

# **EDI legal aspects in Estonia**

## ***Sharing the experience: eInvoicing***

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- Legal framework
- Technology framework
- eInvoicing standardization initiatives
- eInvoicing expert group

RISSO

# Legal framework

- Council Directive [2006/112/EC](#) on the common system of value added tax
- Council Directive [2001/115/EC](#) on the conditions laid down for invoicing in respect of value added tax
- Directive [1999/93/EC](#) on a Community framework for electronic signatures

Problematic: Article 233 (2) of the Directive 2006/112/EC on the advanced electronic signature usage while proving authenticity of the origin and the integrity of content

Estonian Value Added Tax Act

Estonian Accounting Act

Estonian Digital Signatures Act

Coherent regulations and specifications

# Interoperability agreements

- General obligations of the contracting parties
- Service availability
- Technical failure and recovery scenarios
- Handling of disputes
- Support (contact persons)
- Risk and liability apportionment relating to interoperability responsibilities
- Addressing and routing
- E-invoice content standards
- Communication/security requirements

# Technology framework for public sector

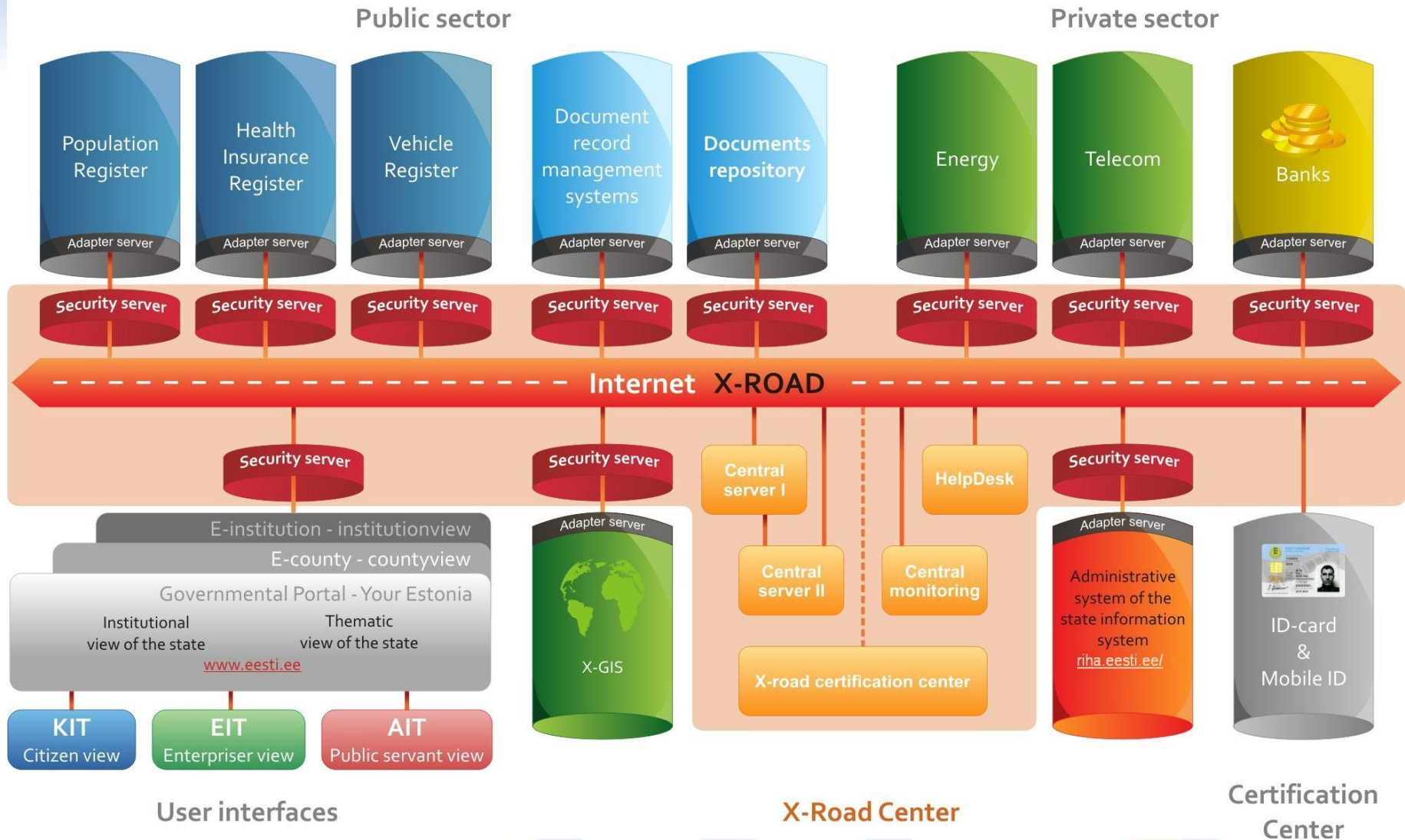
- IT interoperability framework
- Data Exchange Layer X-Road
- Document Exchange Centre (DEC)



