Navigating E-Invoicing in EMEA:
Key Considerations for US-Based Multinational Companies

As global indirect tax regulations evolve, US-based multinational companies operating in the EMEA (Europe, Middle East, and Africa) region must stay ahead of emerging compliance requirements. The shift towards digital taxation, particularly the adoption of e-invoicing, presents both opportunities and challenges for businesses. Companies that proactively adapt their systems and processes to meet these new requirements can gain a competitive edge while ensuring regulatory compliance.

The Rising Importance of E-Invoicing in EMEA

E-invoicing is increasingly being introduced across EMEA as governments seek to close VAT gaps, reduce fraud, and improve tax collection efficiency. Countries such as Italy, Romania, Hungary, and Saudi Arabia have already implemented comprehensive e-invoicing frameworks, with many others following suit, including France with a disruptive e-invoicing and e-reporting mandate coming into effect in 2026. This move aligns with the broader global trend of Continuous Transaction Controls (CTC), where tax authorities require real-time or near-real-time access to transactional data. For multinational companies, this means that manual processes and disparate systems no longer suffice. A centralized, automated approach is essential to meet these new demands.

Navigating regulation complexity across different jurisdictions can be daunting. Each country has its unique set of rules, formats, and timelines for e-invoicing, which can create compliance risks if not managed effectively. For example, Italy was the first country in the region to introduce a clearance e-invoicing model where e-invoices are required in a specific tax authority XML schema format, while Romania has a hybrid system with e-invoice clearance coupled with e-reporting requirements for transactions carried out by VAT-registered entities.

To tackle these challenges, multinational companies need to invest in scalable technology that ensures compliance with local regulations while integrating seamlessly with existing business processes. This is where partnering with tax compliance experts and leveraging comprehensive solutions can make a difference.

The Role of Technology and Automation

Centralizing and automating e-invoicing not only helps companies meet regulatory requirements but also improve efficiency, reduce errors, and enhance financial transparency. By embedding tax compliance into everyday business processes, companies can mitigate risks and free up resources to focus on strategic growth initiatives.

For US-based multinational companies operating in EMEA, the transition to e-invoicing is not just a compliance requirement—it's a strategic imperative. Adopting a proactive approach and leveraging robust technology, businesses can navigate the complexities of the evolving tax landscape while unlocking new efficiencies and opportunities. Collaborating with trusted partners ensures that your company is well-positioned to succeed in this rapidly changing environment.

As regulatory frameworks continue to evolve, staying informed and adaptable will be key to maintaining compliance and driving business success in the region.
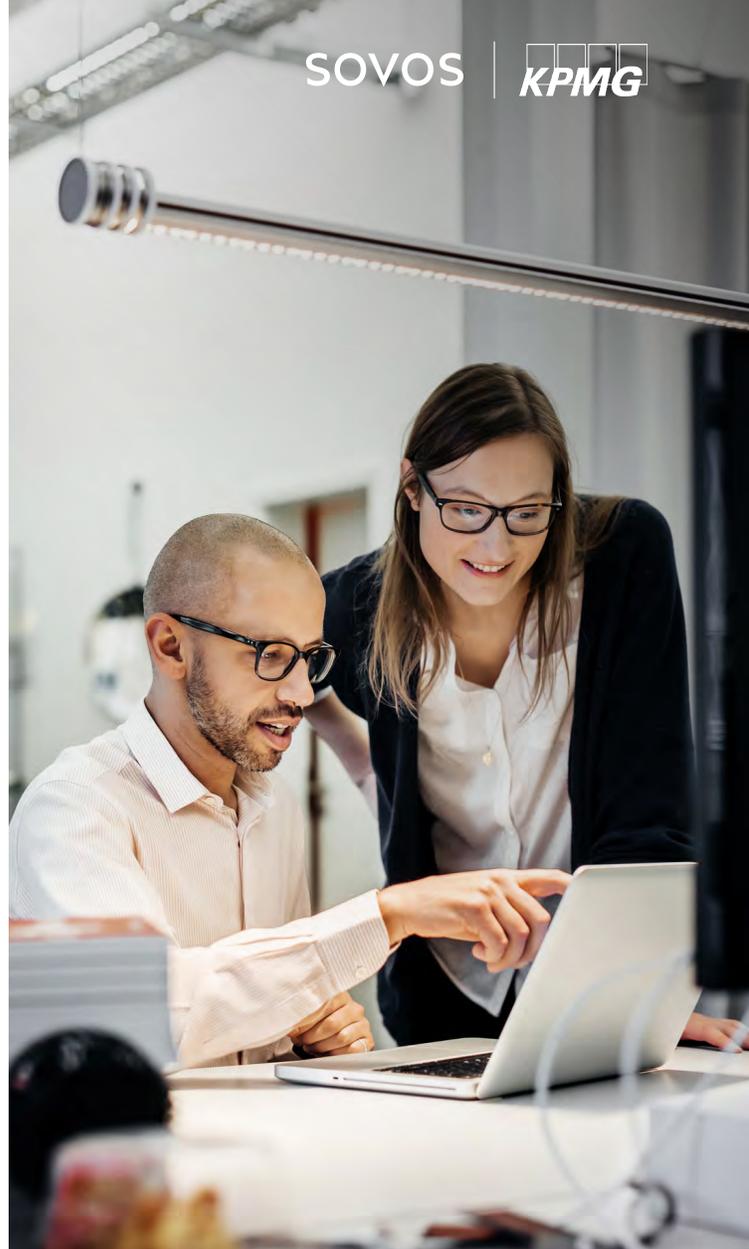
The right partners to help you navigate global e-invoicing mandates

If you're like other global organizations, keeping up with e-invoicing mandates is a constant challenge. In partnering with KPMG LLP, we're making this process a whole lot easier wherever you do business.

By combining KPMG's experienced tax professionals with Sovos' automated 360-degree compliance platform covering more than 60 countries, we can handle all your global e-invoicing and digital reporting obligations globally.

Benefits to working with Sovos and KPMG

- An automated, streamlined e-invoicing process that meets evolving regulations

- A single, out-of-the-box solution to reduce invoicing complexity

- The ability to re-purpose resources on global expansion and revenue-generating business initiatives

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