

Oracle has been offering PEPPOL compliant software solutions for close to a decade now and for the past few years has supported a number of Australian and New Zealand customers in this area.

Please find the following responses to the issues raised in the proposed Business e-invoicing Right (BER) Consultation Paper (December 2021). We have covered those issues for which we have a specific point of view.

1. Should a Business e-invoicing Right (BER) be introduced to accelerate business adoption of Peppol e-invoicing?

Yes, it is our opinion, that the introduction of BER will accelerate the rate of adoption.

However, we think, either buyer (receiver of invoice) or seller (sender of invoice) should be allowed to exercise BER on the other party. All entities (buyer/seller) would likely invest in e-invoicing infrastructure, if they get some assurance that it will be utilized in full.

2. Are there other regulatory methods that might increase e-Invoicing adoption?

In several countries generic B2B e-invoice deployment is being implemented in phases (usually driven by Ministry of Finance in most countries). This is based on the following value proposition:

- Governments propose to reduce GST processing costs through tax invoice automation and digitalization. With GST/VAT being a non-optimizable tax, the only impact is the processing cost of acting as tax collector and reporting to the Tax Authority.
  - o Governments take the lead of rolling out a country network delivery infrastructure, message standard format and comment to allow cost efficient of e-invoice across all companies in the country and thus lowering the invoice processing cost
  - o Local certified service providers, or PEPPOL certified access points are asked to extract invoice tax metadata (GST numbers of supplier and customer, plus invoice date, plus invoice date, plus GST amount and base amount per GST tax rates) and pass it in secured ways to the ministry of finance.
  - o Companies gain in standardized and automated e-invoice processing
  - o Companies gain on GST/VAT monthly filling and settlement (prefilled GST/VAT forms) and occasional external audit in this domain
  - o Government gain in GST/VAT collection cost saving, and in several countries on closing GST/VAT collection gaps

PEPPOL is working on a Continuous Transaction Controls (CTC) model. It might be a good idea for Australia/New Zealand to get involved early on this. Although, Australia may not necessarily go for a clearance model, if govt. can implement a real time tax reporting mechanism whereby selected data from e-invoice transactions can flow to Tax authority and it can prefill automatically bulk of tax reporting needs of the enterprise, the business might be more enthusiastic in e-invoicing

3. What key implementation challenges or issues would businesses face if the Government introduces a BER?

Technology adoption- Technology for e-invoicing exists today. However, all organizations might not have access to trained experts who can help in such transformations. Government can engage with software vendors, consulting companies, service providers etc. and ask for help in advising the enterprises that need directions.

Financial impact of a new system on enterprises- There could be significant short term cost impact on the enterprise. Any effort to minimize the initial impact will help

Automation enablement: extending the ABN number to sub-legal Entity to enable electronic invoice routing to a more granular level of the company (can be geographical, or per Business Unit) This can be leveraged for orders and deliveries as well (delivery of goods to HQ is probably less frequent than to plant or to Warehouse)

Process enablement- It will make sense to think of extending digitization to other processes, including Procure to pay process etc. to create an overarching architecture of digital processes. For example, if companies can send/receive e-purchase orders by using the same infrastructure, it will co-exist seamlessly with e-invoicing. And it will help in adoption

Change Management- Generating awareness and highlighting potential benefits by roadshows, webinars, conferences, emailers, targeted advertisements will help. Certain businesses might have apprehensions on being identified as small, medium or big (as is necessary to identify the applicability of BER). It would be beneficial to address such issues by communicating clearly.

4. Would Option 1 or Option 2 be more appropriate to set the scope for participation in the BER and why? Are there other approaches that may be appropriate?

In our opinion, a regulation under Corporations Act might be easier to implement across the regions. Its scope, although will be limited to corporates, will still cover the bulk of the business transactions that will help the business community.

It can be further limited to publicly traded companies in stock exchange so that we can categorise them into small, medium and big based on published revenue data

5. What, if any, exemptions would a BER need to include (e.g., for on-the-spot or point-of-sale business-to-business transactions, not-for-profit organisations, newly created businesses, entities supplying taxi travel, recipient created tax invoices (RCTIs))?

6a. Should the Government create a public register of businesses covered by the BER?

Yes, this will help ensure compliance and reduce ambiguity

6b. Are there any other approaches that would be appropriate to identify businesses covered by the BER?

7a. Would businesses be comfortable with being publicly identified as small, medium-sized, or large?

If publicly available data from the companies listed in stock exchange are used for such categorisation, the govt. might be able to minimize any such apprehensions.

7b. What key sensitivities or risks would such an approach present?

8. Which of the potential approaches to create a register of small, medium-sized, and large businesses covered by the BER would be appropriate?

We agree with the phased approach of implementation (phase 1 for Big, phase 2 for medium and phase 3 for small organizations). ATO. We have seen this approach in other European countries as well. However, it needs to be explicit in communicating if such categorisation and applicability is for issuer or receiver of e-invoices.

9. What regulatory costs may be involved for businesses for these options?

10. Should the BER apply to differently sized businesses at the different times?

Yes. It can be started with big businesses and cover medium and small businesses gradually over a period.

11a. Should turnover-based thresholds be used to differentiate business size under the BER? What alternative thresholds are available and would be appropriate and administratively feasible?

One of the options might be to limit it to the publicly traded companies. Turnover data of such companies

11b. What levels of annual turnover would be most appropriate to differentiate small, medium-sized, and large businesses under the BER?

12a. Would a framework for turnover aggregation and related grouping rules be required for the BER?

13a. What would be the appropriate implementation timeframes for the BER?

13b. How much advance notice would covered businesses need to be ready by their corresponding deadlines under the BER?

13c. What alternative timing approaches might also be feasible and appropriate?

14a. What should a valid request to receive Peppol eInvoices involve or include?

14b. What communication and record-keeping requirements would the BER require for covered businesses, particularly in relation to communicating requests to receive eInvoices?

15. What mechanisms should be put in place to protect businesses that choose to exercise their BER (e.g. whistle blower protections)?

16. What key factors does the Government need to consider in relation to enabling Peppol-compatible EDI networks?

- 17a. How could the Government target a potential intervention on the procurement functions of EDIs, without affecting or targeting the non-procurement functions?
- 17b. What definitions or criteria would be required to limit any requirement to only those EDIs operated by businesses that the Commonwealth can regulate and EDIs that are only used in procurement?
18. What are the key business considerations and impacts relevant to expanding from eInvoicing to a broader integrated P2P process (such as Peppol P2P)?
19. What are the barriers, if any, to businesses adopting more efficient and standardised P2P processes, including Peppol P2P?
- 20a. Would broader adoption of Peppol P2P as a standard in Australia help businesses adopt more efficient and interoperable procurement processes?
- 20b. What different approaches are available that may also be appropriate for Australia?
21. What is the level of impact on business adoption that the integration of eInvoicing and payments would have?

We think, that integrating payment will provide a more seamless digital experience for the business community. It will drive better adoption of e-invoicing as well.

22. Given the market is currently working to deliver solutions that enable integrated eInvoicing and payments, what (if any) further action or intervention is required to address any current barriers to greater integration and help drive this process?