

EN16931 EXTENSION FOR B2B MANDATE IN FRANCE

This note introduces the needs of extensions to the EN16931 in order to address specific business cases inventoried by the French B2B Mandate teams (Tax Administration Project team and FNFE-MPE).

Those extensions are a subset of the EXTENDED implemented in UN/CEFACT SCRDM CII, through the EXTENDED profile defined by FNFE-MPE and FeRD (French and German e-invoicing forums) for hybrid invoice format Factur-x / Zugferd 2.2.

They have also been implemented in UBL, after exchanges with UBL community in order to find the best syntax bindings with UBL 2.1. It has to be noted that some business needs for extension have not been included for the moment in the French Extended profile when no syntax binding have been found in UBL.

In a second part of this document, some business cases examples are presented to better understand the needs of extensions, and, for most of them, the necessity to share the invoice and invoice messages responses with third parties in order to have a full end to end invoice process automated. It means that beyond the extension to EN16931, there should also be some consequences on invoice response messages and their choreography, which have also been designed using the CDAR (Cross Domain Acknowledgement and Response) UN/CEFACT Message, which is semantically close to the Acknowledgement and Response UBL message.

The first set of extended Business Terms are the consequences of business process where third parties are involved (see second part of this note for more details):

- A **PAYER** Party (EXT-FR-FE-BG-02), in case a third party is in charge of the payment of the invoice and has to be part of the invoice process (invoice and invoice response message). It can be noted that the only place available in current UBL is **cac:PaymentMeans/cac:PaymentMandate/cac:PayerParty/cac:Party**, which is not fully aligned with the semantic need as it is in a branch signifying the Direct Debit means of payment when this role could be also necessary for any means of Payment.
- A **BUYER AGENT** Party (EXT-FR-FE-BG-01), which buys on behalf of the Buyer, can be in charge of invoice approval and sometimes of invoice Payment (a third PAYER Party again).
- An **INVOICEE** Party (EXT-FR-FE-BG-04), which is the party in charge of processing the invoice on behalf of the Buyer. It could be an internal service of the Buyer, but also a third Party (Shared Service Center for instance).
- A **SUPPLIER AGENT** Party (EXT-FR-FE-BG-03), which sells on behalf of the supplier (for instance a distributor), which could issue invoices and / or approve the invoice before it is sent (especially when this Supplier Agent party is in charge of the delivery in a consignee role).
- An **INVOICER** Party (EXT-FR-FE-BG-05), which is a third party in charge of issuing the invoice on behalf of the supplier, generally sending and following its process. The INVOICER should have an invoicing mandate from the SUPPLIER. The presence of both the INVOICER and the SUPPLIER plays a role regarding the authenticity of the origin
- A **BUYER TAX REPRESENTATIVE** Party, in case the Buyer has a Tax Representative, which plays a role in the VAT Collection (reverse charge) or deductibility on behalf of the BUYER. This role has already been asked by German colleagues. However, as there is only a unique TAX Representative in UBL instead of a TAX Representative for the SUPPLIER and another one for the BUYER, this extended Party has not been included yet for France.

The other extensions identified, where a place has been found in UBL (to be confirmed or corrected), are

In addition to these parties, we have added the following business terms:

- Add a **rolecode** to all Parties to potentially precise its role, especially for Factoring business case on PAYEE Role (code DL in Codelist 3035).
- Align the PAYEE Role to other Parties (add VAT ID, Electronic Address, Postal Address, Contact)

