



# Digital Tax Compliance Beyond E-invoicing

EMA Tax Seminar: E-invoicing Series – Featuring Pagero

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# With you today



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# Introducing Pagero

## The Global Network



**30+**  
OFFICES



CUSTOMERS IN  
**140+** COUNTRIES



A NETWORK OF  
**12M+**  
OF BUSINESSES



Source: Pagero  
[MORE INFO](#)

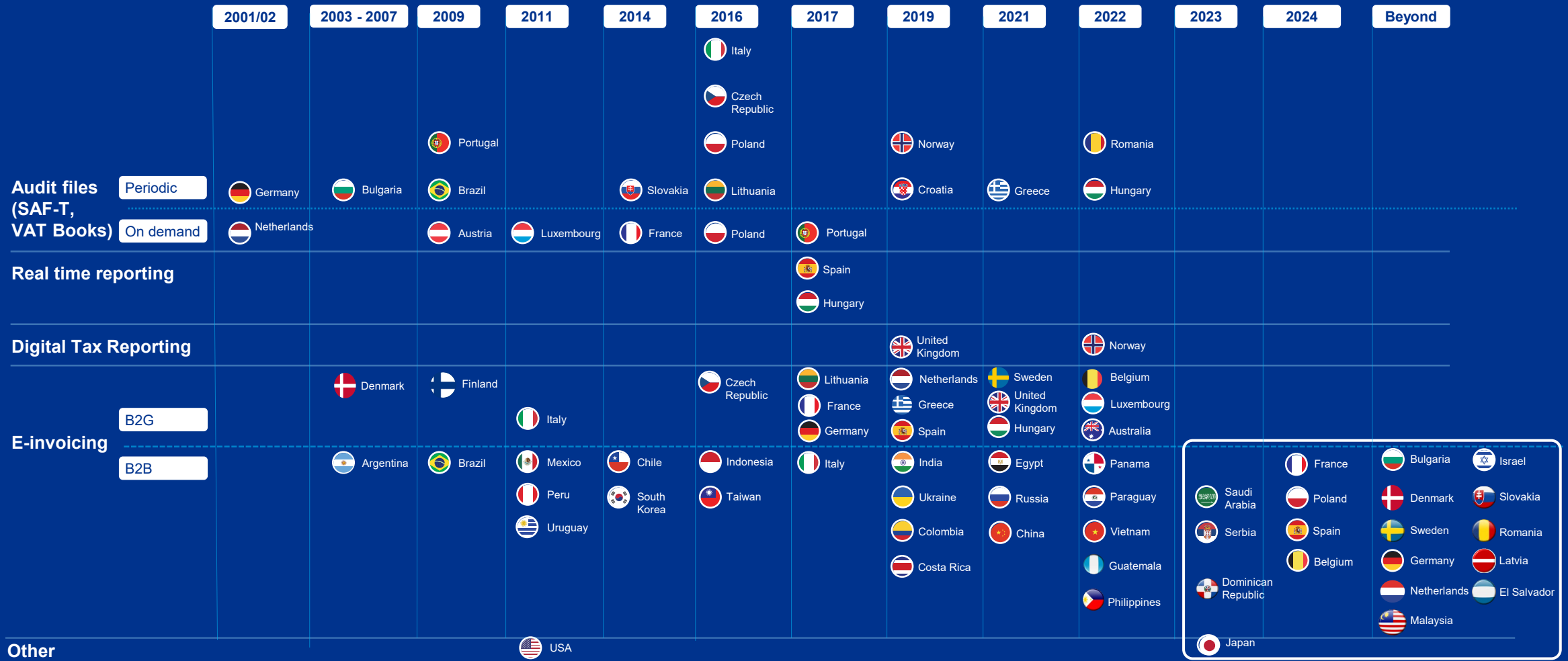
# Agenda

- 01** Evolution of digital compliance
- 02** Compliance challenges
- 03** What companies are doing
- 04** Global status of CTC mandates
- 05** EU ViDA Proposal
- 06** Key takeaways
- 07** Questions

