

Simplerinvoicing: what is it and how does it work

1 Introduction

On 23 September 2013, Jaap Jan Nienhuis (Project Leader Simplerinvoicing) presented to the Nederlands Multi-Belanghebbenden Forum E-factureren (NMBF) a high-level overview of the Simplerinvoicing scheme¹. After that meeting, the NMBF has asked Innopay to provide a number of clarifications regarding the Simplerinvoicing scheme, its governance and its relation to OpenPEPPOL and other European initiatives in e-invoicing and related domains.

This document does not intend to provide exhaustive description of neither PEPPOL nor Simplerinvoicing. For questions regarding PEPPOL see the PEPPOL website: peppol.eu.

2 What is Simplerinvoicing

2.1 Consortium of ERP, Accounting & E-invoicing providers

Simplerinvoicing is a consortium of 13 ERP & Accounting Software vendors, E-invoicing service providers and Billing Service Providers. They share the vision that mass-

¹ In the context of this document, 'scheme' refers to a set of operational, business and governance rules enabling interoperability between parties adhering to these rules.

adoption of Simplerinvoicing can be achieved by creating a low-barrier infrastructure for the exchange of invoices between consumers, businesses and governments regardless of their size, sector and industry.

2.2 Design Principles

The Simplerinvoicing scheme is based on the following design principles:

Inclusive: It is targeted towards businesses of all sizes and industries, including micro-SMEs, SMEs, corporates, governments, both in sending and receiving roles (Trading Entities) and consumers;

Universal reach: Simplerinvoicing has the ambition to be a game changer in e-invoicing. An important precondition to change the status quo and radically accelerate the adoption of e-invoicing, especially among SMEs, universal reach is a precondition;

Low barriers: The Simplerinvoicing Scheme leverages existing business processes of service providers already active in this domain, including E-invoicing Service Providers and vendors of ERP or accounting software (referred to as Software Solution) or other software vendors in this domain to the mutual benefit of all parties involved;

4-corner model: Is based on a 4-corner model, describing the following 4 roles: a sending and receiving Trading Entity and a sending and receiving Service Provider role. See figure 1.

Based on open European standards: Re-uses where possible existing open standards, such as UBL 2.0 for the E-invoice and Credit Note combined with a PDF original invoice and the work done in CEN (CEN Workshop Agreements) and PEPPOL (PEPPOL BIS 5a profile, which is based on CEN BII2 data model);

Multilateral agreement: Is based on a multilateral agreement structure that enables new

Participants to participate in the model without having to engage into numerous bilateral agreements with all other parties involved;

Addressing mechanism: Supports the use of an identification and addressing mechanism independent of the Service Provider, to prevent lock-in and support ‘address portability’ if required by the Trading Entity;

Legal compliance: Is compliant with the applicable legislative framework in Europe;

other business documents: The Simplerinvoicing Scheme should support extensibility towards other business document types.

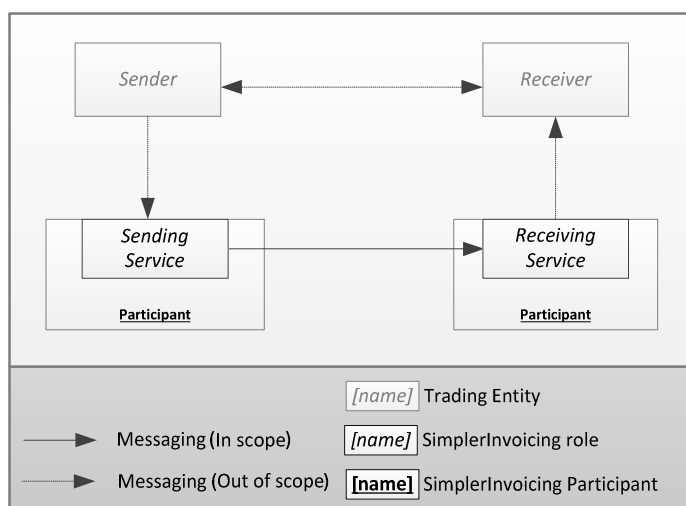


Figure 1: 4-corner model in Simplerinvoicing

Note that certain Trading Entities may decide to become Participant in the model, effectively taking on a Sending or Receiving Service himself.

2.3 Simplerinvoicing LITE and FULL

Distinction is made between two different ‘service levels’ a Simplerinvoicing Participant may offer.

