Peppol

The future is open

Peppol Service Provider Community

Regular meeting

December 8th 2020

www.peppol.eu

Peppol is owned by OpenPeppol AISBL

Agenda

1. Update of agreements framework
   - Mandate for the updated way of working
2. Do we have an option to have mandatory IMR in the network?
3. How to handle technical incompatibilities btw the service providers?

Revised Peppol Agreement Framework and supporting policy documents

- Status update for SPC
- December 8, 2020
- Jostein Frømyr, Peppol Agreement Coordinator
- Lefteris Leontaridis, Operations Manager

Peppol

The future is open

Topics covered

- PA Specific requirements
  - Conclusions to date
- The Agreement Revision process
  - Where are we in the process
- Next steps

PA Specific Requirements

Background

		AU	BE	DE	DK	IE	IT	NL	NZ	NO	PL	SE	SG	UK
End User identification	End User identification scheme	Yes	Yes	No	No	No	Yes	Yes	Yes	Yes	No	No	Yes	
	KYC requirements	Yes	No	No	No	No	Yes	Yes	Yes	yes	Yes	No	Yes	
	Accreditation	No	No	No	No	No	No	No	Yes	Yes	No	No	Yes	
	Sender and receivers in Peppol Directory								Yes					
	NZBN & OPN Updates								Yes					
Security	Security requirements	Yes	No	No	No	No	No	Yes	Yes	Yes	No	No	Yes	
	Accreditation	Yes	No	No	No	No	No	Yes	Yes	Yes	No	No	Yes	
Information sharing	Participation in fora	Yes	Yes	No	No	No	Yes	Yes	Yes	Yes	No	No	Yes	
	Accreditation	Yes	No	No	No	No	No	No	No	No	No	No	Yes	
	Reporting	Yes							Yes					
Peppol Addressing and Capability Look-up services	Use of centralised SMP	No	Yes	Yes	Yes	No	Yes	No	No	Yes	No	No	Yes	
	SMP specific requirements	No	Yes	No	No	No	Yes	No	No	Yes	Yes	Yes	Yes	
	Register End Users in Peppol Directory	Yes							Yes					
	Specific interoperability standards available	Yes	No	No	No	No	No	No	No	No	Yes	No	No	
	Accreditation	Yes	No	No	No	No	No	No	No	No	No	No	No	
Post-award	Specific interoperability standards available	Yes	No	Yes	No	No	Yes	Yes	Yes		Yes	No	Yes	
	Use of specifis Interoperability standards	Yes	No	Yes	No	No	Yes	Yes	Yes		Yes	No	Yes	
	Validation of identifiers	Yes	No	No	No	No	No	No	No	Yes				
	End-to-end testing	Yes							Yes					
	Accreditation	Yes	No	No	No	No	Yes	No	Yes		No	No	Yes	
Pre-award	Specific interoperability standards available	No	No	na	No	No	No	No	No		na	No	No	
	Use of specifis Interoperability standards	No	No	na	No	No	No	No	No		na	No	No	
	Accreditation	No	No	na	No	No	No	No	No		na	No	No	

- PA Specific requirements have been made openly available for information and review
  - https://openpeppol.atlassian.net/wiki/spaces/AF/pages/1492025345/PA+Specific+Requirements+-+public+view
  - Including a comparison of requirements across the different PAs (the "horizontal" view)
- Many Service Providers feel there are too many variations across PA's and that Peppol is becoming less and less harmonised
  - Request for PAs to consider universal adoption of each other's requirements
- At the PAC meeting on October 15, it was agreed to initiate work within the PAC with a view to
  - review and compare current PA Specific Requirements
  - **harmonise requirements wherever possible, preferably aiming to propose changes to the Peppol Interoperability Framework rather than defining PA Specific Requirements**

State of play

- Good participation from PA's

- Good and constructive discussions

- Have identified opportunities for harmonisation
  - Although some topics will continue to be PA Specific

- Implementation of harmonised PA Specific Requirements depends on adjustments to the draft policies and specifications now on the table
  - Further work needed to provide the required input

- Next steps need to be aligned to the overall plan for the agreement migration

8 PA's participating
- Australia
- Belgium
- Denmark
- Germany
- Italy
- Netherland
- New Zealand
- Sweden

Mandatory requirements vs. guidance on implementation

Peppol

- Agreement to separate mandatory requirements from how to implement and meet the stated requirements independently of whether these are expressed as common Peppol policies or defined as part of PA Specific Requirements

- Topics subject for implementation guidance may include
  - Use of national document formats
  - Constraints on which End User Identification scheme to use
    - (How and where End User Identification schemes should be used must be defined in existing technical specifications)
  - References to national legislation
  - Guidance and tools on how to meet stated requirements

- Next steps
  - OO to implies changes to the current "template"
  - PA Specific Requirements need to be aligned to new template when available

Accreditation and certification

- Strong request from several PAs to raise the bar for information security
  - Further work needed to identify the detailed technical requirements acceptable to all (the minimum) as well as potential to harmonized higher levels that can be referenced in PA Specific Requirements

- Agreement to separate technical requirements from the verification process
  - Some PA's are inclined to ask for external certification (ISO 27001 certification)
  - Other PA's are prepared to put efforts into doing the verification themselves

