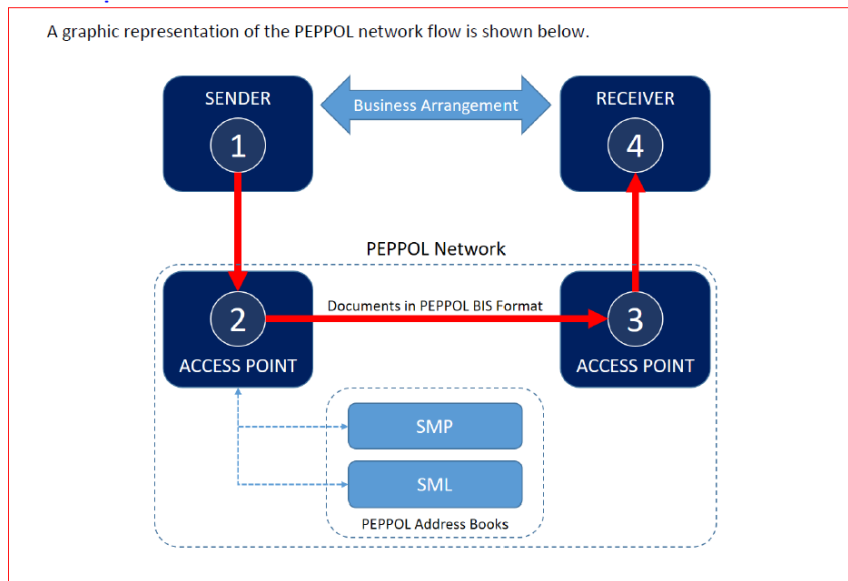


Frequently Asked Questions about E-invoicing

What is E-Invoicing?

The PEPPOL E-invoice is an invoice that is completely generated, transmitted and processed digitally with little to no manual processing. It is created digitally in a supplier's financial system, transmitted electronically through the network to the recipient (buyer) where it is processed automatically, offering the ability of greater digital efficiencies and better cash flow for suppliers.



A business who wishes to adopt e-invoicing subscribes to an Access Point (AP) Provider of their choice. They then send their e-invoices to their AP who delivers the e-invoices on their behalf to APs that serve the receiving parties. The exchange of e-invoices between the APs are done in a standard PEPPOL format. Each business needs to connect to only one AP and through that they are connected to all parties in the network. Each business takes care of the data mapping between their own standard and the common PEPPOL standard. It is this distributed architecture that allows the overall system to scale, efficiently and economically. So you no longer need to worry about integrating to individual partners thus saving you time and money.

I'm already using E-Invoice, why is this different?

In most current business scenario, an invoice is either a hardcopy document or a PDF file sent to the recipient organisation either by the postal service or email. At best, this is a "single-sided" operation – your recipient will then have to re-enter the details of the invoice into his own accounting system (e.g. accounts payable). Similarly, you may be receiving many "E-invoices" in the form of PDFs – you will also need to have someone manually input the invoice details or scan the pages of invoices into your system. These manual interventions /translations could invariably introduce errors.

How can I benefit from E-Invoicing?

Studies have shown that E-invoicing improves on time payment of invoices from 45% to 92%, saving time and money. Additionally, it reduces duplicated effort of finance folks entering in information

then printing out the same information to pdf or paper and send it across email or snail mail respectively. Also, it minimises most transcription errors – known to excessively delay processing and costing as much as \$72 to rectify a single invoice. Lastly it is also more eco-friendly and helps use less paper.



SME	MNC/LLC		SME
Outbound	Inbound	Outbound	Inbound
Faster payment No need to align to different formats or login to different portals Access to funding (future)	Reduce manual work Reduce error handling Reduce handling of different formats Reduce storage cost	Reduce printing and postage Transact cross border	Reduce manual work Reduce error handling

For a quick simple way to understand the benefits of E-invoicing, here's a useful video to watch:
https://www.youtube.com/watch?time_continue=12&v=xnpmFKTZyjQ

What type of businesses will gain from E-invoicing? How?

WHY WOULD BUSINESSES COME ON BOARD		
	Primary Reasons	Other Reasons
1 Big Buyer	<ul style="list-style-type: none"> • Time consuming & frustrations due to errors in processing manual invoices • Intensive effort dealing with non-standard invoices coming from many suppliers 	<ul style="list-style-type: none"> • Encourage suppliers to send e-invoice to help them reap benefits from digitalisation • Create further efficiencies from data analytics
2 Big Seller	<ul style="list-style-type: none"> • Potential cost savings from printing and posting invoices • Reduction in errors from manual invoice handling and consequent follow-ups. • Faster payment 	<ul style="list-style-type: none"> • Corporate Social Responsibility and demonstrate support on green movement
3 SME	<ul style="list-style-type: none"> • Free locked-up working capital awaiting manual invoice generation • Leverage accounting systems to do more • Earlier payment • Access to funding (future) 	<ul style="list-style-type: none"> • Need to comply with buyers' requirements

I am interested. How do I participate?

