



UN/CEFACT

United Nations Centre for Trade Facilitation and Electronic Business

Electronic Invoices & Standardisation

From a European perspective

Peter Potgieser



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Agenda

Steps in this presentation:

- Background from European Commission
- Aim: UN/CEFACT and ISO standards
- UN/CEFACT response, Rome 2007
- UN/CEFACT - ISO Convergence
- Private sector support from The Netherlands



Background

DG Enterprise and Industry

- Lisbon Agenda
- Completion of Single Market
- SEPA
- Promote e-business



e-Invoicing...

DG Enterprise and Industry

- links internal processes of companies to payment systems
- simplifies processes, reduces administrative and financial costs, facilitates transition to new business models
- BUT, several obstacles to development of a truly pan-European e-invoicing system
- time is ripe for a European e-Invoicing Initiative

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Cost savings

DG Enterprise and Industry

- Case study: Denmark
 - Danish Government saves €100-134 million per annum
- Case study: France
 - in 2001, B2B savings of € 40 billion
- EACT - CAST project
 - average processing cost of paper invoice € 30
 - 80% cost saving possible with e-invoicing
- Potential maximum benefits
 - full and early SEPA migration, at **€226 + €12 billion** over 6 years

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Expert Group on e-Invoicing - Mandate

DG Enterprise and Industry

- Defined in Commission Decision of 31 Oct. 2007:
- Identify:
 - shortcomings in current regulatory framework
 - e-invoicing business requirements
 - relevant e-invoicing data elements
- Propose:
 - responsibilities for standardisation bodies and time schedule
- European e-Invoicing Framework (EEI)

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End Result: EEI Framework

DG Enterprise and Industry

- achieves interoperability of e-Invoicing solutions
- basis for common business rules and technical standards
- increase incentives for electronic trade
- remove barriers to e-invoicing



Electronic Invoicing

EUROPA - European Commission - Enterprise and Industry - Innovation Policy - Microsoft Internet Explorer provided by ABN AMRO

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Address http://ec.europa.eu/enterprise/ict/policy/einvoicing/einvoicing_en.htm Go

Enterprise and Industry

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ICT for Competitiveness & Innovation

Introduction

ICT policy in brief
DG Enterprise and Industry action
Further reading

Competitiveness of the ICT sector

Competitiveness
Policy Benchmarking
ICT Task-Force

ICT uptake and eBusiness

eBSN
B2B Internet platforms
Economic analysis
e-Business Watch
e-Business readiness index

e-Business Legal aspects

ICT standardisation

Introduction
Work Programme

e-Invoicing

What is e-Invoicing

e-Invoicing, short for electronic invoicing, is the electronic transfer of billing and payment information, via the Internet or other electronic means between the parties - businesses, the public sector, consumers - involved in commercial transactions. Compared to paper invoices, e-Invoices may offer huge advantages for companies - they are said to be easier to process, they reach the customer faster and can be stored centrally at very low cost. A recent report predicts potential annual benefits of up to €40 billion across Europe in the business-to-business field alone.

What are the main benefits to users of using electronic invoicing?

- Quicker retrieval of money from customers by reducing the time an invoice or payment is in the post.
- Reduced printing and postage costs.
- Processing is quicker and cheaper, as the information in electronic invoices can be fed directly into a company's payments and accounting system.
- Lower storage costs.

What are the main obstacles to the wider use of electronic invoicing?

- e-Invoices are produced in a wide range of formats and according to many different standards. This hinders the smooth transfer of an e-invoice from one part to another and prevents the full benefits and cost savings of e-invoicing from being realised.
- Variation in national rules which govern the validity and acceptability of e-invoices in legal, financial and administrative terms. This makes their use in cross-border transactions within the EU difficult.
- Many potential users have concerns about the security of e-invoicing systems and the potential for misrepresentation and fraud.

What is the European Commission doing about this?

Last year the Commission worked with a wide range of stakeholders - companies, banks, other financial service providers.

Important legal notice
de en fr

News highlights

Consultation:
Commission consults on bringing down mobile phone tariffs in Europe
on-line, 29 June - 3 September 2008
Closing date: 03/09/2008

FAQs on E-commerce in the EU
29/06/08

European Commission launches e-government support service SEMIC.EU
19/06/08

Electronic identity: easy access to public services across the EU
02/06/08

More news...
RSS feed

Forthcoming events

Internet of Things - Internet of the Future
Nice Acropolis (France), 6 - 7 October

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EC Roadmap for eInvoicing and payments 2006 - 2010

