

European Commission questionnaire on the Final Report of the Expert Group on E-invoicing¹

General assessment

1. Do you agree with the report's assessment, conclusions and recommendations?
2. What other suggestions/recommendations would you have?

Response of the Ministry of Finance of the Republic of Latvia on 26 February 2010

(Response): We can agree with the assessment, conclusions and recommendations provided in the report of the expert group regarding the objectives to simplify, modernise and harmonise the use of e-Invoicing throughout the territory of the European Union. It is important that regulations in the e-Invoicing sector are harmonised among all EU Member States and sending and receipt of e-Invoices is available for both large companies with complex IT systems and small companies. However, we should not forget such aspect as the fraud combating which should be balanced with simplification of the e-Invoicing system.

Business requirements (Section 3 of the report)

3. Is there an important aspect for the successful uptake of e-Invoicing missing in the list of defined business requirements, especially to facilitate mass adoption by SMEs?

Response: We believe that all important aspects for mass adoption of the e-Invoicing by small and medium-sized companies are mentioned in the report.

Legal and regulatory aspects (Section 4 of the report)

4. Is the Code of Practice proposed by the Expert Group suited to complement future VAT legislation? If not, how could it be improved?

5. Do you agree with the 11 core principles set out in the Code of Practice in Annex 3 of the report? Is any important element missing?

Response: In our opinion, the majority of core principles of the Code of Practice proposed by the expert group regarding the e-Invoicing are appropriate for application in practice. However regarding the sending of e-invoices the appropriate laws and regulations should comprise a provision that the receipt of the e-invoice should be accepted by the receiver, because despite simplification and overall harmonisation of the e-invoicing the receiver of the e-invoice will not always be able receive and store the invoice electronically. In addition, for the anti-fraud objective the Directive 2006/112/EC should maintain the provision regarding ensuring authenticity and integrity of the content of the e-invoice, because e-invoices still differ from invoices in paper. This means that the possibility of a change in the e-invoice of inadequately protected format is still higher than in the paper invoice.

6. Beyond VAT legislation are there any other significant regulatory barriers which prevent the uptake of e-Invoicing?

Response: It should be taken into account that e-Invoicing is not only a matter of the VAT, because there are still other sectors (for example, accounting) where the e-Invoicing is as

¹ http://ec.europa.eu/internal_market/consultations/2009/e-invoicing_en.htm

important as regarding the VAT. Therefore the e-Invoicing is regulated not only by the VAT legislation but other laws and regulations. And introduction of recommendations provided by the expert group only in the Directive 2006/112/EC referring only to the VAT application could prevent the simplification and harmonisation of the e-Invoicing.

Interoperability (Section 5 of the report)

7. Is the 'eco-system' described in the report a valid target environment? Does it reflect all requirements for an open and interoperable level playing field?

Content standards (Section 6 of the report)

8. Is the proposed target data model (UN/CEFACT CII v.2) meeting user requirement?

Response: These are technical issues on which we cannot provide an opinion.

Implementation of the Framework (Section 7 of the report)

9. Do you agree with the proposed implementation bodies and the tasks assigned to them in the report?

10. Do you see other implementation tasks which can not be entirely left to the market alone?

11. Do you see other bodies or organisations which could play an important role in implementing the framework?

Response: We have no objections against proposals provided in the report for the implementation bodies and the tasks assigned to them.

Specific aspects for SMEs and e-Invoicing

12. Do you believe that SMEs needs are sufficiently covered in the report? Are there any other means to promote the adoption of e-invoicing by SMEs?

13. Are the guidelines for SMEs in Annex 3 comprehensive enough? Would you suggest any additional content?

Response: We believe that SMEs needs regarding the e-Invoicing are sufficiently covered in the report.