



Procurement Policy Note – Acceptance of unstructured electronic invoices by central government authorities

Action Note 11/15 22 June 2015

Issue

1. In-scope organisations should be ready to accept “unstructured” electronic invoices from 30 June 2015 and make their suppliers aware.
2. In parallel with the acceptance of unstructured e-invoices, the Crown Commercial Service will work with stakeholders towards the adoption of “structured” e-invoices over the next few months. This work will involve consultation and engagement with identified stakeholders, with the aim of agreeing a consistent approach and standard for the acceptance of structured invoices.

Dissemination and Scope

3. The contents of this Note apply to all Central Government Departments, including their Executive Agencies and Non Departmental Public Bodies referred to as “In-Scope Organisations”. Please circulate this document within your organisation for action, drawing it the attention of those with a purchasing or relevant finance role, and to in-scope Contracting Authorities, as defined above, for which you are responsible.

Timing

4. This PPN applies to invoices submitted by suppliers on or after 30 June 2015.

Contact

5. Enquiries about this PPN should be directed to the CCS Information Desk 0345 410 2222 info@crowncommercial.gov.uk



Action

6. In-scope organisations should accept “unstructured” electronic invoices if suppliers choose to submit invoices in that form. This does not require in-scope organisations or suppliers to implement dedicated and specific e-invoice solutions or services, create significant costs or business-process changes or oblige suppliers to submit e-invoices.
7. If any current contracts prohibit use of e-invoicing or explicitly or implicitly require invoices only in paper form, in-scope organisations should, if feasible, amend those contracts to remove those restrictions.
8. Future contracts with suppliers must not prohibit e-invoicing, or include terms which implicitly or explicitly require invoices only in paper form. Any future service or outsourcing contracts for the receipt and processing of in-scope invoices must allow for the receipt and processing of unstructured e-invoices, and for the receipt and processing of structured e-invoices when required in due course.
9. The requirements in paragraphs 6, 7 and 8 are without prejudice to specific cases for in-scope organisations that have certain security requirements and handling measures in place to deal with the processing of e-invoices for reasons of national security. In such circumstances, in-scope organisations shall be exempt from the requirements of this PPN for reasons of national security.
10. Suppliers who wish to submit e-invoices should be aware of, and comply with, the requirements set out in relevant laws governing invoicing. HMRC is responsible for regulations on VAT invoicing. VAT Notice 700/63: electronic invoicing dated 4 April 2014 specifically covers requirements affecting e-invoicing, and applies to both structured and unstructured e-invoices ([VAT Notice 70063](#)).
11. In-scope organisations should require their suppliers who wish to submit e-invoices to make themselves aware of, and abide by, the requirements in this (and any future successor) VAT Notices. If in-scope organisations already have e-invoicing solutions in place by which they accept “structured” e-invoices, or other mechanisms for the completion of and acceptance of invoices electronically, they should continue to use these.



Background

12. “Unstructured” e-invoices are electronic versions of paper invoices. These are not free-form, but the format and layout, although intelligible to the human eye, does not normally permit electronic processing without human intervention, often rekeying, or further transformation. Unstructured e-invoices speed invoice despatch and receipt, reduce the chances of invoices going astray, reduce or eliminate printing and postage costs and can remove the need for physical storage of paper invoices.
13. VAT Notice 700/63 is not prescriptive as to the methods used to meet the requirements and does not demand specific technological solutions either for suppliers or purchasers. It specifically allows business (process) controls to ensure the authenticity and integrity of invoices as an alternative to the use of advanced electronic signatures. In-scope organisations should not accept e-invoices if they know or have plausible indications that a supplier does not comply with the VAT rules governing e-invoicing.
14. In-scope organisations should also abide by the relevant requirements affecting receipt, processing and storage of e-invoices by purchasing bodies. An in-scope organisation will not normally know whether any invoice is valid and undisputed until it is received; therefore the policy of accepting receipt of invoices applies to all e invoices. The policy does not require in-scope organisations to pay any invalid, erroneous or disputed invoices.