



# E-invoicing in public procurement

*4<sup>th</sup> meeting of the  
Multi-Stakeholder Forum on e-invoicing*

**DG MARKT**

7 March 2013

Internal Market  
and Services

*The information included in these slides is provided for information purposes only and is subject to modifications during the course of the on-going impact assessment process. It does not reflect the official position of the European Commission.*

# Where are we now? (I)

## - **Impact Assessment on-going**

- Public consultation concluded
- Internal consultations underway
  - Scope, options, timeline...

## - **Adoption by College currently still planned for Q2 2013**

- ... as announced in the SMA II and Roadmap

## Where are we now? (II)

### - **Public consultation (22 October 2012 – 14 January 2013)**

- More than 700 replies received
- Good sectoral and geographic breakdown
- Results generally supportive of EU action

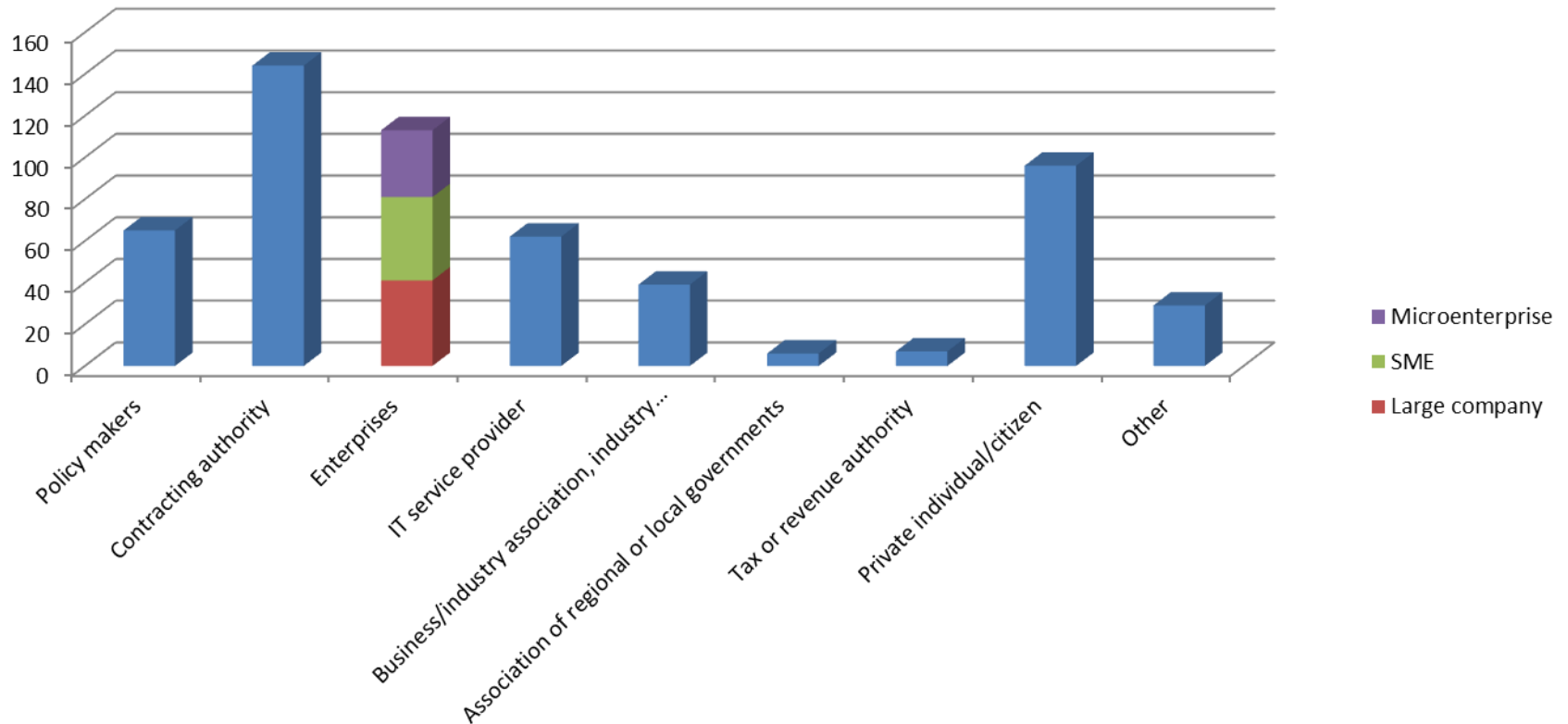
### - **Questionnaire to national e-invoicing fora (via EMSF) circulated in October 2013**

