A QUARTERLY E-INVOICING NEWSLETTER

engage.

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CONTENT

editor's note.

GEOK SEONG WAH
DIRECTOR OF E-INVOICE PROJECT OFFICE

Hello and welcome all readers!

In a blink of an eye, more than 2 years have passed since we launched the e-invoicing initiative in Singapore. E-invoicing has seen tremendous market growth, not just in Singapore but in other countries as well. We see a growing number of countries joining us in implementing e-invoicing.

Australia and New Zealand announced their adoption of the Peppol framework in February 2019 to promote digitalization through e-invoicing. Several countries in Asia are actively pursuing the adoption of the same standard as well. Japan set up an industry group, E-invoice Promotion Association (EIPA) last year and recommended to their government the adoption of Peppol. In this issue, one of our International partners will help shed some light on the development in Australia and New Zealand.

Singapore, being the first country in Asia and outside of Europe to adopt the Peppol framework, was invited to share in various international engagements on our experience in establishing a nationwide initiative and driving adoption in the country. We hope that assisting them in their decision towards the same standard can help them achieve success in their domestic implementations. This way, Singapore businesses can smoothen their business interactions with their overseas counterparts with seamless transactions over the network.

Over the course of our work, we have reached out to thousands of SMEs and guided them to adopt InvoiceNow. Through this effort, we gained many insights about their user journey from the decision to join the network to the benefits they experienced after they have used it. We recently took a deeper look by conducting focus groups and usability studies on solutions in the market and have gathered more insights from participating businesses. The findings gathered were interesting and we believe that these insights will help solution providers optimise their products to cater to business needs.

Apart from gaining higher efficiency in processing, many businesses informed us that they look forward to getting paid faster through InvoiceNow. How this is achieved may not be apparent to the business community. In this issue of ENGAGE, we examine the path of a typical e-invoice and highlight where time can be saved to reduce payment cycle.

Another important insight from our user research is how a first-hand experience in sending and receiving the first e-invoice can help overcome the misperception that e-invoicing via InvoiceNow is difficult. We will also share how you can try sending out your first test e-invoice! You will realise that it's simpler than you think and it will even get simpler when more solutions are adapted to work with the Singapore Peppol Directory so users can easily discover business counterparties they can transact with.

With the increased adoption of e-invoicing in other countries, coupled with the simplicity of transacting invoices via the network, businesses only need to connect once, connect all!
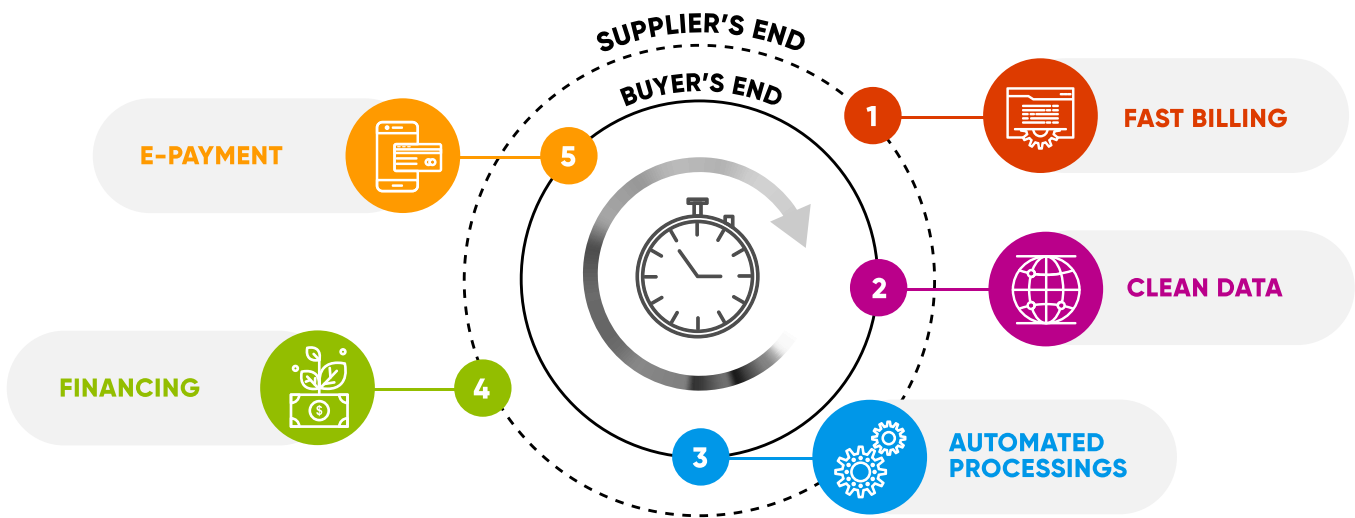
See you in the next issue.
Till then, happy e-invoicing!

