

UK e-invoicing mandate: Preparing for 2029

In association with



Introduction: e-invoicing

On 1 April 2029, every VAT-registered business in the UK must be able to issue and receive its business-to-business and business-to-government VAT invoices electronically.

There are roughly 29 months of usable preparation time from the publication of the implementation roadmap at Budget 2026. (There is likely to be a penalty grace period, but this is unconfirmed.)

This brief talks about the work that fills those months, and the challenges you may face.

What an e-invoice is

An e-invoice is a structured data file that moves directly from one finance system into another, in a format both systems can read. The invoice stops being a simple document or image and becomes a dataset that software validates, routes and posts.

What does not count:

- A PDF sent by email.
- A scanned paper invoice.
- An invoice image processed through OCR.
- An invoice rendered as a web page or in the body of an email.

Three conditions an invoice must meet

- 1 Structured and machine-readable.
- 2 Travels over an approved network, through an access point.
- 3 Origin, content and legibility can be guaranteed, and it is retained for 6 years in a form that stays accessible and readable.



Why it deserves your attention now

The government's reason

Structured invoice data gives HMRC a cleaner view of VAT. Better data means a smaller tax gap, reduced chance of 'missed supplier' or carousel fraud, reduced chances of errors, and compliance activity that targets the right businesses.

The business case

The evidence is strongest on invoice processing cost and speed, and reasonably consistent across sources:

Processing cost. European Commission analysis, drawing on three independent studies, put savings at EUR 5 to 6 per invoice issued and EUR 8 to 11 per invoice received. Broader estimates of cost reduction from invoice automation compared with paper sit in the range of 60% to 80%.

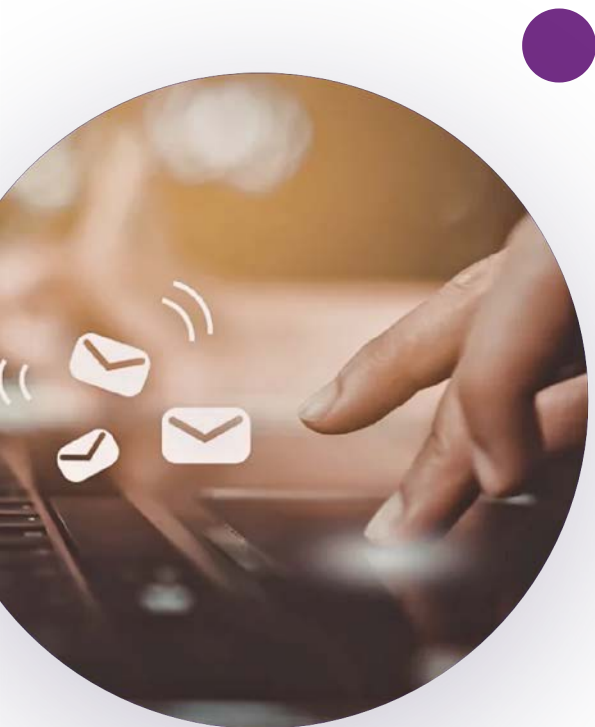
Payment speed. Sage's research across more than 9,000 SMEs found that e-invoicing reduces the incidence of late payments by 20% and cuts average payment times by 4 days, while almost halving invoice processing time.

Cash locked up. Late payments cost the UK economy almost £11bn a year. Around 14,000 businesses close annually as a result, equal to 38 every day, and businesses are owed an estimated £26bn at any given moment.

Where the preparation time goes

The software side will be ready. Access points already exist, ERP vendors are building connectivity, and the standards are proven in other markets.

Your data is where the question mark hovers. Compliant invoices depend on accurate entity identification, correct VAT numbers, clean supplier records and a clear map of which system issues invoices for which part of the business. That work is slow, unglamorous and impossible to compress.



What has been **decided**, and what has not

Confirmed

The mandate. Announced at the Autumn Budget on 26 November 2025. All VAT invoices in business-to-business and business-to-government transactions must be issued and received electronically from 1 April 2029.

The scope. Business-to-consumer invoices are excluded. Businesses not registered for VAT are not obliged to adopt, though the mandate is being built in a way that will not exclude them from doing so.

The network. In June 2026, HMRC's *Tax Update 2026: Simplification, Modernisation and Fairness* confirmed Peppol as the core interoperability network for UK e-invoicing. It is expected that the UK will use a decentralised four-corner model, so invoices flow between trading parties through their chosen service providers.

Real-time reporting is not in scope for 2029.

HMRC is exploring near real-time reporting of transaction data, but it is not part of the initial deliverable.

Still open

The implementation roadmap is due at Budget 2026 in October. Until then, these remain undecided:

- The precise format standard. EN16931 is the expected model, but the exact UK specification is still in development.
- Accreditation requirements for service providers.
- How existing EDI and closed three-corner networks will fit into the framework.
- Transitional arrangements for smaller businesses and complex ERP environments.