‘Simplerinvoicing LITE™’: Trading Entities can use the Simplerinvoicing UBL format and exchange documents in this format via email. This model is intended as a stepping stone towards Simplerinvoicing FULL for Participants that cannot implement FULL in the short term. A Trading Entity could receive emails with Simplerinvoicing UBL format attached on an email address hosted by an e-invoicing Service Provider (example: User@exact.nl);

‘Simplerinvoicing FULL™’: In addition to adopting the Simplerinvoicing UBL format, a party also participates in the Simplerinvoicing Scheme as a Participant by using the Simplerinvoicing Transport Infrastructure to exchange the Simplerinvoicing UBL. Simplerinvoicing FULL uses the PEPPOL infrastructure to securely and reliably exchange documents between Participants.

The difference in Service Levels is as follows:

Feature	Simplerinvoicing	Simplerinvoicing
	Lite™	Full™
Receive invoices in your software without manual entry	✓	✓
Send and receive e-invoices in Simplerinvoicing UBL format	✓	✓

Enhanced security and reliability of transfer		✓
Instant discovery of buyers(using directory)		✓
Guarantee of authenticity and integrity for tax audit purposes		✓

Table 1: Simplerinvoicing LITE™ vs Simplerinvoicing FULL™

3 Simplerinvoicing Governance

The Simplerinvoicing Authority governs the Simplerinvoicing scheme. The Simplerinvoicing Authority role is:

- To supervise that the services provided by the Simplerinvoicing Participants are provided in compliance with the Simplerinvoicing Scheme.
- To manage the central directory.
- Oversee entry and access of Participants.
- Intermediates in case of disputes between Participants.
- Facilitates and governs the change process of the Simplerinvoicing Scheme Documentation.

The Simplerinvoicing Authority legal entity is a foundation: the Simplerinvoicing Foundation, managed by the Foundation Board and supervised by the Supervisory board.

4 Relation to PEPPOL & OpenPEPPOL

This section describes the relation of Simplerinvoicing to PEPPOL & OpenPEPPOL.

4.1 What is PEPPOL

For the formal definition of PEPPOL, see www.peppol.eu.

PEPPOL (Pan-European E-Procurement Online) is a set of standards that aim to create interoperability between businesses and governments by creating a technical network of businesses and governments. The scope of PEPPOL stretches towards both pre-award processes as well as post-award processes, including e-invoicing and e-ordering, and also covers standards for business processes and standards for the automated exchange of documents, the infrastructure (called e-delivery).

The PEPPOL network is governed by OpenPEPPOL and it organized as a number of communities. A community is a network of access points governed by a PEPPOL Authority where the access points can interoperate with each other under the supervision of the PEPPOL Authority. OpenPEPPOL delegates it's oversight task to the PEPPOL Authority overseeing that community. Often a country government governs a community, organizing a community for delivery of invoices by businesses to the government. Example communities are:

- DIFI: The Norwegian community for B2G e-invoicing
- DIGST: The Danish community for B2G e-invoicing
- ESV: The Swedish community for B2G e-invoicing

For a complete list of communities in PEPPOL see www.peppol.eu/about_peppol/members.

Because all communities adhere to the same XML standards, transport standards and governance rules, interoperability between these communities are realized: an access point active in the Swedish community can also deliver e-invoices to the Danish government.

4.2 How does PEPPOL (Transport infrastructure) work

The PEPPOL Transport infrastructure works on the basis of a central directory that holds the identifiers of all Trading Entities (hashed) and their respective Service Provider (SML - SMP). On high level, the steps executed are as follows:

- The Sender makes available (either via an EDI link, a web portal or other means) invoice data to the Sending Service Provider, including one or more identifiers of the intended receiver (Receiver Identifier).
- The Sending Service Provider creates an XML invoice and PDF invoice in accordance with the Simplerinvoicing UBL Implementation Guidelines.
- The Sending Service Provider sends a hashed identifier to the SML and receives as a response the technical Internet address of the Receiving Service provider (via a standard DNS resolving process).
- The Sending Service Provider requests the content of the Internet address, and receives the Metadata for the intended receiving Trading Entity.
- The metadata is used to establish a secure and reliable SOAP connection to the Receiving Service Provider using the START profile (currently the SOAP based START profile is being replaced with an AS/2 profile).
- The Sending Service Provider sends the envelope with the XML and the PDF invoice to the receiving Service Provider.
- The Receiving Service Provider forwards the XML and/or the PDF to the receiving Trading Entity.

Note: the receiving Service Provider in the onboarding process enters the Identifier of the Receiving Trading Entity in the SML. An automated interface (API) is available.