- Next steps
  - Smaller team (NL, AU, DE, IT) will develop proposal for adjustment to common Peppol specifications based on current AU/NZ guidance note
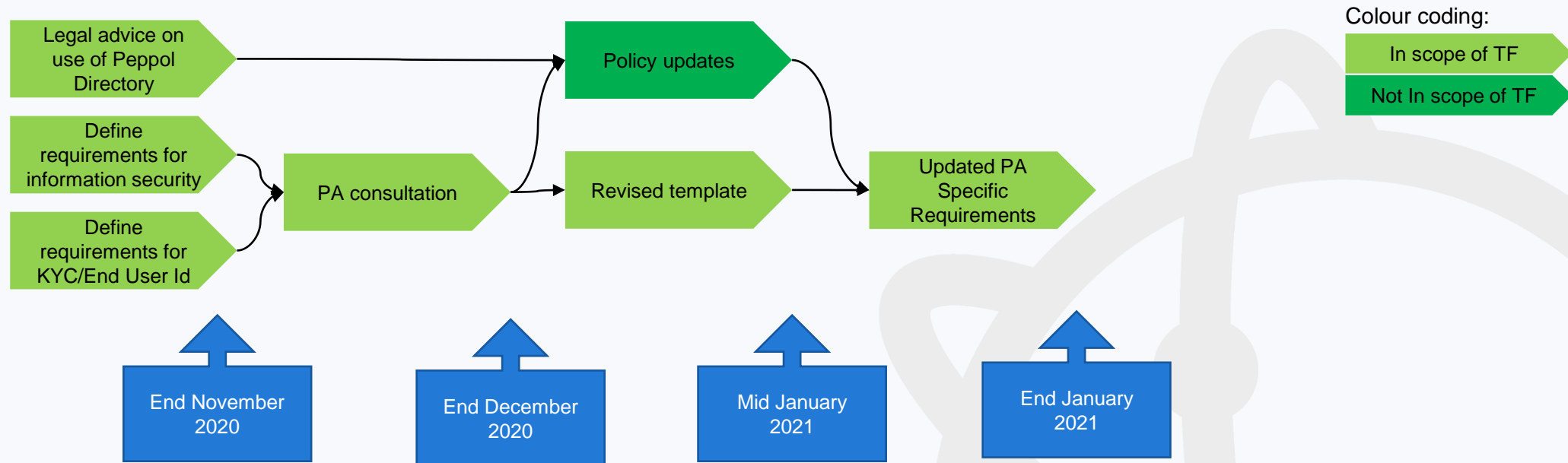 - Need consultation with SP's

Use of Peppol Directory

- Agreement on the direction to make the use of Peppol Directory mandatory trough common specifications

- Need legal opinion related to GDPR/privacy

- Next steps
  - OO will initiate legal advice

KYC/End User Identification requirements

- Strong request from several PAs to raise the bar for requirements on KYC/End User Identification
  - Further work needed to identify the detailed requirements acceptable to all (the minimum) as well as potential to harmonized higher levels that can be referenced in PA Specific Requirements

- Need to recognise that some SPs may not have a direct relationship to the End User

- Next steps
  - NL will provide a first draft of technical requirements for further discussion
  - Need consultation with SPs

Reporting

- Agreement that reporting should be accommodated through common specification applicable for all PAs
  - Do however recognises the concern raised by several SPs related to the detailed level of reporting required in the draft policies on the table, including the issues related to GDPR/privacy

- Need to maintain the PA Specific reporting until the common solution is implemented.

- Next steps
  - The TF expect common requirements to be developed through the ongoing process related to revision of policies – no further action required by the TF

Further activities

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Legal advice on use of Peppol Directory

Define requirements for information security

Define requirements for KYC/End User Id

PA consultation

Policy updates

Revised template

Updated PA Specific Requirements

Colour coding:
In scope of TF
Not In scope of TF

End November 2020

End December 2020

Mid January 2021

End January 2021

- The timeline for next steps need to be aligned to the overall plan for the agreement migration

Agreement revision

The process to date

Peppol

2018

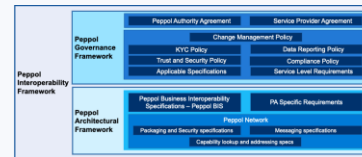New statutes for OpenPeppol AISBL approved

July 2020

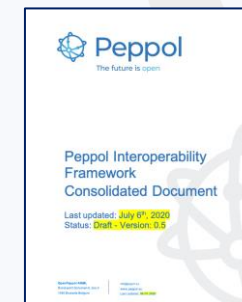Revised Peppol agreement documents approved

