Electronic invoicing in public procurement

2013/0213(COD) - 16/04/2014 - Final act

PURPOSE: the removal of market barriers and obstacles to trade deriving from the existence of differing national rules and standards and ensuring interoperability

LEGISLATIVE ACT: Directive 2014/55/EU of the European Parliament and of the Council on electronic invoicing in public procurement.

CONTENT: the Directive aims at **spreading the use of new technologies in public tenders**. It will contribute to improving the functioning of the internal market by reducing the obstacles to entering the market, especially for SMEs, and by **solving the problem of the compatibility of different e-invoicing systems in various Member States.** The European Parliament, in its resolution of 20 April 2012, pointed at market fragmentation and underlined the substantial benefits offered by electronic invoicing.

The Directive is part of the **on-going modernisation of the public administration sector** in Member States, and particularly of the major overhaul of the EU public procurement directives.

Establishment of a European standard on electronic invoicing: the directive provides that the Commission shall request that the relevant European standardisation organisation draft a **European standard for the semantic data model of the core elements of an electronic invoice**, complying at least with the following criteria: (i) it is technologically neutral, (ii) it is compatible with relevant international standards on electronic invoicing, (iii) it takes into account the special needs of small and medium-sized enterprises as well as of sub-central contracting authorities and contracting entities; (iv) it is suitable for use in commercial transactions between enterprises.

Prior to the introduction of the European standard, the practical application of the standard should be sufficiently tested. The Commission shall retain overall responsibility for the testing with special account be taken of the respect for the criteria of practicality, user-friendliness and possible implementation costs. Where a test phase has been completed, the Commission shall publish the reference to the standard in the Official Journal of the European Union by 27 May 2017.

Core elements of an electronic invoice: the Directive sets these out as follows: (i) process and invoice identifiers; (ii) the invoice period; (iii) information on seller, buyer, payer and seller's tax representative; (iv) contract reference; (v) delivery details; (vi) payment instructions; (vii) allowance or charge information; (viii) invoice line item information; (ix) invoice totals; (x) VAT breakdown.

Data protection: the Directive is without prejudice to applicable Union and national law on data protection. Personal data obtained for the purpose of electronic invoicing may be used only for that purpose or for purposes compatible with it.

ENTRY INTO FORCE: 26.05.2014.

TRANSPOSITION: by 27.11.2018.

By way of derogation, Member States shall, **not later than 18 months after the publication of the reference of the European standard** on electronic invoicing in the Official Journal of the European Union, adopt, publish and apply the provisions necessary to comply with the obligation to receive and process electronic invoices.

Member States may postpone the application of the Directive for sub-central contracting authorities and contracting entities **until 30 months** following the publication of the reference of the European standard on electronic invoicing and the list of syntaxes in the Official Journal of the European Union.