

ORACLE®



# Legislative update, trends and approach

e-Invoicing | Payments | eAuditing | Real Time Reporting | VAT digitalization

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Global Strategy  
May 25, 2019

# Safe Harbor Statement

The following is intended to outline our general product direction. It is intended for information purposes only, and may not be incorporated into any contract. It is not a commitment to deliver any material, code, or functionality, and should not be relied upon in making purchasing decisions. The development, release, and timing of any features or functionality described for Oracle's products remains at the sole discretion of Oracle.

# Program Agenda

- 1 Introduction
- 2 ERP Cloud Legislative Update Center
- 3 e-Invoicing
- 4 ISO20022
- 5 Trends (eAuditing, Real Time reporting, VAT)

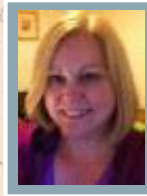
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- 4 ISO2022
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# Global Strategy

## EMEA Organization

**Margaret Walsh**  
(UK, Ireland, South Africa & ERP Cloud)



**Marie Boiseau**  
(France & PSFT)



**Jacques Bouchet**  
(France, Cross region support & e-Invoicing)



**Hein Wagenaar**  
(Benelux, Germany, Austria, Switzerland, e-Invoicing & Payments)



**Bogdan Pana**  
(Switzerland, Romania, Greece & Split Payments)

**Carlos Saez**  
(European Union, Nordics, Spain, Portugal & e-Auditing)



**Mario Roscillo**  
(Italy)



# Global Strategy

## Objectives

- Engage with customers
- Engage with legislative bodies and banks
- Engage with partners
- Cooperate with Oracle Support, Critical Accounts, Consulting, Sales, etc
- Recommendations to development
- Work with ERP Cloud, eBusiness Suite , PeopleSoft, JDE and NetSuite

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# Legislative Update Center on My Oracle Support

The screenshot shows the Oracle My Oracle Support interface for the Legislative Update Center. The page title is "ERP Cloud Legislative Update Center (Doc ID 2328910.2)". The navigation tabs include "Overview", "Asia Pacific", "Europe, Middle East and Africa", "Americas", and "All Countries". The "Overview" tab is selected. The main content area contains the following text:

This information center is a primary medium for Oracle to share updates on ERP related legislative changes. This site is not intended nor appropriate to substitute for tax or other advisory services for compliance. Please also note that with the global capabilities of ERP Cloud, legislative changes that require update patches from Oracle for on-premise applications may be directly addressable without an update.

Legislative updates can be viewed by region or by individual country using the options to the left, or the tabs above. Results are organized chronologically with the most recent update first.

You can self-register to receive automated email notifications for legislative updates by subscribing to the Hot Topic Alerts feature. Further details with the steps to self-register are available [here](#).

**Recently Updated ERP Legislative Content**

**ERP Cloud**

- [Oracle ERP Cloud: UK Making Tax Digital \(VAT\), April 2019](#) [Updated: 03/04/2019]
- [Oracle ERP Cloud: UK VAT for Business if no BREXIT Deal, Mar 2019](#) [Updated: 03/04/2019]

**ERP Cloud Legislative Reference Materials**

**General References**

- [ERP Cloud Release Readiness](#)
- [ERP Cloud Global Catalog](#)

[Back To Top]

- Timely updates on legislative changes
  - Visibility on pending government changes
  - Target timeframes shared for patch availability
  - Links to download patches once available
- Subscribe to Hot Topic email alerts by region
- View updates by:
  - Worldwide
  - Region
  - Country
- Significantly improved dynamic content and navigation

# Legislative Update Hot Topic Email Alerts

za 22-12-2018 14:15  
no.reply@oracle.com  
Oracle Support HOT Topics

To

**Product News**

News	Product Area	Last Updated
<a href="#">E-Business Suite Release 12: Bahrain VAT Introduction, January 2019</a>	Oracle Financials for EMEA	Sat, 22 Dec 2018 02:47 GMT+00:00
<a href="#">E-Business Suite R12: UK VAT for Business if no BREXIT Deal, Mar 2019</a>	Oracle Financials for EMEA	Sat, 22 Dec 2018 02:28 GMT+00:00

"This message contains information according to the preferences you set in My Oracle Support. To modify your settings or to turn off this automated message, login to My Oracle Support (<http://support.oracle.com>) and click on 'More' -> 'Settings' -> 'Hot Topics E-mail'  
[My Oracle Support](#)

**EBS EXAMPLE**

## Legal weekly update of 22-Dec (EBS)

- Bahrain - VAT Introduction
- UK – Brexit update

- Subscribe to Hot Topic email alerts by region to receive notifications for:
  - New legislative update notes
  - Updates to existing notes
- Follow the link from the Legislative Update Center for instructions on how to subscribe
  - Or go directly to MOS note [2513526.1](#)

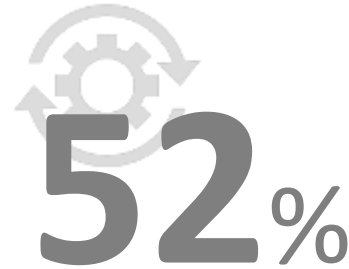
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# EU electronic invoicing – Key figures



**7 euros** for the shipment and **15 euros** for receiving of **paper** invoices vs. **0.30 euros** for an **electronic** invoice



Of the companies view the **cost reduction** as the principal advantage of the digital transformation



