



E-invoicing and real-time reporting developments in the Asia Pacific  
The Dbriefs Indirect Tax series

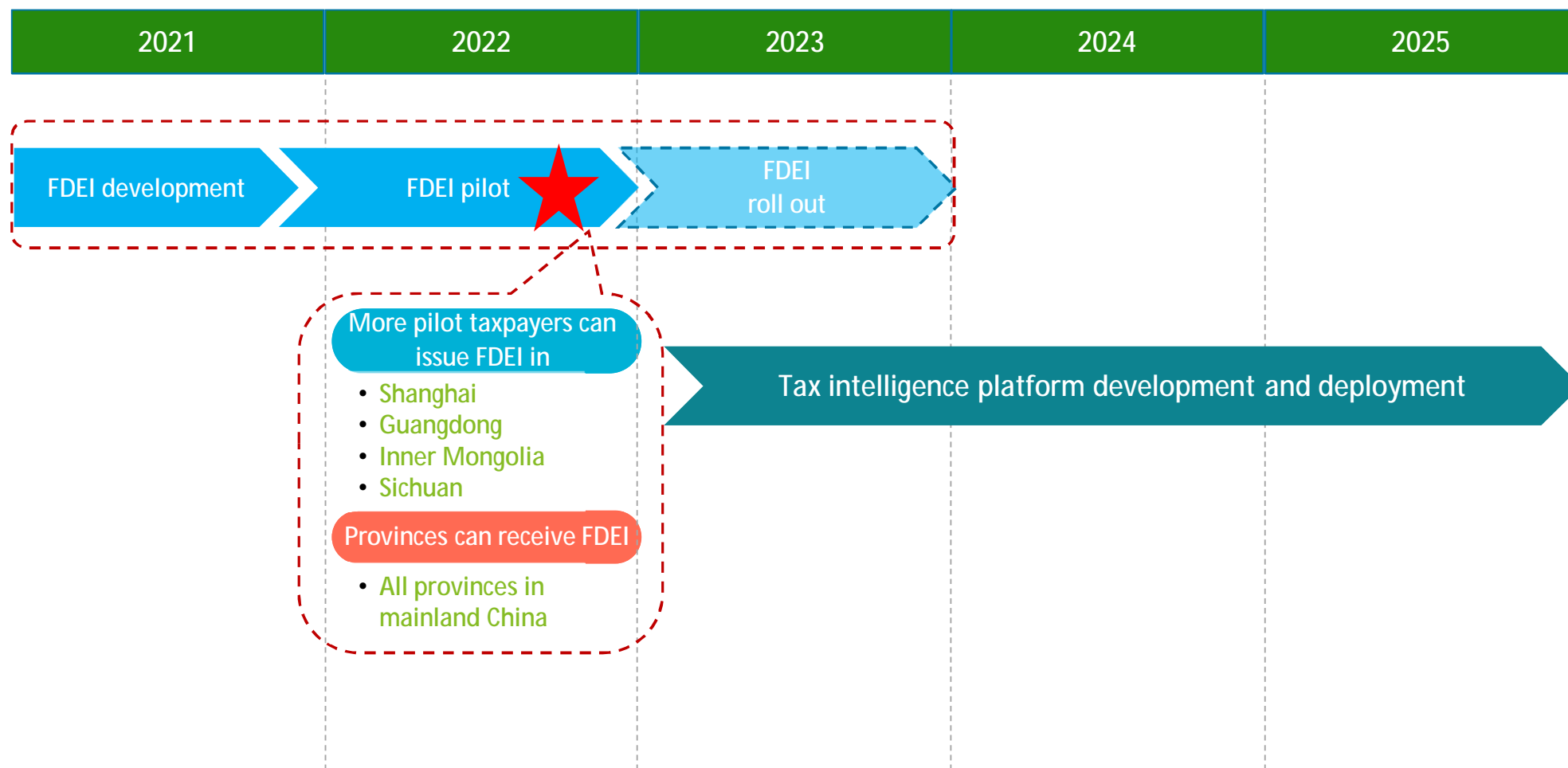
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17 November 2022

# Agenda

- Introduction
- E-invoicing in China
- E-invoicing in Australia
- E-invoicing in New Zealand
- E-invoicing in India
- Regional strategy for e-invoicing and real-time reporting
- Questions and answers

# China

## Latest development of the Fully Digitalized Electronic Invoice (FDEI) in China



Note: the above timeline is a draft version for information and subject to changes from the government.

