Navigating the Future with SAP Document and Repository Compliance (DRC)

LUPUS CONSULTING

FUTURE-PROOFING EUROPEAN BUSINESS

The era of paper invoices is ending. As the EU mandates electronic invoicing through its ViDA initiative, businesses face a critical choice: proactively embrace digital transformation or risk falling behind regulatory requirements. While many companies hesitate to disrupt established processes, mandatory e-invoicing deadlines are approaching across Europe. This shift promises greater efficiency and reduced errors, but requires swift action from businesses to ensure compliance and maintain seamless cross-border trade.

THE EVOLUTION OF E-INVOICING

Regulatory Drivers

The shift towards e-invoicing in Europe is largely driven by regulatory initiatives aimed at enhancing VAT collection, increasing transparency, and reducing tax fraud. Among the most influential is the **VAT in the Digital Age (ViDA)** initiative, a comprehensive EU framework mandating e-invoicing and real-time VAT reporting across member states by 2027.

_____

However, country-specific mandates are particularly impactful as each EU member state introduces unique requirements and timelines for e-invoicing compliance. For example:

ITALY

In **2019** Italy introduced its Sistema di Interscambio (SDI) platform for B2B and B2C transactions, requiring businesses to submit invoices directly to the tax authorities.

HUNGARY

Since **2018**, businesses have been required to report B2B and B2C transactions to the country's Tax Authority in real time.

ROMANIA

E-invoicing and e-delivery were introduced on July 1st, **2024**, and extended e-invoicing to B2C by January **2025**.

GERMANY

E-Invoicing became mandatory for all outbound transactions in January **2025** - the same regulation will apply to inbound transactions from **2027**.

POLAND

The Krajowy System e-Faktur (KSeF) system became optional in **2022**, with plans for mandatory adoption by February **2026**, requiring businesses to send electronic invoices through a government platform.

FRANCE

Scheduled for phased implementation by September **2026** (large and medium-sized companies) and September **2027** (all companies), France's e-invoicing mandate will require companies to submit invoices to a central platform, which will then forward data to the tax authorities.

SPAIN

Spain's SII (Immediate Information Supply) system mandates real-time VAT reporting, with e-invoicing plans to follow in the coming years.

BELGIUM

The Belgian Parliament has approved the Electronic Invoicing law, confirming its effective date for all businesses on January 1, **2026**. Companies will have to exchange structured electronic invoices through the Peppol network and in the Peppol-BIS standard.

SLOVENIA, LATVIA, AND CROATIA HAVE ALSO DRAFTED BILLS THAT PLAN TO INTRODUCE E-INVOICING IN 2025-2026.

These country-specific mandates create a complex compliance environment for companies operating across multiple EU nations. Each system has its own standards for submission, data formats, and validation procedures, a complex environment for businesses operating across multiple jurisdictions.
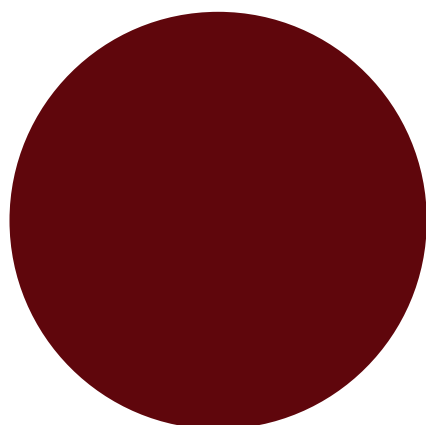
HOW CAN COMPANIES TACKLE THIS CHALLENGE WITH DEADLINES FOR MULTIPLE COUNTRIES APPROACHING RAPIDLY?

