

Swedish Bankers' Association

Svenska Bankföreningen

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Comments on the Final Report of the EU Expert Group on e-invoicing

The Swedish Bankers' Association welcomes the opportunity to comment the Final Report of the European Union Expert Group on e-Invoicing. The comments are made in accordance to recommendations 1 – 6 of the Final Report.

Recommendation 1

R.1.1 – R1.2

The Final Report clearly emphasize that “the invoice process needs to employ fully structured data”. Further the report says that “the transmission of an electronic image of an invoice document, whilst common, is not strictly electronic invoicing”. The Final Report also defines PDF and scanned invoices as “electronic images of invoices”. The Swedish Bankers' Association fully shares this view. Notwithstanding it's a fact that actors on the electronic invoice market promote the distribution of PDF and scanned invoices by e-mail. This fact makes it essential to emphasize that structured electronic invoicing is a prerequisite for a successful automation of the financial supply and payment chain.

Recommendation 2

R2:1

The Swedish Bankers' Association strongly supports the principle of equal treatment. It's essential that e-invoices are treated equal to paper based invoices. It's essential that the present possibility for member states to stipulate that the issuer and the recipient must guarantee the "authenticity of origin" and "integrity of content" of e-invoices is removed. Any attempt to achieve equal treatment by applying the same strict conditions for paper invoices is unacceptable.

R2:2

The Swedish Bankers' Association strongly support the proposal for a new VAT directive (COM(2009) 21 final). The proposed removal of article 233 in the present directive

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(2006/112/EC) is especially important since article 233 authorize member states to implement legislation that treats electronic invoices and paper based invoices in an none equal and none technological neutral way. Article 233 has resulted in heterogeneous national implementation of directive (2006/112/EC) limiting cross border distribution of e-invoices.

R2:3

The Swedish Bankers' Association support the EU 27 implementation of the Code of practice. The code of practice emphasizes the importance of keeping a holistic view of electronic invoicing and electronic commerce. The invoice is only one part of an entire business process that includes other business transactions (e.g. order and order confirmation). If the tax authorities wants to examine the authenticity of origin and integrity of content regarding exchange of business information the entire business process must be taken in to consideration, not only the invoice. A well structured, digitally traceable exchange of business transactions between the trading parties is fundamental, not national proprietary technological solutions claiming to guarantee the authenticity of origin and integrity of content for only one part of the business process. The fact that a business transaction is signed by an electronic signature is no guarantee for its legitimacy.

R2.4

The Swedish Bankers' Association would like to emphasize that it's essential that the local tax authorities follow the recommendations proposed by the European Commission. Experience from the Swedish electronic invoice market shows that adaption to legal tax requirements is the number one priority for market actors.

R.2.5 – 2.6

The implementation of the (2006/112/EC) directive in Sweden has been pragmatic and successful due to the possibility for member states to allow for invoices to be sent or made available "by other electronic means". The result is a low degree of unequal treatment between e-invoices and paper based invoices combined with technological neutral demands regarding distribution of e-invoices. The Swedish Bankers' Association would like to emphasize that a removal of the present possibility (directive 2006/112/EC) for member states to allow the distribution of electronic invoices "by other electronic means" would impose extraordinary administrative burdens on the Swedish electronic invoice community.

R.2.7

The Swedish Bankers' Association supports the Expert Groups recommendation for legal clarity in the area of electronic invoicing. It's particular important to obtain clarification regarding what is to be considered as an original invoice which must be archived in order to comply with the legal framework of tax and accounting. As long as the legal framework is unclear in these aspects actors on the market face the risk of extraordinary costs when offering electronic invoice solutions that include conversion and archiving on the market. An invoice should be considered as a valid invoice as long as it contains the mandatory elements demanded by tax and accounting legislation. The fact that information, that is not mandatory from a legal perspective, is lost due to conversion between different e-invoice formats should be considered of less importance.

