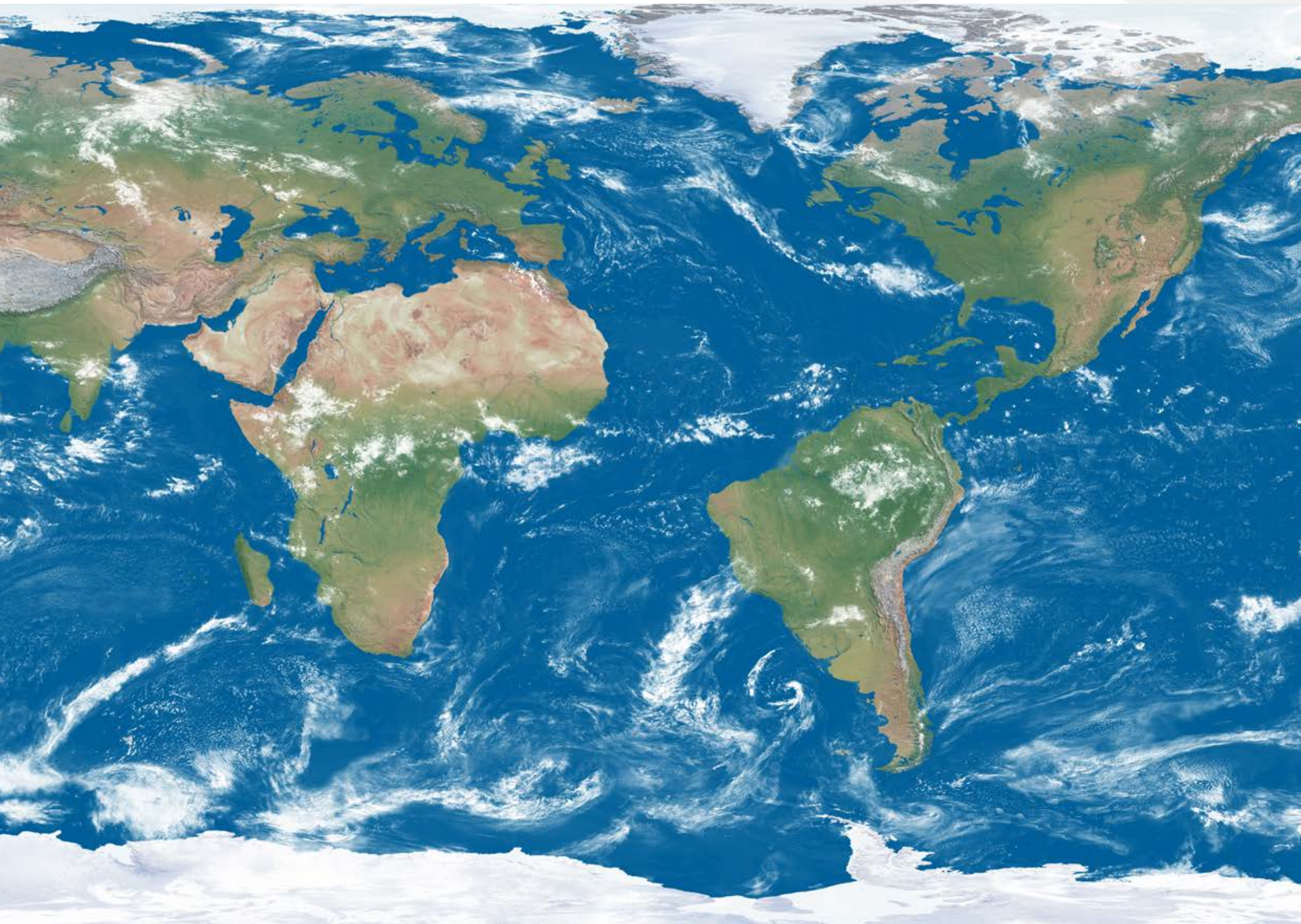
GUIDE

2025 Guide to global e-Invoicing mandates



Contents

The current economic environment has been a perfect storm for electronic invoicing (e-Invoicing) to spread rapidly. Economic pressures from financial, geopolitical, and health crises have prompted many companies to adopt e-Invoicing and have led tax administrations to introduce reforms. These reforms increasingly mandate the use of electronic invoicing legislation to help offset some of the reduced revenue resulting from the economic downturn.

Governments are focused on increasing indirect tax revenues by combating tax fraud, as well as gaining real-time visibility into their economy. Tax administrations have embraced digital technologies to improve visibility and control. One of the key methods, which has proved successful in Latin America, is mandating real-time or near real-time e-Invoicing.

Unfortunately, there has been very little standardization of models, platforms, or technologies used in national governments' e-Invoicing compliance regimes.

Despite signs that the European Union might encourage harmonization,[1] each country's e-Invoicing obligation remains unique. Companies are faced with a massive and complex "patchwork quilt" of compliance requirements that change geography to geography, market to market.

