
The European Commission has issued a set of explanatory notes ahead of implementation of the new Invoicing Directive on 1 January 2013. The notes cover a number of important topics, such as which Member State’s rules will apply, e-invoicing and storage, and invoicing for exempt supplies. The notes are aimed at helping Member States transpose the new invoicing legislation in a more uniform way and providing business with the necessary information to adapt to the new rules in time.

Although the explanatory notes are fairly comprehensive, running to some 45 pages, the Commission is keen to stress that they are very much a work in progress and are expected to evolve over time, taking into account emerging case law, VAT Committee guidelines, and practice. The Commission also highlights the fact that the notes are not legally binding, do not represent the views of the Commission, and are only "practical and informal guidance" about how EU law is to be applied.

The following topics are covered:

A: Requirements for paper and electronic invoices

1. Invoices must reflect an actual supply – recital 10 of Directive 2010/45/EU
2. Definition of e-invoices – art 217
3. Customer acceptance – art 232
4. Authenticity of origin – art 233(1), third subparagraph
5. Integrity of content – art 233(1), fourth subparagraph
6. Legibility – art 233(1), first and second subparagraphs
7. Choice of means of ensuring authenticity of origin, integrity of content and legibility – art 233(1), second subparagraph
8. Business controls – art 233(1), second subparagraph
9. Reliable audit trail – art 233(1), second subparagraph
10. Advanced electronic signature and EDI – art 233(2)
11. Point in time of issue and end of storage period – art 233(1), first subparagraph
12. Storage of invoices – (see document number D3)

B: Issue of invoices

1. Art 219a – Which Member State’s rules are applicable?

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2. Art 221(3) – Applicable Member State’s invoicing rules for exempt supplies
3. Arts 220(2) and 221(2) – Invoicing rules for exempt financial supplies (art 135(1)(a) to (g))
4. Art 224 – Self-billed invoices

C: Content of invoices

1. Art 226(2) – Sequential numbering
2. Art 226(7a) – Cash accounting
3. Art 226(11) – Exempt supplies
4. Arts 91 and 230 – Conversion of the VAT amount in to the national currency
5. Art 226b – Simplified invoices

D: Storage of invoices

1. Art 247 – Storage period
2. Art 248a – Translation and languages used on invoices
3. Art 247 – Medium of storage

The explanatory notes are available on the European Commission’s website.