



Italian mandatory e-invoicing



Following to the approval of the Financial Law 2018 a mandatory electronic invoicing obligation will be in force for supplies of goods or services carried out between subjects that are resident or VAT established in Italy.

From January 1st, 2019 a general business to business (B2B) and business to customer (B2C) e-invoicing obligation will be applied.

Moreover, for both the public subcontract sector and for supplies of petrol or diesel fuel intended for use as motor fuel, the e-invoicing obligation has been already effective as from July 1st, 2018.

Taxpayers and transactions involved in the e-invoice

E-invoices must be submitted for all the supplies of goods or services rendered between taxable persons that are resident, established or identified for VAT purposes in Italy.

Invoices issued or received by non-resident taxpayers who are neither VAT established, nor VAT identified in Italy are exceptions to the above rule (those invoices, in any case, will be subject to a specific communication, as below detailed).

By way of example, the obligation of e-invoicing does not apply to invoices issued for a consulting service rendered to a person established in France by a taxable person established in Italy (transaction not subjected to VAT pursuant to article 7-ter, Presidential Decree 633/72).

It should be noted that, although the legislation provides for the e-invoicing obligation for all transactions performed between persons established/resident in Italy, as well as Italian VAT registrations of non-established taxable persons, EU Council Decision no. 2018/593 dated April 16th, 2018 authorized Italy to introduce mandatory e-invoicing only for invoices issued by taxable persons established in Italy.

E-invoicing is mandatory also for “B2C” transactions, in case the supplier has the obligation to issue the invoice.

In that case, e-invoices issued to private consumers are expected to be made available to them by means of the Italian tax authorities’ electronic services. A copy of the e-invoice or paper invoice should be made available directly by the supplier to the consumer.

In this respect, the consumer can decide to waive its copy of the electronic or paper invoice.

Format of the e-invoicing

The e-invoice must be issued in a specific format (e.g., XML-PA), in accordance with technical specifications referred to in Decree no. 55 dated April 3rd, 2013 and signed with a qualified or digital signature.

The invoice issued in .XML format must contain:

- the mandatory information provided according to Articles 21 and 21-*bis* of the Presidential Decree no.
- the other information indicated in the technical specifications approved with the measure no. 89757/2018.

The e-invoice may include other fields/data that are not mandatory.

E-invoicing

The preparation of the e-invoice can be done by:

- a web procedure;
- an application that can be used by mobile device;
- a software to install on PC.

The e-invoice should be sent to the counterpart via the Interchange System (the so called "SDI").

The delivery via the SDI can be made alternatively by:

- certified e-mail(PEC);
- electronic services made available by the italian tax authorities (web or app);
- web cooperation system (web service);
- FTP protocol.

Both the web service and the FTP protocol require a specific application at the time of the registration with the SDI.

The SDI performs some formal checks at the time of the delivery.

If the checks are not passed, a reject report is issued within five days from the delivery/upload into the SDI. In this case, the invoice is considered as not issued.

When the checks of the SDI are passed, and the e-invoice is delivered to the recipient, the supplier receives a delivery report including the date of receipt by the recipient.

Also, the credit/debit note must be transmitted via the SDI.

The self-invoice to be issued by the customer, when it does not receive or receives an irregular invoice by the supplier within four months following the taxable activity, needs to be issued/delivered via the SDI.

Cross-border communication

Starting from January 1st, 2019, residents or established in Italy will be required to submit to the Italian Tax Authorities the data related to the supply of goods and services provided/received to/from Parties not established in Italy.

The electronic submission to Italian Tax Authorities will be due through a specific communication to be sent within the last day of the month subsequent to the date of issuance or to date of receipt of the invoice.

Penalty regime

In case of issuance of the invoice, between Italian VAT resident or VAT established subjects, in a different way in respect to the above described, the invoice is consider as omitted and penalties will be applicable (i.e. penalties ranging between 90% to 180% of the VAT not correctly documented). In addition, the client that does not receive the purchase invoice according to the requirements mentioned above, in order to avoid the penalties (i.e. equal 100% of the VAT not documented), should comply with the documental obligations provided by law through the use of SDI.



Final remarks

E-invoicing will affect significantly the internal procedures of business and consequently Taxpayers should check if their informatic systems are ready for e-invoicing procedures and understand the necessary adjustments so to connect their existing IT systems with the invoicing applications.

Moreover, they should:

- select the e-invoicing formats in order to be able to exchange invoices with customers and vendors and also register with the exchange system of the Italian Tax Authorities (SID);
- check the proper way to automate the accounts receivable and payable procedures;
- implement a compliant e-archiving procedure.