



Dipartimento
delle Finanze

eInvoicing in Italy

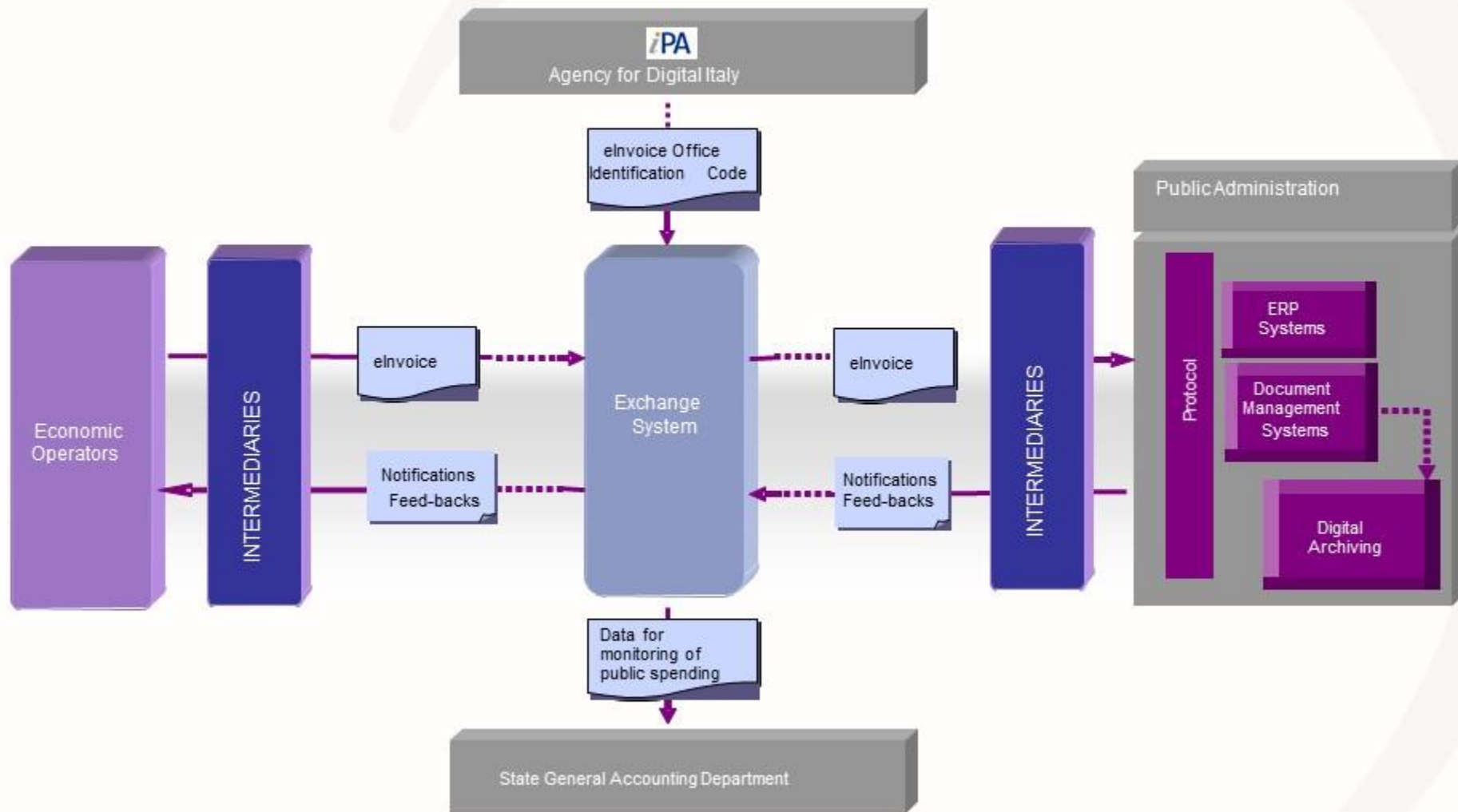
Pioneering in mandate B2B eInvoicing



eInvoicing: Milestones in the Italian Path

- Jun-2013: eInvoicing is mandatory in B2G for central administrations
- Mar-2014: eInvoicing is mandatory in B2G for all administrations
- Jan-2017: obligation for all VAT taxable persons to send invoice data to the Revenue Agency, on a quarterly base. Option for B2B e-Invoicing as an alternative to sending invoice data.
- Jan 2019: eInvoicing is mandatory in B2B and B2C

The invoicing system to PA (B2G)



