

Processing of the E- invoicing Regulation continues

On 20 June, the Draft Royal Decree implementing Law 18/2022, of 28 September, for the Creation and Growth of Companies regarding electronic invoicing between companies and professionals was published, and the public hearing and information period was opened for the submission of allegations, ending on 10 July 2023.

Subsequently, after passing through the Council of State, it must be approved by the Council of Ministers and published in the Spanish Official State Gazette.

Law 18/2022, of 28 September, **extended the obligation to issue and send e-invoices to all companies (entrepreneurs) and professionals in their business relations**, with the main aim of combating commercial default but also to digitalise business relations, to reduce transaction costs and to facilitate transparency in commercial transactions. And it referred to a **future regulation** for the purposes of complying with this new obligation.

The Draft Royal Decree implements Article 12 of Law 18/2022 to establish:

- The **technical and information requirements of the future Spanish electronic invoicing system** between companies and professionals,
- The **minimum interoperability requirements between providers of technological solutions** for electronic invoicing, and
- **Security, control and standardisation requirements** for the devices and IT systems that generate the documents.

Scope of application

- Entrepreneurs and professionals who, according to the Invoicing Regulation, must issue and deliver invoices for transactions carried out during their business or professional activity, shall be obliged to issue and deliver e-invoices, when the recipient of the transaction is a business or professional.

This obligation shall not be applicable when:

- One of the two parties to the transaction does not have in Spain the headquarters of its economic activity or does not have a permanent establishment there to which the invoice is addressed or, failing this, the place of its domicile or habitual residence.
- These are simplified invoices issued under Article 4 of the Invoicing Regulation, except in the case of qualified simplified invoices referred to in Article 7.2 of said Regulation.
- They are issued voluntarily without there being any obligation to do so.

In any case, e-invoices must be issued when the parties to the transaction have opted for material compliance with the obligation to issue invoices through the recipients of the transaction or through third parties. In these cases, regardless of who the third party is, the businessperson, professional or taxable person obliged to issue the invoice will be responsible for complying with all the established obligations.

Spanish electronic invoicing system

- The **Spanish electronic invoicing system** shall be made up of:
 - The **private electronic invoice exchange platforms** that meet the requirements established in the Royal Decree, and
 - The **public e-invoicing solution**, which will also serve as an invoice repository, and which will be managed by the Spanish Tax Authorities (**AEAT**).
- Electronic invoicing may be carried out through **private electronic invoicing platforms**, through the **public electronic invoicing solution** or through a combination of both. Businesses and professionals will be obliged to issue and transmit e-invoices to their business and professional clients, and to receive them from their suppliers through one of these channels.
- **If the exchange of e-invoices takes place entirely through private e-invoicing platforms**, an automatically generated copy of each e-invoice must be deposited in the public e-invoicing solution in the Facturae syntax and with the minimum mandatory requirements defined in article 6, or if applicable article 7.2 of the Invoicing Regulation.
- The **public electronic invoicing solution** must provide a basic and affordable electronic invoicing alternative for companies and professionals who so wish. The Royal Decree establishes its characteristics and specifies its operation, both in its role as a default instrument

for making compliance with the obligation to invoice electronically accessible to companies, and in its role as a receiver of information on invoices and their statuses, enabling future monitoring of invoice payment deadlines.

It also establishes the forms of access to the public solution, the single syntax it will use, the way of communicating invoice statuses and the functioning of the interconnections between the public solution and private electronic invoice exchange platforms.

- **Private electronic invoice exchange platforms** that form part of the Spanish electronic invoicing system must have the proven capacity to connect to the public electronic invoicing solution and, additionally, meet the technical requirements established in Article 10 of the Royal Decree.

E-invoices formats. Interoperability of formats and interconnection between platforms

- An electronic invoice shall be understood as a structured computer message, in accordance with the semantic data model EN16931 of the European Committee for Standardisation and under one of the following **syntaxes**:
 - a. UN/CEFACT XML message of industry-wide invoice as specified in the XML 16B (SCRDM - CII) schemas.
 - b. Invoice and credit note UBL messages as defined in ISO/IEC 19845:2015.



- c. Invoice EDIFACT message in accordance with ISO 9735
- d. Facturae message, in the version for business-to-business and business-to-professional invoicing in force from time to time.

Additional syntaxes may be added by the Ministry of Economic Affairs and Digital Transformation.

- To **ensure interoperability between private e-invoicing platforms**, their operators shall be able to transform the invoice message into all supported formats. They are also obliged to interconnect with any other private e-invoicing platform and to accept all interconnection requests from any of them. If their customer so permits, operators may use the public e-invoicing solution as a means of interconnection.
- All e-invoices issued through private platforms must be signed by the issuer with an advanced electronic signature in the sense established in article 10.1.a) of the Invoicing Regulation.
- All e-invoices must be identified with a unique code that will necessarily contain the issuer's tax identification number, the number and series of the invoice and the date of issue of the invoice.
- Businesses and professionals may stipulate that the e-invoices they receive contain information specifications beyond the minimum content regulated in the Invoicing Regulation if they have contractually agreed this with their supplier.

E-invoice statuses

- E-invoices recipients will be **required to inform to the issuer** of at least the following invoice statuses: (i) commercial acceptance or rejection of the invoice and its date, and (ii) full payment of the invoice and its date.

Additionally, they may report (i) partial commercial acceptance or rejection of the invoice and its date; (ii) partial payment of the invoice, amount paid and its date, as well as (iii) assignment of the invoice to a third party for collection or payment, with identification of the assignee and the date of assignment.

- **The information on invoice statuses must be sent within a maximum period of 4 calendar days**, excluding Saturdays, Sundays, and national holidays, from the date of the status reported in each case.
- This obligation to report invoice statuses will come into force 36 or 48 months after the publication of the Royal Decree, depending on whether the annual turnover exceeds or not 6 million euros.

Until these periods have elapsed, the provision of information on invoice statements will be voluntary.



Entry into force

- The Royal Decree **will enter into force twelve months after its publication** in the Official State Gazette.

However, it will be its approval that will initiate the calculation of the deadlines established in the eighth final provision of Law 18/2022, of 28 September, for the Creation and Growth of Companies, pursuant to which **the e-invoicing obligation will be required** (i) for companies (entrepreneurs) and professionals with an annual turnover of more than eight million euros, one year after the implementing regulation is approved, and (ii) for the remaining companies and professionals, **two years after** the regulation is approved.

- During the first 12 months following the entry into force of the Royal Decree, companies that are obliged to issue e-invoices in their transactions with entrepreneurs and professionals must accompany these e-invoices with a document in PDF format that ensures their readability for companies and professionals for whom the obligation to receive e-invoices has not yet come into force, except when the recipient of the e-invoices voluntarily and expressly accepts to receive them in their original format.
- The **entry into force** of the Royal Decree is subject to obtaining an EU community derogation with respect to the possibility of using paper invoices and the need to obtain the recipient's authorization for such use.

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