

How digital invoice data accelerates invoice finance



.digital

Why are we talking about e-invoicing?

E-invoicing digitalises the invoice, i.e. the underlying asset for invoice finance. The availability of digital invoice data enables end-to-end digitalisation and affects sales, operations and risk processes.

80+

Number of countries who have e-invoicing regulation in place or on their roadmap

20-30%

operational efficiency gains on digitising the customer journeys

70%

of the growth of economic output will be created by ecosystems in coming decades, which leads to emergence of embedded finance use cases

Source:
McKinsey: How banks can reimagine lending to small and medium-size enterprises
McKinsey: A digital approach to SME banking
PartnerHUB analysis

Invoice data changes the game

Sales and access to customers

Accelerates embedded finance by standardising invoice data structures, sharing invoice data becomes possible

Onboarding and operational processes

Access to digital Invoice data

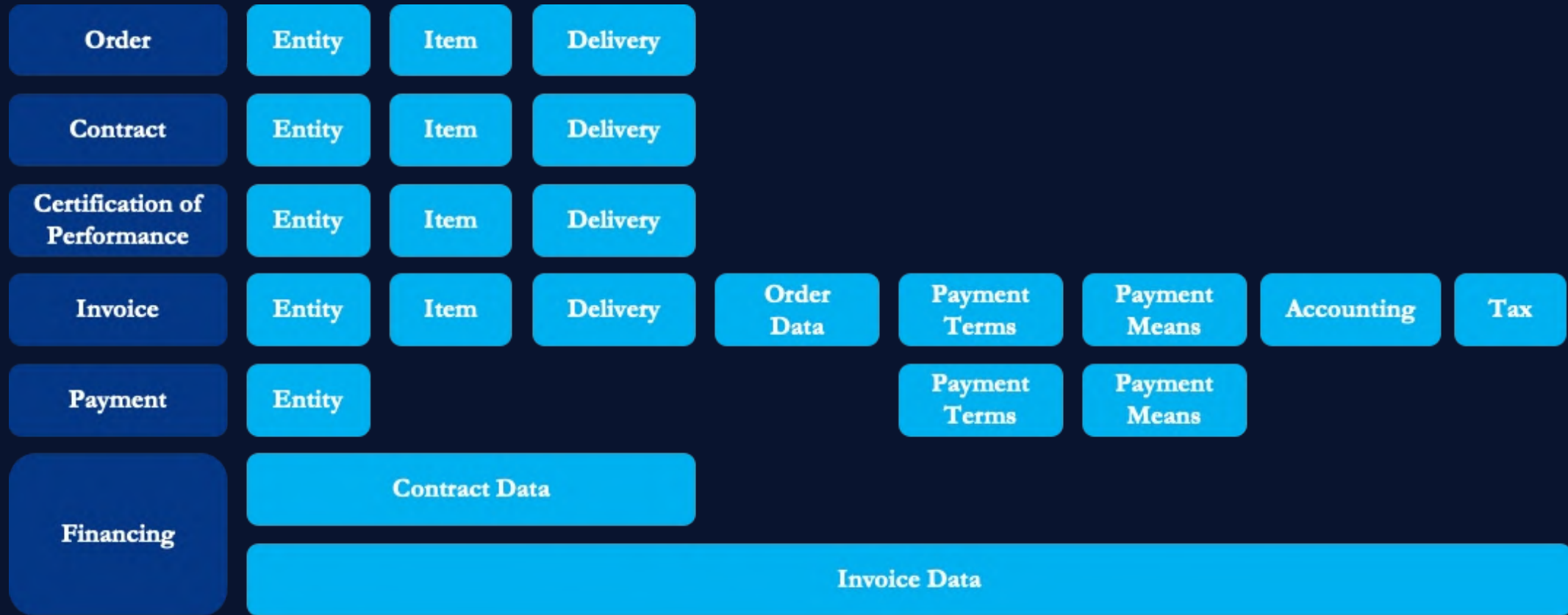
Invoice fraud

Prevent financing of fraudulent invoicing

Double Financing

Avoid double financing of invoices





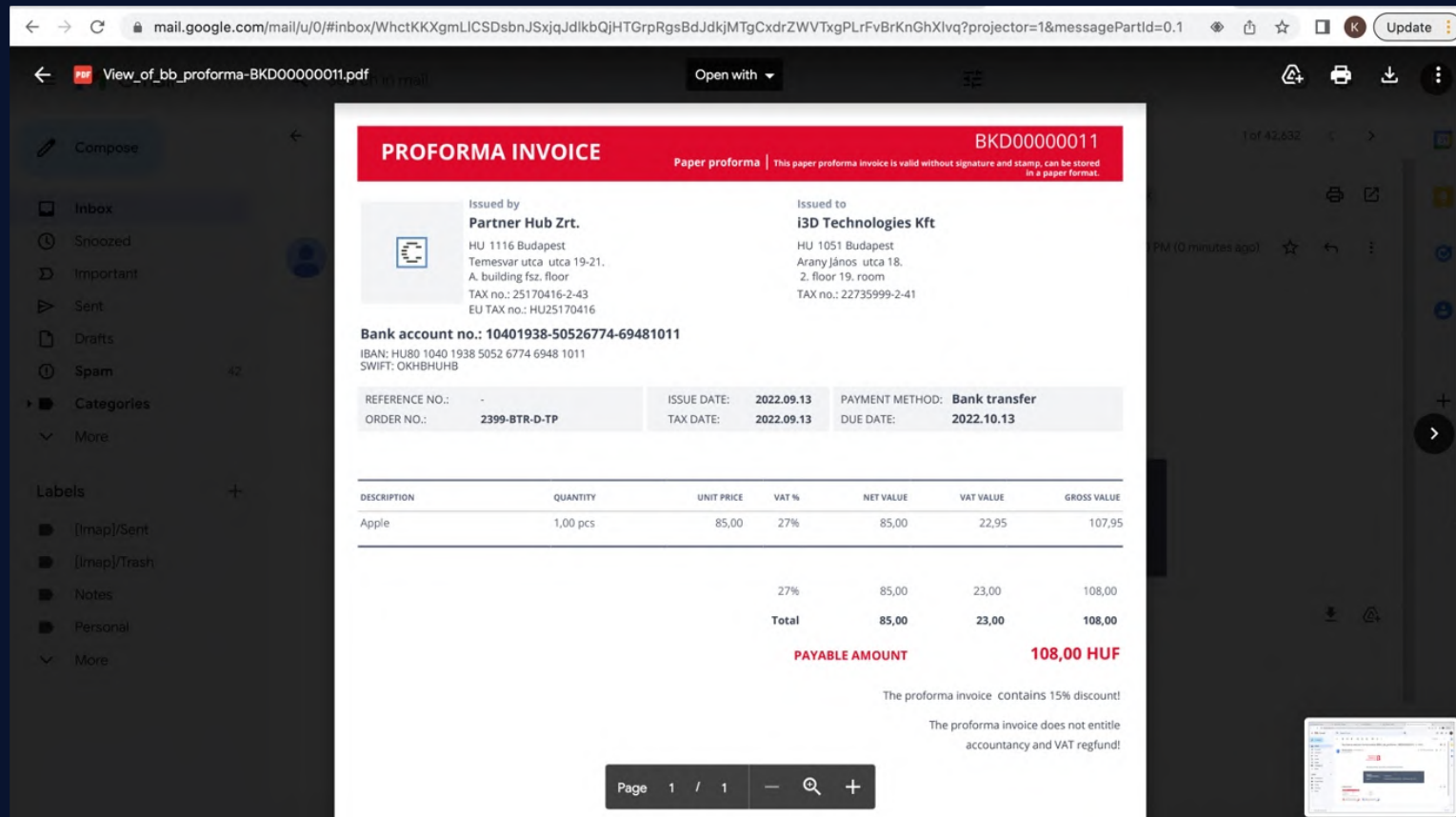
Structured invoice data can be used throughout the digital financing process:

