



Peppol

The future is open

OpenPeppol/EIPA

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André Hoddevik

Secretary General, OpenPeppol

Head of Department, Norwegian Agency
for Public and Financial Management

www.peppol.eu

Peppol is owned by OpenPeppol AISBL

About OpenPeppol and Peppol

OpenPeppol is who we are

OpenPeppol was established in 2012 following a large-scale pilot co-funded by the European Commission and a consortium of 18 government entities to enable eInvoicing and cross-border public procurement. We are a not-for-profit, democratic, member-led international association, consisting of more than 400 public and private sector members from 37 countries.

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 the comprehensive Peppol Interoperability Framework, which includes legal agreements, governance and compliance measures

Peppol adoption and membership

Peppol adoption

Peppol adoption is driven by Peppol-certified service providers and governments

Peppol adoption

Countries with Peppol activity	37
Active end users (businesses)	> 400.000
Business transaction exchanged in last year	> 150 million

Peppol members

Peppol members are located in Europe, North America, South America, Asia and Oceania

Peppol members

as at 4 November 2020

Members	454	in 37 countries
Peppol –certified Service Providers	303	in 31 countries
Peppol Authorities	15	in 3 continents

Topics to be covered during the discussion

- Advantages of PEPPOL
- Localisation
- Cost structure

Advantages of Peppol

EIPA questions:

- In determining national e-invoice standard, what kind of e-invoice standards are usually considered along with PEPPOL?
- What are the strengths / advantages of PEPPOL compared to other e-invoice standards?
- What are the potential weaknesses / disadvantages of PEPPOL compared to other e-invoice standards?

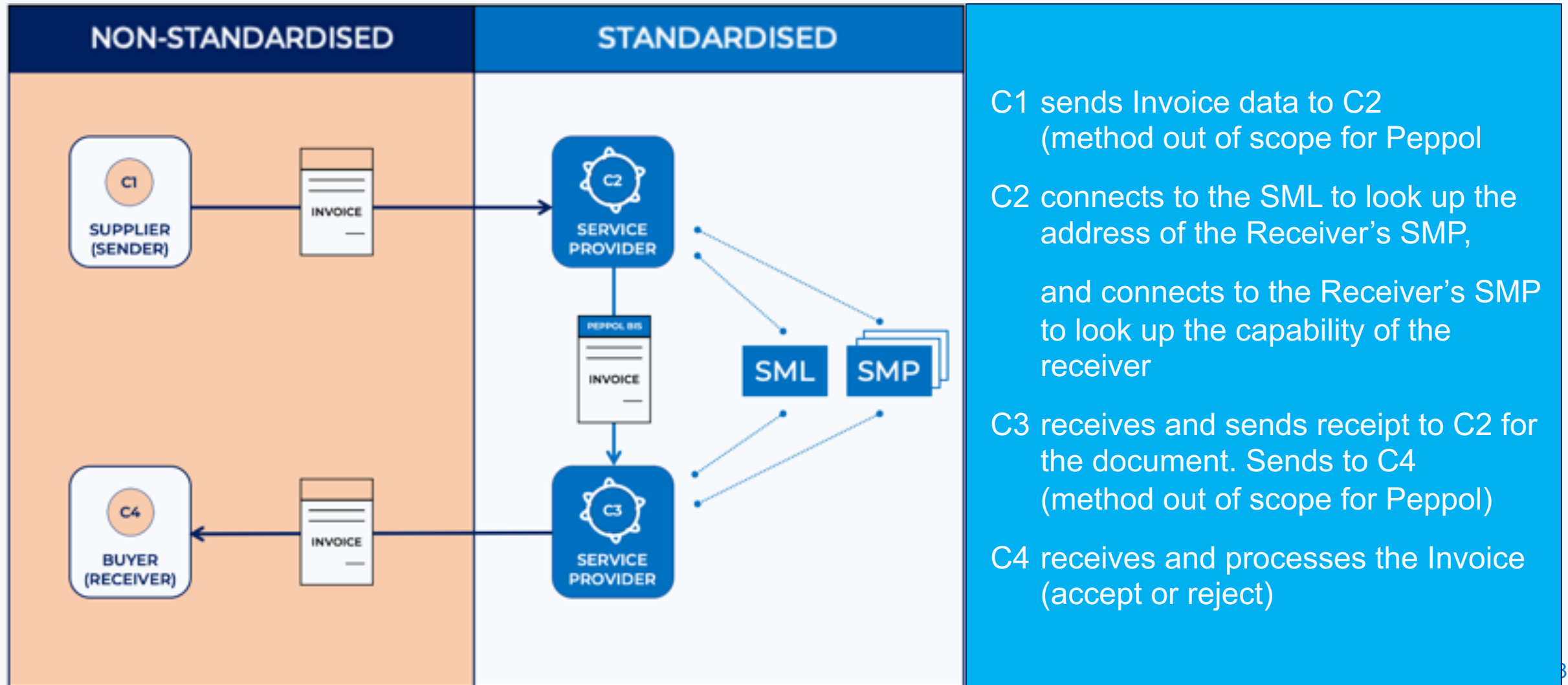
What eInvoice standards are considered?

