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WHITEpaper

The abat E-Invoicing Monitor

The smart alternative for cost-effective electronic invoicing

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The era of e-invoicing is here: Starting January 1, 2027, German companies will be required to send electronic invoices in the B2B sector almost without exception. A corresponding legal obligation for recipients has been in effect since January 2025. There are several solutions on the market, but most of them come with high ongoing costs. Not so with the abat E-Invoicing Monitor: Here, only one-time implementation costs apply.

In this white paper, we would like to provide you with an overview of the legal framework and demonstrate how our dashboard makes the transition easy and allows you to send e-invoices cost-effectively.

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Definition of e-invoicing & legal framework

The electronic invoice has its origins in European legislation. The primary basis is the EU Directive EN 2014/55/EU. This directive aims to standardize the previously numerous interoperable standards. Across Germany, the regulations were implemented under the E-Invoicing Act in conjunction with the E-Invoicing Ordinance. Accordingly, sending e-invoices to federal public contracting authorities (B2G) has been mandatory since November 2020. The federal states have also enacted their own laws on this matter.

Invoices must be issued and transmitted in electronic form. All formats that comply with EN 2014/55/EU are permitted. The legislature defines an e-invoice as a structured format, i.e., XML. Image-based files such as PDFs, which could also be considered electronic invoices, are not recognized. In addition to purely structured formats (e.g., XRechnung), hybrid formats such as ZUGFeRD are also permitted. In the hybrid approach, the XML is embedded in a human-readable file.

With the Growth Opportunities Act passed by the German federal government, e-invoicing is also becoming mandatory in the business-to-business (B2B) sector. As of January 1, 2025, every German company must be able to receive electronic invoices. Sending e-invoices, in turn, will become mandatory in phases:

Paper invoices may continue to be sent until **the end of 2026**. The same applies to electronic formats that do not meet the requirements for e-invoicing. In this case, so-called “other invoices” may still be sent. These include invoices issued in a format other than the EU standard or on paper.

Starting January 1, 2027, companies with a previous year’s turnover exceeding €800,000 must send electronic invoices to B2B customers. Companies whose turnover in the previous year was less than €800,000 may continue to issue paper and PDF invoices for the time being.

Starting in 2028, all domestic companies must send e-invoices.

