



e-Invoicing in Europe: Evolution or Revolution?

Forum Banche e PA 2013

Rome, 16 July 2013

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State of Play



European Multi-stakeholder Forum on e-Invoicing

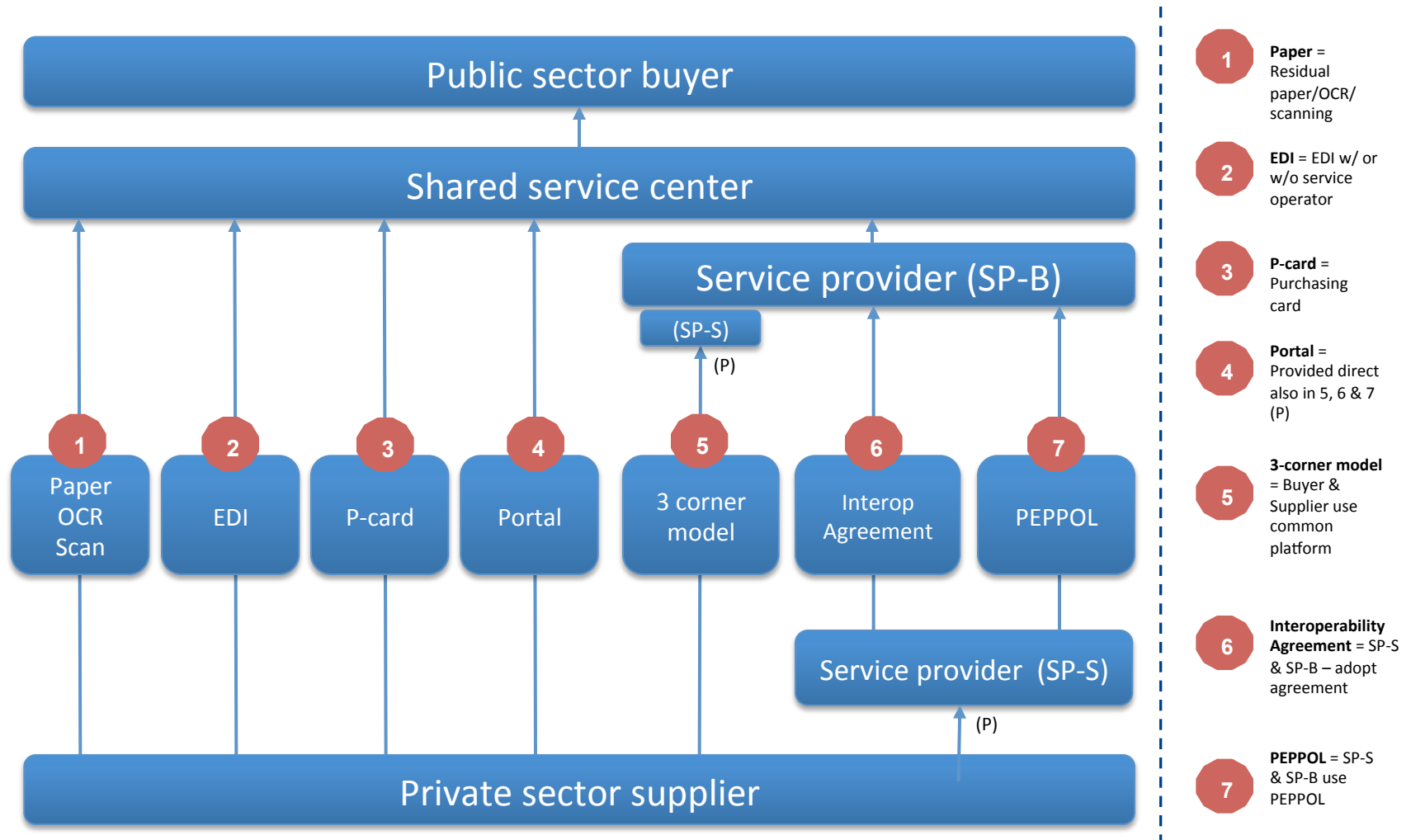
- *Role*
 - Address remaining barriers which prevent the exchange of e-invoices across EU
 - Share experiences and good practices
 - Monitor e-invoicing adoption
- *Composition*
 - Representatives of National Fora
 - European associations from the "user side": SMEs, large corporate, and users
 - European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

