

Electronic **B**ill **P**resentment & **P**ayment

Electronic **I**nvoice **P**resentment & **P**ayment

Electronic **S**tatement **P**resentment

Electronic e**X**change

E-**B**illing

E-**I**nvoicing



Bruno Koch, Founder

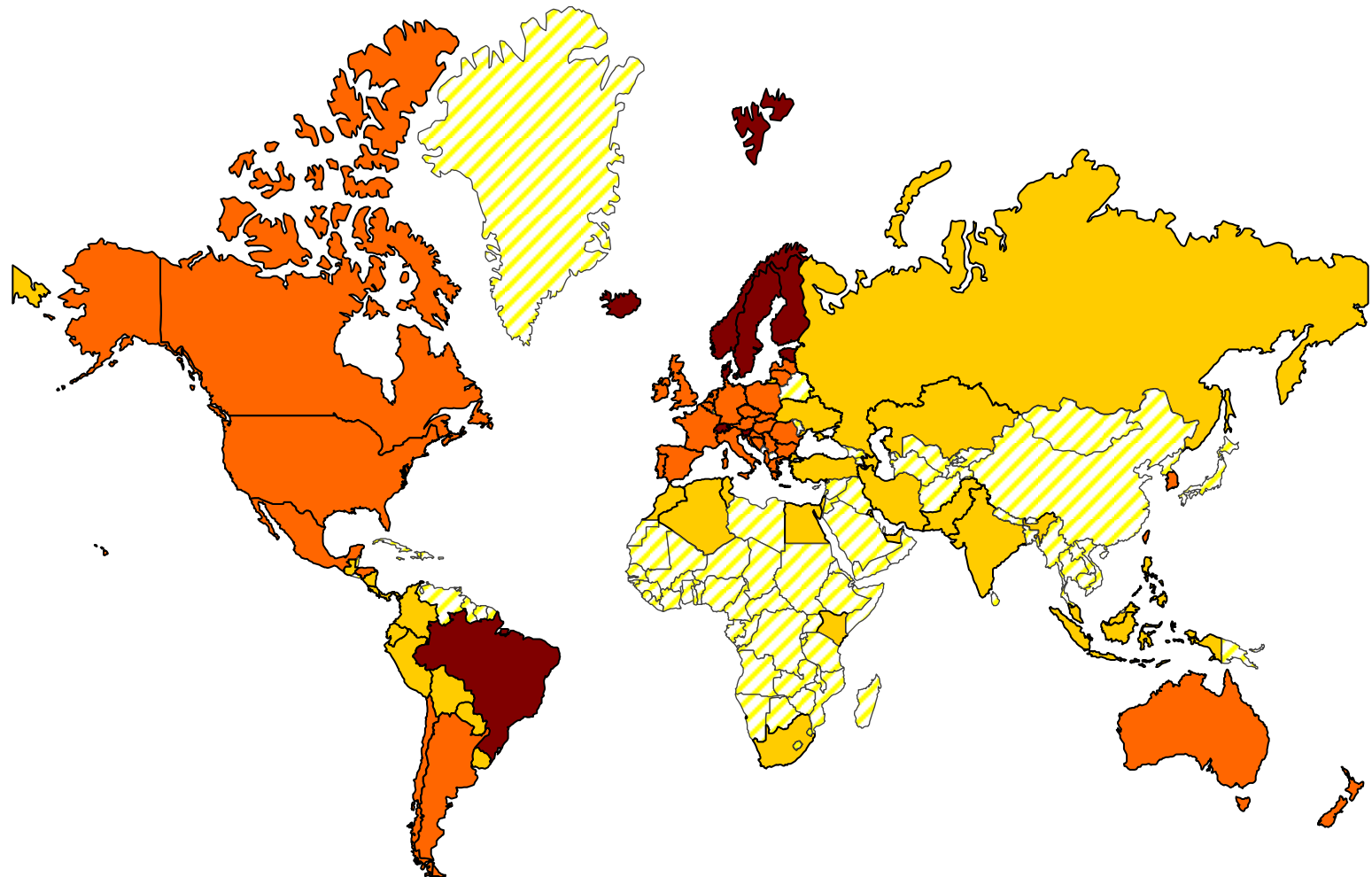
\* **Welcome** \* Hoşgeldiniz \* Boa vinda \*  
 Benvenuti \* Velkommen \* **Bienvenido** \* **Welkom** \* Bem-  
 Vindo \* здравствуйте \* Välkommen \* **Herzlich**  
**Willkommen** \* Tervetuloa \* υποδοχή \*  
**Witamy** \* Üdvözöljük \* **Bienvenue** \* Vítejte \* Vitajte  
 \* Bine ati venit \* Isten Hozott \* Fàilte \* Tervetuloa \*

