TrueCommerce™

Whitepaper

Everything You Need to Know About Tax Compliant E-Invoicing

If you are not already acquainted with e-invoicing requirements, such as Continuous Transaction Control (CTC), across Europe, now is the time to put it on the agenda!

WHY IS TAX COMPLIANT E-INVOICING IMPORTANT?

Tax authorities around the world are continuing to impose new requirements to increase controls on the transactions of companies.

One example is Italy: All invoices sent from your Italian subsidiary to B2B customers within Italy must be registered in the so-called SDI portal where the invoices are verified before they are either forwarded to your customer, or your customer can log on to the portal and retrieve them.

These scenarios where invoices need to be passed via an authority for verification are referred to as Continuous Transaction Controls (CTC).

The aim of CTC is to increase efficiency and fight fraud. This is creating huge pressure for businesses to implement global e-invoicing in a consistent, scalable, and cost-effective manner.

Another model is "Post Audit". When Post Audit is applied, the authorities are not involved in the process of exchanging invoices or other data between the trading partners; instead, they can audit the compliance of the process after the exchange.

European Trading & VAT Compliance

On our blog, you can read the latest updates on European trading and tax-compliant e-invoicing, including country-specific updates.

Read Blog

WHO IS IT IMPORTANT TO?

The topic of efficient, timely, and compliant electronic invoicing is particularly relevant for global and multinational companies.
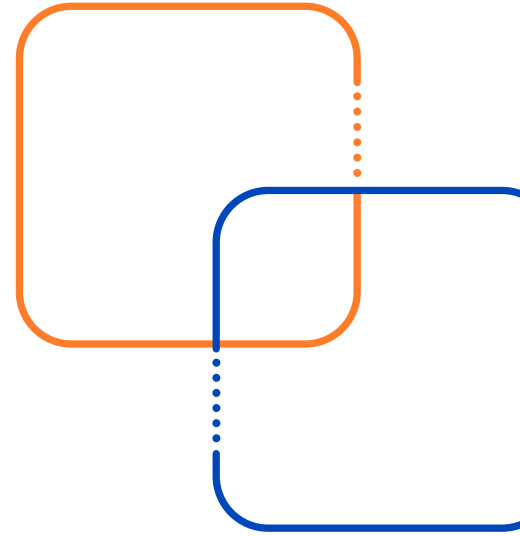
If your organization has subsidiaries in multiple countries, especially within Europe, you need to start thinking about how to automate, centralize, and streamline the processes needed to meet the ever-changing e-invoicing requirements.

WHAT IS ELECTRONIC INVOICING?

Electronic invoicing refers to the electronic sending/reception of invoices e.g., between a private company delivering their products to a customer from the public sector. Electronic invoicing is supported by all common EDI solutions, and even though electronic invoicing has historically been a requirement within the public sector, an increasing number of private companies have adopted the use of electronic invoices.

The map below shows the current status across Europe. France, Spain and Crotia are planning to introduce CTC as an e-invoicing requirement from 2025, and Poland will be implementing CTC from July 2024.

If you have any questions regarding countries outside of Europe, you are welcome to contact TrueCommerce: marketingdk@truecommerce.com.
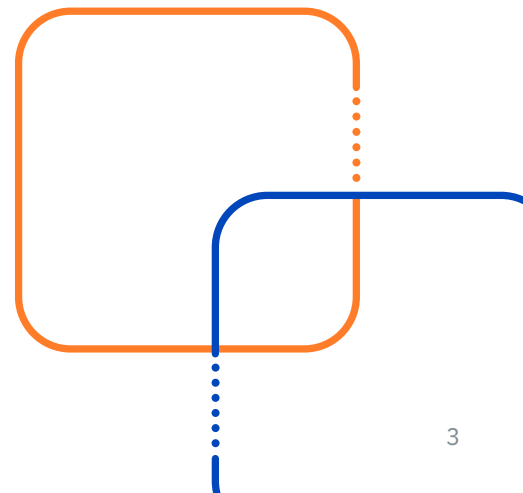

E-Invoicing Across Europe
- Network, e.g. PEPPOL
- CTC planned
- CTC today

CHECKLIST: ARE YOU ALL SET FOR COMPLIANT E-INVOICING?