EU Forum: First results of Activity Groups

- *Activity Group 1 - Monitoring the e-invoicing uptake at Member States and EU level - Leader: P. Breyne (BE) [closed]*
 - Collaboration with EUROSTAT to improve the statistical monitoring on e-invoicing (new questions on e-invoicing will be integrated to the 2014 questionnaire on "ICT usage in enterprises")
 - The objective is to collect "quantitative" information on the % of e-invoices (structured and unstructured) sent and received

- *Activity Group 2 - Exchange of experiences and good practices - Leaders: C. Bryant and N. Taylor (UK)*
 - A public consultation identified the main drivers of e-invoicing: the critical role of government policy and service providers
 - Ongoing investigation: e-invoicing for public procurement
 - Business case for all actors (public sector, suppliers, service providers)
 - Infrastructural solutions and approaches
 - Standards issues

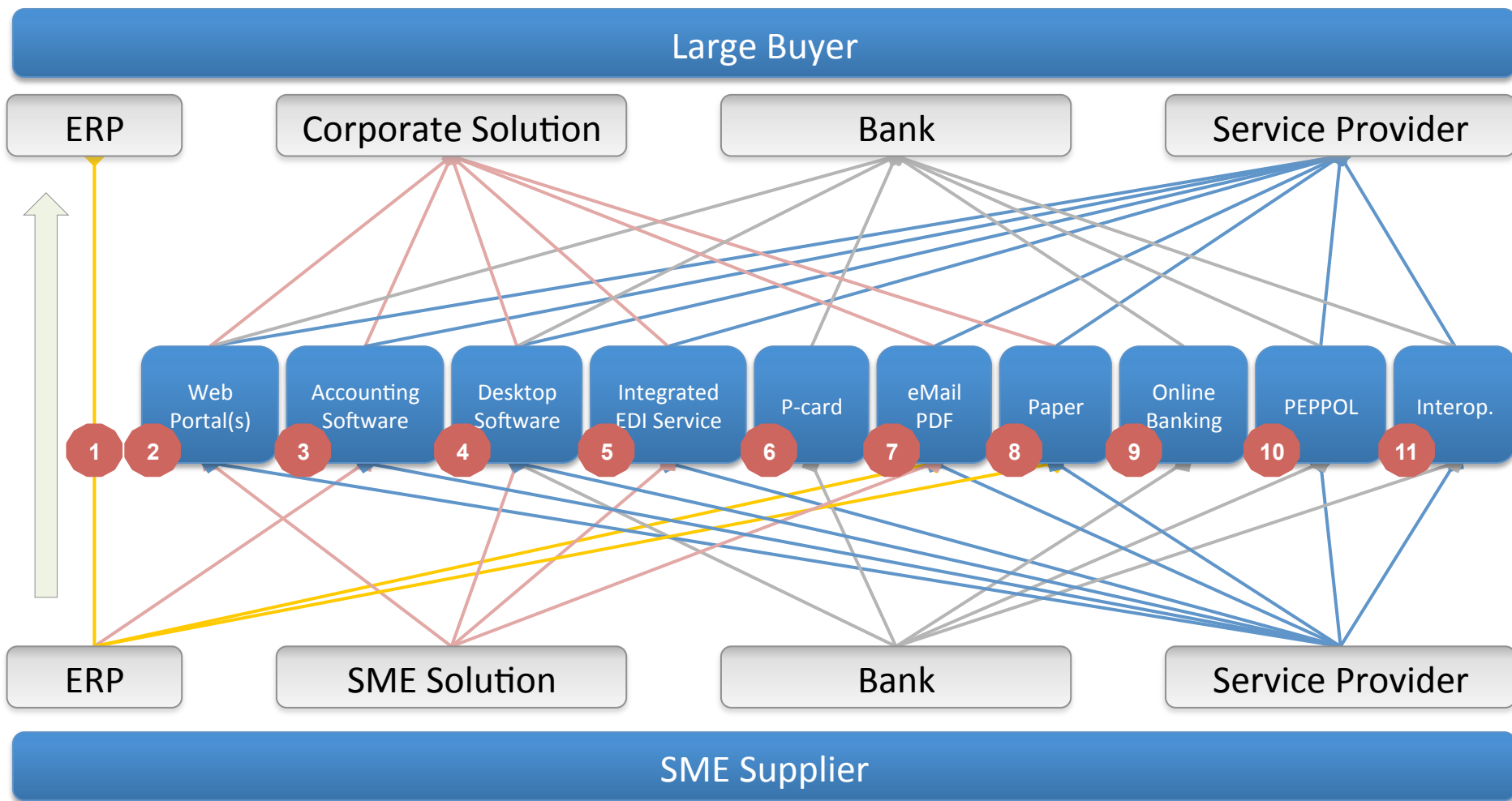
Infrastructural solutions for e-Invoicing (B2G)



