

Are summary invoices no longer allowed from 1 January 2028?

Currently, article 223 of the VAT Directive 2006/112/EC contains the following wording: “Member States shall allow taxable persons to issue summary invoices which detail several separate supplies of goods or services provided that VAT on the supplies mentioned in the summary invoice becomes chargeable during the same calendar month. Without prejudice to Article 222, Member States may allow summary invoices to include supplies for which VAT has become chargeable during a period of time longer than one calendar month”. From 1 January 2028, this article is proposed to be deleted.

It is questionable whether one would actually need this article to issue summary invoices, as the current VAT rules do not explicitly preclude issuing summary invoices. In fact, there are various articles that refer to an invoice that covers multiple supplies. For example, article 220 mentions “1. Every taxable person shall ensure that, in respect of the following, an invoice is issued, either by himself or by his customer or, in his name and on his behalf, by a third party: .. (1) **supplies of goods or services (note: plural)** which he has made to another taxable person or to a non-taxable legal person; (2) **supplies of goods (note: plural)** as referred to in point (a) of Article 33 except where a taxable person is making use of the special scheme in Section 3 of Chapter 6 of Title XII”. Another example is article 226, which mentions “Without prejudice to the particular provisions laid down in this Directive, only the following details are required for VAT purposes on invoices issued pursuant to Articles 220 and 221: .. (6) **the quantity and nature of the goods (note: plural) supplied or the extent and nature of the services (note: plural) rendered.**”

However, from [the Proposal for a Council Directive amending amending Directive 2006/112/EC as regards VAT rules for the digital age COM\(2022\) 701 final - 2022/0407\(CNS\) \(hereafter “ViDA document” <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52022PC0701> \)](https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52022PC0701), it seems that this is how it is intended to be interpreted. The documents refer to “transaction-by-transaction” on multiple occasions, so the intention indeed appears to be that for each transaction a separate invoice is required. Further the ViDA document explains: “The aim of the new reporting system is to provide information on transactions in almost real-time to the tax administrations and foster the use of electronic invoices. The possibility to issue summary invoices for a calendar month goes against those goals. For that reason, Article 223 is deleted, so there will be no possibility to continue issuing summary invoices.”

Could the Commission confirm that despite the fact that certain articles of the EU VAT Directive are worded in plural, it is proposed that from 1 January 2028 it will no longer be allowed to combine separate supplies of goods and/or services on one invoice?

Is there room for exceptions (to still allow summary invoicing for certain transactions)?

In this respect, we refer to the comments submitted by the Confederation of Swedish Enterprise (see [here](https://www.svensktnaringsliv.se/bilder_och_dokument/rapporter/v2hze9_remissvar_2022-169pdf_1194739.html/remissvar_2022-169.pdf)) https://www.svensktnaringsliv.se/bilder_och_dokument/rapporter/v2hze9_remissvar_2022-169pdf_1194739.html/remissvar_2022-169.pdf . The purpose of article 223 is to simplify handling, also summary invoices are very common. A requirement to issue one invoice for each transaction is impracticable, costly and illogical. Taking into account that every supply of a good or service is treated separately unless the transaction is to be regarded as a composite supply (and these rules can be complex, illustrated by [AG Kokott in case C-581/19](#)), the number of invoices to be processed (by all parties involved) could increase substantially, significantly increasing the burden (issuing, processing, collection, payment) and costs for vendor as well as customer.

In addition, if we understand the proposed rules correctly, it seems that even for transactions that are not subject to digital reporting requirements (“DRR”), a summary invoice will no longer be possible. Further, in our view, it is not necessarily true that a summary invoice would go against the goal of

collecting information on transactions in almost real-time. If the summary invoice is an e-invoice, and this would contain the relevant data about each supply and would be submitted within the 2-day deadline, wouldn't the tax administrations have the same information at the same moment?

As such, our question is if the Commission would be willing to still allow summary invoicing (as long as the invoicing deadlines are respected). Ideally this would apply to all transactions, but alternatively only to those not subject to DRR.

