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Pagero regulatory forecast 2025

The essential guide to e-invoicing and CTC compliance in 2025 and beyond

Pagero, 2025

The shift to always-on compliance

In recent years, businesses have found themselves constantly adjusting and amending their processes to effectively navigate the complex technological landscape. The digital revolution is global, and economies everywhere are feeling the impact. Governments have seen the advantages of leaning on technology to assist in VAT collection, and the trend of using continuous transaction controls (CTCs) continues to gain traction.

The allure of immediate, transparent and streamlined processes has captivated governments seeking to reduce VAT gaps. New proposals such as ViDA (VAT in the Digital Age) are testaments to the lengths that tax authorities are willing to go to collect data in real or near real time. For businesses to comply, they need to provide data continuously, not just periodically.

In the constantly unfolding journey of digitalization, one thing is abundantly clear: electronic invoicing's crucial role is here to stay. This regulatory forecast will showcase the pivotal impact of electronic invoicing and its widespread use in the complex landscape surrounding CTC regulations across the globe. Those with a firm grip on this information have a window of opportunity to lead in compliance readiness and seize commercial advantages.

What new regulations are on the horizon in 2025?

Europe

The Baltic region of Europe has set its sights on electronic invoicing (e-invoicing) and CTCs. Both Estonia and Latvia have announced new requirements for e-invoicing in phased approaches.

Latvia, starting January 1, 2025, will require resident companies registered in the country to issue electronic invoices to "listed state budget entities" in business-to-government (B2G) transactions. These electronic invoices must adhere to the EU standards LVS EN 16931-1:2017 and LVS CEN/TS 16931-2:2017.

E-invoicing for business-to-business (B2B) transactions is expected to begin in January 2026, following the implementation of the B2G requirements.

Estonia's approach, which commences July 1, 2025, will allow businesses registered as e-invoice recipients to request suppliers to issue strictly machine-readable electronic invoices. Parties will be allowed to agree upon formats, but no particular format is mentioned or agreed upon. The default will be any format that conforms to the standards of the European Norm (EN-16931).

France has revised its e-invoicing plans, introducing new rules for taxpayers. The changes mainly affect the roles of the Public Invoicing Platform (PPF) and Private Service Providers (PDPs). The PPF will now focus on collecting invoice data, while PDPs will handle issuing and receiving invoices.

To prepare for these changes, France plans to launch a pilot program in 2025, testing the new system before the full mandate takes effect in September 2026. This pilot will evaluate how well PDPs and the PPF function under the new requirements.

Germany is mandating B2B e-invoicing as part of the Growth Opportunities Act (Wachstumschancengesetz). Starting January 1, 2025, businesses must be able to receive electronic invoices compliant with the European standard EN 16931. While paper invoices and other formats will initially be permitted with buyer's consent, they will be phased out in stages.

By January 1, 2027, larger businesses (with turnover exceeding 800,000 EUR) will no longer be allowed to issue paper or unstructured electronic invoices, even

