

Future of VAT: Reporting and invoicing

IDSt Digital Transformation in VAT

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The process for the work at STA

Phase one

- What are the problems and what is the current situation in different countries?
- What are the ongoing developments?

Phase two

- What is the likely future and the possible scenarios for the future?
- What should we advocate and prepare to implement?

Important dimensions describing handling of invoices and VAT

Reporting

Transaction-based

Real time

Clearance

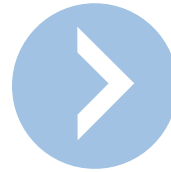
Customer confirm.

Information intake

All (?) countries and tax agencies are moving in the same direction

From

Aggregated data
Reporting after long time
Limited book-keeping
Companies own data
On demand
Buyer or seller are reporting
Information is protected
Information is investigated
Separated data sources



To

Detailed data – like invoices
Reporting in real-time
Extensive data from different systems
States store and have access to data
Continuous reporting
Both parties, and third parties are reporting
Information is shared
Information is stored
Network analysis

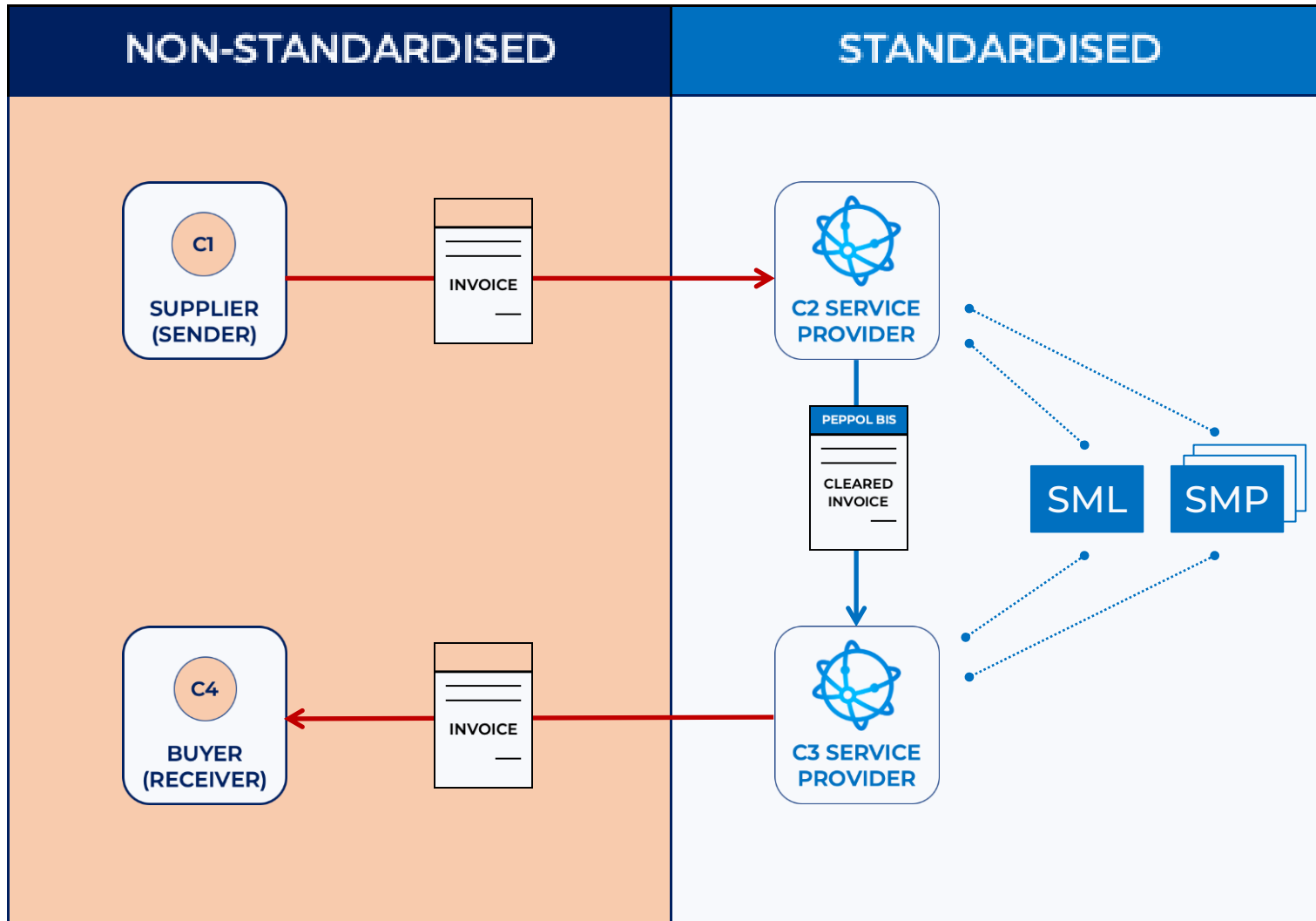
Conclusions – from the first phase of the work

