



E-invoicing in Germany and the EU – an Update

1 E-invoicing on the rise in Europe

National announcements regarding the introduction of e-invoicing obligations, primarily affecting established taxable persons carrying out national B2B transactions, are now commonplace. The ViDA initiative ("VAT in the Digital Age") and the related Council Directive proposal of December 2022, regarding the introduction of cross-border e-invoicing obligations, combined with a digital transactional reporting requirement have all given the e-invoicing issue a real boost. More and more countries now intend to introduce e-invoicing obligations, which all serve to make the European "e-invoicing map" much more colourful. However, one tendency that can currently also be observed is that although the plans, in the various EU countries, are progressing steadily, there are also delays as regards the timing of their introduction. This may be due to the individual EU Member States hesitating to introduce national e-invoicing rules that could ultimately become obsolete in the course of the implementation of the ViDA package. The possible postponement of the ViDA measures is likely to reinforce this effect. For taxable persons, there are two sides to the current development: On the one hand, taxable persons gain time to deal with the issuing and receipt of e-invoices in a proper manner and to digitize their invoice issuing and receipt processes. On the other hand, the exact parameters, both at national and EU level, are still not clearly formulated, which complicates the concrete implementation and conversion of ERP systems. In the following, you will find a brief description of current developments in selected countries.

2 Germany

Only a few weeks ago, the draft "Act to Strengthen Growth Opportunities, Investments as well as Tax Simplifications and Tax Fairness (Growth Opportunities Act)" was published. It proposes an e-invoicing obligation from 01.01.2026 for domestic



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B2B transactions between taxable persons established in Germany (see KMLZ VAT Newsletter 31 | 2023). In its decision dated 25.07.2023, the EU Council authorized Germany to introduce obligatory e-invoicing by way of derogation from the provisions of Council Directive 2006/112/EC. Germany can therefore proceed with the further legislative process without Union restrictions. The introduction of obligatory e-invoicing from 01.01.2026 is now more than likely.

3 Belgium

Unlike in Germany, a damper has recently been put on Belgium's plans to introduce an e-invoicing obligation. No consensus has, as yet, been reached on the comprehensive tax reform package, which also includes the e-invoicing package. According to information from the Ministry of Finance, the issue of the introduction of a national e-invoicing obligation will be reviewed again after the summer break. Belgium, like Germany, had previously planned the separate introduction of e-invoicing and digital reporting obligations.

4 France

Along with Poland, France was one of the first countries to announce obligatory e-invoicing, following the Italian example. Large companies were to be obliged to deal with e-invoices from July 2024. Now the introduction of these plans is being postponed (again). According to reports, the postponement of e-invoicing in the B2B sector and the planned electronic reporting for B2C supplies is for the purpose of taking into account companies' concerns. It is not yet entirely clear when the e-invoicing obligation will ultimately be introduced, although 2026 seems realistic. With a view to a gradual introduction over two years, e-invoicing and digital reporting obligations would then only apply from 2028, independent of company size. Regardless of the postponement, the updated technical specifications (v.2.3) were published just recently.

5 Poland

While the Senate recently rejected the law introducing obligatory e-invoicing, the Sejm (the lower house of parliament) has now passed the law against the Senate's recommendation. Thus, as of 1 July 2024, obligatory e-invoicing will apply to (almost all) B2B supplies. The e-invoices must not only be issued in a certain format, they must also be transmitted to the invoice recipient via the state system (KSeF). Established taxable persons therefore have just under a year from now to convert their own systems. A test phase is also currently underway in order to allow taxable persons to gain initial experience.

6 Romania

Romania originally opted for obligatory e-invoicing for certain groups of goods susceptible to fraud (see KMLZ VAT Newsletter 30 | 2022). After a change in strategy, a broad e-invoicing obligation is now to be introduced. The EU Council provided its approval for this at the end of June, 2023. Romania, like Poland, relies on a central transmission of e-invoices via a state system.

7 Spain

According to current plans, e-invoices shall become mandatory in all cases in which there is already an obligation to issue invoices. It is not yet certain whether taxable persons only registered for VAT but not established in Spain will also be obliged to issue e-invoices.