

IATA SIMPLIFIED INVOICING & SETTLEMENT GENERAL MEETING

Bangkok, Thailand
28 October 2024



IATA SIMPLIFIED INVOICING & SETTLEMENT GENERAL MEETING

SIS Breakout Session 2 - SIS e-Invoicing Compliance

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13th SIS General Meeting - 28 October 2024



Today's session

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- Gemma : Tax Policy: E-invoicing and tax reporting
- Monika: Germany e-Invoicing mandate
- Kirk: Simplified Invoicing format

Tax Policy: E-invoicing and tax reporting

- In many jurisdictions, **airline industry standardized e-documents** (e-ticket, EMD, e-AWB) have long been accepted as a simplified invoice and proof of payment
- An increasing number of governments is imposing **general e-Invoicing regimes with non-harmonized and complex requirements** that put a significant administrative, technical and financial burden on airlines:
 - **41** national jurisdictions have an active e-Invoicing mandate,
 - **27** jurisdictions will implement invoicing mandates in the next few years
- As these e-reporting/e-Invoicing mandates are rapidly proliferating and impose an excessive compliance effort and expenditures on the airlines, an advocacy global plan is recommended for the airline industry.



E-Invoicing

Simplified and standardized requirements must be provided for air travel documents

To ensure optimal economic and social benefits derived from aviation, VAT or GST regimes need to be implemented in an efficient manner that reduces the administrative burden and costs to businesses. This paper outlines specific considerations and recommendations for tax invoices to B2B customers.

Background

As a leading stakeholder in the global supply chain, the airline industry is also a major, worldwide, fiscal contributor. Passenger and cargo airlines have long adopted electronic mechanisms for the sale, reconciliation, reporting, and remittance of liabilities due to governments for their taxable services and supplies. However, the non-standard and complex invoicing guidelines in VAT regimes is generating administrative and technical implementation burdens.

VAT regimes and their consequent, e-invoicing requirements. e-tickets, EMDs, and AWBs contain the necessary information relative to the supplier, the user, and the taxable services and supplies reported by the air transportation industry. These documents were designed by the air transportation industry to harmonize ticketing, sale, and accounting systems with fiscal reporting systems. Therefore, fiscal and taxation authorities are urged to continue to collaborate with the air transportation industry to avoid non-standard and complex technical requirements that are administratively, impractical, and financially burdensome, and that do not generate a benefit for States, airlines, and consumers.

IATA Position

Electronic tickets, also known as e-tickets, which are used for the sale of passenger air transportation; electronic miscellaneous documents (EMDs), which are used for the sale of ancillary services incidental to air transportation; and airway bills (AWBs), which are used for the sale of air cargo transport services, are the standard electronic documents utilized by the air transportation industry worldwide. As such, these documents have become universally accepted by fiscal authorities with the evolution of

The International Air Transport Association (IATA) endorses, as a matter of policy, the resolutions of the International Civil Aviation Organisation (ICAO), a specialized agency of the United Nations, which recognises the exemption of international air transport from tax by more than 190 signatory States. IATA, urges all States, including their political subdivisions, to fully recognize the ICAO resolutions



Germany e-Invoicing

for B2B transactions

Monika Kolos-Lembas

P2P Senior Process Architect and eInvoicing Project Lead for LH Group

e-Invoice : what is it?

An e-Invoice provides invoice content in a structured, machine-readable data set.

This ensures that information provided in this form by the invoice issuer can be:

- transmitted electronically
- received electronically as well as processed automatically.

**An image file, PDF file or scanned paper invoice
does not meet these statutory requirements.**

10345 Berlin
031 958 81 11

Baumann Enterprise
Mustergasse 1
10345 Berlin

Postenauszug 01.06.20-5 - 30.06.20-5
Referenz: 2P0207

Konto Nr. 385912-00-1
IBAN DE32 0060 7823 1258 0000 1

Währung EURO Blatt 1/1

Datum	Text	Belastungen	Gutschriften	Kontostand
	SALDOVORTRAG			16'000.00
21.06.20-5	Vergütungsauftrag Swisscom Fixnet AG 3050 Bern	437.45		15'562.55
21.06.20-5	Vergütungsauftrag Winterthur Versicherungen Bern	304.10		15'258.45
25.06.20-5	Einzahlung Konkursamt Thun		210.00	15'468.45
27.06.20-5	Vergütungsauftrag Château Listran (EUR 678.00)	942.40		14'526.05
30.06.20-5	Habenzins 0.75% vom 01.01.-30.06.20-5		207.00	
30.06.20-5	Verrechnungssteuer 35% auf 207.00			
30.06.20-5	Spesen			

