

Using the Peppol Network for Domestic E-Invoicing in Poland

Overview

The Peppol (Pan-European Public Procurement On-Line) network enables standardized electronic document exchange between businesses. For Polish 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 Poland typically uses:

- **NIP** (Numer Identyfikacji Podatkowej) - format: 9945:PLxxxxxxxxxx (10 digits)
- **REGON** - format: 9958:PLxxxxxxxxxx (9 or 14 digits)
- **VAT number** - format: 9945:PLxxxxxxxxxx
- **GLN** (Global Location Number) - format: 0088:590xxxxxxxxxx

Polish KSeF (Krajowy System e-Faktur) System

Poland has implemented a mandatory e-invoicing system that fundamentally changes the domestic invoicing landscape:

KSeF Overview

- **Mandatory from July 1, 2024:** All B2B domestic invoices must be issued through KSeF
- **National e-Invoice System:** Operated by Polish Ministry of Finance
- **Central platform:** Government-provided platform for invoice issuance and reception
- **Structured invoices:** Only structured e-invoices (FA_VAT format) accepted
- **Real-time processing:** Invoices issued and registered in real-time
- **Tax compliance:** Primary purpose is VAT monitoring and simplification

How KSeF Works

1. Sender creates invoice in FA_VAT XML format (Polish structured invoice standard)
2. Invoice is sent to KSeF platform (directly or via intermediary like HubBroker)



3. KSeF validates the invoice and assigns unique KSeF number
4. KSeF makes invoice available to receiver
5. Both parties can access invoice through KSeF
6. Invoice data is available to tax authorities (Ministerstwo Finansów)

KSeF Implementation Timeline

- **January 1, 2022:** KSeF launched as voluntary system
- **July 1, 2024:** KSeF became mandatory for B2B transactions
- **Transition period:** Phased implementation with support for businesses

Outbound E-Invoicing Process (Sending)

1. Registration with HubBroker

- The sender registers as a Peppol participant through HubBroker
- Sender registers with KSeF system (if not already done)
- 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 FA_VAT XML format for KSeF compliance

3. Dual Transmission via HubBroker

1. For Polish domestic invoices:

- HubBroker submits the invoice to KSeF system (mandatory)
- KSeF validates and assigns unique KSeF number
- HubBroker receives KSeF confirmation
- Optionally, HubBroker can also notify receiver via Peppol for enhanced workflow

2. For cross-border invoices:

- HubBroker converts to Peppol BIS Billing 3.0 format (UBL or CII XML)
- HubBroker sends through Peppol network to international trading partners

3. Delivery Confirmation

- HubBroker provides KSeF registration status back to the sender
- Sender receives KSeF number confirming invoice registration
- For Peppol cross-border: confirmation that invoice reached receiver's access point



Inbound E-Invoicing Process (Receiving)

1. Registration with HubBroker

- The receiver registers their Peppol ID with HubBroker
- Receiver registers with KSeF system and grants access to HubBroker
- HubBroker publishes the receiver's endpoint information in the Peppol SMP directory

2. Invoice Reception from KSeF

- When a sender issues an invoice via KSeF, it becomes available in the KSeF system
- HubBroker retrieves invoices from KSeF on behalf of the receiver
- Receiver can also access invoices directly in KSeF portal

3. Invoice Reception from Peppol (Cross-border)

- International senders use Peppol network
- HubBroker receives Peppol BIS format invoice
- For Polish tax compliance, cross-border invoices may require different handling

4. Processing via HubBroker

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

5. 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.)

Polish-Specific Requirements

For domestic Polish e-invoicing, ensure:

- **NIP (Tax ID):** Polish tax identification number must be used as Peppol identifier (format 9945:PLxxxxxxxxxx)
- **FA_VAT format:** Mandatory structured XML format for KSeF invoices
- **KSeF mandatory:** All domestic B2B invoices must be issued through KSeF
- **KSeF number:** Unique invoice identifier assigned by KSeF system
- **VAT requirements:** Invoices must include Polish VAT information correctly formatted
- **JPK_FA:** Polish Standard Audit File for VAT (JPK_FA) compliance
- **Language:** Invoice content typically in Polish for domestic transactions
- **Currency:** PLN (Polish Złoty) is the standard currency for Polish domestic invoicing
- **Legal compliance:** Adherence to Polish VAT Act and KSeF regulations

Benefits of Using HubBroker as Service Provider

- **KSeF integration:** HubBroker is integrated with KSeF system as intermediary
- **Dual compliance:** HubBroker handles both mandatory KSeF submission and optional Peppol exchange
- **Format handling:** Automatic conversion between FA_VAT and Peppol BIS formats
- **International reach:** Single connection for both Polish domestic (via KSeF) and cross-border (via Peppol) invoicing
- **Compliance:** Ensures invoices meet both KSeF/FA_VAT and Peppol requirements
- **Directory management:** HubBroker handles both KSeF registration and Peppol SMP registration
- **Support:** Technical assistance for Polish compliance requirements and KSeF integration
- **Monitoring:** Track both KSeF registration status and Peppol transmission confirmations
- **Error handling:** Management of KSeF validation errors and resubmissions
- **API integration:** Single API for both KSeF and Peppol submissions

