E-INVOICING

WITH THE PUBLIC ADMINISTRATION IN THE EUROPEAN UNION

edicom
connecting business

INDEX

1 E-INVOICING AMONG PUBLIC AUTHORITIES IN THE EUROPEAN UNION

E-invoicing promotes cross-border trade and drives organizational innovation and efficiency, especially in public administrations. The expansion of e-invoicing is a global trend phenomenon. According to the latest report from Billentis, The E-invoicing Journey 2019-2025, **the size of the global e-invoicing market is expected to quadruple by 2025**. E-invoicing is also expected to be the dominant model worldwide by 2025.

In the European Union, e-invoicing is part of the Digital Agenda for Europe initiative, part of the Europe 2020 strategy. The goal is to create a highly-competitive European social market economy. Attaining all the economic and social benefits of a digital society is critical for achieving this goal.

DIGITAL SINGLE MARKET

In order to create a digital single market national barriers to private and public online transactions must be overcome and 28 national markets must be transformed into one single market of over 500 million individuals and potential consumers. This means bringing the EU's single market into the digital age.

The public sector accounts for more than one quarter of total employment and its procurement for one fifth of EU GDP. As a regulator, service provider and employer in the digital single market, it plays a pivotal role.

The use of e-invoicing in the public sector will modernize public administrations and provide member states with significant benefits in the form of cost savings, reduced environmental impact, streamlined administrative procedures and increased tax transparency.

The European Commission considers that generalized implementation of e-invoicing will benefit the European Union as a whole and help to increase competitiveness. **The commission's goal is to make e-invoicing the primary invoicing system in Europe by 2020 at the latest**.

ADVANTAGES OF E-INVOICING

The following are some estimates of the impact of adopting B2G e-invoicing in the EU:

▶ **Economy:** If all invoices are presented in electronic format, the public sector could save one billion euros a year.

▶ **Enviroment:** Reduced paper consumption and transport energy costs could cut CO_2 emissions by one million metric tons a year.

The use of e-invoicing in private enterprise could have the following impacts:

▶ **Cost savings:** The initial investment in implementing e-invoicing, a concern for some SMEs, would be recovered quickly. It's important to bear in mind that paper, printing and postal costs would be eliminated completely with the implementation of e-invoicing. Automating the process will also increase the productivity of administrative departments, leaving more time for other tasks.

▶ **Automation and integration of invoice reception processes:** E-documents can be automatically integrated with in-house systems and accounting, and prepare invoices for payment with almost no human intervention.

▶ **Increased efficiency and elimination of human error:** Since the process is automated and fully integrated, E-invoices are generated and sent automatically from service providers to their recipients. So most of the cost benefits are not related to printing and delivery, but to full automation and integration of all processes from order to payment between business partners.

▶ **Shorter delivery and payment times:** Makes issuing and receiving processes more efficient and immediate. Eliminates errors in generating invoices and entering them into accounting, and reduces payment times.

▶ **Greater security:** Invoices are sent on private networks or using specific protocols like AS2, FTPS, Web Services, VAN (Value Added Network), etc. Digital signatures also ensure the integrity, origin and authenticity of invoices.

▶ **Flexible and secure storage in accordance with legal provisions:** Original and signed documents are stored at least for the time stipulated by current applicable legislation. This reduces storage costs and makes consulting old invoices easier.

2 DIRECTIVE 2014/55

Public and private entities operating in the different EU member states have to implement complex processes and systems due to differences in technical standards and legal requirements, which greatly increases the cost of setting up and maintaining e-invoicing systems.

Directive 2014/55, published on 16th April 2014, **establishes a European e-invoicing standard to ensure interoperability between member states** with the aim of streamlining public procurement and cross-border e-commerce. The body responsible for establishing this European standard is the European Committee for Standardization (Comité Européen de Normalisation, or CEN).

Implementation of the European standard, Directive 2014/55, will meet the objectives of **promoting the use of e-invoicing in public procurement and promoting cross-border trade**.

Member states must adopt, publish and implement laws and regulations required to act in accordance with the European Directive. Many have already made the implementation of e-invoicing mandatory for public sector entities and their suppliers in anticipation of the directive and with the aim of simplifying tax compliance and reducing costs. For local and regional administrations and public companies, the EU has granted an extension until 18 April 2020 for countries that request it.

Every member state can decide how to make e-invoicing compulsory in public procurement. The directive provides that member states can make their transposition regulations at the national level in order to ensure legal certainty and the ultimate aim of the directive. Countries that have applied norms already adapted to European regulations will not face major technical challenges.

INTEROPERABILITY

Interoperability is key to attaining the digital single market, a critical step in the digital transformation.

The European Commission has launched several initiatives to address the lack of cohesion, including the **European Interoperability Framework (EIF)**, a set of common guidelines, recommendations and principles to facilitate and promote the provision of public services across EU borders and sectors.

The EIF monitors the different digitization strategies applied by public administrations in the different countries and verifies that they meet minimum requirements to ensure interoperability in the EU.

The digital single market strategy aims to create a more technologically interconnected European Union and recognizes that interoperability is a fundamental prerequisite for this. The current situation is the result of a lack of coordination among the different countries transforming to paperless systems over the years, which has impeded communication between companies and organizations in the different states.

EUROPEAN STANDARDS

In order to ensure maximum interoperability and coherence between all member states, the European Commission has tasked the European Committee for Standardization **(Comité Européen de Normalisation, or CEN)** with establishing e-invoicing standards. Since European standards are recognized in all member states, companies will be able to sell their products and services throughout the European single market.