- Supplier and buyer data
- Invoice amount
- Payment terms
- Payment means (necessary bank account number, etc.)

Data on invoices and payment history provide powerful underwriting tools to lenders:

- Verify the history of on-time payments
- Validate SME sales and purchases
- Analyse previous transactions with the buyer/supplier
- Select which invoices to pay

Lenders can leverage on invoice data if it is structured and standardised



PROFORMA INVOICE BKD00000011

Issued by: Partner Hub Zrt.
HU 1116 Budapest
Temesvár utca utca 19-21.
A. building fsz. floor
TAX no.: 25170416-2-43
EU TAX no.: HU25170416

Issued to: i3D Technologies Kft
HU 1051 Budapest
Arany János utca 18.
2. floor 19. room
TAX no.: 22735999-2-41

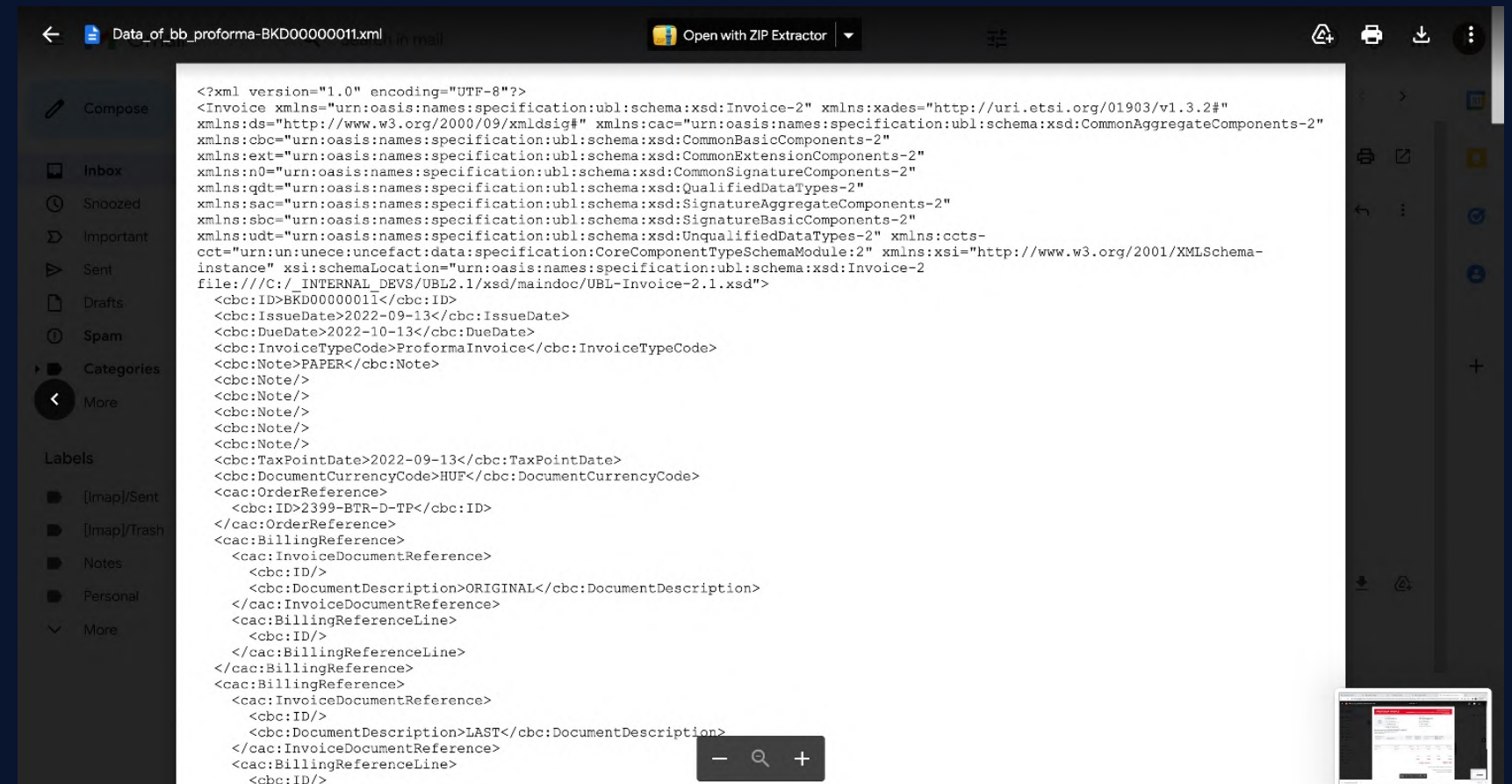
Bank account no.: 10401938-50526774-69481011
IBAN: HU80 1040 1938 5052 6774 6948 1011
SWIFT: OKHBUHUB

