

EESPA Summary of Positions on Public Policy

This document sets out the European E-invoicing Service Providers Association's (EESPA) Summary of Positions on Public Policy v10.0. EESPA will continue to regularly update these positions.

EESPA is committed to working with the European Commission and other stakeholders to ensure the effective development of electronic invoicing policy in the broadest sense.

The following sets out areas where EESPA has developed specific policy positions in areas of interest to its members:

Executive Summary:

1. **Adoption:** EESPA supports concerted action by all European stakeholders to promote the benefits and ease of adoption of e-invoicing and e-procurement for both the public and private sector. Mandates and incentives should be carefully considered to promote significantly higher rates of adoption of digital processes. The COVID-19 pandemic creates conditions for the concerted implementation of digitalization.
2. **Continuous Transaction Controls:** Various countries are introducing mechanisms for invoice and fiscal reporting or clearance based on so-called Continuous Transaction Controls. This is creating new elements of fragmentation and would benefit from greater harmonization of terminology, practices and taxpayer experience.
3. **Standards:** The EU core invoice standard (EN) is an important initiative but needs a strong focus on implementation and interoperability to ensure its success. Interoperability at the transmission level is an important complement to the EN and beyond that to the wider adoption of e-invoicing. EESPA is an active participant in the working group that has created the Global Interoperability Framework (GIF) and recommends its widespread adoption.
4. **Solutions:** Policies related to the implementation of e-procurement and e-invoicing should be solution neutral and recognise the trend towards 'cloud' based service and outsourcing models rather than solely on installed software.
5. **Forums:** EESPA is pleased to participate in a range of legal, policy and implementation-related initiatives such as the European Multi-Stakeholder Forum on e-Invoicing, CEN TC/434, Connecting Europe Facility (CEF) e-Invoicing Advisory Group, and the International Chamber of Commerce (ICC) Public/Private Sector Working Group on CTCs.

Policy issue

1. EESPA supports concerted action by all European stakeholders to promote the benefits and ease of adoption of e-invoicing and e-procurement for both the public and private sector. Mandates and incentives should be carefully considered to promote significantly higher rates of adoption of digital processes. The COVID-19 pandemic creates conditions for the concerted implementation of digitalization.

EESPA has a shared vision of a market where there is a pervasive supply and demand for the complete digitalization of procurement, invoicing and transaction management based on an interoperable eco-system, ease of use, and secure and sustainable processes. Particular attention should be devoted to the on-boarding and support of smaller businesses (SMEs).

We support a policy setting and legal and regulatory frameworks that are conducive to realising this vision. For e-invoicing, policy should provide encouragement and incentives for adoption, supported as required by compulsory mandates. Policy should support adoption by both public sector and private sector organizations.

The EU should continue to promote greater uniformity and legal clarity in e-invoicing and e-archiving laws and regulations, which should be unambiguous, harmonised and practical to implement.

As an exemplary policy measure toward this end, the 2014/55/EU Directive is a good step to require public contracting authorities to implement e-invoicing based on the new core standard (EN) now in the process of implementation. EESPA supports building on the Directive to obtain the maximum benefits of automated e-invoicing by encouraging or requiring suppliers to adopt e-invoicing. Contracting entities should also be encouraged to embrace full end-to-end automation. The private sector should also be encouraged to increasingly adopt and require e-invoicing beyond the B2G space to complement action taken by the public sector.

EESPA favours an environment in which public procurement does not become a distinct 'silo' with its own standards and infrastructure, but rather takes advantage of good practice and leading technologies established already in both private and public sector e-procurement and e-invoicing.

There has been a generally successful transposition and adoption of VAT Directive 2010/44/EC in relation to its provisions affecting e-invoicing. To support the principle of freedom of user choice underlying this Directive, tax administrations should continue to pursue a policy of strict neutrality and reinforce the message that taxable persons may choose the compliance method that they prefer in the light of their unique circumstances. EESPA members are fully committed to the delivery of compliant e-invoicing services to their customers and has delivered guidance to its members in this area. [LINK will be provided]

The COVID-19 pandemic and recovery plans form a major opportunity to promote e-invoicing and digital processes as referenced in a recent EESPA Market Letter. [[LINK](#)]

2. Various countries are introducing mechanisms for invoice and fiscal reporting and clearance based on so-called Continuous Transaction Controls. This is creating new elements of fragmentation and would benefit from greater harmonization of terminology, practices and taxpayer experience.