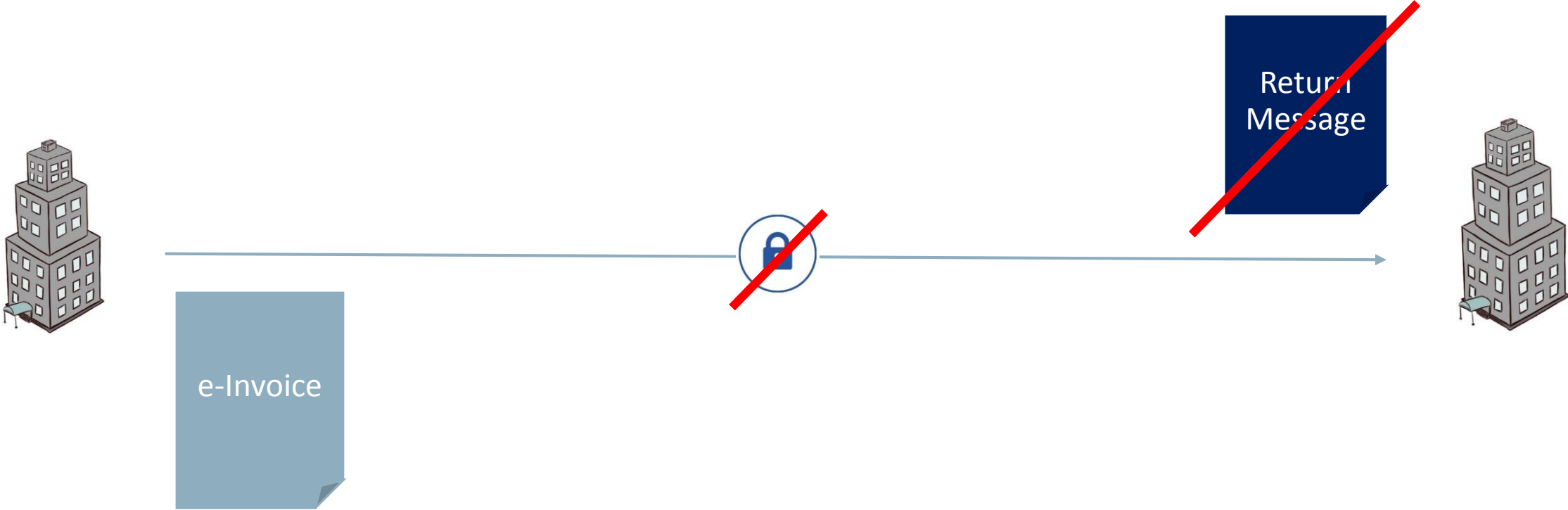
**6,000 paper** invoices processed each year by a full-time equivalent. This same person may check **90,000 electronic** invoices



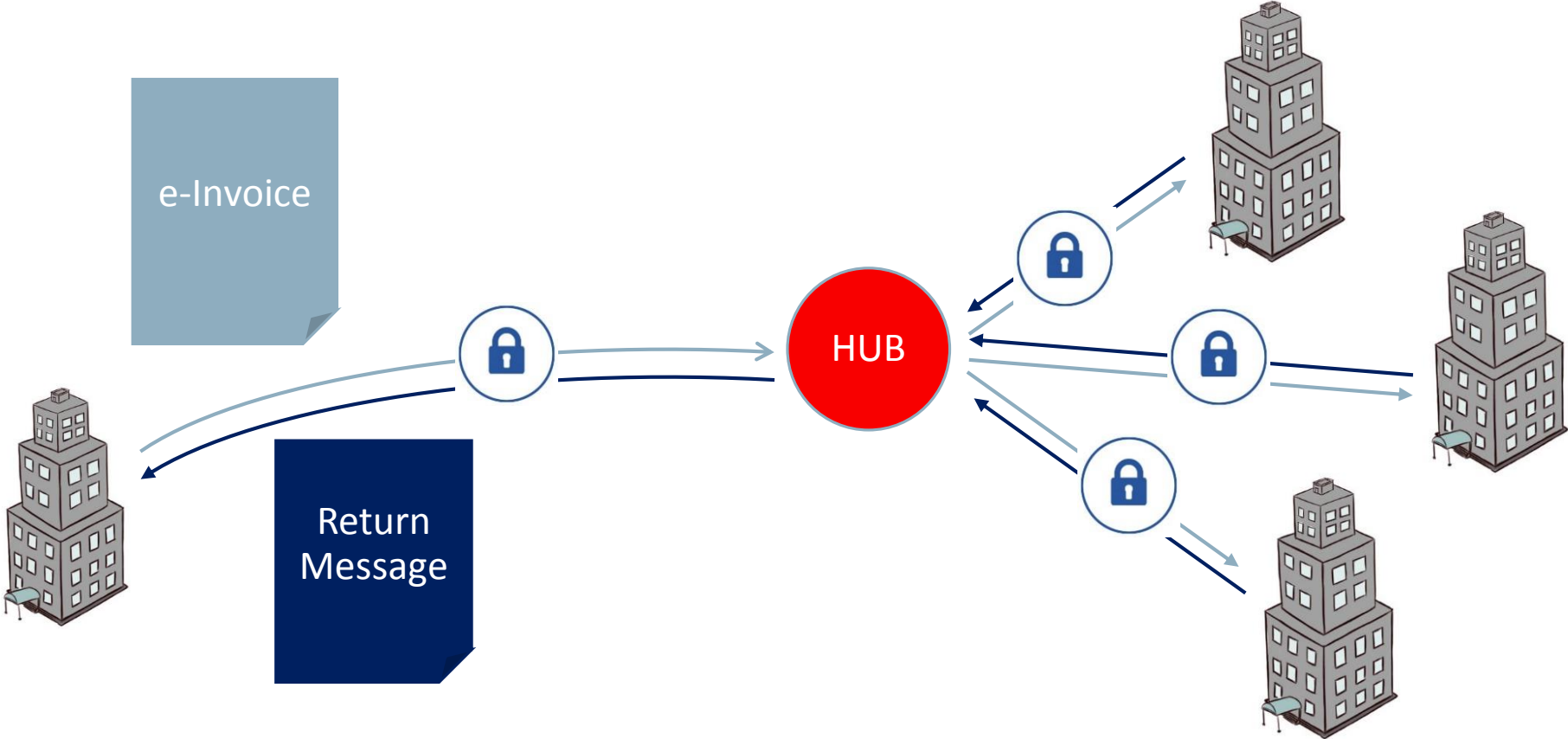
Lack of harmonization **reduces** costs benefits

