Peppol Service Provider Community Meeting

Executive summary of the Brussels F2F

October 25th 2022

www.peppol.org

Day 1 (Thursday, 3 November 2022)

09.00 – 09.45	Keynote address and developments
09.45 – 10.30	EU Commission update, DG GROW, DG DIGIT, DG TAXUD
11.00 – 11.45	DCTCE - France PoC, followed by CTC Q&A
11.45 – 12.30	OpenPeppol/EESPA collaboration
13.30 – 13.45	*eDelivery Buildiing Block - status and future*
13.45 – 14.00	PINT specification conceptual overview
14.00 – 14.15	Security
14.15 – 14.30	MLA
14.30 – 14.45	Reporting
14.45 – 15.00	Advanced Ordering
15.30 – 16.00	Logistics
16.00 – 17.00	*The Peppol 10-year journey: milestones and testimonials*

Day 2 (Friday, 4 November 2022)	
09.00 – 10.30	Stakeholders and Domain Community Meetings – Parallel sessions Session 1: eDEC, PoAC, SPC Session 2: PAC Session 3: PrAC Session 4: EUC
11.00 – 12.30	Stakeholders and Domain Community Meetings – Parallel sessions Session 1: eDEC, PoAC, SPC Session 2: PAC Session 3: PrAC Session 4: EUC
13.30 – 14.15	Testbed 2.0 and recurring testing
14.15 – 15.00	Change and Release Management - new procedures and timelines
15.00 – 15.30	Closing remarks and next meetings
15.30	Event close

The beginning

About Peppol and OpenPeppol

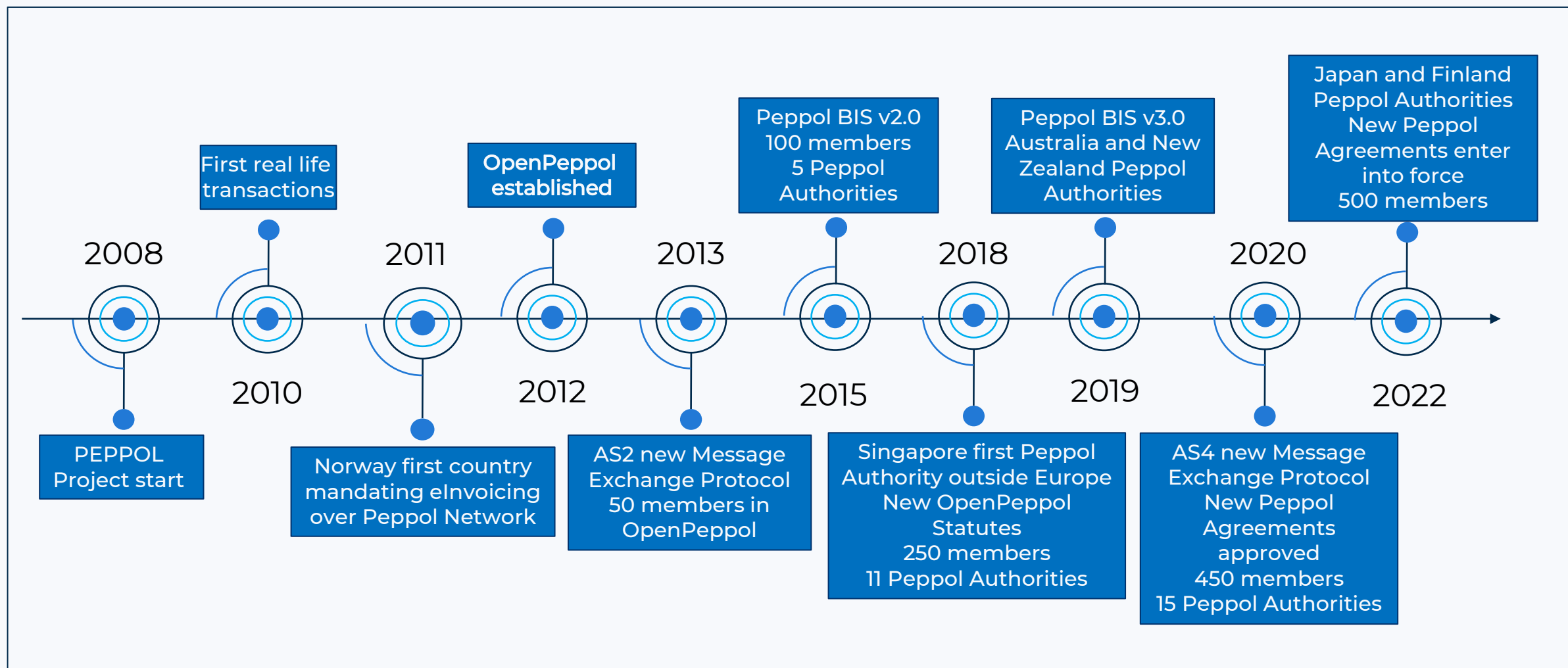## Peppol is what we do

- We integrate business processes by standardising the way information is structured and exchanged
- Peppol is the name of the Network and Business Interoperability Specifications that we provide, as part of a comprehensive Peppol Interoperability Framework, which includes legal agreements, governance and compliance measures

OpenPeppol is who we are

- OpenPeppol was established in 2012 as a follow-up to the PEPPOL project launched in 2008
- We are a not-for-profit, democratic, member-led international association
- Our members come from the public and private sectors, with membership continuously increasing as new members join from all around the world

The Peppol timeline

Peppol

2008
PEPPOL Project start

First real life transactions

2010

2011
Norway first country mandating eInvoicing over Peppol Network

OpenPeppol established

2012
AS2 new Message Exchange Protocol 50 members in OpenPeppol

2013

Peppol BIS v2.0
100 members
5 Peppol Authorities

2015
Singapore first Peppol Authority outside Europe
New OpenPeppol Statutes
250 members
11 Peppol Authorities

2018

Peppol BIS v3.0
Australia and New Zealand Peppol Authorities

2019
AS4 new Message Exchange Protocol
New Peppol Agreements approved
450 members
15 Peppol Authorities

2020

Japan and Finland Peppol Authorities
New Peppol Agreements enter into force
500 members

2022

Key statistics (October 2022)

