



## GETTING READY FOR EXCHANGING E-INVOICES WITH PUBLIC ADMINISTRATION

A 2020 EUROPEAN E-INVOICING MARKET REVIEW

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# 1. THE E-INVOICING REVOLUTION

Paper invoices are a thing of the past. Forget about the time-consuming process of sending documents in an envelope. By today's standards, **the whole procedure can be automated using the latest data exchange technologies.** Considering that the current e-invoicing revolution is not merely a result of an agreement made between business partners, **but it is now defined by the national and European Union (EU) laws,** going digital is becoming the new normal.

**The model in which e-invoices are processed matters significantly.** After all, there are companies exchanging documents with each other on daily basis (Business-to-Business), while some invoices are shared between companies and public entities (Business-to-Government). **Depending on the model, different regulations are applied.**

In this White Paper, **we discuss B2G e-invoicing policies that have been (or are about to be) introduced in several European countries.** Though the situation described here is dynamic and may be subject to change, we were able to break down and analyze a lot of key facts about the legal changes.

The e-invoicing movement that takes place on the European markets these days is a result of **the Directive 2014/55/EU made by the European Union in 2014.** Following this directive, public administration entities of each member state are **obliged to accept and process structured electronic invoices, which are compliant with the new EN 16931-1:2017 standard.**

## **FOLLOWING THE DIRECTIVE, THERE ARE DEADLINES IMPOSED ON PUBLIC ENTITIES IN EU MEMBER STATES:**

*As of April 18, 2019, European [CENTRAL AND FEDERAL](#) administration authorities are obliged to receive and process structured electronic invoices under Directive 2014/55/EU on electronic invoicing in public procurement.*

*As of April 18, 2020, European [REGIONAL AND LOCAL](#) administration authorities are obliged to receive and process structured electronic invoices under Directive 2014/55/EU on electronic invoicing in public procurement.*

Many European countries, such as Italy, Austria, Denmark, France, have already adopted the mandatory B2G e-Invoicing regulations. More countries, for example, Germany, are to follow in their footsteps very soon.

Considering the above, let's take a closer look at what is happening in selected European countries in terms of **them becoming part of the e-invoicing revolution.**

## **2. E-INVOICING IN EUROPE**

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### **GERMANY**

In Germany, competences in the area of e-invoicing are divided between several institutions - the Federal Ministry of the Interior and all 16 Federal States. The federal legislation referred to as **the eBill Law was issued on April 4, 2017** (E-Rechnungsgesetz). Not only did the German authorities introduce critical points regarding the implementation of Directive 2014/55 EU, but it also extended its limits. **As of November 27, 2020, invoice issuers will be obliged to send e-invoices to federal public entities** (though there are minor exceptions).





Non-federal public entities are subject to local legislation issued by the Federal States. Local legislation may be (but doesn't have to) different compared to the federal regulation. Following the National IT Planning Council's decision made in June 2017, **XRechnung, being the Core Invoice**

**Usage Specification (CIUS) of the European Norm 16931**, is a German e-invoicing standard fully compliant with the European norms. ZUGFeRD 2.0 is an EN compliant standard as well, used in the private sector.

## **THERE ARE TWO PLATFORMS CREATED FOR FEDERAL PUBLIC ADMINISTRATION ENTITIES:**

- *Zentrale Rechnungseingangsplattform des Bundes (ZRE) – for the direct federal administration*
- *OZG-konforme Rechnungseingangsplattform (OZG RE) – for the indirect federal administration*

**The e-invoicing (E-Rechnung) platform ZRE (Zentraler Rechnungseingang) has been fully operational since November 27, 2018.**

**The OZG RE platform, however, was launched in November 2019.** As a result, all public organizations on the federal level - such as Federal Ministries, constitutional bodies, and pilot administrations - **are ready to receive and process structured invoices from service and goods providers.** Public entities (at the regional and local level) must be prepared to receive and process electronic invoices compliant

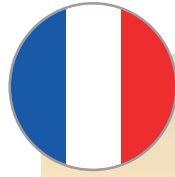
with EU Norm by **November 27, 2020.** Both e-invoicing platforms will support the use of the PEPPOL Infrastructure.

