EUROPEAN COMMISSION

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ANNEX 1

ANNEX

to the

COMMISION IMPLEMENTING DECISION

on a standardisation request to the European standardisation organisations as regards a European standard on electronic invoicing and a set of ancillary standardisation deliverables pursuant to Regulation (EU) No 1025/2012 of the European Parliament and of the Council

EN   EN

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[FOREWORD]

The Commission estimates that implementation of electronic invoicing in public procurement across the EU could generate savings up to €2,3 billion/year and several orders of magnitude larger than the implementation costs.

Directive 2014/55/EU on electronic invoicing in public procurement[1] aims at facilitating the use of electronic invoices by economic operators when supplying goods, works and services to the public administration. In particular, it sets out the legal framework for the establishment of a **European standard (EN) for the semantic data model of the core elements of an electronic invoice**.

Its Article 3 sets out high-level requirements for the Commission's request to the relevant European standardisation organisation. These requirements are included in section 4.1.1 of this document. Moreover, according to Article 3, the Commission's request should also include the provision by the European standardisation organisation of a list with limited number of syntaxes which comply with the EN, and recommendations on transmission interoperability in order to facilitate the use of such a standard.

Finally, in accordance with the implementing calendar set out at Article 11 of the Directive, contracting authorities and contracting entities should receive and process electronic invoices which comply with the EN and with any of the identified syntaxes which comply with the EN.

The requested standardisation activities should start as soon as possible since the Member States shall adopt, publish and apply the laws, regulations and administrative provisions necessary to comply with the Directive at the latest by 27 November 2018. The Directive entered into force on the twentieth day following that of its publication (6 May 2014) in the Official Journal of the European Union. Member States shall, not later than 18 months after the publication of the reference of the EN 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 which comply with the EN. The Member States may postpone the application referred above with regard to their sub-central contracting authorities and contracting entities until 30 months after publication of the reference of the EN in the Official Journal of the European Union at the latest.

It should be noted that the Directive builds on a Recommendation of the European Multi-stakeholder Forum on e-Invoicing[2] on the use of a semantic data model to support the interoperability for electronic invoicing[3], issued on 1 October 2013. This Recommendation states that an invoice is considered to be composed of a number of distinct sections:

–   The **Core Section** contains the basic information elements (i.e. the core elements referred to in the Directive) required to exchange electronic invoices between all kinds of trade entities (basic needs of cross-border and cross-sector e-invoicing). It consists of a <u>Legal Part</u> plus a <u>Common Part</u>. The Legal Part is concerned with both the observance of tax and commercial laws and regulations pertaining to electronic invoicing commonly in force throughout the EU. The Common Part contains commonly used and accepted information elements, which are not sector or country specific.

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[1]   OJ L 133 of 6/5/2014 - The document is published at
          http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:JOL_2014_133_R_0001&from=EN .
[2]   Commission Decision of 2 November 2010
          (http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2010:326:0013:0015:EN:PDF).
[3]   The document is published at
          http://ec.europa.eu/enterprise/sectors/ict/files/invoicing/recommendation_on_the_use_of_a_semantic_data_model_en.pdf .

– The **Sector Section** contains those information elements which are only a concern of a specific industry sector, community, supply chain or buyers and sellers of a particular type of product. Such information elements may be incorporated in an 'Extension' of the Core Section information elements.

– The **Country Section** contains those information elements which represent the specific requirements of a particular Member State above and beyond the Core Section information elements and which for local legal or other reasons are required in a compliant electronic invoice.

The Recommendation proposes to formalise the semantic data model of the core section of an electronic invoice in a European standard. This suggestion has to a large degree been taken into account: the Directive calls for the development of a European standard which defines the core elements of the invoice, while at the same time requesting guidelines on the use of the Country and Sector extensions.

It must be stressed that, in line with the Directive, all contracting authorities and contracting entities in the EU will be obliged to receive and process an e-invoice as long as it contains all of the core elements of an invoice defined in the European standard (and provided that it is represented in any of the syntaxes on the short list). The inclusion of any information which is not contained in this core will be at the sender's discretion. As such, any Country or Sector extension in an e-invoice must by definition be optional, and these can therefore not form an integral part of the European standard.