against the clock.

What does "Get Paid Faster" really mean? Let's unpack the end to end flow of an e-invoice and see where we could find time savings that can lead to faster payment.

By Gilfred Chew, Senior Manager (E-Invoice Project Office)

SUPPLIER'S END

BUYER'S END

E-PAYMENT 5

FINANCING 4

1 FAST BILLING

2 CLEAN DATA

3 AUTOMATED PROCESSINGS

1.
FAST BILLING

Quicker generation of e-invoice and no latency due to postage or courier delays supplier's end.

Firstly, at the supplier's end, an e-invoice can easily be generated from the accounting or ERP system with system assisted dropdowns and customer and product information readily available. It will be even faster if there is an Order information already in the system. Comparing this with a fresh new data entry that often involves looking for the papers, generating an e-invoice out of a system can save hours if not days.

Fujifilm, who issues thousands of invoices every month, used to take an average of 9 working days per customer invoice. Through e-invoicing, they've improved that by 3 times, taking just 3 days. Fujifilm now recognises that this will shave off 15% in Day Sales Outstanding.

2.
CLEAN DATA

Minimised manual intervention with structured data format reduces human error.

A manual invoice can easily take many days before the data is ingested into any system for processing.

For instance, Dairy Farm sends the inbound invoices to their outsourced shared-services overseas, either in paper form or scanned, for manual data entry into the SAP system.

With e-invoices transferred over the Peppol network in a standard format, Dairy Farm can now receive invoices directly into the Accounts Payable system, the buyer can do away with manual data entry or scanning that heightens the risks of data errors, manipulation, or even fraud.

3.
AUTOMATED PROCESSING

Straight-through processing and automatic discovery of anomalies and fraud using AI on network data secured through encryption.