July-August 2020

Draft supporting policy documents made available for review

October 2020

PAC TF redrafting of policy documents

November 2020

Legal review to assess Statutes – agreements - policies

Re-planning the path forward

The concerns

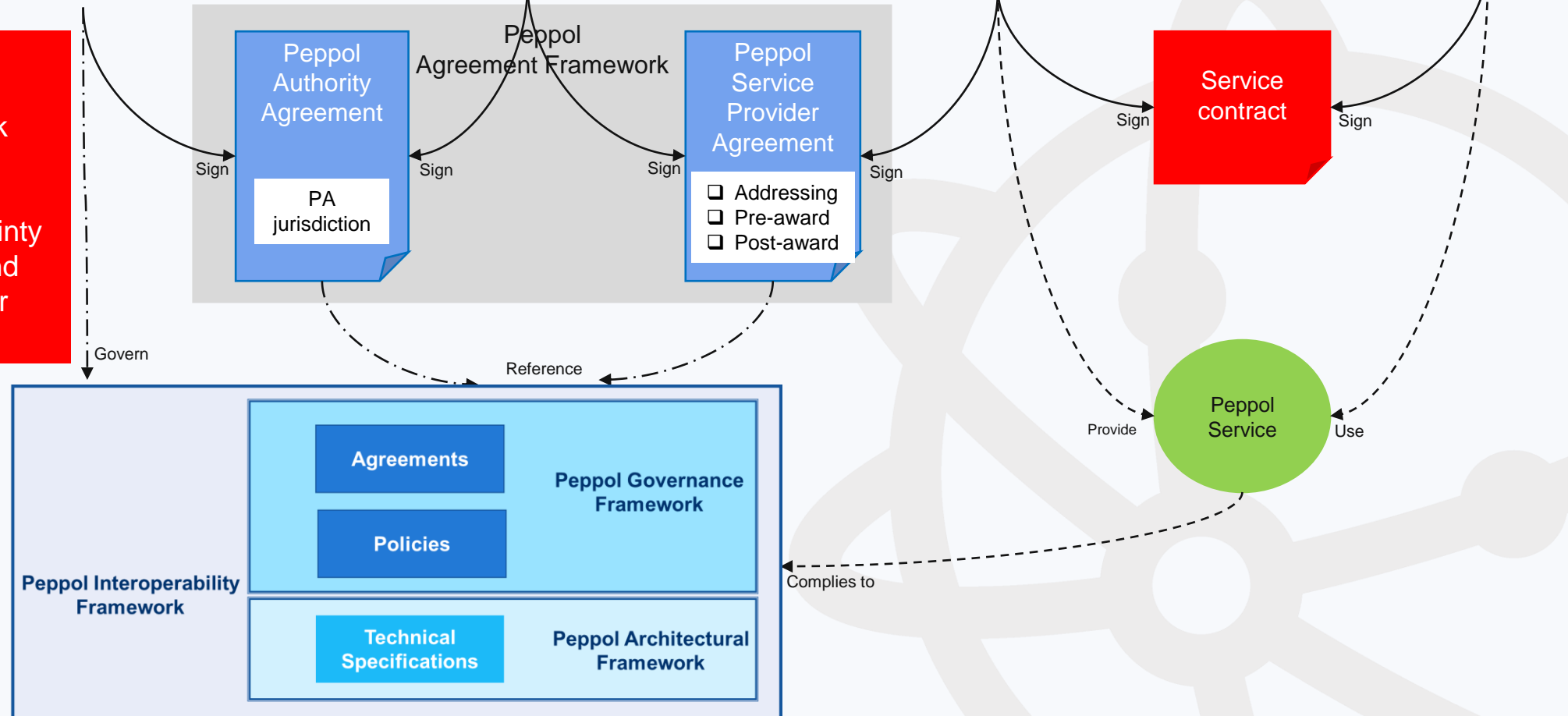**OpenPeppol AISBL as Peppol Coordinating Authority**

**Peppol Authority**

Peppol Service Provider

End-user

The concern
- The content of the Peppol Interoperability Framework may be changed through AISBL processes, thus creating a level of uncertainty
- The signing parties (PA and SP) need certainty on their legal commitments.

Peppol Agreement Framework

Peppol Authority Agreement

PA jurisdiction

Peppol Service Provider Agreement

- ☐ Addressing
- ☐ Pre-award
- ☐ Post-award

Sign

Sign

Sign

Sign

Sign

Service contract

Sign

Govern

Reference

Provide

Peppol Service

Use

Peppol Interoperability Framework

Agreements

Policies

Peppol Governance Framework

Technical Specifications

Peppol Architectural Framework

Complies to

The PAC TF proposal on the table

Governance through contract

OpenPeppol AISBL as Peppol Coordinating Authority

Peppol Authority

Peppol Service Provider
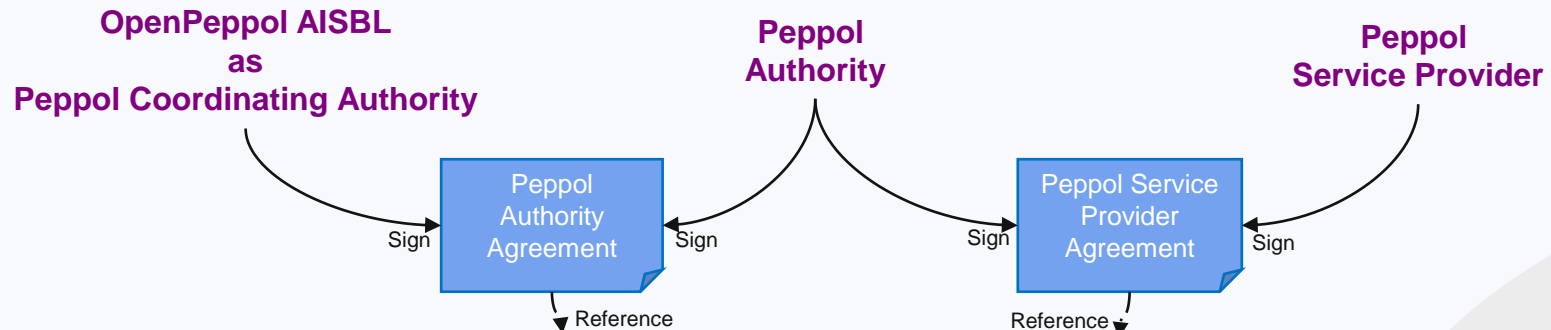
The concern
- The signing parties gain control through the signed agreement
- Effectively takes the Peppol Interoperability Framework out of the hands of the organisation.

Sign — **Peppol Authority Agreement** — Sign

Sign — **Peppol Service Provider Agreement** — Sign

Reference

Reference

Peppol Interoperability Framework

Agreements T&C

Procedural Policies
Definitions and formalia	Revision procedures
Cascading Obligations	Extended use

Governance Policies
Compliance	Change Management
Rules for PA Specific Requirements	Reporting and End User Identification
Release Management and version control	

Operational Policies
The Peppol Organisation	Service Level Requirements
Trust and Security Architecture	Service Are Specifications
PA Specific Requirements	

Peppol Architectural Framework

Technical Specifications

Joint governance processes outside of AISBL

OpenPeppol AISBL

PA and SP's having signed the agreement

OpenPeppol AISBL

Technical governance processes

The purpose of OpenPeppol

Peppol

Section II.   Purposes of OpenPEPPOL

Article 4. Purpose of the Association

The primary purpose of OpenPEPPOL is to enable European businesses to easily deal electronically with any European public sector buyers in their procurement processes, thereby increasing opportunities for greater competition for government contracts and giving better value for tax payers' money, to encourage new and innovative ICT services and to simplify access to larger markets for suppliers (especially small or medium sized enterprises). It will do this by:

1.   Striving to promote usage of widely accepted technology standards and specifications from established standards setting organisations (hereinafter referred to as "PEPPOL specifications") for dealing electronically with any European public sector buyers in their procurement processes.

