



Brussels, 10 May 2010

SUMMARY OF RESPONSES

TO THE PUBLIC CONSULTATION
ON THE FINAL REPORT
OF THE EXPERT GROUP
ON E-INVOICING

1. INTRODUCTION

The Expert Group on e-Invoicing was set up by Commission Decision 2007/717/EC of 31 October 2007. The group was mandated to propose a European e-Invoicing Framework supporting the provision of e-Invoicing services in an open and interoperable manner across Europe.

The group brought together 30 experts from a wide range of nationalities and stakeholders, such as business associations, service providers, standardisation bodies and the public sector. Thirteen meetings of the group were held between 26 February 2008 and 13 November 2009.

The final report¹ defines a list of business requirements which represent necessary conditions for achieving mass adoption of e-Invoicing, in particular the widespread use of e Invoicing by SMEs. These requirements are validated against current market reality, resulting in a number of identified gaps or areas for improvement identified in the report. A set of recommendations addressing these gaps constitutes the proposed European e Invoicing Framework – the key deliverable of the Expert Group. The report also makes recommendations as to how this Framework could be implemented, with clearly defined tasks and owners.

The consultation document on the Final report consisted of a questionnaire² with 13 questions addressing all sections of the report. It was launched on 30 November 2009 with a deadline for reply of 26 February 2010.

¹ http://ec.europa.eu/enterprise/sectors/ict/files/finalreport_en.pdf

² http://ec.europa.eu/enterprise/newsroom/cf/document.cfm?action=display&doc_id=5545&userservice_id=1&request.id=0