Source: EY survey – France - 2016, published in EY electronic invoicing survey 2018

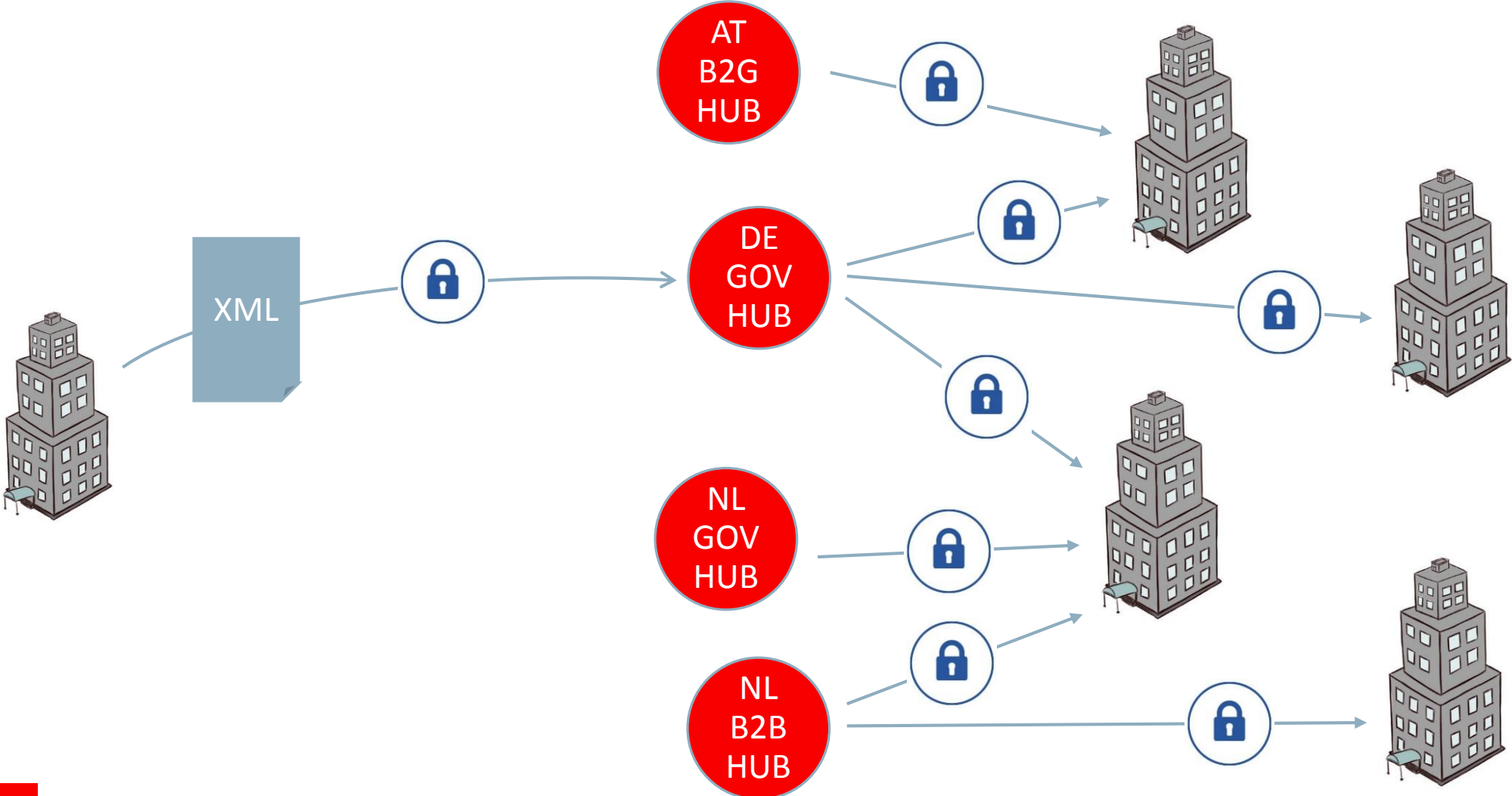
# EU electronic invoicing – Transmission framework