# IT interoperability framework

- Semantic Interoperability
- Organizational interoperability, business interoperability
- Web Interoperability
- Open standards
- Open source software
- Information Security Interoperability
- Document management

# Estonian information system



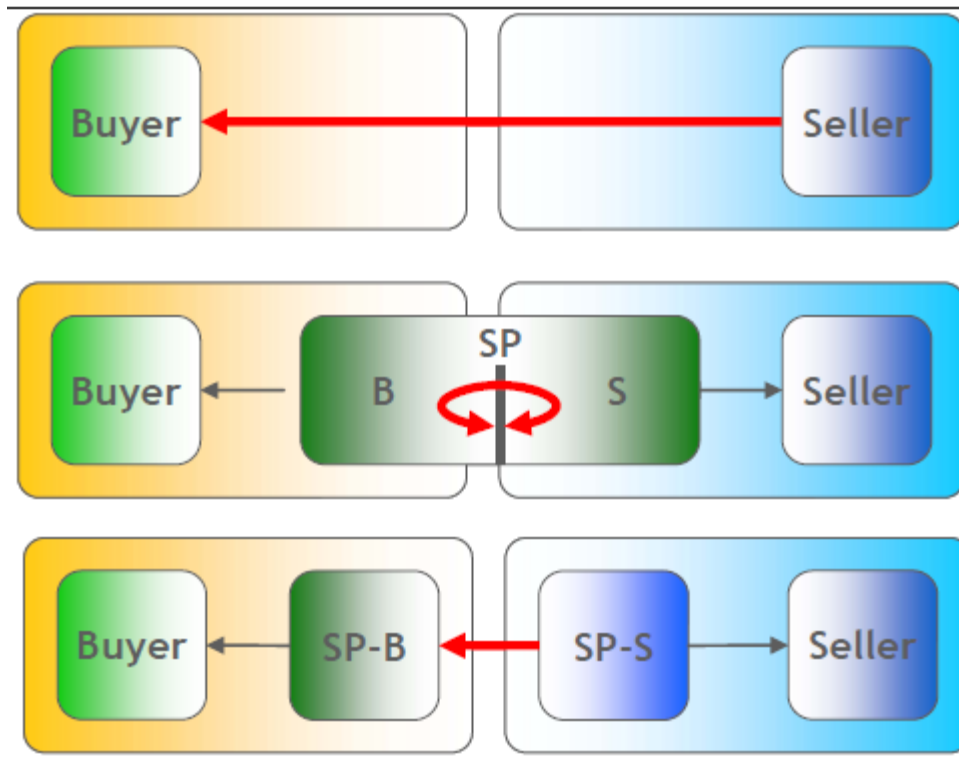
# Digital Seal

Digital signatures act amendment from January 2009, PKI based technology, as company signature.

