

## Introduction

**Simon Foster - Co-Host (DSPANZ):** Alright I think we've given everyone enough time. We'll now get started.

Welcome to the DSPANZ "What is Peppol" session which is part of ATO's eInvoicing Week.

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**Simon Foster - Co-Host (DSPANZ):** Going to start with an Acknowledgement of Country. In the spirit of reconciliation, DSPANZ acknowledges the Traditional Owners of Country throughout Australia and recognises their continuing connection to land, waters and culture. We pay our respects to their Elders past, present and emerging. In recognition that DSPANZ is a bi-national Association, I take this opportunity to acknowledge Māori as tangata whenua and Treaty of Waitangi partners in Aotearoa New Zealand.

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**Simon Foster - Co-Host (DSPANZ):** My name is Simon Foster. I'm the President of DSPANZ and also Co-Chair of our eInvoicing Sub-Committee.

Also with me today is Matt Lewis, the other Co-Chair of the DSPANZ eInvoicing Sub-Committee, and he is also the Founder and CEO of Capability Wise Pty Ltd, an Australian Technology Management and Digital Transformation Consultancy. Matt has been working closely with government agencies and software companies over the past 15 years to introduce secure digital capabilities to modernise staff and customer experiences.

I'd also like to welcome Erik Timmerman, Secretary General of the European eInvoicing Service Providers Association, EESPA. European providers have been an important part of the growth of eInvoicing in Australia, and we have a number of DSPANZ members from that community. To further our common goals, DSPANZ and EESPA signed an MOU in June to work together to promote global eInvoicing interoperability.

Erik is a globally recognised leader in the factoring and invoice finance industry and an acknowledged expert in Association Management. He's also an Advisor Finance Industry at Atradius Collections and Co-Founder of World of Open Account.

So a summary of what we're going to be covering today. You've heard the introductions. We're going to go through a brief history of Peppol, some Peppol basics, what's happening around the world and how you can get involved in Australia and New Zealand.

Before we jump into that though our content today ...

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**Simon Foster - Co-Host (DSPANZ):** ... just show a number of eInvoicing members that we have here at DSPANZ and you should have also received an acknowledgment of your attendance which includes information about each of those members and what their offerings are.

So DSPANZ is the Association of Digital Service Providers Australia New Zealand and we were previously known as ABSIA. We originally formed out of the ATO as an industry voice for business software developers. As an organisation, we have been involved with eInvoicing in Australia and New Zealand since 2015. We are currently involved and help co-chair a number of eInvoicing and Peppol related working groups, which we'll touch more on towards the end of the session. Essentially we are the primary association representing eInvoicing Service Providers across Australia and New Zealand. We also cover tax, payroll, accounting systems, superannuation lodgement vendors and Sending Service Providers to ATO APIs.

Remember also you can ask questions at any point during the webinar today. Use the Q&A function in Zoom or the chat function which you'll find at the bottom of your screen. We're also recording the webinar. We'll package it up and send you an email once it's ready.

At this point, I'm going to pass across to Matt who is going to give us a brief history of Peppol.

## Brief History of Peppol

**Matt Lewis - Co-Host (DSPANZ / Capability Wise):** Thank you Simon. By now, many of you would have heard the world Peppol or Peppol eInvoicing and probably thought to yourselves, how did they come up with that lovely name.

So, Peppol originally stood for the Pan-European Public Procurement On-Line project. That is where it all started off. In around 2008, the European Commission identified that country specific trading networks, generally privately owned, had emerged across the European Union, and this was inhibiting trade between European countries because you had to be a member of each of the separate networks in order to trade electronically.

As a result of that realisation back in 2008, the EC funded what they called a large-scale pilot, along with a number of Consortium members from neighbouring countries as well. And that large-scale pilot was to look at simplifying the electronic procurement across borders and developing technology standards that could be implemented across all governments within Europe. The outcome of the project saw the creation of a set of Peppol specifications and implementation across several countries in Europe. So that is, what was originally the Pan-European Public Procurement On-Line project.

After that project reached conclusion around the September 2012 mark, basically the outcomes of the project were handed over to a not-for-profit association called OpenPeppol. And OpenPeppol [inaudible] of managing those standards and the legal framework that sits around

those standards since that time. So really they look after the Peppol specifications and the building blocks, the services themselves, and the implementation quality of those services.

And Peppol, as it is now known, no longer stands for that acronym. It's a little bit like back in the day when radar was invented. Radar, the individual letters actually stood for something and now it's just radar. Peppol is the same thing now. We just call it Peppol and we've dropped that Pan-European context that came with it as it expands out into particularly the Asia-Pacific and the rest of the world.

While that's our explanation of Peppol, let's hear from some of the OpenPeppol Management Committee members and if the technology gods are looking in our favour, we will have a video for you to see in a moment.

