The Status of **Electronic Invoicing** in America

SERES
GRUPO DOCAPOSTE

Index.

01

What is e-invoicing?

The e-invoice is a digitised invoice issued and received in electronic format. It has a structured format and uses XML language, which facilitates automated processing. This format enables computer systems to generate and process electronic invoices automatically.

E-invoices must be distinguished from unstructured documents sent online. For instance, a paper invoice that has been scanned or a Word or PDF file that has been sent via email cannot be regarded as an electronic file since its format is an image and it cannot be processed automatically.

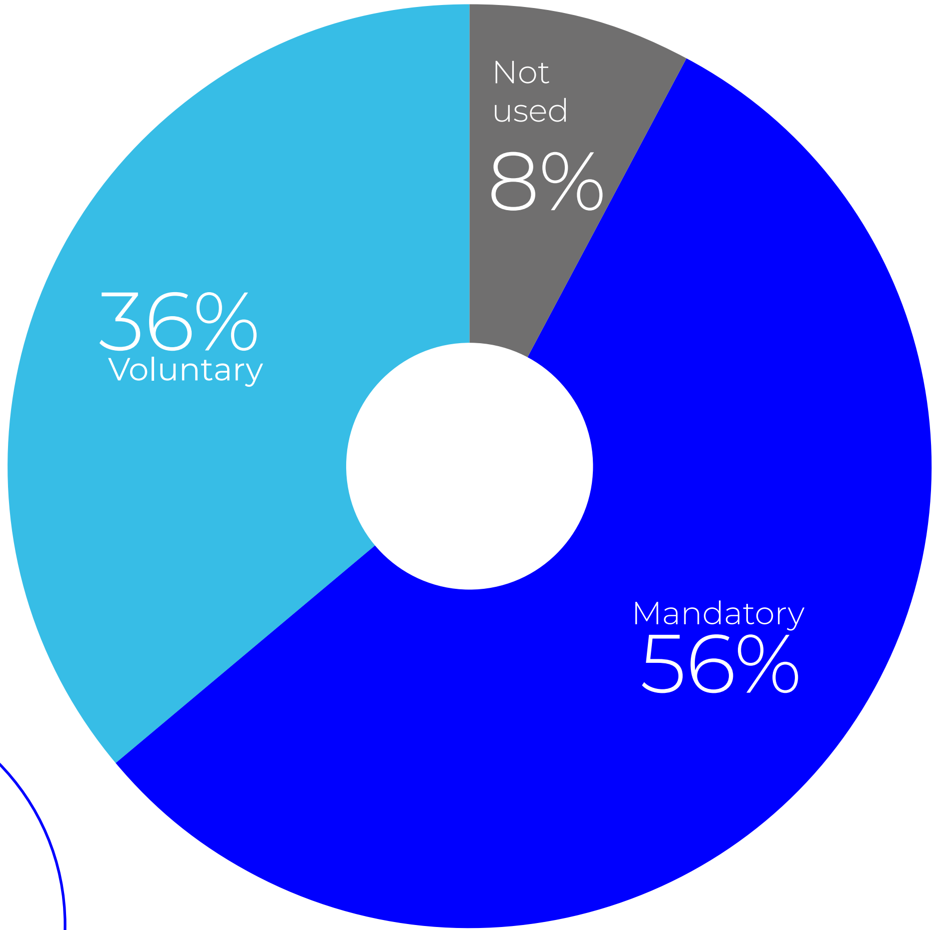
This document outlines the current state of e-invoicing in the Americas.

02

Countries in the Americas that use electronic invoicing

E-invoicing is widely used in the Americas across all the countries that make up the continent. Currently, over 80% of countries in the Americas use e-invoicing for commercial transactions.

Of these, 56% require it to be used, while 36% use it voluntarily.



This document presents the current status and expected progress of electronic invoicing in Antigua and Barbuda, Argentina, the Bahamas, Barbados, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guadeloupe, Guatemala, French Guiana, Honduras, Martinique, Mexico, Nicaragua, Panama, Paraguay, Peru, Puerto Rico, St. Vincent and the Grenadines, St. Lucia, Trinidad and Tobago, the United States, Uruguay, and Venezuela.

Source: **SERES** Spain

03

E-invoicing in the Americas

E-invoicing has been in use in the Americas since the 1990s, and there has been a significant acceleration in its use since the beginning of the new century. In 2003, Chile developed the first electronic invoice model to increase competitiveness, market efficiency, and improve tax compliance and administrative processes.

The use of e-invoicing has become widespread in Central and South America as a result of mandatory regulations, and is also growing in North America and the Caribbean on a voluntary basis.

In 2007, Argentina implemented a special regime for issuing and storing electronic receipts, exclusively for a small number of taxpayers.

