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 v8.0. 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. EESPA supports concerted action by all European stakeholders to promote the benefits and ease of adoption of e-invoicing for both the public and private sector.

2. 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. There is a growing trend towards the imposition of additional requirements, typically for real-time reporting of invoices to the tax authorities at Member State level, which is creating new elements of fragmentation.

3. The new EU core invoice standard (EN) is an important enabling initiative but needs a strong focus on implementation, to ensure its success.

4. Europe should look outwards and evaluate e-invoicing policy models in other continents for its own use**,** suitably tailored towards the European Single Market and Digital Agenda.

5. Policies related to e-procurement and e-invoicing should be solution neutral and recognise the trend towards 'cloud' based service and outsourcing models.

6. EESPA is pleased to participate in a range of legal, policy and implementation-related initiatives.

Policy issue

1. EESPA supports concerted action by all European stakeholders to promote the benefits and ease of adoption of e-invoicing for both the public and private sector.

EESPA has a shared vision of a market where there is a pervasive supply and demand for the complete digitization of procurement -invoicing and transaction management based on an interoperable eco-system, ease of use, and secure and sustainable processes and supports concerted action by all stakeholders to promote the benefits of digitization for both the public and private sector.

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.

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 completed by CEN and published by the European Commission in the Official Journal. For transactions meeting the criteria set out in the Directive, public sector contracting authorities must be able to receive and process such e-invoices according to the announced deadlines. 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, rules, procedures 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. In other words, B2G should be integrated as far as possible with B2B practices for the user.

EESPA members are keen to work with the public sector to ensure that their offered solutions and established capabilities are utilised for the benefit of public sector projects. Selection of solutions should be based on a level playing field, neutrality and competitive tendering. Lessons learned by comparable private sector projects will considerably simplify adoption by public administrations as will the re-use of EU created building blocks such as PEPPOL.

2. 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. There is a growing trend towards the imposition of additional requirements typically for real-time reporting of invoices to the tax authorities at Member State level, which is creating new elements of fragmentation.

Continued attention should be paid to eliminating as far as possible individual EU Member State specificities for e-invoices. For example, it is observed that a growing number of Member States are introducing additional requirements in the areas of invoice definition, reporting 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. However, in their present disharmonised form these measures may inadvertently impact the ability of taxable persons and their service providers to efficiently, cost-effectively and compliantly send or make available invoices by electronic means. There is also a danger that Member States overlook the vital role that solution and service providers play in the deployment of e-business as friction-less transactions between trading parties is challenging to accomplish alone.

Member States should restrict to the minimum necessary such additional requirements and where possible join forces with other Member States to establish a harmonized environment. The Commission could and should provide greater guidance on the benefits of the various models being deployed.

There has been a generally successful transposition and adoption of VAT Directive 2010/45/EU 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. It is encouraging to see that DG TAXUD is embarking on a post-implementation review of the above Directive and EESPA stands ready to provide input. Other requirements that could benefit from greater harmonization include archiving, buyer consent rules and authorization agreements for third party e-invoice issuance, receipt and archiving.

EESPA is monitoring and developing positions on the implementation of GDPR (The Global Data Protection Regulation). There is clearly a need for more education and awareness activities at EU and Member State level on the impact of the rules on storage of invoices and associated processes. Other issues concern questions about rights to process, additional security retention, the right to be forgotten, withdrawal of consent, the liability shift when interoperating with another party, and cross-border issues. Further analysis is also required to avoid enterprises and service providers unintentionally violate legal provisions as result of conflicts between privacy requirements and other types of legislation that apply to e-invoicing, e.g. those applicable to tax and accounting.

3. The new EU core invoice standard (EN) is an important initiative but needs a strong focus on implementation, to ensure its success.

Having contributed to the creation of the new EN and its related deliverables, EESPA is committed to support the rapid 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 welcomes the balance that has been achieved in the constituent elements of the semantic data model between creating a basic core invoice and meeting legitimate business requirements.

EESPA is pleased to have played a part in the decision to restrict the list of syntaxes used to implement the semantic model to two XML syntaxes. This demonstrated the practical implementation focus of the service provider community.

EESPA has made known its concerns that the use of 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). Implementation guidance should be created on a rapid basis (short sharp messages rather than perfect 'standards' documents) and a registry created

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.

EESPA has a short term issue on the distribution of the EN through National Standards Bodies. Why, if the EN is mandatory for adoption by law, are there no arrangements for convenient distribution and licensing on a wide scale at a reasonable cost? Furthermore members are concerned about infringement of copyright and intellectual property rights when discussing with clients, preparing proposals and undertaking training. This is an urgent issue for resolution.

4. Europe should look outwards and evaluate e-invoicing policy models in other continents for its own use, suitably tailored for the European Single Market and the Digital Agenda.

So-called 'clearance' models for e-invoicing are achieving global traction with fiscal and, in certain implementations, efficiency benefits. To guard against a situation where the EU appears to be a laggard or is seen to create an increasingly fragmented environment, the opportunity should be taken to look at international solutions. Such solutions may prompt fresh thinking as to whether mandatory real-time controls of invoices for VAT purposes would not make sense as a future development with many benefits, provided that they are based on harmonised methodologies.

When considering implementing or adjusting 'clearance' solutions, Member States should ensure that these are in line with businesses' needs for automation and process optimisation. This could also propel the adoption of e-invoicing to a maximum penetration level and also promote fully automated processes and efficiency benefits throughout the European economy.

EESPA also believes that e-invoicing could form the basis of a global infrastructure for the facilitation and finance of cross-border trade, with benefits to SME inclusion, business transaction automation and with opportunities for trading parties, financial institutions, governments and the availability of working capital finance.

5. Policies related to e-procurement and e-invoicing should be solution neutral and recognise the trend towards 'cloud' based service and outsourcing models.

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.

Policy makers should take a neutral stance towards such market trends and not create artificial barriers to further evolution in these areas, provided they do not create barriers nor infringe competition rules. 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. The adoption of out-sourced solutions has the effect of reducing the in-house expertise on their subject-matter by

companies that externalize their processes; such process know-how is then often transferred to third parties.

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

- Member of the European Multi-Stakeholder Forum on e-invoicing. Confirmed as a full member for the third cycle.
- Liaison Partner in CEN/TC 434 responsible for the core e-invoicing standard.
- Active contributor to the CEF e-invoicing program and member of the pioneering group.
- Engagement with the Commission on clarifying aspects of the eIDAS regulation as it relates to Electronic Registered Delivery Services.
- Member of the Working Group of the Euro Retail Payments Board (European Central Bank) on Electronic Invoice Presentment and Payment.
- Close and productive relationship with the OpenPEPPOL Association and is committed to maximising alignment.

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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 60 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.