#### *Video plays*

What is Peppol for us? A way of democratising electronic trade. An eDelivery network for the transmission of eProcurement documents, including eInvoices. Both on the supplying and the buying side. Where organisations can exchange business documents quickly, reliably and securely. It makes the transmission of these documents as easy as sending a text message. Whatever message you want, whatever format you require and it will get to whatever it needs to get. Peppol for me is the future of electronic trade.

I'm André Hoddevik. I'm the Secretary General of OpenPeppol. The essence of Peppol is our ability to create interoperability in business processes. So we enable businesses not only to technically exchange messages but also to interconnect their, their business processes over an open network where they can choose their service provider independent of the recipients.

It is standardised and you have a legal framework which means that the service providers and the tool providers have a level playing field to compete and to provide their services to the buyers and the sellers in the network. The fact that we now have a regulation that mandates that all public entities in Sweden must be connected to Peppol, that's a big success.

Australia. New Zealand. Singapore. I think that they have faced the challenge of understanding different cultures, different requirements and that's why we're evaluating it to set it up for Latin America.

Peppol, it started out in the public sector, very much public procurement but there's no not that big difference when it comes to ordering and delivery and invoicing when it comes to business to business and business to government. And we can easily see now in several countries that the business to business growth is bigger in Peppol than the business to government.

For Equinor, Peppol has been a great enabler for digital transformation. The business content is similar to what we have other formats, other ways that we interact. It's just that we know up front what we will receive each and every time. Business content that will always get there

regardless. The beauty is how many times you can reuse just a single connection, do it once and reuse many times. That's the fantastic gem, the real beauty of Peppol.

Actually in business to businesses where the newer countries like Singapore, like Australia, New Zealand are actually bringing Peppol to the fore. That they're saying, well we want to do business to government but actually want to do business to business.

What the Peppol network does for SMEs is it opens up the world to an SME and the idea that small businesses connect once and then be connected to everybody on the network was a really strong draw for the Irish government.

I would say that the Peppol infrastructure and the Peppol solution is more or less necessary for SMEs to do business with bigger customers.

The benefit for using Peppol as a service provider is that this is truly a good option for any trading partner right now and this is really a good way of starting your electronic invoicing journey.

Peppol, effectively for service providers, is fairly easy to perform and deliver, although it maybe undermines, to a degree, some of the older ways of interacting and trading that they're familiar with. But that said, it opens the doors to a huge potential of new clients who maybe previously were excluded from electronic trade because of the complexity and cost.

It's a great channel. It has great potential and it's technically well architected

It's necessary for mass adoption. Without Peppol, it's very, very costly to get the country scale mass adopting eInvoicing.

We can only be successful in terms of getting new members from parts of the world if we can show that the Peppol approach actually means a difference for the service providers, for the authorities to make it a success locally.

It's an openness. It's an inclusiveness which could be summarised just as.

To have an interoperable protocol for all countries.

That's the easiest way to connect trading partners all over the globe.

*Video ends*

*Slide Change*

**Simon Foster - Co-Host (DSPANZ):** So this is OpenPeppol on a page. So it's to try and give you an idea of the governance structure of Peppol and the different things at work.

It's a membership organisation. It's a Belgian AISBL which is a not-for-profit, similar to what DSPANZ is, an Australian not-for-profit. And the structure, there is a Secretary General which is the equivalent of a President in organisations in our part of the world. Managing Committee which is the Board and there's also an Operating Office which are the staff.

Within that, there are then what are called Domain Communities. So that relates to the different parts of the technology. So one is the Peppol Network, so the network specifications itself. There's then a CMB, which is a Change Management Board, which is an elected board that makes decisions about how those standards change. We then have, what in Peppol language, is called Post Award and Pre Award so that relates to contract purchase. So Post Award is procure-to-pay and order-to-cash. Pre Award is the actual procurement processes themselves so RFPs, RFP responses, listed tenders and so on. Each of those has elected Change Management Boards and if you join OpenPeppol, you can nominate which of those you'd like to be in.

There is then what's called the stakeholder communities. So those are Service Providers which are probably most familiar to those in the room that are either software providers that engage Services Providers or Service Providers yourselves. There are then Peppol Authorities. Those are the regulatory governance bodies. They're usually government agencies, in different parts of the world it changes to digital promotion agencies for example in Singapore which is IMDA. Ministry for Business, Innovation and Employment in New Zealand and the ATO, of course, in Australia. And finally, there is the stakeholder community called end users. So that's designed for the businesses themselves who are sending and receiving invoices and other types of documents. Each of those again have elected representation within the communities themselves and then on to Managing Committee.

Amongst all that there is a Coordinating Committee that sits underneath the Managing Committee and there's also a board that looks at agreements, policies and procedures which is the legal infrastructure for participating in the network. So there's a fairly complex structure there but it's also an opportunity to get involved in the things that are of interest to you. And there are a variety of different types of Service Providers in there.

