



European Commission
Taxation and Customs Union

High Level Group meeting

VAT Invoicing proposal

Rolf Diemer, DG Taxud, Head of Unit D1



VAT Invoicing proposal

Background to the proposal

Article 237 of the VAT Directive

Requires the Commission to come forward with a report on e-invoicing and proposal if necessary by 31 December 2008

Wider remit to look at invoicing in general

First Invoicing Directive not fully meet the aim of simplifying, modernising and harmonising the VAT invoicing rules

- Many options available for Member States
- E-invoicing take-up still very low



VAT Invoicing proposal

Process

- Invoicing study
 - Contract signed in December 2007
 - Part of remit to come forward with recommendations for changes to invoicing rules
 - To be published on Commission website this month
- Public consultation
 - Launched 24 July 2008, closed 19 September
 - Over 60 replies from business and trade associations
 - Significant support for the recommendations
- Meeting with Member States
 - Discussion with Member States in September 2008 on selection of proposed measures e.g. e-invoicing, self-billing, summary invoices etc
- Expert Group on E-invoicing
 - Working with expert group sub group “legal requirements”

DG TAXUD has views of all stakeholders to begin drafting proposal



VAT Invoicing proposal

Aim of the proposal

Balanced package of measures

- Reduce burdens on business
 - Part of Action Programme on reducing burdens on business by 25% by 2012
- Promote SMEs
 - Included within Small Business Act
- Increase take up of e-invoicing
 - Remove VAT obstacles to e-invoicing, improve efficiency and competitiveness of EU business
- Help Member States tackle fraud
 - Part of package of measures announced by Commissionaire Kovacs to tackle VAT fraud



VAT Invoicing proposal

Possible measures

The following areas should be addressed in the proposal

- Issuance of an invoice
 - General aim to harmonise rules
 - Time of issue, exempt supplies, B2C supplies
- Content of an invoice
 - Small value invoices, credit notes, B2C supplies, simplified invoices
- Storage of invoices
 - E-storage
 - Common storage periods
- E-invoicing
 - Look at equality of treatment between paper and e-invoices
- Other measures
 - Right of deduction, chargeability to tax



VAT Invoicing proposal

Timeframe

Currently - DG Taxud is working on the draft proposal

End of October – Proposal go to Inter Service Consultation

Early November – Proposal go for translation

Mid December – Go to the Commission for adoption

Adoption by Commission before 31 December 2008