REFERENCE NO.:	ISSUE DATE:	PAYMENT METHOD:
-	2022.09.13	Bank transfer
ORDER NO.:	TAX DATE:	DUE DATE:
2399-BTR-D-TP	2022.09.13	2022.10.13

DESCRIPTION	QUANTITY	UNIT PRICE	VAT %	NET VALUE	VAT VALUE	GROSS VALUE
Apple	1,00 pcs	85,00	27%	85,00	22,95	107,95
			27%	85,00	23,00	108,00
Total				85,00	23,00	108,00

PAYABLE AMOUNT 108,00 HUF

The proforma invoice contains 15% discount!
The proforma invoice does not entitle accountancy and VAT refund!



```
<?xml version="1.0" encoding="UTF-8"?>
<Invoice xmlns="urn:oasis:names:specification:ubl:schema:xsd:Invoice-2" xmlns:xades="http://uri.etsi.org/01903/v1.3.2#"
xmlns:ds="http://www.w3.org/2000/09/xmldsig#" xmlns:cac="urn:oasis:names:specification:ubl:schema:xsd:CommonAggregateComponents-2"
xmlns:cbc="urn:oasis:names:specification:ubl:schema:xsd:CommonBasicComponents-2"
xmlns:ext="urn:oasis:names:specification:ubl:schema:xsd:CommonExtensionComponents-2"
xmlns:n0="urn:oasis:names:specification:ubl:schema:xsd:CommonSignatureComponents-2"
xmlns:qdt="urn:oasis:names:specification:ubl:schema:xsd:QualifiedDataTypes-2"
xmlns:sac="urn:oasis:names:specification:ubl:schema:xsd:SignatureAggregateComponents-2"
xmlns:sbc="urn:oasis:names:specification:ubl:schema:xsd:SignatureBasicComponents-2"
xmlns:udt="urn:oasis:names:specification:ubl:schema:xsd:UnqualifiedDataTypes-2" xmlns:ccts-
cct="urn:un:unece:uncefact:data:specification:CoreComponentTypeSchemaModule:2" xmlns:xsi="http://www.w3.org/2001/XMLSchema-
instance" xsi:schemaLocation="urn:oasis:names:specification:ubl:schema:xsd:Invoice-2
file:///C:/INTERNAL_DEVS/UBL2.1/xsd/maindoc/UBL-Invoice-2.1.xsd">
  <cbc:ID>BKD00000011</cbc:ID>
  <cbc:IssueDate>2022-09-13</cbc:IssueDate>
  <cbc:DueDate>2022-10-13</cbc:DueDate>
  <cbc:InvoiceTypeCode>ProformaInvoice</cbc:InvoiceTypeCode>
  <cbc:Note>PAPER</cbc:Note>
  <cbc:Note/>
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  <cbc:Note/>
  <cbc:Note/>
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  <cbc:DocumentDescription>LAST</cbc:DocumentDescription>
</cac:InvoiceDocumentReference>
<cac:BillingReferenceLine>
  <cbc:ID/>
</cac:BillingReferenceLine>
```

How can you get access to invoice data?



Embedded in invoice



From the issuing system



From tax authority/Account Aggregators

Additional data sources supporting the digital journey

Company registry/company databases

Company registries and company databases provide entity data

Account aggregators/open banking providers/other financing platforms, tax authorities

3rd party, invoice and open banking data, tax information can come from other systems, such as account aggregators or specialised platforms providing information about double financing

Buyer systems and e-commerce platforms

Individual integrations with large buyers' systems or e-commerce platforms can provide additional data about invoices.

```
mirror_mod.use_y = True
mirror_mod.use_z = False
elif _operation == "MIRROR_Z":
    mirror_mod.use_x = False
    mirror_mod.use_y = False
    mirror_mod.use_z = True

#selection at the end -add back the deselected mirror modifier object
mirror_ob.select= 1
modifier_ob.select=1
bpy.context.scene.objects.active = modifier_ob
print("Selected" + str(modifier_ob)) # modifier ob is the active ob
#mirror_ob.select = 0
#me = bpy.context.selected_objects[0]
#bpy.data.objects[me.name].select = 1
```

Use of invoice data in the financing process



- Process JSON/xml from structured invoice data
- Provide online invoicing solution
- API connection with invoicing service providers
- Process custom ERP data structures with file upload or secure data transfer

- Generated from invoice data
- Contextual/embedded - when the invoice is issued

- Invoice matching (PO number/contract number/approval status)
- Various validations are possible: registry data, tax authority data, e-signature

- Generated based on invoice data
- Set-up templates based on framework agreement
- Pricing models can be refined based on customer relationship

- Invoice status change to avoid double financing
- Payout-invoice matching
- Payback- invoice matching

Digital customer journey

You issued a new invoice.

Do you need 90% of your invoice amount today?

Please review the company information retrieved from our systems and company databases and click agree if all information is correct

Please allow us to access your invoice data

Please authorise us to get access to your open banking data

Please answer a couple of questions regarding the activity financed

You can get this invoice financed at 18% p.a.
You will have access to 90% of the invoice amount today, and the rest when your buyer pays the invoice amount.
Your buyer is notified about factoring the invoice.

Examples for using invoice data in the factoring process - Factoring feature integrated with online invoicing

- BÁV Faktor Zrt launched an online invoicing solution along with its digital factoring solution (Flexibill - Smart Bill and Flexibill - Digital Factoring)
- The solutions are integrated with each other - i.e. if an invoice is issued, a factoring process can start
- Flexibill Digital Factoring integrated with Szamlazz.hu, the largest online invoicing solution in Hungary (60% market share) with an end-to-end invoicing and factoring process
- Financing available within 24 hours after submitting the request.