*...to delegates coming from these countries:*

\* **USA** \* **France** \* **Chile** \* **Spain** \* **Croatia** \* **Denmark** \*  
 Mexico \* Norway \* **The United Kingdom** \* Latvia \* Portugal  
 \* **Switzerland** \* Russia \* Lithuania \* **Finland** \* Bulgaria \*  
 Greece \* **Germany** \* Ireland \* Czech Republic \* **Poland** \*  
 Austria \* **Sweden** \* Slovenia \* Hungary \* Luxembourg \*  
**Belgium** \* Italy \* **The Netherlands** \* Estonia \* Brazil \*  
 Romania \* Iceland \* Principality of Liechtenstein \* **New**  
**Zealand** \*



# International E-Invoicing Market 2010



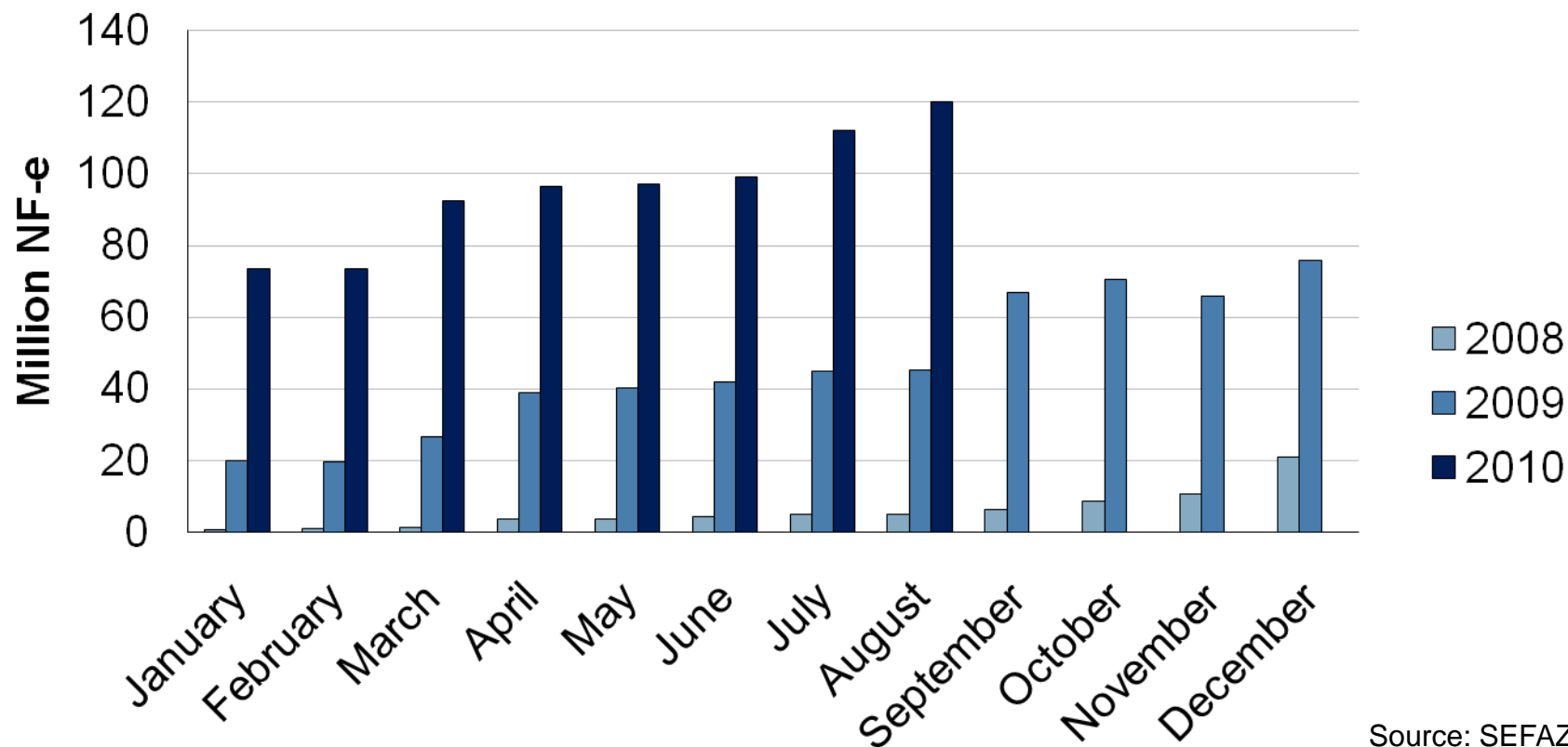
**Leaders**      **Average**      **Developing**      **Laggards**