REGULATORY CHANGES

The new EU regulations aim to:

01	Standardize e-invoicing formats across member states
02	Implement real-time or near-real-time reporting requirements
03	Reduce VAT gaps and tax fraud
04	Digitize and streamline business processes
05	Enhance transparency in business transactions

BUSINESS IMPLICATIONS

Organizations must prepare for:

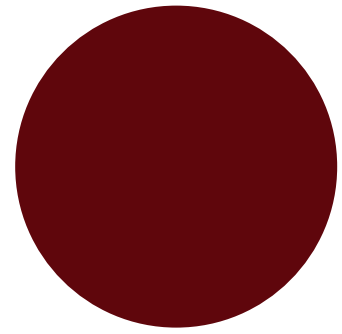|	
New technical requirements and standards	**01**
Process adaptations across finance and accounting	**02**
Integration with tax authority platforms	**03**
Investment in compliant solutions	**04**
Changes in business partner relationships	**05**

COMMON CHALLENGES IN E-INVOICING COMPLIANCE

Adapting to e-invoicing regulations involves navigating a range of technical, operational, and data-driven challenges. Compliance extends beyond simply issuing digital invoices; businesses must meet stringent requirements across multiple dimensions, including technical specifications, process adaptations, and data standardization, all while managing cross-border complexities.

Each area presents unique obstacles, from aligning with standardized formats to redesigning workflows and managing data consistency across jurisdictions. The following sections break down the most common e-invoicing compliance challenges and explore the key aspects companies need to address to successfully implement a compliant, efficient e-invoicing solution.

Technical Requirements

Format standardization (Peppol BIS, UBL, CII)

Digital signature requirements

Real-time connectivity with tax authorities

Archiving and data retention

System integration capabilities

Process Adaptation

Redesigning invoice workflows

Training staff on new procedures

Managing change across organizations

Updating vendor and customer communications

Ensuring business continuity during transition

Data Standardization

Mapping existing data to required formats

Ensuring data quality and completeness

Managing master data across systems

Handling country-specific requirements

Maintaining data consistency

Cross-Border Transactions

Managing multiple country requirements

Ensuring compliance across jurisdictions

Handling different formats and standards

Currency and language considerations

Meeting varying timeline requirements

HOW SAP TACKLES E-INVOICING CHALLENGES
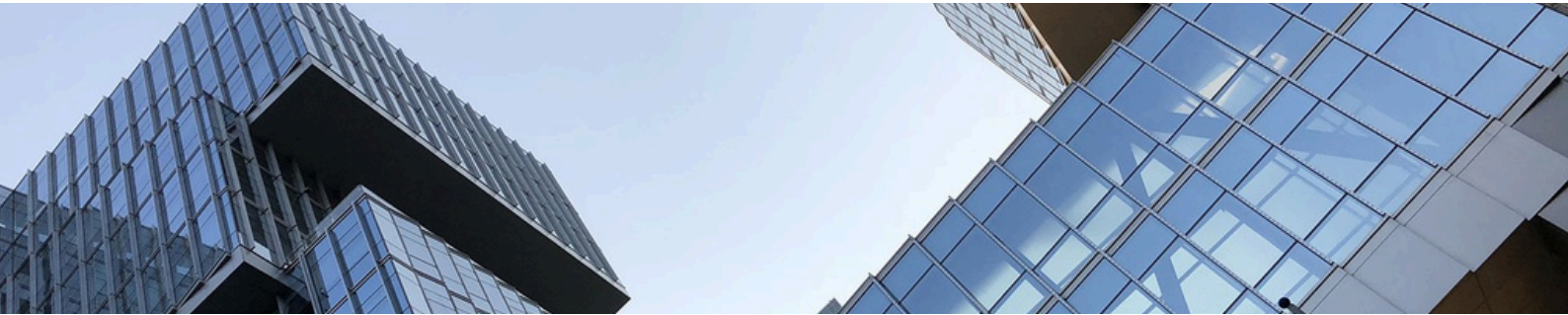
S A P   S o l u t i o n s   O v e r v i e w

SAP offers a suite of powerful tools and technologies tailored to address the challenges of e-invoicing. Key solutions include **SAP S/4HANA**, **SAP Ariba**, and **SAP Document and Repository Compliance**. These tools not only support the generation and management of compliant e-invoices but also enhance overall efficiency by automating and streamlining invoicing processes within a unified platform. The push for regulatory compliance can yield positive outcomes: With SAP, businesses can confidently navigate regulatory requirements, minimize manual tasks, and focus on higher-value activities.