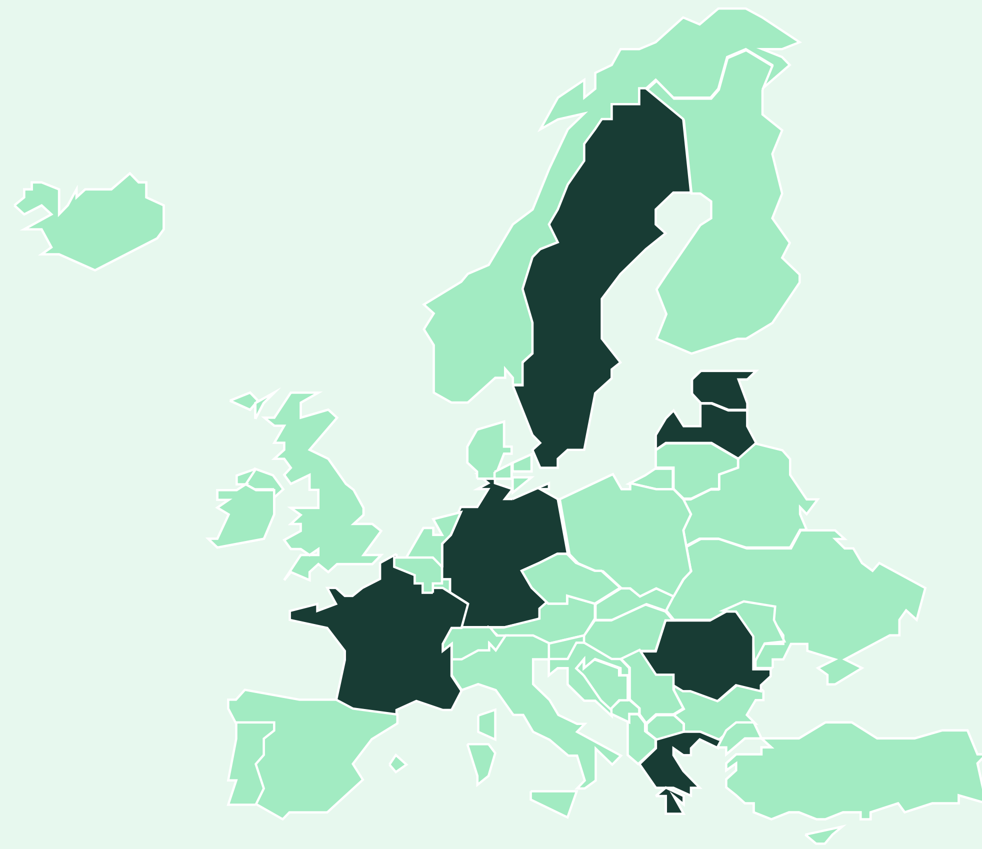
with consent. This restriction expands to all businesses by January 1, 2028, when only EN 16931-compliant electronic invoices will be accepted. This e-invoicing mandate is a precursor to a future requirement where businesses report transactional data to a centralized electronic system.

Sweden and **Greece** are at the leading edge of the expansion of continuous transaction controls to cover more of supply chain interactions beyond just e-invoicing. Sweden now requires e-delivery notes for certain B2G transport contracts, which must include environmental data such as fuel consumption and distance. These notes are transmitted using the Peppol network.

Greece is set to implement mandatory e-delivery documents through its myDATA platform by April 2025. These documents will require more comprehensive data, including details about involved parties, information about goods, transportation details and VAT numbers.

This shift suggests that e-transportation mandates and broader data reporting will likely become increasingly common globally, as countries seek greater transparency and efficiency in tax administration and supply chain management.

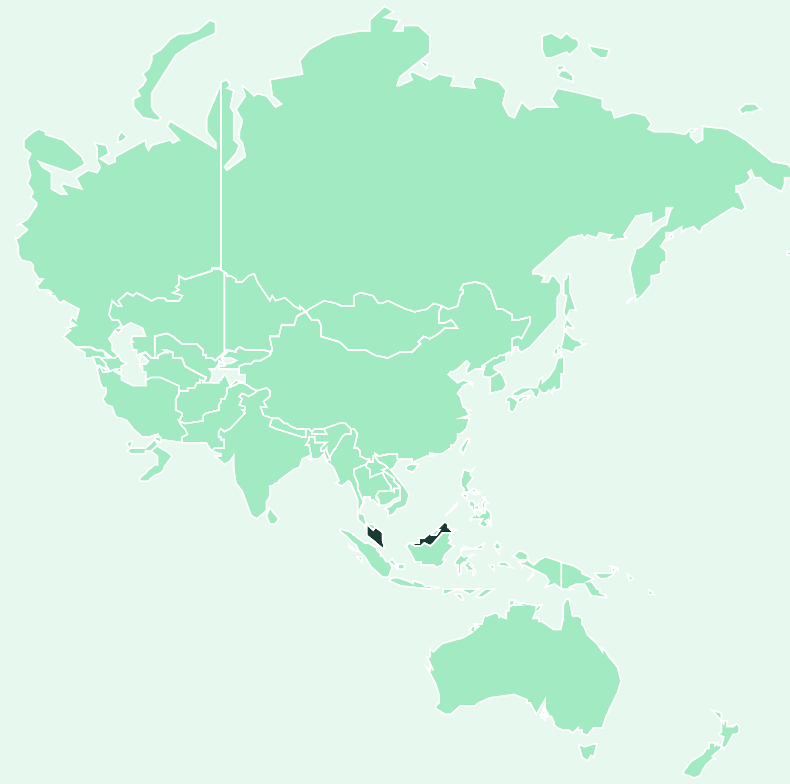
Romania's e-invoicing obligations are set to come full circle by encompassing B2C invoices. Previously, invoices related to tourism and hospitality were the only B2C related documents that needed to be transmitted to the RO e-Factura platform, but the requirements will expand to the entire sector by January 2025.