**01**

# **Evolution of digital compliance**

# Global roadmap of VAT reporting requirements



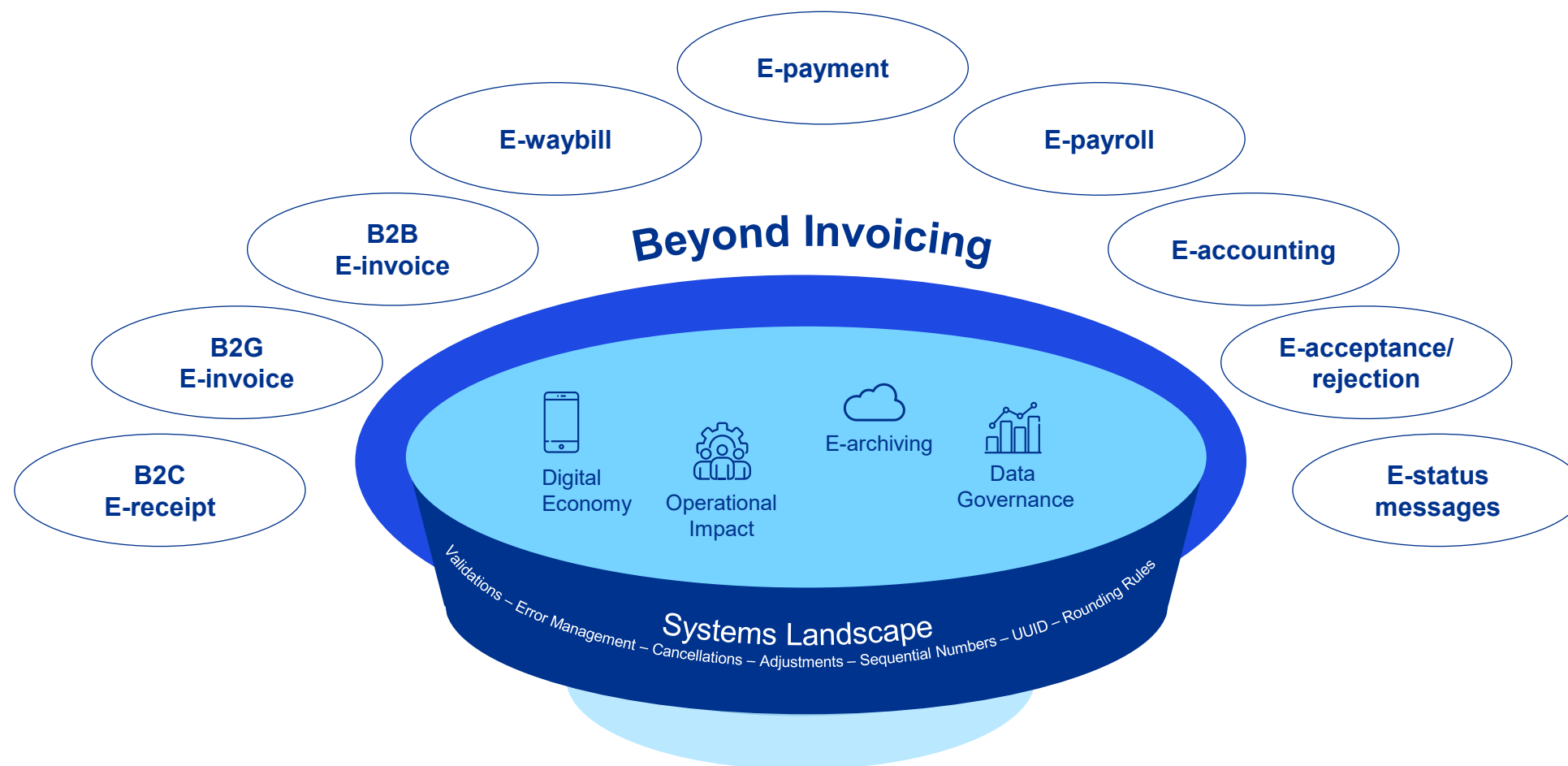
# Polling question #1

**Within your Company, given the potential business impacts of e-invoicing & CTC, what do you believe the current level of awareness is amongst company leadership (C-suite, VP level)?**

