



Act Now to Avoid Operational Disruption: Why Your Organization Needs a Global E-invoicing Strategy Now

Monday, June 10, 2024

Ahead
of the **wave**

2024 U.S. Cross-Border Tax Conference



Notices

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With you today

Kathya Capote Peimbert

Managing Director

Global Lead E-invoicing and Digital Reporting
KPMG U.S.

Paula Smith

Managing Director

Indirect Tax Technology
KPMG U.S.

Christiaan Van Der Valk

GM Indirect Tax Technology

Sovos

Philippe Stephanny

Managing Director

Indirect Tax, Washington National Tax
KPMG U.S.

Agenda

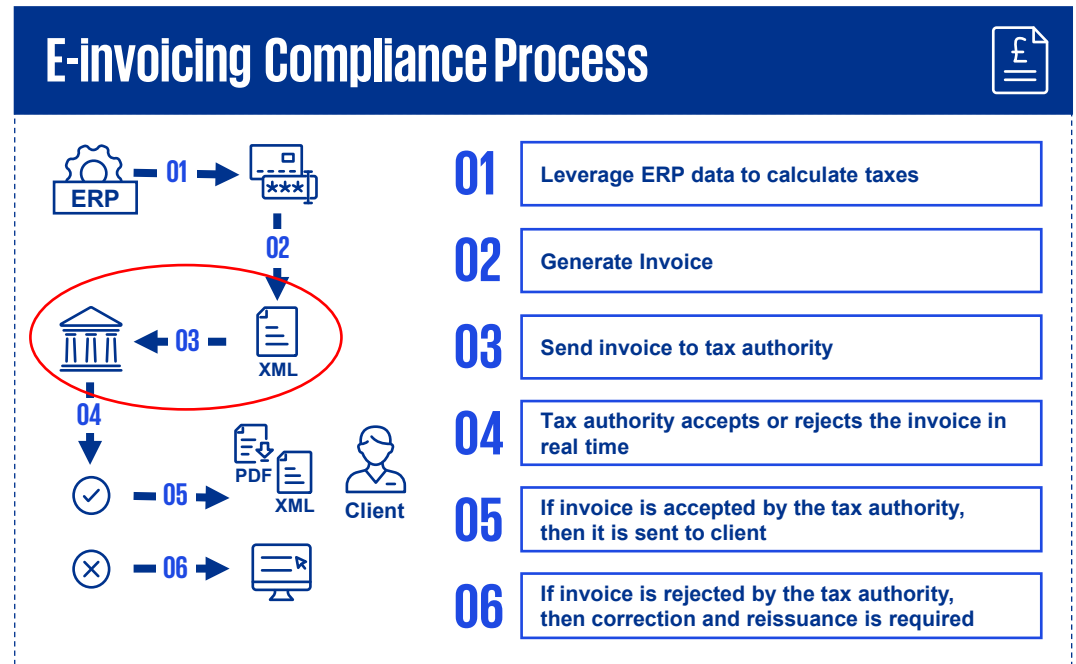
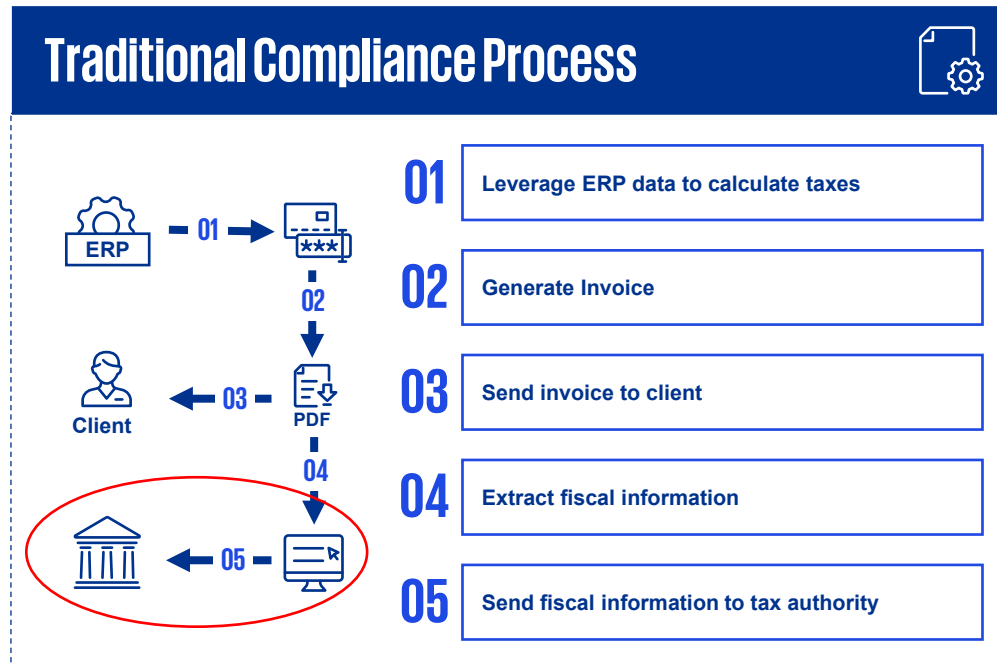
- 1. E-invoicing 101**
- 2. Practical implications**
- 3. Developing a compliance strategy**