- Ongoing investigation: SME adoption
 - SME market challenges
 - Existing SMEs solutions
 - The role of banks, government, service providers
 - Education from SME influencers
 - Expert opinions

Existing SME e-Invoicing Solutions (B2B)

SME Supplier >> Large Buyer



1. Connect direct to customer ERP
2. Create e-Invoice in customer web portal
3. e-Invoice direct from accounting solution plug-in
4. Issue e-Invoice from 3rd party desktop software
5. Issue EDI invoice in cloud
6. Accept P-Card purchase

- (web service)
(service provider, corporate, e-Prior, etc.)
(Sage, Intuit, Exchequer, etc.)
(print driver, EDI, document output or payment solutions)
(SaaS through customers EDI partner)

7. Email a PDF invoice via email (without non-repudiation)
8. Create and mail a paper invoice – **Not e-Invoicing..!**
9. Issue an e-Invoice through online banking account
10. Issue an e-Invoice directly into PEPPOL
11. Use a service provider to create and issue e-Invoices on your behalf

- *Activity Group3 - Propose appropriate solutions for remaining cross-border barriers - Leader: S. Engel-Flechsigt (DE)*
 - No specific legal issue blocking cross-border e-invoicing has been identified but different legal systems in EU Member States bring additional complexity in particular as regards archiving, accounting, data protection and e-signatures.
 - National situation is being further explored and notably the transposition of the VAT Directive
 - Electronic invoicing must be embedded in the broad concept of digital business and document processes; accounting and bookkeeping is an area which needs to be looked at in more detail.
 - Initiatives which have already been started e.g. in the area of data protection, electronic signatures and electronic identity by the EU Commission and the EU Member States should integrate the perspective of electronic invoicing as part of general electronic business processes.
 - The VAT implementation (Invoicing Directive) is not advanced enough in order to give a final or preliminary conclusion yet.

- *Activity Group 4 – Migration towards a single e-invoice data model - Leader: P. Potgieser (CEN)*
 - The migration does not appear feasible in the short/medium term
 - Recommendation on interoperability for electronic invoicing by the use of a semantic data model to be approved by the European Forum in October 2013 – An accompanying Background Document is available
 - A glossary of definitions for e-invoicing was prepared

Evolution

E-invoicing in public procurement

- Adoption of the Single Market Act II (October 2012) with 12 key actions including **"Make electronic invoicing the standard invoicing mode for public procurement"**
- Public consultation closed in January 2013 to gather information on the existing use of e-invoicing and opinions on the launch of an EU initiative in this area
- Legislative package adopted on 26 June 2013:
 - Proposal for a Directive on electronic invoicing in public procurement [COM (2013) 449 final]
 - Communication "End-to-end e-procurement to modernise public administration" [COM(2013) 453 final]
- Objectives: to avoid the further fragmentation of the Single Market, make procedures more efficient, spearhead the wider use of e-invoicing in the economy

Excerpt of the proposed Directive

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.

The Commission shall require that the European standard for the semantic data model of the core electronic invoice be technologically neutral, and guarantee personal data protection in accordance with Directive 95/46/EC.

.....

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 whose reference has been published pursuant to Article 3(2).

Module I: Electronic invoicing

(Scope: enterprises with Computers)

There are invoices in **paper form** and **electronic form**. Invoices in **electronic form** are of two types:

- **eInvoices** in a standard structure **suitable for automated processing**.

