



Electronic Invoicing in Europe



INTRODUCTION

Electronic invoicing in Europe





What is an electronic invoicing?

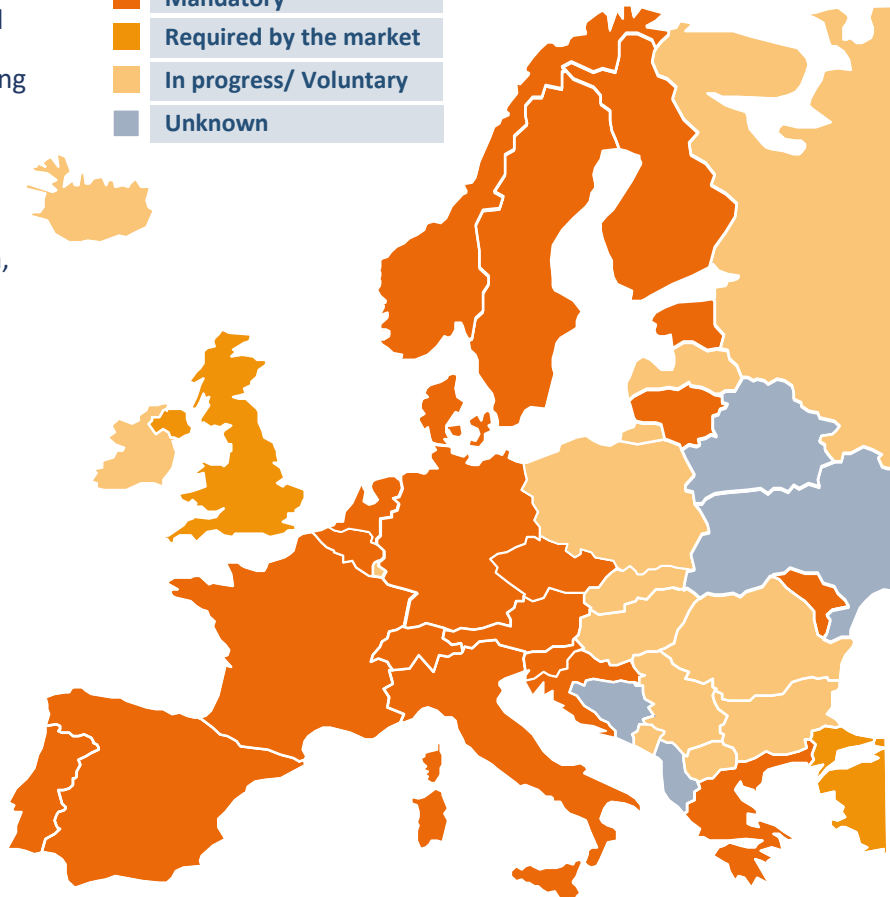
The electronic invoice, is still an invoice. In other words, in legislative terms, an e-invoice has the same legal validity as a paper invoice: it is a receipt for the delivery of goods or provision of services. In order for an invoice to be electronic it must be issued and received digitally.

Electronic invoicing is an essential feature of the digital transformation of a country. Its widespread use is an international movement that has been promoted in Europe for a long time. Sometimes, this promotion has arisen as a result of laws or regulations implemented by government or the European Union, and at other times it has been the companies themselves that have requested its use. Ultimately, e-invoicing is an increasingly valuable tool and is highly beneficial for any institution using it.

The following document relates to the current situation and expected developments in electronic invoicing in Europe (Germany, Andorra, Austria, Belgium, Cyprus, Croatia, Denmark, Slovakia, Slovenia, Spain, Estonia, Finland, France, Greece, Hungary, Ireland, Iceland, Italy, Latvia, Lithuania, Luxembourg, Macedonia, Malta, Moldova, Montenegro, Norway, Holland, Poland, Portugal, United Kingdom, Czech Republic, Romania, Russia, Sweden, Switzerland and Turkey).