Rechnungsprüfung

RE-Eingang 13.08.2020

sachlich/rechnerisch i.O.

gebucht

Anmerkung Rechnungsnummer prüfen

*Bitte an
FRAU MÜLLER*

*Referat 5711
gez. Schmidt*

Illustration: Example of a paper invoice

```
<?xml version="1.0" encoding="UTF-8"?> <ubl:Invoice xsi:s
"urn:oasis:names:specification:ubl:schema:xsd:Invoice-2
http://docs.oasis-open.org/ubl/os-UBL-2.1/xsd/maindoc/UBL
"urn:oasis:names:specification:ubl:schema:xsd:Unqualified
"urn:oasis:names:specification:ubl:schema:xsd:Invoice-2"
"urn:oasis:names:specification:ubl:schema:xsd:QualifiedDa
"urn:oasis:names:specification:ubl:schema:xsd:CommonAggre
"urn:un:unece:uncefact:documentation:2" xmlns:xsi="http:/
xmlns:cbc="urn:oasis:names:specification:ubl:schema:xsd:C
"urn:oasis:names:specification:ubl:schema:xsd:Invoice-2">
urn:cen.eu:en16931:2017</cbc:CustomizationID> <cbc:ID>000
2018-01-03</cbc:IssueDate> <cbc:DueDate>2018-01-31</cbc:D
</cbc:InvoiceTypeCode> <cbc:Note>ADU</cbc:Note> <cbc:Note
des SCAG eRechnungs-Testgenerators... </cbc:Note> <cbc:Do
</cbc:DocumentCurrencyCode> <cbc:TaxCurrencyCode>EUR</cbc
<cbc:BuyerReference>11 3 55 321 - 88455 - 41</cbc:BuyerRe
<cbc:ID>648852</cbc:ID> </cac:OrderReference> <cac:Contra
</cbc:ID> </cac:ContractDocumentReference> <cac:ProjectRe
Entwicklung bezüglich einer IT-Lösung zur Digitalisierung
</cac:ProjectReference> <cac:AccountingSupplierParty> <ca
<cbc:StreetName>Friedrichstr. 77</cbc:StreetName> <cbc:Ad
Berlin</cbc:CityName> <cbc:PostalZone>NaN</cbc:PostalZone
<cbc:IdentificationCode>DE</cbc:IdentificationCode> </cac
<cac:PartyTaxScheme> <cbc:CompanyID>DE12553687456</cbc:Co
</cbc:ID> </cac:TaxScheme> </cac:PartyTaxScheme> <cac:Par
Best IT-Solutions AG</cbc:RegistrationName> </cac:PartyLe
Johanna Bertel</cbc:Name> <cbc:Telephone/> <cbc:Electroni
johanna.bertel@bestitsolutions.ag</cbc:ElectronicMail> </
</cac:AccountingSupplierParty> <cac:AccountingCustomerPar
<cbc:StreetName>Bundeschausee 65</cbc:StreetName> <cbc:A
Berlin</cbc:CityName> <cbc:PostalZone>13549</cbc:PostalZo
<cbc:IdentificationCode>DE</cbc:IdentificationCode> </cac
<cac:PartyLegalEntity> <cbc:RegistrationName>Bundesarchiv
</cac:PartyLegalEntity> <cac:Contact> <cbc:Name>Hannes Sc
```

Illustration: Example of an electronic invoice

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Source: [How e-Invoices differ from paper or PDF invoices \(e-rechnung-bund.de\)](http://www.e-rechnung-bund.de)

Invoice format: What is accepted?

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For B2B transactions, the German Bundestag parliament had called for the adoption of B2B mandatory e-Invoicing to help combat VAT fraud.

- The German government's suggestion would be consistent with the European Value-added Tax in the Digital Age (ViDA) initiative, which involves utilizing the EN 16931 European electronic invoice standard.