- The development towards increased information collection in Europe and around the world is faster, broader and less coordinated than what we have understood earlier
- Different technology, content, and timing of data collection increase complexity and costs for companies and limit coordination between tax agencies
- E-invoicing is a key enabler of efficient handling of VAT, automation among companies, and digitalized information chains (compliance by design)
- There should be a high priority for more and better tools to combat MTIC
- The government strategy "digital first" needs to be more evident in the legislation work, not least to secure verifications and processes
- The Tax Agency will soon and over time need to handle larger data sets that requires more competence and tools to handle Big Data
- Transaction Based Reporting will probably be a reality in Sweden within five to ten years. This will imply larger data volumes than we have handled to date

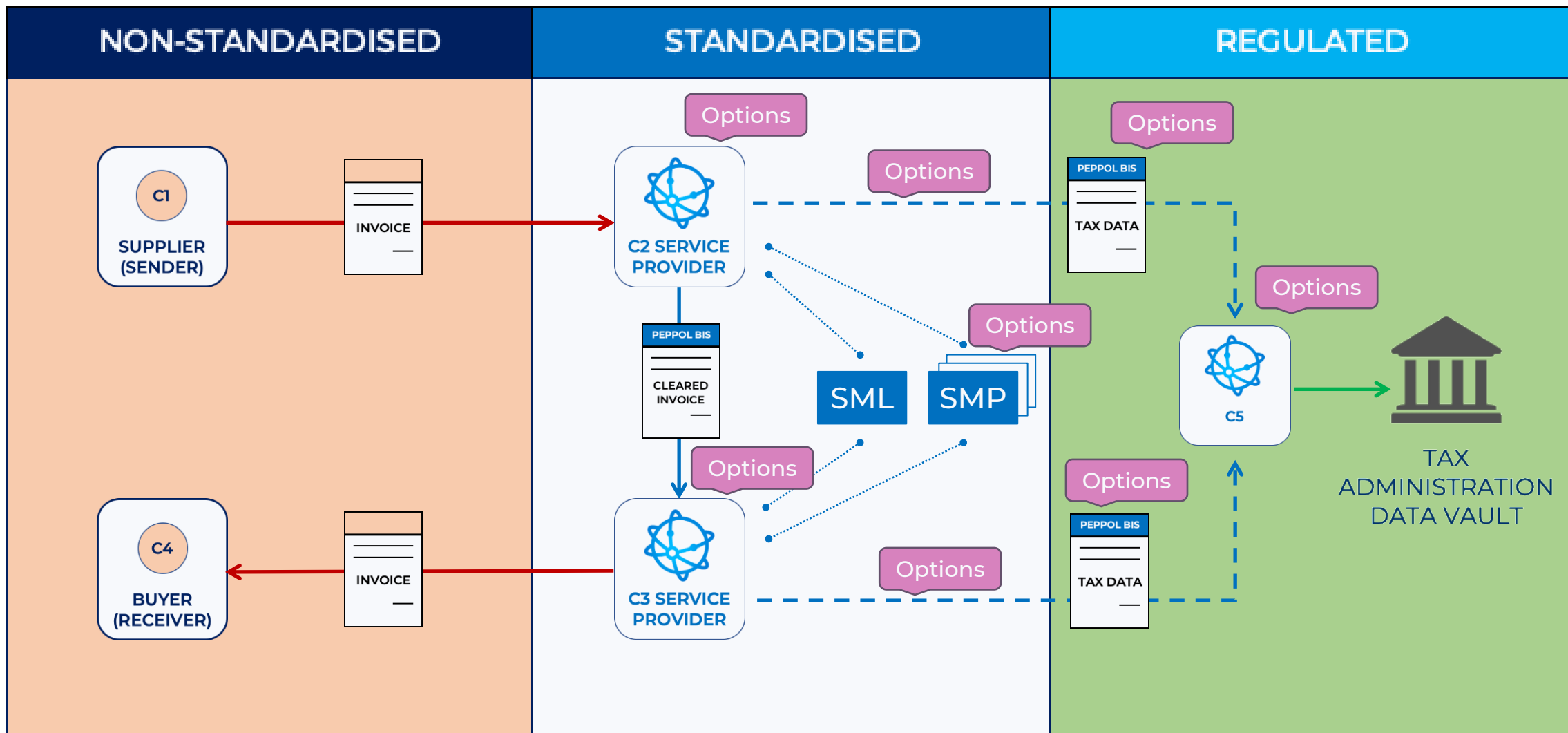
Questions for the second phase

- What can make e-invoicing widespread in Sweden and other countries? Is there an alternative to regulating mandatory e-invoicing to make this happen?
- Is there any alternative to Peppol?
- The estimated benefits from e-invoicing based on estimates from the Nordics, Norway, Belgium, Australia would be between 1 and 2 billion Euro. Are there costs or problems for businesses? Can they be mitigated?
- What changes in legislation is needed for TBR and e-invoicing?
- How should we set up the IT-project for the implementation and what are the costs?
- In a scenario where we get “all” sales information in real time, what are the benefits for the STA, for businesses and society, from different TBR and e-invoicing models?
- How to contribute to this development in Sweden and the EU