This guide outlines the current state of global e-Invoicing mandates and what organizations across the globe can do to prepare for e-Invoicing compliance today and into the future.

1 Source: World Bank Group

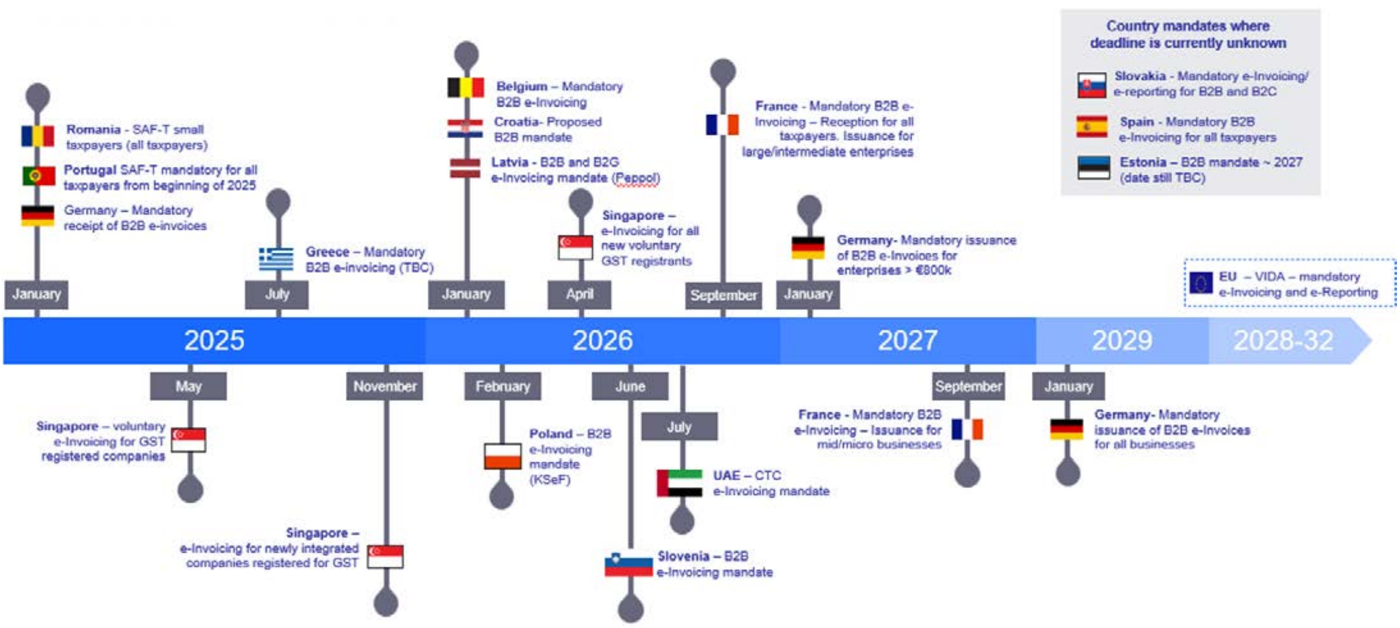
The e-Invoicing landscape

The e-Invoicing landscape has evolved significantly over the past few years, driven by a combination of economic conditions, technological advancements, and regulatory changes.

More than 80 countries have implemented e-Invoicing mandates, and 50 more plan to impose new or additional mandates.

This rapid adoption is largely due to the benefits that e-Invoicing offers, such as improved tax compliance, reduced fraud, and enhanced efficiency in business transactions.

E-Invoice and e-Reporting timeline 2025-32*



*the above timeline is indicative and not exhaustive, nor does it represent a commitment from OpenText to provide support for specific mandates

The desire to capitalize on the benefits of e-Invoicing has led to a diverse and complex landscape, with each government implementing its own e-Invoicing compliance requirements. Despite the lack of uniformity in the models, platforms, or technologies, there are signs that some regions are moving towards harmonization. Still, a lack of standardization remains a problem.

This complexity presents challenges for businesses operating in multiple countries, as they must navigate the diversity of requirements to ensure compliance.

e-Invoicing terms

The VAP gap

VAT accounts for an average of 30 percent of all public revenue, but many countries have a significant shortfall between expected tax revenues and what is actually collected.

Post-audit model

The post-audit model is simply an adaptation of the traditional paper-based tax audit approach.

Invoices are exchanged directly between buyers and suppliers, and then audited anywhere between a few months and many years later. Hence the term "post audit."

Prevalent in Europe and VAT regimes outside Latin America, although rapidly being superseded by Clearance/CTC models.

Clearance model

Clearance models, widely used in Latin America, require supplier companies to submit their invoices to the tax agency for pre-approval or "clearance" prior to issuing them to their buyers.

This provides the tax agency with real-time visibility into taxable transactions, significantly reducing tax fraud.

The expectation is that by 2030, the majority of the world's 200 VAT regimes will have mandatory continuous transaction controls in place around the invoice. This shift towards real-time or near real-time e-Invoicing has already proven successful in regions like Latin America, where it has significantly reduced financial misconduct and improved visibility for tax authorities.

