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ReadSoft in USD 1.4 million e-invoice processing agreement with North American food company

Swedish document automation and automated invoice processing company ReadSoft has entered an agreement with a US international food company to provide the latter with its SAP-certified accounts payable automation solution.

Under the terms of the deal, which is worth an estimated USD 1.4 million, ReadSoft is set to start processing a few million invoices on an annual basis for its latest customer, as well as replace its customer's internally developed workflow system to eliminate manual document handling. Implementation is expected to begin in several North American countries during the second quarter of 2010.

American Express OPEN rolls out AcceptPay online invoicing suite for small businesses

American Express OPEN, the small business division of US global payments, network and travel company American Express, has launched AcceptPay, an online invoicing and payment solution targeted at business owners.

AcceptPay allows business owners to create, send and

track invoices electronically. Through AcceptPay, customers can pay the invoice through a variety of methods, including major credit and debit cards, eChecks, cash or cheques. Resulting payments are deposited directly into the business owner's bank account.

Business owners can thus create track and organize invoices, payments and outstanding receivables online via a web-based portal. Business owners can also track and view invoices and receivables via automated or custom reports, whose records can be integrated into the QuickBooks software.

According to the American Express OPEN Small Business Monitor, a semi-annual survey of business owners, 60 percent of small business owners have cash flow concerns, with 20 percent of business owners reporting that the ability to pay bills on time is the most significant cash flow issue. In addition, 32 percent of small business owners are most likely to be more aggressive in collecting accounts receivable in order to improve cash flow - the most popular tactic of those offered in the survey. American Express OPEN has partnered PaySimple, a provider of SaaS (Software as a Service) on-demand electronic payment solutions for small businesses, to design AcceptPay. OPEN and PaySimple worked with business owners to create product features and

integrated feedback from product test groups.

Citi, the State Of California roll out electronic state tax collection platform in the US

Citi Global Transaction Services (GTS), a business unit of financial services company Citi, has completed the roll-out and implementation of the Electronic Funds Transfer (EFT) solution for tax and bill collection services under a multi-year contract to 11 agencies across the State of California.

Using web-based, Interactive Voice Response (IVR) and payment services, EFT provides added functionality and service for taxpayers while enhancing the California State Treasurer's Office tax and bill collection services to provide operational cost savings for the 11 agencies participating in this initiative.

Citi's electronic state tax collection platform developed for the State of California handles up to 3 million ACH/wire transactions per month.

Among the 11 state agencies participating in this initiative are the Board of Equalization (BOE), the Department of Motor Vehicles (DMV), the Department of Justice (DOJ) and the Franchise Tax Board (FTB).

Final Report of the Expert Group on E-invoicing: Moving forward but not quite?

The pan-European adoption of a unitary, functional cross-border electronic invoicing model has been at the top of the EU policy agenda for a long time - so much so in fact that it has managed to acquire an almost mythical undertone. These days, there is hardly anyone left who doubts the significant savings potential that would stem from the EU-wide adoption of a compatible e-invoicing infrastructure. The same holds true for legal and interoperability requirements, technology and contents standards that ought to accompany such a framework.

But even though time and again studies have proven in quantifiable terms that e-invoicing could save companies and governments millions of dollars annually, its impact is yet to be felt on a large scale. If we were to make an analogy, we could regard e-invoicing as a hyped modern drug. We all know that one day this solution will be able to cure the major disease that is bureaucratic inefficiency, efforts are being made continually to simplify its production, achieve regulatory compliance and treat its side-effects, however things are not moving nearly as fast as would be desirable.

At this point, it would be reasonable to ask ourselves whether the slower-than-expected adoption of an intra-community e-invoicing model within the EU could have been the result of a clash between perception and necessity, in other words between what we think should be done and what

needs to be done. Industry players and policy makers have been working on the development of an EU-wide electronic data exchange framework, which was in itself expected to trigger the digitization of further document layers in the supply chain generally and thus create effortless interoperability between supply and financial logistics chain operators. However, what may have been necessary all along might have been a much deeper overhaul of the entire EU legal environment (with the purpose of achieving undisputed legal harmonisation), coupled with the development of a model that connects all links in the supply chain as well as the financial logistics chain supporting it - that is, e-procurement, e-invoicing and e-payments. Is such an overhaul possible? How probable is its achievement? What time frame are we looking at?

