

Using the Peppol Network for Domestic E-Invoicing in Germany

Overview

The Peppol (Pan-European Public Procurement On-Line) network enables standardized electronic document exchange between businesses. For German domestic e-invoicing, both sender and receiver communicate through access points like HubBroker, which acts as the service provider connecting participants to the Peppol network.

Key Components

Participants

- **Sender:** The business issuing the e-invoice
- **Receiver:** The business receiving the e-invoice
- **Service Provider (HubBroker):** The certified Peppol access point facilitating the exchange

Identification

Each participant needs a Peppol ID (also called Participant ID), which in Germany typically uses:

- **Leitweg-ID** - format: 0204:DExxxxxxxxxx (for public sector)
- **VAT number** (Umsatzsteuer-Identifikationsnummer) - format: 9930:DExxxxxxxxxx
- **GLN** (Global Location Number) - format: 0088:40xxxxxxxxxx
- **Company registration number** - format: various schemes available

Outbound E-Invoicing Process (Sending)

1. Registration with HubBroker

- The sender registers as a Peppol participant through HubBroker
- Receives their Peppol ID configuration
- HubBroker registers the sender in the Peppol SMP (Service Metadata Publisher) directory

2. Invoice Creation

- Sender creates invoice in their ERP/accounting system
- Invoice is converted to Peppol BIS Billing 3.0 format (UBL or CII XML standard)
- For German requirements, XRechnung format (CII-based) is commonly used

3. Transmission via HubBroker

- Sender submits the e-invoice to HubBroker (via API, file upload, or system integration)
- HubBroker validates the invoice format and content
- HubBroker looks up the receiver's access point in the Peppol SML/SMP directory
- HubBroker sends the invoice through the Peppol network to the receiver's access point

4. Transmission via HubBroker

- Sender submits the e-invoice to HubBroker (via API, file upload, or system integration)
- HubBroker validates the invoice format and content
- HubBroker looks up the receiver's access point in the Peppol SML/SMP directory
- HubBroker sends the invoice through the Peppol network to the receiver's access point

Inbound E-Invoicing Process (Receiving)

1. Registration with HubBroker

- The receiver registers their Peppol ID with HubBroker
- HubBroker publishes the receiver's endpoint information in the Peppol SMP directory
- This makes the receiver discoverable to all Peppol senders

2. Invoice Reception

- When a sender transmits an invoice to the receiver's Peppol ID, the sender's access point queries the Peppol directory
- The directory returns HubBroker's endpoint information
- The invoice is routed through the Peppol network to HubBroker

3. Processing via HubBroker

- HubBroker receives and validates the incoming e-invoice
- HubBroker can transform the invoice format if needed (e.g., from XML to the receiver's preferred format)
- HubBroker notifies the receiver of the new invoice

4. Delivery to Receiver

- Invoice is delivered to the receiver through their preferred method:
- Direct integration with ERP/accounting system (API)
- Web portal access through HubBroker's platform
- Email notification with download link
- File transfer (SFTP, AS2, etc.)

German-Specific Requirements

For domestic German e-invoicing via Peppol, ensure:

- **XRechnung standard:** XRechnung is the German e-invoice standard based on EN 16931 (European standard)
- **Leitweg-ID:** For public sector invoicing, the Leitweg-ID routing identifier is mandatory
- **VAT requirements:** Invoices must include German VAT information (USt-IdNr.) correctly formatted
- **ZUGFeRD compatibility:** HubBroker can handle ZUGFeRD hybrid format (PDF/A with embedded XML)
- **Language:** Invoice content typically in German for domestic transactions
- **Legal compliance:** Adherence to German invoicing regulations (§ 14 UStG - Umsatzsteuergesetz)
- **Archiving requirements:** GoBD (Grundsätze zur ordnungsmäßigen Führung und Aufbewahrung von Büchern) compliance for digital record-keeping

German E-Invoicing Reform (Mandatory B2B E-Invoicing)

Germany is implementing mandatory B2B e-invoicing as part of the **Wachstumschancengesetz** (Growth Opportunities Act):

Implementation Timeline

- **January 1, 2025:** All businesses must be able to receive e-invoices (B2B domestic transactions)
- **January 1, 2027:** Businesses with annual turnover > €800,000 must send e-invoices
- **January 1, 2028:** All businesses must send e-invoices for B2B domestic transactions

