<u>To the EU Commission – DG TAXUD</u>

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Public consultation on Council Directive amending Directive 2006/112/EC as regards VAT rules for the digital age

Comments from the Mouvement des Entreprises de France

Dear Sir/Madam,

We welcome the consultation of the European Commission (EC) relating to its proposed package on VAT in the Digital Age published on 8 December 2022.

We would like to share hereafter some overarching observations, followed by some more technical comments.

We note that Commission's proposal is very comprehensive and proposes some major changes of the existing VAT rules, the outcomes of which have not yet been fully grasped by business: further work, analysis and evaluation will be needed, and we therefore call for a further dialogue with all stakeholders involved, including business. Careful attention should be given to the situation of SMEs and small businesses so that they may easily comply with the VAT framework in the EU.

As always, we stand ready to further discuss and explain our views.

Yours sincerely,

Tax Affairs - MEDEF

The Mouvement des entreprises de France (MEDEF) is the largest representative business organisation in France, encompassing 173,000 member companies, 122 territorial organisations in continental France and in the overseas departments, 77 professional federations bringing together all business sectors (industry, services, construction, trade, etc.) and 14 associated organisations and partners. These represent 10.2 million employees (i.e. more than one-third of all French employees). Over 95 % of member companies are small-and medium-sized enterprises, with an average of 47 employees.[1]

[1] For more information of MEDEF's mandates, actions and membership, please visit our website at https://www.medef.com/en/who-are-we/overview.

1. E-invoicing and Digital Reporting Requirements (DRR)

(i) General high-level observations

MEDEF welcomes the Commission's initiative aimed at updating the current VAT rules to make them fit with the digitalization of the economy. We support the development of standardised and harmonised e-invoicing in the EU which can foster the growth and competitiveness of EU businesses by allowing more efficiency and lower costs. We believe that e-invoicing offers numerous benefits over traditional paper-based invoicing, including increased efficiency, reduced costs, and improved accuracy. It should bring tangible operational, financial, commercial and organizational benefits for companies, and should also facilitate relations with tax authorities in the context of a tax audit as digital invoicing and reporting requirements would allow for a more efficient monitoring of taxable transactions.

However, such a huge change will imply significant resources and can only be successful if certain conditions are met.

We would like to stress the importance of the following prerequisites:

- **The need for harmonised clear and simple rules, and for a realistic timeframe**

Any new legislation should be guided by the principles of proportionality, effectiveness and simplicity. Digitalisation has the potential of simplifying many processes in a harmonised way.

A realistic timeframe is key for business as the proposals would entail significant changes, notably in IT and ERP systems, and will require huge resources, especially human resources.

The proposed Directive sets some deadlines (e.g. as from 2024 in particular) which appear to be unworkable, even for Member States who would need to transpose them within their national legal frameworks.

A minimum lead-time of 18 to 24 months appears to be a bare minimum, starting when the domestic legislation of a Member State transposing the Directive is in force. This is notably necessary in respect of the removal of Article 232 of VAT Directive (which entails the mandatory acceptance of electronic invoices by the customer) as business will need to adapt to this major change (please see our comments below).

The ability to anticipate the upcoming requirements is a key factor of success. It is necessary to clarify at a very early stage the target system and to provide clear and detailed rules upfront so that companies may anticipate the required developments.

- **Harmonisation - existing systems - avoiding cumulation of requirements**

Companies should be able to capitalize on what already exists in the field of e-invoicing. One of the conditions for the success of the implementation of e-invoicing for B2B will be the acceptance by tax administrations of sufficiently broadly-used formats. Businesses that are already engaged in e-invoicing should not be imposed any major "rollback" or regression as compared to what already exists.

While we support harmonisation and standardisation within the EU as an ultimate and ideal aim, we also take into account that several Member States have already introduced (or are introducing) e-invoicing and/or e-reporting requirements: the Commission's impact assessment report indicates that 12 Member States have already put in place digital reporting requirements, which means that business has already undergone (or is already undergoing) significant costs in order to adapt to these requirements across the EU. Working on interoperability of systems should be explored as it may support the aim of harmonisation and convergence.

