

E-Invoicing / E-Billing

International Market Overview & Forecast

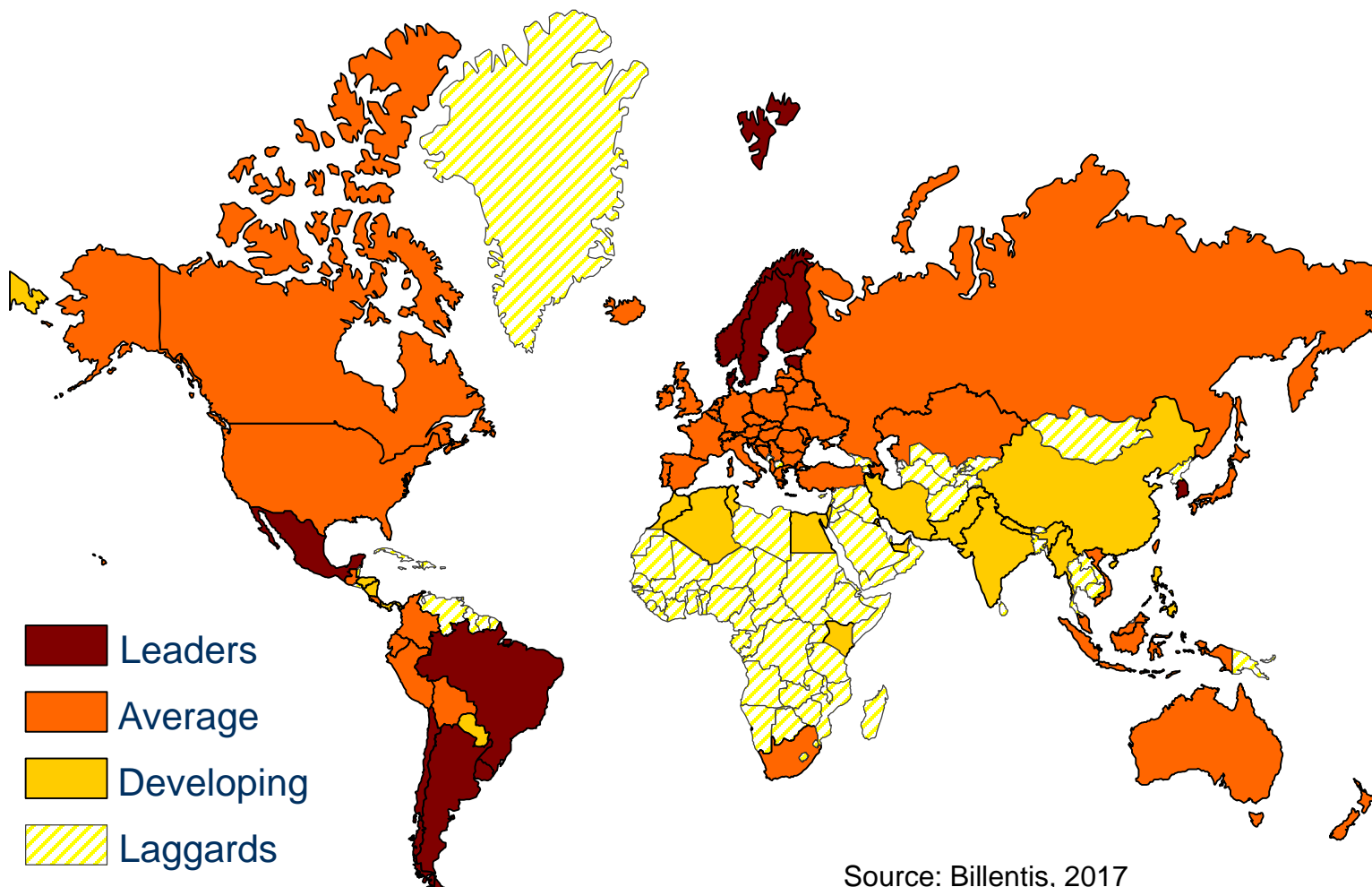


Bruno Koch
February 2017

Global overview

International E-Invoicing Market 2017

B2B, B2G, G2B and B2C



Source: Billentis, 2017

Expected E-Bill/E-Invoice volume 2017 (billions) & trend radar



Recipient segment	Europe		LATAM		North America		APAC		Rest of World	
	Volume	Trend	Volume	Trend	Volume	Trend	Volume	Trend	Volume	Trend
Consumer	4	↗	6	↗	4	↗	2	↗	0+	↗
Business & Government	5	↗	9	↗	4	↗	2*	↗	0+	↗