- A. Not at all aware
- B. Limited awareness
- C. Very aware
- D. We already have an integrated team addressing the issue
- E. Unknown



# Compliance beyond e-invoicing





# CTC beyond invoice

## Invoice responses

- Colombia (mandatory ack.)
- Dominican Rep. (mandatory ack.)
- Brazil (voluntary)
- Chile (<8 days)
- Belgium (B2G mandatory)
- France (planned)
- Spain (planned)
- Serbia (<15 days)
- Singapore (voluntary)
- Türkiye (mandatory)
- Egypt (mandatory)

## E-ordering

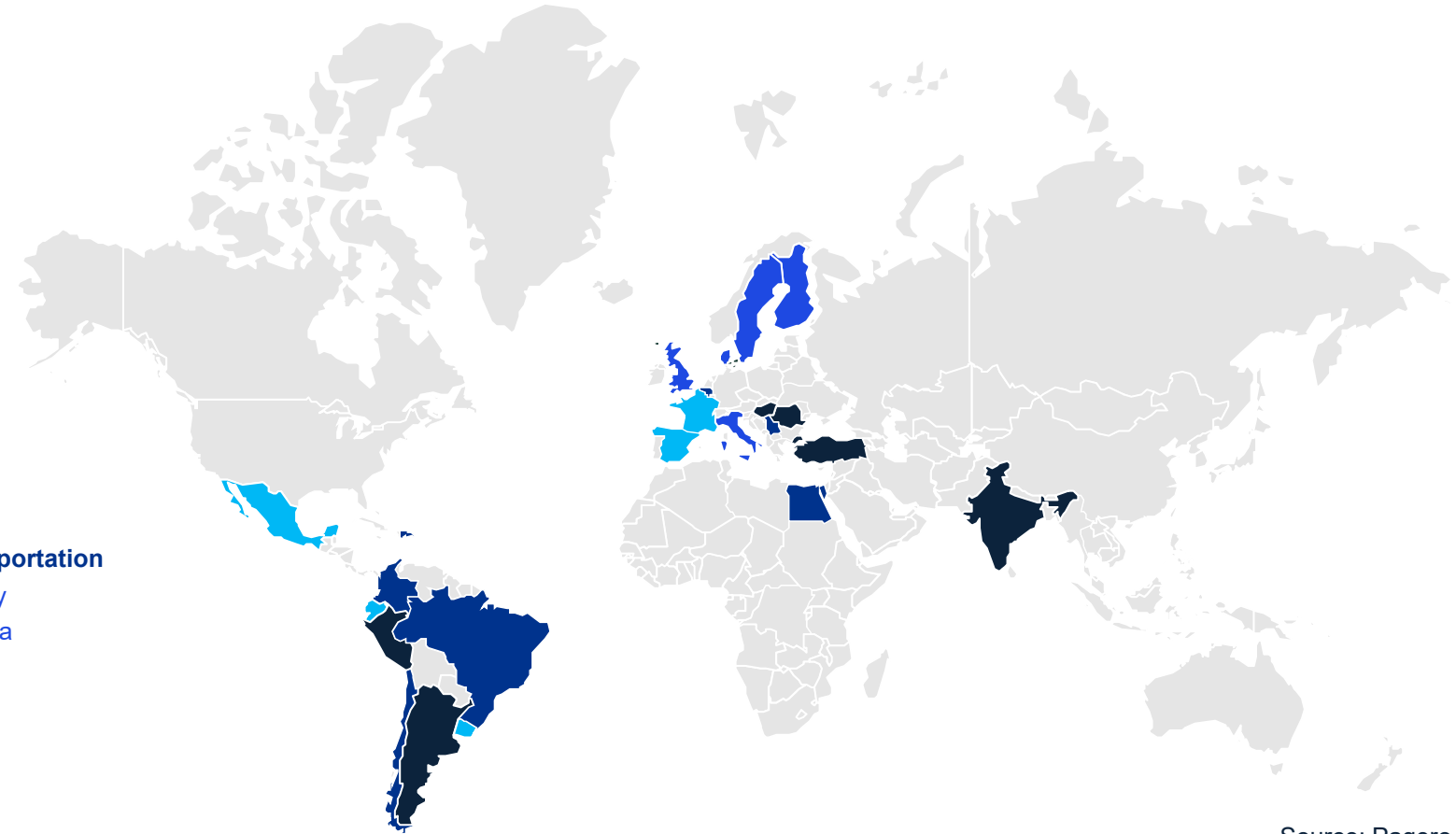
- Sweden (B2G >50 FTE agency)
- Finland (planned)
- Denmark (planned)
- UK (B2G healthcare)
- Italy (B2G healthcare)
- Singapore (voluntary)