Complementing InvoiceNow's clean data, many accounting and ERP solutions are including sophisticated features to enable the users to use risk-based approach to processing invoices for payment. Lower cost and regular e-invoices can be funneled through instant straight-through processing. More complex e-invoices can be put through 3-way or 4-way matching assisted with other supporting data to help users check the e-invoices more quickly. Artificial Intelligence enabled features can help in interpreting and triggering anomalies or even fraud.
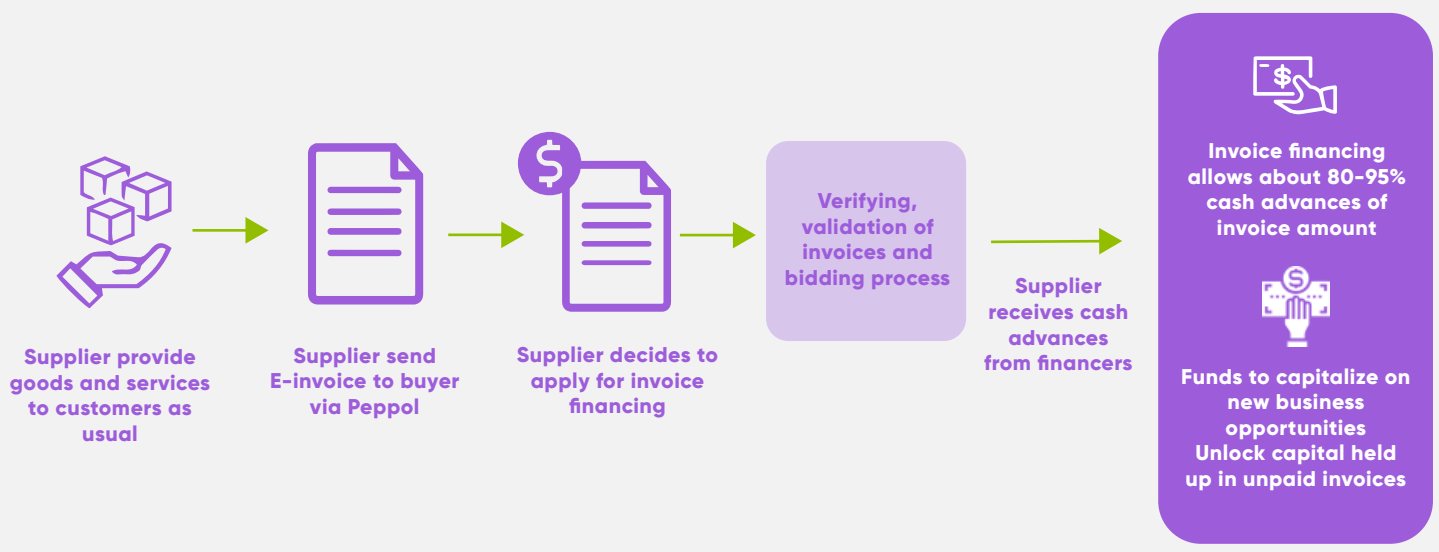
It is during this stage that errors in invoices can involve a big delay, especially when the buyer wants the supplier to re-issue an invoice. The time wasted could range from a week to a month.

The Pan Pacific Hotel Singapore, together with its related companies under UOL Group Limited, Singapore Land Group Limited and Pan Pacific Hotels Group Limited, implemented e-invoicing with automation, enabling invoices captured by the Accounts Payable Invoice Monitor to be routed via an approval matrix as soon as they arrive. Notifications are triggered to alert approvers of outstanding approvals. A dashboard is now available to view invoices in real-time and processing can be monitored closely to cut unnecessary delays.

4.
FINANCING AND FACTORING

E-invoicing enables financing options on your invoices so that business suppliers can get cash advances with ease.

A rigorous e-invoicing framework catalyses the adoption and implementation of value-added business applications such as factoring or supplier financing, creating a powerful eco-system and giving rise to opportunities for new businesses to contribute as well as benefit from the synergy of a well-governed, interconnected business environment.

Supplier provide goods and services to customers as usual → **Supplier send E-invoice to buyer via Peppol** → **Supplier decides to apply for invoice financing** → **Verifying, validation of invoices and bidding process** → **Supplier receives cash advances from financers**

Invoice financing allows about 80-95% cash advances of invoice amount

Funds to capitalize on new business opportunities Unlock capital held up in unpaid invoices

While invoice processing can be completed earlier with InvoiceNow, most buyers will initiate payment just before the payment term is up. This can be between 30-90 days later. Invoice factoring/financing is currently provided by some service providers which can help suppliers receive funds within a couple of days instead of waiting for the full payment term.

5.
AUTOMATED PROCESS TO E-PAYMENT

Data accuracy is assured when it originates upstream of the payment process, thus reducing extra effort to check before payment instructions are given.

Just as an e-order can be flipped into a e-invoice, e-payment can be done automatically saving couple of days preparing payment files manually. Many companies and solution providers can now transfer payment files to banks for payment processing.

IMDA has partnered DBS, OCBC, UOB, along with Association of Banks in Singapore to develop SME solutions to enable this functionality to drive a seamless payments.

"I will send you an invoice via InvoiceNow!"

