

eInvoicing Ireland programme

FAQ's on eInvoicing in Ireland

October 2018

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Introduction

eInvoicing Ireland is a programme based in the Office of Government Procurement (OGP) to facilitate public bodies complying with the European eInvoicing Directive 2014/55/EU and with the national eInvoicing approach. The European Directive 2014/55/EU on eInvoicing in public procurement requires public bodies to be able to receive and process electronic invoices which comply with the European Standard on electronic invoicing.

Following the official launch by the European Commission of the European Standard for eInvoicing in October 2017, eInvoicing Ireland has been working with the OGP to develop an eInvoicing procurement framework agreement from which public bodies can draw down the services and/or solutions they need to reach compliance with the Directive by April 2019. eInvoicing Ireland has also been raising awareness and understanding among key eInvoicing stakeholders. This set of FAQs has been developed to assist stakeholders understanding of the European Directive 2014/55/EU on eInvoicing, the European Standard (Norm) and the national approach to eInvoicing.

eInvoicing Ireland FAQs		
No.	Question	Answer
1.	What is electronic invoicing?	<p>For the purpose of the European Directive 2014/55/EU on electronic invoicing in public procurement, ‘electronic invoice’ means an invoice that has been issued, transmitted and received in a structured electronic format which allows for its automatic and electronic processing; The Directive establishes the European Standard or Norm for eInvoicing as the structured electronic format that public bodies are obliged to receive and process. The structured electronic format facilitates the automatic processing of invoices received into back office financial accounts, ERP and other data processing systems.</p> <p>While the term ‘electronic invoicing’ is often used to refer to the processing of invoices sent by a range of electronic means, from sending a scanned image or PDF invoice by email, to sending an invoice in propriety ERP or national standard formats, these methods and formats do not meet the requirements of the European Directive.</p>

2.	What are the advantages of eInvoicing?	<p>The benefits of electronic invoicing are maximised when the generation, sending, transmission, reception and processing of an invoice can be fully automated. Wide spread adoption of electronic invoicing within the EU is expected to lead to significant economic benefits. The move from paper to (fully automated) eInvoices allows public entities buying goods or services to reduce business costs and contribute to the modernisation of domestic payment infrastructure. This is achieved by:</p> <ul style="list-style-type: none"> i. quicker and cheaper processing, as information can automatically be validated and imported into payment and accounting systems (reducing manual data entry) ii. increased control over cash flow, which is critical to sustaining business operations iii. reduced material cost and a reduced environmental impact by removing delivery and print costs and by removing the need to archive paper, and to purchase envelopes, paper and stamps iv. greater transparency is built into the whole Procure to Pay (P2P) cycle. Having all eInvoice status information visible to the supplier reduces time spent on managing supplier inquiries v. reduced data error by removing manual entry reduces time spend on balancing accounts and searching for discrepancies.
3.	To whom does the Directive apply?	<p>The European Directive 2014/55/EU on electronic invoicing in public procurement requires Member States to:</p> <p><i>“ensure that contracting authorities and contracting entities receive and process electronic invoices which comply with the European standard on electronic invoicing”.</i></p> <p>In general, the Directive applies to Member State contracting authorities and contracting entities as defined by the Directives on Public Procurement and whom are subject to public procurement law.</p>

		<p>The OGP is not in a position to provide legal advice or a legal interpretation of Irish or EU law on public procurement, therefore if a public body is uncertain as to whether it is subject to Directive 2014/55/EU, it should seek advice to confirm its status in that regard.</p>
4.	<p>How do you know if your public body is subject to this Directive?</p>	<p>In general, the Directive applies to Member State contracting authorities and contracting entities as defined by the Directives on Public Procurement and whom are subject to public procurement law.</p> <p>The OGP is not in a position to provide legal advice or a legal interpretation of Irish or EU law on public procurement, therefore if a public body is uncertain as to whether it is subject to Directive 2014/55/EU, it should seek advice to confirm its status in that regard.</p> <p>The European Directive on eInvoicing (2014/55/EU) sets out that the Directive:</p> <p><i>“should apply to electronic invoices received by contracting authorities and contracting entities and issued as a result of the performance of contracts to which Directive 2009/81/EC of the European Parliament and of the Council (2), Directive 2014/23/EU of the European Parliament and of the Council (3), Directive 2014/24/EU or Directive 2014/25/EU applies.”</i></p> <p>The OGP is responsible for transposing the Directive into Irish Law and it is expected that the transposition will adhere closely to the wording and scope as set out in the Directive.</p>
5.	<p>I’ve heard that there are two dates for this Directive April 2019 and April 2020, is that correct?</p>	<p>Article 11 of the European Directive on eInvoicing (2014/55/EU) (‘the eInvoicing Directive’) establishes the deadline as the 18 April, 2019 for Member States to comply with the obligations and requirements of the Directive. This deadline was established on foot of the publication of the reference of the European standard on electronic invoicing (eInvoicing) in the Official Journal of the European Union in October 2017.</p>