## Payment confirmation

- France (planned)
- Spain (planned)
- Mexico
- Ecuador
- Uruguay

## E-transportation

- Hungary
- Romania
- Türkiye
- India
- Mexico
- Peru
- Brazil
- Chile
- Argentina



Source: Pagero

# Polling question #2

Based on the previous slide, how many document types has your company already automated?

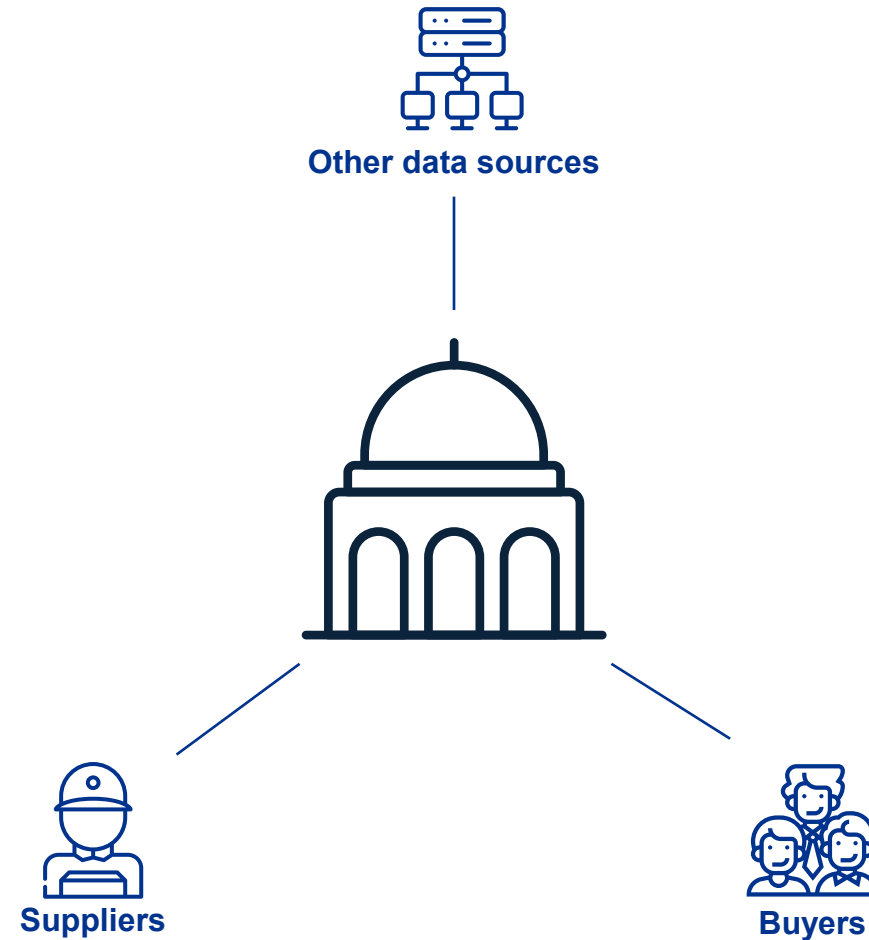
- A. 0
- B. 1
- C. 2
- D. 3
- E. 4+
- F. Unknown



# The modern role of the government

## Data collection

- Orders
- B2C invoice data
- B2B invoice data
- B2G invoice data
- Transportation
- Payments