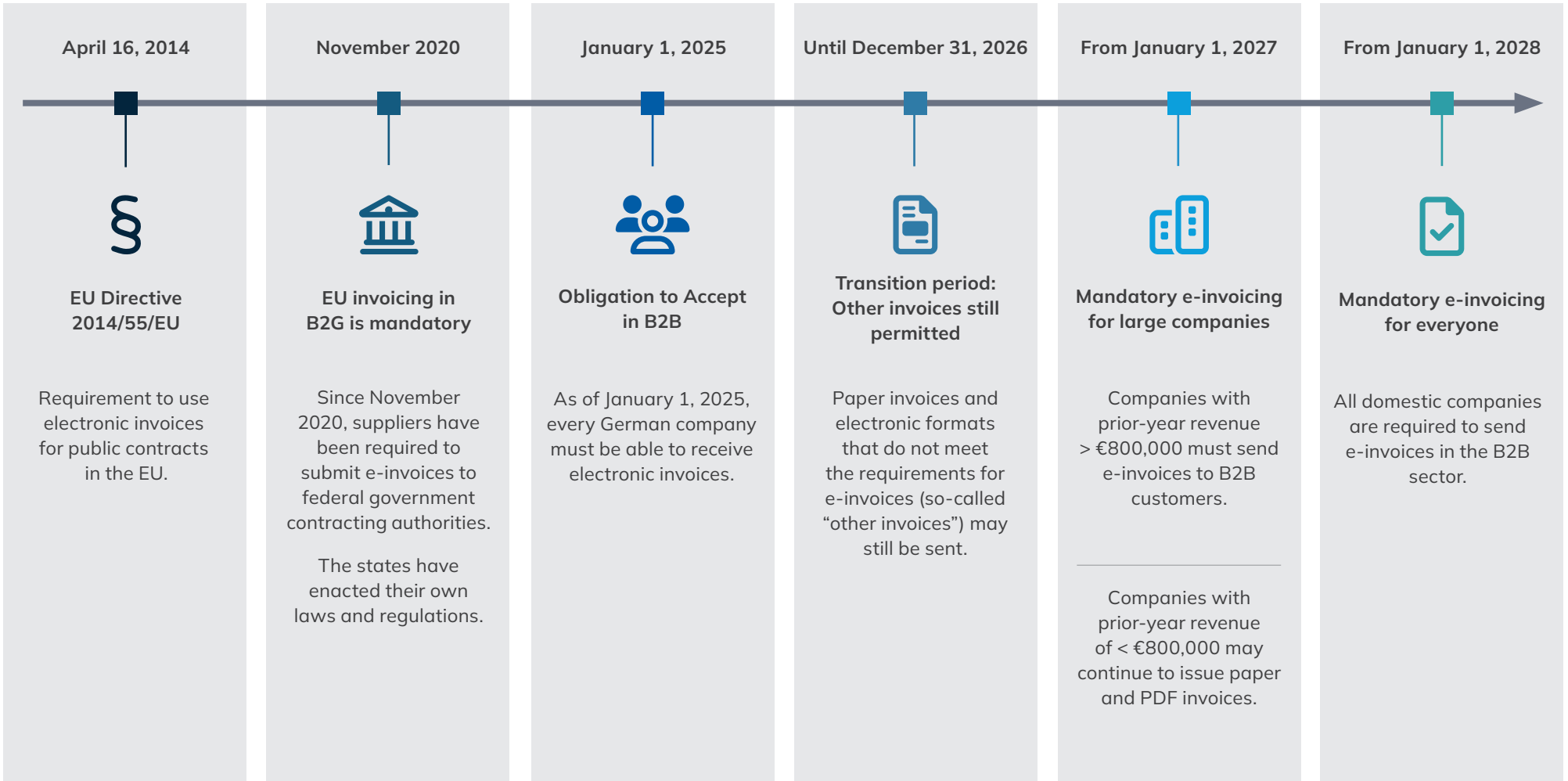
There are hardly any exceptions to these requirements:

- Small amounts (up to €250)
- Tickets/travel passes
- Tax-exempt transactions
- Exemption for small businesses (Section 19 of the German Value-Added Tax Act)

EDI procedures widely used in practice, such as EDIFACT, remain generally permissible. Until the end of next year, the standards used to date may be retained without changes. As of January 1, 2028, these invoices must comply with the criteria of EN 2014/55/EU.

An overview

The introduction of mandatory e-invoicing in Germany is not a sudden change, but rather the result of a regulatory process that has spanned several years. As early as 2014, the EU laid the groundwork with Directive 2014/55/EU by making electronic invoicing mandatory in public procurement. Since then, lawmakers have gradually extended the requirement to the B2B sector, with clearly defined phases leading up to full mandatory implementation for all domestic companies starting in 2028.



The abat E-Invoicing Monitor at a glance

To overcome the legal challenges outlined above, choosing the right tool and partner is crucial. Numerous solutions are available on the market. However, these come with corresponding licensing and maintenance costs. This often poses significant challenges, especially for small and medium-sized enterprises.