Finally, it should be noted that CEN has already set up the Project Committee 434 (CEN/PC 434) with the task of developing the deliverables mentioned in this standardisation request.

1. OBJECTIVES

1.1. Requested standardisation activities[4]

In order to comply with the provisions of Directive 2014/55/EU on electronic invoicing in public procurement, the Commission requests, pursuant to Article 10(1) of Regulation (EU) No 1025/2012[5], the relevant European standardisation organisations[6] (ESOs):

– to develop a European standard (EN) for the semantic data model of the core elements of an electronic invoice;

– to identify a limited number of invoice syntaxes (formats) which fully comply[7] with the European standard, to be given in a Technical Specification (TS);

– to develop syntax bindings, i.e. information specifying how the semantic data model could be represented in the listed syntaxes (formats), and their automatic validation artefacts, to be given in a Technical Specification (TS);

– to develop guidelines on interoperability of electronic invoices at the transmission level, taking into account the need of ensuring the authenticity of the origin and the integrity of the electronic invoices' content, to be given in a Technical Report (TR);

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[4] The definitions of European standard (EN) and of Technical Specification (TS) are respectively given in Article 2(1) b and Article 2(4) of Regulation (EU) No 1025/2012.
A Technical Report (TR) is an informative document that provides information on the technical content of standardisation work, or contains explanatory material.
[5] OJ L 316, 14.11.2012, p. 12.
[6] Article 2(8) of Regulation (EU) No 1025/2012.
[7] For a syntax to be fully compliant with the EN, it needs to cater for all core elements of the semantic data model. This will ensure that the electronic invoice can be mapped from one syntax to another.

– to develop guidelines on the optional use of sector or country extensions (as described in the Recommendation of the European Multi-stakeholder Forum on e-Invoicing) in conjunction with the European standard, including a methodology to be applied in the real environment, to be given in a Technical Report (TR);

– to carry out the test of the European standard with respect to its practical application for an end user, and to provide the result in a Technical Report (TR).

1.2. Public interests and policy objectives

Directive 2014/55/EU on electronic invoicing in public procurement stipulates in its Article 3 that the Commission shall request the relevant European standardisation organisation to draft a European standard for the semantic data model of the core section of an electronic invoice. This European standard is needed to ensure that contracting authorities and contracting entities receive and process electronic invoices which comply with this European standard and with any of the identified syntaxes, as specified in Article 7 of the Directive.

By ensuring semantic interoperability of electronic invoices, the European standard and its ancillary European standardisation deliverables will serve to remove market barriers and obstacles to trade deriving from the existence of different national rules and standards. Moreover, they will promote the uptake of electronic invoicing in public procurement, therefore allowing the concerned players (contracting authorities and contracting entities, and their suppliers, service providers and contractors) to obtain significant benefits in terms of cost savings and reduction of administrative burden.

Another expected impact is also the creation of a favourable ecosystem (skills, infrastructures, commercial and open source applications, test beds) fostering e-business along the European economy and supply chains. Moreover, the European standard and its ancillary European standardisation deliverables are expected to be widely adopted by Enterprise resource planning (ERP) solutions providers.

2. ACCEPTANCE OF THE REQUEST

The ESOs are asked to inform the Commission whether they accept the request within one month after the receipt of this request. Conditional acceptance is considered as refusal.

The acceptance reply may include a request for Union funding or may indicate if Union funding available for activities pursuant to Article 15 of Regulation (EU) No 1025/2012 is applied later and informing also on the estimated amount needed and estimated date for a possible request. Such a funding request shall respect deadlines set in this standardisation request and in the mandated work programme, as agreed with the Commission according to point 5.4, for the execution of the standardisation work.

3. EXPIRATION

Where the standardisation request is not accepted by any of the ESOs, this request shall expire three (3) months after the notification of this Decision to the ESOs.

4. **DESCRIPTION OF THE REQUIREMENTS FOR THE REQUESTED DELIVERABLES AND FOR THE STANDARDISATION WORK**

4.1. Requirements for the deliverables

The relevant ESO shall publish the European standard and its ancillary European standardisation deliverables listed in point 1.1 by the end of March 2017 at the latest.

