

European Commission Proposes to Authorize Germany to Require Electronic Invoicing for Transactions Between Taxable Persons

23 June 2023

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On 23 June 2023, the European Commission proposed to authorize Germany to implement mandatory electronic invoicing for transactions between taxable persons established in Germany, as a first step towards the implementation of a transaction-based reporting system.

This authorization would require Germany to derogate from articles 218 and 232 of the [VAT Directive \(2006/112\)](#) so that: (i) only documents in electronic form can be considered as invoices by the German tax authorities; and (ii) the issuer no longer has to obtain the consent of the recipient to send an invoice in an electronic format.

The European Commission has published the proposal to accept the measure as it is proportionate to the objectives pursued in the [Action Plan for Fair and Simple Taxation Supporting the Recovery Strategy](#) and the VAT in the Digital Age (ViDA) proposals (see [European Commission Proposes New Measures in Relation to VAT in the Digital Age Initiative, Considering VAT Gap in EU \(8 December 2022\)](#)).

The proposal authorizes the derogation as from 1 January 2025 until 31 December 2027 or until the date on which Member States are required to apply any national provisions in the event of the adoption of a directive amending articles 218 and 232 of the [VAT Directive \(2006/112\)](#) as regards the VAT rules for the digital age in accordance with the ViDA Proposals.