

E-INVOICING IN FINLAND

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FFI | Federation of Finnish Financial Services

FEDERATION OF FINNISH FINANCIAL SERVICES (FFI)

- Trade body which represents Finnish
 - Banks
 - Insurers
 - Finance houses
 - Securities dealers
 - Fund management companies
 - Financial employers
- Some members also provide statutory motor liability, workers compensation and employee pension insurances, which are all part of Finnish social security.
- About 430 member organisations who employ a total of 42,000 people.



FFI MEMBERS

TOTAL: 419 (OCTOBER 2013)

- 287 banks
 - 25 commercial banks
 - 193 cooperative banks (OP-Pohjola Group)
 - 37 local cooperative banks (POP Bank Group)
 - 32 savings banks
- 65 insurance companies
 - 14 life insurers
 - 7 authorised employee pension insurers
 - 44 non-life insurers
- 4 finance houses
- 15 investment firms
- 22 fund management companies
- 2 other financial services providers
- 24 members involved in labour market lobbying only



FFI STRATEGIC MISSION, VISION AND SLOGAN

Mission

- We build an operating environment where our members can increase Finnish well-being through healthy business.

Vision

- To be the united and most efficient lobbyist of the Finnish financial sector.

Slogan

- "FFI – For better finances."



WHAT DOES THE SLOGAN STAND FOR?





FINVOICE STANDARD – WHAT AND WHY?

WHAT BUSINESS MODEL MAKES

FINVOICE SUCCESSFUL?

