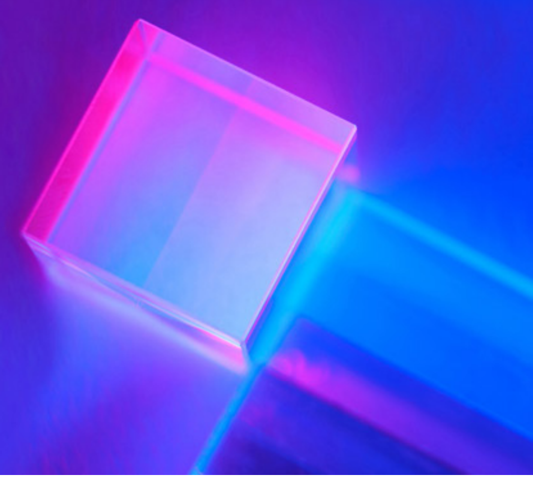
KPMG

E-invoicing and digital reporting services

A strategic approach to global compliance

KPMG Indirect Tax Technology practice



The challenge

Tax administrations are increasingly adopting e-invoicing and digital reporting mandates to automate the tax reporting process. This trend is leading to a more digitalized world of taxation and compliance, providing tax authorities with real-time visibility into end-to-end supply chain transaction data and the ability to use advanced data interrogation tools for audit purposes. The introduction of new e-invoicing and digital reporting requirements and the evolution of technologies used by tax administrations to implement these requirements in recent years is disruptive not only for a business's tax department but also for the business operation as a whole. Added to this comes a lack of harmonization, a demanding compliance calendar, and a constantly changing regulatory environment, which further increase the challenges encountered by businesses to comply with these requirements.

As a result, there is an increasing need for businesses to adopt a proactive approach to address these changes, starting with a clear understanding of where they are obliged to comply with these requirements and upcoming changes that may impact their business, along with a defined tax technology strategy that includes having an e-invoicing and digital reporting implementation plan as noncompliance can have a significant impact on the business.

What if you are not prepared?

Not proactively addressing these changes can negatively impact the organization in the following ways:

- **Customer and supplier impact**—Customer and supplier relationships could be impacted due to lack of compliance:
  - Inability to issue compliant sales invoices may lead to nonpayment
  - Invalid AP functionality may make it impossible to receive invoices and pay vendors
  - Reputational risk
- **Tax deductibility**
  - Not having compliant e-documents may impact the ability to deduct taxes or request refunds
  - Noncompliance could lead to inability to correctly adjust returns and/or increased audit exposure
- **Penalties and fees**
  - Penalties and interest might apply on a "per noncompliant" e-document basis
  - In some jurisdictions criminal charges are applied
  - In countries where the tax authority leverages "blacklists" to track taxpayers' behaviors, transacting with blacklisted taxpayers can result in closure of operations and costly penalties.

How can KPMG assist?

KPMG LLP (KPMG) follows a holistic global approach to help clients meet their local e-invoicing and digital reporting requirements. Our goal is to provide targeted but scalable e-invoicing and digital reporting solutions that facilitate a global strategy while addressing the nuances of country-specific requirements. These include:

E-invoicing and digital reporting regulatory update service—Customized cloud-based regulatory updates based on your business's tax footprint, detailing the status and scope of e-invoicing and digital reporting mandates and local jurisdiction requirements.

Readiness assessment/strategic roadmap—We help you determine where you are required to comply with e-invoicing mandates on a country-by-country basis, including undertaking a current-state system readiness assessment and providing an implementation roadmap to meet the identified e-invoicing requirements.

Solution selection—KPMG has alliances with major e-invoicing providers and extensive experience implementing the solutions globally. We leverage this experience to assist you with determining which e-invoicing vendor solution best fits your needs.

