Uber

Matthew Sedgwick

e-invoicing@treasury.gov.au
Data Economy Unit
The Treasury
Langton Crescent

PARKES ACT 2600

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Dear Matthew,

On behalf of Uber Technologies, Inc., Uber BV, Uber Australia Pty Ltd, Rasier Pacific Pty Ltd, Uber Pacific Pty Ltd and Portier Pacific Pty Ltd (collectively referred to as “Uber”), I would like to thank The Treasury for the opportunity to comment on the Consultation Paper in relation to mandatory adoption of electronic invoicing by businesses in Australia. Uber appreciates the transparency of this process and The Treasury’s interest in the feedback provided by those that might be impacted by these proposals.

Uber is a technology platform that uses a massive network, leading technology, operational excellence and product expertise to power movement of people and goods from point A to point B. Uber develops and operates proprietary technology applications supporting a variety of offerings on its platform. Uber connects consumers (i.e. “Riders”) with independent providers of ride services (i.e. “Drivers”) for ridesharing services, and connects consumers (i.e. “Eater(s)”) with restaurants, grocers and other stores (collectively, “Merchants”) and delivery service providers (“Delivery People”) for meal, grocery and other delivery services.

As a global platform provider, Uber is uniquely positioned to comment on electronic invoicing as it relates to the gig economy. This letter aims to leverage our global experience to provide The Treasury with key considerations related to the implementation of electronic invoicing, including best practices from a technology perspective.

In general, an invoice is a critical document in the administration of GST. The invoice provides evidence and proof of the transaction and any related GST. Although it increases the burden on those required to provide an invoice, the establishment of an electronic invoicing regime allows for consistent reporting of information. Below are key considerations that may aid The Treasury, as it considers mandating electronic invoicing.

General Considerations:

1. To minimize the burden on taxpayers and to maximize the value of electronic invoicing, The Treasury is encouraged to consider rules that are in harmony with those applied elsewhere, including within Europe and Latin America.
2. Tax authorities have found success in utilizing a phased approach in the implementation of electronic invoicing. For example, a phased approach might prioritize business-to-government transactions in Year 1, with business-to-business transactions in Years 2 and 3. A phased approach eases the burden on those providing and receiving the invoice.
3. To provide sufficient time for system development, testing, and implementation, The Treasury should consider an effective date that is no earlier than 12 months from the publication of final rules.
4. In the implementation of electronic invoicing, The Treasury is encouraged to provide a period of time in which a failure to issue electronic invoices in good faith should not be penalised.

Technology-Related Considerations:

5. In general, third party software providers are used to facilitate electronic invoicing requirements. To maintain a consistent and scalable solution, we strongly support rules providing flexibility in selecting third party software solutions.
6. Each invoice should require an identifying number. To speed processing and lessen the burden on the issuer, recipient and the Commissioner of Taxation, the final rules should establish formatting requirements, but allow issuers to generate their own invoice numbers.

Uber is uniquely positioned and able to provide other best practices and commentary on electronic invoicing. Uber's tax and technology resources are available to discuss the above considerations, as well as, payment processes within the gig economy and best practices related to XML schema, response times (e.g. SLAs), and other technical issues.

Consultation Questions

- What are the barriers to adopting e-Invoicing?

System limitations from a recipient perspective (i.e. what happens if a supplier is set up to issue e-invoices but a recipient isn't set up to receive e-invoices) - we recommend some method for businesses to confirm that recipients are enabled to receive e-invoices

- What would be the costs and benefits of mandating e-invoicing?

System implementation and ongoing maintenance would be the main cost, plus the point below (i.e. based on the proposal a staggered roll out and only having it apply to Business-to-Business transactions (B2B) would increase costs).

Benefits to taxpayers would be a simplification of the Accounts Payable process (i.e. receiving e-invoices is faster and more reliable than receiving and processing paper/PDF copies of invoices).

- What other factors should be considered when mandating e-Invoicing for businesses?

As Australia is only considering B2B e-invoicing, then this introduces system changes needed to identify when an invoice is being issued to a business or an end-consumer recipient. More guidance is needed on how business customers will be identified (presumably this will be aligned with the GST law and will depend on the recipient Australian Business Number (or lack thereof).

Confirmation that it will only be mandatory to issue e-invoices where the recipient is also enabled to receive e-invoices.

- Which of the options outlined in this consultation paper would you support and why?

Our preference is Option 3.

Regards,

Francois Chadwick
Vice President Global Tax and Accounting
Uber Technologies, Inc.