Japan Data Model based on PINT

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Overview of E-Invoice Promotion Association (EIPA)

- Founded in July, 2020 by 10 founding members
  - Infomart, MJS, MoneyForward, OBC, PCA, SAP, SkyCom, TKC, Tradeshift and Yayoi
  - Yayoi was appointed as the chair of EIPA
- EIPA was founded to achieve the following
  - Mission statement: "Develop and promote the standard specification of e-invoice in order to build standardized e-invoice system that can be commonly and widely utilized by businesses in Japan"
  - First, to enable businesses in Japan to comply with new regulatory requirement, tax compliant invoice, which will come into effect in Oct. 2023
  - Second, but just as importantly, to enable businesses in Japan to drastically digitalize and streamline their business operations
    - Develop a standard specification so that e-invoices can be freely exchanged
    - E-invoice has to be structured data so that it can be digitally processed by the receiver
- EIPA has been attracting high level of attention, resulting in more than 100 members within a year
  - 132 members, mostly software vendors, as of today (Nov. 2021)

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Why PINT?

- Since Jan. 2021, EIPA and the Japanese government* have been working with OpenPeppol team to develop Japanese specification that will meet Japanese legal/business requirements
  - Basic idea was to minimize the Japanese specific extension while accommodating Japanese requirements
  - In doing so, EIPA/OpenPeppol agreed to use PINT as the starting point of Japanese specification and then work to incorporate Japanese specification back into PINT
- Using PINT as the basis for Japanese specification made sense for the following reasons
  - PINT is based on the BIS Billing 3.0, which is a compliant restriction (CIUS) of the EN 16931 but is generalized to accommodate international needs
    - e.g., VAT related business terms are generalized to TAX, Payment means business terms generalized or added to support most payment means, Repetition is increased for payment means...
  - PINT is not necessarily bound by EN 16931 and can accommodate deviation from EN 16931 through "Shared", "Aligned", "Distinct" structure
    - Japanese requirements can be accommodated either ideally "Shared" or mostly "Aligned" but at least by "Distinct"

*   Formerly the cabinet office, currently the digital agency

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Japanese requirements: Standard invoice vs. Summarized invoice
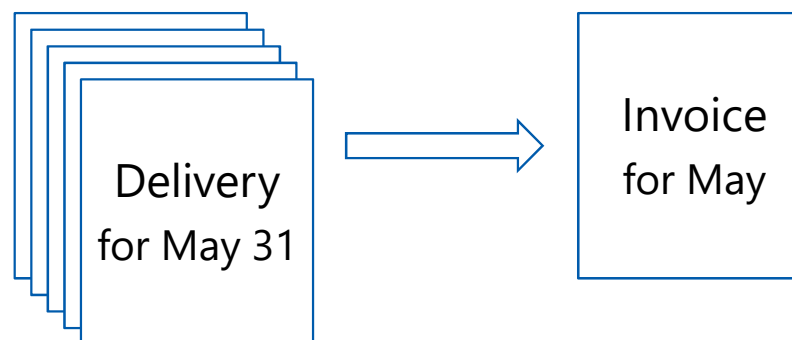
Standard invoice

- **1 delivery = 1 invoice**
  - ◆ Issue an invoice promptly after the delivery
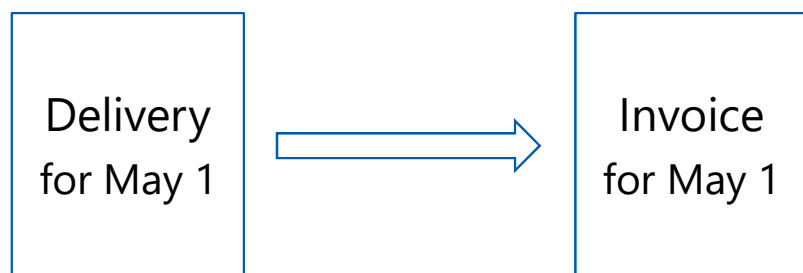
  - ◆ Delivery note is typically issued for a delivery and sometimes delivery note also works as an invoice

