1. **What are your views on the proposal to introduce real-time reporting for B2B and B2G transactions?**

The proposal allows us to extrapolate how the modernisation of the Irish VAT administration system - through the adoption of a real-time reporting system - would positively impact a number of different stakeholders. If realised, it would align with the global trend of tax administrations in other countries collecting data electronically in real-time from a businesses' ERP solution and other business systems.

For tax authorities within other jurisdictions who have introduced similar programs, there has been an improvement in the faster detection of tax discrepancies, whilst tax procedures have been further optimised, and with access to a better monitoring of national economic trends.

Businesses will also improve their own financial management with such an immediate visibility to VAT liability. It will not only instantly highlight potential VAT liabilities in any given period but also help these businesses to streamline cash-flow. Having this type of access will also help these businesses to make more informed financial decisions.

The further combination of eInvoicing with real-time reporting streamlines the exchange of invoice data between business trading partners (whilst also enabling relevant tax authorities to be able to retrieve that relevant VAT information in real time). An introduction of real-time reporting for B2B and B2G transactions will effectively result in government departments having immediate access to transaction data, which will allow for more efficient decision-making, in addition to enhanced transparency and accountability. It is reasonable then to also anticipate a real material improvement in the national operational digital business infrastructure and in ebusiness practice.

In our opinion, once Real Time Reporting and eInvoicing have been established, the next stage would be to allow Real Time VAT payments using Open Banking. The increasing use of Open Banking solutions has allowed many Irish businesses to make significant changes in saving time and money, letting them focus on their core business activities. If Open Banking enables these businesses to access real-time financial data, and provide an up-to-date view of business cash flow, then Real Time VAT payment would also appear to be a natural fit for same.

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2. **What matters should be considered in planning for a transition to a new VAT Reporting system?**

Digital services have transformed the way people and businesses access services in general. The effect of these digital services highlights the challenges and the opportunities for all businesses, so planning for any digital transistion such as in this instance to a new VAT Reporting system will need to include looking at the current system of how a business complies with VAT, the level of effort required to execute VAT audits and how current business operating models could be both affected and subsequently transformed.

Technology Infrastructure:

A transition to a new VAT Reporting system will need requisite changes to the existing business technology infrastructure in order to support it. This includes updating or implementing new software systems such as in finance, that are compatible with the new VAT reporting requirements.

Anywhere VAT related data must be downloaded and then manually entered into spreadsheets or into financial software, should be reconfigured to include some form of automated digitised transfer.

3. **If your business is currently subject to a VAT reporting programme in another EU or non-EU country, can you please share best practice, recommendations or lessons learnt?**

4. **Have you any observations, concerns, or recommendations on a move to mandatory electronic invoicing for B2B & B2G domestic VAT transactions?**

As an experienced Irish eInvoicing provider, Celtrino have had first hand experience of the limitations of only mandating public sector bodies including central and sub-central government departments to receive and process electronic invoices. Without a significant reason for private sector traders (suppliers) to use eInvoices when trading with these PSB's, there has been no real initiative or traction for these private sector traders to use eInvoicing with these bodies. A move in the direction of this proposal would significantly address this barrier.
The number of private sector traders within Ireland sending Peppol compliant eInvoices is significantly lower than Celtrino might have expected for 2024. At present, without the incentive for private sector traders to adopt specifically Peppol eInvoicing in Ireland there is little potential for this number to rise. In

Celtrino's 35 years' experience of eInvoicing and EDI, the most successful systems are those where there is an incentive or there is a mandatory obligation for the supplier to partake. For example, the introduction of Peppol eInvoicing in Australia included a condition to reduce payment terms from 25 days to 5 days to all those private sector traders who used eInvoices with government. By quickly paying private sector traders for orders up to AU$1 million, businesses with smaller financial reserves would then as a result have greater cash flows to run and potentially expand their operations.

EDI systems are now a standard way in which most larger organisations trade with their immediate supply chain. So, suppliers are at a significant competitive advantage if they possess an EDI system that allows them to trade electronically with their customers. Large scale retailers (e.g. Dunnes, Tesco, Musgrave, etc.) expect that all their private sector traders and trading partners are EDI (eInvoice) enabled before they are awarded a supply contract. This has ensured that EDI (eInvoicing) is integral to transacting within this sector, resulting in significant benefits to both buyers and private sector traders.