Recommendation 3

R3.1 – R3.10

The Swedish Bankers' Association support initiatives that facilitate the transformation from a fragmented to a homogeneous market regarding e-invoice standards. The current standardization fragmentation makes it difficult for creditors and debtors to establish electronic invoice exchange without conversion between different formats and standards.

Today there is also an obvious lack of standard regarding methods of identifying the debtor and creditor party in an e-invoice transaction. Several different methods are in use on the market. As a consequence of this debtors and creditors must put considerably manual effort in configuring their accounts receivable and accounts payable in order to identify their e-invoice business relations. This increases the administrative burden on the debtor and creditor when establishing electronic invoice flows. Furthermore the lack of identification standard in this matter makes it severely complicated to establish electronic address registers. The development of an interoperable electronic addressing and routing process is of considerable importance.

The Swedish Bankers' Association fully share the view of the e-invoice eco system as a system open for competition and collaboration between the different existing models of e-invoice exchange. The European Union should facilitate e-invoicing by reducing bureaucracy and harmonizing national legal diversity as proposed in the Commissions' proposal for a new VAT directive (COM(2009) 21 final. Detailed market regulation regarding business models and methods of technical communication should be avoided.

Recommendation 4

R4.1 – 4.11

The Swedish Bankers' Association shares the view of the Expert Group regarding Cross Industry Invoice as "the common reference semantic data model upon which future e-invoice content standard solutions are based". It is important that standards promoted by the European Union also are promoted internationally. As Cross Industry Invoice is developed by UN/CEFACT and supported by ISO the prospect for international acceptance is good. Since the Expert Group recommends CEN to develop implementation guidelines The Swedish Bankers' Association would like to emphasize the importance of validating the output of the "CEN/ Business Interoperability Interfaces on public procurement in Europe Workshop agreement towards the Cross industry Invoice standard and the forthcoming ISO 20022 e-invoice standard. This approach would minimize the occurrence of discrepancy between the standards.

Recommendation 5

R5.1 – 5.2.5

The Swedish Bankers' Association recognizes that there are existing national organizational networks representing a wide spectrum of stakeholders that could be suitable in the role of a "national e-invoicing body". It's a fact that there is a broader spectrum of stakeholders within the field of electronic invoicing compared to the stakeholders represented in SEPA. The Swedish Bankers' Association stresses the importance of a well balanced representation of stakeholders within the proposed national e-invoicing bodies. A strong recommendation is

that the chosen body is neutral in this aspect. The same reasoning applies to the formation of a "pan-European e-Invoicing Forum". When representation is limited to only 1-2 representative per Member State it is vital to nominate representatives representing a broad perspective of stakeholders. Neither the pan-European e-Invoicing Forum nor the national e-Invoicing bodies should be arenas limited only to public authorities.

Recommendation 6

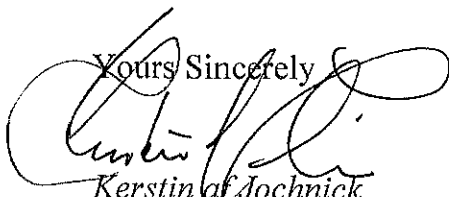
R6.1 – R6.6

The Swedish Bankers' Association supports the key objectives described in the communication plan.


Annex 7

The Swedish Bankers' Association recommends that the "core e-invoice" is defined by legislation due to the intimate connection between invoicing, taxes and tax deduction. If the European legislation is harmonized in this matter, in combination with a clarification regarding what is to be considered to be an original e-invoice when an e-invoice has been converted from one e-invoice format to another, there is no need for a market definition of a core e-invoice. Therefore the Swedish Bankers' Association recommends that the Commissions' proposal for a new VAT directive "(COM(2009) 21 final" is complemented with a definition of what is to be considered as a valid e-invoice taken in to consideration that an e-invoice can be converted to one format to another and that information can be lost during this process. The Swedish Bankers Association also recommends that the Commissions' proposal for a new VAT directive "(COM(2009) 21 final" excludes the possibility for EU member states to impose more extensive national demands for e-invoice content than prescribed by the above mentioned proposal for a new VAT directive.

Yours Sincerely



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