2.   Providing the authoritative point of reference for networks of interoperable, PEPPOL-compliant infrastructure and the organisations that use it.

3.   Ensuring the Long-term sustainability of the PEPPOL-infrastructure networks and user communities.

4.   Ensuring the Long-term sustainability of the PEPPOL specifications, building blocks and services.

5.   Promoting and supporting the ever-wider use of the PEPPOL specifications, building blocks and services.

Business to business use of the PEPPOL-compliant infrastructure and use of PEPPOL-components and services in other areas than procurement is also recognised as important and will be encouraged and supported by the Association. Use of these items outside of Europe should also be encouraged and supported.

OpenPEPPOL is a not-for-profit Association, and any margin of profit generated will be re-invested in activities to further support the purposes of the Association.

The legal review

Some high-level conclusions

- The setup as suggested by the PAC TF
  - Is not illegal according to Belgian law
    - does however impose curtain risks and uncertainties if implemented without adjusting the statutes of OpenPeppol AISBL
  - It could be argued that it is in breach of the current statutes and thus may impose a risk on liability for the directors
  - Is not aligned to the agreement documents approved in July 2020

- Current law and statutes allow the MC to make changes to the Internal Regulations
  - The new Belgian company law requires an update to the statutes of OpenPeppol AISBL no later than January 1, 2024
    - Provides for a lot of flexibility, but also requires that the statutes need to reference the latest version of the Internal Regulations and that changes affecting Members of the Association must be approved by the General Assembly
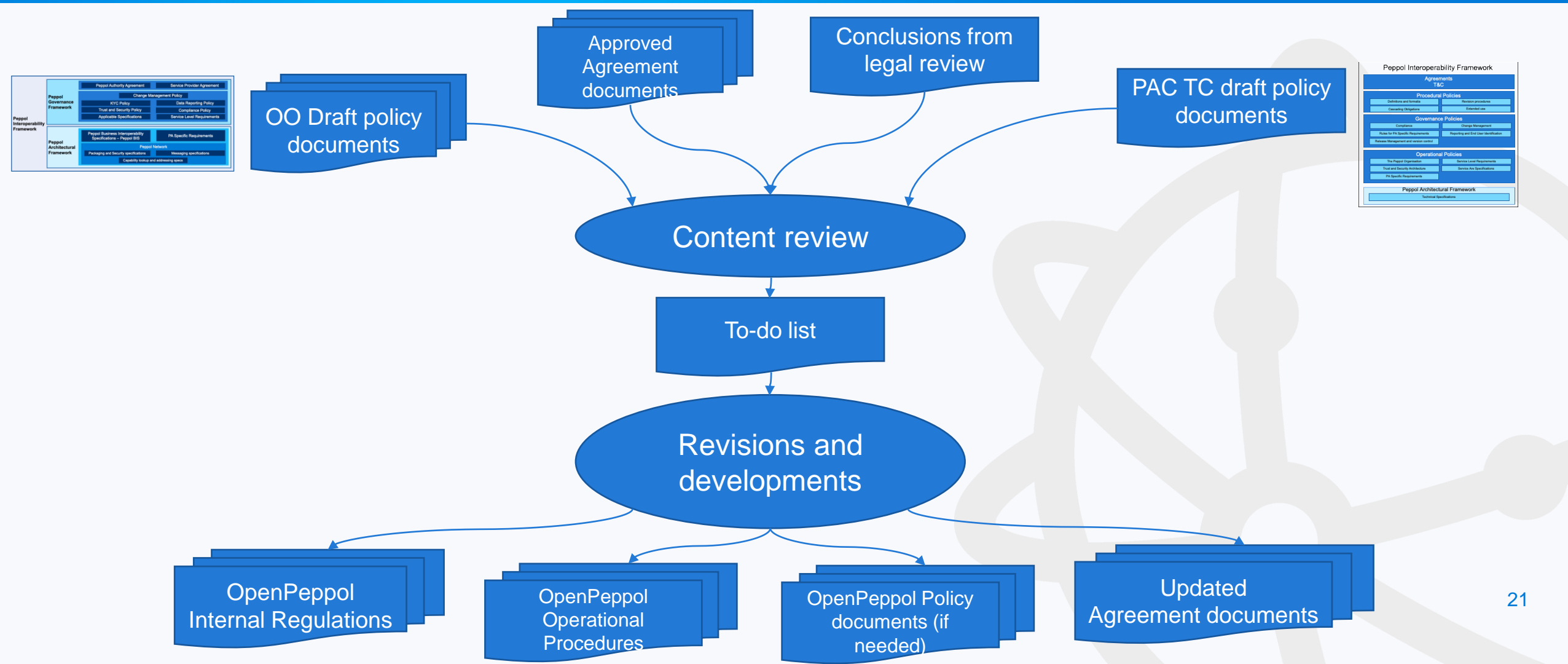
The legal review

- Recommend that a more balanced approach is chosen including development of Internal Regulations to control the operational procedures of OpenPeppol AISBL
  - If the PAC TF approach is chosen, the statutes should also be adjusted

- Need to find a path forward where we secure an acceptable balance through
  - Changes to the approved agreement documents (although as few and small as at all possible)
  - Development and approval of Internal Regulations and Operational Procedures to control the evolution of the Peppol Network