## Purpose

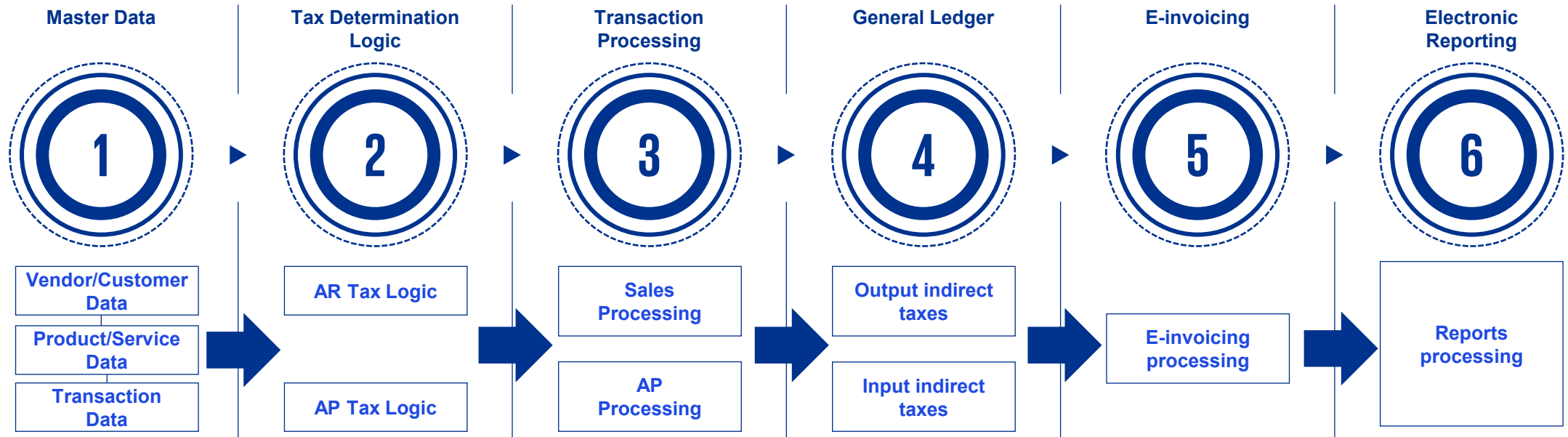
- Triangulation
- Data matching
- Intra-govt. sharing

Source: Pagero

**02**

# **Compliance challenges**

# Main compliance challenges



Compliance Challenges				
<p><b>Multiple systems:</b> ERPs, billing systems, procurement systems</p>	<p><b>Country scope:</b> Regional approach vs. country by country approach</p>	<p><b>Lack of an homogenized compliance:</b> Each country has their own compliance legislation, required data fields, invoice layout (clearance) and compliance reporting structure (post-audit) varies per country</p>	<p><b>Compliance process ownership:</b> The process has elements of tax compliance process and commercial customer interactions. Best practices indicate a synergy among the finance/tax departments and IT</p>	<p><b>Not limited to invoices &amp; fiscal reports:</b> Some jurisdictions require different documents: debit notes, credit notes, global invoices, industry specific documents, accounting reports, and digital book keeping</p>

# Who owns these requirements?



Tax



Outsource



Business



Accounting  
and/or Finance



IT - Engineering



“From scorekeeper to strategist”

# Polling question #3

**Within your company, what function do you think will own the requirements?**

- A. Tax
- B. Finance
- C. Business
- D. IT
- E. All of the above
- F. Unknown



**03**

# **What companies are doing**



# Current trends in compliance strategy

E-invoicing should not be considered as the first process to achieve accurate compliance but rather the outcome of an efficient compliance strategy that considered the end-to-end process.

