

# Overview of Japanese roll out

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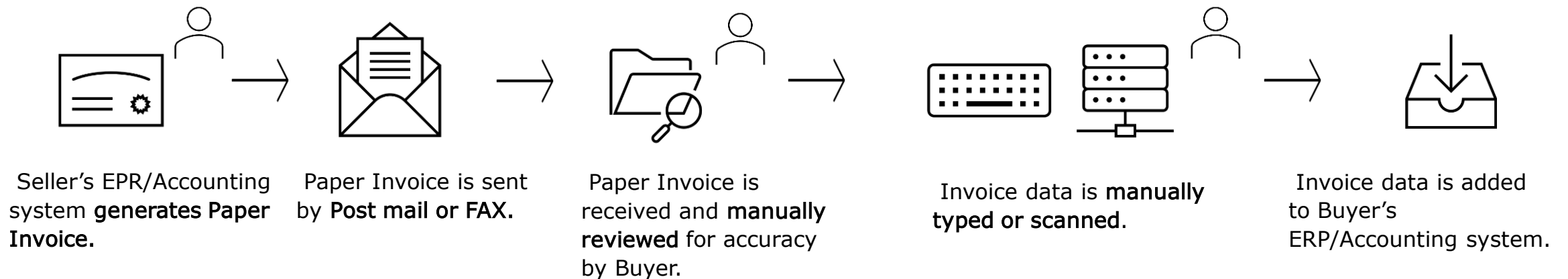
デジタル庁



## Current invoicing in Japan

Many of Japanese businesses, especially SMEs, still issue paper invoices by printing out from their ERP/Accounting systems and formatting them in human-readable form.

So that, the receiver (the buyer) must process it manually by typing or scanning the necessary information into its own systems.



## Impacts of legal requirement changes in 2023 and 2024 in Japan

### Qualified Invoice base Method

(From October 1<sup>st</sup>, 2023)

- It is just a new input tax credit system
- Only Registered taxable business is allowed to issues Qualified Invoice
- Business is required to retain Qualified Invoice for the purpose of input tax credit.



### Electronic Record Retention law (revised)

(From January 1<sup>st</sup>, 2024)

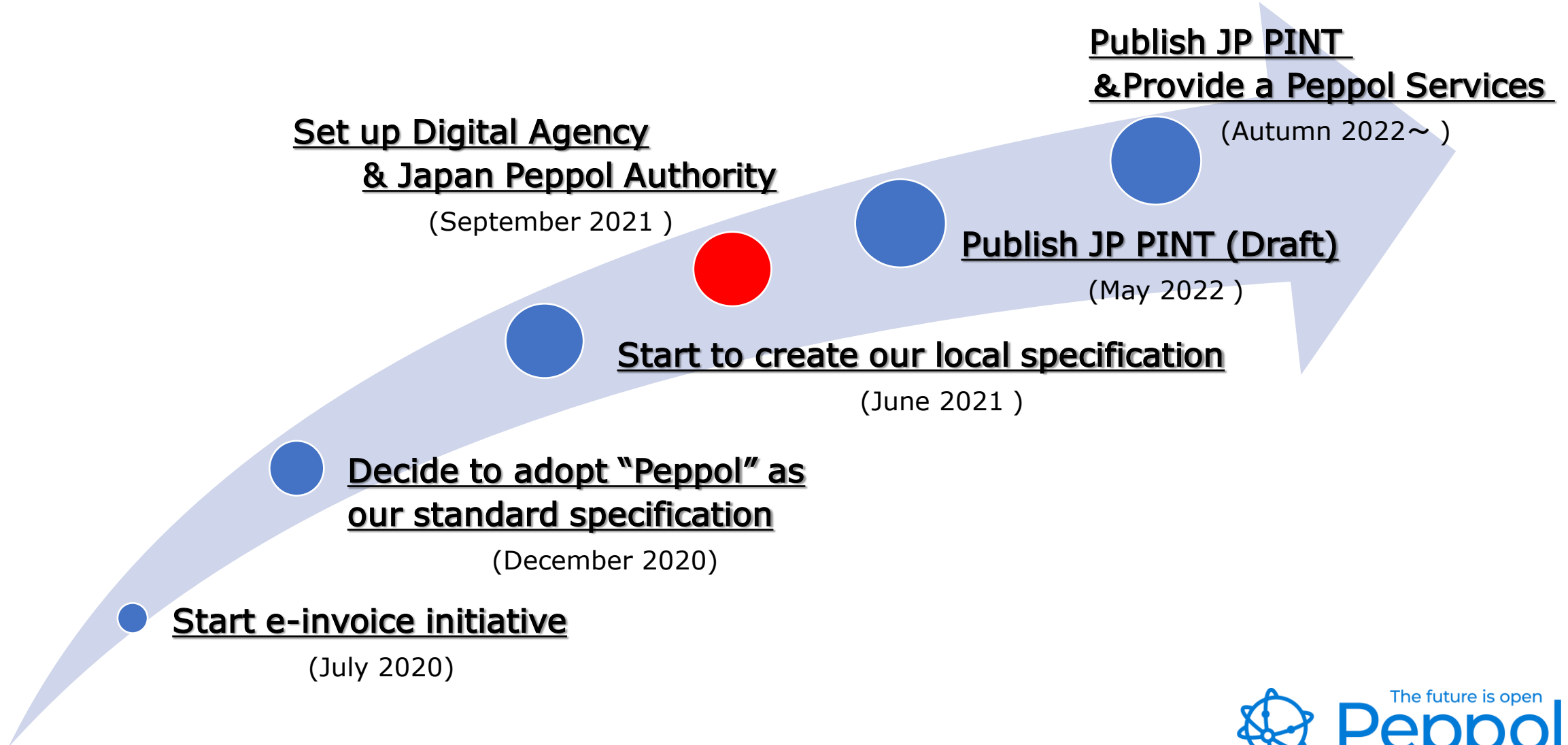
- Electronic transaction record is required to be retained only in the data format
- It is already implemented but fully implementation will be from January 1<sup>st</sup>, 2024