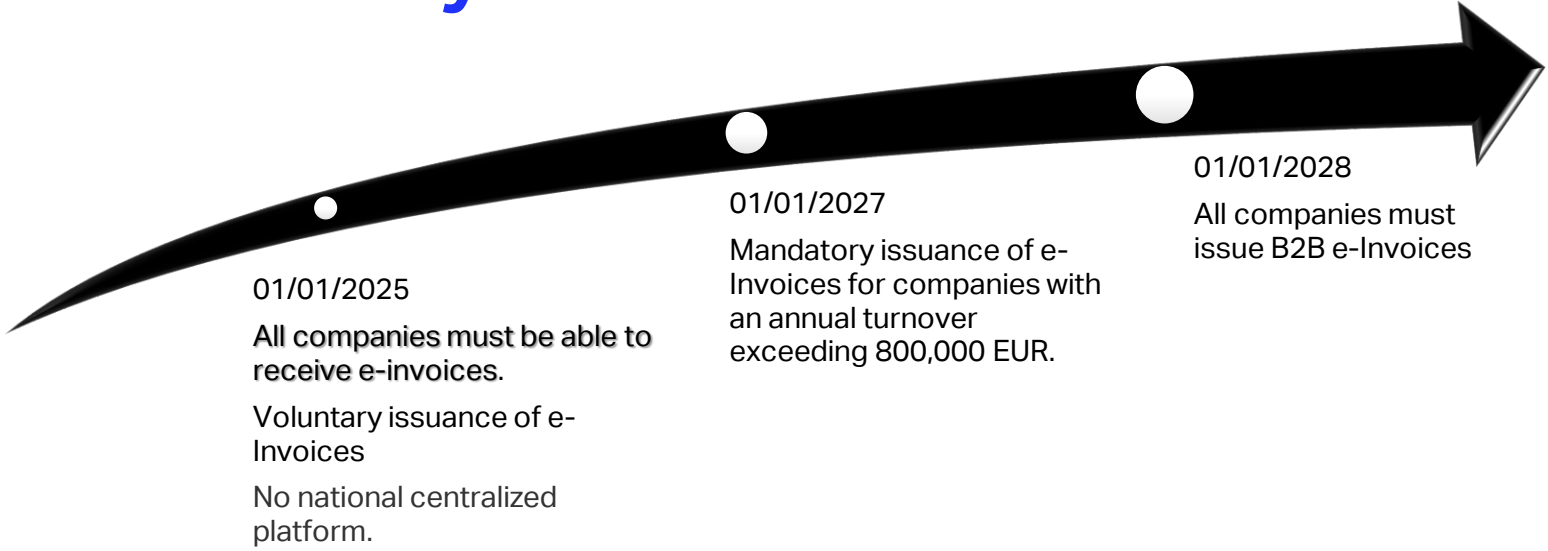
National versions of the European standard EN 16931

- **ZUGFeRD** is a hybrid e-Invoice format. It includes two elements: human-readable PDF/A-3 with an embedded XML file.
- **Xrechnung** is a pure data record (xml file), without invoice visualization as PDF file.

Germany may also make use of the Peppol BIS Billing 3.0.

Allowed format by Phase for B2B trans.

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2025-2026	2027	2028
Paper	Paper: allowed under special conditions	Paper: not allowed
e-Invoice according to EN 16931 National formats supported in Germany: XRechnung and ZugFeRD.	e-Invoice according to EN 16931. National formats supported in Germany: XRechnung and ZugFeRD.	e-Invoice according to EN 16931. National formats supported in Germany: XRechnung and ZugFeRD.
Other formats (PDF, XML, EDIFACT, etc.)	Other formats allowed under special conditions	Other formats provided they are compatible with the EN16931 format.



Who is obliged to send/receive new invoice format for B2B transactions?

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Obligations stands for any taxable supplier in Germany.

- Where the supplier and recipient are established in Germany.
- Taxable services need to be performed / consumed / delivered in Germany.
- Also specific zero-rated transactions (e.g. intra-Community supplies or sales under so-called Reverse-Charge regime) are subject to the mandatory e-invoicing, when supplier and beneficiary are established in Germany

How does my e-Invoices get to recipient (for B2B) as of Jan 2025?

