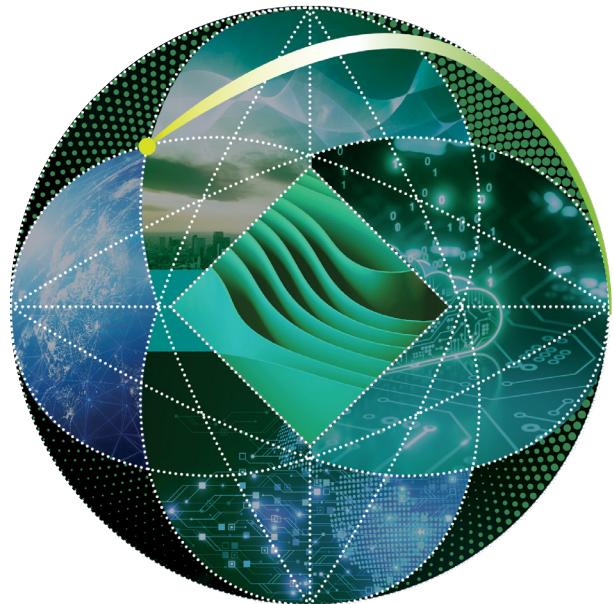


Digitalization of Tax:

Plugging into e-invoicing



Introduction

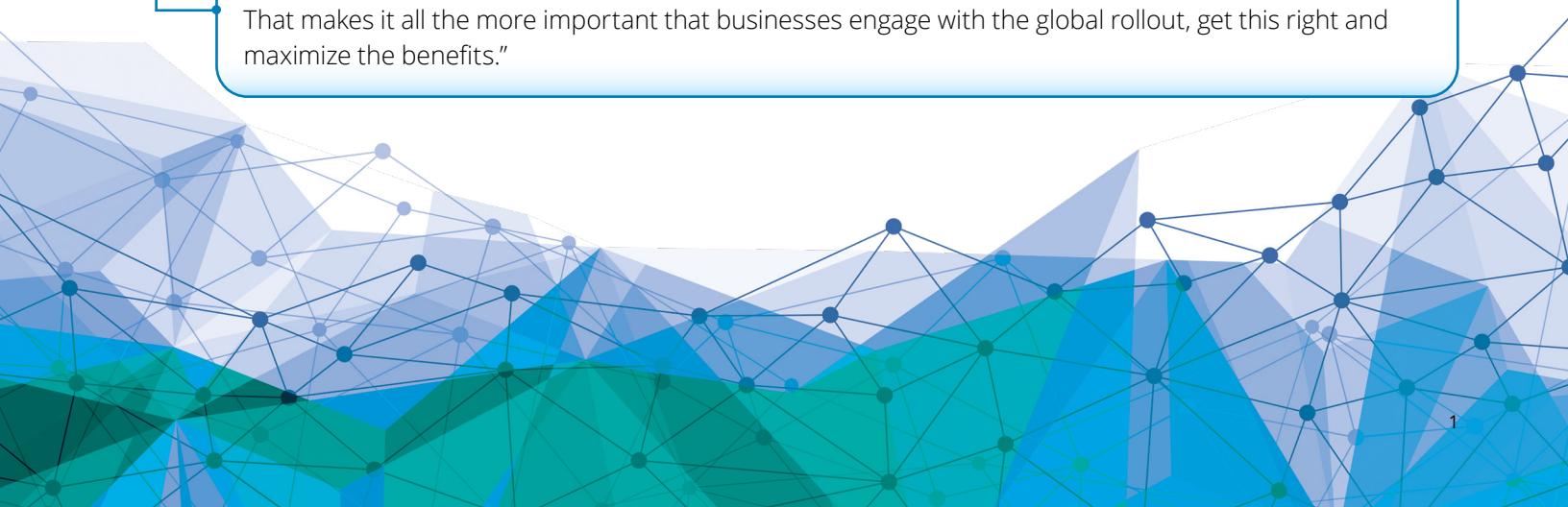
Across the five global tax policy themes covered by Deloitte's [2025 Global Tax Policy Survey](#), the Digitalization of Tax is the one which seems set on the clearest path. There are currently more than 80 countries that mandate forms of digital reporting, including significant parts of Europe, South America, and Asia Pacific. It is widely expected that most jurisdictions will have implemented some form of electronic invoicing or reporting within its tax system by 2030. As the drive toward greater administrative efficiency and increased compliance continues, digitalization can offer tax authorities the tools they need. However, the last two Deloitte Global Tax Policy Surveys have picked up distinct signs of waning enthusiasm for the tax digitalization project among global businesses.