4.1.1. Requirements for the European standard and the ancillary standardisation deliverables

The EN and the ancillary standardisation deliverables shall meet, but not be restricted to, European requirements. They should be based on existing technical specifications developed within the framework of European standardisation organisations, namely:

– the CEN CWA 16356 "MUG" providing a European core invoice data model[8];

– the CEN CWA 16562 "BII core" providing a core invoice for public procurement[9];

The EN and the ancillary standardisation deliverables shall take into account, where relevant, technical specifications developed within the framework of European or international bodies, such as:

– the UN/CEFACT Cross Industry Invoice (CII) XML v. 2.0[10] and v. 3.0[11];

– the OASIS UBL 2.1 Invoice[12];

– the Financial Invoice based on the ISO 20022 methodology[13];

– other formats used in industry (e.g. EDIFACT);

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[8] CWA 16356:2011 *Guide for a European core invoice data model with UN/CEFACT CII Implementation Guideline* (3 parts). CWA 16356 resulted from a joint project of the CEN e-Invoicing 3, BII 2 and eBES Workshops. It represents a first consensus on a minimum set of data for a core semantic data model. The document can be downloaded at http://www.cen.eu/work/areas/ICT/eBusiness/Pages/WS-eBES.aspx .

[9] CWA 16562:2013 *Business Interoperability Interfaces for public procurement in Europe - Post award profiles*. A semantic model for the invoice and credit note is covered in Annexes B and C. The invoice profile is covered in Annex B, which can be downloaded at ftp://ftp.cen.eu/public/CWAs/BII2/CWA16562/CWA16562-Annex-B-BII-Profile-04-InvoiceOnly-V2_0_0.pdf .

Profiles developed by the CEN Workshop BII Workshop (http://www.cenbii.eu) were the basis on which the Pan-European Public Procurement Online (PEPPOL - http://www.peppol.eu) LSP project developed specifications and an interoperability model which have been implemented in 12 European countries.

[10] Business Requirements Specification (BRS):
http://www.unece.org/fileadmin/DAM/cefact/brs/BRS_CrossIndustryInvoice_v2.0.5.pdf;
Requirements Specification Mapping (RSM):
http://www.unece.org/fileadmin/DAM/cefact/rsm/RSM_CrossIndustryInvoice_v2.0.pdf;
XML Schema: http://www.unece.org/cefact/xml_schemas/index

[11] Various documents are stored at:
http://www.unece.org/fileadmin/DAM/cefact/rsm/RSM_CrossIndustryInvoice_v3.0.1.zip
Requirements Specification Mapping (RSM):
http://www.unece.org/fileadmin/DAM/cefact/rsm/RSM_CrossIndustryInvoice_v2.0.pdf

[12] The OASIS UBL 2.1 defines 65 XML business documents, including the Invoice. The UBL 2.1 specification can be downloaded at http://docs.oasis-open.org/ubl/UBL-2.1.pdf .

[13] The ISO 20022 Financial Invoice is one of the ISO 20022 Trade Services messages (they are listed at http://www.iso20022.org/trade_services_messages.page). The message definition can be downloaded at http://www.iso20022.org/documents/general/FinancialInvoice.zip .

–   other relevant technical specifications (e.g. the semantic interoperability assets developed through the ISA programme[14], such as the ISA Core Vocabularies and in particular the Core Business Vocabulary [now W3C RegOrg], the e-Delivery and electronic trust services to be deployed under the Connecting Europe Facility (CEF)[15]), reports, and documents (e.g. the Recommendation of the European Multi-stakeholder Forum on e-Invoicing) in the public and private sectors.

The work should take into account the European Interoperability Framework (EIF)[16], the interoperability solutions created under the ISA programme. Where relevant, the work will also consider the forthcoming Regulation on electronic identification and trust services (eIDAS) for electronic transactions in the internal market with due respect to its date of entry into force, the eIDAS-related secondary legislation and the relevant standardisation activities (e.g. the work related to the mandate M/460).

The work should also take into account the results of Large Scale Pilot (LSP) projects implemented within the framework of the ICT Policy Support Programme (ICT-PSP) under the umbrella of the Competitiveness and Innovation Framework Programme (CIP), and the subsequent Digital Service Infrastructure (DSI) on e-invoicing to be deployed in the framework of the CEF.