Summarized invoice

- **N deliveries = 1 invoice**
  - ◆ An invoice is issued at the end of pre-determined period (such as month-end) by summarizing deliveries within the period
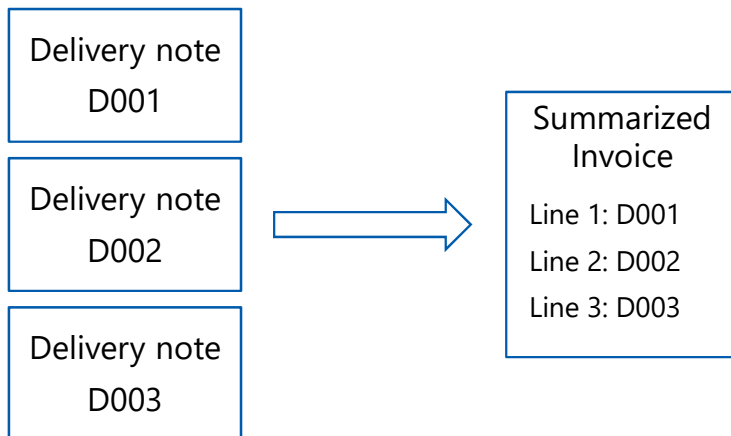

  - ◆ To automate invoice processing, the receiver should be able to identify which delivery each line of the invoice came from

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Requirement that will be accommodated with data model update #1

Business requirement

- Summarized invoice should have a reference to delivery notes at a line level
    - ◆ To automate invoice processing, a buyer should be able to verify the delivery for each line
        - Because of the nature of a summarized invoice, there are multiple deliveries for an invoice
        - The buyer should be able to trace back each line to a delivery note

```
┌─────────────────┐
│ Delivery note   │
│ D001            │
└─────────────────┘
┌─────────────────┐              ┌──────────────────┐
│ Delivery note   │              │   Summarized     │
│ D002            │   ───────▶   │   Invoice        │
└─────────────────┘              │                  │
┌─────────────────┐              │  Line 1: D001    │
│ Delivery note   │              │  Line 2: D002    │
│ D003            │              │  Line 3: D003    │
└─────────────────┘              └──────────────────┘
```

How to accommodate in JP PINT

- Create 2 new data fields under newly created ibg-36 "LINE DOCUMENT REFERENCE"

ID	Business Term	Existing/ New
ibg-36: LINE DOCUMENT REFERENCE		New
ibt-188	Invoice line document identifier	New
ibt-189	Document type code	New

- ◆ In Japan, ibt-188 will be used for delivery note reference
    - ibt-189 will be "270" (UNCL1001 document type for delivery note)
- ◆ However, note that these data fields can be used for any relevant related documents in other countries by designating it with ibt-189

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Requirement that will be accommodated with data model update #2

Legal requirement

■ Tax amount has to be shown in JPY for each tax category

1. Invoice can be in USD even for Japanese domestic invoices

2. However, tax amount for each tax category has to be shown in JPY

	Amount	
Taxable amount (10%)	1. $20.00	
Taxable amount (8%)	$10.00	
Consumption tax (10%)	$2.00	2. (JPY200)
Consumption tax (8%)	$0.80	(JPY80)

How to accommodate in JP PINT

■ Create 3 new data fields under newly created ibg-38 "TAX BREAKDOWN IN NATIONAL CURRENCY"

ID	Business Term	Existing/ New
ibg-37: TAX IN NATIONAL CURRENCY		New
ibt-111	Invoice total TAX amount in accounting currency	Existing
ibg-38: TAX BREAKDOWN IN NATIONAL CURRENCY		New
ibt-190	TAX category tax amount in national currency	New
ibt-192	TAX category code	New
ibt-193	TAX category rate	New

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Requirement that will be accommodated with a local process rule

Business requirement

- For a bank transfer in Japan, 4 data items are required

#	Data item	Example	Alternative
1	Bank name	Mitsubishi UFJ Bank	4 digit code ("0005")
2	Branch name	Akasaka-mitsuke	3 digit code ("064")
3	Account type	Regular	
4	Account type	0012345	

How to accommodate in JP PINT

- Instead of creating these 4 data fields, Define a local process rule, which is to concatenate them and put it into ibt-084 "Payment account identifier"

  - ibt-084

  000506410012345

  Bank code (4 digit)
  Branch code (3 digits)
  Account type (1 digit)
  1: Regular
  2: Current
  Account number (7 digit)
  Leading 0 padding

