



# ELECTRONIC INVOICING

**softone**  
more than software

This white paper presents the concept, as well as the necessity of e-invoicing, for the businesses of the Greek market. Legislation issues, practices and the benefits of e-invoicing, are thoroughly examined so that the reader gains a complete and comprehensive view of the issue.

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## 1. What is e-Invoicing?

According to the 2001/115/EC Directive of the European Union, e-Invoicing is defined as the dispatch of invoices by electronic means and includes the transmission, storage and digital processing of these invoices. This Directive came into force on January 1, 2004, when specifications were produced for alternative acceptable ways to issue, send and storage e-invoices and dispatch notes from all companies operating within the EU, with the ultimate aim of replacing the paper format of the corresponding documents.

E-invoice is the invoice that has been issued and received in any electronic form. The digital form of the e-invoice is at the discretion of the issuer. The PDF file attached to an email is considered as the most characteristic digital method. The e-invoice is considered to be issued when the issuer provides (sends) the invoice to the recipient, in other words when the issuer produces it and sends it electronically to the recipient (Article 232 of 2006/112/EC).

It should be noted that according to the **Greek Generally Accepted Accounting Standards**, invoices created in an electronic format (either via the business software or the accounting system of the issuer, or by word processing applications) and sent to the client in a paper format, are not considered as electronic invoices. In contrast, paper invoices that are scanned, stored in an electronic format and sent by email to the client, can be considered as electronic invoices. In short, the basic criterion is the storage and transmission method of the tax element to the recipient (electronically) and not the process through which it was originally generated by the issuer.

## 2. The Greek reality

E-invoicing is not new to the Greek market, since from 2006, a wide range of companies have already started implementing it in an organized and automated way through e-invoicing service providers, in anticipation of the advantages that it would bring to their business. Greece is placed, according to official figures, above average in relation to other European countries as far as electronic exchange of invoices is concerned, and possesses continuous dynamic development.

# 3-4€

A STUDY OF ATHENS  
UNIVERSITY OF  
ECONOMICS &  
BUSINESS (AUEB)  
ESTIMATED THE TOTAL  
COST OF TRADITIONAL  
INVOICING FOR  
GREEK  
BUSINESSES AT  
3-4 EUROS PER  
INVOICE, WHILE IN  
SOME CASES IT WAS  
ESTIMATED THAT THIS  
MAY EXCEED 5-7  
EUROS PER INVOICE.

According to research data of the Hellenic Federation of Enterprises (SEV), companies that utilize e-invoices, operate mainly in the retail market, which is characterized by a high volume of transactions and exchanged invoices, respectively. About 70-80% of the market is already connected to services which provide electronic exchange of documents, and specifically invoices.

Moreover, according to a survey of ELTRUN (of the Athens University of Economics & Business), the percentage of companies (users of e-invoices) using intermediate providers (e-invoicing service providers) for the exchange of electronic invoices, is significant. Indeed, the percentage of those companies which have received substantial help from market experts to implement an e-invoicing solution, is even higher. This is obviously another element which shows the maturity of the market, as it indicates that there are experts and companies that have the necessary expertise to provide e-invoicing services.

In any case, according to the SEV data, 95% of e-invoices are handled through intermediate providers. This fact shows that the average volume of invoices sent either by email, or through direct communication between the supplier and the client, is relatively small.

As mentioned previously, the majority of companies that have selected e-invoicing, make use of one or more intermediate providers who have developed considerable expertise in recent years. The use of intermediary service providers, is considered satisfactory for the majority of cases in the Greek market, since these services are readily implemented, they allow diversification and expansion, are supported by specialized partners, whilst at the same time they do not require special equipment or software.

However, we need to understand that e-Invoicing is concerned mainly with B2B markets, and with a wide range of companies that operate in the production, processing, commerce and service provision. For a number of years, large companies, particularly restaurant chains (both internationally and in Greece), have used the combined benefits of electronic invoicing along with EDI services, ensuring immediate, reliable and automatic input of incoming invoices in their business software (ERP). The market solutions are usually available in the cloud, providing flexibility without requiring the need for any additional customer participation.