IF YOUR ORGANISATION WORKS INTERNATIONALLY

The UK mandate has aligned deliberately with European frameworks, and with European Norm (EN) 16931. However, the requirements may not be identical. Italy, Belgium, Poland, France and Germany are all at different stages with different national rules, and a group operating across several of them will be managing several timetables at once. You will need to establish which entities fall under which regime early — the UK deadline may not be your first.



What is expected of your finance team

There are four key obligations for e-invoicing:

- 1 Issue.** Every in-scope VAT invoice your organisation raises must be created as structured data — inside your ERP or via a service provider that converts your output.
- 2 Receive.** You must accept structured invoices from suppliers and get them into your systems. For most organisations this is harder to control.
- 3 Connect.** Both directions run through an access point on the Peppol network, and reach every other participant.
- 4 Retain.** Invoices must be kept for six years, in a format that guarantees integrity and authenticity, and stays legible and retrievable.

What that translates into internally

These obligations depend on watertight foundations:

Your master supplier file becomes load-bearing. Duplicate supplier records, missing or incorrect VAT numbers, dormant accounts and inconsistent entity names all cause structured invoices to fail validation or route to the wrong place.

Your system map needs to be explicit. Which entity issues invoices from which system, in which country, under which VAT registration? The answer determines how many access point connections you need.

Your supplier base splits into tiers. Larger suppliers are likely to arrive ready. A long tail of smaller ones may need direct help from you.

Your controls need reviewing. The supplier file needs to be accurate. Work may be required to review file maintenance processes and appropriate risk controls for dormant suppliers, incorrect data, and duplicates.

Five questions for your team this quarter

1. What proportion of our inbound invoices already arrive as structured data?
2. How many separate systems issue invoices on our behalf, and do we have a definitive list?
3. When did we last audit the supplier file for duplicates, dormancy and missing VAT numbers?
4. What has our ERP provider committed to, in writing, on Peppol connectivity and by when?
5. Which of our top 50 suppliers by volume would struggle to send us a structured invoice tomorrow?

A key decision, and what it will cost

For some, e-invoicing may already be in the bag, the only consideration being compliance to the new regulations.

For those without e-invoicing in place, some time in 2027, you will choose between two routes. Solve e-invoicing inside the ERP, which for older installations may mean pulling forward an upgrade or switching ERP. Or connect an access point alongside what you already run, which is cheaper and quicker now but leaves wider modernisation as a later consideration.

The variables that decide what compliance will cost are all still open at this stage. Those being: Accreditation requirements for service providers, transitional arrangements, and the treatment of legacy EDI. However, you can establish your own cost drivers before the budget on the 28th October.

THE BUDGET ARGUMENT WORTH MAKING EARLY

While supplier data cleansing often does not win funding on its own merits, a regulatory deadline does.

The work these regulations force (clean supplier records, accurate VAT numbers, a definitive entity map) returns value. The errors that will break a structured invoice in 2029 are already causing duplicate payments and missed credits today. There is a commercial case for moving ahead of the deadline too, since large organisations are already asking their suppliers about e-invoicing readiness.

The roadmap to 2029

DATE	MILESTONE	STATUS
Feb–May 2025	HMRC and DBIST public consultation	Complete
26 Nov 2025	Autumn Budget confirms April 2029 mandate	Complete
January 2026	Stakeholder co-design phase begins; OpenPeppol establishes a UK Working Group	Complete
23 June 2026	Peppol confirmed as core interoperability network	Ongoing
28 October 2026	Implementation roadmap published at Budget 2026	Scheduled
2027–2028	Technical specifications finalised; preparation period	Expected
1 April 2029	Mandate live for all B2B and B2G VAT invoices	Fixed

There is no confirmed timetable for service provider accreditation, and no confirmed date for the enabling legislation. Both should appear in the October 2026 roadmap.

Your e-invoicing preparation plan

The mandate is not expected to be phased in by the Government, but there is an argument for phasing your own preparation. An external deadline with no staged relief means the internal work has to be sequenced deliberately.

2026 — Assess. Audit the supplier file. Map every invoicing system and entity. Get written positions from your ERP vendors.

Complete this when you have: A baseline electronic invoice percentage, a definitive count of invoicing systems and legal entities, a written ERP vendor position with dates, and a supplier base segmented by readiness. These are potentially doable by December 2026.

2027 — Decide your approach. Choose your access point approach. Decide whether existing systems are upgraded or replaced, informed by the published roadmap. Begin remediating supplier data at scale. Start the conversation with your smaller suppliers, because they will need the longest runway.

Complete this when you have: An approved methodology and budget, a signed access point route, a supplier data remediation rate you are tracking monthly, and first contact made with every tier-one supplier.

2028 — Build and test. Implement and integrate. Test with willing suppliers. Rework the Accounts Payable controls for high accuracy in your supplier file.

