

Recommendation 1:

The EG recommends meeting the needs of SMEs as a priority focus, by concentrating on a number of specific business requirements

Recommendation 2:

The EG recommends the harmonisation of and the provision of clarity for the legal and VAT framework across the EU on the basis of equal treatment between paper and e-invoices and supported by a Code of Practice prepared by the Expert Group

Recommendation 3:

The EG recommends the creation of an e-invoicing eco-system that provides maximum interoperability and reach

Recommendation 4:

The EG recommends that all actors within both the private and public sector adopt a common invoice content standard and data model – the UNCEFACT Cross-Industry Invoice (CII) v.2

Recommendation 5:

The EG recommends the establishment of an organisational process for implementation of the EEIF at Member State and EU level

Recommendation 6:

The EG recommends the wide communication of the key messages of this report

Each of these recommendations entails a number of sub-recommendations which are listed in the remainder of the executive summary. Detailed descriptions of all recommendations incl. sub-recommendations can be found in the respective chapters of the report.

Recommendation 1 (details in Chapter 3):

The EG recommends meeting the needs of SMEs as a priority focus, by concentrating on the following list of business requirements

R1.1: The EG recommends the use of a common invoice standard which serves the needs of the invoicing process and also supports the entire physical and financial supply chain process;

R1.2: The EG recommends that e-Invoicing should enable SMEs to create savings in time and money through a favourable cost/benefit equation and that all e-Invoicing solutions and tools should be easy to use;

R1.3: The EG recommends the harmonisation of and the provision of clarity for all legal and compliance requirements

R1.4: The EG recommends to widely communicate and share good practices and to provide wide education and training programmes;

R1.5: The EG recommends to develop and maintain a competitive and trusted market place for services and solutions and assure trustworthiness and data protection.

Areas for improvement have been identified in each case and a detailed set of SME guidelines are provided as an annex to the report.

Responsible for Recommendation 1: All market participants supported by public authorities, based on a mindset that emphasises the virtuous circle benefits to the wider economy and the green agenda, as well as the benefits to individual trading parties.

This focus on SMEs should be adopted immediately and remain a continuous feature of all stakeholder activity.

Recommendation 2 (details in Chapter 4):

The EG recommends the harmonisation of and the provision of clarity for the legal and VAT framework across the EU on the basis of equal treatment between paper and e-invoices and supported by a Code of Practice prepared by the Expert Group

The key components of this recommendation are:

R2.1: The EG recommends that equality of treatment is defined as follows: it should be as easy to issue, send and receive electronic invoices as it is with paper invoices. No legislative or other requirements should be imposed on electronic invoices above those that exist for paper invoices today.

R2.2: The EG recommends that all Member States adopt the Commission's January 2009 proposal for a new VAT Directive (COM(2009) 21 final) and transpose it into national legislation. In particular the provisions of Articles 232–237 of the current Directive on the Common System of Value Added Tax (2006/112/EC) should be removed so as to shift from technology based requirements to requirements based on equal treatment, technology neutrality and internal business process controls.

R2.3: The EG recommends that the European Commission supports the implementation of the Expert Group's Code of Practice based on 11 core principles by means of a European Commission Recommendation, which should also be endorsed by all Member States. When the above mentioned VAT directive is adopted, the European Commission Recommendation will provide complementary support and continuing guidance to all stakeholders.

R2.4: The EG recommends that the proposed European Commission Recommendation should be implemented by all stakeholders in the e-Invoicing environment, including trading parties, tax authorities and service providers.

R2.5: The EG recommends that in the short term, pending the adoption of the new VAT Directive, those Member States who have not yet done so, should implement the option of 'other means' as provided for in the current VAT directive (Directive 2006/112/EC) so as to enable the practical implementation of the Expert Group's Code of Practice.

R2.6: The EG recommends that all above recommendations should be implemented in such a way as that the investments already made by trading parties in their existing e-invoicing solutions are safeguarded.

