Value added tax (VAT): rules of invoicing

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The Committee on Economic and Monetary Affairs adopted the report by David CASA (EPP, MT) amending, under the consultation procedure, the proposal for a Council directive amending Directive 2006/112/EC on the common system of value added tax as regards the rules on invoicing.

The committee suggests reducing as much as possible the administrative burdens on suppliers and service providers. The proposed amendments:

- stress that SMEs should be given the option to simplify their invoicing systems;
- delete the requirement to use the ECB daily rate in case an invoice is issued in a currency other than that of the Member State in which tax is payable;
- delete the requirement to hold an invoice that complies with formalities of 27 Member States;
- delete the obligation to use customer VAT ID-No for domestic supplies;
- clarify that where the supplier does not have an establishment in the Union, the issue of an invoice shall not be subject to the rules laid down in the Directive;
- increase from EUR 200 to EUR 300 the ceiling for use of simplified invoices;
- allow Member States the option to release taxable persons from the obligation to issue simplified invoices with respect to exempt supply;
- extend the time limits set by the Commission for issuing invoices when supplying goods or services, so that it expires 2 months after the chargeable event occurs;
- enable Member States to impose strict invoice rules and thus prevent negative impact on revenue;
- specify explicitly that paper and electronic invoices are equally valid;
- oblige the taxable person to ensure the storage of invoices for a period of five years (instead of 6 years as proposed by the Commission);
- delete the possibility for requesting Member States to translate some invoices into their official languages.

Lastly, Members call on the Commission to evaluate existing e-administration measures and tools in the Member States and foster the exchange of best practices among them in this domain. In addition, the Commission shall use the Community programme to improve the operation of taxation systems in the internal market (Fiscalis 2013), together with other existing Union funding such as the Structural Funds to provide technical assistance to Member States most in need of upgrading their e-administration through access to and use of major trans-Union information technology systems.