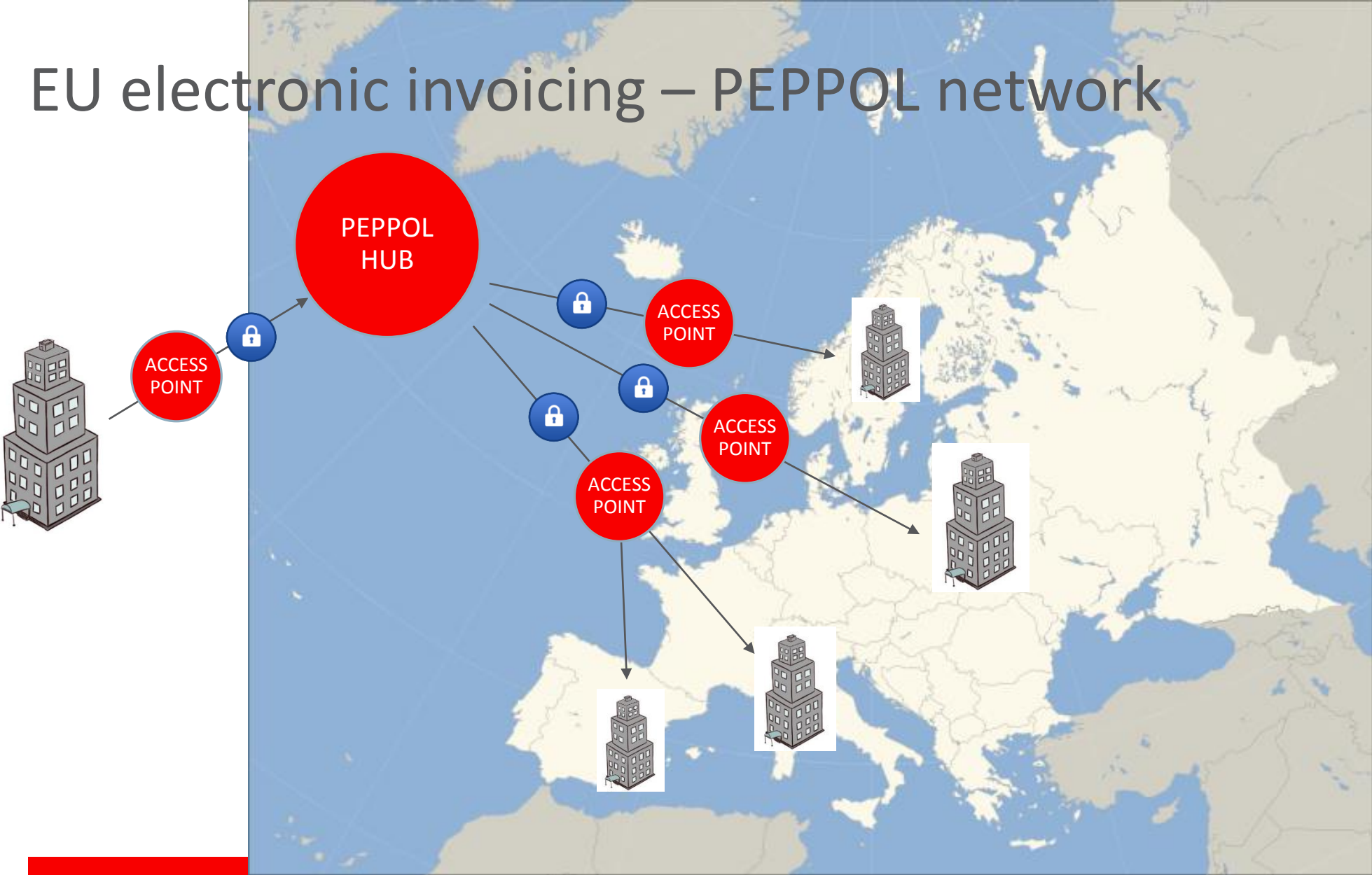
# EU electronic invoicing – Transmission framework



