## **CPA** Practice **Advisor**

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## Support Tax Compliance for Businesses and Governments

Avalara intends to be accredited by the Digital Business Networks Alliance as an access point and service provider to facilitate the sending and receiving of electronic business documents over...

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Avalara, Inc., a provider of cloud-based tax compliance automation for businesses of all sizes, has expanded its collection of e-invoicing certifications as it has become a Peppol certified service provider in Australia, Japan, New Zealand, and the European Union. The company also shared its involvement as a technical committee contributor for

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"Governments in every region of the world are implementing e-invoicing mandates in a myriad of ways to close their tax gap, which is adding complexity and making it challenging for businesses to effectively keep up with all the changes and comply," said Jayme Fishman, EVP and GM of Indirect Tax at Avalara. "For nearly 20 years, Avalara has served as the intermediary between business and governments to simplify the complexities around tax compliance. Today, geographically dispersed businesses can confidently turn to Avalara to address all facets of their global compliance journey, including tax calculations, filings, cross-border compliance, einvoicing, and more."

## Governments are rapidly adopting e-invoicing standards

More than 60 countries to date have announced or already require e-invoicing mandates as they look to modernize and monetize their economies. E-invoicing technology provides an efficient and effective way to monitor transactions between businesses and their customers, which allows governments to reduce the gap between their expected and actual indirect tax revenues.

In addition, countries have chosen to adopt different modes of e-invoicing, from periodic to real-time reporting, to meet their regulatory needs. Some countries leverage an open network, such as Peppol, for businesses to transmit e-invoices. Others have country-specific networks and local standards, like the Italian Revenue Agency's e-invoicing platform, Sistema di Interscambio (SdI), which is an invoice approval portal that ensures live verification of taxable transactions by the Italian tax authorities.

"E-invoicing will have a significant impact on the tax management process of businesses in the next 24 months," said **Kevin Permenter, Research Director, IDC**. "Businesses selling globally will have to comply with e-invoicing requirements if they want to stay competitive and scale their operations. To effectively manage e-

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to and from entities on the global network, as well as issuing e-invoices to government departments. This expands Avalara's ability to communicate with government authorities across Australia, Japan, New Zealand, the European Union, and more.

"E-invoicing is the clear direction for tax authorities and governments globally. Businesses have historically played a game of whack-a-mole trying to tactically meet new e-invoicing and live reporting mandates popping up across the globe through a mixture of multiple local point software solutions, outsourcing, and heavy customization of systems," said **Baulf**. "This approach is not sustainable or scalable, and multinational businesses are now viewing e-invoicing strategically — wanting a trusted accredited service provider that can meet evolving mandates through a single global solution. Accreditation from national Peppol authorities provides businesses with additional trust in the compliance, security, and integrity of the service provider that is generating and exchanging compliant invoices with trading partners."

Baulf is a participating member of the European Commission's E-Invoicing Technical Advisory Group, which provides technical advice to the European Commission in terms of technical issues relating to the evolution and use of the European standard for electronic invoicing, EN 16931-1, and other general topics related to e-invoicing.

In 2021, Avalara acquired INPOSIA Solutions GmbH, to enhance the company's existing e-invoicing capabilities in Brazil and India to support customers worldwide with real-time compliance. In 2022, Avalara announced a preview release of its e-invoicing API, which will allow Avalara partners to offer customers the ability to send and receive e-invoices from within their application.

For additional information on Avalara's e-invoicing certifications and solutions,

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