Setting the scene : what do we mean by e-invoicing?

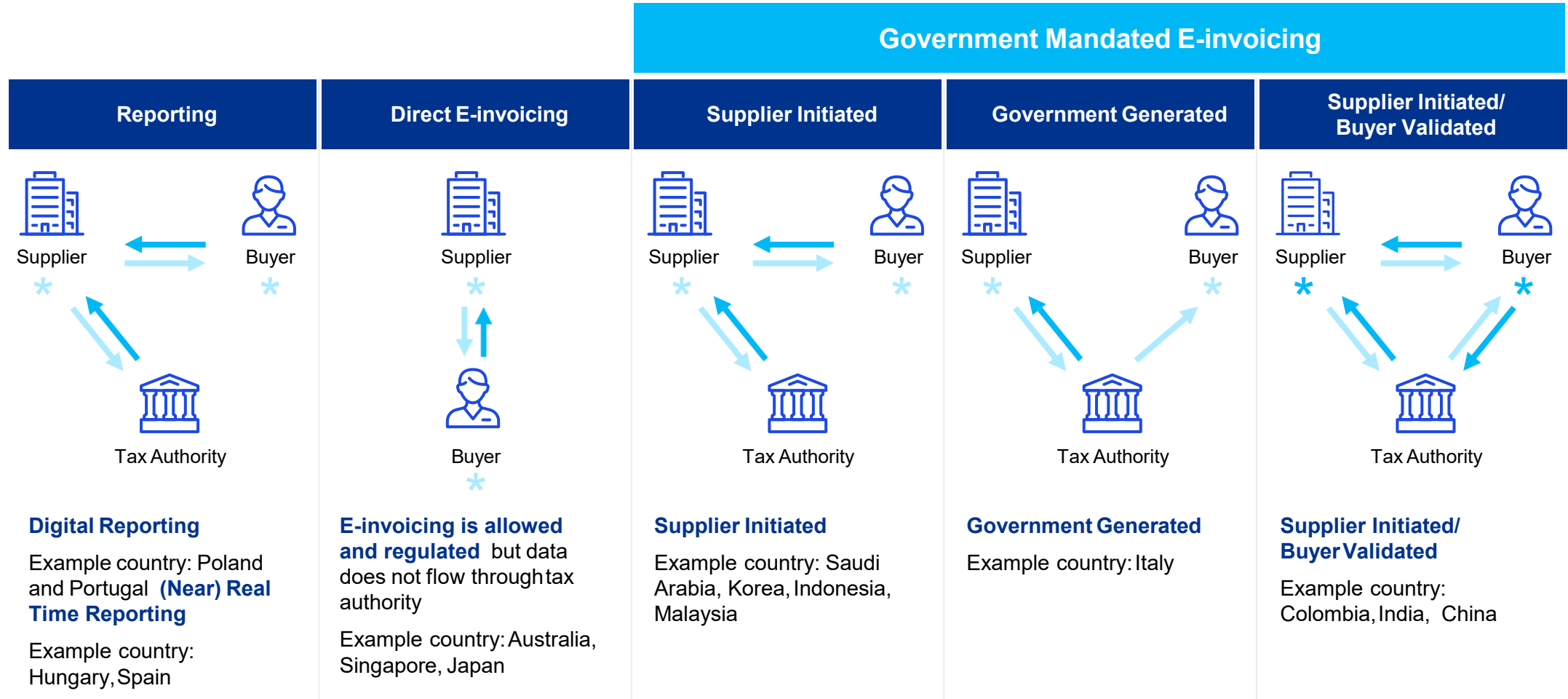
An “E-invoice” is any digital document that is created as a set of structured data in a specific format or schema specified by the tax authorities.

