Joint declaration

Enhancing eInvoicing interoperability between the United States and the EU

eInvoicing has emerged as a transformative tool in modern business, offering efficiency gains, cost savings, and trade benefits. Through ongoing discussions within the Global Trade Challenges Working Group (WG10) of the Trade and Technology Council (TTC), the United States of America (United States) and the European Union (EU) seek to reduce transaction costs and foster collaborative opportunities to open doors to a multitude of applications in areas such as trade, customs and border agency procedures, payments, and fraud mitigation.

The United States and the EU have both embraced the following key principles to successful eInvoicing, which are:

- Connect once, connect with everyone;
- No roaming fees between Access Points (AP)\(^1\);
- Open exchanges where users are free to choose their AP.

The United States and the EU are endeavoring to continuously improve alignment and interoperability in eInvoicing, as appropriate, by continuing work on addressing business process descriptions and terms between the data models used in the United States and the EU.

In order to enhance interoperability in eInvoicing, the United States and the EU intend to continue to cooperate and coordinate for greater compatibility, particularly in terms of business and technical interoperability, by:

- Identifying government experts to drive forward the pursuit of enhanced eInvoice interoperability between the United States and EU. For the EU, this will involve experts from the European Commission's Directorate-General for Trade (DG TRADE), Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs (DG GROW), Directorate-General for Communications Networks, Content and Technology (DG CNECT), and Directorate-General for the Taxation and Customs Union (DG TAXUD); for the United States this will involve experts from the Office of the United States Trade Representative, other federal agency experts, and private sector participants, as appropriate;
- Inviting the participation of access points (APs\(^1\)), service providers, and other enablers involved in electronic invoice networks operating in either territory to participate in the cooperation work; and convening meetings between U.S. and EU. government experts, access points and service providers regularly, as necessary and appropriate. The United States and the EU will hold the first meeting on May 2, 2024.

Fostering business and technical interoperability

The eInvoicing exchange frameworks established in the United States and the EU were developed in different regulatory set-ups, but leverage similar technological standards, infrastructures, and business practices.

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\(^1\) An Access Point is a gateway linking the community of end-users (buyers and sellers) and their service providers with various eInvoicing/eProcurement solutions.
The European Union has introduced a legal framework for eInvoicing practices within its Member States. The founding Directive is Directive 2014/55/EU of 16 April 2014 on electronic invoicing in public procurement, which is the legal basis of the European eInvoicing standard (EN 16931). Unlike the EU, the United States does not have regulation specifically focused on eInvoicing. Instead, the United States relies on industry initiatives and market-driven solutions.

The eInvoicing exchange frameworks in the United States and the EU have a considerable degree of compatibility. In 2017, the EU developed and ratified the European eInvoicing standard (EN 16931 Part 1: Semantic Data Model of the Core Elements of an Electronic Invoice) that serves as the foundation for eInvoice profiles used by different EU Member States. U.S. profiles of an eInvoice were modelled after the European standard to ensure a high degree of alignment to support interoperability while meeting U.S. business market requirements. The underlying syntax standard for the electronic invoice in the United States is the OASIS Universal Business Language (UBL), while in the EU the semantic model of the eInvoice is implemented through two syntax standards (the UBL and CII). Even though most of the eInvoice technical specifications and profiles are highly aligned, there are differences that rely on the intervention of service providers operating in each market. Therefore, there is opportunity to further discuss the alignment between the U.S. and EU frameworks to foster the possibility of increased interoperability, in light of the following:

- **Flexibility of the data structure**: Certain parts of the data structure should be standardized, while there should be room for adjustment in other parts to accommodate varying business information and local, regional, and national legal requirements.

- **Payload alignment**: The data exchanged in eInvoices should be business and technically compatible. This cooperation on alignment serves as the foundation for more seamless processing of invoices, and potentially other electronic documents and uses, that may emerge from the technical meetings on eInvoicing between the United States and the EU, promoting interoperability and automation.

- **Roaming establishment**: Establishment of roaming capabilities through service providers is important because it addresses the practicalities of connectivity and accessibility in working towards seamless interoperability between the United States and the EU.

Continued work and cooperation to achieve improved interoperability will also focus on efforts to align descriptions of business processes, cardinalities, syntax bindings and use the same code lists for the same data, when appropriate.

**Benefits of interoperability**

The continued cooperation and efforts towards compatible eInvoicing between the United States and the EU offer a spectrum of advantages, with the potential to significantly reshape cross-market transactions and the dynamics of transatlantic trade.

By minimizing data translation and conversion tasks, invoices can be processed, approved, and paid faster. This accelerated cycle enhances liquidity for businesses on both sides of the Atlantic, enabling them to optimize cash flows and respond swiftly to changing market dynamics.

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2 The EN 16931 standard defines the semantic data model of an electronic invoice and two syntaxes that have to be accepted by EU public authorities. It has been developed by CEN – European Standardization Body and endorsed by European Commission publication in October 2017. It specifies the required data elements and structure for eInvoicing to ensure consistency and interoperability.

3 There are several implementations and profiles of EN 16931 used by European Member States to support eInvoicing in European market, including the Peppol Business Interoperability Specification (BIS).
Cooperative efforts towards reduction in complexity, costs, and manual interventions level the playing field, enabling SMEs to participate more robustly in transatlantic trade, thereby enhancing market access and growth potential for U.S. and EU SMEs.

Beyond the immediate benefits, eInvoicing interoperability creates opportunities for innovative applications, such as supply chain optimization and payment automation, which opens avenues for new uses and applications of eInvoicing. Ultimately, efforts to achieve interoperability can facilitate smoother cross-border transactions and trade interactions between the United States and the EU.