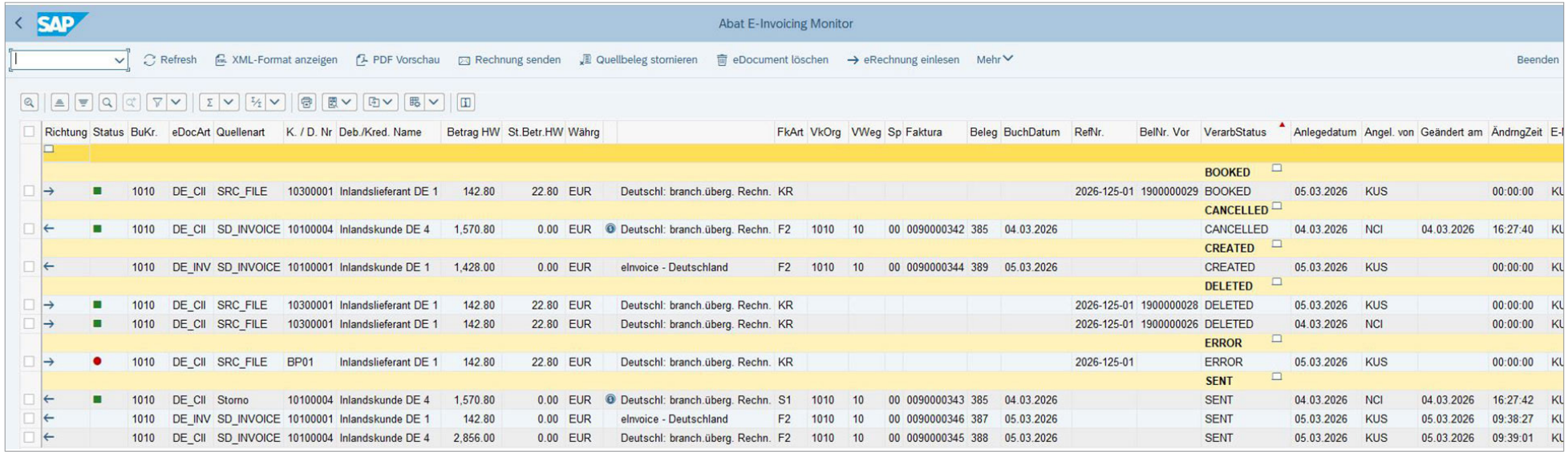
SAP offers the product SAP Document and Reporting Compliance (DRC). For the specific use cases of German customers, SAP DRC, Cloud Edition is required. This is a cloud service hosted by SAP on the BTP (Business Technology Platform) for managing electronic documents. License fees are charged based on the number of documents sent.

Our dashboard, on the other hand, is available without recurring costs. Only one-time implementation costs apply. Technologically, our cockpit is based on SAP modules and standard Customizing. As with DRC, invoices are generated in the SAP SD or FI module. The e-invoices are then automatically generated in the background using SAP AIF.

The abat E-Invoicing Monitor is available for comprehensive invoice management. For example, it allows users to preview documents before sending them. Unlike the DRC, the abat E-Invoicing Monitor was designed not from an IT perspective, but from the perspective of the business department.

Accordingly, it offers significantly more fields, including information on payment settlement and customer numbers. Additionally, users can jump to the associated documents or transactions (e.g., in the Business Partner). An automatic cancellation feature is also provided. This allows the eDocument and the corresponding source document to be canceled using a “one-click function.”

A common requirement is the inclusion of additional invoice fields. Extensions to include these fields, such as the EAN number or supplementary invoice texts, can be easily accommodated provided that legal regulations permit it.



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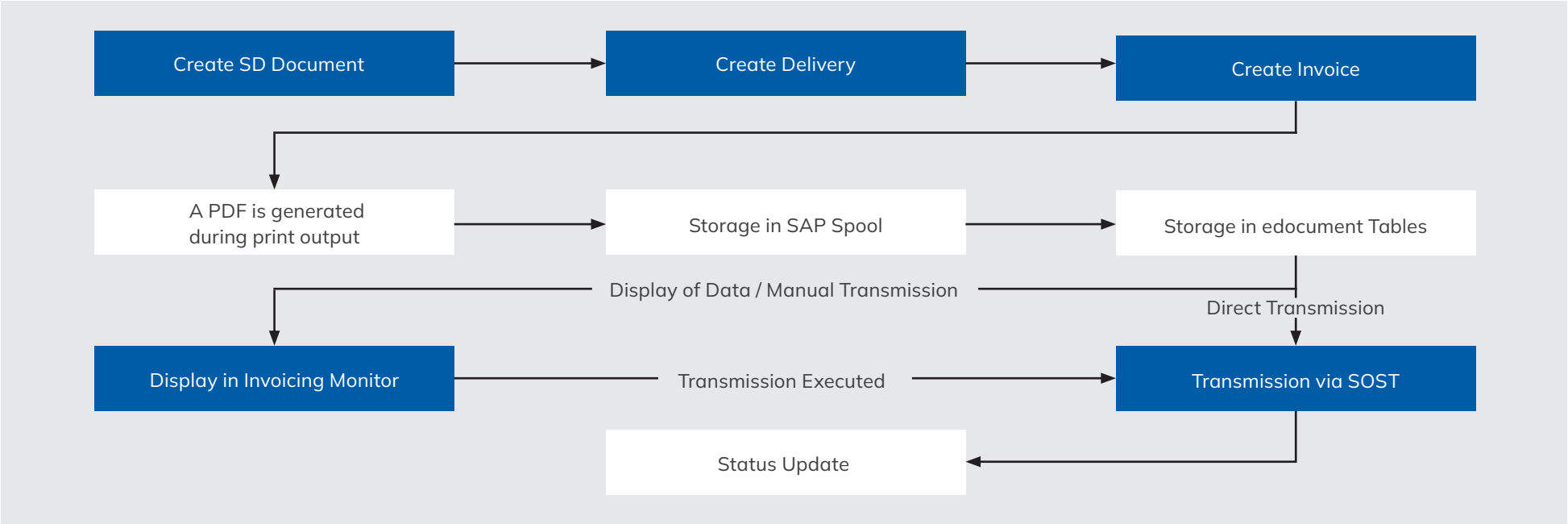
Overview of the abat E-Invoicing Monitor



