



Monthly Information Newsletter – Tax & Super

September 2022

eInvoicing: Save time and money

The ATO is anticipating a significant upward spike in the number of businesses using eInvoicing over the coming 12 months. Already, more than 18,000 businesses are using eInvoicing to make their transactions faster, simpler and more secure.

eInvoicing is the new, standardised way to send and receive electronic invoices directly in software, via a secure network. With eInvoicing, suppliers no longer need to print, post or email paper-based or PDF invoices and buyers won't need to manually enter or scan invoices into their software.

ATO Deputy Commissioner Will Day says:

The pressures of running a business can often leave businesses with little time to focus on anything else. eInvoicing offers a streamlined way of managing invoices, allowing more time to focus on what is important to the business.

Once connected with eInvoicing, businesses can immediately transact with everyone on the same network, meaning you can be paid faster, and ultimately improve your cashflow. With eInvoicing, you no longer need to manually enter or scan the invoices you receive, because that information is received directly through your accounting software, ready to be checked and paid.

Mr. Day said eInvoicing also reduces the risk of fake or compromised invoices and email billing scams.

With eInvoicing, the invoice is delivered directly into the customer's software via a secure network, so there's less risk of lost or fraudulent invoices being paid.

The Australian Small Business and Family Enterprise Ombudsman Bruce Billson said he enthusiastically encouraged small businesses to adopt eInvoicing.

It is a great way to enable faster payment, it cuts the administrative burden and is more secure than posted or emailed invoices, so it reduces the chance of invoice fraud or scams.

About 1.2 billion invoices are exchanged in Australia every year but many are sent to the wrong person or with incorrect information. It costs around \$30 to process a paper invoice while an e-invoice costs less than \$10.

Aside from cost savings, there are also fewer errors. An eInvoice is accurate and complete. eInvoicing uses standardised data that is validated before the eInvoice is sent through the network to your software. With eInvoicing you don't need to:

- re-type or scan invoices
- make corrections
- chase missing information.

This new system is also reliable and secure in that:

- eInvoices are exchanged securely through the Peppol network by approved access points, using the buyer's and supplier's ABNs.
- The risks of fake or compromised invoices, email scams and ransomware attacks are lower compared with posted or emailed invoices.
- There is no risk of lost invoices.
- You keep control of invoice processing. This includes verifying and approving invoices. eInvoices can only be viewed by the supplier, buyer and digital software provider, where needed.
- eInvoices do not go through the ATO and they cannot view them.

Businesses can get started with eInvoicing by registering in their software or talking to us. To find out if your software is eInvoicing enabled, we can check with your software provider.

DISCLAIMER

All information provided in this article is of a general nature only and is not personal financial or investment advice. Also, changes in legislation may occur frequently. We recommend that our formal advice be obtained before acting on the basis of this information.

Our liability may be limited by a scheme approved under Professional Standards Legislation.