B2G eInvoicing: Facts and figures

- Aims at Cost savings and Public Expenditure monitoring (Spending review)
- Mandatory for all invoices, regardless they are issued as a result of the performance of contracts to which the public procurement directives apply
- E-invoices are transmitted via a central hub managed by the Revenue Agency: the Exchange System (Sistema di Interscambio)
- E-invoice format
 - National format (FatturaPA), xml based, 90% compatible with BII and MUG
 - A qualified electronic signature is required in order to ensure authenticity and integrity
- Intermediaries are allowed, both for PAs and suppliers
- Cost of the Exchange System
 - Investments: € 2.5 mln
 - Operation: € 0.5 mln/year
- Volumes
 - 23,000 public administrations
 - 30 mln eInvoices / year
 - 1 mln suppliers (out of 5.5 mln VAT taxable persons)
- Internet website: www.fatturapa.gov.it

Electronic transmission of invoice data

- As of 2017:
 - The Exchange System support the transmission of eInvoices in a B2B context
 - all VAT taxable persons have to send to the Revenue Agency, on a quarterly base, for each invoice issued or received:
 - VAT ID number of buyer/seller
 - Date and number of the invoice
 - the taxable amount per rate or exemption
 - the VAT amount per rate
 - % of deductible VAT amount per rate
 - Transmission of invoice data is an obligation that has been introduced for control purposes only
 - As an alternative to Electronic transmission of invoice data, VAT taxable persons can choose to send eInvoices via the Exchange System (Optional regime for B2B eInvoicing)
 - Only 7,000 VAT taxable persons chose the optional regime for B2B eInvoicing, with 87,000 taxable persons sending at least one eInvoice

Introduction of mandatory electronic invoicing

- The Council, in recital 13 of “Council Recommendation on the 2017 National Reform Programme of Italy and delivering a Council opinion on the 2017 Stability Programme of Italy” (proposal COM (2017) 511 of 8 May 2017), identifies as a disadvantage the fact that electronic invoicing is not yet compulsory for private sector transactions and recommends, inter alia, that “Italy take action in 2017 and 2018 to ... Broaden the compulsory use of electronic invoicing and payments”
- Request for authorization pursuant to Art. 395 of Directive 2006/112/EC of 28 November 2006 to apply a measure derogating from Articles 218 and 232 of Directive 2006/112/EC - Introduction of mandatory electronic invoicing
- COUNCIL IMPLEMENTING DECISION (EU) 2018/593 of 16 April 2018, that apply from 1 July 2018 until 31 December 2021
 - Italy is authorised only to accept invoices in the form of documents or messages in electronic format if they are issued by taxable persons established in the Italian territory other than those taxable persons who benefit from the exemption for small enterprises referred to in Article 282 of Directive 2006/112/EC

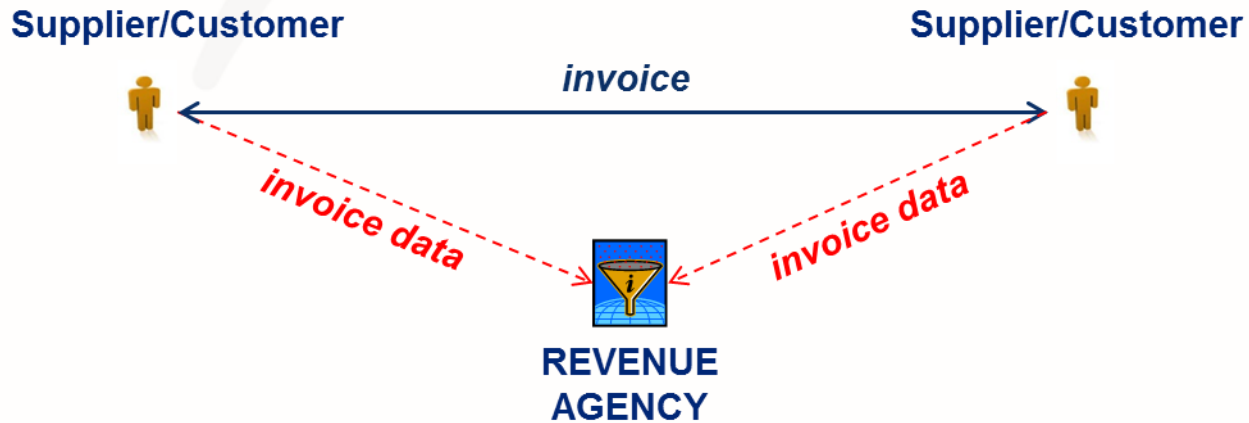
Mandatory eInvoicing: the obligation

- The obligation of eInvoicing in B2B and B2C transactions was approved at the end of 2017 (financial law), and will come into force on January 1^o , 2019
- The obligation of Electronic transmission of invoice data is eliminated
- It applies to taxable persons established in the Italian territory
- It does not apply to taxable persons included in the special exemption scheme for small-sized enterprises described in Article 285 of the VAT Directive, that Italy has been authorized to extend, by way of derogation, to taxable persons whose annual turnover is no higher than € 65.000 (1 million taxable persons)
- The eInvoices must be in FatturaPA format and sent via the Exchange System