LEVEL OF IMPLEMENTATION

	Mandatory
	Required by the market
	In progress/ Voluntary
	Unknown





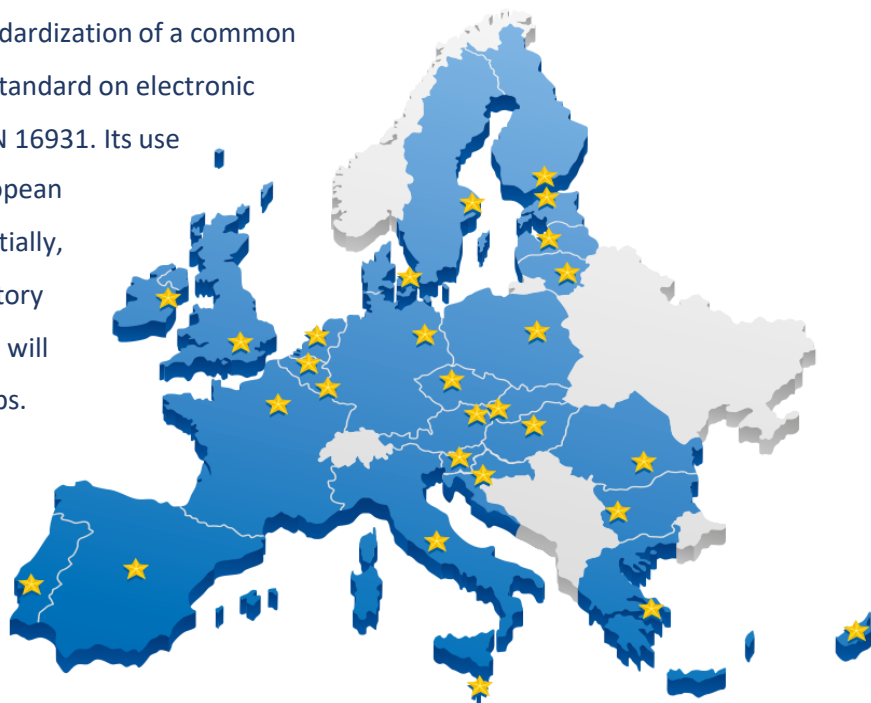
E-INVOICING IN EUROPE

Towards a common model

The European Union, and more specifically the European Commission, has spent many years promoting electronic invoicing. As a matter of fact, the European Digital Agenda has positioned e-invoicing as a key element and facilitator of internal relationships within the common market, and of competitiveness of companies within the area. For this reason, as of 18 April 2019, all the countries within the European Union must adopt a common format for B2G electronic invoicing.

In 2014, the EU approved Directive 2014/55/CE regarding electronic invoicing in public contracting, in which it required the definition of a European common standard for e-invoicing, both at a semantic level as well as in the syntax. The purpose was to achieve unification and simplification of business and institutional activities in relation to invoicing and interchanging invoices between the various countries concerned.

Therefore, the work related to the standardization of a common format has given rise to the European standard on electronic invoicing CEN-TC/434, also known as EN 16931. Its use will be mandatory throughout the European Union in April 2019. The idea is that, initially, the common format is linked to mandatory B2G use, but in the future this standard will also be extrapolated to B2B relationships.



DIRECTIVE 2014/55/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
of 16 April 2014
on electronic invoicing in public procurement
(Text with EEA relevance)



E-INVOICING IN EUROPE

Mandate is the order of the day

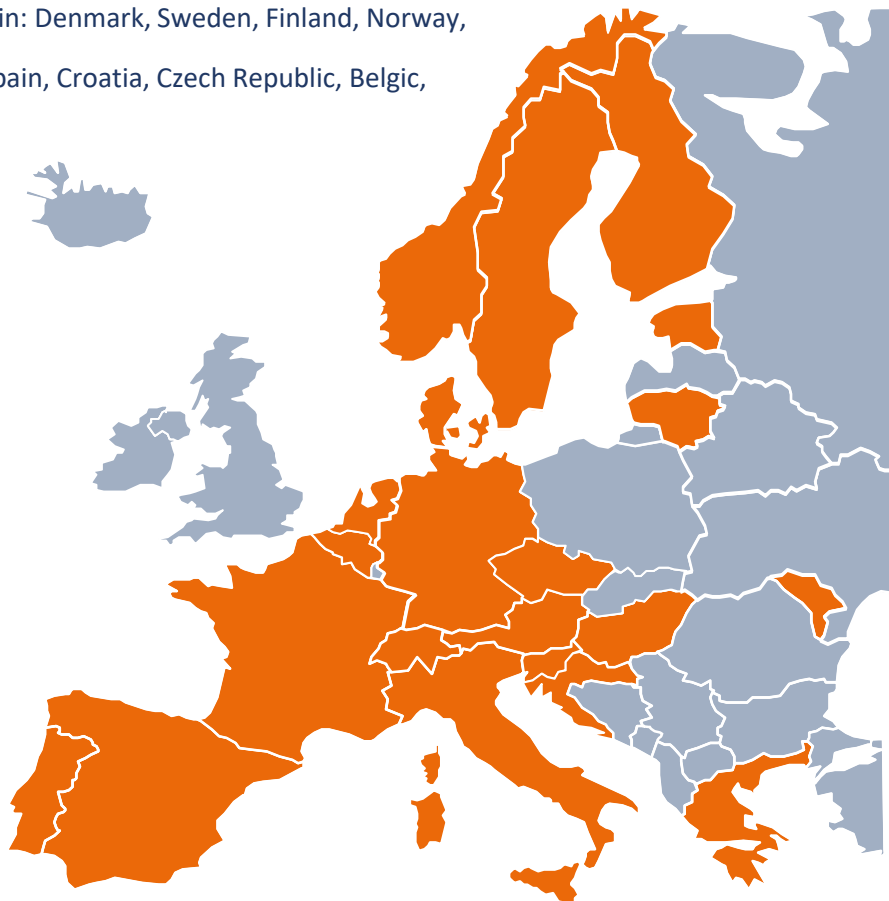
As mentioned previously, electronic invoicing is a recurrent theme in many European countries in relation to financial transactions, both between businesses themselves and in their relationships with public administrations.