(e.g. EDI, UBL, XML, *[please add national examples]*). They are exchanged either directly or via service operators or via an electronic banking system.

- **Invoices** in electronic form **not suitable for automated processing**.

(e.g. e-mails, e-mail attachment as pdf, images in TIF, JPEG or other format)

If you cannot provide the exact percentages an approximation will suffice.

| | | | | |
|------------|--|------------------------------|---|--------------------------|
| 11. | Did your enterprise send invoices to other enterprises or public authorities during 2013? (Filter question) | Yes <input type="checkbox"/> | No <input type="checkbox"/> >-go to I3 | |
| 12. | Of all invoices the enterprise sent to other enterprises or public authorities during 2013, what percentage was sent as: | (%) | | |
| | a) eInvoices in a standard structure suitable for automated processing? (e.g. EDI, UBL, XML, <i>please add national examples</i>) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | b) Invoices in electronic form not suitable for automated processing? (e.g. emails, e-mail attachment as pdf, images in TIF, JPEG or other format) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | c) Invoices only in paper form? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | TOTAL | 1 | 0 | 0 |
| 13. | Of all invoices the enterprise received during 2013, what percentage was received as: | (%) | | |
| | a) eInvoices in a standard structure suitable for automated processing? (e.g. EDI, UBL, XML, <i>please add national examples</i>) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | b) Invoices in paper form or electronic form not suitable for automated processing? (e.g. emails, e-mail attachment as pdf, images in TIF, JPEG or other format) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | TOTAL | 1 | 0 | 0 |

Revolution

Model to Interoperability

- “... with focus on creating interoperability **between** different formats and standards already in use by the different business communities”
- Take a look at an invoice
- Types of fields can be distinguished, that can be grouped into four:
 1. Legal Section
 2. Common Section
 3. Sector Section
 4. Country Specific Section (MS legislation)
- Interoperability between communities can be facilitated by making recommendations on:
 - What field should be in what section
 - How to handle fields
- Communities that recognise and acknowledge the importance of the interoperability are recommended to migrate
- The proposals should not be showstoppers for innovation or information exchange for business processes in a wider context

Typical sectorial info; in this case lease car details supporting claims in the bill.

Sector-specific: Seller's estimate of VAT amount the buyer may deduct (informative only).

If seller's tax currency differs from invoice currency (EU VAT law)

Faktura

Säljare
Ubiquitous Cars Sverige AB
Vasagatan 1 A
10010 Stockholm SE
Kontaktuppgifter
Telefon: 086660000
Fax: 086660099
Email: info@ubiquitous.se

Köpare
Testverket
Ekonomisk service
10011 Stockholm
Leveransadress

Fakturameddelande
Fakturanummer 321123
Hyresinformation:
Reserverad kategori: D
Hyrd kategori: F
Debiterad kategori: D
Mätarställning in: 22.554
Mätarställning ut: 22.672
Körd sträcka: 118 km
Hyran inkluderar obegränsad sträcka
ReservationsID: 200712011234
Voucher nr: 2007-03361
Mervärdesskattelagen innehåller ett avdragsförbud vid leasing av personbil som i de flesta fall innebär att avdrag endast medges med halva momsen på leasingavgiften - avdragsgill moms enligt denna biltrafik blir då 65,88 kr.

Beställarreferens A Persson
Beställarreferens2 AKT:520343
Er kontakt A Persson
Ert VAT-nummer

Vår referens
Dokumentreferens
Leveransvillkor

Fakturakontakt Tel:0771507654
E-post ar@ubiquitous.se
Kontrakt 43-101575-6
Faktureringsobjekt ABC123, Volvo V50
Uthyr Stockholm C, Återlämnad: Arlanda

Fakturanummer 2008-01-02
Fakturerad period Från: 2007-12-12
Till: 2007-12-12
Fakturas valuta SEK
Förtäladatum 2008-02-01
Dröjsmålsränta 24 %