Estimated electronic invoices/bills 2017 (billions, strongly rounded)

Relative growth rates ↗

*) This number could increase by several billions in case officially confirmed figures from Indonesia were contributed.

The applied definition for e-bills/e-invoices is described on last page of this document.

- Payment, Trade Finance, Dynamic Discounting and Procurement as main drivers in the B2B segment
- Still preference for optimization of internal operations (AR and AP management), but focus on collaboration and electronic interaction between trading partners increasing
- Direct exchange of e-invoices among trading partners still dominates; compared to Europe and LATAM, third party operators still not yet very numerous, but the number meanwhile surpassed 180
- E-invoicing gains more traction; B2B volume increase of 20% predicted
- The federal government will officially be moving towards e-invoicing, after the Office of Management and Budget issued a deadline to do so by the end of 2018.

- E-invoicing and e-reporting pushed by public sector
- Real-time audit or invoice data mining by tax authorities with the aim of combating tax evasion
- Mandates for e-invoicing in a majority of Latin American countries
- Brazil, Mexico and Chile as market leaders
- Mexico enhances the e-invoicing mandate from mid 2017 to the G2B and G2C segment, resulting in a volume increase of several billions in 2017
- Brazil strongly increasing the volume of e-reports (NFC-e)
- Next step in invoice-related digitalization: exchange of all fiscal documents just in electronic format.

- First steps with B2C E-Billing; B2B legislation missing in many countries; sometimes, EDI invoices & paper originals
- Many advanced countries are more likely to adopt the (tax) control focussed LATAM model than the liberal European model
- Russia again with tremendous relative growth rates in 2017
- Some other countries mandate the market participants to exchange invoices or at least fiscal reports in electronic format, e.g. Belarus, Indonesia, Kazakhstan, Singapore, Turkey, Vietnam
- Some countries are in the process of closing the loop between cash registers at points of sale – tax authorities – and clients. This happens either with the help of fiscal printers or electronic receipts / e-tickets (similarities with e-billing)
- Several advanced initiatives of federal administrations in the Pacific Region, including e-Procurement

