KPMG

Diving into Electronic Invoicing: From Mandates to Continuous Compliance

Transforming tax.
Redefining connections.

2025 US Cross-Border Tax Summit

With you today

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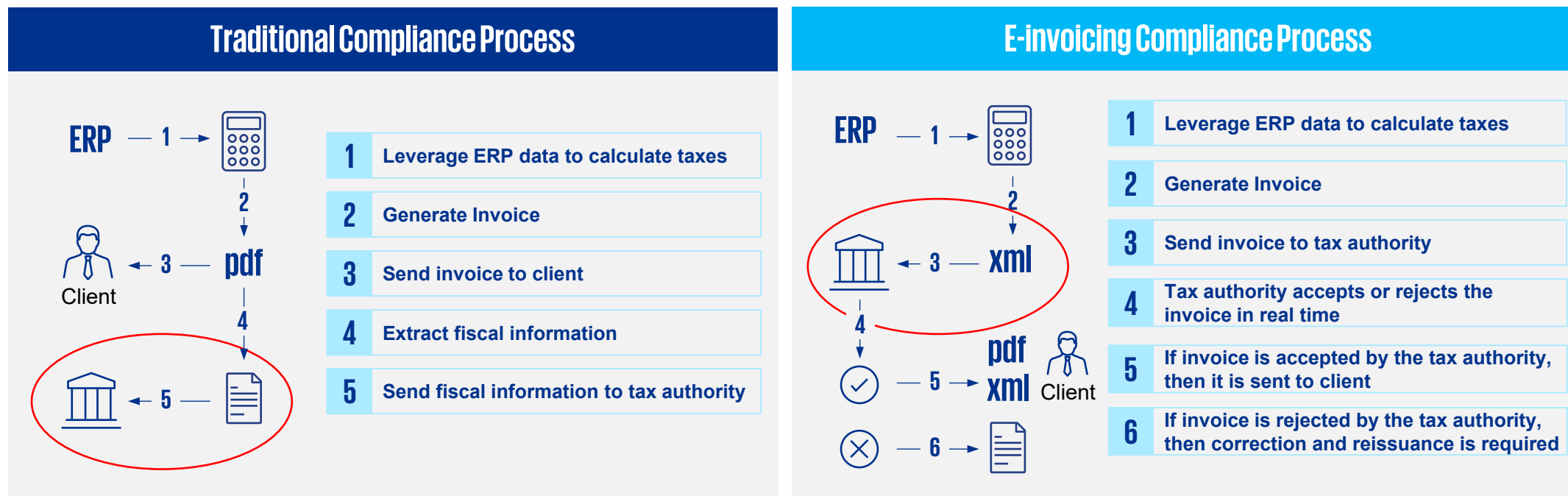
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01