## Polling question 1

Has your business in China started to prepare for e-invoicing?

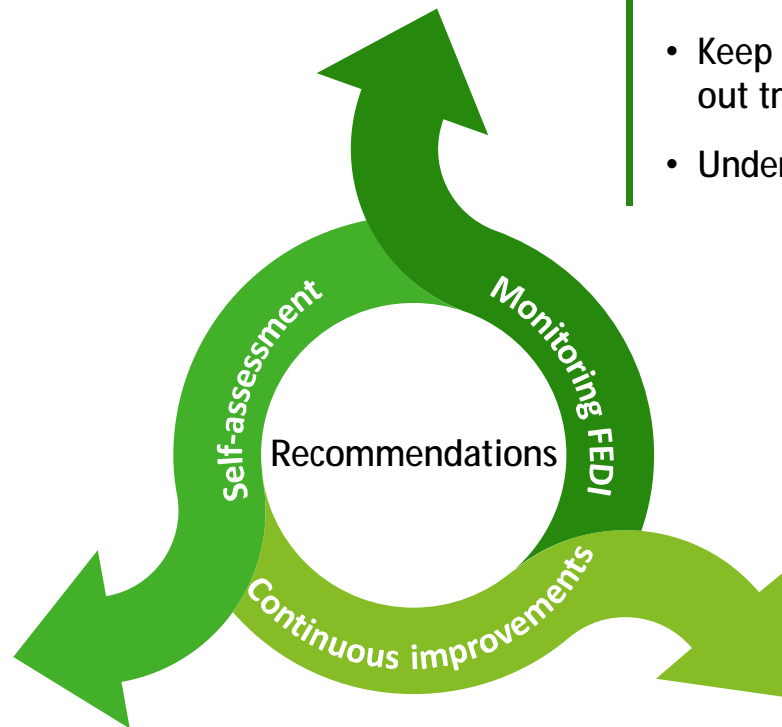
- Not yet; in 'wait and see' mode
- Started to do some preparatory work
- Started to deploy a system
- Already joined the pilot and issued e-invoices

## What can companies do to get prepared?



### Perform internal process review and impact analysis

- Streamline the relevant internal processes, conduct an impact analysis, and prioritize the tasks based on the analysis
- Initiate internal/external stakeholders communications where necessary



### Keep monitoring the FDEIs roll-out plan and best practice in the market


- Keep monitoring the relevant regulations and roll-out trends
- Understand the best practices in the market



### Prepare in advance and make continuous improvements

- Identify the potential improvements from process, systems and labor perspectives
- Conduct relevant trainings
- Make continuous improvements along with the changes of the regulations

## Highlights of Golden Tax System IV

 The State Taxation Administration (STA) launched the “GTS Phase IV” project to provide solid support for the modernization of the tax governance system and governance capabilities

Key features about “GTS Phase IV”



Leverage internet and big data

Shorten the lead time, reduce the cost, and improve the feeling of taxpayers by adopting a taxpayer-centric and user experience guided approach



Digital oriented tax management

Unleash the value of data, improve data-driven business capabilities, and build business innovation spotlight