INVOICE NOW
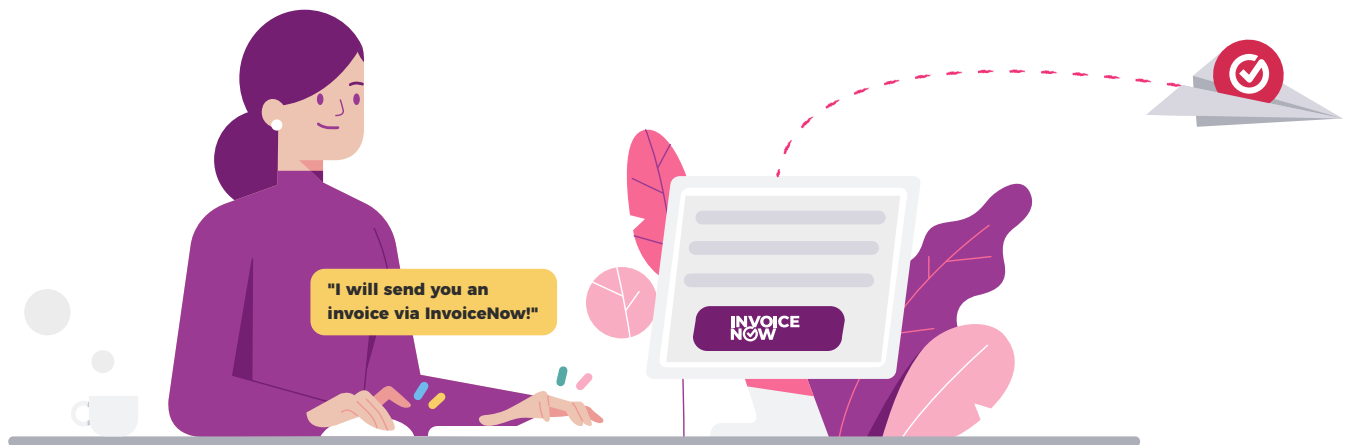
IN SUMMARY

Taking a typical 60-day term invoice through the above 5-step journey excluding financing or factoring, we can envisage substantial time saved:

FAST BILLING Supplier's End	**– 5 days**
CLEAN DATA Buyer's End	**– 3 days**
AUTOMATED PROCESSINGS Buyer's End	**– 12 days**
E-PAYMENT Buyer's End	**– 2 days**

With InvoiceNow, you can shave 22 days off the clock to get paid faster!

experience it, to know it.

"Are you sure sending an e-invoice is THAT simple?"
If the above statement resonates with you, you are not alone.

This was one of the ground feedbacks our team has received so we decided to invite several businesses down to the IMDA Office and get them to experience creating, sending, and receiving some test e-invoices using their own accounting solutions!

These businesses came in skeptical, but they all walked away convinced about the simplicity of e-invoicing and its usage. They turned into advocates who were willing to champion the use of e-invoices among their business partners and clients by encouraging them to join the network and start sending invoices to them by InvoiceNow.

As the saying goes, "Experience is the best teacher."

> "Experiencing how easy it is to send an e-invoice gives me more motivation to make the switch from my current invoicing method using Excel."
>
> **Gramond Pte Ltd**
> Using OCBC Velocity

> "We had to misconception that sending e-invoice is complicated, but it is very user-friendly with the step-by-step guide provided during the hands-on session. It is easier than I had anticipated, and it can help to minimize data entry error."
>
> **Skillridge Partner Pte Ltd**
> Using XERO

Ready to send your very 1st test e-invoice?

If your business is already registered on the InvoiceNow network, simply follow the 2-step instructions below:

STEP 1:
LOGIN TO YOUR ACCOUNTING PLATFORM AND CREATE NEW CUSTOMER CONTACT

Create a new customer contact with the details below:

Company Name:
XYZ TST DEMO 01 Pte Ltd.

