

E-INVOICING AND SEPA MATCH UP

In addition to mobile payments, e-invoicing will be standardized and introduced Europe-wide under the e-SEPA term. The EU authorities anticipate savings of more than 238 billion euro by 2012 – twice as much as in the SEPA core areas of transfers, direct debit and card payments.

Last October, Jean-Michel Godeffroy, Director General of the European Central Bank (ECB), requested to make preparations for e-SEPA simultaneously with the SEPA introduction, to ensure that Europe remain competitive in the area of alternative payment methods. At the same time, the European Commission decided to form an expert group for e-invoicing, after a taskforce under the Commission's direction had formulated suggestions for a possible management administration in their final report and drafted a schedule for the implementation of a program for e-invoicing in June 2007. The 31-person team of experts, which met for the first time in February 2008, is expected to define a European framework for e-invoicing by the end of next year. The framework is intended to determine a uniform structure concept – including business-specific requirements and the necessary standards – and to provide solutions for the allocation of open and interoperable e-invoicing services in all of Europe.

Additional Information

- European E-Invoicing Final Report, July 2007: <http://ec.europa.eu/enterprise/ict/policy/standards/einvoicing/2007-07-eei-final-rep-3-2.pdf>
- «The Economic Impact of the Single Euro Payments Area», ECB, August 2007: <http://www.ecb.int/pub/pdf/scpops/ecbocp71.pdf>
- EU Commission for E-Invoicing initiative website: http://ec.europa.eu/enterprise/ict/policy/standards/einvoicing_en.htm#_ftnref2
- SEPA Impact Study, August 2007: http://ec.europa.eu/internal_market/payments/docs/sepa/sepa-cappgemini_presentation_en.pdf
- E-Invoicing 2008, a market analysis by EBA and Innopay: http://www.ebaportal.eu/_Download/What's%20News/E-Invoicing_2008_v11.0.pdf

UNSPECTACULAR SAVINGS?

«Psychologically, customers accept the current cost level and small, gradual improvements do not seem interesting, although saving an average of ten cents on 240 billion transactions adds up to a considerable total saving. The expected efficiency gains of e-invoicing are calculated to be more than 100 billion euro per year in the EU15 area alone, if and when company invoicing processes can be streamlined. Small efficiency gains per transaction do not catch the interest of the general public in the same way as spectacular robberies or massive processing errors.» Harry Leinonen, Bank of Finland, in: Payment habits and trends in the changing e-landscape 2010+, 2008

IN ALL OF EUROPE?

According to a market analysis by the Euro Banking Association, Switzerland and the Nordic countries are significantly ahead in market penetration compared to the rest of Europe both in the B2B and the B2C areas. Admittedly, both here in Switzerland, as well as in all other European countries, electronic billing is predominately focused on the domestic market. Cross-border e-invoicing can only be introduced on a larger scale once the standardization supported by the EU authorities has been concluded. The Swiss financial center closely watches the European activities and will take the appropriate steps to enable the participation of domestic financial institutions and businesses in the European e-invoicing progress.

BENEFITS FOR FINANCIAL INSTITUTIONS AND CORPORATES

The European Payments Council and the ECB have developed the vision of an e-SEPA beyond the actual SEPA core service. Within this context, there is mention that financial institutions will offer their clients invoicing functions as an additional service. If a company's in-house electronic billing processes can be linked with the SEPA compatible payment processes, it promises a considerable savings potential for all stakeholders. According to conservative ECB estimates, there is a potential for more than 238 billion euros in net savings as a result of increased efficiency and automation of delivery chains. Over the next few years, e-invoicing will become a major topic in the EU, together with SEPA, thus, many banks will increasingly focus on this topic. ■

Martin Frick, CEO Telekurs PayNet Ltd, martin.frick@telekurs.com