Finally and definitely not least, is what's being called Continuous Transaction Controls. This is something I suspect Erik might talk a little bit about because EESPA's been very closely involved. It's not something we're seeing in Australia, but certainly in parts of Europe, in Latin America and parts of Asia, this is about eInvoices being used for VAT collection. In economies where this is a problem, which arguably it's not in the same way in Australia, the governments there are looking at a method for being able to collect, Mexico for example is one of the first places in the world to do this and has 100% compliance with eInvoicing there. One of the challenges is each of the countries do it a little differently and so there is no interoperability

and, as mentioned, we signed an MoU with EESPA to look at interoperability and this is an ability to get a standard so we can get that international operation. So where there's been mandates, like Latin America, Italy, also want to be able to get the business to business benefits which is why we're all here talking.

So that, in a nutshell, is OpenPeppol. Might also be worth mentioning, the Peppol network's called eDelivery, that community is actually led by Elly Stinchcombe from the ATO, one of the Assistant Commissioners. So the Australian community is very closely involved in the Peppol network.

At which point, I'll pass back to Matt.

*Slide change*

## Peppol Basics

**Matt Lewis - Co-Host (DSPANZ / Capability Wise):** It's probably worth reflecting that the Australian and New Zealand governments agreed on Peppol as the suitable standard set in Australia because it offers that infrastructure behind it and we'll actually dive now, now that we've covered a bit of history, and the association structure, into what Peppol actually is, how it operates as an organisation, as a network.

So some of the terms you would have seen on the screen a moment ago, we'll unpack a little of that so that you kind of understand the context.

*Slide change*

**Matt Lewis - Co-Host (DSPANZ / Capability Wise):** And up on the screen at the moment, we've got our eInvoicing members again. As we dive into the next section and talk about the different roles within the Peppol network, I think it's important to recognise that the membership we've got on the screen there are some of our 80 plus members in DSPANZ and they represent some of your common business management, accounting software products that you would see. Some eInvoicing Access Point specialist organisations and some consulting organisations that help parties onboard their supply chain, for example, and the likes of BPAY, for example, who are at the tailend of that eInvoicing process and helping secure the payment lifecycle. So we've got a breadth of membership inside DSPANZ that is quite interested in this space and how it can help the Australian and New Zealand business communities leverage eInvoicing to achieve outcomes like reducing fraud and decreasing payment times, increasing cash flow.

*Slide change*

**Matt Lewis - Co-Host (DSPANZ / Capability Wise):** Let's move forward Simon on to the next item and talk about some of the common terminology that we'll come across.

Simon just mentioned the Peppol Authority and the Peppol Authority is generally, with one or two exceptions, the in country authority the a Service Provider would sign a legal agreement with. They're in charge of enforcing the rules within a country or region for want of a better description.

We also have on that list, and I'll just run through those dot points first of all, Business Management Software. This category really covers off any of the accounting software, the financial management software, the ERP software that is used by the end user to generate or input that invoice data. So that's a pretty broad category of Business Management Software and we've got a number of those within our membership as well and I know we've got some on the line with us today.

Then we move down into some dot points which are very Peppol specific. An Access Point for example, and we will explain this in a little more detail, is the technology that connects a Business Management Software product into the Peppol network and allows communication on a standards basis.

Then we've got two other acronyms on the left there, the SML and the SMP and I will speak to those in a moment but they are the secret sauce of the Peppol network. They represent the equivalent of the phone book, the yellow pages, for those that remember getting that delivered to their front door, of how you find out if a business is on the network and what services they are able to support. Can they support invoices or orders or cataloguing or any of the other services.

And a Service Provider is the catch all phrase used in Peppol to describe Access Points, SMLs or SMPs.

On the right we've got a number of acronyms that you might come across as well. Some of them are very straightforward like the first example there. Short for Access Point is AP. And then you might find some other ones which are a bit more unusual. On the bottom of the list on the left hand side we've got P-O-A-C or PoAC, it's called, which stands for the Post-Award Domain Community. So there's lots of little acronyms that those of us that are close to the Peppol space will just drop into conversation but sometimes others will struggle to follow.

The other ones that we might call out on that pages as well is UBL or Universal Business Language which is the format of the eInvoice data on the wire as it goes across the Peppol network. So that's another that might be spoken about when you move in Peppol circles.

*Slide change*

**Matt Lewis - Co-Host (DSPANZ / Capability Wise):** So the Peppol network. The Peppol network is what's known as a four-corner model. Now you might look at that and think what's a four-corner model.

Traditionally a supplier and their customer, a buyer and supplier, have a commercial relationship and when they want to exchange invoices between each other, in a traditional world, they would print out a piece of paper, put it in an envelope and send it in the mail or send a PDF via email to each other. On each side of that buyer/supplier relationship they would have, in most circumstances, an accounting product, a Business Management Software in the terminology that we saw earlier, and they would potentially re-key that invoice data into their software on the customer end or use a scanning tool to OCR it, so Optical Character Recognition, to pull the key information off the physical paper and put that into their software.