Introduction

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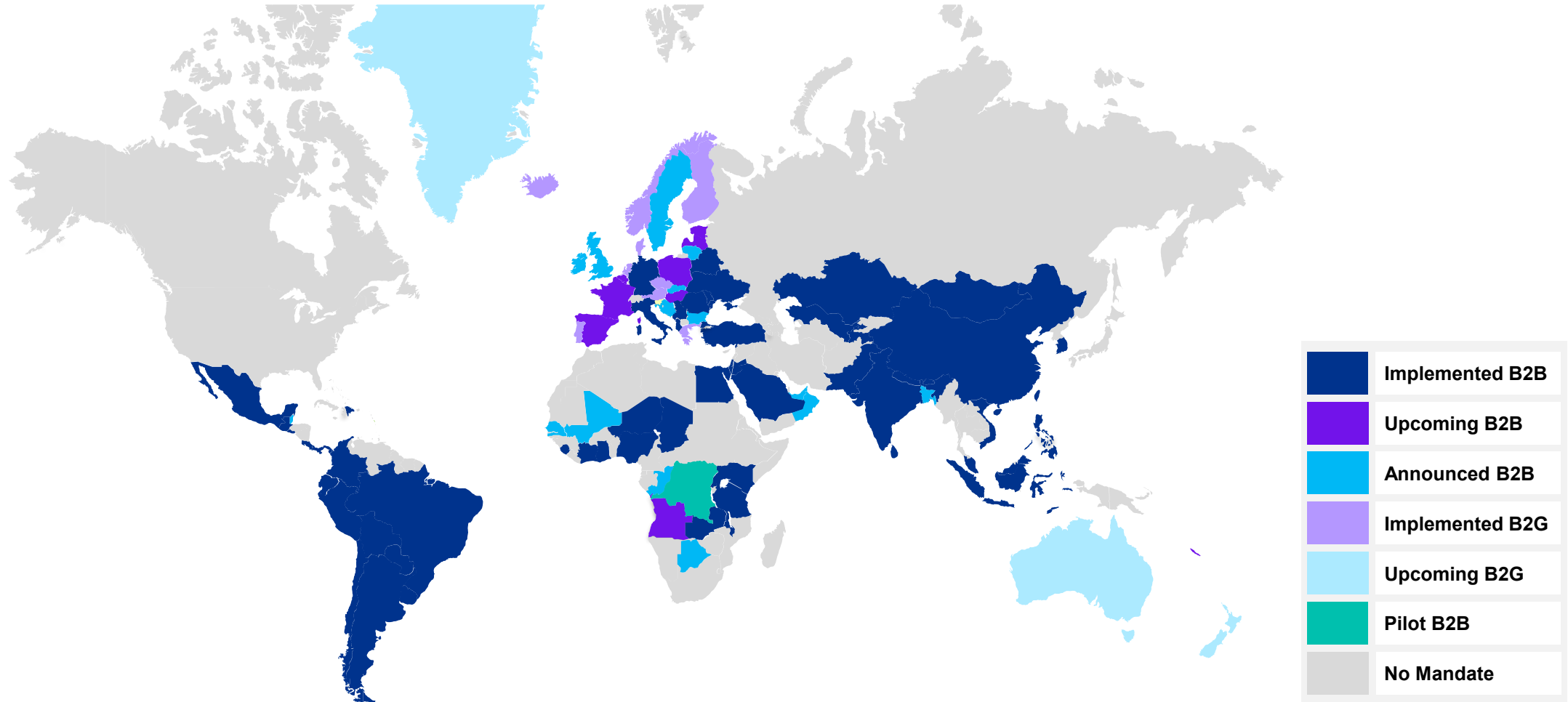
Some common schemas used in e-invoicing mandates are EDI, XML and JSON.

Traditional Compliance Process

ERP — 1 → (calculator)

Client — 3 — pdf

(bank) ← 5 — (document)

1	Leverage ERP data to calculate taxes
2	Generate Invoice
3	Send invoice to client
4	Extract fiscal information
5	Send fiscal information to tax authority

E-invoicing Compliance Process

ERP — 1 → (calculator)

(bank) ← 3 — xml

(check) — 5 → pdf xml Client

(x) — 6 → (document)

1	Leverage ERP data to calculate taxes
2	Generate Invoice
3	Send invoice to tax authority
4	Tax authority accepts or rejects the invoice in real time
5	If invoice is accepted by the tax authority, then it is sent to client
6	If invoice is rejected by the tax authority, then correction and reissuance is required

02

Trends in e-invoicing

E-invoicing Regulations around the World

Legend:
- Implemented B2B
- Upcoming B2B
- Announced B2B
- Implemented B2G
- Upcoming B2G
- Pilot B2B
- No Mandate

Trends and expectations for the near future

01

More countries establishing new mandates

- EU mandates cross-border e-invoicing effective 2030 (ViDA)
- Countries already planning implementation of mandates (e.g., France, Poland and Belgium starting in 2026)
- Countries considering implementing mandates (e.g., Australia, New Zealand, UAE)

02

E-invoicing becoming the standard in B2G procurement around the world

- All EU countries required to comply by mandate of EU commission
- Various ASPAC considering establishing similar systems

03

Further expansion of e-invoicing mandates in countries with existing mandates:

- New groups of taxpayers mandated to join the system (e.g., Egypt, India, Peru, Saudi Arabia)
- More granular data will be requested by governments
- Increased complexities added to the invoices: more secure digital signatures, QR codes
- New specialized e-invoices applicable in certain sectors: e.g., new e-invoice types in the health sector in Italy and Colombia
- Reduced deadlines for compliance with digital reporting.
- New business activities and transactions subject to separate mandates: e-waybills, factoring, e-payroll.