		<p>In accordance with Article 11 of the eInvoicing Directive, sub-central contracting authorities and contracting entities in Ireland will have the option to postpone the compliance timeline until April 2020.</p> <p>It is a matter for individual public bodies to determine whether the central or sub-central compliance deadline applies to them in regard to the eInvoicing Directive.</p>
6.	Do suppliers have to send electronic invoices?	<p>There is no legal requirement for suppliers to submit invoices in electronic format to public bodies at this point in time. This is in order to avoid additional costs or administrative burden on enterprises, including SMEs, and to allow public bodies gain maturity in processing eInvoices.</p>
7.	Why isn't there an obligation on SME's/ suppliers to send eInvoices?	<p>There is no legal requirement for suppliers to submit invoices in electronic format to public bodies at this point in time. This is in order to avoid additional costs or administrative burden on enterprises, including SMEs, and to allow public bodies gain maturity in processing eInvoices.</p> <p>The experiences of other countries show that while mandating suppliers to submit eInvoices to the public sector is a fast way to drive supplier adoption rates, it is advantageous to have an introductory phase that allows all parties involved gain maturity and optimise processes in advance of any potential mandate for suppliers.</p> <p>However this is not to say that there are not opportunities for the private sector to start sending eInvoices if it makes sense for their business. As the legal obligation is on public bodies to be able to receive and process, suppliers can choose to establish, or leverage existing, PEPPOL-standard eInvoicing capabilities that are compliant with the European Standard to submit their invoices electronically to the public sector and reap the benefits of their investment.</p>

7 a.	<p>Surely without an obligation on the supplier community it's never going to take off?</p>	<p>Following the launch of the European Standard in October 2017, which set the clock ticking for the compliance deadline of April 2019, the immediate goal is to support public bodies in achieving compliance with the European Directive by the deadline. There are a number of shared services and co-ordinating body facilities across the public sector that will be looking to realise the economic benefits of eInvoicing and to achieve this they will and already have, in some cases, started to on-board suppliers. Where these suppliers are sending invoices to the shared services they will no doubt look to send to other public bodies as well.</p> <p>Certainly mandating suppliers ensures greater take up. However it is not recommended for jurisdictions such as Ireland where there are varying levels of maturity in terms of eInvoicing across the public sector and where there is likely to be a phased introduction of eInvoicing capabilities across central and sub-central bodies. As a result mandating suppliers isn't being proposed at this time.</p>
8.	<p>What type of technology does a Public Body need to make sure it is compliant with the eInvoicing Directive?</p>	<p>Public bodies must be able to accept electronic invoices which comply with the European Standard, as well as being able to receive the invoices through the PEPPOL network. The OGP is developing a framework of service providers who will be able to offer public bodies, within the scope of the OGP, the services and solutions that comply with the European Directive and national eInvoicing approach.</p> <p>In order to achieve compliance public bodies need to understand their current invoicing processes, the human and technology resources involved, as well as the technical requirements under the Directive and national eInvoicing model. They then need to start planning for the procurement and establishment of solutions and services required to reach compliance.</p> <p>Depending on whether they are part of, or scheduled to be part of, a shared services or co-ordinating body facility, public bodies' compliance with the European Directive on eInvoicing may be covered or they may need to procure their own solution. Procuring their own solution, either on an interim or long term basis,</p>