Should be noted that e-invoice is not mandate even under the Qualified Invoice base Method.

However, many Japanese businesses have realized that it might cause additional burdens, if they continue to rely on their current paper-based process.

# *Journey of Peppol initiative in Japan*



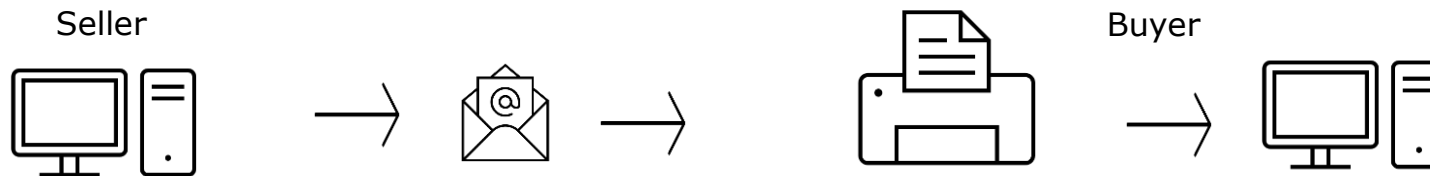
# Promote "Digitalization" in invoicing, by using Peppol e-invoice

Japanese Government promotes "Digitalization" in invoicing, instead of "Digitization", by utilizing a structured e-invoice.

In that sense, Peppol e-invoice is the best option to be adopted as standard specification of e-invoice.

We expect Peppol e-invoice will contribute efficiencies and productivities, with new values.

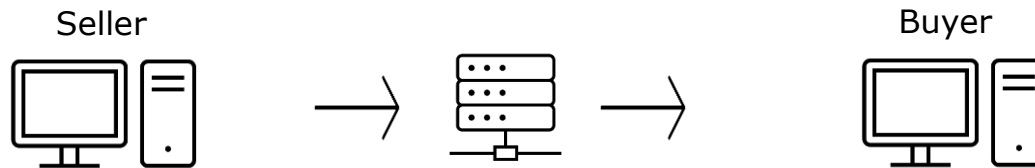
## "Digitization"



Sending PDF invoice Via E-mail

Printing the PDF invoice to cross check the information against other documents manually

## "Digitalization"



Invoice data goes from seller's system to buyer's system without any human intervention

Cross check the information against other documents in invoice processing system automatically



## ***Peppol Certified Service Providers in Japan***

Japan Peppol Authority started the accreditation processes for Peppol Certified Service Provider in Japan in July 2022.

So, it's still early days and the number of certified service providers is not so many. However, we are sure that the number will be increased.

In addition, many accounting software or ERP vendors in Japan are developing the function in their services or products to generate Peppol e-invoice data automatically.