R2.7: The EG recommends that, regardless of the way in which the legal framework evolves, absolute clarity in the specification of legal requirements should be provided, so as to give legal certainty to trading parties and all market participants. This clarity needs to cover the provisions of actual legislation, its interpretation, the practices of all tax authorities and the way legal requirements are communicated throughout the market.

Responsible for Recommendation 2: The European Commission and the Member States of the European Union to adopt the recommendations by end-2010 leading thereafter to the appropriate implementation.

Recommendation 3 (details in Chapter 5):

The EG recommends the creation of an e-invoicing eco-system that provides maximum interoperability and reach

The following Guidance Recommendations for Interoperability are recommended for the use of all stakeholders:

R3.1: The EG recommends the consistent use of a terminology to describe and clarify the roles and responsibilities of actors;

R3.2: The EG recommends content standards that support the basic cross-industry e-invoicing business requirements;

R3.3: The EG recommends the use of common, non-proprietary European and international information technology standards;

R3.4: The EG recommends minimum business and technical requirements for connectivity and messaging;

R3.5: The EG recommends the development of an interoperable electronic addressing and routing process;

R3.6: The EG recommends the development and deployment of a variety of accepted business and implementation models;

R3.7: The EG recommends the use of well constructed good practice guidelines as self-assessment tools on a voluntary basis;

R3.8: The EG makes specific additional recommendations regarding bilateral scenarios, three-corner and four-corner network models;

R3.9: The EG recommends recognition of the importance of establishing sound and enforceable agreements;

R3.10: The EG recommends to provide interoperability within and between networks and network-based solutions.

The goal of interoperability is to allow information to be presented in a consistent manner between business systems, regardless of technology, application or platform and ensure that trading parties can effectively reach their counterparts.

In a network activity, interoperability can only be created through an appropriate mix of collaboration and competition. The required collaboration should focus on creating a layer of commonly accepted definitions, practices, standards and processes, which serve as the basis on which market players can effectively compete.

In the opinion of the Expert Group there are promising developments and there is no generalised market failure in the development of the required level of interoperability. However, market developments should be monitored and, where required, further support given for the development of a healthy and vibrant eco-system.

Responsibility for Recommendation 3: The multi-stakeholder e-Invoicing Forum recommended below to operate at European level should take the lead, supported by CEN, the service and solution provider community, as well as community projects, associations and user groups. Progress should be continuously monitored over the next two year period in the expectation that tangible progress will have been achieved by end-2011.

Recommendation 4 (details in Chapter 6):

The EG recommends that all actors within both the private and public sector adopt a common invoice content standard and data model – the UNCEFACT Cross-Industry Invoice (CII) v.2

For the purpose of the following recommendations, the Expert Group defines e-Invoice content standards as being 'the actual data set that constitutes the e-Invoice message and business header'. The long-term e-Invoice landscape needs to contain e-Invoice content standards, but in fewer formats and expressions than exist today as this is a barrier for mass adoption.

In this context, the makes the following recommendations:

R4.1: The EG recommends that the UN/CEFACT Cross-Industry Invoice (CII) v.2 is adopted by all actors within both the private and public sector, as the common reference semantic data model upon which future e-invoice content standard solutions are based. CII v.2 is currently the only international data model that covers the requirements of different industries and sectors. It provides the required connection between the various supply chain messages and is integrated with financial services requirements. UN/CEFACT products and standards are recognised and accepted globally.

R4.2: The EG recommends that structured invoices comply with this data model provided that the data elements required by the user are present in CII v.2.

R4.3: The EG recommends that trading parties, service and solution providers and especially ERP & application providers begin migration using the CII v.2 data model either within existing solutions or by converging on new ones.

R4.4: The EG recommends convergence in the area of syntax and methodology expression. This convergence will avoid standards fragmentation and unnecessary cost burdens. Whilst the ultimate goal should be the single syntactical format, it is clearly recognised that in the interim 2 or 3 mutually interoperable syntactical formats would foster mass adoption and provide support for the reference semantic data model.