This promotion is due to the fact that European governments have been aware that the use of electronic invoicing provides great advantages and benefits to users, such as a reduction in costs, the improvement of business management, of payments and collections, as well as the possibility of accessing new sources of finance. To do this, its mandate has been actively promoted, with each country implementing its own conditions and formats.

In relation to this, many countries have promoted its widespread use via the mandatory use of e-invoicing in public contracts. In other words, the focus has been on B2G relationships.

Examples of these cases are found in: Denmark, Sweden, Finland, Norway, Austria, Moldova, Italy, Slovenia, Spain, Croatia, Czech Republic, Belgic, Switzerland, Estonia, France, Netherlands, Lithuania, Germany, Poland and Greece.

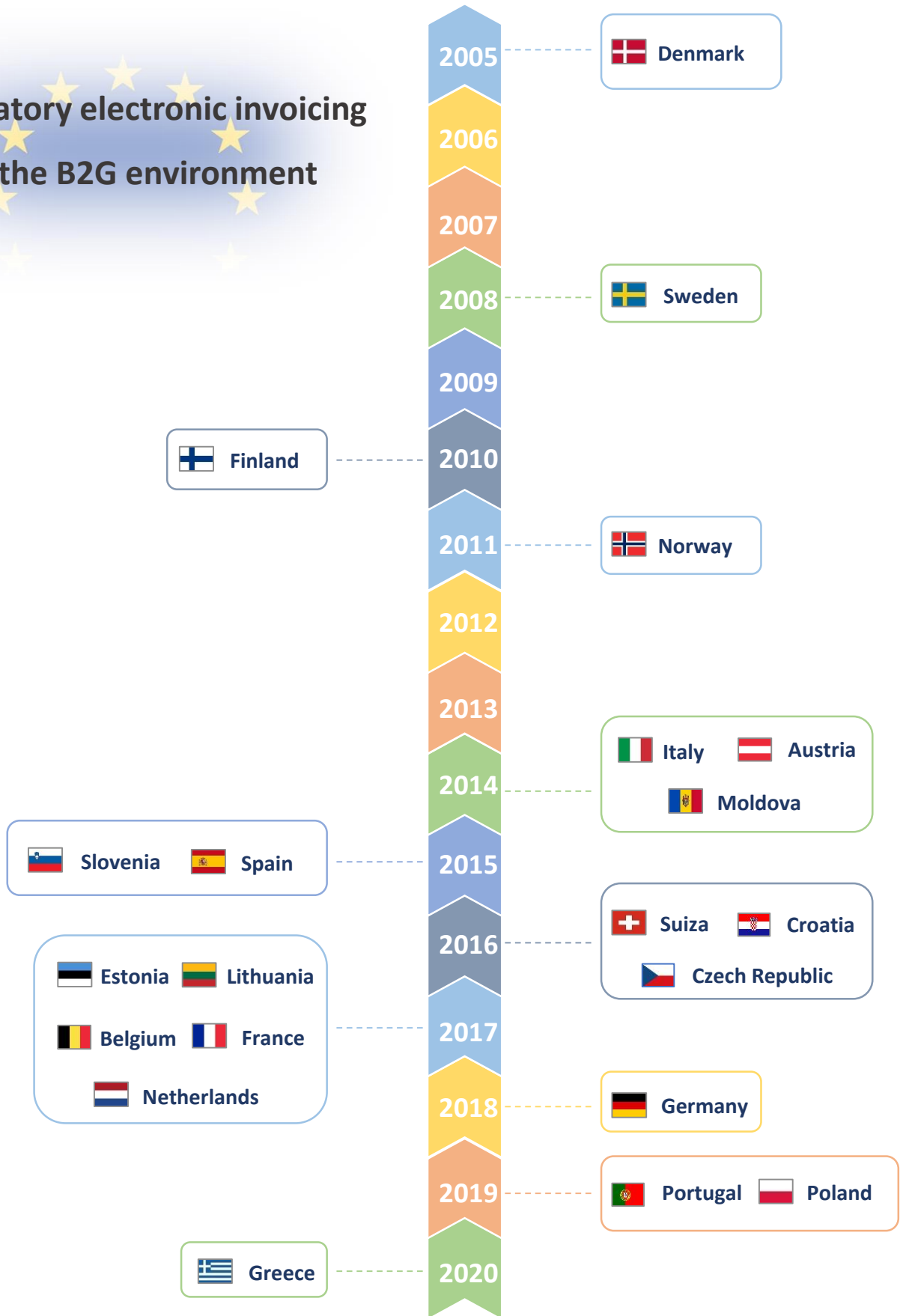
At the same time, the success of mandatory implementation in B2G has promoted other countries to widen mandatory e-invoicing to include transactions between private companies; in other words, in B2B relationships. In this area, Italy and Spain are the countries leading the way in Europe.