Process flow from creation to delivery of an e-invoice

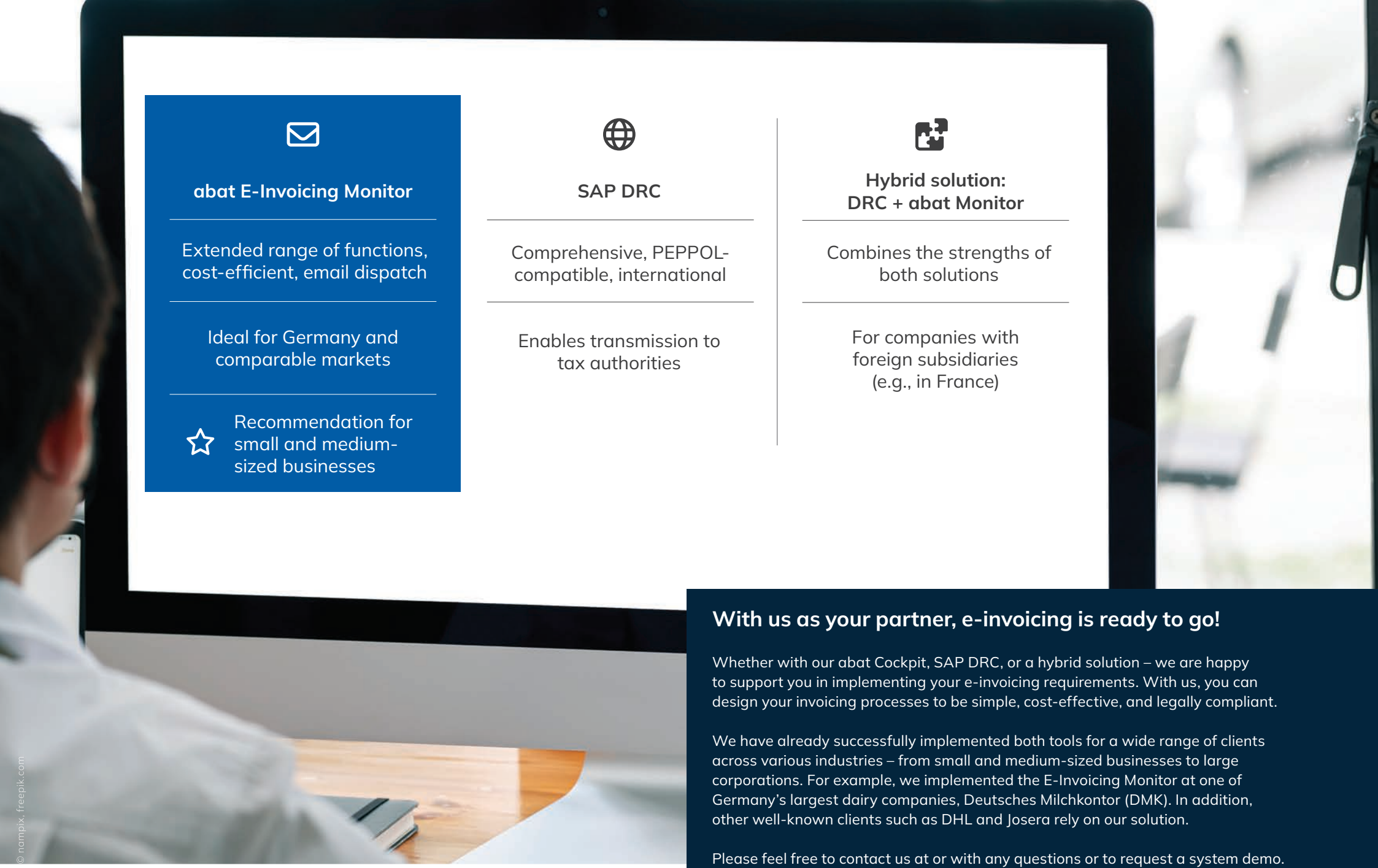
The transmission of all domestic and international formats is carried out via email using standard message control. Furthermore, background processing of documents is also possible. For DRC, the transmission channel varies depending on the format. There is no legal requirement regarding the transmission medium.