In general, we call for the EC and Member States to avoid a cumulation of requirements on business. New requirements in the field of VAT should come with the removal or simplification of obsolete rules.

It is also crucial to take into account the overall landscape in which business evolves. In particular, there has been a deluge of tax regulations in the field of direct taxation that EU business has had to comply with since the past decade (and there are still new initiatives). Businesses' resources have become scarce in the present economic context. Any new EU legislation will create an additional strain on business, which needs to be taken in to account and carefully balanced when designing any new requirement.

- **Legal certainty and the need for a change of mindset as regards the audit function**

The development of e-invoicing and DRR within the EU will be a game changer for tax administrations as they will be provided massive amounts of data which they will be able to use for their tax collection and tax audit and risk-assessment functions.

These e-invoicing and DRR requirements in the EU should therefore come along with a review and a rebalancing of tax obligations of taxpayers: in this new environment, it is notably crucial for business that the new rules be accompanied by securing and simplifying tax constraints in terms of control and reporting requirements (elimination or reduction of the recapitulative and statitics reportings and of the reliable audit trail requirement). Because tax administration will have unprecedented tools to detect fraud, this should imply that the "traditional" ways of carrying out tax audits in the VAT field will no longer be justified. More targeted and qualitative checks should be performed and honest taxpayers seeking to comply with the rules should benefit from more tax certainty. This could mean, for example, that taxpayers may benefit from certain presumptions or may undergo fewer full tax audits with respect to VAT.

This should be reflected in the Directive so that Member States be required to initiate changes in this field.

In addition, the use of the data collected by Member States through e-invoicing and DRR must be strictly used within the scope of the risk-assessment and tax audit functions of tax administrations. Any other use should be prohibited, and this should be clearly reflected in the Directive (as underlined by the European Data Protection Supervisor in its Opinion 7/2023 dated 3 March 2023 on the package of legislative proposals on VAT in the Digital Age[2]).

[2] See https://edps.europa.eu/system/files/2023-03/23-03-03_opinion_legislative_proposal_digital_age_en_5.pdf

If other uses were to be considered in the future, in particular for the control of payment deadlines, this will have to be a separate requirement with its own conditions and legal framework. The interaction between VAT and payment deadlines legislation should be carefully monitored.

Finally, if the objective of the proposed Directive is to tackle fraud, then the principle of proportionality requires that tax administrations report exactly on how the data is being used and how much revenue is raised.

- **EU's economic sovereignty and the protection of economic, strategic and commercially-sensitive data - data privacy – need for overall monitoring /oversight**

The data that will be shared with Member States' tax administrations through e-invoicing and DRR, possibly directly or indirectly via private platforms, will be massive. The sheer amount of data in itself will allow a mapping of the commercial flows of the whole of the EU. It will therefore constitute strategic information that needs to be protected.

Such data is also economic and commercially-sensitive data for companies. Any leakage or destruction of this data would be highly detrimental to businesses and potentially to the economy of Member States. Cyber-security should be at the heart of the project and clarification should be provided as soon as possible as to the measures and level of cyber-security that Member States will be putting in place. Public communication will be needed in this respect. The issue of data centralization versus non-centralisation is a key issue in this respect.

For security and economic sovereignty reasons, the storage of data relating to EU businesses collected through e-invoicing and DRR should physically remain within the EU: this notably implies that there should be no data centers outside the EU for the storage of such data. This is an important issue that should be publicly debated.

In addition, the level of collection, centralization and automatic processing of data on intra-EU transactions will be unprecedented: this will enable the tax authorities of the Member States (and possibly other operators) to carry out a complete mapping of flows between businesses within the EU. In particular, Member States will be able to know in real time who is trading with whom, and under what economic and commercial conditions. This is an extremely sensitive element for companies as it raises a series of fundamental questions: confidentiality, business secrecy, data security, use of data for purposes other than tax, cross-referencing of invoicing data with other economic data, economic intelligence scrutiny, economic competition, management of economic policies, etc.