- Replies received from 19 Member States and one institution

# Public consultation

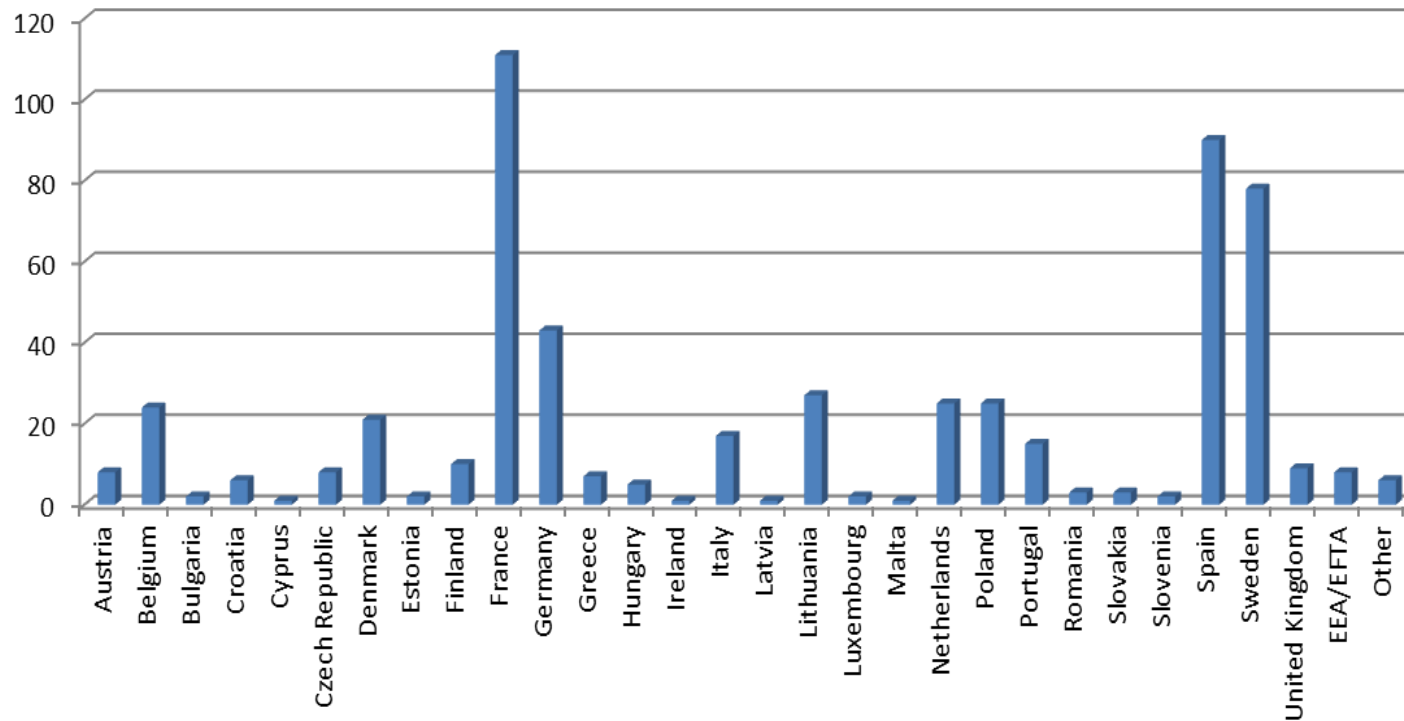
## - Very good sectoral representation

Number of replies



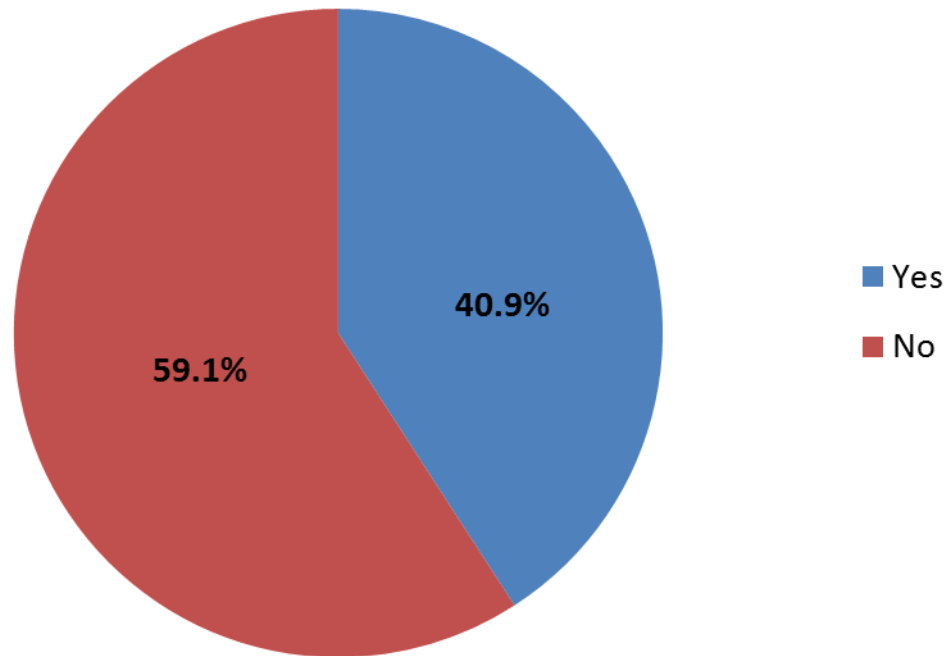
# Good geographic representation...