If your answer is "No" or "Not sure" to any of the below questions, you will most likely benefit from a review of your current e-invoicing setup.

- Are you aware of the latest CTC e-invoicing rules in the countries with VAT or similar laws in which you operate?

- Are you confident that you are currently complying with the e-invoicing rules in all the jurisdictions where your business has VAT liability?

- Have you given much consideration to the impact of new CTC mandates on your current billing and reporting processes?

- Do you regularly review your source systems from which e-invoicing and e-reporting data needs to be extracted as CTC mandates continue to evolve?

- Are your existing systems equipped to cope with the extraction of large volumes of data at short intervals or real-time?

- Do you have confidence in the VAT rates that will be applied by your systems as e-invoices are generated?

- Do you track the regulatory environment and VAT mandates in the countries in which you operate?

- When the law or technical requirements change in a country in which you have VAT liabilities, do you have a plan in place to ensure you can comply with the changes?

- Are you able to maintain all your compliance obligations as cost-effectively as possible?

- Are you familiar with the benefits of outsourcing your e-invoicing to a provider who will be able to help you stay compliant in your global trading?

HOW CAN TRUECOMMERCE HELP?

TrueCommerce is one of the leading global providers of EDI and supply chain optimization. Since 1987, we have helped SMB and enterprise companies across the world streamline and automate their trading with customers/suppliers by digitalizing their exchange of orders, invoices, and other critical business documents (EDI). The TrueCommerce EDI platform is one of the most efficient and reliable solutions on the market with 99,8% uptime, and we give you access to a global trading network of 500,000+ companies.

TrueCommerce offers a fully tax compliant e-invoicing solution that complies with the local regulations within Europe and the rest of the world. Our e-invoicing solution will be delivered to you as a part of our Managed Service, which means that you will leave the operation and monitoring of your solution to TrueCommerce.

THE TWO TYPES OF E-INVOICING FLOWS

Continuous Transaction Control (CTC)

The e-invoicing flow using Continuous Transaction Controls (CTC) looks as follows:

TrueCommerce receives the invoice from our customer and checks the geographic location of the recipient.

TrueCommerce then forwards the invoice to our compliance partner.

Our compliance partner passes the invoice on to the portal of the local authorities who will check the invoice data against existing VAT declarations.
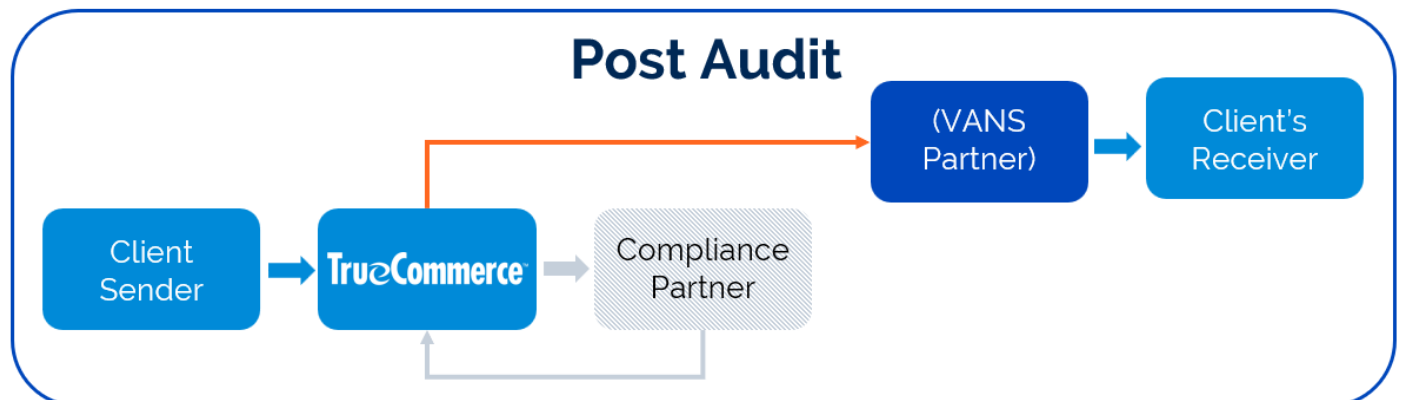
Once approved, the invoice will be forwarded to the recipient.