The process of “E-invoicing” involves the electronic transmission of E-invoices to and from taxing authorities pursuant to government mandates as a precondition to issuing a government-approved E-invoice to a customer.

Some common schemas used in e-invoicing mandates are EDI, XML and JSON.



Different models of e-invoicing and digital reporting



Practical implications of e-invoicing

- Governments all over the world are transforming the business process whereby vendors seek payment from customers for sales of goods and services
- E-invoicing mandates inject tax authorities as intermediaries between vendor and customer in the invoicing process for commercial transactions
 - When Vendors submit E-invoices for pre-issuance approval by Tax Authorities, all data elements and process requirements must be strictly met, or the E-invoice will be rejected
- **Bottom Line: unless a company implements an E-invoicing process that is compliant with the tax authority mandate in each country, the company cannot obtain payment for sales of goods or services to its customers.**

What is the cost of non-compliance?



**Non-compliance is
not an option**



Business Impact

- Invoices not being paid
- Shipments being blocked
- Reputational Damage



Penalties

- Criminal penalties
- Financial penalties (e.g., fixed amount or invoice percentage amount per offense)
- Closing stores



Tax Deductibility

- Loss of CIT deductions
- Disallowed VAT/GST Credits
- Delay in refunds

Compliance regimes: 2000

Evolution of e-invoicing



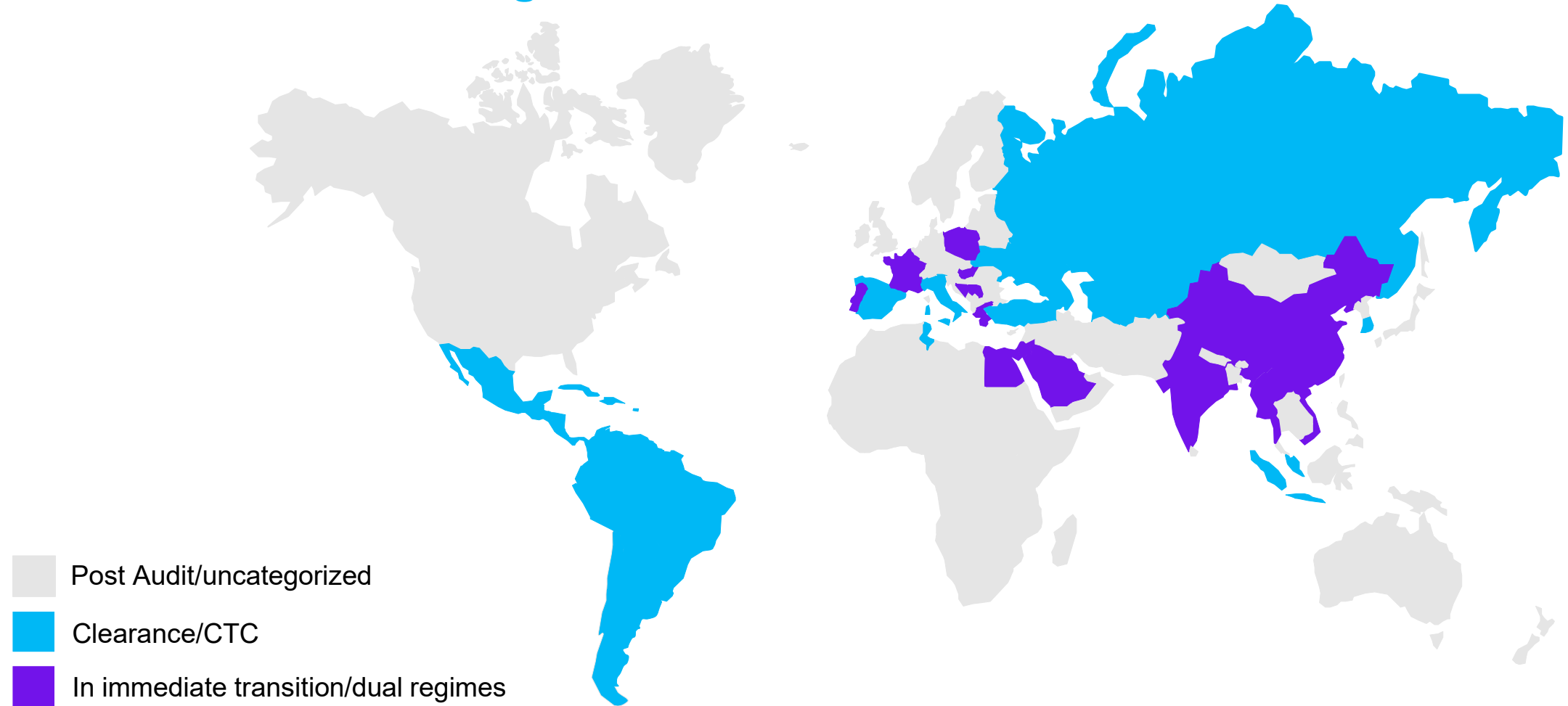
Compliance regimes: 2015

Evolution of e-invoicing



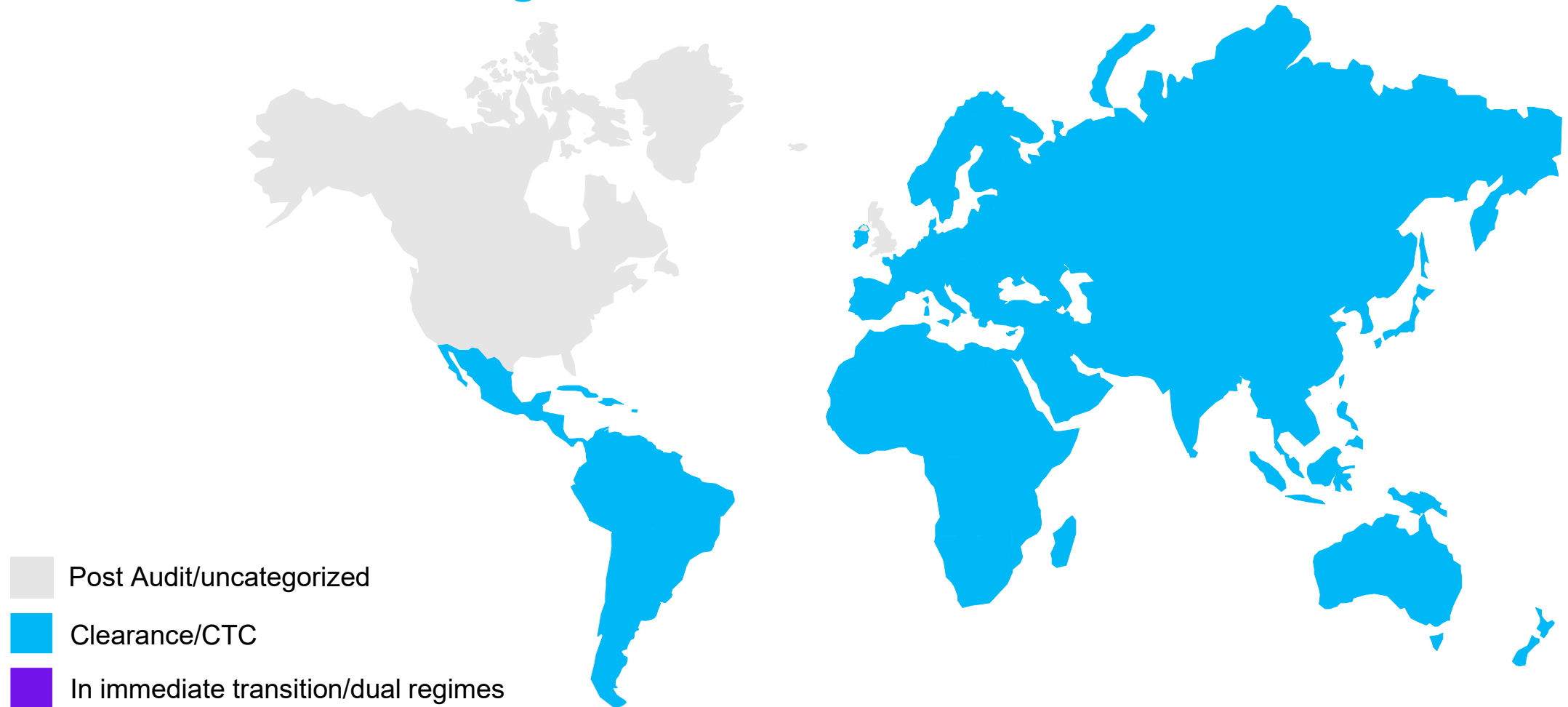
Compliance regimes: 2020

Evolution of e-invoicing



Compliance regimes: 2030?