Following this, other countries in the region made it mandatory, including Mexico, Chile and Brazil.

It should be noted that French Guiana, Guadeloupe, and Martinique are part of France, and therefore, the same regulations apply as in metropolitan France.

In the rest of the American continent, many countries are obligated to use e-invoicing in their commercial transactions, which has made it possible to improve tax management and business relations at an international level. The following countries stand out among them: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, Guatemala, Honduras, Mexico, Peru, and Uruguay.

Timeline for mandatory e-invoicing in the Americas

- **2008**: Brazil
- **2011**: Mexico
- **2012**: Guatemala, Ecuador, Uruguay
- **2014**: Chile, Honduras
- **2017**: French Guiana, Guadeloupe, Martinique
- **2018**: Argentina, Costa Rica, Puerto Rico
- **2019**: Colombia, Bolivia
- **2021**: Panama
- **2022**: Peru
- **2023**: Paraguay
- **2024**: Dominican Republic

E-invoicing is a crucial component of the digital transformation of American countries.

On many occasions, this impulse has arisen from laws or government regulations; other times, companies themselves choose to adopt it voluntarily due to the significant benefits it offers.

04 Status of e-invoicing in America

Argentina

- Federal Administration of Public Revenues (AFIP)
- From 2018
- Yes
- 10 years
- XML
- Portal of the AFIP

Brazil

- Secretaria de Fazenda (SEFAZ) y Conselho Nacional de Política Fazendária (CONFAZ)
- From 2008
- Yes
- 5 years
- NF - e
- Portal of the SEFAZ

Responsible authority | Mandatory | Electronic signature | Electronic Archiving | Format | Platform

Status of e-invoicing in America

Mexico

Tax Administration Service (SAT)

From 2011

CSD Mandatory

5 years

CFDI

Portal of the SAT

Guatemala

Superintendency of Tax Administration of Guatemala (SAT)

From 2012

Yes

4 years

XML

SAT Virtual Agency and the FEL APP

Responsible authority | Mandatory | Electronic signature | Electronic Archiving | Format | Platform

Status of e-invoicing in America

Chile

Internal Revenue Service (SII)

From 2014

Yes

6 years

XML

Portal of the Internal Revenue Service (SII)

Servicio de Impuestos Internos

Ecuador

Internal Revenue Service (SRI)

From 2012

Yes

7 years

XML

Portal of the Internal Revenue Service (SRI)

SRI ... le hace bien al país!

Responsible authority | Mandatory | Electronic signature | Electronic Archiving | Format | Platform

Status of e-invoicing in America

Honduras

Revenue Administration Service (SAR)

From 2014

N/A

N/A

XML

Portal of the SAR

Peru

National Superintendence of Customs and Tax Administration (Superintendencia Nacional de Aduanas y Administración Tributaria)

From 2022

Yes

5 years

XML

Electronic Issuance System

Responsible authority | Mandatory | Electronic signature | Electronic Archiving | Format | Platform

Status of e-invoicing in America

Uruguay

- General Directorate of Internal Taxes (DGII)
- From 2012
- Yes
- 7 years
- XML local
- Portal provided by the DGII

DGI DIRECCIÓN GENERAL IMPOSITIVA

Bolivia

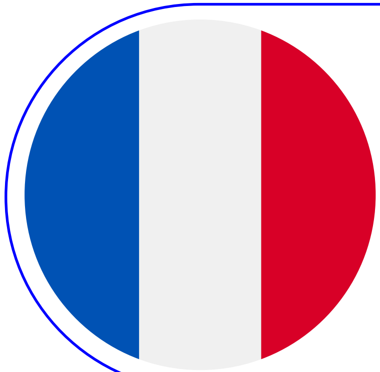
IMPUESTOS NACIONALES

- National Tax Service (SIN)
- From 2019
- Yes
- 10 years
- Local XML
- Electronic Invoicing System

Responsible authority | Mandatory | Electronic signature | Electronic Archiving | Format | Platform

Status of e-invoicing in America

French Guiana, Guadeloupe, and Martinique



Agence pour l'informatique financière de l'État (AIFE)

From 2017

N/A

N/A

OASIS UBL 2.1 and CII UN/CEFACT

Chorus Pro

Costa Rica

Ministry of Finance / General Tax Directorate

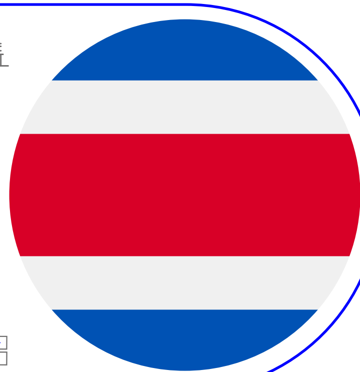
2018

Yes

5 years

XML

Virtual Tax Administration (ATV)



