

## Benefits of implementing European eInvoicing standards in Iceland

The Icelandic Ministry of Finance declared in 2014 that all invoices for purchase of goods and services should be in electronic form, starting 1st of January 2015. This statement is based on a broad agreement between many interest groups across private and public industries. The key to that success is the CEN BII deliverables that are the basis for guidelines and solutions in the market.

An evaluation by the Icelandic state came to the conclusion that BII deliverables were adequate for Icelandic business needs and fulfil requirements for trade within the public administration, at both government and regional level. Additional local requirements turned out to be simple: mandatory identifier for trading partners and payment instructions for the local banking sector.

The most successful BII document specification is the invoice, but guidelines have been set up for other documents but their usage is growing more slowly. At the end of 2015 the Icelandic state is receiving close to 50% of its invoices using CEN BII solutions. On the regional level, the larger regions are receiving up to 70% of their invoices, using CEN BII solutions.

The goal of BII solutions is not to replace all other modes of issuing invoices but rather enable use of electronic solutions where other modes of using electronic standards are deemed too complex or costly. As an example, recently there is an uptake of BII solutions within the EDIFACT community; since many of their customers are too small to implement EDIFACT, instead of using paper, BII has become the solution to use.

The BII specifications form a common platform for buyers and sellers: if no other solution is available, then use BII. This leads to two surprising results:

- The BII specification enable smaller entities to compete for contracts more easily, since complex or expensive technical requirements are not a hindrance for participation
- The BII specifications enable all suppliers to use electronic trade documents since solutions are so easily available. Currently, some solution providers allow individuals and small companies to send documents, free of cost, up to a certain number.
- Since Iceland is a small economy there is a high proportion of micro sized companies within the economy. The success of BI in Iceland demonstrates clearly how well these solutions apply to that business case.

Most participants have reported savings based on use of BII solutions. There is definitely a startup cost that differs heavily between companies, so it is important to allow time for solution providers to adapt. The biggest savings are on the receiving end, by automating in house processes of data entry, accounting, approval, payment and eliminating handling of paper.

The open challenges identified by the community is the challenge of „reach“: how can a company send all its invoices to all. The PEPPOL network has been identified as a solution addressing those concerns.

Other challenges for the future is increased use of other BII document within the procurement chain, like order, dispatch and statement.