A growing number of EU Member States are introducing 'Continuous Transaction Controls' in the area of fiscal reporting, e-invoicing and audit. These appear to be based on precepts present in so-called 'Clearance Models' being deployed in other parts of the world and designed to protect the

tax revenue generation process. In principle, these techniques are potentially helpful and by the nature may provide significant encouragement to the adoption of e-invoicing. However, in their present disharmonised form these measures may inadvertently impact the ability of taxable persons and their service providers to efficiently and compliantly send or make available invoices by electronic means.

We propose the following principles:

1. CTC¹ procedures mandated by various Member States should be progressively harmonized, based on common definitions, best practices and technical standards, whilst allowing for balanced flexibility for variances in national fiscal models and specific implementations.
2. There is a clear distinction to be made between systems for electronic reporting of fiscal information – which may relate to paper and electronic invoices – to tax authorities, and the mandatory ‘clearance’ or ‘registration of actual electronic invoices’ submitted to tax authorities. The two modes require different procedures, technologies, taxpayer organizational measures and data components. We believe that in the long run, systems based on electronic invoices captured as part of the transaction flow between suppliers and buyers will be more sustainable and effective for the stakeholders concerned by delivering transparency and satisfactory confirmation of transactions.
3. In the interests of supply chain efficiency, it is preferable for electronic invoices to be delivered following ‘clearance’ by the seller to the buyer directly through their chosen channels rather than through delivery services provided by the tax authority. If the latter type of services are provided – for example to further the legitimate interests of small and medium sized companies - they should be ‘optional’ for use by trading partners.
4. The submission to CTC platforms by taxpayers of information contained in documents such as electronic invoices and related documents like purchase orders and delivery notices will be greatly eased if the required information elements are present in the standard formats for such documents. It should be an objective of standardization processes to ensure that all or the vast majority of such information requirements are placed in the data-set relevant for each document-type to allow extraction and matching of data for a variety of purposes e.g. commercial, fiscal and logistics.
5. To ensure data integrity within such CTC systems, there should be enablers for cross-checks to allow validation and matching of data elements by both buyers and sellers to ensure integrity, . The interests of SMEs should be an explicit focus in order to meet their needs for ease of use and assurance of outcome.

¹ Definition: as both businesses and governments accelerate their digital transformation, one significant paradigm shift has emerged - tax and other law enforcement authorities are leveraging modern information and communication technologies (ICT) to monitor and control business transactions (*such as those represented by invoices*), while they take place in real-time (or near-real-time), rather than based on retrospective audit.

6. For the development and implementation of CTC systems, it is preferable to base them as far as possible on what exists already in terms of public sector and private sector platforms, networks, enterprise systems and established roles and responsibilities, rather than wholly new infrastructures. This will increase the chances of success and promote efficiency and cost-effectiveness. There are opportunities for cooperation between public bodies and private sector actors to deliver a CTC environment.

EESPA members have also been a contributor to the recent initiative of the International Chamber of Commerce to prepare and issue a set of Continuous Transaction Controls (CTC) Practice Principles. EESPA fully supports these practice principles. [\[LINK\]](#)

3. The EU core invoice standard (EN) is an important initiative but needs a strong focus on implementation and interoperability to ensure its success. Interoperability at the transmission level is an important complement to the EN and beyond that to the wider adoption of e-invoicing. EESPA is an active participant in the working group that has created the Global Interoperability Framework (GIF) and recommends its widespread adoption.

Having contributed to the creation of the EN and its related deliverables, EESPA is committed to support the implementation of the standard among contracting authorities and their suppliers. It is a fact of life that the supply-side of the industry usually plays a decisive role in e-invoicing roll-out.

