PRESS RELEASE

The E-invoice Exchange Market Pilot program has been announced by BPC and aims to create an e-invoicing network between businesses in the US.

Mr. Rıdvan Yiğit, Partner and CCO of SNI, **explains the implementation process of the new system, saying, "The US has just started the market pilot phase, which is expected to become operational in 2022. During the coming 18 months, the relevant tests of the e-invoicing environment will be conducted. The testing process is expected to be completed by the end of 2022.**

November 4, 2021, Istanbul – A new decision was announced in July 2021 in the US, whose e-invoicing story dates back to 2017. The Business Payments Coalition (BPC) has announced its pilot program (E-invoice Exchange Market Pilot), which intends to create an e-invoice network to be tested among businesses in the US.

The US, which started moving towards paperless invoicing in 2017, has not yet fully achieved this goal. According to analyzes, only 50% of invoices are reported electronically.

Mr. Yiğit describes the new US regulation in his article as follows: "There are more than 40 different e-invoicing standards in the US. This is particularly difficult for small businesses. Therefore, full standardization of the e-invoicing process seems to be the only viable solution for the country."

The concept proposed by the BPC is based on two main pillars. The first one is messaging infrastructure. It uses a connection model that enables businesses to exchange information in a standardized way. The second one is the semantic model, which refers to the structure of the information in the e-invoice, which should be clear and legible for both parties and use a common language. Adhering to these models will result in fast and efficient e-invoice processing in all transactions (B2B, B2G, and G2B). BPC is working on these pillars in parallel through different working groups. The market pilot will bring their efforts together to establish the exchange structure.

An excerpt from SNI blog post elaborates on the technical details of the American system. "The US e-invoice exchange framework will be based on a four-corner network model that

defines the technical, business, and legal requirements for achieving interoperability between stakeholders (invoice senders and receivers) using registered service providers and platforms. By using defined registers (like SML and SMP, which uniquely identify both the participants and their addresses in the network), their capabilities in terms of acceptable types and formats, for example, will be recognized. This model is commonly recognized and used in Europe."

However, the model that was originally intended to be implemented in the US required companies to adapt to existing administrative structures. After the proof-of-concept assessment (initiated in 2019 and completed in the first quarter of 2021), it emerged that BPC was proposing the Federated Registry Services management model as a more appropriate and accessible approach for the US market. This model assumes that registry services (SML and SMP) are managed by multiple authorities rather than a single central unit.

Mr Yiğit describes the implementation process of the new system, saying, "The US has just started the market pilot phase, which is expected to become operational in 2022. During the coming 18 months, the relevant tests of the e-invoicing environment will be completed. The testing process is expected to be completed by the end of 2022."

As such, the US follows the European e-invoicing model based on open, system-independent interoperability and functionality. This model enables parties using various billing systems to connect and exchange documents over the e-invoicing network easily. With the implementation of the new model, e-invoicing will become widespread. As a result, it will provide significant benefits in terms of processing time and cost savings.

For more information or to request a demo, please visit our website.

About SNI

SNI Computer Technology Corporation is focused on tax compliance and regulatory reporting software, providing integrated digital solutions for compliance digitalization and dedicated to helping its customers to stay compliant in all countries.
If you would like more information about this topic, please email Brand, Marketing, and Communication Manager Didem Güven at didem.guven@snitechnology.net.