Fakturorader (4 styck)

| Radnr | Benämning | Anteckning | Fakturerad kvantitet | A-pris | Summa | Summan inkluderar | Skatt | Orderref /radnr | Följesedel /radnr | Datum | Artikelnummer |
|-------|---------------------|------------|----------------------|------------|------------|-------------------|-------|-----------------|-------------------|-------|---------------|
| 1 | Hyrestid i dagar | | 1.00 | 299.00 SEK | 299.00 SEK | | | | | | D |
| 2 | Självriskreducering | | 1.00 | 70.00 SEK | 70.00 SEK | | | | | | C |
| 3 | Bilistödsförsäkring | | 1.00 | 30.00 SEK | 30.00 SEK | | | | | | TP |
| 4 | Drivmedel | | 1.00 | 64.00 SEK | 64.00 SEK | | | | | | F |

Fakturans mervärdesskatter

| Skattesats | Skattebelopp | Omräknat skattebelopp | Skattepliktigt belopp | Ev undantagsorsak | Ev ursprunglig fakturas skatt |
|------------|--------------|-----------------------|-----------------------|-------------------|-------------------------------|
| 25% | 115.75 SEK | | 463.00 SEK | | |

Totalbelopp

| Summa radbelopp | Fakturerat belopp exkl moms | Mervärdesskatt | Beloppsutjämning | Fakturan totalt (inkl mervärdesskatt) |
|-----------------|-----------------------------|----------------|------------------|---------------------------------------|
| 463.00 SEK | 463.00 SEK | 115.75 SEK | 0.25 SEK | 579.00 SEK |

Denna faktura kan betalas till:

Plusgiro 12345678 Ange vid betalning via PG 32112311
Bankgiro 12345 Ange vid betalning via BG 32112322

Förstagets säte
Stockholm SE
Organisationsnummer 0123456789

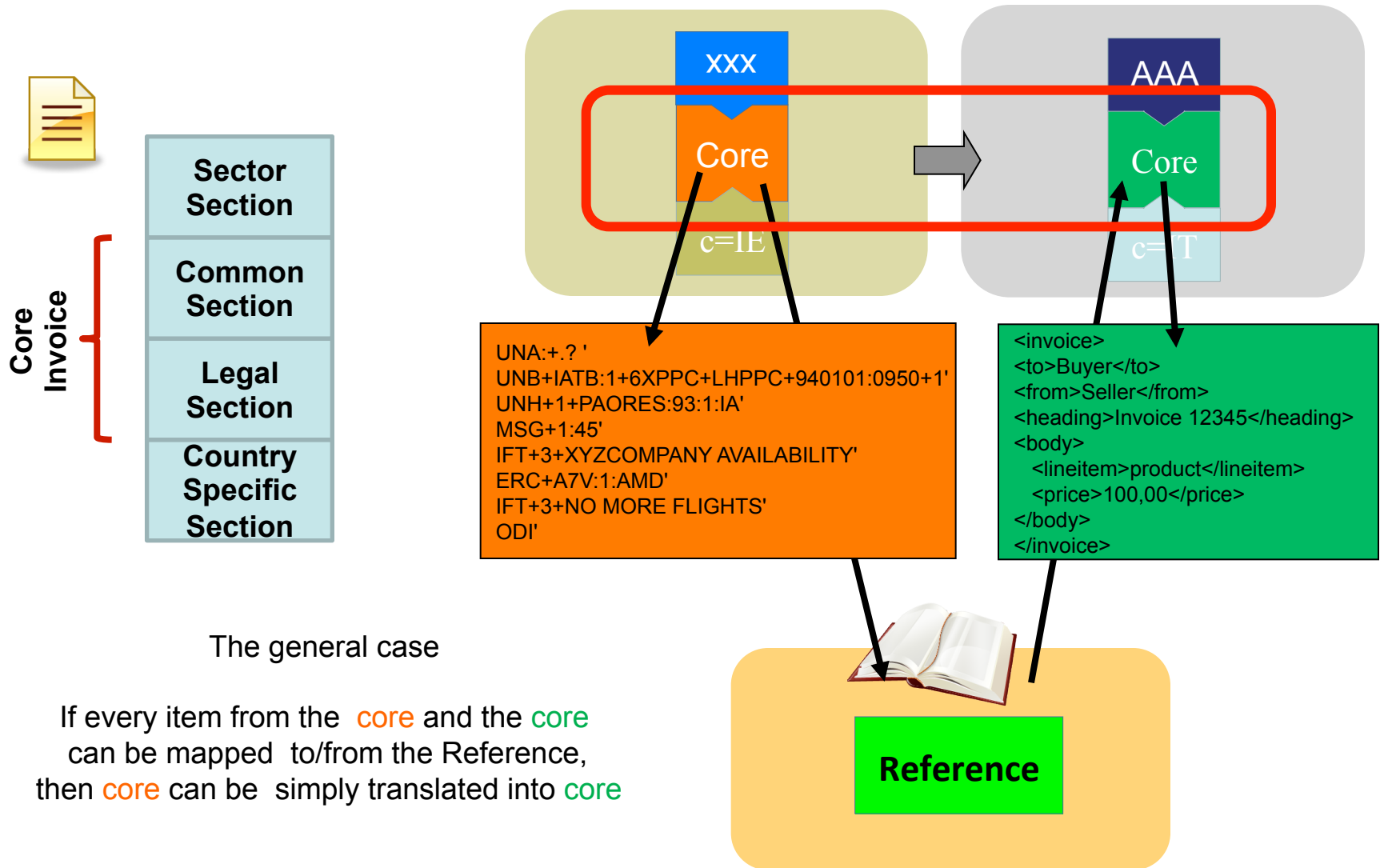
F-skatt:
F-skattbevis finns
Momsregistreringsnummer SE012345678901