If, for example and particularly in modern cloud accounting days, they use the same Business Management Software, we would have what's called a one-corner network where the supplier is able to send the invoice to their buyer using that accounting product. And that's a proprietary, inside that product, kind of scenario.

The second scenario is what happens if they have separate software and this is where we move into this two-corner model. In some circumstances those software products have relationships between them and they can call each other's APIs, for example, to exchange data. And, it's a two-corner model because we have two ends, two software products in that example. Now that becomes very expensive very quickly because of the breadth of software that's available on the market.

Something that isn't on the slide here is the concept of a three corner model. A three-corner model introduces a broker, a third entity that would sit down at the bottom, that can take information from Business Management Software number two and send that information to Business Management Software product number two. In the 80s and 90s, particularly, these became quite popular and services called Value Added Networks or VANs came into being to try enable scaling of this approach so that many parties could connect. But all struggled with a few different things. The first is every time you wanted to scale or add a new product to the mix, you had to implement specific custom software implementations for that product. There was a cost to onboard into those Value Added Networks and it's not unknown for them to be in the region of \$50,000 per implementation on a good day. And then there was network lock-in costs. If you connected to a particular network, you would have to implement another network if you had another requirement for a customer who was outside of your network, for example. So that's the three-corner model.

If you hit the button again we come to the Peppol network. The Peppol network is a four-corner model where the supplier has their Business Management Software and that Business Management Software has, or the supplier themselves, have an arrangement with an Access Point on their side. Someone who connects them into the Peppol network. And on the customer side they have the same thing. They have their Business Management Software and they also have an Access Point provider who connects them into the Peppol network. So the standardisation in this network where we have consistent data sent across the network is the line that you see at the bottom of the screen between Access Point, or AP 1, and AP 2. That's



where the data flows across the secure Peppol pipe. It's in the standardised format, the Universal Business Language that we talked about before, and it can be understood on both sides of that arrangement. The line that goes vertically on the screen between Business Management Software one and their Access Point, or on the right hand side between Business Management Software product number two and their Access Point, is where innovation happens in the network. And this is where the Access Point provides data to the Business Management Software in its proprietary format.

So what does this mean? Ultimately the buyer and the supplier continue to use their products that they're familiar with today and the network covers off the interoperability, or the standardised exchange, under the covers. They continue to do things the way they do in their products today and the network securely handles all the details of being consistent and compliant.

And I mentioned before, some secret sauce. One of the big questions in these networks is well how do I figure out which Access Point to send my data to and this is the secret sauce I talked about before, the SML and the SMP. What happens in the Peppol network, particularly here in Australia if I give that example, if you're sending an invoice to a customer, you have to enter the customer's ABN, their Australian Business Number. And the Peppol Access Point, AP 1, your Access Point if you're the supplier, will look up the SML and the SMP, they have two distinct roles one is to say effectively am I on the network, that's the question that the SML answers and then the SMP answers the question of what business documents can you receive. Can I receive an invoice, an order etcetera. And if I can receive an invoice, what Access Point do I send that to. So the Access Point one uses the ABN, looks up the SML and SMP and says where do I send this invoice and it will get the response back to say for that customer, send it to Access Point number two. Under the covers that is, for those that are technically minded, that's DNS and IP addresses and other good things but it gives the address of the Access Point that belongs to that customer. Look up a different customer and you'll be sent to a different Access Point potentially. So what that means, using the ABN as the key, it can always find where it needs to send an invoice to a registered Peppol customer.

*Slide change*

**Matt Lewis - Co-Host (DSPANZ / Capability Wise):** We'll move on to the nuts and bolts that sit underneath this. Peppol Governance is covered off by this Peppol interoperability framework and there's two parts to it. It's governance of the ecosystem itself and then architectural governance, so governance of the technology.

So if we look at the very top of the screen here we'll see two agreements. We'll see a Peppol Authority Agreement and that is an agreement between each individual country Peppol Authority and the OpenPeppol association itself. That outlines or describes the roles and responsibilities of the Peppol Authority. On the right hand side we have a Service Provider Agreement and that Service Provider Agreement is between each individual Access Point, or

SMP provider, and their local Peppol Authority. And that's the legal terms and conditions between those two parties. That's how we get global legal coverage underneath the Peppol network.

Sitting below the agreement layer we have what are known as Internal Regulations and Operational Procedures. And that's on the left hand box in the middle there. And what the Internal Regulations do is they define the way the Peppol network works. The Service Level Agreements, for example, the lead time for changes to the network, all those kind of things are in the Internal Regulations. And then the Operational Procedures describe the nuts and bolts of how those things actually work. How you request change, how that's managed through a process for example. Change management reporting, a number of other kind of capabilities are covered off in those Operational Procedures space. There is a fairly comprehensive list of those and they form part of that full legal structure of the way Peppol operates and works.

