



International Fiscal Association



## IFA 75<sup>th</sup> Annual Congress Cancun, Mexico

### OUTLINE

## E-invoicing as a means to tackle tax fraud

WIN Seminar | Tuesday, 24 October 2023 | 12.00 – 13.30

#### Chair

Odile Courjon (France)

#### Panel Members

Fabiola Annacondia (IBFD)

Alex Baulf (United Kingdom/USA)

Herminia Diaz (Mexico)

Birgit Jürgensmann (Germany)

Yuri Matsubara (Japan)

#### Secretary

Elizabeth Gonzalez (Mexico)

Electronic invoicing (e-invoicing) now involves more than 60 countries in the world. The US businesses that participate in the global economy are impacted, and this invoicing digitalization represents a major change for businesses in their way of buying and selling to clients. For tax authorities, this is a major tool for tackling tax fraud and reducing VAT losses while increasing their efficiency. For taxpayers, it aims at reducing risk management, limiting compliance burdens and obtaining a level playing field, with the ultimate aim of suffering fewer tax audits. The abuse of law results from several scenarios that are caused from a reporting obligation showing global amounts: this triggers involuntary errors, inefficient collection processes on sales, calculation mistakes and undue or excessive deductions on purchases, just to name a few. The VAT field is a major point of focus for the use of e-invoicing, but the gap in revenue losses implies many tax areas including both corporation and individual tax. Some countries have chosen digital reporting or real-time reporting, while some others choose a full electronic compliance system requiring taxpayers to issue a structured e-invoice. The format of the e-invoice, its transmission to the tax authorities, its clearance by the tax authorities, the IT platforms whether public (e.g. by a centralized tax portal system) or private (e.g. by a decentralized external provider) and finally the distribution of the e-invoice to clients, all create a new environment to which businesses must adapt.

We will review the differences between those tools, the various transmission models and the return of experiences that already exist, particularly in LATAM, ASIA and European regions. An update on the US project will also be presented.

### **Agenda**

- 5 min - Introduction of panelists and aim of the session
- 15 min - How does it work ? Terminology, explanation of words, invoice flows, key e:invoicing models
- 20 min - Overview of various e-invoicing models and e-reporting mechanisms in the LATAM region: return of experience from many countries including from Mexico
- 15 min - The approach to e-invoicing and e-reporting in ASIA region
- 15 min - The current wide-spreading of e-invoicing in the European region: expectations and first return of experience; the ViDA (VAT in the Digital Age) Draft Directive
- 5 min - Insights into the US project of e-invoicing
- 5 min - Wrap up/Conclusions
- 10 min - Questions from the audience