In summary, the e-Invoicing landscape is characterized by rapid growth, diverse technical approaches and compliance requirements, and a trend towards real-time transaction controls. As more countries adopt e-Invoicing mandates, businesses must stay informed and adapt to the evolving regulatory environment to ensure compliance and leverage the benefits of digital invoicing.

What is e-Invoicing?

Before we get into too much detail about the global e-Invoicing landscape let's first ensure we have a clear view of what e-Invoicing is – and more importantly, what it is not.

While at its core e-Invoicing refers to the digitization of paper invoice documents, a more detailed understanding of this term is necessary.

According to industry analyst Billentis, e-Invoicing refers to the electronic transmission of invoices between suppliers and purchasers in both business-to-business (B2B) and business-to-government (B2G) contexts.[2]

In the Western Hemisphere, it involves the digital transmission of invoices directly between parties, including businesses, public administrations, and consumers. The European Union (EU) has specific legislation for B2B e-Invoicing, requiring VAT-compliant invoices to be issued and received electronically and archived in their original digital format. For B2G transactions, only structured formats qualify as e-Invoices under EU directives.

Globally, practices vary. In Latin America, e-Invoicing often involves the digital transmission of sales invoice data to tax authorities. In Asia, some countries align with Western practices, while others follow the Latin American model.

The term "e-billing" is generally used for electronic generation of bills for consumers, although the terms "e-Invoicing" and "e-billing" are sometimes used interchangeably.

While PDF and supplier portals are today widely used approaches to "electronic invoicing" these are increasingly being excluded from legislative approaches which mandate e-Invoicing, since they fail to fully automate the end-to-end process.

2 Billentis, The global e-Invoicing and tax compliance report: Watch the tornado!, 2024

e-Invoicing terms

E-Reporting

E-Reporting involves the electronic submission of specific data and information to government authorities or regulatory bodies. This data is generally related to or a subset of the invoice transactions. It ensures that businesses comply with regulatory requirements by providing timely and accurate data to authorities.

Continuous transaction controls (CTC)

Other VAT regimes have experimented with new approaches such as real-time or near-real-time reporting (e-Reporting) of taxable transactions that do not require pre-approval by the state tax agency. CTC is a catch-all term that encompasses both e-Invoicing clearance models and these new e-Reporting models, and which contrasts with the post-audit model.

Background and history

E-Invoicing developed slowly in most parts of the world due to concerns about the ease with which digital data could be changed to serve tax evasion. As technology has improved, e-Invoicing has evolved. Early e-Invoicing was little more than a digital representation of the paper-based post-audit model, and due to the perceived complexity/cost of implementing e-Invoicing, uptake has been slow.

Application vendors have also interpreted the electronic invoicing regulations in the ways that suited them best, resulting in many approaches.

The switch to clearance and CTC mandates

While Europe was implementing optional e-Invoicing following the post-audit model, elsewhere, other countries were taking things a step further.

European tax agencies were primarily concerned with not imposing too many rigorous controls on businesses and sought to simply accommodate the desire of larger enterprises to automate their inefficient invoice processes.

However, the biggest problem facing many tax agencies, especially in Latin America, had been tax evasion and the growing VAT gap.

Clearance-based e-Invoicing (see sidebar, page 5) completely reversed the traditional approach to auditing, requiring supplier companies to send their invoices electronically to the tax authority to effectively pre-authorize them before they could ever be issued to the buyer.

Tectonic shifts in Latin America

In 2011, Mexico became the first country to mandate e-Invoicing using a clearance model. Regardless of size/technical capability, all taxpayers were obliged to submit e-Invoices to the tax authority in near real time.

The benefits to tax agencies were clear—instant visibility into all VAT-relevant transactions and a massive reduction in financial misconduct.

Other Latin American countries like Brazil quickly followed suit and saw similar results in reducing their VAT gap and combating tax fraud.

This generated a flurry of e-Invoicing mandates, which first spread across Latin America and then crossed the Atlantic, arriving first in Turkey, before neighboring Italy took note. Italy became the first country to implement mandatory B2B e-Invoicing with a similar model to the Latin American clearance models.

Since then, France, Germany, Poland, Belgium, Spain and many others have announced their intent to follow suit, although many different models have evolved that no longer require pre-authorization/clearance per se, and in some cases only require electronic reporting of invoice data to the tax authority (e-Reporting). The term generally used to encompass all such e-Invoicing reforms is Continuous Transactions Controls (CTC).

Outside of Europe, many countries have also begun implementing B2B e-Invoicing mandates.

e-Invoicing: The wider context

In addition to e-Invoicing, tax authorities are looking to extend their mandates to cover other documents and data related to VAT-relevant transactions, such as orders, credit and debit notes, shipping and delivery notes, ledgers and other accounting documents.

In Mexico, for example, payroll transactions must be cleared in the same way as invoices. Other countries, including Chile, Argentina, and Colombia, have extended the information required beyond invoice details to cover other data around the transaction, such as any factoring arrangements.

