



**MINUTES OF
THE SECOND MEETING
OF THE EUROPEAN MULTI-STAKEHOLDER FORUM
ON ELECTRONIC INVOICING**

6 March 2012

Centre Albert Borschette (Room 2D), Rue Froissart 36, 1040 Brussels

GENERAL

On 6 March 2012, the second meeting of the European Multi-Stakeholder Forum on e-invoicing ('Forum') was organised by the Commission. The meeting was co-chaired by Mr Jean-Yves Muylle, DG Internal Market and Services, and by Mr Michel Catinat, DG Enterprise and Industry.

Delegates from most Member States attended the meeting, with the exception of Bulgaria, Finland, Greece, Romania, Latvia, Luxembourg, Malta and Slovenia. All other invited stakeholder associations and organisations attended the meeting, with the exception of UEAPME and BEUC. A representative from Croatia participated as an observer.

Ms Silvia Adriana Țicău, Member of the European Parliament, presented her perspective on e-invoicing in the beginning of the meeting. This was followed by a presentation of Ms Helle Schade-Sørensen on the e-invoicing policy in Denmark which currently holds the Presidency of the European Union. The main part of the meeting was organised along three items: (i) updates on the activities of the National Fora, (ii) break-out sessions for the four activity groups, and (iii) a presentation of the activity group's interim results and next steps. This was followed by a presentation on the Commission's explanatory notes on VAT invoicing rules and a presentation on the PEPPOL project.

The meeting provided a useful update of the state of play of the different national fora and the work done by the four activity groups of the EU Forum so far. In this respect, it served as a good basis for defining a roadmap towards the work programme's final deliverables which are to be presented at the third meeting of the Forum.

The next meeting of the Forum will take place on 26 September 2012 in Brussels.

1. INTRODUCTION AND ADOPTION OF THE AGENDA

The chair welcomed participants to the second meeting of the Forum. He noted that 6 months had passed since the first meeting and the work in the four activity groups was successfully kicked off. He stressed that the focus of the second meeting was to take stock of interim results and to help accelerate the work.

Main issues addressed:

- Most national fora have been established by now and it is crucial to involve them in the work of the EU Forum in an efficient way.
- It remains the objective to complete four activity reports with tangible conclusions in time for the third meeting of the EU Forum taking place later this year.

The agenda of the second meeting was adopted by the members of the Forum.

2. KEYNOTE SPEECH BY MEP MS SILVIA ADRIANA ȚICĂU ON THE EP'S PERSPECTIVE

MEP Ms Țicău, the rapporteur of the Committee of Industry Energy and Research (ITRE) on the Commission's Communication on E-invoicing – COM(2010)712 – gave a keynote speech in which she emphasised the importance that the European Parliament attaches to the adoption of e-invoicing.

Main issues addressed:

- The European Parliament “welcomes the e-Invoicing Initiative” and the substantial benefits that it could trigger: shorter payment periods, fewer errors, better collection of VAT, reduced printing and postage costs and business integrated processing.
- The European Parliament supported from the very beginning the e-invoicing initiative and will continue to support it as the mass adoption of the e-invoice at the European level is seen as an important catalyser for the interoperability of e-Government services. In this context, the mandatory use of e-invoicing in public procurement is seen as an important driver and the EP calls on Member States to implement this by 2016.
- The European Parliament works on an own-initiative report entitled “A competitive digital single market” – ITRE is the responsible committee. An important part of this report is dedicated to the e-invoicing initiative.
- The vote in the ITRE committee will take place on the 21 March 2012 and the vote in the EP plenary is planned for May.

3. PRESENTATION BY HELLE SCHADE-SØRENSEN ON DENMARK'S E-INVOICING POLICY

Ms Schade-Sørensen, Chief Consultant at the Agency for Digitization of the Ministry of Finance from Denmark, presented the Danish experience of making mandatory e-invoicing for public procurement.

Key points of the presentation:

- The e-invoicing project in the public administration started in 2003 with the main objective to save public funds. Savings due to e-invoicing were estimated at a potential of EUR 30 million per year as a result of lower invoice handling cost of approximately EUR 2 per invoice.
- At the beginning, important investments from the public budget were necessary in order to develop the system. Invoice scanning agencies were created to help SME's adopt e-invoicing. At the beginning scanning was free of charge.
- Since February 2005, only structured e-invoices (not PDF) were accepted by public authorities. In 2008, it became possible to send structured e-invoices through the internet in a secure and reliable fashion via an open e-business framework.
- The framework is based on open standards and open source components. Any IT vendor or IT service provider may freely incorporate the technology into their commercial products and connect to the open infrastructure, which ensures dissemination and uptake and rapidly builds critical mass.
- The next objective in Denmark is the achievement of a full e-procurement chain.