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**Stay tuned and check information available on
German Government webpage.**

Germany: Will SIS offer a solution?

The short answer is yes

- Study will be done in Q1 2025 on which is the best approach to implement.
 - ZUGFeRD / Xrechnung or another compliant format
- Implement the chosen format by Q4 2025 and offer it for all invoices

Simplified Invoicing format

Introduction of a new format

We have 4 billing categories in SIS

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Passenger Invoices

- For Passenger interline – using IS-IDEC / IS-XML and IS-WEB for input

Cargo invoices

- For Cargo interline – using IS-IDEC / IS-XML and IS-WEB for input

UATP Invoices

- For UATP on behalf billings – using IS-XML

Miscellaneous Invoices

- For all other types of B2B invoices (including BSP and CASS invoices) – not covered in the above 3 categories – using IS-XML and IS-WEB



If specific invoice formats
or e-Obligations are
required

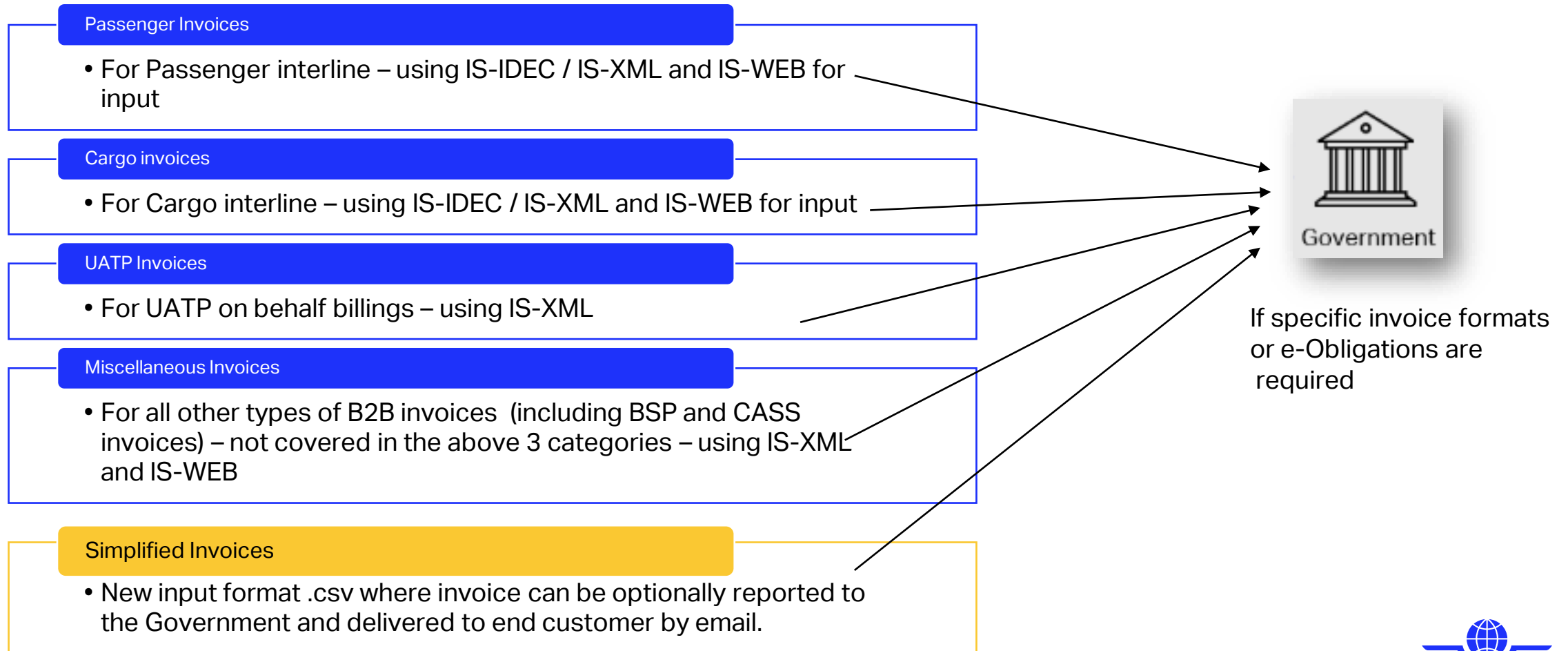
However, this covers only part of the needs of our members

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- What about invoices for direct sales or over the counter sales that are under an e-Invoicing mandate?
- Would you need to have an alternate e-Invoicing provider to send these invoices in a country?