Moreover, the EN shall fulfil the following specific requirements:

–   be technologically and commercially neutral;

–   be compatible with relevant international standards on e-invoicing;

–   have regard to the need for personal data protection in accordance with Directive 95/46/EC[17], to a 'data protection by design' approach and to the principles of proportionality, data minimisation and purpose limitation;

–   be compatible with Directive 2006/112/EC[18], and suitable for use with non-VAT invoices;

–   allow the establishment of practical, user-friendly, flexible and cost-efficient electronic invoicing systems;

–   take into account the special needs of small and medium-sized enterprises as well as of sub-central contracting authorities and contracting entities;

–   not require, and not impede, the use of electronic signatures or seals;

–   contain an informative annex which provides a clear, transparent and precise indication of the relationship between the elements of the EN and the corresponding EU legal requirements specified in this standardisation request;

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[14]   Decision 922/2009/EC of the European Parliament and of the Council on interoperability solutions for European public administrations (ISA) – OJ L 260, 3.10.2009, p. 20.

[15]   Regulation (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010.
Regulation (EU) No 283/2014 of the European Parliament and of the Council of 11 March 2014 on guidelines for trans-European networks in the area of telecommunications infrastructure and repealing Decision No 1336/97/EC.

[16]   Communication COM(2010) 744 final of 16 December 2010 to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, titled "Towards interoperability for European public services".

[17]   Directive 95/46/EC on the protection of individuals with regard to the processing of personal data and on the free movement of such data - OJ L 281, 23.11.1995, p. 31.

[18]   Directive 2006/112/EC on the common system of value added tax - OJ L 347, 11.12.2006, p. 1.

– preserve investments already made at national level;

– include the physical and financial supply chain perspective, i.e. not treat the invoice in isolation but consider related trade and finance documents[19] and processes (e.g. reconciliation, supply chain finance, credit notes, etc.), and reflect both private and public sector requirements, with a view to allowing the full straight-through processing (STP) of an electronic invoice;

– be suitable for voluntary use in commercial transactions between enterprises nd have the capacity to reflect specific needs and requirements of the business-to-business (B2B) ecosystem;

– be re-usable in other standardisation initiatives.

The EN should contain, *inter alia*, the elements mentioned in Article 6 of the Directive 2014/55/EU.

4.1.2. Requirements for the identified invoice syntaxes (formats), and the bindings from the core invoice semantic data model

– The list of identified invoice syntaxes (formats) shall be limited[20].

– The identified invoice syntaxes should:

  • comply with the core invoice semantic data model specified in the EN;

  • be international, open and free to use;

  • have a governance and sustainability model;

  • be part of a coherent set of standards and technical specifications to support the broader e-procurement process or the broader e-invoicing supply chain;

  • be widely used in the EU or worldwide;

  • be used in production environments (and not just test) by both the public and the private sector;

  • reflect well-accepted technology and aim to incorporate the latest technological developments considered to be state of the art;

  • have guidelines, code lists, validating tools freely available to ease implementation by ICT vendors and suppliers;

  • have a set of official, freely available syntax-dependent artefacts for validation (the XML Schema or Schematron) to support tool independent validation;

  • have an official updating and versioning strategy that takes due account of backward compatibility, as well as appropriate guidelines for customisation that explain how to extend and restrict the syntax.

4.2. Requirements to be fulfilled during the standardisation work

The relevant ESO shall fulfil the following requirements:

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[19] Such as those included in Supply Chain and SEPA implementation.
[20] In order to minimise the potential cost for contracting authorities and contracting entities of processing incoming invoices in multiple syntaxes, the length of the list should ideally not exceed five syntaxes.

- The European standard (EN) and the ancillary deliverables described above shall take due account of any relevant material developed (or which will be developed in future) by the European Multi-stakeholder Forum on e-Invoicing.

- The standardisation work shall take into account the documents to be used during the e-procurement process, such as price list (or e-catalogue) and the associated orders, in order to have a rational and integrated approach. The possibility of allowing multilingualism and multicurrency usage shall also be taken into account.

- Preservation of the existing investments made for e-invoicing implementation shall be ensured. The stability and the maintainability of the data model shall be considered at the same time.