- Add a Document Type in BG-3 “Previous invoice” (codelist 1001), as this group can be used also in a final invoice following a prepaid invoice (which is posted in the balance sheet Class 4 and not in the P&L Class 6 / 7), when VAT has been present in the prepaid invoice but also in the final Invoice which is fully posted in the P&L : EXT-FR-FE-02.
- Add a Document Type to a Contract Reference (for B2G needs to qualify the type of contract) : EXT-FR-FE-01.
- In case of multiple Delivery, multiple Purchase Order, Multiple Sales Order, ... add references on line level:
 - Purchase Order Reference : EXT-FR-FE-135.
 - Sales Order Reference + line of the sales Order reference to which the line of the invoice refers: EXT-FR-FE-BG-09.
 - Despatch advice Reference + line of Despatch Advice: EXT-FR-FE-BG-07
 - Good Receipt Reference + line of Good receipt Reference: EXT-FR-FE-BG-08
 - Delivery location (ID / Address) : EXT-FR-FE-BG-10.
 - Date of Delivery: EXT-FR-FE-BG-11
 - Previous Invoice Reference (EXT-FR-FE-BG-06) + Date + line Of the previous invoice + typecode of the previous invoice (for instance when the final invoice deduct the previous prepaid invoice directly on line level in order to deduct the VAT of this prepaid invoice. Then these lines have to be posted in the balance sheet Class 4 accounts when all the other have to be posted in P&L Class 6 / 7).
 - Subject of a Note on line level + cardinality 0..n in order to provide different information (for instance the presence of a WEEE Tax in the Unit Price) : EXT-FR-FE-183.

In addition, some additional extension should be discussed as they might be necessary for additional specific business cases:

- Item Price Discount (BT-147) Reason and Reason Code
- Item Price Charge (Basis amount, Percentage, Reason, Reason Code, Item price charge), for instance to provide structured information on a Tax like WEEE Tax on an Item.
- Line Total Tax Amount and Grand Amount on line level (for B2C invoices) + a code signifying if invoice is calculated on Unit price without VAT or with VAT (+ new Business rules for calculation on this case).
- Add “legal Address” to all Parties when this address is different from the Commercial Address
- Make Contact 0..n on all Parties with a Party Contact Type to be added in order to qualify the Contact (financial, commercial, ... code list 3139)
- Tax Currency Exchange business group in order to explain the Tax Currency Exchange
- Withholding Tax Business group
- Partial Payment / Payment Schedule including PAYEE and PAYER, as it can happen that a payment schedule involves many Payees or Payers. For instance, the repair invoice of a Car under insurance where a part of the invoice is directly paid by the insurance company is addressed to the Car Owner, with an amount to be paid by the insurance company (which is not a prepaid amount) and an amount to be paid by the Car Owner.
- Discounted payment terms in a structured form : Discount amount, Basis Due Date, Basis Period Measure, Basis Amount, Percentage, ...
- Advanced payments details: list of all prepaid amounts with VAT breakdown, in order to give detail information about the VAT which has already been paid in prepaid invoices.
- In case of Dropship Vendor business case, the UltimateShipToTradeParty may be necessary also (when the Buyer asks to its Supplier to deliver the goods directly to its own customer, the Ultimate ShipTo Party).

In order to better understand the need of those extension, some related business cases are described below.

PAYER Party business case

It happens that a BUYER_1 wants to secure the payment of subcontractor of its first-tier suppliers. It is commonly used by Public Entities on the construction sector, but also by private Buyers.

The SUBCONTRACTOR_3 issues an invoice to the SUPPLIER_2, which is in the Buyer role in the invoice, and asks to the BUYER_1 for payment. The BUYER_1 waits for approval from the SUPPLIER_2 and pays the invoice to the SUBCONTRACTOR_3. This payment becomes a prepaid amount in the relation between the BUYER_1 and the SUPPLIER_2. The presence of the 3 parties is necessary for booking/posting automation for all parties.

The invoice issued by SUBCONTRACTOR_3 to SUPPLIER_2 for posting and BUYER_1 for payment has SUBCONTRACTOR_3 as the Supplier role, SUPPLIER_2 as the Buyer role and BUYER_1 as the PAYER role. The invoice is sent to the SUPPLIER for processing (booking and approval) and to the BUYER for payment. Then invoice response messages must be sent by SUPPLIER_2 to SUBCONTRACTOR_3 and BUYER_1 in order to inform about the approval of the invoice to be paid.