Although the use of e-invoicing is quite popular throughout Europe, its dynamic has not been fully exploited in Greece, since the available tools and applications have not

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**5€**

**IN GREECE, THE PROFIT PER INVOICE IS ESTIMATED TO EXCEED 5 EUROS  
WHILE IF THE COST OF PRINTING AND ARCHIVING OF INVOICE/CONSIGNMENT NOTE (1,5-2  
EUROS/INVOICE) IS INCLUDED, THE PROFIT CAN EXCEED 7 EUROS/INVOICE.**

penetrated the market as they should have done. This is usually due to the following factors:

- \* Inability of both the existing systems and the available tax control practices to adapt to e-invoicing applications, as well as
- \* Ambiguity of the existing institutional framework (until recently, December 31, 2014).

In any case, e-invoicing, due to the significant advantages it offers, is gaining ground. Modern solutions, such as ECOS E-Invoicing by SoftOne, contribute even further to the propagation of e-invoicing and its adoption by today's businesses.

### 3. Service features

Given the ever-increasing presence and expansion of e-invoicing services in the Greek market, it is advisable to focus on the features that an integrated service incorporates. This service will operate by the logic of automation at all stages of invoicing, ensuring the smooth operation of the process, both for the sender and the recipient.

**According to the applicable legislation (Law No 4308 Greek Generally Accepted Accounting Standards with most recent codification by Law No 4316/2014 and POL. 1003/31- 12- 2014 providing guidelines for the implementation of the provisions of Law No.4308/2014) all invoices sent by electronic means, are considered to be valid and acceptable as long as the following conditions are satisfied:**

- > By law, the e-invoice must be issued and received in an electronic format. (Chapter 3, Article 14, §2).
- > The use of e-invoice entails the acceptance of goods or services invoiced by the recipient. Acceptance may be in any electronic or printed form. The acceptance may be formal or informal, or by tacit agreement. (Chapter 3, Article 14, §3).
- > This paragraph requires each entity, issuer or recipient of the invoice, to take appropriate measures -according to the circumstances- to ensure the authenticity of the origin of the invoice, the integrity of content and the legibility of the invoice, printed or electronic. This can be accomplished by any safeguards of the entity that generate a

**62%**

**THE INTEGRATED  
PROCESS  
AUTOMATION  
BETWEEN BOTH  
PARTIES INVOLVED IN  
THE TRANSACTION,  
CAN LEAD TO THE  
ISSUER SAVING UP TO  
57% AND THE  
RECIPIENT  
UP TO 62%  
RESPECTIVELY!**

reliable and controllable sequence (chain) of evidence which connect each invoice with the respective supply of goods or services, and vice versa. (Chapter 3, Article 15, §2). The provisions of this law have already been in force from January 1, 2015.

The exchange of e-invoices is typically performed either by sending the e-invoice directly from the issuer to its recipient, or more often through a provider of e-invoicing services, who ultimately supports the overall management of a company's invoices.

In this way, the legality of the exchange of invoices is ensured at the same time. The direct e-invoicing can be accomplished either through an interface based on Web technologies, or can be integrated in the company's ERP system. In the second case, the reduction of costs for implementation and operation is ensured, though depending on the individual case, connectivity between businesses can be complicated.

The e-invoicing provider services usually consist of transmission, dispute management, archiving of invoices, as well as electronic data interchange (EDI), ensuring the integrity, authenticity, and legibility of any sent invoice. These services are usually charged separately, based on the number of invoices handled.

More specifically, the functions of e-invoicing services that providers offer, can be described as follows:

#### > Dispatch

The invoice of the company, is sent automatically and in a secure way to the intermediate service provider, as soon as it is created. The option to send various supporting documents (e.g. detailed invoice charges, proof of billing, shipping documentation, etc.), which can be sent as attachments to invoices, is usually offered. Consequently, the service in turn, immediately notifies the recipient. Indeed, in cases of providers such as SoftOne, the possibility to easily integrate with any ERP or billing system is offered, ensuring the real-time transmission of invoices at the time of their issue.

