



EU initiatives to promote e-invoicing in Europe

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Why EU action on e-invoicing? (1)

- Important economic and environmental benefits...
 - Cost reduction and process simplification
 - Cost of processing incoming invoice reduced from € 30-50 to € 1
 - Shorter purchase-to-pay cycle
 - Less waste, fewer CO₂ emissions
- ... mean MS are becoming active in this area
 - Several have already made e-invoicing mandatory
 - Others developing national e-invoicing standards and/or launching pilot projects



Why EU action on e-invoicing? (2)

Result:

- Multiple standards and formats in e-invoicing & lack of interoperability
 - Higher costs and additional complexity for enterprises which need to support several standards
 - Disincentive for participation in cross-border public procurement

Fragmentation of the Single Market



Context (1)

- Significant political and stakeholder interest
 - European Council of June 2012 & EP resolution of April 2012
 - Numerous calls from stakeholders (enterprises, associations) for the public sector to facilitate use / stimulate uptake
 - Strong support in public consultation held prior to proposing the Directive
 - Recommendation of the European Multi-Stakeholder Forum on e-Invoicing
- Part of a broader EU policy agenda
 - Digital Agenda ⇒ Digital Single Market ⇒ e-government
 - Reform of public procurement Directives / ‘end-to-end e-procurement’
 - Modernisation & streamlining of public procurement rules
 - Introduction of mandatory e-procurement



Context (2)

- Ongoing fiscal consolidation – need to find new ways to generate savings
 - Potential savings of € 2.3 bn/year if e-invoicing used in public procurement
- Public sector a potential driver of change
 - Expenditure on goods, works & services: 19% of EU GDP
 - Possible spillovers to B2B sector – opportunity for even greater savings for broad EU economy



Directive on e-invoicing in public procurement

- "*Directive 2014/55/EU of the European Parliament and of the Council of 16 April 2014 on electronic invoicing in public procurement*"
 - Political agreement reached on **16 April 2014**
 - Published in the Official Journal on **6 May 2014**
 - Entry into force: **20 days after publication**



Key elements of Directive 2014/55/EU

- Scope:
 - Only invoices covered by Public Procurement Directives
 - Only invoices submitted to the public sector
 - Covers all public authorities (national, regional, local)
- New European e-invoicing standard (EN) to be developed and tested by CEN
 - “semantic data model for the core elements of an electronic invoice”
- CAs and CEs obliged to receive and process electronic invoices compliant with the new standard



European standard for e-invoicing

- The new standard (EN) will:
 - build on existing specifications developed by CEN and take into consideration other relevant e-invoicing systems and specifications (UN/CEFACT, ISO, etc.)
 - not replace existing e-invoicing standards – national systems can continue to be used
 - be compliant with provisions of Directive 2006/112/EC (VAT Directive)
 - be compatible with international standards
 - be adapted for use in B2B sector
 - take into consideration needs of SMEs and sub-central CAs



Additional standardisation deliverables

- CEN to provide several ancillary standardisation deliverables:
 - Limited list of syntaxes
 - Related syntax bindings
 - Recommendations on transmission interoperability
- Ancillary deliverables **will not be** part of the EN

BUT:

- CAs/CEs will be obliged to receive and process e-invoices sent in the EN **and** any of the syntaxes on the limited list



Timetable

- Standardisation request to CEN: **Q3 2014**
 - Publication of the EN by **27 May 2017**
- Implementation:
 - CAs and CEs must be able to receive and process electronic invoices that comply with the standard by **27 November 2018**

BUT:

- Minimum of 18 months from the publication of the EN in the OJ
- Possibility to postpone deadline for regional and local authorities for a further 12 months



Objectives

- Improve functioning of the Single Market
 - Eliminate barriers, strengthen competition
- Create new business opportunities for enterprises
 - Increased cross-border procurement
- Generate savings for administrations and businesses & reduce payment processing times

***"Predominant mode of invoicing in the EU
by 2020"***



Related EU initiatives (1)

- **e-SENS**

- LSP to develop European Digital Market through innovative ICT solutions
- Objective – to "consolidate, improve, and extend technical solutions to foster electronic interaction with public administrations across the EU"
- Focus on a number of software components which may be independently developed and deployed electronic 'building blocks':
 - e-documents
 - e-ID
 - e-signature
 - e-delivery
 - semantics
- Consolidates and improves results of previous LSPs (e.g. PEPPOL)
- Technical solutions will be open source & available to public administrations



Related EU initiatives (2)

- **Connecting Europe Facility (CEF)**

- Financing for projects which fill the missing links in Europe's energy, transport and digital backbone
- **CEF Telecom** aims to:
 - Improve availability of high-speed broadband internet
 - Provide access to Digital Service Infrastructures (DSIs)
- DSIs implemented both at Commission ("core service platform" and MS levels ("generic services"))
- In e-invoicing, CEF will:
 - Assist MS in fulfilling their obligations vis-à-vis Directive 2014/55/EU by providing a range of services (conversion, conformance, etc.)
 - Ensure sustainability of delivered artefacts
- Budget (CEF Telecom): € 1.14 billion over 7 years
 - for e-Invoicing: € 9 million over 4 years



Thank you for your attention!

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