- The considered options for xml eInvoicing standards
 - Universal Business Language (UBL) 2.1 (ISO/IEC 19845:2015)
 - UN/CEFACT Cross Industry Invoice (CII) D16B
- Peppol supports both standards based on EN16931 requirements
 - Peppol Business Interoperability Specifications (BIS) – based on UBL version 2.1
 - UN/CEFACT Cross Industry Invoice – CII 100.D16B (Decoupled Code List Schema Modules)
 - Peppol BIS is the dominant specification in the Peppol community, although some CII invoices are exchanged, for example in Germany
- In principle, Peppol can work with any syntax (also UN/EDIFACT), subject to agreement through the OpenPeppol governance arrangements
- As well as standards for an eInvoice, it is also necessary to consider the enabling arrangements for eInvoice exchange

Strengths/advantages of Peppol

- Open four-corner model:
 - low barriers to entry for Service Providers and End Users
 - open market of Service Providers providing choice without lock-in
 - low cost, with no 'roaming' charges between Service Providers
- Facilitates interoperability within and between national jurisdictions
- Enables business efficiency
- OpenPeppol is a democratic, member-led, not-for-profit, international association
- OpenPeppol governance arrangements:
 - legal agreements between parties
 - Peppol Organisational Framework
 - Peppol Interoperability Framework
- Provides an ever increasing range of eBusiness documents beyond eInvoice

