



European Commission

DG Enterprise and Industry

Current DG ENTR Initiatives on e-Invoicing and Standards

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Principles of the EU standardisation policy

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- Standardisation is an integral part of EU policies that aim at delivering better regulation, increasing competitiveness of enterprises, and removing barriers to trade at international level
- **Directive 98/34/EC** is the legal basis. It is complemented by **Council Decision 87/95** for the ICT sector (e.g. end-to-end interoperability, international dimension of ICT standardisation)
- Framework Partnership Agreement between the Commission and the recognised European standards organisations: CEN, CENELEC and ETSI
- The use of standards in support of legislation should be extended from the “New Approach” to new domains which are important for the functioning of the Internal Market [COM(2004) 674]



e-Invoicing regulatory background (1)

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- Council Directive 2001/115/EC on the simplification, modernisation and harmonisation of the conditions laid down for invoicing in respect of VAT
 - Invoices sent by electronic means shall be accepted by Member States provided that the authenticity of the origin and integrity of the contents are guaranteed:
 - by means of an advanced electronic signature; Member States may however ask for the advanced electronic signature to be based on a qualified certificate and created by a secure signature-creation device;
 - or by means of electronic data interchange (EDI) when the agreement relating to the exchange provides for the use of procedures guaranteeing the authenticity of the origin and integrity of the data; however Member States may, subject to conditions which they lay down, require that an additional summary document on paper is necessary;
 - or by other means as accepted by the Member States.



e-Invoicing regulatory background (2)

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- Expected impact

- The Directive sets a comprehensive array of policies and reforms designed to make Europe's regulatory and economic framework more innovation friendly
- Win-win situation for all players
- Saving costs and increasing competitiveness
- Easier control for tax authorities
- Need for computer auditing
- E-invoicing on the same foot as paper invoicing
- No prior authorisation or notification procedures
- Service provider and self-billing accepted throughout the EU



The standardisation Mandate M 339

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- Goal: To stimulate further standardisation work in support of the implementation of Directive 2001/115/EC
 - The effective exploitation of e-invoices by businesses and tax administration requires a standardised approach which meets their needs
 - E-invoices cross-border interoperability and legislation issues still exist, although standards on EDI and e-signatures are available
- Execution:
 - Phase 1: Preparation of a standardisation work programme
 - Phase 2: Execution of the work programme
 - The Final Report was delivered in June 2006



CEN/ISSS Workshop on e-Invoicing (1)

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- The Workshop was established in mid-2003
- It brings together ~ 50 players, including tax authorities, national organisations, vendors, service and application providers
- Work Programme:
 - EDI and business standards
 - E-signatures for e-invoices
 - Archiving and service provider
 - Modelling of e-invoice processes



CEN/ISSS Workshop on e-Invoicing (2)

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Deliverables

- [CWA 15574](#)
Commission Recommendation 1994/820/EC October 1994, proposed revision with the requirements of Directive 2001/115/EC, present day e-Commerce practices and revised definition of EDI Electronic Data Interchange
- [CWA 15775](#)
The list of invoice content details identified in the directive 2001/115/EC expressed as UN/CEFACT Core Components
- [CWA 15776](#)
Recommendation to allow coded identifiers as an alternative to the current unstructured clear text identifications.
- [CWA 15577](#)
A standardised set of codes with definitions to replace plain text clauses in eInvoice messages for VAT exemptions
- [CWA 15578](#)
Survey of VAT Data Element usage in the Member States and the use of codes for VAT Exemptions
- [CWA 15579](#)
E-invoices and digital signatures
- [CWA 15580](#)
Storage of Electronic Invoices
- [CWA 15581](#)
Guidelines for eInvoicing Service Providers
- [CWA 15582](#)
eInvoice Reference Model for EU VAT purposes specification



The way forward

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- The 2006 ICT Standardisation Work Programme of DG ENTR included Action 8 on e-invoicing
- Proposal CEN/2006-41: to carry out further standardisation work which should result in 5 CWAs:
 - Programme for increased implementation of e-invoicing in European business processes
 - Compliance of implementations to Directive 2001/115/EC and to national legislation
 - Cost-effective authenticity and integrity of e-invoices regardless of formats and technologies
 - Implementation of compliant e-invoicing systems in emerging technologies
 - Framework for the emerging network of European e-invoices operators
- Creation of a European e-Invoice Forum?



Conclusions

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- International and European standards are a key prerequisite to ensure the full deployment of e-invoices
- The Commission strongly encourages the coordination of ongoing policy and industry activities (e.g. WS eInv, SEPA, TWIST, CAST, SELIS project, etc.) towards common goals



Useful links

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VAT Invoicing Rules

- http://ec.europa.eu/taxation_customs/taxation/vat/traders/invoicing_rules/index_en.htm

DG ENTR e-Business & ICT Unit

- http://ec.europa.eu/enterprise/ict/index_en.htm

CEN/ISSS Workshop e-Invoicing & e-Invoicing CWAs

- <http://www.cen.eu/iss/einv>

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