Electronic invoicing in public procurement

2013/0213(COD) - 11/10/2017 - Follow-up document

The Commission presented a report on the assessment of the European standard on electronic invoicing, in accordance with Directive 2014/55/EU.

As a reminder, Directive 2014/55/EU has the objective of promoting the uptake of electronic invoicing in public procurement, by ensuring interoperability and improving legal certainty.

It requires contracting authorities to receive and process electronic invoices which comply with a European Standard (EN) for electronic invoicing.

Further to the Directive, the Commission gave on 10 December 2014 a mandate to the European Committee for Standardisation (CEN) to develop the EN on electronic invoicing and its related deliverables.

The European standard has recently been adopted by CEN and this report assesses the standard with regard to: (i) its practicality; (ii) its user-friendliness; (iii) its implementation costs for the end user.

The report presents the results of this assessment based on two main sources: (i) **the CEN technical report** and (ii) **a complementary study carried out by an external contractor (PWC)** on behalf of the Commission between the end of March 2017 and July 2017.

According to the two main sources, **the European standard is considered suitable for the intended use**.

1) Practicality: this criterion refers to elements such as being effective, useful and suitable for a particular purpose or situation. **The practicality of the European standard for eInvoicing, in terms of its fitness for purpose has been confirmed by the Member State authorities and stakeholders interviewed**.

The decision to limit the number of formats for implementing the semantic data model of the core invoice to UBL 2.1 3 and UNCEFACT/CII will result in further simplification, since these are two very common syntaxes already in use in the market. Most of the contracting authorities interviewed for this study will prioritise the support for only one syntax, **UBL 2.1**.

2) User-friendliness: this criterion involves an assessment of the easiness to use and to implement the standard, in particular taking into account existing systems, such as Enterprise Resource Planning (ERP).

The EN is **considered to be flexible** due to the possible use of optional elements, free text fields and code lists included. However, this advantage may result in excessive proliferation of Core Invoice Usage Specifications (CIUS) and extensions. The CIUS are specifications, which are aimed to help implementers of solving the practical aspects of defining the IT systems based on the EN.

The use of CIUS and extensions should be monitored and limited, possibly through a coordinated European initiative, in order to safeguard interoperability across borders.

3) Implementation costs: this criterion refers to the implementation costs to be borne by end-users (contracting authorities and their suppliers) for supporting the standard, covering the full set of identified scenarios. The costs of implementing eInvoicing are largely dependent on the two key variables in each country: the level of maturity and the architecture chosen by the public sector for eInvoicing.

The report noted that:

- in Member States where a **mature and centralised eInvoicing architecture** is in place, the impact of the EN on end-users will be generally low;
- Member States with **low eInvoicing maturity adopting a decentralised architecture** will face challenges to ensure the take up and implementation of the European standard. Nevertheless, these difficulties may be mitigated if the government provides clear guidance and rules, such as the use of standards;
- in Member States with **low eInvoicing maturity which chose to implement a centralised eInvoicing system**, the impact of the standards will depend on the national requirements and the level of readiness in the public and the private sector.

Small contracting authorities: interviews with local and regional authorities show that the use of the standard is essential for local authorities to reduce costs and lead to the conclusion that the benefits in terms of simplification of payment procedures are considered as outweighing limited costs for implementation.

Challenges: the contacted stakeholders put forward a number of measures to support the roll-out of the European Standard and maximise the benefits:

- **the existing test environment**, freely accessible (no authentication required) **to be further enhanced** (e.g. more meaningful explanations for errors, updated as validation artefacts evolve) and provide examples of complex and simple invoices;
- **a central European registry** listing all service and solution providers which are supporting the European Standard (EN) or the Core Invoice Usage Specification (CIUS), as key element of a governance system;
- **clear documentation** about the EN and its implementation;
- a **technical Service Desk** to provide support through the implementation of the EN;
- **financial support** for the implementers.

The roll-out of the EN will require maintenance and governance.

In parallel to the transmission of this Report to European Parliament and Council, the reference to the EN will be **published in the Official Journal** of the European Union.