



Electronic Invoices – Practical Guidelines for Companies

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Preface

With effect from July 1, 2011, the paper invoice and the electronic invoice (e-invoice) are to be treated equally with respect to value added tax. The objective of these Guidelines is, on the one hand, to show the rules and regulations applying to both the paper invoice and the e-invoice and, on the other hand, to highlight the special provisions that apply specifically to e-invoices in the areas of transmission, approval, correction and record keeping.

In this context, the Guidelines will also explain that e-invoicing can be implemented with out substantial financial, organizational or technical resources and effort, which is particularly important for small and medium-sized enterprises (SMEs) as already existing processes and available documentation can be used in a systematic manner.

These Guidelines were developed by the working group „Law and European Union (EU)“ (Recht und EU) of the „Forum for Electronic Invoicing Germany“ (Forum Elektronische Rechnung / FeRD). FeRD is the national platform of associations, ministries and companies for the promotion of electronic invoicing in Germany. The Forum was founded on March 31, 2010 in Berlin, under the umbrella of the Working Group for Economic Administration (Arbeitsgemeinschaft für Wirtschaftliche Verwaltung e. V. – AWW), an organization promoted by the Federal Ministry for Economy and Energy, based on a decision of the German Bundestag and with the participation of various ministries of the German Federation and states, the Federal Chancellor’s Office, the top associations of the industry, as well as various professional associations. The Forum aims to increase the acceptance and use of electronic invoices in Germany. It is its task to discuss the subject of the „electronic invoice“ with regard to technical, commercial, economic and legal aspects, as well as to prepare, coordinate and apply measures suitable for the fast and

simple rollout of electronic invoices. It represents the interest of its members on a European and international level.

In a digital knowledge- and information-based society, the innovative capacity is becoming increasingly important. This represents a decisive factor for the competitiveness of an economy and its public administration. In this regard, a modern and efficient process organization within a company, which lives, approves, promotes and encourages innovations, is an important factor. The digital availability of invoice data has this innovative power: faster and more efficient work flows, lower levels of payment delays, as well as lower printing costs and postage. The error rate is lowered, transparency improved and the steps involved in invoice processing are accelerated. Many companies in Germany have identified opportunities which result from electronic invoicing. We would like to help companies overcome general reservations against electronic invoices and motivate them to realize the increase in efficiency made possible by electronic invoicing.

These Guidelines illustrate that the required innovations in case of electronic invoicing are not restricted by legal obstacles, but to a great extent they can be successfully implemented through the application of legal principles already in practice.

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1 Legal basis of an invoice



Definition of an invoice

In providing supplies of goods and services to other companies, a supplying company is obligated to issue an invoice. In the case of supplies made to other noncommercial recipients, the supplying company is allowed to issue an invoice.

In the case of land-related transactions, invoices must be issued irrespective of whether the service recipient is a company or another recipient.

- ▶ An invoice is every document, regardless of its name in the context of a commercial transaction, used in billing the supplies of goods and services.

Definition of a credit note

As an alternative to the traditional invoice issued by the supplier of the goods and services,

the recipient of these goods and services can also issue a credit note to the supplier (self-invoicing), provided that this has been previously agreed on between the supplier and the recipient.

Although the term “credit note“ is not explicitly stated in these Guidelines in general, all regulations apply equally to invoices and credit notes.

Process documentation by the invoicing party and the invoice recipient

The auditability of accounting records and other necessary records requires detailed and complete documentation which substantiates both current and historically applied processes for the duration of the record keeping period. Changes to the IT systems and processes must be documented without interrup-

tions with regard to content and time. All revised versions of the process documentation must also be consistently stored or recorded. In particular, the following subject areas are to be described:

- Origin of the invoice data
- Creation of the invoice
- Dispatch and receipt of the invoices
- Process of record keeping of the invoice data and the invoice itself
- Description of the unambiguous indexing related to the selection and subsequent machine processing of invoice data and invoices
- Protection measures against loss and falsification / data corruption
- Meaning of abbreviations, numbers, alphabetic characters and symbols

The process documentation describes the selected organizational and technical procedures

in the accounting and IT departments. Besides the operating instructions, this also includes the concept for the operation of the IT system and data security in the data center. Furthermore, technical details are described related to the IT infrastructure and interfaces between IT systems on the one side and organizational units on the other.

