

Current Initiative for E-Invoice in Japan

2021.11.30

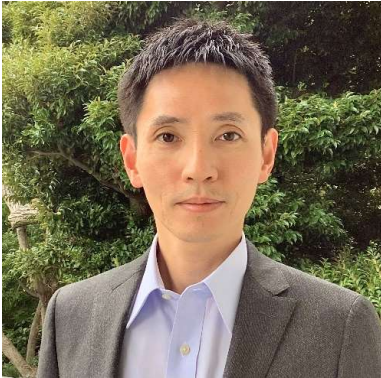
Hiroyuki Kato (Digital Agency, Government of Japan)

デジタル庁

Speaker

Hiroyuki Kato

Director for Planning and Coordination for E-Invoice Project
Digital Agency, Government of Japan



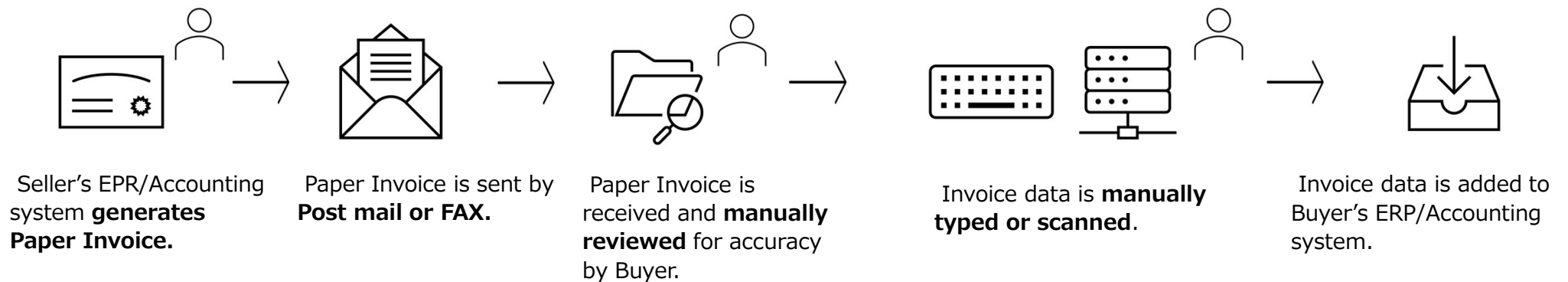
Since September 2021, Hiroyuki Kato has been responsible for Japanese Peppol Authority as a leader.

Before the current position, Kato mainly worked at Ministry of Finance (MOF), National Tax Agency (NTA) and National Strategy Office of IT (Cabinet Secretariat).

Kato has about 10 years experiences at Tax Bureau MOF and engaged in making a detailed policy of Consumption Tax system (Japanese VAT), including the new tax credit system which will be implemented from October 1st ,2023.

Paper based Invoicing Process in Japan

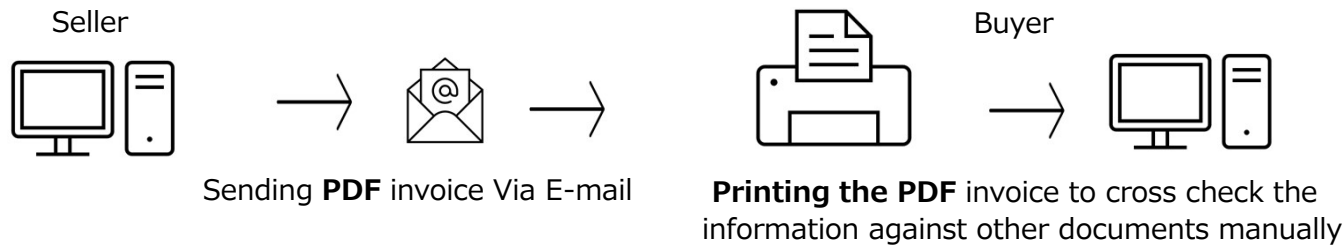
The many of Japanese businesses, including SMEs, usually issue their invoices by extracting the data from their ERP/Accounting systems and formatting them in human-readable form and sending them to Buyers via paper.