Peppol

18

Countries with
Peppol Authorities

41

Countries with
Peppol members

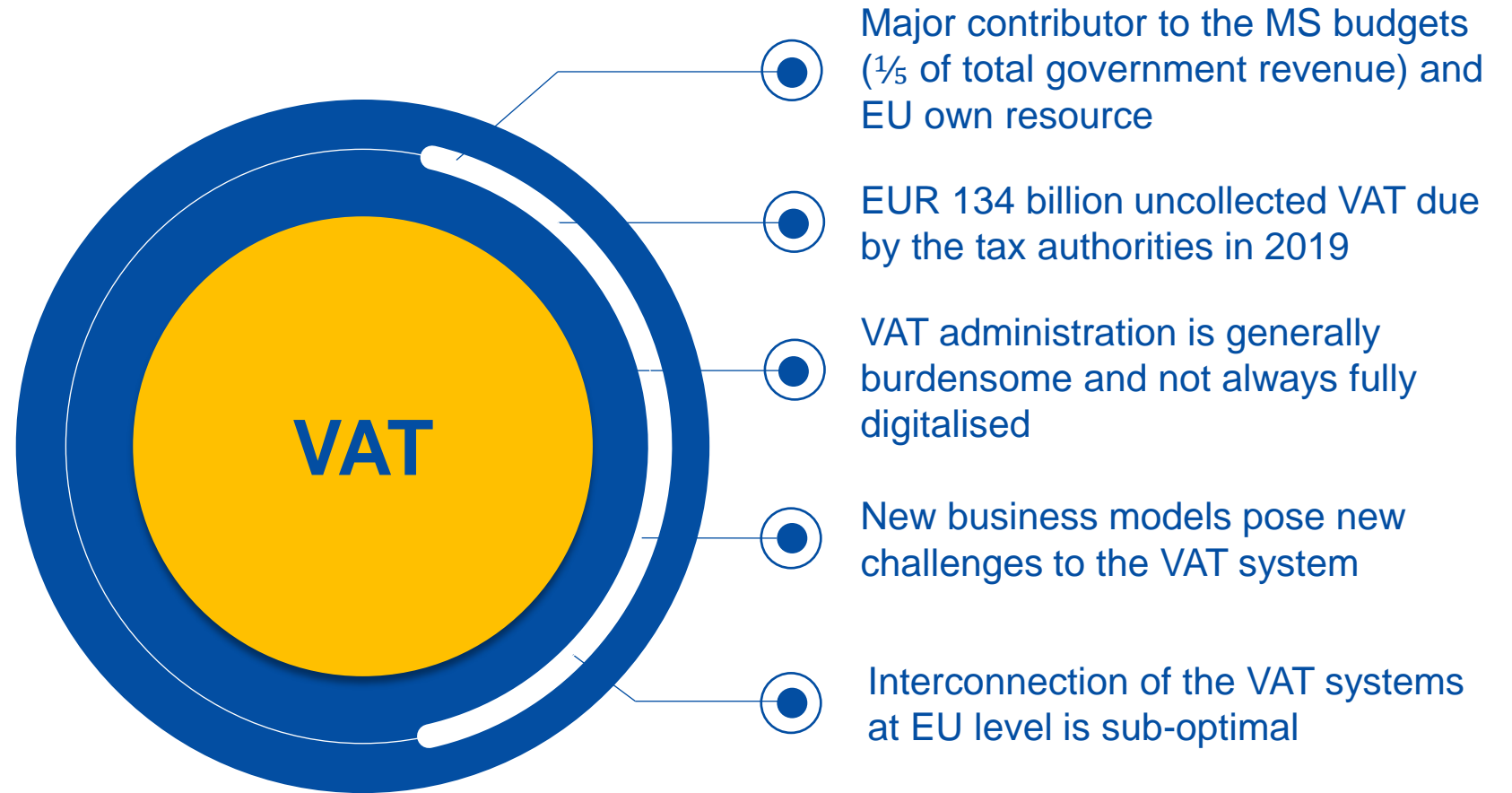**499**

Total number of
Peppol members

723,584

Receivers in the
Peppol Network

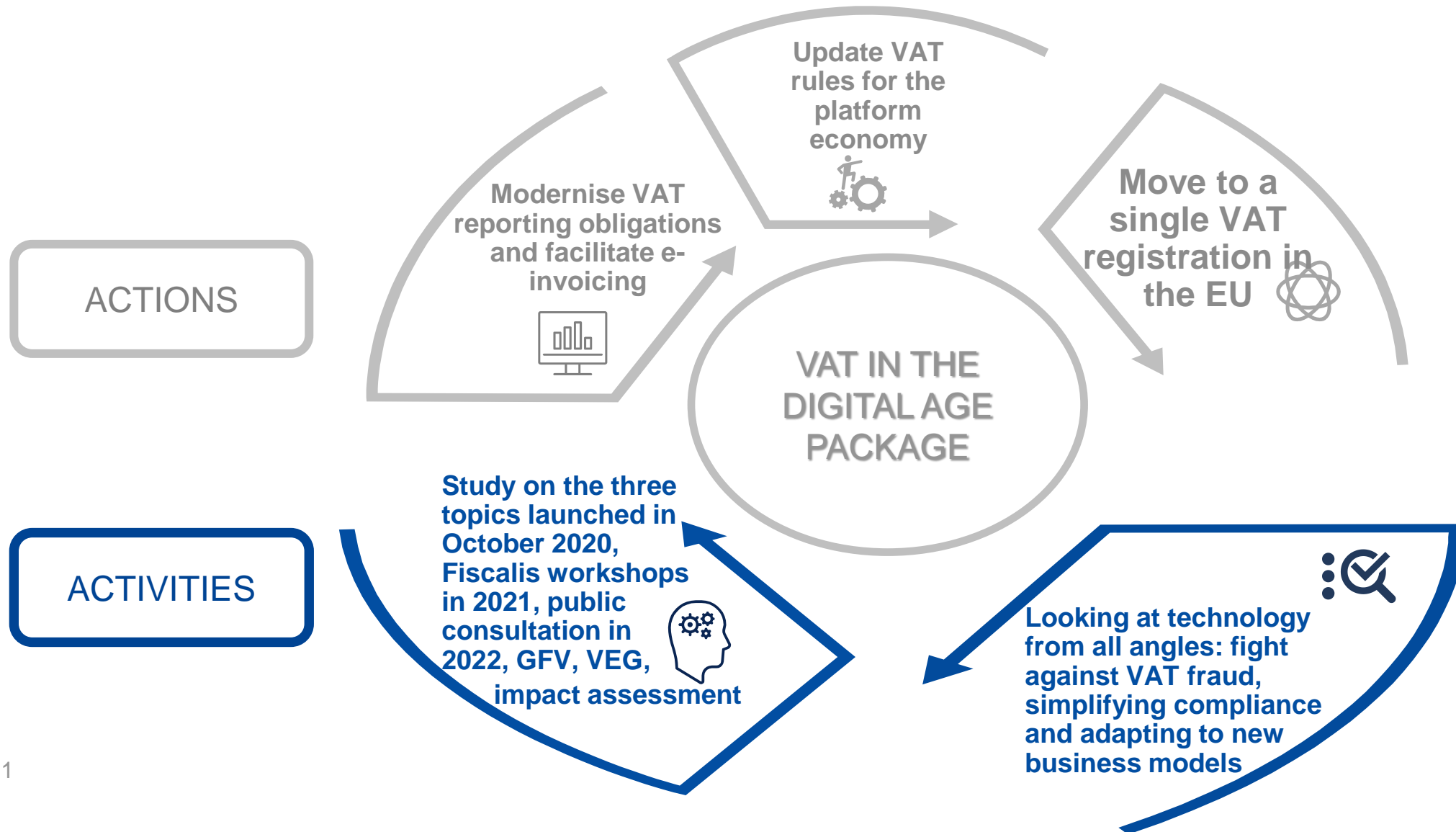# Increasing global adoption of Peppol

- Through the Digital Agency, the Government of Japan established a new Peppol Authority in October 2021 and entered production at the end of October 2022

- A new Peppol Authority was established in Finland in 2022

- Three service providers in India joined OpenPeppol in 2022

- We are hopeful that Malaysia will become a Peppol Authority in the near future, but upcoming election might influence
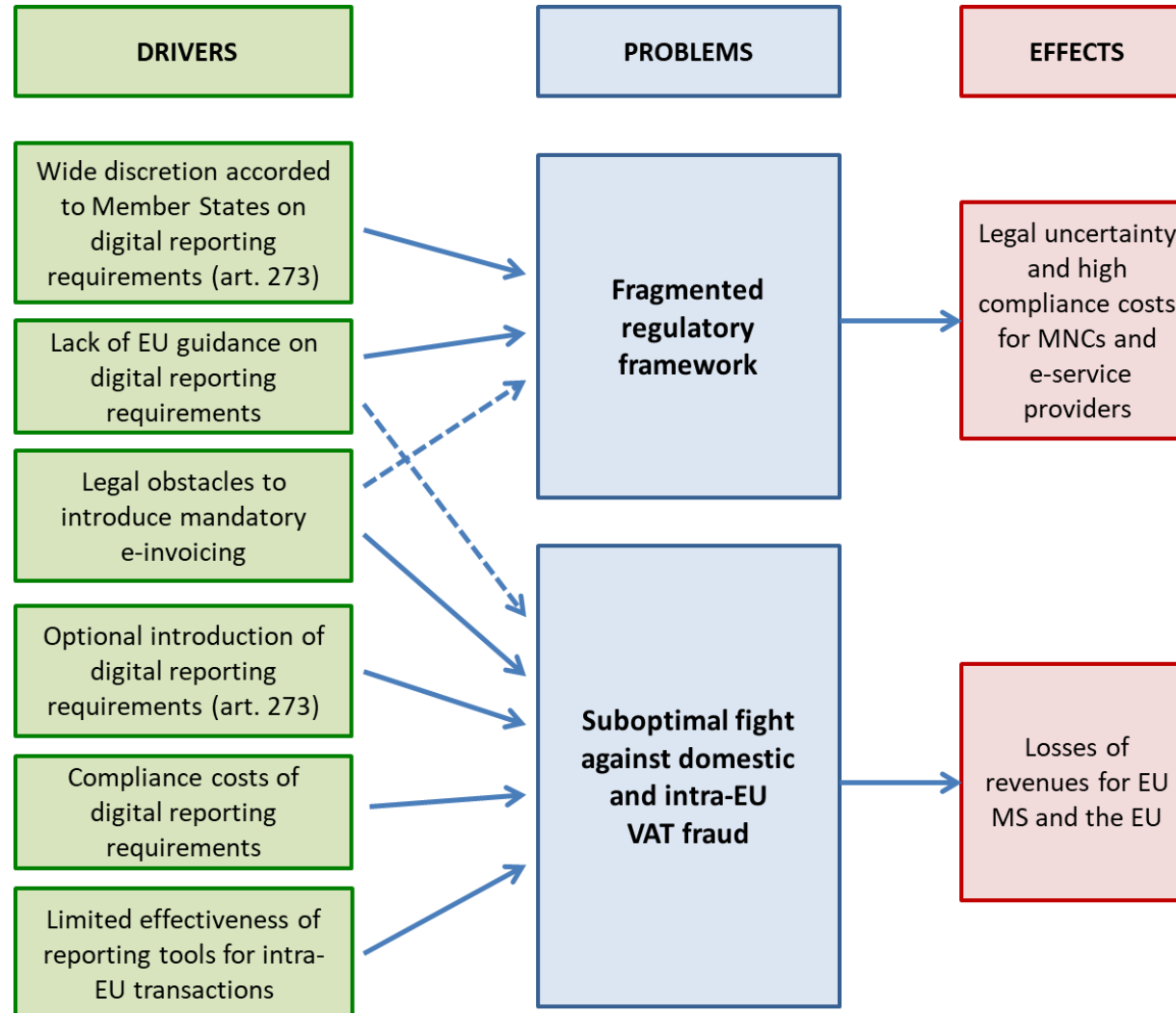
Update from EU