# EU electronic invoicing – Transmission framework

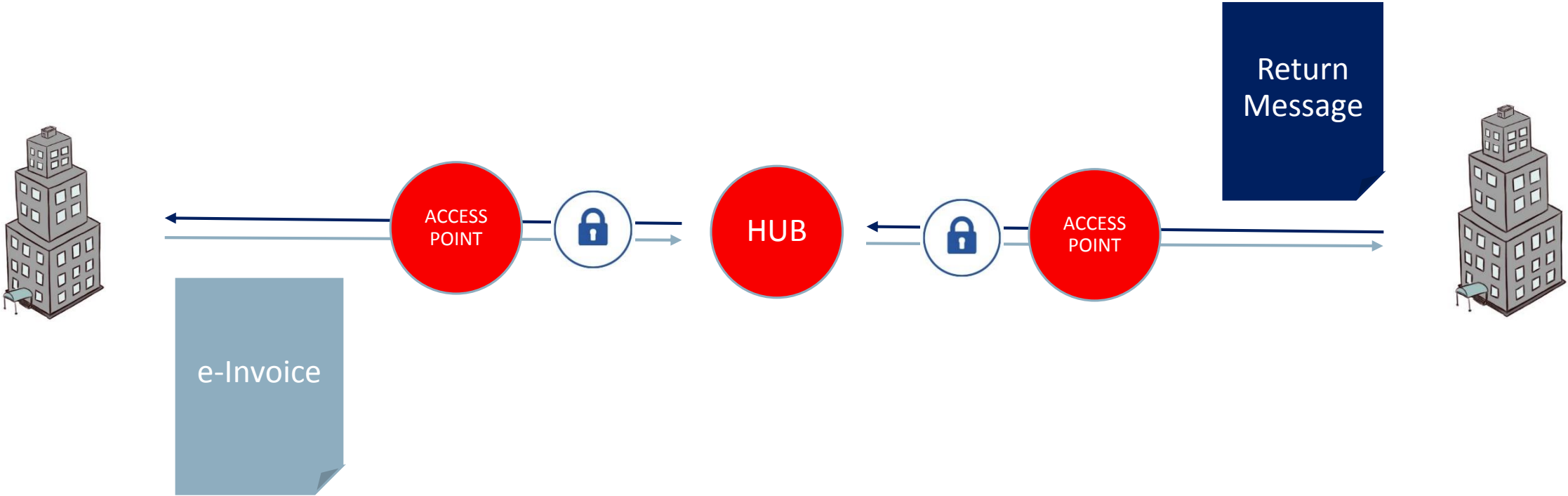


# EU electronic invoicing – PEPPOL network

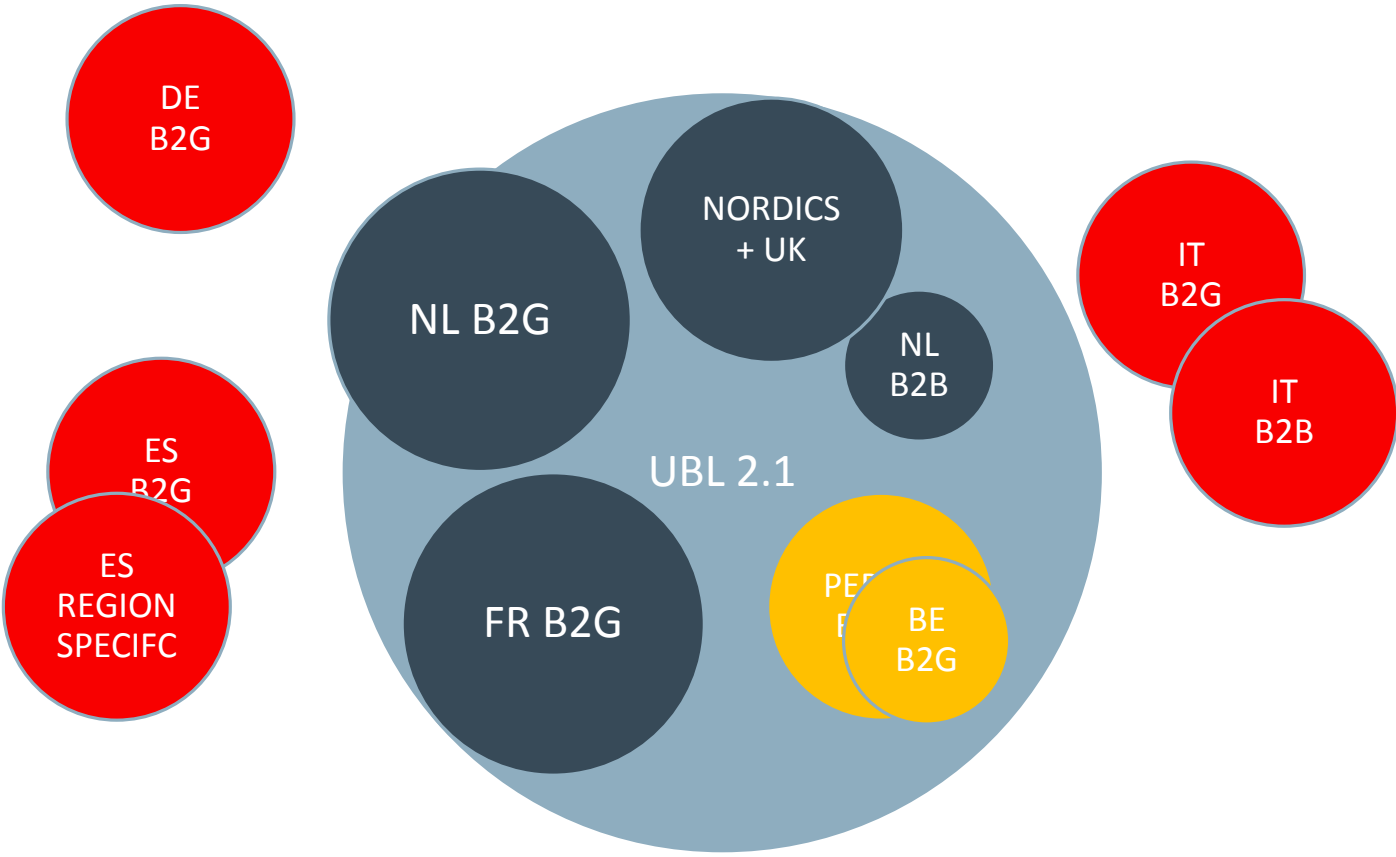




# EU electronic invoicing – 4 corner model



# EU electronic invoicing - Landscape (Dec-2017)



# EU electronic invoicing – Key figures



**28 EU** countries and **2 EFTA** countries will introduce B2G electronic invoicing



Since **18 April 2019**, all governmental organization must be able to **receive** electronic invoices



