

## PAYFLUX: BLOG

Collecting unpaid invoices: not aggressive, but effective

# THE MINIMUM CONTENT OF AN ELECTRONIC OR PAPER B2B INVOICE (WITH EXAMPLE)

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When your company prepares an electronic or paper invoice that is intended for another company, a so-called B2B invoice, it must meet a number of legal conditions. Sometimes, however, you can no longer see the forest for the trees. That is why we give you a complete overview below.

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## THE MANDATORY INFORMATION ON AN ELECTRONIC OR PAPER INVOICE

You must always state at least the following items on each invoice:

- a unique and consecutive invoice number
- the invoice date
- the place where the invoice was made
- the name or corporate name and address (of the administrative or registered office) of your company
- the VAT identification number or KBO number of your company

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for sole proprietors.

- the name or corporate name and address of your customer
- your customer's Belgian VAT identification number or the VAT number assigned by another Member State of the European Union, if you deliver goods to another Member State of the European Union and if you provide B2B services to a customer located in another Member State of the European Union.
- the delivery date or the date of receipt of an advance, if that advance was paid before delivery and before the invoice was issued
- the nature and quantity of the goods and / or services supplied
- the unit price excluding VAT of the delivered goods and the fixed price or the hourly rate excluding VAT for the services
- if you give a discount on top of the stated unit price, you must also state this on your invoice
- the VAT rate applicable to each service. If multiple VAT rates apply to your delivery, you must state the (unit) price per VAT rate.
- the total amount excluding VAT
- the total amount of VAT to be paid
- the total amount including VAT
- if applicable: the reason for exemption from VAT
- optional: the word invoice
- optional: general conditions
- optional: expiry date

DOWNLOAD SAMPLE INVOICE

## CAN YOU INVOICE ELECTRONICALLY?

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The electronic invoice may take the form of, for example, a PDF, an XML file, an EDI message, etc. It may also be downloaded by your customer.

Your customer must agree to the electronic invoicing. This can be explicit or tacit, for example if he receives or pays your electronic invoices without protest.

In addition, the following must be guaranteed until the end of the archiving period (this also applies to paper invoices, but certainly to electronic ones):

- the authenticity of the origin of the invoice: the guarantee that the invoice was indeed issued by you. You and your customer must be able to demonstrate this
- the integrity of the content of the invoice: you and your customer must be able to demonstrate that the content of the invoice has not been changed
- legibility of the invoice: the invoice must be legible to people.

## ARE YOU OBLIGED TO STATE TERMS AND CONDITIONS?

Stating general terms and conditions on a B2B invoice is not required by law, but we strongly recommend it. For example, you can choose to place them on the back of the invoice. You must then state on the front of the invoice that the general terms and conditions are on the back. The inclusion of general terms and conditions is also not mandatory for offers to other companies. If you do this anyway and then mention the general terms and conditions on the invoice, then be sure that they are the same conditions as those on the quotation. New terms and conditions do not just replace the old ones and this can lead to discussions.

## ARE YOU OBLIGED TO STATE THE EXPIRY DATE?

No, this is not a legal obligation either. For the sake of completeness and to avoid late payment by customers, it is strongly recommended to do so. The expiry date is the day following the last day of the payment term in your general terms and

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In that case, you can use one of the following statements for each performance:

- In case of an intra-community service: 'Free of VAT, Article 44 VAT Directive' or 'Free of VAT, place of service outside Belgium'
- The VAT is payable by the contracting partner: 'VAT shifted'
- In case of an intra-Community delivery: 'Free of VAT - intra-Community delivery, art. 39bis Wbtw '
- The invoice was issued by the customer (self-billing): 'Invoice issued by the customer'
- In the case of second-hand goods: 'Special scheme - used goods'
- In the case of travel agencies: 'Special arrangement - travel agencies'
- In the case of art objects: 'Special arrangement - art objects'
- In the case of collections and antiques: 'Special arrangement - objects for collections and antiques'
- Other special arrangements or exemptions from VAT: 'Exempt under art. (...) Wbtw '

## WHAT DO YOU STATE IF YOU ARE NOT SUBJECT TO VAT AT ALL?

Certain activities are exempt from the VAT declaration obligation, such as the profession of doctor or dentist.

Companies with a limited turnover can also benefit from an exemption. Then state this on your invoice: 'Special exemption scheme for small businesses'.

If there is another reason why you should not charge VAT, you must also state this reason.

## SIMPLIFIED INVOICE FOR AMOUNTS UNDER 100 EUROS

Did you know that you can prepare invoices under 100 euros (excl. VAT) in a simplified manner? You only need to state the following on these invoices:

- a unique consecutive invoice number

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- your customer's VAT identification number or, failing that, his name or social name and address  
the nature of the goods and / or services supplied
- per VAT percentage: the price excluding VAT and the amount of VAT

There are, however, a number of situations in which a simplified invoice is not possible, such as a delivery with installation or assembly, exempt intra-Community supplies of goods or services, deliveries for which the VAT must be shifted in Belgium and for distance sales to foreign private individuals.

Because the “simplification” with a simplified invoice is only limited and because there are some exceptions, we do not recommend using it.

## WHAT IF YOUR INVOICE DOES NOT MEET THE CONDITIONS?

### Missing data

If there are no mandatory statements on the invoice, you risk a penalty in the form of an administrative fine. The amount of the fine is determined by the number of violations that have already been committed.

- First, accidental violation or error has no impact on your net VAT due (difference between your deductible and VAT due): 25 euros per invoice with a minimum of 50 euros and a maximum of 250 euros.
- Other first offense: 50 euros per invoice, with a maximum of 500 euros.
- Second violation: 125 euros per invoice with a maximum of 1,250 euros.
- Next violation: 250 euros per invoice with a maximum of 5,000 euros.

In case of fraud, the amount of the fine is doubled. The maximum per violation is limited to 5,000 euros.

Whether it is a first or subsequent offense also depends on whether you committed the same offenses in the four years before the date of the offense.

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If you have not issued an invoice, you risk a fine that can amount to a maximum of 200% of the VAT due with a minimum of 50 euros. If there is no fraud, the fine is limited to 60-100% of the VAT due.

The same fine can be imposed if one of the following details is incorrectly stated on your invoice:

- your company's VAT identification number
- the name or corporate name and address (of the administrative or registered office) of your company
- the nature or quantity of the goods and / or services supplied
- the price

If you notice the error, correct the invoice before a tax audit is announced. In that case, the fine will be completely waived.

## WHAT ARE THE CONSEQUENCES FOR YOUR CUSTOMER IF YOU DO NOT ISSUE AN INVOICE OR AN INCOMPLETE INVOICE?

A conform invoice is also important for your customer. In principle, your customer needs an invoice to exercise his right to deduct the VAT charged. In case of problems, your customer will have to submit additional documents to obtain this right from the VAT administration.

If that does not work, he must repay the deducted VAT together with a fine and interest. In addition, he can also be held liable jointly and severally for the VAT owed by you, any default interest and penalties.

## DO YOU HAVE TO CORRECT A MISTAKE WITH A CREDIT NOTE?

Yes, you are obliged to correct an error in an invoice with a credit note. You clearly refer to the invoice that you are correcting.

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