



**COUNCIL OF
THE EUROPEAN UNION**



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Electronic invoicing in public procurement

The Committee of Permanent Representatives¹ today confirmed a provisional agreement reached between the Hellenic Presidency of the Council and European Parliament representatives on a new directive aimed at spreading the use of new technologies in public tenders.

The directive will contribute to improving the functioning of the internal market by reducing the obstacles to entering the market, especially for SMEs, and by solving the problem of the compatibility of different e-invoicing systems in various member states. The processes will become faster and less costly.

Minister Kostis Hatzidakis, current president the EU Competitiveness Council, stated that *"we have accomplished an essential stage in the digitization of the public procurement contracts by extending the use of electronic invoicing. It is expected that the wide use of e-invoicing in public tenders across the EU will generate savings of funds allocated for public procurement of up to €2.3 billion a year"*.

Although most member states provide an environment for electronic publication of procurement, supply of tender conditions and offers of suppliers, these opportunities are still not fully used in practice. Currently, the uptake of e-invoicing across Europe is very low, accounting for only 4 to 15% of all invoices.

¹ The Committee of Permanent Representatives (COREPER) of the governments of the 28 EU member states is responsible for preparing the work of the Council.

P R E S S

This new initiative is part of the ongoing modernization of public administration sector in the member states, and particularly of the major overhaul of the EU public procurement directives that has just been achieved. Furthermore, it will contribute to the development of the European digital agenda, as well as to the establishment of a Single Euro Payments Area.

The business sector welcomed the initiative to uptake e-invoicing for public procurement and acknowledged that this would significantly lower costs for economic operators participating in cross-border public procurement, including costs stemming from multiple e-invoicing standards and systems.

Next steps

The European Parliament will have to vote on the draft directive in a plenary session and the Council will have to formally adopt it afterwards.

The directive provides for the development of a common interoperable standard on electronic invoicing by the European standardisation organisations¹, which will have to be adopted within 36 months after entry into force of the directive.

Following the publication of the new standard, central contracting authorities will have a maximum of 18 months to implement it. Local and regional contracting authorities will have the possibility to derogate from this deadline for up to 30 months after the publication of the standard.

Background

The Commission proposal was submitted in July 2013. The Competitiveness Council on 2 December adopted a general approach with a view to entering into negotiations with the Parliament.

On 21 January, the Hellenic Presidency brought the negotiations to a successful conclusion following a number of technical meetings and two informal trilogues with the responsible committee in the Parliament (the internal market committee "IMCO") and the Commission.

¹ European standards are adopted by the European standardisation organisations, namely CEN, Cenelec and ETSI.