The process documentation has to be drafted in a comprehensible manner to ensure transparency in due course. The process documentation must always correspond to the actual components and processes of the invoice management (identity between documentation and applied processes).

- ▶ The process documentation has to be retained by law, together with other documents during the statutory record-keeping period, in such a manner that the legibility and the readability of the original format is ensured; for example links to other referenced data sources (operating instructions etc.) must be retrievable for entitled third parties (tax audit, certified public accountant etc.).

2 Legal basis of an e-invoice



Definition of an electronic invoice

An electronic invoice is an invoice which is created, transmitted and received in an electronic format. In this case, a differentiation is made between:

- Structured data (e.g. EDI, XML)
- Non-structured data (e.g. invoices in the PDF/TIFF/JPEG/Word format or e-mail text)
- Hybrid data (e.g. ZUGFeRD).

Amongst others, e-mail, DE-Mail, e-post, computer-fax, fax-server or web download are available as transfer/receiving methods.

- ▶ Invoices received in paper form and converted into electronic format are not defined as electronic invoices, according to German VAT law.

„EDI“

EDI (Electronic Data Interchange) means the exchange of information between IT applications using electronic data communication processes. Strictly speaking, the term EDI stands for the exchange of business data between different companies in standardized formats, with the application of standardized processes.

„XML“

XML (Extensible Markup Language) means a format with which data can be structured in text files on a hierarchy basis. The advantage of this format is that it can be used independently of the IT platform and of the programming language used by IT systems involved in the exchange of data in each case.

„ZUGFeRD“

ZUGFeRD is the uniform data format for electronic invoices, which has been available free of charge to all interested companies and authorities since June 25, 2014, as Version 1.0 (www.zugferd.de). The ZUGFeRD data format is based on the Cross Industry Invoice (CII) of UN/CEFACT, ISO Standard 19005-3:2012 (PDF/A-3), as well as the Message User Guidelines (MUG) specified on a European level.

Companies from the automotive industry, the consumer goods sector, banks, the health sector and the software industry, as well as public authorities were involved in the development of the ZUGFeRD standardized data format. Since the format meets the requirements of international and European standardization, it can also be used for cross-border invoice exchanges, while taking applicable local rules and regulations into consideration.

Tax-related mandatory information on e-invoices

E-invoices must contain the same tax-related mandatory information as paper invoices which, together with other invoice information, must remain unchanged in machine readable format during the legal record keeping period.

Relevant laws and administrative instructions

The relevant requirements on e-invoices in Germany are regulated by the following specifications:

- General Tax Code(AO)/(*Abgabenordnung (AO)*)
- Federal Ministry of Finance (Bundesministerium der Finanzen BMF)/*BMF-Circular (BMF-Schreiben IV D 2 - S 7287-a/09/10004 vom 2. Juli 2012)*
- Federal Ministry of Finance (Bundesministerium der Finanzen BMF) *BMF-Circular (BMF-Schreiben IV A 4 - S 0316/12/10001 vom 14. September 2012)*
- Federal Data Protection Law (BDSG)/(*Bundesdatenschutzgesetz (BDSG)*)
- EDI Recommendation of the European Commission/(*EDI-Empfehlung der Europäischen Kommission 94/820/EG vom 19. Oktober 1994*)
- Principles of Proper Accounting and Book-keeping and Retention of Accounts, Records

and Documents in Electronic Form as well as Access to Data, Ministry of Finance (Bundesministerium der Finanzen BMF) Explanatory Note/*(Grundsätze zur ordnungsmäßigen Führung und Aufbewahrung von Büchern, Aufzeichnungen und Unterlagen in elektronischer Form sowie zum Datenzugriff (BMF-Schreiben IV A 4 – S 0316/13/10003 vom 14. November 2014 (GoBD)))*

- Commercial Code (HGB)/*(Handelsgesetzbuch (HGB))*
 - Value Added Tax Application Decree/*(Umsatzsteueranwendungserlass (UStAE))*
 - Value Added Tax Implementing Ordinance (UStDV)/*(Umsatzsteuer-Durchführungsverordnung (UStDV))*
 - Value Added Tax Law (UStG)/*(Umsatzsteuergesetz (UStG))*
 - Civil Procedure Code (ZPO)/*(Zivilprozessordnung (ZPO))*
- ▶ It is essential that companies, in their function as the invoicing party or invoice recipient, fully understand the legal framework related to the creation, transmission, booking and record keeping of the paper invoice (→ basic rules of invoice management).