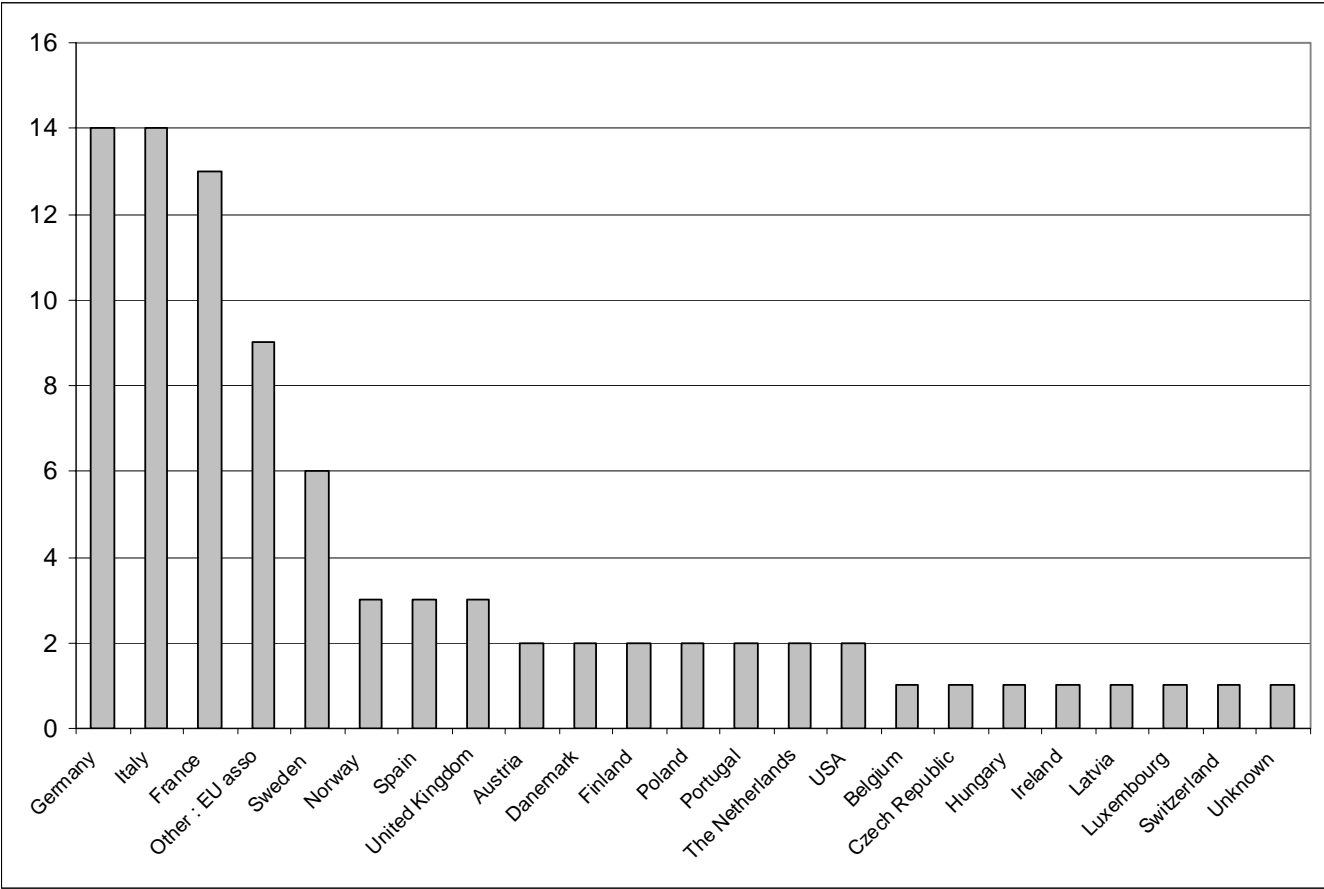
2. TYPOLOGY OF RESPONDENTS

The consultation raised interest among a broad range of stakeholders. A total of 87 responses were received of which 77 were unique responses³.

In the following section, the full 87 responses will be used as the basis for calculation.

Submissions were received from 20 countries (including countries from outside the EU). Within the EU, responses were received from 18 of the 27 Member States. The responses from outside the EU came from Switzerland and USA. The largest share of submissions came from Germany, Italy and France, which together accounted for 47 % of the responses. 10 % of the responses were received from EU associations.

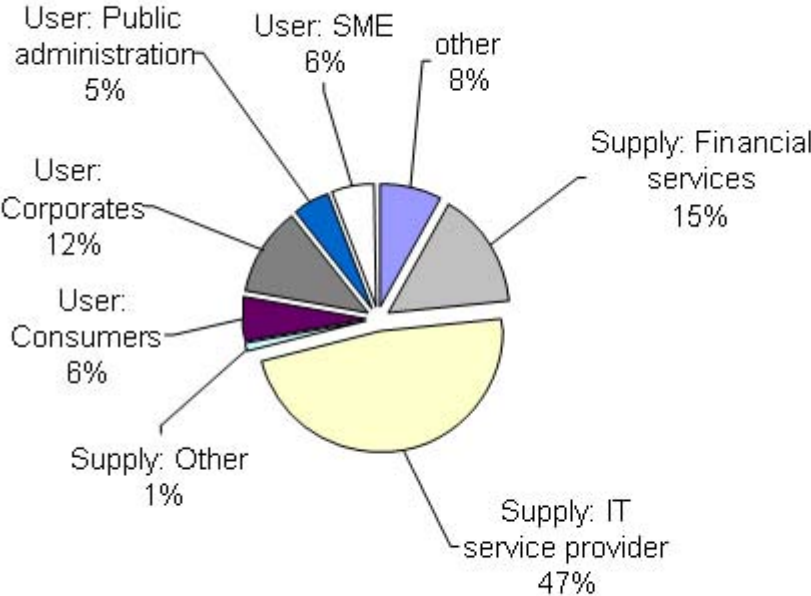
Figure 1: Number of responses received by country of origin



For statistical purposes, respondents have been classified into seven categories of suppliers and users. Figure 2 shows that 'IT service providers' is the category in which the most responses have been received (47 %). This is followed by a sizeable participation from 'Financial services' (15 %). Overall, the supply side represents 63 % of the responses as against 29 % for the user side.

³ Ten different responses were identical to responses already received.

Figure 2: Number of responses received by stakeholder category



3. RESPONSES TO THE CONSULTATION

3.1. General assessment of the report

A total of 51 % of the replies agreed with the report's main messages, recommendations and conclusions; 23 % of the replies disagreed and 26 % have no opinion⁴.

3.2. Business requirements

In addition to the business requirements proposed by the Expert Group, some respondents have suggested other aspects that should be taken into consideration for a successful uptake of e-invoicing:

- Integration of electronic invoicing into the payment and supply chains.
- The provision of guidance and best practices on internal business controls.
- Synergy between stakeholders.
- Addressing B2C relations as well as B2B relations.

3.3. Legal and regulatory aspects

Respondents reconfirmed that VAT is the main legal barrier to the uptake of electronic invoicing. However, stakeholders' views varied as to the direction in which the existing legal framework should be changed in order to facilitate the uptake of electronic invoicing.

