

# Global E-Invoicing Mandate

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## Introduction

As digital transformation accelerates, governments worldwide are implementing regulations mandating electronic invoicing (e-invoicing) in business-to-business (B2B) transactions. This shift aims to streamline tax reporting, enhance transparency, and improve efficiency in financial processes. For organizations managing high volumes of invoices, understanding and complying with these mandates is critical. In this white paper, we will explore the global e-invoicing landscape, the impact on traditional invoice processing methods, and how solutions like NXT AP offer seamless integration for both image-based and e-invoices.

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# Global E-Invoicing Mandates

Several countries have already mandated or are planning to mandate B2B e-invoicing, each with its own national compliance requirements. Here is a list of key markets that have implemented or announced mandates:

**Italy:** One of the first in the EU to mandate e-invoicing for all B2B transactions.

**France:** E-invoicing will become mandatory for B2B transactions starting in 2024.

**Germany:** e-invoicing is required for public sector transactions and will be mandated for B2B transactions in 2027.

**Mexico:** A pioneer in mandatory e-invoicing, Mexico's SAT system has been operational for several years.

**India:** E-invoicing became mandatory for large enterprises in 2021 and is expanding to smaller businesses.

**Brazil:** Requires e-invoicing for various transactions, especially in supply chains.

**Singapore:** Mandates e-invoicing starting 2025, encouraging businesses to transition to digital invoicing.

**Australia:** Peppol e-invoicing is encouraged and being adopted rapidly across businesses.

**Saudi Arabia:** Has rolled out e-invoicing in two phases, requiring businesses to adopt it by 2023.

**Poland:** Introducing mandatory B2B e-invoicing in 2024 via the KSeF platform.

Each of these markets comes with its own compliance rules, including specific formats (e.g., XML, JSON), reporting standards, and real-time transmission requirements to tax authorities. Businesses need solutions that not only ensure compliance but also handle the complexity of interacting with these diverse national systems.

*[You can find a current list of e-Invoicing mandates in our NXT eNET flyer]*

# The Reduction of Image-Based Invoices and Transition Period Solutions

With the growing adoption of e-invoicing, the need for processing traditional image-based invoices, such as PDFs, will significantly decrease. However, this shift will not happen overnight. Many businesses will transition from paper-based or PDF invoices to fully digital formats over a period of many years. Therefore, organizations require solutions that can handle both image-based and e-invoices during this transition period.

NXT AP provides a comprehensive solution for both types of invoices:

- **Image-Based Invoices:** For businesses still receiving invoices as PDFs or scanned images, NXT AP uses Azure Document Intelligence to capture invoice data. This ensures that all invoice data, including line items and header information, is processed accurately and efficiently.
- **E-Invoices:** NXT AP also seamlessly integrates with over 30 national e-invoice networks through a single global access point, simplifying the process of receiving structured, compliant invoices from diverse markets.

By enabling businesses to process both types of invoices using the same underlying architecture, NXT AP ensures a smooth transition from traditional to electronic invoicing without disrupting AP workflows.

# Exception Handling and Approval Scenarios: Unified for All Invoice Types

Whether an invoice is image-based or fully electronic, exception handling and approval processes remain consistent. NXT AP provides a unified platform where all invoices, regardless of their format, follow the same approval and exception workflows. This consistency is crucial for maintaining operational efficiency during the transition to e-invoicing.

Key aspects of NXT AP's unified approach include:

- **Standard Exception Handling:** Any discrepancies, such as mismatches in amounts or missing goods receipts, are flagged for review in the same way, whether the invoice is an e-invoice or a PDF. The system automatically assigns these exceptions to the appropriate accountants for resolution.
- **Approvals Across All Platforms:** Approvals can be completed within SAP's interface, including FIORI, ensuring that decision-makers can access and approve invoices seamlessly across devices.

For users, there is no perceptible difference between handling e-invoices and image-based invoices. This unified process design reduces training requirements and operational complexity.

# NXT AP: Seamless Integration with National e-Invoice Networks

A standout feature of NXT AP is its direct integration with over 30 national e-invoice networks through a single global access point, provided by our partner Unifiedpost. This integration ensures compliance with the diverse regulatory environments of each country, while simplifying the process for businesses to manage their invoice workflows under a single contract.

Through this integration, businesses can:

- **Ensure Compliance:** NXT AP automatically validates that each invoice complies with the specific tax and regulatory requirements of the country from which it was sent.
- **Simplify Contract Management:** Instead of managing multiple contracts with different national networks, businesses need only manage a single contract with NXT AP, reducing administrative overhead.

