How Macro-economic Trends are Changing B2B Transactions

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Macro Trends In E-invoicing
**Global Macro Trends In E-invoicing**

By 2030, 60% of countries will have implemented an e-invoicing obligation.
*Gartner 2020*

By 2025, 75% of all invoices globally (510 billion) will be exchanged with the tax authorities in (near) real-time.
*SOVOS, 2023*

8 countries in the EU27 will implement an e-invoicing mandate in the next 24 months. Globally there will be at least 13 new e-invoicing obligations.
*EU commission and OECD, 2023*

Why Is This Happening?

REVENUES

• Health care costs and ageing population
• COVID-relief spend recouperation (11 TR USD)
• Steep increase in defence expenditure
• Cost of energy transition
• Environmental pressures

FOCUS

• Government hunger for data to feed fiscal policy
• COVID focused governments on digitization and transformation
• Use of AI to detect fraud patterns and VAT collection opportunities

EVIDENCE

• Reduced VAT Gap by up to 50%
• Gap reduction €3.1 Billion
• 10-11% of VAT gap
Focus On VAT Collection Is Accelerating E-invoicing Mandates

VAT gap in the European Union

- Total revenue loss of 9.1%

- 70+ countries impacted by obligations
- 50+ new obligations on the horizon
- 60% of global GDP impacted

Source: PwC
VAT/GST: 30% of national revenues

Tax on consumption is considered ‘fairer’

Need to avoid contraction of income and social unrest
The VAT in the Digital Age proposal from the EU commission states that ‘an e-invoice is a structured file; a PDF does not qualify as an e-invoice’.

The ViDA proposal is currently being debated in the EU parliament.

What does this mean?

01 An e-invoice is a structured file in countries with mandates. Current examples are Italy, Turkey, Saudi Arabia. The volume of PDF invoices will be coming under severe pressure.

02 PDF’s may still be relevant in AP and AR in countries with a mandate – e.g. for approvals and 1\textsuperscript{st} line defense in audits.

03 Future of the Hybrid PDF (ZUGFeRD, Factur-X) is up for debate.
Thanks!