The EU EN 16391 standard e-invoice format does not allow to combine “out of scope” with “within scope” elements

From 1 January 2024, article 218 paragraph 2 describes that Member States that impose the obligation to issue electronic invoices, *shall allow for the issuance of electronic invoices which comply with the European standard on electronic invoicing and the list of its syntaxes pursuant to Directive 2014/55/EU of the European Parliament and of the Council*. To our understanding, this [standard EN 16391 \(https://ec.europa.eu/digital-building-blocks/wikis/display/DIGITAL/European+legislation+on+eInvoicing\)](https://ec.europa.eu/digital-building-blocks/wikis/display/DIGITAL/European+legislation+on+eInvoicing) is not able to combine “out of scope elements” (e.g. disbursements such as the import VAT and duties paid for a customer) on one invoice with elements of a different VAT treatment (e.g. together with the service fee). If this would be implemented as such then it would have a commercial impact as it would increase the administrative burden. It would require us to issue more invoices/documents, track more payments. It would increase the burden for our customers, as they would need to process more documents. They would also need to link the invoice for the import VAT and duties that we paid on their behalf (which are out of scope of VAT) to the invoice for our service fee. **Does the Commission agree with our understanding of the technical limitations of the EN 16391 standard as described above? If yes, could the Commission ensure that before the new rules enter into effect, this (technical) issue is solved so that “out of scope” can be invoiced together with “within scope” elements?**

The new definition of ‘electronic invoice’ does not mean that other electronically issued invoice messages are precluded

Currently, article 217 mentions: *“For the purposes of this Directive, ‘electronic invoice’ means an invoice that contains the information required in this Directive, and which has been issued and received in any electronic format”*. From 1 January 2024, the proposed text is *“For the purposes of this Directive, ‘electronic invoice’ shall mean an invoice that contains the information required by this Directive, and which has been issued, transmitted and received in a structured electronic format which allows for its automatic and electronic processing.”*. **The question arises if from 1 January 2024 it will still be possible to issue invoices in electronic format that do not meet the new definition of ‘electronic invoice’ but do qualify as an invoice that is transmitted electronically (for example a pdf invoice that is sent via e-mail)?** In our view, the answer is “yes”. Article 218 mentions: *1. For the purposes of this Directive, Member State shall accept documents or messages on paper or in electronic form as invoices if they meet the conditions laid down in this Chapter*. This would only be different if the Member State has opted to apply paragraph 2 of article 218: *Member States may impose the obligation to issue electronic invoices ...* **It would be helpful if the Commission would confirm this.**

To what extent are the core elements of article 6 mandatory invoice fields?

If a business chooses to issue such EN EU standard e-invoice (2014/55/EU), is it also bound to the core elements described in article 6 of Directive 2014/55/EU (https://eur-lex.europa.eu/legal-

<content/EN/TXT/?uri=CELEX%3A32014L0055#:~:text=provided%20for%20therein.-,Article%206,VAT%20breakdown,-Article%207> ?

If yes, it seems that some of these fields are not included in the VAT invoice requirements (yet). The core elements of article 6 are:

- process and invoice identifiers;
- the invoice period;
- seller information;
- buyer information;
- payee information;
- seller's tax representative information;
- contract reference;
- delivery details;
- payment instructions;
- allowance or charge information;
- invoice line item information;
- invoice totals;
- VAT breakdown.

It would be useful if the Commission would confirm if these core elements are mandatory invoice fields, and (if yes) explain these fields (especially if different from the current VAT invoice elements) in more detail.

Too little time to review a purchase invoice under DRR will mean that unverified invoices are reported

Articles 267 (and 268) requires the purchaser to *comply with the obligation, laid down in this Chapter, to submit the data*. Assuming this does not only refer to the data itself, but also to the way that it is submitted (which makes sense, again for matching purposes), this means that (see article 263) the data shall be transmitted *no later than 2 working days after issuing the invoice, or after the date the invoice had to be issued where the taxable person does not comply with the obligation to issue an invoice*. It will be a huge challenge to report invoices within such a short timeframe. Currently businesses often first review an invoice before they decide to post it. Under the new regime, this seems very difficult to achieve (especially for invoices that cannot be matched against a Purchase Order). An alternative could be to not actually “post” unreviewed invoices (as this would also impact the financial administration of the business), but to only “register” them. However, currently most systems would not be equipped to maintain such a (separate) register. For example, if an invoice is received that shows a wrong entity name, or wrong VAT ID, or an invoice that is issued to the wrong entity, it would normally not be posted (especially if it is a substantial invoice that could have an impact on the financial position), but returned to the issuer with the request to issue a correct invoice. It could also occur that a fake invoice is received. **Can the Commission confirm that such (potentially incorrect) unverified invoices are to be included in the DRR data that is submitted by the purchaser? If yes, will there be a requirement to make corrections to the DRR data if it turns out the invoices were incorrect?** Further, if an incorrect invoice is not posted, while it is “registered” and included in the DRR report, it would in principle trigger differences between the DRR data and the VAT return data. **Could the Commission confirm that this is correct and envisaged?**

Will EU customers need to include services purchased from non-EU vendors in their DRR?