		should involve consulting directly with the OGP eInvoicing framework agreement (due to be available in quarter 1, 2019).
9.	What should I do if the public body I work for isn't going to be part of a shared services solution before April 2019?	<p>Shared services facilities, for invoice processing across the public sector, are expected to be the main access points for receiving and processing eInvoices for client public bodies.</p> <p>If a public body is due to be part of a shared services facility for invoice processing but not until after the April 2019 deadline, the public body needs to consider an interim solution. This interim solution should provide them with the ability to receive and process eInvoices in compliance with the European Standard and national eInvoicing approach while in transition to a shared services facility. The OGP framework agreement for the provision of eInvoicing systems and services, due to be available in quarter one 2019, is expected to provide public bodies in this situation with direct access to commercially available solutions that can facilitate and enable them achieve compliance while in transition to a shared services facility.</p> <p>Please note, if a public body is considered to be a sub-central contracting authority or entity for the purposes of the eInvoicing Directive, then they can postpone the deadline for compliance until the 18 April 2020.</p>
10.	Do we have to use the Framework to access these services?	The OGP framework agreement for the provision of eInvoicing systems and services has been developed in conjunction with representatives and stakeholder groups from across the public sector and has considered the current invoice processing landscape and requirements of those sectors. The framework forms a core part of the national eInvoicing approach and reflects the Government strategy for centralised public sector procurement. The framework is the recommended route for public bodies, within the scope of OGP's remit, to access services and solutions that will facilitate and enable compliance with the Directive, the European Standard and the national approach for eInvoicing.

11.	At sector level will eInvoicing access points/ central portals be established for all/any public bodies to avail of?	<p>The national eInvoicing approach is based on a number of shared services and co-ordinating body facilities throughout the public sector. There are therefore no plans to establish a single central portal to receive eInvoices for all public bodies in the public sector.</p> <p>Within a number of sectors there exist shared services facilities and co-ordinating body facilities for invoice processing which already have, or are expected to, become the main access points for receiving and processing eInvoices for their client public bodies. Shared services facilities and co-ordinating body facilities that have been working with the eInvoicing Ireland programme in that regard include:</p> <ul style="list-style-type: none"> • NSSO Finance Shared Services (FSS) for Central Government • HSE Health Business Services (HBS) for HSE regions and bodies • Local Government Management Agency (LGMA) for Local Government • Education Shared Business Services (ESBS) for Education and Training Boards (ETBs) <p>Public bodies should confirm their shared services facility’s plans to provide their client public bodies with the ability to comply with the European Directive on eInvoicing. If a public body does not expect to be part of a shared services facility in time to comply with the requirements of the European Directive, then the public body needs to consider an alternative solution which provides them with the ability to receive and process eInvoices in compliance with the European Standard and national eInvoicing in the interim.</p> <p>The OGP framework agreement for the provision of eInvoicing systems and services, due to be available in quarter one 2019, is expected to provide public bodies with access to commercially available solutions that can facilitate and enable them achieve compliance while in transition to a shared services facility.</p>
12.	How can we make sure that the system we have put in place is compliant?	<p>The OGP framework agreement for the provision of eInvoicing systems and services, due to be available in quarter one 2019, is expected to provide public bodies with access to commercially available solutions that can facilitate and enable them achieve compliance with the Directive, the European Standard and the national approach for eInvoicing.</p>

		In facilitating the development of this framework eInvoicing Ireland has worked with the shared services and co-ordinating body facilities to ensure that the framework specifications reflect their needs and the need to be compliant.
13.	Do you have a time line on when a provider will deliver PEPPOL networking and eInvoicing systems?	eInvoicing Ireland is working with the OGP's Sourcing team to establish a national framework agreement for the provision of eInvoicing and PEPPOL Networking solutions and services to the public sector. This framework is expected to be available in quarter one 2019 for public sector bodies to access and procure commercially available solutions. eInvoicing Ireland will provide updates on the progress of the framework via our webpages on www.ogp.gov.ie/einvoicing - please check this site for updates.
14.	Who is going to pay for this?	<p>There are a number of shared services facilities across Government which will include eInvoicing capabilities, the cost for which will be borne by the shared services facilities. Public bodies should confirm their shared services facility's plans to provide their client public bodies with the ability to comply with the European Directive on eInvoicing.</p> <p>Where public bodies are not part of a shared services facilities they will need to invest in becoming compliant with the Directive. Market research suggests the cost and benefits of solutions varies depending on the level of automation and straight through processing an organisation requires and the extent to which an organisation understands its requirements and has prepared and planned for its implementation.</p> <p>Relatively low cost services are available to facilitate public bodies achieving a basic level of compliance with the Directive to merely receive and process eInvoices, which can be achieved for example through a web portal service. While it is envisaged that solutions providing public bodies with the opportunity to implement straight through processing may be more costly, they provide a greater opportunity to reap the benefits of eInvoicing over time, in terms of reducing the administrative and economic burdens of paper based invoicing, automating processes and generating new insights through business intelligence.</p>