On the right hand side we have a group in there identified as Domain Specific Requirements. The top box within that, the List of Applicable Specifications is basically exactly what it is. It's a list of standards and we'll see some of those in a minute, the specifications. Then we have Service Level Requirements which outline the expectations of Service Providers within the network. Think of common things you would expect like uptime and availability of systems and services, they're described in the Service Level Requirements. And then the final box in the middle right hand section is the Peppol-specific requirements which really outline the requirements that are unique to any particular Peppol Authority to onboard as a Service Provider. Some of the areas that might be described in the Peppol-specific requirements, for example in Australia is that part of the registration process is you register with an ABN as the unique identifier in this country. It also has things like any particular requirements around security standards that providers are expected to meet for example. There has been significant work across the last 18 months in this space by the OpenPeppol association and the membership themselves to harmonise these across Peppol Authorities to achieve that true one network outcome. But there are obviously maturity differences. Australia and New Zealand, for example, lead the way in security expectations and setting the bar around that space. So our requirements are slightly higher from a Peppol Authorities point of view. That's the kind of top level legal framework and operational model piece.

The bottom half of the screen is around the architecture, the technology nuts and bolts. We have on the left Peppol messaging specifications which is what the data is that is exchanged for an invoice or an order or other business documents. On the right hand side we have the network specifications. That's the plumbing right. That's the packaging of messages, the security, the delivery of messages and the lookup and addressing capability.

*Slide change*

**Matt Lewis - Co-Host (DSPANZ / Capability Wise):** And so the specifications. The list of specifications is this list we have on the screen right now and if I start on the right hand side of the screen and work my way to the left.

The eDelivery network. That's the plumbing. That's the nuts and bolts. So we have two specifications for addressing and capability lookup being the SML, or the Service Metadata Locator, and the SMP, the Service Metadata Publisher. For those that are technically minded on the call, SML is effectively a DNS lookup from a client side. There are administrative APIs and things around it but you're looking up an ABN encoded as a DNS query. And the SMP is based on OASIS international standard to describe the services available for a particular organisation. On the packaging and security space, we have messaging headers, the SBDH. We have the AS4 profile which is the actual messaging profile. We have a transport security policy which talks about things like TLS and other security mechanisms. We have an identifier policy which outlines the supported identifiers for participants in the network and also describes how we identify individual documents and business processes. Transport trust infrastructure and certificates. We also have two other things on that screen which is the Peppol Directory which you may or may not be familiar with. It is a user friendly place to look up whether an organisation is on the Peppol network, it's a discovery mechanism that can be used by humans as opposed to computers. And the eDelivery code lists and that's a bunch of code lists that allow a set of allowed values basically. Things like units of measure, for example, document codes, those kind of things that are in that space.

We move across to the pre award space and pre award is something that is not as prevalent in Australia yet and that's really about all the business documents that would be exchanged in the lead up to putting a contract in place. So going out to market for a tender, for example, submitting a response to tender, withdrawing tenders, notifying people that they were successful. But that's the pre award space. It's gaining traction, particularly in Europe but not so much in Australia yet.

We're very much focused on the post award space which is all about billing, billing and invoicing. And you'll see there that we've got a Billing 3.0 for Europe, Singapore, A-NZ, Japan. They're all a little bit different at the moment. There is work being done and Simon will talk about something called the PINT a little bit later I believe which is looking at harmonising for a single kind of common approach globally. The most obvious difference that you would come across between say Europe and Australia is that we use VAT tax in Europe and here in Australia and New Zealand we talk about GST. So there's some things like that that are a little bit different. But predominantly in that space, invoicing and credit note would be far be the most popular transactions. Then we have at the bottom of the screen, the other Peppol BIS 3 items which are ordering, cataloguing, dispatch advice, punch out and the invoice and message level response items.

So there's a fair bit there. A fair few moving parts and if you go to the Peppol website, so peppol.org, you'll be able to navigate down and look at those individual items if you so desire if they interest you.

*Slide change*

**Matt Lewis - Co-Host (DSPANZ / Capability Wise):** On that note, we'll move into what's happening around the world right now. And to start us off...

*Slide change*

**Matt Lewis - Co-Host (DSPANZ / Capability Wise):** ... I'll invite Erik to talk about what's happening in the EESPA space in Europe.

*Slide change*

**Matt Lewis - Co-Host (DSPANZ / Capability Wise):** So Erik, over to you.

What's happening across the world

**Erik Timmermans - Guest Speaker (EESPA):** Thank you very much. Thank you Matt. Interesting presentation by the way, I learnt again quite some things. Thank you also Simon for inviting me to this webinar.

