



EUROPEAN COMMISSION
Impact Assessment Board

Brussels,
D(2013)

Opinion

Title

DG MARKT - Impact Assessment on an initiative on e-invoicing in public procurement

(draft version of 24 April 2013) *

(A) Context

The EU's policy towards electronic invoicing (e-invoicing) is set out in the 2010 Communication "*Reaping the benefits of e-invoicing for Europe*", in which the use of e-invoicing was recommended and self-regulation on the basis of a number of guidelines was urged. Three years after, the EU landscape of e-invoicing in public procurement has not significantly changed. Member States called for measures to promote e-invoicing in the European Council Conclusions of June 2012 and the European Parliament called for making e-invoicing compulsory in public procurement by 2016 in a resolution adopted in April 2012. A key action on e-invoicing in public procurement was included in the Single Market Act II. This impact assessment looks at the effects of a possible EU initiative which would promote the uptake of e-invoicing in public procurement across the EU and enhance interoperability between national e-invoicing systems in order to avoid fragmentation of the Internal Market. This initiative only concerns public procurement above EU thresholds, i.e. covered by Directives 2004/17/EC, 2004/18/EC and 2009/81/EC.

(B) Overall opinion: POSITIVE

While the report has been improved along the lines of the recommendations in the Board's first opinion it requires further work in a number of respects. Given the relatively small scale of cross-border invoicing for public procurement, the report should further strengthen the case that there is a need for EU level action, for instance by demonstrating a clear demand by stakeholders. In that context the report should also better justify the proportionality of the envisaged measures given that a significant number of Member States have already developed their own standards, indicated a preference for a voluntary approach and will now have to develop the capacity of also handling the new proposed EU standard. The report should still make a better attempt to quantify the costs of the initiative given that the revised preferred option could potentially lead to greater costs for contracting authorities arising from the need to accept e-invoicing in different formats. The report should also better assess the overall effectiveness of the proposal vis-a-vis the objectives i.e. the likely take-up of the new standard, given its voluntary nature as far as firms are concerned.

* Note that this opinion concerns a draft impact assessment report which may differ from the one adopted.

(C) Main recommendations for improvements

(1) Strengthen the problem definition and the justification for EU level action. While the problem definition has been strengthened by focussing more on the market access barriers, the evidence and argumentation to demonstrate that lack of interoperability represents a serious barrier to the single market should be further strengthened, for instance by demonstrating stakeholders' concerns. In particular, given that the apparent lack of interoperability for cross-border invoicing actually relates to a very small percentage of overall public procurement related invoicing, and given the proposed optional nature of the new standard as far as firms are concerned, the report should better explain the value-added of this proposal in general, and for business and public authorities. Furthermore, the report should reassess the proportionality of the proposal, given the number of Member States that have already developed their own standards and would have to develop the capacity to cope with the new EU standard in parallel. Although the report has elaborated on the reasons why existing and relatively recent non-legislative approaches have failed it should explain further why the attempts to simplify the process have focused on a bilateral approach between market operators (most often delegated to service providers) and not on the problem of the multiplicity of potential combinations of standards.

(2) Improve the description of the options and the analysis of the impacts. There is scope to further clarify the substance of the revised options for example by making clear early on that the new standard is optional as far as industry is concerned but obligatory for the contracting authorities. The analysis is still rather qualitative in nature and the report should therefore still make a better attempt to quantify the costs of the initiative given that the revised preferred option could potentially lead to greater costs for contracting authorities arising from the need to accept e-invoicing in different formats. The examples given for the contracting authorities could be more useful if more detail was given, including on the scale (how many invoices), on the division of costs and on the assumptions made. The report should take into account the proposed deadline for transition in the cost estimates and the potential impact of delays in its implementation. The feasibility, including the process and timing and potential risks, of the introduction of a mandatory new standard should be discussed in greater depth in the main text given that a substantial number of Member States / contracting authorities prefer a voluntary approach. The report should better assess the overall effectiveness of the proposal i.e. the likely take-up of the new standard, given its voluntary nature as far as firms are concerned, particularly in relation to Member States that have already developed their own standards. It should then better assess the environmental benefits of the preferred option as well as the extent to which the identified savings could lead to job creation.

(3) Better present stakeholder views. While the views of the stakeholders are better presented in the problem definition section, the presentation of these and Member States authorities views should still be better integrated in the section looking at options and impacts.

Some more technical comments have been transmitted directly to the author DG and are expected to be incorporated in the final version of the impact assessment report

(D) Procedure and presentation

While the report has been shortened there is still scope for improvement, in particular by further streamlining the "Background and context" and the "Analysis of impacts" sections. An annex concerning key definitions and terms should be added. Section 1.1 of the Annexes should be removed.

(E) IAB scrutiny process	
Reference number	2012/MARKT/015
External expertise used	No
Date of IAB meeting	Written procedure An earlier version of this report was submitted to the IAB in February 2013, for which the Board issued an opinion on 22 March 2013.