Consent of the e-invoice recipient

The consent of the invoice recipient, required by law for the transmission of the e-invoice, can be granted either in written form or implicitly by acceptance and payment of the invoice.

The transmission is considered successful if the invoice has been made accessible to the invoice recipient so that he can get knowledge of its content. This is the case if (among other things) an e-mail invoice has been received on the mail server of the invoice recipient or the invoicing party has stored the invoice on storage that has been agreed to between the invoicing party and the recipient (e.g. server for data exchange or customer portals).

- ▶ To ensure timely payment and to avoid unnecessary delays, the delivery address (e.g. e-mail address) can be agreed on when placing the order.

Conclusion of an EDI agreement

In case of EDI, the conclusion of an EDI agreement is generally mandatory. In Germany, the EDI sample agreement of GS1 Germany as well as the syntax-neutral specification of DIN SPEC 16567, can provide guidance.

Note on subsequent invoice correction

In case of a correction to paper invoices, it is common practice to request the return of the original invoice, insofar as it has not yet been booked, and then to send a new (original) invoice. In the case of an e-invoice, the return of the original invoice is typically not possible for technical reasons. Alternatively, the possibility exists to nullify the initial invoice through a corrective invoice while also sending a corrected e-invoice.

Note on avoiding duplication

If several invoices are issued for the same supply of goods or services without being marked as duplicates or copies, the value added tax shown must be paid repeatedly. However, this does not apply when the invoice information on the duplicates or copies, which are obligatory according to § 14 Sect. 4 Value Added Tax Law (UStG), is 100% identical to the original invoice (identical copy with regard to the content).

- ▶ Since this provision is a special feature of the German tax authorities, in international business transactions the note „copy“ should be included on the duplicate or copy in such a case.

No duplicates in case of ZUGFeRD invoices

If ZUGFeRD is correctly implemented by the invoicing party, the XML data and the infor-

mation on the PDF invoice image are identical. The invoicing party should adequately test that implementation is correct before the transmission of the first ZUGFeRD invoices. Despite the fact that VAT is included both in XML- and PDF-format, VAT is only due once.

The recipient of a ZUGFeRD invoice must decide between processing the XML data or the PDF invoice image. Verification of the content-related identity between XML data and PDF invoice image is generally not necessary. As appropriate, however, the invoice recipient will enter the XML data into their IT system for invoice processing while also presenting the PDF invoice image to the employees of the accounting department for the purpose of verifying the correctness of the content and for payment approval. In this case, visual verification of the invoice data on the PDF invoice image with the XML data should be made. However, the entrepreneur will carry out this verification in its own commercial interests. In case of deviations between the read-in XML data and the PDF invoice image, the invoice is to be rejected by the invoice recipient.

3 Joint requirements of the invoicing party and of the e-invoice recipient



Record keeping requirements

Electronically incoming and outgoing invoices, and the data they contain, have to be stored in the original format and protected against all changes. Record keeping exclusively in printed format or in the form of data extracts, reports or print files, is not permitted. Any conversion, or the further processing and archiving of the invoices, which may occur are to be recorded. The conversion protocols created are also to be stored.

The entrepreneur has to protect their IT system against data corruption (e.g. untraceability, destruction, loss and theft) and against unauthorized input and changes (e.g. through restricted access rights and related control mechanisms).

The required protective measures, which depend on the size of the company and the complexity of the IT systems deployed for invoicing management by the invoicing party or the invoice recipient, consist of a combination of hardware and software as well as process-inherent control checks.

If the invoice format sent by the invoicing party (→ original format) for entry into the IT system of the invoice recipient is converted into another invoice format, both the original and the converted invoice formats are to be marked differently but also recorded with the same designation (index). This also applies when a PDF invoice is made legible for the IT application by means of Optical Character Recognition (OCR).

Provided that an e-mail serves exclusively as a means of transport for electronic invoice do-

cuments (e.g. as a PDF enclosure in e-mails), the e-mail can be deleted analogously to paper envelopes, provided that the electronic invoice document is recorded in the original format. Such deletion is not allowed if additional invoice-relevant information is included in the e-mail text.