Complete this when you have: Structured invoices flowing end to end with at least a handful of live suppliers. A documented control set covering what happens after an invoice posts cleanly.

Q1 2029 — Run in parallel. Operate the new systems before the deadline, so problems surface while there is still time to fix them.

Complete this when you have: Internal go-live at least one quarter ahead of the 1st April deadline.

Challenges you should expect

1. Your suppliers may not be ready

Larger suppliers may already have the correct e-invoicing infrastructure. Smaller businesses may not. Some will not engage until the deadline is close. And a supplier who cannot invoice you compliantly is both an Accounts Payable problem, and a supply chain problem.

How to handle it. Segment your suppliers now by readiness. Give them notice of the deadline, and be ready to potentially help under-equipped critical suppliers.

3. Multi-entity and multi-ERP environments multiply the work

If you run several ERPs, operate across borders, or carry systems inherited through acquisition, the mandate may need multiple implementations. It could be one per environment, each with its own VAT registration, entity identity and connectivity question.

How to handle it. Build the definitive system and entity map first. It will tell you whether this is a 12-month or a 30-month project and help define your strategy.

2. Master data quality determines whether any of it works

Structured invoicing enforces schema-level validation. Mandatory fields must be populated, tax identifiers must be valid. Data which merely passed for adequate in a manual process will now fail outright.

How to handle it. Treat supplier data as an ongoing programme. Continuous monitoring of the supplier file catches drift and compliance issues as they happen. Considerably most cost-effective than a remediation exercise.

4. The position on legacy EDI is unresolved

The UK has a mature installed base of classic electronic data interchange closed two and three-corner networks and sector-specific platforms including those in construction, healthcare, energy and defence. The Government is still deciding how they fit alongside the mandated framework.

How to handle it. If you have significant EDI investment, do not assume it is protected and do not assume it is obsolete. Flag it as an open dependency. Ask your provider what they are hearing. And revisit when the October 2026 roadmap releases.

A STRUCTURED INVOICE IS WELL-FORMED, NOT CORRECT

E-invoicing standardises how invoices are transmitted, validated against a schema and recorded. It is a compliance and transmission mechanism, and a good one.

But it cannot confirm that the quantity matches what was delivered. That the PO reference points at the right order. That the goods have actually arrived. That this is not the second time the same invoice has been submitted. That it isn't potentially fraudulent. Instead, these depend on the controls each organisation applies.

For scale: research by the Institute of Finance and Management indicates that around 1.5% of an organisation's total outgoing cash flow consists of duplicate payments.



The uncomfortable second-order effect

Faster, cleaner, higher-volume processing with fewer human checkpoints is a good outcome. But only if your automated controls can handle the volume and are strong enough to catch all the issues.

How to handle it. Include control design in the 2028 build phase. When an invoice arrives correctly formatted, correctly routed and correctly posted, what is checking whether it should be paid? Will it capture every risk the invoice poses?

Conclusion

What to tell your board by end of 2026

If the 2026 phase has gone as it should for your organisation, the answer to "where are we on e-invoicing?" will be four-fold:

- We've mapped it.
- We know how many invoicing systems and entities are in scope, what proportion of our invoices are currently structured, and which suppliers will struggle.
- Our ERP providers have given us written positions.
- From the October roadmap, we're working on budget, and we've costed the range in the meantime.

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With thanks to the Purchase to Pay Network.

Three things to know about e-invoicing

The date is fixed. Every VAT-registered business should be compliant on 1 April 2029. The implementation roadmap arrives on the 28th October 2026 and is expected to outline standards and accreditation or dates by which the information will be made public.

The preparation is a data programme. Supplier file accuracy, entity mapping and system inventory are the long-lead items. They can start immediately, they do not depend on anything HMRC has yet to publish, and they return value well before the mandate does.

The format changes. The risks could still be there. Although structured data goes some way to alleviate certain risks, it doesn't completely eradicate them. Duplicates, dormant suppliers, discrepancies, mismatched POs and incorrect supplier details can travel through a structured network. The key is to keep risk oversight and apply controls regardless of how invoices are sent and received.

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8. UKeLab, *Key challenges for the successful implementation of a UK national eInvoicing initiative*, March 2025.

9. Institute of Finance and Management (IOFM).



Our AI-native P2P risk management software analyses every invoice and every supplier, every day. It identifies risks for your team to investigate before payment. Transaction and supplier risk intelligence catch duplicates, data discrepancies, fraud indicators and compliance issues at volume. But we keep the oversight with a human in the loop for the decisions that need judgement. Whether an invoice arrives as a PDF today or as structured data in 2029 — we focus on transaction and supplier file accuracy.

Since 2007 we have overseen implementations across a range of sectors and business type across the world. We now protect over £340bn each year.



The mandate changes the format, but FISCAL protects the spend.

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