



Position Paper

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On the evaluation of invoicing rules

EUROCHAMBRES welcomes initiatives undertaken by the European Commission aimed at creating a better environment for SMEs. The scope of the Second Invoicing Directive (n. 2010/45/EU) at the time of its proposal and entry into force was exactly that of creating a more coherent and better functioning law. Harmonised legislation on this matter should contribute to the goal of a functioning and frictionless Single Market.

Accordingly, the piece of legislation under evaluation has created a considerable level of expectations regarding its impact on reducing the existing differences in invoicing rules among EU Member States and the burden that these may often represent for business. It is considerably important as well that the think-small-first principle is followed also in this field of legislation with requirements tailored to SMEs needs. Entrepreneurs need stable legal environment, a *conditio sine qua non* for business.

Five years after Directive's official entry into effect, there is now room for its assessment. Regarding its expected simplifying and harmonizing capacity, the feedback received from entrepreneurs is symptomatic of a moderate or minor impact on the practical business-as-usual activities. Notwithstanding this, the use of electronic invoicing has gained ground and it is recording increases in the share of users. Cross border and domestic issuance of e-invoices has become easier, but more time will be needed for further progress. It is necessary to create an informed and positive attitude among businesses toward e-invoicing, which to some still appears as rather a complicated matter, especially during archiving phases. This can be achieved by making legislation as simple and clear as possible, allowing for flexible provision capable of suiting different situations and national peculiarities. This will allow for a wider proportion of companies to access innovation which will have a multiplicative effect on businesses still lagging behind. As a matter of fact, especially for SMEs, legal requirements and costs for being compliant with ongoing legislation represent already an obstacle. Thus to have an orderly transition to e-invoicing it is necessary to create some form of incentives aimed at containing the newly created costs. The ideal objective is to work in order to grant free and equal access to e-invoicing platforms to all kind of businesses and entrepreneurs.

Looking ahead at future revisions of the current requirements, EUROCHAMBRES has elaborated guidelines which could be helpful to bring institutional activities closer to the needs of SMEs.

Any modification of the existing directives aimed at introducing additional requirements, checks or costs upon business may have detrimental effects on the speed of adaptation to the e-invoicing procedures which, as already outlined above, still encounter some difficulties. In particular, the value of distinguishing between structured and unstructured invoices is subject to discussion, and its utility is questioned. Any further and additional provision intended to create new requirements for proving e-invoice/electric signature integrity and authenticity, could also have potentially negative effects. In fact this would involve time and resource consuming activities for business.

Efforts should be constantly made to help SMEs in reaping the benefits of the Single Market, this often means internationalizing and exporting. Cross-border trade requires stability and businesses should be allowed to plan when projecting their future activities. Exchange rates are therefore a sensible matter for those who are involved in economic relations with countries outside the eurozone. For this reason, referring to the possibility of using monthly ECB official rates and/or allowing for new conversion methods, is expected to have undesired effects.

We express a potentially favourable acceptance however of measures targeting the removal of requirements concerning modes and place of storage of issued invoices in all their forms, whether electronic or on paper. Further simplifications and/or reductions would be also welcome in relation to the definitions and the number of the elements to be included in the standard invoices. Overall, a positive effect would result from broadening the circumstances in which simplified invoicing could be applied.

Another factor that would certainly help the transition to a better-functioning invoicing procedure is boosting self-billing. The requirements surrounding this practice could still undergo further simplifications. Nevertheless it is necessary to acknowledge the fact that the removal of diverging requirements among EU countries for cross-border self-billing has had a positive impact and is perceived to be well functioning. It would be desirable to have now rules uniformly established at European level by a revision of the Directive.

It would also be well received to intervene on taxation schemes for corporates and/or individuals whose aim is creating the possibility of being subject only to the requirements of the country of establishment. Indeed, avoiding the juxtaposition of rules and costs borne by companies should be the benchmark against which forthcoming provisions will be measured when assessing their success.

A remarkably positive impact has been achieved with the introduction of the so called “cash accounting schemes”. EUROCHAMBRES warmly recognizes this success and invites the European Commission to follow this path which has proven profitable and needed for European SMEs.

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