Our solution is available for both ERP and SAP S/4 HANA. The interface can be used both as a classic transaction in the SAP GUI and as an app in the Fiori Launchpad. Since the abat E-Invoicing Monitor is based on the SAP standard, patches (e.g., new versions of XRechnung) can be easily applied by implementing SAP Notes in the system. Accordingly, no extensive maintenance is required.

In addition to the two products, DRC and our Cockpit, a combination may also be appropriate under certain circumstances. Some EU countries, such as France, require the additional transmission of invoice data to a government platform. In this case, the DRC should be used as a certified provider. Since we store e-invoices in the standard database table EDOCUMENT, the abat E-Invoicing Monitor can, of course, be used as a comprehensive dashboard for all invoice formats.

Your advantages at a glance

- **Costs:** No usage-based costs as with SAP DRC
- **Simple:** XRechnung and ZUGFeRD can be sent via a single channel by email
- **Flexible:** Extendable for company-specific requirements
- **Fast:** Shorter project duration compared to full DRC implementation
- **Close to standard:** Full use of SAP standard modules and customizing



abat E-Invoicing Monitor

Extended range of functions, cost-efficient, email dispatch

Ideal for Germany and comparable markets

Recommendation for small and medium-sized businesses

SAP DRC

Comprehensive, PEPPOL-compatible, international

Enables transmission to tax authorities

Hybrid solution: DRC + abat Monitor

Combines the strengths of both solutions

For companies with foreign subsidiaries (e.g., in France)

With us as your partner, e-invoicing is ready to go!

Whether with our abat Cockpit, SAP DRC, or a hybrid solution – we are happy to support you in implementing your e-invoicing requirements. With us, you can design your invoicing processes to be simple, cost-effective, and legally compliant.

We have already successfully implemented both tools for a wide range of clients across various industries – from small and medium-sized businesses to large corporations. For example, we implemented the E-Invoicing Monitor at one of Germany's largest dairy companies, Deutsches Milchkontor (DMK). In addition, other well-known clients such as DHL and Josera rely on our solution.

Please feel free to contact us at or with any questions or to request a system demo.

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ABOUT US

Since 1998, the abat Group has been combining SAP expertise, innovative software development and intelligent solutions for digital business processes. Our focus is on automotive, discrete manufacturing, life sciences, aerospace, defence & security, as well as on companies with complex logistics and manufacturing processes.

With seven service areas, we create room for efficient processes, new ideas and sustainable progress:

With **abat consult**, we advise and support you through all phases of an SAP project – from design and implementation to the operation of your SAP system.

abat manufacture provides you with high-availability digital solutions for production control in the complex manufacturing industry.

With **abat ai**, we bring artificial intelligence into concrete business processes and combine it with automation solutions such as RPA and agentic automation – from automated case handling through end-to-end automated workflows to AI agents in SAP development, consulting and projects.

With **abat transform**, we offer innovative and unique solutions, including modern cloud development and custom web and app development.

abat plm provides cross-functional process consulting with the goal of achieving a consistent data flow across PLM, ERP and MES.

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