The Peppol four-corner model visualised

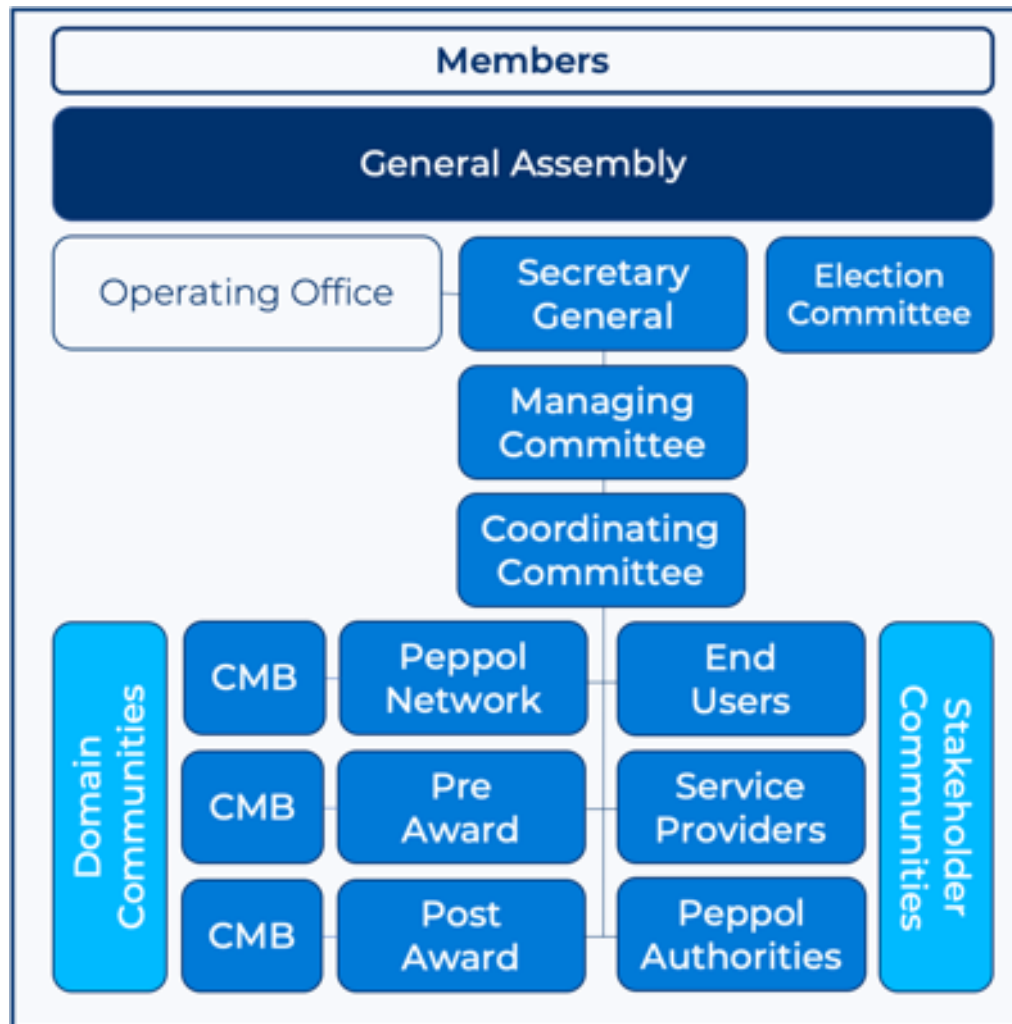


OpenPeppol legal framework



- OpenPeppol AISBL is a not-for-profit international association is based in Brussels and is established under Belgian law
- OpenPeppol operates under a set of Statutes and Internal Regulations that are approved at the General Assembly by voting members of the Association
- Each Peppol Authority operates under a standard bilateral legal agreement with OpenPeppol
- Each Service Provider operates under a standard bilateral agreement with a Peppol Authority
- Peppol services are provided to End Users under a commercial agreement with a Service Provider of their choice