Asia-Pacific

The Malaysian e-invoicing mandate, which entered into force in 2024, continues to expand as the thresholds for participation decrease. In January 2025, taxpayers with annual revenues exceeding 25 million MYR (approximately 5 million EUR) must adopt e-invoicing. By July 2025, the threshold will be removed, and all taxpayers will be required to comply with e-invoicing requirements.

Singapore has announced its intent to adopt B2B e-invoicing requirements in phases, using the Peppol 5-corner model (Peppol CTC). This would be an evolution of the existing B2G e-invoicing requirements, which currently employ the standard Peppol 4-corner model.



Latin America

El Salvador introduced mandatory e-invoicing for B2B transactions in 2023. Throughout 2024, more taxpayers have been adhering to this mandate. Starting in 2025, those taxpayers already complying with the B2B e-invoice requirement must also begin issuing e-tickets for B2C transactions.

Brazil is planning a significant tax reform to be fully implemented by 2033. The regulatory framework for this reform is expected to be developed between 2024 and 2025. Starting in 2026, Brazil will begin transitioning from its current tax system to a Value-Added Tax (VAT) model. The reform introduces three new consumption taxes: IBS, CBS and IS. These will replace five existing taxes: PIS, Cofins, IPI, ICMS and ISS. As part of this transition, Brazil will update the layouts of its electronic fiscal documents (DFes) to incorporate the new consumption taxes by January 1, 2026.

The Dominican Republic is progressing with its e-invoicing implementation as part of its Post-clearance CTC model. Large taxpayers have already adopted the e-invoicing system as mandated. The next roll-out applies to medium-sized taxpayers, who must start issuing and receiving e-invoices by May 15, 2025. All remaining taxpayer groups are required to comply with the e-invoicing mandate by May 15, 2026. For those facing difficulties in meeting these deadlines, there is an option to request an extension from the DGII (Dirección General de Impuestos Internos), which provides a grace period of up to six months.

Bolivia is continuing its group roll-out, concluding with group 8 in 2024. In 2025, groups 9, 10, 11 and 12 will be required to start issuing only electronic fiscal documents, with different implementation months for each group.

Panama has mandated specific taxpayers to adopt e-invoicing effective March 1, 2024. From January 1, 2025, all suppliers contracted by the Panama Canal Authority or Electoral Tribunal will be required to issue e-invoices exclusively.

Uruguay will require new VAT taxpayers, including those under "Minimum VAT" regime, to start issuing electronic fiscal documents starting 2025.

Paraguay has been enforcing e-invoicing implementation for different groups of taxpayers, with group 10 being the last required to implement as of October 2024. From 2025, all newly registered entities must issue only e-invoices.

