eInvoicing for Communities

Informational workshop for the adoption of eInvoicing

Picture by Tony O'Brien

What is an eInvoice?

- [ ] Digital replacement for traditional invoicing

- [ ] Issued, transmitted and received in a structured data format

- [ ] Allows for automatic and electronic processing as defined in Directive 2014/55/EU

- [ ] Compliant with EN 16931

Traditional Invoice	eInvoice
☐ Contains data details	☐ Contains data details
☐ Has a visual format	
☐ Has a physical form	

A visualised, human-readable version of the eInvoice may be created but it is not considered part of the invoice itself

eInvoices are not:

- ❌ Unstructured invoice data issued in PDF or Word formats

- ❌ Images of invoices (JPG, TIFF)

- ❌ Unstructured HTML invoices on a web page or in an email

- ❌ OCR (scanned paper invoices)

- ❌ Paper invoices sent as images (fax)

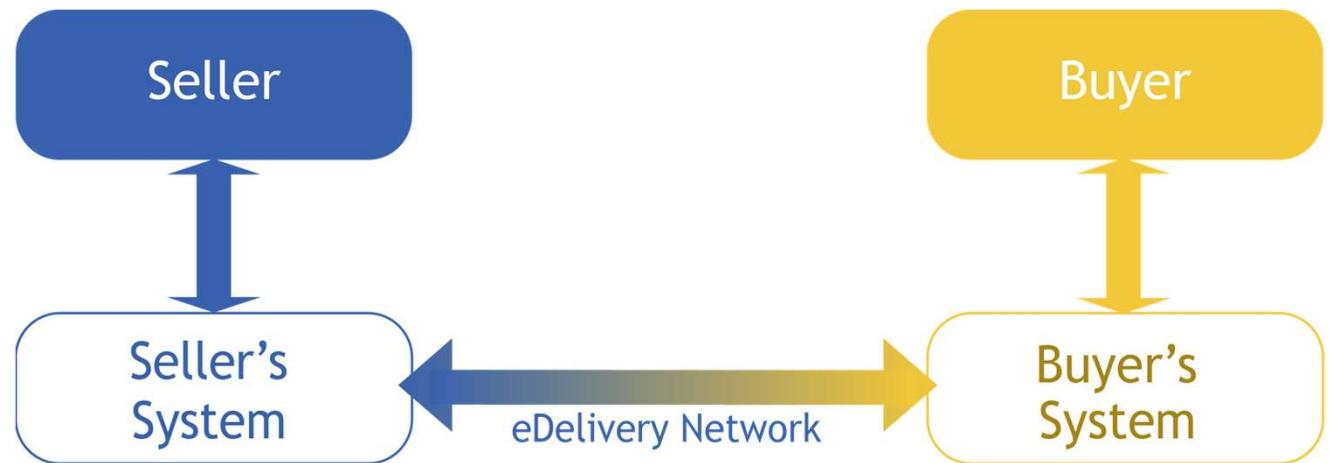# The invoice process

Buyer

- Prepare
- Issue
- Send

Seller

- Receive
- Approve
- Accounts
- Pay
- Store

eInvoicing automates and/or increases the efficiency of these steps

4 Corner model

Seller

Buyer

Seller's System

Buyer's System

eDelivery Network

Mandatory eInvoicing

- Legislation is being prepared to make B2G eInvoicing mandatory

- VAT avoidance is a serious issue for the EU (€164B in 2020)

- Pandemic is also driving the change to recoup monies

- Public Bodies across the EU are currently eInvoice-ready. Change will happen fast