The list of approved syntaxes for developing and implementing e-invoicing systems was published in the Official Journal of the European Union in October 2017. It is based on a report evaluating the European e-invoicing standard in accordance with Directive 2014/55/EU. The decision to limit the number of formats for implementing the central semantic e-invoicing model is meant to simplify use for the market and for users.

According to the European Committee for Standardization study the two approved syntaxes are as follows:

- **UN/CEFACT Cross Industry Invoice XML message** as specified in XML Schemas 16B (SCRDM — CII).
- **UBL invoice** and credit note messages as defined in ISO/IEC 19845:2015.

Transposition of the directive implies that contracting public administrations must receive and process e-invoices that comply with the European standard on e-invoicing and the syntaxes included in the list published by the commission. Countries that have already transposed Directive 2014/55 prior to publication of the European standard must make their platforms compatible with the European invoice.

THE PEPPOL STANDARD

Pan European Public Procurement Online, or PEPPOL, was developed as part of the European public administration procurement strategy to ensure interoperability. **It's a set of specifications designed to streamline public procurement processes between companies and administrations regardless of their locations or the systems they use.** PEPPOL is a common interoperable standard, crucial for developing cross-border e-procurement.

The entity responsible for developing and maintaining PEPPOL specifications is OpenPEPPOL. Their mission is linked to 2020 Digital Agenda for Europe, which seeks to lay the foundations for a more sustainable and globally competitive business ecosystem.

The standard adopted by the PEPPOL network is PEPPOL-UBL (Universal Business Language), a variant of XML.

The PEPPOL standard is designed to be used by all manner of industries and sectors. The sector that has advanced the furthest to date in this area, however, is the health sector. PEPPOL is currently operational in the United Kingdom, France, Norway, the Netherlands, Austria, Italy, Belgium and other countries.

DOWNLOAD
The White Paper on the workings of the PEPPOL infrastructure

ARCHITECTURE OF E-INVOICING PLATFORMS

There are two different e-invoicing architectures already in use in many countries:

▶ A central hub that receives e-invoices from all suppliers and forwards them to the relevant public bodies. This is the model used in France (Chorus Pro, Spain (Facturae) and elsewhere.

▶ A distribution system where suppliers send e-invoices directly to the public administration. In other words, a decentralized system. Portugal uses this model.

ELECTRONIC ARCHIVE – EIDAS REGULATION

Citizens, businesses and public sector bodies in an increasingly digital Europe need a regulatory framework that offers security and legal certainty for their day-to-day electronic activities in public and private environments. These security mechanisms are set out in Regulation 910/2014 on electronic identification and trust services for electronic transactions in the European internal market. This regulation, known as **eIDAS (Electronic Identification, Authentication and Trust Services)**, went into effect on 1st July 2016. eIDAS's objective is to eliminate barriers and provide validity to electronic identification and signature systems so individuals and enterprises can use their electronic identification in any EU country.

The eIDAS regulation creates a cross-border legal framework that ensures the interoperability of electronic identification mechanisms in all member states.

One of the most important eIDAS norms regulates trust services. This refers to **qualified trust service providers** that have the required certifications and necessary technical capacity to provide trust mechanisms for electronic transactions. It also gives documents legal validity and reverses the burden of proof before third parties within the European Union.

EDICOM is a qualified trust service provider that can issue qualified electronic signatures and electronic seals and time stamps, and offer qualified services for the preservation of qualified electronic seals.

Since EDICOM is certified as a qualified service provider for the preservation of qualified electronic seals, EDICOM can preserve the legal conditions of documents and files stored and guarantee their authenticity and integrity over time on the EDICOMLta platform.

EDICOMLta is a certified platform for storing electronic documents during the period required by enterprises or as stipulated by law. Various types of documents and files, such as invoices, VAT records, contracts, payroll, sales reports, orders, videos, images, sound files, etc. can be stored on the cloud storage service and linked to streamline search and retrieval and increase flexibility. EDICOMLta guarantees access and recovery of 100% of documents uploaded to the platform at all times, as well as evidence management to demonstrate the documents' integrity.

DOWNLOAD
Full details on eIDAS regulation and long-term storage in this white paper.

ISAE
3402
Completed Type II Audit

CERTIFIED
IQNet
MANAGEMENT SYSTEM

Accreditations: ISAE 3402 – ISO 27001

3 CONSIDERATIONS FOR CHOOSING AN E-INVOICING SERVICE PROVIDER

The following are some key considerations for implementing an e-invoicing system, since increases in efficiency, streamlining of processes and cost savings depend largely on which solution you choose to implement..

E-INVOICING **PROVIDER**

FACTORS TO CONSIDER

1 TECHNOLOGICAL CAPACITIES

Must have the requisite knowledge and infrastructure.

2 INTEROPERABILITY MODEL

Must adapt to different formats and processes for issuing and receiving invoices.

3 CERTIFICATIONS AND ACCREDITATIONS

Must have specific certifications to guarantee the quality of IT processes.

4 SECURITY AND RELIABILITY

Must ensure confidentiality in the treatment of data and security in data administration and archive.

5 SCALABILITY

Flexible technological infrastructure, scalable to different regions of the world, designed to meet medium- and long-term needs.

6 KNOWLEDGE AND EXPERIENCE

Thorough knowledge of currently applicable regulation on e-invoicing and ability to manage this knowledge.

7 CLIENT PORTFOLIO

Check your provider's client volume.

8 PARTNERSHIP AGREEMENTS WITH OTHER SERVICE PROVIDERS

Guarantee of a trusting partnership policy.

9 PERMANENT AND MULTILINGUAL **SUPPORT LINE**

Consultants who are specialized by sector and country.