With regard to the recommendations of the Expert Group on how to resolve these regulatory aspects, stakeholders' views differ as to the appropriateness of the Code of Practice and the 11 core principles. Overall responses can be divided into three categories:

- A first large group of respondents fully supports the proposal for a Code of Practice and the concept of equal treatment between paper and electronic invoices from a VAT perspective. These respondents take the view that enterprises should have a free choice on how they exchange electronic invoices.
- A second group of stakeholders consider that the Code of Practice is a good basis which should be further elaborated and clarified, offering more guidance to enterprises and tax authorities. Some respondents consider that there should be a clear reference made to technology options such as e-Signatures and EDI. One respondent considered that improvements should be made regarding what should be guaranteed (Authenticity and Integrity). Another respondent pointed out that the improvement of the Code of Practice should be made in close collaboration with Member State Tax authorities to ensure legal certainty in the application of the rules.

⁴ These calculations are based on the 77 unique responses.

- A third and smaller group of respondents, consisting of a specific segment of the supply side of e-invoicing service providers, opposes the proposed Code of Practice which, in its view, could complicate matters and therefore further hinder the uptake of e-invoicing. This group of respondents considers that a limited set of clearly defined technological tools such as e-Signatures and EDI, in which this stakeholder group is often specialised, are the best way forward to improve standardisation and harmonisation within the EU and it opposes the concept of free choice for enterprises and internal business controls.

The majority of the respondents confirmed that VAT is the main regulatory issue that has to be resolved in order to ensure the widespread adoption of electronic invoicing, particularly among SMEs. Some respondents pointed to other factors such as harmonising archiving requirements, accounting rules, e-Signatures (trusted lists or mutual recognition), customs laws and implementation of the (VAT) Directive in the Member States.

3.4. Interoperability

Practically all those who responded to the consultation consistently acknowledged that interoperability is an essential requirement for achieving a critical mass of e-Invoicing throughout Europe. A majority of replies agreed with the open 'eco-system' proposed by the Expert Group, at least in principle. Around half of these respondents supported the recommendation without further comments, while others identified open issues which would remain to be addressed in order for an eco-system to be successful. The following main points were raised in this context:

- The current proposal is still too vague and 'theoretical'. Practical rules for inter-operability need to be developed. This also calls for a clearer assignment of tasks and responsibilities.
- The eco-system does not sufficiently reflect the strong link between invoices and payments. Requirements covering inter-operability with the payment messaging standard ISO 20022, in particular, should be part of the proposed eco-system.
- The proposal does not deal sufficiently with addressing and routing issues. Clear rules in this area are a vital precondition for inter-operability.
- The definition of an eco-system should also include a description as to how different business models for service providers could play out.

Most of the respondents who were not in favour of an eco-system justified their opposition either on the basis of the complexity of such a conceptual framework, or on the greater impact which concrete, and already existing, network instances such as PEPPOL could have. As regards the implementation of an eco-system, opinions differed as to whether such a framework should evolve through market forces or whether it required intervention.

3.5. Content standards

Roughly 40 % of the replies support the CII fully or with some reservations; 15 % are against and 45 % have no opinion⁵.

The comments/proposals contained in the replies can be consolidated around the following four main topics:

- Adoption of a common invoice content standard and data model

The respondents who are against the adoption of the CII v2 justified their position by referring to the complexity of the standard, which fails to accommodate the needs of public administrations/ procurement and SMEs, as well as the limited dissemination of the standard. On the other hand, people/organisations that replied positively made suggestions relating to aspects such as the data model, the core invoice data set, the use of a common library, convergence at both semantic and syntax level of e-invoicing standards and migration to the ISO 20022 standard.

- Implementation issues

On the issue of implementation, respondents underlined the need for implementation project(s) that were supported at European level, free availability of templates and implementation guidelines, and the promotion of simpler solutions such as those that can be found at www.ebinterface.at.

- Interoperability

The need to align and validate the CII v2 with ISO 20022, XBRL, and the CEN BII profiles was underlined as a key element to achieve interoperability within the supply chain. A reference model for the communication protocol among users and service providers should be developed.

- Standardisation

As for standardisation, it was proposed that new messages supporting the e-invoicing process should be standardised, in particular for the reconciliation and the status report processes, so as to ensure the complete integration of the business supply and financial chains. The EEIF should be extended to include authenticity integrity, archiving, business processes, agreements between SMEs and large enterprises; it should cover also upstream messages (orders, delivery, etc.).