In this new environment, it is essential for business that a monitoring process be put in place at EU level to ensure the proper functioning of the system and to avoid any departure. Such a monitoring process would work as a guarantee that the overall system is implemented in accordance with its objectives (limited to VAT) and does not go amiss. In this respect, we note that the scope of intervention of the European Data Protection Supervisor seems to be very much limited to personal data: however, the issues at stake with the EU e-invoicing and DRR are both different and broader.

We call on the European Commission to quickly launch a reflection on this subject so that a monitoring process is put in place.

Finally, we would also draw attention on the fact that personal data may also be involved if B2C transactions are covered (see notably the requirement for convergence of existing systems under Article 4 of the proposed directive which may concern existing systems that cover such B2C transactions).

- **Implementation challenges - SMEs and small businesses**

Article 4 of the Directive envisions the introduction of DRR, linked with mandatory e-invoicing as from 2028. Implementing mandatory e-invoicing and DRR at the same time is particularly challenging as the French experience demonstrates. These are two separate and complex projects which required huge investment and resources. It is advisable that, if e-invoicing should serve as the basis of a DRR requirement, then the DRR should be implemented only as a second step.

The situation of SMEs and small businesses should be carefully taken into account as they will have fewer resources and will need to be accompanied.

(ii) Specific comments

- **Challenges related to the introduction of structured e-invoices as of 1 January 2024**

The proposed Directive provides for the removal of Article 232 of the VAT Directive, as of 1 January 2024 (prior acceptance of the customer for the use of electronic invoicing). From the point of view of the customer, this equals to a requirement to accept electronic invoices as from 2024. As far as we understand, this could cover domestic transactions and intra-EU transactions.

We believe that this may create major challenges (being noted that the formats and technical solutions chosen would directly impact the level of complexity):

First, this start date does not allow Member States unanimously agreeing to this proposal and subsequently legislating on a domestic level.

Second, this timeframe seems totally unrealistic for business: even a requirement to receive an electronic invoice (not considering the issuance perspective) requires significant changes to procedures, processes and systems. SMEs and small businesses may need to resort to third-party advisors.

The removal of the customer's prior approval in a rushed timeframe, in particular in the context of cross-border transactions, is likely to create a major hurdle especially if certain Member States implement mandatory e-invoicing in the short term, which would cover intra-EU transactions, while other Member States may not do so in the same timeframe: e.g. a supplier located in a Member State A may be required to issue an electronic invoice on an intra-EU transaction in 2024 with a client located in a Member State B where electronic invoicing is still not mandatory.

For these reasons, we recommend delaying the removal of the customer's prior approval for at least 18 to 24 months starting when Member States have transposed the directive (once adopted by the Council) into national law.

- **Clarification of definition of the European Standard for e-invoicing**

As businesses will be allowed to issue electronic invoices adhering to the European e-invoicing standard (EN16931) set out in Directive 2014/55/EU and its list of syntaxes, we note that it is a very complex exercise to work out the relevant information contained in this standard.

It would be useful to clarify that the European e-invoicing standard (EN16931) set out in Directive 2014/55/EU covers semantic and syntactic standards, but not transmission modes.

- **The need to maintain summary invoices**

Many business sectors widely use periodic or summary invoices: it is not only a major simplification tool for businesses of all sizes, there is often no other way to carry out business without summary invoices when huge amounts of goods or services are transacted or provided in a given timeframe.

Summary invoicing notably allows:

- time and cost savings
- simplified record keeping for both suppliers and customers
- reduction of errors in invoicing
- better management of cash flow for clients and suppliers

We provide in Annex some examples (with data and estimates included) illustrating why businesses need to use summary invoicing.