Value Added Tax (VAT) factcheck

VAT

- Major contributor to the MS budgets (⅕ of total government revenue) and EU own resource
- EUR 134 billion uncollected VAT due by the tax authorities in 2019
- VAT administration is generally burdensome and not always fully digitalised
- New business models pose new challenges to the VAT system
- Interconnection of the VAT systems at EU level is sub-optimal

VAT in the Digital Age

ACTIONS

ACTIVITIES

Modernise VAT reporting obligations and facilitate e-invoicing

Update VAT rules for the platform economy

Move to a single VAT registration in the EU

VAT IN THE DIGITAL AGE PACKAGE

Study on the three topics launched in October 2020, Fiscalis workshops in 2021, public consultation in 2022, GFV, VEG, impact assessment

Looking at technology from all angles: fight against VAT fraud, simplifying compliance and adapting to new business models

Digital Reporting Requirements (DRR)
Why action is needed?

Situation in the MS →

Mandatory e-invoicing

Reporting in real time

Transactional VAT listings

SAF-T

No reporting requirements

Considering introduction

Excessive fragmentation & high administrative burden for businesses operating cross-border.

VAT fraud

DRR - Problems addressed

DRR - Modernising VAT reporting obligations
- objectives -

Ensuring a quicker, possibly real-time, and more detailed exchange of VAT information on intra-EU transactions – **DIGITAL REPORTING REQUIREMENTS (DRR)**

Optimising the use of digital technologies to improve the fight against VAT fraud

Streamlining the mechanisms that can be applied for domestic transactions

Proposal VAT in the Digital Age (ViDA) - SCOPE

EU DRR introduced for intra-EU transactions

Recapitulative statements removed

DRRs either obligatory (full) or remain optional for domestic transactions (enhanced)

New DRRs will conform to the EU DRR

Existing DRRs will ensure interoperability, then converge in the medium-term to the EU DRR

All taxpayers covered

No thresholds

Proposal VAT in the Digital Age (ViDA) - DATA

Identify data-elements to be provided electronically to Tax Authorities

| Facilitated with obligatory e-invoicing | Use EU standard for e-invoicing and transmitting information to Tax Authorities | Member States may allow traders to use other data formats for the transmission of this information insofar they ensure interoperability with the European Standard on electronic invoicing. |

Transmission of data by central authorities using standard format

| New central database | Additional functionalities to help improve risk analysis | Ensure compliance with data protection rules |

DCTCE

France: Proof-of-Concept

Peppol

Peppol CTC

Peppol CTC extends the existing Peppol 4-corner model	Combining invoice exchange with tax reporting
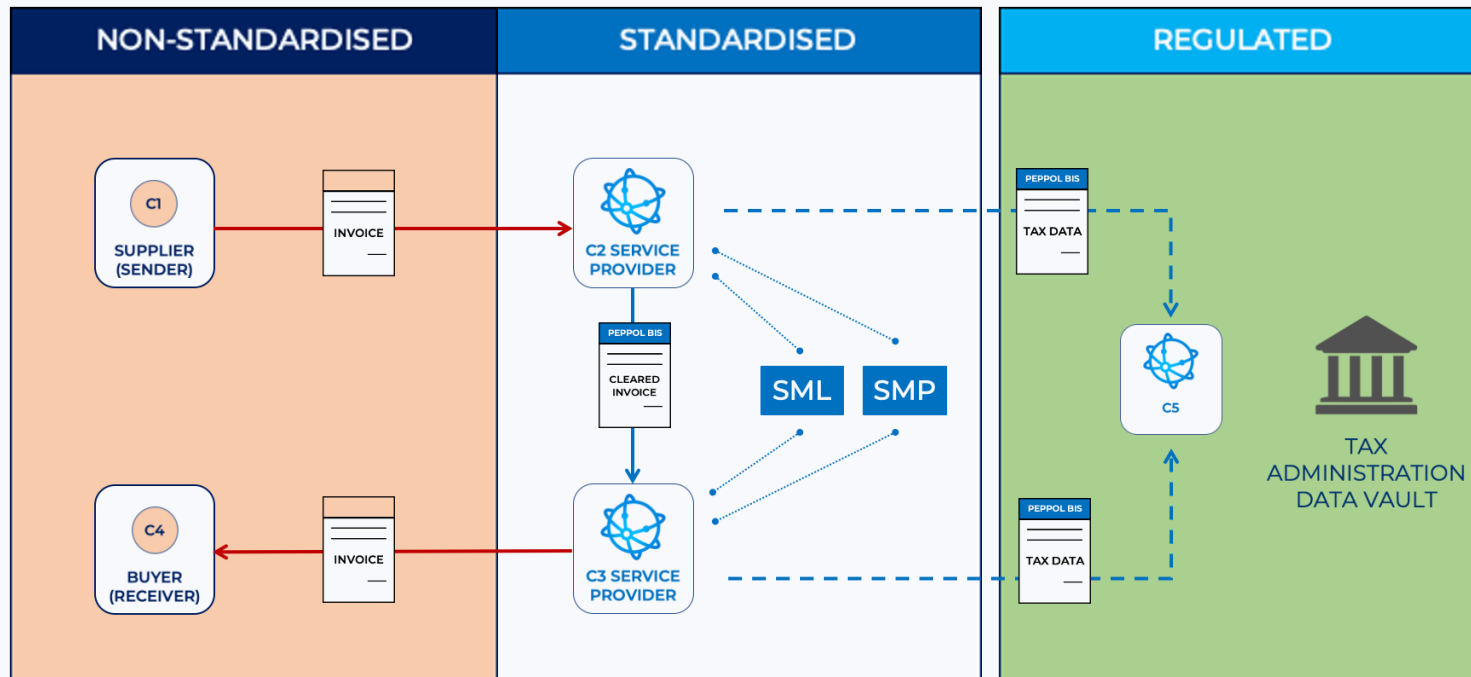
Benefits for governments

- Real-time tax reporting
- Data exchange by Certified Service Providers
- Supports cross-border

Benefits for taxpayers

- Enables AP/AR automation
- Usable for exchange of other business documents
- No lock-in

Proof-of-Concept – DCTCE for France

- OpenPeppol and EESPA are working together towards a common framework, based on multi-stakeholder governance to ensure an open, resilient and secure exchange network

- The purpose of the common framework is:

  - to create business efficiencies (most EESPA members are also Peppol access points)

  - to speak with one voice when promoting a single interoperable environment that combines invoice distribution (business efficiency) and CTC (tax efficiency)

- As part of this work, OpenPeppol and EESPA have commenced a Proof-of-Concept to show how the DCTCE model can support the introduction of eInvoicing/eReporting in France