B2B, B2G AND B2C EXPERIENCES

FUTURE DEVELOPMENT

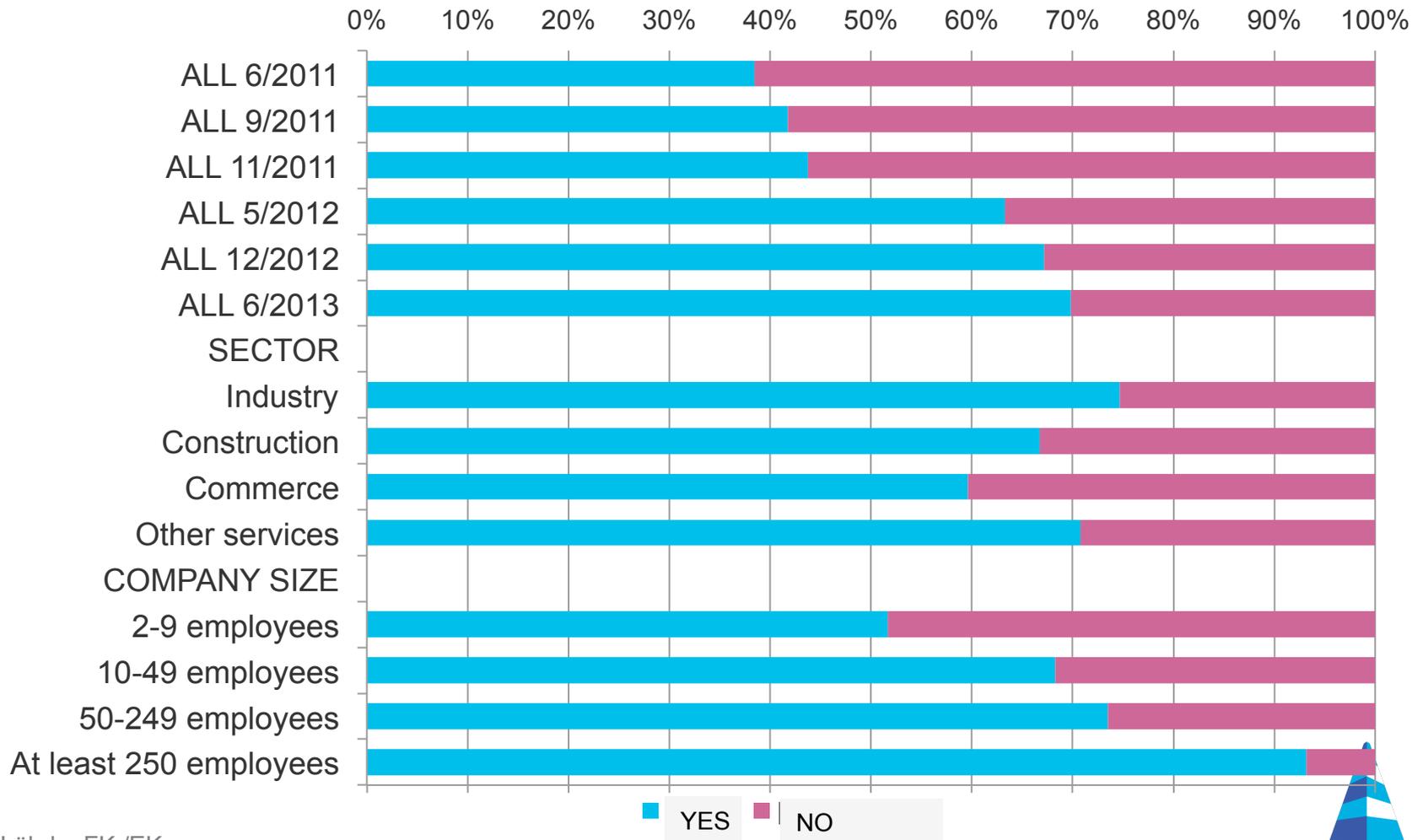
THE FINNISH DD MIGRATION TO SCT AND

E-INVOICING

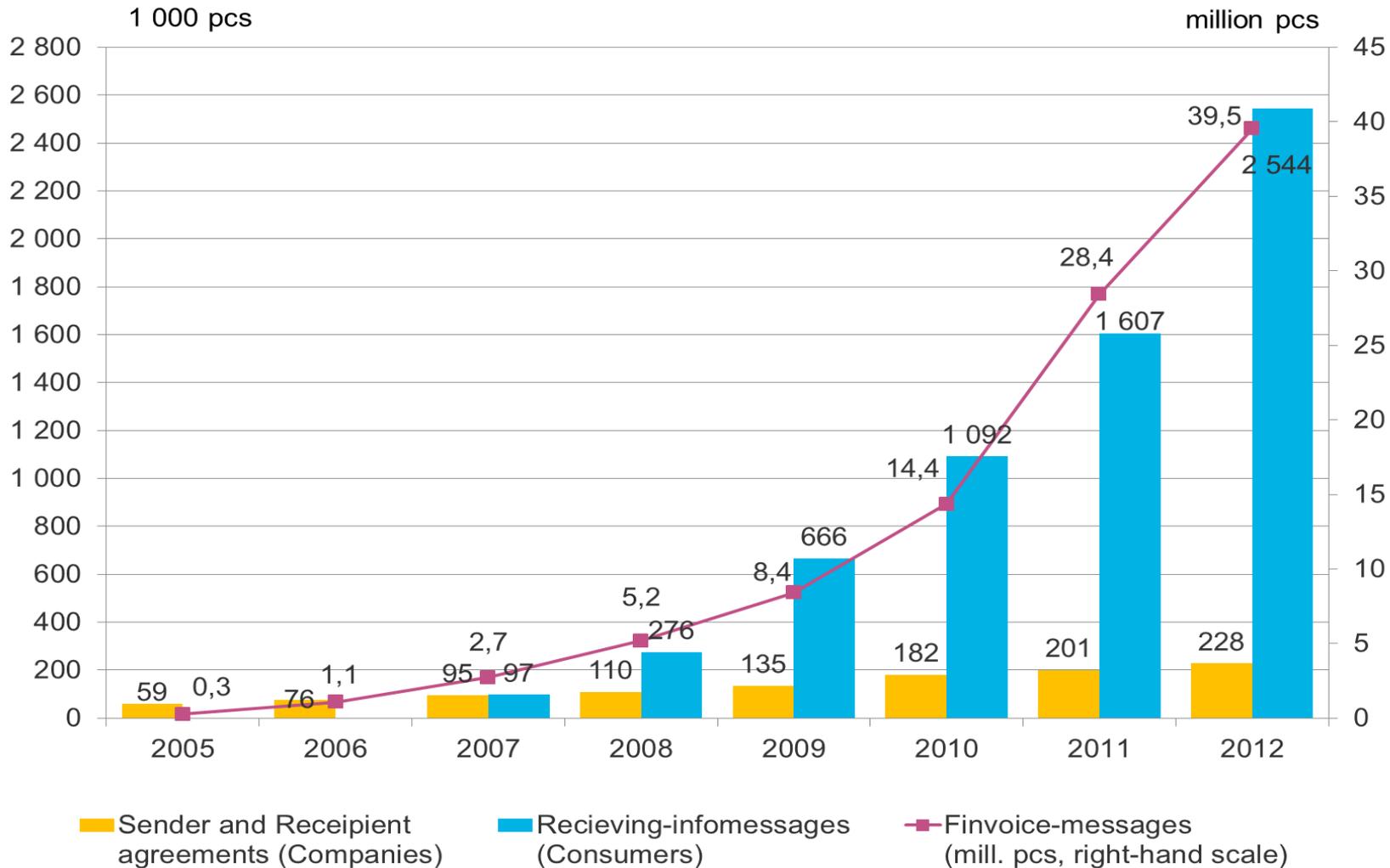
USE OF E-INVOICING IN COMPANIES

- Is e-invoicing already in use in your company/organisation?

n=404 6/2013



FINVOICE INTERMEDIATION SERVICE



FINVOICE STANDARD – WHAT AND WHY?