Electronic Invoicing in Europe

Mandatory electronic invoicing
in the B2G environment





Electronic Invoicing in Europe

Denmark



Competent Authority	Digitaliseringsstyrelsen
Legislation	Consolidation Law on public payments, etc.
Mandatory since	2005
Mandatory for	Central, Regional and Local Authorities suppliers
Format	OIOUBL
Platform	NemHandel

Sweden



Competent Authority	Ekonomistyrningsverket - ESV
Legislation	Ordinance for accounting and Ordinance for electronic information exchange
Mandatory since	2008
Mandatory for	Central, Regional and Local Authorities suppliers
Format	Svefaktura versión 1, PEPPOL BIS factura or Svefaktura versión 2, SFTI Fulltextfaktur
Platform	There is no platform defined, although the use of PEPPOL is recommended

Finland



Competent Authority	Valtiokonttori Statskontoret State Treasury
Legislation	There is no current legislation, but it is mandatory via the Government Programme
Mandatory since	2010
Mandatory for	Central, Regional and Local Authorities suppliers
Format	TEAPPSXML 2.7.2 and Finvoice 2.01
Platform	Basware Supplier Portal and Post Network Service



Electronic Invoicing in Europe

Norway



Competent Authority	Ministry of Local Government and Regional Development, Agency for Public Management and eGovernment (Difi) and Ministry of Government Administration and Modernisation
Legislation	Digitisation circular H-08/18 (Digitaliseringsrundskrivet) and Reference directory for IT standards in the public sector (“Referansekatalogen for IT-standarder i offentlig sektor”)
Mandatory since	2008
Mandatory for	Central Government contracting Authorities suppliers
Format	Elektronisk handelsformat and PEPPOL-BIS
Platform	PEPPOL

Austria



Competent Authority	Bundesministerium Finanzen
Legislation	Austrian ICT Consolidation Act, ICTKONG
Mandatory since	2014
Mandatory for	Central Authorities suppliers
Format	ebInterface and PEPPOL-BIS
Platform	Federal Service Portal (Unternehmensserviceportal – USP)

Moldova



Competent Authority	Agentia de Guvernare Electronica
Legislation	-
Mandatory since	2014
Mandatory for	150 Public Authorities suppliers
Format	-
Platform	E-factura System



Electronic Invoicing in Europe

Italy



Competent Authority	Agenzia delle Entrate
Legislation	Multiple legislation
Mandatory since	2014
Mandatory for	Central, Regional and Local Authorities suppliers
Format	FatturaPA
Platform	Sistema di Interscambio

Slovenia



Competent Authority	Ministry of Public Administration and Public Payments Administration of the Republic of Slovenia (PPA)
Legislation	Law on the provision of payment services to budget users (Zakon o opravljanju plačilnih storitev za proračunske uporabnike (Uradni list RS, št. 77/16))
Mandatory since	2015
Mandatory for	Central, Regional and Local Authorities suppliers
Format	e-SLOG
Platform	UJP eRačun

Spain



Competent Authority	La Agencia Estatal de Administración Tributaria (AEAT)
Legislation	Law 25/2013
Mandatory since	2015
Mandatory for	Public Administration suppliers (invoices higher than € 5000)
Format	Facturae
Platform	FACe



Electronic Invoicing in Europe

Croatia



Competent Authority	Ministry of Economy, Entrepreneurship and Crafts (FINA)
Legislation	Decision 124/2015
Mandatory since	2016
Mandatory for	Central authorities and entities suppliers
Format	Cross Industry Invoice (CII) and OASIS UBL 2.1
Platform	e-Račun

Czech Republic



Competent Authority	Ministerstvo pro místní rozvoj
Legislation	Act no. 134/2016 Coll. on Public Procurement
Mandatory since	2016
Mandatory for	Central, Regional and Local Authorities suppliers
Format	EDIFACT, UBL e ISDOC
Platform	Národní elektronický nástroj (NEN)