Company Peppol ID:
**0195:SGTSTECHOTEST01
(Courtesy of eInvoice.sg)**

STEP 2:
CREATE AND SEND AN E-INVOICE TO XYZ TST DEMO 01 Pte Ltd

Create an invoice for 2 items:
**- Red Pen, Quantity: 1, SGD20 each, 7% GST
- Blue Pen, Quantity: 1, SGD20 each, 7% GST**

Once items are in order, enter the return email address in either the: (i) Invoice ID/ No. field or (ii) Remarks/ Notes field.

Send it as an e-invoice via the InvoiceNow network and you will receive an incoming "bounce" invoice in your email if it is sent successfully. Congrats! It's as simple as that.

Note: For more demo accounts, please visit https://www.imda.gov.sg/invoicenow

latest muse.

Recent developments you need to know about

How can the Singapore Peppol Directory level up your searching capability?

The Singapore Peppol Directory is an internet portal that enables you to find out if a business is on the InvoiceNow network, by doing a search using their company name or UEN.

You can also perform a bulk search by creating a list of your business partners' UEN in an Excel document and upload it to the portal for matching result.

For Solution Providers and businesses with their own solutions that links with the InvoiceNow network, you can incorporate the search capability into your solution by using the APIs to level up the user experience on the software and shorten the invoice creation time. Some service providers and enterprises have integrated search capability into their solutions to enhance their user experience, easing the use of InvoiceNow.

The Singapore Peppol Directory provides two types of APIs to empower the solution:

API 1   **To check if a given business exists in the directory [Instant search function]**

API 2   **To download all businesses in the directory as a CSV file [Download function]**

INTEGRATED SEARCH WITHIN THE SOLUTION USING API 1

API 1 when embedded into the accounting/ERP solution, will provide instant search feature to the end user. The solution can use the UEN to inform the user of their business partners' presence in the InvoiceNow network. With the presence status, the solution creates the Peppol ID and enables the user to transact e-invoice on the network.

LOCAL COPY OF DIRECTORY FOR BETTER PERFORMANCE USING API 2

The ability to download the entire directory of all Singapore-registered companies on the InvoiceNow network enables the caching of information within the solutions for better performance. It also provides additional information like the business partner's name and types of e-document they can receive. Regular downloading of the information will keep the data refreshed.

This is especially useful for parties who have difficulty overcoming security restrictions with the use of API 1 where at times would require additional firewall ports to be opened for API 1 to work. Caching the directory offers a convenient alternative.

Scan QR code below to access the API code.

Or visit:
https://go.gov.sg/sgpeppol-api

Alternatively, register for an account on the SG Peppol Directory to obtain the Singapore Peppol Directory API.

Scan QR code to watch the SG Peppol Directory video guide.

Or visit:
https://go.gov.sg/sgpeppoldirectorydemo

current & future market trends.

What trends are influencing the growth opportunities and growth rate of the global E-Invoicing market?

By Kevin Fitzgerald, Managing Director (Xero, Asia)

→ **Over the last 12 months, the move to the cloud has been accelerated by the disruptions created by the pandemic. We have seen a widespread adoption of technology solutions to help businesses develop greater resilience, efficiency, and transparency through the transformation of business operations and practices.**

The growing trend of faster payments continues to gain traction with solutions like PayNow helping users instantly transfer cash to businesses and each other. As digitisation makes it easier and faster for people to make payments, there are increasing expectations to receive payments just as quickly.

E-invoicing is the next foundational pillar in this evolution. E-invoicing or InvoiceNow as we know it in Singapore, will be a significant enabler in improving invoice payment practices, increasing business productivity, facilitating faster payment times, accurate invoicing, and improved cash flow.

The global E-invoicing market reached an approximate value of $8.7 billion in 2020, lifted by the growth of e-commerce. Widespread adoption of solutions across banking, financial services, telco and retail industries are also driving market growth. The emerging trend around document digitisation for compliance and faster and more efficient processing is anticipated to drive the market further.