- Finvoice is an electronic invoice standard developed in the Federation of Finnish Financial Services by the banks
- First Finvoice version in 2003
- Nearly all companies have electronic connection to banks
- Companies asked banks to develop an e-invoice standard
- Began as a simple e-invoice but during the past years more and more additional elements have been requested
- Different requirements for standards among various users
 - Telecommunication operators and electric utilities
 - Insurance companies
 - Factoring and credit card companies
- Sector-specific implementation guidelines (e.g. insurance - medical centers invoicing)



FINVOICE STRUCTURE

e-Envelope (ebXML) frame with the parties:
Sender - Intermediator - Recipient

Basic invoice
Invoice row data
Order reference
Posting proposal

Attachment and links

Payment part (ePI)

At www.finvoice.info website:

- Schemas and technical files
- Tools e.g. Archiving program and Creating the Invoicer message (B2C)
- All information on the finvoice.info website is freely available



INVOICE

Seller:
 Business ID: 0199920-7
 Cement and Ice Cream Ltd
 Box 308
 00101 HELSINKI

Buyer:
 Bill Wirtanen
 Bulevardi 28
 00120 HELSINKI

Invoice date: 21.3.2013
Invoice No.: 178
Seller order No.: MYY21231
Payable: 7,62 euro
Due date: 25.3.2013
IBAN: FI27 8123 2323 3123 34
BIC: BANKFIHH
Reference number: 20 04677

Payment status: Outstanding

Delay information: Penalty interest 16%
Delay penalty interest: 16 %
Payment terms: 14 Days
Due date: 25.3.2013

Link to the catalog



Description	Product code	Quantity delivered	Vat excluded unit price and amount	Vat amount	Total
Vanilla ice cream	2131232	4 pcs	1,55 => 6,20	1,42 (23 %)	7,26
			Discount1 8 %:		
			Proposed account coding 845, 8500		

Link to the home page



Vat specification:
Vat excluded: 6,20 euro
Vat: 1,42 euro
Vat 23 % : 1,42 euro (6,20 euro)

INVOICE TOTAL: 7,26 euro

Link to the e-invoice archive



Proposed account coding : 845
Proposed account coding : 8500

[Our online shop](#)
[e-invoice archive](#)

Cement and Ice Cream Ltd
 Phone: (09) 404 1
 Web address:
 www.Cementandicecream.fi

Home town: Helsinki
 VAT number: 0199920-7
 FI27 5780 0750 1554 47 /
 BANKFIHH

FINVOICE AND AGREEMENTS

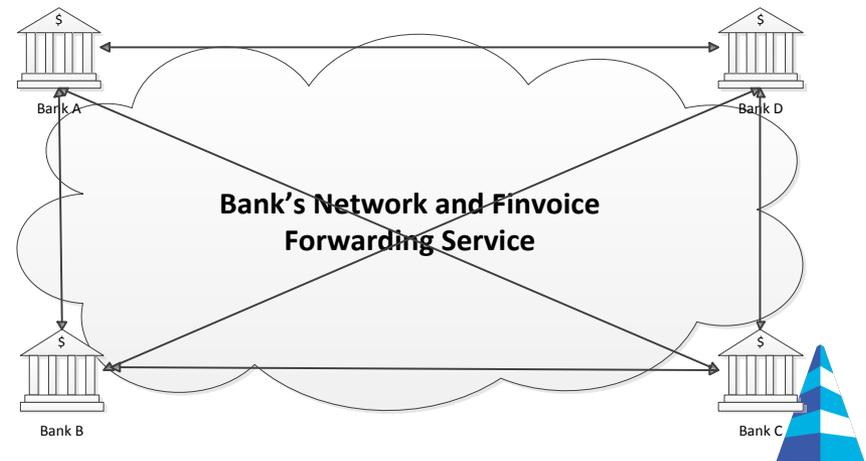
4-corner model

Between banks

- Finvoice Forwarding Service agreement (FFI)
- Bilateral agreements (responsibilities etc.)
- Sending bank is like a customer from the receiving bank point of view

Between bank and customer

- All customers have agreement at least with own bank
- Bank always identifies the original Sender and Receiver
- Customer can authorize accounting company or invoice operator to send and receive e-invoices on behalf of customer