Switzerland



Competent Authority	Agencia de Gestión Pública and Administración Electrónica (DIFI)
Legislation	Law (259 SE), 27.12.2016
Mandatory since	2016
Mandatory for	Public Administration suppliers
Format	Billecco, Post Finance and Swisscom
Platform	There is no platform defined



Electronic Invoicing in Europe

Lithuania



Competent Authority	Lietuvos Respublikos ūkio ministerija
Legislation	Lietuvos Respublikos Viešųjų pirkimų įstatymas
Mandatory since	2017
Mandatory for	Central, Regional and Local Authorities suppliers
Format	UBL v2.1 and PEPPOL AS4
Platform	eSaskaita

Belgium



Competent Authority	BOSA (Federale overheidsdienst Beleid en Ondersteuning/Service public fédéral Stratégic et Appui)
Legislation	Electronic invoicing Federal Law
Mandatory since	2017
Mandatory for	Central, regional and local contracting authorities and entities suppliers (contracts above €135k)
Format	PEPPOL-BIS
Platform	Mercurius or PEPPOL

Estonia

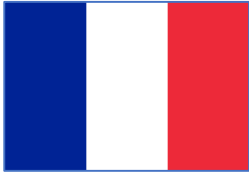


Competent Authority	Valsts reģionālās attīstības aģentūra (VRAA)
Legislation	Accounting Act (259 SE), 27.12.2016
Mandatory since	2017
Mandatory for	Central, Regional and Local Authorities suppliers
Format	EVS 923: 2014 (National XML-based Standard)
Platform	Omniva AS, Telema AS, Fitek, Edisoft, E-arveldaja and Amphora



Electronic Invoicing in Europe

France



Competent Authority	Agence pour l'informatique financière de l'État
Legislation	Ordinance No. 2014-697 of 26 June 2014
Mandatory since	2017
Mandatory for	Central, Regional and Local Authorities suppliers
Format	OASIS UBL 2.1 and CII UN/CEFACT
Platform	Chorus Pro

Netherlands



Competent Authority	Logius and PIANOo
Legislation	Law of 15 March 2012 amending the Law on turnover tax 1968 regarding new billing rules and Law of 20 December 2017 amending the Public Procurement Law 2012 to include Directive 2014/55/EU
Mandatory since	2017
Mandatory for	Public Administration suppliers
Format	NLCIUS for EN 16931-1, UBL-OHNL, SETU and SI-UBL
Platform	Multiple public and private platforms available

Germany



Competent Authority	Consejo de Planificación IT Nacional alemán - IT-Planungsrat
Legislation	E-Rechnungsgesetz and E-Rechnungs-Verordnung)
Mandatory since	From 2018 for federal state authorities, 2019 for regional authorities and 2020 for public contracts above € 1000
Mandatory for	Central, Regional and Local Authorities suppliers
Format	Xrechnung and ZUGFeRD
Platform	E-Rechnungs-Portal



Electronic Invoicing in Europe

Portugal



Competent Authority	Autoridade Tributária e Aduaneira (AT)
Legislation	The Public Procurement Code (Código dos Contratos Públicos)
Mandatory since	2019
Mandatory for	Central, Regional and Local Authorities suppliers
Format	UBL 2.0 and XML-GS1
Platform	Portal BASE and Plataforma Eletrónica de Compras

Poland



Competent Authority	Ministerstwo Przedsiębiorczości i Technologii
Legislation	Regulatory Law regarding electronic invoicing for public contracts
Mandatory since	2019
Mandatory for	Central, Regional and Local Authorities suppliers
Format	UBL 2.1, UN/CEFACT CII and PEPPOL BIS Billing 3.0
Platform	National elnvoicing services platform (PeF)

Greece



Competent Authority	Ministry of Digital Policy, Telecommunications and Information
Legislation	No legislation in place
Mandatory since	2020
Mandatory for	National, regional and local contracting authorities suppliers
Format	There is no format defined
Platform	ESIDIS



Electronic Invoicing in Europe

Mandatory electronic invoicing in the B2B environment



2018



2019

Italy



Four years after mandatory B2G in Italy, mandatory electronic invoicing has reached all financial stakeholders in the country. In other words, Italy was the first European country to establish mandatory B2B electronic invoicing.

From 1 January 2018 subcontractors of Public Administration service providers have had to invoice electronically and, as of 1 January 2019 mandatory electronic invoicing has been extended to all companies within the country.

The current format being used is FatturaPa, even though the law states that all other formats approved by the European Union are accepted.

Spain



In Spain, as of 1 July 2018, subcontracted companies working for Public Administration suppliers are required to electronically invoice their contractors when the invoice amount for works or services exceeds €5,000.