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**Erik Timmermans - Guest Speaker (EESPA):** So EESPA is the European E-Invoicing Service Providers Association. As Simon said, I'm the Secretary General since one year now. We existed a little bit more than 10 years. We have around 90, almost 100, members and these are either the bigger players who some of them definitely are also in Australia and New Zealand, probably also here in this call. We also have more local members but it's quite a diverse group of eInvoicing Service Providers.

The core activities of EESPA and where we come from, it was indeed launched around eInvoicing as the core activity but, it's growing more and more into what we call connecting trading partners with not only invoicing but all kinds of data that can flow between trade partners as already mentioned by the way in the previous presentation from Matt. Our activities, our mission from EESPA very similar to what every trade association does, similar to what DSPANZ does in Australia New Zealand, is support of course market awareness and market development, getting statistics, informing people. Representing, and this is getting more and more important, I come back to that when we talk about CTC, representing and defending the industry with the different stakeholders. And of course community, networking be it virtually be it physical meetings and trying to rub shoulders and know what's going on in the

industry in Europe and beyond. That's something which is definitely important. eInvoicing doesn't stop at the borders of Europe as already mentioned by Matt as well. So there's one of the reasons why we are very happy to have this cooperation with DSPANZ. And then, last but not least, what we do as EESPA is to provide the framework for interoperability. It was one of the reasons why EESPA was launched 11 years ago and we have our EIN, our EESPA Interoperability Network, which is almost identical to the Peppol framework. It's also built on CEF eDelivery which is by the way one of the reasons why we are now talking with Peppol to try a converged model in order not to have people having to set up two different Access Points to almost a similar environment.

*Slide change*

**Erik Timmermans - Guest Speaker (EESPA):** Let me have the next slide to tell you a little bit more about what has been going on in Europe from mostly in the European Commission and policy engagement perspective.

As many of you know, Europe has been focusing on eInvoicing since quite some years. Many years ago it was recognised that eInvoicing and the digitalisation of businesses are important in terms of benefits for costs, for efficiency, for sustainability but transparency and we talk already about CTC, we'll talk about that, but also faster payments, less fraud. This is really something that EU has acknowledged as an important element, which led in, very tangibly, to a number of initiatives. The first ones being the VAT, the V-A-T directives 2006 and 2010 which put eInvoicing on the same level as paper which, of course, is an important element. But then the next step was that EU made it mandatory for public contracting entities to be able to receive eInvoices in a new standardised format which is the EN 16931. So that's been transposed in the directive and the member states are still adopting them but most of the member states in Europe have in the meantime adopted. So it's fair to say that in most European countries now it is mandatory to use eInvoicing for public contracts. And this of course also a step into the future for business to business as already mentioned by Matt.

And then last but not least, as far as Europe is concerned, the EU and the Commission invested heavily in the Connecting Europe Facility, which is now called Digital Program Europe, CEF, and they have developed, they have talked together with the industry of course, the technical artefacts of eDelivery which were just in previous slide mentioned on the right side of the slide by Matt. These were very much developed by the Commission and are used today indeed in Peppol and also in the EESPA EIN.

*Slide change*

**Erik Timmermans - Guest Speaker (EESPA):** If you can go to the next slide, you see some recent developments and this was already mentioned by Simon at the beginning of this session, one of the things when you look at the growth of eInvoicing in Europe in, let's say, the last 20 years, it's all started from business efficiency, from procurement, big buyers who wanted to

create efficiency. Then it went into government efficiency, and let's state it, Peppol was also launched as a government procurement initiative and is evolving into business to business and that's now where we are, business to business becoming more important. One of the drivers for that is the tax reasons. In many countries in Europe, that's why it's mentioned in yellow in the bottom of the screen there, in many countries Europe there is a trend towards what they call Continuous Transaction Controls in order to reduce the VAT tax gap. There is a lot of fraud, a lot of VAT which is not being collected with post audits which come too little, too late. And the whole idea behind real time reporting of invoice data to the government, to the tax man, is to be able to have a much better and faster information about what's going on. And also control on the flows if necessary.

So this trend is really unstoppable. It started with Italy a few years ago but now Spain, Portugal, Greece, Hungary, Poland, France which is an important country which will go live in 2024. Germany's thinking about it, Belgium is thinking about it. So most European countries will go into this area of CTC. The problem is, as already mentioned by the previous speakers, again, this lacks harmonisation and every country does its own thing in terms of tax. So that's one of the reasons why the European Commission launched about a year ago, an important study which is called VAT in the Digital Age and probably in the next weeks or so in September/October we will see the results with recommendations from the European Commission to the different member states to try to go into some form of harmonisation certainly in that perspective as well.