As technologies and platforms mature and improve, it is highly likely that the breadth and depth of tax and finance data required will continue to grow.

This is leading to what has been termed the "death of the VAT return." Applying mostly to Europe, governments are taking advantage of the potential in digital technologies such as the SAF-T (Standard Audit File for Tax) to incorporate e-Invoicing with other capabilities such as e-auditing, e-reporting, and e-archiving. This enables them to acquire all the information they need to automate much of the tax reporting and retrieval process.

Poland has already removed the need for a VAT return, and the UK's Making Tax Digital initiative is following suit. Others will undoubtedly take heed. The benefits for both the tax authority and the company are clear.

However, real-time and near-real-time reporting of tax introduces additional challenges for businesses who are accustomed to having significant amounts of time between transactions and audits to collect all of the information they need and ensure it tallies. This will drive businesses to look closely at their financial processes and invest in more robust technologies to ensure compliance.

These are additional factors that organizations must consider when developing their compliant e-Invoicing solution. Integration goes further than meeting the digital invoicing requirements of individual jurisdictions. It requires the ability to integrate different document and data types into a single, coherent submission for the tax authority.

Global e-Invoicing by region

As we have seen, tax administrations are increasingly switching from manual, labor intensive post-audit approaches to fully electronic/digital approaches. In this section, we shall examine the different approaches by region, and look at some specific examples of countries who have adopted (or are in the process of adopting) mandatory e-Invoicing regimes.

Lack of harmonization

e-Invoicing mandates for B2G and B2B now span more than 80 countries with different models, connectivity requirements and invoice formats.

The below provides a brief snapshot of just some of these differences.

Country	Portal	E-invoice format(s)
France	PPF	UBL/CII/ Factur-X
Italy	SdI	FatturaPA
Poland	KSeF	FA_VAT
Belgium	PEPPOL	UBL
Spain	FACe	FacturaE
Turkey	GiB Portal	UBL-TR
Mexico	SAT via PAC*	CFDi
Brazil	SEFAZ	NF-e/NF-se

*Authorized Certification Provider

Europe/EU

In Europe, as a CTC approach (see sidebar page 5) supersedes the earlier post-audit model, early B2G mandates are now being joined by business to business (B2B) equivalents. Turkey and Italy paved the way for mandates in Europe for B2B electronic invoicing and Germany started its own in January 2025. France, Belgium, Poland, Spain, and many others have announced their intent to follow.

Little standardization was seen around early European e-Invoicing mandates, as few countries chose to implement common standards like PEPPOL. A number of countries have focused on e-Reporting rather than e-Invoicing, requiring a combination of accounting documentation and transactional data into a SAF-T (Standard Audit File for Tax) tax reporting process.Previous EU directives have made it challenging for businesses to switch to e-Invoicing, and today national governments wishing to do so must request a special “derogation” from the terms of the directives to proceed.

In December 2024, the European Commission introduced the VAT in the Digital Age (ViDA)[3] proposal to address some of these deficiencies, combat VAT fraud, streamline compliance, and create a more unified and efficient VAT system across the EU.

ViDA proposes several measures to ensure efficient collection of VAT while simplifying administrative processes for businesses, and one of the key pillars is mandatory CTC e-Invoicing/e-Reporting for cross-border transactions by 2032.

The ViDA report explains that switching to electronic invoicing will help reduce VAT fraud by up to €11 billion per year over the next 10 years.[4]

Another key change is to redefine an electronic invoice as ONLY a structured data file. PDF-based invoices, which today represent most “electronic” invoices, will no longer legally be considered e-Invoices.

While the ViDA report intends to provide a degree of harmonization in the future, national e-Invoicing approaches are still very fragmented.

Let’s take a brief look at some of these differences, which pose challenges for multinational businesses operating in multiple countries and are required to support various approaches and standards.

Italy

The Italian model looks similar to some Latin American clearance models, with a single, central government portal to which all suppliers must connect to deliver their invoices. A single invoice format is permitted, and invoices are checked and approved as a form of clearance. Italy goes further than many Latin American systems, with their portal managing the onward delivery of each invoice to its recipient.

3 European Commission, VAT in the Digital Age report, 2024
4 ibid

Poland

The Polish model is similar to that in Italy with a central portal, KSeF, and its own XML invoice format, "Faktura XML." However, unlike Italy, it is not considered a clearance model, since the invoice is not checked for business/tax data. Nor do they manage invoice delivery.

Regardless, the requirements in Poland will prove disruptive to businesses—those who embraced e-Invoicing during the previous post-audit regime and are exchanging invoices via EDI or in other formats will have to start from scratch, and either connect directly to KSeF or work through a partner like OpenText who can simplify the complexity of this connection and new format for them.

Germany

Germany has taken a very different approach to both Italy and Poland, with its e-Invoicing mandate looking very much like its existing post-audit e-Invoicing model.