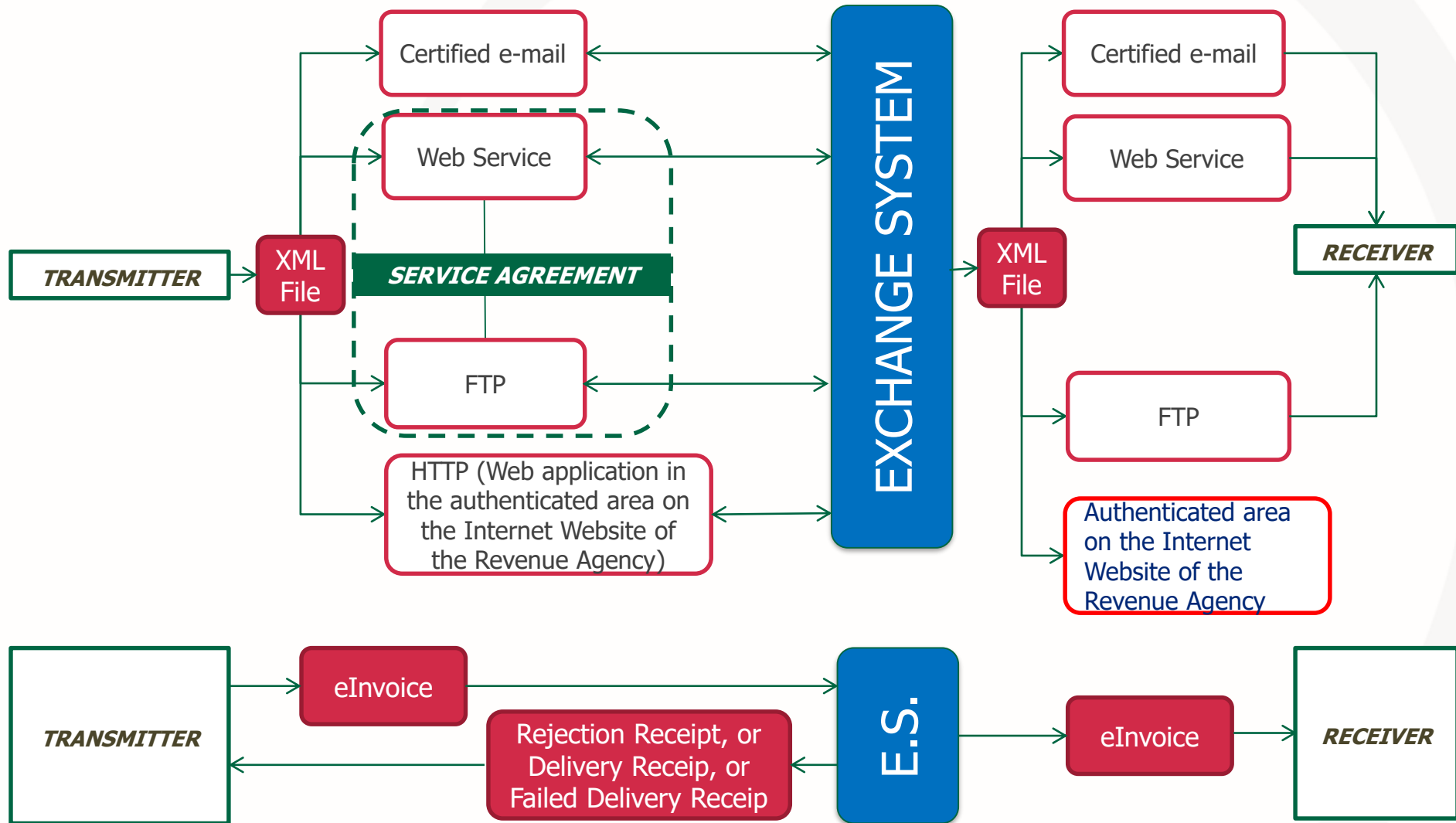
The Reasons for Mandatory eInvoicing

- **ANTI-EVASION FUNCTION**
 - Estimated reduction of VAT gap: € 2 bln
- **ANTI-FRAUD FUNCTION**
 - The obligation of issuing an electronic invoice implies that anyone consciously taking part to a typical mechanism such as the "carousel fraud" would become visible to the tax administration from the very beginning as a person liable to payment of VAT who is not making the relevant payments
- **COMPETITIVENESS OF BUSINESSES**
 - COM (2010) 712 – Reaping the benefits of e-Invoicing
- **ACTIVELY FACILITATING TAX COMPLIANCE**
 - Tax Compliance by Design (OECD 2014)
 - pre-compiled VAT return (that can either be accepted as is, or modified)
 - pre-compiled VAT payment form

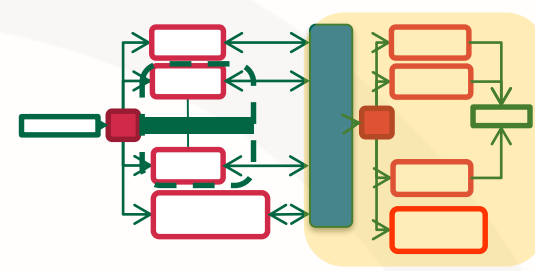
What is it going to change?



The Exchange System: How it Works



Choosing the communication channel



- Delivery is performed by the Exchange System on the basis of a delivery code. The eInvoices without a delivery code or with an unassigned delivery code are rejected by the Exchange System
- The communication channels offered by the Exchange System are: Certified e-mail, Web service, File Transfer Protocol
- Taxable persons who choose the Web service channel or the File Transfer Protocol channel have to sign a service agreement with the Revenue Agency, in order to configure the transmission channel and to identify the physical person responsible of the eInvoices sent to the Exchange System. A delivery code is assigned to identify the transmission channel
- The provider of the certified e-mail (a trusted service) guarantees for the identity of the mailbox holder and a service agreement with the Revenue Agency is not needed in this case, and a default delivery code is used
- The Taxable persons have to communicate their delivery code to all of their suppliers, in order to receive the eInvoices from the Exchange System

Free-of-charge Online Services

- The following services are available free of charge on the Revenue Agency Internet website:
 - A computer program to generate and save eInvoices
 - A web application and an app to generate and send eInvoices to the Exchange System