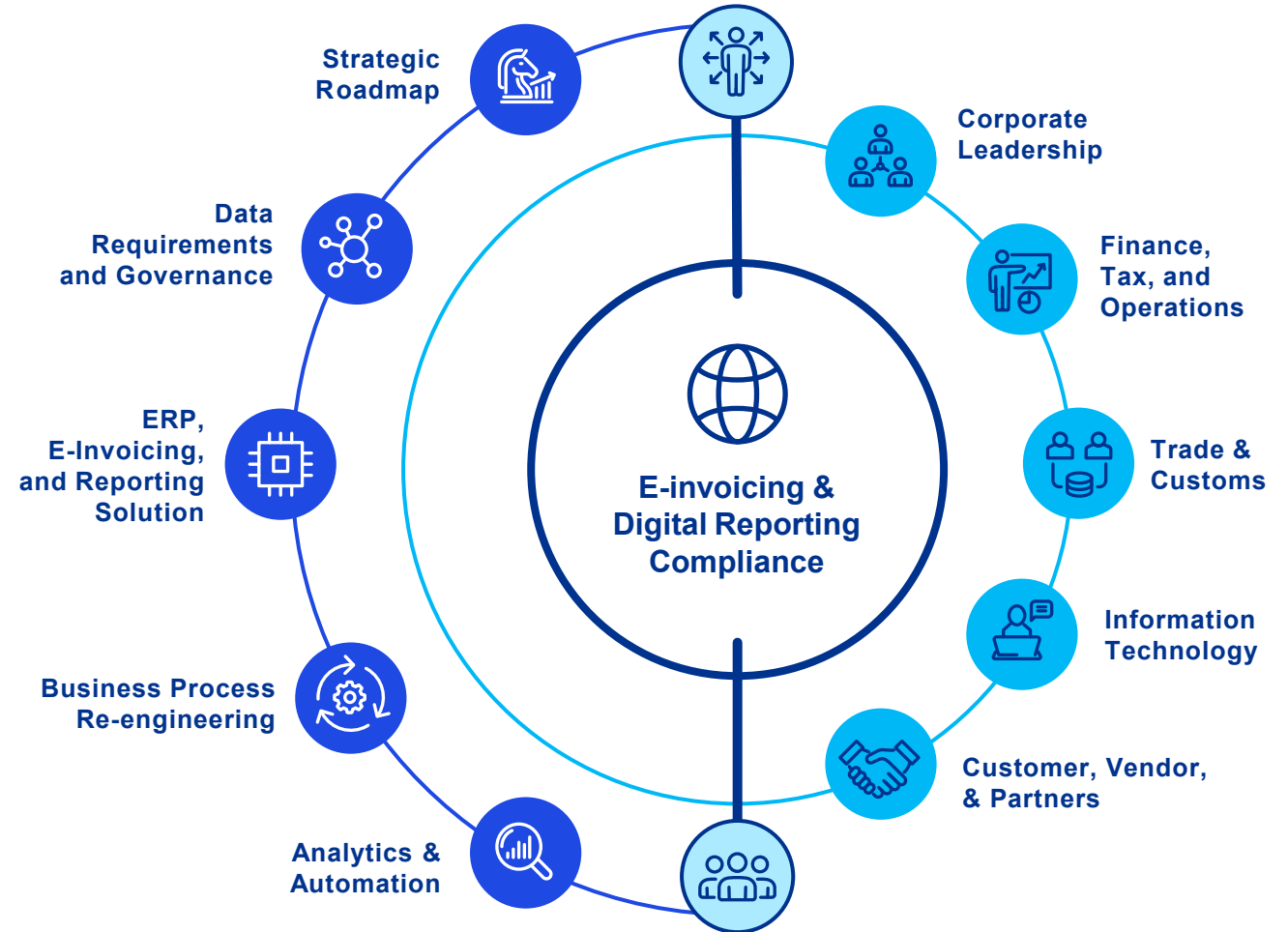