DCTCE in Y-model environment
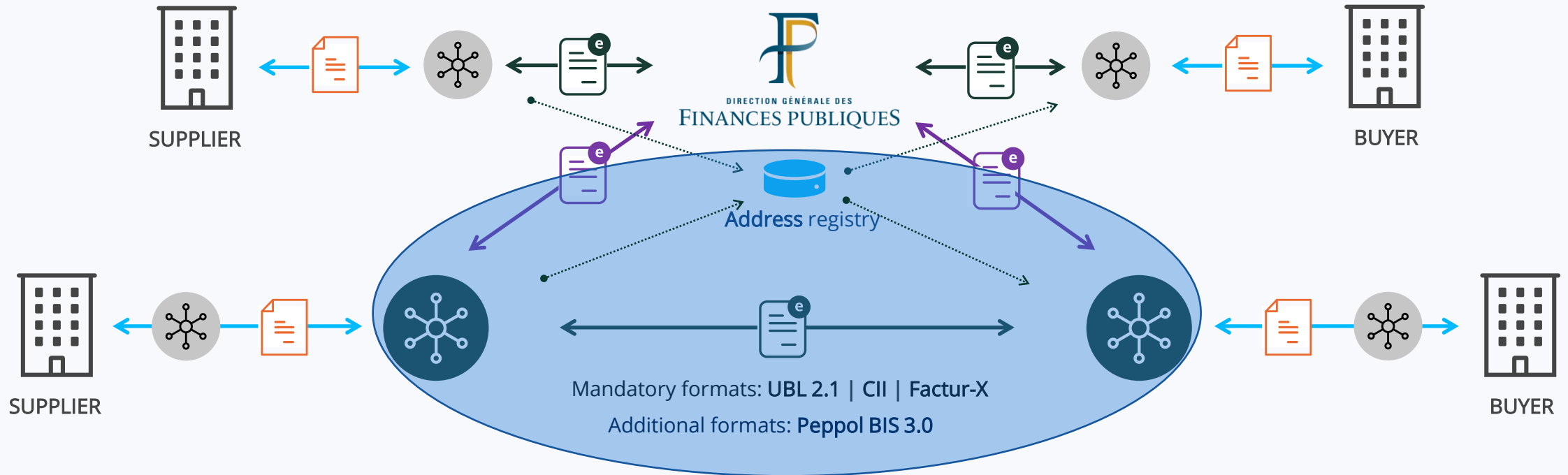
PoC objectives and success measures

Objectives

- Apply the DCTCE model to the Y model of the French reform
- Make the PoC participation available to all interested parties
- Include end users and central platform (simulated or otherwise) for end-to-end flow
- Exchange document specifications that meet the requirements of the French reform
- Demonstrate value of DCTCE to stakeholders
- Gain endorsement from FNFE and Infocert

Success measures

- Demonstrate that the solution meets DGFIP requirements and works for all EESPA and OpenPeppol members
- A follow-on DCTCE-based pilot is established in France

Collaboration with EESPA

The history of collaboration

- EESPA was established in 2011 and met with the PEPPOL project and have had meetings with OpenPeppol on a regular basis from it was established in 2012

- The first Memorandum of Understanding (MoU) was signed in 2016

- The second MoU was signed in December 2020

- A majority of EESPA members are also members of OpenPeppol

Convergence – from the OpenPeppol perspective

- Using the provisions of the Policy for Extended User of Peppol (part of Internal Regulations)

- Aiming to launch an incubation project under the responsibility of OpenPeppol itself as a PA

- Expecting to incorporate an extended set of B2B services on to the Peppol Network

- Working on an Incubation Charter, as basis for decision for MC approval of incubation

Convergence – from the EESPA perspective

- Growing cooperation between OpenPeppol and EESPA:
  - Reciprocal membership status
  - MoU to exchange knowledge, insights,...
  - Both are active in GIF (Global Interoperability Framework) initiative
  - Both recommend the DCTCE model as best practice, combining tax & business efficiencies

- EESPA Interoperability Network (EIN) is using the same e-invoicing framework as Peppol

- Many EESPA members are also Peppol Access Point : investment in two network instances

- Convergence between Peppol & EIN should lead to faster adoption of global interoperability

Current status

- Fruitful dialogue on management and operational levels

- Initiation of an Incubation Project according to Extended Use of Peppol Network policy

  - Including additional B2B-specific requirements as proposed by Service Providers

- Incubation Charter is being developed and will be submitted for approval in next two months

  - Detailed project scope to be decided

- Target: Incubation project start in Q4 2022

Introducing the panel

- Andre Hoddevik, Secretary General of OpenPeppol

- Christiaan van der Valk, Sovos, EESPA Executive Committee and Chair of Public Policy & Compliance Working Group

- Michel Gillis, Advalvas, EESPA Executive Committee & Chair of Interoperability Working Group

- Roel Crooijmans, Peppol Authority Community Leader, NL Peppol Authority

Peppol International Invoice (PINT)

Goals

Domestic and International invoicing

- Enable **global exchange** by sending the same invoice everywhere.

- Can be automatically processed.

- Enable **support for jurisdictional** requirements.

- Has **minimal impact** on current implementations.

Smoother onboarding of new Peppol Authorities (jurisdictions)

- Generic **methodology for** integrating **new jurisdictions**

Design principles PINT

- Follows the EN 16931 data model and rules

  - business terms that can be used in the same way across the world are used as defined in EN 16931

  - business terms that need to be used differently are generalised from the EN 16931 so that they encompass global needs

- Current BIS Billing 3.0 specifications will become a specialization of PINT

- Document exchange must not depend on any bilateral alignment between the sender and the receiver

PINT model interoperability

Shared
- Defined an... specificatio...
- Must be su...

...PINT
...nd rules)
...cialisations

Aligned
- Defined...
domains...
- Can be...
requiren...

...all

...voicing

Distinct
- To suppo... necessan... advertise...
- Allows ju... elements...

...may not
...cally
...l

Aligned

Distinct

Shared

SHARED (business driven)
Key content
 Trading parties
 Total amounts.
 Items and prices.
 References
Minimum rules
Sufficient for basic automations
 Reading into ERP system
 Booking into accounts
 Order to invoice matching

Al...
Ke...
 Tax information.
No common rules
Not optimized for automation.
Can be specialized for domain specific
automation and compliance.

DISTINCT
Type of content
 Content that is distinct for different
domains
 country
 sector

Concept
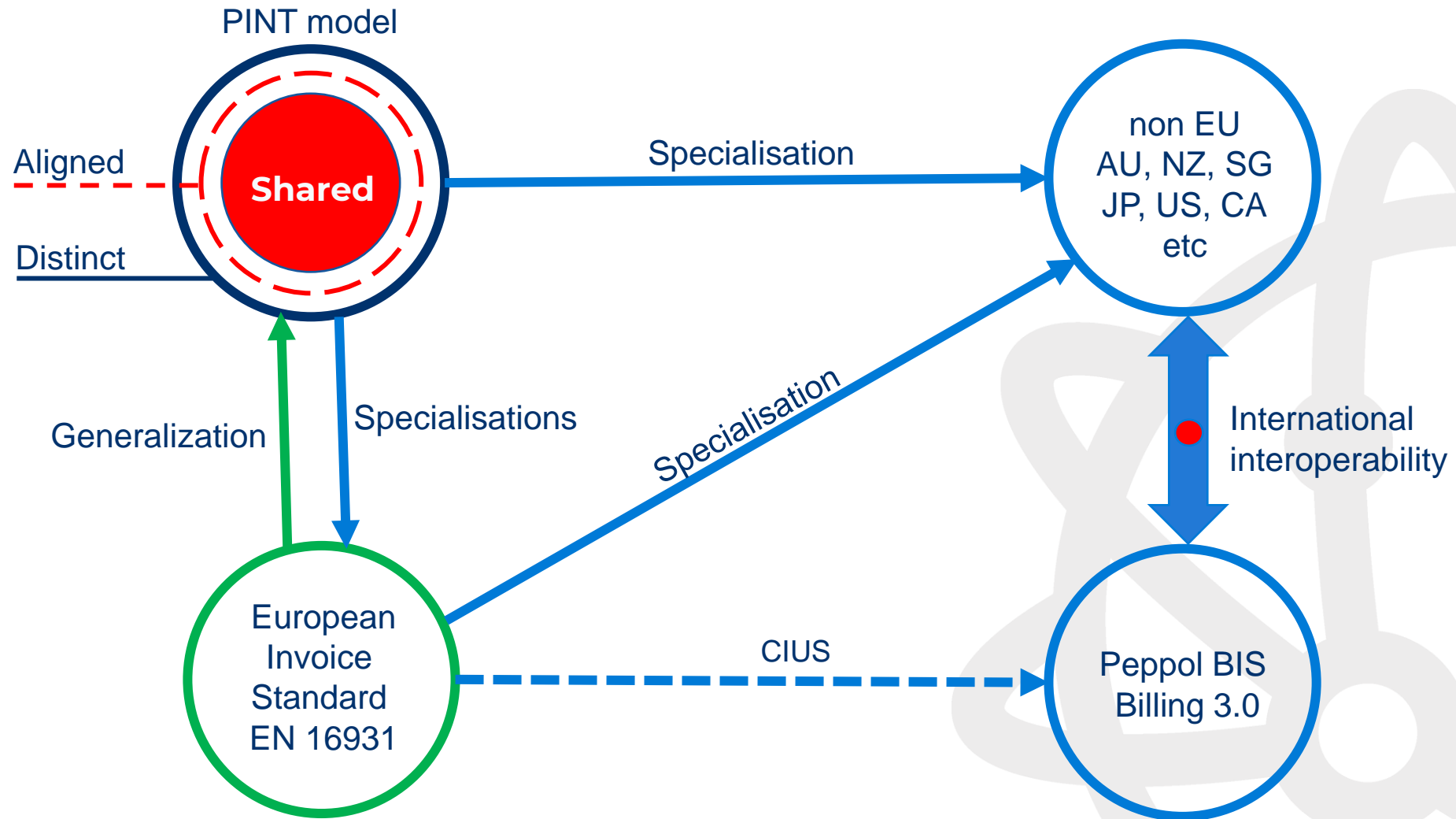
Simplifies implementation and cost reduction