City where the seller's limited company is formally registered (Ref: Aktiebolagslagen)

Seller's statement that he undertakes payment of preliminary tax and social security contributions based on this bill, otherwise the Buyer is responsible to pay (Ref: Skatteförordningen)

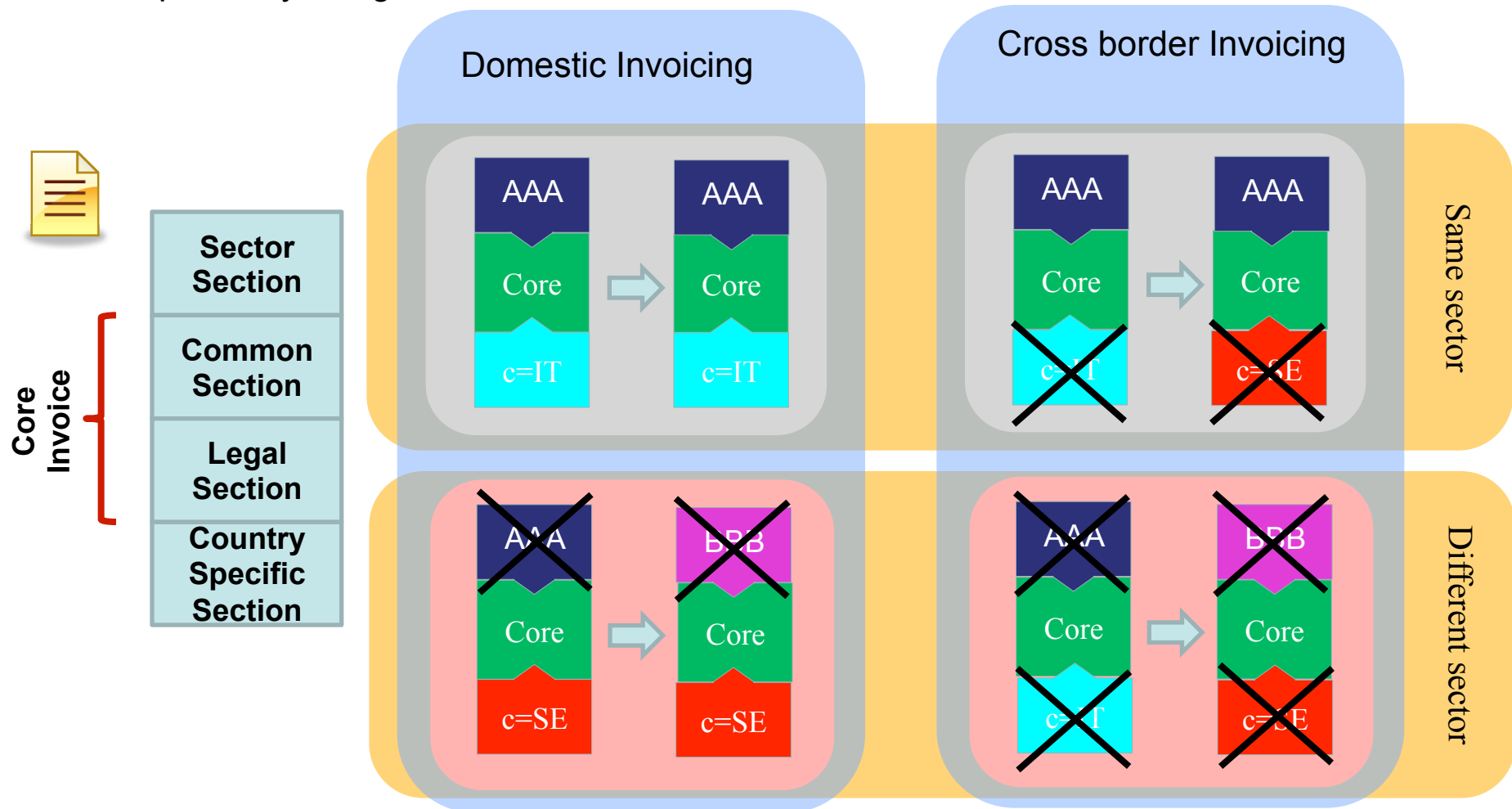
Activity 4

The use of a Reference Model



Activity 4

Interoperability using Semantic Data Model



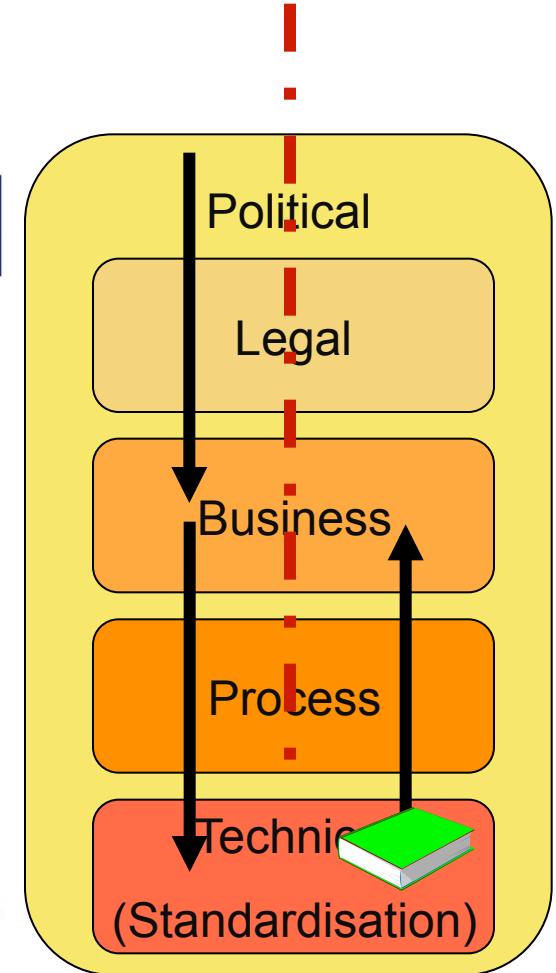
- cross border -> no country specific section
- cross sector -> no sector section

Disclaimer: This contribution is made as independent expert, not representing any government or organisation. The views expressed in this document are the views of the expert and do not necessarily reflect the views of the state and/or the organisation for which the expert works.

The Recommendation

Elements

- The recognition of an over-arching Interoperability Framework.
- The development of a Semantic Data Model for the core section of an electronic invoice, to include definitions, the identification of existing building blocks and practical user guidance.
- The identification of a methodology and implementation plan for carrying forward the development of the core section including the identification of an organisational approach to the work required. This third component will be completed by the Forum no later than the end of 2013.



Contact

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E-mail: entr-e-invoicing@ec.europa.eu*

E-invoicing webpage :
<http://ec.europa.eu/enterprise/sectors/ict/e-invoicing/>

Activity Groups reports are available:
http://ec.europa.eu/enterprise/sectors/ict/e-invoicing/benefits/invoicing_forum_en.htm

DG Enterprise and Industry Information and Contributions Online



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<http://www.youtube.com/euenterprise>



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