I very much welcome the opportunity to respond to this consultation and think the widescale adoption of eInvoicing in Ireland will bring significant benefits to both businesses and government agencies (and indeed consumers, in time).

The modernisation of VAT administration in Ireland should be one major benefit gained and, perhaps, the key driver towards mandatory adoption.

However, I don't believe the policy around eInvoice adoption should be centred on VAT administration at this point until some other matters are considered / addressed. Nor do I believe it should be a given that VAT be the driver towards mandatory adoption, although this may eventually prove to be the best initial approach.

So, I absolutely support the introduction of eInvoicing as a state led initiative with mandatory requirements gradually required of businesses to adopt over time, but I'd like to propose some general items for consideration.

Most important of these from the outset being the introduction of a new Irish Business Identifier: a globally unique identifier of any enrolled entity 'in business' in Ireland.

This, rather than the VAT number, to be the identifier in the directory of Irish businesses when a sender (domestic or international) draws up an eInvoice using the address lookup to find a participant receiver 'business'.

Perhaps both could be searchable and VAT numbers would, of course, be linked as part of this however, without a new unique business identifier (for which there are broader benefits in Ireland) then we are limiting the scope and likely adoption of eInvoicing to only VATable entities in Ireland. This should not be the case in my view.

I'll make reference to NZ and Australia further below on these points.

Generally I would like to expand upon the following further down:

- Unique business identifier (with reference to NZ and Australia)
    - CRO and other organisation coverage
- Coverage of all entities beyond just VATable entities
- Encouraging mass adoption
    - Mandatory requirements: Business eInvoice Right (BER) or VAT requirement
    - Incentivised requirement for all businesses – where it just makes sense to adopt
- Expansion into Procure-to-Pay / integrating eInvoicing with payments
- Minister McGrath's payments consultation

Summary, I understand that the EU Commission's ViDA is coming and member states will have need to meet those requirements but I'd encourage trying to developing something great domestically for <u>all</u> entities 'in business', with a view towards consumers in future too, to benefit from a cleverly linked eInvoicing & payments infrastructure that is simple and intuitive.

<u>Unique Business Identifiers</u>

In Australia, eInvoicing is already operational (although yet to be pushed at scale) and three consecutive consultations (Oct-2018, Nov-2020, Dec-2021) have been put out on this with publicly available feedback. The first of these was a joint trans-Tasman consultation by Australia & New Zealand.

Australia has had a unique business identifier, an Australian Business Number (ABN), for a long time. These are linked to an Australian Company Number (ABN) or a Tax File Number (TFN – equivalent to a PPS) and you can hold multiples of these depending on structure.

The ABN is the addressee lookup when a sender is issuing an eInvoice to a participant receiver.

I'm not saying the Australian system is perfect but it did provide a unique identifier to all entities 'in Business', whether GST-registered or not, and without exposing one's TFN necessarily in the lookup.

Of more relevance perhaps, given the more recent transition and extensive consultations, is the New Zealand Business Number (NZBN) which was introduced following the NZBN Act 2016. Again, I'm not saying it is perfect or suitable for the Irish (integrated with an EU) system but there's plenty of detail here for consideration.

Why I think it's important? My concern is that the adoption of eInvoicing in Ireland is going to be centred on the need for VAT reporting and miss out on the opportunity to create a well thought out directory of every single entity 'in business', including those entities not registered for VAT and in time potentially consumers as well (not something of concern for now but there are ways independent of a unique business identifier, which for now I consider most important).

When I say 'in business', as an example the NZBN says: "you're 'in business' if you acquire or supply goods or services, or acquire or dispose of land (but not if you do this as a consumer, employee, or as an individual member of an unincorporated entity). A business can be non-profit and can also be carried on free-of-charge."

The development of a globally unique NZBN was the (quite recently adopted) forerunner to any eInvoicing system being considered possible nationally.

Some relevant discussion documents such as this
https://www.mbie.govt.nz/assets/95da7c6783/discussion-document-nzbn-primary-business-data-change-proposals.pdf

Coverage of all entities beyond just VATable entities

As I indicate above, I think there's a real need to address the fact that non-VATable entities or entities 'in business' that do not fall into the scope of VAT may be unnecessarily missed through there not being a well thought out unique business identifier for Ireland.

The best implementation of an eInvoicing system is one where there is mass market adoption and it naturally becomes ubiquitous, without it being a solely compliance measure (for VATable entities).

I'm not suggesting a solution to this right here and now, but I would encourage it to be a point of consideration in the very next consultation, please.

I do feel there is a better way to clean up the current system of CRO entity types covering business names, sole traders, partnerships, limited companies and beyond into non-CRO entities, while not interfering with existing VAT registration numbers, but rather complementing it for a widespread eInvoicing network of participants.

Encouraging mass adoption

As will be clear, the above will help with mass adoption.

I understand that the EU Commission's ViDA and the need for VAT registered entities to be compliant with this will be a major push towards mass adoption.

However, I would encourage there be consideration given to the Australian approach of it being a Business eInvoice Right (BeR) whereby entities over time will have a right to request an eInvoice from any supplier (depending on certain criteria of that supplier).

I'm not saying this is the solution but there should be thought given to it and there is plenty of publicly available info, including all consultation documents and public responses at this site (this one the latest of three): https://treasury.gov.au/consultation/c2021-185457

Moreover, I think the natural adoption would be better executed (rather than it being a compliance piece) where it becomes a no-brainer for businesses to implement such as system, because of real benefits of saving time & money in particular.

With that in mind I would suggest that from early on it be considered important as to how we work in a procure-to-pay (or integration of payments with eInvoicing) so as to make it something businesses will actually want to adopt.

I understand Minister McGrath has another current consultation open on the future of payments and the two should be linked in how adoption is achieved outside of purely a compliance exercise, in a true form of benefit to businesses.

It was said by Australian Treasury in their consultations that "stakeholder feedback indicated that businesses may realise more value from adopting eInvoicing if the focus expanded to also adopting efficient and standardised P2P process that include eInvoicing" and "previous Treasury consultation found increased integration of invoicing and payments would enhance the value of eInvoicing to businesses and help drive adoption. Consultation also showed that groups such as payment providers, banks, financial technology companies (fintechs) and software developers are currently deploying solutions that will allow businesses to pay invoices and reconcile them through fully integrated processes linked to accounting software." The same is the case in the EU and Ireland and this approach should be considered too.

A useful document in this respect being: https://nppa.com.au/wp-content/uploads/2020/11/Einvoicing-and-%20NPP-whitepaper_final.pdf

Conclusion

I would encourage consideration to be given to a unique business identifier in the next consultation as my point of most importance as this stage.

I would be very happy to contribute further on matters as this process develops.

Congratulations on getting it started.