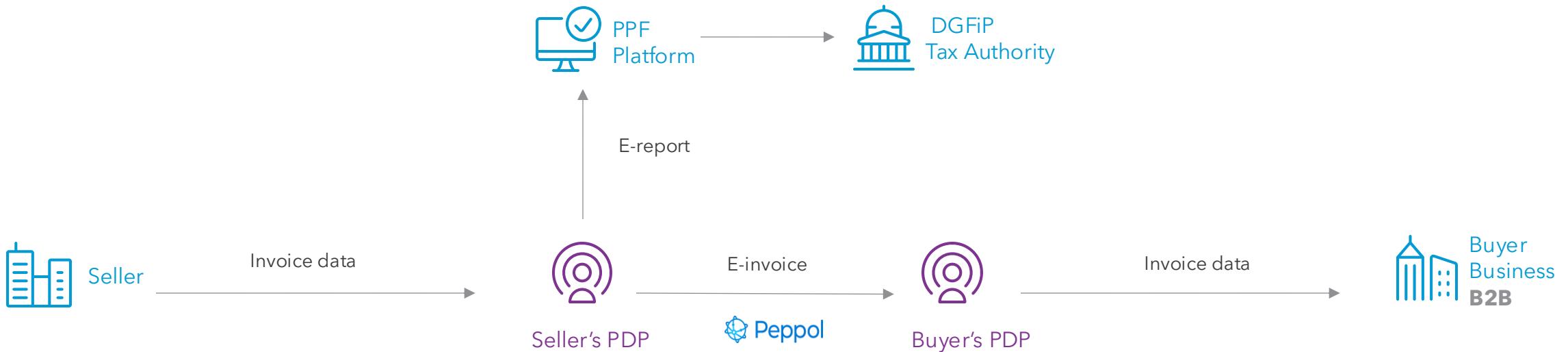Sending e-invoices obligatory for all companies.

France: Deployment of the Decentralized CTC model

The invoice delivery and reporting are two separate steps, provided by accredited PDPs

PPF Platform → DGFiP Tax Authority

E-report

Seller → Invoice data → Seller's PDP → E-invoice (Peppol) → Buyer's PDP → Invoice data → Buyer Business B2B

The accredited PDP:
E-invoice delivery via other PDP
E-reporting via PPF

DGFiP: Direction Générale des Finances Publiques, a government authority responsible for tax administration and collection.

PPF: Portail Public de Facturation, the central government platform for e-reporting

PDP: Plateforme de Dématérialisation Partenaire, a provider that is authorized by the DGFiP to handle e-invoicing and e-reporting

Major dates
B2B e-invoicing & live reporting

- **Large companies**
  - Issuing e-invoices for domestic transactions

- **Single taxpayers**
  - Issuing e-invoices for domestic transactions.

- **All companies**
  - Ability to receive e-invoices for domestic transactions.

01/09/2026

- **Mid-size, small and micro-enterprises (SMEs)**
  - Issuing e-invoices for domestic transactions.

01/09/2027

- o ViDA accepted in November 2024 =>no EU Commission's approval (derogation) needed
- o List of provisionally accredited PDPs published in September 2024 and regularly updated.
- o Avalara blog article about the French timeline: New timetable announced for the French e-invoicing mandate (avalara.com)
- o Details on company size-classification:
  Comment sont classées les entreprises ? | Ministère de l'Économie, des Finances et de l'Industrie et Ministère chargé du Budget et des Comptes pulics

Avalara: An accredited PDP* in France

Avalara is a registered **Partner Dematerialisation Platform** (PDP)

- Avalara's solution Avalara E-Invoicing and Live Reporting:
  - Complies with all the requirements from the French authorities
  - Was approved as a PDP for the upcoming French mandate (starting 2026) with an official letter from 2 September 2024

- Avalara's awarded registration number is #35

- Next step: Interoperability testing with other approved PDP providers / candidates (standard process for all PDPs)

Note: Provisional registration until formal audit and successful testing (SAME as ALL)

> Spain

Spain

E-invoicing / live reporting

- Live reporting mandatory today for all tax payers with revenue over 6 M EUR via SII (Suministro Inmediato de Información)

- Next plans: Use of VERI*FACTU with billing systems (for taxpayers not using SII)

- VERI*FACTU should:

  - Ensure integrity, traceability and conservation of the data

  - Log all events and register a billing record for each operation

  - Allow for continuous, secure, correct, complete, automatic, conse-cutive, instantaneous and reliable transmission of all invoicing records generated by electronic means to the Tax Administration

  - **Add a fingerprint or "hash"** to the registration and cancellation of invoice records

  - Include a QR code on invoices issued through the invoicing systems

Spain

01

Today
Businesses over 6M EUR revenue to live report via SII

02

July 2025
New billing software solution must have VERI*FACTU functionality

03

January 2026
All companies (corporations) must have moved to VERI*FACTU software (if not using SII)

04

July 2026
Self-employed persons, must have changed to VERI*FACTU software

05

2026 (TBC)
Use of e-invoicing for companies with turnover over 8M EUR

Mandatory e-invoicing - plans

- **B2B e-invoicing** mandate in **2026** earliest
  (12 months of the publication of the royal Decree in the state's Official Gazette - which has not been published yet).

- To exchange e-invoices, companies can use the **public billing portal** or **private service providers**

- **4 invoice formats**:
  - UBL
  - CII
  - EDIFACT
  - FacturaE XML (when using the public invoicing portal, only the FacturaE format applies)

- **Invoice status:**
  - The invoice recipient must inform his supplier about the **acceptance**, **rejection**, and **payment**.
  - This invoice status must be sent within 4 days.

- **A digital signature** is mandatory if invoices are exchanged via private service providers (and not the public billing portal).

- A **human-readable** version in addition to the e-invoice during the first 12 months

- Point-to-point **interoperability** among all private service providers. An operator must accept all requests for interoperability (interoperability between providers is free of charge)