These are the main questions we need to ask ourselves when looking at the EU economic and policy landscape with a view to promoting the development of an automated electronic data exchange environment, that Holy Grail of European business profitability. All humour set aside, let's keep in mind that according to European Commission estimates, a tax administration system based entirely on electronic invoicing has the potential to save up to EUR 18 billion across the EU, thus contributing to the Commission's strategy to lower burdens on businesses by 25 percent by 2012.

Towards a framework for e-invoicing

The European Commission has set up its Expert Group on E-invoicing with the declared task of

creating the blueprints for the afore-mentioned overhaul of the EU business and legal landscape in the form of a European Electronic Invoicing Framework whose main purpose is "to establish a common conceptual structure, including business requirements and standard(s), and propose solutions supporting the provision of e-invoicing services in an open and interoperable manner across Europe". The year 2009 has effectively begun and ended with reports from the Expert Group, which has clearly outlined the main challenges with regard to legal harmonisation, interoperability and content standardisation faced by e-invoicing at EU-wide level and has mapped the main areas of interest and steps to be taken on short and medium term (see table on next page).

As far as the harmonisation of the legal environment is concerned, experts have agreed that such a move would promote the use of electronic invoicing as a commonly accepted and (especially) trusted business tool, which reflects a set of common business requirements. Also, the objective is to ensure equal treatment of paper and electronic invoices as well as the implementation of clear compliance requirements via relevant laws and regulations. A significant step towards the actual implementation of this objective has already been achieved in early 2009, when the European Commission adopted a proposal seeking to simplify EU VAT invoicing rules which grants equal status to paper and electronic invoices. This allows businesses to adopt a 100 percent e-invoicing system and stop exchanging paper invoices in parallel with electronic ones.

Final Report of the Expert Group on E-invoicing—A Scheme

Vision							
Within 5 to 8 years, structured e-invoicing will become the predominant invoicing method in Europe.	Harmonization of the legal and tax environment for e-invoicing in all Member States, with clear guidance as far as regulatory compliance is concerned.	E-invoicing is possible on a bilateral basis directly between counterparties or through service providers with full interoperability.	Implementation of the UN/CEFACT Cross-Industry Invoice (CII) standard by the majority of trading parties within both the private and public sectors.	Achievement of interoperability levels between actors independent of any single infrastructure or technology.	European enterprises to deploy cost efficient procurement, payments and accounting processes that require minimal manual intervention	End-users and SMEs will be using low-cost and user-friendly solutions and external services that can be easily accessed and integrated with internal systems.	Achievement of dematerialization and digitalization of other business documents and processes due to the deployment of wide-scale e-invoicing supporting European enterprises and linkages to global supply chains.
Identified Business Requirements							
The use of a common invoice standard which serves the needs of the invoicing process and also supports the entire supply chain process.	Saving money and time through a favourable cost/benefit and ease of use.	Harmonisation, simplification and clarity of legal Requirements.	Communicating and sharing good practices.	A competitive market for solution and service providers in all Layers.	Trustworthiness and data protection.		
Legal and Regulatory Proposals							
No legislative or other requirements should be imposed on electronic invoices above those that exist for paper invoices today.	The Commission's January 2009 proposal for a new VAT Directive (COM(2009) 21 final should be adopted by all Member States and transposed into national legislation.	The European Commission should support the Implementation of the Expert Group's Code of Practice based on 11 core principles by means of a European Commission Recommendation.	The proposed European Commission Recommendation should be implemented among all stakeholders in the e-invoicing environment (trading parties, tax authorities and service providers).				
Recommendations for							
Interoperability <ul style="list-style-type: none"> - identification of actors and roles; - standards for invoice content that support the basic cross-industry e-invoicing business requirements ; - use of common technology standards for hardware, operating software, communication and security; - minimum business and technical requirements to ensure interoperable network services; - the development of an interoperable addressing and routing process ; - promote interoperability between multiple business and implementation models based on collaboration; - the use of good practice guidelines. 				Contents standards <ul style="list-style-type: none"> - the UN/CEFACT14 Cross-Industry Invoice (CII) v.2 is adopted by all actors within both the private and public sector, as the common reference semantic data model; - structured invoices should comply with this data model provided that the data elements required by the user are present in CII v.2.; - trading parties, service and solution providers and especially ERP & application providers should begin migration using the CII v.2 data model either within existing solutions or by converging on new ones; - convergence in the area of syntax and methodology expression is recommended to avoid standards fragmentation and cost burdens. 			