K E Y   F E A T U R E S

AUTOMATION & EFFICIENCY	COMPLIANCE MANAGEMENT	REAL-TIME REPORTING	INTEGRATION WITH ERP SYSTEMS
Reducing time and effort required to manage invoices. Automating repetitive tasks and minimizing human intervention. Decreasing the likelihood of errors and expedites the invoicing lifecycle.	Incorporating compliance features that automatically adjust to national mandates. Ensures that all invoices are compliant with specific formatting, reporting, and data requirements for each country. Helping companies avoid penalties and maintain smooth operations.	Instant data exchange with tax authorities. Timely VAT reporting and enhancing overall transparency.	Seamless integration capabilities designed to work cohesively with other enterprise functions. Centralized flow of information, invoicing data is automatically shared across relevant departments.

BUSINESS BENEFITS BEYOND COMPLIANCE

While compliance may be the primary motivation for many businesses to implement e-invoicing, the benefits extend well beyond meeting regulations. However, many companies tend to delay these mandatory changes until the last minute. Embracing e-invoicing should be viewed as an opportunity to drive efficiency and stay competitive in today's digital era.

Operational Efficiency

Reduced processing time

Lower error rates

Automated reconciliation

Improved cash flow management

Enhanced visibility

Cost Reduction

Decreased paper and printing costs

Reduced manual processing

Lower storage expenses

Minimized error correction costs

Optimized resource allocation

Strategic Advantages

Improved business partner relationships

Enhanced data analytics capabilities

Better decision-making support

Increased competitive advantage

Future-ready infrastructure

NEXT STEPS FOR BUSINESSES

Assessment and Planning

The journey to compliant e-invoicing starts with a thorough evaluation of current invoicing processes and strategic planning for SAP DRC implementation. Following these essential steps and the timeline ensures a smooth transition and maximization of SAP's value for businesses:

01

Engage Key Stakeholders
Involve leaders from finance, IT, and compliance teams to align on the importance of SAP implementation. Collaboration across departments ensures a unified approach, with each team contributing its expertise to build an effective invoicing process.

START IN Q1 2025 IN LIGHT OF CURRENTLY KNOWN ROADMAPS FOR 2025-2027

02

Evaluating Current Invoicing Processes
Assessing existing invoicing workflows and identifying manual tasks, inefficiencies, and areas prone to errors or compliance risks. This initial review will highlight areas where automation and SAP solutions can provide the most impact.

EMBARK ON THIS ASSESSMENT AND DOCUMENTATION IN Q1-Q2 2025, TO ENSURE PROCESS DOCUMENTATION TO FOLLOW WITH OVERLAPPING PROJECTS.

03

Identify Compliance Gaps
Examine your current invoicing standards against EU and local regulatory requirements. Consider compliance factors such as format, VAT reporting, and cross-border regulations. This step clarifies where your business stands and what adjustments are needed to meet new mandates.

ONE YEAR BEFORE REGULATORY CHANGES. Q1 2025 FOR BELGIUM (JANUARY 2026) AND POLAND (FEBRUARY 2026). YEARLY EFFORT BEFORE KICKING OFF THE BUDGET PLANNING.

04

Set Clear Objectives
Define specific goals for SAP e-invoicing implementation, such as reducing processing time, improving invoice accuracy, or achieving real-time VAT compliance. Clear objectives ensure a targeted approach and provide benchmarks for measuring success.