To explore what may lie behind this mild pessimism, this article focuses on one particular aspect of digitalization – e-invoicing – and applies two different, but interlinked perspectives. First, it considers the impacts and challenges involved in the switch-over from paper-based invoicing to e-invoicing, both for businesses and for tax authorities. Secondly, it asks what wider opportunities the adoption of e-invoicing might opened up in a more widely digitalized tax world.

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Amanda Tickel, Deloitte Global Tax & Trade Policy Leader

"Digitalization in general, and e-invoicing in particular, are among the few certainties in global tax policy. That makes it all the more important that businesses engage with the global rollout, get this right and maximize the benefits."



The promise of e-invoicing

In common with other aspects of digitalization, e-invoicing can be said to deliver a range of benefits to both tax authorities and businesses¹.

For tax authorities, our research shows these benefits cluster around:

- Improved compliance and accuracy, based on improved data quality;
- More administrative efficiency;
- Enhanced audit capabilities, drawing on complete and accurate invoice data;
- Reduced shadow and hidden economy activity; and
- Better data and insights to inform wider policymaking.

E-invoicing potentially offers tax authorities a powerful tool to help them address core priorities around revenue collection and tax gaps, while offering direct access to data which can be leveraged more widely. Significantly this entails a shift from a “data push” to a “data pull,” enabling engagement with data on a continuous basis rather than in discrete, post-filing interactions.

For businesses, a different set of benefits can be identified:

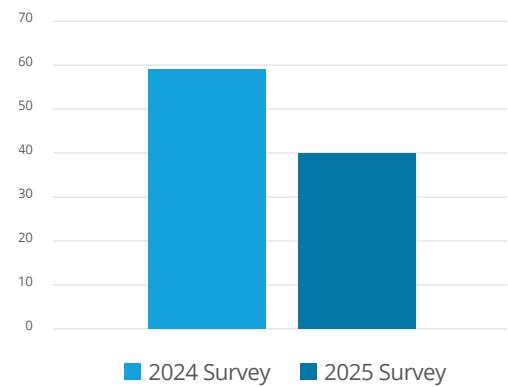
- Streamlined invoicing processes;
- Better cash flow management;
- Quicker verification and validation via real-time data;
- Improved relationships with suppliers and customers; and
- Catalyst for wider process change as part of e-invoicing implementation.

Given these many potential advantages, it might be expected that e-invoicing would be fully embraced by all concerned. However, the results from recent global surveys show signs of diminishing confidence that these benefits will be realized.

In our [2024 Global Tax Policy Survey](#), 59% of business respondents expected the main impact of the introduction of e-invoicing (including e-trade/customs requirements) would be simplified compliance. By the time of the [2025 Survey](#), this had fallen to 40%. The contrary expectation that the impact would instead result in more complex compliance rose from 10% to 25%

¹ See the OECD report Tax Administration 3.0 and Electronic Invoicing for a detailed coverage of these benefits.

Will e-invoicing simplify compliance?



No one said it would be easy

While the adoption of e-invoicing globally seems inevitable, our research shows that the path to adoption is not an easy one. Three sets of issues make adoption challenging:

- The lack of a standardized global approach;
- The technical challenges of implementation; and
- The organizational challenges of adoption.