4. ROUND TABLE WITH UPDATES BY NATIONAL FORA

Representatives from France, Italy and Poland where national fora were set up since the last meeting of the EU Forum informed participants about their first meetings, the composition of the fora and the activity streams identified.

Portugal, the Netherlands, Austria and Ireland gave updates on new developments in their countries and/or national fora and on the work already done in the four activity groups. The Portuguese representative informed the forum about plans to make e-invoicing mandatory for public procurement. The Austrian representative referred to a study which estimated the savings potential of e-invoicing at EUR 8 billion per year in Austria alone. The Irish representative told the participants about a pilot project for public procurement based on PEPPOL.

The chair encouraged those national fora that appointed two representatives from the public sector to reconsider the composition of the delegations to ensure a balanced representation of the public and private sectors.

5. BREAK-OUT SESSIONS AND PRESENTATION OF ACTIVITY GROUP'S INTERIM RESULTS AND NEXT STEPS

The break-out sessions for the different activity groups gave an opportunity to discuss the issues at hand in a focussed manner. After the break-out sessions, each activity leader presented to the plenary the interim results and a roadmap towards the deliverables for the third meeting of the EU Forum.

Activity 1: Monitoring the e-invoicing uptake in Member States and at EU level

Group leader: Pieter Breyne (National Forum Belgium)

The activity group obtained and analysed data from Eurostat (EU27 covered), as well as national data from some Member States and private studies. The interim findings concerned the actual analysis of the data, as well as the data collection methodology.

- Analysis of the data:
 - Increasing use of e-invoicing EU-wide with large differences between countries, although the majority of invoices is still on paper.
 - More unstructured e-invoices than structured ones.
 - The main drivers for e-invoicing adoption are cost savings, efficiency increase and faster payment, while important obstacles are the complexity, acceptance and high investment.
- Data collection:
 - Different and incomplete data available: country-specific data are not comparable with EU-wide data.
 - Data too much focused on the use of e-invoicing, not on the real number of e-invoices.

The activity group considers that it would be easier to process and analyse data collected in a centralised way, ideally via Eurostat, rather than aggregating data available from separate sources. Alternatives, although less effective, would be to ask national for to provide national data and/or to ask an external party to run a yearly survey.

Next tasks for activity group 1 were defined as:

- Coordinate with Eurostat for the introduction of new questions concerning e-invoicing and potentially increase the frequency of the underlying survey.
- Continue to collect information from national fora and international studies. In this context, the Italian representative mentioned that the activity leader should liaise with the e-invoicing observatory of the Politecnico University in Milan.
- Prepare an activity report which includes draft terms of reference for a potential external study to be launched by the Commission. (with a focus on methodology and a needs' assessment).

Activity 2: Exchange of experiences and good practices

Group co-leaders: Charles Bryant and Manos Schizas (National Forum UK)

The quantitative and qualitative surveys are underway with some difficulty, since there were 47 responses to the quantitative survey and only five responses to the qualitative survey. They will have to be validated and compared to adoption statistics/classification of leaders and followers, therefore, the feedback of all Forum members is required. Moreover, there is still a need to address banks' contribution, and to get first-hand service provider input.

Next tasks for Activity group 2 were defined as:

- Obtain more qualitative and quantitative responses from national fora and individual experts.
- Refine findings, and validation and analysis of models/good practices.
- Correlate prevalence of models with status of e-invoicing in countries (liaise with Activity 1).
- Identify and select successful models/good practices and document case studies, bearing in mind that there are some gaps in the group e.g. on EDI, B2C and public procurement experiences.
- Take into account cross-border issues.

The Commission invited the national fora that did not so yet, to provide their responses to the qualitative and quantitative surveys.

Activity 3: Propose appropriate solutions for remaining cross-border barriers

Group leader: Stefan Engel-Flehsig (National Forum Germany)

The activity leader informed the group about the feedback to the questionnaire which had been sent to all members in advance of the meeting. The questionnaire enquired about regulatory obstacles for e-invoicing beyond VAT acceptance and the state of play regarding the transposition of the amended VAT Directive. 17 national fora had replied to the questionnaire so far.

In terms of regulatory hurdles, one concrete issue seems to relate to e-signatures, notably only for those invoices using that technology. More specifically, the lack of mutual recognition of e-signatures between Member States seems to be a problem. There were other areas where potential regulatory differences between Member States were mentioned in more general terms, namely archiving, accounting and data protection requirements.