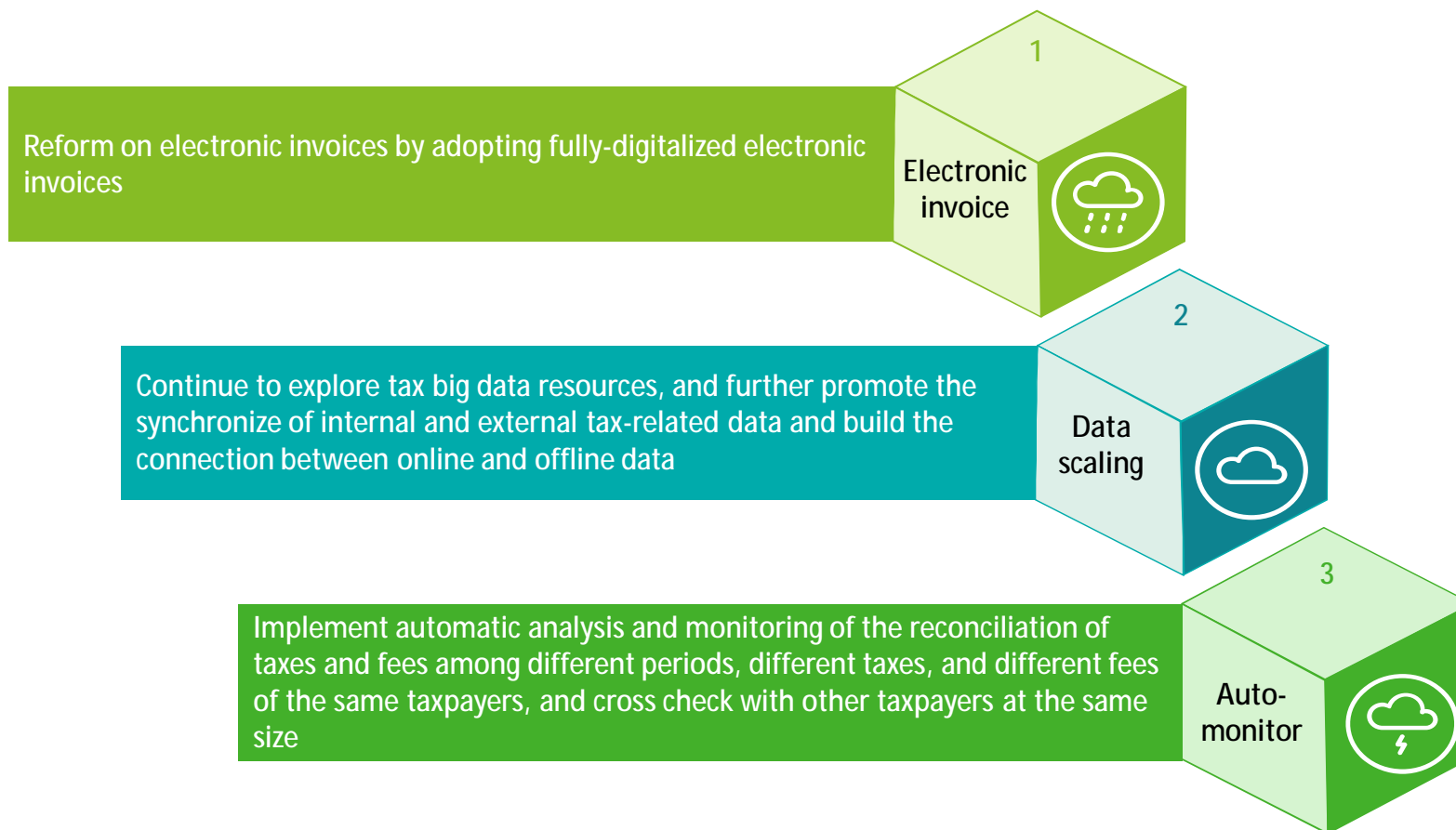
Driven by new technologies

Fully utilize new technologies such as cloud computing, big data, and 5G to promote automation and intelligence with cloud-based business

## Highlights of Golden Tax System IV (cont'd)



The overall project planning of the GTS Phase IV Project





## Application of big data – data analysis in tax audit

**Penetrating data application**  
Utilizing big data analysis to carry out risk identification and tax management across multi-tax departments



**Mining through invoice information**  
Combining the information of invoice flow, cash flow, and tax related atlas to conduct holographic portrait of targets



**AI Technology**  
Based on national database, identifying the characteristics of non-compliant cases and improving success rate through machine learning



**Expanding tax information sources**  
Enhancing comprehensive data sources through internet, government, and 3<sup>rd</sup> parties for tax information gathering and analysis



# Australia

## The Ecosystem of e-invoicing in Australia



**Federal Government**  
All Commonwealth (not State/Territory) mandates



**State Government**  
NSW commitment made. Remaining states each have their own approach to the roll-out and adoption of e-invoicing