3.6. Implementation of the framework

Respondents strongly supported the proposed implementation bodies (national e-invoicing bodies and a Pan-European e-Invoicing Forum set-up and managed by the European Commission). They also argued for a wide and balanced representation of public and private interest and against overlapping with other existing structures. With regard to the tasks assigned to the bodies, the ideas that were suggested included awareness and communication activities and the implementation of the Expert Group's recommendations.

⁵ These calculations are based on the 77 unique responses.

Some respondents proposed that CEN should take charge of standardisation issues.

A small number of respondents questioned the need to set up 27 national e-invoicing bodies because of the additional bureaucracy that might result.

A small number of respondents proposed tasks which cannot be left to the market alone, such as: convergence of standards, legal acceptance of e-invoices and trustworthiness in the e-invoicing process.

Respondents suggested other organisations which might play a role in the implementation of the framework. Overall, three types of organisations have been suggested:

- standardisation organisations (e.g. CEN, ETSI, OASIS)
- stakeholders categories from the supply and demand side (e.g. service providers, end-users, SME representative)
- public administrations (e.g. tax authorities, public procurement agencies).

3.7. Specific aspects for SMEs and e-invoicing

A small majority of respondents agreed that the report covered the SMEs' needs sufficiently. The respondents who were in favour of the Expert Group recommendations supported business requirements which focused on the needs of SMEs. In particular, they agreed that SMEs need a common standard and a clear and unified legal framework. As regards the marketplace for services and solutions, some respondents felt that competition must be ensured between vendors and not limited to domestic borders.

As to the knowledge and infrastructure of SMEs with regard to implementing e-invoicing, opinions differed on whether efforts should be directed towards education and training or to the provision of simple technical solutions. While some respondents were in favour of greater efforts on education and communication, others took the view that technical complexity and costly solutions were a major stumbling block to the uptake of e-invoicing by SMEs. In that respect, they suggested developing simple and cheap solutions which can be linked, for example, to other financial/accountancy systems.

The respondents who were not in favour of the Expert Group's recommendations were afraid that SMEs would be faced with increasing burdens in the form of the proposed recommendations on internal business controls. Concern was voiced in particular about the new legal framework where SMEs may have to comply with different rules and interpretations of 'business controls' in the European Union.

Regarding guidelines for SMEs (Annex 3 of the Final report), the majority of respondents acknowledged that these are a useful tool which needs to be further expanded by including more practical and technical guidance. Suggestions for additional content have been made along these lines. The guidelines should be further improved by including:

- Practical guidance on the application of the eleven core principles of the Code of Practice;
- Descriptions and examples of internal business controls to increase understanding of this principle by market players;

- Case studies to facilitate the communication on e-invoicing;
- Examples and definitions of proven tools that can be used in the EU Member States.

Some respondents also advocate that SMEs should not be treated as a homogeneous group and that the message and guidelines must therefore be customised.

3.8. Other aspects

The new ideas that have emerged from the 'other aspects' section are related to the scope of e-invoicing actions, which should not be limited to Europe only. Some respondents argued that the E-invoicing Framework recommended by the Expert Group should not be too 'eurocentric'.

ANNEXES

1) Questions

General assessment

1. Do you agree with the report's assessment, conclusions and recommendations?
2. What other suggestions/recommendations would you have?

Business requirements (Section 3 of the report)

3. Is there an important aspect for the successful uptake of e-Invoicing missing in the list of defined business requirements, especially to facilitate mass adoption by SMEs?

Legal and regulatory aspects (Section 4 of the report)

4. Is the Code of Practice proposed by the Expert Group suited to complement future VAT legislation? If not, how could it be improved?
5. Do you agree with the 11 core principles set out in the Code of Practice in Annex 3 of the report? Is any important element missing?
6. Beyond VAT legislation are there any other significant regulatory barriers which prevent the uptake of e-Invoicing?

Interoperability (Section 5 of the report)

7. Is the 'eco-system' described in the report a valid target environment? Does it reflect all requirements for an open and interoperable level playing field?

Content standards (Section 6 of the report)

8. Is the proposed target data model (UN/CEFACT CII v.2) meeting user requirement?

Implementation of the Framework (Section 7 of the report)

9. Do you agree with the proposed implementation bodies and the tasks assigned to them in the report?
10. Do you see other implementation tasks which can not be entirely left to the market alone?
11. Do you see other bodies or organisations which could play an important role in implementing the framework?