Ensuring legibility

The legibility of the e-invoice is required by law, both from the invoicing party and the invoice recipient. It must be ensured that the e-invoice is kept legible from the beginning of the invoice verification to the end of the statutory record-keeping period (independent of its respective format), both for employees of the company and for external addressees (e.g. tax inspector).

However, if the invoice data exists exclusively in structured formats (e.g. EDI or XML), the criterion of legibility, according to the guidelines of the German Federal Ministry of Finance (BMF), is not fulfilled by the mere display of the raw data. In case of a tax audit, the invoice data must be displayed analogously to a paper invoice.

This requirement can be met by means of visualization tools (viewers), which display the invoice data in a standardized invoice form.

Ensuring machine readability

The machine-readability of the e-invoice is required by law, both from the invoicing party and the invoice recipient. Provided that the original format of the invoice is ma-

chine readable, this machine readability is to be ensured over the entire record-keeping period.

Dependent on the particular invoice format, the machine-readability covers the possibility of performing mathematical-technical assessments, full-text searches and checks in the widest sense (e.g. screen inquiries, the tracking of links and connections between booking and corresponding invoice or text retrieval according to certain criteria).

In addition to invoice data-related sorting, summation and filtration options, mathematical-technical analyses include, among others, the combination of the invoice data necessary for the data reconciliation with the other data of the taxpayer (e.g. data from the accounts receivable/payables accounting) and with data of other taxpayers.

The machine readability of the invoices during record keeping may not be restricted by conversion of the invoice into other formats or the removal of analysis options.

In case of a change of service provider or the IT system, it is to be ensured that the analytical options available in the initial IT system are fully maintained, both qualitatively and quantitatively. This can be achieved through maintaining the original IT system or through a transfer of the analytical functionalities to the new IT system. Changes are to be documented provided that the data is transferred into other formats or if keywords are changed.

In case of invoices in the ZUGFeRD format, both the invoice image and the XML data are to be retained, irrespective of which format the entrepreneur is using. Machine-readability refers to all contents of the PDF/A3 file.

Statutory record keeping period

E-invoices, similar to paper invoices, are basically to be stored for 10 years from expiry of the business year in which they were issued.

The statutory record keeping period can be extended both for the paper invoice and the e-invoice as a result of employing a suspension of start and expiry of the statute of limitations (§ 205 BGB/German Civil Code) due to a tax audit, an appeal against a tax assessment notice or the submission of the tax return in the subsequent year or the failure to submit a tax return.

In case of a change of the IT provider or IT system, the e-invoice, together with other potentially necessary data (e.g. electronic signatures, in-house formats, decrypted data or structure descriptions of the data), must be completely available in a legible and machine-readable format for the statutory record keeping period, either on the old system or, after successful migration, on the new system.

In their own interest, companies should ensure by organizational means that data may only be deleted after expiry of the statutory record keeping period and with appropriate authorization of their own finance department.

Outsourcing invoicing management functions to service providers

It is permitted by law to outsource invoice creation and transmission, invoice receipt and invoice verification or accounting and record keeping to a service provider.

If the processing and storage of invoice-relevant data of paper invoices and e-invoices, which are relevant for accounting purposes, is outsourced to a service provider, the outsourcing company remains responsible for the compliance with all legal requirements. This includes, in particular, the requirements on security and correctness, the requirements according to the Federal Data Protection Law and the verification of the prerequisites for the input VAT deduction.

For this reason, careful selection of the service provider and the structuring of the contractual relationship are of great importance. The assigned service provider, based on their financial resources, infrastructure and processes, should basically be capable of fulfilling on a long-term basis the legal obligations of the principal transferred to it by the contractual relationship, in particular the record keeping obligations. For the outsourcing company, besides the interfaces to the service provider, the internal control system of the accounting documents created and stored by the service provider are important for compliance with generally accepted accounting principles.

Furthermore, the assigned service provider should be obliged to submit the required information to the fiscal authorities on their own premises and, if required, allow access to the invoices and other documents relevant for the invoice creation process (e.g. process documentation, transmission protocols etc.).

If the continued existence of the service provider is endangered for economic reasons, and therefore risks arise concerning the availability of the data, the instructing taxpayer must ensure compliance with the statutory record keeping obligations by means of an emergency plan.