**15 countries** have **mandated** B2G electronic invoicing; **Italy** has also mandated B2B electronic invoicing



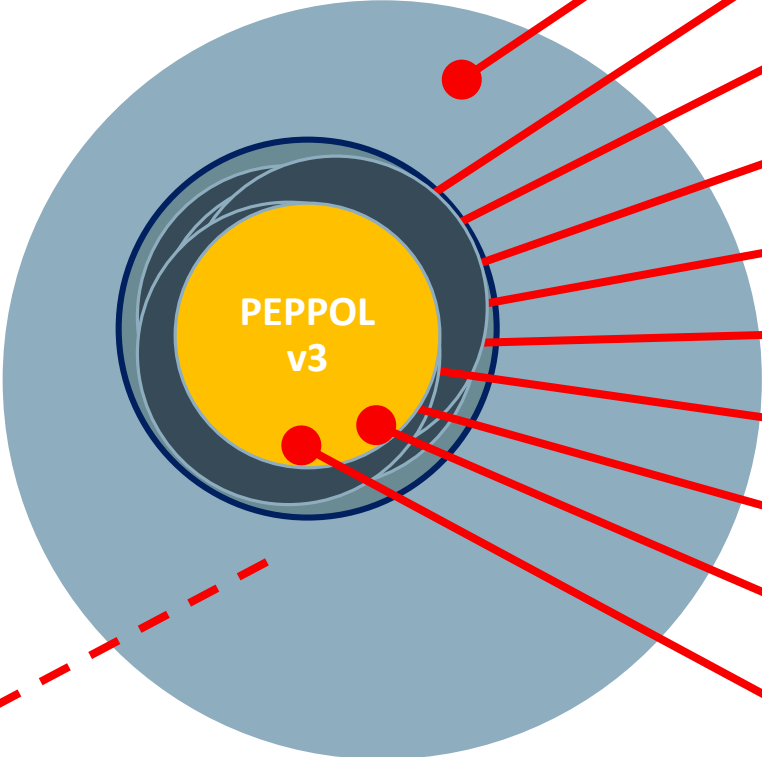
The EU has mandated the **EN16391 format**. This subset of **UBL2.1** contains **160** data elements (tags)

# EU electronic invoicing – UBL 2.1 message

- Key information

- The EU has defined a Core Invoice (EN 16391) with max 160 elements
  - EN 16391 is a subset of UBL2.1
- PEPPOL (Pan-European Public Procurement OnLine) has chosen a subset of these 160 elements and proposed them as the ideal electronic invoice format, known as EU-CIUS
- Countries can adopt:
  - EN 16391, also described as a Core Invoice
  - A subset of EN 16391, also described as a country-specific CIUS
  - PEPPOL v3, also known as EU-CIUS

# EU electronic invoicing - Landscape (Apr-2019)



UBL 2.1 | 1,700+ elements

EU CORE INVOICE  
160 UBL elements

DE CIUS | max. 160 EU  
CORE INV. elements

IT CIUS | max. 160 EU  
CORE INV. elements

NL CIUS | max. 160 EU  
CORE INV. elements

IS CIUS | max. 160 EU  
CORE INV. elements

AT CIUS | max. 160 EU  
CORE INV. elements

SK CIUS | max. 160 EU  
CORE INV. elements

ES CIUS | max. 160 EU  
CORE INV. elements

EU CIUS | 128 EU CORE  
INV. elements

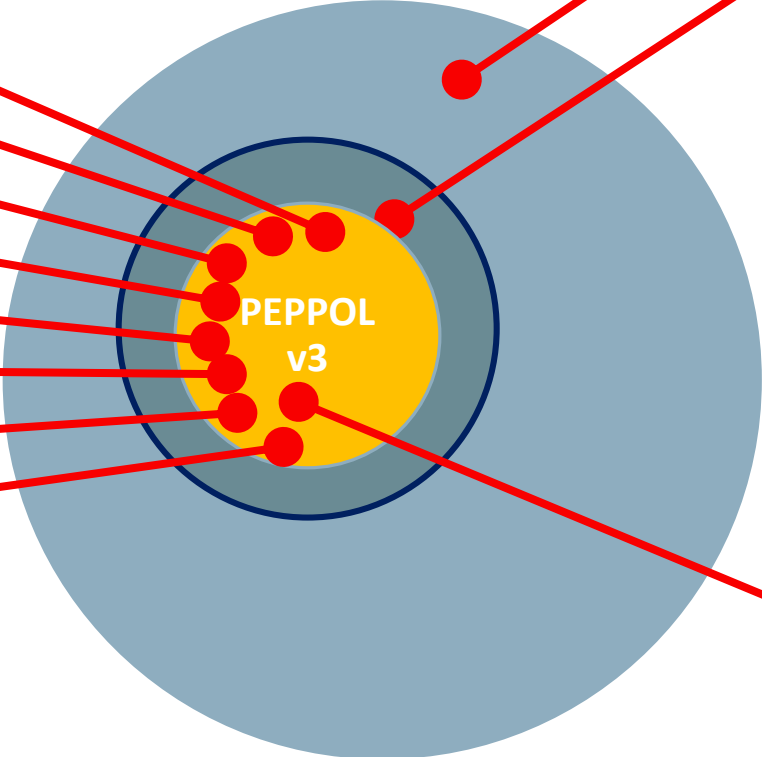
MORE EU COUNTRIES TO FOLLOW

Source: [https://ec.europa.eu/cefdigital/wiki/display/EINVCOMMUNITY/Community-driven+Registry+of+CIUS+\(Core+Invoice+Usage+Specific](https://ec.europa.eu/cefdigital/wiki/display/EINVCOMMUNITY/Community-driven+Registry+of+CIUS+(Core+Invoice+Usage+Specific)



# EU electronic invoicing - Landscape (Apr-2019)

- POLAND
- BELGIUM
- LUXEMBOURG
- NORDICS
- UK
- CYPRUS
- GREECE
- IRELAND



UBL 2.1 | +1,700 elements

EU CORE INVOICE  
160 UBL elements

EU CIUS | 128 EU CORE  
INV. elements

Source: [https://ec.europa.eu/cefdigital/wiki/display/EINVCOMMUNITY/Community-driven+Registry+of+CIUS+\(Core+Invoice+Usage+Specifications\)+and+Extensions](https://ec.europa.eu/cefdigital/wiki/display/EINVCOMMUNITY/Community-driven+Registry+of+CIUS+(Core+Invoice+Usage+Specifications)+and+Extensions)

# EU electronic invoicing – UBL 2.1 message

- EN16391 - 160 data element
  - Mandatory elements
  - Optional elements
    - Business Rules Mandatory
    - Conditional Mandatory
  - EU member states have the right to make optional fields mandatory