- Still very consumer and bill issuer focused
- Payment and Procurement as the main drivers
- Companies are giants; preference for direct model for AR/AP optimization; demand for 3<sup>rd</sup> party operators linked with electronic payment and closed loop with eProcurement
- Hindrance for faster market penetration
  - Lack of standards (market awareness, not reality)
  - Very little initiatives of public sector
- Large enterprises (> \$ 500m revenues) with around 50% usage, but very limited usage among SMEs
- 3<sup>rd</sup> party operators are not very powerful compared to Europe and LATAM

- Very strict legislation
  - Digital signatures pre-requisites
  - Typically online interaction with government before issuing an E-Invoice respectively shipping goods
- E-Invoicing mandatory in some countries for invoices to the public sector and/or within the private industry → high market penetration
- Many European companies strongly affected by obligation from Brazil (e.g. 5,000 companies in Germany)
- Service providers with key role; some giants
- Brazil as potential inspiration for other countries abroad, e.g. Mexico after January 2011

# Latin America – Brazil

Volume (million electronic invoices)



Source: SEFAZ

Until December 2010, 80-85% of total invoice volume is expected to be electronically.

- Leaders are Singapore, Hong Kong, Taiwan, South Korea and the Shipping Industry
- Electronic trade (and financing) is more in foreground than just E-Invoicing
- Most countries are in the evolution phase 1: Large bill issuers start with “Bill Presentment” via portals
- China not yet permitted, except state owned invoice checking network
- Japan still with legal constraints (permitted only with explicit approval of tax authorities)
- India with public sector project to push electronic business/invoicing; intends to go the “European way”
- Russia: Legislation will now allow E-Invoicing; take-off

- Leader is South Africa and Kenya with some volume in B2B and B2C
- Most countries are in the evolution phase 1: Large bill issuers start with “Bill Presentment” via portals respectively via online banking (Egypt, Tunisia)
- A South African solution provider is strongly influencing the market awareness with its’ email based approach, not only in Africa, but also in some Commonwealth States

- Almost all markets with classical **evolution** from issuer-centric B2C direct model towards recipient-driven B2B model
- **Legislation:** World is dividing into two groups
  1. Parts of Europe with demand for E-Invoices without electronic Signature
  2. LATAM & Asia with obligation for electronic signature and the US with increasing popularity for it
- E-Invoicing as real-time or near **real-time audit** instrument for the government; aim to reduce the shadow economy (over-/under invoicing, not declared deliverables)
- Market learned, that **on-boarding** of trading parties is a major project and needs budget

# Global trends (2)

## Recognition that on-boarding costs money



### **B2C**

- Incentives for Consumers e.g.:  
2 cinema tickets, 300 free  
calling minutes etc. with a  
typical value of EUR 20 + other  
marketing costs  
→ on-board 100,000  
consumers = EUR 2m

### **B2B**

- Convincing costs per supplier:  
EUR 80-120  
→ 10,000 suppl. = EUR 1m

### **B2C**


- Financial penalties for  
Consumers e.g. EUR 1 - 3.50  
per paper invoice

### **B2B**

- Financial penalties for  
enterprises as recipient: EUR 5  
– 25 per paper invoice
- Financial penalties for  
suppliers: EUR 10 – 20 per  
paper invoice

# Global trends (3)

## Use of new channels and techniques



**bob**

### Open Question

## Ebiling and Facebook?

Is it possible to send e-bills through facebook?  
If so, how would I do it?


2 days ago - 2 days left to answer.

[Answer Question](#)

[Report Abuse](#)

Action Bar: [Interesting!](#) [Email](#)


### Answers (1)



**nevermin...**

ithink no  
24/06/2010 07:01:44  
2 days ago

0 [thumbs up](#) 1 [thumbs down](#) [Report Abuse](#)

 A cloud based service for billers who need a smart, attractive electronic bill presentment and payment service without the upfront cost.