Peppol organisational framework



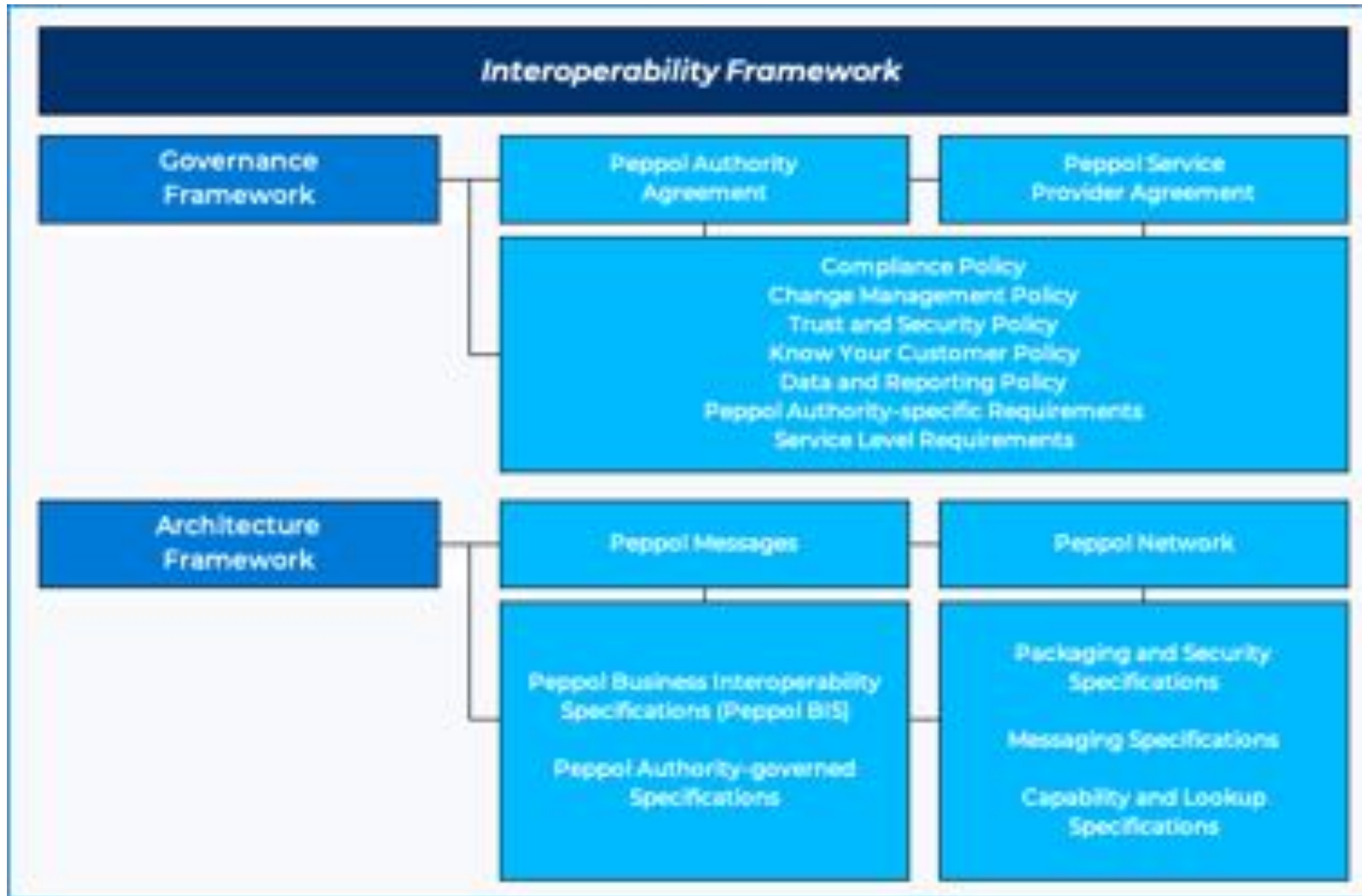
Peppol members form the General Assembly which, in accordance with the Association Statutes and Internal Regulations, elects:

- The Secretary General
- Managing Committee
- Change Management Board leaders
- Domain Community leaders
- Stakeholder Community Leaders

Domain and Stakeholder Community leaders form the Coordinating Committee, which agrees, prioritises and recommends development activities across the domains

CMB = Change Management Board

Peppol interoperability framework



Representatives of member organisations volunteer to develop the governance and architecture artefacts, working in collaboration as part of work groups that are:

- Mandated by the Managing Committee
- Managed by the relevant stakeholder or domain community leader
- Supported by the OpenPeppol Operating Office

Weaknesses/disadvantages of Peppol

- We do not see any specific weaknesses
 - As Peppol is evolving and growing fast, there are changes that must be managed
- However, there are requirements that must be met
 - Strong and active national leadership is necessary
 - Compliance with legal agreements and specifications
 - Participation in OpenPeppol communities and work groups
 - Relevant Domain communities
 - Relevant Stakeholder communities
 - Rigorous change management processes