**Access Point Providers**  
32+ accredited across Australia of varying size and scale



**e-invoicing Service Providers**  
Providers of other services such as software, integration products, professional services, and process automation and workflow streamlining technology are all in the market



**Regulator**  
The ATO is the PEPPOL Authority for Australia



**Legislators**  
Government consultation and legislative reform



**Private and Corporate entities**  
Businesses of all sizes

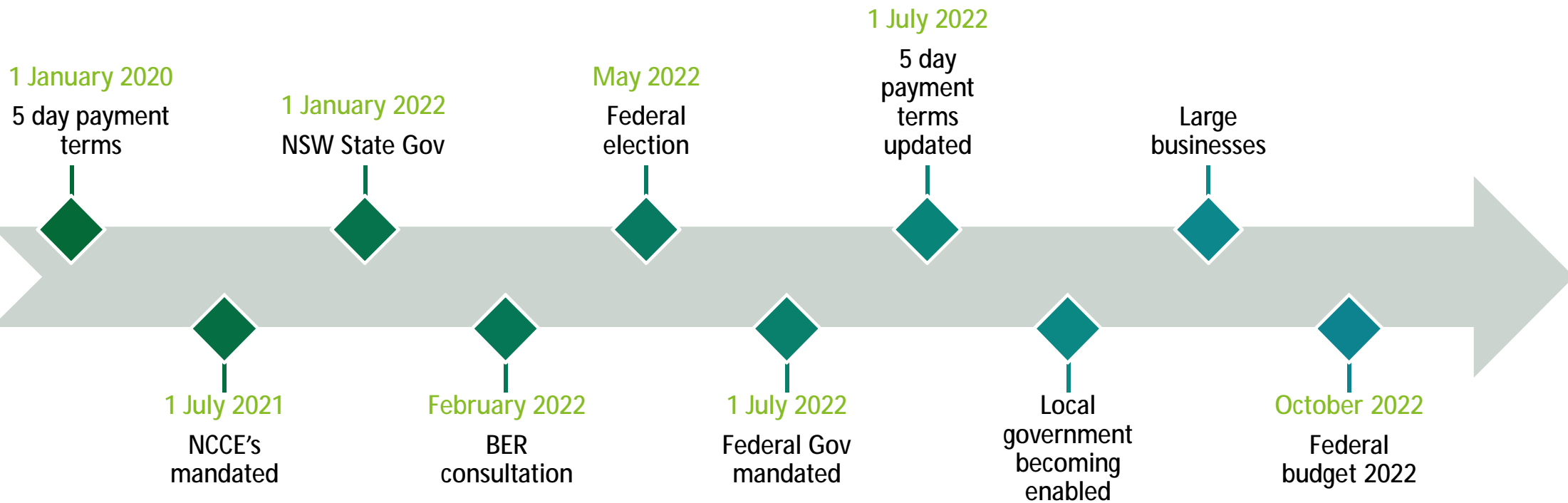
## Polling question 2

What do you see as the biggest barrier to e-invoicing in Australia?

- The complexity of the change process
- Lack of 'change management' skills
- Insufficient resources and tight timelines
- Lack of support from senior management
- Inappropriate organization structure

