

13 March 2009

BUSINESSEUROPE/UEAPME REPLY TO THE CONSULTATION ON THE MID-TERM REPORT OF THE EXPERT GROUP ON E-INVOICING.

Dear Mr Harald,

We would like to congratulate the Expert Group for a comprehensive Mid-Term Report and welcome in particular the emphasis on equal treatment of paper and e-invoices. This is also in line with the recent Commission proposal (COM(2009)21) which does away with the restrictions imposed in different EU countries on e-invoicing.

In this context, we regret that the proposal foresees only an entry into force of the new rules by 2013. The expected cost savings of €30 billion would give relieve both to companies and to governments in the current economic and financial crisis. Also, this initiative is probably the single most important one to reach the -25% burden reduction target by 2012. Governments should thus consider today to implement equal treatment by removing the requirements for electronic signatures for the issuance of e-invoices. This has been done for instance in the Netherlands a few weeks ago.

As expressed above, we agree with the overall recommendations contained in the Mid-Term Report and in particular that e-invoices should be equally treated to paper invoices. Furthermore we fully endorse the focus on the existing internal business control processes as prime means of providing assurance, and the neutrality of technology and auditability.

We would like to express our strong opposition to impose new legal measures with regard to technology and auditability. There is no need to apply any new and special measures as the current way of working with invoices (segregation of duties, internal controls) and the current legislation provide tax authorities sufficient certainty. For instance, the same audit trail process as currently exists for paper invoices can be applied to e-invoices. It is also therefore that recently the Dutch tax authorities have decided to accept equal treatment of paper and e-invoices without any additional requirement on e-invoices, technology and audits. Finally, this is established practice in Sweden and Finland since many years without any noticeable increase in VAT fraud.

The key aim of the Expert Group should be to facilitate the use of e-invoicing. Additional measures and legal obligations for companies on the auditability of e-invoices are not needed and would be counter-productive to the simplification target. Cost savings risk being reversed and the target of e-invoicing as the preferred option and dominant invoicing modality until 2012/15 becomes highly unrealistic.

With kind regards,

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Chairman VAT Group
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