10 BREADTH OF SOLUTIONS

Able to offer solutions and services with greater added value. Streamlines processes and helps to increase profitability

TECHNOLOGICAL CAPACITIES

Invoices contain sensitive information, so it's critical that providers guarantee confidential data processing and secure data management and storage in accordance with international standards such as ISO 27001, TIER and for external audits.

EDICOM offers a fully integrated communication service that transmits critical data in B2B2G environments via EDICOMNet and connection gateways, which means EDICOM can send e-invoices to any European public administration.

INTEROPERABILITY MODEL

Due to widely-ranging formats and processes for issuing and receiving invoices, enterprises need a service provider that adapts to the different administrative systems, transforms data into the different standards and delivery formats, and applies the recipient's protocols.

EDICOM has several connection agreements with other existing private networks to guarantee global interoperability with clients, suppliers and public administrations. EDICOM is also able to fully integrate with the leading ERPs on the market, to transform information to any standard required for transactions, and to establish connections using different communication protocols in accordance with the needs of the recipient.

CERTIFICATIONS AND ACCREDITATIONS

Your service provider must commit to system availability and support in the event of incidents by means of an SLA (service-level agreement). Another important consideration is whether your service provider has specific certifications to guarantee the quality of its IT processes, such as ISO 20000 and ISAE 3402.

SECURITY AND RELIABILITY

Invoices contain sensitive information, so it's critical that providers guarantee confidential data processing and secure data management and storage in accordance with international standards such as ISO 27001, TIER and for external audits.

EDICOM's accreditations include ISO 27001 on information security standards, ISO 20000 on IT service management, and TIER II. Furthermore, EDICOM is a certifying authority in Europe.

SCALABILITY

When implementing an e-invoicing project, it's important to bear in mind that you may be invoicing companies in different parts of the world.

EDICOM's platform is designed to meet the medium- and long-term needs of enterprises with flexible technological infrastructure that can be scaled to different regions of the world for B2B and B2G projects. It's a B2B2G electronic communications platform with EDI, compliant e-Invoicing and VAT compliance capabilities.

KNOWLEDGE AND EXPERIENCE

It is important that your partner has extensive expertise and experience in executing global e-invoicing projects in the countries they'll be used in.

EDICOM has more than 20 years' experience specializing in electronic data interchange. We're a leader in e-invoicing in Europe and the Americas, with permanent offices in Spain, France, Italy, USA, Mexico, Brazil, Colombia and Argentina.

EDICOM permanent e-invoicing observatory provides in-depth up-to-the-minute knowledge of international e-invoicing regulations. Our extensive experience managing this knowledge allows us to take on e-invoicing projects in any country.

CLIENT PORTFOLIO

It's important to know your provider's client volume, to ascertain if they are able to tackle international projects, and to hear the opinions of their clients.

Thousands of clients around the world place their trust in EDICOM to help them grow continuously and profitably. Today, EDICOM is the technology provider chosen by some of the world's leading companies to execute their B2B2G communications and data integration projects.

PARTNERSHIP AGREEMENTS WITH OTHER SERVICE PROVIDERS

Your service provider should be able to offer a partnership policy of trust for projects that require the participation of third parties. This allows you to benefit from a portfolio of partners reserved for local suppliers that offer specialized services in the different regions you'll be operating in, always in accordance with laws regulating certifications, signatures and specific communications related to e-invoicing.

EDICOM has permanent agreements with the foremost international integrators and service providers to ensure connectivity with all European public administrations and the availability of all the elements global e-invoicing projects require anywhere in the world.

CONSTANT ONLINE MULTILINGUAL SUPPORT

Customer support that's personal and familiar is much better than impersonal call centers that use ticket systems and automated procedures. Having consultants who know the ins and outs of your system, who can speak to users in their own language, is crucial for quickly resolving any doubts or incidents that may arise.

We have an International Support Center available in 7 languages and also offer optional 24/7 customer service with consultants specializing by sector and country.
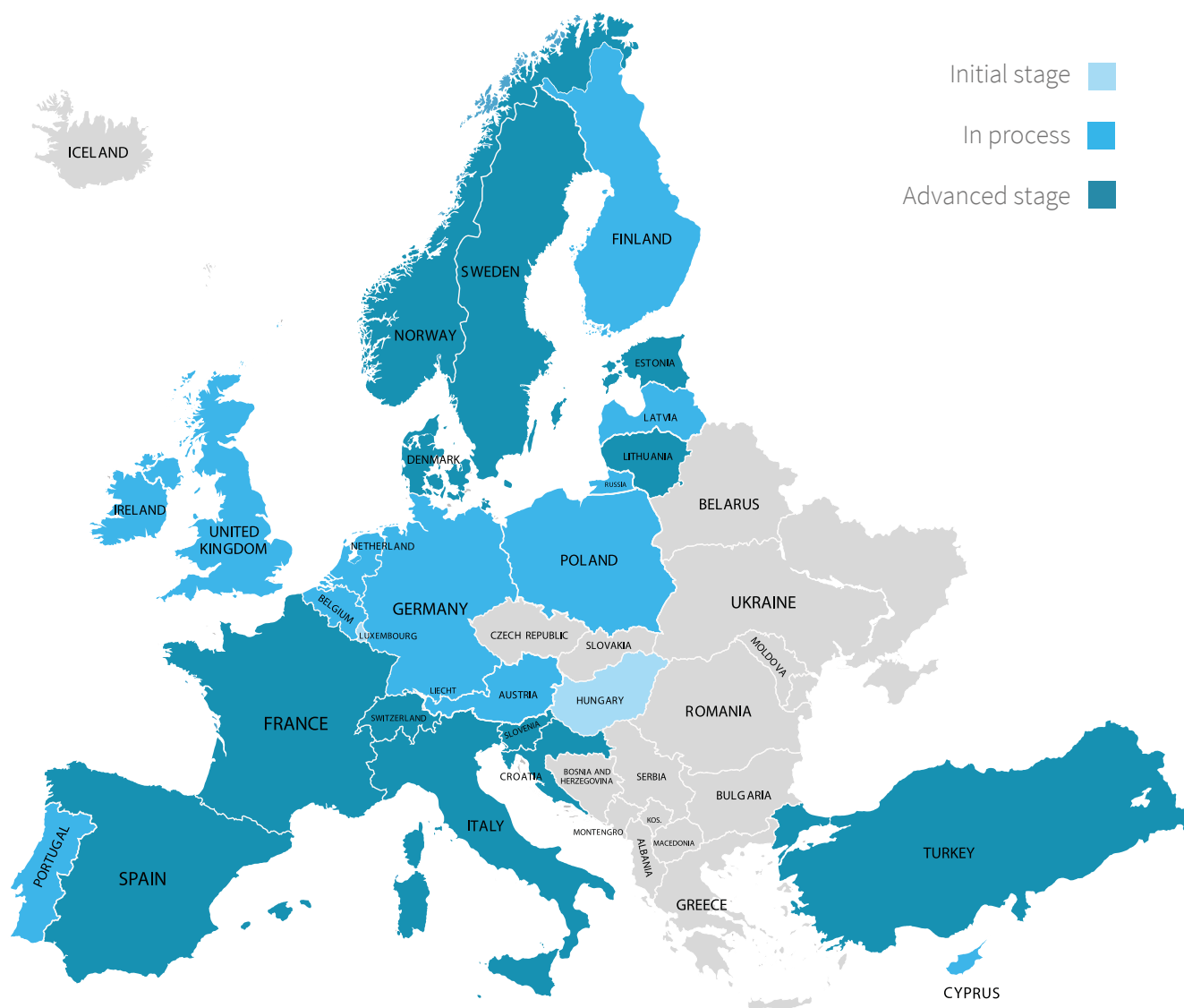
BREADTH OF SOLUTIONS

