

Ensuring Worldwide E-invoicing Compliance with One Global Solution

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Rules are rules

Moving to e-invoicing is no longer an option for businesses – it's an obligation. Propelled by the goal of preventing tax evasion, mandatory e-invoicing legislation is on the rise globally, driving the transition from paper to electronic invoicing and archiving.

Latin America was the first to enforce the use of e-invoicing in the late 2000s, using the clearance tax audit system (real-time invoice verification by the local tax authority). In Europe, the EU Directive on e-invoicing and public procurement was put in place to make e-invoicing the predominant method of invoicing in Europe by 2020. To support this directive, many governments introduced legislation requiring vendors to send e-invoices to all public administrations (PA). Italy became the first European member state to mandate business-to-business (B2B) and business-to-government (B2G) e-invoicing. Other countries, which include France, Poland, Spain and Germany, have followed Italy's lead. These countries are planning to mandate e-invoicing within the next three years at the latest.

This momentum is further reinforced by the VAT in the Digital Age (ViDA) initiative, which aims to harmonize and modernize VAT reporting across the EU through real-time digital reporting and e-invoicing obligations.

The growing number of governments and corporations adopting e-invoicing means that companies need to send e-invoices to do business and get paid. However, the increasing number of rules, formats, platforms and certificates brings a lot of complexity to compliance. And the time from when the requirement is published to the deadline for businesses to comply is very short, while the number of regulations continues to grow. Efforts have been made to standardize public procurement and simplify document exchanges between companies and public entities, notably with Peppol; however, in reality, compliance remains highly complex in the B2B

world, where each country creates its own system and standards.

While it might be tempting to sit back and wait for deadlines to draw near, businesses must embrace the shift to e-invoicing or risk being left behind.

E-invoicing on the rise

According to the Billentis report "The global e-invoicing and tax compliance report: Watch the tornado!", the global volume of invoices (both paper and electronic) is expected to reach around 560 billion invoices per year. Currently, about 125 billion of these invoices are transmitted electronically. The value of the global e-invoicing and enablement market is estimated at €8.3 billion in 2024 and is expected to reach €22.2 billion by 2028 (representing an average annual growth rate of nearly 28%).

This growth is driven by the expansion of regulatory requirements, the digitalization of processes, and initiatives such as ViDA in Europe, which aim to harmonize and modernize VAT management and e-invoicing at the European level. The private sector was the main driver for market development in the first phase; however, it is now being heavily pushed by governments. The VAT gap is increasingly becoming the main accelerator for the digitization of business, fiscal, reporting, inventory, trade and logistical documents.

As more and more companies replace their costly paper-based invoice processes with less expensive and more efficient e-invoicing delivery and archiving solutions, they are discovering new ways to help increase their competitive advantage and business efficiency (including reduced invoice-related errors, time and cost savings, faster payment, etc.). While e-invoicing is beginning to realize its potential, one of the reasons it has not been widely adopted so far is the confusion around aforementioned tax compliance.

One solution to send e-invoices

Selecting a solution that's capable of meeting specific billing needs is vital for businesses. Companies that rely on multiple local services providers to ensure e-invoice compliance in different countries find it difficult to uphold rigid local specifications and manage numerous providers.



An obligation, not an option

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Working with one provider and one solution is the preferred way to go.

Five reasons to select a global e-invoicing solution

- **Increased visibility:** An international organization located in multiple countries requires a solution that provides visibility over all invoices worldwide as well as on a subsidiary or entity level. Multi-user solution access improves collaboration among accounts receivable (AR) teams.
- **Improved compliance with local regulations:** Businesses must comply with different e-invoicing regulations in the countries they do business to avoid penalties by formatting their invoices into an XML or specific local format file and connecting to tax authorities' platforms to submit their invoices (e.g., Peppol, Chorus Pro in France, SDI in Italy, FACe in Spain).
- **Ability to anticipate future mandates:** As e-invoicing regulations continue to evolve, businesses need to ensure that they are up to date on new requirements and able to quickly respond to changes.
- **Optimized internal processes:** Companies are always looking to speed up internal processes and improve team productivity, particularly in AR and accounts payable (AP). By automating these processes, businesses can manage 100% of invoices regardless of format, reduce errors and costs associated with manual handling, and lower DSO.
- **Enhanced user experience:** Solution user adoption rates are greater when only one solution is used.

All roads lead to Esker

Esker delivers and receives compliant customer and supplier e-invoices on a global scale. Esker is capable of processing different formats (PDF, XML, UBL, Peppol BIS and Peppol PINT, Facturae, Fattura-PA, XRechnung, Factur-X, etc.), as well as communicating with different public administration platforms (Chorus Pro, FACe, Billexco, SDI, Peppol, etc.) to send and receive e-invoices and provide visibility on invoice status.

Esker's cloud platform enables businesses to meet global e-invoicing compliance requirements across a range of technologies — including e-signatures, time stamps and verifications in over 60 countries, BCAT with Esker's audit trail, and EDI. Esker also provides e-invoice archiving that complies with both local and international regulatory frameworks.

Esker has proficient technological and local market knowledge to adapt its solution to evolving legislative requirements and help businesses navigate the complex universe of e-invoicing.

However, it's not just e-invoicing that is becoming mandatory. The evolving market trend toward full business automation with the government is on the rise. Some, like Italy, have started requiring businesses to receive electronic orders as well. Esker's unique platform delivers the full scope of automation across the source-to-pay and order-to-cash processes and can support the global movement to standardize exchanges between the private and public sectors.



Multiple countries, one solution

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