Specific aspects for SMEs and e-Invoicing

12. Do you believe that SMEs needs are sufficiently covered in the report? Are there any other means to promote the adoption of e-invoicing by SMEs?
13. Are the guidelines for SMEs in Annex 3 comprehensive enough? Would you suggest any additional content?

2) Respondents

Country	Name
AT – Austria	Blaschka Martin
	xyzmo SIGNificant Group
BE – Belgium	Lemense Robert
CH – Switzerland	ID Cyber-Identity Ltd
CZ – Czech Republic	ICT Union
DE – Germany	Applied Security GmbH (apsec)
	AuthentiDate International AG
	Bundessteuerberaterkammer KdöR (BStBK) & ZDH & DIHK
	Bundesverband der Deutschen Industrie e.V. (BDI)
	e-integration GmbH
	Gesellschaft für Automatisierung im Rechnungswesen (GfAR)
	Heutger Christian
	LogAgency GmbH
	Mercoline GmbH
	Prilos AG
	Procter & Gamble Service GmbH
	SIV-ERV e.V.
	T7 e.V. – Berufsverband der Trustcenterbetreiber
Verband Organisations- und Informationssysteme e.V. (VOI)	
DK – Denmark	National IT and Telecom Agency (ITST)
	PEPPOL
ES – Spain	Centro de Cooperación Interbancaria (CCI)
	Spanish Association for the ICT and Consumer Electronics sectors (ASIMELEC)
	ZeroComa
FI – Finland	Federation of Finnish Financial Services (FKL)
	Nordea Bank

FR – France	ACCELYA France
	Comité de Liaison pour les Echanges Electroniques Professionnels (CLEEP)
	Conseil supérieur de l'Ordre des experts-comptables (CSOEC)
	Crown Europe
	Economie Numérique Conseil (ENC)
	EDIFICAS
	Euro Banking Association (EBA)
	Fédération Bancaire Française (FBF)
	France Télécom
	Mouvement des Entreprises de France (MEDEF)
	Observatoire des Réglementations douanières et fiscales (ORDF)
	Seres France
	Taj – Société d'avocats
HU – Hungary	Innostart
IE – Ireland	Tradefacilitate
IT – Italy	Assinform – Associazione Italiana per l'Information Technology
	Associazione Bancaria Italiana (ABI)
	Associazione Italiana Tesorieri d'Impresa (AITI)
	Caccia Andrea
	Confindustria Servizi Innovativi e Tecnologici (CSIT)
	Consip SpA
	ENEA, UTT-PMI
	European Business Lab
	Forum per la Tecnologia della Informazione (FTI)
	IN+ s.r.l
	Ministero dell'economia e delle finanze
	REAL T s.r.l
	Ruggieri Franco
Steering Committee Inter-associations on Corporates Payments & Financial Supply Chain (SCIC)	

LU – Luxembourg	Legitech
LV – Latvia	Ministry of Finance
NL – Netherlands	Nederlandse Vereniging van Banken (NVB) & User Board Standard Digitale Nota
	Peereboom Peter
NO – Norway	Bankenes Standardiseringskontor (BSK)
	BBS
	Frømyr Jostein
PL – Poland	Krajowa Izba Rozliczeniowa S.A. (KIR)
	Polish Bank Association (ZBP)
PT – Portugal	Jacinto Rodrigues Paulo
	Portugal Informático (PI)
SE – Sweden	Alphabet AB
	Företagarna – Swedish Federation of Business Owners
	Lantbrukarnas Riksförbund (LRF) – Federation of Swedish Farmers
	Single Face To Industry (SFTI)
	Svenska Bankföreningen – Swedish Bankers' Association
	TrustWeaver AB
UK – United Kingdom	Institute of Chartered Accountants in England and Wales (ICAEW)
	Nisbett Tony
	SWIFT
US – United States of America	American Chamber of Commerce to the European Union (AmCham EU)
	OFS Portal, LLC

European associations	BUSINESSEUROPE
	EuroCommerce
	European Association of Cooperative Banks (EACB)
	European Banking Federation (EBF)
	European Booksellers Federation (EBF)
	European Envelope Manufacturers Association (FEPE)
	European Federation of Insurance Intermediaries (BIPAR)
	FIN-USE
	GS1 in Europe
Unknown	Goff Andy