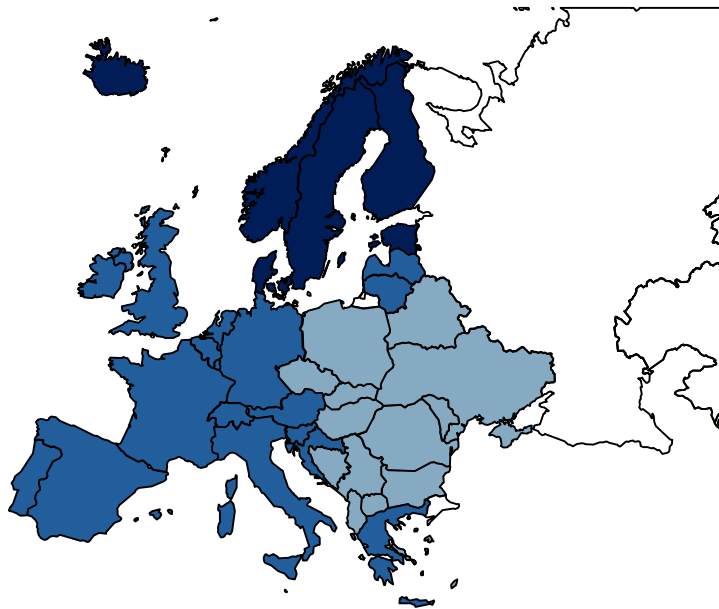
European Market

Predicted Market Adoption 2017

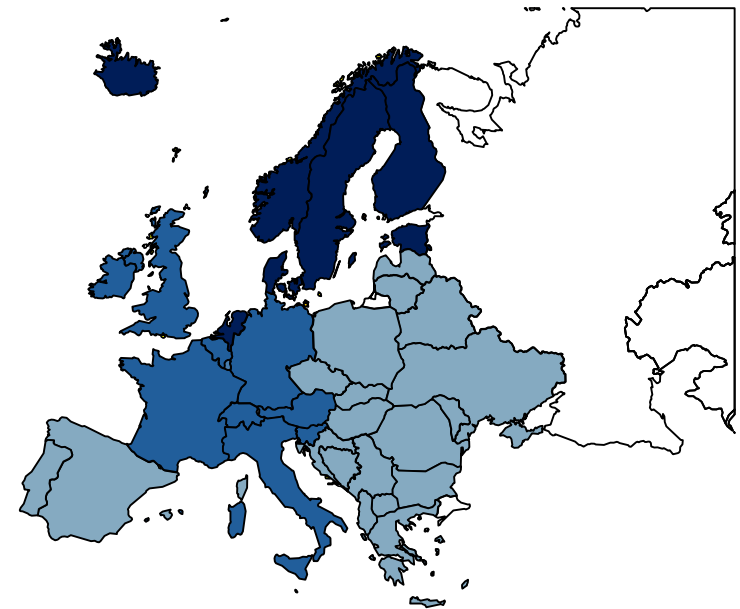
(Electronic share of total invoice/bill volume)