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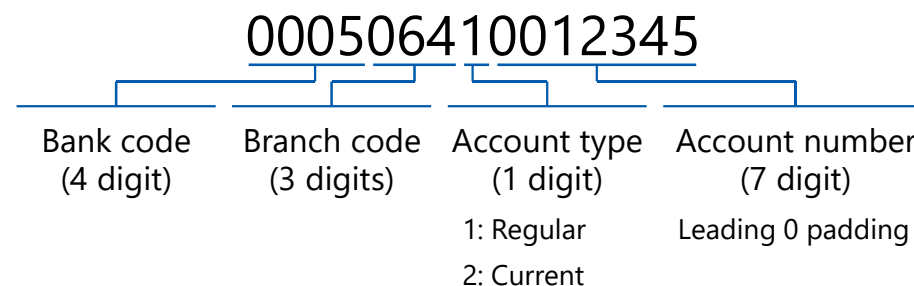
Japanese requirements: Summarized self-billing

Summarized invoice

- Invoice is issued from a seller to a buyer
  - An invoice is issued at the end of pre-determined period from a seller to buyer
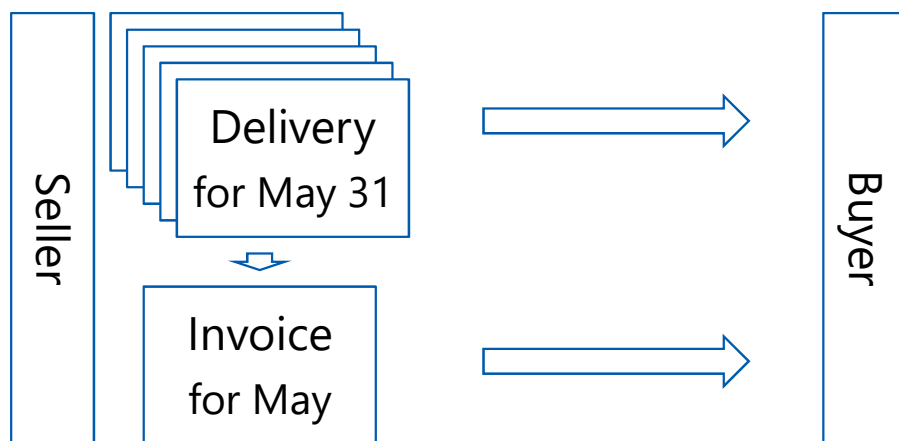
Summarized self-billing

- Invoice is issued from a buyer to a seller
  - An invoice (as a purchase list) is issued at the end of pre-determined period from a buyer to seller

To be examined in coming months

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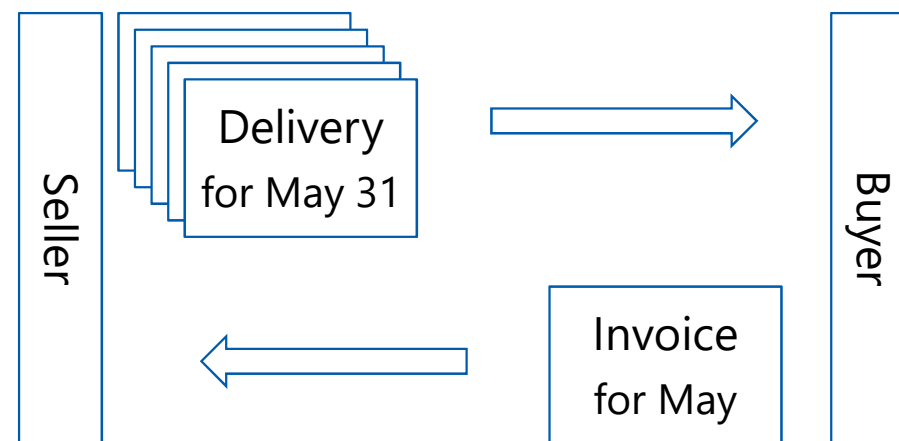
Japanese requirements: Statement

Invoice

- Invoice claims payment
- Invoice is the basis for tax deduction

But

- Invoice doesn't contain account balance information such as opening balance and amounts paid

Statement

- Statement doesn't claim payment
- Statement isn't the basis for tax deduction

But

- Statement shares account balance information between a seller and a buyer
  - Opening balance
  - Amounts paid
  - Amounts invoiced
  - Ending balance

To be examined in coming months

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