Celtrino have consistently been a willing and proactive advocate for eInvoicing - especially regarding Peppol and the EU Directive on eInvoicing 2014/55/EU; and throughout our participation as a service provider on the original Peppol eInvoicing Framework Celtrino continually demonstrated our commitment to the benefits of eInvoicing with frequent promotion to both Irish PSB's and Irish businesses and which Celtrino continue to do to the present day. From compliance through to supplier engagement with the development of a portal for private sector traders, we have earnestly sought to progress Peppol eInvoicing for several years now.
However, Celtrino feel at this stage in 2024 that more needs be done in Ireland to further promote the benefits of eInvoicing and in turn to help advance Ireland's digital economy. The proposed VAT Reporting Modernisation project from Revenue and its consultation process will guide and influence stakeholders to seriously consider the role of eInvoicing within that digital paradigm.

Efforts should be made on a more regular basis to promote the benefits of Peppol eInvoicing to both Public and Private sector traders and challenge those perceived barriers to eInvoicing. Based on Celtrino's experience, those perceived barriers that has led to supplier indecision regarding eInvoicing must be challenged, but this needs to be done at a national level. The transition to eInvoicing needs to be seen as painless and cost effective in order to help to make the process as straightforward as possible especially for the

private sector traders. This promotion could also include guided instruction on how to prepare effectively for any transition to eInvoicing.

With many governments worldwide introducing laws to help organisations switch from paper to electronic documents the question is why the adoption of eInvoicing still appears to pose a challenge in Ireland since a move to mandatory eInvoicing would also tangibly reduce the carbon footprint associated with paper production, printing, handling, storage, and disposal.

Irish businesses already have a range of low-cost connectivity/integration options available to them for access to the Irish Government's Peppol eInvoicing digital business network. The use of these eInvoice productivity tools will increase business efficiencies and reduce company costs in addition to businesses being able to avail of reduced Government payment cycles. They can then be expected over time to seize the opportunity of adopting and deploying these more efficient trading practices to other private sector traders partnerships.

The general adoption of eInvoicing would be a significant advance that has multiple benefits for tax administrations and added to other preventive control measures, can decisively help to combat the fraud of false invoices. A requirement on companies to issue invoices electronically has been effective in helping countries tackle VAT leakage. It has not only improved the whole area of tax administration but has also made individual taxpayers' accounting easier and more efficient, particularly for the small and medium-scale taxpayers. Introducing mandatory eInvoicing would also greatly reduce the risk of cyber-attack.

According to the European Commission, mandating eInvoicing could help reduce VAT fraud by up to €11 billion per annum in the EU, while at the same time help EU private sector traders traders reduce administrative costs by up to €4.1 billion per year over the next 10 years VAT in the Digital Age (europa.eu)

5. **Revenue is particularly interested in hearing views from businesses that are already engaged in eInvoicing Public Bodies within Ireland or engaged in B2B eInvoicing throughout Europe and beyond. How did you prepare and what challenges prevailed in your preparations for eInvoicing?**

Celtrino have been enabling private sector traders in their use of eInvoicing and EDI systems for over 30 years, and also enabling Government/Public Sector Bodies (PSBs) in their use of Peppol eInvoicing solutions since 2019. Over this time, Celtrino have developed systems and procedures to assist organisations in transitioning to digital eInvoicing in a cost effective, uncomplicated and seamless way. In our experience, mandating the use of an EDI or eInvoicing system for all parties achieves the best results. In our opinion, having a clear communication policy describing in detail what is required, open forum demonstrations on ease of use and benefits, FAQ's and realistic go live deadlines, an eInvoicing system can be operating effectively and efficently for an organisation in a relatively short time period.

A challenge for any public or private sector entity interested in any nascent technology or system is to learn and understand from their peers real world experience. Unfortunately, they cannot visualise/experience the benefit of eInvoicing to their organisation until it is operational, therefore Government, as well as mandating eInvoicing on all parties, must strongly highlight the benefits with real world examples.

Other issues for organisations include concerns relating to the perceived technical complexity and compatibility of the einvoicing systems and formats that are to be introduced. Budget is also often cited as a barrier, especially when the initial upfront and then ongoing costs of einvoicing, such as with software, hardware, integration, and maintenance, are considered. There is also often organisational resistance due to moving away from the traditional way of invoicing. Some stakeholders are quite reluctant, due to again the perceived lack of understanding or the skills required. Employees used to paper-based processes are also often in fear of job loss or some form of reduction in control over their work.