- All key stakeholders shall be directly represented in the work of the ESO (Project or Technical Committee, work groups, etc.) through National Standard Body delegations, ESOs Technical Committee and Workshop delegations, liaison partnerships, expert invitees, etc.

A wide and open consultation of all relevant stakeholders (e.g. through conferences or seminars) is necessary to ensure the validation of early results and the future take-up of the work. This consultation should include, among others, end-users, software solution providers and associations.

4.2.1. *Project planning*

The relevant ESO shall ensure that an appropriate and continuous overall project planning is in place for the execution of this standardisation request. A work plan which describes, among others things, tasks, milestones, estimated or allocated resources, estimated or actual deadlines and timeframes as well as contact points shall be made available to the Commission.

4.2.2. *Provision of the work programme*

On the basis of the requirements given in this request and according to Appendix I to this request the relevant ESO shall prepare **a preliminary work programme** indicating all requested work items, responsible technical bodies and a tentative timetable for the execution of the work.

4.2.3. *Development of standards*

The **mandated work programme** as agreed with the Commission according to point 5.4 will be the basis for the standardisation work.

The relevant ESO shall report annually to the Commission on the execution of the mandated work programme.

The relevant ESO shall notify the Commission the intention to remove a work item from the mandated work programme, together with a rationale. The removal will be subject to the approval of the Commission.

4.2.4. *Validation of standards*

Prior to completing work on the standardisation request and before its formal adoption, the relevant ESO shall carry out a test of the European standard with respect to its practical application for an end user. During the performance of the test, special account shall be taken of the respect for the requirements of practicality, user-friendliness and possible implementation costs.

5. ARRANGEMENTS FOR THE EXECUTION OF THIS REQUEST

5.1. General conditions for executing this standardisation request

General conditions for the execution of the Commission's standardisation requests apply.

5.2. Project planning

The **work plan** shall be made available to the Commission at the same time when communicating interim and annual reports according to point 5.5.

5.3. Provision of the work programme

The **preliminary work programme** shall be sent to the Commission no later than one (1) month after the notification of this Decision by the Commission.

5.4. Agreement on the mandated work programme

The Commission will inform the relevant ESO no later than one (1) month after receiving the preliminary work programme on the work items to be included in the mandated work programme including any priorities to be observed during the work.

5.5. Reporting

The relevant ESO shall give the first **annual report** six (6) months after the notification of this Decision by the Commission and then after every 12 months.

The relevant ESO shall give an **interim report** six (6) months after the submission of an annual report.

The relevant ESO shall give the **final report** no later than one (1) month after publishing all the deliverables requested by this mandate in order to notify the fulfilment of this standardisation request.

5.6. Other provisions

The relevant ESO shall maintain continuous liaisons with the Commission service responsible for this standardisation request during the execution of the request.

This standardisation request does not cover any later revision work or further developments to the published European standard and the list of syntaxes. Such updates or revisions are always subject to amendments to this standardisation request or, where necessary, to a new standardisation request.

Possible disagreements and disputes on the interpretations of the requirements given in this standardisation request shall be addressed to the Commission service responsible for this standardisation requests and always informing the standardisation unit of Enterprise and Industry Directorate General.

The relevant ESO shall provide to the Commission the titles of requested European standards in all the official languages of the European Union.

APPENDIX
REQUESTED WORK PROGRAMME

Reference information (title, subject matter, source document etc.)	Publication
A European standard (EN) on the semantic data model for the core elements of an electronic invoice	31/3/2017
A Technical Specification (TS) on the list of syntaxes (formats) which comply with the EN	31/3/2017
A Technical Specification (TS) on the syntax bindings, i.e. the guidelines on how the semantic data model could be represented in the listed syntaxes (formats) and their automatic validation artefacts	31/3/2017
A Technical Report (TR) covering the guidelines on interoperability of electronic invoices at the transmission level, taking into account the need of ensuring the authenticity of the origin and the integrity of the electronic invoices' content	31/3/2017
A Technical Report (TR) covering the guidelines on the use of sector or country extensions (as described in the Recommendation of the European Multi-stakeholder Forum on e-Invoicing) in conjunction with the European standard, including a methodology to be applied in the real environment	31/3/2017
A Technical Report (TR) covering the result of the test of the European standard with respect to its practical application for an end user	31/3/2017