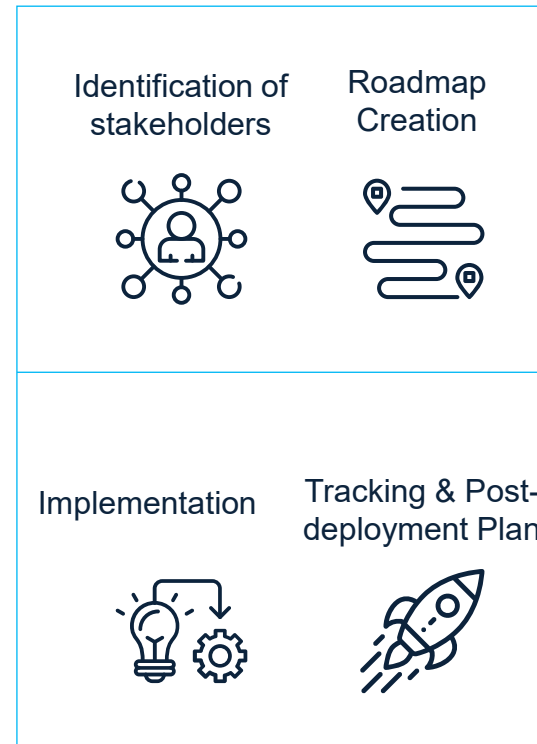
## ↑ 1<sup>st</sup> Tier



## ↑ 2<sup>nd</sup> Tier



## ↑ 3<sup>rd</sup> Tier



Automated data compliance reconciliation and validation

Striving for an accurate and efficient compliance process

**04**

# **Global status of CTC mandates**

# Global status of CTC mandates

## In place, planned and discussed

### In place/roll-out

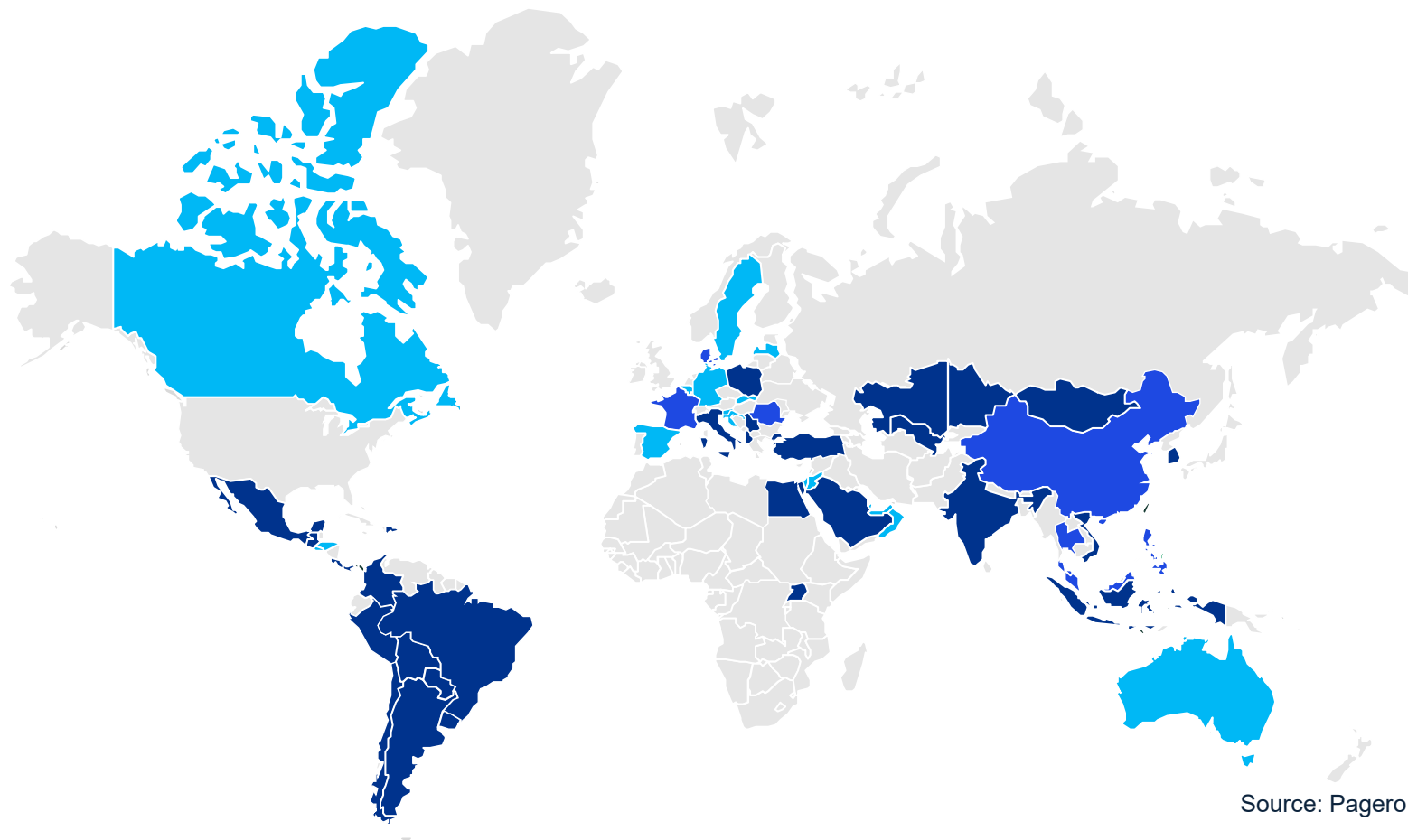
Albania  
 Argentina  
 Bolivia  
 Brazil  
 Chile  
 Colombia  
 Costa Rica  
 Dominican Rep  
 Egypt  
 Guatemala  
 India  
 Indonesia  
 Italy  
 Kazakhstan  
 Mexico  
 Mongolia  
 Panama  
 Paraguay  
 Saudi Arabia  
 Serbia  
 South Korea  
 Taiwan  
 Türkiye  
 Uganda  
 Uruguay  
 Uzbekistan  
 Vietnam