*...but some countries under-represented in relative terms*



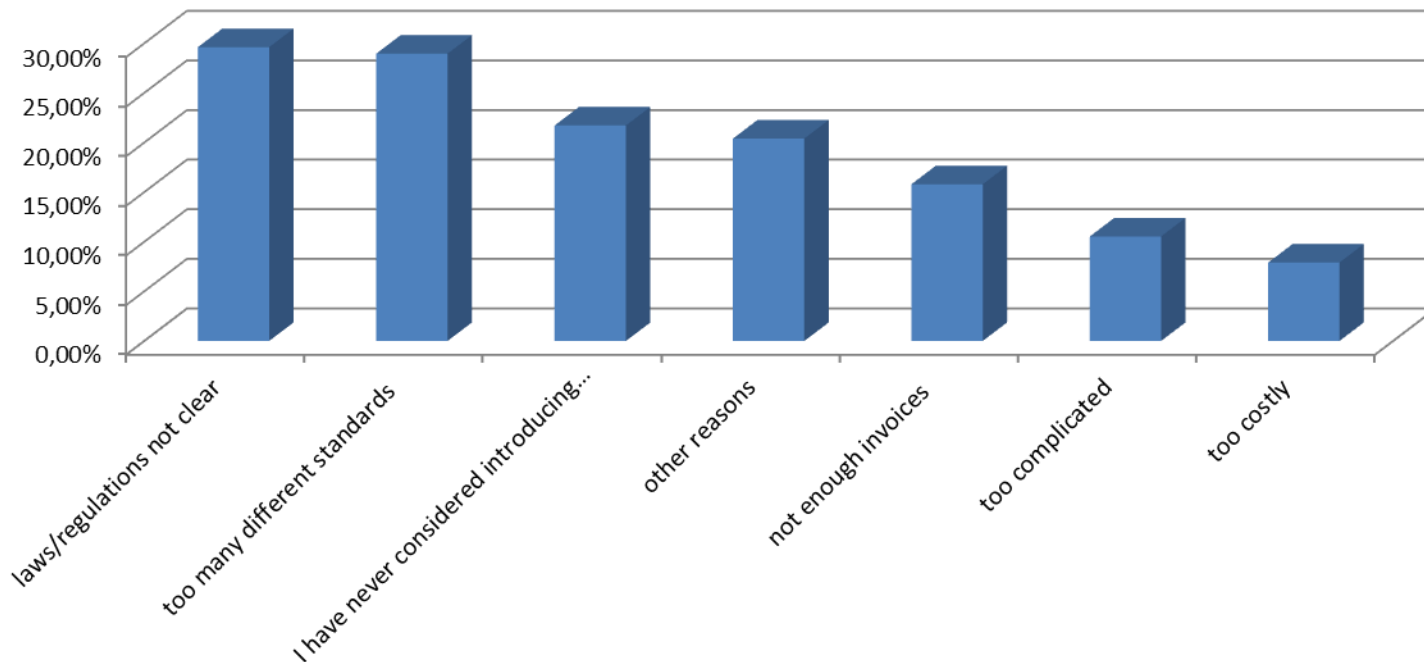
## Many already use e-invoicing...

- "Do you currently use e-invoicing in the activities of your company / institution?"



## ...but most still don't

- Unclear laws/regulations and proliferation of standards quoted as main reasons for not using e-invoicing



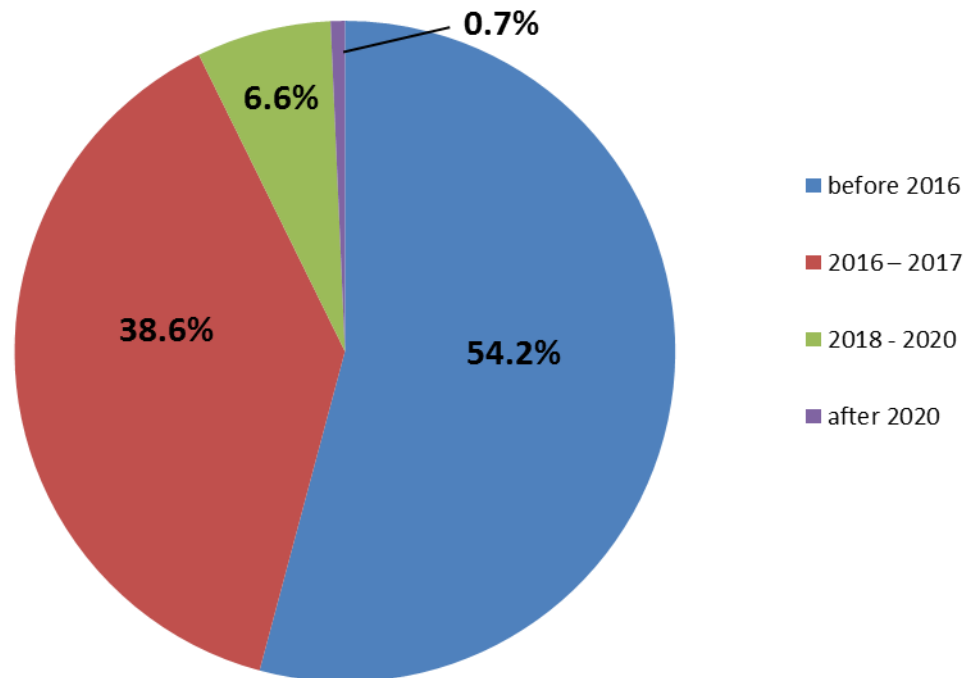


## Very strong support for EU action in e-invoicing in public procurement

- **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"
- Greater support for mandatory instruments to stimulate uptake and for voluntary to improve interoperability

## Most would like to see action soon

"If mandatory use of e-invoices was introduced in public procurement, what would be a realistic timescale for introducing such an obligation?"