In Asia Pacific, the Australian and New Zealand governments, following Singapore's lead, are focusing on network registrations, ramping up education and awareness campaigns to highlight the business benefits of E-invoicing. We know that we need a large network of users for the potential benefits of E-invoicing to be fully realised.

At the recent Association of Digital Service Providers ANZ E-invoicing Showcase, the representatives for Australia, Bruce Bilson, the Australian Small Business and Family Enterprise Ombudsman and Senator Jane Hume, Minister for Superannuation, Financial Services and the Digital Economy spoke about the necessity for government to lead by example and signal to businesses the direction they want to go.

The Australian Government has also committed to invest $15.7m to accelerate business adoption of E-invoicing. They shared that each time E-invoicing replaces a paper invoice (since invoices no longer go astray or are entered incorrectly due to manual handling) – the result is:

SAVINGS OF APPROXIMATELY

$20

BETWEEN THE INVOICE SENDER AND RECEIVER

+1.2b INVOICES SENT AND RECEIVED IN AUSTRALIA LAST YEAR

$29b ESTIMATED VALUE OVER THE COMING YEARS

Similarly, the New Zealand government, working closely with the business community and accounting software providers like Xero, spoke of its goal to enhance economic performance through E-invoicing to make it easier, cheaper and more secure for business to transact, with the cost saving to businesses in the billions, whilst allowing business owners to spend more time growing their businesses and fostering innovation, rather than on administration.

At the event, Geok Seong Wah, Director of the E-invoicing Project Office for IMDA shared some of the strategies and initiatives Singapore has undertaken to successfully increase E-invoicing adoption, growing company registrations on the network in 2020 from 1,000 at the start of the year to 35,000 by December. He highlighted Singapore's robust ecosystem to support adoption and meet the diverse needs of the local business community. Education and outreach activities leveraged the reach of virtual events, and in conjunction with incentive programmes, like the E-invoicing Registrations Grant and Digital Resilience Bonus, created opportunities to engage and register interested parties.

The rebrand of E-invoicing to InvoiceNow, drawing on the widespread understanding of PayNow, has been a critical education piece to clearly articulate the E-invoicing proposition of helping businesses get paid faster.

For time poor SMEs, this represents a substantial opportunity to be more cost efficient and make better use of their time having to deal with fewer friction points to get paid in a timely way.
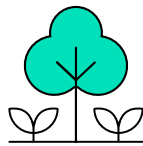
E-INVOICING BUSINESS BENEFITS

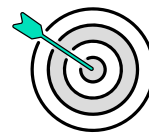**Streamlines processes**

Saves time and reduces errors

Environmentally sustainable

Visibility over invoice delivery

Fast, accurate electronic delivery

Less admin means more time for your business

At Xero, we are committed to drive cloud accounting around the world and help Singaporean SMEs streamline their accounting work and get paid faster.

Earlier this year, we announced two significant, strategic acquisitions in the E-invoicing space - Tickstar, an E-invoicing infrastructure business that allows organisations such as Xero and its customers to connect to the Peppol network and Invoici, an app that provides SMEs in Singapore the capability to send and receive invoices through the InvoiceNow network.

The acquisitions represent Singapore's first end-to-end e-invoicing workflow solution and enable us to further support the IMDA's vision for Smart Nation through InvoiceNow. Our proprietary workflow, utilising Tickstar's infrastructure and Invoici's app make it easy and seamless for SMEs to harness digital technology and stay competitive, comply with future legislation and realise the many benefits that E-invoicing brings.

events & outreach.

Community highlights - just in case you missed out

ICC and WTO Panel (19 Apr 2021)

Progressing with cross-border interoperability through e-invoicing.

A recent panel discussion organised by ICC (International Chamber of Commerce) and WTO (World Trade Organisation) discussed the importance of cross-border interoperability in the implementation of measures related to e-invoicing, the value of international systems, guidelines, and recommendations.

The panellist consisted of Secretary General of Open Peppol, Indirect Tax Technology & Operations Lead of Stripe, Managing Director of ICC and Director of IMDA E-Invoice Project Office. IMDA shared Singapore's journey from the implementation of the Peppol framework, building up the eco-system of providers to the adoption of the nationwide e-invoicing network.