July 2007	Final Report of the Informal Task Force on e-Invoicing
Planned (2007-2009) DG MARKT/H3 and DG ENTR/D4	Steering Committee for the creation of a EUROPEAN ELECTRONIC INVOICING (EEI) Framework Responsible for: 1) Contributing to the removal of legal barriers (EC regulator) 2) Establishing and documenting business requirements and addressing commercial barriers 3) Establishing input for single, interoperable data standard for eInvoicing
Planned 2007 – 2009 (ISO, SWIFT, CEN, UN/CEFACT, NES..)	Work on the creation of a single, interoperable data standard for e-Invoicing under the umbrella of European and international standards bodies and the support from others
July '07- Dec '08 TAXUD/D1	Legal study on functioning of the Invoicing Directive (2001/115/EC)^[1]
2007-2008 DIGIT/DG MARKT	IDABC study on e-invoicing requirements (for public sector, enterprises and service providers)
2008-2010	SEPA: Co-existence and gradual adoption
Forthcoming 2008 TAXUD/D1	EC Report on the Invoicing Directive (2001/115/EC)^[2] and potential proposals for amendments
2008 - 2009 DIGIT/DG MARKT	IDABC pilot project in the European Commission based on e-invoicing requirements
2008-2010 DG INFSO	Large-scale CIP pilots on e-procurement, including e-invoicing (Consortium: min. 6 Member States participation)

^[1] Now incorporated in the VAT Directive (2006/112/EC)

^[2] Now incorporated in the VAT Directive (2006/112/EC)



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UN/CEFACT + ISO standards

eei-3.2-e-invoicing_final_report.pdf - Adobe Reader

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Critically the derivation of an International e-Invoice standard must be as open and inclusive as possible, involving or consulting, a wide range of stakeholders. This exercise must also take into consideration that the e-Invoice is part of a wider procurement process, extending from catalogue to payment and including payment reconciliation.

It is proposed to establish a collaborative activity between the pre-eminent International standardisation bodies, being UN/CEFACT (Trade and Business Process Group (TBG) 1 "Supply Chain" and TBG5 "Finance") and ISO (Technical Committee 68 "Financial Services"), for the development and delivery of an International EEI standard. This will be an open and transparent process working in partnership with the future EEI Steering Committee (see section 5) to achieve an international, rather than purely European, EEI standard solution. While time to market of any standard is critical, it is also vital that the standard forming the basis of the EEI Framework is International. This will increase market certainty in the solution, and respect the fact that European supply chains extend beyond European geographical boundaries. Experience suggests that a European standard will not readily gain the commercial support and acceptance that an International ISO/UN/CEFACT ratified standard will. In order to facilitate immediate progress towards this goal the next steps will be to agree the existing (or core) e-Invoice data requirements coming from existing standards, solutions and market experience. In order to expedite progress towards an ISO/UN/CEFACT ratified standard it is suggested to establish a collaborative relationship between the EEI Steering Committee and both TBG5 (for ISO20022 co-ordination) and TBG1 (for UN/CEFACT co-ordination). Resources from industry bodies, like SWIFT, will also be key in making effective progress. The following recommendations detail how this will be achieved.

RECOMMENDATIONS TO ADDRESS STANDARDISATION BARRIERS

It is recommended that the future EEI Steering Committee should consider undertaking