Online invoicing solution



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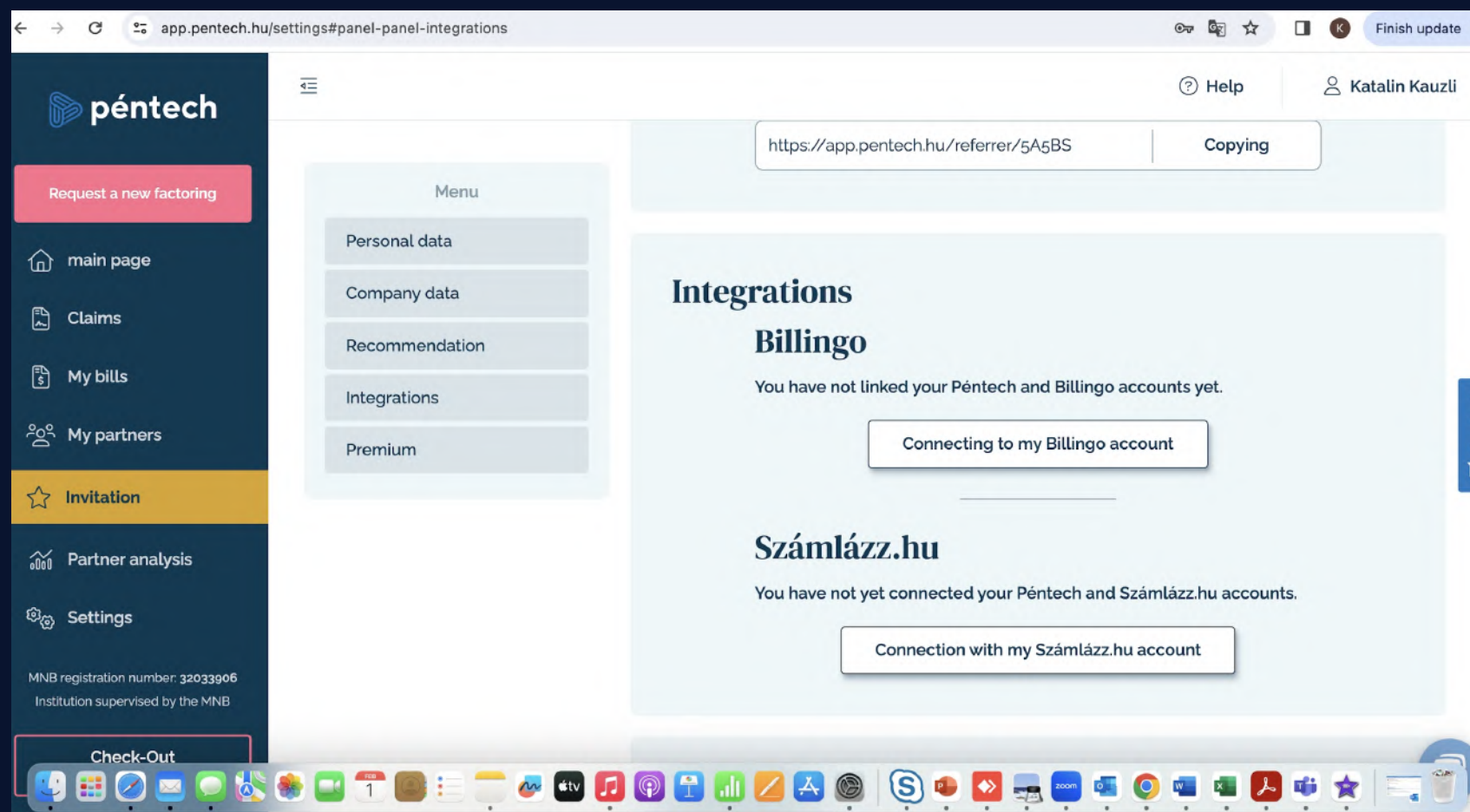
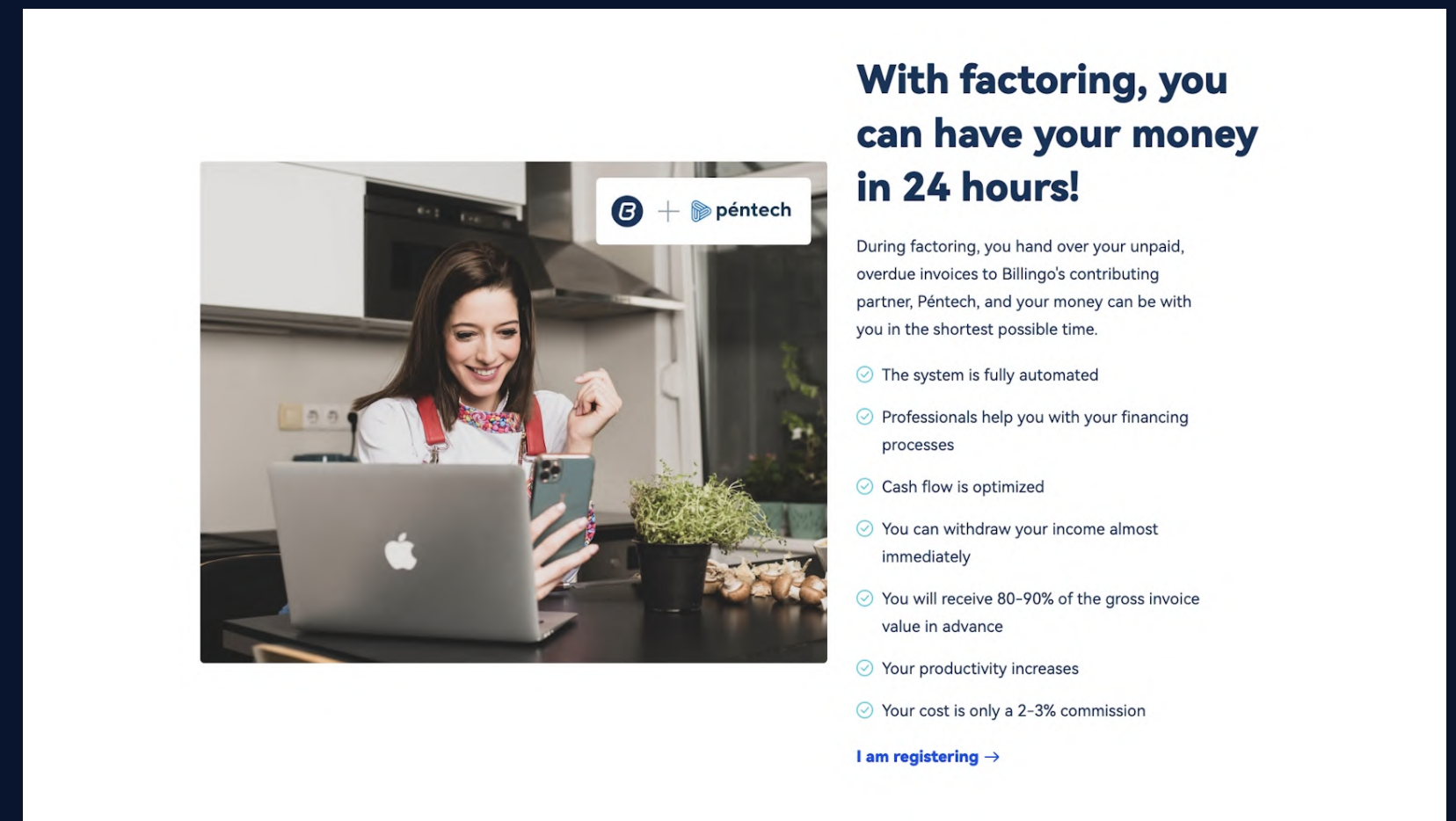
Digital factoring solution