### **Certified SP (Japanese)**

- Fast Accounting
- Fujitsu Japan
- Ogis-RI
- TKC
- TravelData
- WingArc1st

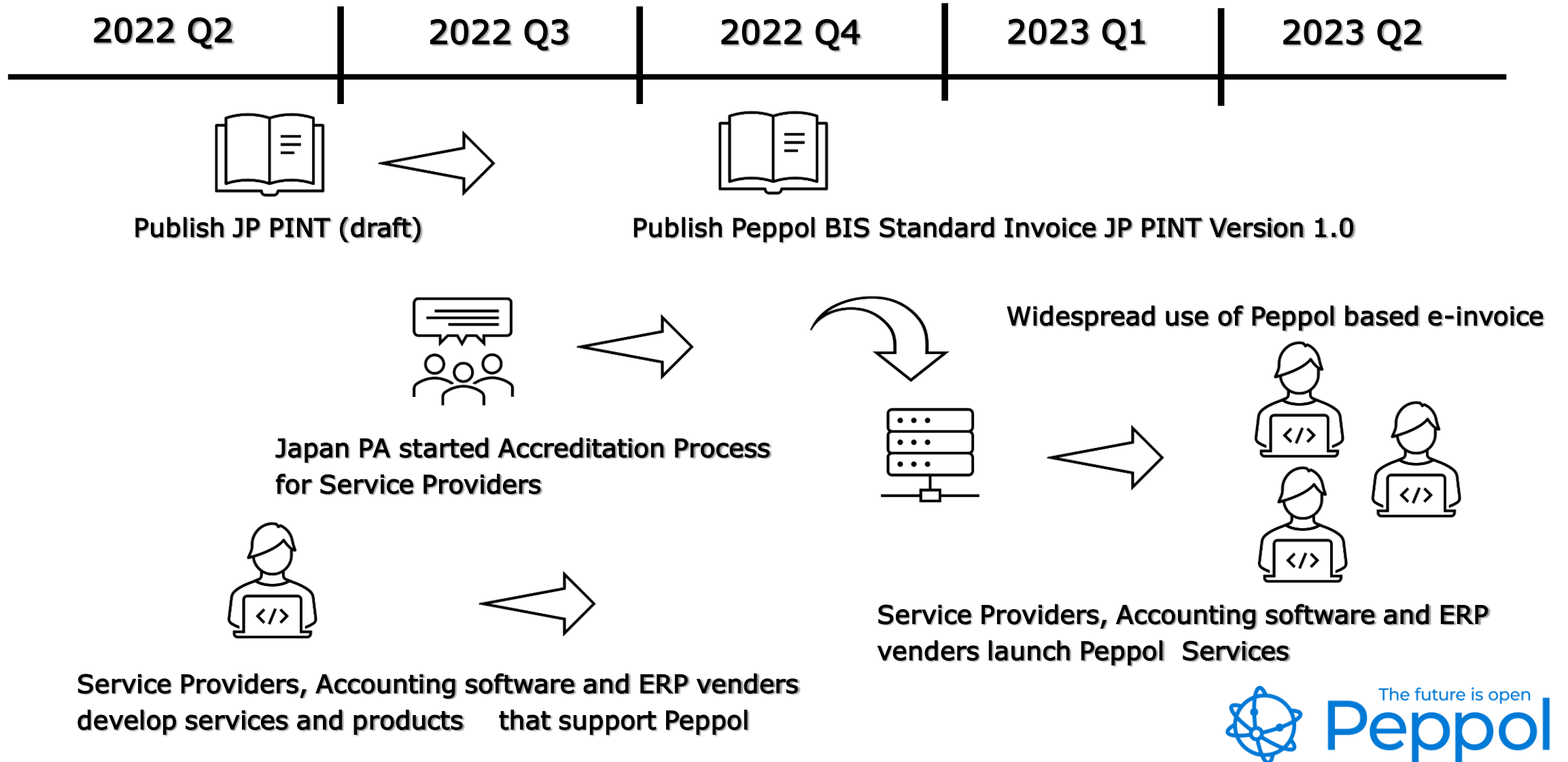
### **Acknowledged SP (International)**

- Basware
- EDICOM
- IBM
- KMD (NEC)
- OpenText
- Pagero AB
- Saphety Level-Trusted Services SA
- SEEBURGER AG
- Storecove (Datejust B.V.)

(as of 19 October 2022)



# What will happen in near future



## *Key messages from Japan Peppol Authority*

- In Japan, New Input Tax Credit method, “Qualified Invoice base Method”, starts from Oct. 2023. It should be noted that e-invoice is not mandated even under the new method.
- However, many Japanese businesses are concerns that the administrative burden will increase if they continue to rely the current paper-based process.
- In that sense, Peppol Based e-invoice is expected by Japanese businesses to be one option to reduce their costs and administrative burdens.
- Currently, Japanese accounting software venders or ERP venders are in the process of developing their services and products that support Peppol e-invoice.
- In addition, it is expected that, roughly, by next spring, most of Japanese accounting system or ERP system venders would complete it and provide their Peppol e-invoice services and products.