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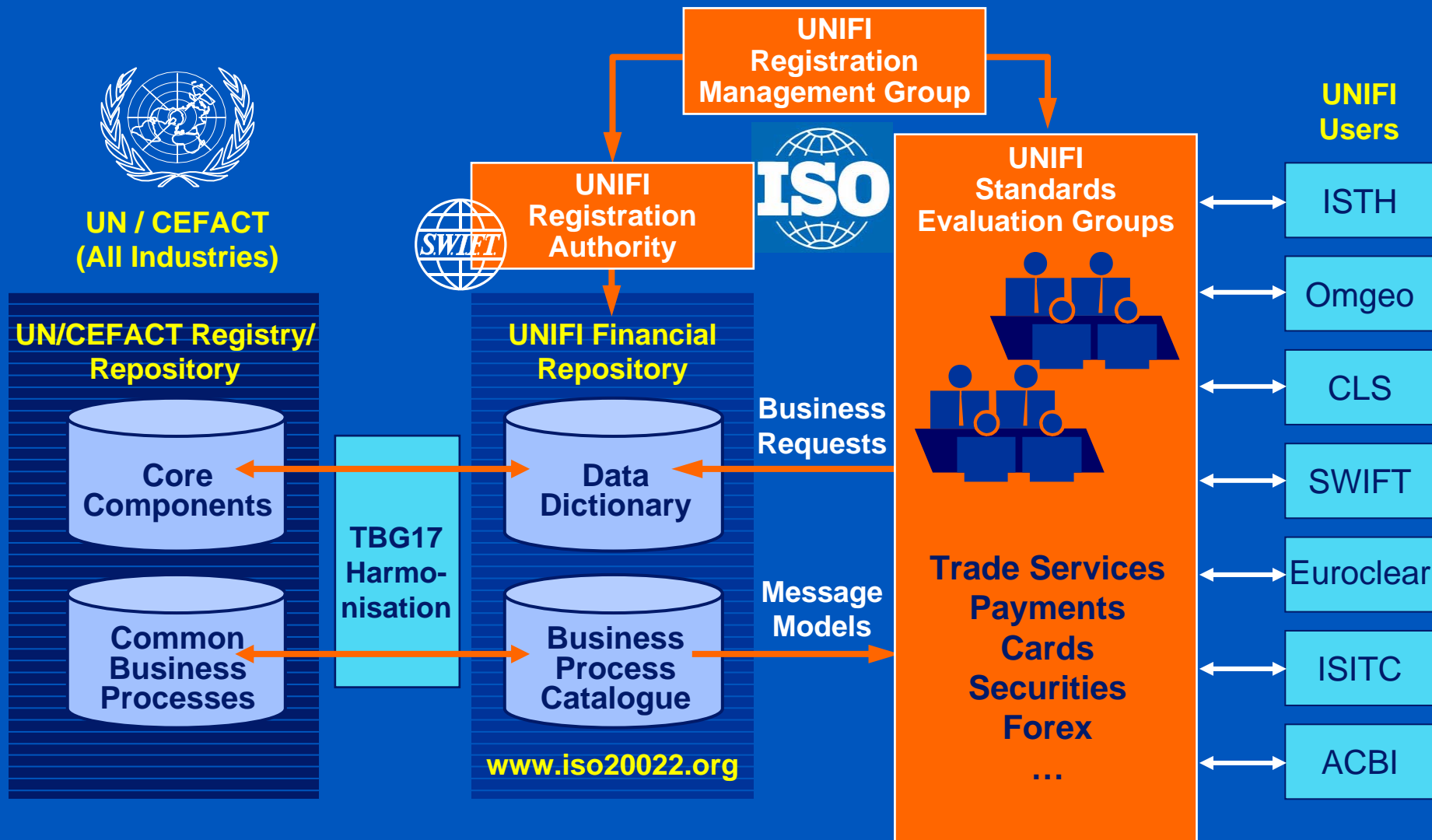
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UN/CEFACT response

- **Recognising** the fact that UN/CEFACT has been mentioned in the EEI 3.2 final report on e-Invoices in Europe as a party to develop standards to allow the EEI Framework to be implemented;
- **Recognising** the importance of a seamless evolution in the dematerialisation of more and more links in the value chain and the implementation and/or migration thereof:
- **UN/CEFACT**
 - Will adjust its priorities in the development of the required standards to meet the 18 month timeline which has been mentioned in the report on standards for e-Invoice;
 - Will develop and disseminate information for parties concerned (in both public and private sectors), already involved in implementations or considering to do so, to enhance awareness and understanding on the steps to take and facilitate a flawless migration.

Long term convergence goal

A single ISO-UN/CEFACT approach





Supportive actions

Examples:

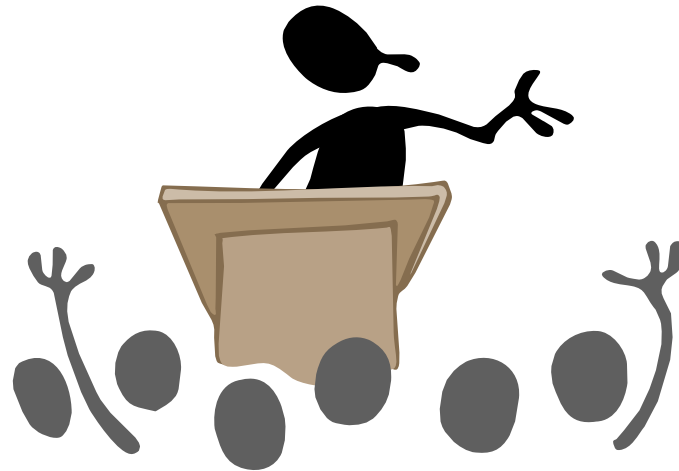
- The Confederation of Netherlands Industry and Employers (known as VNO-NCW): ‘... *development of an international open standard in co-operation between UN/CEFACT and ISO is required ...*’
- The Dutch private sector made funding available to facilitate developments in TBG1
- Pilot based on Cross Industry Invoice – I



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Thank you





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Contact information

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