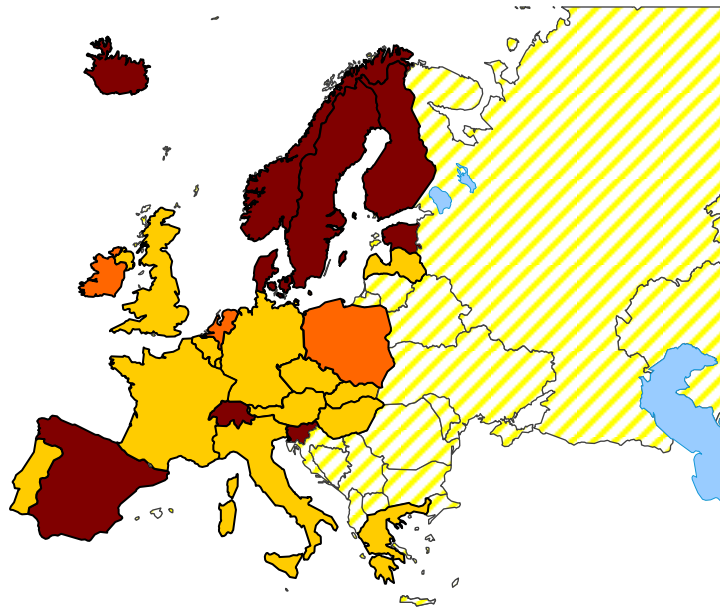
[Barclaycard trials cloud-based e-invoicing](#)  
August 2, 2010 Business No Comments

[SME Banking and Cloud Computing - Great Partners](#)

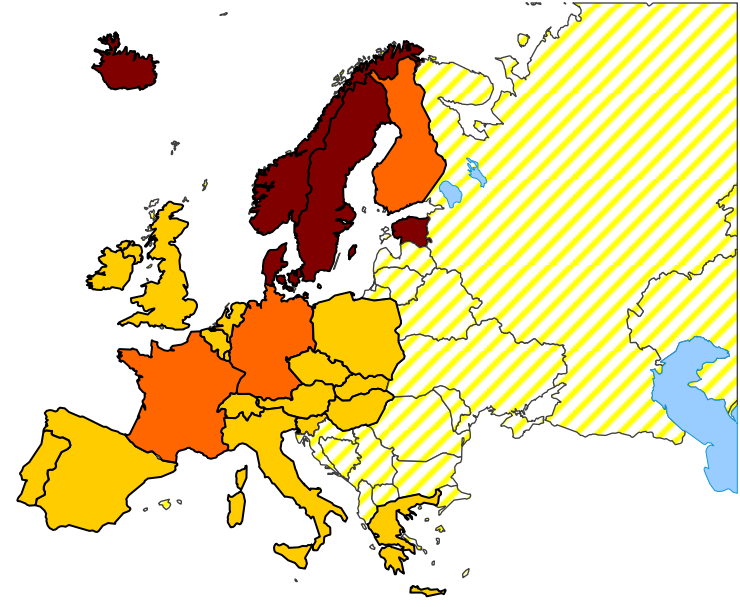
# European Market Penetration 2010 (E)



## B2B/B2G



## B2C



# E-Invoicing/E-Billing Market Figures



Europe	2009	2010 (E)
Participants		
Companies	1.6 million	2.5 million (+60% )
Consumers	41 million	56 million (+35%)
Electronic volume	1,638 million	2,236 million (+37%)
– B2C	- 700	- 942 (+35%)
– B2B	- 938	- 1,294 (+38%)
Electronic with paper summary invoice	250 million	200 million (partially replaced with fully electronic processes)
Service providers	400	440 (+10%)

- Recession and the resulting pressure for cost reduction, transparency, optimization of working capital
- Private sector
  - Large and mid-sized issuers and recipients
  - Providers with their rich offerings of applications and services
- Public sector
  - Projects on national level, declaring E-Invoicing as mandatory
  - Projects on EU level
    - Developing pilots which can be adopted by others
    - Pushing harmonisation
    - Pushing standardisation
    - Pushing interconnectivity among service providers