		<p>The OGP framework agreement for the provision of eInvoicing systems and services, due to be available in quarter one 2019, is being designed to offer solutions which facilitate both approaches – basic compliance as well as the ability to achieve the longer benefits over time.</p>
15.	<p>What do we say to our staff in invoicing/ how is this going to change the work they do on a daily/ regular basis?</p>	<p>For public bodies moving to a shared services facility the change to eInvoicing will be experienced at a shared services level and will just be part of the overall move to a new financial shared services facility.</p> <p>The move to eInvoicing is likely to be a gradual one, as there is no legal obligation on suppliers to submit invoices electronically to the public sector at this time. As a consequence, it is expected that some suppliers will continue to submit invoices via existing channels, with some suppliers moving to eInvoicing as and when there is a business case for them to do so.</p> <p>The extent of impact on staff and resources will largely depend on the approach being taken by individual public bodies to reach eInvoicing compliance; whether they opt for simple compliance services and solutions or whether they opt for more integrated straight through processing services and solutions.</p> <p>Where eInvoicing becomes the predominant method for suppliers submitting invoices to the public sector, it starts to present an opportunity for staff to focus on other areas of work such as reviewing and validating, as well as financial and accounting analysis through the increased availability of business intelligence data.</p> <p>For public bodies that are not scheduled to move to a shared services facility prior to April 2019, a change management project plan should be considered for staff.</p>
16.	<p>What are the anticipated or forecasted numbers for eInvoice conversion?</p>	<p>The adoption of eInvoicing in Business to Government transactions depends on many variables including if any parties involved have been mandated to adopt eInvoicing and the approach to on-boarding suppliers. Typically across Europe where suppliers aren't mandated to submit eInvoices to public sector administrations (B2G) adoption rates from 5% to 25% can be expected within 3 years.</p> <p>The European Directive on eInvoicing provided a unique impetus for member states and public bodies as it paves the way for a broad-scale market adoption of eInvoicing across Europe. Several countries are also</p>

		<p>expected to declare a mandate for Business-to-Government electronic invoicing in addition. This increases the incentive for suppliers, especially those involved in cross-border trade, to invest and reap the benefits of eInvoicing.</p>
17.	<p>I've heard this Directive doesn't apply to contracts over the EU thresholds. What if we don't have any contracts over the EU thresholds?</p>	<p>If a public body does not receive invoices which relate to a contract over the EU thresholds, the European Directive may not apply to that public body. However public bodies should check the thresholds of shared contracts, some public bodies may draw down from shared contracts that exceed the EU thresholds, even if the invoices don't exceed the thresholds, in this case the Directive may apply to them.</p> <p>In addition to this, where a public body expects to establish, or have access to, an eInvoicing capability to meet the obligations of the Directive, it is recommended that they should accept eInvoices irrespective of contract thresholds. This is recommended in order for public bodies to facilitate the uptake of eInvoicing to the public sector which increases the potential to realise associated benefits.</p>
18.	<p>In order to help transition from current manual systems to eInvoicing some kind of interim PDF solution might be good. Is there an expectation/requirement to have PDF somewhere i.e. covert XML to PDF/ link PDF to supplier etc?</p>	<p>While there are various forms of 'eInvoicing' out there bringing efficiencies and adding value to an organisation's invoice processing environment in their own right, the European Directive is quite specific as to the form of eInvoicing that public bodies must support in order to be compliant.</p> <p>PDF/OCR type solutions can be considered as 'semi-automated' and while there are very sophisticated PDF/OCR solutions available, they generally require some manual intervention step by the recipient organisation.</p> <p>The Directive is aiming to drive the adoption of fully automated processing of eInvoices and references specifically the European Standard on eInvoicing (EN:16931). Public bodies are required to receive and process electronic invoices that are compliant with this Standard. To be compliant with the European Standard, an invoice must be presented to the public body in one of two XML formats:</p>

