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# Discounts, allowances and rebates in Peppol BIS Billing 3.0

The following description of the use of allowance and charges in the Peppol BIS Billing 3.0 is compiled to assist Japan in evaluating the invoice. The descriptions relate to the structure and how it can be used in general but are not adjusted for Japanese taxes specifically. Because the Peppol BIS Billing 3.0 as used in Europe is tied to the EN 16931 but would not be for Japan there is some flexibilty to extend the model but that must be evaluated case by case.

The general terminology used in UBL is Allowance, which covers any reason (type) for reduction, and Charges, which cover any reason (type) for additions.

The reason for an Allowance or a Charge can be given either in textual form or by using a code, or both in which case they should be consistent.

Allowances and Charges can be used on three levels in the invoice as follows.

## Item price discount

Allowances can be used to inform about the discount given on the item price. Charges are not supported on the price level.

This is explained with details in [https://docs.peppol.eu/poacc/billing/3.0/bis/#\_price\_information](about:blank)

It is only supported to give the amount of the discount. The percentage of the discount can be calculated by using the base amount but is not explicitly stated. If the amount of the item discount is based on a more complex calculation than using a simple discount percentage, details for such calculation are not supported.

It is not possible to give an allowance reason, in text or coded since the allowance reasons on this level is fixed as being a price discount.

Since the price discount directly affects the price of the item itself, the relevant CT tax is the item CT tax.

## Allowances and charges on line level

On line level it is possible to state both allowance and charges and for different reasons.

This is mostly used to state charges that are specific to the item on the line but can also be used to state allowances other than price discounts, e.g. a special rebate due to a marketing effort or the item condition.

The allowances and charges on the line level lower or raise the line amount, which is the base for CT calculation. Therefore, the tax details for these allowances and charges are the same as for the item and not stated specifically.

Reasons for charges on line level may include taxes other than CT if those taxes are fully included in the CT taxable amount. This gives the seller the opportunity to state his price and then show the taxes separately. If the different types of such taxes are controlled with a specific code list (reason code) that can be used to support automation of the reporting of such taxes.

As example, if there are 2 items at the net price of 950 Yen (after a 5% price discount) but then there is a 15% special tax that must be added, then the line amount becomes 2x950x1,15=2185. If the tax rate for this item is 8% the CT tax will be 174,8 yen.

It is not possible to use the line level allowances or charges for amounts that are excluded from the CT tax or have a different CT tax rate. As example if there is a tax that is added to the item cost is excluded from CT tax then that needs to be charged on a different invoice line with CT tax rate as 0%. Also, if a charge carries a different CT tax rate, like if the charge is for a service that is applied to the item. Same applies if an allowance must be excluded from the tax base amount (line amount).

Details on elements and calculations can be found here [https://docs.peppol.eu/poacc/billing/3.0/bis/#allowance-calc](about:blank)

## Allowances and Charges on document level

Allowance and charges on document level are for amounts that apply to the invoice as a whole. The main difference from the line level allowances and charges is that these will have their own CT tax information.

The most common charges on document level are shipping and packaging. These are services of their own right and are usually liable to CT independent of the sold items. These can also be used for financial charges or allowances which do not follow the item CT tax, like late payment charges or early payment allowances. If a document level allowance affects the CT tax base of the invoiced items that requires special consideration, specially if the invoiced items as subject to different rates.

The details for document level allowances and charges are provided at the same place as for the line [https://docs.peppol.eu/poacc/billing/3.0/bis/#allowance-calc](about:blank)