- Private service provider requirements:
  - **ISO/IEC 27001**
  - Secured connection protocols
  - Ability to **add a digital signature**,
  - Ability to process all **4 required formats**
  - Service **continuity plan**
  - **99% service availability**
  - 24x7 support services
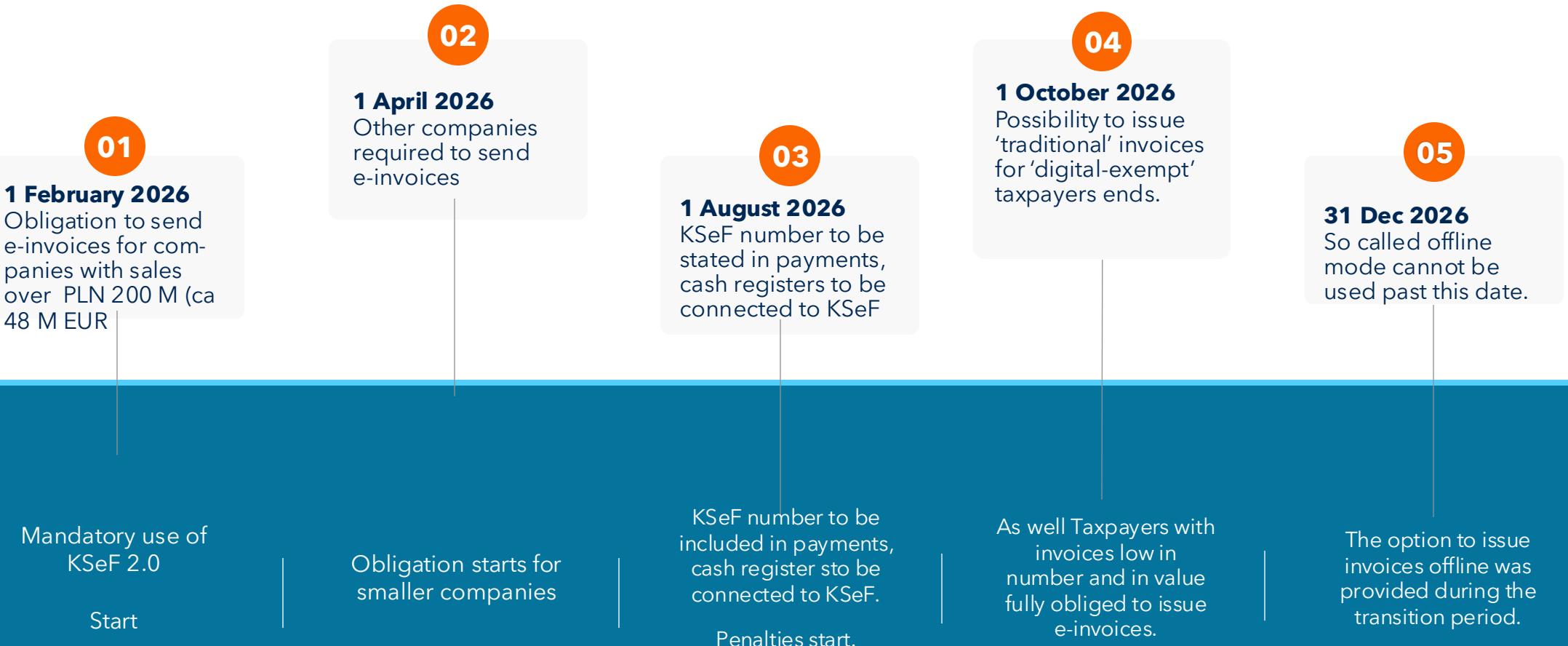 - Ensuring data governance and security, and interoperability
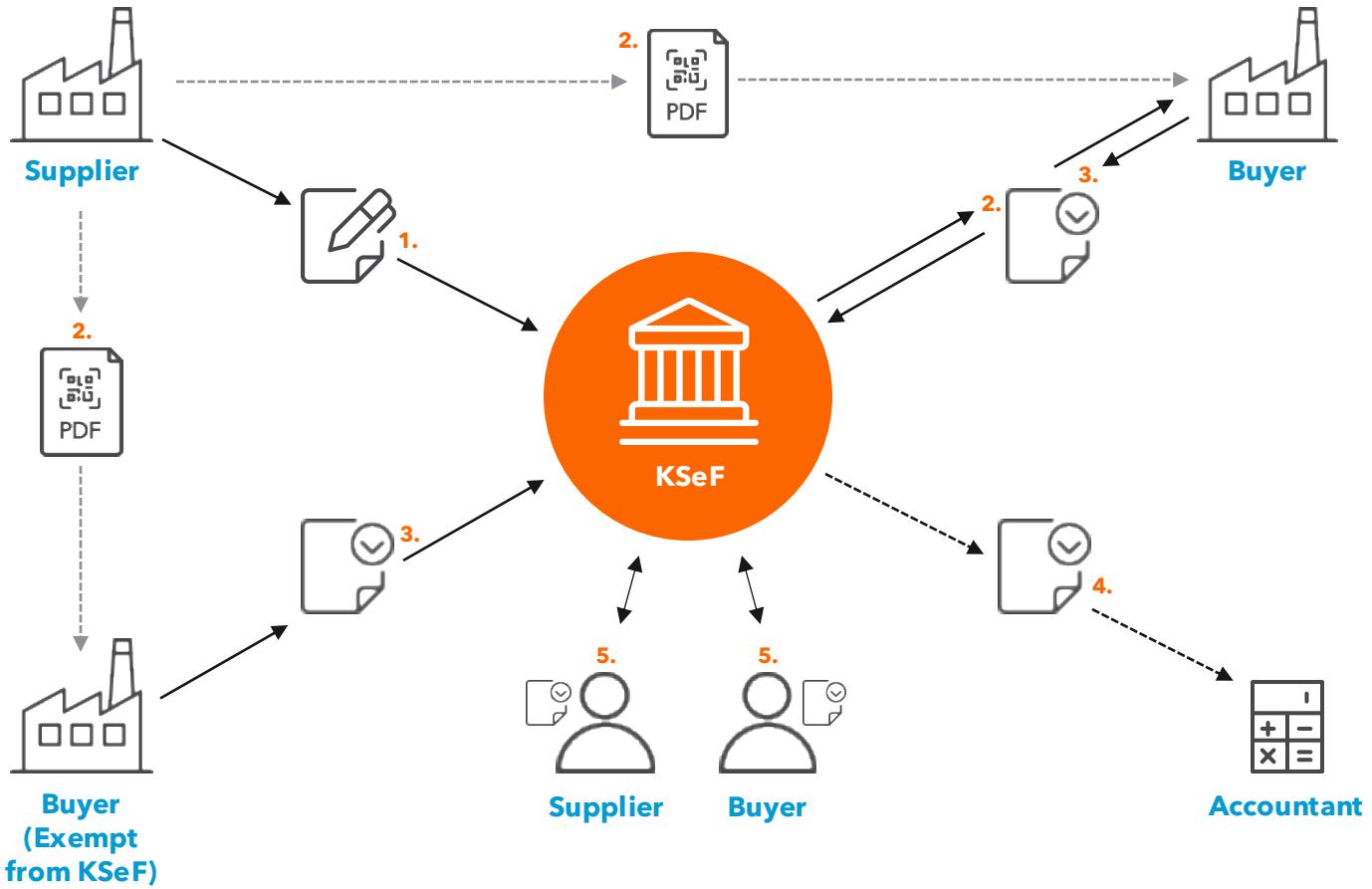
> Poland

