
Consultation Response

Electronic invoicing: promoting e-invoicing across UK businesses and the public sector

May 2025

The Association for Financial Markets in Europe (AFME) welcomes the opportunity to comment on the consultation on electronic invoicing: promoting e-invoicing across UK businesses and the public sector.

AFME represents a broad array of European and global participants in the wholesale financial markets. Its members comprise pan-EU and global banks as well as key regional banks, brokers, law firms, investors, and other financial market participants. We advocate stable, competitive, sustainable European financial markets that support economic growth and benefit society.

AFME is the European member of the Global Financial Markets Association (GFMA) a global alliance with the Securities Industry and Financial Markets Association (SIFMA) in the US, and the Asia Securities Industry and Financial Markets Association (ASIFMA) in Asia.

AFME is registered on the EU Transparency Register, registration number 65110063986-76.

Executive summary

Many of our members are currently using e-invoicing in a number of global jurisdictions. We support the standardising of e-invoicing to increase its adoption, which we believe will enhance compliance and reporting. It is important to adopt a standard with data points consistent with other jurisdictions,

Close collaboration between government and taxpayers will be required, with clearly defined timelines for implementation. We recommend that HMRC sets realistic timelines and does not underestimate the time taken to implement an e-invoicing model. We suggest that a minimum of three years is needed. It is important that the legislation and guidance should be publicly available from the outset, so that our members can implement these correctly.

Due to the size and complexity of our members we would prefer that e-invoicing should only be mandatory for taxable supplies, with e-invoicing for exempt supplies and B2C being optional.

We set out in the Appendix below our answers to the individual questions. We would be happy to provide further information on these points or to discuss them on a call or at a meeting.

AFME Contacts

Ian Sandles
Director, Tax and Accounting
ian.sandles@afme.eu
Tel: +44 20 3828 2708

Louise Rodger
Managing Director, Compliance Control and Accounting
louise.rodger@afme.eu
Tel: + 44 20 3828 2742

Association for Financial Markets in Europe

London Office: Level 10, 20 Churchill Place, London E14 5HJ, United Kingdom T: +44 (0)20 3828 2700

Brussels Office: Rue de la Loi 82, 1040 Brussels, Belgium T: +32 (0)2 883 5540

Frankfurt Office: c/o SPACES - Regus First Floor Reception Große Gallusstraße 16-18 60312 Frankfurt am Main, Germany
T: + 49 (0)69 710 456 660

www.afme.eu

Appendix

Electronic invoicing: promoting e-invoicing across UK businesses and the public sector

About you

1.Are you responding to this survey as:

- a business
- a representative body
- an organisation
- an individual

2.Are you UK or internationally based? Please provide details.

AFME is based in the UK and the EU. Our members operate businesses in the UK and in many other countries.

3.Are the views offered in your responses:

- your own views
- your organisation's views
- your members' views

If you are responding to this survey as a business

If not responding as a business, please go to the next section

4.Where does your business operate? (please select all that apply)

- England
- Scotland
- Wales
- Northern Ireland
- Isle of Man
- EU – please state which country All EU member states
- Non-EU – please state which country Our members operate businesses in many other countries.

5.What is your industry sector (such as accounting, finance, software, retail, construction, other)?

Financial services

6.To help us determine business size, please provide details on:

- number of employees in your business
- annual turnover
- a rough summary of how your sales are split (Business-to-Customer, Business-to-Business, Business-to-Government)

N/A

7.How long has your business been operating?

N/A

8. Do you use an accountant for your business?

- Yes
- No

N/A

Other

9. Please provide any further information about your organisation or business activities that you think might help us put your answers in context.

Your knowledge of e-invoicing

10. What is your interest in e-invoicing? Are you a:

- potential or current user of e-invoicing
- an e-invoicing service provider
- a tax / accountancy provider

11. Prior to this consultation, were you:

- aware of e-invoicing and a current user
- aware of e-invoicing and a previous user who has since ceased using e-invoicing
- aware of e-invoicing, but chose not to adopt
- unaware of e-invoicing

12. If your business currently uses e-invoicing, when did you implement it?

Our members are currently using e-invoicing in a number of global jurisdictions

13. If you are a current, or former user of e-invoicing, could you comment on any benefits or drawbacks you have experienced?

Our members experience varies depending on the jurisdictions in which they operate.

14. If you were previously aware of e-invoicing but have chosen not to adopt, could you explain why?

Most members have adopted e-invoicing, but timing may vary depending on the jurisdictional approach. Some countries have adopted a phased approach which has delayed the actual operationalisation by our members

Tax reporting

15. How many invoices (whether paper, PDF, e-invoice or other) do you send and receive each month?

This will vary according to member.