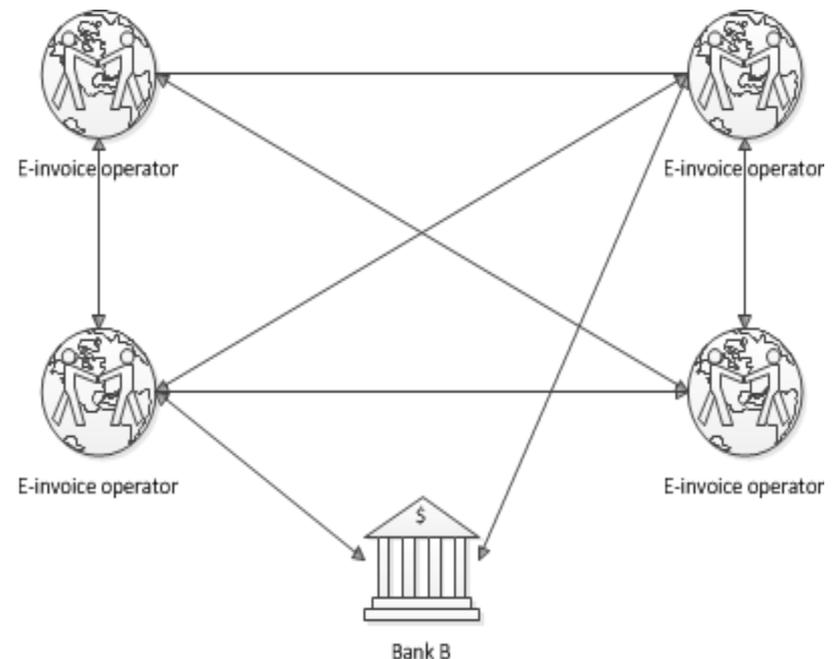
FINVOICE AND BANKS OFFERS

- Banks offer their own tools for Finvoice
- Online bank -based services for SMEs
 - SME can use its online bank for both payments and invoicing
 - Based on the reconciled invoices, SME or Bank initiates the payment
- Payments that are directly generated from e-invoice data create far fewer processing costs and errors
- Offering printing services for those receivers who are not able to handle electronic invoices
- Internet banking services have a key role for B2C
- Finvoices are transmitted between banks in the same way as payments



OPERATORS MODEL

- Operator criteria
 - General criteria concerning e-invoice operators
 - Conversion and services to different formats
- Conversions at least to Finvoice and TEAPPSXML formats
- E-invoice operator and bank have bilateral agreement
- In Finland the two "networks" enable e-invoices interoperability
- Cooperation between banks and e-invoice operators



EXPERIENCES

- B2B
 - Volumes are rising pretty well
 - It should be solved how e-address information could be transmitted in electronic form between business partners
 - More activation needed in SME segment
- B2G
 - State of Finland requires all invoices as e-invoices in the end of 2009
 - Government actively involved and supporting e-invoice development
- B2C
 - The solution and add on services are now starting to be at place (e-attachments, automated payment, SMS alert)
 - Consumers are interested and would like to get more and more invoices electronically
 - B2C like pay e-invoices early; 5 days before due date





NEW INNOVATIONS

ONE EXAMPLE OF REPORT: GOVERNMENT PROGRAMME TO TACKLE THE GREY ECONOMY

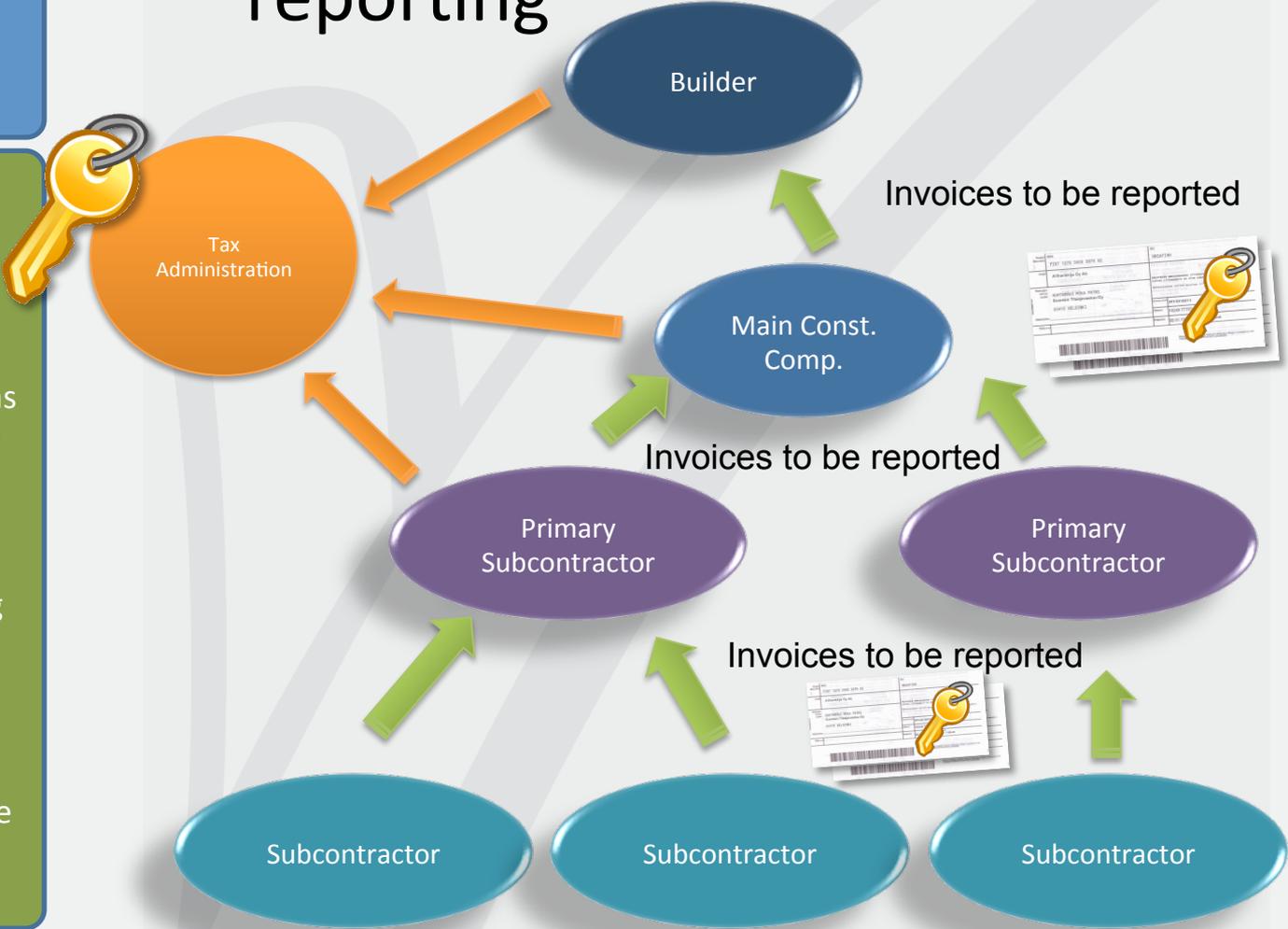
- Prevention of non-observed economic activity, or the grey economy, is one of the government's flagship projects.
- The Ministry of Employment and the Economy is responsible for measures related to the grey economy in labour-intensive sectors and the reform of the Act on the Contractor's Obligations and Liability when Work is Contracted Out.
- The measures by the Ministry of Employment and the Economy are related in particular to the construction industry, hospitality and catering, and hairdressing.