The path forward

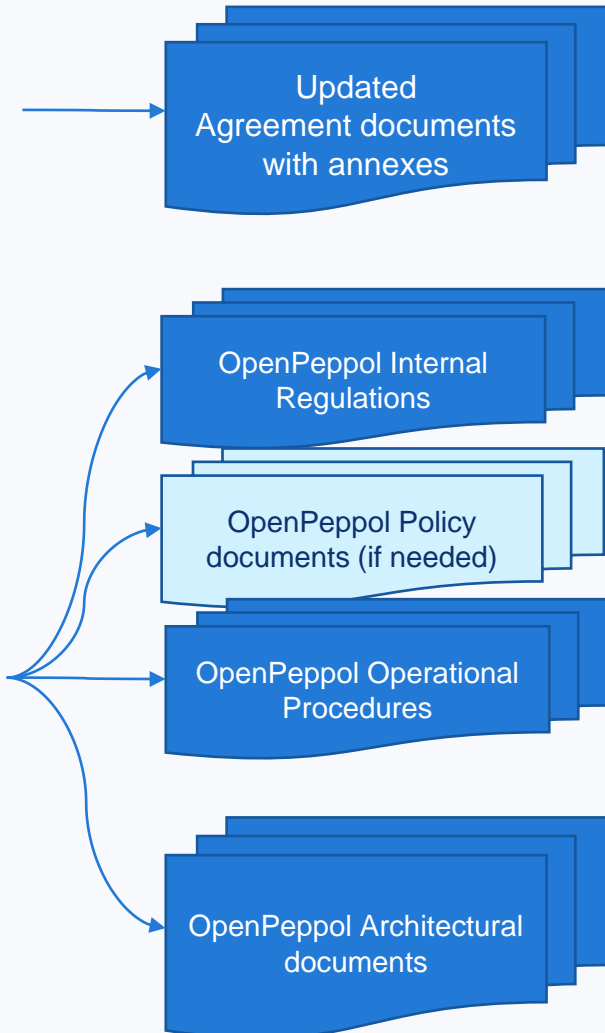A fresh look at what is on the table and what we need to mitigate the concerns

OO Draft policy documents

Approved Agreement documents

Conclusions from legal review

PAC TC draft policy documents

Content review

To-do list

Revisions and developments

OpenPeppol Internal Regulations

OpenPeppol Operational Procedures

OpenPeppol Policy documents (if needed)

Updated Agreement documents

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Expected outcome and deliverables

The high-level components and their governance

Coordinating Authority, PA and SP's having signed the agreement

Updated Agreement documents with annexes

Member of

OpenPeppol AISBL

OpenPeppol Internal Regulations

OpenPeppol Policy documents (if needed)

OpenPeppol Operational Procedures

OpenPeppol Architectural documents

- Proposals for a set of **updated Agreement documents with annexes and attachments** so that all binding clauses of the contracting parties are handled in the agreements (and their annexes). These will focus on the legal obligations and rights of contracting parties, including governance of the agreements - not how things are done.

- Proposals for a set of **Internal Regulations (IR)** that will focus on the internal life (processes and procedures) of the association i.e. who does what. To be governed by the Association pursuant to the Statutes, where the contracting parties gain influence through their membership.

- Proposals for a set of **Operational Procedures (OP)** that will ensure a good and common understanding about how to implement the provisions of the Agreements and the Internal Regulations in day-to-day operations of the OpenPeppol Communities and Change Management Boards, as well as the Operating Office.

Key stakeholders

One or more teams of stakeholders supported by OO resources to be established

- PA involvement
  - Will engage with PA representatives to participate in development
  - Will engage the PAC during review processes

- SP involvement – directly or indirectly through the PAs?
  - Will engage with SP representatives to participate in development
  - Will engage the SPC during review processes

- OO resources
  - Will facilitate the process and provide editorial resources
  - Will provide legal resources as required

- MC involvement
  - Will engage in development and approval processes

Task Force and Workstreams
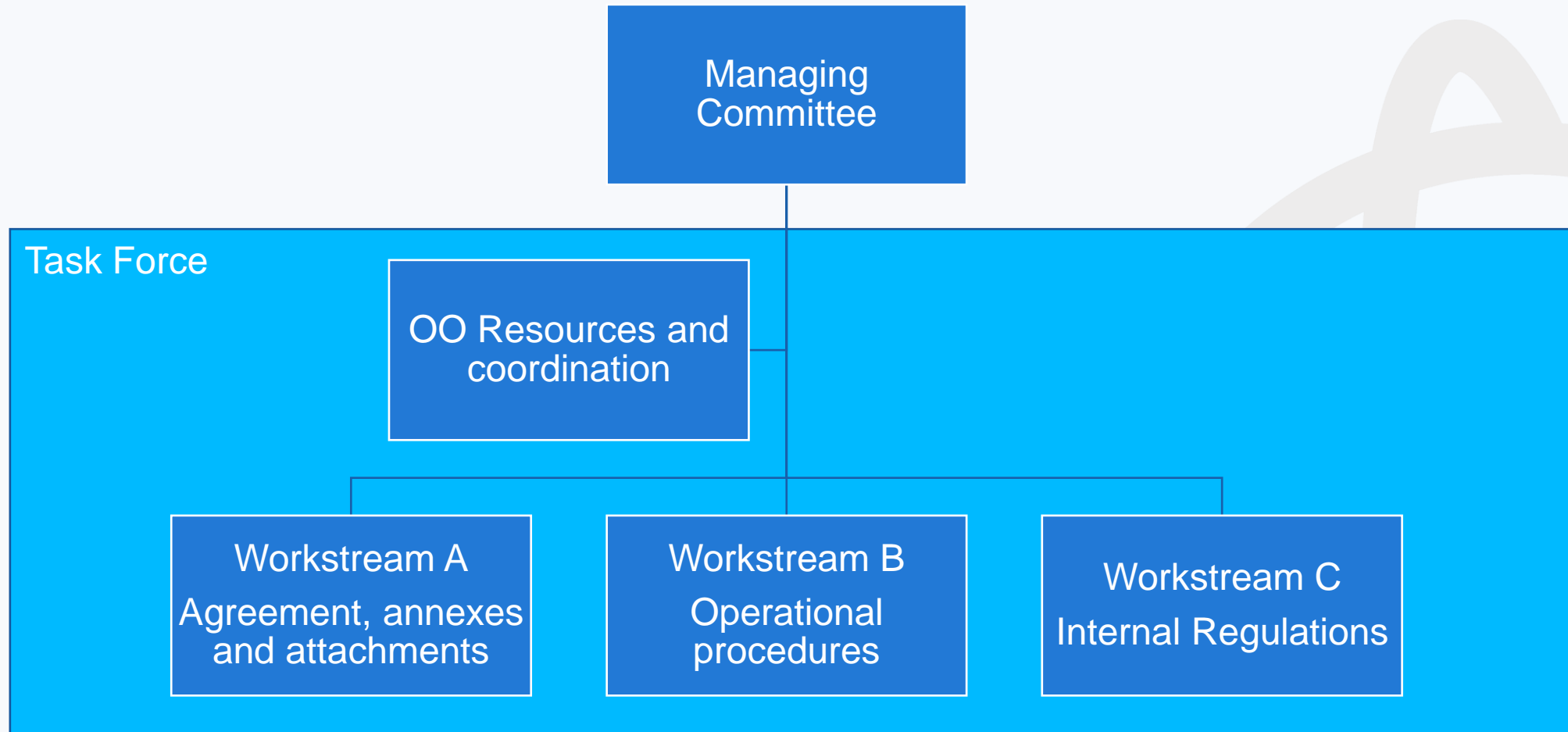
Approval structure