DURING Q4 EACH YEAR

LUPUS CONSULTING

Choose the Right SAP Tools

05

SAP offers a range of tools tailored to different invoicing and compliance needs. Work with an SAP partner to select the solutions that best fit your requirements—such as SAP S/4HANA for ERP integration or SAP Document Compliance for comprehensive regulatory adherence.

Plan the Implementation Timeline

06

an e-invoicing project can last between 3-6 months depending of the scope (customer and/or vendor invoices), involved legal entities (SAP company codes) in the respective country, complexity of the current invoicing process, additional tools to integrate with (Vendor Invoice Management solutions, Vistex, etc.)
Develop a timeline that outlines each phase of the SAP DRC implementation process. This roadmap should cover system integration, user training, and compliance testing, ensuring that each step is completed in time for regulatory deadlines.

Prepare for Change Management

07

Successful SAP implementation requires employee readiness and training. Design a change management plan that includes workshops, resources, and continuous support to ease the transition for your team and ensure new processes are effectively adopted.

We recommend to also plan with a business partner communication strategy, eventually involving the critical ones in the end-to-end testing of the SAP e-invoicing process.

Monitor and Optimize

08

Once SAP e-invoicing is live, regularly monitor its performance and compliance. Use SAP's analytics and reporting features to identify areas for improvement and optimize processes over time, ensuring long-term success.
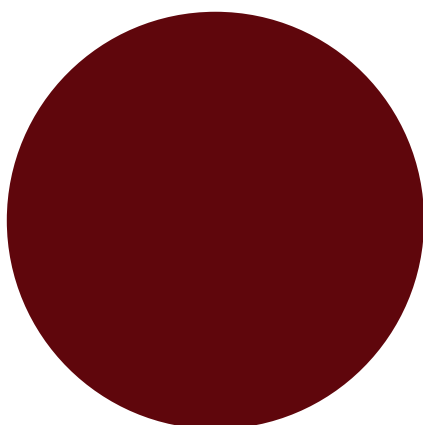
WITH THESE STEPS, BUSINESSES CAN TRANSITION SMOOTHLY TO SAP E-INVOICING, ENSURING COMPLIANCE, OPERATIONAL EFFICIENCY, AND SCALABILITY. TAKING A PROACTIVE APPROACH TO ASSESSMENT AND PLANNING IS ESSENTIAL TO MAXIMIZE SAP'S IMPACT AND BUILD A FUTURE-READY INVOICING SYSTEM.

IMPLEMENTATION ROADMAP

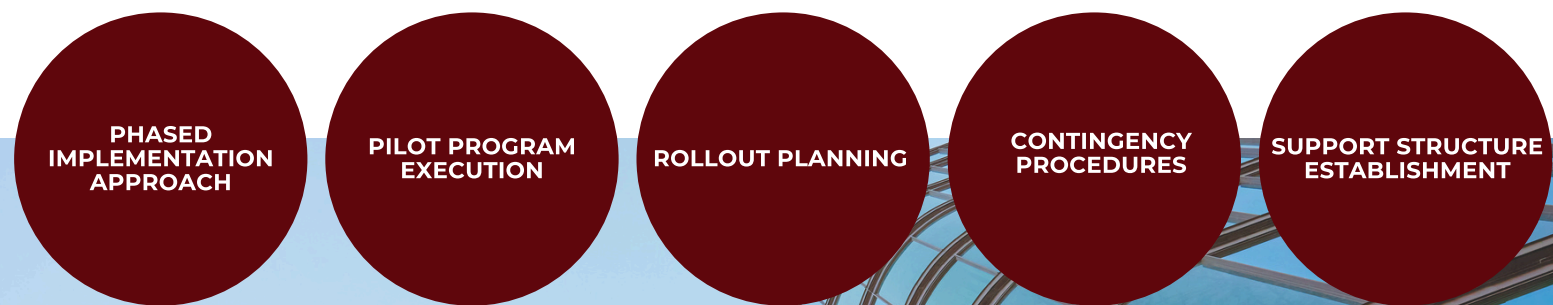| CURRENT STATE ANALYSIS	TECHNICAL SETUP	INTEGRATED TESTING	PROCESS DOCUMENTATION AND CHANGE MANAGEMENT
6 MONTHS BEFORE GOLIVE	**4 MONTHS BEFORE GOLIVE**	**2 MONTHS BEFORE GOLIVE**	**1 MONTHS BEFORE GOLIVE**
• System landscape evaluation • Process documentation • Compliance gap analysis • Resource assessment • Timeline planning	• System configuration • Integration development • Format mapping • Testing environment setup • Security implementation	• Testing connectivity and acceptance with government portals • E2E testing with key business partners • Integrated testing with additional solutions involved (Vendor Invoice Management, Vistex, etc).	• Vendor Invoice • Workflow optimization • Exception handling procedures • Documentation updates • Training program development