Introduction of the 'Simplified Invoicing Format'

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Introduction of the Simplified Invoice Format

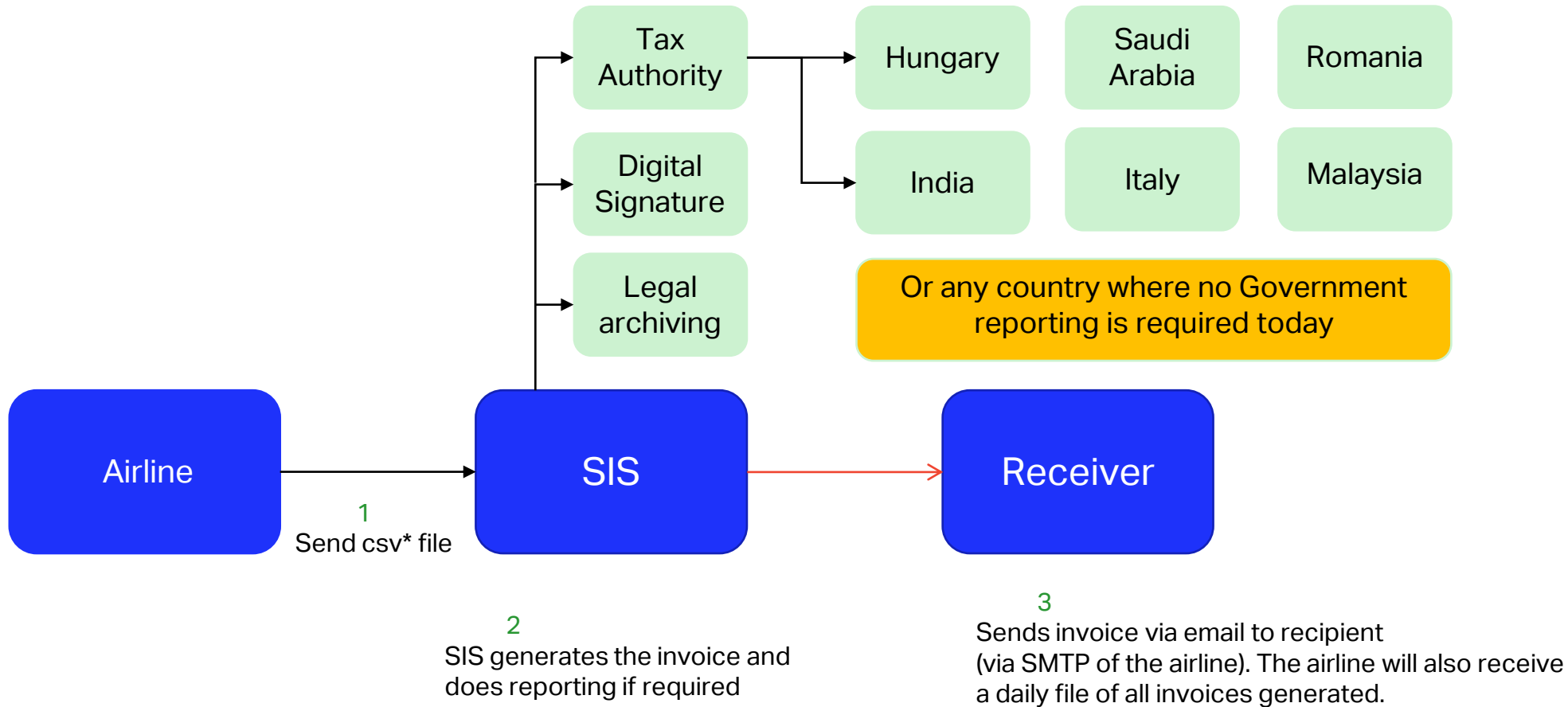
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- Input file will be created by the airline
- .csv format
- Generated / reported invoice can be sent to the end customer (using the SMTP server of the airline)
- Copy of invoice will be sent back to the airline on a daily basis