When the payment is issued by BUYER_1 to SUBCONTRACTOR_3, an invoice response message should be sent by BUYER_1 (as a PAYER) to the SUPPLIER_2 (for posting the payment of the invoice to SUBCONTRACTOR_3 against a prepaid amount for BUYER_1) AND to SUBCONTRACTOR_3 (to inform about the payment and contribute to an automatic invoice / payment lettering).

Once the full delivery made, the SUPPLIER_2 issues an “global” invoice to the BUYER_1, which includes what SUBCONTRACTOR_3 has made or delivered, and deducts the amount(s) paid by the BUYER_1 directly to the SUBCONTRACTOR_3 as a prepaid amount for SUPPLIER_2.

The same kind of business case can happen when invoice payment is centralized to a unique service in a group for all subsidiaries.

INVOICEE Party business case

When a BUYER uses a Shared Service Center (SSC = INVOICEE) for processing its invoices, potentially including its payment, the invoice has to be sent to the SSC but still have to refer the Buyer role as the BUYER and not the SSC. It is then important that the SSC can be present in the invoice as an INVOICEE, first to send the invoice to the INVOICEE instead of the BUYER, and then to allow the BUYER to have access to invoice response messages to share the lifecycle of the invoice (and potentially participate to the approval step).

When an INVOICEE is referenced in an invoice, the invoice must be sent to the INVOICEE, which can inform the BUYER through invoice response messages (lifecycle statuses).

BUYER AGENT Party business case

It happens that the BUYER uses an Agent to manage its purchases on its behalf. It is quite the common rule for instance on advertising space media purchases. Here, the SUPPLIER is an advertising agency, which sells advertising spaces to an advertiser (the BUYER) through a media agency which buys on behalf of the advertiser (BUYER AGENT role, managing an advertising campaign) and, most of the case, approves and potentially pays the invoices on behalf of the BUYER.

In France, the invoice MUST (by law) be sent by the SUPPLIER (advertising agency) or on its behalf to the BUYER (advertiser) directly. However, in practice, the invoice is processed by the BUYER AGENT (media agency) which needs to receive it also and participates to the lifecycle statuses exchanges (through invoice response messages), especially for approval process and potentially payment.

The advertising agency has then to be identified in the invoice as a BUYER AGENT, and potentially as the PAYER. The BUYER has to post this invoice in its account and is responsible for VAT. If the BUYER AGENT is also in charge of payment (as a PAYER role), it will ask for reimbursement through a reimbursement invoice or a reimbursement invoice line in its invoice for its agency services fees and reimbursements. This reimbursement lines are exempted of VAT (code VATEX-EU-79-C).

INVOICER Party business case

It happens that an invoice is issued by a third party, on behalf of the Supplier, which is also in charge of processing this invoice on the supplier side (manage litigation, follow invoice lifecycle, match payment). For instance, a market place which organizes the transaction between a seller and a customer, including the delivery of goods, can also issue the

invoice on behalf of the supplier. It can also receive the payment on its behalf (as a PAYEE Role), especially when the payment is done on purchase order and when proof of delivery is waited before sending the payment to the supplier.

The INVOICER is in charge of issuing and sending the invoice to the BUYER (or/ and other parties depending on the BUYER's requirements, for instance to send it to an INVOICEE), and to share it with the SUPPLIER (for booking in its account). The INVOICER, if third party of the SUPPLIER, must have an invoicing mandate to issue the invoice on behalf of the SUPPLIER.

In a DCTCE like model, the INVOICER and the SUPPLIER may not share the same Access Point. It is then important that invoices refer to the different parties (here INVOICER and SUPPLIER) in order to support invoice exchange and invoice response messages.

SUPPLIER AGENT Party business case

It happens that the SUPPLIER relies on a third Party to sell, and potentially to deliver the goods, issue the invoices and collect the payments. It is typically the role of a distributor or a consignee (depository), for instance in the Health Sector or the Software distribution.

The SUPPLIER AGENT can also play an INVOICER role or be the PAYEE.

It is then important that it can be identified as SUPPLIER AGENT in the invoice, to differentiate with the SUPPLIER and potentially organize invoice lifecycle sharing among the different players.