Localisation of Peppol

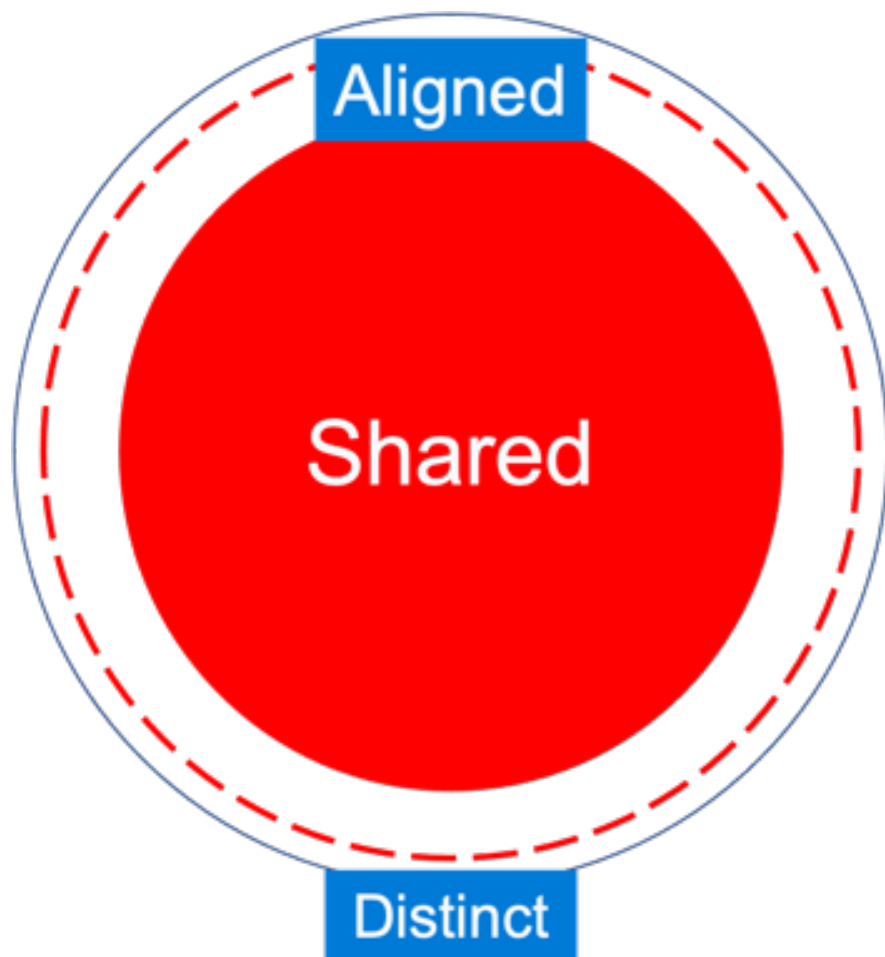
EIPA questions

- How does PEPPOL accommodate business practices / rules specific to a country? For example, it is common in Japan to issue a monthly invoice by summarizing transactions within that month (instead of issuing invoices for each transactions). It is understood that this use case is not covered (at least fully) in PEPPOL.
- Is it possible for a country to have its own rules that apply only to e-invoice exchange within that country?
- What kind / level of country specific rules are allowed in PEPPOL?
- Is it possible for a country to request its own rules to be adopted as the international standard? What kind of processes will there be?