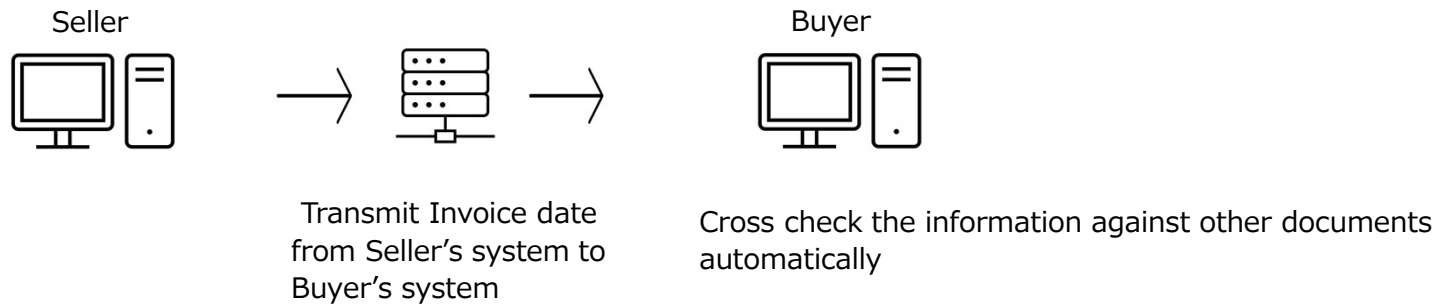
“Digitization” and “Digitalization”

We promote “Digitalization” , instead of “Digitization”, by exchanging invoice data.

“Digitization”



“Digitalization”



New input tax credit method implemented in 2023

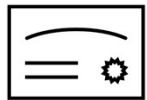
Under the new system from October 1st 2023, E-Invoice will be required to be retained for input tax credit purpose.

“Current system”

(no Invoice based method)



Accounting Book



Document issued by Seller
with specific description

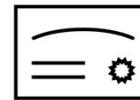


“New system”

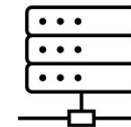
(Qualified Invoice based method)



Accounting Book



Qualified Invoice (paper)

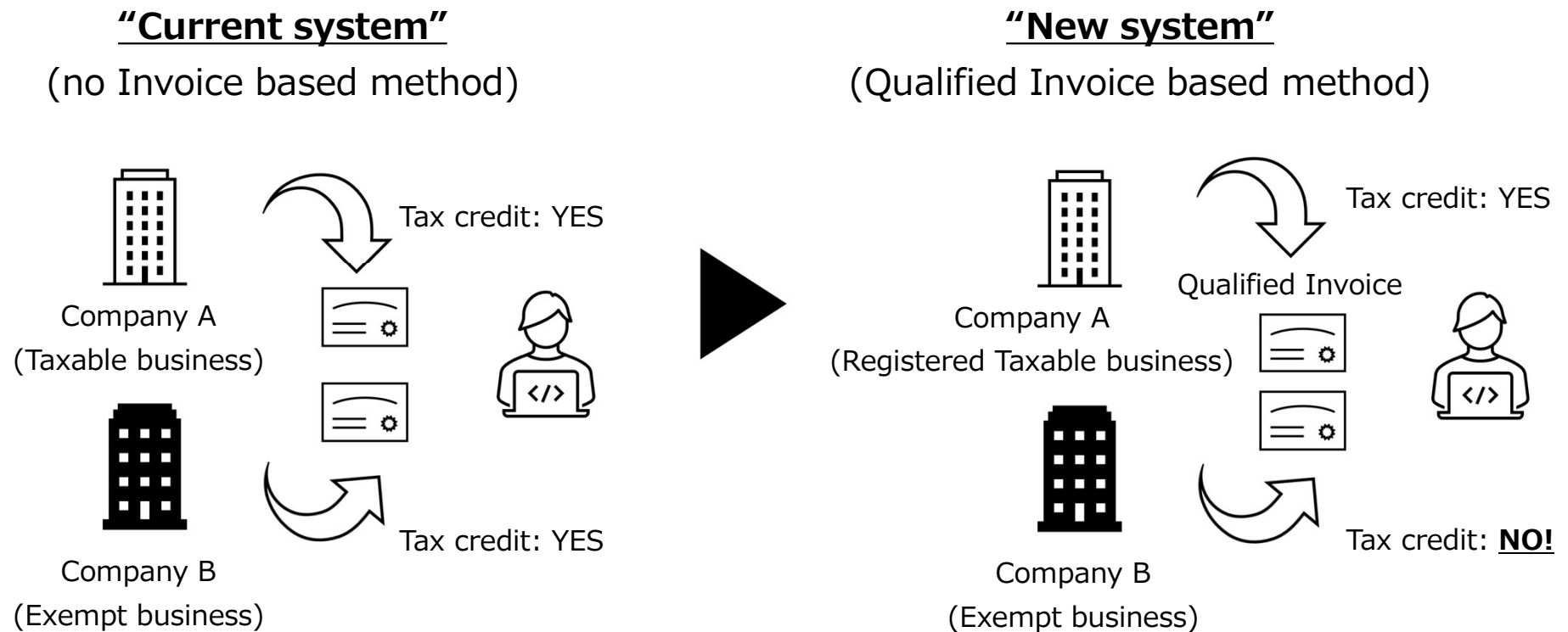


Qualified Invoice (E-Invoice)