E-invoicing represents only a part of all the transactions a global electronic communications platform can manage. Advanced technology providers should be able to offer you greater value-added solutions and services, integrating the management of multiple business transactions with technologies like electronic data interchange (EDI), continuous replenishment systems (CRP) and vendor-managed inventory (VMI).

EDICOM is a full-service supplier of electronic solutions that offers an extensive range of services to streamline processes and increase profitability: electronic data interchange, electronic VAT, product data synchronization, certified long-term storage, inventory management, etc.

4 E-INVOICING STATUS OF EU COUNTRIES

Below is a summary of the main characteristics of e-invoicing in some of the EU member states and European countries that have advanced the furthest in implementing e-invoicing systems.

Initial stage

In process

Advanced stage

ICELAND

FINLAND

SWEDEN

NORWAY

ESTONIA

LATVIA

LITHUANIA

RUSSIA

BELARUS

IRELAND

UNITED KINGDOM

NETHERLAND

DENMARK

POLAND

UKRAINE

BELGIUM

GERMANY

CZECH REPUBLIC

SLOVAKIA

MOLDOVA

LUXEMBOURG

LIECHT

AUSTRIA

HUNGARY

ROMANIA

SWITZERLAND

SLOVENIA

FRANCE

CROATIA

BOSNIA AND HERZEGOVINA

SERBIA

BULGARIA

ITALY

MONTENGRO

KOS.

MACEDONIA

PORTUGAL

ALBANIA

TURKEY

SPAIN

GREECE

CYPRUS

AUSTRIA

ebInterface - PEPPO Bis 3.0

Not required

7+1 years

Obligation

Since 2014, invoices must be sent electronically to central public administrations.

As of 18th April 2020, the public bodies of federal states and municipal administrations will also be required to receive invoices electronically.

System

Central authorities receive and process e-invoices via a national platform called eRechnung.gv.at which is connected to the PEPPOL network. eRechnung.gv.at is an application offered by the Austrian federal government's business service portal (Unternehmensserviceportal, or USP) which receives the documents and transmits them to the corresponding public administration.

Federal and municipal administrations can use the national platform or choose another document reception system.

Supported formats for e-invoicing are PEPPOL and Austria's ebInterface, which are adapted to EU requirements.

BELGIUM

Obligation

Since July 2017, all federal government public administrations have been able to receive e-invoices. Since 2018, federal government suppliers taking part in tenders of more than 135,000 euros have been required to issue invoices electronically. As of April 2020, the central government will only accept e-invoices. In the Flemish region, since 2017, public administrations and their suppliers have been required to use e-invoicing. This makes the region the most advanced in Belgium in e-invoicing. Other regions are still in the process of implementing regional e-invoicing legislation.

System

E-invoices can be sent to the public sector using the PEPPOL model. The federal government has a central platform for receiving invoices called MERCURIUS, connected to the PEPPOL system. All public entities in the country (centralized and decentralized) can use the platform. Alternatively, they can use a direct connection to the PEPPOL network.

PEPPOL

Not required

7 years

CROATIA

PEPPOL UBL 2.1. or CII*

Not required

11 years

Obligation

Since 2019, e-invoicing became mandatory for all suppliers of the Croatian public administrations.

System

The government's central platform is called Servis eRačun and is operated by the financial agency FINA, which is connected to all public administrations. Connection to the platform is made through the PEPPOL network.

CYPRUS

Obligation

Since 2019, all central public administrations have been required to receive and handle invoices electronically. This will become mandatory for federal and local administrations in April of 2020. At this moment suppliers are not required to send invoices electronically.

System

The government is developing a centralized platform to process e-invoices. The portal e-invoices are sent to now is called ARIADNI. Adherence to the e-invoicing system is voluntary.