- Important: Airline needs to capture consent of the end customer for capturing personal data and for receiving of email

Simplified Invoicing format

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*Later phase will also offer IS-XML/ API



Input – CSV (will later be extended to XML)

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A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
Seller Cod	Seller Loca	Point of Sa	Invoice Nu	Invoice Ty	Invoice Da	Invoice Tir	Invoice Cu	Buyer Nan	Buyer T	Buyer Add	Buyer Add	Buyer Add	Buyer Add	Buyer Pho	Buyer Em	Buyer Stre
1000826	17		XXX/50261	I	14-Jun-24	18:05:21	MYR	L wata	SX00000					+49 5176 2	name.a@gmail.com	
1000826	17		XXX/50261	I	14-Jun-24	18:05:21	MYR	L wata	SX00000					+49 5176 2	name.a@gmail.com	
1000826	17		XXX/50261	I	14-Jun-24	18:05:21	MYR	L wata	SX00000					+49 5176 2	name.a@gmail.com	
1000826	17	003615-XC	XXX/C1073	I	15-Jun-24		USD	N Smith		Passport	XXXXXX					35 Lake Av
1000826	17		XXX/5034C	C	15-Jun-24		MYR	Name Suri	XX9083			NID	5024-781-	6871 235		

New invoice layout

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Tax Invoice Date: 16 Nov 2024
Digitally Signed

LOGO

ABCD Aviation
Level 3, Tower D
West Road, City
110037
DELHI INDIA
Tax/VAT ID: ABC1234567 / XX9999999
Co. Reg.#: B12786523
Point of Sale: J77154

Number: INV12345
Buyer Details:
Name Surname
name.surname@gmail.com
Ph #: 9999999999
Tax ID: 238UG0900
PAN: YYYYYYYY
Aadhaar: 123456789012
Flat no. 1104 Building A, Modern Apts.,
East Road
Delhi 110001
Delhi India

Original Invoice Details: Number ORI1134 Dated 16 Mar 2024.

Line Charges

Description	Value (EGP)
Line #10 - Air travel and related charges	5,000.00
Line #20 - Airport charges	1,500.00
Line #30 - Wheelchair charges	1,000.00
Charge: 1,200.00 Discount/Surcharge: -200.00	
Subtotal without VAT/Tax (EGP):	7,500.00

VAT/Tax

Type	Category	Additional Information	Base Amount (EGP)	Rate %	Value (EGP)
VAT/GST	Standard		5,650.00	15.000	847.50
VAT/GST	Exempt	Services for disabled persons	1,000.00	0.000	0.00
Total VAT (EGP):					847.50
Total Tax (EGP):					0.00
Total including Taxes (EGP):					8,347.50

VAT/Tax in Local Currency (for information only):
Exchange Rate From Document Currency To Local Currency:
1 EGP = 1.73000 INR
Total VAT/Tax Amount in Local Currency:
INR 1466.00

Routing: CAI-DEL

Incorporated under the Companies Act 1956.

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Pricing for Simplified Invoices

- Globally accumulated SIS volumes
- Part of Item S6 – that will be presented today

Quarterly invoice volume threshold:	0 - 9,999 (base)	10,000 - 39,999	40,000 - 89,999	90,000 - 159,999	160,000 - 299,999	300,000 - 599,999	600,000 - 1,199,999	1.2 Million +
Price per Invoice	\$0.33	\$0.33	\$0.33	\$0.22	\$0.16	\$0.1	\$0.07	\$0.05

Key Takeaways

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- Compliance is crucial
- Stay updated on changes in the markets you operate in
- Assist IATA in their advocacy efforts
- For countries where you need a solution for e-Invoicing, do get in touch with the SIS team
 - SIS is an industry cost recovery system.
 - Consider SIS in your e-Invoicing RFP's
- Your inputs help to build our roadmap.

IATA

WORLD

FINANCIAL

SYMPOSIUM

IATA

WORLD

PASSENGER

SYMPOSIUM

Thank you

Bangkok, Thailand
28 October 2024

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#IATAWFSWPS