		<ol style="list-style-type: none"> 1. UBL invoice and credit note messages as defined in ISO/IEC 19845:2015 2. UN/CEFACT Cross Industry Invoice XML message as specified in XML Schemas 16B (SCRDM - CI) <p>The XML formats are deemed to more suitable for automatic processing as they are machine readable structured formats. These XML formats allow for each piece of information to be individually parsed automatically and should not require manual intervention. Invoices received in PDF or image file formats (e.g. JPEG) are not compliant with the European Standard on eInvoicing. The European Commission have prepared a short video and some online information that provides some more guidance regarding the European Standard. Please see this website.</p> <p>It is important to note however, while public bodies are legally required to receive and process eInvoices compliant with the European Standard, they do not have to cease, replace or stop promoting the use of other forms of eInvoicing that may already be in existence in their organisation. Support for the European Standard can be in addition to other channels that exist for receiving invoices.</p>
19.	What is a CIUS?	<p>The European Standard on eInvoicing was developed through a process that involved public and private sector representatives and subject matter experts from across European member states. The standard has considered and supports the common legal and commercial functions of an invoice across all member states. The standard was deemed to have met the European Commission’s requirements and was approved as a reference for the Directive by the European Parliament in October 2017. In that regard, European Standard eInvoices are considered compliant with relevant EU directives, in particular VAT legislation.</p>

		<p>The EU recognises that depending on the law in each jurisdiction some elements of an invoice are legal requirements, for example some countries require national or regional specific tax references or identifiers etc. As a result Core Invoice Usage Specifications (CIUS) have been permitted to the European Standard.</p> <p>A CIUS provides a member state with the ability to provide more details on, and/or restrict, the use of specific elements that are available to use within the European Standard eInvoice model. Although the Standard is relatively simple and generic across the EU, the option of using a CIUS allow for flexibility in relation to specific country requirements etc.</p> <p>Ireland is adopting the PEPPOL CIUS for eInvoicing to the public sector.</p>
20.	Is there a test conformance tool that the public sector can use?	<p>The European Commission’s Connecting Europe Facility (CEF) eInvoicing area offers a test infrastructure that will allow solution & service provider and public entities to check the compliance of their eInvoicing solution against the standard in a specific syntax: ISO/IEC 19845:2015 (UBL 2.1) or UN/CEFACT CII.</p> <p>CEF eInvoicing provides a ready to use testing platform, and supports the users of the CEF eInvoicing Conformance Testing service during the entire testing process.</p> <p>https://ec.europa.eu/cefdigital/wiki/display/CEFDIGITAL/CEF+eInvoicing+Conformance+Testing</p>
21.	We would like to keep up to date with eInvoicing as it progresses how would we best do this?	<p>eInvoicing Ireland in the OGP is responsible for supporting and facilitating public bodies to be able to receive and process eInvoices, as per the Directive, by April 2019. We are achieving this through two main work streams, firstly we are supporting the OGP establish a framework agreement for the provision of eInvoicing services from which public bodies will be able to access the solutions and services they will need to become compliant. Secondly we are delivering a communications campaign to raise awareness and understanding of the obligations on public bodies and how they should approach becoming compliant. To this end we having been working to build up an eInvoicing community through our ongoing engagement</p>

		<p>with the public sector. We are using our webpages on the OGP website – www.ogp.gov.ie/eInvoicing to provide updates as information becomes available, but we would encourage you to contact us directly on einvoicing@ogp.gov.ie to be added to our circulation lists as well.</p> <p>From a service provider perspective the formal tender process is being organised through eProcurement.ie and the tender will be available on etenders.ie. Therefore in addition to monitoring our webpages, interested service providers should sign-up to eProcurement.ie and etenders.ie</p>
22.	Where can we get further information on eInvoicing?	<p>The eInvoicing Ireland programme at the OGP provides further information on eInvoicing in Ireland – the European Directive and the national eInvoicing approach at www.ogp.gov.ie/einvoicing. In addition to this for further reading on eInvoicing and PEPPOL please consult the following resources:</p> <ul style="list-style-type: none"> ○ EU Directive - http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32014L0055 ○ eInvoicing - https://ec.europa.eu/cefdigital/wiki/display/CEFDIGITAL/eInvoicing ○ PEPPOL - https://peppol.eu/about-openpeppol/what-is-openpeppol/

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