# e-invoicing in Australia

## Timeline of e-invoicing implementation in Australia



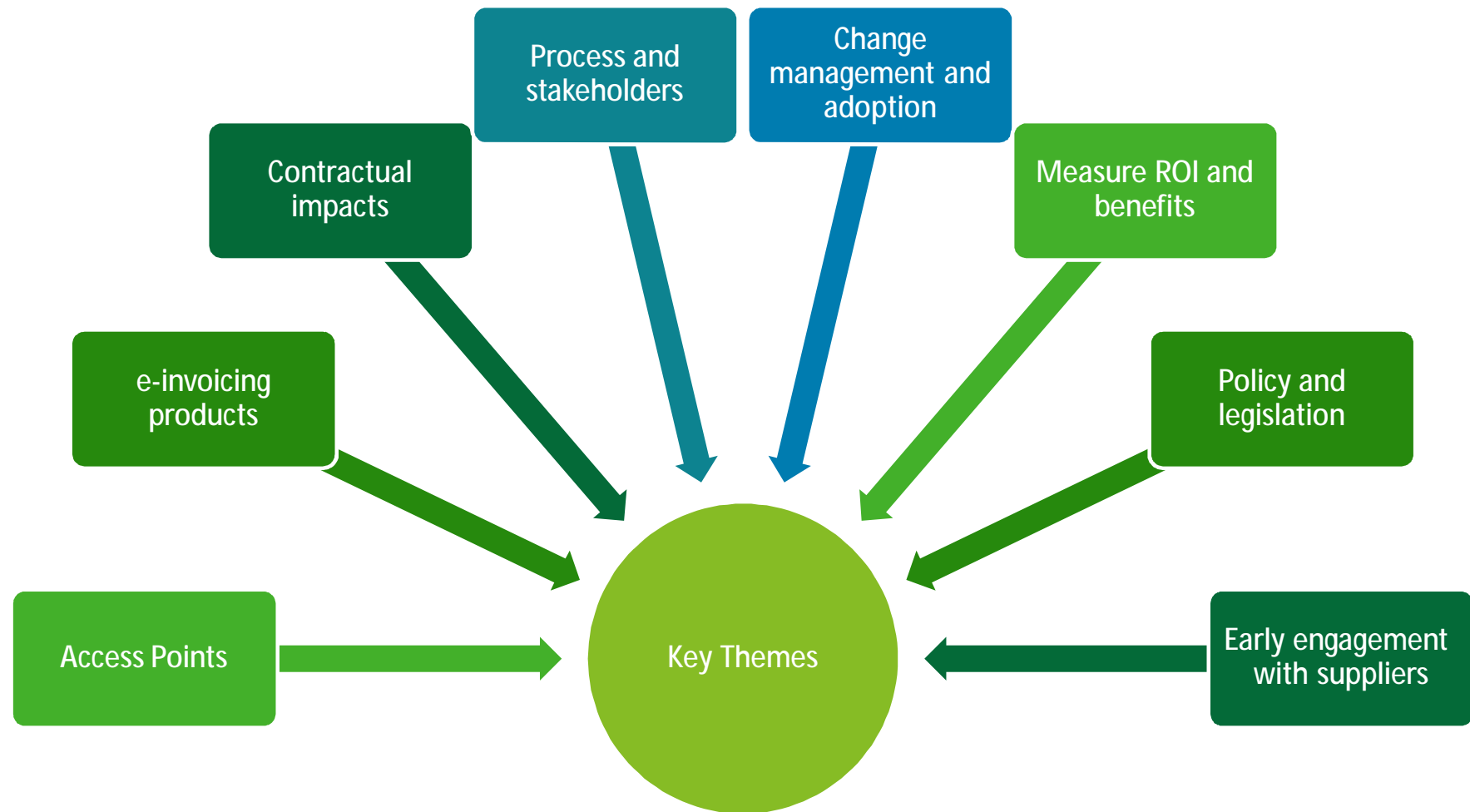
## Polling question 3

At what stage is your e-invoicing implementation in Australia?

- Not looking at being enabled
- Investigating options for e-invoicing enablement
- Enabled for receiving e-invoices
- Enabled for sending e-invoices
- Enabled for sending and receiving e-invoices

## Learnings and Key Themes

Considerations that should be taken when undergoing e-invoicing implementation and change management



# New Zealand



## E-Invoicing Landscape in New Zealand

E-invoicing is being “softly” encouraged in New Zealand – driven by MBIE not Inland Revenue

No carrots/no sticks

Inland Revenue role – to prevent roadblocks – changes to tax invoices

No move to e-reporting


30% take up seen as tipping point

## Polling question 4

How likely are you to move to e-invoicing in New Zealand if not legally required to, by the New Zealand government?

- Not at all
- Possible that we move to e-invoicing even if not required by New Zealand
- We will definitely be moving to e-invoicing in New Zealand shortly (or already have)
- Depends on what we do from a regional perspective, New Zealand won't be considered on its own unless legislation requires this

The future of invoicing? From this... to .... ?