What we have done as EESPA together with Peppol but also support from DSPANZ, with support from the German eInvoicing providers association, GIF which is the Global Interoperability Framework also a group of companies and associations that work together. We joined forces and developed, and you can find it on the website at EESPA if you want, the DCTCE model recommendation for a decentralised approach. And the reason for that is that what we see with all these different initiatives in CTC in different countries is that sometimes it becomes too much of a centralised government hub and Italy, some people call it EDI for free, you do all your invoicing to the government which, of course, is not always the best thing in terms of business efficiency. So we have developed with an expert group, this DCTCE model which combines the best of both worlds in terms of both business efficiency, letting businesses have true interoperability, the business flows, as described by Matt, at the same use parts of the information from the invoice to the fifth corner and that fifth corner is then of course the tax administration. So this is an important evolution and I think in the next years we will hear a lot about these initiatives as well.

And then last but not least, not on this slide but I think, as I said at the beginning, eInvoicing doesn't stop at the border of Europe so we definitely think that all initiatives that go for harmonisation and for working together in terms of global approach are interested. So we hope, together with DSPANZ as well and with other associations, to maybe in the future come to some form of global voice for eInvoicing Service Providers which can also help, probably, in the relationship with the all Peppol environments by the way.

So that was my few cents, I think. Simon.

**Simon Foster - Co-Host (DSPANZ):** Thank you Erik and that's a nice segue into why DSPANZ is looking at CTC and I know our partners in government would appreciate me making clear there is no intent in Australia for the ATO to get access to invoice content, they can't see it at the moment, Access Point providers don't give it to them. But of course, as Australian businesses, many of which are global in nature, being able to trade electronically is very important. Being able to have a standard to do that and for those countries that do decide to go this path, we want to be able to trade with them and so it's important for us as an industry to be able to push exactly what Erik has just said about interoperability globally and to see that happen more frequently. The analogy I often give on that is mobile phones we want to be able to, well not roam, we want it to be as easy as doing a domestic one.

*Slide change*

**Simon Foster - Co-Host (DSPANZ):** So I'm going to very briefly now go through the rest of the world so you can see.

So within Asia, in Peppol, Singapore and Japan have joined. Singapore is actually the trailblazer. It was the first jurisdiction outside Europe to implement the Peppol standards and they've branded that network as InvoiceNow. Partly to differentiate against PDFs and the confusion around what eInvoicing means but also to associate with Singapore's payments network which is called PayNow which uses the same identifier and is very, very familiar to businesses there. And we do work very closely with colleagues in that jurisdiction. A number of Australian providers and global providers in Australia also operate in Singapore.

In Japan, very recently have announced the introduction of Peppol. They have a new Government of Japan Digital Agency which was created late last year and they're introducing a consumption tax, GST/VAT similar, including input tax credits on first of October next year. That is going to make eInvoices mandatory for input tax credits. So, as we're familiar with, you need your tax invoice to go into reclaim GST and that's going to be part of the push for it in Japan where currently I believe you have to use a physical stamp on a paper invoice to be able to claim things back.

We do have references to information about those two jurisdictions that'll go out in the packs afterwards. I'm going to pass over to Matt who's going to talk about our friends across the ocean, the US.

*Slide change*

**Matt Lewis - Co-Host (DSPANZ / Capability Wise):** Thanks Simon. In the US, there is a group called the Business Payments Coalition and they're supported by the US Federal Reserve.

And they're looking at three major things. The first is how the US payments network can be modernised. Payments in the US are very much kind of a cheque based model still. They're not as digitised as we are in other parts of the world. So they're looking at how they do that and the standard they're looking at is called ISO22002. For the technically minded amongst us, might realise that that is the exact same standard that is used by Australia's real time payment network.

The second thing they're looking at is how eInvoicing can be operationalised in the US market by 2023. They have an eInvoicing Exchange Framework that has been developed. It has a lot of similarities to Peppol but it has a few differences. Like all things, the US market is slightly different but over the course of a market pilot, which is underway right now through to 2022, we're already seeing some convergence towards those common standards. And the BPC and EESPA and Peppol and a number of others are all part of the Global Interoperability Framework looking to find global convergence around the eInvoicing space particularly and we're seeing that flow through into the BPC's exchange framework as well.

And the final thing they're looking at is how E-remittance can close the loop between the eInvoicing process and the payments process back into accounting software. So it is not quite Peppol but there are a number of things which are very close in that space. So that's what's happening in the states as well.

Thank you. Simon back to you.

*Slide change*

## How you can get involved in A-NZ

**Simon Foster - Co-Host (DSPANZ):** So I'm now going to cover how you get involved in Australia and New Zealand but I just wanted to answer one of the questions we've had come in and we probably should have reiterated at the beginning of the webinar our target audience. I can see the vast majority of you are from this. We're speaking here to Digital Service Providers. So people who are interested in getting involved in the technology. This is not targeted at small businesses. If you are interested in small businesses, I know there are a number of webinars as part of eInvoicing Week that are going into the detail of Peppol and eInvoicing and small businesses including many of our members are running those and the small business software is as well as would recommend you attend MYOB, Xero, MessageXchange, Link4, Intuit. I'm going to forget one, we have the list of slides. I haven't remembered everyone but many of our members have been involved. I think there's 40 plus webinars this week.

