



VAT NEWSLETTER

## Shortening of retention periods for invoices from 2025 – What you need to bear in mind

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### 1 Background

The Fourth Bureaucracy Relief Act of 23 October 2024 reduced the retention period for invoices, pursuant to sec. 14b para. 1 of the German Value Added Tax Act (UStG), from ten to eight years. The Federal Ministry of Finance (BMF) letter dated 8 July 2025 explains this change and provides guidance on its implementation. In addition, further practical aspects must be taken into account.

### 2 Entry into force

In principle, the shortened retention period, pursuant to sec. 27 para. 40 sentence 1 UStG, applies to all invoices whose original ten-year period extends beyond 31 December 2024. Invoices issued before 1 January 2017 would therefore no longer need to be retained from 1 January 2025. Exceptions apply under sec. 27 para. 40 sentence 2 UStG for credit institutions, insurance companies and securities institutions. Here, the shortened retention period only comes into force for invoices whose period expires on 1 January 2026.

### 3 Extended retention period

However, an important restriction must be noted, which is pointed out in margin no. 7 of the BMF letter: According to sec. 14b para. 1 sentence 3 UStG in conjunction with sec. 147 para. 3 sentence 5 of the German Fiscal Code (AO), the retention period does not expire if and as long as the documents are relevant for taxes for which the assessment period has not yet expired. The BMF cites as examples invoices relating to input VAT adjustments pursuant to sec. 15a UStG, in particular in connection with real estate transactions. A longer retention period continues to apply in these cases. This only ends when the assessment period for the last year of the ten-year adjustment period has expired.



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The BMF does not expressly point this out again, but it is crucial for the archiving period: When determining the assessment period, the suspension of the statute of limitations, pursuant to sec. 171 AO, must be taken into account. Tax audits, for example, can significantly extend the required archiving period. Sec. 171 para. 4 AO provides that the assessment period and thus also the archiving period do not expire until the tax assessment notices for the years audited have become final. In addition, if these tax assessment notices are appealed, there is a further postponement of the deadline (sec. 171 para. 3a AO). In particular, if years that are far in the past are being audited, the actual archiving period may then extend well beyond the eight years originally envisaged.

#### 4 Archiving of e-invoices / IT processes

As stated in the BMF letter dated 14 July 2025 regarding the GoBD (KMLZ VAT Newsletter 24 | 2025), when using an invoicing programme to create outgoing invoices, it is not necessary to retain a pictorial copy (e.g. PDF document) of an outgoing invoice if a 'multiple copy with identical content' of the outgoing invoice can be created at any time upon request. In addition to the changed retention periods, the specific requirements for archiving e-invoices are also changing. In this regard, businesses should keep an eye on a frequently underestimated problem: archiving practices, from an IT perspective. ERP data is often 'archived' after just three or five years which, in practice, means that the data is deleted from the operational ERP system and transferred to a separate archive system. However, it is not uncommon for some data to be omitted from the archive or for the format to be changed, resulting in the loss of tax-relevant information. If, due to the simplifications introduced by the GoBD, copies of outgoing invoices no longer need to be archived, care must be taken to ensure that a 'multiple copy with identical content' can be created from the archived data at any time in the future. It should therefore be carefully checked which data from the ERP system is relevant for tax purposes and must therefore be archived, and which data can be deleted. Even if a data extract can be created for the tax office at a later date (e.g. DART for SAP), there is a risk that it will be incomplete if crucial information is already missing.

#### 5 Limitation period under criminal tax law

Finally, the limitation period under criminal tax law must be taken into account, which is 15 years in particularly serious cases (sec. 376 para. 1 AO). Such a serious case may already exist if the tax amount exceeds EUR 50,000. Even businesses that are generally tax-compliant may find themselves facing allegations of tax evasion. In such cases, it would certainly be advantageous to have archived the documents for long enough to be able to provide relevant information, if necessary.

#### 6 Processes / procedural documentation

Following the introduction of mandatory e-invoicing, businesses are either currently in a transition phase or are at least heading in that direction. The processes involved in issuing, processing and archiving invoices are undergoing some significant changes. The GoBD have already been adapted accordingly. Since businesses are already dealing with the relevant internal processes and may need to adapt them, it is advisable to take the changes to the retention periods into account at the same time and check whether they still meet the current requirements. The procedural documentation should also be updated accordingly.

Find out how we can support you in this regard at these links:

[E-Invoicing Archiving](#) and [E-Invoicing Procedural Documentation](#)