

Regulation

EU directive

The EU has established a **directive (2014/55/EU)** that mandates eInvoicing in B2G (**business-to-government**) across member states since **04/2020**. In the context of the EU directive, EN16931 is the **Norm** that defines the semantic data model for eInvoicing.

Acc. to the directive an invoice is electronic if:

- „An invoice that has been issued, transmitted and received in a structured electronic format which allows for its automatic and electronic processing.“

For eInvoices, the visual format is secondary and the objective is automation. A visualised, human-readable version of the invoice may be created but it is not considered part of the invoice itself.

The use of eInvoices required two key functions:

- The eInvoice needs to be created with the correct structure.
- The eInvoice needs to be transferred from the seller's system to the buyer's system.

National (DE)

According to the EU framework for e-Invoicing, each country has the authority to implement its own **specific requirements**.

According to the **Growth Opportunities Act decision on the 22/3/2024 in Germany**, the **mandate extends to B2B (business-to-business) with effect from 01/2025** including a transition period depending on the total annual turnover (TAT).

- For companies with \leq €800.000 differing deadlines (01/2027 or 01/2028) or **exception if annual turnover < €22.000**.
- **No eInvoice required for invoice amounts <€250 and for Tax-exempt deliveries and services according to UStG § 4 No. 8 to 29.**
- As per **Core Invoicing Usage Specifications (CIUS)** for Germany, eInvoice format **Xrechnung** (structured format) and **ZUGFeRD2.0** (hybrid format) are listed as well as **Peppol Network with Peppol BIS Billing 3.0** standard for transmission of eInvoices.
- In principle also other invoice formats can meet the requirements.

Specified deadlines acc. to Growth Opportunities Act (DE)



3 Key Challenges

1. Technical Implementation:

Upgrading IT infrastructure:

Businesses may need to upgrade their IT systems and software to support eInvoicing processes, including electronic invoice creation, transmission, and storage.

Integration with existing systems:

Integrating eInvoicing solutions with existing accounting, ERP, and other business systems can be complex and time-consuming, requiring careful planning and configuration.

Ensuring data security and compliance:

Businesses must implement robust data security measures to protect sensitive financial information transmitted and stored electronically.

2. Cost Considerations:

Initial investment costs:

The initial costs of implementing eInvoicing solutions, including software, hardware, consulting, and training, can be significant.

Ongoing maintenance costs:

Businesses will incur ongoing costs for maintaining eInvoicing infrastructure, ensuring data security, and complying with evolving regulations.

Potential disruption to business operations:

The transition to eInvoicing may temporarily disrupt existing business processes, leading to productivity losses and potential revenue impacts.

3. Process and Workflow Changes:

Adopting new eInvoicing workflows:

Businesses need to adapt their invoicing processes to accommodate electronic formats, including electronic signature, secure transmission, and archiving.

Realigning with trading partners:

Businesses need to coordinate with their trading partners to ensure they are also equipped for eInvoicing and can exchange invoices electronically.

Training and Education:

Employees may need training to become familiar with the new eInvoicing system and processes.



Readiness Check

Legal requirements (EU & national)

- Regulations and national deadlines for receipt and issuing according to previous TAT (< / > €800.000)
- Understanding of the specific format requirements regarding Norm EN16931

IT requirements

- Inventory check regarding EU and national requirements
- Current usage of transmission channels (e-mail, Online Portal, B2B-Integration, Peppol)
- Implement elnvoice receival functionality (be prepared for all elnvoice formats on 01.01.2025)
- Implement elnvoice issuing functionality until 01/2027 or 01/2028 (depending on TAT)

Options:

1. Look for a service provider who prepares the invoices for your company and translates them into a readable format
2. Introduce software that can react variably to the different formats

Process changes

- Analyse how your current processes will be affected by the changes
- Estimate resources and schedule trainings for employees



Opportunities



- Cost cutting
- Taking advantage of dynamic discounting (early payments)



- Saving time through process automation



- Greater security



- Reduction of manual activities & greater accuracy / efficiency



- More transparency
- Better Cash Management



- Improved customer & supplier relationships



Our range of services

Assessment and Planning:

- ✓ We conduct a thorough assessment of current invoicing processes, IT infrastructure, and business requirements.
- ✓ We develop a comprehensive eInvoicing implementation plan tailored to your specific needs and timeline.

Solution Selection and Integration:

- ✓ Evaluation of recommended suitable eInvoicing solutions (vendor assessment) based on your industry, size, and budget.
- ✓ Assistance in selecting and procuring the appropriate eInvoicing software and hardware.
- ✓ Integration of the eInvoicing solution regarding existing accounting, ERP, and other business systems.

Process and Workflow Reengineering:

- ✓ Redesign and streamlining of invoicing processes to align with eInvoicing requirements.
- ✓ Development and implementation of electronic invoice creation, transmission, and archiving procedures.
- ✓ Trainings for employees regarding new eInvoicing workflows and software usage.

Testing and Deployment:

- ✓ Testing of the eInvoicing solution to ensure seamless integration and functionality.
- ✓ We address any technical issues or process bottlenecks identified during testing.

Ongoing Support and Compliance:

- ✓ We provide ongoing support and maintenance for the eInvoicing solution.
- ✓ Assisting with eInvoicing audits and ensuring ongoing compliance with tax authorities.



Vendor Solutions



Issuing of electronic invoices acc. to Growth Opportunities Act (DE)

Timeline	Other Invoices				Electronic Invoice > €250,00	
Date	Paper invoice	Other invoice in electronic format			EN16931 compliant mit CII / UBL (X-Rechnung, ZUGFeRD)	Other electrical Format, with EN 16931 interoperable (all mandatory information according to UStG CII/UBL convertible)
		PDF	EDI format (EU-COM 1994) not interoperable	Other structured format (iDOC, inHouse), not interoperable		
Until 31/12/24	Allowed	Consent of the recipient needed	Consent of the recipient needed		Consent of the recipient needed	
01/01/25	Allowed	Consent of the recipient needed	Consent of the recipient needed	Consent of the recipient needed	Allowed: leads to obligation to receive!	Bilateral agreement necessary
01/01/26						
01/01/27	Not permitted if TAT > €800.000	Not permitted if TAT > €800.000	Consent of the recipient needed	Not permitted if TAT > €800.000	Allowed: leads to obligation to receive!	Bilateral agreement necessary
01/01/28	Not permitted	Not permitted		Not permitted		



Obligation to receive eInvoices from January 1st, 2025

From January 1st, 2025, receiving an eInvoice in accordance with EN16931 will be mandatory for all German B2B businesses.

As of January 1, 2025, there is an obligation to receive the following formats in accordance with EN16931:

- ZUGFeRD: Hybrid format – human-readable PDF/A-3 with embedded XML file in the “Cross-Industry Invoice” (CII) syntax
- XRechnung: XML file in the syntax “Cross-Industry Invoice” (CII)
- XRechnung: XML file in the “Universal Business Language” (UBL) syntax



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