



e-Invoicing Policy in Europe: State of Play and Future Perspectives

CBI 2013 Conference
Rome, 22 November 2013

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Political context

- European Parliament resolution of April 2012: "Make e-invoicing in procurement mandatory by 2016"
- European Council of June 2012: "Priority should be given to measures aimed at further developing cross-border online trade, including by facilitating the transition to e-invoicing"
- Single Market Act II (October 2012): Key Action 10 "Make electronic invoicing the standard invoicing mode for public procurement"
- Annual Growth Survey 2013: Priority on modernisation of public administration & "Ensuring the widespread, interoperable digitalisation of public administration"
- European Council of October 2013: "The modernisation of public administrations should continue through the swift implementation of services such as e-government, e-health, e-invoicing and e-procurement."



A solid basis exists...

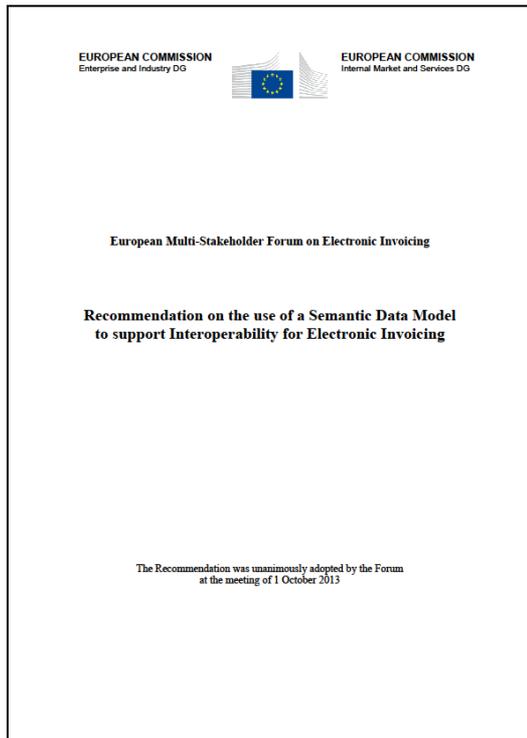
- *Communication "Reaping the benefits of electronic invoicing for Europe" – COM(2010) 712*
- *EU Multi-stakeholder Forum on e-invoicing*
- *Council Directive on the common system of value added tax (2010/45/EU)*
- *Communication "A strategy for e-procurement" – COM(2012) 179*
- *Commission co-funded projects*
 - PEPPOL (closed)
 - e-SENS
 - e-PRIOR



European Multi-stakeholder Forum on e-Invoicing

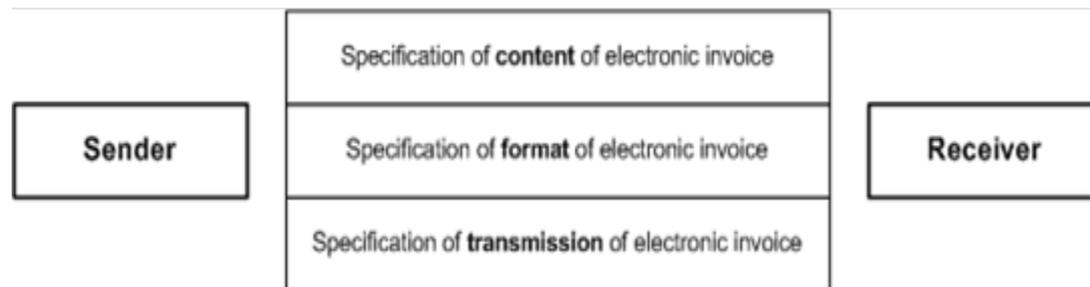
- *Role*
 - Address remaining barriers which prevent the exchange of e-invoices across EU
 - Share experiences and good practices
 - Monitor e-invoicing adoption
- *Composition*
 - Representatives of National Fora
 - European associations from the "user side": SMEs, large corporate, and users
 - European organizations and associations : CEN, ECB, Article 29 Working Party
 - Observers from the "supply side" (bank associations, service provider association, OpenPEPPOL), and EEA countries (Norway, Lichtenstein)
- *Organization of work*
 - Four Activity Groups (one is now closed)
 - Two meetings per year (next meeting: March 2014)
 - First set of deliverables adopted on 1 October 2013

The Recommendation ...



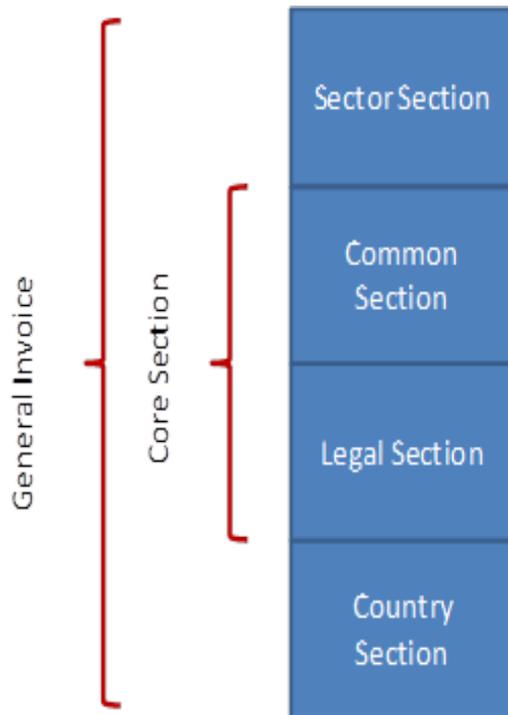
- was unanimously adopted on 1/10/2013
- intends to meet the needs of the public and private sectors
- addresses three interlinked themes
 - Interoperability Framework
 - Semantic data model for the core section of an e-invoice
 - Methodology and implementation plan