#### > Marking - Compliance

The next stage of the process requires the marking of the invoice by the electronic invoicing service, to certify it and, of course, to insure the company/issuer against the respective tax authority. This is an issue of vital importance, as there should be full harmonization and compliance with what is specified by the Greek Generally Accepted Accounting Standards. Specifically, the authenticity of origin and the integrity of content must be certified and then the readability of documents must be ensured.

Once the document marking process is completed, it starts the process of forwarding in order for the invoice to be delivered electronically to the recipient. This function is achieved in the following way: The service notifies the recipient by email, including a link, by which the recipient can be connected -in a secure way- to a web portal to manage the invoice. Following this, the recipient must accept it, receive or print it by selecting the desired file format (PDF or structured data). This process is automated, guaranteed and completely secure.

#### > Management

The e-invoicing services are designed in such a way as to be functional, simple and clear, featuring a user friendly interface. In that way, the real-time monitoring and management of a company's invoices is facilitated. In any case, the e-invoicing service providers incorporate control features for the exact time that the invoices are due to be sent (in the form of scheduling and dispatch authorization), so that the client has the final say.

#### > Update - Monitoring

This is a necessary stage of the process, as businesses will be able to connect securely to the e-invoicing service from anywhere, using any device, in order to be fully informed about the invoices that concern them. This means that the client has the option to accept or reject them, to comment, to receive them in the preferred format, to retrieve archived invoices and to be kept informed by interactive advertisements that may accompany them. Moreover, it is possible to be informed as to whether the recipient has been informed, has commented, queried, or accepted the relevant invoice. In case of disagreement, both the sender and the recipient will be able to exchange comments which are recorded and "follow" the invoice throughout its course.

#### > Audit - archiving

All invoices sent via an e-invoicing service, are archived for as long as their issuer wishes (the SoftOne service offers 5 years from

**2.5** billion

**THE AMOUNT THAT CAN BE SAVED FOR GREEK BUSINESSES BY ADOPTING ELECTRONIC INVOICING, IS ESTIMATED AT AROUND 1.2 BILLION EUROS PER YEAR. A STUDY OF AUEB ESTIMATES THAT 2.5 BILLION EUROS PER YEAR, COULD BE SAVED IF COMPANIES TAKE ADVANTAGE OF THE ADDITIONAL BENEFITS OF ELECTRONIC INVOICING IN THEIR MODE OF OPERATION.**

the date of issuing the invoice or more, depending on the relevant agreement).

#### > Security

Particular attention is paid by the e-invoicing service providers to the important issue of security in order to secure the transactions. Services, such as the one offered by SoftOne, offer ISO/IEC 20000-1:2011 certifications for their services and their audit (SMS), EN ISO 27001:2013 for data security (ISMS) and SSL security protocols for access to authorized users only. At the same time, the services guarantee maximum security regarding the management of the company's data in the Microsoft Windows Azure cloud platform.

#### > Search and Retrieve

One important feature is the searching of the entire content of the invoice by full text search. Thus, the user can find among thousands of documents, the one that they are looking for. For example, the user can find to which customers in Crete they sold specific products. The invoices will have to be available at all times, for both interested parties. This means that, for example, in case of disagreement or audit by the competent tax authority, the invoices can be easily searched and retrieved through the service provider or via QR code, in order for their authenticity and integrity to be established.

## 4. Advantages of e-Invoicing

According to the traditional form of invoicing, the issuer produces, prints, puts in an envelope and finally sends (via mail or courier) the invoice. Respectively, the process requires the receipt, archiving and registration of the relevant invoice by the recipient.

This is clearly a process that is both time consuming and outdated and also expensive, in all respects. E-invoicing has the immediate effect of relieving the business from tasks that absorb substantial resources and add complexity and high cost.

In fact, according to a SEV research, companies that have implemented e-invoicing in their daily operations, have also created additional applications (electronic orders, electronic price list, etc.), making good use of the dynamic, offered by electronic invoicing. Indeed it seems that e-invoicing through an intermediary provider, creates significant benefits for a business (a reduction of about 60% of the administrative costs).