4.3 What is OpenPEPPOL

The OpenPEPPOL Association, in which all participating entities are members, governs the PEPPOL specifications. Such participating entities include:

- Access points (service providers that provide access to the PEPPOL network)
- PEPPOL Authorities (governance entities that govern a community in PEPPOL, often a B2G community in a specific country)
- Providers offering directory services (service providers that offer 'SMP' services to the Access Points)

OpenPEPPOL is responsible for the scheme management function, including maintenance and further development of the specifications. This is done by so-called Coordinating Communities. Every domain in OpenPEPPOL (E-delivery, post award, pre-award) is maintained by a coordinating community. Simplerinvoicing participates in the TI coordinating community and in the post-award community (where implementation guidelines for the e-invoice, purchase order, etc. are defined).

All members of OpenPEPPOL are governed through contractual relations:

- Access Points have contractual relations with a PEPPOL Authority under a Transport Infrastructure Agreement.
- PEPPOL Authorities have a contractual relation with OpenPEPPOL under a Community Agreement.
- In addition Access Points, PEPPOL Authorities and other parties signed a PEPPOL MEMBERSHIP FORM in which their participation in PEPPOL Coordinating Communities is arranged.

4.4 Simplerinvoicing: B2B community in OpenPEPPOL

Simplerinvoicing is an exceptional community within openPEPPOL: where all communities are government centric (B2G procurement), Simplerinvoicing is the first community that focuses on B2B, B2G and even B2C. Therefore the Simplerinvoicing Authority is the only private-sector initiative that becomes a community within OpenPEPPOL.

4.5 Elements of OpenPEPPOL in use

Simplerinvoicing uses the following components of PEPPOL:

- The Transport Infrastructure, called e-Delivery, including the START protocol specifications, the SML/SMP directory architecture and identification and addressing mechanisms.
- The Post award profile for e-invoicing and credit note, as describe in the PEPPOL BIS 5a profile (Invoice + Credit Note). These implementation guidelines are based on the work done in CEN BII2.

Simplerinvoicing does not use other post award or any pre-award functionality in PEPPOL.

4.6 Interoperability between Simplerinvoicing and other OpenPEPPOL communities

Simplerinvoicing is fully interoperable with other PEPPOL communities, therefore Participants in Simplerinvoicing can interoperate with Participants active in other PEPPOL communities and vice versa. There are a number of optional functionalities that only work in the Simplerinvoicing ecosystem. These are:

- The option to industry specific attachments, such as HR-XML.

- An API available on the directory that allows mass-uploads of Trading Entities in the directory.
- A number of data elements in the Simplerinvoicing UBL are specified for use in the B2B setting. This entails data elements with a specific use that are left unspecified in PEPPOL. Compatibility with other communities is guarded.

5 Relation to other projects

Alignment with other projects is important for the Simplerinvoicing network.

Simplerinvoicing seeks alignment with a number of initiatives, the most important (non-exhaustive) shown below:

5.1 e-SENS

e-SENS (Electronic Simple European Networked Services) is a new large-scale project that embodies the idea of European Digital Market development through innovative ICT solutions. It has a number of domains, including e-health, e-justice and also e-procurement. The e-SENS project runs a number of pilots in the coming years based on existing best practices. The e-procurement pilot will be executed building on the PEPPOL experience. Alignment between Simplerinvoicing and e-SENS is achieved as part of the PEPPOL membership of Simplerinvoicing.

5.2 e-PRIOR

e-PRIOR is the e-procurement platform implemented by the European Commission, funded by the former IDABC and current ISA program with the goal to stimulate the implementation and re-use of interoperable systems in Europe (www.epractice.eu/cases/eprior). e-PRIOR is a service-oriented platform, allowing the European Commission, the European Union Agencies and Institutions and their

suppliers to exchange post-award documents by using web services or over the PEPPOL network. Large suppliers can use XML-based communication over the Internet, while SMEs can use the Supplier Portal (http://ec.europa.eu/dgs/informatics/supplier_portal/indexen.htm). E-PRIOR is reachable through the PEPPOL network, and therefore Simplerinvoicing Participants can reach the e-PRIOR infrastructure through PEPPOL.

