

Fact Sheet

NATIONWIDE E-INVOICING FRAMEWORK IN SUPPORT OF DIGITALISING THE ECONOMY

Singapore to adopt PEPPOL Standards

Following an evaluation of e-invoicing standards, Singapore will be implementing the Pan-European Public Procurement On-Line (PEPPOL) e-invoicing standard, making IMDA the **first National PEPPOL authority outside of Europe**, and the **first National Authority in Asia**, to adopt the standard. IMDA and OpenPEPPOL have signed a letter of appointment to formalise IMDA as a the National PEPPOL Authority in Singapore. The signing of the letter was graced by Mr André Hoddevik, Secretary General of OpenPEPPOL.

Mr Hoddevik said, “We are very encouraged that IMDA has seen the benefits of PEPPOL and has joined as the first PEPPOL Authority outside of Europe to bring e-invoicing to Singapore. OpenPEPPOL are experiencing a strong interest in the use of PEPPOL to support e-invoicing in the American market, both in North America and Latin America, as well as in Australia. As PEPPOL expands beyond Europe, we hope to take Singapore as a reference to on-board more countries to bring about the benefits of digitalisation to their businesses”

Mr Tan Kiat How, Chief Executive, IMDA, said: “IMDA is proud to be the newest PEPPOL Authority, the first outside of Europe and first in Asia. Common standards such as PEPPOL are crucial for businesses to benefit from an increasingly digital and interconnected global economy. By adopting PEPPOL as a national e-invoicing standard, IMDA is helping businesses in Singapore to benefit from digitalisation and better position them to plug into the international marketplace.”

Electronic invoicing or E-Invoicing is the automated creation, exchange and processing of request for payments between suppliers and buyers using a structured digital format.

E-invoicing is a starting point for end-to-end digitalisation of businesses. Gains from e-invoicing would help businesses strengthen their competitiveness in a rapidly digitalising marketplace by speeding up business transactions, minimising disputes and reducing errors

while at the same time reducing operating costs. It is different from existing, digitised invoices (PDF/Word/scanned invoices) which require some level of human input to process.

The PEPPOL standard is best positioned to meet Singapore's domestic needs while having an international outlook for the following reasons:

- An open standard intended to bridge interoperability across competing business solutions;
- Tried and tested standard, handling millions of transactions across Europe;
- Clear technical and legal frameworks at national and international levels;
- The capability to “connect once, connect to all” – the ability to deal with any other business on the network seamlessly; and
- A single and standardised means of issuing and receiving e-invoices with others on the PEPPOL network

As Singapore's PEPPOL Authority, IMDA will set national rules and specifications that meet Singapore's domestic requirements, as well as appoint and certify service metadata publishers¹ and Access Point (AP) providers. IMDA will also ensure conformance to the PEPPOL technical and service standards.

IMDA will continue to work with relevant government agencies, trade associations and chambers such as Enterprise Singapore and the Singapore Business Federation, to implement the e-invoicing standard, and collectively drive adoption of a common framework for businesses.

The PEPPOL standard is maintained by OpenPEPPOL, a non-profit international association. It was conceived in the European Union in 2008, with OpenPEPPOL established in 2012. It has 277 members from 31 countries, with 176 Access Points² in 19 European countries, Canada and the US, that serve to connect over 120,000 entities. PEPPOL conducted over 60 million e-invoices in 2017.

¹ Service metadata publishers are akin to localized address books for PEPPOL's network. OpenPEPPOL maintains a master list

² Access Points are the nodes which users route their documents through. Each AP is run by its own provider.

There are ten other PEPPOL Authorities in Europe, run by their respective public sectors. They are: Belgium, Denmark, Germany, Ireland, Italy, Netherlands, Norway, Poland, Sweden and the UK. For more details on PEPPOL, please refer to **Annex A**.

Support from Government, Businesses and Technology Solution Providers

The Accountant General's Department (AGD) will be working with IMDA to integrate Vendors@Gov into the nationwide e-invoicing framework. AGD recognises that by working with IMDA there will be a number of benefits for businesses, including:

- Catalysing B2B transactions from the connect one, connect many effect with domestic and international benefits; and
- Championing technological change in the business sector

AGD and IMDA will also be looking at how government procurement processes in conjunction with PEPPOL standards can be used to drive industry adoption of other common business messages.

The National Trade Platform will similarly support the nationwide e-invoicing framework as one of the key international standards for trade documents accepted on the platform, alongside other e-invoicing standards. Other agencies who will explore connecting their systems and processes include the Government Technology Agency (GovTech) and the Maritime and Port Authority of Singapore (MPA).

IMDA has received interest from 45 government agencies, large private sector entities, associations and technology solutions providers to date. The group has expressed interest in integrating and being part of the nationwide e-invoicing framework, and bringing efficiency gains to their organisations, partners and members. Spanning a diverse set of sectors and specialties, the group will help ensure that businesses of all sizes will be able to participate and benefit from e-invoicing. In leading the way, IMDA will leverage its SMEs Go Digital programme to encourage pre-approved solution providers which offer e-invoicing services to adopt the standard.

In the coming months, IMDA will put in place the e-invoicing framework for technology solution providers to join the network and bring on board their corporate customers. This will

also include working out the details for awarding and certifying PEPPOL Access Point(s) and the Service Metadata Publisher(s). Interested parties are encouraged to refer to imda.gov.sg/einvoice or email einvoice@imda.gov.sg.