Government representatives from all over the world such as Australia, Belgium, Costa Rica, Germany, Japan, Korea, Lesotho, Lithuania, Mexico, Netherlands, New Zealand, Russia, Spain, Switzerland, Taiwan, United Kingdom, United States and Uruguay were also present at this event.

👁 Check out some of the panel insights below:

• **Countries that are considering implementing e-invoicing can tap on existing frameworks such as Peppol instead of starting a new framework from scratch.**
• **Government and businesses should work together to achieve mutual benefits.**
• **The roll out e-invoicing domestically for local businesses can also help them to grow globally due to cross border interoperability.**
• **The vision of global harmonisation can look like this: where issuing an e-invoice is as easy as making a phone call.**

CFO & Treasury Summit (20 Apr 2021)

40+ expert speakers. 500+ finance leaders and corporate treasurers in attendance.

The CFO & Treasury Summit is a one-day virtual event specifically designed for senior finance leaders and corporate treasurers looking to explore the latest digital innovation in finance and cashflow management.

As a supporting partner of this event, IMDA shared about the many ways to get paid faster for both suppliers and customers when using InvoiceNow. These include aspects of automating invoice processes and having clean, accurate data in the system to financing options on invoices and getting cash advances.
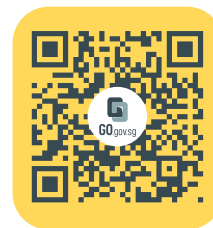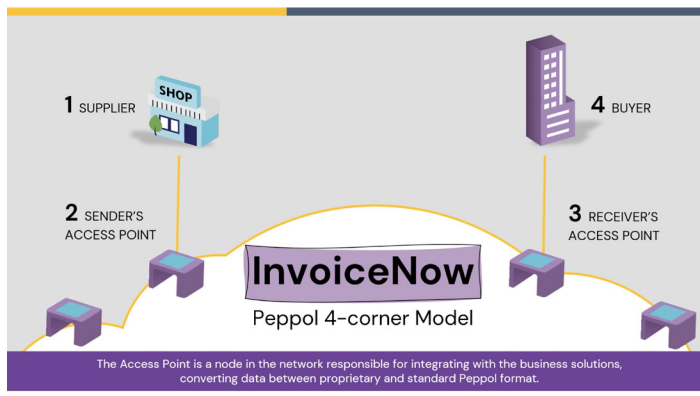
Look out for more of these events over at: https://go.gov.sg/invoicenow-upcomingevents

how stuff works.

Dissecting hard concepts into digestable content

Understanding the 4-Corner Model

Have you wondered how the 4-Corner Model - the underlying architecture of InvoiceNow (also known as Peppol) network, helps to deliver business documents such as e-invoice?

1 SUPPLIER   **4** BUYER

2 SENDER'S ACCESS POINT   **3** RECEIVER'S ACCESS POINT

InvoiceNow

Peppol 4-corner Model

The Access Point is a node in the network responsible for integrating with the business solutions, converting data between proprietary and standard Peppol format.

Scan QR code to watch the 4-corner Model explanatory video.

Or visit:
https://go.gov.sg/4cmodelexplained

free resources.

Access all e-invoicing related resources here

PEPPOL TECHNICAL PLAYBOOK

A curated list of digital resources related to the Peppol E-Delivery Network:

- SG BIS 3.0 Specifications
- SG Peppol Directory
- Important Notes on SG BIS 3.0
- How to send a test e-Invoice
- Transacting with Partners
- Sending e-Invoices to Government
- Validex Tool

Access it here: https://go.gov.sg/peppolplaybook

About InvoiceNow
https://www.imda.gov.sg/invoicenow

SG BIS 3.0 Specifications
https://www.peppolguide.sg

InvoiceNow Video
https://go.gov.sg/invoicenowvideo

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