**Transmission channels used for sending e-invoices differ depending on the authority** (Federal Level/ State Level). They can be uploaded in the previously prepared format, in accordance with the provided guidelines, and created via **the online form, E-Mail, De-Mail, or web service.**

## FRANCE

**On June 26, 2014, Regulation No. 2014-697 regarding e-invoicing was issued.** It states that economic operators that cooperate in any way with the public procurement **should submit structured electronic invoices.** Documents must be prepared in a format acceptable to all public units. This obligation has been gradually introduced since the beginning of 2017. Subsequent dates for e-invoicing implementations in companies were divided according to the size of a given company. However, **the deadline which all businesses must meet is 2020.**

**Chorus Pro**, the central hub for e-invoicing in France, allows suppliers to submit e-invoices to central and sub-central level contracting authorities.



### CHORUS PRO OFFERS THREE MODES OF DOCUMENT EXCHANGE:

- Manual entry of invoices directly via the platform for small suppliers
- Downloading PDF/XML invoices (signed or not) from the portal
- Connecting via an EDI system (Electronic Data Interchange) or an EDI service operator

**Allowed document formats are OASIS UBL 2.1 and CII UN/CEFACT.**

The national, centralized e-invoicing infrastructure Chorus Pro **already supports UN/CEFACT CII and UBL.** Chorus Pro uses CII with Factor-X, the Franco-German standard for hybrid electronic invoicing (called ZUGFeRD in Germany).

## ITALY

The legal framework regarding e-invoicing in Italy, defined by the Decreto legislativo 27 dicembre 2018, n. 148, Decreto 3 aprile 2013, n. 55, is **to be applied to public authorities and many other entities.**

**In Italy, e-invoicing in public procurement has been gradually introduced since 2014.** In the beginning, the obligation to use electronic documents was imposed only on the ministries, tax agencies, and national security agencies. A year later (2015), all public entities in the country were obliged to do the same. **As of January 1, 2019, Italy is also the first EU country with mandatory e-invoicing for domestic B2B transactions.**



The accepted e-invoicing format in Italy is Fattura XML. E-invoices must be **issued in a prescribed format, signed digitally to guarantee their authenticity and integrity, and then sent to the Exchange System named *Sistema di Interscambio***

(SDI) by the taxpayers themselves or through designated intermediaries. The SDI platform is used mainly between public entities to receive, check, and send electronic invoices.

## AUSTRIA

It may be a small country, but Austria is as powerful and focused on its development as any other nation. In fact, **Austria was one of the first to adopt B2G e-invoicing, which became mandatory in 2014.**

According to section 5 of the Austrian ICT Consolidation Act from 2012 (Gesamte Rechtsvorschrift für IKT-Konsolidierungsgesetz, Fassung vom 13.06.2012), **all domestic and foreign partners of the federal government with contracts, are obliged to send structured electronic invoices** for the provision of goods and services to government departments. Only the federal government is required to use e-invoicing - with some exceptions. The latter are listed [HERE](#).

Accepted e-invoicing formats are **ebInterface** (the national XML standard) and **UBL PEPPOL BIS**. Austria allows its central processing e-invoicing platform of the federal government (Federal Service Portal (USP)) to process e-invoices. The platform has **all authentication services required to send e-invoices, plus, it eliminates the need for using electronic signatures.**



In Austria, there are two PEPPOL CIUS'es in place: one for the national level (compliant with the Austrian VAT law) and another for the government sector's specific obligations (based on the previous CIUS concerning the VAT law). **The communication is mainly done through the Austrian e-invoicing standard ebInterface.**



## SWITZERLAND

Federal Finance Administration is responsible for e-invoicing in Switzerland. **Following the law (259 SE) introduced on January 1, 2016, e-invoicing is mandatory only for B2G transactions.** Switzerland has no central governmental platform defined for these transactions, but there are certified Swiss providers that can help with processing e-invoices.

