

Procurement Policy Note: The Public Procurement (Electronic Invoices etc.) Regulations 2019

Action Note 3/19 May 2019

Issue

1. Government has implemented The EU Directive on electronic invoicing in public procurement¹ through The Public Procurement (Electronic Invoices etc.) Regulations 2019. Contracting authorities and other contracting entities (utilities) are now required to receive and process supplier invoices that comply with the technical e-invoicing standard developed under the Directive.

Dissemination and Scope

2. The contents of this PPN apply to procuring authorities and entities awarding contracts which fall within the scope of:
 - o Part 2 of the Public Contracts Regulations 2015;
 - o the Concession Contracts Regulations 2016;
 - o Parts 1-4 of the Utilities Contracts Regulations 2016; and
 - o the Defence and Security Public Contracts Regulations 2011.The Scottish Government has made separate provision to amend existing procurement legislation that applies in Scotland for the purposes of implementing the Directive.
3. Please circulate this PPN within your organisation, drawing it to the attention of those with a financial, commercial or procurement role.

Timing

4. The e-invoicing requirements apply to central contracting authorities with immediate effect. Subject to certain exceptions, sub-central² contracting authorities and utilities have until 18 April 2020 to comply with the new requirements but may voluntarily do so earlier.

¹ [Directive 2014/55/EU](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0055&from=EN) - <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0055&from=EN>

² As defined in [Public Contracts Regulations 2015](http://www.legislation.gov.uk/uksi/2015/102/regulation/2/made) (<http://www.legislation.gov.uk/uksi/2015/102/regulation/2/made>).

Action

5. The Regulations require contracting authorities and entities to include in their contracts an express term which obliges them to accept and process undisputed invoices that comply with the technical e-invoicing standard. A model contractual term is included at annex A. In the absence of an express term relating to electronic invoicing, such a term will be implied. These new requirements apply in respect of contracts subject to the legislation listed in paragraph two. There is an exception for particular types of defence and security contract in order to protect the essential security interests of the UK.

Background

6. The Directive aims to address the use of varied e-invoicing formats across the Member States through the introduction of a standard. These varied formats cause unnecessary complexity and additional operating costs for businesses, public contracting bodies and contracting entities. Further details of the background and consultation may be found in [PPN 03/18](#)³.
7. The Standard can be found on the British Standards Institution website:
 - <https://shop.bsigroup.com/ProductDetail?pid=000000000030389631>; and
 - <https://shop.bsigroup.com/ProductDetail?pid=000000000030389633>

Contact

8. Enquiries about this PPN should be directed to the Crown Commercial Service Helpdesk (telephone 0345 410 2222, email info@crowcommercial.gov.uk)

³ <https://www.gov.uk/government/publications/procurement-policy-note-0318-electronic-invoicing-in-public-procurement>

Annex A

Model E-invoicing Contract Clause

Central contracting authorities should, with immediate effect, include the following model clause, or apply a clause to the same effect, in contracts subject to the public procurement regulations described in paragraph 3 above.

Model Clause:

ELECTRONIC INVOICING

1.1 The Authority shall accept and process for payment an electronic invoice submitted for payment by the Supplier where the invoice is undisputed and where it complies with the standard on electronic invoicing.

1.2 For the purposes of paragraph 1.1, an electronic invoice complies with the standard on electronic invoicing where it complies with the European standard and any of the syntaxes published in Commission Implementing Decision (EU) 2017/1870.