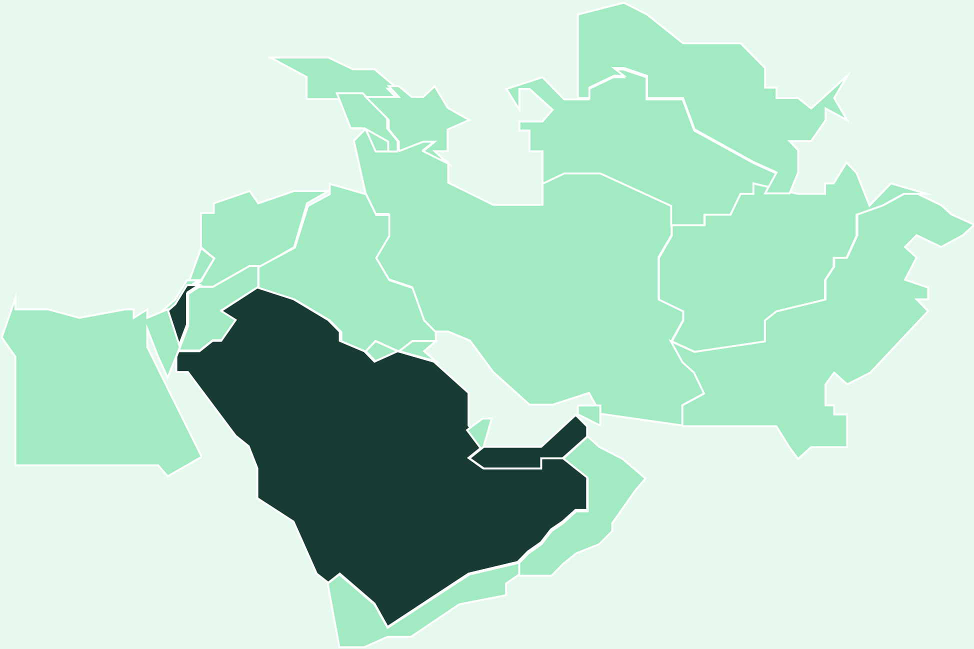
Middle East

Saudi Arabia emerged as a leader in the GCC by being the first to implement nationwide e-invoicing. This initiative was introduced in a two-stage process, allowing taxpayers to gradually adjust to the new system.

The e-invoicing mandate has revolutionized business operations in the country by requiring real-time compliance and facilitating seamless data exchange. As a result, businesses have been able to achieve continuous compliance, enhance operational efficiency and gain greater visibility and control over their invoicing processes.

In February 2024, the UAE announced plans to adopt the DCTCE, also known as the 5-corner model, utilizing Peppol specifications. The implementation will be phased according to company size, allowing companies the option to voluntarily participate earlier.
The detailed roll-out strategy is scheduled for announcement in December 2025, with Phase 1 expected to go live in July 2026.

The Israeli CTC model's "pilot phase" concludes in January 2025. With updated technical specifications, the mandate will transition to full implementation through a phased approach based on the volume of taxpayers' invoices.



E-book: E-invoicing compliance

Interested in more information about CTC and e-invoicing compliance? Download our e-book!

What developments should you prepare for now?

Poland

After several postponements and amendments of the e-invoicing mandate, all invoices must be sent via the Government's KSeF platform in the FA_VAT format, while B2C e-invoices can be issued via KSeF voluntarily.

Starting in February 2026, businesses with sales exceeding 200 million PLN (ca. 46 million EUR) will be required to comply with KSeF obligations. By April 2026, all entrepreneurs will need to comply.

In January 2025, the KSeF hotline will open to provide support. During the first quarter of 2025, the technical specifications for relevant legislation are expected to be finalized.

Spain

Spain's anticipated regulatory framework, combining e-invoicing requirements ("Crea y crece") and real-time transaction reporting ("Veri*factu"), continues to progress as expected.

Following the approval of Veri*factu, service providers must comply with these requirements by July 29, 2025. For taxpayers, the deadline is expected to be extended by six months, taking effect January 1, 2026.

This dual-regulation approach for reporting transaction data creates a set of complementary requirements. Taxpayers will need to adapt their existing processes to ensure compliance. This includes issuing electronic invoices in required formats, generating invoice response messages and reporting transaction data in real-time.

Slovenia

Slovenia's Tax Authority (FURS) published a draft law pointing directly at implementing countrywide e-invoice obligations. While these obligations already exist in the public sector, they will be extended to cover all transactions within the country.

According to the tax authority, private sector taxpayers are expected to begin complying with e-invoicing obligations starting June 2026. The requirements will allow for various formats, including the e-SLOG National Standard (developed by the Slovenian Chamber of Commerce) and the EN 16931 European Standard.

The scope is expected to include cross-border transactions for both imports and exports, with taxpayers required to report these transactions within 8 days of issuance or receipt.

VAT in the Digital Age (ViDA)

The EU-wide legislation has been unanimously agreed upon, with growing recognition of its potential impact.

The approach lays out aims to harmonize crucial aspects of VAT and VAT collection while promoting technology use. Businesses must prepare to adapt their processes to key components of electronic invoicing and digital reporting requirements (DRRs).

The time to prepare for ViDA changes is now. Some changes will apply immediately upon full approval, such as removing the requirement for Member States to request derogations for implementing domestic e-invoicing obligations. Soon after, intra-community transactions will be required to use e-invoicing and DRRs.

This legislation marks a significant shift in EU tax regulations, emphasizing digital solutions for improved compliance and efficiency in VAT processes across Member States.

What can you do to meet 2025 fully prepared?

While there may be common themes when it comes to CTC and e-invoicing mandates across the world, no two countries are alike. When operating a business across multiple jurisdictions, the key to maintaining constant compliance lies in building resilient and adaptable systems.

Here are our recommendations for how to proactively meet the demands and opportunities the coming year will bring.