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- Péntech is a digital factoring solution, offering end-to-end digital factoring processes
- Péntech integrated with the 2 most popular online invoicing solutions' APIs in Hungary: számlázz.hu and Billingo.
- Invoice data is pulled from the online invoicing systems and a factoring process can be initiated based on the invoice data available.
- Financing available within 24 hours

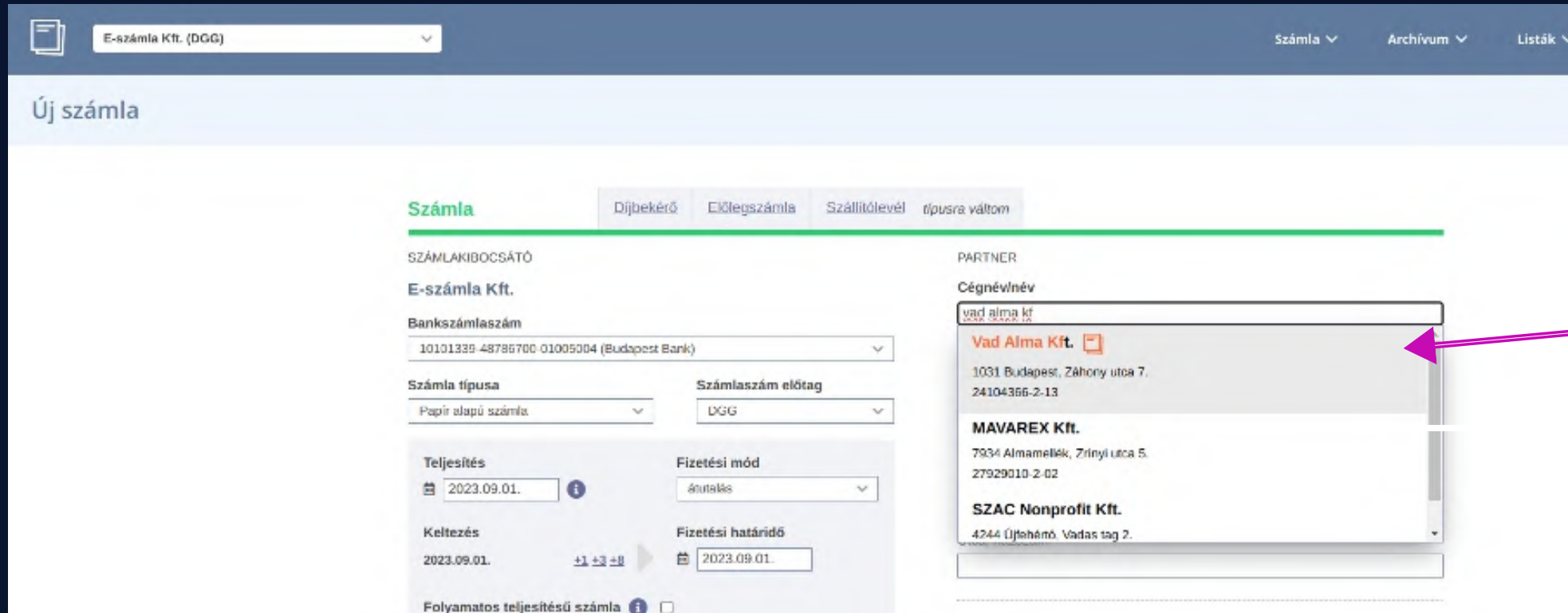
With factoring, you can have your money in 24 hours!

During factoring, you hand over your unpaid, overdue invoices to Billingo's contributing partner, Péntech, and your money can be with you in the shortest possible time.

- ✓ The system is fully automated
- ✓ Professionals help you with your financing processes
- ✓ Cash flow is optimized
- ✓ You can withdraw your income almost immediately
- ✓ You will receive 80-90% of the gross invoice value in advance
- ✓ Your productivity increases
- ✓ Your cost is only a 2-3% commission

[I am registering →](#)

Examples for using invoice data in the factoring process - Factoring feature integrated into online invoicing szamlazz.hu customer journey



Új számla

Számla Számla Archivum Listák

Számla Díjbekérő Előlegheszámítás Szállítólevél típusra váltom

SZÁMLAKIBOCSÁTÓ

E-számla Kft.

Bankszámlaszám
10101339-48785700-01005004 (Budapest Bank)

Számla típusa Számítás szám előtag
Papír alapú számla DGG

Teljesítés
2023.09.01.

Fizetési mód
Árnyalék

Keltetés
2023.09.01.

Fizetési határidő
2023.09.01.

Folyamatos teljesítésű számla

PARTNER

Cégnév

vad alma kft

Vad Alma Kft.

1031 Budapest, Záhony utca 7.
24104366-2-13

MAVAREX Kft.