Implementation Steps

1. Choose identifiers:

- Peppol ID (typically NIP-based: 9945:PLxxxxxxxxxx)
- KSeF registration (NIP-based authentication)

2. Sign agreement with HubBroker as your Peppol access point provider and KSeF intermediary

3. KSeF registration:

- Register company in KSeF system

- Grant HubBroker access to submit/retrieve invoices on your behalf
 - Configure authentication (qualified certificate or trusted profile)
4. Configure integration between your systems and HubBroker
 5. Test transactions in both KSeF test environment and HubBroker's test environment
 6. Go live and start exchanging e-invoices domestically (via KSeF) and internationally (via Peppol)

Polish E-Invoicing Landscape

Poland has implemented one of Europe's most comprehensive mandatory e-invoicing systems:

Current Status

- **Mandatory since July 1, 2024:** All B2B domestic invoices must use KSeF
- **Government platform:** KSeF operated by Ministry of Finance
- **Tax compliance focus:** Primary objective is VAT gap reduction and simplification
- **High compliance:** Mandatory adoption for all Polish VAT taxpayers
- **FA_VAT standard:** Polish structured invoice format based on XML
- **Simplified VAT:** KSeF aims to simplify VAT compliance and reduce filing burden

Historical Context

- **2016-2018:** JPK_FA (Standard Audit File for VAT) introduced
- **January 1, 2022:** KSeF launched as voluntary system
- **July 1, 2024:** KSeF became mandatory for B2B transactions
- **Phased benefits:** Gradual introduction of VAT simplification benefits for KSeF users

Understanding the Dual System

KSeF (Krajowy System e-Faktur) - Mandatory for Domestic B2B

- **Purpose:** Tax compliance, VAT monitoring, and simplified VAT settlement
- **Operator:** Polish Ministry of Finance (Ministerstwo Finansów)
- **Scope:** All Polish domestic B2B invoices
- **Format:** FA_VAT XML format (Polish standard)
- **Requirement:** Mandatory by law since July 1, 2024
- **Geography:** Polish domestic transactions only
- **Access:** Free government platform or via certified intermediaries

Peppol Network (For Cross-Border and Enhanced Workflow)

- **Purpose:** International invoice exchange and enhanced business document workflow
- **Recipient:** International trading partners outside Poland
- **Scope:** Cross-border transactions with EU and global partners



- **Format:** Peppol BIS Billing 3.0 (UBL/CII)
- **Requirement:** Optional but recommended for international trade
- **Geography:** International transactions

HubBroker's Integrated Role

HubBroker manages both aspects:

- **Domestic Polish invoices:** Submission to KSeF in FA_VAT format (mandatory)
- **Cross-border invoices:** Transmission via Peppol in international formats
- **Format conversion:** Between FA_VAT and Peppol BIS formats
- **Unified interface:** Single integration point for all invoicing needs
- **Compliance assurance:** Both KSeF and Peppol requirements met
- **Invoice retrieval:** Automated retrieval of received invoices from KSeF

FA_VAT Format Overview

Key Characteristics

- **XML-based:** Structured XML format defined by Polish Ministry of Finance
- **Polish specific:** Designed specifically for Polish VAT requirements
- **Version control:** Currently FA(2) schema version
- **XSD validation:** Must validate against official Polish schema
- **Detailed structure:** Comprehensive fields for Polish tax requirements

Required Elements

- NIP numbers for both parties
- Invoice number (assigned by sender, confirmed by KSeF number)
- Date of issue and delivery
- Payment terms and methods
- Detailed line items with VAT breakdown
- Total amounts by VAT rate
- Optional: Payment splitting mechanism (split payment), reverse charge indicators

KSeF Technical Requirements

Authentication Methods

- **Qualified certificate:** Electronic signature certificate
- **Trusted profile:** ePUAP trusted profile (government authentication)
- **Authorization token:** For API access

API Integration

- **REST API:** Modern API for KSeF integration
- **Interactive mode:** Real-time invoice submission
- **Batch mode:** Bulk invoice submission for high volumes
- **Retrieval API:** Fetch received invoices from KSeF

Invoice Statuses in KSeF

- **Issued:** Invoice successfully registered in KSeF
- **KSeF number assigned:** Unique identifier for the invoice
- **Available to receiver:** Invoice visible to recipient
- **Accepted/Rejected:** Receiver's response (optional)

Public Sector (B2G) Considerations

For invoicing Polish public entities:

- **KSeF mandatory:** Same requirement as B2B transactions
- **Public procurement:** Additional requirements for public procurement contracts
- **Separate systems:** Some public entities may have specific invoicing portals
- **Peppol adoption:** Growing interest in Peppol for public sector
- **HubBroker support:** Handles both KSeF and public sector-specific requirements

Cross-Border Invoicing

Outbound (Polish to International)