 - A QRCode, aimed at automatically entering the buyer's data in any electronic invoicing software
 - View, search and download of the eInvoices sent and received, in the authenticated area on the Internet Website of the Revenue Agency (available to Taxable persons and/or their service providers)
 - Registration of the preferred delivery channel
 - Legal archiving of eInvoices
- More information at <https://www.agenziaentrate.gov.it/wps/content/nsilib/nsi/aree+tematiche/fatturazione+elettronica>

The App (FatturAE)

- Available for Android and iPhone and downloadable from the respective stores
- With the app FatturAE, VAT taxable persons can:
 - generate an eInvoice
 - check an eInvoice (same controls performed by the Exchange System)
 - send an eInvoice to the Exchange System
 - personalize the layout with a logo
 - store the eInvoices either locally (in the device) or online (iCloud / Google Drive)
 - generate a preview of the eInvoice and share it via e-mail or WhatsApp
 - import eInvoice files
 - manage a directory of clients
- More information at

<https://www.agenziaentrate.gov.it/wps/content/nsilib/nsi/app+fatturae>



B2B and B2C eInvoicing: Facts and figures

- 5.5 million VAT taxable persons
- 1.5 - 2 billion eInvoices/year expected (800,000 from the utilities)
- 1 million taxable persons are included in the special exemption scheme for small-sized enterprises (exempted from eInvoicing)
- Cost of the Exchange system: € 10 mln / year
- € 2 billion increased revenue of the State is estimated
- 900,000 enterprises make use of an accounting software
- The cost per invoice of an accounting software is as low as € 0,005

- The consumers have the right to receive a paper copy of the eInvoice. They can download their eInvoices from the authenticated area on the Internet Website of the Revenue Agency

Future developments

- Implementation of the Exchange System to support EN compliant eInvoices according to the provisions of Directive 2014/55/EU (CEF funded e-IGOR and EeISI projects)
- Full support of EN compliant eInvoices for domestic B2B and B2C invoicing
- Support of the PEPPOL transmission facility

Thanks for your attention!

Ministero
dell'Economia
e delle Finanze

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