GO-LIVE STRATEGY

- PHASED IMPLEMENTATION APPROACH
- PILOT PROGRAM EXECUTION
- ROLLOUT PLANNING
- CONTINGENCY PROCEDURES
- SUPPORT STRUCTURE ESTABLISHMENT

CONCLUSION

The Future of E-Invoicing

As e-invoicing continues to evolve, businesses face an increasingly digital and regulated landscape. With advancements in technology and regulatory frameworks, e-invoicing will likely become a standard practice worldwide, incorporating innovations such as AI-driven analytics and blockchain to enhance transparency, accuracy, and security. Staying ahead of these trends is essential for businesses to remain compliant, efficient, and competitive in an interconnected market.

TAKING ACTION

ASSESS YOUR CURRENT SITUATION

ENGAGE WITH SAP EXPERTS

DEVELOP A IMPLEMENTATION TIMELINE

PLAN FOR ORGANIZATIONAL CHANGE

SET UP CONFIGURE AND TEST SAP DRC (AND EVENTUAL OTHER CONNECTED SYSTEMS)

MOVE SOLUTION TO PRODUCTION AND TRANSITION TO A WELL EQUIPPED SUPPORT TEAM.

To navigate this shifting landscape successfully, businesses must act now. SAP offers a comprehensive suite of e-invoicing solutions tailored to meet today's regulatory demands and poised to adapt to future requirements. Begin exploring SAP's e-invoicing solutions to streamline your invoicing processes, ensure compliance, and build a resilient foundation for growth. Now is the time to embrace SAP's innovative tools and secure a competitive edge in the digital economy.

APPENDIX
Glossary of Terms

This glossary provides definitions for key terms related to e-invoicing and SAP technologies, helping readers understand the essential concepts referenced throughout the document.

- **E-Invoicing:** The electronic process of issuing, receiving, and processing invoices in a digital format, replacing traditional paper-based methods.
- **VAT (Value-Added Tax):** A consumption tax applied to goods and services at each stage of production or distribution, with businesses typically responsible for collecting and reporting VAT to tax authorities.
- **ViDA (VAT in the Digital Age):** An EU initiative designed to modernize VAT reporting and compliance through digital measures like mandatory e-invoicing and real-time reporting. VAT in the Digital Age (ViDA) - European Commission
- **SAP S/4HANA:** A next-generation ERP suite from SAP that enables businesses to manage core processes, including finance and procurement, with built-in analytics and integration capabilities.
- **SAP Ariba:** A cloud-based SAP solution for procurement and supply chain management, facilitating efficient purchasing processes and supplier collaboration.
- **SAP Document and Repository Compliance:** An SAP tool designed to help businesses generate, validate, and manage e-invoices and other compliance-related documents in accordance with local and international regulations. https://www.sap.com/products/financial-management/document-reporting-compliance.html
- **Real-Time Reporting:** The immediate or near-immediate submission of VAT and other tax data to regulatory authorities, ensuring timely compliance and increased transparency.