We question whether the removal of summary invoices would allow to better combat VAT fraud and would like to underline that it would create a major disruption to many business models, because of the tremendous increase of the administrative burden. It would also have a significant financial and environmental impact.

- **The proposed 2-day timelines to issue electronic invoices and to perform DRR should be reviewed**

<u>As regards e-invoicing</u>:
We do not understand the objective and the justification for setting a very short timeframe for the issuance of invoices. Such an obligation would raise major complexities and would require huge resources. One important aspect is that businesses need to perform data quality when issuing invoices and reporting data.

It would require very sophisticated setups in order to perform data checks, and most businesses will simply not have the resources to do so (especially SMEs and small businesses). Even large companies currently need to run their checks during the weekend so as not to overload their IT systems. Therefore, shortening the timeline to 2 days for the issuance of electronic invoices would simply be unworkable in practice.

We question the reason for having a short timeframe for invoicing: this should be left at the choice of suppliers and customers. There may be different rules across the EU and many different practices across economic sectors.

As regards DRR:
Although the aim of DRR is to move to a near-real time reporting of data to tax administrations, the proposed requirement for businesses to perform DRR related to certain intra-UE transactions within two working days after the issuance of the e-invoice seems overly ambitious as it would impose significant challenges and increased costs for cross-border traders and small businesses alike. The same challenges for data checks as mentioned above for e-invoicing would occur.

We would like to stress the fact that in the French project, the timeframe to perform e-reporting is generally 10 days.

The new chapter 6 provides that the Member States must provide that the DRR can be drawn from electronic invoices in European standards. However, the text provides for a flexibility whereby Member States can also allow that the DRR be drawn from electronic invoices in a different format but interoperable with European standards (see new Article 263.3 as it results from Article 4 of the draft directive). **This is an important flexibility which should be maintained so that existing formats currently used by businesses may be maintained.**

Finally, it would be helpful if timeframes are expressed in working days.

- **The scope of digital reporting requirement (DRR) should be reviewed**

- Definition of transactions covered by the DRR: it is unclear which cross-border transactions are targeted under the proposed Directive? Are these only intra-UE deliveries of goods (and distance sales?) and intra-UE services? Or does the Directive more broadly target domestic/internal sales made to customers established in another Member State of the EU? We also question why B2B transactions subject to the domestic reverse charge mechanism would be covered by the DRR. In addition, what about cross-border transactions carried out between two taxable persons established in the same member State? There is a a risk that certain transactions (case for example of intra-UE deliveries of goods carried out between two taxable persons established in the same State) may be subject to both domestic systems and the DRR. We understand that intra-UE acquisitions of goods will have to be subject to the DRR, but it is unclear whether the purchase of services are covered (even though paragraph (16) of the proposed Directive stresses the need to compare the data declared on purchase and on sale both for the supply of goods and the provision of services). This needs to be clarified.

- Questioning the scope of the DRR beyond the intra-UE transactions: we understand that the Section 2 in Article 4 would cover a scope that could potentially be very wide - in fact wider than what the title of Section suggests - extending to domestic transactions, B2C transactions as well as transactions with non-EU operators. We would like to know whether this is the intended objective since this extension would interfere with existing systems in certain Member States.

- The DRR cannot always be based on electronic invoices: One major difficulty with Section 2 in Article 4 of the Directive is that the data relating to certain transactions covered by the Directive may not be in invoices: this is the case with B2C transactions and transactions with non-EU operators. However, the new Article 271b introduced by Article 4 of the Directive would mandate that the reporting of data for the DRR by drawn from e-invoices. It is legally not possible to impose e-invoicing transactions with non-EU operators, and it may not be legally possible in a number of Member States in respect of B2C transactions. Therefore, Article 271b should be modified so as to allow operators to perform the DRR based on data which may NOT necessarily be drawn from e-invoices. This is how the system is being envisaged under the French system.