- The work of the TF is done when, in the judgement of the TF Leader, the WS Leaders and the TF Owner, no substantial tasks are left on the backlog of all workstreams regarding the production of the ~~draft and the final~~ deliverables.

- Consensus within the TF will be sought regarding the content of deliverables

- Where no consensus is reached, decisions are to be taken by the Workstream Leaders and the TF Owner (SG)

- Draft Deliverables will be sent out to the PA and SP Communities for review. The TF will review comments and resolve them.

- Final Deliverables will become available for adoption through the designated decision-making procedures

High level work plan

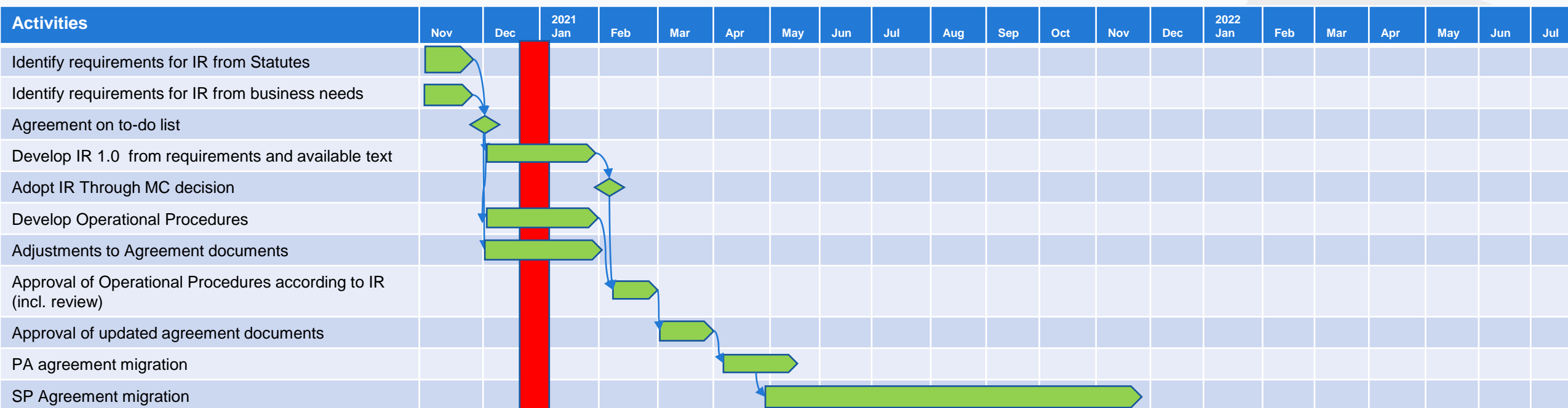Estimated timeframe for completion of draft deliverables: end of January 2021.
Estimated timeframe for review by the PA and SP Communities: February 2021.
Estimated timeframe for finalisation of Deliverables: March 2021

Pre-conditions for quick and parallel development of IR, Operational Procedures as well as agreement annexes (and agreement revisions) are:
1. Access to legal resources and other personnel with good understanding of current statutes and issues at hand representing key stakeholders
2. Assumption that there is limited need to develop new concepts and to draft text from scratch
3. Only key features of the IR relevant for the change management processes are prioritised short term, complete version to be finalised before Statutes revision is initialised

THANK YOU!