- Consistent, aligned data model and rules
  - Simplifies and reduces cost for Service Providers (SPs) who service multiple jurisdictions
  - Eases development of new industry and jurisdiction specialisations
  - Improves value-proposition for low-volume specialisations

- Agility and local control
  - Responsiveness to local changes
  - Ability to satisfy local or niche requirements (e.g. payment platforms)

- Businesses can use a **single national specialisation for both domestic and international** eInvoicing

- Removes the dependence on European Standards in Non-EU countries

Current status

- Proof of Concept exercise is in process taking into account requirements, comments and observations from:

- PINT draft version 0.2 distributed in July
  - Japan
  - Singapore
  - AUNZ
  - EN 16931 proposed amendments.

- Japan standard invoice specification was released published on October 28.
  - Peppol BIS Standard Invoice JP PINT
  - Can be exchanged via BUSDOX with 1 to 1 matching
  - Will later be exchanged using DDTS with 1 to many matching

- Proposals for migration timeline in development.

Security

Background

- **Security is important (crucial)**
  - To manage risks and maintain confidence in the Peppol network
    - Risks – protect against attacks, threats, abuse
    - Confidence – Peppol's credibility and reputation running trusted and safe network

  Generally

- **Security required by new Service Provider (SP) Agreement**
  - SPs must comply with minimum security requirements set out in the Internal Regulations (IR) and/or Operational Procedures (OP).

  Specifically

- Working Group (WG)
  - Objective
    - Develop a proposal for Peppol Security Requirements to ensure there is a **consistent**, **minimum** level of security across the Peppol network.
    - MC decision that **End Users are out-of-scope**
  - Outcomes / Deliverables
    - Propose Security Requirements
    - Lodge a Request for Change (RFC)
      - RFC will be managed by the Agreements, Policies, and Procedures Change Management Board (APPCMB) in accordance with the Peppol change management process.

Gap Analysis

Where are we <u>now</u>?

- **Security in new Agreements (but no detail)**

- **Different security requirements across regions**
  - Peppol Authorities (PAs) Specific Requirements
  - Differences makes it difficult for SPs

- Inconsistent security verification
  - Some PAs verify security controls directly
  - Some PAs rely on Standards (e.g. ISO27001)
  - Some PAs have no verification

- End User Identification (EUI)
  - In Agreements/IR

- Transport Security
  - TLS 1.2 between C2 and C3

Where do we <u>want to be</u>?

- Peppol security requirements
  - No need for local PA specific requirements (PASR)
  - Security is consistent across Peppol network
    - Security can be centrally managed and monitored
    - Peppol can respond to emerging risks and threats

- Consistent security verification
  - Verification can be easily done by all PAs
  - SPs can operate across jurisdictions
  - Enforcement in place to ensure compliance

- EUI
  - No change

- Transport Security
  - No change

Next Steps

- Finalise the proposal
  - Consider any feedback / input

- Request for Change (RFC)
  - Security Requirements
    - Changes to Internal Regulations
    - Description of security requirements
    - Migration Plan
  - Ongoing Security Committee

- **Agreements, Policies, and Procedures CMB**
  - Change management process includes consultation

MLA
(Message Level Acknowledgement)

Deliverables

The WG will develop the following deliverables:

- Technical documentation for the MLA BIS

- A proposal for the usage of the MLA throughout the Peppol Network (if possible), including impact analysis

- An implementation plan

- A migration plan

Consultation with broader stakeholder groups, including SPs, PAs and other Peppol communities, will be undertaken as part of the Peppol change management process.

Types of Response Messages
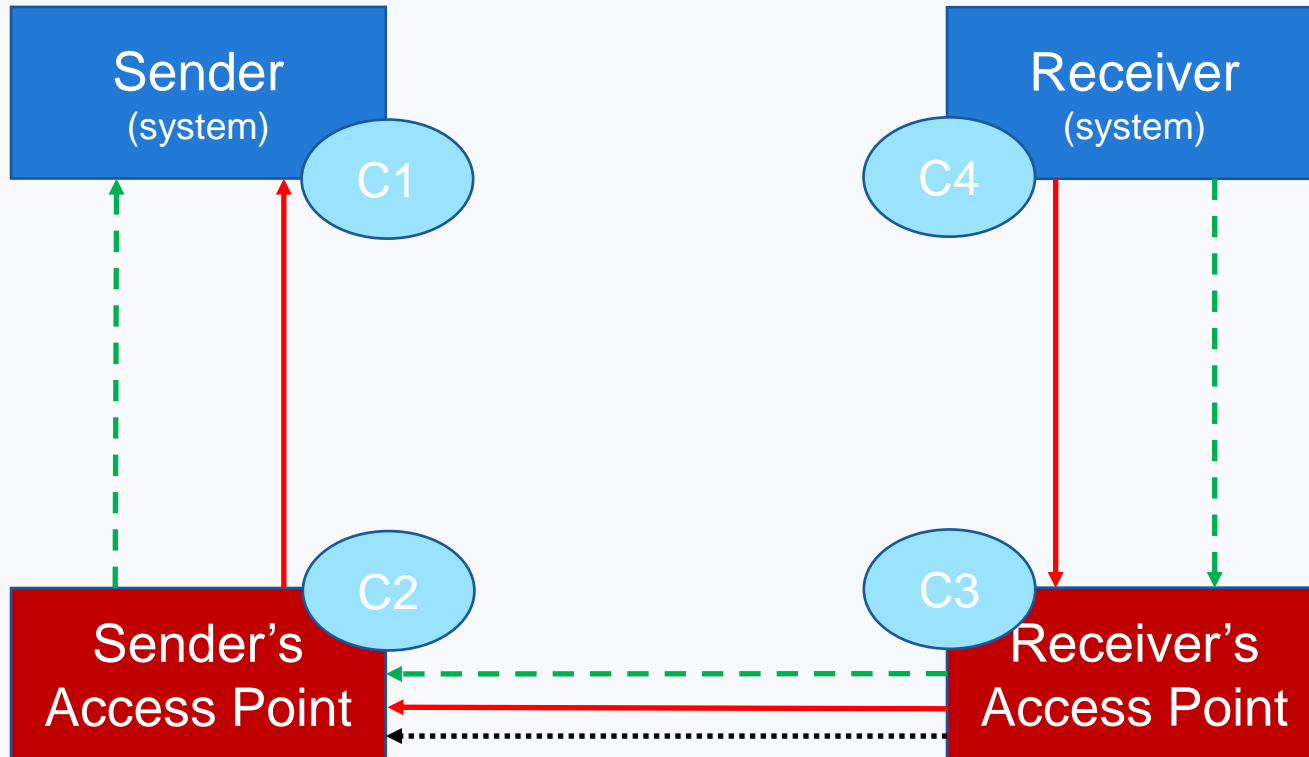
Peppol

— Business level response, e.g. Invoice Response Message

······▸ Transport acknowledgement (AS4)