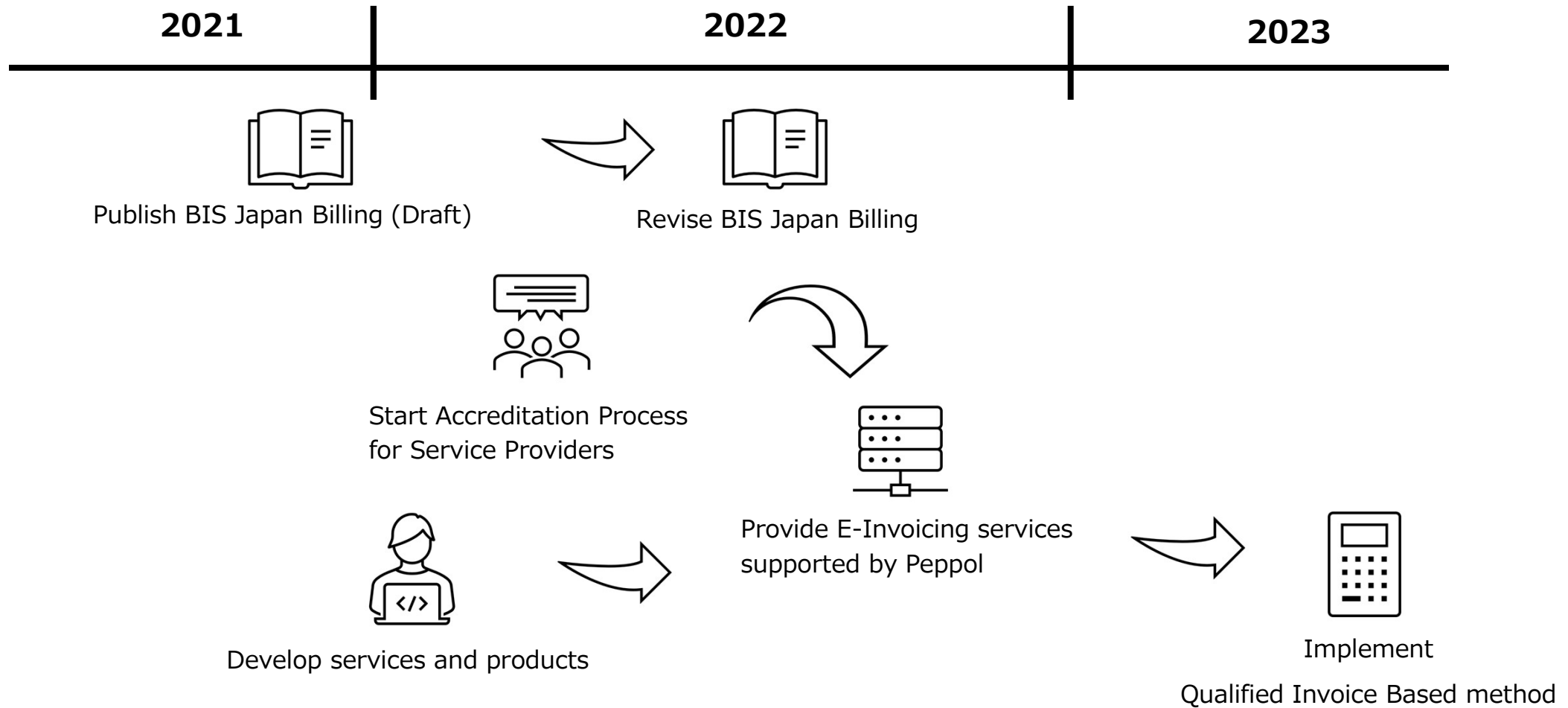
Key points of the new method

The implementation of new method might increase administrative burden of paper-based processes in back-office operations.

In addition to that, delayed digitalization would cause to increase such a burden more.



Digitalization with E-Invoice journey in Japan



Thank you so much!

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