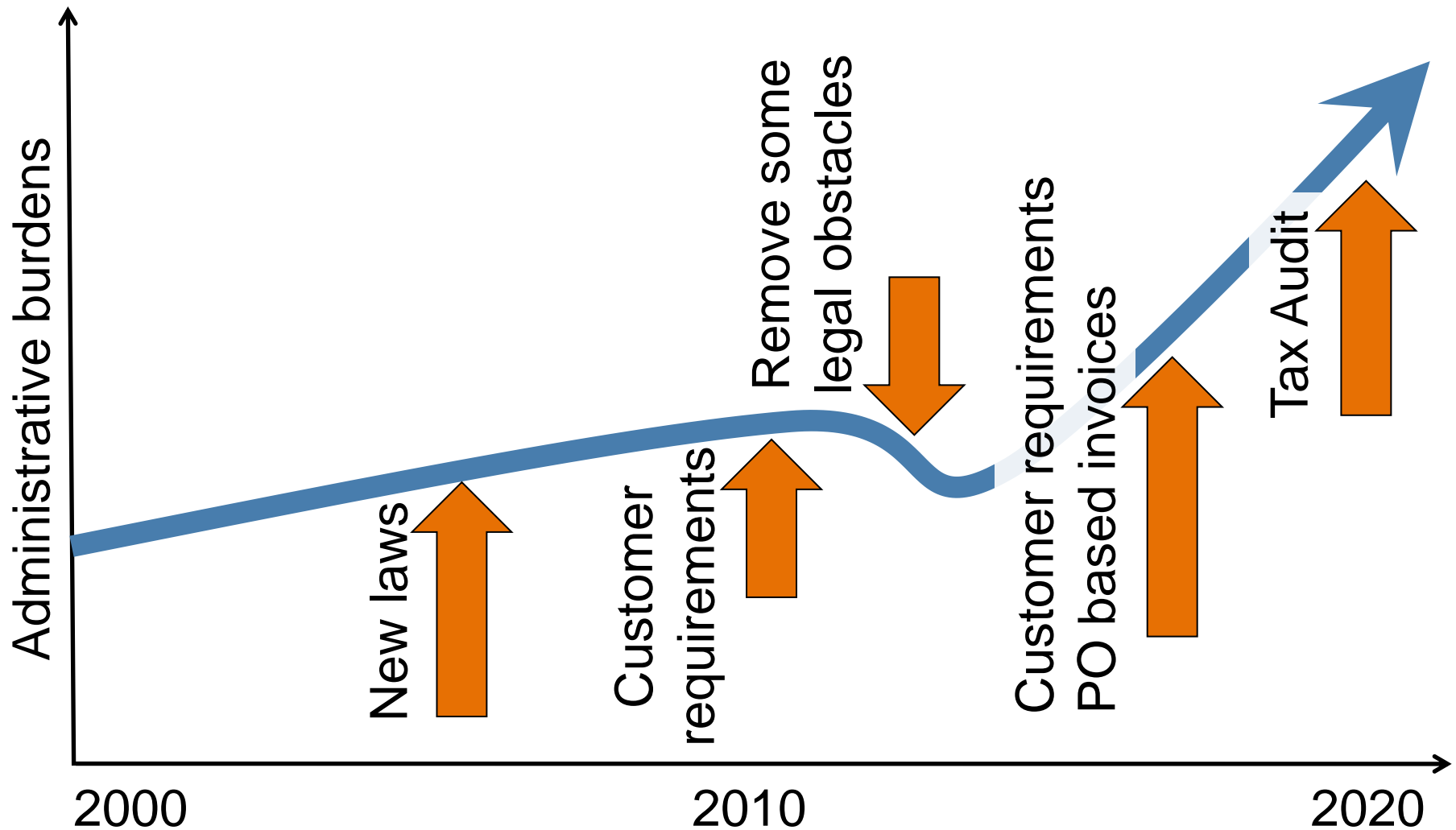
# This years' Summit



- Legal issues and coming new options
- Success stories
- Government initiatives
- Roundtables about standards and SMEs solutions
- Result of Market Survey
- ...and
- Large exhibition
- Much time for exchanging your experience with other delegates during the breaks and the
- “EXPP Oktoberfest”

# Chairman's Market Outlook

# Administrative burdens for SMEs



# Improve public finance 2010 - 2013

Expected actions of public sector & impact on E-Invoicing



	<b>Internal organisation</b>	<b>External taxpayers</b>
	Main focus: Cut Costs	Increase tax/VAT revenues
<b>Until 2011</b>	Cut salaries	Increase tax/VAT rate Invent new taxes
<b>Until 2013</b>	Reduce number of employees	Reduce/Avoid fraud
	Improve processes; Declare E-Invoicing as mandatory for supplies to the public sector	New laws and legislations as pre-requisite to declare E-Invoicing as mandatory among all enterprises
	Get full transparency about all costs	