- - -▸ Message level response

Current Situation

We do not know the state of Peppol messages in the network:

- MLR is limited to syntax validation

- MLR is addressed from C4 to C1

- MLR is not mandatory

- Transport acknowledgement (AS4) is C3 to C2 and synchronous

- Business Response messages (invoice response, order response) are not mandatory

This is solved inconsistently and without specifications:

- Using MLR to indicate state of C4

- 500 Error on AS4 message when schematron validation fails

Don't make me pick up the phone

Reporting

Principles of scaled-down mechanism

1. Keep the Peppol Network as routing mechanism because it promotes automation

2. Keep the transaction statistics report as is

3. Scale reporting on end users down to statistics on active senders and receivers per period

4. Decrease reporting frequency to once in every quarter, if the follow-up overhead proves to be very substantial.

Architecture
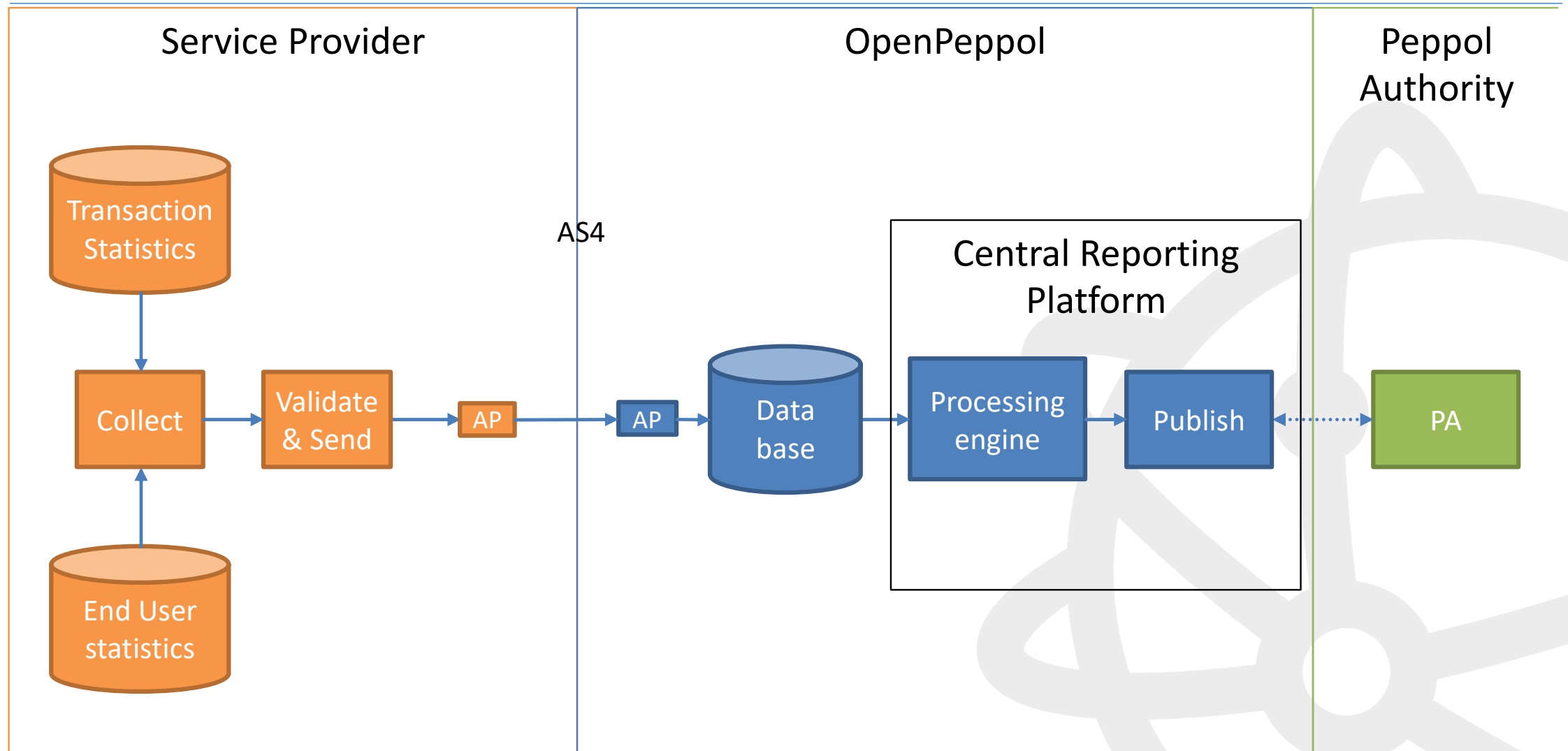
Actions started project team OO