B2B/B2G/G2B



B2C



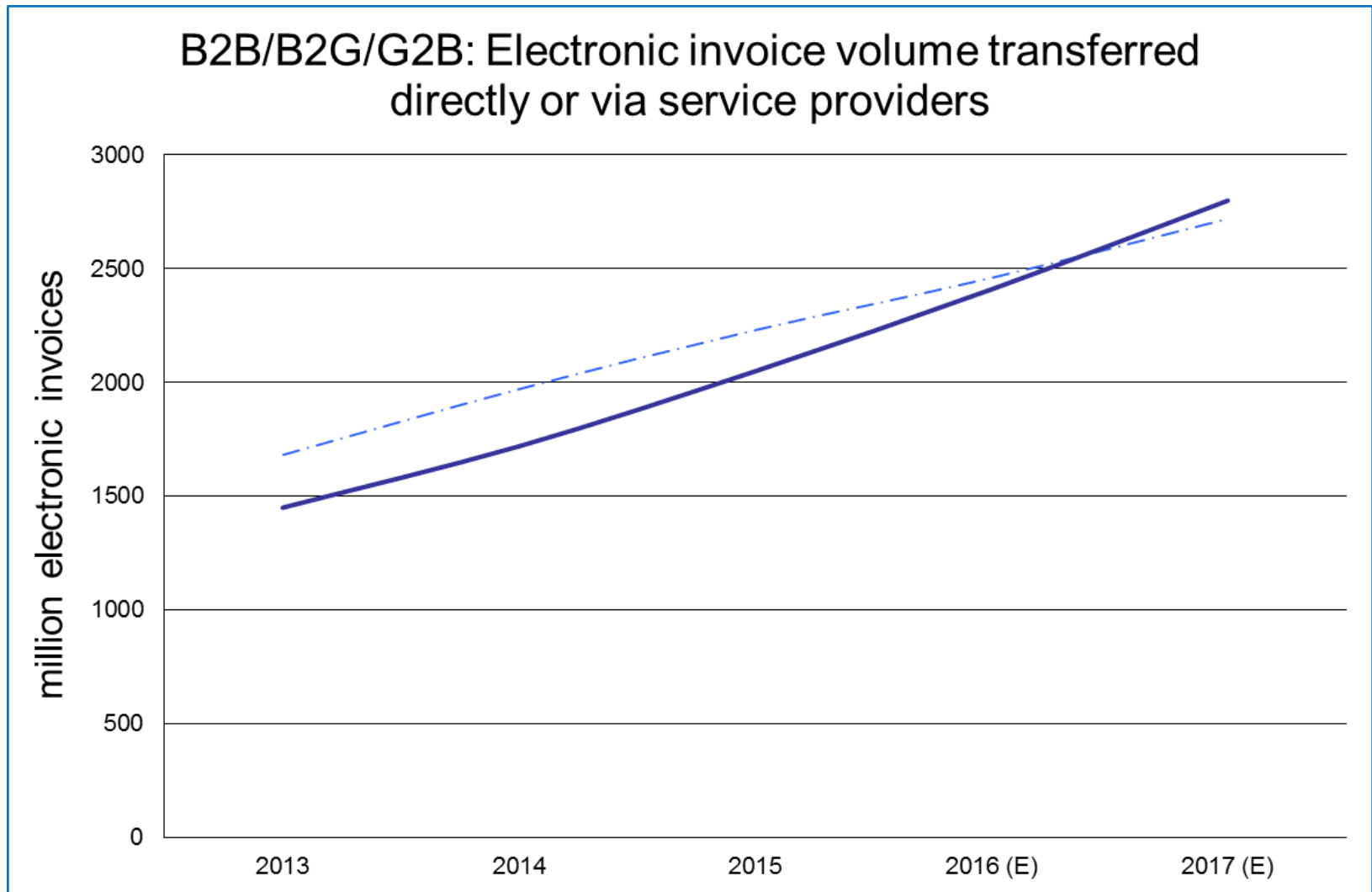
>40%

15-40%

<15%

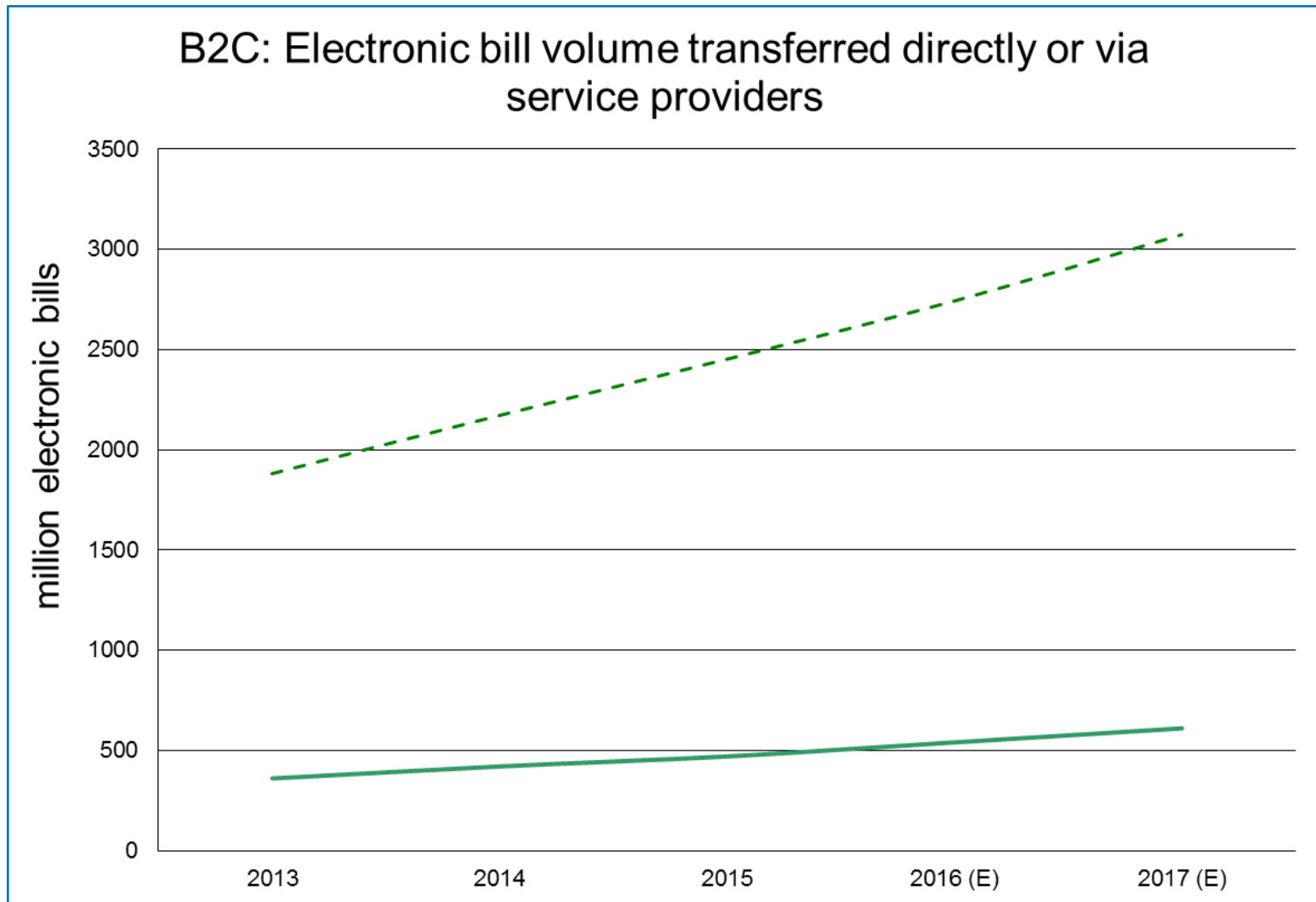
Channels Used for Electronic Invoices

B2B/B2G/G2B volume



Channels Used for Electronic Bills

B2C volume



- EU directives in progress to mandate 300,000+ Public Administrations to become “e-invoicing and e-procurement ready” until end of 2018 or 2019
- Next Business-to-Government e-invoicing mandates coming in place
 - France started in January 2017, step-by-step implementation
 - Sweden, 2018
- Increasing mandates for electronic reporting of invoice and related fiscal data
 - Hungary, Standard Audit File for Tax (SAF-T) on sales side
 - Portugal (SAF-PT) on sales side
 - Spain from 1 of July of 2017 on sales and purchase side
 - ...

Please find further details in the Market Report
“E-Invoicing / E-Billing 2016”

Report issued in May 2016.

For further information, please visit

www.billentis.com [Twitter](#) [XING](#) [LinkedIn](#)

Definitions & Methodology

- Screening and interpreting 750+ key sources, including:
 - User surveys in countries (AT, DE, ES, FR, PT etc.) and industries (e.g. banking associations, GS1, santésuisse, ...)
 - Figures from large invoice issuers & recipients (e.g. Deutsche Telecom with around 600 million invoices issued p.a., public sector in several countries representing 10%+ of invoice volume in each country)
 - Figures of leading service providers
 - Consolidated figures of domestic E-Invoicing associations
- Numerous interviews with local experts
- In total, results of surveys with 20,000+ enterprises and 15,000 consumers are considered in these statistics and forecasts