Here invoices must be sent through a central portal of the government.

Post Audit

In most cases, TrueCommerce will support the entire flow and send the invoice from our customer to their trading partner, either directly or via a VANS partner.

However, some countries require for the invoice to be signed by a trusted partner before it's forwarded to the recipient:

One example is Spain whose authorities require for the invoice to be signed by a trusted partner authorized by the local authorities before its being forwarded to the recipient. In those cases, TrueCommerce will send the invoice via the trusted partner.

PUBLIC SUPPLY CHAIN NETWORKS

NemHandel

NemHandel is the Danish national standard format for electronic invoices when trading with the Danish public sector. TrueCommerce integrates to NemHandel. We have strong expertise in electronic invoicing, and our EDI platform comes with an integration to NemHandel.

TrueCommerce's integration to NemHandel means we automatically convert your electronic invoice to the mandatory OIOUBL (NemHandel) format before we forward to your public trading partner.

PEPPOL

The PEPPOL format enables your company to send electronic invoices to public sectors across the EU what use Peppol as a network. This makes it easier for your company to trade internationally because you don't have to deal with specific standards for each country.

PEPPOL and BIS 3 is more than a format – it's an entire secured network for routing electronic documents between companies and their trading partners.

The PEPPOL network is tied together via so-called PEPPOL Access Points (typically EDI service providers). TrueCommerce is a PEPPOL Access Point, meaning that our customers can send PEPPOL invoices to other trading partners connected to the network.

E-invoicing Webinar

If your organization has subsidiaries within Europe and is not yet prepared for the e-invoicing requirements that are being rolled out across Europe within the next couple of years, this webinar is especially relevant to you!

You can learn more about the latest updates on the e-invoicing requirements in Germany, Spain, Poland, France and Denmark and more about PEPPOL.

Watch Now

WHY TRUECOMMERCE

TrueCommerce is the leading provider of EDI in the Nordics. We help retailers, wholesalers, manufacturers, and transportation companies achieve more efficient trading with suppliers and customers.

Our core business is EDI, which enables you and your trading partners to exchange orders, invoices, dispatch advice, and more with the highest possible data quality. We also offer a range of additional supply chain solutions, such as vendor managed inventory (VMI), the preferred solution among enterprises for stock management, replenishment and order processing.

TrueCommerce acts as your trusted advisor on EDI and your overall digitalization strategy. We value long-term strategic partnerships with our customers, advising you on integrating your EDI, ERP system and other solutions to optimize your trading processes and support future growth.

TrueCommerce was founded in 1987. Today, we are a global organization with teams of digital experts across Europe, North America and Asia. We have a strong presence in the Nordics, with 85 employees based in our Copenhagen office.

Our highly skilled onboarding team will seamlessly manage onboarding your customers and suppliers, including all dialogue/screening, setup (mapping) and tests. We will also work with you on creating a project plan and timeline.

TrueCommerce's solutions and operations comply with ISAE 3402 to protect our customers' data fully and to ensure that our solutions are part of a solid, proven infrastructure.

Gold
Microsoft
Partner
Microsoft

Dynamics 365

TrueCommerce™

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www.truecommerce.com

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About TrueCommerce

TrueCommerce is a high-performing global supply chain network that provides fully integrated, end-to-end supply chain visibility and management. We help businesses reach their true supply chain potential. That's why thousands of companies — from SMBs to large companies, across various industries — rely on us.