EESPA has made known its concerns that the use of Invoice Extensions could compromise the use of the EN if they proliferate and create a fragmented environment. They should be sparing in use and preferably based on Common Extensions created by CEN/TC 434. Similar considerations apply to the use of Core Invoice Usage Specifications (CIUS). A Registry for access to EN-related artefacts should be further developed to ensure visibility, transparency and quality control. Member States should resist the temptation to use Extensions and CIUS to retain excessive national specificities in the content of an invoice.

Standards and practices for the transmission and delivery of e-invoices and other supply chain electronic documents for e-procurement would benefit from the implementation of available standards, in particular the CEF e-Delivery Building Blocks, which are fully fit-for purpose.

The EESPA community will play a full part in improving interoperability in the transmission and delivery of e-invoices and related documents and to achieve this is committed to the adoption of the CEF Building Blocks within its member-to-member interoperability agreements. EESPA has played an active role in developing Recommendations on Interoperability and Transmission in a recent project of the European Multi-Stakeholder Forum on e-Invoicing (EMSFEI). We fully support this statement of good practice. [\[LINK\]](#)

EESPA has also participated with other associations and initiatives to create and promote the Global Interoperability Framework, which is based on the CEF e-Delivery tools and the European Norm for the semantic model of an electronic invoice, as well as other recommended practices. This framework will further contribute to the creation of an interoperable eco-system and is a strong endorsement of European policy and technical initiatives. [\[LINK\]](#)

4. Policies related to the implementation of e-procurement and e-invoicing should be solution neutral and recognise the trend towards ‘cloud’ based service and outsourcing models rather than solely on installed software.

In the marketplace for e-invoicing services and solutions, EESPA favours maximum choice for buyers and suppliers.

Today’s business processes are increasingly supported by Information and Communications Technology (ICT), which is undergoing rapid technological change. Many public and private sector organisations are outsourcing their requirements for ICT-based processes to a multi-vendor ‘cloud’ ecosystem, as well as deploying more traditional installed or in-house developed software by means of projects managed by systems integrators or industry consultants. The ‘cloud’ or service provider model is capable of generating significant network effects in part by separating whilst also integrating heterogeneous ERP (Enterprise Resource Planning) and billing systems with interoperable network hubs which collectively on-board vast numbers of suppliers and buyers and are favoured by many SMEs.

Policy makers should take a neutral and flexible stance towards such market trends and take into account the diversification and expansion of data interchange methods. This principle should extend to legislation, as well as policies or guidance to users and contracting authorities. It is important that the expertise of practitioners such as service and solution providers is given an appropriate weighting in such policy discussions at a practical level.

EESPA is pleased to participate in the following legal, policy and implementation related initiatives.

- Member of the European Multi-Stakeholder Forum on e-Invoicing (EMSFEI). Confirmed as a full member for the third cycle.
- Liaison Partner in the CEN/TC 434 Technical Committee responsible for the core e-invoicing standard.
- Active contributor to the CEF e-invoicing and e-delivery programme, including a member of the CEF e-Invoicing Advisory Group
- Member of the Multi-Stakeholder Groups of the Euro Retail Payments Board (European Central Bank) on Electronic Invoice Presentment and Payment (EIPP) and Request-to-Pay.
- Close and productive relationship with the OpenPEPPOL Association and a commitment to maximising alignment.
- Participant in the Business Payments Coalition e-Invoicing Group of the United States of America

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About EESPA:

EESPA was formed in 2011 as an international not-for-profit association to be a strategic asset for its members delivering industry leadership, influence and a framework of support. It acts as a trade association at a European level for a large and dynamic community of e-invoicing service providers, drawn from organizations that provide network, business outsourcing, financial, technology, and EDI (electronic data interchange) services. With its current over 80 full and associate members, EESPA focuses on public policy issues, the creation of an interoperable eco-system and championing the widespread adoption of e-invoicing for the benefit of economic efficiency and growth.