Trends and expectations for the near future

01

Increased integration of Machine Learning techniques and AI to e-Invoicing and Digital Reporting system

AI technologies are being integrated to the e-Invoicing system to help government to identify tax avoidance patterns and proper tracking of compliance.
(MX, CL and BR leading)

02

Integration of the e-Invoicing platforms with other public and private platforms

- Countries are integrating other public services to the e-Invoicing system such as social security, foreign currency exchange control, factoring platforms, credit rating agencies etc.
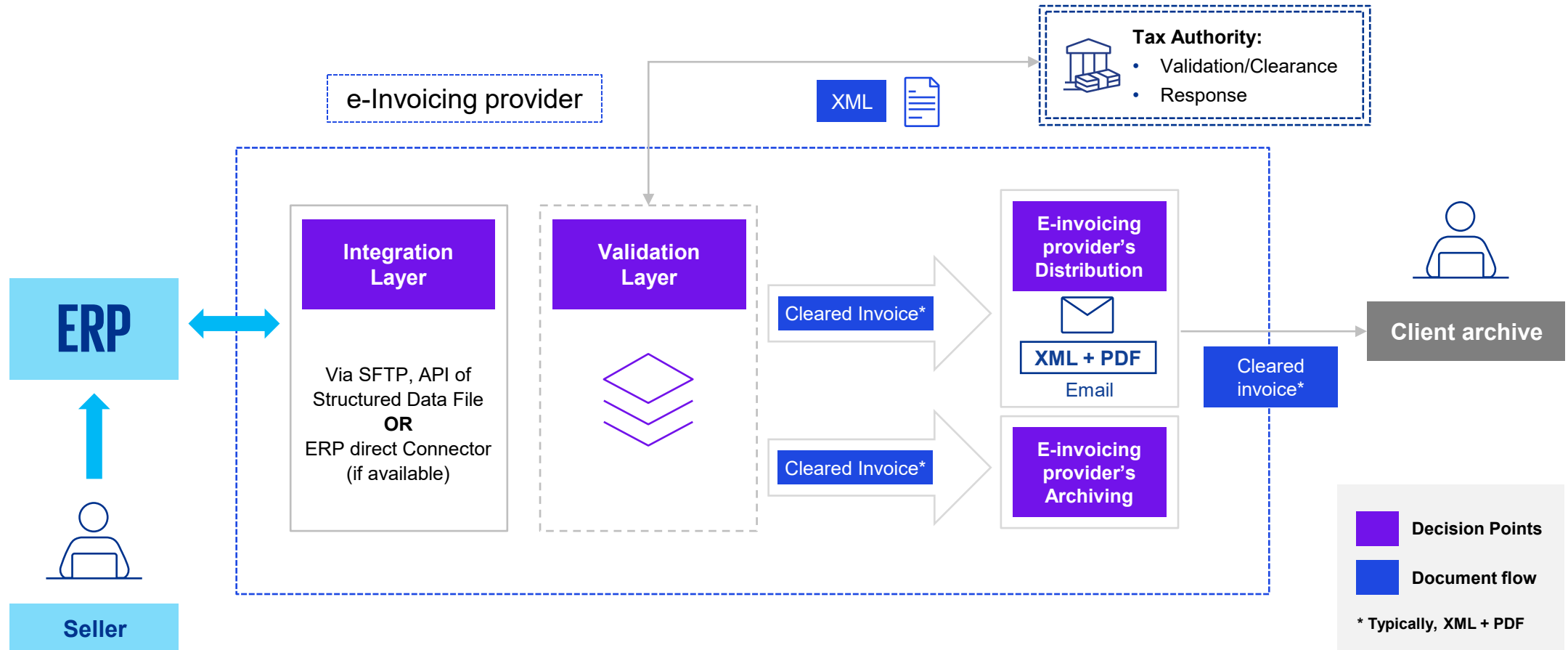
03

New incentives to adopt e-Invoicing systems

- Faster refunds for overpaid taxes for businesses complying with the e-Invoicing and digital reporting mandates.
- New incentives for businesses and consumers: e.g., tax lotteries based on e-invoices, tax holidays, and reduction of reporting obligations for businesses issuing e-invoices.
- Faster collection of payments based on e-invoices.