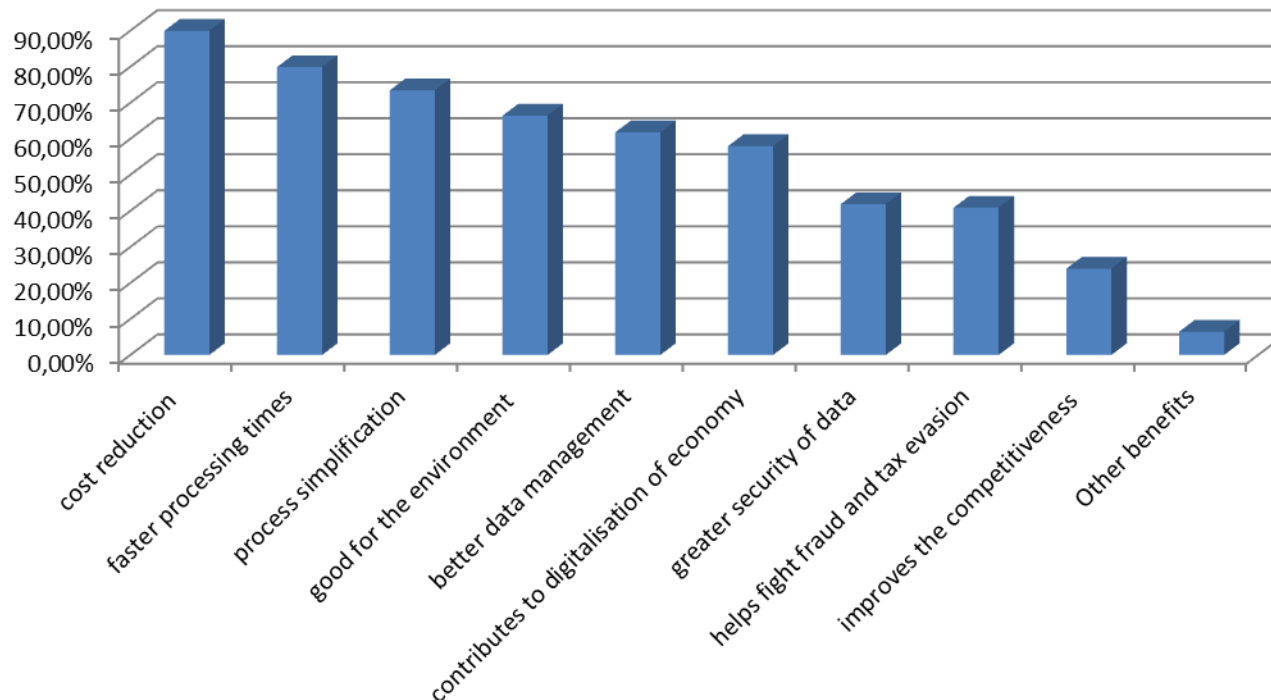
## Support for a very broad scope of intervention

- **99%** support including the entire public sector
- **84%** support for applying it to all types of invoices
- Of those preferring limiting the application of e-invoicing:
  - 67% want to limit use to invoices above a certain monetary value
  - 41% want to use it only for invoices stemming from above-threshold public procurement
  - 41% prefer to limit its use only to certain sectors