Comedy Hotel 		TAX INVOICE	
Lauren Hardie 71 John Street Christchurch		GST No. 987-654-321	
		08 April 20XX	
28 days (first four weeks) at \$104 per night	\$2,912.00		
GST (15% of \$2,912.00)	\$436.80		
		\$3,348.80	
14 days (after four weeks) at \$104 per night	\$1,456.00		
60% of \$1,456.00	\$873.60		
GST at 15%	\$131.04	\$131.04	
Food and laundry	\$1,035.00	\$1,587.04	
GST at 15%	\$155.25		
		\$1,190.25	
<b>Total due</b>		<b>\$6,126.09</b>	
Main Street WELLINGTON	PO Box 36 363 WELLINGTON	Phone: (04) 333 6666 FAX: (04) 333 6663	



Does NOT need to say "Tax Invoice"

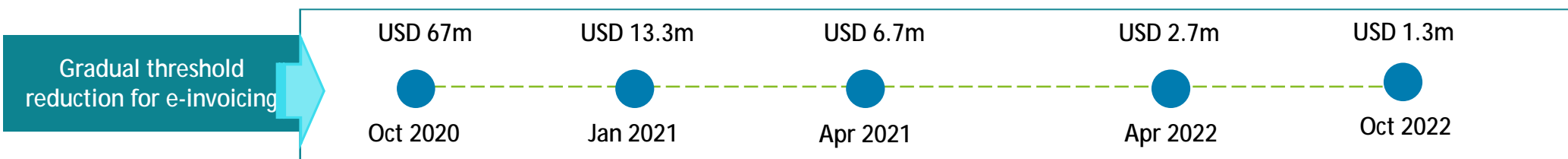
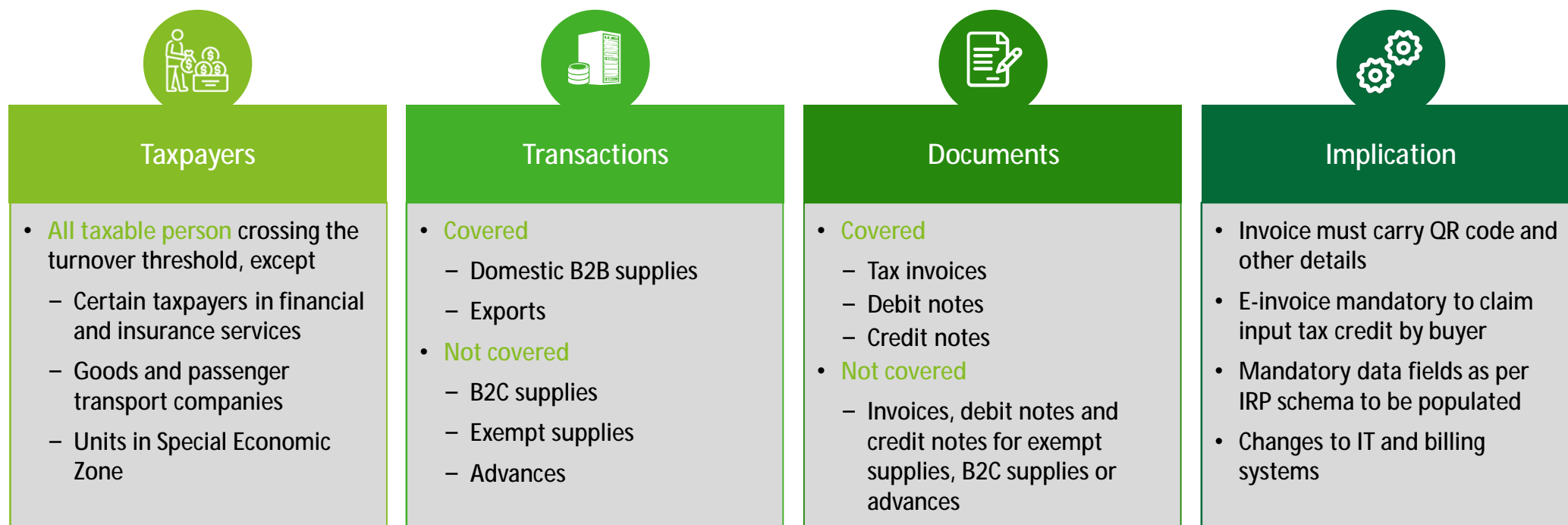
## The detail of a Tax Invoice vs Taxable Supply Information (TSI)