The Interoperability Framework



- Successful interoperability includes the ability to interoperate at all three levels
- The data structure of the 'content' is described by a methodology or industry practice – the Semantic Data Model
- **Semantic Data Model** = a structured and logically interrelated set of 'terms' and 'meanings' required to meet the business requirements in a commercial context
- The Recommendation focuses on **semantic interoperability**, and thus on the invoice content for which to date there is no universally accepted standard defining 'terms' and their 'meanings'

Structure of an invoice



- ❑ The **Core Section** contains the Legal Section plus a Common Section. The Legal Section is concerned with both the observance of tax and commercial laws and regulations pertaining to electronic invoicing commonly in force throughout the EU. The Common Section contains commonly used and accepted data elements, which are not sector or country specific.
- ❑ The **Sector Section** contains those data elements which are only a concern of a specific industry sector, community, supply chain or buyers and sellers of a particular type of product. Such data elements may be incorporated in an invoice as an 'Extension' of the Core Section data elements.
- ❑ The **Country Section** contains those data elements which represent the specific requirements of a particular Member State above and beyond the Core Section data elements and which for local legal or other reasons are required in a compliant electronic invoice

The Core Section of an e-invoice

- The Recommendation proposes the development of a single **semantic data model** for the core section of an e-invoice
- It should be formalised in a European Norm (EN), which should meet European requirements and should be developed using existing material
- Reference points should be:
 - the CEN CWA 16356 "MUG" providing a European core invoice data model
 - the UN/CEFACT CII v. 2.0 (as recommended by the EU Expert Group on e-Invoicing)
 - the OASIS UBL Invoice
 - the CEN BII core invoice for public procurement (CWA 16562)
 - the Financial Invoice based on the ISO 20022 methodology
 - other activities in the public and private sectors



Communication on end-to-end e-procurement – COM(2013) 453 final

The Communication assesses the state of implementation of end-to-end e-procurement, and sets out actions that should be taken by the EU and MS to achieve the transition

- EP and Council to agree the new legal framework on e-invoices in public procurement
- CEN to develop the necessary standard(s) on the semantic data model and on e-procurement at large
- The Commission to support interoperability and infrastructure projects (eSENS, CEF), to launch studies on strategies and best practices on e-procurement, to set up a Forum on e-procurement and to pursue the existing Forum on e-invoicing, to publish key principles on e-procurement systems
- The Member States to set up national strategies and action plans for end-to-end e-procurement, and to eventually use Structural Funds for training

A relevant legislative proposal

The Commission adopted a proposal for a Directive on electronic invoicing in public procurement [COM(2013) 449 of 26 June 2013]

Article 3 - Establishment of a European standard

1. *The Commission shall request the relevant European standardisation organisation to draw up a European standard for the semantic data model of the core electronic invoice.*

.....

Article 4 - Electronic invoices complying with the European standard

Member States shall ensure that contracting authorities and contracting entities do not refuse to receive electronic invoices which comply with the European standard [...].



Standardisation Mandate – Tentative Calendar

Deadline

End October 2013

November 2013

December 2013

Jan-Feb 2014

End March 2014

End April 2014

Mid-June 2014

July 2014

December 2016

Action

Advice of the Forum on e-invoicing on ToR of the mandate

Consultation of ESOs, stakeholders and sectoral experts

Inter-service consultation

Draft mandate EN/FR/DE uploaded in SIGNIFERI

(Written) consultation of the Committee on standardisation

Mandate to be notified to the ESOs [i.e. CEN]

Mandate accepted by CEN – Quotation submitted to Commission

Award of the grant to CEN and signature of the contract

Start of the standardisation work

EN adoption

EU Forum: Results of Activity Groups

- *Activity Group 1 –*
 - Module on e-Invoicing in the 2014 Survey on ICT usage by enterprises (EUROSTAT)
- *Activity Group 2 - Exchange of experiences and good practices*
 - Report on e-invoicing in public procurement
Topics addressed : The “business case” for parties involved (public sector buyers, suppliers to public sector and services providers), the infrastructural solutions currently available for B2G, and the standards issues for e-invoicing in public procurement.
 - Report on SME adoption :
Topics addressed : the SME market challenges (“Why has the SME market failed to adopt e-invoicing fully?”), the solutions currently available for SME either suppliers or buyers and the role of different stakeholders groups (banks, service provider, government, SME influencers & experts).



EU Forum: Results of Activity Groups

- *Activity Group 3 - Propose appropriate solutions for remaining cross-border barriers*
 - The group collected information on the transposition of the VAT Directive in 18 Member States and paid special attention on how Member States have defined "business controls". Furthermore, the Group identified legal issues that could prevent the exchanges of e-invoices across borders (data protection rules, archiving and e-signatures).

EU Forum: Results of Activity Groups

- *Activity Group 4 – Migration towards a single e-invoice data model*
 - Recommendation on the use of a semantic data model to support interoperability for e-invoicing
 - Background document, including a glossary of definitions for e-invoicing
 - ToR of a standardisation mandate for the development of a EN on the semantic data model of the core section of an electronic invoice

All Activity Groups have been adopted by the Forum in October 2013 and are available online.



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