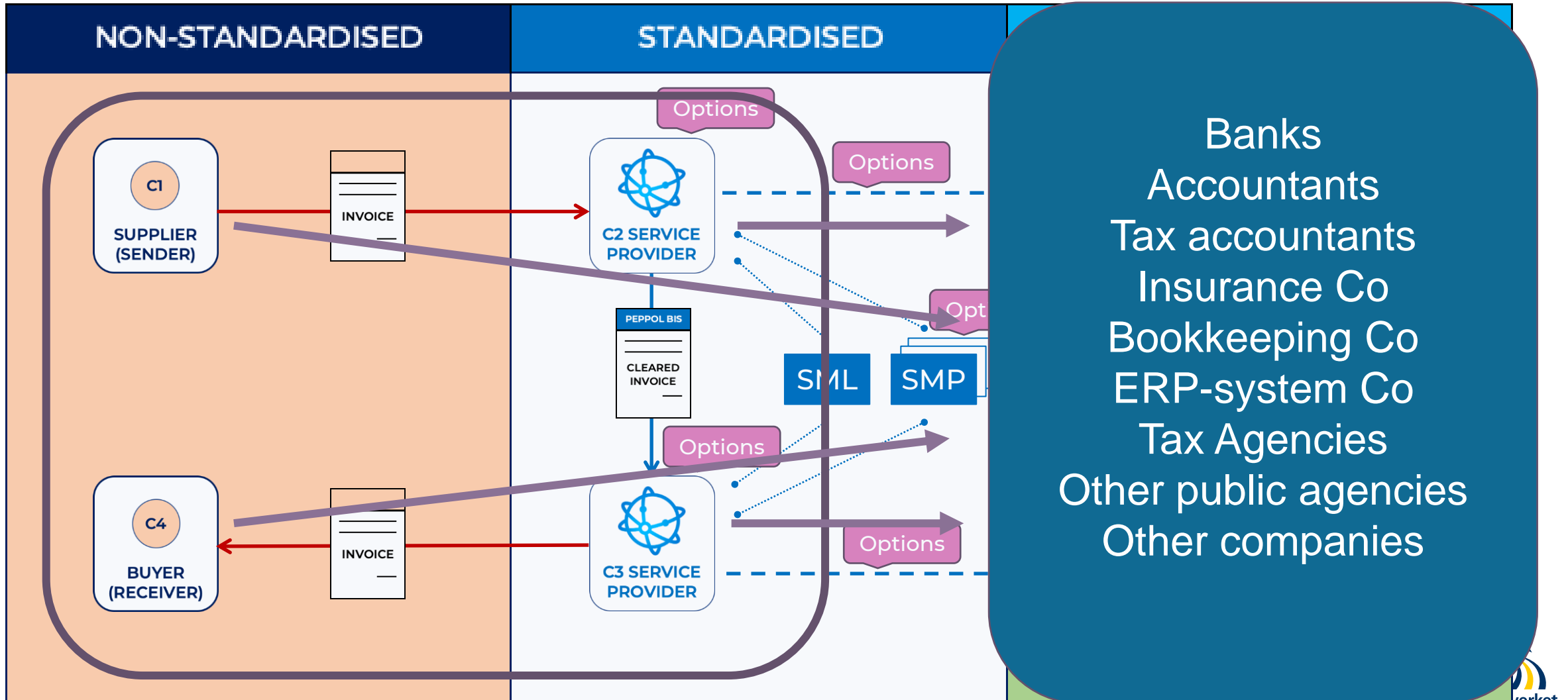
The Peppol model



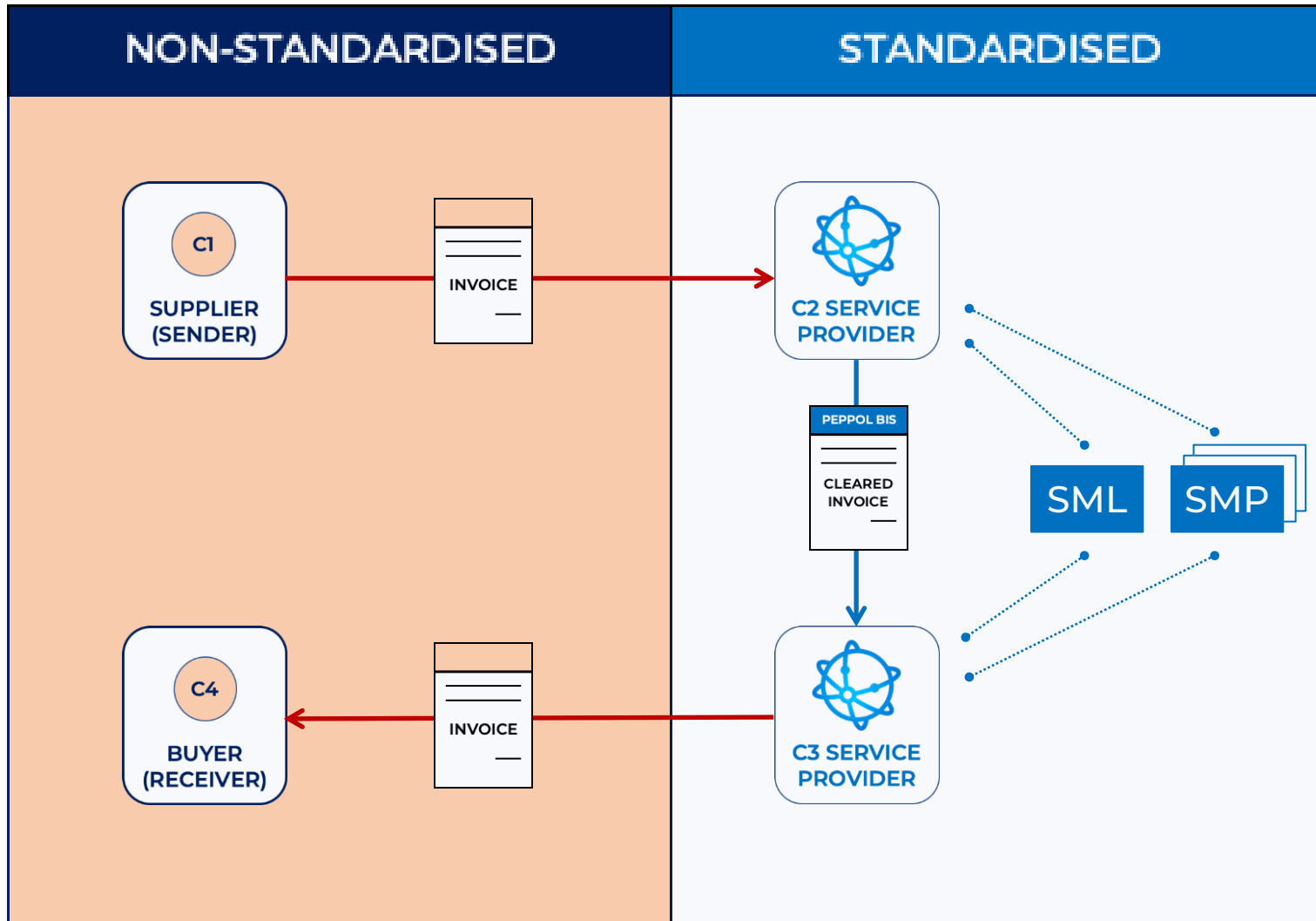
The Peppol CTC model



More actors will see great benefits with access to the data – if allowed by the buyer/seller



The model will be extended to new types of information and more processes – even those not present today



Invoices
Simplified invoices
Product catalogues
Orders
Purchase to Pay
Order to cash
Other communication
that can benefit from
this way of
communication, for
example those who
need encryption

The likely future

- TBR of cross border regulated by the EU
- TBR on domestic invoices regulated in Sweden and in most countries within the EU
- Most countries and businesses will favor Peppol
- Mandatory e-invoicing in Sweden with Peppol

- Real time?
- EDI?
- Storage and use of data?