Construction Site Register helps automated reporting

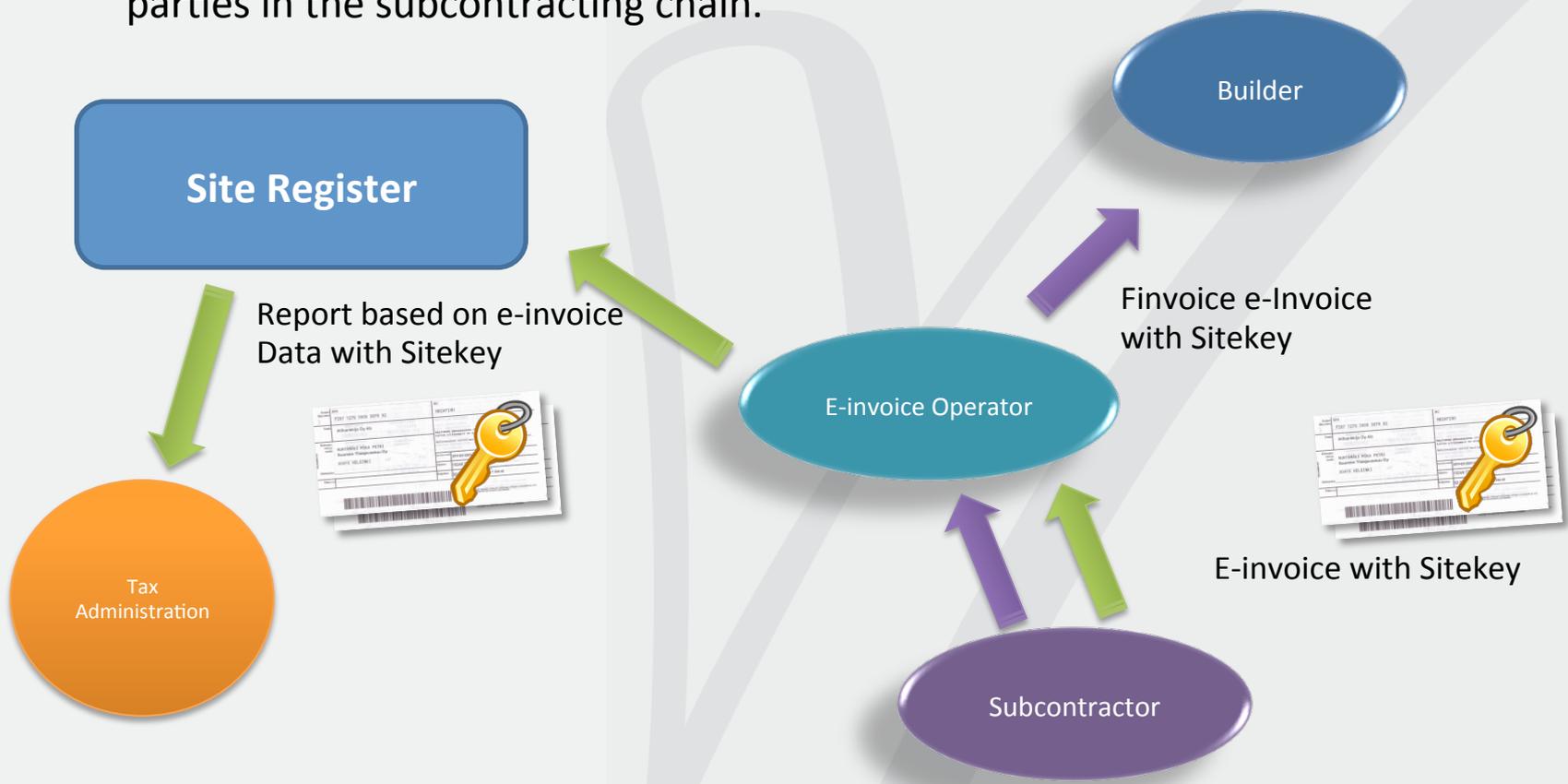
Site Register

- Sitekey**
- Unique identifier for all construction sites
 - Identifier is shared between companies
 - Identifier can be used as an additional reference in the invoices
 - Site Register stores all the required information concerning the site
 - Information is used for automated reporting purposes
 - All parties can share the common information



Sitekey and automated reporting

Tax Number Law requires co-operation between all parties in the subcontracting chain.



FULLY INTEGRATED ACCOUNTING AND REAL-TIME ECONOMY PROGRAM

Aim is to develop the ways to utilize structured data from the business documents to automate accounting and cash flow estimates of SMEs.
Automated accounting model based on electronic bank statement!

Purchase invoice:

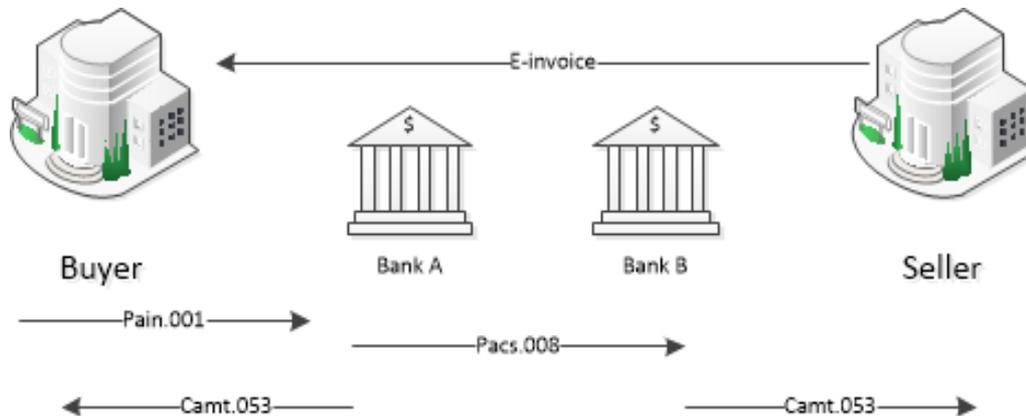
- reference
- VAT
- amount

Pain.001

- End to end Id
- Ref
- Own id
- amount

Camt.053

