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**FEEDBACK
ON COMMENTS RECEIVED
ON THE MID-TERM REPORT
OF THE EXPERT GROUP ON E-INVOICING**

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1. INTRODUCTION

Electronic invoicing offers substantial efficiency gains versus paper invoicing by eliminating manual tasks, facilitating invoice reconciliation and shortening processing cycle times. In a study undertaken on behalf of the Commission, the potential economic benefits of e-invoicing for the European market as a whole were quantified at around EUR 40 billion annually. In October 2007, the European Commission adopted a Decision to set up an Expert Group on e-Invoicing with a mandate to propose a European Electronic Invoicing (EEI) Framework by the end of 2009. The EEI framework should support the creation of e-invoicing services in an open and interoperable manner across Europe.

On 27 January 2009, the Expert Group adopted its mid-term report. The report outlines the progress made during the first year of the group's mandate and represents an important step towards the final proposal of the EEI Framework. Following are some of the key elements and conclusions of the report:

- E-Invoicing has great potential but is being held back by a number of barriers to the achievement of mass adoption. The mid-term report sets out a number of initial recommendations to remove or reduce these barriers.
- The report sets out a vision for the European e-Invoicing environment, in which trading parties can inter-operate in an open ecosystem based on harmonised legal provisions and greater standardisation.
- The legal and regulatory framework currently represents a barrier to adoption and for Single Market integration. The Expert Group proposes that there is complete equality of treatment of paper and electronic invoices and that the legal provisions be fully harmonised across all Member States of the European Union.
- To achieve network effects encouragement should be given to the development of a network model which creates interoperability, a choice of services, and wide reach.
- The long-term e-invoicing environment needs to contain e-Invoice content standards, but in fewer formats and expressions than exist today as this is a barrier for mass adoption.

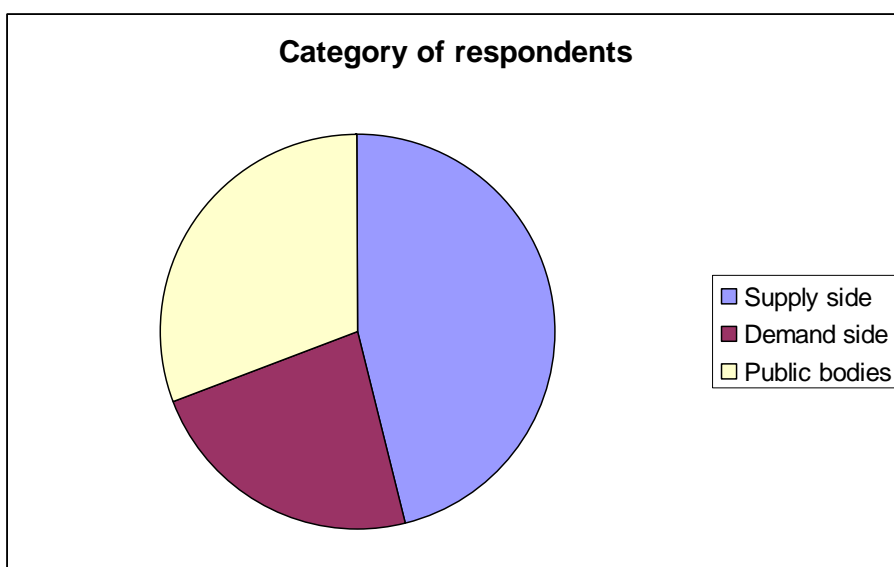
When the Commission published this report, stakeholders were invited to provide their comments at the latest by 13 March 2009.

This document is a summary of the contributions received. Its objective is to present an overview of the opinions expressed and arguments presented by stakeholders in their contributions. The views expressed in this report have not been adopted or in any way approved or endorsed by the Commission.