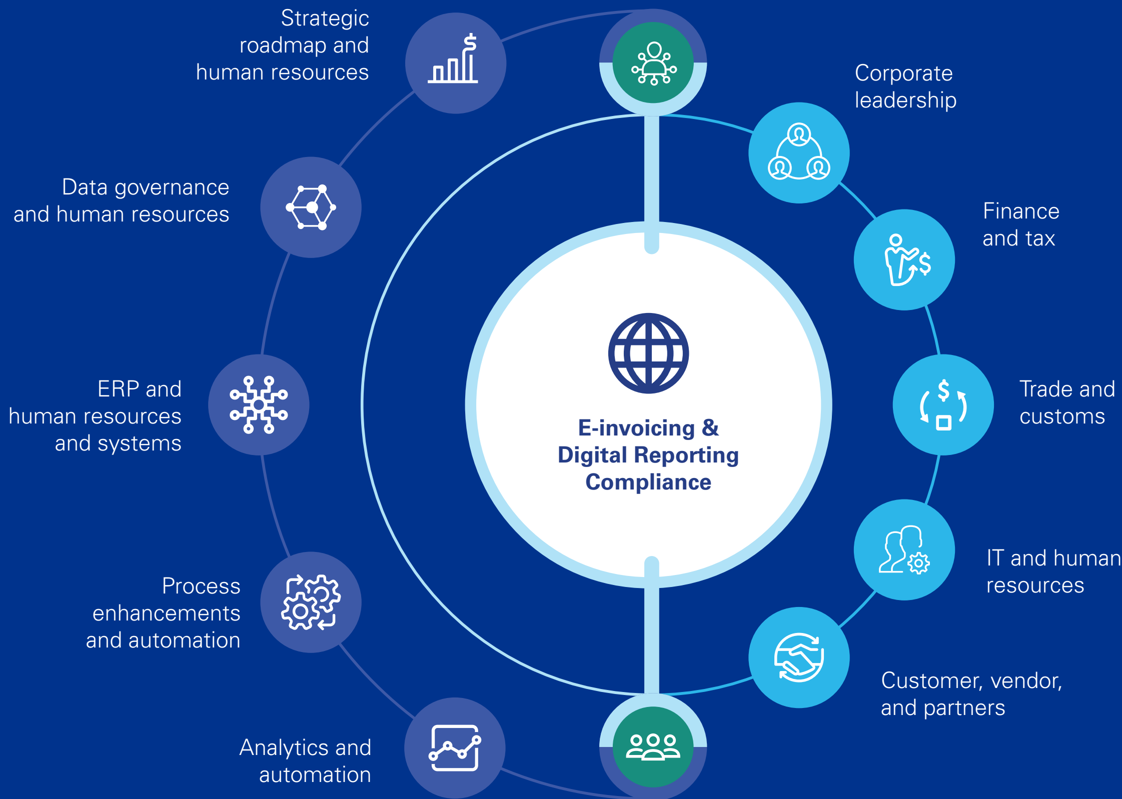
Efficient implementation—We use a leading methodology to support you in your implementation journey. From planning, system design, and development, through to testing and go-live support, we help ensure the chosen solution will effectively handle your e-invoicing and digital reporting compliance requirements. Our team, comprised of tax technologists and VAT specialists, will work side by side with your business, IT, tax, and other third-party stakeholders to help ensure a successful implementation.

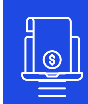
Compliance technology tools—We have developed a number of supplemental tools to assist with overall e-invoicing compliance, including tools that facilitate reconciliations with government authorities' records.

Long-term solution support—Managed services support leveraging the KPMG technologists and VAT specialists to handle day-to-day error messages from the e-invoicing provider or tax authorities, to help ensure your invoicing process is not disrupted.

Adopting a centralized strategy is critical for success

Implementing a global e-invoicing and digital reporting compliance strategy involves a multi-phased approach and touchpoints throughout the organization. We can support you with developing your e-invoicing and digital reporting strategy, helping ensure all stakeholders and touch points within your organization are addressed.





New!
E-invoicing developments timeline
To help businesses stay up-to-date with tax administration developments in e-invoicing, digital reporting, and real-time reporting, we have developed an E-invoicing calendar of developments that will be regularly updated. View it here.

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