Responsible authority | Mandatory | Electronic signature | Electronic Archiving | Format | Platform

Status of e-invoicing in America

Colombia

National Tax and Customs Directorate (DIAN)

2019

Yes

5 years

XML

Portal of the DIAN

Panama

Ministry of Economy and Finance / General Directorate of Revenues (DGI)

From 2021

Yes

5 years

XML

e-TAX2

Responsible authority | Mandatory | Electronic signature | Electronic Archiving | Format | Platform

Status of e-invoicing in America

Paraguay

Undersecretariat of State for Taxation (SET)

From 2023

Yes

5 years

XML

e-Kuatia

Puerto Rico

Puerto Rico Treasury Department

From 2018

N/A

N/A

PDF

Electronic Issuance System

Responsible authority | Mandatory | Electronic signature | Electronic Archiving | Format | Platform

Status of e-invoicing in America

Dominican Republic

General Directorate of Internal Taxes (DGII)

From 2024

Yes

10 years

XML local

Portal of the DGII

IMPUESTOS INTERNOS

Responsible authority | Mandatory | Electronic signature | Electronic Archiving | Format | Platform

During implementation

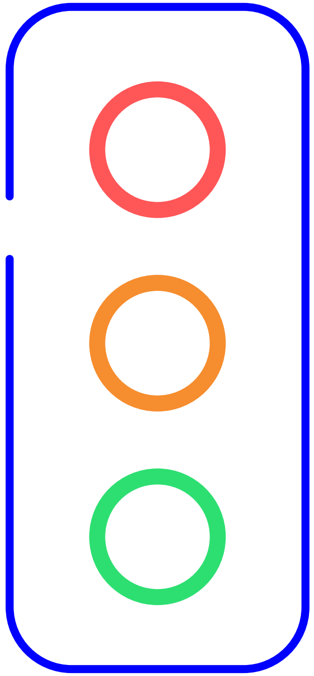
Implementing eInvoicing in countries where it has been used for a number of years has shown that it brings significant benefits and advantages to the companies that use it.

These benefits include cost reduction, improved business management, optimization of payment and collection processes, the possibility of accessing new sources of financing, as well as enhanced security. This is why governments have promoted the use of electronic invoicing.

Although e-invoicing is not mandatory in some countries in the Americas, governments are working to implement this type of system. Barbados, Canada, the Dominican Republic, El Salvador, Nicaragua, Trinidad and Tobago, the United States, and Venezuela are examples of these countries.

In other territories, such as Antigua and Barbuda, St. Vincent and the Grenadines, and St. Lucia, paper invoices are still required to be kept, even though electronic invoicing is accepted. Similarly, Puerto Rico has a rudimentary approach to electronic invoicing. Invoices are sent in PDF format to the Government Central Accounting Area, in addition to submitting a paper invoice.

Although electronic invoicing offers many advantages, it is still not widely used in some regions, such as Cuba.



Voluntary e-invoicing

Canada

In Canada, e-invoicing is not mandatory. The Canada Revenue Agency (CRA) is responsible for e-invoicing and has published circulars that establish the need for adequate controls to ensure the accuracy, security, and integrity of the data processed and stored in the system. The taxpayer is also responsible for ensuring the confidentiality of the exchange.
tiene menú contextual

United States of America

A pilot project will be launched in 2022 to test the exchange of electronic invoices between businesses. The ultimate goal is to launch a public system for voluntary adoption. In May 2023, a new organisation called the Digital Business Networks Alliance will be launched to create a common network in North America (Canada and the US) to enable businesses to exchange e-invoices efficiently.

Voluntary e-invoicing

El Salvador

In 2022, the Parliament of El Salvador passed a law mandating the use of electronic invoicing, also known as Electronic Tax Documents. In 2019, the Directorate General of Internal Taxes and the Ministry of Finance initiated a pilot project for electronic invoicing with approximately 50 major taxpayers.

Cuba

Electronic invoicing is not yet mandatory in Cuba, but it is possible to use it voluntarily.

Voluntary e-invoicing

Dominican Republic

In May, the Dominican Republic approved the General Law of Electronic Invoicing (32-33) to mandate e-CF electronic invoices

Voluntary e-invoicing

Nicaragua

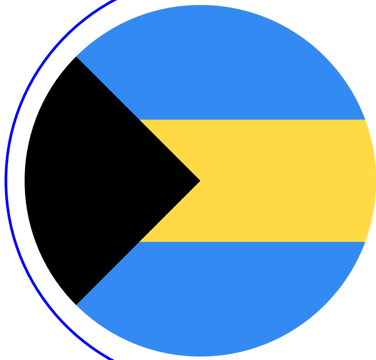
In Nicaragua, companies have the option of using electronic invoicing, which was made legal through Technical Provision No. 09-2007 on 23 May 2007. While local regulations permit the use of electronic means for invoicing, they cannot be classified as digital invoices. Therefore, the recipient must always print the document and attach it to their reports and accounting records to support their costs and/or deductions for tax purposes.