01

View continuously changing regulations as a force for good

Rather than seeing new CTC and e-invoicing regulations as burdensome obligations that are detached from your core business, see them as an aid. New requirements can serve as a powerful catalyst for directing and sharpening your digital transformation efforts.

By viewing transformation and compliance as complementary forces, you not only meet regulatory requirements, but also tackle aspects of your business that were already on your modernization agenda.

- Leverage regulations as a chance to get ahead of the competition by optimizing and streamlining operations.
- Build internal systems and processes that enable your business to understand the coming changes and act proactively.

02

Consider how you will approach new markets

Compliance will be important no matter where you expand to. So how will you go about achieving it?

There are two principal options: to rely on local service providers in each market, or to choose a consolidated approach where a singular service provider takes care of your compliance needs. Every business is different, so here are questions to consider to help you decide:

- Is your organization currently compliant in all markets your company does business in now?
- Is your organization planning an expansion to a market that will be impacted by upcoming regulatory changes?
- If considerable expansion is in the plans, will your organization have the capacity to manage a growing number of local vendors?

03

Put thought into the right CTC partner for you

There are many different CTC partners to choose amongst, each offering a different mix of services and specialities. Some specialize in transactional services, like EDI, e-invoicing, and process automation; others specialize solely in the last-mile connection with the government CTC platform. While the criteria for your business will be unique, the best solution is usually found in a partner that combines process automation and CTC compliance.

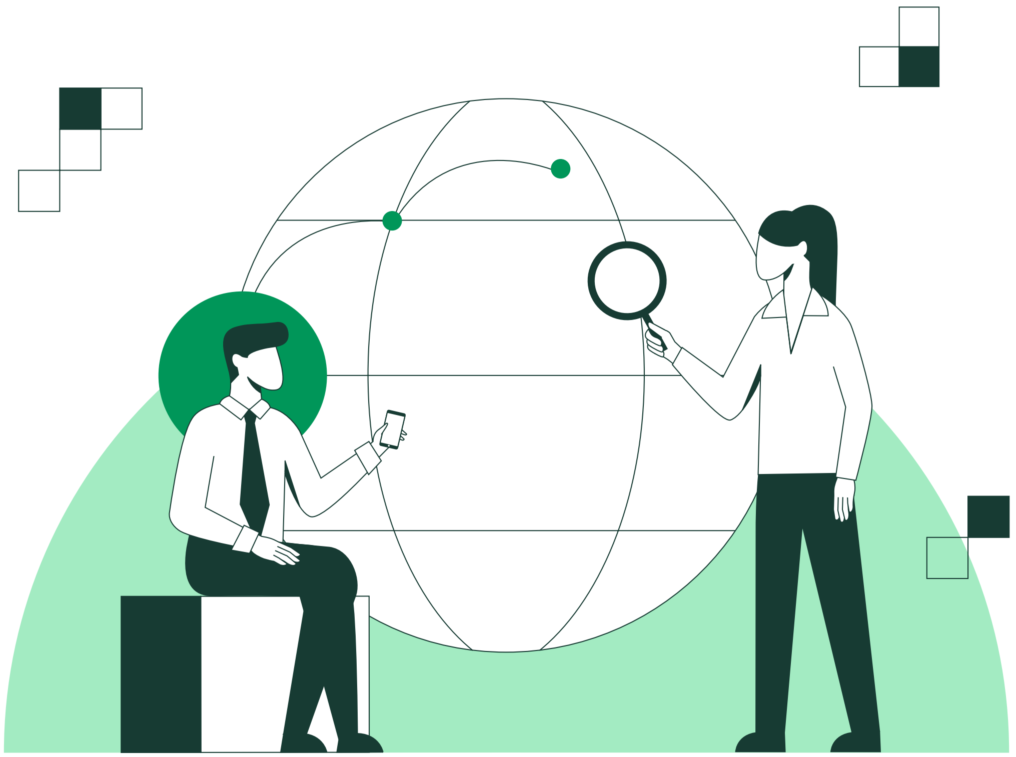
- Consider the competencies in a provider that are important now and as you scale.

Let the experts **help you**

Pagero is a leading global provider for e-invoicing and CTC compliance, helping both small local businesses and large multinationals stay on top of all regulatory changes impacting their markets. While we are a technology provider, we are also happy to guide you through the complex regulatory landscape across all your markets.

Get in touch

Book intro



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