e-Invoicing Mandates for Transactions with Public Entities in France

Introduction - EU mandates

In Europe, the recognized value of e-invoicing in reducing costs associated with paperwork and record-keeping has led the European Union to approve Directive 2014/55/EU of the European Parliament and of the Council. This regulation requires EU countries to define rules for electronic invoices in public procurement processes by Nov. 27, 2017. This means that public institutions, such as state, city and local authorities, public health and public education organizations, and other government entities must accept electronic invoices as a method of billing. With this deadline fast approaching, public institutions and businesses that issue invoices to them must quickly develop the technological capacity as required by law.

Business to Government e-Invoicing - France Specifics

In France, a national law must affirm an EU law before it comes into effect. Before Directive 2014/55/UE, an existing national French law ("Third Corrective Finance Bill for 2012") provided legal parity or equal treatment to paper and electronic invoices. A new French law affirms the validity of the two existing methods already allowed under French law—tax-compliant EDI (electronic data interchange) and electronic signatures. It also allows businesses to use any other electronic invoicing solution, provided that they set up documentation and controls and establish a "reliable audit trail" between the issued/received invoice and the underlying supply of goods or services. There are also rules for archiving and for providing the tax authorities with complete access to the electronic invoicing system when stored abroad.

Order No. 2014-697 in France makes it mandatory for contracting parties and subcontractors eligible to be paid directly in relation to contracts drawn up by the State, local authorities, and public institutions, to issue invoices in electronic format. In addition, this order makes it mandatory for the State*, local authorities, and public institutions to accept invoices issued in electronic format by contracting parties and subcontractors eligible to be paid directly.

The rollout of mandated e-invoicing is planned in stages, with public entities being required to accept and large businesses being required to deliver e-invoices starting January 2017.

SUMMARY

Directive 2014/55/ EU of the European Parliament and of the Council requires countries to define rules for electronic invoices in public procurement processes by November 27, 2017. This means that public institutions, such as state, city and local authorities, public health and public education organizations, and other government entities must accept electronic invoices as a method of billing. The OpenText e-invoicing compliance solution provides tax compliance for e-invoicing in more than 40 countries and connects you to several European governments who have mandated e-invoicing, including France and Italy.

Invoicing to public entities can occur through three methods.

1. **Structured XML via EDI or API.** The French government has specified that specific XML formats will be supported, including INVOICE UBL V2 and UN/DEFACT CII (CCTS/NDR v3.0). This method allows billers to automate the generation and communication of e-invoices for public entities. It is expected that businesses who generate more than 1,000 invoices per year will prefer this method.
2. **Paperless invoices in non-structured format (Microsoft® Word or PDF).** These require some sort of guarantee of authenticity. Electronic signature is the preferred method, but is not required. This is designed for small and medium sized businesses who create between 100 and 1,000 invoices per year.
3. **Web Forms.** Invoices are submitted to public entities through the government developed "Invoicing Portal," called Chorus Pro." Chorus Pro makes it possible to store, receive, and issue invoices in electronic format. The State*, local authorities and public institutions, as well as contracting parties and subcontractors eligible to be paid directly for their contracts, must all use the Invoicing Portal. This option is designed for businesses generating fewer than 100 invoices per year.

Get Ready Now

With the deadline fast approaching, businesses need to be ready to meet the business to government (B2G) e-invoicing mandate. For businesses that already engage in digital commerce with customers, structured XML via EDI is a natural choice for complying with this order. But your current e-invoices may not be in the proper format and you may not be appropriately connected to deliver e-invoices to public entities in France. The ability to generate documents in the right format and deliver them via tested connectivity must be accomplished before the deadline.

The deadline for public entities in France to accept e-invoices is January 1, 2017. On that date all large businesses, defined as businesses with more than 5000 employees or greater than €2B in revenue, must e-invoice public entities.

How OpenText Can Help

OpenText is the global leader in B2B integration solutions, with the largest B2B network processing 18B transactions per year. We help organizations digitally connect for commerce. Our e-invoicing compliance solution provides tax compliance for e-invoicing in more than 40 countries and connects you to several European governments who have mandated e-invoicing, including France and Italy.

Our solutions focus on the first method of e-invoicing above – structured data via EDI. We will integrate with your ERP system so that you can generate the invoice in the same format you do for trading partners and large customers. We convert the data into a structured format according to government mandates and securely transmit that invoice to the public entity. Best of all, while we help you meet today's mandates for business to government (B2G) transactions in France, we operate globally, so you know we'll help you meet future mandates with other EU governments as they implement B2G e-invoicing rules.

Except in the case of defense or national security

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