# Reasons for supporting – expected benefits

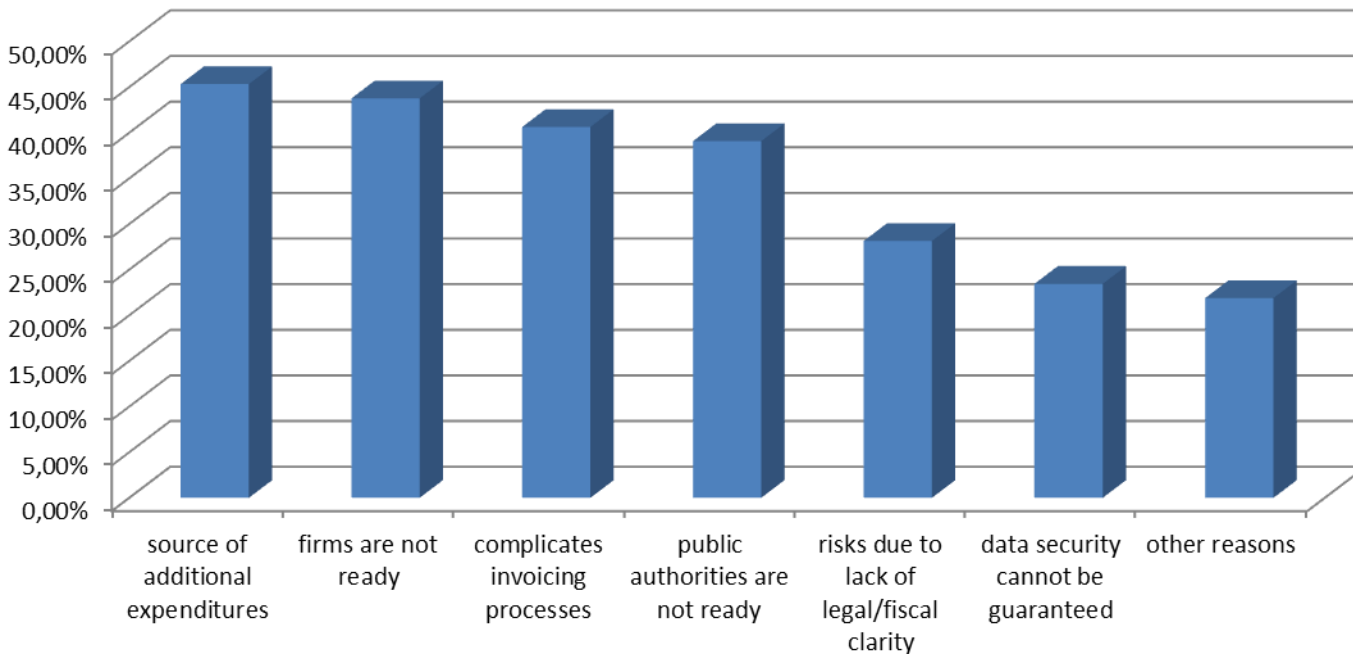
- Stakeholders see a wide range of benefits...

(of 88% of respondents supporting EU action to promote uptake of e-invoicing in public procurement)



## Reasons for opposing EU action

- No single reason for opposing EU action in e-invoicing dominates  
(of 12% of respondents opposing EU action to promote uptake of e-invoicing in public procurement)



## Objectives (reminder)

- **Promote the use of B2G e-invoicing in the public sector**

*Increase cost efficiency of public procurement*

- **Enhance the interoperability of national e-invoicing systems**

- Barriers to cross-border e-invoicing could deter cross-border bidding

*Eliminate fragmentation of the internal market*

# The different options

Objective A – increase uptake  Objective B – enhance interoperability	Recommend acceptance of e-invoices in public procurement	Impose the use of e-invoices in public procurement
Urge self-regulation	<b>Option (1): No new EU action</b>	<b>Option (2): Impose use and urge self-regulation</b> Impose the use of e-invoices and urge agreement between users on multilateral interoperability agreement or common standard
Choose one standard as preferable, allow co-existence of other standards	<b>Option (3): Recommend use and propose common standard</b> A common standard is recommended for use in cross-border e-invoicing, acceptance of all other standards is allowed	<b>Option (4): Impose use and provide common standard</b> Invoices using a common standard must be accepted by contracting authorities in public procurement, use of all other standards is allowed
Choose one standard to replace all others	<i>Impossible (a coercive instrument necessary to implement this option)</i>	<b>Option (5): Full harmonisation</b> Only invoices using a chosen standard (an existing standard or a new one) can be accepted by contracting authorities in public procurement