- Amending End user statistics reporting BIS
  - Member review starts shortly
- Transaction Statistics reporting will be finalised
  - Publication this week
- New market research on reporting platform
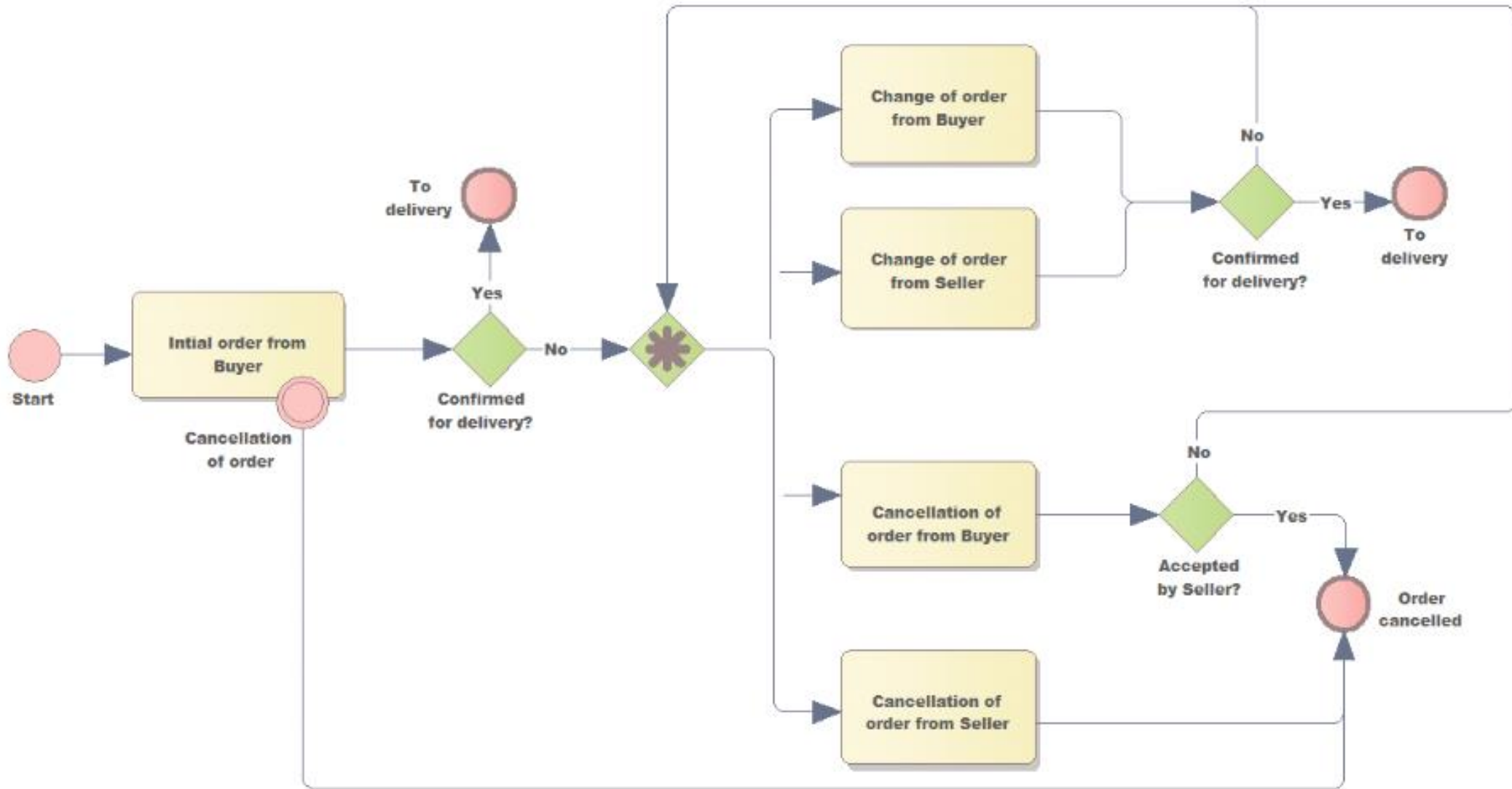 - Work in progress
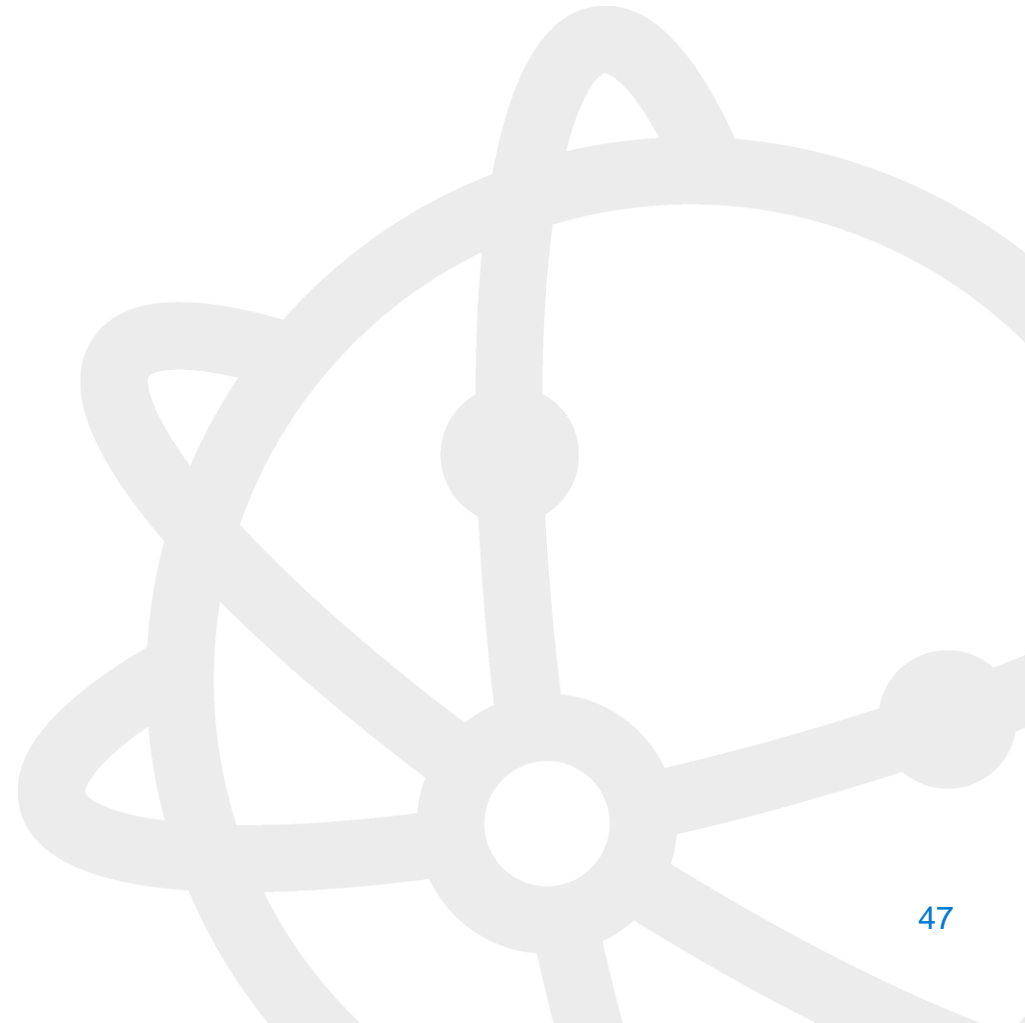
Advanced Ordering

MANDATE

Mandate given by PoAC CMB in September 2021:

- Develop a new BIS for Advanced Ordering as part of Post-Award
- The new BIS should extend the exisiting BIS Ordering with two new transactions:
  - Order Change
  - Order Cancellation

STATUS

- BIS for Advanced Ordering is developed according to project mandate
- The business processes are specified in collaboration with CEN TC-440/WG6
- Order 3.2 is reused and all new transactions are based on UBL 2.3
  - Order Change
  - Order Cancellation
  - Order Response Advanced

- Advanced Ordering artefacts are now being processed by Operating Office in order to be released
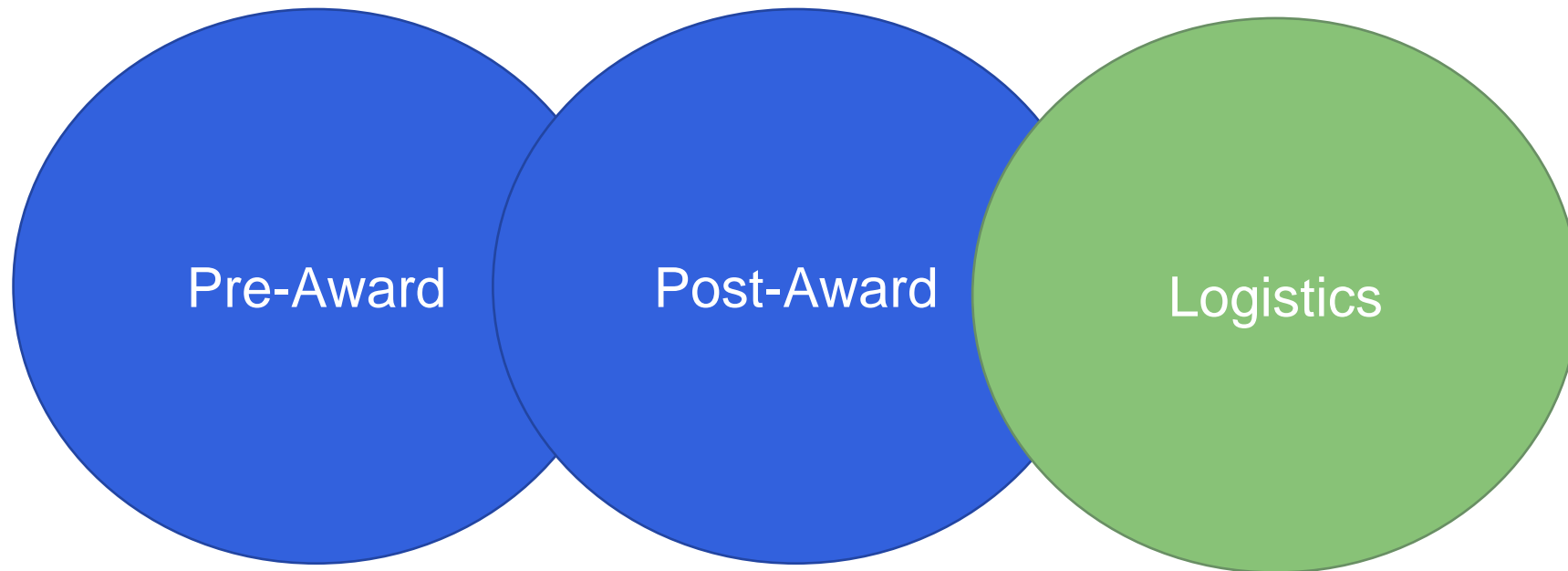
Logistics

# Developments in OpenPeppol – logistics

- Collaboration between:
  - BEAst – construction industry association, Sweden
  - Offshore Norge – professional body and employer's association for oil and supplier companies, Norway
  - OpenPeppol, with
    - Peppol Authority Sweden – DIGG (Agency for Digital Government)
    - Peppol Authority Denmark – ERST (Danish Business Authority)

- Expected outcome
  - Peppol message specifications for Logistics
  - New Peppol service domain for Logistics