03

Impact – ERP, E-Providers and Data

e-Invoicing Providers – System Landscape Flow: How do they fit into the broader enterprise process and system landscape?

Tax Authority:
- Validation/Clearance
- Response

e-Invoicing provider

XML

ERP

Integration Layer

Via SFTP, API of Structured Data File
OR
ERP direct Connector (if available)

Seller

Validation Layer

Cleared Invoice*

Cleared Invoice*

E-invoicing provider's Distribution

XML + PDF

Email

E-invoicing provider's Archiving

Cleared invoice*

Client archive

Decision Points

Document flow

* Typically, XML + PDF

Impact on U.S. companies engaging in international transactions

01 **Operational impact:** Understanding e-invoicing and digital reporting requirements, the impact to current processes, the departments required to be involved, technical components, and required process changes

02 **Global vs Local Approach:** Depending on the countries of operation, identifying a cost efficient and scalable approach to e-invoicing and digital reporting implementations

03 **Ownership & Support:** Identifying key owners that can lead cross-functional collaboration, drive implementations forward, and secure leadership support

04 **Systems Architecture:** Ensuring the systems where data is stored are identified, can be extracted, and transformed to meet specific formatting requirements

05 **Master Data & Processes:** Mandates require the collection of an extensive amount of data, including validation of specific customer information, as well as changes to current processes such as method of issuing invoices

06 **Additional challenges:** Required use of software, mandated usage of third-party providers, timing of data transmission, customer invoice validation, and parallel period of e-invoicing and paper invoicing can cause further challenges

Impact on e-Invoicing Providers: how do they fit into the broader enterprise process and system landscape?

01 **Compliance with local requirements:** Understanding e-invoicing specific country requirements and mandates

02 **Integration Capabilities:** Native vs. Open API. Consider the use of unified integration formats vs. Individual integrations per country

03 **Document Types/Formats:** Consider all types of e-documents a company can issue including credit notes, cancellations, self-billing, etc.

04 **Customer Support:** Structure of support team and country coverage, Language, Disaster Recovery Plan, etc.

05 **Certifications:** Comply with specific country eProvider certifications such as digital certificates, stamps, digital signature, Peppol access points etc.

06 **User-Friendly Interface:** Consider capabilities such as reconciliation of eInvoices, Management of error handling, Data transformation etc.

04

Digital Approach

Accelerators

KPMG's innovative GenAI capabilities and Digital Gateway are poised to transform global e-invoicing compliance with a suite of advanced tools and insights. At the core is the Global E-invoicing Developments Dashboard, which empowers businesses to navigate the complex international e-invoicing landscape. This dynamic dashboard offers insights into e-invoicing mandates and tracks changes across jurisdictions. Leveraging advanced analytics, KPMG evaluates these developments and conducts tailored system assessments to ensure compliance and enhance efficiency. Additionally, KPMG's state-of-the-art GenAI capabilities enable profound data analysis using pre-existing prompts and customized personas for specific jurisdictions, effectively interpreting e-invoicing requirements. Together, GenAI and the Digital Gateway empower businesses to confidently manage global e-invoicing obligations, optimize processes, and maintain a competitive edge in a rapidly changing regulatory environment.