The ViDA proposal seems to indicate that DRR is only relevant for intra-Community transactions.

If we take a closer look at the provision aimed at the supplier of goods/services, we notice indeed (see

article 262) that the scope of DRR reporting is limited to transactions between EU Member States. Focusing on services, article 262, paragraph 1 will require data to be transmitted about *(c) the taxable persons, and the non-taxable legal persons identified for VAT purposes, to whom that taxable person identified for VAT purposes has supplied .. services, other than .. services that are exempted from VAT in the Member State where the transaction is taxable, for which the recipient is liable to pay the tax pursuant to Articles 194 and 196.*

Although we read that Member States may decide to expand DRR with two types of transactions (article 271a), the heading of that section clarifies that transactions with a non-EU vendor are outside scope (*Section 2 Digital reporting requirements for supplies of goods and services for consideration made between taxable persons within the territory of a Member State*).

If we understand correctly, the aim of DRR is to match the data submitted by vendor with the data submitted by the purchaser. As such, one would expect that the transactions that are to be reported by the purchaser mirror those of the vendor.

However, when we review article 267, we notice that this mentions *Member States shall take the measures necessary to ensure that persons who, in accordance with Article 194 or 204, are regarded as liable for payment of VAT, instead of a taxable person who is not established in their territory, comply with the obligation, laid down in this Chapter, to submit the data.*

Our questions: 1) Is it correct that a purchaser of services, for which the VAT is reverse charged based on article 194, from a vendor outside the EU (not identified for VAT in a Member State), should include the transaction in its DRR? 2) Is it correct that this obligation does not apply if the VAT is reverse charged based on article 196, not even if the vendor is based/identified for VAT in the EU?

In our view, this is not how the provision was meant and it would be cleaner to have article 267 refer to (mirror) the transactions for which the vendor is required to DRR report the transaction.

Are non-EU vendors required to comply with “2 working day deadline”?

In our view, the answer is “yes”. Based on article 219a (existing and not changed), the main rule is that *Invoicing shall be subject to the rules applying in the Member State in which the supply of goods or services is deemed to be made..* As such, if the “place of supply” of the transaction is in their Member State, Member States will in principle impose their invoicing rules to non-EU vendors. If it concerns *services for which VAT is payable by the customer pursuant to Articles 194 and 196*, article 222 specifies that *an invoice shall be issued no later than 2 working days following the chargeable event.*

If it is correct (see previous paragraph) that these services are not intended to be in scope of DRR, there may be less need for the non-EU vendor to invoice on such a short term, and we ask the Commission to consider keeping the invoice deadline unchanged for these transactions.

Will a non-EU vendor have to issue an e-invoice that complies with the format prescribed by the relevant EU Member State/EU standard?

As described in the previous paragraph, based on article 219a Member States will in principle impose their invoicing rules to non-EU vendors as soon as the “place of supply” of the transaction is in their Member State. Further, note that article 218 will from 1 January 2028 mention *“For the purposes of this Directive, invoices shall be issued in a structured electronic format. However, Member States may accept documents on paper or other formats as invoices for transactions not subject to the reporting obligations laid down in Title XI Chapter 6.”* As such, if the services by the non-EU vendor are subject to DRR by their EU customer (see paragraph “Will EU customers need to include services purchased from non-EU vendors in their DRR?”) this seems to mean that non-EU vendors will have to (see article 217) *issue an invoice that contains the information required by this Directive, and which has been issued, transmitted and received in a structured electronic format which allows for its automatic and electronic processing.* The Member State where the supply takes place for VAT may decide on the format, as long as (see

article 218) *it shall allow for the issuance of electronic invoices which comply with the European standard on electronic invoicing and the list of its syntaxes pursuant to Directive 2014/55/EU of the European Parliament and of the Council.*

Again, if it is correct that the services are not in scope of DRR, there may be less need for the non-EU vendor to comply with the e-invoice format requirements of the relevant EU Member State/EU standard, and we ask the Commission to consider not to impose these requirements on the non-EU vendor.