R4.5: The EG recommends that UN/CEFACT and ISO, as global standards organisations, should continue to collaborate on the development and maintenance of the CII and implement the model in their own interoperable methodologies and data dictionaries to enable maximum integration of the procurement, invoicing, payment and reconciliation processes. This will continue to foster end-to-end STP and will support migration to SEPA. It will simplify message conversion, integration and communication. It will also help to minimise implementation costs for SMEs.

R4.6: The EG recommends inclusion of at least the proposed minimum core invoice data-set, based on the CII and described in Annex 7, in any e-invoicing solution.

R4.7: The EG recommends that users of e-invoice services should complement the recommended single semantic data model with standardised extensions in cases where this is needed by national regulations/requirements or due to industry specific requirements.

R4.8: The EG recommends that UN/CEFACT as the supplier of CII should deliver the mechanism to cater for such standardised extensions and recording of subsequent variant usage of the CII v.2 and to provide more detailed user guidance on the CII v.2.

R4.9: The EG recommends that the European user community should develop clear profiles and implementation guidelines based on common recommendations facilitated through CEN to support the use of e-invoicing and facilitate interoperability. These implementation guidelines should be made freely available and stored publicly. Until full standards convergence based on these implementation guidelines occurs, the use of choreography specifications and format conversion tools will continue to facilitate mapping between standards.

R4.10: The EG recommends that users of the referenced semantic data model should engage actively in the maintenance and further development of CII.

R4.11: The EG recommends that UN/CEFACT completes the necessary components to support implementation of the CII v.2 standard as soon as possible so that the whole package can be launched by the end of 2010.

Responsible for Recommendation 4: As stated above, UN/CEFACT and ISO, as global standards organisations should continue to collaborate on the development and maintenance of the CII. CEN should develop the required set of implementation guidelines as soon as possible and no later than September 2010. All user groups adopt or are helped to adopt the standard, and all service and solution providers (including ERP vendors) are expected to implement in all applications.

Recommendation 5 (details in Chapter 7):

The EG recommends the establishment of an organisational process for implementation of the EEIF at Member State and EU level

The Expert Group makes concrete proposals as to how the implementation of the EEIF should be organised. The implementation of these recommendations will require determined efforts by all stakeholders in the coming period.

Two clusters of activities need to be led and managed, being development and advocacy on the one hand and standards on the other:

Development and Advocacy

A first cluster of required activities involves the continued development and advocacy of e-Invoicing among all interested parties and stakeholder groups. The strong leadership of the European Commission and certain Member States now needs to be complemented by activity at the level of all Member States. Two levels of activity are recommended:

R5.1: The EG recommends Member States to set up national e-Invoicing bodies.

R5.1.1: The EG recommends that each Member State should create or mobilize a new or an existing body to act as the champion and advocate for e-invoicing in their environment. Such bodies could be created or mobilised as appropriate by government, the private sector or a mixture of the two.

R5.1.2: The EG recommends that the composition of such bodies should be balanced and represent a cross-section of interested stakeholders. It is essential that advocacy and development activities are now centred in the Member States to ensure proper engagement and integration into the commercial, taxation and procurement practices of each country environment. These bodies could be mobilised immediately.

R5.2: The EG recommends to set up a pan-European e-Invoicing Forum.

R5.2.1: The EG recommends that there should be a multi-stakeholder e-Invoicing Forum at European level, made up of 1 or 2 representatives of the Member State bodies meeting quarterly (or as required more frequently).

R5.2.2: The EG recommends that ten further seats should be added for experts, constituencies missing from the national selection processes, pan-European associations, and the Commission etc. The European Commission should ensure a balanced composition of interested stakeholders.

R5.2.3: The EG recommends that the body should elect a Chair and a Steering Committee and be supported by a Secretariat provided by the European Commission, who should take a pro-active role. It should have the necessary resources to undertake wide communication and maintain an active website.