Olivier Hody, Deloitte Global E-invoicing & E-reporting Offering Leader

"While the challenges of adoption are vast, the broader benefits of e-invoicing should not be underestimated, making the implementation process seem less daunting. Indeed, enhanced data accuracy through digital reporting requirements will mitigate risks, reduce tax audits, and lower compliance costs for companies."

Lack of standardization

This is one of the facts of e-invoicing life, and not something where individual businesses can have a decisive impact. At a country-level, policy engagement can press for the adoption of particular systems, or the harmonization of existing models, but globally e-invoicing is delivered through a patchwork of different systems and by different policy rationales.

E-invoicing models by country:

| Models | Country |
|---------------------------------------|---|
| Centralized | Mexico: A comprehensive e-invoicing system where all invoices are processed through the government's platform. |
| | Brazil: Similar to Mexico, Brazil utilizes a centralized system with mandatory e-invoicing requirements. |
| | Chile: Another Latin American country with a centralized e-invoicing model. |
| Decentralized/ Peppol ² | EU: While not all EU countries use Peppol, it's a prominent model for B2G e-invoicing, facilitating cross-border transactions and standardization. |
| | Australia: Adopted Peppol for B2G e-invoicing, with a focus on government procurement. |
| | Singapore: Utilizes the Peppol network through its "InvoiceNow" service. |
| | Japan: The government recommends Peppol as a national e-invoice standard. |
| Continuous Transaction Controls (CTC) | Italy: Implemented a CTC model with mandatory real-time invoice reporting to the government. |
| | Spain: Following a similar path to Italy, Spain is also moving towards a CTC model. |
| | Poland: Currently exploring the implementation of a CTC model for e-invoicing. |

2 Pan-European Public Procurement Online.

Technical challenges³

Whichever model of e-invoicing is adopted in any particular case, a series of technical challenges will arise, including:

- Interoperability across different platforms, software, and national systems;
- Integration with existing systems;
- Ensuring data security and privacy;
- Guaranteeing the authenticity and integrity of e-invoices;
- Maintaining the necessary infrastructure and technological capacity;
- Managing different e-invoicing standards and formats; and
- Handling exceptions and errors.

Organizational challenges⁴

Beyond technical issues of making the system of e-invoicing operate effectively, businesses face a wide range of organizational challenges when integrating e-invoicing into their wider operations and finance practices. These include:

- Change management and process transformation (cross departmental cooperation);
- Monitoring and control;
- Archiving and retrieval;
- Cost management;
- Maintaining business continuity; and
- Addressing the wider enterprise opportunity e.g., for supply chain wide efficiencies.

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Jeff Kummer, Managing Director, Washington National Tax, Deloitte Tax LLP

"Beyond the technical and organizational challenges there are two big **policy** risks in this area. The first is that authorities rest on sheer momentum of digitalization and settle for a sub-par implementation. The second is that businesses adopt a narrow perspective and miss out on wider opportunities."

3 OECD sources
4 OECD sources

Returning to optimism

While the difficulties surrounding implementation may go some way to explaining the waning optimism around e-invoicing, it's not a trend which is going to be abandoned. Those that are successfully navigating the rigors of e-invoicing are following a conscious and focused approach to implementation, which includes:⁵

- **Developing a clear strategy** recognizing the growing complexity and scale of e-invoicing as it relates directly to supply chain and enhanced efficiency.
- **Considering both outbound and inbound invoicing** as formats and rules can vary in each end of a transaction.
- **Cleaning up data**, reconciling data with other tax reports and processes, or integrating process, allowing reconciliation to be a straightforward control.
- **Leverage technology solutions**, evaluating solutions based on specific needs and regulatory requirements

A sharp focus on core invoicing issues is essential, but there is also an opportunity to explore the wider benefits which can be derived from a program of digitalization. Positive ripple effects can extend to supply chain consistency, speed of products to market, better supplier and vendor relationships and, ultimately, enhanced customer satisfaction.