Record keeping of invoices abroad

Invoices issued or received by a German company are generally to be stored in Germany. An electronic record keeping of these invoices in other countries of the EU is also permitted by law when a thorough remote inquiry (online access) of the relevant data and its downloading and utilization are guaranteed, and if the company informs the tax authorities of the record-keeping location prior to implementation of the relocation. Provided that record keeping is maintained outside of the EU, prior authorization by the tax administration is required.

Maintaining record keeping and other necessary accounting documentation on data storage media outside of Germany is also permitted by procedural tax law (General Tax Code). Unlike the requirements of the value added tax law, authorization by the tax office is also necessary for the outsourcing of the accounting to other countries of the EU.

Furthermore, the accounting books and other required records on data storage media must be kept available anytime during the statutory record keeping period and made legible immediately.

Risks of non-compliance with statutory record keeping obligation

In case of non-compliance with the statutory record keeping obligation or the Principles of Proper Accounting and Bookkeeping and Retention of Accounts, Records and Do-

cuments in Electronic Form as well as Access to Data Principles (GoBD), the input VAT deduction of the invoice recipient is typically not affected. However, the taxpayer bears the burden of proof and therefore has to provide evidence of compliance with the prerequisites for the input VAT deduction at the time of the VAT deduction. Where appropriate, the tax authorities can allow input VAT deduction in whole or in part if the other prerequisites are met.

- ▶ If the taxpayer cannot provide appropriate evidence, he must reimburse the deducted input VAT. In addition, there is the financial risk of late payment interest or similar fines. Furthermore, non-compliance with the record keeping requirement is an offence.

Type and scope of the data access during a VAT audit and VAT review

During a tax audit, the tax inspector can select whether he wants to have direct access to the IT system of the audited party (Z1 - direct data access), whether the taxpayer should operate the IT system according to his instructions (Z2 - indirect access) or whether the invoice data are transferred to him by means of a data storage device (Z3 – provision of data storage device).

In case of the value added tax review, the tax auditor can select between Z1 and Z2. In both cases, it is insufficient if the company provides only the paper printouts from the data processing system.

In case of deficient separation of the e-mail invoices, the risk exists that the tax auditor may

check further e-mails outside the audit scope. This can be avoided by setting up a separate e-mail postbox exclusively for invoices or tax-related issues.

Regulations of the Federal Data Protection Law

The Federal Data Protection Law (BDSG) protects natural persons against arbitrary collection, storage, change and transmission of personal information. With regard to the invoice creation process, this applies irrespective of whether invoices are sent in paper or electronic form. Nevertheless, the key aspects of the BDSG should be briefly described.

Since the obligation and eligibility for the creation of an invoice is defined by law, the required billing information may also be gathered, processed and used without the approval of the recipient of the supply of goods and services. In case the data is not only entered for the creation of the invoice, but also for data storage purposes, it is recommended to conclude a data protection agreement with the natural person acting as invoice recipient.