PROPOSAL

➤ Establish a new Global Service Domain in OpenPeppol
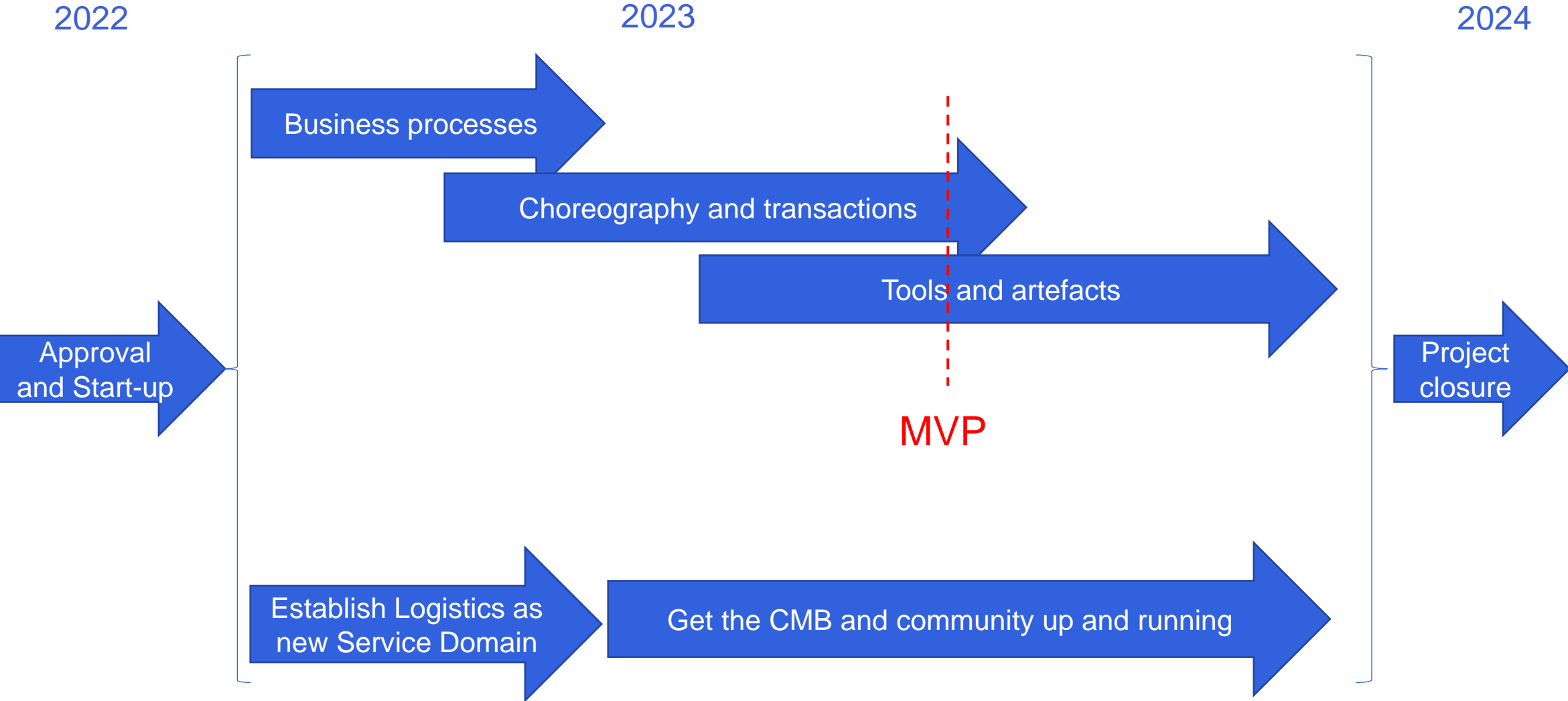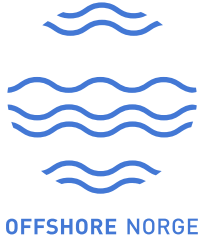

Pre-Award   Post-Award   Logistics

SCOPE
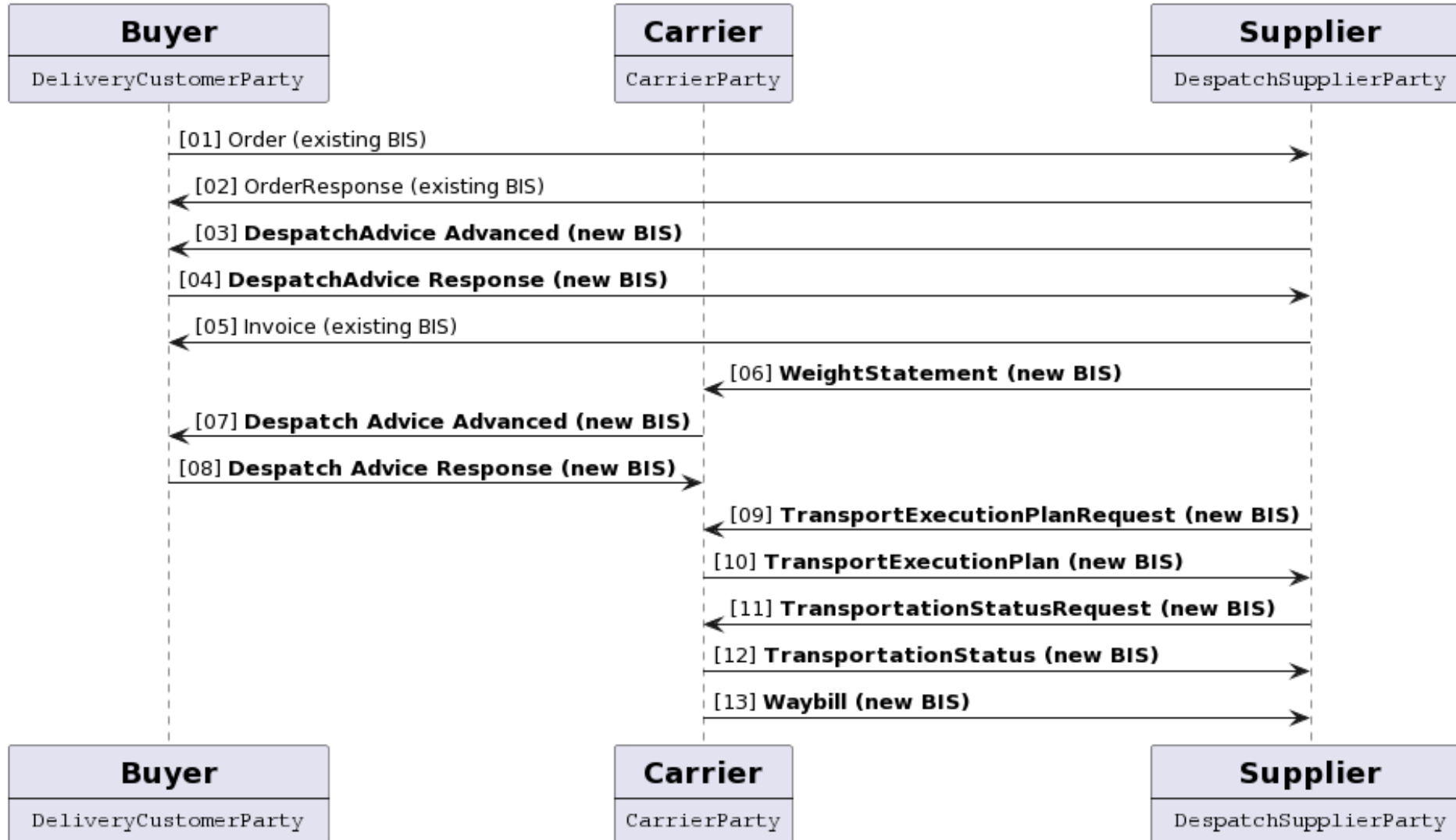
POTENTIAL

❖ Extending the OpenPeppol community with new type of actors

❖ Significant growth in Peppol-transactions

❖ Adding value to existing Peppol-members

❖ Adding value to the Logistics industry

ACTIVITIES

2022   2023   2024

Business processes

Choreography and transactions

Tools and artefacts

Approval and Start-up

MVP

Project closure

Establish Logistics as new Service Domain

Get the CMB and community up and running

NEXT STEPS

❖ Getting the approval from OpenPeppol

❖ Invitation to OpenPeppol members for participation

❖ Project initiation and start-up

❖ Please sign up for a new existing possibility for OpenPeppol