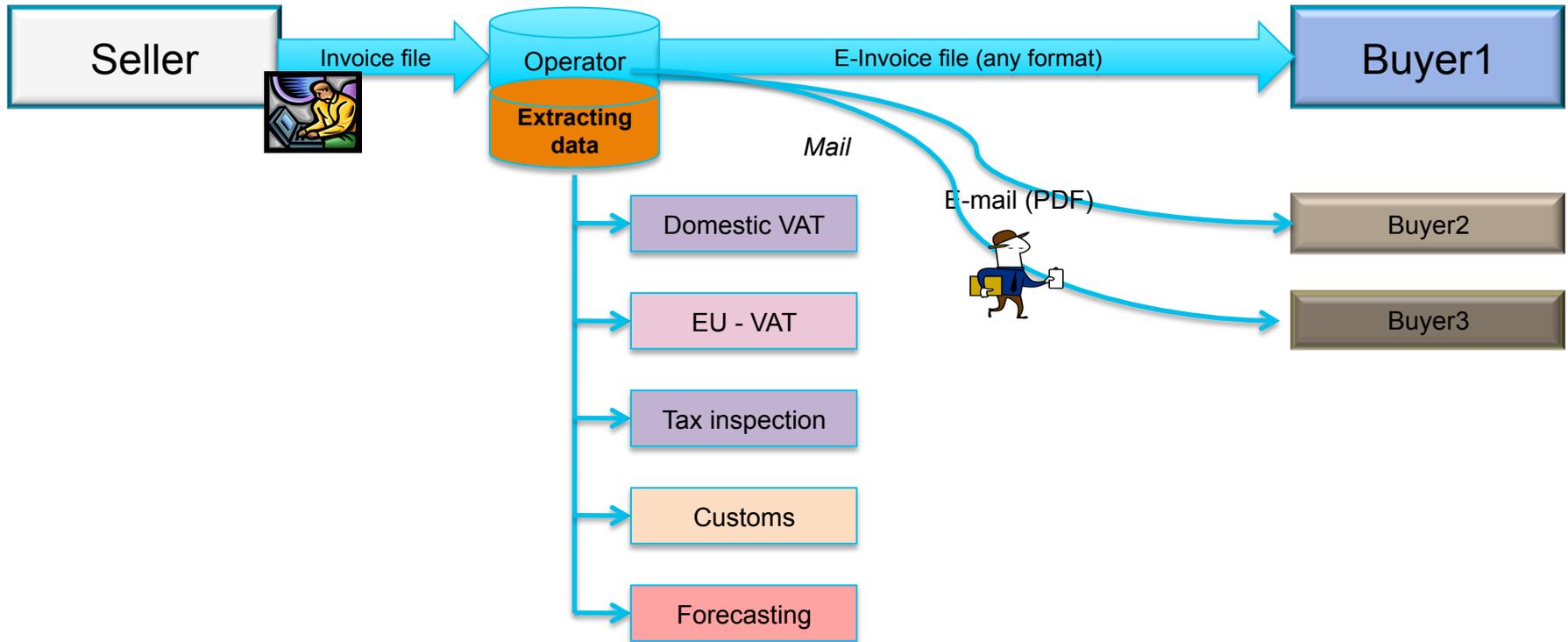
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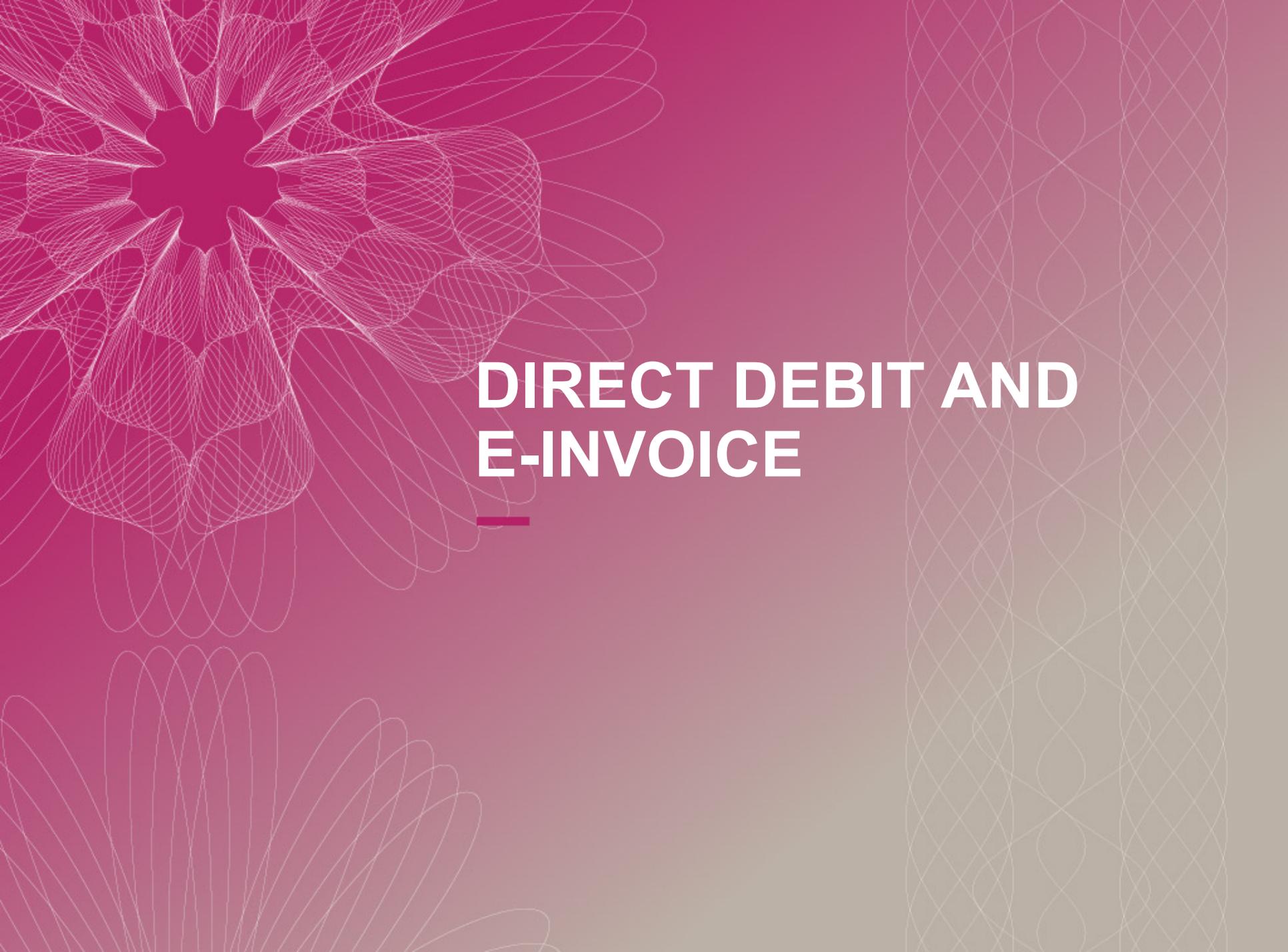