Venezuela

Article 57 of the Venezuelan VAT Law mandates the use of electronic invoicing and requires the Tax Authority to establish rules for this type of invoicing.

Voluntary e-invoicing

Bahamas



Although e-invoicing is not yet mandatory in the Bahamas, it is possible to use it voluntarily. However, there is still a long way to go before it becomes a widespread practice

Trinidad and Tobago

Although e-invoicing is not yet mandatory in the Trinidad and Tobago, it is possible to use it voluntarily. However, there is still a long way to go before it becomes a widespread practice.

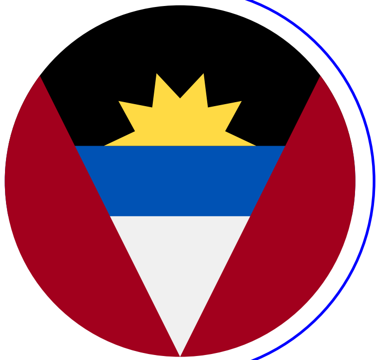
Voluntary e-invoicing

Barbados

Although e-invoicing is not yet mandatory in the Barbados, it is possible to use it voluntarily. However, there is still a long way to go before it becomes a widespread practice

Antigua and Barbuda

Although e-invoicing is not yet mandatory in the Antigua and Barbuda, it is possible to use it voluntarily. However, there is still a long way to go before it becomes a widespread practice



Voluntary e-invoicing

St Vincent and the Grenadines

Although e-invoicing is not yet mandatory in St Vincent and the Grenadines, it can be used voluntarily.

St Lucia

Electronic invoicing is not yet mandatory in Saint Lucia, but it can be used voluntarily. However, there is still a long way to go before it becomes mandatory.

05

Benefits of electronic invoicing

- Boosting digitisation
- Speeding up processing
- Saving costs
- Increasing sustainability
- Improving traceability and security
- Save time
- Greater transparency and accessibility
- Fighting late payments
- Reducing mistakes

06 The future of e-invoicing in America: PEPPOL

PEPPOL was created as a pilot project of the European Commission in 2008. It is governed by a set of specifications and standards, which are based on multilateral agreements. The acronym PEPPOL stands for Pan-European Public Procurement Online.

The primary objective of PEPPOL is to act as a platform that facilitates secure and reliable electronic exchange of documents between member countries. While the EU directive does not prescribe a particular electronic format for exchanging invoices, Universal Business Language (UBL) is generally employed in varying versions with customisations tailored to PEPPOL specifications throughout all member states.

The European Standard (EN) ensures coherence in performing business operations within the European single market. OpenPeppol mandates its specific Business Interoperability Specifications (BIS), which establish the standardisation of documents sent and received by access points within the secure Peppol network.

As a result, PEPPOL could be summarized as a SINGLE ACCESS POINT FOR EVERYONE.

Peppol
Service Provider

The future of e-invoicing in America: PEPPOL

In summary, PEPPOL offers:

- Standard exchange formats for all types of documents.
- The PEPPOL network, where all exchanges take place.
- The infrastructure.

The platform simplifies e-procurement and e-invoicing processes for public administrations, while facilitating electronic communication between companies and any European government institution participating in procurement and invoicing.

This improves efficiency, lowers expenses, and expands entry to global markets, particularly for small businesses, in B2B transactions. With its four-cornered model, any public sector organization or private company can join the PEPPOL network.

PEPPOL currently provides a secure, open and flexible architecture by accepting a wide range of electronic exchange standards that have been tested over the years in B2B communications.

In summary, PEPPOL offers standard exchange formats for all types of documents, a network to facilitate exchanges, and the essential infrastructure.

07 SERES, the solution for your multi-country projects

The best way to implement e-invoicing in a company and avoid future problems is to use an approved service provider. SERES has over 30 years of experience and has worked with various international audiences to implement e-invoicing and e-document exchange projects.

Our mission is to provide personalised advice to our clients to ensure the success of their digital transformation. In addition, our e-invoicing solution is global and therefore perfectly adapted to the specific circumstances of each client:

- Compliance with each country's regulations.
- Coordinated exchange of billing information.
- Real-time visibility.
- One global operator.
- The advantages of electronic invoicing.

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