This requirement is included in Law 9/2017 of 8 November, on Public Sector Contracts (LCSP), which transposes to a Spanish legal ordinance the European Parliament and Council Directives 2014/23/UE and 2014/24/UE of 26 February 2014.

Furthermore, in order to assist subcontractors with this new requirement, and to enable the interchange of electronic invoices, the AEAT has provided the financial operators and individuals with a Unique Electronic Register, also known as the FACeB2B.



E-INVOICING IN EUROPE

Required by the market

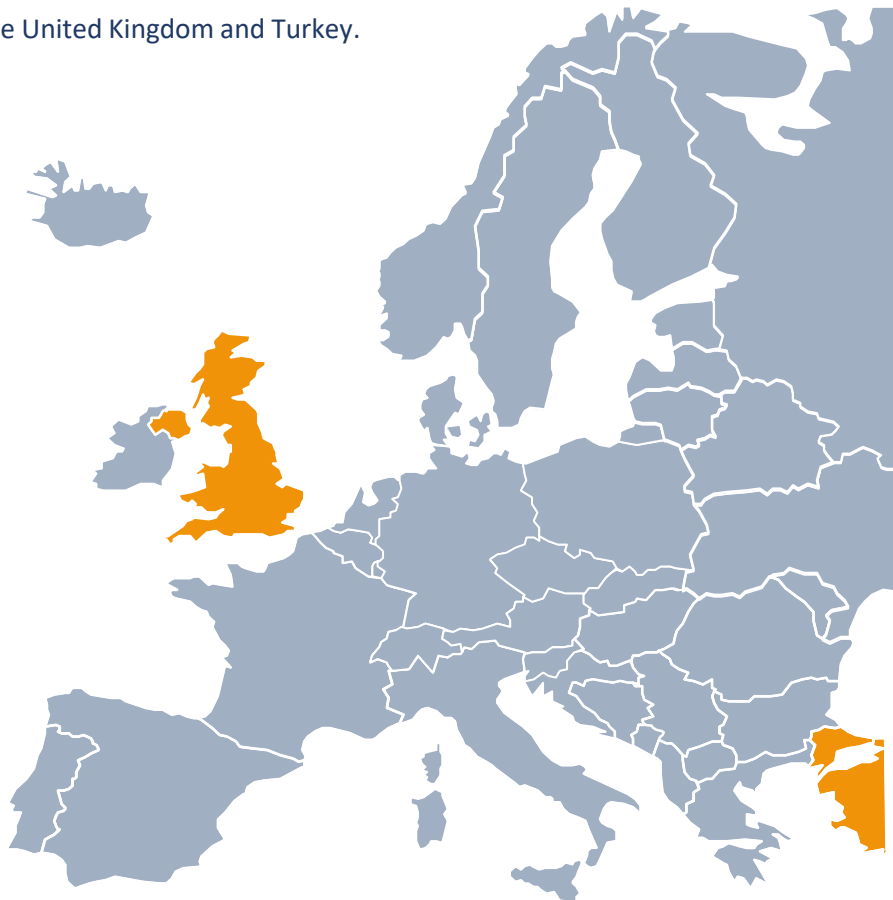
Cost savings, time savings, removing routine tasks, innovation and the environment...the reasons for switching to electronic invoicing may be many and, therefore, there are ever increasing numbers of companies signing up.

There are so many benefits that, in some cases, even without being a government requirement, companies themselves have begun to request and require that their suppliers use electronic invoicing.

In other words, the market has itself also become a catalyst for electronic invoicing.

As a matter of fact, this partial mandate allows the gradual promotion of electronic invoicing, and introduces the advantages of using this type of tool, both for private as well as public companies.

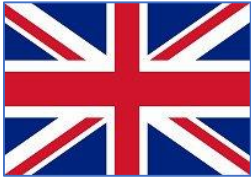
To this effect, European countries in which the market or certain sectors have promoted the mandatory use of electronic invoicing are the United Kingdom and Turkey.





Electronic Invoicing in Europe

United Kingdom



In Wales: some organizations within the public sector have adopted digital solutions such as EDI, OCR digitalization, supplier Portal, Finance/P2P etc. These initiatives include the incorporation of electronic invoicing in the Acquisitions Strategy 2016-2019 for Merthyr Tydfil.



In the United Kingdom there are different reasons for the adoption of electronic invoicing. Central government, the Ministry of Defense and HMRC use electronic invoicing extensively.

In Scotland: the government provides an electronic invoicing solution via PECOS P2P. Furthermore, it centrally coordinates the adoption of electronic invoicing by organizations and suppliers of the Scottish public sector, and works to ensure that all organizations within the public sector understand the requirements of the European directive on electronic invoicing (2014/55/UE).