Unlike Poland and Italy, who implemented e-Invoicing in a "big bang" approach for all taxpayers at once, Germany has taken a phased approach, which started January 1, 2025 with a "reception" phase. In this phase it is mandatory for all businesses to be ready accept e-Invoices if they are sent.

Phase two will not follow until January 1, 2027, when enterprises with more than €800,000 turnover will be required to send e-Invoices. The final phase follows a year later, when all companies will be required to issue e-Invoices.

Taxpayers can send and receive e-Invoices in two formats. The first is XRechnung, which is the German national standard for B2G e-Invoicing. The second format is ZUGFeRD, a long-established national format. ZUGFeRD is a hybrid PDF format that embeds an XML payload within the underlying PDF image. Other formats may be accepted if they are structured data formats that allow for electronic processing, for example, regular PDFs are excluded.

Unlike Poland, Germany has imposed no central platform or portal whatsoever, and there are no requirements for reporting invoices to the tax authority, although this will likely follow in a later phase.

Germany has also not imposed additional requirements around proving the integrity and authenticity (I&A) of invoices. The VAT directive allowed for three main mechanisms to prove I&A during the post-audit e-Invoicing phase, digital signatures, EDI or business controls (a reliable audit trail, often referred to as BCAT) and Germany has retained these options to provide greater flexibility for taxpayers.

However, choice is not always a good thing, since some of these methods are mutually exclusive/incompatible and it will be a requirement for every German company to on-board every supplier and buyer, agreeing on the format and standard, communications method, as well as I&A.

For large multinationals with thousands of partners, this will represent a significant obstacle to adoption of e-Invoicing.

Partnering with a well-established e-Invoicing service provider like OpenText, who has decades of expertise in such large scale on-boarding projects, may be the only option for German enterprises.

France

France has taken its existing B2G e-Invoicing platform and adapted it to become its public portal for B2B e-Invoicing (PPF), but unlike Poland and Italy, three invoice formats can be accepted, UBL, CII, and Factur-X.

France "borrowed" Factur-X from Germany—it's a hybrid PDF format, originally a French flavor of the German ZUGFeRD standard, although the two standards have now merged and harmonized.

France also borrowed from the Mexican model and established the concept of certified private network providers—PDPs—which will be the only entities able to exchange French invoices. It will no longer be possible for suppliers and buyers to exchange invoices directly without a PDP.

OpenText was one of the first providers accepted as a PDP in France, out of only 90 registered today.[5] This creates a real challenge for French companies, since there are some four million businesses of various sizes that will be required to contract with a PDP in time for their rollout commencing 2026.

The French approach, while flexible, still requires changes in processes for all French companies and will no doubt prove very disruptive.

Belgium

Belgium's mandatory e-Invoicing regime is scheduled to take effect January 1, 2026. The Belgians have taken a pragmatic and standards-based approach, strongly recommending the use of the PEPPOL network and invoice format (PEPPOL BIS), while also allowing other formats to be used if buyer and supplier agree.

Like Germany, no centralized government portal for invoice exchange or e-Reporting is proposed in this stage, although it is expected to follow later.

This approach provides a reasonable amount of flexibility for businesses operating in the region, without excessive technical requirements or obligations, although partnering with a certified PEPPOL Access Point provider for Belgium, like OpenText, will be essential for most businesses.

5 List of PDPs published by Direction générale des Finances publiques (DGFiP), the French public finance administration

Latin America

Since about 2010, Latin America has been at the forefront of developing key concepts around electronic invoicing. Both the advent of e-Invoicing mandates and the clearance model were pioneered by Mexico and Brazil, driven by the need to combat financial misconduct and improve real-time visibility into economic transactions.

While the overall trend has been towards mandatory e-Invoicing regimes and clearance models, the landscape is characterized by a variety of approaches and nuances that reflect the unique economic and regulatory environments of each country.

A key feature in Latin American e-Invoicing remains the widespread adoption of clearance models, where invoices must be submitted to tax authorities for pre-approval before being issued to buyers. This model has proven effective in reducing the VAT gap and enhancing tax compliance. However, not all countries have adopted the same approach. For instance, while Mexico and Brazil have implemented mandatory clearance models, other countries may have different requirements for compliance.

Additionally, the scope of e-Invoicing mandates in Latin America often extends beyond just invoices. Countries like Mexico require the clearance of payroll transactions, and others like Chile, Argentina, and Colombia have expanded their mandates to include additional transaction data. This comprehensive approach ensures greater transparency and control over various aspects of the economy.

Despite the success of these mandates, businesses operating in multiple Latin American countries face challenges due to the lack of standardization across the region. Each country has its own unique compliance requirements, models, and technologies, creating a complex “patchwork quilt” of regulations. As a result, companies must stay informed and adapt to the evolving regulatory environment to ensure compliance and leverage the benefits of digital invoicing.