But it must be stressed that Celtrino have been instrumental in not only challenging and addressing these perceptions but also in demonstrating that a transition to eInvoicing is uncomplicated and cost effective. Celtrino has helped clients select reliable and flexible einvoicing solutions that can support various standards and formats and ensure data integrity and security. Client employees can also begin to concentrate on higher-value activities that can

directly improve the productivity of the business. In addition, Celtrino provides the requisite training and support to facilitate the transition which in turn allows the client to confidently begin to improve their invoicing and payment processes.

6. What suggestions would you offer in Ireland's arrangements for a mandatory B2B and B2G eInvoicing programme?

Effective Promotional Guidance

More needs to be done especially at a government level to help popularize the concept of eInvoicing as a means of electronic document exchange especially within the B2B environment. It is also clear that further public policy is probably the most significant driver for the uptake of eInvoicing. Those countries enjoying the highest levels of eInvoicing uptake in Europe have almost universally mandated eInvoicing with private sector traders as an integral part of this mandated makeup. The take-up of eInvoicing cannot grow among Irish businesses unless there are further adoption drivers.

Buyer organisations that have been reluctant to adopt einvoicing often cite their supplier's hesitation to comply as the main reason for them to continue to use traditional methods of invoicing. This hesitance can also be attributed to the financial investment, various technical issues or not being fully aware of the intrinsic value of einvoicing. But these factors need to be explained and addressed within any public promotional guidance. As private sector traders cannot visualise/experience the benefits of eInvoicing to their organisation until it is operational, it is therefore incumbent upon any Government campaign promotion, to strongly highlight these benefits with real world examples to private sector traders.

Due to the rapid rise of digitalisation in the business environment, the use of electronic invoices is growing in practice. The objective should be to encourage as many companies as possible to transfer to electronic invoicing and, in doing so, to reduce the administrative costs and resources needed to prepare and process invoices (as per Q4 above, the European Commission estimates that mandatory eInvoicing will deliver €4.1 billion in savings per annum to EU based private sector traders). Further adoption of eInvoicing within Ireland and beyond will undoubtably lead to significant economic benefits and increase Irish and European business competitiveness.

Strategic Leadership

Encourage public sector managers to be more proactive in eInvoicing their own public sector customers, provide standardised invoice processing feedback to their private sector traders, start sending electronic orders to private sector traders, use the existing digital national infrastructure for capturing grant claims packaged as eInvoices, etc.

7. **Revenue are cognisant that small businesses may have different perspectives and requirements to large businesses, so what information prompts would you find useful for businesses in completing the VAT return?**

From our perspective, information prompts in completing VAT returns should also stress that even though eInvoicing provides significant benefits to buyers, the benefits to private sector traders such as the following, are also equally significant:

- improved invoice accuracy leading to fewer stalled payments
- the ability to convert purchase orders directly into invoices electronically
- reduce errors associated with manual data entry
- an improved cash flow with early payment
- enhanced data security through AS4 communication protocols

8. **Are you are responding to this consultation in any capacity other than as a taxpayer, e.g. as an advisor, an accounting software or eInvoicing service provider, Representative Body, Industry Group or, Government or Public Body?**

We are an existing Irish eInvoicing service provider

9. **Please provide some context about your organisation and the capacity in which you are contributing to this consultation.**

Celtrino are an organisation that operates in the Electronic Data Interchange (EDI) & eInvoicing space and have been developing and supporting EDI & eInvoicing solutions for 35 years. As the largest EDI and Peppol services provider in Ireland, Celtrino provides eInvoicing and Peppol network services to Irish central government agencies, sub-central government agencies and agency private sector traders. Our Peppol services are available as cloud-based managed services (Microsoft Azure cloud).

Celtrino were first certified as a Peppol Access Point provider in 2012. In 2019 under a Framework Agreement, we were selected as the exclusive service provider to provide Peppol networking and eInvoicing Systems and Services to Irish Central Government Departments and Agencies.

Celtrino provides a blend of Peppol services to Government agencies that want to both receive and send eInvoices to support their digital accounts payable and digital accounts receivable processes.

For example, Celtrino provides a range of Peppol services to corner four (C4) Government agencies that include Access point, SMP, document management portal, account payable workflows, eProcurement, data translation, mapping, validation, ERP integration, reporting and (optional) AS4 communications connectivity to Celtrino customer endpoints.

Celtrino also provides a range of Peppol services to corner one (C1) Government agencies and Government private sector traders that include Access point, SMP, document management portal, account receivable workflows, online invoice creation/submission, eProcurement, data translation, mapping, validation, ERP integration, reporting and (optional) AS4 communications connectivity to Celtrino customer endpoints.

Celtrino has practical specialist knowledge and an experienced track record of delivering successful outcomes to cutting edge initiatives of this type.