COUNCIL OF
THE EUROPEAN UNION

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Council agrees on simplified rules for VAT invoicing

The Council today[1] agreed on a general approach, pending the opinion of the European Parliament, on a draft directive aimed at simplifying VAT invoicing requirements, in particular as regards electronic invoicing (*7132/2/10*).

Current EU provisions on VAT invoicing have led to a less-than-harmonised set of rules, on account of the many options that remain available to the member states. The aims of current provisions have therefore not been fully met.

Furthermore, compliance with regulatory requirements has hindered the take-up of technologies that are necessary for the development of e-invoicing. The Commission estimates potential annual cost savings for businesses at up to EUR 18 billion if obstacles to e-invoicing in VAT rules were to be removed.

The draft directive sets out to ensure the acceptance by tax authorities of e-invoices under the same conditions as for paper invoices, and to remove legal obstacles to the transmission and storage of e-invoices.

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1 The agreement was reached at a meeting of the Economic and Financial Affairs Council.

It also comprises measures to help tax authorities ensure that tax is paid so as to better tackle VAT fraud. These include establishing deadlines for the issuance of invoices, thus enabling speedier exchange of information on intra-EU supplies of goods and services.

The directive will be adopted by the Council once the Parliament has given its opinion.