

## Product Information

# Descartes eInvoicing



Supply chain partners and government authorities are increasingly turning to electronic invoicing to improve efficiencies, reduce costs and reduce their environmental impact. The European Commission, which views electronic invoicing as an important driver of economic competitiveness and environmental protection, established changes to the invoicing rules of the Value Added Tax (VAT) Directive which came into force in 2004.

The rules for electronic invoicing under the VAT Directive are different from paper-based invoicing in that electronic invoices can only be accepted if the origin and integrity of the invoice can be authenticated. For example, the invoice content must be guaranteed by either an advanced electronic signature, electronic data interchange (EDI), or other means accepted by Member States. In addition, Member States can also impose supplementary requirements, such as an additional paper summary or a qualified certificate when using a digital signature. Additionally, electronic invoices need to be archived in such a way that their integrity, authenticity and legibility are safeguarded during the entire storage period.

Since European Union (EU) Directives must be transposed into the distinct national laws of each Member State, the legislative requirements for electronic invoicing are not standardized. In addition, discrepancies can be found in tax administrations where electronic invoicing processes may be assessed differently by each Member State. As a result, there is no common platform for addressing VAT invoicing requirements.

Recently developed eInvoicing Compliance Guidelines provide practitioners with an instrument for self certification, as well as a framework for tax authorities. These guidelines are specifically designed to ensure that invoices and their compliance requirements can be tracked throughout their life cycle.

The Descartes eInvoicing solution helps meet compliance guidelines and leverages the power of the Descartes Global Logistics Network (GLN), enabling supply chain partners to electronically connect with suppliers, brokers, shippers, freight forwarders, carriers and regulatory authorities around the world to seamlessly deliver electronic invoices that help meet the requirements of each Member State.

### Helping Ensure Compliance for Invoicing Mandates

As a trusted supplier of technology to the logistics industry, Descartes has the operational, project management and regional expertise to help customers satisfy their electronic invoicing and archiving requirements. Descartes' longstanding relationships with compliance agencies around the world also ensure that customers are prepared for new regulations as they are mandated.

## Features

**Full Integration with the Descartes GLN** – Descartes can connect users to a community of over 35,000 trading partners, enabling them to share connections and platforms to streamline eInvoicing processing, digital signature capture and archiving in keeping with each country's compliance requirements and guidelines.

**Compliance with Local Regulations** – The Descartes solution is compliant in multiple Member States and includes crossborder invoicing.

**Support for all Invoices** – Descartes supports electronic message formats such as EDI/XML for integration and image files such as fax and PDF. Incoming invoices can be scanned and sent as PDF to the eInvoicing solution. Outbound invoices can also be delivered in PDF to trading partners, including an e-mail link to connect to the portal for easy access to the invoice.

### Invoice Integrity and Authenticity

**Management** – Descartes supports digital signature, EDI and/or specific Member State requirements to streamline management of electronic invoices.

**Integrity and Authenticity Protection** – Electronic archiving software and hardware components are specifically designed to optimize archive functions, including adaptability to local requirements and digital signature tracking and storage. Each document carries a digital fingerprint to ensure its authenticity and meet storage retention guidelines.

**Archiving Options** – The Descartes GLN enables users to archive electronic invoices within the central Descartes infrastructure or within their own application and/or in multiple archives. The electronic archive is accessible online using standard search functionality, including download and audit features for tax authorities. Auditors can easily check message content and details in a variety of formats, including original and/or legibility/human-readable.

**Multi-datacenter Architecture** – Descartes enhances security through a multi-datacenter architecture located within Europe, in keeping with EU archiving requirements.

**Proactive GLN On-boarding Service** – Descartes can on-board trading partners via standard integration and activation scenarios and activate transformation of electronic data, among other functions.

**Integration with Various Descartes Applications** – The solution is readily integrated with various Descartes applications through the GLN Business Document Exchange Services.

## Potential Benefits

**Reduced Risk, Improved Compliance** – Descartes helps enable partners to comply with current legislative requirements while reducing the risk of errors, delays and penalties.

**Lower Cost** – Descartes eInvoicing reduces the cost of document processing and delivers a clearly defined return on investment through reduced overhead, faster approvals and payments, time savings and reduced paper requirements.

**Improved Accuracy, Reduced Errors** – Electronic filing eliminates duplication and reduces the risk of errors and/or disputes through the invoicing process.

**Full Traceability and Audit of Electronic Invoicing and Archiving** – Auditors can use the Descartes GLN to access historical electronic invoices, digital signatures and other required data.

**Improved Efficiency and Productivity** – Users can leverage a single point of access to manage electronic invoice filing functions, regardless of the designated EU destination. Descartes also addresses the various eInvoicing compliance requirements associated with each Member State.

**Reduced Complexity** – The Descartes GLN performs the required data and communications conversions for 27 EU member states, so users don't have to worry about file formats or communication platforms.

**Flexibility** – Users can choose from an extensive choice of connection options based on their technology environment, including a direct connection and choice of locally-deployed or hosted solutions backed by quality service and support.

**Improved Functionality for Back-end Systems** – eInvoicing can be integrated with existing electronic document flows to enable direct filling into back-office accounting or ERP systems. In addition, a large proportion of data required in a customs filing already exists in shipment documents that flow through the Descartes GLN further streamlining processes.

**Rapid Deployment, Reduced Cost** – Descartes' modular solutions can be deployed quickly to deliver rapid returns on investment using a proven phased approach supported by value-based metrics.