Poland
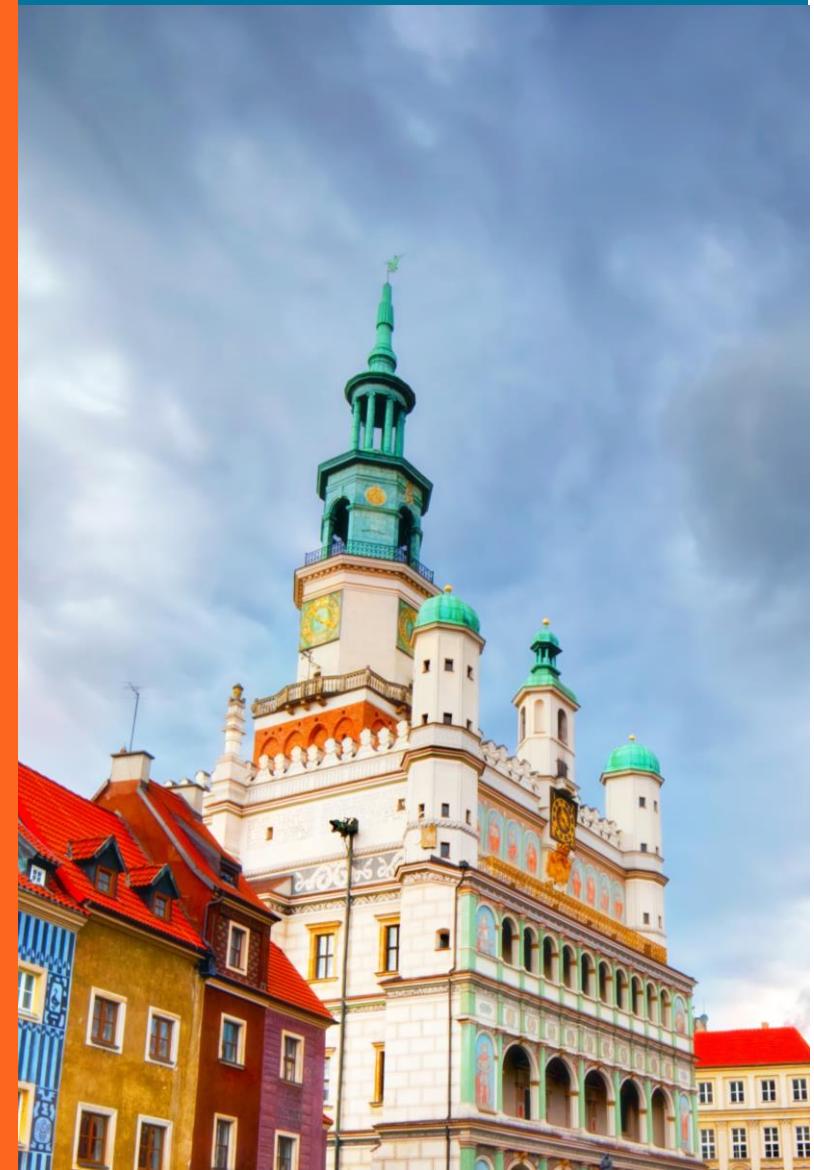
Mandatory e-invoicing

- B2G mandate exists today, **B2B e-invoicing mandatory from 2026,** staged approach with a transition period during the whole year 2026

  - **1 Feb 2026**: Large companies with 2025 sales value (revenue + tax) over 200 M PLN (ca 50 M USD)

  - **1 Apr 2026**: All other companies

- Applicable for companies established in Poland (including foreign VAT registered companies with a fixed establishment in Poland)

- Platform: National System of E-Invoices called **KSeF** (Krajowy System E-Factur) - in version 2.0, tax authority in PL working now on **version 3.0**

- Each invoice must be validated (cleared) by KSeF before issuing it to the buyer

- Free mobile app available to:

  - Manually create e-invoices directly in the app and send them to KSeF
  - Receive delivered e-invoices registered on KSeF
  - Verify the compliance of invoices delivered as PDF

- Polish taxpayers to issue and receive structured e-invoices as an XML format that follows a logical structure (XML format: FA_VAT).