16. What is your average processing time and cost per invoice?

This will vary according to member.

17. Bridging software allows businesses to connect non-compatible software (like spreadsheets) to HMRC's Making Tax Digital system. Do you currently use bridging software?

- Yes
- No

This will vary according to member.

Policy objectives

18. Do you think there are any other benefits and priorities on e-invoicing that government should focus on?

Our members key focus is on compliance, accuracy of reporting and automation. Although our members support efforts to reduce fraud and data security, we consider this a secondary rather than primary aim.

Standardisation

19. What data do you think is important for a standard to include, and do you have any preference over the structure of information?

The key importance is adopting a standard with data points consistent with other jurisdictions, and especially across the EU.

20. Are you familiar with any e-invoicing standards? If yes, what is your preference on what works well and why?

Our members work with different standards depending on the specific platform provider being used and what the local rules dictate.

21. Would the UK adopting a single shared standard encourage you to take up e-invoicing?

It would make take-up easier, but it is not an issue that determines take up. Our members want to adhere and be compliant.

Models and approaches

22. Do you have any suggestions on how the government could support increased adoption under a voluntary system.

If the model is voluntary, we would recommend a phased approach based on for example, turnover threshold of businesses. Consideration should be giving to adopting supplier invoices received (accounts payable) and customer invoices issued (accounts receivable) in separate phases.

23. Do you have any observations, concerns, or recommendations on a move to mandatory e-invoicing for Business-to-Business or Business-to-Government domestic transactions?

We recommend that HMRC sets realistic timelines and does not underestimate the time taken to implement an e-invoicing model. Members indicate that some countries have also delayed implementation as the technological platform on the tax authorities side have not been fully developed and implemented.

24. If the UK was to introduce a mandate, how long would you need to implement e-invoicing in your operations?

From a standing start with no existing platform, our members estimate around 3 years would be needed. It is important that the legislation and guidance should be publicly available from the outset, so that our members can implement these correctly.

Some members will already be operational in other jurisdictions, such as EU member states, so the time may be less depending on how the government chooses to adopt the rules.

25. What would present a significant barrier to you complying with a mandate?

Data privacy & protection laws, and cyber security are the significant hurdles; digital reporting requirements on a very short timescale would be a barrier.

26. Given the information provided and your own knowledge, do you think it is correct for the government to focus on a decentralised model over a centralised model?

Yes. Our members strongly prefer a decentralised model.

27. How would a decentralised 4-corner model impact your business operations?

Our members do not expect any greater impact with this approach.

28. What are your views on an e-invoicing system with real-time reporting for Business-to-Business and Business-to-Government transactions?

Significant additional resource is required for making this operational, especially if the timelines for implementation are short. 10 days as a reporting deadline is a manageable approach, although some of our members would prefer a longer timescale, aligned to the VAT return periods. Certainty would be required as to the interaction of implementation of e-invoicing and real-time reporting at/around the same time.

There will also be significant resourcing requirements for HMRC which will need to be addressed.

29. Would any additional services support your businesses activity (such as nudges and prompts or potential future use to pre-populate VAT returns)?

We see this as the future direction of travel for continuous controls etc, but the priority is to establish a robust operating model for the exchange of e-invoices.

30. Thinking about all the models and approaches discussed, which best meets the policy objectives listed at the beginning of the document and any others you may have identified?

Our members would prefer a decentralised model with data points consistent with other jurisdictions.

Support and engagement with business

31. If the government was to move towards one of the discussed options, what support would be needed and how would that change between the different approaches?

Close collaboration between government and taxpayers will be required, with clearly defined timelines for implementation. The legislation and guidance should be publicly available at least three years in advance.

Next Steps

32. Are you content for us to contact you if we have any questions about your response?

Yes

33. Are there other technical issues which you think we should look at further?

We would recommend that consideration be given to the following issues:

- Early payment discounts
- Self-billing
- Offset transactions

34. Is there anything else you would like us to be aware of relating to a potential future UK policy on e-invoicing?

Does the scope of the mandate require invoicing for Business-to-Customer ('B2C') supplies? Administratively it would be easier if our members could implement a model where the full output from a billing platform is integrated into a platform provider.

E-invoicing should not create any new obligations to issue VAT invoices. Due to the size and complexity of our members we would prefer to limit any obligation to only taxable supplies, with e-invoicing for exempt supplies and B2C being optional.