Moving forward: overhaul outline

In its final report published in late November 2009, the Expert Group has outlined its proposed Framework as a set of recommendations, setting out a vision for the future European business environment in which e-invoicing is expected to become predominant throughout Europe within an interval of five to eight years.



The content of the European e-invoicing framework

To those (like us) who may argue that five to eight years is rather a lot, given the amount of effort and investment which has already gone into the development of a EU-wide electronic data exchange system, a blog post written by Bo Harald, Chairman of the Expert Group on E-invoicing prior to the release of the Group's final report is a fitting answer:

"[T]he report is recommending rapid actions by all parties involved based on the fundamental principles of technology neutrality, substance over form and furthering of competition" Harald writes.

"A rapid migration away from inputting information into unstructured form is needed. Also the wasteful practices of de-digitizing invoice information with print or PDF and then re-digitizing scant information left must end fast. Both actions needed for direct productivity improvements and above all to rise to a new paradigm in all aspects of business administration. This will enable in practice totally automated accounting, reporting and VAT-payments in real time and producing new dimension of value for both customers and public authorities. We call it a Centurial Reform".

Which goes to show that at least in principle, the overhaul we were talking about is not only possible, but already mapped and outlined. As far as its effective implementation is concerned...well, that is an entirely different matter.

Tieto, Edisoft Baltic close electronic business document interchange agreement

Finnish IT, e-invoicing and consulting services provider Tieto has entered an agreement with Estonia-based business integration company Edisoft Baltic to co-operate in B2B integration services.

Under the terms of the deal, the contracting parties are set to provide electronic document interchange services between their customers. The co-operation covers all types of electronic documents exchanged between the business partners, starting with electronic invoices. The interchange service includes sending, receiving, conversion, storing, processing and transmission of the business documents between Tieto and Edisoft Baltic. Document formats are UN/EDIFACT messages, XML-based

messages and other agreed standard formats. Edisoft is an EDI service provider and system integrator operating in Estonia, Latvia, Lithuania and the Russian Federation.

FIS launches new bill payment user interface

US provider of banking and payments technology FIS has launched a new bill payment solution for financial institutions.

The new bill pay interface from FIS uses task-oriented, configurable modules, a product tour and a setup assistant designed to assist new users by providing them with an interactive tour of the application.

FIS has initially made its new bill pay user interface available to clients running the legacy Metavante Bill Payment Manager platform; however, future plans call for the enhanced solution to be available to all FIS clients. FIS completed its acquisition of Metavante Corporation on 1 October 2009.

A pan-European e-invoicing network model is possible - white paper

The need for a pan-European e-invoicing network has been manifesting acutely over the past year. Such a network -which would need to be based on an inclusive model that provides universal reach - ought to satisfy the high level requirements of all parties involved, regardless of category or industry, ranging from consumer to corporate and facilitated by service providers.

According to a white paper published today by Dutch consultancy firm Innopay, an inclusive e-invoicing network model meeting all these requirements is actually possible and may serve as a basis to create new business models with network effects.

The white paper, titled “Towards an inclusive e-invoicing network model”, argues that such a network model could be used by any category of end user, re-uses existing infrastructures and network capabilities and offers a pragmatic and feasible approach to create a level playing field for service providers (including banks) that serve senders, receivers or both.

According to the Innopay research, other requirements which should be met by a pan-European e-invoicing network include a uniform and open address space, ease of use, choice of service provider, and the ability of the network model to accommodate different existing and new solutions for the exchange of e-invoice data conforming to requirements of authenticity of origin, integrity of content and archiving set by tax authorities as well as to support other processes within value chain imposed by business environment.

Innopay also argues that all the design principles can be met when a two-tiered network model is constructed. Within such a model, the Internet messaging format and address space (email) are used for e-invoice notifications with unrestricted reach, while a network of service providers is employed for the secure exchange of structured e-invoice data related to the e-invoice notification.

Calyon live on the Misys Trade Portal for financial supply chain services

Global application software and services company Misys has teamed up with Calyon, the corporate and investment banking arm of Credit Agricole Group, to provide the latter with its Misys Trade Portal purchase order and invoice management platform.

Under the agreement, Calyon has gone live on the Misys Trade Portal, which enables the latter to provide its

customers with open account-based scenarios in support of advanced trade payables and receivables financing mechanisms.

The Misys Trade Portal includes integrated online services, including purchase order initiation, invoice presentation, automated submission of the payment all on the same platform. These services are provided alongside trade finance instruments such as Letters of Credit, Documentary Collections and Guarantees on the platform.

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