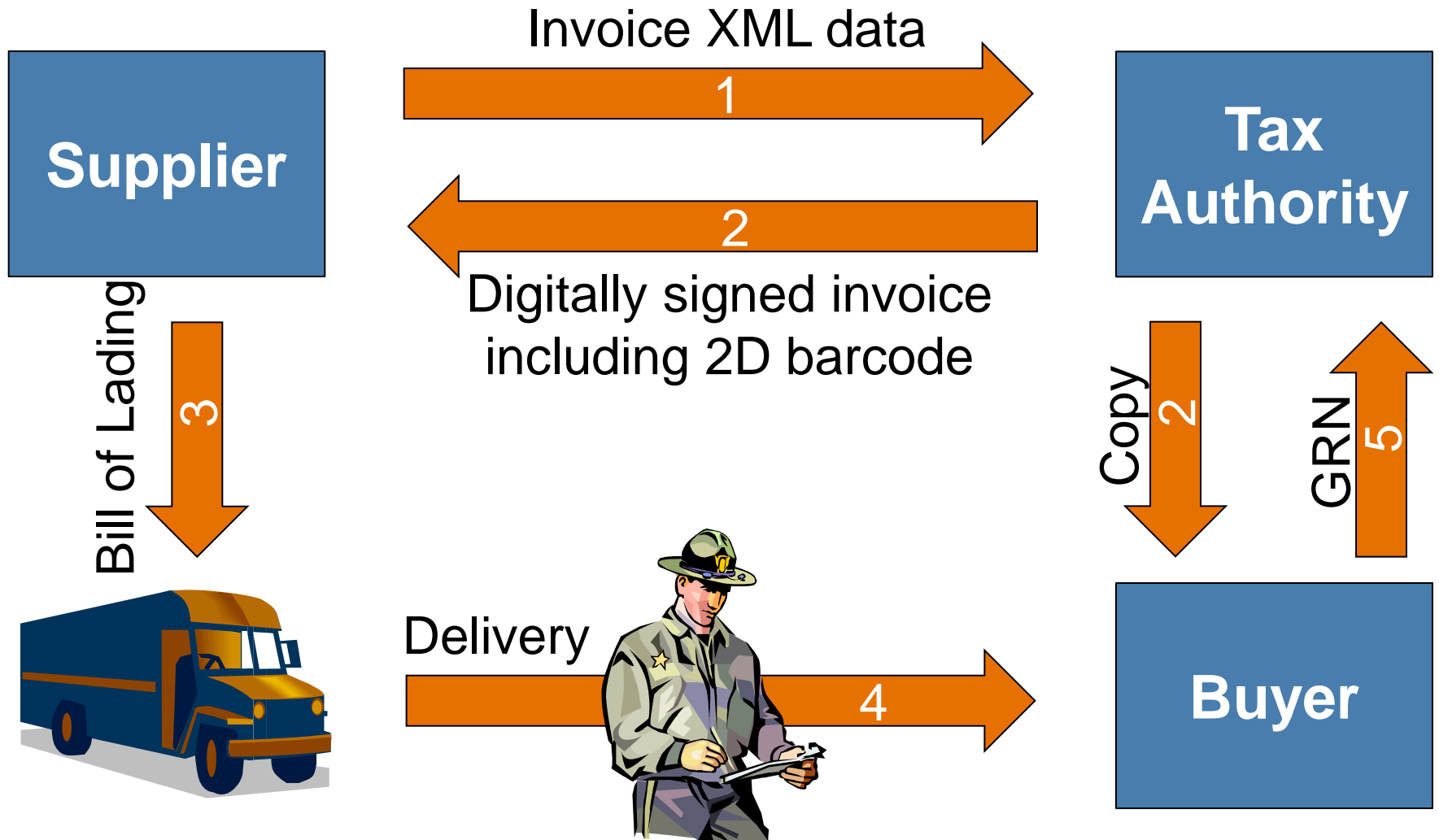
# Improve public finance until 2015

Expected actions of public sector & impact on E-Invoicing



	<b>Internal organisation</b>	<b>External taxpayers</b>
	Main focus: Cut Costs	Increase tax/VAT revenues
<b>Until 2015</b>		<p>Declare electronic channels as mandatory for most invoices exchanged in the private industry</p> <p>Real-time audit</p>
Hottest candidates (not yet doing so)	BE, BG, CH, DE, ES, FR, GR, HU, IE, IS, IT, LT, LI, NL, PL, PT, RO, RU, UK	Countries with high shadow economy & control culture: BE, DE, ES, FR, GR, IE, IT, PT
Impact on market penetration	+15%	+50% (until 2015)