- **KSeF exemption:** Cross-border invoices do NOT go through KSeF
- **Peppol advantage:** Use Peppol network for seamless international exchange
- **Format:** Peppol BIS Billing 3.0 (international standard)
- **VAT rules:** Intra-community and export rules apply
- **Documentation:** Additional customs/tax documentation may be required

Inbound (International to Polish)

- **KSeF exemption:** Invoices from foreign suppliers don't go through KSeF
- **Peppol reception:** Receive via Peppol from international senders
- **Reverse charge:** Often subject to reverse charge mechanism
- **JPK_FA reporting:** May need to be included in Standard Audit File
- **Format flexibility:** Can receive in Peppol BIS format

JPK_FA (Standard Audit File for VAT)

Overview

- **Mandatory reporting:** Monthly VAT reporting to tax authorities
- **Structured format:** XML file containing all invoice data
- **Integration with KSeF:** KSeF invoices automatically included in JPK_FA
- **Simplified process:** KSeF aims to eliminate separate JPK_FA filing in future

HubBroker Support

- **Automated generation:** Support for JPK_FA generation from invoice data
- **KSeF integration:** Seamless handling of KSeF invoices in JPK_FA
- **Compliance assurance:** Ensures proper reporting format

VAT Settlement Benefits

KSeF Advantages

- **Pre-filled returns:** VAT returns can be pre-filled from KSeF data
- **Faster refunds:** Potential for accelerated VAT refund processing
- **Reduced audits:** Lower audit risk for KSeF users
- **Simplified compliance:** Streamlined VAT compliance processes
- **Future benefits:** Additional benefits expected as system matures

Common Challenges and Solutions

- **Challenge:** Format Complexity
- **Solution:** HubBroker handles all FA_VAT format requirements automatically
- **Challenge:** KSeF Authentication
- **Solution:** HubBroker manages authentication and authorization with KSeF
- **Challenge:** System Integration
- **Solution:** Single API integration with HubBroker covers both KSeF and Peppol
- **Challenge:** High Transaction Volumes
- **Solution:** Batch processing and optimized API calls through HubBroker
- **Challenge:** Cross-Border Complexity
- **Solution:** Seamless switching between KSeF (domestic) and Peppol (international)



Preparing for Polish E-Invoicing

To successfully implement Polish e-invoicing:

- **Understand KSeF mandate:** All domestic B2B invoices must go through KSeF
- **KSeF registration:** Register company and obtain authentication credentials
- **NIP verification:** Ensure accurate tax identification number
- **System capability:** Ensure ERP can generate required invoice data
- **HubBroker integration:** Single integration for both KSeF and Peppol
- **FA_VAT compliance:** Verify all mandatory fields are captured
- **Testing:** Thorough testing in KSeF test environment
- **Staff training:** Ensure team understands Polish e-invoicing requirements
- **Go-live planning:** Coordinate transition to mandatory KSeF usage
- **International strategy:** Leverage Peppol for cross-border transactions
- **Monitor compliance:** Regular checking of KSeF submission status

Business Process Changes

Invoice Issuance

- **Immediate registration:** Invoices must be registered in KSeF before/at issuance
- **KSeF number:** Invoice legally valid only after KSeF number assigned
- **No paper/PDF:** Structured KSeF invoice is the legal document
- **Backup processes:** Contingency plans for KSeF system unavailability

Invoice Reception

- **KSeF access:** All received invoices available in KSeF portal
- **Automated retrieval:** HubBroker can automatically fetch invoices
- **Integration needs:** Update accounts payable processes for KSeF invoices
- **Approval workflows:** Adapt internal approval processes

Sector-Specific Considerations

Retail and Distribution

- **High volume:** Efficient handling of numerous invoices through batch processing
- **Multiple locations:** Different company units may need separate configurations
- **Returns and credits:** Proper handling of credit notes in KSeF

Manufacturing

- **Complex supply chains:** Managing multiple suppliers and customers

- **International trade:** Mixed domestic (KSeF) and cross-border (Peppol) invoicing
- **Inventory integration:** Linking invoice data with inventory systems

Professional Services

- **Service invoicing:** Proper categorization for service-based invoicing
- **Milestone billing:** Handling of progress invoicing
- **Expense reimbursement:** Treatment of disbursements and expenses

Future Developments

Expected KSeF Enhancements

- **Automatic VAT returns:** Fully automated VAT return generation from KSeF data
- **Additional benefits:** Further incentives for KSeF compliance
- **System improvements:** Ongoing platform enhancements and optimization
- **Extended scope:** Potential expansion to B2C invoicing

Peppol Integration

- **Growing synergy:** Closer integration between KSeF and Peppol
- **International standards:** Alignment with European e-invoicing developments
- **Dual approach:** KSeF for domestic, Peppol for international

The Peppol network, combined with Poland's mandatory KSeF system, enables seamless domestic Polish e-invoicing while also providing the capability to exchange invoices with international partners across Europe and beyond. HubBroker's integrated approach ensures compliance with Poland's unique FA_VAT and KSeF requirements while facilitating efficient international business document exchange through the Peppol network. With KSeF now mandatory for all Polish B2B transactions, adopting a comprehensive solution through HubBroker is essential for compliance and business continuity.