Additionally, NXT AP's **flexible pricing model** allows for **transaction fees based on parked and posted invoices**, regardless of whether the original invoice was a PDF or an e-invoice. This cost structure ensures that **businesses are only charged for actual processed documents**, not for the format in which they were received.

# A Smooth Transition from Image-Based to E-Invoices

The ability to process image-based invoices and e-invoices using the same process design is a key advantage of NXT AP. This consistency allows businesses to transition from traditional to electronic invoicing at their own pace, without having to overhaul their existing systems or workflows.

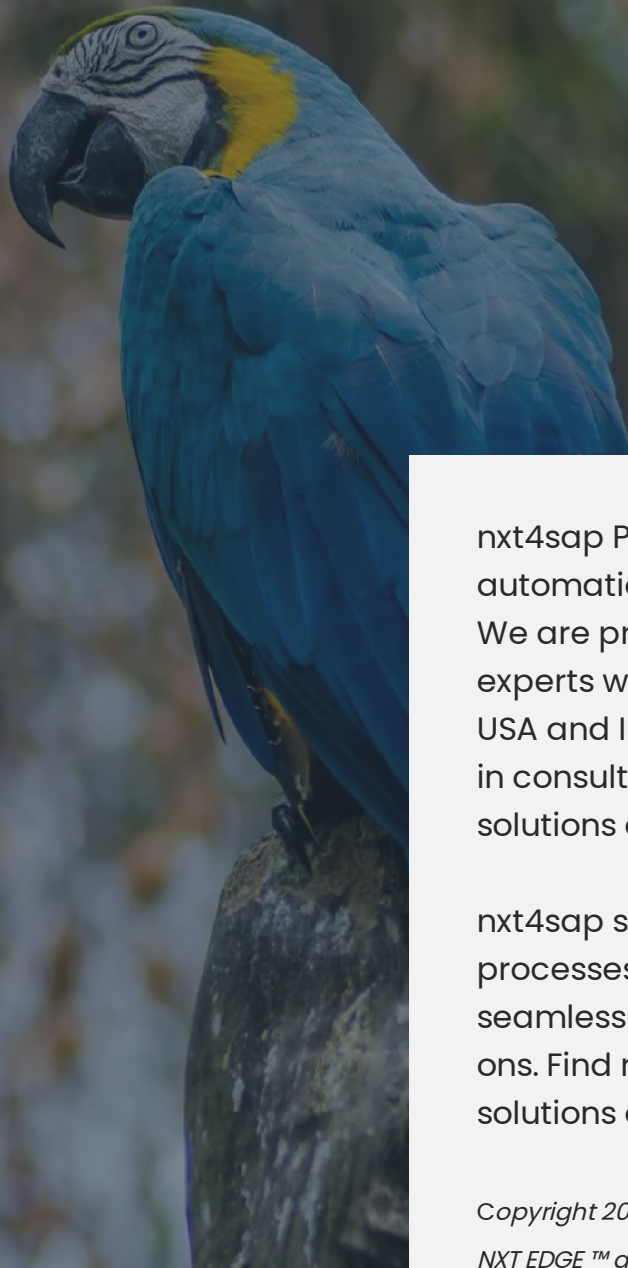
For instance, a company may still receive image-based invoices from smaller suppliers while receiving e-invoices from larger suppliers in countries with e-invoicing mandates. With NXT AP, both types of invoices are processed using the same approval and exception handling processes, ensuring continuity and reducing the risk of errors during the transition.

## Conclusion

As more markets around the world mandate e-invoicing, businesses must adapt their accounts payable processes to remain compliant and competitive. However, the transition from traditional, image-based invoices to fully electronic invoices is not instantaneous. During this transition period, businesses need solutions that can handle both types of invoices seamlessly, ensuring operational efficiency and compliance.

NXT AP offers a unified platform for processing both image-based and e-invoices. By **integrating with over 30 national e-invoice networks** and applying the same process design for all invoice types, NXT AP enables businesses to navigate the global shift toward e-invoicing with ease. With consistent exception handling, approval workflows, and transaction-based pricing, NXT AP ensures a smooth transition to a fully electronic invoicing future.

For businesses seeking to optimize their AP function and prepare for the global e-invoicing mandates, NXT AP provides the tools, flexibility, and compliance to make the shift seamlessly and cost-effectively.



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