UNCLASSIFIED External

# A-NZ PEPPOL FRAMEWORK GUIDANCE NOTE

## ABN validation

**Guidance note 05**

|  |  |  |
| --- | --- | --- |
| **Issue date** |  | **Version** |
| 15 November 2019 |  | 1.0 |
| **Effective from** |  | **Artefacts impacted** |
| November 2019 |  | Artefacts which include an ABN, including:  A-NZ invoice extension  A-NZ self-billing extension  Message header |

**For questions please contact:** [e-invoicing@ato.gov.au](mailto:e-invoicing@ato.gov.au)

### Introduction

The purpose of this document is to provide instructions on how Access Point (AP) Providers can meet their requirements in Annex 5 to validate Australian Business Numbers (ABNs). This document also includes recommended practice for Service Metadata Publisher (SMP) Providers and accounting/invoicing software providers.

Integrity of the identity of end-users is crucial to maintaining confidence and trust in the e-invoicing network. Appropriate validation checks reduce the risk of fraudulent behaviour which impacts end-users and can damage the reputation of the network and its participants. The requirements in this document create a baseline level of validation, and PEPPOL Authorities will work with Service Providers to continue to strengthen the validation as the network matures.

ABNs are widely used as the key identifier for Australian businesses. Validation of ABNs:

* provides greater assurance of the identity of the sender, and
* increases protection against the fraudulent misuse of a business’s ABN.

Notes:

* This guidance note should be read in conjunction with the Know Your Customer (KYC) guidance note.
* NZBN validation requirements are contained in a separate guidance note.

#### Annex 5 requirements for AP Providers

Annex 5 to the PEPPOL Transport Infrastructure Agreements for Australia and New Zealand states:

*2.2.5 Validation of Sender’s Business Identifier*

*When acting as a sending AP, PEPPOL AP Providers must ensure that senders’ ABNs and NZBNs have been validated.*

#### Application of the Guidance Note

1. **AP Providers (See Requirements below)**

AP Providers must follow this Guidance Note.

1. **SMP Providers (Recommended)**

Service Metadata Publisher (SMP) Providers should implement requirements 1 to 3 to help ensure the integrity of ABNs used in the e-invoicing environment.

1. **Accounting/invoicing software providers (Recommended)**

Accounting/invoicing software providers who create the e-invoice can significantly contribute to the integrity in the e-invoicing system.

Accounting/invoicing software providers should verify the ABN details and GST status of customers and suppliers prior to the creation or processing of any Tax Invoice.

AP Providers should inform accounting/invoicing software providers of the benefits of ABN validation checks and encourage their implementation.

### Guidance

#### Tools and Services to validate ABN details

ABN and associated GST registration details are available on the Australian Business Register (ABR).

There are a number of options to check and validate details against information on the ABR, including Web Services and Lookup tools to support integration into system solutions:

* [ABN Lookup Web Services](https://abr.business.gov.au/Tools/WebServices)
* [ABN Lookup tools](https://abr.business.gov.au/Tools/AbnLookup)
* [ABR website search](https://abr.business.gov.au)
* [ATO app](https://abr.business.gov.au/Tools/AtoApp)

#### Requirements for AP Providers

1. Maintenance of customer lists (**Mandatory**)

AP Providers must perform a regular check of all their end-user customers to confirm their ABN is still listed as Active on the ABR.

These checks must be performed at least monthly.

1. Check for suspicious ABNs (**Mandatory**)

Where an end-user customer’s ABN is suspicious or there is suspicious activity, the AP Provider must:

* verify the ABN registration details (ABN and name of the entity) on the ABR, and
* correct any issues with their customers.

At a minimum, AP Provider must verify the ABN registration details of their end-user customer on the ABR when:

* an end-user customer’s ABN has been changed or updated in the AP Provider’s system; or
* the same ABN has been recorded in the AP Provider’s system for more than one end-user customer.

Note, these are indicators for verification and there may be legitimate reasons for these scenarios (e.g. ABN in the system was updated to correct a mistake).

#### Validate the format of the ABN (Mandatory)

AP Providers must ensure the end-user senders’ ABNs included in the e-invoice meets the algorithm using the formula provided on the [Australian Business Register website](https://abr.business.gov.au/Help/AbnFormat) before sending e-invoices through their AP services.

Examples of how the AP Provider can meet this requirement:

* by confirming the validation is performed prior to the AP Provider receiving the e-invoice, or
* by performing this validation as part of their service arrangement with their customers.

1. Message header (**Recommended**)

Prior to sending an e-invoice, AP Providers should verify the ABN of both sender and receiver, located in the message header, is Active.

#### Version history

|  |  |  |
| --- | --- | --- |
| **Version** | **Date** | **Change** |
| 1.0 | 15/11/2019 | Initial published version |