

TAX NEWS

New electronic invoicing obligation between companies and professionals

Law 18/2022, of 28 September, for the Creation and Growth of Companies, which was published in the Spanish Official State Gazette on 29 September (the **Law**), **extends the obligation to issue and send electronic invoices to all companies 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.

Up to now, electronic invoice was only required in the relations between individuals and entrepreneurs or professionals who provide certain services and operate in certain sectors, either when individuals agree to receive electronic invoices or when they expressly request them.

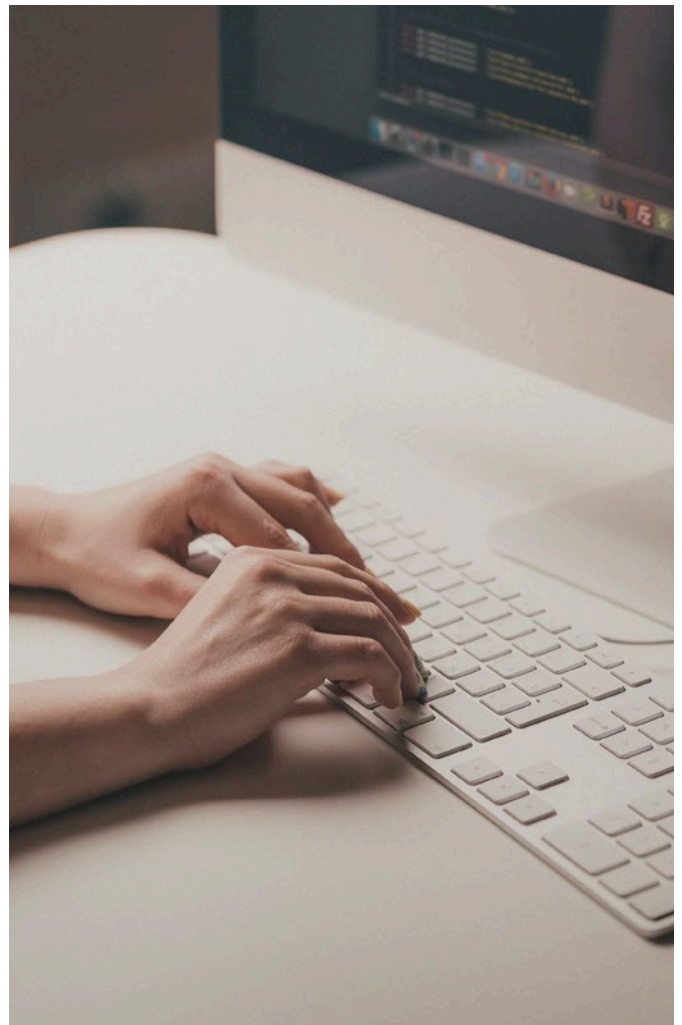
For the purposes of complying with this new obligation, **the Law refers to a future regulation** that will establish the minimum interoperability requirements between providers of technological solutions for electronic invoices, as well as the technical and information requirements that must be included in electronic invoices and the systems that process them to be able to control the date of payment and determine companies' average payment periods.



Said regulation **must be approved within the 6 months following the publication of the law in the Spanish Official State Gazette**, i.e. by 29 March 2023 at the latest.

However, in order to give companies and professionals time to adapt their invoicing systems and technological solutions, and taking into account the greater adaptation effort that this will entail for smaller companies, which are also those that suffer most the commercial default, it is established that **this new electronic invoicing obligation will be required** (i) for

companies 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.

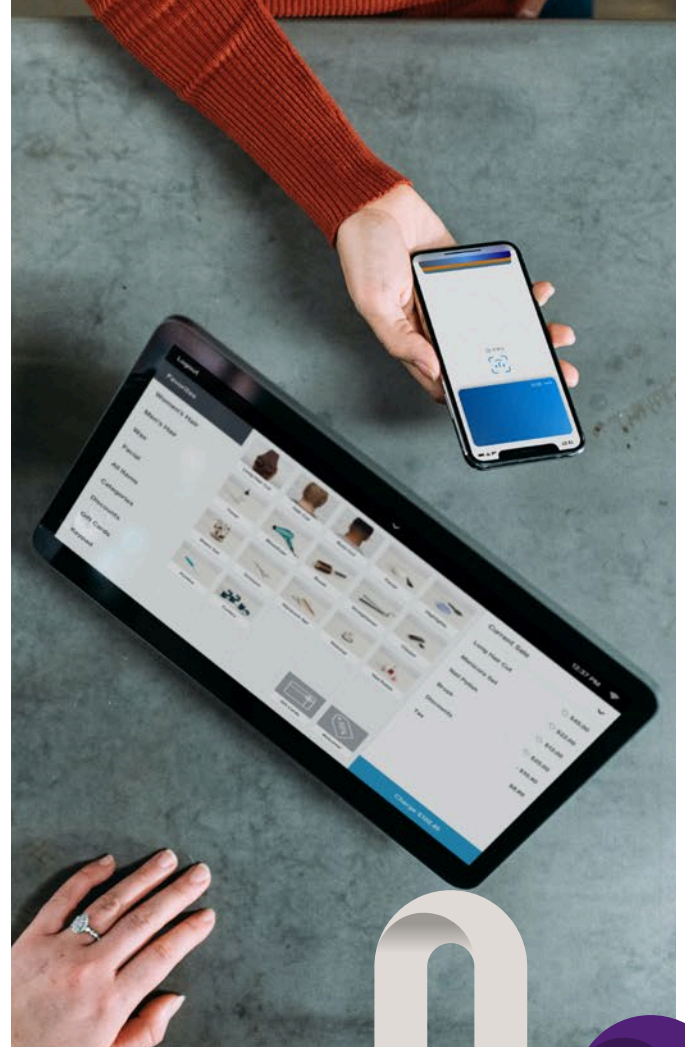


Based on the above, it is foreseeable that the new electronic invoicing obligation will not be applicable until the second quarter of 2024 for companies whose annual turnover exceeds 8 million euros.

In any case, the **entry into force** of this new provision of the Law 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 authorisation for such use.

Electronic invoices must comply with the specific invoicing regulations. Likewise, the computer or electronic systems and programmes that manage invoicing processes and store electronic invoices must comply with the requirements established in Article 29.2.j) of the Spanish General Tax Law and its regulatory development – which is still pending of approval. Thus, they must guarantee the integrity, conservation, accessibility, legibility, traceability and unalterability of the records, without interpolations, omissions or alterations that cannot be duly recorded in the systems themselves.

We will keep an eye on the development of both regulations – the one pertaining the development of the electronic invoicing obligation between companies and the other one relating the requirements for invoicing systems and software.



More information:



Eduardo Cosmen
Head of Tax
Eduardo.Cosmen@es.gt.com
T. +34 91 576 39 99

Offices:

Barcelona
+34 93 206 39 00

Madrid
+34 91 576 39 99

Murcia
+34 968 22 03 33

Valencia
+34 96 337 23 75

Vigo
+34 886 90 86 70