Not considered as e-invoices:

Fiscal documents not representing a commercial transaction followed by “demand for payment”, e.g. bank statements, waybills

Fully electronic invoices that are not tax-compliant due to lack of integrity, authenticity and legibility

‘Electronic invoices’ that are supported by legally relevant paper summary invoices (parts of the EDI world), scanned or printed/archived by recipients (if just the paper version is stored as the ‘new’ de-facto original).

‘Asymmetric e-invoice’, buyers can demand a printed invoice and consider it as the legal original invoice.

Major bulk of paper invoices, even if in parallel some invoice data are transmitted to the tax authorities or trading partner.

E-invoices in the broader legal sense:

‘Simplified low value’ e-invoices with reduced content requirements (often just 4-8 mandatory data fields) and without customer authentication

Legally can this category include invoices in a broader sense.

E-invoices in the narrow legal sense:

Only this part is included in the statistics.

E-invoices with the full content (typically 8-16 fields) and authentication of the issuer & recipient.

Two organisations in the role as supplier and buyer exchange a digital and tax-compliant invoice as the valid original invoice. They exchange them directly via service providers and/or via the platform provided by tax authorities. These e-invoices are preserved. They are the only relevant original invoices for the tax authorities and auditors (any paper copies produced are only used as representations).

Paper representations can be found, but will never be considered as the legal original versions.