CIUS – PEPPOL BIS Billing 3.0

N/A

8 years

DENMARK

PEPPOL BIS 3.0 - OIOUBL

Not required

10 years

Obligation

Since 2005, Danish government authorities and their suppliers must use e-invoices in the authorized Danish format via the national NemHandel network.

System

Denmark has its own infrastructure for receiving invoices called NemHandel. As of 18 April 2020, NemHandel will act as service metadata publisher (SMP) on the PEPPOL network for Danish public entities. From that date forward, all public administrations must be able to receive invoices in Denmark's OIOUBL format as well as European PEPPOL BIS 3 format.

ENGLAND
Not a member of the EU

Obligation

At present, only the English health sector requires that its suppliers use e-invoicing. The national health system (NHS) is implementing e-invoicing in the health sector in stages by business type.

System

Health sector suppliers must meet two requirements. They must have a PEPPOL access point to operate on the PEPPOL network to be able to send invoices, orders, order confirmations and credit notes. They must have Global Location Number (GLN) codes and Global Trade Item Number (GTIN) codes for their products and services so they can be exchanged on the Global Data Synchronisation Network (GDSN). Access points will transform and send the documents to the destination access points.

PEPPOL

Not required

10 years

ESTONIA

XML - UBL 2.1. y UN/CEFACT CII

Not required

7 years

Obligation

As of 2017, all public entities must receive and process e-invoices. As of 2019, supplier companies based in Estonia must also issue e-invoices.

System

This system is decentralized. Public entities can choose their e-invoice provider. Invoices can be issued both in the national Estonian format and in the European standard UBL 2.1.

FINLAND

Obligation

As of 2010, all public administrations have preferred to receive invoices in electronic format although it is not mandatory. In April 2020, in accordance with directive 2014/55/EU, public entities will be required to receive e-invoices.

Also in April 2020, all public and private entities with an annual turnover of more than EUR 10,000 have the right to receive e-invoices from their suppliers, if requested.

System

There is no state platform, but businesses can choose a private supplier to generate and send invoices. E-invoicing technology providers maintain and update a public database that exchanges information with every public or private entity that has enabled this option.

TEAPPSXML 3.0 and Finvoice 3.0

Not required

7 years

FRANCE

INVOICE UBL V2 UN/CEFACT CII*

Not required

6/10 years**

Obligation

As of 1st January 2020, all government suppliers must issue e-invoices. Declaration, transmission and reception of B2G e-invoices must be done on the Chorus Pro invoicing portal.

System

The French tax authority (Agence pour l'informatique financière de l'État, or AIFE) created a portal for the submission of invoices to the government called Chorus Pro. It is a hub that collects supplier invoices and sends them to the corresponding administrative body for processing. It also offers the typical free web portal features, i.e. users can upload and view the status of e-invoices. It is meant for micro-enterprises that do not have automated systems or EDI data integration.

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* In the case of invoices directed to public bodies from 2017 onwards, two types of XML files are supported: INVOICE UBL V2 AND UN/ CEFACT CII (CCTS/ NDR v3.0).** Although the legal obligation is to store invoices for 6 years, senders and recipients generally keep original documents for at least 10 years due to different interpretations of the French laws.

GERMANY

Obligation

Since November 27, 2018, processing e-invoices is mandatory for public administrations on national state level (Bundesebene). As of April 18, 2020, this obligation is being extended to federal and municipal bodies. As of November 2020, B2G suppliers of the central government (Bundesregierung), and for the time being the state of Bremen, will be required to issue e-invoices.

System

The German e-invoicing system is decentralized. The access point for reception of e-invoices from suppliers at the national level is the Central Invoice Submission Portal (Zentrales Rechnungseingangsportal des Bundes, or ZRE). At the federal level, each state can opt to use the central government's platform or other systems.

Accepted e-invoice formats are XRechnung and ZUGFeRD 2.1. The XRechnung is an XML document adapted to EU requirements. The German E-Invoicing Forum Central Users' Guide (Zentraler User Guide des Forum elektronische Rechnung Deutschland, or ZUGFeRD), is a hybrid format consisting of an A3 PDF with embedded XML that meets European standards.

XRechnung y ZUGFeRD 2.1

Not required

10+1 years

HUNGARY

UBL 2.1 - UN/ CEFACT CII – PEPPOL BIS 3.0

Not required

8 years

Obligation

As of 2019, all public administrations in Hungary are required to receive and process e-invoices. At present suppliers are not required to send invoices electronically.

System

Since there is no centralized system, public administrations individually select their preferred systems and technology providers to receive and process e-invoices.

IRELAND

Obligation

As of 2019, public central government bodies have been required to receive and process e-invoices. As of April 2020, this requirement extends to all public administrations in Ireland. Suppliers are not required to send invoices electronically.

System

There is no central platform. E-invoices are sent and received through the PEPPOL network. Public administrations select a technology supplier from the four stipulated in the Office of Government Procurement's framework agreement. EDICOM is one of the four approved providers. Businesses that wish to send e-invoices to the government must contract a certified supplier as a PEPPOL access point..

PEPPOL CIUS - CEFACT

Not required

6 years

ITALY

FatturaPA

B2G obligatory, B2B not obligatory

10 years**

Obligation

As of 2014, invoices sent to the public administration must be electronic. Also, as of 1st February 2020, orders placed with bodies of the National Health Service must be made electronically.

B2G e -Invoicing

Italy's e-invoice is called FatturaPA. The portal for sending e-invoices to public administrations is the Sistema di Interscambio, or SdI (exchange system). E-invoices are received via the SdI portal and redirected to the recipient, which is identified with a public administration code (Indice Pubbliche Amministrazioni, or IPA).