Accommodation of local business practices

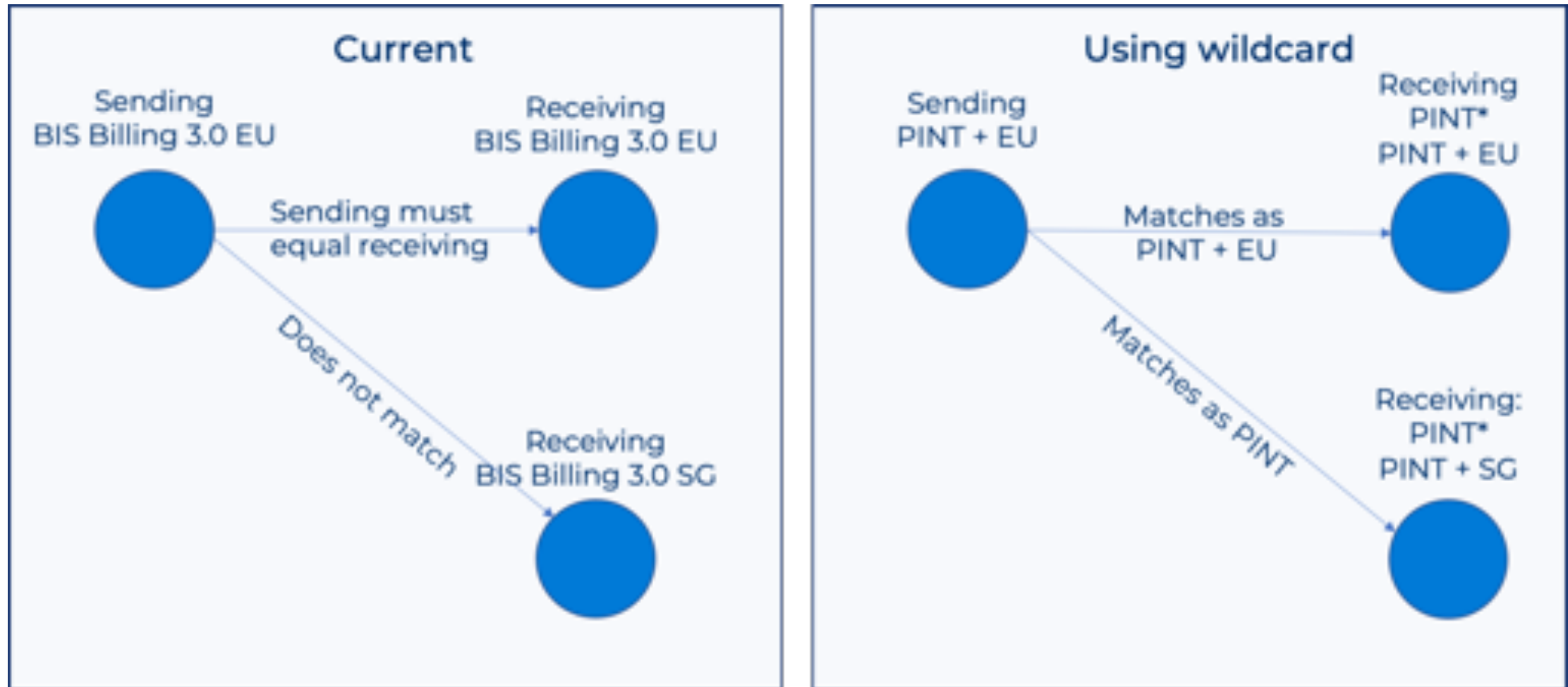
- The Peppol eInvoice (Peppol BIS Billing 3.0) was originally specified to accommodate VAT as required by European legislation
- However, with adoption by Singapore, Australia, New Zealand, extensions were implemented to accommodate General Sales Tax requirements
- To ensure interoperability between jurisdictions, Peppol initiated the Peppol International Invoice project, which will harmonise these specifications (the following slides shows how this will work)
- We can work with you on a gap analysis to understand whether the Peppol International Invoice will meet the Japanese 'consolidated invoice' practice
 - If not, we can consider the development of a new specification
 - Any new specification would be developed for use in all jurisdictions, and allow for customisation

Peppol International Invoice - data model



- Shared
 - common for all domains
 - example: name, address, . . .
- Aligned
 - understood in general terms by all domains
 - can be specialised for domain specific compliance.
 - example: VAT, GST, Sales tax, . . .
- Distinct
 - only understood in the relevant domain
 - example: Intrastat

Peppol International Invoice – scheme



Possibility of local rules

- Peppol BIS provides for local restrictions
 - for example, tax rates, use of identifiers
- For requirements not covered by the use of restrictions, Peppol will work with you on a gap analysis to ascertain the need for local rules
- Given that Peppol BIS Billing 3.0 is based on UBL and EN16931, it is likely that all requirements can be supported
- Under certain circumstances, a local adaptation can be facilitated
 - For example, the Peppol invoices used by Singapore, Australia, New Zealand
- Where unforeseen local requirements emerge, they are put forward through the relevant Change Management Board for review, prioritisation and approval
- Where possible, local requirements that are approved and developed will be made available as an option for all jurisdictions

Costs in Peppol

EIPA questions

- Who is the master operator of PEPPOL network in each country? Is it typically a government body or a private sector?
- What kind of costs are typically expected to the government body in implementing and running PEPPOL?
- What kind of costs are typically expected to the service providers in implementing and running PEPPOL?
- What kind of costs are typically expected to the businesses (large and small) in using PEPPOL?

