



German e-invoicing obligation: e-invoices for domestic B2B supplies as of 2026

31 | 2023

1 Publication of draft on German e-invoicing obligations

It was not until April this year that plans to introduce mandatory e-invoicing in Germany became more concrete (see KMLZ VAT Newsletter 19 | 2023): The Federal Ministry of Finance had only issued an initial discussion draft of the proposed amendment to the German VAT Act (UStG) to various business associations. The associations' feedback has now been analyzed and the Federal Ministry of Finance has prepared an amended draft for an e-invoicing obligation for domestic B2B supplies as part of the draft "Act to Strengthen Growth Opportunities, Investments as well as Tax Simplifications and Tax Fairness (Growth Opportunities Act)". The gradual changes moving towards the introduction of an e-invoicing obligation are planned as from 1 January 2025.

Currently, a compulsory e-invoicing scheme would still violate the provisions of the EU VAT Directive, according to which mandatory e-invoicing is still prohibited. However, this is to change within the framework of the ViDA initiative. It is still open as to which legislative proposals regarding the possible introduction of obligatory e-invoicing are to be adopted and when those will be included in the EU VAT Directive. The ViDA schedule has only recently been questioned, and a postponement of the relevant legislative changes (currently planned for 2024 and 2028) is likely. However, the EU Commission has already recommended to the EU Council to authorize Germany's deviation from the provisions of the EU VAT Directive, and to introduce obligatory e-invoicing. This should also pave the way, at EU level, for the introduction of obligatory e-invoicing in Germany.



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

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

2 E-invoicing obligation for domestic B2B transactions

Subsequent to the initial discussion proposal, the draft legislation now includes a few changes and concretizations. The following framework is currently suggested for the e-invoicing obligation:

- From 2025, an e-invoice would be defined as an invoice issued, transmitted and received in a structured electronic format that enables electronic processing. All other invoices (e.g. paper or PDF invoices) would be considered to be "other invoices".
- Nothing is to be changed in the general provisions regarding in which constellations or until when an invoice is to be issued. This means that, according to the current legislative proposal, a taxable person would still have six months to issue an (e-)invoice if obliged to do so.
- It is clarified that an e-invoice obligation is only envisaged for domestic B2B transactions between taxable persons established in Germany. This means that the supplier and the invoice recipient would both have to be established in Germany.
- Residency, under the potential new e-invoicing obligations, is to be established by the registered office, the management or a fixed establishment in Germany. The fixed establishment would have to be involved in the relevant transaction for which an (e-)invoice is issued. According to the current status, a taxable person registered for VAT purposes without a place of business in Germany should therefore not be subject to the e-invoicing obligations.

3 Formats, transitional arrangements and transmission channels for e-invoices as of 2025

In principle, according to the draft legislation (sec. 14 para. 1 sentence 3 and 4 of the UStG-new), from 1 January 2025 all invoices for domestic B2B supplies between domestic taxable persons would have to be issued as e-invoices in accordance with the requirements of Directive 2014/55/EU and thus in accordance with the CEN-standard 16931. However, other formats, in particular paper or PDF invoices, would still be permitted until 31 December 2025 (sec. 27 para. 39 no. 1 of the UStG-new). Until then, the invoice recipient's consent requirement to receive an e-invoice would also remain. In other words, little would change for 2025. A "real" e-invoicing obligation would not be introduced until 1 January 2026, as only electronic invoices would be permitted to be sent from this date. Until 31 December 2027 these would not necessarily have to be e-invoices in conformity with the CEN-standard 16931. As long as an electronic invoice (regardless of the particular format) was transmitted via an EDI-channel, this would continue to be permissible (sec. 27 para. 39 no. 2 of the UStG-new). From 1 January 2028 all e-invoices would have to comply with the CEN-standard 16931. Current plans only allow for the issuance of invoices in other formats (e.g. paper invoices) in the case of simplified invoices and certain tickets (sec. 33 and 34 of the German VAT Implementation Code-new) for domestic taxable persons in a B2B-constellation.

The draft legislation does not contain any further details on how e-invoices are to be transmitted to the invoice recipient. For the time being, the requirement that the authenticity of the origin and the integrity of the content must be guaranteed would remain (sec. 14 para. 3 of the UStG-new). This means that any form of transmission, including email, would be permitted, at least for the time being. However, changes in this regard are to be expected, at the latest with the introduction of the announced national transaction-based reporting obligations. Since Germany would like to adhere closely to the specifications for the new transaction-based reporting requirement for intra-Community transactions at EU level, this is dependent on the timing of the ViDA proposals. Changes in the area of transmission channels for e-invoices are therefore probably not to be expected before 2028. In the future, however, companies should be prepared to transmit their invoices via government or private platforms.