



ACT ON eINVOICING IN PUBLIC PROCUREMENT & DIRECTIVE EU/55/2014

Implementation / State of play CROATIA



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Ministarstvo gospodarstva,
poduzetništva i obrta



ACT ON eINVOICING IN PUBLIC PROCUREMENT & DIRECTIVE EU/55/2014



INTRO – let us recollect?

- ✓ Directive eInvoicing – 2014 – **5 years ago!**
- ✓ An electronic invoice (eInvoice) is an invoice that has been issued, transmitted and received in a structured data format which allows for its automatic and electronic processing, as defined in Directive 2014/55/EU – **1st time**
- ✓ A **structured** electronic invoice contains data from the supplier in a machine-readable format, that can be automatically imported into the buyer's Account Payable (AP) system without requiring manual entering
- ✓ Exchange methods: EDI, eSignature+certificate (PKI), any other business method that enables connection between invoices and delivery of goods and services
- ✓ HR uses all 3



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- The Directive prescribes the European standard / EN for eInvoices
- European Commission had assigned the European Committee for Standardization (CEN) to develop the required standard for the electronic invoice as well as supporting documents
- CEN published the EN on 28.6.2017 - [OJ 17.10.2017](#)
- The introduction of a European standard creates the possibility of wider harmonization and acceleration of the global e-Invoicing adoption process in the public sector at the national level of each member state + **obstacles to cross-border procurement and trade are removed**

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- Since invoices are the most common and often the most important business document exchanged between business partners (B2B), including public procurers (B2G), it is perfectly understandable in today's global digitization time to digitize and automate billing processes
- **Allegedly** – according to DG CONNECT research: 90% of jobs today will need or already need the digital skills of employees
- Digital transformation is not an option anymore but duty for an EU economy so we could be able to be side by side /shoulder by shoulder with the leading world economies

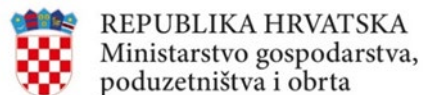


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- Directive on invoicing - transposed into national legislation 1.11.2018.- Act on issuing eInvoice in PP procedures
- Croatian Act was one of the most important measures of the **National Reform Program** of the Croatian Government in 2018, with the main objective of the measure 100% issuance and receipt of eInvoices in public procurement (this measure is being continued in 2019 with the tendency to spread on B2B)



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Activity Average duration in minutes	Paper invoice min / per invoice	eInvoice min / per invoice
Printing and enveloping	1	0
Entry (importation) into the records of the received / delivered mail	1	0
Cost allocation	4	1
Processing attachments	1	0
Sorting/Deployment	1	0
Error management, initiating corrective actions	6	1
Approval process	5 min do 15 days ☺	0,5
Payment instruction	0,5	0
Archiving	1,5	0
UKUPNO	21	2,5



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What did the Act introduce?



OBLIGATION ON RECEIVING E-INVOICES IN PUBLIC PROCUREMENT FROM 1.12.2018.



OBLIGATION ON ISSUING E-INVOICES IN PUBLIC PROCUREMENT FROM 1.7.2019.



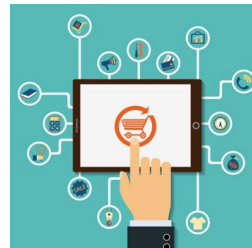
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Which procurement procedures does the Act cover?