# EU electronic invoicing – Country coverage

- Local coverage
  - Austria
    - B2G (voluntary) – Jan-2014
    - AT-CIUS has been published
  - Germany
    - B2G (voluntary) – Nov 2018
    - B2G (mandatory) – Nov 2020
    - DE-CIUS has been published
  - Switzerland
    - e-Invoicing via banks – not compatible with UBL



# EU electronic invoicing – product line support

- ERP Cloud support
  - Receivables (via CMK)
    - 18C – average set of EN16391 data elements are available (90 out of 160 elements)
  - Payables (via CMK)
    - 19A – basic set of EN16391 data elements are available (29 out of 160 elements)
- EBS
  - Receivables (via XML)
    - Average set of EN16391 data elements are available (90 out of 160 elements)
    - Over 500+ UBL 2.1 data elements

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# ISO20022

## Highlights - Payments

- Switzerland – ISO20022 implementation (ongoing)
  - Introduction of the structured remittance code (Jan-2018, 2 years transition)
  - Introduction of the QR code - payment slip (Jan-2020)
- Norway – ISO20022 implementation (completed)
- Canada – ISO20022 implementation (planned, Q2-2019 – 2020)
- UK – ISO20022 implementation (planned, not before 2020)
- Japan – ISO20022 implementation (planned, not before 2021)
- PSD2 introduction (Since Feb-2019)



# ISO20022 messages in Switzerland

- There are minor deviations with standard ISO20022 CGI. Level of deviations depends on payment type:
  - Domestic payment types - type 1, 2.1, 2.2, 3 (IBAN/BIC) and 4
  - Foreign payment types – type 5 (SEPA) and 6 (non-SEPA)
- New structured remittance code is introduced QR-ISR
  - ISR becomes obsolete
  - RF code (ISO 11649)



# ISO20022 messages in Switzerland

- Product Line support
  - Pain.001, pain.002, pain.008 and camt.053 are supported
  - All messages support SEPA and ISO20022
  - All messages are enriched to support the CGI recommendations
  - No support for camt.054
    - Highly recommended by some banks, such as PostFinance
    - Camt.053 extended is good alternative
    - Camt.054 does not fit payment process in EBS & ERP Cloud



# Payment Service Directive 2 (PSD2)

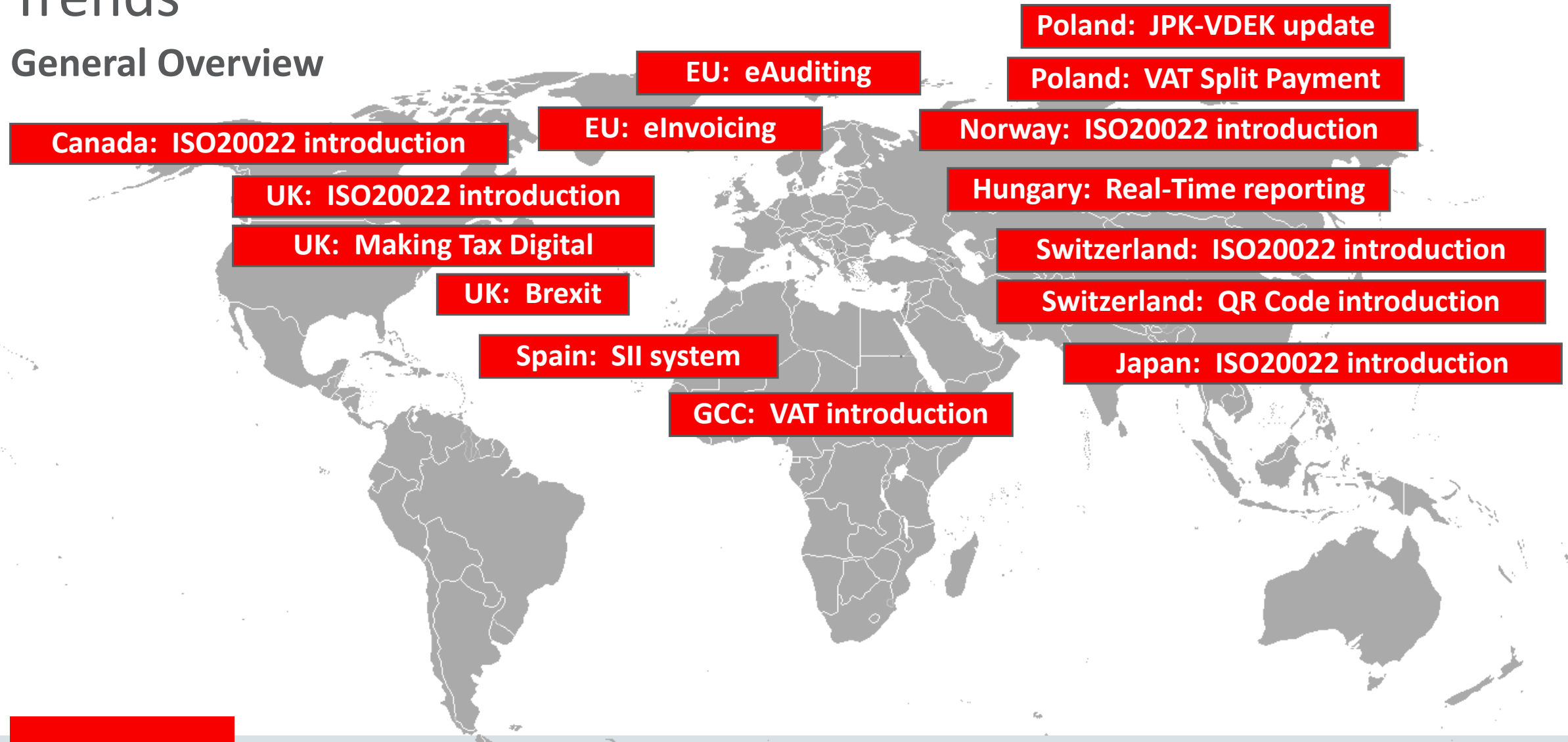
- PSD2
  - No direct impact on ERP systems
  - New providers of payment services
  - External providers can have access to your bank accounts
    - Credit Transfers are pushed to the bank via web services or APIs
    - Bank Statements can be obtained directly from the bank via web services or APIs
    - Issue: bank-specific approach, transmission and security