2. RESPONSES TO THE CONSULTATION

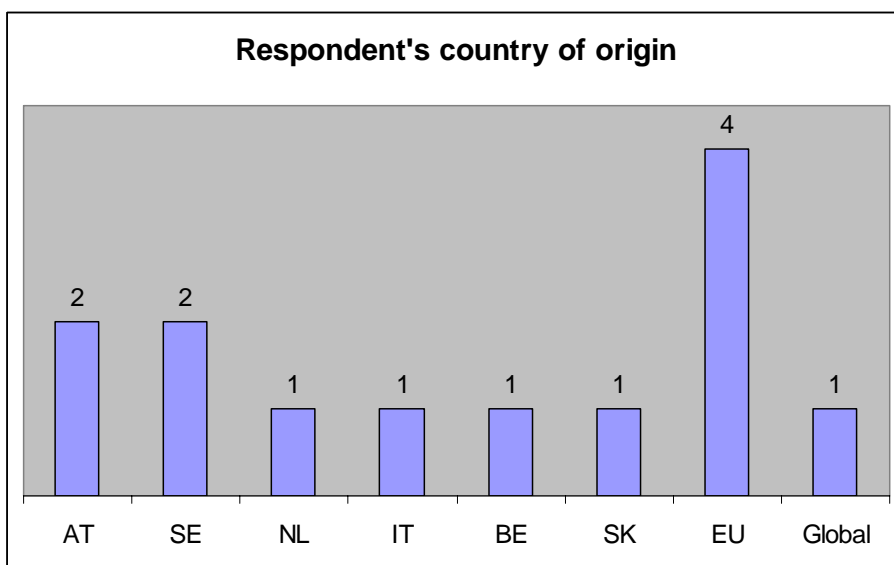
A total of 13 written responses were received.¹ Contributions came from the supplier side of e-invoicing, i.e. the financial service sector, either through representing bodies or directly from service providers but also from bodies representing the demand side for e-invoicing services. Four responses were sent by government authorities or public administrations.

Graph 1: Contributions received by stakeholder category



Contributors to the consultation came from six different Member States, with an additional five replies from representing bodies at EU or global level.

Graph 2: Contributions received by country of origin



¹ The individual responses can be found at http://circa.europa.eu/Public/irc/enterprise/e-invoicing/library?!=/mid-term_report&vm=detailed&sb=Title

3. SUMMARY OF COMMENTS RECEIVED

Most of the respondents welcomed the report and endorsed the vision of proposing a framework which facilitates the provision of integrated e-invoicing solutions at EU level. Generally, respondents agreed with the work priorities of the Expert Group, the barriers which had been identified in the current e-invoicing environment, and also with the initial recommendations as to how these barriers could be removed. Several respondents said that they were now looking forward to a more detailed final report and proposal for an EEI framework.

Practically all responding stakeholders emphasised the importance of harmonised legal and regulatory requirements for electronic invoicing across the EU, in particular concerning VAT legislation. Opinions diverged however on the question how prescriptive such requirements should be. While the principle of equal treatment between electronic and paper invoices was explicitly endorsed by 7 of 13 respondents, others shared their concern that this principle without further specification would lead to differing interpretations across Member States and thereby add to fragmentation. These latter respondents highlighted the proven value of advanced electronic signatures in that context.

Beyond the VAT aspect, some respondents specifically called for more clarity and harmonisation of archiving requirements, in particular relating to accounting legislation. Conversion of electronic invoicing documents was another point for which legal clarity should be encouraged. Two respondents supported the reference of the midterm report to the CEN/Fiscalis guidelines².

Five of 13 respondents stressed the necessity of a common and robust semantic standard for e-invoices. It was strongly recommended that the major international standard bodies should agree on a converging model. It was highlighted that especially from an SME perspective the need for manual conversions between different semantic standards should be avoided. In this context, the vision of a 'core' e-invoice as suggested in the midterm report was endorsed by one respondent.

In terms of infrastructure and networks, respondents endorsed the need for interoperability between different models, avoiding the emergence of 'silo' solutions. One response criticised the focus on 3- and 4-corner network models in the midterm report and called for inclusion of peer-to-peer solutions, especially from an SME point of view.

Several feedbacks highlighted that an EEI framework would need to be 'SME friendly' in terms of implied investments and ease-of-use. It was pointed out that the current e-invoicing landscape from an SME perspective was still very fragmented preventing the mass adoption of integrated e-invoicing solutions on a broader scale.

Two reactions highlighted the link between invoices and payments and called for ensuring that the EEI framework should be in line with existing payment legislation and were an integral part of a broader e-procurement process. In that context, it was highlighted that strong cooperation should be ensured with other EU e-business initiatives, such as PEPPOL and CEN BII.

² <http://www.e-invoice-gateway.net>