

How Macro-economic Trends are Changing B2B Transactions

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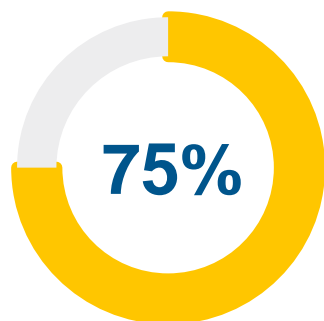
Macro Trends In E-invoicing

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



Macro-economic pressures, availability of technology and government objectives are causing earthquakes in the B2B, B2G and B2C invoicing space



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

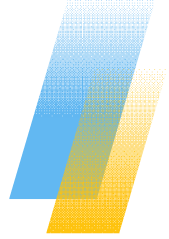
EVIDENCE



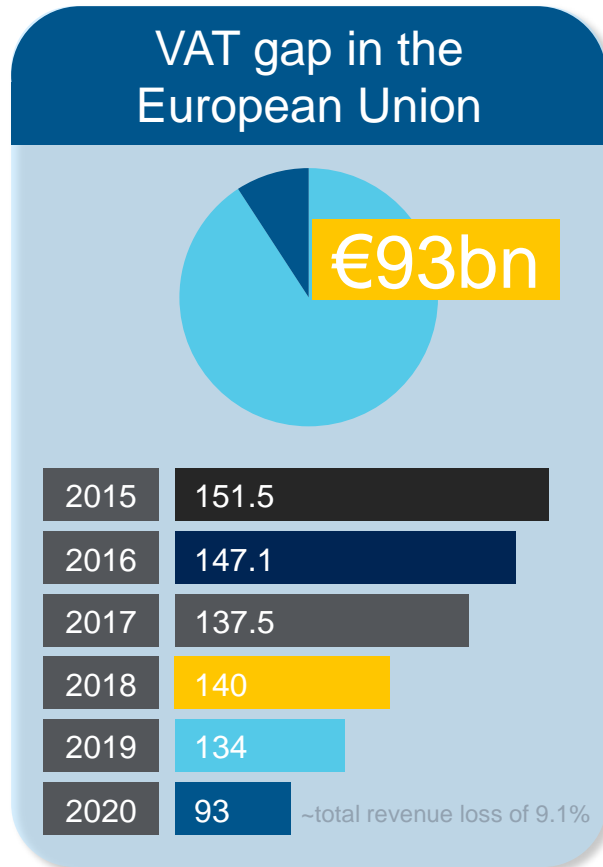
- Reduced VAT Gap by up to 50%



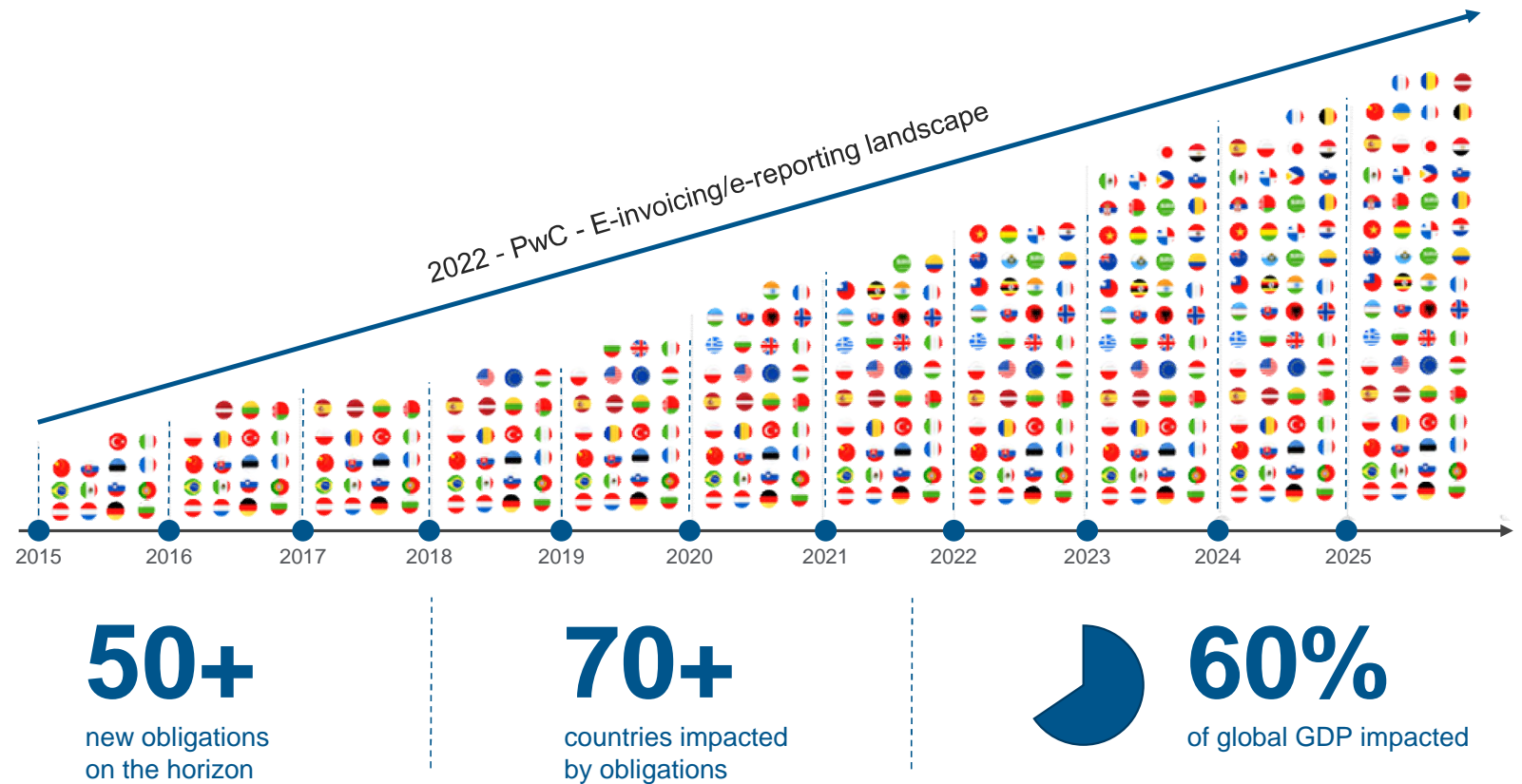
- Gap reduction €3.1 Billion
- 10-11% of VAT gap



Focus On VAT Collection Is Accelerating E-invoicing Mandates



Source: PwC



The VAT Solution



VAT/GST: 30% of national revenues



Tax on consumption is considered 'fairer'



Need to avoid contraction of income and social unrest

High-level e-invoicing & e-reporting watchlist*



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 1st line defense in audits
- 03 Future of the Hybrid PDF (ZUGFeRD, Factur-X) is up for debate



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



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