Mexico

Mexico was a pioneer in the adoption of e-Invoicing, becoming the first country to mandate it using a clearance model in 2011. Regardless of size or technical capability, all taxpayers are required to submit e-Invoices to the tax authority in near real time. This model has provided significant benefits to tax agencies, including instant visibility into all VAT-relevant transactions and a massive reduction in tax evasion. Additionally, Mexico has extended the clearance requirement to other types of transactions, such as payroll.

Brazil

Brazil was another trailblazer in the implementation of e-Invoicing mandates, quickly following Mexico’s lead and achieving significant results in reducing the VAT gap and combating tax evasion. The Brazilian government mandates the use of the clearance model for e-Invoicing, which requires supplier companies to submit their invoices to the tax agency for pre-approval before issuing them to their buyers. This model provides the tax agency with real-time visibility into taxable transactions, significantly reducing tax fraud.

The success of Brazil's e-Invoicing system has led to widespread adoption across Latin America and has influenced other regions to consider similar models. The Brazilian model has proven effective in increasing tax compliance and improving the efficiency of business transactions.

It's important to note that within Brazil, each region, state, and municipality may have its own variations, making Brazil one of the most complex countries in the world. These local differences can affect specific requirements and processes for e-Invoicing, making it essential for businesses to stay informed about the regulations applicable to their specific locations.

Brazil famously reported that it had increased its tax revenue by $58 billion in a single year after mandating electronic invoicing.[6]

Brazil is also an excellent example of the way that the granular transactional information extracted from e-Invoices, e-reporting, e-accounting and other documents can be used as an economic policy driver. In fact, during the height of the pandemic, the Brazilian government used e-Invoice data to identify areas where sales were falling to target financial relief efforts.[7]

However, e-Invoicing should ideally provide ongoing benefits for both the governments and companies involved. This goes beyond the benefits of e-Invoicing itself to include the imposition of best practices. Mandates create a requirement for good systems and processes and help ensure data quality in real time. Close collaboration between buyers and suppliers strengthens and deepens the relationship.

Argentina

Argentina has also embraced e-Invoicing, extending the information required beyond invoice details to cover other data around the transaction, such as any factoring arrangements. This approach has helped improve tax compliance and reduce fraud. The country has implemented continuous transaction controls (CTC), which encompass both e-Invoicing clearance models and new e-Reporting models. This shift towards real-time or near real-time e-Invoicing has proven successful in reducing financial misconduct and improving visibility for tax authorities.

Peru

Peru has been gradually implementing e-Invoicing since 2010, with the final phase completed in June 2022. The mandate applies to all taxpayers, including B2C transactions. Businesses must use an Electronic Services Operator (OSE) to verify and submit invoices to the tax authority, SUNAT, for validation before sending them to recipients. This clearance model ensures real-time visibility into taxable transactions, helping to reduce tax fraud and improve compliance. The system also includes continuous transaction controls (CTC) for various electronic documents, such as invoices, debit and credit notes, and waybills.

Smaller firms in Peru that transact with partners invoicing electronically reported 11% more sales and paid 17% more VAT.[8] No one appears to mind paying extra sales tax when it comes with extra sales.

North America

Unlike Latin America, North America has been slower to adopt e-Invoicing. The United States and Canada have unique regulatory environments that have influenced their approach to e-Invoicing.

Overall, Latin America has seen significant success with e-Invoicing mandates, leading to improved tax compliance, reduced fraud, and enhanced efficiency in business transactions. The region's experience has influenced other countries to adopt similar models, contributing to the global trend towards real-time transaction controls.

United States

The United States has not mandated e-Invoicing at the federal or state level, primarily due to the absence of a VAT system. However, there have been significant efforts to promote e-Invoicing through initiatives like the one from the Business Payments Coalition (BPC), which in spawned the Digital Business Networks Alliance (DBNAlliance). These organizations aim to create a cohesive framework for e-Invoicing and improve interoperability among businesses.

The BPC launched a Market Pilot to build, test, and implement a virtual network for e-Invoicing. This pilot phase, which began in 2023, establishes a secure e-Invoice delivery framework similar to the PEPPOL model, using a four-corner approach.[9]

The Digital Business Networks Alliance (DBNAlliance) was formed to oversee the innovative electronic exchange network developed by the BPC Market Pilot. The DBNAlliance includes several private companies and government agencies, such as the Department of Defense and the Environmental Protection Agency.[10]

Despite these efforts, e-Invoicing remains optional for B2B transactions, and adoption varies widely across industries and states.

Canada

Canada has also been slow to mandate e-Invoicing, and the reasons are less clear compared to the US.

While Canada performs relatively well from a VAT perspective, there are areas for improvement. According to a report by the Parliamentary Budget Officer, Canada outperforms many comparable countries in the value of additional assessments for VAT and the number of audits conducted per auditor. However, Canada has relatively higher VAT arrears compared to other countries—and these arrears are a component of the Canadian VAT gap, which sits at about 8 to 10 percent of overall GST.

As a result, the Canadian government has been exploring the benefits of e-Invoicing and has initiated pilot projects to test its feasibility and impact on tax compliance and business efficiency.

