

OpinionWay survey for Banqup Group¹

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Electronic invoicing mandatory as from 2022 when billing public-sector bodies: Are Luxembourg's micro-enterprises & SMEs ready?

On 1st July 2022 all Luxembourg businesses, regardless of their size, will be legally obliged to gradually switch to e-invoicing and issue structured invoices, that meet the requirements of the tax authorities.

Banqup, the European leader for automated solutions in the digitalisation of documents and financial management wanted to know whether Luxembourg's micro-enterprises & SMEs are equipped for this crucial new step in digitalisation of businesses.

OpinionWay conducted a survey for Banqup during the summer of 2021. 200 directors of Luxembourg micro-enterprises & SMEs were asked about the level of digitalisation of administrative tools within their organisations.

The results of the survey are quite surprising just a few months before this obligation comes into force.

80% of the management of Luxembourg micro-enterprises are unaware of the obligation to issue electronic invoices.

Furthermore, although they may be aware of the time-savings that can be generated by digital administrative solutions, few micro-enterprises actually use dedicated tools and the majority are unaware of the legal obligations regarding the introduction of electronic invoicing in 2022, revealing their need for support for this digital transition.

The switch to structured electronic invoices: a major challenge

The obligation to issue structured electronic invoices to public-sector entities starting from 2022 for Luxembourg businesses is still largely being overlooked by the management of micro-enterprises:

92% of micro-enterprises & SMEs are not familiar with or do not use structured electronic invoicing.

¹Survey conducted by OpinionWay by means of telephone interviews with 200 directors of companies representative of Luxembourg micro-enterprises & SMEs with between 0 and 19 employees in the industrial (14%), retail (29%) and service (57%) sectors. The panel by company size: 51% with 0 employees, 32% with 1 to 4 employees, 17% with 5 to 19 employees. The interviews were conducted from 19 to 29 July 2021. For further information do not hesitate to contact the Banqup communications department. Any total or partial publication must absolutely include the following complete wording: "OpinionWay survey for Banqup" and no part of the survey may be dissociated from this mention.

80% of directors of Luxembourg micro-enterprises & SMEs are not aware of the forthcoming obligation to issue structured electronic invoicing. **42% have heard about this and only 8% already use it.** This last figure does increase however for SMEs with 5 to 19 employees, reaching 14% of the respondents.

A worrying finding given that this will be the only format that will gradually be accepted by public-sector bodies starting from 1st July 2022

Management of micro-enterprises is too busy to deal with this: one quarter of them consider they have to spend too much time on administrative tasks

Administrative tasks can be time-consuming for many businesses. Indeed, **more than one third (36%)** of the interviewees are dissatisfied with the time they have to spend on them: 25% consider they dedicate too much time to them and 11% not enough.

Digital tools are widely available, but do not necessarily lead to time-savings

Luxembourg micro-enterprises use IT tools to simplify the management of their documents (invoices, documents for the tax authorities, bank statements, expenses, etc.). Overall, they are satisfied with these tools: more than 80% of directors think these tools are easy to use, efficient and suited to their company's activity. However, the tools used are for the vast majority basic and non-professional: **84% use basic tools (Excel, Word, etc.)**, 34% use solutions proposed by an external service-provider (software, web interface, etc.) and 11% use other types of digital solutions, whereas just 8% of micro-enterprises do not have any digital administrative tools.

Nearly a quarter of the people surveyed note that these tools do not offer any time savings for them.

Digital environments and dedicated support bring precious help for directors of micro-enterprises

Although the great majority of the management of Luxembourg micro-enterprises & SMEs **resort to a service provider for the management of their accounts in order to offload their administrative tasks** – adopted by 82% of the directors of micro-enterprises – **the utilisation of a digital environment for managing their invoices is still relatively uncommon: 54%** of the management of Luxembourg microenterprises still do not have a digital environment (software or interface) for paying their company's invoices.

By using these tools they would, however, be able to follow up on their invoices on a day-to-day basis, which would be especially critical for companies working in the industrial and construction sectors which sometimes find it difficult to keep good visibility in this area (12% acknowledge they do not have good visibility of their payment due-dates and the payment status of their incoming and outgoing invoices).

Other than the actual accounting benefits, the fact of using a digital invoicing environment could guarantee that Luxembourg micro-enterprises & SMEs are compliant with the upcoming obligation to issue structured electronic invoices as from 2022 for their exchanges with public-sector bodies.



**Vincent
Ulens**

Partner Manager

“Today, this survey confirms our teams’ feedback from the field: only a minority of micro-enterprises & SMEs are ready for the transition on 1st July 2022 and many directors are unaware of the imminence of this legal obligation to use structured electronic invoicing. Besides the technical constraint relative to invoicing, there is a real desire to find simple, all-in-one solutions suited to the needs of micro-enterprises & SMEs in Luxembourg, allowing them to manage their administrative tasks simply in the Cloud.

Banqup Group, listed on the stock-market and European leader for automated solutions in the digitalisation of documents and financial management for large European groups, is committed to placing its 20 years’ experience at the service of Luxembourg micro-enterprises & SMEs in order to back them up in this important step in the digitalisation of their business.”

Banqup Group, European leader for automated solutions in the digitalisation of documents and major provider of payment services

Banqup is a leading cloud-based platform for SME business services built on “Documents”, “Identity” and “Payments”. Banqup operates and develops a 100% cloud-based platform for administrative and financial services that allows real-time and seamless connections between Banqup’s customers, their suppliers, their customers, and other parties along the financial value chain. With its one-stop-shop solutions, Banqup’s mission is to make administrative and financial processes simple and smart for its customers. Since its founding in 2001, Banqup has grown significantly, expanding to offices in 30 countries, with more than 400 million documents processed in 2020, reaching over 980,000 SMEs and more than 2,500 Corporates across its platform today.

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