

# Consultation paper

## Review of existing legislation on VAT invoicing

### Note

**This document is being circulated for consultation to all parties concerned in the context of a legislative proposal on VAT invoicing.**

**The sole purpose of this consultation is to collect relevant information and help the Commission develop its thinking in this area.**

**This document does not necessarily reflect the views of the Commission of the European Communities, and should not be interpreted as a commitment by the Commission to any official initiative in this area.**

The parties concerned are invited to submit their comments no later than 19 September 2008.

Comments may be sent by letter, fax or electronic mail to

Correspondence: European Commission  
Directorate-General for Taxation and Customs Union  
VAT and other turnover taxes –Unit TAXUD/D1  
B-1049 Brussels  
Belgium

Fax: +32-2-299.36.48

Electronic mail: [TAXUD-D1-INVOICING@ec.europa.eu](mailto:TAXUD-D1-INVOICING@ec.europa.eu)

## **1. INTRODUCTION AND BACKGROUND**

The Commission is required under Article 237 of the VAT Directive<sup>1</sup> to present a report to Council by 31 December 2008 on technological developments in respect of e-invoicing, and a legislative proposal if appropriate. As the provisions of the Invoicing Directive (2001/115/EC) which are now contained in the VAT Directive did not fully meet its stated aims of simplifying, modernising and harmonising the conditions laid down for invoicing in respect of VAT, the review on invoicing will go wider than just e-invoicing.

## **2. INVOICING STUDY**

In order to complete its work the European Commission has commissioned a study on invoicing which will be finalised in the autumn of 2008 and published on the Commission web site.

The aim of the study is to look at four areas of invoicing - the requirement to issue an invoice; the content of the invoice; e-invoicing; and archiving of invoices. For these areas the study analyses the burdens faced by business in complying with the rules and the need for Member States to effectively control VAT. Based on this analysis a draft report has been sent to the Commission which includes recommendations for changes to the VAT Directive. Given the need to make any proposal before the end of 2008, the Commission is anxious to have input from the public at the earliest possible date and for that reason, the consultation is based on a selection of draft recommendations made in the context of the study.

## **3. QUESTIONS SUBMITTED TO THE PUBLIC AND INTERESTED PARTIES**

The Commission would be interested in receiving contributions from the public and all interested parties in response to the selection of the recommendations (see Annex 1) contained in the draft report.

In particular,

- 1) Which recommendations do you agree with and why?
- 2) Which recommendations do you disagree with and why?

In addition,

- 3) Should e-invoicing be based on the following criteria?
  - a) Equality of treatment between paper and e-invoices,
  - b) Guaranteeing the authenticity of origin and the integrity of content of an e-invoice should remain as a general principle to be observed,
  - c) An agreement, either implicit or explicit, between the supplier and customer.

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<sup>1</sup> Council Directive 2006/112/EC of 28 November 2006 on the Common System of Value Added Tax, OJ L 347, 11.12.2006. Directive as last amended by Council Directive 2008/8/EC of 12 February 2008, OJ L 44, 20.2.2008, p. 11.

4) What other recommendations do you think should also be considered in the context of a legislative proposal on VAT invoicing and why?

#### **4. FINAL OBSERVATIONS**

Your contribution to this consultation should be sent to [TAXUD-D1-INVOICING@EC.EUROPA.EU](mailto:TAXUD-D1-INVOICING@EC.EUROPA.EU) by 19 September 2008.

It is important for contributors to clearly identify: name, address, e-mail, activity, and, in the event of representative organisations, the level of representation.

Your contributions will be acknowledged collectively and published on the website of DG TAXUD. The results will be summarised in a report to be published on the same website.

**ANNEX 1:** Selection of draft recommendations