# Real-time Audit - Example

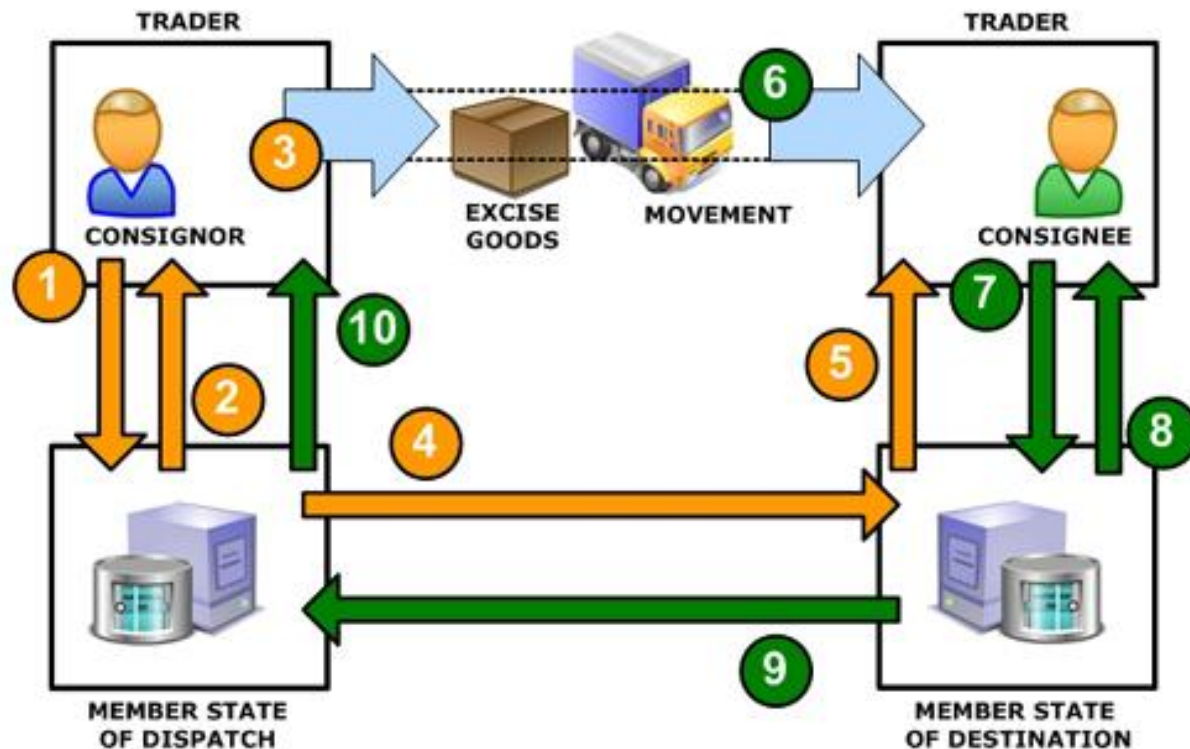


Invoice approvals in real-time  
are no longer just an issue in  
Brazil and Mexico (after Jan  
2011)

Some European countries are  
considering to follow

# Steps in Europe towards real-time audit

“Excise Movement and Control System” in place since April 2010



1. The consignee submits the e-AAD.
2. The Member State of dispatch validates the e-AAD and sends it back to the consignee (including the AAD Registration Code - ARC).
3. The consignee dispatches the excise goods.
4. The Member State of dispatch transmits the e-AAD to the Member State of destination.
5. The Member State of destination forwards the e-AAD to the consignee.

6. The excise goods arrive at destination.
7. The consignee submits a report of receipt.
8. The Member State of destination validates the report of receipt and sends it back to the consignee.
9. The Member State of destination transmits the report of receipt to the Member State of dispatch.
10. The Member State of dispatch forwards the report of receipt to the consignee.

