



Mandatory e-invoicing in the fast lane in Europe

30 | 2022

1 Background

With its origins in Latin America, e-invoicing is now gaining a foothold in Europe. While Latin American countries mainly rely on reporting approaches, other ideas are being established in Europe. The so-called V-model is currently predominant. This model requires companies to send e-invoices to their customers via a central server belonging to the tax authorities. Invoice exchange via private channels is not possible. In contrast, the Y-model does allow invoice exchange via private channels (e.g. EDI, PEPPOL). Companies can therefore decide, when using the Y-model, whether they want to send e-invoices to their customers via the tax authority's server or, for example, via the existing EDI channel. In the second case, the e-invoice must also be simultaneously sent to the tax authorities.

2 France

France intends to gradually introduce an e-invoicing obligation, according to company size, from July 2024 for companies established in France. National B2B transactions are to be covered, as well as B2C and cross-border B2B transactions, in the form of e-reporting. In addition to a central transmission of e-invoices via a tax authority server (Chorus Pro), a decentralized transmission between companies, with the help of IT service providers, is also planned (Y-model). The registration process for the use of the Chorus portal is expected to commence in September 2023.

3 Romania

In Romania, the issuance of e-invoices in the RO_CIUS standard format for B2B supplies has, since 01.07.2022, been mandatory for certain fraud-sensitive groups of goods. Transmissions must be made via a central platform of the tax administration (RO e-Factura). An extension to other groups of goods shall be observed.



Ronny Langer
Certified Tax Consultant,
Dipl.-FW (FH)

+49 (0) 89 217 50 12-50
ronny.langer@kmlz.de

4 Italy

Since 2019, businesses based in Italy have been obliged to issue e-invoices exclusively for B2B and B2C supplies and to send these invoices to customers via a central server of the tax administration („Sistema di Interscambio“; V-model). Since then, the obligation to issue e-invoices has been extended, step by step. Since 01.07.2022, smaller companies (annual turnover more than EUR 25,000; for businesses below the aforementioned annual threshold from 01.01.2024) must also issue e-invoices. For supplies within the EU, e-invoices must now also be issued. For this, the "Esterometro" (reporting of cross-border purchases and sales invoices) has been abolished for those businesses which are obliged to issue e-invoices. The long-term aim is to establish a pre-filled VAT return.

5 Poland

Since 01.01.2022, businesses in Poland have had the possibility to voluntarily send e-invoices via the central KSeF (Krajowy System e-faktur) platform. Companies benefit, for example, from faster refunds of input VAT surpluses when using this system. Poland relies on a central platform for invoice transmission (V-model). However, the introduction of mandatory e-invoicing has now been postponed by one year to 01.01.2024 and when introduced will initially apply for two years. The obligation is to apply to all companies based in Poland. Whether foreign businesses with a VAT fixed establishment in Poland are also affected has not yet been conclusively clarified.

6 Slovakia

Slovakia is also planning to introduce an e-invoice system on 01.01.2023. Starting with a test phase, according to current plans, the obligation will apply from 01.01.2024. This will affect all companies who provide B2B or B2C supplies whose place of taxation is in Slovakia. According to the current status, this will also affect companies which are only registered for VAT purposes in Slovakia but are not resident there.

7 Spain

In Spain, it has been announced that mandatory B2B e-invoicing will come into effect as of 2024. Initially, this will affect companies based in Spain with annual supplies of more than EUR 8 million. The system will then be extended, in stages, depending on the size of the particular company. It is expected that a central platform will also be used here to send invoices to customers.

8 Other Countries

In addition to the countries already mentioned, other Member States have also announced their intention to introduce mandatory e-invoicing in one way or another. In Belgium, Latvia and Slovenia, for example, plans are at different stages of progress. It is clear that each country is currently pushing ahead with its own initiatives. Despite the EU Commission's "VAT in the Digital Age" initiative, a coordinated approach at EU level is not apparent.

9 Consequences for the practice

For the most part, German companies are not affected by foreign developments. However, German companies with a fixed establishment in other EU countries will, in the near future, have to deal with and implement several different e-invoicing systems. In particular, groups with national subsidiaries and uniform ERP systems must keep an eye on the developments and act early. The developments in Germany must also be observed. At the moment, it is still completely open as to whether only domestic supplies or also cross-border supplies are to be covered by the future e-invoice obligation.