R5.2.4: The EG recommends that the Commission should continue to drive the development by establishing the Forum for at least an initial period of two years as no market driven body able to take on this task has been identified.

R5.2.5: The EG recommends that the body should have the following concrete tasks in full liaison with the national e-Invoicing bodies:

- Support and monitor adoption of the Invoicing Directive and other regulatory simplification and harmonization recommendations;
- Maintain and further develop the Code of Practice;
- Support and monitor adoption of the CII and give continuing guidance to relevant standardization bodies for further development of standards;
- Support and monitor roll-out and observance of the Guidance Recommendations for Interoperability;
- Monitor adoption rates of e-invoicing and identify and share best practices;
- Identify and promote EU-wide action harmonization programs – such as automation of procurement, accounting and financing enhancements etc. – building on the e-invoicing platform;
- Undertake communication and promotion, regulatory relations, and stakeholder consultation and take responsibility for the proposed communications plan described in the next recommendation;
- Provide an environment for the progressive maintenance and further development of the European e-Invoicing Framework, as required.

Standards

For standards, the recommendations are as follows:

R5.3: The EG recommends to take forward the CII v.2 content standard: including the preparation of a set of European implementation guidelines to be completed as soon as possible and no later than September 2010;

R5.4: The EG recommends to further develop the Guidance recommendations for interoperability including questions relating to addressing and identifiers;

R5.5: The EG recommends to develop reference implementation models and best practices for standards implementation.

R5.6: The EG recommends to formulate and channel specific requirements for the further development of the UN/CEFACT CII v.2 data model.

R5.7: The EG recommends to continue the current CEN Workshop and enhance its activities to take account of the Expert Group recommendations.

Responsible for Recommendation 5: The European Commission and Member States to establish the proposed forums by September 2010 with the engagement of all stakeholder groups. CEN is to facilitate the continuation of its Workshop in synchronisation with these activities.

Recommendation 6 (details in Annex 5):

The EG recommends the wide communication of the key messages of this report

R6.1: The EG recommends that the adoption of the EEIF should be supported by a soundly constructed and well-executed communications plan. A proposal is set out as Annex 5.

R6.2: The EG recommends that the key objectives of the communication plan should be the following:

- to ensure that e-invoicing moves towards the top of the agenda, in view of its huge potential benefits to the economy and society;
- to promote the EEIF and support its adoption by all stakeholders as appropriate to their situation;
- to create consensus, drive convergence, and reduce duplication;
- to ensure market adoption of e-invoicing by SMEs as well as large corporates and public administrations;
- to receive feedback in order to continuously improve the e-invoicing environment.

In support of these objectives, the following activities and approaches are recommended:

R6.3: The EG recommends to widely disseminate the EEIF, commencing with its publication and followed up by an open conference to take place during the first half of 2010 as part of a consultation process.

R6.4: The EG recommends that communication should be tailored towards 'multipliers and enablers' such as EU Member States, service providers and other influencers as well as towards end-users.

R6.5: The EG recommends focussing on communicating elements which directly drive and accelerate take-up of compliant electronic invoicing, avoiding legal (mis-)interpretation.

R6.6: The EG recommends that all communication efforts should be consistent and sustained over time and actively crafted for the various target audiences.

Responsible for Recommendation 6: The European Commission, Member States, all interested stakeholders and (in the future) the European e-Invoicing Forum and the equivalent forums at Member State level. These activities should commence immediately following publication of this report.

Conclusion

It is important for all trading parties to recognize that e-Invoicing is working and legally accepted today. Already today multiple VAT compliant e-Invoicing solutions are available for trading parties.

However, there are a number of hurdles which represent major challenges for cross-border electronic invoicing and for an accelerated uptake of e-Invoicing, especially among SMEs.

The Expert Group is convinced that the above recommendations and the provisions of the EEIF meet the needs of all stakeholders and in particular SMEs.