- to prove legal entity connection to a document
- to prove authenticity and integrity of document
- legal consequences defined
  - stamping principles of seal owner
  - certification principles of certification service provider

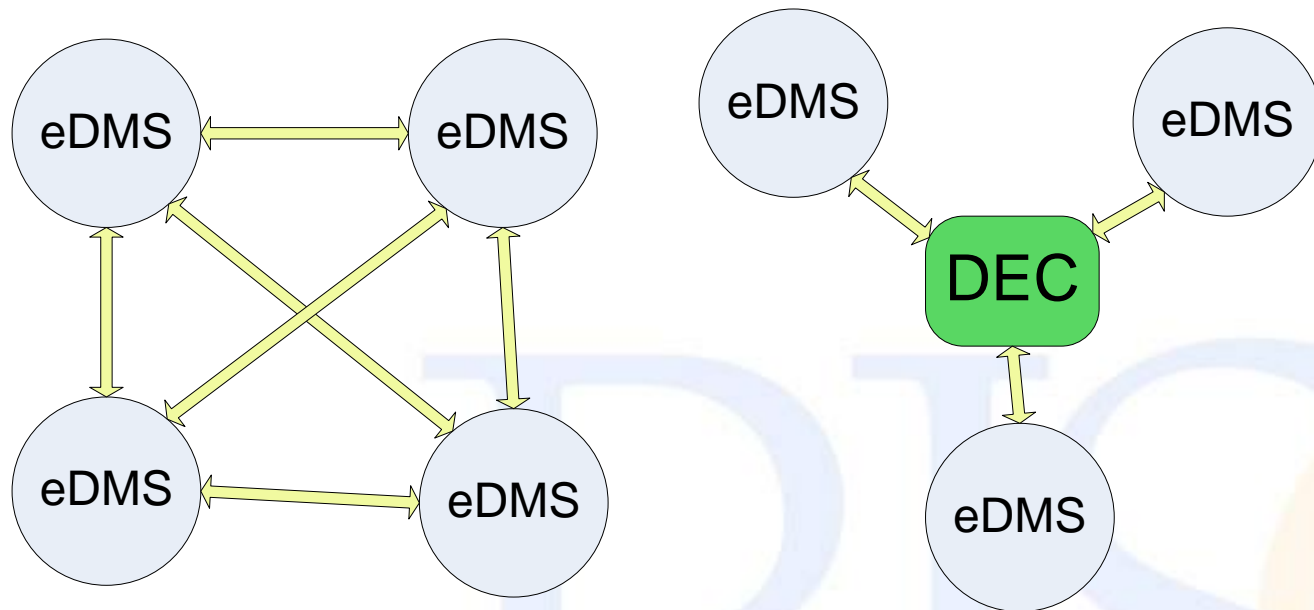