In England: the NHS (National Health Service) began to require electronic invoicing for all its transactions with suppliers in January 2016. The format used is the CEN BII eInvoice and PEPPOL platform.

Turkey



In Turkey, the Turkish Revenue Administration– TRA, has established Mandatory use of electronic invoicing for certain companies that operate within the hydrocarbon sector, or with products that have special taxes (tobacco, alcohol and soft drinks). In this way, public organizations, when operating within these sectors are required to invoice electronically.

In the electronic invoicing system developed in Turkey, the issuer of electronic invoices is not allowed to send their documents directly to the recipient, but are required to send them via the TRA platform. In other words, the platform receives all documents and sends them to the recipients; connecting issuers with recipients. Furthermore, the Mandatory format for invoice interchanges is the UBL – TR (Universal Business Language) with local extensions developed using XML syntax.

At the same time, taxpayers required to invoice electronically are also required, as of September 2004, to submit their legal accounting records electronically (e-ledger).



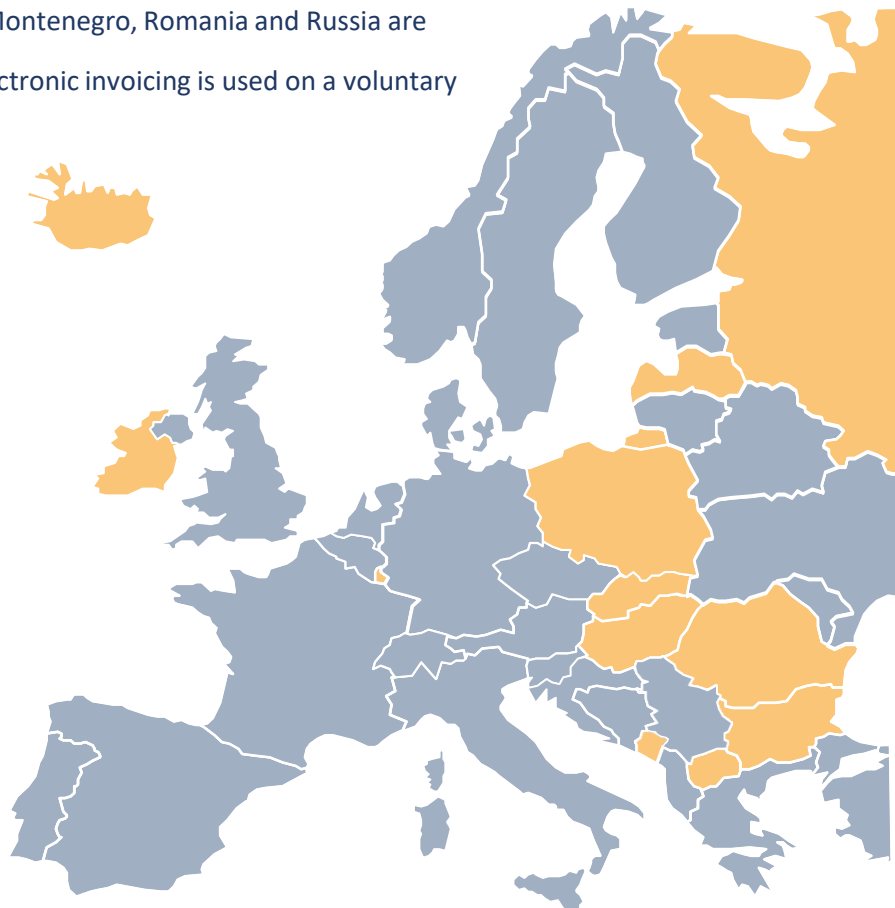
E-INVOICING IN EUROPE

A call for change

The importance of optimizing processes and being more competitive is a current reality for businesses and public institutions. For this, although many countries have decided to promote electronic invoicing via Mandatory use, there are other countries in which electronic invoicing has become a voluntary mechanism to use which, in some cases, has been recommended by the government itself.

In view of this situation, and despite there being no current Mandatory requirement, in some of these countries, in particular in those within the European Union, there is a concerted effort to eliminate paper and start using electronic invoicing. As a matter of fact, after the approval of Directive 2014/55/CE by the European Union, and the EN 16931 common format, countries within the EU are required to adopt electronic invoicing as of 18 April 2019.

Andorra, Bulgaria, Cyprus, Slovakia, Hungary, Ireland, Iceland, Latvia, Luxembourg, Macedonia, Malta, Montenegro, Romania and Russia are some of the countries in which electronic invoicing is used on a voluntary basis, both in business relationships (B2B environment), as well as in relation to public contracts between private companies and governments (B2G environment).





