

Brussels, 20 May 2009

BUSINESSEUROPE - UEAPME REPLY TO THE CODE OF PRACTICE ON ELECTRONIC INVOICING IN EUROPE

Dear Mr Harald,

We would like to congratulate the Expert Group for its work to date and use the opportunity to comment on the "Code of Practice on Electronic Invoicing in Europe".

The code of practice addresses some key aspects for the future development of e-invoicing in the European Union. It can play a major role both for the discussion of the Commission's VAT Invoicing Proposal in the Council and, once adopted, for a balanced and uniform implementation of the changes related to e-invoicing in practice.

We strongly support and welcome the core principles as laid out in section 2. In particular, the equality of treatment between paper and electronic invoices, technology neutrality and full reliance on internal business controls, are crucial for the successful take off of e-invoicing in the EU.

These principles are also in line with the Commission proposal on Invoicing of January 2009, which, if adopted, would be a big step forward as it abolishes unnecessary technology and security bonds on e-invoicing. Such bonds are a major obstacle to the deployment of e-invoicing, in particular in a cross-border context.

In this context, the emphasis of the code of practice on auditability and the proposal for businesses to "implement supplementary controls" (section 3.2) are not meeting simplification objectives. We strongly oppose any (re-) introduction of new minimum standards through the code of practice as they will be difficult to implement and create new barriers to the use of e-invoicing.

We are convinced that if trading parties can demonstrate that they have a proper functioning business internal control process linked to a clear audit trail (transaction documentation, accounting entries, payments), no additional controls are required.

Best practices in some Member States, e.g. Finland and Sweden, clearly show that a proper functioning business internal control process linked to a clear audit trail gives the tax administrations the required information and comfort to do a proper and efficient audit.



Finally, the reference to the 'CEN/Fiscalis Good Practise Guidelines' for e-invoicing is surprising as these guidelines were not drafted under the mandate of the Expert Group and from a business perspective seem overly complex to be used in practice.

We would be glad to further discuss with you the different points mentioned in this letter.

With kind regards,

Henk Wildeboer
Chairman VAT Group
BUSINESSEUROPE

Gerhard Huemer
Director Economic and Fiscal Committee
UEAPME