There are three different scenarios for e-orders. Orders are sent via the Order Sorting Node (Nodo Smistamento Ordini, or NSO), which validates the documents. Orders must be in UBL PEPPOL format.

B2B-B2C e-Invoicing

As of 1st January 2019, e-invoicing is compulsory for B2B and B2C between private parties. Invoices are sent electronically to the SdI platform.

EDICOM is certified as an authorized provider by Italy's Revenue Agency (Agenzia delle Entrate). This means it can act as an intermediary to issue and receive B2B2G invoices with the SdI and to issue and receive orders with the NSO, ensuring the security and confidentiality of the data transmitted.

*In the process of issuing invoices to the public administration a qualified electronic signature can be added from a secure signature creation device.
**Additional processes such as electronic signature and time stamp are required for preservation in accordance with the provisions of Italy's data storage law, Conservazione Sostitutiva (replacement storage).

LATVIA

Obligation

As of 2019, direct administrations of the Latvian government have been required to receive and process e-invoices. On 18th April 2020, the remaining public bodies must also be prepared to do the same. However, suppliers are not required to issue e-invoices.

System

E-invoices can be sent to governmental bodies by different methods:

- For businesses registered in the Latvian Trade Registry, via the central platform, called e-adrese.
- By e-mail
- Through other channels provided in the public entity agreement (e.g. EDI)

PEPPOL BIS 3.0.

Not required

5 years

LITHUANIA

PEPPOL BIS 3.0 – XML

Not required

10 years

Obligation

As of July 2017, all public administrations and their suppliers are required to use B2G e-invoicing.

System

The Lithuanian government has a centralized invoice receipt system called eSaskaita. It is a centralized platform connected to the European PEPPOL network.

LUXEMBOURG

Obligation

E-invoicing is currently not very widespread in Luxembourg. Since 18th April 2019, central government bodies have been required to receive and process e-invoices. As of 18th April 2020, sub-central bodies will also be required to receive and process e-invoices. However, suppliers are not required to send e-invoices.

System

The government has created a central access point to connect to the PEPPOL network that can be used by all central and national governmental bodies to exchange e-invoices. Unfortunately, so far there is little information available about this portal. Sub-central and local governments can opt to use the central government access point or his central access point.

PEPPOL BIS 3.0

Not required

10 years

THE NETHERLANDS

SI-UBL 2.0

Not required

7 years

Obligation

As of April 2019, all public administrations and contracting authorities must be able to receive e-invoices in a European format. Contracting authorities are specified by law. These bodies are not public but have special relationships with the government and so must comply with the European Directive.

System

E-invoices can be sent to the public sector using the PEPPOL model. For central government bodies there is a platform called DIGIPOORT for reception of e-invoices which is also connected to the PEPPOL network.

	NORWAY
Not a member of the EU	

Obligation

As of 2011, central government bodies are required to receive invoices electronically. As of 2012, all central government suppliers are required to invoice in electronic format. In 2019, this obligation was extended to the rest of the country's public administrations and their suppliers, which must be able to receive and send e-invoices.

System

Public administrations must receive invoices on the PEPPOL network. Both public administrations and suppliers can choose their PEPPOL access point and must be able to process invoices in the national format, EHF Billing 3.0, which is adapted to the requirements of the European Directive.

In order to be able to send and receive e-invoices, suppliers and public administrations must be registered with the Electronic Recipient Address Register, or ELMA, which acts as the service metadata publisher (SMP) for the PEPPOL network in Norway.

PEPPOL BIS 3.0 – EHF Billing 3.0

Not required

5 years

POLAND

UBL 2.1 - UN/ CEFACT CII – PEPPOL BIS 3.0

Not required

5 years

Obligation

As of 2019, all public administrations in Poland are required to receive and process e-invoices. Suppliers are not required to send invoices electronically.

System

The system is centralized. The government has developed its own e-invoicing platform that serves as a single point of entry for invoices. The platform is called Platforma Fakturowania Elektronicznego, or PEF, and is connected to the PEPPOL network.

PORTUGAL

Obligation

As of 18th April 2019, central public administrations and entities are required to receive invoices in electronic format. As of 18th April 2020, this requirement will extend to local public administrations.

In April 2020, large businesses will be required to invoice public administrations electronically. As of 31st December 2020, this requirement will extend to SMEs.

System

The Government Shared Services Entity (Entidade de Serviços Partilhados da Administração Pública, or eSPAP) provides a platform for implementing e-invoicing in Portugal. Not all public bodies are required to use it.

UBL 2.1 "CIUS-PT" y CEFACT "CIUS-PT"

Not required

10 years

SLOVENIA

UBL 2.1
(PEPPOL BIS
3.0) – e-Slog 2.0

@🖊

Not required

10 years

Obligation

As of 2015, e-invoicing has been mandatory for all public entities and suppliers. Slovenia is one of the countries that has advanced the furthest in this area in the European Union.

System

Slovenia has two central platforms for different types of public bodies to receive e-invoices. The Public Payments Administration of the Republic of Slovenia (Uprava republike Slovenije za javna platform Plačila, or UJP (PPA)) is for bodies classified as budget users, while the Exchange Hub platform is for non-budget users. Both platforms are connected to the PEPPOL network. E-invoices can be sent in the national format, e-Slog 2.0, or in UBL 2.1 format. (PEPPOL BIS 3.0)

SPAIN

Obligation

As of 15th January 2015, e-invoicing has been compulsory for public administrations.

B2G e-Invoicing

Government suppliers are required to send e-invoices to the general electronic invoice entry point (Punto General de Entrada de Facturas Electrónicas, or PGEFe) which all public administrations have implemented for invoice reception. When e-invoices are received by the PGEFe, they are automatically sent to the accounting department of the corresponding public entity for processing and payment.

