e-Procurement and e-Invoicing Policy in Europe:
State of Play and the Way Forward

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Major developments in 2012 and 2013

- ✓ Growing political support to the deployment of e-invoicing

- ✓ Good progress of the European Multi-stakeholder Forum on e-Invoicing

- ✓ Mobilisation in almost all EU countries thanks to the establishment of National Fora

- ✓ Proposal for new legislation on e-invoicing in public procurement

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...

- Council Directive 2010/45/EU on the common system of value added tax

- Communication "Reaping the benefits of electronic invoicing for Europe" – COM(2010) 712

- Communication "A strategy for e-procurement" – COM(2012) 179

- Commission co-funded projects

  - PEPPOL (closed)
  - e-SENS
  - e-PRIOR

- EU Multi-stakeholder Forum on e-Invoicing

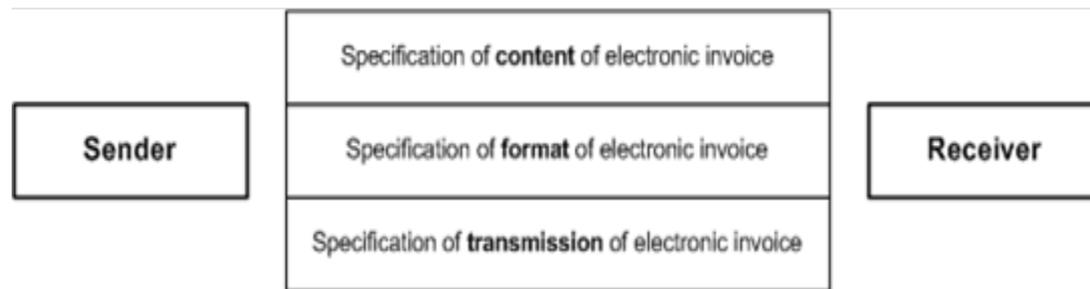# European Multi-stakeholder Forum on e-Invoicing

- *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
  - 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

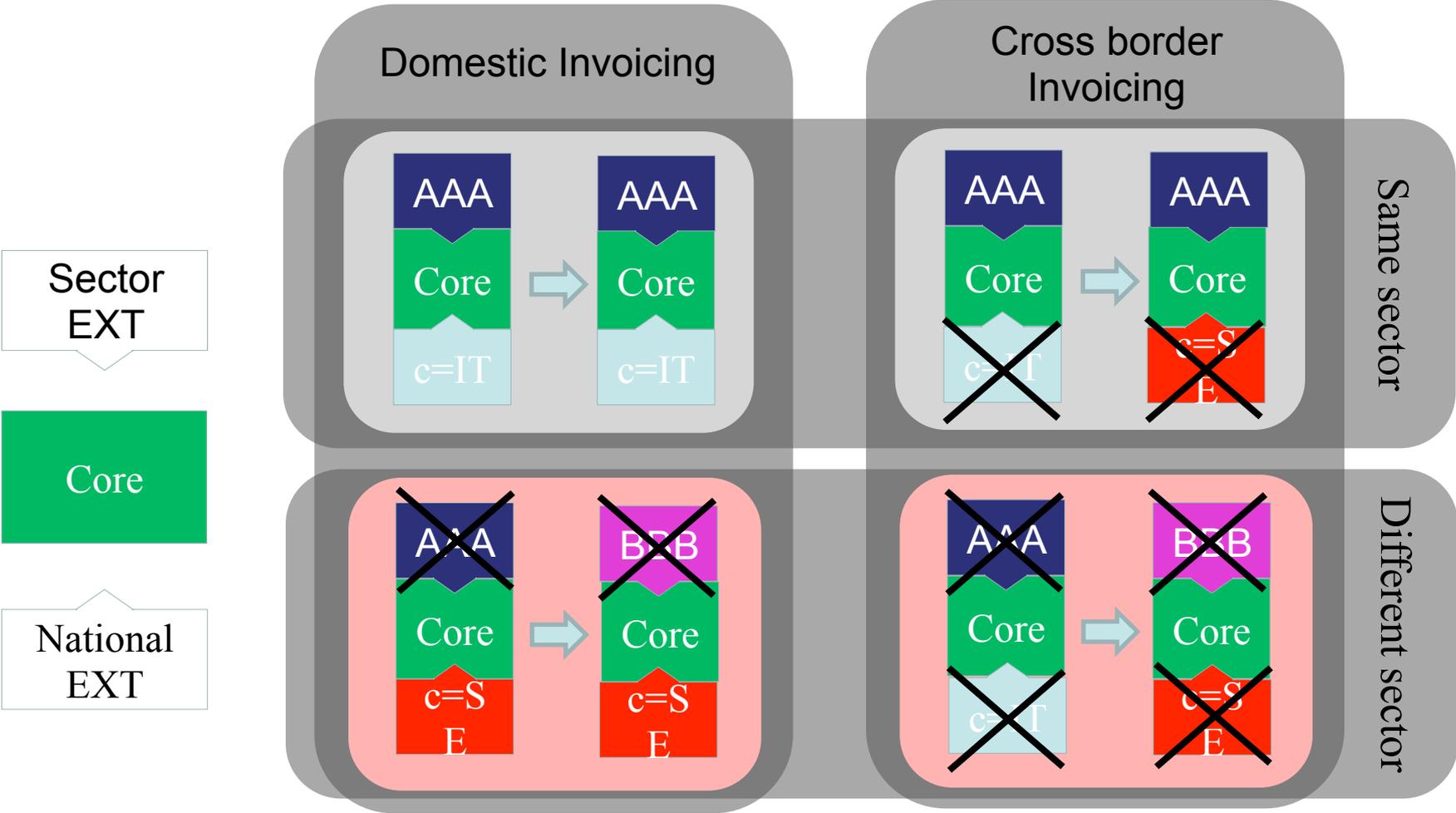| Sender	Specification of **content** of electronic invoice	Receiver
	Specification of **format** of electronic invoice	
	Specification of **transmission** of electronic invoice	