A study at Athens University of Economics & Business (AUEB) estimated the total cost of traditional invoicing for Greek businesses. In particular, the cost per invoice for companies in the retail industry (an industry with the greatest exposure to e-invoicing) can be reduced by about 80% by using e-invoices only.

On this basis, in the case of Greece, the profit per invoice is estimated to exceed 5 euros, while by including the cost of printing and archiving of the invoice and shipping bill (1,5-2 euros/per invoice), the profit can exceed 7 euros/per invoice.



- ✓ Easy online integration with any ERP system
- ✓ Ease of use - Access from everywhere
- ✓ Compliance with the Greek Generally Accepted Accounting Standards
- ✓ Flexible delivery - even of paper
- ✓ Data security - EN ISO 27001:2013
- ✓ Documentation of the entire life cycle of the invoicing process
- ✓ Archiving in the cloud for five years
- ✓ Sending supporting files (attachments) with invoices
- ✓ One-to-one marketing, campaigns and



**softone**  
**EINVOICING**

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Although the average cost for Greece, is much lower compared to other European countries, the amount that can be saved for Greek companies by the use of e-invoicing, is estimated at around 1.2 billion euros per year (a study of the AUEB refers to the profits that can exceed €2.5 billion per year, if the additional benefits of e-invoicing are incorporated in the company's operation).

On top of the above data, the economic benefits for the state, resulting in the improvement of tax control efficiency and audit concerning the procurement for the Greek state, should be taken into account.

Through e-invoicing, the amount saved for the company is estimated to exceed 60% of the cost per invoice due to a significant cost reduction in terms of typing 33 million invoice lines on the part of the recipients and the consequent decrease in errors. Furthermore, the process results in faster payment and agreement between companies, but also in the eradication of paper, which leads to the reduction of storage costs, printing costs, shipping costs, etc.

It is also obvious that full utilization is achieved in cases where the issued invoices are sent via the e-invoicing service provider, in a common and single structured type, and are automatically recorded in the recipient's business software (EDI).

Another parameter is the fact that the direct issue, processing and delivery of invoices reinforces the cash flow of the business, as it significantly reduces the number of days required for the collection of invoices (this is the DSO indicator: Days Sales Outstanding). The 24x7 access of the company to its invoices, from any location and from any device, certainly contributes to the issue of immediacy, thanks to the automatic and secure archiving of invoices in the cloud.

The integrated process automation between the parties involved in the transaction (starting from the purchase and resulting in the payment), proves the maximum economic advantage of e-invoicing.

According to the data, savings can reach up to 57% on the part of the issuer of e-invoices, while on the part of the recipient, they can reach up to 62%, including payment and archiving. To these savings, the minimization of registration costs for the recipient and the minimization of processing errors when connected with EDI, should be added.

#### Some even more direct benefits of e-invoicing are:

- \*The compatibility and connectivity with any type of accounting software application
- \*The self-evident transparency of business transactions
- \*The clear and proven improved flow of financial (B2B) information
- \*The faster delivery to multiple business partners
- \*The even easier expansion to multiple commercial partners.

It can be cited to the immediate financial benefits of the company, those related to the environment and its protection. Obviously, the reduction of paper consumption spent daily in

unnecessary printing, and the energy costs for its transportation, results in carbon savings equivalent to reducing the CO<sub>2</sub> emissions for the European Union by one million tonnes per year.

In conclusion, now that the Greek Generally Accepted Accounting Standards have developed a simpler tax "landscape" compared to the past, it becomes clear that e-invoicing is the best choice for all companies which handle large numbers of invoices. The result as presented here is savings, speed, and reliability in transactions.

According to the SEV official data, the state procurements in many European countries, are already invoiced only electronically and this will soon also be the case in Greece.

Finally, we should note that the European Commission's aim is to see e-invoicing becoming the predominant method of invoicing across the whole continent of Europe by 2020.

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**80%**

THE COST PER INVOICE, **ESPECIALLY FOR THE COMPANIES IN THE RETAIL INDUSTRY** (THE SECTOR WITH THE BIGGEST EXPOSURE TO ELECTRONIC INVOICING) CAN BE REDUCED BY APPROXIMATELY 80% WITH E-INVOICES.

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