- **New data requirements on invoices are disproportionate**

We believe that requiring new data in particular the seller's International Bank Account Number (IBAN) (or any other identifier in the absence of an IBAN) to which payment for the invoice will be made, and the due date(s) for payment of the invoice, is not proportionate and will require uncessary burdens. It is common practice for suppliers to use different IBAN numbers on invoices for specific projects, or not use any IBANs at all for certain intra-group transactions or use alternative payment methods such as an inter-company clearing system.

We also question why the payment date should be reported: this data has no impact on VAT in the case of intra-UE deliveries of goods (in principle exempt from VAT) or intra-UE services (subject in principle to reverse charge of VAT by the customer). Is the objective to perform cross-checking with the data collected under Directive (EU) 2020/284 of February 18, 2020 and Regulation (EU) 2020/283 of the same day establishing the obligation for European payment service providers (PSP) to transmit to the tax administration data relating to cross-border transactions?

Finally, the exemption for intra-EU supplies of goods envisaged in Article 138 should not be conditional on the additional data requirements being proposed under the DRR, as this would not be proportionate.

- **Removal of State-clearance systems**

We note that the proposed Directive envisages that the issuance and transmission of electronic invoices cannot be conditional on a prior authorisation of validation by the tax authorities of the Member State in order to be sent to the recipient. Existing clearance systems can only be applied by those Member States up to 1 January 2028, in order to ensure the convergence with the EU digital reporting system.

We would like to emphasize that such limitation should only pertain to strict clearance systems, whereby the tax administration may carry out substantive checks.

The prohibition of State-clearance systems should not apply in situations where technical or validation checks are performed, e.g. checks as regard the format and the completeness of fields in electronic invoices. It should be acceptable that such technical or validation verifications may be performed - either by the State system or by a third-party/private operator - and that the electronic invoice be blocked (i.e. not sent to the customer) in case the format is not correct or the invoice is not complete.

- **Financial Services**

We understand that the exemption from the VAT scope and invoicing requirement applicable to VAT-exempt financial services remains unchanged, as no changes are brought to articles 135 (1) and 220 (2) of the VAT Directive. We therefore understand that cross-border financial services that are covered by both a VAT exemption and an exemption from invoicing requirement would not have to be included in e-invoicing and DRR. Thus, the EC's proposals do not imply any additional obligations for companies providing such VAT-exempt services, such as investment management services provided to special investment funds, financial intermediary services or insurance. We therefore understand that the changes will be limited to businesses that provide services that are not considered exempt under EU VAT rules nor under their national laws or the laws of their customers. This would include certain financial services, such as investment management services provided to funds other than special investment funds.

- **Removal of recapitulative statements**

We understand that once the DRR is introduced, the existing recapitulative statements will be removed. However, the statistical reporting will be maintained which is particularly burdensome for businesses. We call for more simplification in this area.

- **Necessary exception for defense and national security contracts**

These markets are not excluded from the generalization of electronic invoicing and from DRR in the proposed Directive. The objective is to combat VAT fraud. However, the defense and national security markets are not areas of VAT fraud.

The DRR may create an issue as tax administrations of Member States can have wide access to sensitive information relating to defense and national security. Companies within the EU could lose markets (at EU level but especially outside the EU) since they are unable to respect the confidentiality clauses that govern this type of contracts.

The proposed Directive should therefore include exceptions to e-invoicing and DRR in this area.

2. Platform economy and single VAT registration

- **VAT rules pertaining to second-hand goods**

The Commission proposes to remove Article 35 of the VAT Directive, i.e. introducing changes with respect to transactions relating to second-hand goods which are currently taxed under the margin scheme.

We would like to draw attention to the serious consequences of including sales of second-hand goods currently taxed on the margin in the definition of distance selling (for both B2B and B2C sales as far as we understand), but also of changing the rules towards taxation at the place of destination.

For businesses operating in the second-hand goods economy (e.g. second-hand car dealers), this may create major difficulties for operators, in particular for SMEs and small businesses. In practical terms, the VAT applied to the sale of the second-hand goods will differ depending on the Member State of destination of the goods, therefore businesses will need to handle the rules of 27 countries (27 tax rules, 27 VAT rates, 27 conversion coefficients and display 27 prices). This is a major challenge especially for SMEs and small businesses.