- Camt.053
- Ref
 - amount



BIGGER REPORTING PICTURE



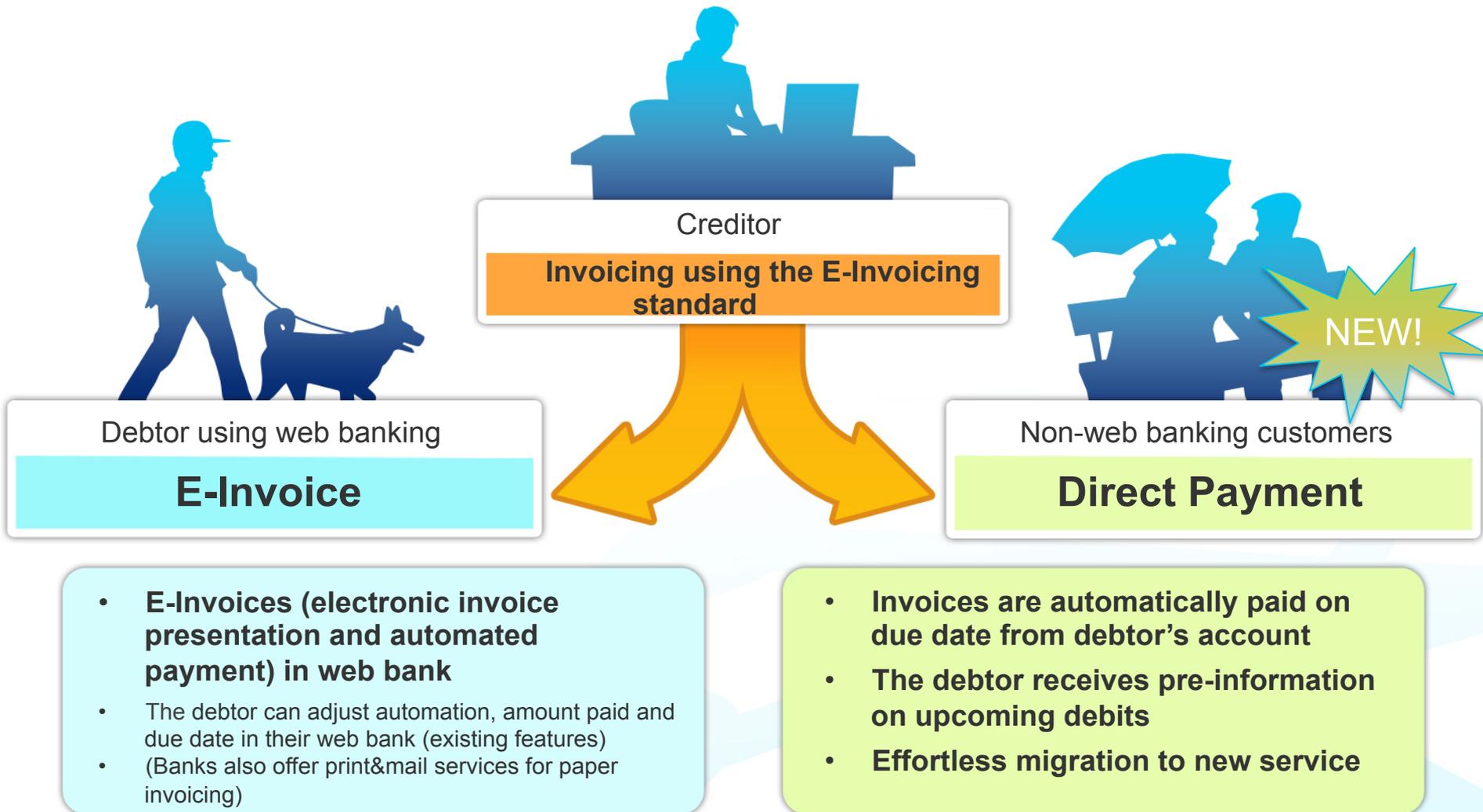


DIRECT DEBIT AND E-INVOICE

SEPA DIRECT DEBIT AND NATIONAL MIGRATION PLAN

- ▶ SEPA direct debit is significantly different from the Finnish direct debit.
- ▶ National direct debits are not automatically converted to SEPA direct debits.
- ▶ SEPA direct debit may be a good alternative for cross-border trade in the euro area.
- ▶ It is recommended in Finland that direct debit invoicers replace national direct debit with e-invoicing and direct payments.
- ▶ Other replacement services for direct debit include:
 - SEPA direct debit (if the creditor bank provides the service)
 - Paper invoice

The Finnish DD migration is all about e-invoicing for the invoicer and automated payments for the consumer





THANK YOU