# eInvoice channels

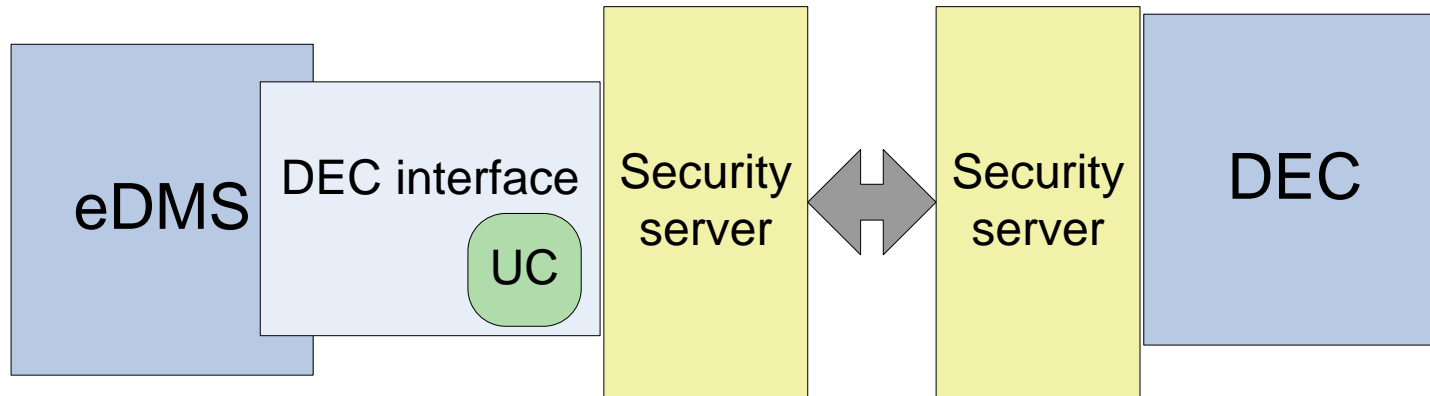


Source: EU Expert Group report

# Bi-lateral vs. multi-lateral architecture



# DEC interfaces development

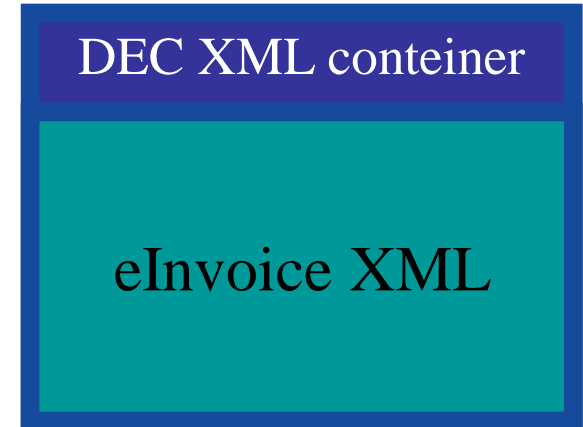
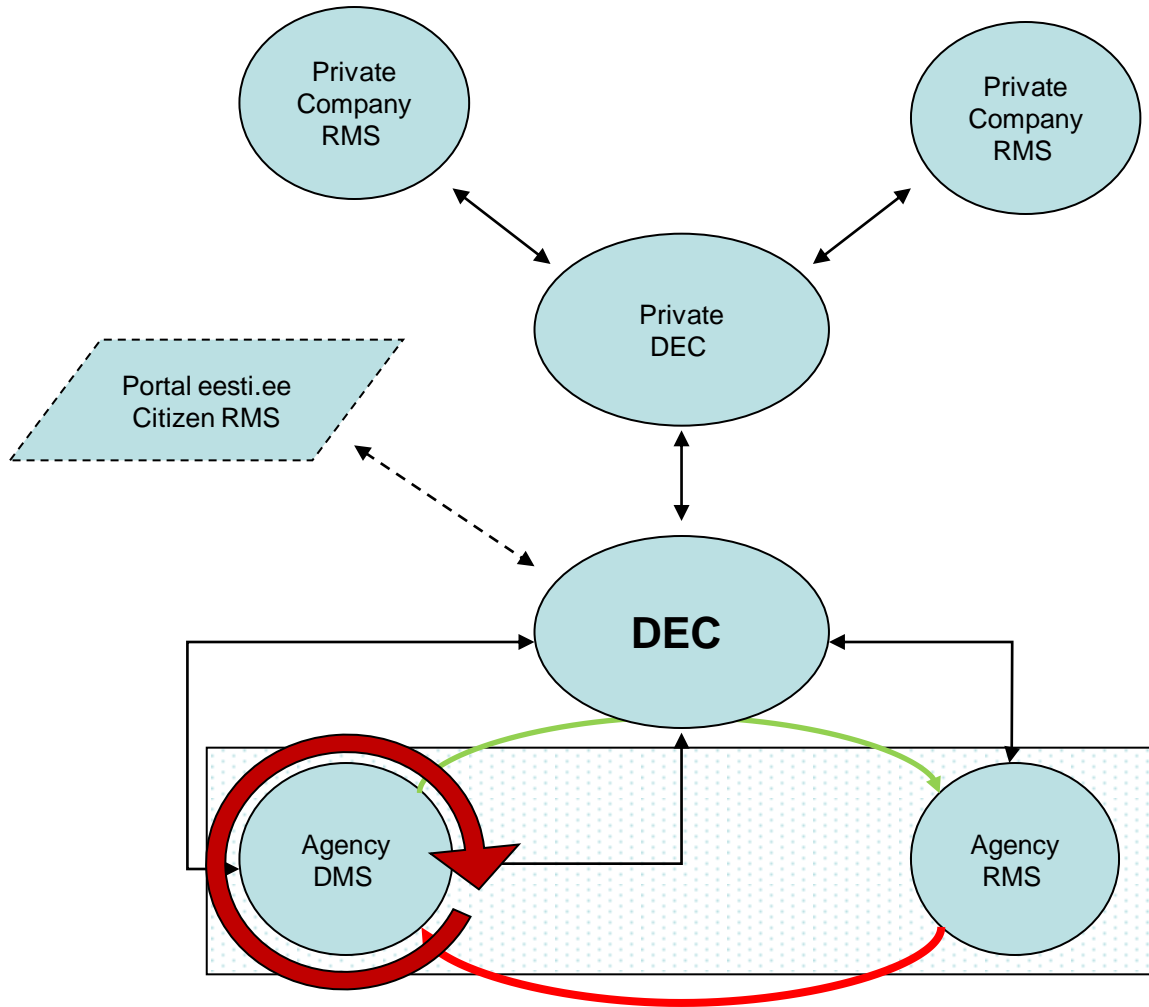