M O R E
I N F O R M A T I O N
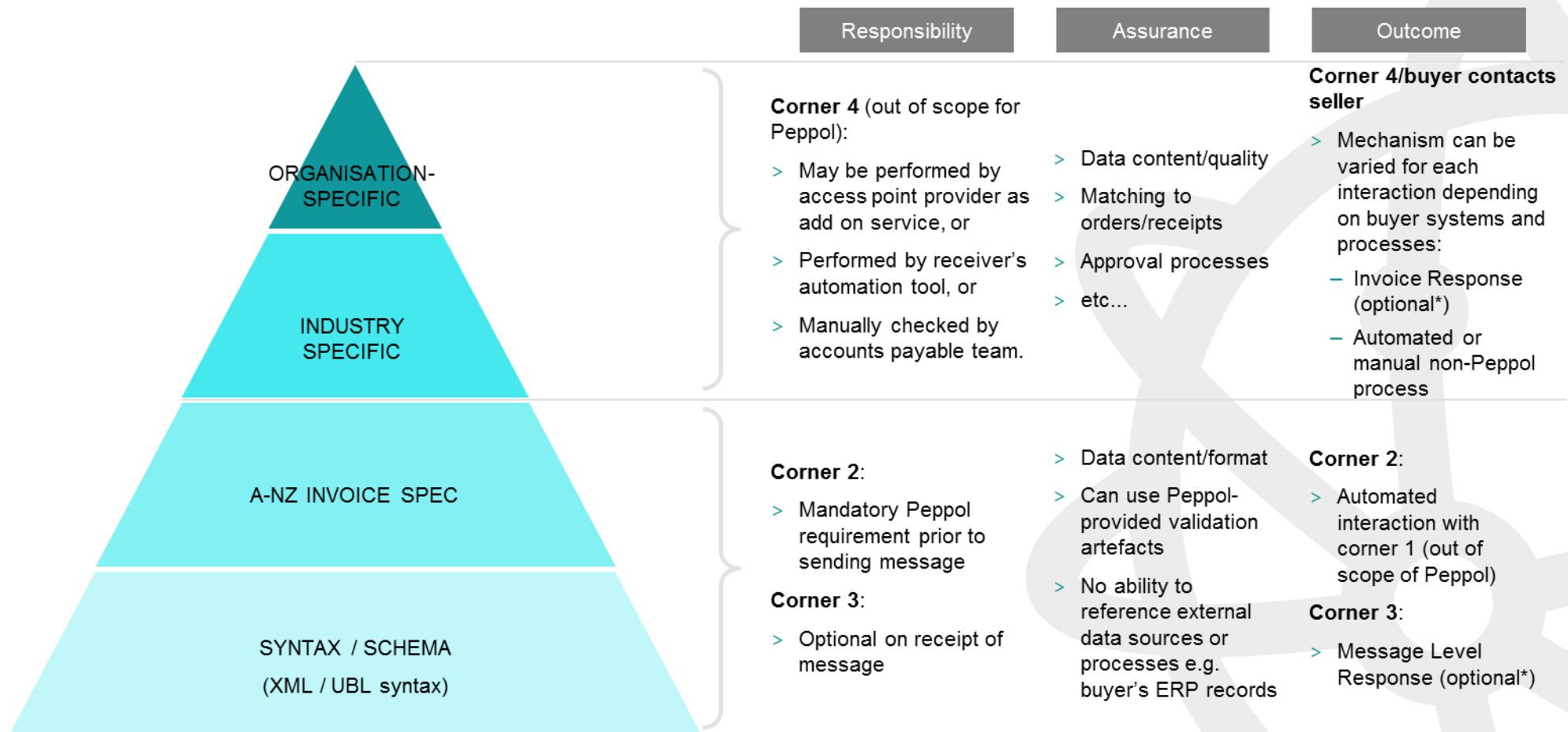
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F O L L O W   U S

Overview of validations

Layers of assurance

Pyramid (top to bottom): ORGANISATION-SPECIFIC / INDUSTRY SPECIFIC / A-NZ INVOICE SPEC / SYNTAX / SCHEMA (XML / UBL syntax)

	Responsibility	Assurance	Outcome
ORGANISATION-SPECIFIC / INDUSTRY SPECIFIC	**Corner 4** (out of scope for Peppol): > May be performed by access point provider as add on service, or > Performed by receiver's automation tool, or > Manually checked by accounts payable team.	> Data content/quality > Matching to orders/receipts > Approval processes > etc...	**Corner 4/buyer contacts seller** > Mechanism can be varied for each interaction depending on buyer systems and processes: – Invoice Response (optional*) – Automated or manual non-Peppol process
A-NZ INVOICE SPEC / SYNTAX / SCHEMA	**Corner 2:** > Mandatory Peppol requirement prior to sending message **Corner 3:** > Optional on receipt of message	> Data content/format > Can use Peppol-provided validation artefacts > No ability to reference external data sources or processes e.g. buyer's ERP records	**Corner 2:** > Automated interaction with corner 1 (out of scope of Peppol) **Corner 3:** > Message Level Response (optional*)

Information flow

Peppol Invoice Response – indicative full functionality

Corner 1

Corner 4 (*example* of complexity of business systems)

Invoice response email to seller or integration/data

C1/C2 agreement re how to ensure invoice conforms to standard

Corner 2

AP · Validate

Corner 3

AP · Validate

Invoice Response

Message level response (MLR)

Additional content validation — Validation

Automated invoice processing — Validation/assurance

Invoice response data

Industry-specific practice mgt tool — Validation/assurance

ERP — Approval · Payment

Key

→ Invoice data

→ Invoice response - A 'business' response. Validation against organisation-specific rules or business processing outcomes. (e.g. PO number does not exist, goods have not been received etc.).

⇢ Message level response (MLR) - A 'technical ' response. Validation performed by the receiving AP based on Peppol syntax / specification rules.

◇ Decision/check point

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External accountant scenario

Connection Peppol

ERP software

E-Mail / Print

Access point

Access point

E-Mail / Print

Connection Peppol

Portal software

François (Plumber)

Brigitte (Administrator)

Sales journal

Purchase journal

Julie (Accountant)

Pierre (Accountant)

Accounting software

Accounting software

Thoughts so far brought up

- Overall support
  - Broad support for the network to implement Invoice Response messages with most feedback indicating that it is vital to the success of the network.
  - Increases automation capabilities.
  - Major benefit for sellers – gives them certainty, and may assist with cash management (e.g. if a response with an 'Accepted' status is received).
  - Allows sellers to learn about the buyer's requirements and verification processes.