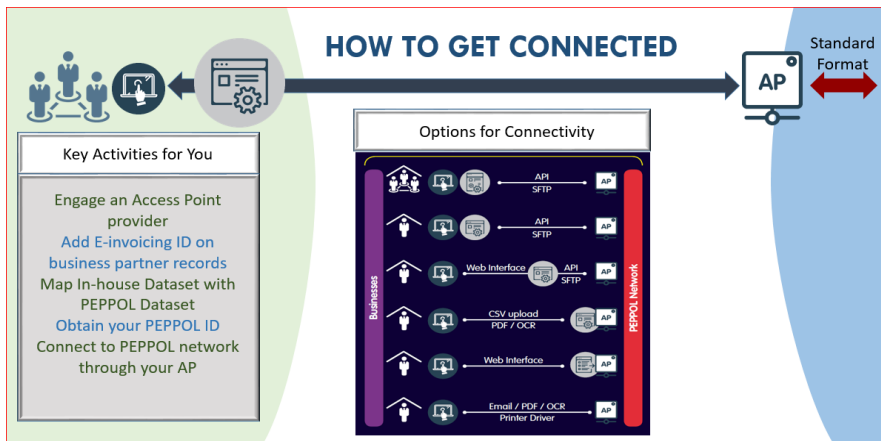
The steps that you as an end user businesses need to do is

- a. Sign up to an approved Access Point (AP) operator. (list of approved Access Point operators can be found from IMDA website. www.imda.gov.sg/einvoice)
- b. Register and get your PEPPOL business identity (typically done by your AP)
- c. Integrate your accounting and ERP systems to send (and receive) PEPPOL e-invoices
- d. Update all Purchase Order documents with your PEPPOL business identity for invoicing
- e. Announce that you are E-invoicing ready to all your business partners and suppliers

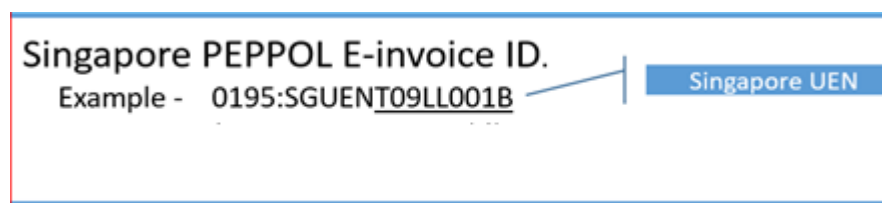
electronically through the network to the recipient (buyer) where it is processed automatically, offering the ability of greater digital efficiencies and better cash flow for suppliers.

What interfaces or protocols are available for my connectivity?

The diagram below shows the various ways or formats that a business' invoice format can be in before it gets send to its AP, who will then translate it for the network:



One additional piece of information that is required with the sender's invoice document is the recipient's PEPPOL E-invoice ID. If the recipient is a Singapore-based company, the UEN is part of the PEPPOL ID:



Who are the Access Providers, where can I find them?

IMDA (acting as the Singapore PEPPOL Authority) publishes a list of all Singapore Access Points with valid authorisations on the website www.imda.gov.sg/einvoice

Is my E-Invoice secure?

Security and integrity of the messages exchange through the PEPPOL network (E-Invoice Transport Infrastructure) relies on using encrypted transport using SSL and additionally a Public Key Infrastructure (PKI). This ensures that only parties with valid digital certificates can communicate on the PEPPOL network.

When any Access Point or SMP providers sign the PEPPOL Transport Infrastructure Agreement with IMDA they can apply for a PEPPOL Digital Certificate. This certificate contains the key cryptographic information for validating their communications on the PEPPOL network.

This ensures only known and trusted providers have access to the E-Invoice Transport Infrastructure.

Will IRAS be able to access my E-invoice?

No, under current regulation IRAS is not able to access your invoice. However, you do need to comply with any IRAS tax regulations as per normal.

How much does it cost?

This is dependent on the Access Point operator that you choose. Each Access Point operator will offer different business models and value added services and businesses will need to make their own decision based on their requirements.

Where do I find more technical information?

The necessary technical specifications and resources used to implement PEPPOL-compliant solutions and services are available at:

<http://www.peppol.eu/resource-library/technical-specifications>

What do businesses need to know about PEPPOL e-invoices?/Do I need to change my systems?

Business users and customers should be aware that PEPPOL has been adopted as the national standard in Singapore. Secondly they can tie up any PEPPOL Access Point provider and gain access to customers across the entire PEPPOL network (i.e. connect once, connect everywhere) both locally and globally.

For those customers already using ERP and Accounting package providers, it is anticipated that they may only need minor changes or additions to their current software interfaces to make use of the PEPPOL E-invoicing services.

IMDA is working with many local accounting and ERP providers to ensure that their systems are compatible with and support the PEPPOL standards and specifications.

When will the Singapore government start using PEPPOL?

We are currently working with all government agencies and ministries to introduce the use of PEPPOL for their invoices. The shift to start using PEPPOL is expected to happen sometime in the second half of 2019.

Are the digital electronic invoices legally valid?

In short yes, Electronic digital invoices are still valid as evidence. Extracting from the Electronic Transactions Act in Singapore, Clause 6 states "For the avoidance of doubt, it is declared that information shall not be denied effect, validity or enforceability solely on the ground that it is in the form of an electronic record."

Additionally, the IRAS Etaxguide record keeping guide for GST registered businesses states the following in section 3.3.2. "Physical copies of source documents need not be kept to substantiate your business transactions for tax purposes if the source documents are kept electronically".

Do note that "businesses should ensure that proper internal controls are put in place to ensure the integrity, completeness, accuracy, availability and reliability of the electronic records, including all transactions executed electronically, where applicable".

Does it support cross-border transactions?

Yes, as PEPPOL is an international standard it allows you to send and receive invoices from overseas entities. Do note that this does not exempt you from compliance to any local or international regulations.

Is consumer invoices included?

No, PEPPOL E-invoicing only covers business to business transactions, businesses to consumer transactions are currently not covered.