Requirement	Tax Invoice < \$1,000	Tax Invoice > \$1,000	TSI < \$200	TSI > \$200 & < \$1,000	TSI > \$1,000
Words “tax invoice” in a prominent place	ü	ü			
Name and registration number of supplier	ü	ü	ü	ü	ü
Name and address of recipient		ü			ü (name)
Date the invoice is issued	ü	ü			
Description of the G&S supplied	ü	ü	ü	ü	ü
Quantity or volume of G&S supplied		ü			
Amount of consideration for the supply	ü	ü	ü	ü	ü
Statement that consideration includes GST or amount of GST charged	ü	ü		ü	ü
<b>One or more of:</b> physical address, phone number, email, trading name, NZBN, website of recipient					ü
Address of <b>physical location</b> of recipient (if available)					ü
<b>Date of the supply*</b> (likely to be changed in the next Bill to just “Date”).			ü	ü	ü

# India

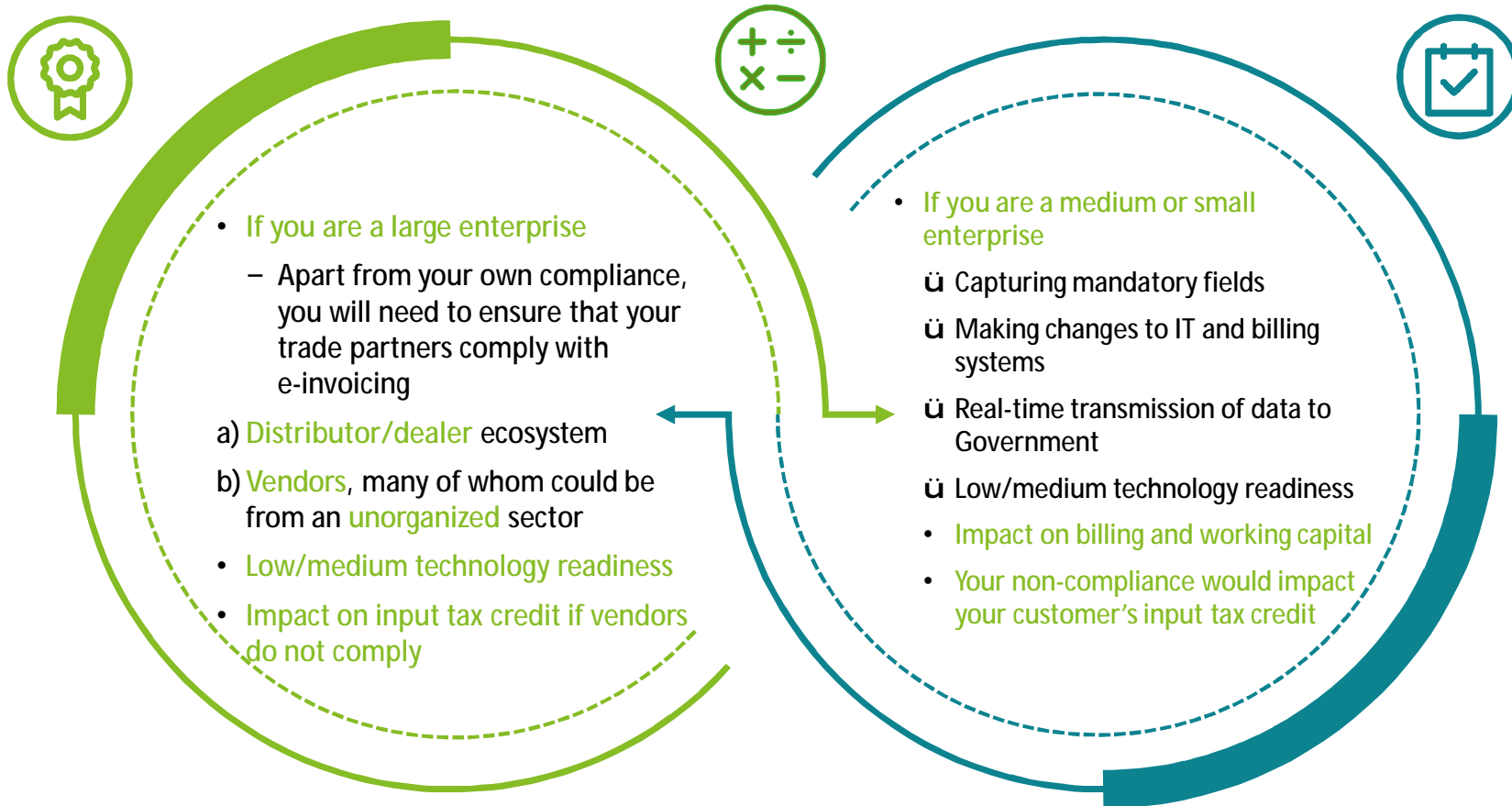
# E-Invoicing Landscape in India

Mandatory reporting of all B2B and export invoices to a government platform



# Impact of e-invoicing

E-invoicing impacts a large enterprise or a medium or a smaller one

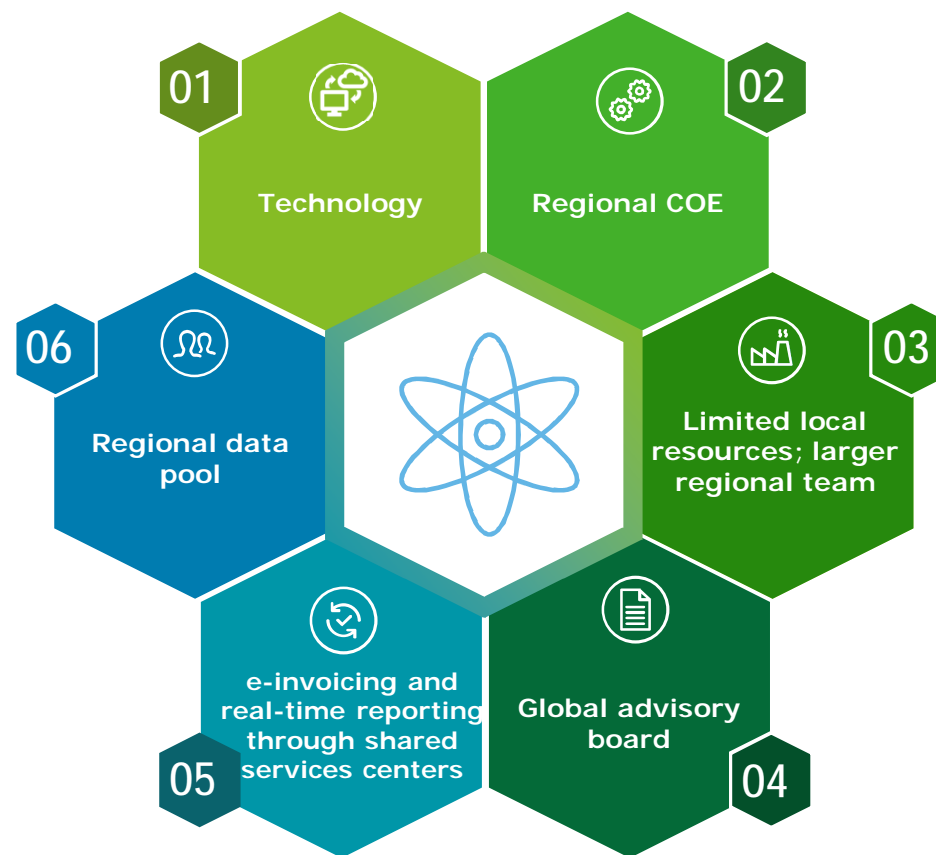


# Regional strategy for e-invoicing and real-time reporting



## Regional strategy for e-invoicing and real-time reporting

- **Myth:** tax function is country-specific, heavily dependent on local rules and requires specialist country tax knowledge
- **Reality:** successful tax operations are deriving benefits from centralized strategy on a global or a regional level



# Question and answers

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