8 IMF, Digitalization and Tax Compliance Spillovers: Evidence from a VAT e-Invoicing Reform in Peru, 2022

9 Business Payment Coalition (BPC) e-Invoicing initiative

10 Digital Business Networks Alliance (DBNAlliance)

Regional differences

The key difference between North America and regions like Latin America lies in the regulatory approach. While Latin America has embraced mandatory e-Invoicing and clearance models to combat tax evasion and improve real-time visibility into transactions, North America has taken a more voluntary and fragmented approach.

As North America continues to explore the benefits of e-Invoicing, it is likely that we will see increased efforts to promote its adoption. However, the absence of a VAT system in the US and the voluntary nature of e-Invoicing in both the US and Canada present unique challenges that will need to be addressed to achieve widespread implementation.

Asia Pacific

The Asia Pacific region has been progressively adopting e-Invoicing, driven by the need to enhance tax compliance, reduce fraud, and improve business efficiency. While the approaches vary across countries, the trend towards digital transformation is evident. Here's an overview of e-Invoicing in key countries within the region:

India

India implemented its e-Invoicing mandate in October 2020 for businesses with a turnover above ₹500 crore, gradually extending it to smaller businesses. The system requires invoices to be reported to the Invoice Registration Portal (IRP) for validation before being issued to buyers. This clearance model ensures real-time visibility into transactions and helps reduce tax evasion.

Hong Kong

Hong Kong has not mandated e-Invoicing but encourages its adoption to streamline business processes and improve efficiency. The government supports voluntary e-Invoicing initiatives and provides guidelines to help businesses transition to digital invoicing.

Japan

Japan introduced its Qualified Invoice System in October 2023, requiring businesses to issue and receive invoices that meet specific criteria to claim input tax credits. While not a full clearance model, this system aims to improve tax compliance and reduce fraud by ensuring the accuracy and authenticity of invoices.

Singapore

Singapore has been a leader in e-Invoicing adoption in Asia. Since 2018, e-Invoicing has been mandatory for government authorities, and the country was first outside Europe to adopt the PEPPOL format for e-Invoices. The InvoiceNow network, established in 2019, facilitates e-Invoicing in the private sector, and the government plans to extend its use to public sector transactions.

Singapore is currently rolling out a "soft mandate" for B2B e-Invoicing, with voluntary early adoption beginning in May 2025, followed by mandates for newly incorporated GST registered companies in 2026.

Australia

Australia has implemented the PEPPOL e-Invoicing framework, which is voluntary for businesses but mandatory for federal government agencies since July 2022. The government encourages businesses to adopt e-Invoicing to improve efficiency and reduce costs although no B2B mandate is currently planned.

New Zealand

New Zealand follows a similar approach to Australia, adopting the PEPPOL framework for e-Invoicing. While it is not mandatory for businesses, the government promotes its use to enhance business efficiency and reduce administrative burdens.

China

China is piloting e-Invoicing in several regions, aiming to expand its use nationwide. The pilot projects focus on using digital invoices to improve tax compliance and reduce fraud. In late 2024, the government announced plans to promote fully digitalized electronic invoices nationwide based on the success of these pilots.[11] While this does not constitute a mandate, it seems likely that this may follow at some point.

Russia

Russia attempted to implement a very strict clearance model for e-Invoicing, but the approach faced significant challenges. The stringent requirements and lack of flexibility led to difficulties in adoption and compliance, resulting in a less successful implementation compared to other countries.

Summary

The Asia Pacific region showcases a diverse range of e-Invoicing approaches, reflecting the unique economic and regulatory environments of each country. While some countries have fully embraced mandatory e-Invoicing and clearance models, others are taking a more gradual or voluntary approach. Despite these differences, the overall trend towards digital transformation and improved tax compliance is clear.

