



E-invoicing in Germany and the EU – an Update

1 European Union

The EU Commission's directive proposal on "VAT in the Digital Age" (ViDA) from December 2022 has not yet been adopted. According to rumors, the planned introduction of obligatory e-invoicing with a combined transactional cross-border reporting system to replace the recapitulative statements could now be postponed by one or two years. As things stand, an introduction in 2028 is therefore unlikely. There are also intensive ongoing discussions concerning the EU standard EN 16931, which is to become the basis for the obligatory e-invoicing. According to reports, the standard requires further adaptation. In view of this, it is now also being discussed whether this standard should only be applied as an option and no longer be mandatory. In addition, it is likely that proposals for changes to the issuing period and the reporting period of two days each are also on the table, due to the general consensus that these periods are, in practice, too short for the businesses. Contrary to the first proposal, the issuing of summary invoices should also be permitted in the future (to a limited extent). A grandfathering of existing clearing models (e.g. Italy or Poland) is also being discussed.

2 Belgium

After the introduction of an e-invoicing obligation in Belgium was put on-hold in the summer, the Council of Ministers has now approved a corresponding legislative proposal. According to the current status, the introduction of an e-invoicing obligation for national B2B transactions is planned for 1 January 2026. In contrast to previous plans, this will no longer be introduced in stages. All affected companies (with a registered seat or fixed establishment in Belgium), regardless of size, are to be immediately obliged to issue e-invoices. First of all, however, special permission must be obtained from the EU Council to derogate from the EU VAT Directive. However, there are still no plans for a reporting obligation.



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3 Germany

The legislative procedure on the Growth Opportunities Act commenced on 30 August 2023. The adoption of the e-invoicing obligation for B2B transactions by the end of 2024 has thus moved one step closer again. In addition to the transitional regulations already known so far, the draft law now also contains a grace period for small businesses: Businesses with a previous year's turnover of less than EUR 800,000 are to be allowed to issue and send paper invoices or invoices in other formats (e.g. PDF) until 31 December 2026.

With regard to the use of the e-invoice standard EN 16931, the Federal Ministry of Finance sent a letter to the associations at the beginning of October 2023 in which it clarified the known formats XRechnung and ZUGFeRD. In the view of the tax authorities, these comply with the requirements of the EN 16931 standard and therefore should, in the future, be considered as an invoice in a structured electronic format.

According to the current status, EDI invoices may still be used until 31 December 2027. However, the above-mentioned letter from the Federal Ministry of Finance contains indications that a solution is being worked on which should also make the continued use of EDI procedures possible after 2027.

In the meantime, the Bundesrat is recommending postponing the introduction of the e-invoicing obligation by two years. It doubts that the technical and organisational measures at business level can be implemented in time. It also sees it problematic that the receipt of e-invoices would be obligatory for all recipients immediately as of 1 January 2025 without transitional regulations.

4 France

France has presented a new timetable for the introduction of e-invoicing and e-reporting for B2B transactions. A pilot phase is to start on 1 January 2025. France continues to plan a phased introduction, depending upon the size of the company, extending from 1 March 2026 to 1 January 2027. However, due to the time delay, France must now obtain a new special authorization from the EU Council to derogate from the EU VAT Directive.

5 Ireland

The Irish Minister of Finance has just announced a public consultation on the digitalization of invoicing and VAT reporting. The aim is to introduce obligatory e-invoicing and/or e-reporting. Further details are not yet known.

6 Romania

In Romania, a draft law was recently published for the prompt introduction of B2B e-invoicing obligations for both resident and VAT-registered companies. In a first step, real-time reporting at transaction level is to be introduced as early as January 2024. From July 2024, e-invoices for B2B transactions must then be issued and transmitted to the invoice recipient in a clearing procedure only by established companies. Romania is presenting a tight schedule here, which is likely to pose some challenges for businesses. However, it is questionable whether the draft law can actually be passed in this form. The special authorization of the EU Council, which was granted in June 2023, only covers companies based in Romania. Companies with a VAT registration in Romania but which are not established in the country are not covered.