

E-INVOICING ON THE RADAR



As you may now know on January 1st, 2019, in a bid to curtail VAT erosion and increase the efficiency of VAT collection *Italy introduced real-time VAT control*. This required that invoices now be exchanged electronically, thus making e-invoicing mandatory for B2B transactions. The new rule applies to domestic companies and multinationals transacting with their Italian VAT number.

Described by some professionals as a 'Big Bang' - perhaps due to how it affects businesses, and the expected effects on VAT collection - the new mandate has implications that go deeper than tax collection. Not only does it create a unique inbound channel for invoices and a standard invoice format, something most business may appreciate, '*mandatory e-invoicing [...] is also an opportunity to improve corporate processes such as accounts receivable and accounts payable*', a Finance Director at one major European Retail/CPG Company explains.

The new electronic invoice format offers the opportunity to have digital data that can be used more easily for the optimization of the internal processes. In order to deal with this change effectively a cross-functional team (composed in many cases of members of the Finance, Tax, Legal, IT, Purchasing and HR teams) needs to be setup to ensure proper compliance, governance and process improvements.

Extending beyond Italy

The biggest wave of all, however, is that this 'real-time VAT control' *may well spread throughout Europe*, as other countries are looking closely at Italy's case. The reason is that, while it remains technically unlawful to mandate e-invoicing (violation of the EU VAT Directive), Italy negotiated with the EU so it would be exempt from the Directive, *a precedent other EU countries might look to take advantage of*. Spain has already announced an extension of its B2G e-invoice mandate, France and Greece are rumored to be investigating the feasibility for a switch, and countries such as Romania or Poland could see their significant VAT gaps drastically reduced if such a mandate were to be enacted.

Readiness is critical

It is becoming imperative that European companies be ready for a change bound to come. Many of the executives attending the 19th Annual Shared Services & Outsourcing Week already have this issue on their radar *and will be looking for the best vendor partners to assist them through the change*. It is not just a question of compliance, it is also a tremendous opportunities for them to streamline and improve payment processes across the enterprise.

Be part of that change and *get direct access to these 500+ attendees through tailored networking functions on site*. More info at www.ssoweeek.com or email partner@iqpc.co.uk to receive all the information. Alternatively you can download the vendor prospectus [here](#).