**For transactions with a contract value of more than CHF 5000,** suppliers must submit invoices to the Federal Finance Administration in an electronically structured form. In addition to semi-automated options for small suppliers (e.g., PDF upload), **electronic invoices can be sent automatically via the providers.**



## BELGIUM

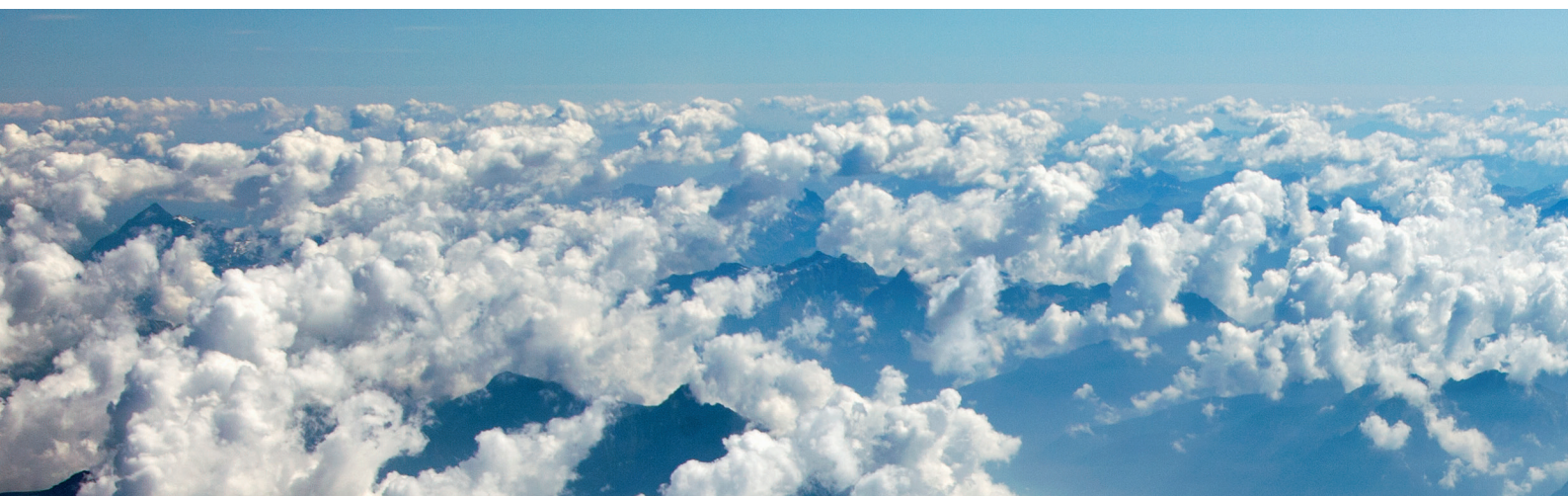
In Belgium, **the primary responsibility arising from the use of e-invoicing is primarily with the Federal Public Service Policy.** Some responsibilities may also belong to other public entities at the regional and federal levels.

There are no regulations in the country that would force all organizations to use e-invoicing. In Flanders, however, **there is an B2G e-invoicing obligation for regional authorities** (contracted services or goods). At the federal level, such an obligation is only for **orders above € 135 000.**



Although there is no official obligation to send, receive, and process invoices electronically, **all companies are encouraged to submit e-invoices, while the central, regional, and local contracting authorities and entities are asked to receive them.** Though **Mercurius** is the central platform for B2G eInvoice connections, sending invoices is **also possible via the PEPPOL network.** Mercurius centralizes

the reception of e-invoices to the public sector, so economic operators are sure to be able to **send all their e-invoices to any public institution using the same method.** The accepted e-invoicing format is **PEPPOL BIS 3.0,** because the Belgian is based upon the PEPPOL standards.





## NETHERLANDS

The introduction of the EU Directive 2014/55/EU has **changed the Dutch Procurement Law, as well as the law for the Defense- and Safety Domain**. It should be noted that e-invoicing for central government agencies (B2G) in the Netherlands has been in force since the beginning of 2017. However, **starting from April 18, 2019, according to the directive, this obligation has become applicable to all government units.**

**New rules for e-invoicing have been developed and implemented in the Netherlands as a substandard of the European standard.** These guidelines are based on European standards, but adapted to the Dutch law. That is why this Dutch substandard is called **NLCIUS** (the European standard is CIUS). NLCIUS e-invoices are **supported by the Standardization Platform (STPE)**.

This does not mean that STPE is a central government platform/hub - **Digitpoort** is. And though there is no obligation to send e-invoices through a



specific platform as **there are multiple public and private e-invoicing platforms available**, Digitpoort is where every e-invoice sent goes in the end. As for e-invoicing formats, there are several of them available, including **UBL OHNL, SETU, and SI UBL**.