Source: [http://ec.europa.eu/taxation\\_customs](http://ec.europa.eu/taxation_customs)

# Outlook for E-Invoicing in Russia

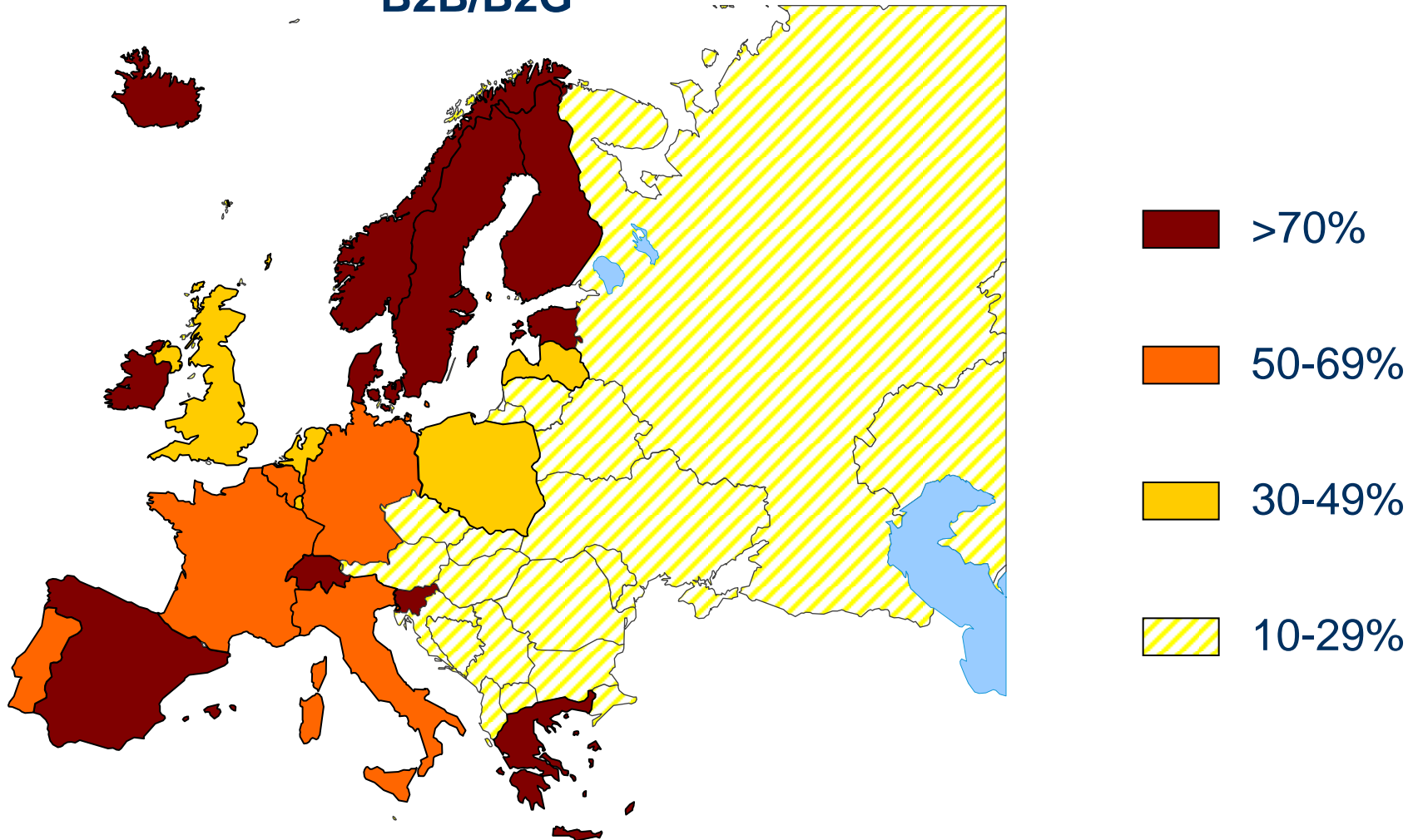


- B2B: Almost the size of the European market (12 Billion vs. 15 Billion)
- Long transport distances/times for paper mail and invoices (as Moscow is almost always the hub)
- Only 4 million enterprises to convince for E-Invoicing (Europe=23 million)
- 1 language
- 1 harmonized legal room
- >60% of enterprises with digital certificates (for e-files to government)
- Some EDI traffic in the retail segment
- Green field situation with very promising outlook to grow 5 times faster than Western Europe

# Expected European Market Penetration 2015



## B2B/B2G



The market evolution  
phase is ending

The public finance crisis  
causes very likely an  
E-Invoicing revolution

# 7th European EXPP Summit



**September 26 and 27, 2011**  
**Barcelona, Spain**