How PEPPOL e-invoicing works

Companies who wish to adopt e-invoicing must subscribe to an AP Provider of their choice. Companies then send their e-invoices to their AP Provider, which checks and verifies the receiving company’s PEPPOL address through the SMP. The AP Provider then sends the document to the relevant receiving AP Provider, and then onward to the receiving party.

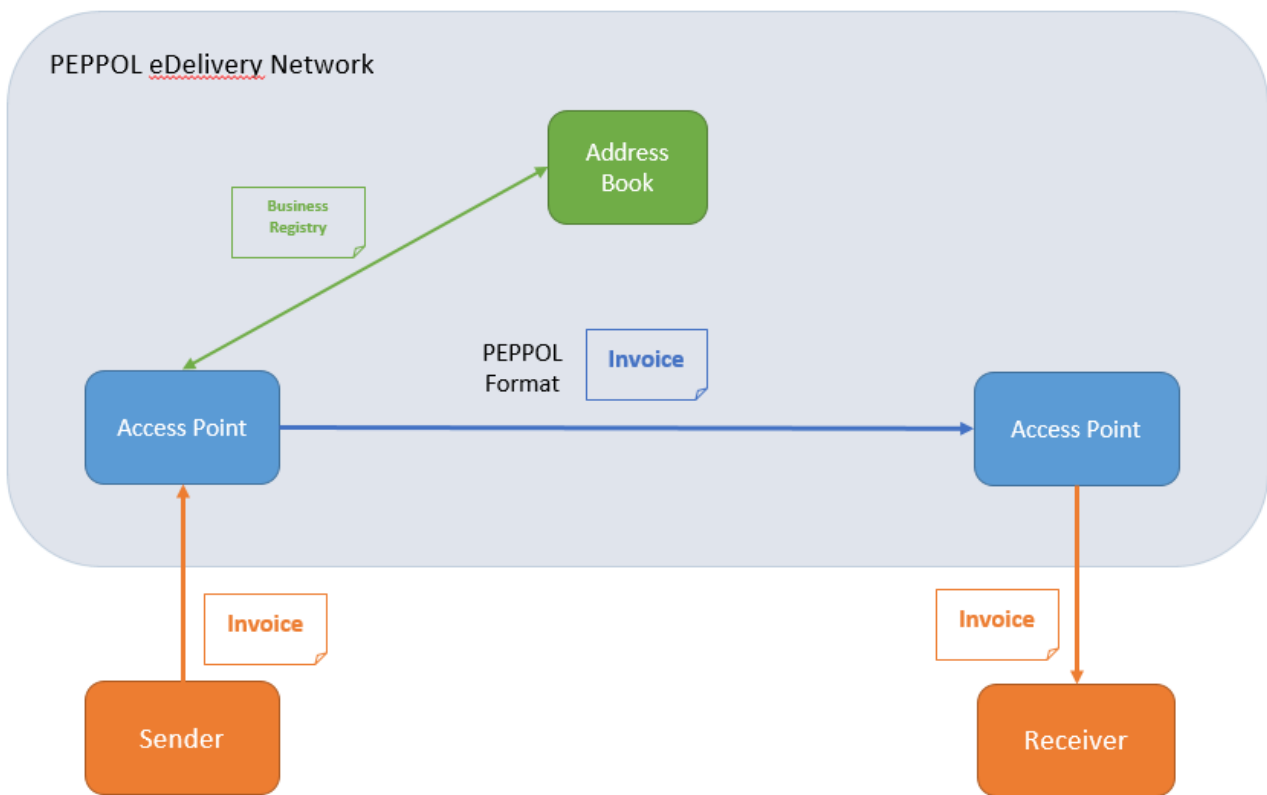


Figure 1: Sample of sending an e-invoice on the PEPPOL network

Business Benefits of E-Invoicing

Cost reduction: Moving from paper to e-invoices eliminates or reduces several costs to businesses.



Faster payment cycles via improved verification and validation: E-invoicing can accelerate invoice processing and payment times³. A common standard would allow quicker validation and reduce payment processing delays. According to Enterprise Singapore's⁴ SME Financing Survey 2017, delay in customer's payments was the top finance-related concern in the coming year. The survey also noted three in five SMEs faced delayed payments from customers.

Access to new financing options: E-invoicing allows for accurate and near-real time visibility of payment cycles. This enables better business sustainability and growth through efficient cash flow management. It also has the potential to enable more efficient supply-chain financing that could increase working capital and liquidity.

Additional Resources:

Annex A: PEPPOL Key Details

About Infocomm Media Development Authority (IMDA)

The Infocomm Media Development Authority (IMDA) leads Singapore's digital transformation with infocomm media. To do this, IMDA will develop a dynamic digital economy and a cohesive digital society, driven by an exceptional infocomm media (ICM) ecosystem – by developing talent, strengthening business capabilities, and enhancing Singapore's ICM infrastructure. IMDA also regulates the telecommunications and media sectors to safeguard consumer interests while fostering a pro-business environment, and enhances Singapore's data protection regime through the Personal Data Protection Commission. For more news and information, visit www.imda.gov.sg or follow IMDA on Facebook [IMDAsg](#) and Twitter [@IMDAsg](#).

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³ A 2017 US Federal Reserve Bank of Minneapolis study indicates that about 92% of e-invoices were paid on time compared to 45% of paper invoices.

⁴ The survey was conducted in 2017 by SPRING Singapore, now known as Enterprise Singapore, formed as a result of a merger with International Enterprise Singapore on 1 April 2018.