GenAI

Personas

Prompts

Digital Gateway
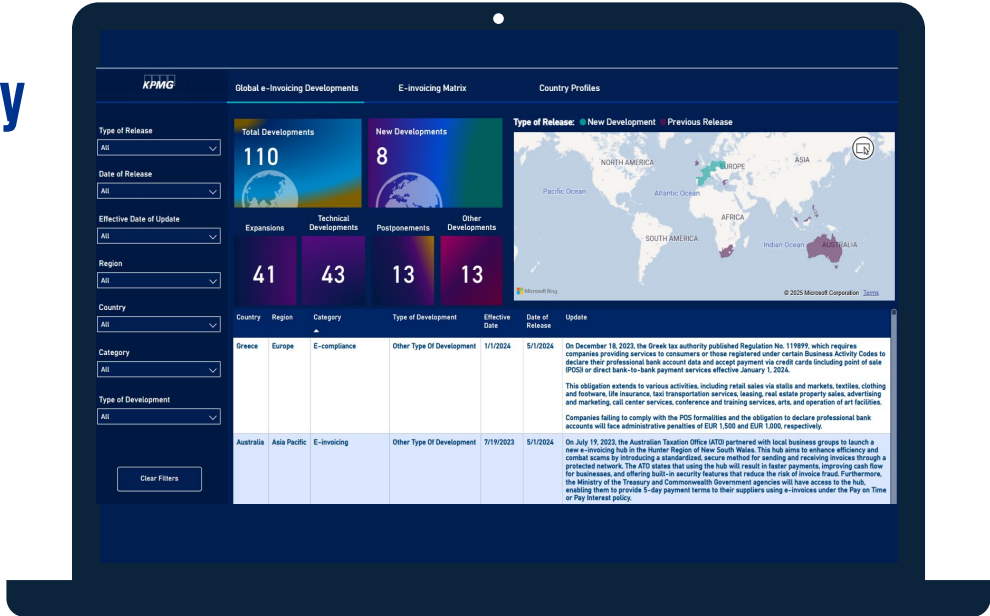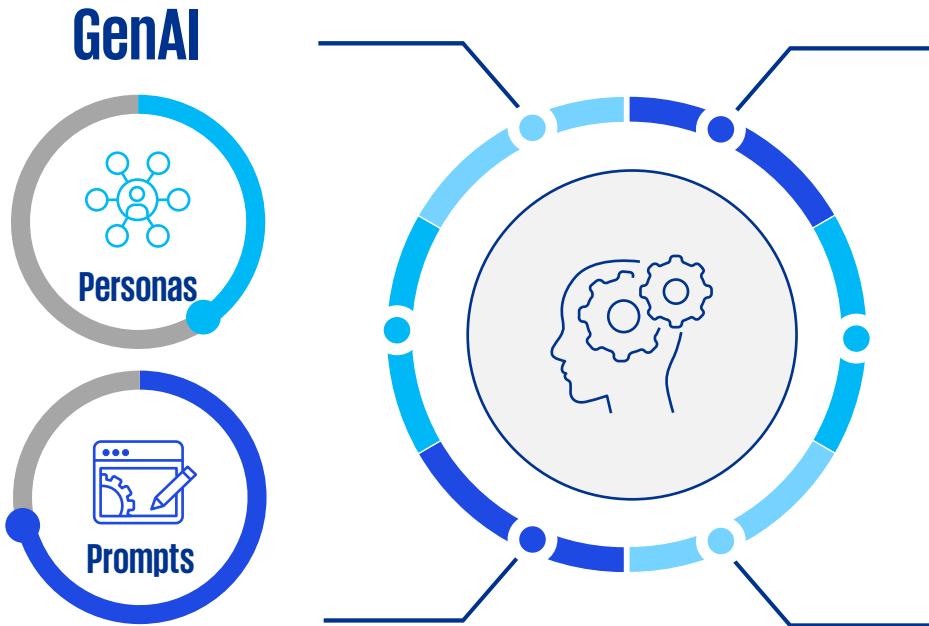
Country Level Requirements Execution

KPMG has done this before and has a well-established process. KPMG uses a multifaceted approach, starting with the gathering of developments which is done through a combination of technology to scrape tax authority websites, utilizing a dedicated KPMG Global Services (KGS) team overseas that actively searches for updates, and leveraging the KPMG network including the International Indirect Tax team and KPMG member firms. The entire process is overseen by our Washington National Tax practice who then review the information for accuracy and transform it, with the final approved developments pushed to Digital Gateway. The KPMG E-invoicing Center of Excellence uses the Digital Gateway platform data along with additional technical documents as the foundation to generate deliverables customized for each client's footprint.

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Process flow boxes:
- KGS Research
- International Indirect Tax Team Input
- KPMG Member Firms Feedback
- Scraping Tax Authority Websites

→ Data input → [laptop showing Global e-Invoicing Developments dashboard] → Data extract →

KPMG E-invoicing Center of Excellence

Data is complied from Digital Gateway and technical specifications are gathered from tax authorities to generate deliverables

→ **Data Requirements File** (E-invoicing Data Fields)

→ **Business Requirements Documentation**

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Thank you!

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