Structure

- OpenPeppol is the Coordinating Authority and has overall responsibility for the entire Peppol Network
- As the Coordinating Authority, OpenPeppol delegates the localised part of this responsibility to Peppol Authorities under the Peppol Authority Agreement
- In jurisdictions without a Peppol Authority, the Coordinating Authority acts as the Peppol Authority
- The establishment of a Peppol Authority within a jurisdiction is strongly recommended to provide leadership and support
- All current Peppol Authorities are government bodies
- With the appropriate government support, a Peppol Authority may be a private organisation. We had one example of this set up, but this has since transitioned to become part of a government department
- The responsibilities of a Peppol Authority are set out in the back up slides

Costs for Peppol Authorities and Service Providers

- OpenPeppol annual membership costs for all member types are minimal (see table in the next slide)
- Peppol Authorities should budget ongoing operational resources (current PAs operate between a range of 2 and 20 full-time equivalent employees, typically toward the lower end of the scale)
- Peppol Authorities may wish to mandate or incentivise Peppol adoption, with the consequent costs
- Costs for Peppol Service Providers are difficult to quantify given the variation between Service Providers (ranging from large multinationals to micro-SMEs)
- Service Providers need to study the Peppol specifications, train staff in implementation and ongoing support, and set up an access point or SMP. Third party open source software is available, along with the Peppol testbed which is used for Service Provider certification

OpenPeppol membership fees

OpenPeppol membership fees (effective July 2020)				
Category of Membership			Sign-up fees	Annual fees
1	Peppol Authority		€12,000	€15,000
2a	Service Provider - Access Point (AP) Employees	- S1 and S2 size 1-50	€750	€1,500
		- S3 size 50-250	€1,500	€2,250
		- S4 size 251-2,500	€1,500	€3,000
		- S5 size >2,500	€1,500	€3,750
2b	Service Provider Service Metadata Publisher (SMP) Employees	- S1 (who are also AP providers) 1-30	inc above	inc above
		- S1 (who are not AP providers) 1-30	€750	€1,500
		- S2 to S5 size >30	€1,500	€1,500
2c	Service Provider - Pre-Award		€500	€800
3	End User Employees	- S1 and S2 size 1-50	€500	€1,000
		- S3 size 50-250	€1,250	€1,750
		- S4 size 251-2,500	€1,250	€2,500
		- S5 size >2,500	€1,250	€3,250
4	Observer (associate membership)			
	- Employees/members <1,500		€1,500	€750
	- Employees/members >1,500		€1,500	€1,500

OpenPeppol membership is open to:

- Government agencies acting as Peppol Authorities within their geographical jurisdiction
- Service Providers that offer Peppol-based services to End Users
- End Users (although End Users are not required to become OpenPeppol members to exchange Peppol messages)
- Observers, who may be trade bodies, academic organisations, etc

Note that Peppol Service Providers charge End Users for Peppol services, operating in a competitive market environment

Costs for end users

- Costs for End Users varies, but competition between Service Providers ensures that cost remain competitive
- One-off set up costs may be incurred to provide systems integration, mapping and automation requirements depending on the technology available to the End User
- Some End Users will have ERP systems with native Peppol functionality resulting in lower implementation costs
- Recurring fees may be charged in relation to activity, and this can be a monthly fee, a monthly volume related fee, or a combination of both
- Some providers may provide Peppol transactions on a free-of-charge basis for micro-SME customer, typically using a portal for data exchange
- The Peppol four-corner model ensures significantly lower costs for End Users than for alternative solutions

Back up slides

Peppol BIS principles

Basic principles surrounding the Peppol format

- All Peppol documents **MUST** be validated by C2 (the sending Peppol service provider) before sending
 - Validation schemas for standard Peppol BIS documents are provided by OpenPeppol and implemented by the Service Providers
 - Ensures: High quality and a very low error rate on exchanged documents. Receiver can trust what he gets is compliant to the Peppol Specifications!
- The mandatory document principle of Peppol
 - All receivers registered in any SMP must, as a minimum, support receipt of the mandatory Peppol BIS. The current mandatory version is Peppol BIS 3.0
 - Example: If a German Public entity is registered with X-Rechnung Invoice CIUS in Peppol they **MUST** also be registered with Peppol BIS 3.0 standard Invoice format
 - Ensures: Interoperability! Especially for cross border trading because everyone that has support for eInvoicing receipt in Peppol **MUST** support the same mandatory Peppol format across countries