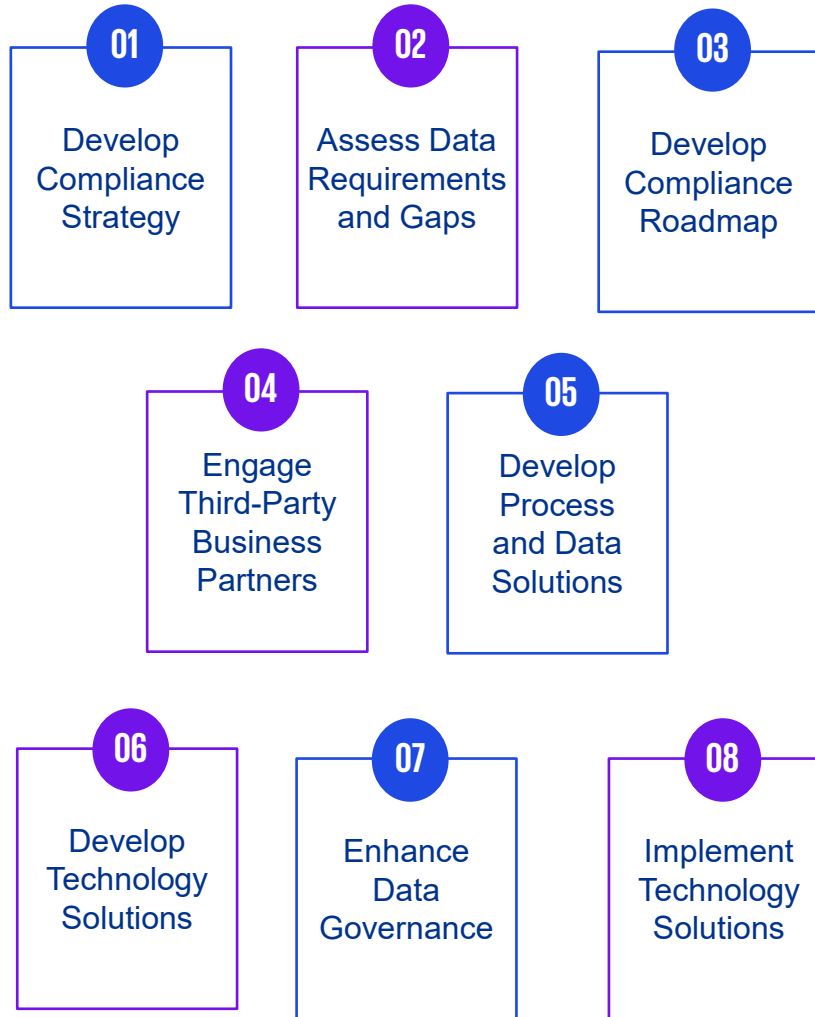
Evolution of e-invoicing