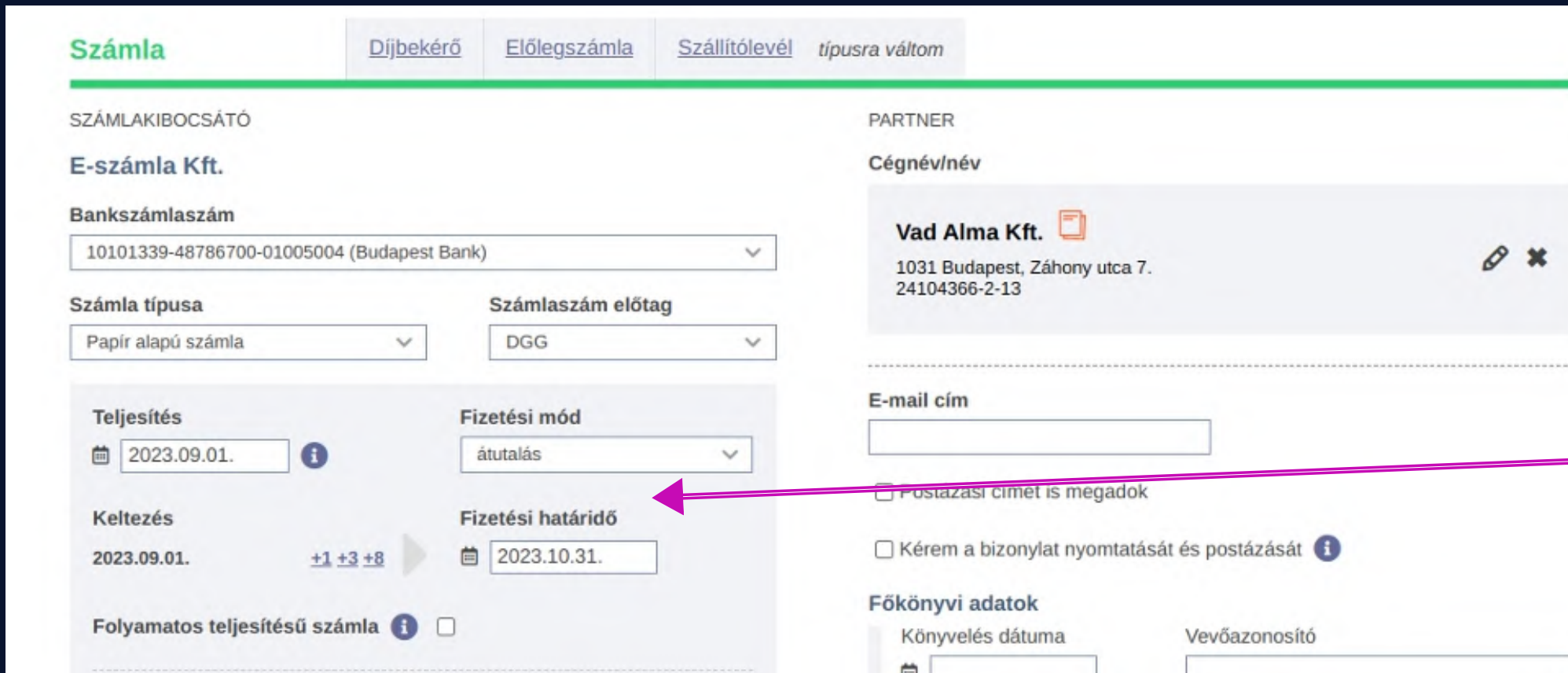
7934 Almamelék, Zrínyi utca 5.
27929010-2-02

SZAC Nonprofit Kft.

4244 Újshámó, Vadas tag 2.

Customer name

Examples for using invoice data in the factoring process - Factoring feature integrated into online invoicing szamlazz.hu customer journey



Customer name

Due date and payment method

Examples for using invoice data in the factoring process - Factoring feature integrated into online invoicing szamlazz.hu customer journey

Folyamatos teljesítésű számla ?

Deviza
HUF

Számla nyelve
magyar

Rendelészám

Főkönyvi adatok

Könyvelés dátuma

Vevőazonosító

Tételek

Tétel neve	Mennyiség	Menny. egys.	Nettó egységár	Áfa kulcs	Nettó ár	Bruttó ár
Almalé	100000	l	500 HUF	27%	50 000 000 HUF	63 500 000 HUF

Főkönyvi adatok

Gazdasági esemény

Áfa gazd. esemény

Adattörölő kódot adok a tételhez

[+ Új tétel](#)


Nettó **50 000 000 HUF** Bruttó **63 500 000 HUF**

Customer name

Due date and payment method

Item and price data (invoice amount)

Examples for using invoice data in the factoring process - Factoring feature integrated into online invoicing szamlazz.hu customer journey


 A számla elkészült

ELKÜLDÖM E-MAILBEN

KINYOMTATOM

LETÖLTÖM

ISMÉTELEM

bezárom

Kérem a pénzem most!

E-számla Kft., 23123123
 1234 Szeged
 Kis utca 3.
 Adószám: 13421739-2-13

SZÁMLA
 Sorszám: DGG-2023-376

VEVŐ:
 Vad Alma Kft.
 1031 Budapest
 Záhony utca 7.
 Adószám: 24104366-2-13

Fizetési mód: átutalás
 Teljesítés dátuma: 2023.09.01.
 Kiállítás dátuma: 2023.09.01.
Fizetési határidő: 2023.10.31.

Megnevezés	Menny.	Egységár	Nettó ár	Áfa	Áfaérték	Bruttó ár
Almalé	100 000 l	500	50 000 000	27%	13 500 000	63 500 000
Összesen:			50 000 000		13 500 000	63 500 000

Összesen:
63 500 000 HUF
A számla aláírás és bélyegző nélkül is érvényes!

Pénzmozgást nem igényel...
 A számla közvetített szolgáltatót tartalmaz...

Invoice is issued based on:

1. Customer name
2. Due date and payment method
3. Item and price data (invoice amount)

Real time risk assessment is run by the factoring company

1. Supplier
2. Customer
3. Payment terms
4. Invoice amount

If the risk assessment is successful, the SME can have the money instantly (within 24 hours)

- K&H Bank's factoring division launched a new product in October 2023, K&H Digi Faktor.
- The Hungarian Tax Authority provides an API, where all customer and invoice data of the enterprise can be queried by the enterprise.
- This means, that the company provides its credentials on the K&H portal, which has established the API connections, customer invoices can be queried on the platform, so the enterprise sees here all invoices, irrespective of the invoicing platform it uses. This rules out the necessity of several integrations.
- With this new feature the bank improved operational efficiency and customer experience significantly.



"K&H Digi Faktor digital invoice management supports disbursement with data from the Hungarian Tax Authority's API data connection in a unique way on the Hungarian market. In practice, this means that with just a few clicks on the K&H platform, even while having his morning coffee, the company manager can decide which or all of the invoices that have been pre-loaded onto the platform and can be included in the financing process he would like to factor. This means that the invoices can be converted into cash the same afternoon, without any additional documentation."

- CredAble enables over USD 6 BN in working capital annually via a seamless flow of credit by connecting SMEs, corporates ranging from large, mid-sized and emerging, and leading financial institutions.
- The platform hosts 100+ corporate clients, 35+ banks & NBFCs, and 250,000+ SMB borrowers.
- The SME platform has its own invoicing solution for SMEs, and an integration with Tally, which is one of the most popular accounting software products in India.
- This integration enables the straight-through processing of invoice data during the financing process.