- Universal Client
- Centrally co-ordinated interfaces development
- Interface with 8 eDMS

# DEC user services under development

- E-invoice proceeding (10 RMS)
- Citizen RMS
- Inter-institution proceeding
- EU documents proceeding
- Local government council documents proceedings

# DEC interfaces on eInvoicing



Structured process metadata, incl invoice workflow (account card, item of expenditure, -units, projects) to be sent to DMS

# eInvoice standardization

- UN/CEFACT: EDIFACT (ISO 9735), ebXML ebXML (ISO/TS 15000), Cross-industry invoice, CII v2.0
- OASIS: UBL (Nordic NES, Danish OIOUBL), NES profile 4 basic invoice only
- GS1: EANCOM, (GLN, Global Location Number)
- ISO 20022, (UNIFI), SEPA using
- CEN/ISSS WS
- SWIFT
- Twist
- Finvoice
- British BSI PAS 76: Accounting software and VAT invoices
- Estonian eInvoice standard

# Estonian eInvoicing expert working group

- The Minister of Economic Affairs and Communications has established (January 12, 2009) an expert working group for settling the technical, legal and organisational issues related to eInvoicing and co-ordinating the changeover to eInvoicing
- The working group develops proposals for the creation and development of Internet-based technological environment for eInvoicing
- The group prepares a detailed action plan for the changeover to eInvoicing, determines the scope of the project, and assesses the need for additional analyses and resources

# Topics and project subgroups

- standardisation of eInvoicing
- cooperation between operators and service providers of electronic invoices
- addressing electronic invoices
- preparing a financial analysis
- division of tasks between the private and public sector
- life cycle of invoices
- security and protection of data
- infrastructure and technological environment of eInvoicing
- amendments to legislation
- specific requirements for public accounting



# Critical Success factors

- Clear vision - Estonian way
- State and local authorities' involvement
- Open standards
- To gain people's support and cooperation
- Mandatory-voluntary clear policies
- Central investments
- Time planning, resourcing

# Estonian public sector coherent initiatives

- **Ministry of Finance**
  - project on consolidation of support functions (launched January 2010)
  - service centre for implementation of common personnel and wages accounting software all over the state administrative agencies
  - Implementing developed model within the governing areas of the agencies which is based on dividing the functions between agencies and central service provider. Ministries will join the project step-by-step by the beginning of 2013 at the latest
- **Ministry of Justice**
  - Electronic submission of annual report in e-Commercial Registry Company Registration Portal. The portal enables the annual report to be submitted either by filling in the set forms or by uploading an XBRL file
- **Ministry of Internal affairs**
  - local governments document and service management
- **State Chancellery - coordinates records management and archiving**
  - unified data structure document XML-forms preparation
  - The standardization of records management metadata
  - The repository of XML-schemas

**Thank you for your  
attention!**

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Next: EDI Legal Aspects in Latvia



Enjoy the day!