B2B e-Invoicing

As of 1st July 2018, Contract Law 9/2017 made e-invoicing through FACeB2B obligatory in transactions between public administration contractors and their subcontractors for sums above 5,000 Euros.

Facturae

@🖊

Required

5 years

SWEDEN

PEPPOL BIS 3.0
– Svefaktura
- SFTI ESAP 6
Fulltextfaktura

@🖊

Not required

7 years

Obligation

As of 2008, e-invoicing has been mandatory for central government agencies. In 2019, the e-invoicing obligation was extended to regional and municipal administrations. All public administration suppliers are also required to send e-invoices.

System

Sweden is promoting use of the PEPPOL network for public procurement processes. All public entities can receive invoices through the European network.

SWITZERLAND

Not a member of the EU

Obligation

As of January 2016, e-invoicing has been mandatory for federal administrative bodies and their suppliers when their contracts are equal to or greater than CHF 5,000 (approx. EUR 4,594.57).

System

The Federal Administration has three multi-protocol and multi-format providers of e-invoicing services. If the invoices do not have a digital signature, the suppliers can provide one. They are also responsible for sending the invoice to the appropriate recipient.

swissDIGIN-Yellowbill 2.0- EDIFACT ABADOC*

Required**

10 years

*swissDIGIN (Swiss Digital Invoice), Yellowbill 2.0 (XML), EDIFACT, ABADOC.** Required by means of recognized certificate.

TURKEY

Not a member of the EU

UBL-TR 1.2 TEMEL/TICARET E-FATURA*

Required**

10 years

Obligation

As of January 2020, only e-invoices are allowed. Public administrations and private businesses must use e-invoicing.

System

In Turkey, all invoices (B2B and B2G) must be sent to the central Turkish Revenue Administration (TRA) platform. The platform is a hub that receives documents and sends them on to their recipients via Web Services. The TRA platform is the core of the system. It connects senders and recipients and maintains an updated database of all registered users.

*A structured UBL-TR document (Universal Business Language for Turkey, developed with XML syntax) with local extensions must be generated.
**To ensure authenticity and integrity, electronic signature is required using certificates called "financial seals" issued by the Scientific and Technological Research Council of Turkey (TÜBITAK) in conjunction with the tax authority.

5 EDICOM'S COMPLETE SOLUTION

Managing e-invoicing with the EU public administrations in accordance with national specifications can be a challenge for multinational companies. To simplify this process, EDICOM has developed a global B2B2G electronic communications platform with compliant e-invoicing and VAT reporting capabilities.

The platform is a single solution that sends e-invoices to any public administration. It has three key features:

AUTOMATION

Integrates with your company's ERP to automate VAT returns and other tax-related communications.
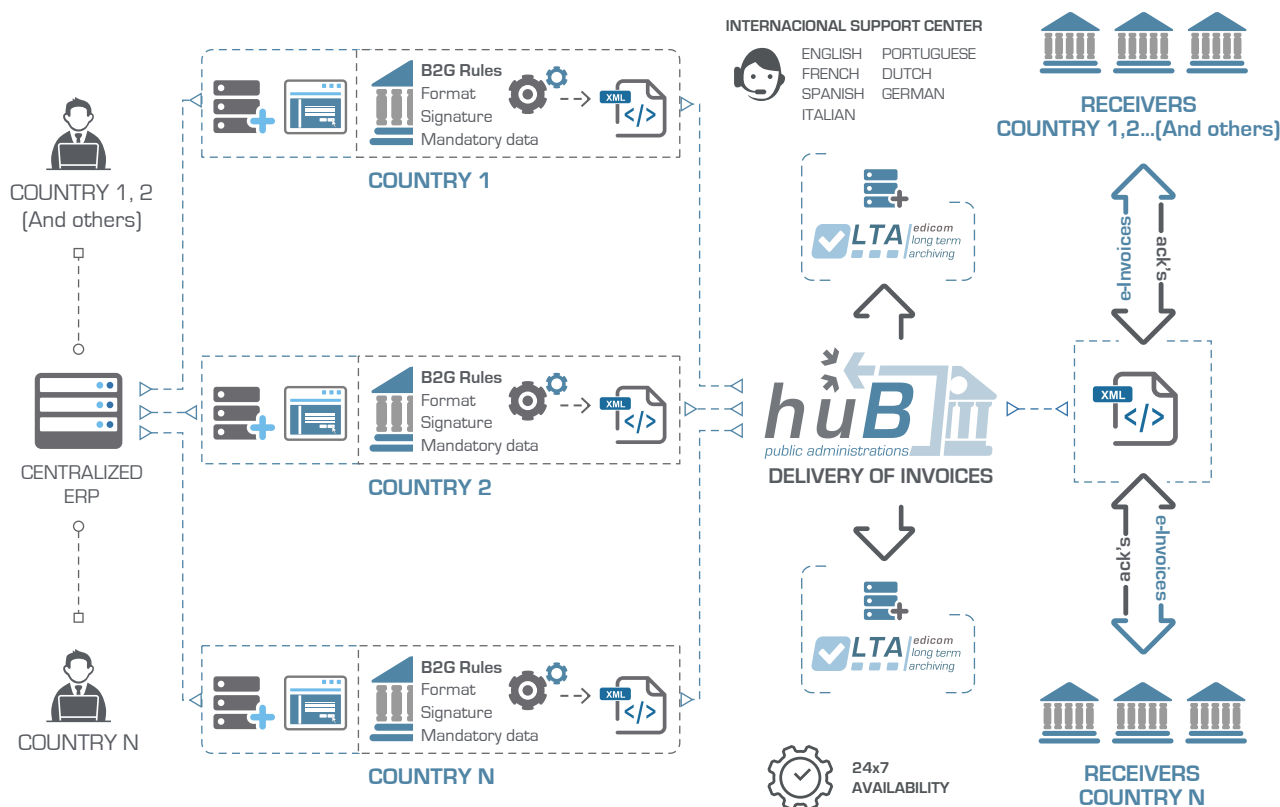
CENTRALIZATION

Provides a platform for tax compliance adapted for use in more than 60 countries, centralizing all procedures with a single solution.