⁵ [How e-invoicing and e-reporting are evolving now | Deloitte US](#)



E-invoicing as a catalyst for innovation

A further ground for optimism are the examples bubbling up where the process of implementing e-invoicing actually delivered a wider benefit to both businesses and the economy more widely, instead of being another costly compliance challenge.

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Hayley McKelvey, Digital Innovation Tax Partner, Deloitte UK

"The potential pace of change and the novelty of outcomes driven by digital technologies – and e-invoicing is a case in point – can be breathtaking and overwhelming in equal measure. Even more reason to engage now, and in detail. Later will be too late. And too late will be sooner than you think."

Enabling digital transformation

E-invoicing can be viewed as a crucial building block for the broader digitalization of business processes. Through the process of moving away from paper-based systems, businesses may be encouraged to adopt digital workflows, which may produce improvements in data management, automation, and, thereby, overall efficiency.

Facilitating the development of new business models

The use of real-time data exchange through e-invoicing may open opportunities for new business models, particularly in areas such as supply chain finance and dynamic discounting. E-invoicing may allow for data to be leveraged to optimize payment terms, improve cash flow management, and trigger other innovative finance solutions.

Promoting the use of advanced technologies

There is scope for e-invoicing systems to integrate advanced technologies like artificial intelligence (AI) and blockchain. For example, AI can be used for automated invoice processing, fraud detection, and data analytics, while blockchain can enhance security, transparency, and traceability in invoicing processes.

Supporting the growth of fintech

E-invoicing, by providing structured financial data, could play a role in the development of fintech solutions focused on payments, lending, and financial management.



Conclusion: Old and new ways of dealing with the new

While e-invoicing marks a significant innovation it does not represent a complete break with the past. The basic role and purpose of an invoice remains the same, as does the nature of tax compliance.

The key to effectively embracing the new technology solutions required by digitalization may well rest in being able to assess where it offers a heightened functionality for delivering the familiar, and where it opens up scope for innovation. From that perspective, existing change management tools will still have a key role to play. But success will depend on embracing realities like e-invoicing and grasping the opportunity it offers to push the boundaries - drive tech through our existing processes and harness the chance to move from being digitally fueled to digitally native.



Amanda Tickel, Deloitte Global Tax & Trade Policy Leader

"E-invoicing could be the test bed for the wider trend towards tax digitalization, offering the chance to ask the two great questions that technology prompts:

- How can we do what we have always done, but better?
- What else can we do on top of that?"

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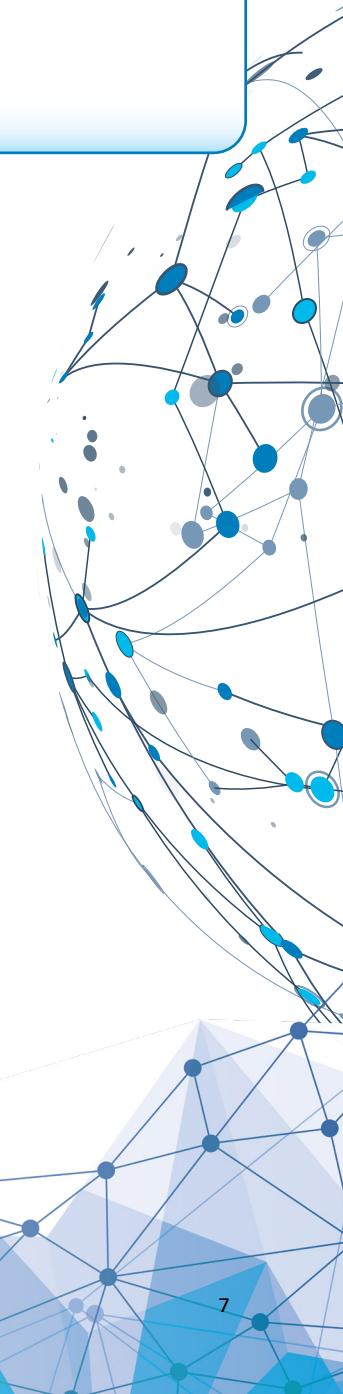
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