



Proposal for a Directive on e-invoicing in public procurement

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Why an initiative on e-invoicing?

- Important benefits:

- Cost reduction and process simplification (reduction of administrative burden)
- Faster payments to suppliers
- Improved transparency, traceability, and auditability
- Environmental benefits (less paper, less waste, lower CO2 emissions)

- Significant political and stakeholder interest

- Part of a broader EU policy agenda

- Digital Agenda ⇒ Digital Single Market ⇒ e-government
- Modernisation of public procurement rules / 'end-to-end e-procurement'

- MS action creating barriers in the Single Market

Political context

- **European Council of June 2012** - *"priority should be given to measures aimed at further developing cross-border online trade, including by facilitating the transition to e-invoicing"*
- **EP resolution of April 2012** - *"make e-invoicing in procurement mandatory by 2016"*
- **Single Market Act II (Key action 10)**: *"Make electronic invoicing the standard invoicing mode for public procurement"*
- **Annual Growth Survey 2013**: *priority on modernisation of public administration & "Ensuring the widespread, interoperable digitalisation of public administration"*

Public consultation – results

- Very strong support for EU action in e-invoicing in public procurement:
 - **89%** in favour of "steps to promote the use of e-invoicing in public procurement"
 - **86%** in favour of "steps to promote interoperability in e-invoicing in public procurement"
 - **54%** want to see mandatory e-invoicing before 2016, and more than **90%** by the end of 2017

A solid basis exists...

- *Communication "Reaping the benefits of electronic invoicing for Europe – COM(2010)712*
- *EU Multi-stakeholder Forum on e-invoicing*
- *Council Directive on the common system of value added tax (2010/45/EU)*
- *Communication "A strategy for e-procurement" – COM(2012)179*
- *Commission co-funded projects*
 - *PEPPOL*
 - *e-SENS*
 - *e-PRIOR*

Why take action now?

- Member states beginning to take action
 - E-invoicing mandatory in Denmark and Sweden, required by some public sector bodies in Finland
 - To become mandatory in Austria and Italy starting in 2014
 - Spain and Netherlands have also taken some steps
- ...but developing their own rules and standards

Result:

- Numerous non-interoperable systems
- High cost and complexity of e-invoicing across borders

MARKET ACCESS BARRIERS

Directive on e-invoicing in public procurement

- Scope:

- Only invoices covered by Public Procurement Directives (2004/18/EC, 2004/17/EC, 2009/81/EC)
- Only invoices submitted to the public sector
- Covers all public authorities (national, regional, local)

- New European e-invoicing standard to be developed by CEN

- Build on existing specifications and best practice from systems in operation
- Consider experience and best practice from existing systems

- Buyers obliged to accept electronic invoices compliant with the new standard (technical requirements)

- ... but national systems can continue to be used

- Transposition period: 4 years

Directive on e-invoicing in public procurement – objectives

- Eliminate barriers in the Single Market
- Facilitate use of e-invoicing and create new business opportunities for enterprises
- Generate savings for administrations and businesses and help reduce payment processing times

***"Predominant mode of invoicing in the EU
by 2020"***



Thank you for your attention!