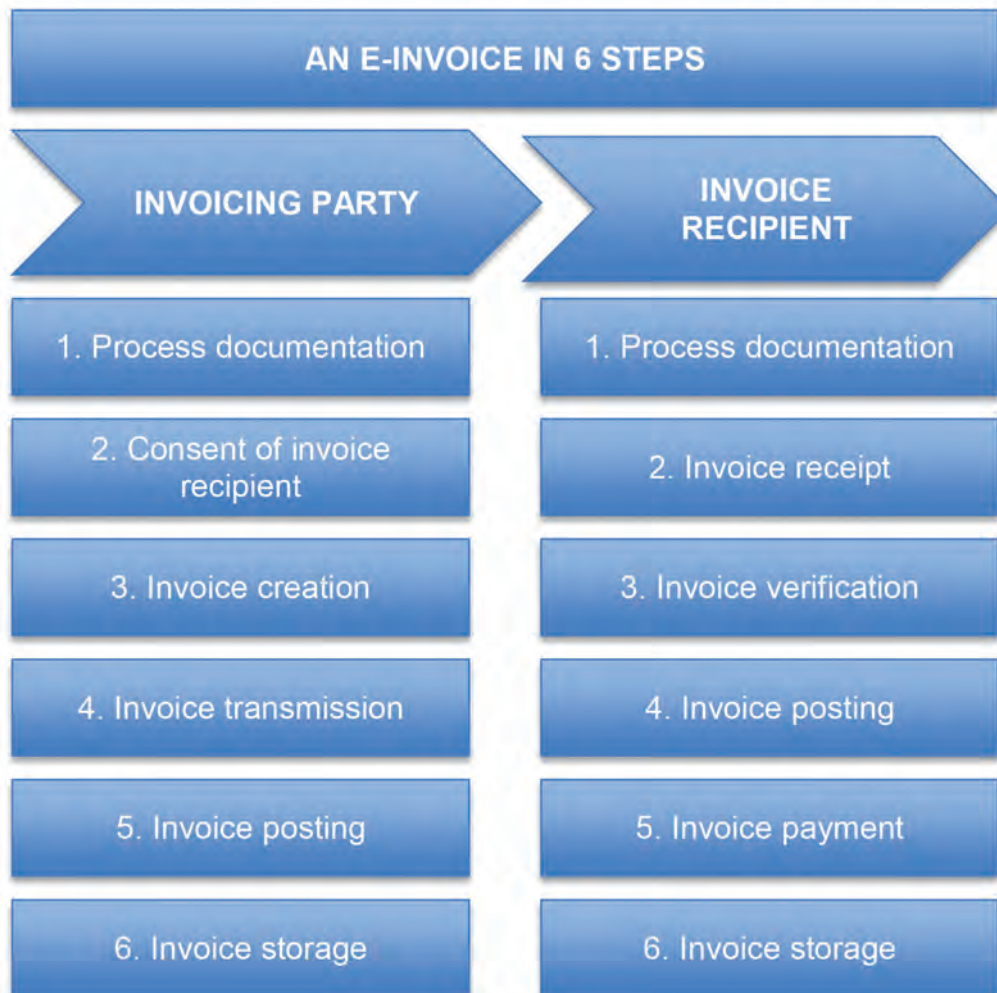
The invoice recipient has extensive rights with regards to information about the stored data and the correction, deletion or blocking of incorrect data, where appropriate.

If automated processes are introduced for the invoice creation, these are to be reported before their start to the responsible supervisory authority or the federal commissioner for data protection or, if available, to the corporate data protection officer, and to be subjected to a so-called preliminary check.

The transmission of the personal data is, in principle, only allowed to the invoice recipient himself.

A request for information by third parties is permitted in exceptional cases only. It is necessary to have competent experts, such as data protection officers, tax consultants or lawyers, check whether the BDSG allows transmission to a third party.

In case of invoice processing by a service provider, the invoicing party is still responsible for compliance with the provisions according to the Federal Data Protection Law. The invoicing party has to write an order, complete with minimum content according to § 11 Sect. 2 BDSG. The invoicing party has to check before starting the data processing through the service provider and subsequently, on a regular basis, whether the service provider has ensured sufficient technical and organizational measures for data protection.



4 Specific requirements for the e-invoice recipient



General requirements on invoice verification

In general, it can be assumed that, in case of e-invoices, the usual verification of incoming invoices also covers the requirements according to the VAT law concerning internal business controls. Since no technical minimum requirements are defined, the company can decide on the structure of its invoice verification and internal business controls.

Paper-based invoice verification is also possible through a printout of the e-invoice. In this case, both the e-invoice in its original format and the printed documents containing the invoice verification annotations must be retained.

In case of a credit-note-based billing process, the recipient of the credit note (→ vendor of

the goods) is obliged to apply the internal business controls, not the issuer of the credit note (→ purchaser of the goods).

Note: In Austria the electronic invoice may be deleted if the invoice verification process is paper based.

Verification of the payment claim

In their own interest, the invoicing party checks during the invoice verification or the internal business controls, whether the supply of goods and services corresponds to the order in terms of quality and quantity, and thus whether the payment claim is justified, whether the invoiced supply of goods and services corresponds to the actual supply, as well as whether

the invoicing party, and the bank address of the payment recipient are correctly indicated on the invoice.

Verification of the tax-related mandatory invoice information

It must be additionally verified whether all tax-related mandatory information is stated on the e-invoice. It is therefore necessary to consider that some of these tax-related mandatory data fields are transaction based (e.g. display of the correct VAT identification number of the invoicing party or invoice recipient in case of intra-community supplies).