### ECONOMIC OPERATORS CAN SUBMIT E-INVOICES IN THREE DIFFERENT WAYS:

- Using **the Simplerinvoicing network** (a network consisting of accounting software vendors and solution providers that have made arrangements for exchanging standardized e-invoices)
- With the help of market solution providers that have established **a direct link with the central hub (Digitpoort)**
- Using the **government solutions and services provided by Logius** (government service manually via webforms manually via webforms)

You can find more information about e-invoicing in the Netherlands [HERE](#).



## POLAND

In Poland, **around 1.5 billion electronic invoices are issued by approximately 1.7 million companies per year.**

The Polish government has accepted the general principles of Directive 2014/55 / EU regarding e-invoicing in public procurement. Therefore, as of November 2018, **all public entities are obliged to comply with the guidelines to receive electronic invoices from their suppliers.** However, the government's goal was to change the national and EU VAT regulations to introduce e-invoicing as a default mode in the B2B and B2C relations.

The format of e-invoices is not clearly defined. Thus, all formats compliant with the EU norm, are

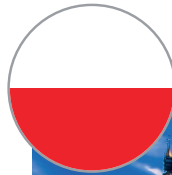
acceptable. Actions taken by the Polish government concerning the circulation of electronic documents, i.e., the development of the digital economy, **were aimed at eliminating the use of paper, but also saving time and resources of entrepreneurs,** as well as public institutions.

**E-invoicing in Poland is permitted, yet there is still no obligation to use it.** From what we know,

## UNITED KINGDOM

Though there is no e-invoicing obligation in the UK except for the National Health Service (NHS), **the British government encourages businesses to send, receive, and process e-invoices when making B2G transactions.**

The 2015 Small Business, Enterprise, and Employment Act gives ministers **power to regulate the use of electronic invoicing in the field of public procurement in England.** This does not apply, however, to Northern Ireland, Scotland, or Wales, which have their own regulations. Also, **there is no single or central governmental platform for e-invoicing applicable for the whole UK territory,** but there are such solutions in Wales and Scotland.



there are no plans to introduce such an obligation. Public entities encouraged, however, to use **the central governmental platform called Platforma Elektronicznego Fakturowania, or PeF,** launched on April 1, 2019. They have to register their accounts via the platform; thus, every invoice sent in a structured electronic way must be transferred using PeF.



## WHEN ADOPTING E-INVOCING, CONTRACTING AUTHORITIES CAN:

- **Use a solution delivered by a third-party service provider based on a 'three-corner' model,** where contracting authorities and economic operators use a common platform, supported - as required - by interoperability agreements with other service providers
- **Establish an internal system to enable e-invoicing** that allows economic operators to submit their e-invoices directly
- As in the case of the NHS, **consider the use of PEPPOL as an example of a 'four-corner' model,** where the contracting authorities and economic operators operate from separate platforms or access points, which are then connected

### 3. COMARCH E-INVOICING CLOUD

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In the light of the current national and EU legislation, Comarch e-Invoicing Cloud stands out as a **simple and affordable tool** that enables the **global, legally-compliant exchange of invoice documents** with business partners and public administration entities.

No matter your industry or product, the platform was designed to help companies **create, process, and store e-invoices**, thus significantly **improve their business efficiency**. Plus, being a **cloud-based solution**, it does not require a long and cost-intensive implementation process. Instead, it gives enterprises **instant access** to a virtual environment that is **easy to navigate**.

Visit the official Comarch E-Invoicing Cloud website to sign up **and TRY IT FOR FREE.**



# COMARCH

## ABOUT COMARCH

For the past 25 years, Comarch has been a global provider of advanced, software-defined technologies that help companies from all industries optimize their key business processes. The company's vast portfolio includes e-Invoicing platform as well as systems and services for efficient data and document exchange such as Master Data Management, Electronic Data Interchange, Online Distribution. Each of the products is fully compliant with the latest local regulations and allows enterprises to improve their business performance, gain a competitive advantage, and reduce operational costs. Comarch's clients include top professionals from various sectors: retail (e.g., METRO-NOM, Tesco, Carrefour) FMCG (e.g., BIC, Johnson & Johnson, L'Oréal, Unilever), pharma (e.g., GlaxoSmithKline, Sanofi) and many mor

[info@comarch.com](mailto:info@comarch.com) | [www.comarch.com](http://www.comarch.com)