## Scope (I)

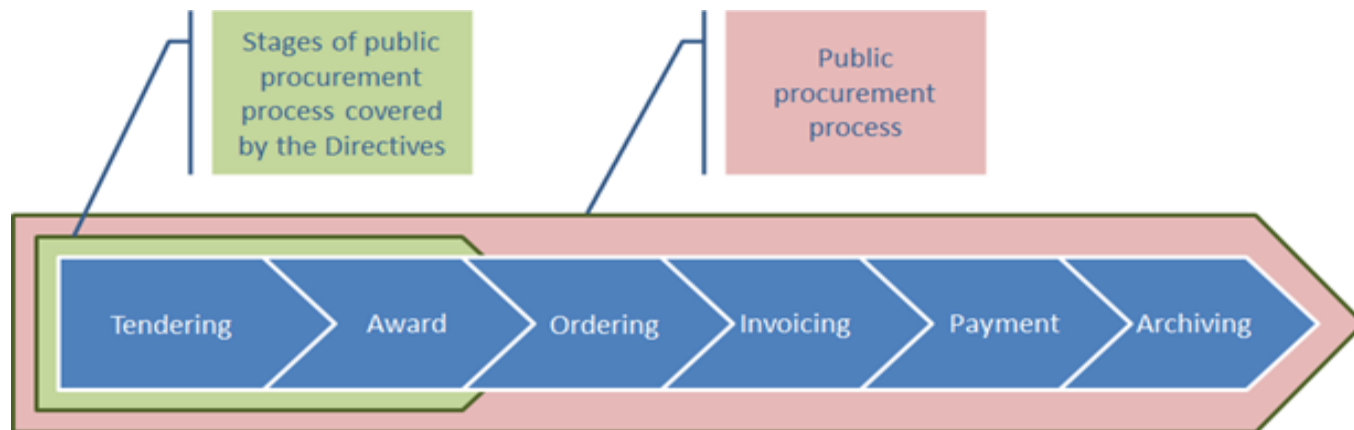
- **Linked to some aspects of the public procurement directives...**
  - Focus is on above-threshold public procurement
- **... but with a more holistic approach**
  - Public procurement as "publish-to-pay" process
- **Should nevertheless aim to maximise potential benefits**
  - all Contracting Authorities (central as well as regional/local) and Contracting Entities
  - all types of invoices covered by the directives



## Scope (II)

### - Opportunities for spillovers into areas not covered by the initiative

- vertical – to below-threshold procurement
- horizontal - into B2B sector
- to other processes (e-ordering, e-payments, e-archiving...)



# Preconditions for success

## - Availability of "common standard"

- Whatever approach is chosen, it would set a general framework & high-level requirements
- Details left to be worked out by standardisation bodies
- MS will still be able to use their national e-invoicing systems

## - Need to leverage existing experiences from existing national B2G and relevant B2B e-invoicing schemes (best practices) and EU-level projects

- e.g. CEN BII, PEPPOL (inter-operability)

## - Need for specific tools targeting smaller enterprises, especially micro-enterprises (low volume users)

## Timeline of transition

- **2010 Communication aimed to make e-invoicing to become "the predominant form of invoicing by 2020"**
- **EP has called to make e-invoicing mandatory in public procurement by 2016**
- **Replies to our public consultation shows strong support for rapid transition (2016-2018)**
- **Possibility to align timeline with that of e-procurement**

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**Thank you for your attention!**

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