- It will be possible to send an attachment created in KSeF with each invoice

Poland

01

1 February 2026
Obligation to send e-invoices for companies with sales over PLN 200 M (ca 48 M EUR

02

1 April 2026
Other companies required to send e-invoices

03

1 August 2026
KSeF number to be stated in payments, cash registers to be connected to KSeF

04

1 October 2026
Possibility to issue 'traditional' invoices for 'digital-exempt' taxpayers ends.

05

31 Dec 2026
So called offline mode cannot be used past this date.

Mandatory use of KSeF 2.0

Start

Obligation starts for smaller companies

KSeF number to be included in payments, cash register sto be connected to KSeF.

Penalties start.

As well Taxpayers with invoices low in number and in value fully obliged to issue e-invoices.

The option to issue invoices offline was provided during the transition period.

Poland: E-invoicing via **KSeF**

1. The seller issues e-invoice via KSeF (for each e-invoice, KSeF issues an ID and provides it back to the seller)

2. The buyer retrieves inbound e-invoices from KSeF (or receives a 'visual representation' of the e-invoice directly (=PDF with a QR code)

3. If a PDF-invoice was provided, the buyer can verify it in KSeF by scanning its QR code

4. The accounting dept. / external office can access all invoices on KSeF

5. The buyer and the seller have access to all e-invoices (issued and received) on KSeF

> United Kingdom

UK

No mandatory e-invoicing

- UK VAT - formal legal requirements relating to the issuing, receiving and storing of e-invoices (Regulations and Public Notices)

- A supplier must receive the customer's (the buyer's) agreement and acceptance to receive e-invoices.

- UK has a Peppol authority (*England NHS*) – Peppol BIS 3.0 format

- There are many pockets of e-invoicing activities within private sector supply chains, as well as among some public bodies such as the NHS and the devolved administrations

  … this results to a **low to medium level of voluntary adoption** compared to other countries (often through legacy procurement and AP networks or EDI)

- UK environment is supported by baseline regulatory framework (mainly derived from retained EU law)

- Government implemented the EU Directive on electronic invoicing in public procurement

- **"British e-invoicing standard"** exists!
(mirroring the European standard – EN16931

United Kingdom: Open consultation on electronic invoicing: promoting e-invoicing across UK businesses and the public sector

01

September 2024
Announcement of proposed regime at UK Chancellor of the Exchequer's Autumn Budget

02

February 2025
HMRC Department for Business & Trade open consultation on electronic invoicing across UK business and public sector

03

Jul/August 2025
Drafting the proposal for UK e-invoicing framework

04

November 2025
Announcement of proposed regime and consultation outcome at UK Chancellor of the Exchequer's Autumn Budget

05

2029/2030
Potential full mandate launch

- Stage 1: Objectives and identifying options
- Stage 2: Determining the best option; design of an implementation framework incl. detailed policy
- Stage 3: Drafting legislation for the proposed change
- Stage 4: Implementing and monitoring the change
- Stage 5: Reviewing and evaluating the change

2026-27: Technical specifications development and ongoing consultations

2028-30: Building, testing and a pilot phase

> USA

E-invoicing in the United States: Tax isn't the driver

Challenges inhibiting broad adoption of e-invoicing in the U.S.
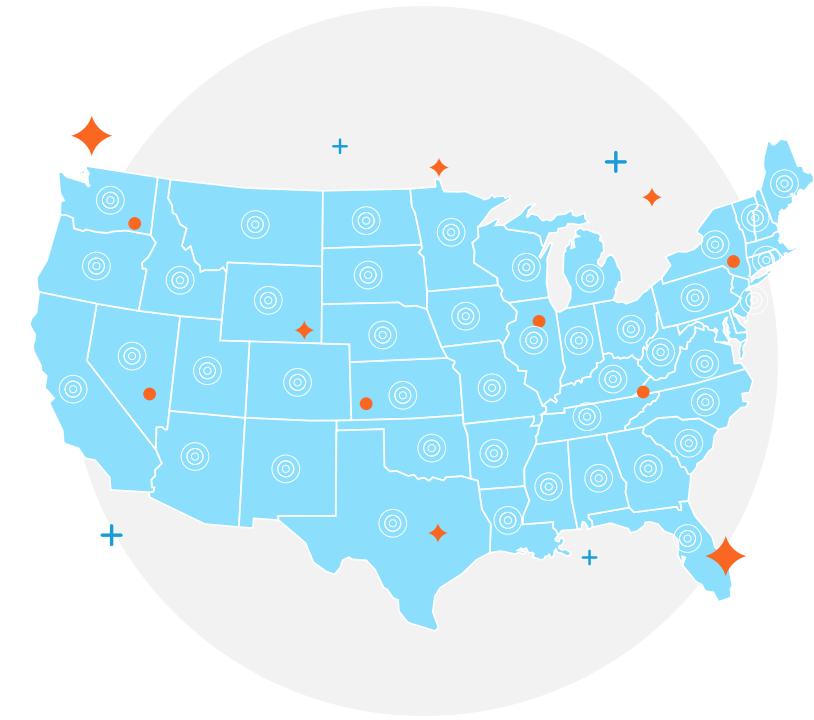
Lack of e-invoicing drivers:

No government authority to establish a framework or to mandate e-invoicing

- Neither at the federal nor the state level
- The U.S. Congress can regulate <u>interstate</u> and <u>foreign commerce</u> only → could mandate a framework for interstate transactions only, which could convince states to adopt it for intrastate sales

No federal VAT/GST system

- No input tax credits (unlike VAT/GST)
- Invoices not considered different from other business documents → No formal tax invoice regulations

> About Avalara

Avalara was created to alleviate the burden of **tax compliance**

KEY FACTS AND FIGURES

In operation since **2004**

More than **51 million** documents / certificates managed by Avalara in 2024

More than **1,300+** signed partner integrations

55 billion AvaTax API calls were made by customers in 2024

More than **6.6 million** returns prepared by Avalara in 2024

Serving **43K+** customers from **75+** countries

GLOBAL PRESENCE

North America

Europe

India

Brazil

15 offices

5,300+ employees

Avalara can help with your VAT compliance end to end

Covering a broad portfolio of VAT-related products and services

Registrations

Classification

Tax Determination

E-Invoicing

Returns and Reporting

> Avalara E-Invoicing and Live Reporting

Avalara E-Invoicing and Live Reporting

Connectivity and Networks

Connectors and pre-built integrations

In development

SAP
- SAP S/4HANA
- SAP ECC
- SAP Business One

ORACLE NetSuite

ORACLE
- Cloud ERP

EPICOR
- Kinetic ERP
- Iscala
- EDI

Fiscal Solutions

CERM

nue

education horizons

Priority

Acumatica The Cloud ERP

Microsoft Dynamics 365 Business Central W1 Version

workday.

Logistaas

Adobe Commerce (formerly Magento)

Blackline*

BigCommerce

Certinia by PhiX

Coupa

Emagia

Expedite Commerce

imenuapps

Infor Syteline

3DS (Dassault/IQMS)

JustOn

Light.inc*

Macola by Eci

Maxio

Microsoft Dynamics 365 Finance (NA Version)

Microsoft Dynamics GP

Microsoft Dynamics 365 Commerce

Microsoft Dynamics 365 Project Operations

Nitrobox

Northbridge

Nue

Pex Software

Oracle E-Business Suite

Oyster Network

Salesforce

SAP Ariba

SAP ByDesign

SAP CAR

SAP Concur

SAP Fieldglass

Solvimon

Stripe

Subskribe

Teamwork

WooCommerce

ZUORA

*Embedded Solution Powered by Avalara

IDC MarketScape names Avalara a leader in e-Invoicing

in European Compliant e-Invoicing Solutions 2024

"After a thorough evaluation of Avalara's strategies and capabilities, IDC has positioned the company in the Leaders category in this 2024 IDC MarketScape for European Compliant E-invoicing solutions."

IDC MARKETSCAPE

European Compliant e-Invoicing Solutions 2024

2024 Vendor Assessment (doc #EUR151806424, September 2024)

The complexity and volatility of e-invoicing regulations worldwide demand a single, comprehensive solution that can handle compliance across multiple countries. By adopting a solution that has wide coverage and integrates seamlessly with finance and ERP systems, businesses can not only stay compliant but also unlock opportunities to automate processes and improve efficiency.

Avalara ELR offers a way for organizations to reduce the burden of e-invoicing compliance while streamlining their operations through one unified platform."

Edyta Kosowska, IDC

Thank you

Q & A