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# Trends

## General Overview





# Trends - Global adaptation of eAuditing

Country-specific or free format



# Trends - Global adaptation of eAuditing

SAF-T | Standard vs. country-specific deviations



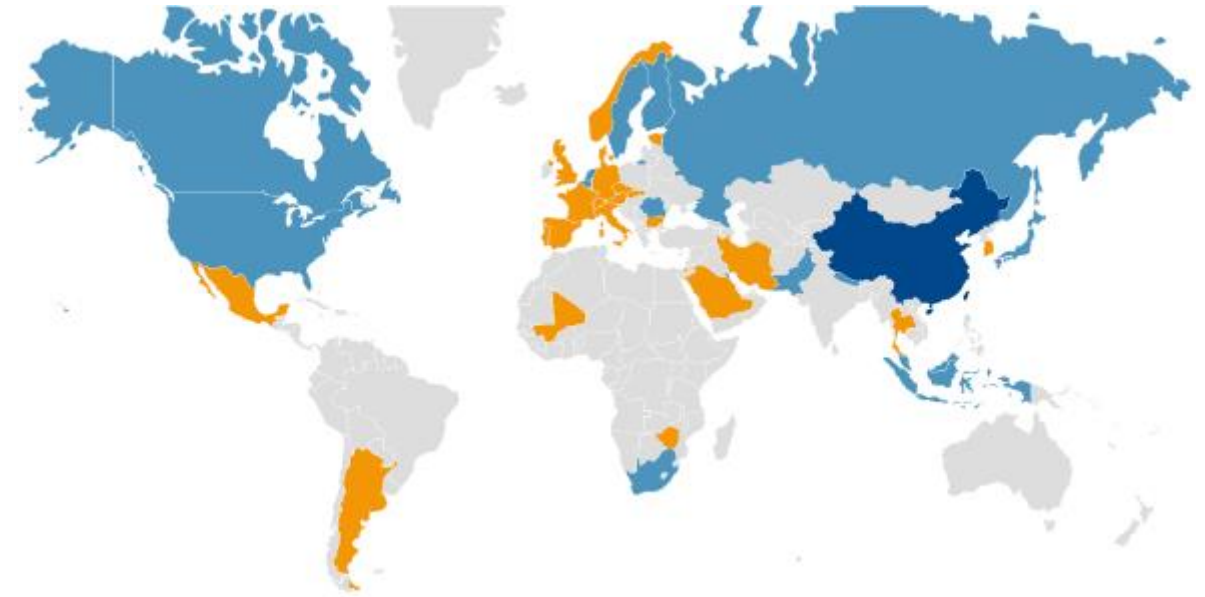
- STANDARD
- LITTLE DEVIATIONS
- MED. DEVIATIONS
- MANY DEVIATIONS



# Trends - ISO/PC295

- Candidate to replace SAF-T
- Format not mature enough to replace SAF-T
- Oracle is actively involved in meetings and format definition
- Dutch government and task force is actively involved in meetings and format definition

## Country Involvement ISO/PC 295 Audit Data Collection



# Trends

## Highlights - Real-Time reporting

- Spain | Spanish Online VAT Register SII (“Suministro Inmediato de Información”)
  - Companies must deliver all Receivables and Payables invoices electronically in XML to the Spanish Tax Authorities
- Hungary | Real-Time reporting
  - Companies must deliver all Receivables and Payables invoices electronically in XML to the Hungary Tax Authorities

**Note: not to be confused with B2G e-Invoicing**

# Trends

## Highlights – VAT reporting digitalization

- UK – Making Tax Digital
  - Since April 2019, HMRC requires businesses to report VAT records digitally
- Poland – JPK\_VDEK
  - Through its JPK register developments, Poland continues to simplify and digitize the VAT declarations
  - As from Jan-2020, the VAT declaration section of the JPK Register will contain also data specific to the monthly VAT returns, thus replacing several fiscal forms

# Trends

## Highlights – VAT handling

- VAT Split payment
  - The split payment mechanism changes the regular VAT collection regime by introducing a split between the net amount and the VAT
  - An invoice is paid by the customer into two separate bank accounts
  - Countries using (or planning to use) Split payment: Italy (since 2015), Romania (since 2018), Poland (January 2020)

# Trends

## Highlights – Others: VAT introduction and Brexit

- VAT introduction
  - India – GST (Jul-2017)
  - GCC – VAT (Jan-2018 and beyond)
    - UAE (Jan-2018), Saudi Arabia (Jan-2018), Bahrain (Jan-2019), other countries to follow
- UK – Brexit impact
  - UK's departure from the EU will impact UK VAT calculation rules and VAT reporting
  - Oracle will continue to monitor and assess the detailed guidance

# Global Strategy

## Contact details



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# Q&A



# Integrated Cloud

## Applications & Platform Services

ORACLE®