### Planning/testing

China  
 Denmark  
 El Salvador  
 France  
 Honduras  
 Malaysia  
 Philippines  
 Poland  
 Romania  
 Thailand

### Evaluating

Bahrain  
 Belgium  
 Croatia  
 Germany  
 Israel  
 Jordan  
 Latvia  
 Oman  
 Qatar  
 Slovakia  
 Slovenia  
 Spain  
 Sweden  
 UAE



Source: Pagero

# Polling question #4

**Given the global status of CTC mandates in place, planned or in discussion, how many different country mandates will have an impact on your company now and in the near future?**

- A. 1-2
- B. 3-4
- C. 5+



**05**

**EU ViDA  
Proposal**

# Key Measures

The European Commission has announced on 8 December 2022 its long-awaited proposal for legislative changes known collectively as the **VAT in the Digital Age (ViDA) initiative**.

ViDA is a set of proposals intended to modernise the EU's VAT system.

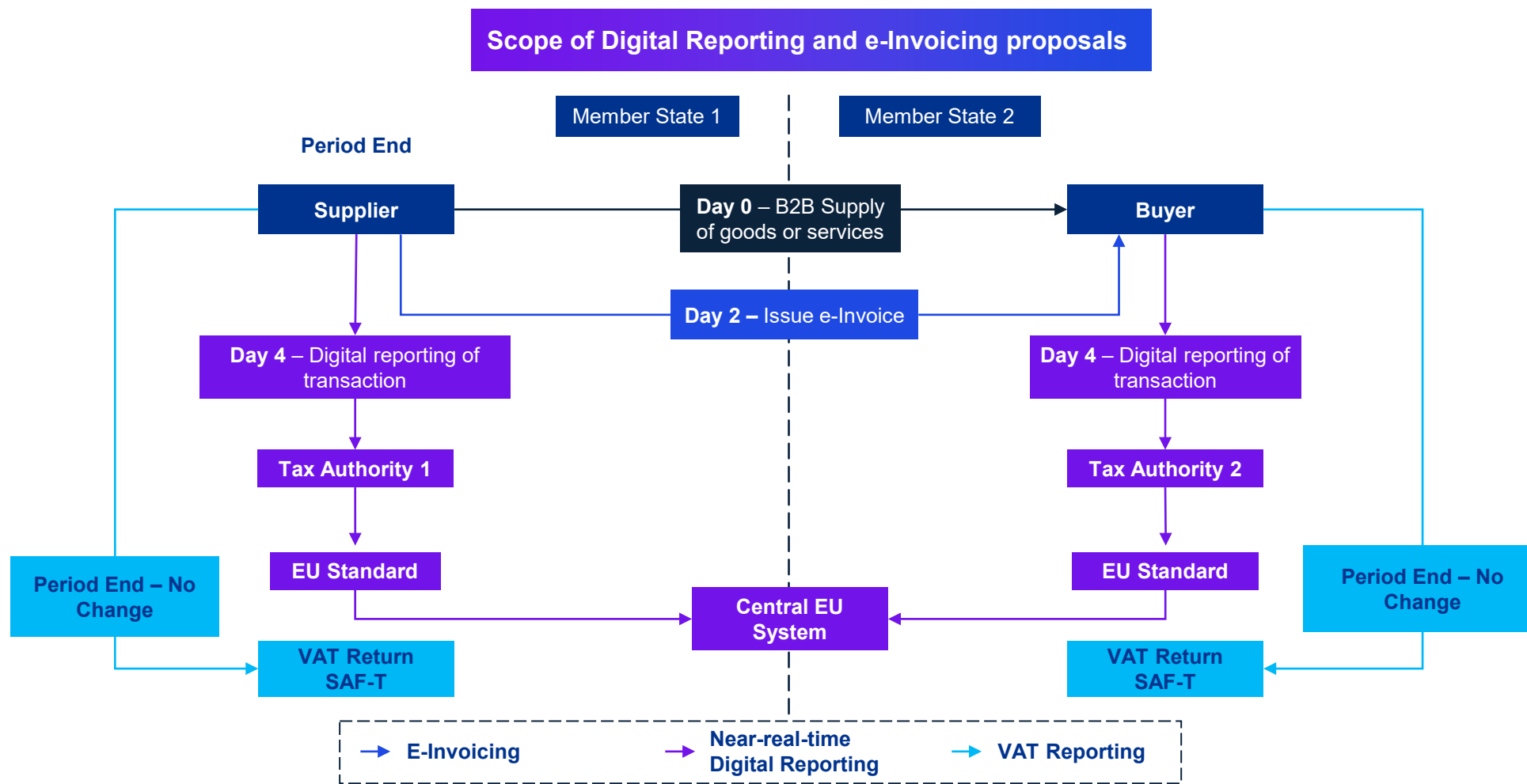
The package is made up of **three main pillars** with the key measures proposed outlined below:



## Next Steps:

- An 8 week public consultation period has started and will continue until 06 February 2023 (earliest), which various stakeholders are strongly encouraged to participate in.
- The European Parliament and the Economic and Social Committee will be consulted on the legislative procedure.
- The legislative proposals will be sent to the Council for agreement – a unanimous approval from all 27 member states will be required.