Key Requirements

- **Structured formats:** Only structured e-invoice formats compliant with EN 16931 are accepted (XRechnung, Peppol BIS, ZUGFeRD 2.x)
- **No PDF invoices:** Simple PDF invoices will no longer be compliant for B2B transactions
- **Recipient consent:** Initially, alternative formats may be used with explicit recipient consent
- **Domestic scope:** Mandate applies to domestic B2B transactions within Germany

Benefits of Using HubBroker as Service Provider

- **Single connection:** Connect once to reach all Peppol participants globally
- **Format handling:** HubBroker manages format conversions between XRechnung, ZUGFeRD, Peppol BIS, and other formats
- **Compliance:** Ensures invoices meet Peppol, XRechnung, and German legal requirements
- **Directory management:** HubBroker handles SMP registration and updates
- **Leitweg-ID routing:** Proper routing for public sector invoices using Leitweg-ID
- **Support:** Technical assistance for onboarding and troubleshooting in German context
- **Monitoring:** Track invoice status and delivery confirmations
- **GoBD compliance:** Support for German archiving and record-keeping requirements
- **Future-proof:** Ready for mandatory B2B e-invoicing requirements

Implementation Steps

- Choose your Peppol ID (VAT-based, GLN, or Leitweg-ID for public sector)
- Sign agreement with HubBroker as your Peppol access point provider
- Configure integration between your systems and HubBroker
- Select format preferences (XRechnung, ZUGFeRD, or Peppol BIS)
- Test transactions in HubBroker's test environment
- Go live and start exchanging e-invoices domestically and internationally

German E-Invoicing Landscape

Germany has a rapidly evolving e-invoicing ecosystem with:

- **Public sector mandate:** XRechnung mandatory for federal government since November 2020
- **B2B mandate:** Phased mandatory e-invoicing for all B2B transactions starting 2025
- **XRechnung standard:** Official German e-invoice format based on CII (Cross Industry Invoice)
- **ZUGFeRD:** Popular hybrid format combining PDF with embedded XML data
- **Federal structure:** Different federal states (Bundesländer) may have specific requirements
- **Peppol adoption:** Growing recognition of Peppol as compliant infrastructure
- **EU alignment:** Full compliance with European e-invoicing directive EN 16931

Public Sector (B2G) Specific Requirements

For invoicing German public entities:

- **XRechnung mandatory:** All public sector invoices must use XRechnung format
- **Leitweg-ID required:** Unique routing identifier for each public entity

- **OZG-RE portals:** Various federal and state portals for e-invoice submission
- **HubBroker routing:** HubBroker can route invoices to appropriate public sector endpoints
- **Threshold:** E-invoicing mandatory for contracts above €1,000 (federal level)

Format Overview

XRechnung

- **Official German standard:** Based on EN 16931
- **Syntax:** UN/CEFACT CII XML
- **Scope:** Mandatory for public sector, accepted in B2B

ZUGFeRD

- **Hybrid format:** PDF/A with embedded XML invoice data
- **User-friendly:** Human-readable PDF with machine-readable data
- **Versions:** ZUGFeRD 2.x is compliant with EN 16931
- **Popular in B2B:** Widely adopted in German private sector

Peppol BIS Billing 3.0

- **International standard:** UBL-based format
- **Interoperability:** Enables cross-border e-invoicing
- **EN 16931 compliant:** Meets German and European requirements

Preparing for the German Mandate

To prepare for mandatory B2B e-invoicing:

- **Immediate action (2025):** Ensure ability to receive e-invoices
- **System readiness:** Upgrade ERP/accounting systems to handle structured e-invoices
- **Format decision:** Choose between XRechnung, ZUGFeRD, or Peppol BIS (or support multiple)
- **HubBroker integration:** Connect to HubBroker for comprehensive e-invoice capabilities
- **Staff training:** Prepare teams for the transition away from PDF invoices
- **Process updates:** Adapt workflows for fully digital invoice processing
- **Timeline planning:** Plan implementation based on your turnover threshold

Cross-Border Considerations

- **Peppol advantage:** Seamlessly handle both domestic German and international e-invoices
- **Format flexibility:** HubBroker converts between German formats (XRechnung/ZUGFeRD) and international standards
- **Single integration:** One connection serves both German mandate and international trading partners



The Peppol network enables seamless domestic German e-invoicing while also providing the capability to exchange invoices with international partners across Europe and beyond using the same infrastructure and processes. With Germany's mandatory B2B e-invoicing beginning in 2025, adopting Peppol through HubBroker ensures compliance, format flexibility, and future-readiness.