Regarding the VAT Directive, participants noted that only few Member States were at an advanced stage in the transposition process. Most Member States would only launch their work in the second half of 2012. Nevertheless, the group considered it important that potential inconsistencies between Member States were surfaced and flagged as early as possible.

Next tasks for Activity group 3 were defined as:

- Ensure to receive feedback from those national fora which have not replied to the questionnaire so far.
- Focus on the identification of regulatory hurdles outside the area of VAT and work with national fora and stakeholder groups to concretely specify the identified regulatory hurdles in terms of underlying legislation.
- Monitor VAT transposition for those Member States where (draft) legislation becomes available. Comprehensive analysis will only be possible in early 2013.
- Prepare an activity report with clearly identified regulatory hurdles outside VAT and first recommendations on how to tackle them.

Activity 4: Migration towards a single e-invoice standard data model

Group leader: Peter Potgieser (Representative of CEN)

The Work Plan had been discussed and agreed upon amongst the members of Activity 4 before the second meeting of the Forum and had been made available to the Forum via CIRCABC. No further comments having been received, it was considered as endorsed by the Forum. During the break-out session the group further discussed its activities.

The goal of the group is to provide some conclusions and recommendations on the following topics:

- Analysis of the convergence towards a common semantic reference data model (as suggested in COM(2010)712 Final) by 2020 (in line with the time frame set in the Communication on e-invoicing of December 2010), and documenting ways to contribute to the objective.
- The pros and cons of the implications for the concerned stakeholders (industry sectors, businesses, service providers, vendors, etc.) related to the convergence towards a single semantic data model, as recommended in the Communication on e-invoicing of December 2010. The potential path towards the objective should be outlined, with a view to analyse it in more detail during the subsequent phase of the work.
- Intermediate solutions that will ensure the interoperability among the various existing solutions.

In order to better focus the analyses that will be made, the group pointed out that the Commission should clarify what is intended by the sentence “The Commission wants to see e-invoicing become the predominant method of invoicing by 2020 in Europe.” that is contained in the above mentioned Communication.

An additional task for Activity group 4 was defined as:

- Prepare a glossary of definitions used in e-invoicing. The glossary is essential to ensure that all the stakeholders, including the activity groups, are enabled to have a common understanding of the various issues enabling effective discussions and decision making.

Mr Potgieser, as CEN representative, presented a status and progress-report on the activities allocated to CEN in the Communication on E-invoicing (COM(2010)712) and noted that CEN had recently adopted a set of new CEN Workshop Agreements (CWAs) in the domain of e-invoicing. The documents will be distributed to the Forum members for due consideration as soon as they are published.

6. PRESENTATION OF THE EXPLANATORY NOTES ON VAT INVOICING RULES

Gary Wilkinson from the Taxation and Custom Union DG gave a presentation on the VAT invoicing rules and explanatory notes.

Main points addressed:

- According to the VAT Invoicing Directive (2010/45/EU) that will come into force on 1 January 2013, there will be an equal treatment between e-invoices and paper invoices.
- The explanatory notes are meant to provide a better understanding of the Invoicing Directive, to allow Member States to transpose the directive in a more uniform way and to provide businesses with the necessary information to adapt to the new rules in time.
- The explanatory notes are already in all languages on the Commission website.

7. PRESENTATION ON THE PEPPOL PROJECT

Sven Rasmussen, Senior Adviser at the Danish National IT and Telecom Agency and working with e-Business standardisation and implementations in PEPPOL, gave a short overview presentation on the PEPPOL Project.

Key points of the presentation:

- The goal of PEPPOL procurement is to enable any SME to trade with any public authority within the European market and exchange documents without any previous bi-lateral setup or technical agreements.
- The PEPPOL procurement model is currently being tested in pilots within a growing number of EU Member States. It has already been implemented as basis for procurement policy by the European Commission itself, Norway and Sweden.
- The PEPPOL invoice specifications apply as well to trade between private companies as to trade with public authorities.

8. CONCLUSIONS AND IDENTIFIED ACTIONS

When summarising the results of the activity groups the chair re-iterated that most of the actual work on the identified actions will need to take place outside the half-yearly meeting of the European Forum. For that purpose, activity groups should hold regular phone conferences if possible and national fora should directly contribute to the deliverables of the four activity groups.

All four activity reports will be presented during the third meeting of the EU Forum planned on 26 September 2012.

Several organisations representing banks and service providers' stakeholders requested to take part into the activities of the European Forum. The Decision allows for the participation of observers to the meetings of the Forum. The Commission will conduct a thorough assessment of the composition of the European Forum as well and national fora and decide to invite as observers, relevant e-invoicing stakeholders, which are currently under-represented.