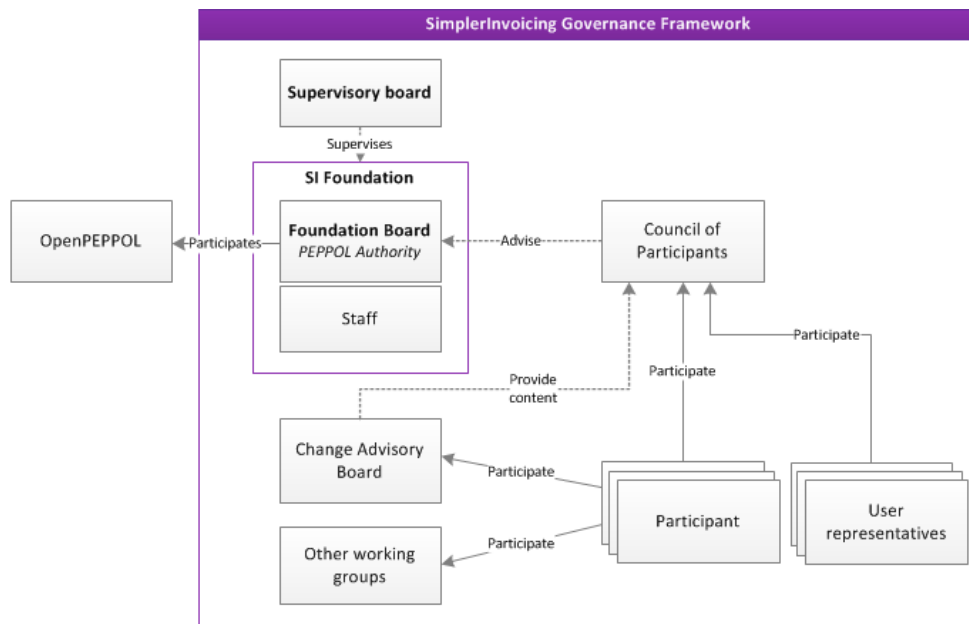
5.3 NL Semantisch Model E-Facturatie

Simplerinvoicing has a seat in the 'Stuurgroep Semantisch Factuurmodel E-facturatie (SMEF) to ensure alignment between the Dutch Semantic model and the Simplerinvoicing semantic model. The Simplerinvoicing Implementation Guidelines are fully based on the PEPPOL BIS profiles (Implementation Guidelines) and CEN Semantic Model for the e-invoice (CEN BII2 output)

Annex 1: Simplerinvoicing Governance Overview

This annex provides a high level overview of the Simplerinvoicing governance model. It is not intended to give an exhaustive description of the Simplerinvoicing governance model.

The picture below shows the different entities in the Simplerinvoicing Governance.



Supervisory Board: The Supervisory Board supervises the governance of the foundation. It consists of 3 independent members.

Foundation Board: The Foundation Board is the decision making body responsible for the management of the Simplerinvoicing Foundation. It consists of five members, appointed by the Supervisory Board.

Simplerinvoicing Foundation Staff: The Staff is responsible to support the Foundation Board in the execution of its tasks and responsibilities.

Council of Participants: The Council of Participants is the representing body of the Participants and Users of the Simplerinvoicing Scheme. The Council of Participants advises the Foundation Board.

The Council of Participants consists of delegates of all the Participants. They advise the Foundation Board. Furthermore, they have right of approval for new members of the Foundation Board. In addition, the Council of Participants may hold a number of chairs for Simplerinvoicing stakeholders that are not Participants in Simplerinvoicing, but are important Stakeholders in the continuous development of the Simplerinvoicing Scheme. This may include representatives from the government or other important Stakeholders. Such representatives are called 'User representatives'.

Change Advisory Board: The Change Advisory Board (CAB) advises the Council of Participants on proposed changes to the Simplerinvoicing Scheme.

Other working groups: The Foundation Board may appoint additional working groups that support the Council of Participants with its tasks. These working groups are staffed by delegates from the Participants and are dedicated to specific tasks. Such tasks are laid down in the 'terms of reference' for the working group.

Relation to OpenPEPPOL governance

The Simplerinvoicing Authority is under the OpenPEPPOL Governance Framework appointed as a PEPPOL Authority. Therefore, the Simplerinvoicing Authority oversees that the Participants adhere to the entire set of Simplerinvoicing rules, including

OpenPEPPOL rules. These rules include adherence to the OpenPEPPOL technical standards.

As a PEPPOL Authority, the Simplerinvoicing Authority is entitled a chair in the Working Committees overseeing the changes to the PEPPOL Specifications. In addition, it allows Participants of the Simplerinvoicing Scheme to use the OpenPEPPOL standards, be listed in the PEPPOL directory architecture, and interoperate with the other OpenPEPPOLCommunities.

The Simplerinvoicing Authority signs a Community Agreement with the OpenPEPPOL Coordinating Authority (the entity overseeing the OpenPEPPOL rules).

The Foundation Board nominates one or more participants of the Change Advisory Board to represent Simplerinvoicing in the PEPPOL Working Committees.