11 Source: State council of the People's Republic of China, Nov. 25, 2024

Challenges and opportunities

Slow standardization, lack of harmonization

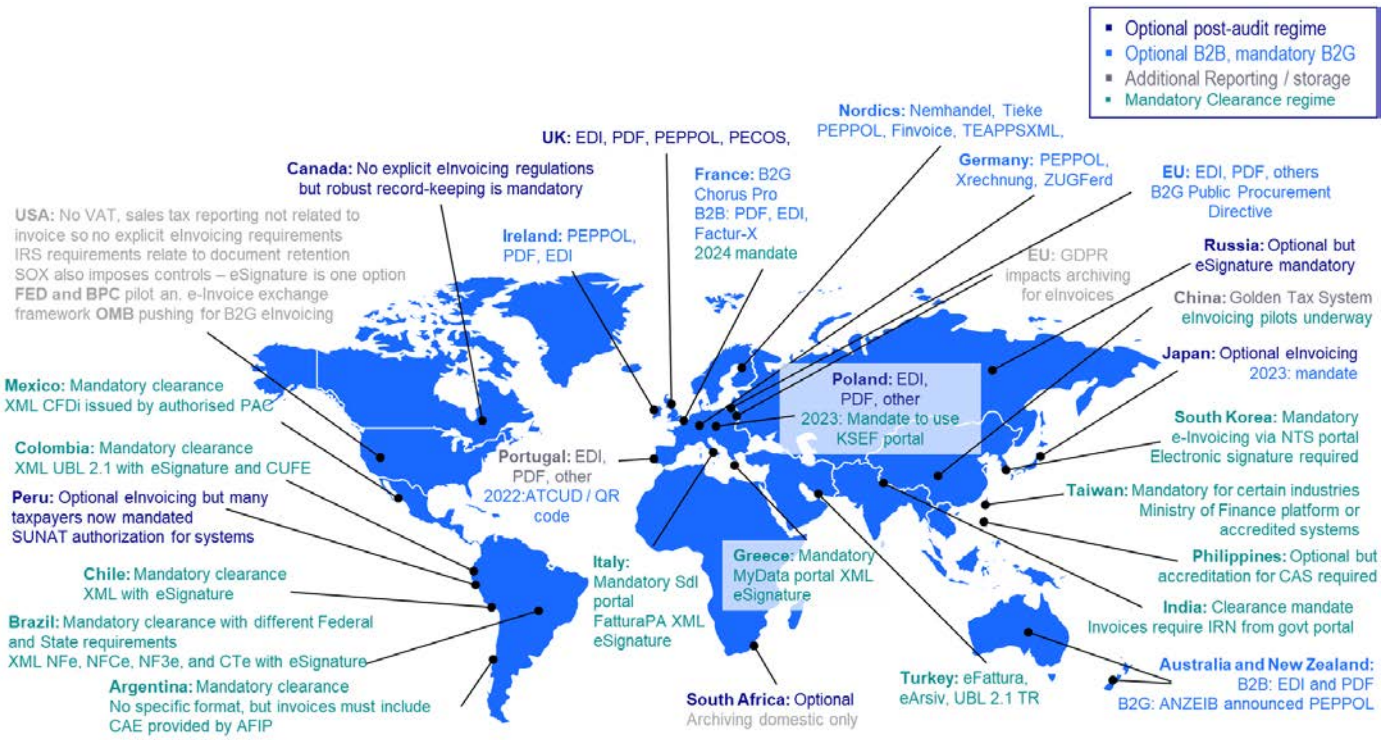
As B2B mandates have expanded, many countries have introduced new CTC platforms and infrastructure to handle these transactions. It is widely expected that the platform selected will be driven by national legal and tax frameworks rather than technical or data standards.

While there are moves towards standardization, such as PEPPOL and SAF-T, and through the ViDA proposal in Europe, progress has been slow, patchy, and mostly regional. Individual countries continue to mandate the e-Invoicing system they consider most appropriate for their own tax requirements.

This proliferation of mandates only increases complexity for organizations—especially those trading in multiple jurisdictions and cross-border. Even where there is a slow move towards standardization, it is open to each country to decide how it implements the standard, leading to numerous variants. Almost every country and region stipulates different e-Invoicing formats and standards—technical, industry and regulatory (see diagram below).

Integration is typically not a core competency in most organizations, leading to growing interest in working with a global service provider. A B2B network consisting of many pre-connected buyers and suppliers, as well as these government-mandated portals, can support implementation of e-Invoicing regulations in each territory worldwide.

A world of mandates, formats, and standards



Resources

OpenText CEO Mark Barrenechea's blog ›

OpenText X page (formerly Twitter) ›

OpenText LinkedIn ›

Conclusion

As we have seen, e-Invoicing mandates are rapidly becoming standard. It is no longer a "nice-to-have" that can be left to regional offices to address locally in a piecemeal fashion.

This approach has left most enterprises with a patchwork quilt of disparate solutions from different vendors, which often address only part of the requirement—either indirect or direct materials, inbound or outbound—and add complexity and cost to your e-Invoicing landscape.

There has been very little standardization of models, platforms, or technologies used in national governments' e-Invoicing compliance regimes which only adds to the complexity. As a result, e-Invoicing is very much an integration problem and businesses are increasingly looking for a single global vendor that can address the complexity and manage the integration needs that are inherent in e-Invoicing.

Outlook for global e-Invoicing mandates

As we look to the future, global e-Invoicing mandates will continue to expand and evolve. Governments worldwide are recognizing the benefits of real-time transaction visibility, improved tax compliance, and reduced fraud. Many analysts suggest that all VAT regimes will switch to e-Invoicing over the next decade or so.

We will likely see increased standardization and harmonization of e-Invoicing requirements, driven by international cooperation and the adoption of global frameworks like PEPPOL. But businesses will still need to stay agile and adaptable, leveraging advanced e-Invoicing solutions to meet the evolving regulatory landscape and maximize the benefits of digital transformation.

Learn more about how OpenText Trading Grid e-Invoicing can help meet current and future e-Invoicing mandates while extending your investment in e-Invoicing across your global trading partner community.

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