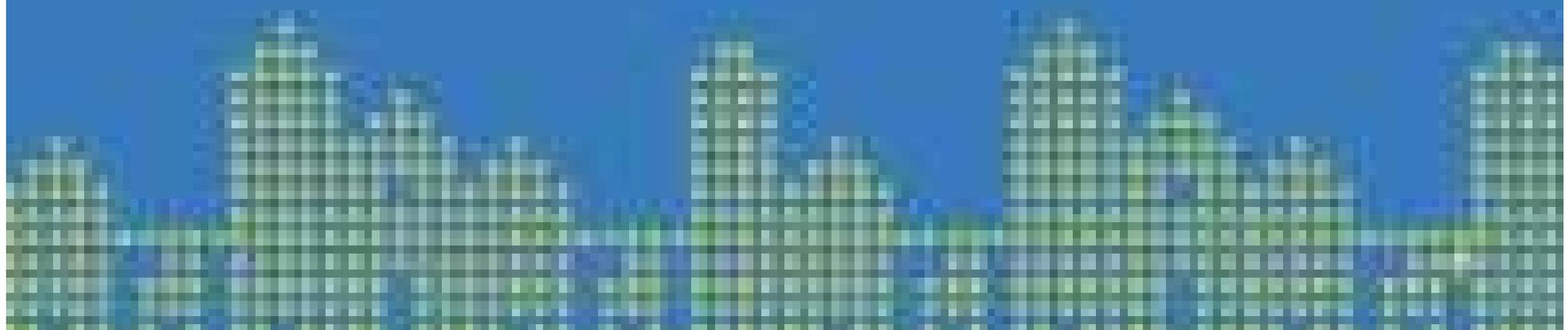# The European Standard on eInvoicing (EN 16931)

Why do we need a Standard?

☐ Send invoices to many customers by using a single eInvoicing format

☐ Not necessary to adjust sending and/or receiving to connect with individual trading parties

☐ Improve the efficiency and traceability of the Procurement pipeline

Connect once, connect to many

EN 16931

- [ ] List of all business terms that may be used in a compliant invoice

- [ ] Defines how those terms shall be understood and used

- [ ] Defines the semantics of the core invoice data model

The European Standard on eInvoicing

eInvoice Awareness

- [ ] eInvoicing will become mandatory for B2G. Legislative proposal will be put forward in 2022

- [ ] Businesses will need to prepare for eInvoicing adoption, changes will happen fast

- [ ] eInvoicing is proven to be beneficial for both Seller and Buyer, especially if fully automated

VAT Compliance

- [ ] €164 billion VAT gap projected across the EU in 2020

- [ ] VAT gap has been significantly decreased in countries that adopted eInvoicing

- [ ] eInvoices provide a reliable audit trail and can be automatically processed by an AR system

Country factsheets

Ireland

☐ Office of Government Procurement (OGP)

☐ PEPPOL Network

☐ Soon to be mandatory for B2G, all Central and Sub-Central depts are eInvoice-ready

Ireland's eInvoicing factsheet

Italy

☐ Ministry of Economy and Finances, supported by the Revenue Agency

☐ Exchange system (Sistema di Interscambio)

☐ B2G mandatory since 2014

☐ B2B and B2C mandatory since 2019 for turnovers greater than €65K

Italy's eInvoicing factsheet

France

- Ministry for the Economy and Finance, Agency for State Financial Information

- Chorus Pro

- B2G mandatory, B2B to be phased in by 2024

France's eInvoicing factsheet

Poland

- Ministry of Economic Development, Labour and Technology, Lukasiewicz Research Network

- National eInvoicing platform (PEF)

- B2G voluntary for now (Extension to Core is being prepared), announced in 2020 intentions to make B2B mandatory

Poland's eInvoicing factsheet

Spain

☐ Ministry of Economic Affairs and Digital Transformation, Ministry of Finance

☐ FACe, single eInvoicing entry point

☐ B2G mandatory since 2015, B2B within the next few years

Spain's eInvoicing factsheet

Germany

Federal Ministry of the Interior, each state responsible for eInvoicing on a state level

E-Rechtungs-Portal

B2G mandatory since 2020, B2B proposal put forward in 2021 to examine the potential of making it mandatory

Germany's eInvoicing factsheet

https://ec.europa.eu/cefdigital/wiki/display/CEFDIGITAL/eInvoicing+Country+Factsheets+for+each+Member+State+and+other+countries

https://ec.europa.eu/cefdigital/wiki/display/CEFDIGITAL/What+are+the+benefits+of+eInvoicing

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https://www2.deloitte.com/ie/en/pages/tax/articles/itm-increase-in-e-invoicing-in-harmony-with-vat-process-digitisation.html