Electronic Invoicing in Europe

Cyprus



In Cyprus, Nicosia has been recommending the use of electronic invoicing since 2012, when the Digital Strategy for Cyprus was implemented. This strategy has been developed by the Department of Electronic Communications or DEC and sets PEPPOL-BIS as the electronic invoicing format.

Furthermore, Cyprus is currently working on the development of a national platform for e-invoicing interchange.

Ireland



Currently in Ireland there is no legislation related to electronic invoicing. However, Dublin has established a program to progressively implement electronic invoicing within the country. This plan, which began in 2017 is called Ireland's eGovernment Strategy, whose objective is to complete adaptation by 2020. The formats established by the Office of Government Procurement (OGP) for e-invoicing in Ireland are UBL, PEPPOL-BIS or EDIFACT and they recommend the use of European e-Invoicing standard (EN 16931-1) platforms and PEPPOL for all interchanges.

Hungary



Electronic invoicing Hungary is permitted and voluntary. Currently there is no legislation in relation to its use, neither does there exist a specific interchange platform or format.



Electronic Invoicing in Europe

Latvia



In Latvia, the State Regional Development Agency of the Republic of Latvia recommends use of electronic invoicing in their country. This was referenced in the Law on Value Added Tax approved in the country.

The format established for electronic invoicing is XML, and the platform implemented for invoice interchange is called ePakalpjumi.lv.

Luxemburg



In Luxembourg, even though there is no electronic invoicing legislation, the Centre for Information Technology of the State (CTIE) is the body charged with promoting electronic invoicing within the country. To do this, they have established PEPPOL-BIS and UBL 2.1. as the accepted format within the country, and recommend the use of the PEPPOL platform for interchanges.

Bulgaria



In Bulgaria, due to there being no legislation requiring electronic invoicing, e-invoicing is voluntary. Public institutions and financial operators can send, receive and process their electronic invoices on a voluntary basis, as long as there are bilateral agreements in place. The established format for Bulgarian e-invoices is ISO 20022 (technical specification used voluntarily) and the platforms to be used when sending and receiving invoices are eFaktura.bg and BORICA–Bankservice AD.



Electronic Invoicing in Europe

Iceland



Iceland regulates electronic invoicing via Regulation 505/2013 and, as of 2013, promotes its voluntary use. The proposed formats for invoice interchanges are BL 2.1., using CEN- BII04 and BII05 and PEPPOL-BIS., and the platforms established are Sendill, Advania, InExchange and PEPPOL.

Andorra



Electronic invoicing in Andorra is used on a voluntary basis, with no established format or specific platform.

Russia



In Russia, electronic invoicing is optional and is subject to agreements between issuers and recipients. The Russian Federal Tax Service is responsible for electronic invoicing; requiring XML format, but with labels in Russian.

Slovakia



Electronic invoicing in Slovakia is voluntary. Companies within the country may interchange their invoices electronically, irrespective of the format or platform that they wish to use.



Electronic Invoicing in Europe

Macedonia



Electronic invoicing has been in place in Macedonia since 1 March 2015. The country promotes its voluntary use both at a B2B as well as a B2G level; as long as the invoicing company states in writing that they accept this method of invoicing.

Romania



Currently electronic invoicing is voluntarily in Romania. As a matter of fact, the government has strengthened its development and regulation via Law 148/2012 regarding the recording of electronic commercial transactions as well as the Fiscal Code.

Malta



Malta has established a project called Digital Malta, which aims to implement electronic invoicing between 2014 at 2020. In view of this, the Malta Information Technology Agency (MITA) will apply the formats and European platform to ensure the interchange of e-invoices within its country.

Montenegro



Electronic invoicing in Montenegro is promoted on a voluntary basis both at B2B as well as B2G levels.



E-INVOICING IN EUROPE

Digital transformation partners

SERES, part of a major business group

SERES, which belongs to the French business group La Poste, is a pioneering international company specializing in Secure Electronic Data Interchange Solutions, working as a trusted third party.

We assist in the digital transformation of businesses in the field of optimization, automation and process management in B2B, B2G and B2C relationships.

Our services are based on stable growth, both in financial results, geographical expansion as well as increases in clients and the flow of data.



Head office in France

Direct presence via 8 subsidiaries:

Spain, Portugal, Germany, Mexico, Colombia, Ecuador, Peru, Argentina

International presence via the DOCAPOST group:
USA and United Kingdom

International presence via our partner network:
Canada, Italy, Switzerland and Belgium



SERES in Europe

SERES has been promoting electronic data interchange and electronic invoicing in Europe since 1996. Our background and business activities have allowed us to gain the recognition and trust of many institutions and businesses over the years.

We have our own teams working within the region, which allows us to provide local and direct input and support, as well as a global level specific support team, which allows us to provide our local clients with all the experience and know-how of our subsidiary companies and clients throughout the world.

