



GS1 in Europe Response to the European Commission Consultation on the Final Report of the Expert Group on e-Invoicing

GS1 is a neutral, not-for-profit organisation dedicated to the design and implementation of global standards and solutions to improve the efficiency and visibility in supply chains. GS1 has 108 Member Organisations around the world, each focusing on its own, mostly national market, based upon global standards. GS1 is driven by more than a million companies, who execute more than five billion transactions a day with the GS1 System of Standards. This makes it the most widely used supply chain standards system in the world. GS1 follows a global approach and cooperates with global standardisation bodies such as ISO and respective UN bodies.

GS1 in Europe is a collaboration of 46 GS1 Member Organisations in Europe. It leads the implementation of harmonised, user-driven solutions for improving the supply and demand chain of European companies. In GS1 in Europe, the national GS1 organisations cooperate to stimulate the development and use of standards from a European perspective, fitting in the global GS1 approach.

I. General Remarks

In November 2007, GS1 in Europe made its expertise available to the EC eInvoicing Expert Group providing input to the tasks related to identifying business requirements, allocating responsibilities for the execution of specific work and proposing steps it believed necessary for the creation of a European e-Invoicing Framework. Further, our experts contributed to aspects related to standardisation, electronic standardised communication and interoperability.

GS1 in Europe generally supports the six recommendations suggested in the Report, notably:

- Strengthening the focus on SME needs
- Harmonisation and clarification of the legal framework on the basis of an equal treatment of paper and electronic invoice
- Creation of an eInvoicing framework to allow for interoperability
- Emphasis on the adoption of a common standard (UN/CEFACT CII V2)
- Organisational set-up for national and European implementation
- Encouragement for wide communication and awareness.

Nevertheless, GS1 in Europe would like to use the opportunity that this consultation offers to give specific comments to certain aspects of the report related to standards, business, legal and regulatory requirements.

II. Detailed Remarks

Standards

Regarding the proposed target data model (UN/CEFACT CII V2) and the concept of semantic interoperability, GS1 in Europe would like to stress the fact that such a semantic interoperability concept (subject to large interpretation) only based on a data model would allow for the potential development and implementation of different invoice business messages expressed in various XML languages (XML syntaxes).

While providing a common basis by a joint data model might seem appealing, it should be recognised that a data model in itself doesn't allow for seamless communication. GS1 in Europe considers that **a joint data model needs to be accompanied by a consistent way of naming data elements from the data model, structuring data elements from the data model and representing these elements in XML.**

The representation of the data model elements in any XML language need to be the same, otherwise cost-intensive mappings will have to be executed. The current eInvoicing Expert Group recommendation will not prevent the proliferation on many eInvoice formats, and it is foreseen that standard development bodies (industry organisations, IT providers, companies, etc) will keep their XML formats (or develop new ones) and just align the components. Mapping costs will continue to have a particularly negative impact on SMEs.

UN/CEFACT has not only provided the CII data model but also the CII V2 business message expressed in UN/XML language. Furthermore, UN/CEFACT provides a consistent methodology for naming, structuring and representing data elements. These components allowing for interoperability are called "Naming and Design Rules and Core Component Technical Specification".

GS1 in Europe would therefore suggest that the recommendation relative to UN/CEFACT CII V2 is amended so that the reference model is not only mentioned from a semantic point of view, but also completed by format. In other words, it should include a "semantic and format" reference model.

GS1 in Europe will adopt the UN/CEFACT CII V2 data model, business message, and methodology. In order to do so, GS1 in Europe is strategically and technically aligning its own XML language, being GS1 XML, to UN/XML as the sole XML language for the GS1 in Europe community.

In order to avoid the confusion that miscommunication would bring to the market, GS1 in Europe supports the Report's recommendation (especially towards associations) to use the UN/CEFACT Cross Industry Invoice at European level. Nevertheless, GS1 in Europe considers **that a specific standard should not be mandated** by the EU Commission. It is important to protect current investments, such as those undertaken by more than 100.000 users of the UN/EDIFACT based EANCOM® standard.

Legal and regulatory aspects

GS1 in Europe believes that establishing **internal controls based on the Code of Practice and the core principles is a solid basis to foster e-invoicing in Europe** and should be seen as an alternative to signature based solutions. Basically, two options should be possible in the future, namely, document security (i.e. signature) and process security (i.e. internal controls).

It is important to note that **these controls need to be carefully observed** so that this approach does not lead to country-specific interpretations in detriment of **the consolidation of common rules for e-invoicing in Europe**.

It should be noted that the process-driven approach is already in place and widely accepted within the EDI Invoice implementation.

Business requirements

GS1 and European GS1 member organisations count on a broader user base of more than 400,000 companies in various sectors and is willing to support European activities in this field, as it represents one of our core competencies.

III. Final Remarks

GS1 in Europe would once again like to thank the European Commission for the opportunity to comment on its Consultation on e-Invoicing and remains committed to contributing to the next stages of the policy discussions.

Contact Information

Pierre Georget
CEO
GS1 France
pierre.georget@gs1fr.org