We call for the removal of this new rule of calculating the margin according to the VAT rate applied at the place of destination for reasons of tax security and complexity for implementation by businesses. The outcomes seem contrary to the project of simplification and modernisation.

We note that each country has its own tax practice in a number of areas (as a result, not all used goods eligible for VAT on the margin are treated in an identical way within the EU). Similarly, the basis for calculating the margin is not identical within the EU either, since the elements eligible for inclusion in the purchase price may differ from one country to another (e.g. repair costs, delivery costs, etc.).

If the proposed changes were to be adopted, we question how it would be possible to ensure that the correct VAT rate would be applied for the second-hand goods. We are unsure how this would be a safeguard against fraud.

We also stress that environmental objectives commend for the re-use of goods and the circulation of second-hand goods. Creating more tax and administrative burdens will be a brake on cross-border trade of such goods.

We therefore call for further consultation with business operators in this area before the proposals are adopted.

Annex: need to maintain summary invoices

We refer to the examples that are provided in the written contribution of Business Europe.

In addition, we would like to provide some additional information and examples:

- **Need to maintain summary invoices in the wholesale sector**

The periodic invoice - or "summary" invoice – originates and finds its justification as a response to commercial practices in the wholesale sector: simplification is key, therefore there is a necessity to limit the number of invoices to be issued by a business.

Wholesalers, who work exclusively with professionals for the needs of their activities, have a high recurrence of orders, which are very often of small amounts. They deal with very large volumes of low-value (sometimes very low-value) transactions and therefore resort to summary invoices rather than issuing a multitude of invoices to the same customer in a given period of time: absent such summary invoices, they would face a high degree pf complexity of treatment and higher costs.

For example, a individual entrepreneur in the construction sector may buy materials every other day for his work site: this may represent between 10 and 15 monthly invoices. With a summary invoice by the decade, this results in the issuance of 3 invoices (3 to 5 times less) which helps keeping the burden manageable for both the entrepreneur and his supplier.

In the food sector (commercial restoration, catering, food shops, etc.), businesses work with wholesalers from which they buy their supplies several times a week. Removing summary invoices would cause numerous organizational problems and would significantly increase the operating costs.

The time and the resources needed to issue granular, unit-per-unit invoices, would completely disrupt business models.

We would like to emphasize the fact that 95% of the wholesale sector is made up of small and medium-sized companies which do not have in-house accounting or financial departments and therefore cannot deal with more complex invoicing.

We believe that the removal of the summary invoices would not be a proportionate and balanced measure as it will significantly destabilize the commercial and economic environment of businesses.

- **Example of a wholesale company which is a leading distributor of building materials (<u>data included</u>)**

The following is an example of a company which is a leading distributor of building materials in France, serving professionals. It operates a network of more than 2,000 points of sale throughout France, and more than 500,000 customers, mainly small and medium-sized businesses.

The use of summary invoices offers many benefits and allows this company to efficiently serve its customers. The removal of summary invoices would result in a number of problems, summarized hereafter.

(i) A tremendous increase of the number of invoices and credit notes

For the company's industry, the volume of summary invoices issued is 7,680,000 invoices on average per year to approximately 500,000 customers.

The removal of summary invoicing will result in an increase in the administrative burden for customers, most of whom are individual entrepreneurs, SMEs and small businesses for whom the management of the administrative burden is already heavy and complex.

Indeed of receiving a summary invoice at the end of the month, these individual entrepreneurs, SMEs and small businesses will receive an invoice for each visit in a point of sale: taking into account one visit per day would amount to 23 invoices per month, i.e. more than 250 invoices per year (instead of 12 invoices per year thanks to summary invoicing which offers the possibility of issuing a monthly invoice). The processing of these invoices by the customers and their accounting firms will multiply by 20 their administrative load in this respect (registration, settlement, lettering).