Source: credible.in



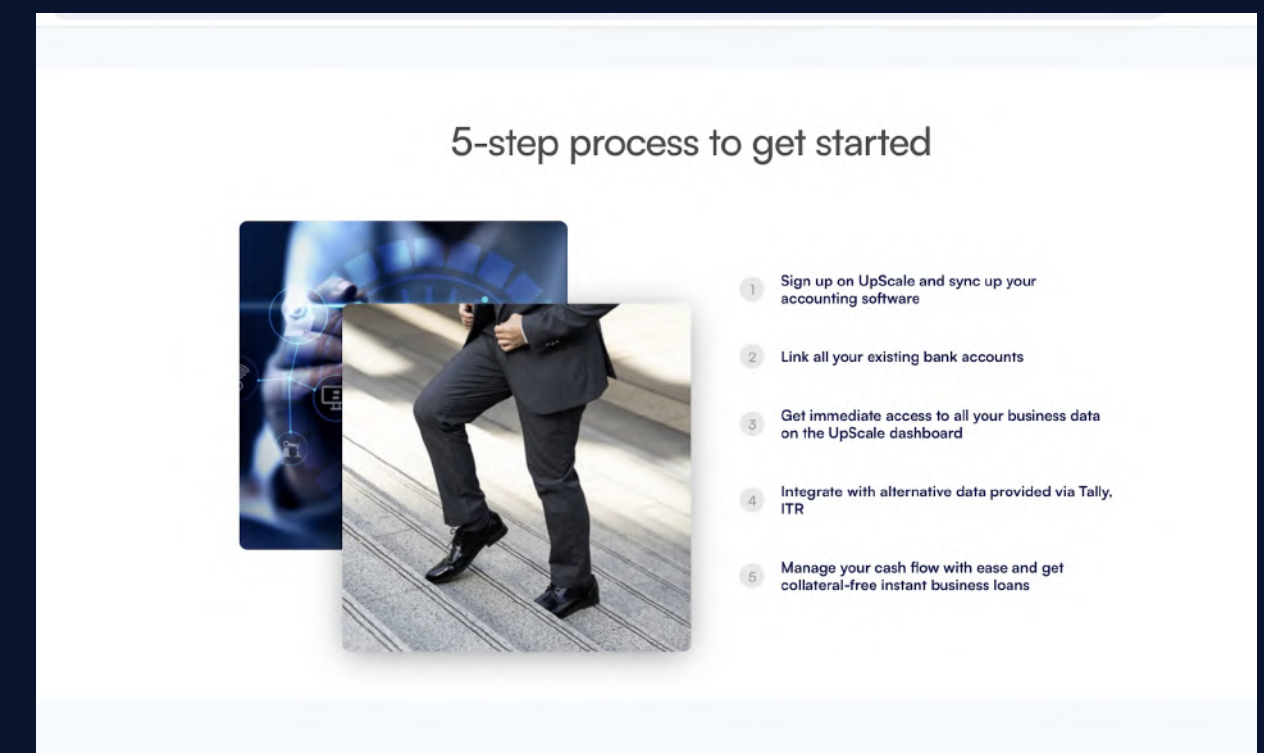
Home | Upscale — Super App for SMEs

Upscale — Super App for SMEs


An all-in-one credit and cash flow management platform that is built to meet the growing business needs of MSMEs in India.

Key Features

- Collateral-free working capital term loans**
Get instant access to unsecured business loans up to Rs. 50 Lakh without any collateral.
- Business growth tools**
Key partnerships that have branched out to over 35 financial institutions.
- Real-time data from Tally**
Sync up with the accounting software, Tally and stay on top of all business transactions by tracking data at any time and anywhere.
- Manage banking, accounting and payments in one place**
Link all your bank accounts in one place and know where your cash is at all times with Upscale's unified dashboard for banking, accounting and payments.



5-step process to get started



- 1 Sign up on Upscale and sync up your accounting software
- 2 Link all your existing bank accounts
- 3 Get immediate access to all your business data on the Upscale dashboard
- 4 Integrate with alternative data provided via Tally, ITR
- 5 Manage your cash flow with ease and get collateral-free instant business loans

Mastercard - SAP Fioneer cooperation for embedded finance

"SAP Fioneer and Mastercard are combining their respective capabilities and reach to explore opportunities to help banks and fintechs deliver an embedded payment and lending experience for their customers that meets the increased demand for convenience, speed to market and agility."

"Embedded Finance and SME Lending platforms can help banks accelerate their ability to support evolving client needs for business-to-business (B2B) payments, as well as lending and financing for small and medium enterprises and consumers."