- Prompt advice about exceptions will assist sellers to improve their data quality and will reduce future rejections.
  - Gives solution providers the ability to innovate and differentiate their product offering by developing different functionality and options.
  - Exchanging responses with a status of 'paid' could be useful as a simple remittance advice.
  - There was some variety in thinking about whether the availability of Invoice Responses may be counter-productive if their use assists buyers to impose additional requirements; conversely, buyers are likely to impose those requirements regardless of whether an automated response is possible, in which case the response message improves the efficiency for both parties to address exceptions.

Thoughts so far brought up

- Out-of-band solutions
  - Acknowledgement that existing out of band communications will continue to augment interactions between buyers and sellers and invoice response and out-of-band need to be designed to work together.
  - However the network should aim to minimise its use to avoid undermining the benefits of e-invoicing, especially to the seller.
  - E-invoicing is a catalyst for solution providers to innovate and provide solutions which will help both Seller's and buyer's processes, and thereby reduce reliance on out-of-band.

- Current support across C1/2/3/4 service providers
  - Some C1 and C4 service providers already support Invoice Response or will be able to within the next couple of months; for others it will take a bit longer.
  - Some send a minimal set of statuses and others are more comprehensive.
  - May be triggered from manual or automated review and processing.
  - Most of the feedback from Access Point providers was that the Invoice Response message is already supported or is on their roadmap for the short-to-medium term.

Thoughts so far brought up

- Approach/way forward
  - Full functionality is preferred including details about rejections.
  - Support for minimal functionality (Accepted and Rejected statuses) would still provide benefit to sellers and enhance automation.
  - There is a wide variety of views about whether it should be mandated on the network, and the timeframes in which a mandate could be achieved.
  - Sequencing of implementation
    - Feedback highlighted that buyers and C4 providers may be reluctant to invest in capability to send an Invoice Response message if sellers are unable to receive it and C1 providers may be reluctant to build response receiving capability if buyers are not capable of sending.
    - The majority of views expressed on this matter so far have been that the key is for C4 (buyer's systems) to generate the invoice response message, as there is more flexibility around how the information can be provided to the seller, and this is further supported by the sentiment that, given the benefits of e-invoicing sit predominantly with the buyers, they may need to consider changes to their systems and processes to maximise benefits and take-up by sellers.
    - It was generally acknowledged that the best results for the seller are achieved when the response is integrated into the seller's C1 system to allow the seller to understand, correct and re-send the invoice.
    - There was some variety of opinion regarding whether it makes sense to step towards a full end-to-end solution by having the seller's Access Point able to email the seller.
    - A suggestion was made that the public sector C4 buyers should always offer to return responses.
    - The scope of the authority of the Peppol network is over the C2/C3 Access Points and does not extend to C1/C4 providers, who will be driven by the needs of their businesses. Influencing and engagement will be key to progressing automation of invoice responses.
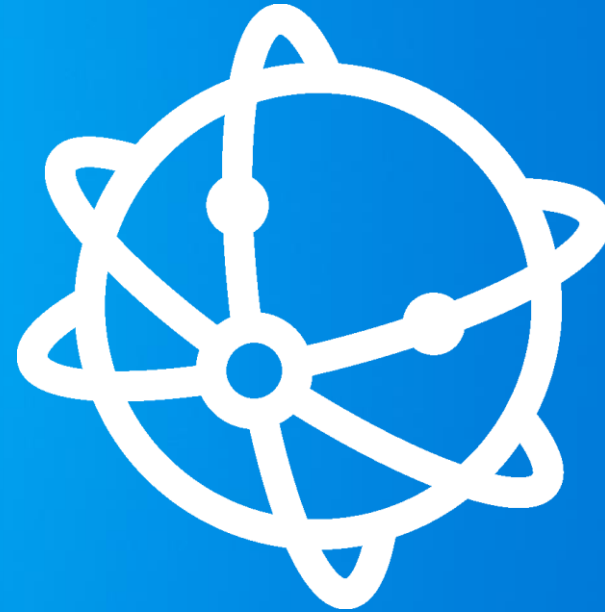
Thoughts so far brought up

- Timeframes
  - Indications from service providers is that there is a desire to progress this in the next few months.

- Other considerations
  - There is a need to standardise the approach to ensure consistency, and this needs to commence with gaining a shared understanding about where any current inconsistencies or ambiguity lie.
  - There was some concern expressed about whether buyers can determine the preference and capability of the seller to receive the response (i.e. whether their advertised Peppol capability is, or needs to be, exposed to the buyer) – this goes to the issue of better understanding the buyer's experience.

Conclusion

- Broad support for the network to implement Invoice Response messages with most feedback indicating that it is vital to the success of the network.

- The network should aim to minimise out of bound solutions to avoid undermining the benefits of e-invoicing, especially to the seller.

- Some C1 and C4 service providers already support Invoice Response or will be able to within the next couple of months; for others it will take a bit longer.

- Full functionality is preferred including details about rejections.

- Support for minimal functionality (Accepted and Rejected statuses) would still provide benefit to sellers and enhance automation.

- Indications from service providers is that there is a desire to progress this in the next few months.

Conclusion

- There is a wide variety of views about whether it should be mandated on the network, and the timeframes in which a mandate could be achieved.

- The scope of the authority of the Peppol network is over the C2/C3 Access Points and does not extend to C1/C4 providers, who will be driven by the needs of their businesses. Influencing and engagement will be key to progressing automation of invoice responses.

- The majority of views expressed on this matter so far have been that the key is for C4 (buyer's systems) to generate the invoice response message, as there is more flexibility around how the information can be provided to the seller, and this is further supported by the sentiment that, given the benefits of e-invoicing sit predominantly with the buyers, they may need to consider changes to their systems and processes to maximise benefits and take-up by sellers.

THANK YOU!

MORE
INFORMATION

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