- ▶ The lack of mandatory invoice information can trigger the loss of the input VAT deduction for the invoice recipient.
- ▶ In case of intra-community supplies, incorrect or missing VAT identification number, of either the invoicing party or the invoice recipient, endangers the tax exemption.

General notes on verification of integrity, correctness and authenticity

Verification of the integrity, correctness and authenticity of the e-invoice by the invoice recipient is required by law. To treat the invoice as an operating expense, and for the associated input VAT deduction, it is required by law that the invoice can be assigned to a specific supply of goods or service and, furthermore, that the authenticity of the origin (security concerning identity of the invoicing party)

and the integrity of the content are guaranteed (security that the invoice/the invoice data have not been modified in any manner).

By means of the above-mentioned invoice verification or internal business controls, the verification of the authenticity of the origin of the invoice and the integrity of the invoice content, which is required by law, is fully provided without additional measures.

Special notes on verification of integrity and authenticity of ZUGFeRD invoices

In case of a ZUGFeRD invoice, the invoice recipient must decide whether the XML data, the invoice image of the PDF or both invoice components are used for accounting purposes. The invoice verification is based on the component of the ZUGFeRD invoice selected by the invoice recipient.

- ▶ In case of a ZUGFeRD invoice, the invoice recipient should specifically define, in the process documentation, where the XML-data or the invoice image of the PDF are actually used as a (relevant) document for the invoice verification and subsequent invoice posting.

Ensuring integrity and authenticity by means of digital signature or EDI process

The invoicing party can, on a voluntary basis, guarantee the authenticity of the origin and integrity of the data by means of a qualified

electronic signature, or the qualified electronic signature of a signature provider audited for compliance with certain security standards by the Federal Network Agency (Bundesnetzagentur). In case of automatic Electronic Data Interchange (EDI), it is necessary to consider the EDI recommendation of the European Commission. This states that the invoice recipient can reduce checks focusing on the identity of the invoicing party and the integrity of the content of the invoice.

- ▶ Despite the utilization of a digital signature or EDI processes for ensuring integrity and the authenticity, the invoice recipient ensures the completeness of the mandatory invoice information as well as the assignment of the invoice to a supply of goods or services, by checking the invoice (see also above „Verification of the payment claim“). This part of his internal business controls also serves as the prerequisite for the input VAT deduction.
- ▶ Furthermore, when using cryptography technologies, both the encrypted and the decrypted documents are to be preserved.

- ▶ If signature validation keys or cryptographic processes are used, the keys used are to be retained as proof of the authenticity and the integrity of the data, even if, according to other provisions, the validity of this proof has already expired.

Control annotations

Analogous to paper invoices, control statements are required for the verification of electronic invoices. These can be recorded, for example, through the electronic form of remarks (annotations), through releases within a combined invoice verification and booking process, or information provided on free fields within the accounting system.

- ▶ Process documentation should describe how and where the procedural control annotations (e.g. hand-written notes on paper printouts, use of annotations on PDF) are carried out.

Legal Disclaimer

Issued by

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Liability disclaimers

This is a general advisory document which, for improved understanding, refers to corresponding legal provisions for the paper invoice in exceptional cases only and, for reasons of space, intentionally dispenses with details relating to special cases. The Guidelines represent the personal opinion of the authors relating to the current legal position and includes only an overview of individual topic areas. Special circumstances relating to individual case combinations were not considered; in particular cases, it is certainly possible that these can lead to dissent points of view and/or results. The Guidelines therefore cannot replace any legal or tax consultation;

please obtain further recommendations from your tax consultant, certified public accountant or lawyer, considering developments tailored to your circumstances, before you make decisions on the subjects reviewed in these Guidelines. The tax authorities and/or courts can have, or can develop, different opinions on the subjects dealt with here. Furthermore, it is to be considered that the legal position has possibly changed since the publication of these Guidelines.

These Guidelines have been provided in the original German version and been translated into English. In case of any disputes the original version shall prevail.

Photography source: frontpage, p. 4, p. 8: ©Nmedia – fotolia.com/p. 14: ©ldprod – fotolia.com

Feb. 2016

AWV Order No.: 01653

ISBN: 978-3-931193-83-6



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