Impact on U.S. companies engaging in international transactions

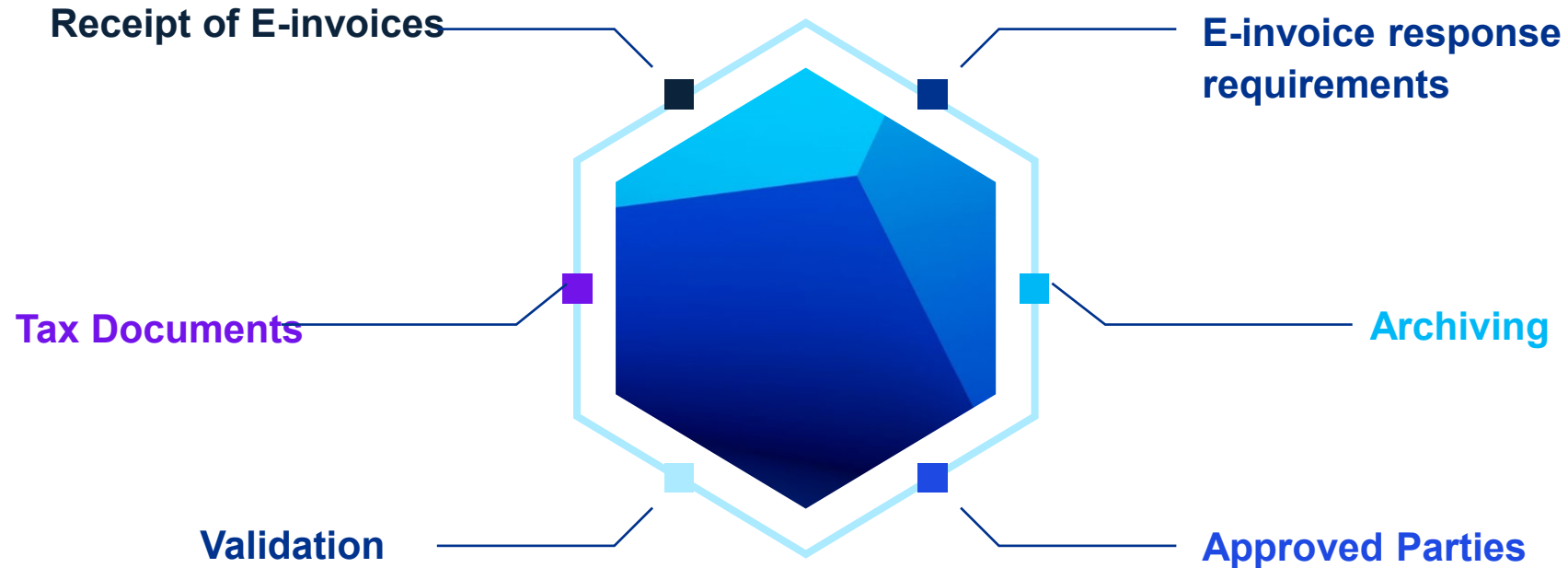


Developing a global compliance strategy



AP considerations

The rise of e-invoicing, driven by digital evolution, has increased responsibilities for taxpayers, especially in Accounts Payable (AP)



Q&A

A large, powerful blue wave is crashing, creating a massive white foam curl. The sky above is a vibrant mix of purple and pink, suggesting a sunset or sunrise. The overall scene is dynamic and visually striking.



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