The Directive's scope was widened, so Croatian Act on eInvoicing in public procurement includes all procurement procedures above but also under the thresholds of 200,000.00 kn for the procurement of goods and services and the procurement of works under 500.000,00 kn

MEANING

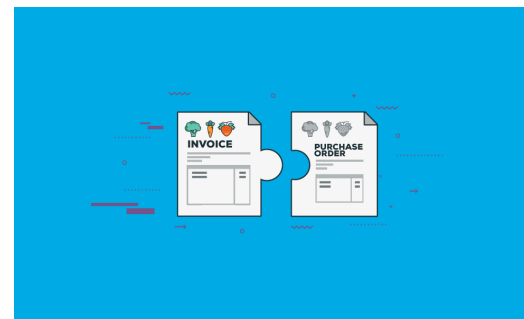
the procurement of *small values* is included in the scope of this Act



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The Act refers to the entire *public procurement procedures* – for example purchase via *order form/purchase order (bargain purchases)*, if the order has all the characteristics of the contract (EXAMPLE: Catering services for the ministry approx. 5.500,00 kunas from 1.7.2019, the catering service provider will be obliged to issue eInvoice...)

Cash payments, e.g., an official card of a state official using it *ad hoc* payment for lunch, tolls, taxi rides - is not considered a public procurement procedure within the meaning of this Act and this area (cash and card payments) is already regulated by the Act on fiscalization ...



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The Act does NOT apply to invoices issued by some contracts excluded from the application of the provisions of the Croatian Public Procurement Act (e.g.: lawyers legal services, public notaries services, buying/renting realstates...) as well as on B2B contracts



BUT

we do expect the **spill over** effect to happen in the future



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What else has this Act introduced?

NATIONAL CENTRAL PLATFORM FOR E-INVOICES EXCHANGE

Central platform as access point that connects contracting authorities/public procurers (directly), sectoral contractors (directly) and information intermediaries with their subcontractors. This model allows:

- connection of all participants in PP with a SINGLE connection (connection with the access point), which significantly saves the resources needed for various integrations
- standardization of the exchange protocol because they all make a single connection (to the access point)
- a unique record of all PP participants with easy switch of sectoral contractors from one information intermediary to another
- a record and a single statistical analysis of all received messages / invoices, regardless of which information intermediary is a sectoral contractor, which is a powerful tool for overseeing irregularities.



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What else has this Act introduced?

- The Role of FINA (state owned financial agency) – national central platform for eInvoices exchange
- Information intermediary for eInvoices exchange for central state bodies and budget users as contracting authorities/public procurers
- Other contracting authorities/procurers such as counties, cities, municipalities, their connected companies as well as sectoral procurers can choose between any Information Intermediary for eInvoicing exchange:

1. FINANCIJSKA AGENCIJA (FINA) 2. HRVATSKA POŠTA (HP) 3. Hrvatski telekom (HT) 4. mSTART d.o.o. 5. ELEKTRONICKI RACUNI d.o.o. (Moj eRačun) 6. Megatrend Redok d.o.o. (OMNIZON) 7. Hitra produkcija dokumenata d.o.o. 8. EDITEL ADRIA d.o.o. 9. POŠ d.o.o. 10. OPTIM IT d.o.o. 11. Raverus d.o.o. 12. DB informatika d.o.o. 13. ExaByte d.o.o. 14. V6 INFORMATIKA j.d.o.o.



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Current numbers & statistics- NATIONAL CENTRAL PLATFORM

15.08. state of play

Number of registered contracting authorities PP(JN) via NCP: **4814**

Number of business entities – suppliers connected to NCP: **13456**

Number of sent/exchanged eInvoices via NCP: **522157**



CEF Telecom eInvoicing projects



- Our largest (3rd) CEF Telecom Project **eIn-Lo-Re** - *Croatian eInvoicing for Local and Regional Authorities*, has the aim of encouraging and accelerating the use of structured electronic invoices by public administration, both nationally and cross-border, through the provision of technical and operational prerequisites for public administration bodies for integration with the national central platform
- The largest consortium of CEF Telecom Instrument EVER with 80 Partners + MINGPO as Coordinator
- PARTNERS: JLRS - municipalities, cities, counties, ministries, central government offices, FINA and the Zagreb Holding
- Grant Agreement signed in August 2018, co-financing approved in the amount of 75% of total costs, ie 765,769.00 EUR



Thank you!



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