Establishing a Peppol Authority

October 2020



Core steps

- Become a member of OpenPeppol
- Allocate the Peppol Authority resources
- Determine national implementation model
- Set up the Peppol Authority operation
- Motivate the market
- Commence operations



Primary considerations

- Determine market driver: legislation/policy v economic efficiency
- Identify the legal entity in charge as the Peppol Authority
- Determine the core domestic infrastructure requirements:
 - centralised or decentralised approach to SMP registration
 - approach to Government-side access point
 - national infrastructure specifications and security
 - compliance management and reporting
 - national specifications and document identifiers
- Align with cross-border requirements

Preparations

- Implement key drivers:
 - agree legislation/policy position, budget
 - communicate with public sector, private sector and service providers
- Implement the OpenPeppol Interoperability Framework:
 - add any agreed national requirements via approval of Annex 5;
 - sign legal agreements with service providers
- Implement a governance structure:
 - design and implement governance arrangements
 - develop and communicate implementation plans
 - set up first line service provider support

Responsibilities

- Service Provider relationship management
 - knowledge sharing with potential Service Providers
 - liaison during enrolment with OpenPeppol Operating Office
 - signing legal agreements including prior due diligence
 - approval of test and production certificates
 - 1st line support during enrolment and day-to-day operations
 - 1st line, 2nd line, 3rd line support for national requirements
 - national and cross-border dispute handling between Service Providers
 - offboarding exit management including formal agreement termination
 - set up and lead a national Service Provider forum

Participation

- PAs participate in Domain and Stakeholder communities:
 - PA Community web calls (two per month)
 - PA Community face-to-face meetings (two per year)
 - relevant Domain Community web calls and face-to-face meetings
 - OpenPeppol General Assembly (one per year)
- Optionally, participate in Work Groups to:
 - develop new and existing domains and specifications
- Optionally, all members can influence the global development of all aspects of Peppol, through election to open positions:
 - in the Managing Committee and Election Committee
 - as Domain and Stakeholder Community leaders and CMB members

Start up resources

- Agree resourcing plan to cover:
 - Peppol Authority project manager
 - legal advice, policy and specification development
 - project management office
 - technical resources, external consultancy support
- Guideline start up resource requirements:
 - leadership, during start up: 0.6 fte
 - approval of legal agreements: 3-9 months, 1.5-2.0 fte
 - setting up SMP arrangements: 2-6 weeks, 0.6 fte
 - administration and communications: 6-9 months, 3 x 0.4 fte

Ongoing resources

- Appoint Peppol Authority team: guideline minimum resources
 - Peppol Authority Leader 0.2 fte
 - administration 0.2 fte
 - support and dispute handling 0.2 fte
 - communications 0.2 fte
 - participation in Peppol Authority Community 0.2 fte
- Participation in OpenPeppol governance and technical developments
 - optional, resources as required

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Peppol Authority members (as at November 2020)

- | | |
|-----------------|---|
| 1. Australia | - Australian Taxation Office |
| 2. Belgium | - Federal Public Service Policy and Support |
| 3. Denmark | - Danish Business Authority |
| 4. Germany | - Coordination Office for IT Standards, Free Hanseatic City of Bremen |
| 5. Greece | - General Secretariat of Information Systems |
| 6. Iceland | - Financial Management Authority |
| 7. Italy | - Agency for Digital Italy |
| 8. Ireland | - Department of Public Expenditure and Reform |
| 9. Netherlands | - Ministry of the Interior and Kingdom Relations |
| 10. New Zealand | - Ministry of Business Innovation and Employment |
| 11. Norway | - Norwegian Agency for Public and Financial Management |
| 12. Poland | - Ministry of Economic Development |
| 13. Singapore | - Info-communications Media Development Authority |
| 14. Sweden | - Agency for Digital Government |
| 15. UK | - Department of Health and Social Care |



THANK YOU!

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info@peppol.eu
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