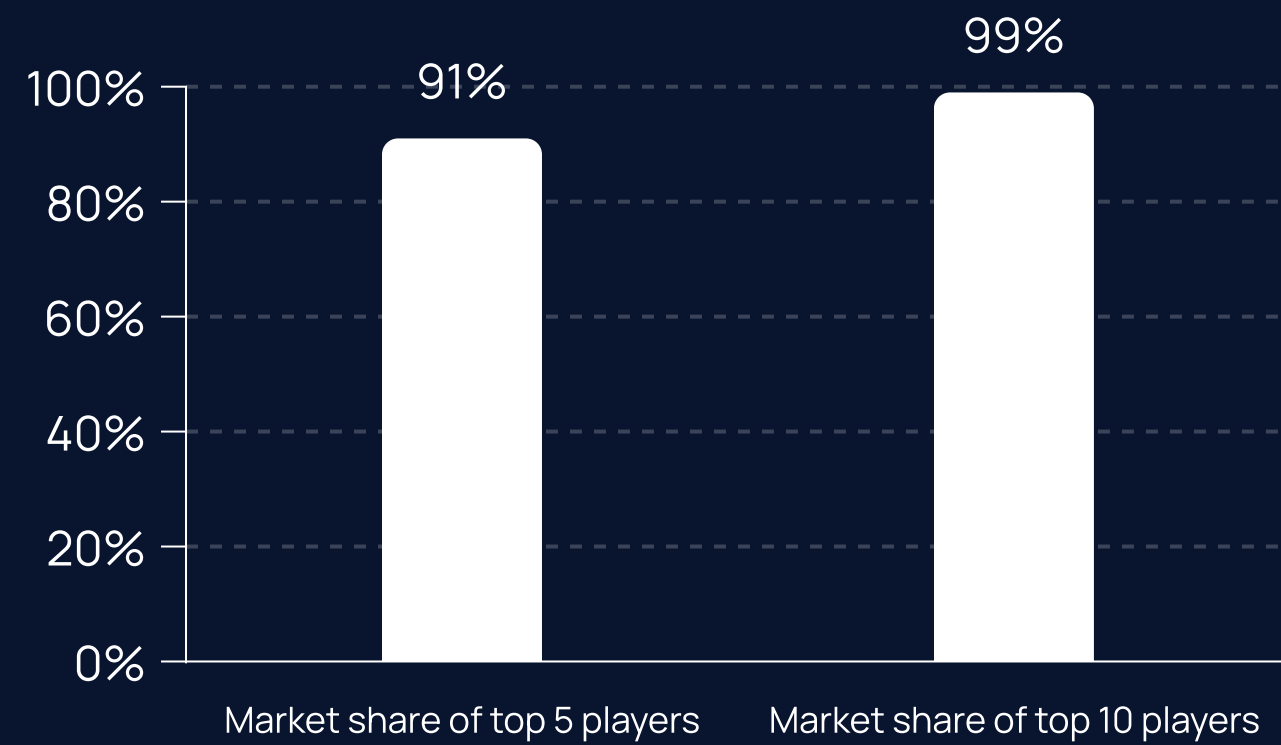
SAP Fioneer 



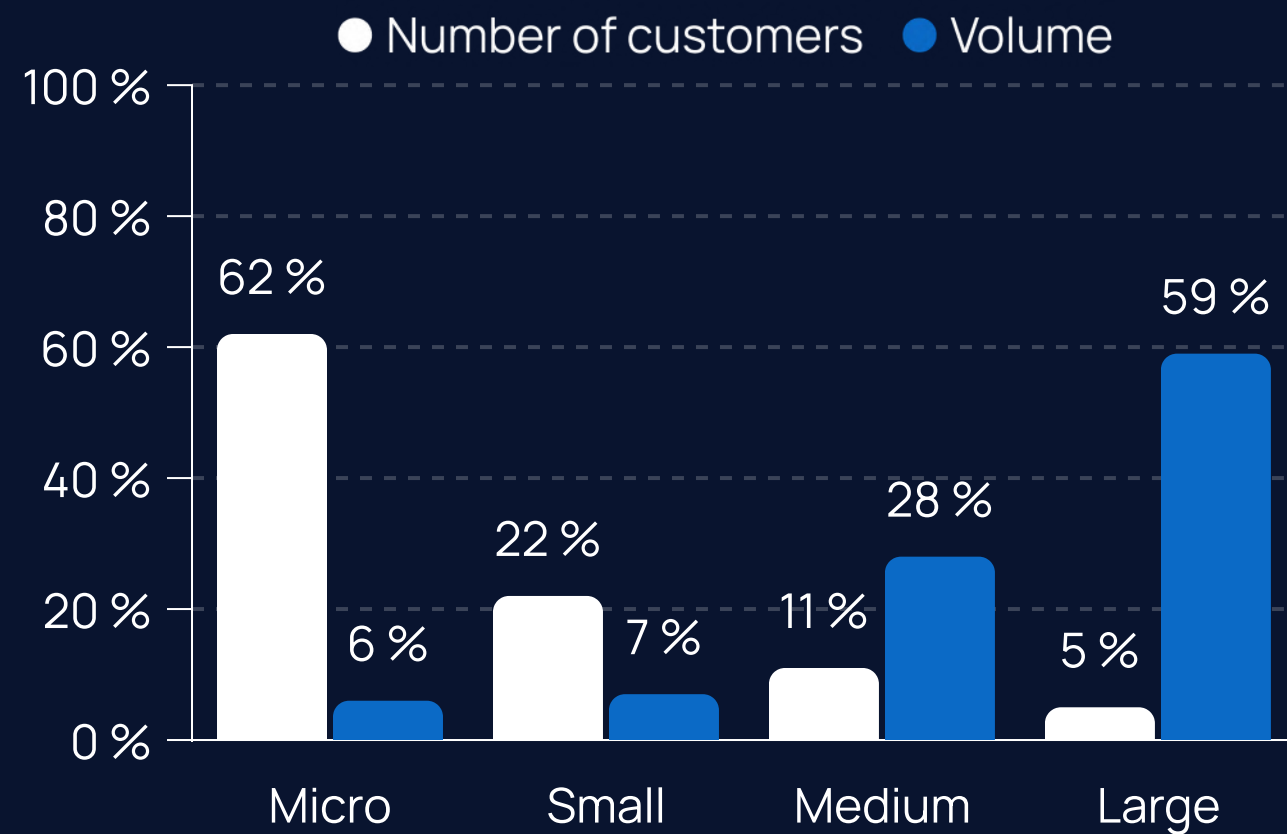
mastercard.

Source: <https://www.sapfioneer.com/blog/press-release/sapfioneer-partners-with-mastercard/>

Source: <https://app.livestorm.co/sap-fioneer/how-to-approach-embedded-finance-for-smes-or-pm/live?s=9cbe1d1b-8a2c-4c1c-8de8-33968dc6c80f#/qa>



- Bank dominated market: 6 largest players are banks out of the 70 factoring companies
- High market concentration
- 4275 companies funded (out of the 1 million+ operational enterprises and sole entrepreneurs)
- The funding volume is mostly made up of large companies, SMEs are lagging behind



Integration with e-invoicing makes factoring accessible for SMEs- szamlazz.hu case study

SME profile

EUR 510 th
revenues

EUR 8 th
registered capital

25 years operational
track record

Construction
industry

>EUR 77 th
profit

9
employees

25 years banking
track record

Reliable tax
payer

Factoring results

**409 factored
invoices**

**EUR 237 th
factored volume**

**74 days less
DSO**

**EUR 4 th saved on
financing costs**

Conclusion

Sales and onboarding

From separate to integrated or no onboarding at all for existing customers.

From paper based to data based

From sales based to event based/contextual/embedded

Operations

Access to invoice data allows automated processing

Automated validations and checks

Risk and pricing

Prevent invoice fraud and double financing

From standard to differentiated pricing

Relationship risk instead of counterparty risk





Thank you



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