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Letter to the public sector members of the EMSFEI to act against the possible inclusion of EDIFACT on the syntax list of mandatory formats in CEN/PC 434

Wide spread adoption of e-invoicing has a great potential to make government administration more efficient and is also of value for the private sector acting as a supplier to government as well as business to business. The initiatives in the Nordic countries have proven this over the last ten years.

We are therefore strong advocates of the ambitions of the directive 2014/55/EU on e-invoicing in Public Procurement. The use of common standards in Europe is crucial for interoperability and an important driver to support widespread use of e-invoicing.

As public sector representatives from the Nordic countries in the European Multi-stakeholder Forum on E-invoicing, we would like to draw your attention to a matter of concern in the current development of e-invoicing in the European landscape.

What is at stake?

The directive on e-invoicing in public procurement 2014/55/EU places a significant responsibility on contracting authorities in the Member States and EEA countries. They all need to have the capability to receive and process standardised e-invoices sent by their suppliers. The list of standardised invoice formats/syntaxes contracting that authorities must accept shall be defined by a CEN project committee (PC 434) as a European Technical Specification (TS).

Our fear is that the current work in PC 434 does not sufficiently take into account the challenges this will pose for contracting authorities. We are particularly concerned with the ongoing discussion on including EDIFACT in the list of mandatory formats/syntaxes to be accepted. Given that it is expected that the list of mandatory formats will also include Oasis UBL and UN/XML CII, all public authorities will be obligated to support three different syntaxes. Due to the fact that very few public sector entities are represented in the PC 434 work, the result might be that the European Norm and the list of formats/syntaxes to be supported are developed in such a way that it will impose very high costs on the public sector.

EDIFACT is not widely used in the public sector in Europe. Our experience shows that there is a complexity with using EDIFACT that makes it unsuited for small public entities and especially when e-invoicing with SMEs.

Why EDIFACT should not be mandatory

Our main arguments against including EDIFACT on the list of mandated syntaxes are described in more detail below:

- EDIFACT is complex to use for smaller entities with small volumes. This is due to the need for use of codes and setting up master data management. It also requires special expertise that is in short supply in most countries.
- No open standard or tools exists for validation of EDIFACT. It is our experience that mass adoption of e-invoicing requires a high level of quality and conformance toward specifications. This is ensured by use of validation rules that can be deployed with common, even freely available, software.
- Very few if any users have actually implemented the latest version of EDIFACT. Often versions dating back to 1997 are in use. In Sweden we use mainly EDIFACT D96A, celebrating 20 years soon. The variety of deployed versions will likely cause both upgrade costs and technical issues, also for existing EDIFACT users as the European Norm would refer to a syntax binding in a more recent EDIFACT library D14B.
- Transformation between XML-syntaxes can be done using open standards and freely available tools. We know of no open standard supporting EDIFACT transformation (to XML).
- Presentation/visualisation of e-invoices is important for both good user experience, for archiving and other reasons. For XML-based syntaxes, open standards and freely available tools exists, making it possible for both senders and receivers of e-invoices to use the same visual layout templates. We know of no open standard support EDIFACT presentation.
- Specific weaknesses linked to EDIFACT are (subset) format versioning and identification of code lists, which makes archiving and traceability of revisions a challenge.

These are a handful of reasons for us, as representatives of the public sector in Scandinavia, to strongly advice against mandating all public entities to receive EDIFACT invoices. Our opinion is that it would result in significant costs and most likely small volumes of invoices actually being received. That is wasting tax payers' money!

EDIFACT can still be used by those who prefer it

We recognise that EDIFACT is a very widely used and a very valuable format especially in some industry sectors like retail, and we are not advocating for changing the use here. We are also aware that there are public institutions exchanging EDIFACT invoices with their suppliers today, which we see no point in changing as long as it is based on bilateral agreements.

One case is indeed the Swedish public sector where we, have been using EDIFACT for retail, utilities and some other product groups for more than 15 years. By now we have a large installed base and we already made investments in our e-procurement platforms to support EDIFACT in the older versions.

On-boarding new suppliers from other sectors has, however, already since 2008 been focused on implementing XML-based formats like CENBII/PEPPOL BIS. We will of course still continue using EDIFACT even if it is not on the syntax list for the Technical Specification from PC 434 when suppliers prefer that and it is agreed by the public buyer.

Therefore we do not see any problems if EDIFACT is not included on the list. We can support that EDIFACT is treated as an optional syntax the same way as has currently been suggested for the Financial Invoice (based on the methodology of ISO 20022). An optional EDIFACT mapping by PC 434, will also assist the implementation of services supporting business that have already implemented EDIFACT, to connect it with e-Invoicing for public procurement.

How to make your voice heard

Fortunately it is not too late to act in relation to the work in PC 434 and the EDIFACT Syntax. In order to do so, it is of great importance for stakeholders in the public sector to participate in the standardisation work in order to get a more balanced representation of different point of views in the committee and influence the upcoming votes. Please contact your national standardisation body in order to become involved in decisions and votings via national representatives in PC 434 in your country.

If you need more information on why you should act on this, please contact us!

Best regards,

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