# Scope of Digital Reporting and e-Invoicing Proposals



# Impact

The requirement for suppliers in B2B cross border transactions to issue e-invoices within 2 days of the supply, will likely have significant ramifications.

Don't lose sight of the upcoming real-time e-invoicing mandates in 2024 – France; Poland; Spain; Romania.

E-invoicing has the potential, in the fullness of time, to transform traditional VAT compliance processes because it provides the means by which tax authorities can pre-fill returns.

The public consultation is ongoing until the beginning of March (earliest) – **have your say.**

KPMG and Pagero will continue to keep you informed of the updates.

**KPMG ViDA Webcast on 22 February 2023**



**06**

**Key  
takeaways**

# Key takeaways

1

**Compliance** has evolved not only in the way we submit information to the tax authorities but also in the way we gather, process, transform and store transactional documents

2

**E-invoicing** is not limited to the “billing” document, the terminology also refers to any other transactional e-document required by the tax authorities

3

**Compliance challenges** start with the legal entity footprint and can include from master data to the actual reporting of e-invoicing and tax returns

4

**Ownership of digital compliance requirements** should be analyzed and discussed from a cross-functional perspective

5

**Digital compliance** is forcing taxpayers to re-think their overall systems landscape, operational structure and compliance strategy

# Questions?





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