GLOBALIZATION

As well as handling electronic VAT declarations, the EDICOM platform also handles e-invoicing and other commercial and tax-related communications.

edicom platform

HOW THE PLATFORM WORKS

1

INTEGRATION MODULE

The platform integrates with the company's ERP and uses its mapping systems to translate information generated in the ERP to the electronic formats required by each tax authority (XML, UBL, SAF-T, etc.).

2

VALIDATION MODULE

Data is then validated syntactically and semantically to ensure the file is correct and complies with the specifications of the destination country..

3

LEGAL COMPLIANCE MODULE

When a message (electronic invoice, VAT return, etc.) is validated, additional steps are taken to ensure its legal validity, for example, application of an electronic signature, time stamp or other certificates. The document is then ready to be sent.

4

COMMUNICATION MODULE

Lastly, the EDICOM platform delivers the message to the public administration via the protocol required in each country (Web Services, AS2, HTTPS, FTP, etc.). The platform also receives responses from administrations on the status of the invoices.

PUBLIC ADMINISTRATION HUB

EDICOM has created a fully integrated, end-to-end platform for e-invoicing with public administrations that can connect to any public entity in the EU. The platform offers a two-way communications channel that automates invoice delivery and receives responses in accordance with the B2G e-invoicing model in each country, while providing valuable information on the invoice life cycle. It is a hub that can connect with public administrations at the local, regional, national and supranational levels.

The whole process is automatic, transparent to users, and takes only seconds. This means that accounting and administration departments can expect no change to their current management systems.

ADVANTAGES OF HAVING A SINGLE PLATFORM

CONNECTIVITY

The hub connects to the designated e-invoice entry point of any public administration, extracts information without making internal changes to standard operating procedures, and sends it in the approved format.

COMPLIANCE

When suppliers are responsible for sending information to the tax authority, the system complies with technical and legal requirements specific to each country. Clients need only to be able to extract the data from the ERP and the EDICOM global platform takes the necessary actions, updates structured information, and sends it via secure and confidential channels.

ADAPTABILITY

The EDICOM platform guarantees adaptability to all ERPs, standard languages and communication protocols required by recipients. EDICOM also has a permanent e-invoicing observatory to ensure we are always up to date and changes are made with transparency to users.

TRACEABILITY

Invoices are tracked throughout the sending process with messages relaying the status of the documents. These messages can be integrated into your system if the public administration in question provides access to them.

PROOF OF DOCUMENT VALIDITY
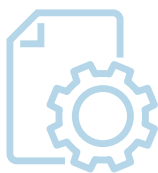
The system guarantees access to and recovery of 100% of documents uploaded to the platform, as well as evidence management to demonstrate the documents' integrity and status.

ALWAYS COMPLIANT

EDICOM conducts active knowledge management via its International e-Invoicing Observatory to ensure the platform is always updated with changes made to local regulations (formats, tax control processes, communications, signatures, etc.). This eliminates legislative, technical, language and even time-related barriers. Once the challenges have been met, all that remains is opportunity.

6 TOWARDS DIGITAL BUSINESS TRANSFORMATION

FROM B2G TO B2B

The compulsory nature of B2G e-invoicing and government electronic tax compliance initiatives (like VAT returns) advancing in Latin America and Europe are driving many companies to adopt technological solutions to process and automate electronic communications with tax agencies.

Businesses should see this as an opportunity to increase efficiency and effect change in their company culture. Once the implementation of solutions for e-invoicing and other electronic procedures has been initiated, the project can be extended to complete digital transformation, allowing the system to handle all commercial transactions. As the number of business partners (clients, suppliers, 3PLs, etc.) increases, so do the volume of transactions and message typesexchanged. The benefits of using EDI increase in tandem.

The advantages for businesses carrying out digital transformation projects can be captured in one phrase: cost savings. However, working with electronic data exchange solutions also offers benefits in terms of competitiveness, such as:

- Transaction automation
- Response time reduction
- Error minimization
- Increased productivity
- Integration of all business partners and stakeholders
- Traceability of process status
- Improved customer service
- Optimization of financial ratios
- Increased security and confidentiality of communications

GLOBAL E-INVOICING

E-invoicing is expanding across the globe, albeit unevenly. Although it is in different stages of development, the standardized use of e-invoicing in business transactions is becoming the norm thanks to the advantages it offers businesses, consumers, and governments.

Latin America is a pioneer in e-invoicing implementation and countries like **Chile, Mexico and Brazil** are leading the way in transitioning to e-government through new fiscal compliance and e-accounting requirements.

The **United States** is studying e-invoicing initiatives that could be very significant given the size of the US market. In the US B2G and B2B spheres, the primary motivation is not oversight but streamlining administrative processes by automating electronic transactions.

In the **Asia-Pacific region**, e-invoicing still has some way to go. Implementation of e-invoicing is advancing unevenly. In some countries, such as Russia, Australia and New Zealand, e-invoicing is progressing slowly but steadily. In other countries, such as Singapore, Taiwan, Hong Kong and South Korea, major drivers of e-invoicing include governments and shipping, retail and other sectors.

Visit globaleinvoicing.com to discoover the status of e-Invoicing worldwide.

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