- 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
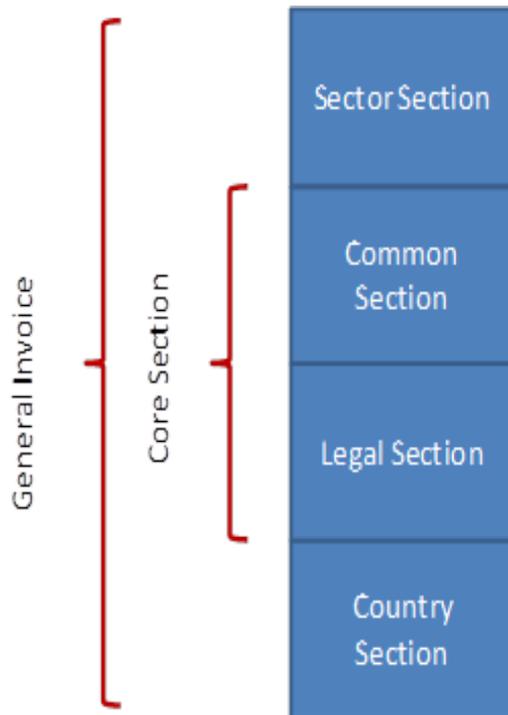
- ❑ The **Core Section** contains the Legal Section plus a Common Section. The Legal Section is concerned with both the observance of tax and commercial laws and regulations pertaining to electronic invoicing commonly in force throughout the EU. The Common Section contains commonly used and accepted 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

Basics of the 'Interoperability' idea

Sector EXT

Core

National EXT

Domestic Invoicing

Cross border Invoicing

Same sector

Different sector

AAA
Core
c=IT

AAA
Core
c=IT

AAA
Core
c=SE

BBB
Core
c=SE

AAA
Core
c=IT

AAA
Core
c=SE

AAA
Core
c=IT

BBB
Core
c=SE

- cross border -> no national extensions
- cross sector -> no sector extensions

Public Procurement

- On 26 June 2013 the European Commission adopted:

  - Communication on end-to-end e-procurement to modernise public administrations - COM(2013) 453

    - ➢ Commission's vision for the full digitisation of the public procurement process

    - ➢ Digitisation of all public procurement steps from notification to payment – including e-invoicing

  - Proposal for a Directive on electronic invoicing in public procurement – COM(2013) 449

Communication on end-to-end e-procurement

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

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The proposal for a Directive on e-invoicing in public procurement

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 […].

Draft standardisation request

The following activities are envisaged in the draft standardisation request:

•to develop a European standard [EN] for the semantic data model of the core section of an electronic invoice;

•to identify a limited number of invoice syntaxes (formats) complying with the European standard [TS];

•to develop the mappings of the listed syntaxes (formats) onto the semantic data model [TSs];

•to develop guidelines on the use of the listed syntaxes (formats) in order to obtain a full compliance with the European standard [TR];

•to develop guidelines on interoperability of electronic invoices at the transmission level [TR];

•to develop guidelines on the interoperable use of electronic signatures and electronic seals in conjunction with the European standard [TR].

Requirements

- All deliverables to be adopted by end-2016
- The EN should meet European requirements, should be developed re-using existing material, and fulfil a number of specific requirements
- The identified invoice syntaxes (formats), and their mappings to the core invoice semantic data model, should be limited in number and fulfil a number of specific requirements
- The EN and its accompanying Technical Specifications and Technical Reports to be validated by means of a specific trial, to be carried out before their formal adoption

Calendar

Deadline	Action
December 2013	Consultation of ESOs, stakeholders and sectoral experts
January 2014	Inter-service consultation
Jan-Feb 2014	Draft request EN/FR/DE uploaded in SIGNIFERI
	(Written) consultation of the Committee on standardisation
End March 2014	Request to be notified to the ESOs
End April 2014	Request accepted – Quotation(s) submitted to the Commission
Mid-June 2014	Award of the grant(s) and signature of the contract(s)
July 2014	Start of the standardisation work
December 2016	Adoption of the EN + its ancillary standardisation deliverables

Contact

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e-Invoicing webpage:
http://ec.europa.eu/enterprise/sectors/ict/e-invoicing/

Public Procurement webpage:
http://ec.europa.eu/internal_market/publicprocurement/index_en.htm

DG Enterprise and Industry Information and Contributions Online

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