So in terms of how you can get involved more from a technical perspective here.

*Slide change*



**Simon Foster - Co-Host (DSPANZ):** One of the things DSPANZ currently co-chairs along with the Australian and New Zealand Peppol Authorities, so ATO and MBIE, what's called the Australia New Zealand Peppol All Stakeholders Working Group. This is designed to bring together stakeholders including software providers but also small, medium and large businesses, government at local, state and federal level or in New Zealand contact, central and local government, consultants, Business Management Software, Service Providers and others who are interested. That group so far has worked through mapping issues. We're currently working on the process to switch Service Providers and also taking a look at how to deal with attachments. One of the things that we can see, the European market appears to have moved beyond for example is needing to see PDFs as an attachment. That change management, getting people used to the idea this is a fully electronic message, you don't need paper equivalents any more. These are all open groups, I should mention. Please reach out to DSPANZ through our website if you're interested in being involved or contributing. We also have all the minutes and actions from those meetings on the website and you can see them there and under member committees. The larger working group which gets about 100 people to it is currently meeting every 3-4 months and determining what focus groups, which tend to meet every couple of weeks, deal with.

There are also a number of communities of practice run by ATO and MBIE, and I see some of you have come from that audience, and that includes federal and state government agency community of practice. There's a local government one. There's also some industry specific groups I believe including energy retailers and so on.

For accredited Service Providers, there is a quarterly Service Provider Forum run by the Peppol Authorities and there are of course Peppol also runs monthly Service Provider meetings.

One of the things that's somewhat unique about growing Peppol in our corner of the world is the strong historic relationship between ATO and DSPANZ and that goes back over decades. So we have a level of trust between industry and government that we've not seen elsewhere and that really allows us to work together to promote eInvoicing and other things and we've been in conversations with a number of peer industry associations, including EESPA, and other organisations in other parts of the world who are keen to understand how that has come about and how they can also work together more closely.

And I'm just seeing we've got about three minutes left...

*Slide change*

**Simon Foster - Co-Host (DSPANZ):** ... so I'm going to use the opportunity to put up our members here. There are a couple of questions. So I'm going to read the questions and figure out what's in there and let Matt just talk to the members for a moment.

## Q&A

**Matt Lewis - Co-Host (DSPANZ / Capability Wise):** Thanks Simon. I will kick off with some of those questions while you read the new ones. I've answered a few of those already. So if you do open the Q and A box using the bottom at the bottom of your screen you can either submit a new question or read the responses to the ones that are there already.

In reference to the one you just mentioned Simon around this session and the targeting of this session. It is targeted at Digital Service Providers not SMEs or small businesses or their advisors themselves. In the response to that, I've included a link to the ATO's eInvoicing Week web page which outlines sessions that are targeted to small businesses, for example, or to advisors specifically.

Some other questions that we've had come through. The first one is: for this platform to operate, does it mean that a supplier and customer must be both Peppol members? The buyer and supplier are more commonly known as Peppol participants. They don't need to be members of the OpenPeppol association but some members who large volume invoices, for example, do choose to be direct members so they can influence the direction of the Peppol network. But in most common terms, the Access Point provider is a Peppol member and they would be onboarding the buyers and suppliers as participants.

There is one more question I've also answered around the business eInvoicing right which was a consultation paper released by Treasury and the previous government. It's not our place as an association to talk on behalf of government and we would expect any future announcements on timing, the nature and shape of the business eInvoicing right to come from government directly. And I do have commentary around that in the Q and A there if you'd like to read that.

Simon, let me ask you a couple of questions.

**Simon Foster - Co-Host (DSPANZ):** I think we're actually out of time. What we'll do, we have those questions recorded. We'll answer them and get responses put out with the notes from the meeting to help address there are a few other questions still sitting there.

What I would like to do is again, highlight our eInvoicing members which are now on your screen. All of whom are running webinars as part of eInvoicing Week. BPAY Isn't. They're all great companies and you should go look at what they do when you're making your decisions about how you'd like to look at eInvoicing.

What I'd like to close off then. To mention, we will be sending out a recording. We are D-S-P-A-N-Z dot org. And there's been a comment there that you can't see all the questions. That's right, we'll actually put the questions out and share the answers with everyone afterwards as part of the notes.

And just want to thank Erik from EESPA for getting up early in his morning to be able to present to us and giving us that context. It's very much appreciated. We look forward to working together with EESPA and thank Matt as well for presenting and thank you all for your time. We look forward to the rest of eInvoicing Week. There are three more days of content and interesting and useful information.

Thank you very much.

**Matt Lewis - Co-Host (DSPANZ / Capability Wise):** Thanks everyone.