At the level of the group, the removal of summary invoicing would lead to 3,000,000 invoices being issued per month (instead of 640,000 monthly periodic invoices), i.e. over 35 million additional invoices per year. This also mechanically increases the credit notes that are issued (the **increase of credit notes is estimated at about 1.4 million per year).**

(ii) Impact on the management of cash receipts/disbursements and other related difficulties

From a collection point of view, it is obviously easier to receive grouped payments rather than a series of payments of smaller amounts. The correct collection of month-end invoices can be verified much more easily and quickly than multiple individual invoices.

Similarly, for the company's customers, it is easier and more efficient to pay 12 recurring invoices per year (i.e. 12 payment orders per year) than to pay countless individual invoices, to which credit notes would have to be posted as discussed above.

From the point of view of the customer, there will also be a deterioration of the ability to invoice properly. The removal of summary invoicing and the fragmentation of the invoices will contribute to a degradation of the visibility on the cost price for the customer.

(iii) Financial costs and environmental impacts

Financial cost

With summary invoicing, the company's computer processing time for formalizing invoices, including consistency checks and anomaly recycling, currently necessitates a one night's batch processing per month.

The removal of summary invoicing would require this processing to be carried out **on a daily basis**. Instead of having a few people at the end of the month to monitor the proper execution of this processing, it would be necessary to dedicate half a full time equivalent per day. An overhaul of the company's support organization would be unavoidable.

From a technical and practical point of view, this would impose a significant financial cost on suppliers due to the necessary re-parameterization and reconfiguration of existing IT systems, which would also constitute a major challenge, unrelated to e-invoicing, with no direct benefit either for the tax authorities or for the companies.

Impact on the environment

On average, the electronic weight of an invoice is 350 kb. Two thirds of an electronic invoice's weight is made up of incompressible data, such as the invoice number, the name and address of the supplier and the customer, the total and the VAT summary at the foot of the invoice, the due date, the terms of payment and discount, the penalties for late payment, the payment details, the mandatory invoicing data which must be reflected in each document.

Currently, the computer weight of the periodic invoices sent per year by the company is of 2.688 terabytes. The increase in invoices and credit notes will increase this weight to 10 terabytes of data, of which 6.7 terabytes are incompressible data transferred. For the sake of comparison, **an increase of 10 terabytes of data (due to the elimination of summary invoices) is equivalent to the transmission of 330 million additional e-mails per year, 105 million of which are related to incompressible data.**

The company, along with others, is today in a Corporate Social Responsibility approach with the objective of "zero-net carbon" by 2050. This objective necessarily implies a reduction in the amount of computer data sent. However, the removal of summary invoicing, given the weight of incompressible data transmitted, appears to be in direct contradiction with this environmental approach.

- **Fuel Cards case**

Preliminary remark:

Fuel cards allow their holders to benefit from/identify for the acquisition of a series of various fuel and motoring products and services in a limited network of service stations and other points of acceptance (such as motorway toll booths and car parks) in different European Union Member States, at negotiated contractual conditions.

The products and services that the holder can obtain with the fuel cards are specified in the fuel card order form.

Concerning the need to maintain of summary invoices:

Fuel cards and summary invoices offer the most effective way for businesses to recover VAT.

Indeed, in this way, companies that operate large fleets of vehicles can receive a single monthly VAT invoice from the fuel card issuer companies. This invoice provides details of all purchased transactions including fuel, EV charge and other related services (wash, tolls, car parks, etc.) that their employees made. This reduces the administrative burden of ensuring that employees render all their receipts – that could be lost – to the company's accounting department. This allows compagnies' accounting departments to save time on manually tracking the fleet expenses with fewer paper receipts.

In addition, in this way, taxpayers using fuel cards are ensured to receive a VAT compliant invoices, including all invoicing requirements, which is not always the case with receipts. This single consolidated VAT deductible invoice constitute a major asset for companies.