

Mandatory Electronic Invoicing for Transactions Between Domestic Entrepreneurs Starting January 1, 2025
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Final Provision

I. General

1. With the Growth Opportunities Act (BGBl. I 2024 No. 108), the regulations for issuing invoices according to § 14 of the Value Added Tax Act (German VAT law) for transactions executed after December 31, 2024, have been revised. A key point of the new regulation is the mandatory use of electronic invoicing for transactions between domestic entrepreneurs (domestic B2B transactions). Excluded are invoices for services that are tax-exempt according to § 4 Numbers 8 to 29 German VAT law, as well as invoices for small amounts up to 250 euros (§ 33 UStDV) and tickets (§ 34 UStDV). Closely associated with the introduction of mandatory electronic invoicing for domestic B2B transactions is the legally mandated requirement to report specific invoice information to the authorities in real-time and transaction-related (reporting system) at a later date.
2. The new regulation effective January 1, 2025, represents a significant component of the digitization of business transactions. It accelerates the digitalization of processes and workflows for the creation and processing of an E-Invoice at various levels. Consequently, existing tax regulations must be adapted to these changed conditions, while the significance of an invoice in the context of value-added tax law remains unchanged. The tax administration takes into account the transformation process during the transitional phase accompanied by transitional regulations (§ 27 Paragraph 38 German VAT law) to an appropriate extent.

II. Current Legal Situation and Innovations Due to the Growth Opportunities Act

1. Legal Situation Until December 31, 2024

3. In addition to paper invoices, electronic invoices could already be issued with the recipient's consent. For transactions executed until December 31, 2024, an electronic invoice is one that is issued and received in an electronic format (e.g., a PDF document or an email with invoice-relevant information), according to § 14 Paragraph 1 Sentence 8 German VAT law in its version valid until December 31, 2024. The mentioned formats of electronic invoices will only be regularly permissible for transactions between domestic entrepreneurs during certain transitional periods (see Sn. 62 to 65).

2. New Regulations on Mandatory Electronic Invoicing through the Growth Opportunities Act

2.1. Types of Invoices Starting January 1, 2025

2.1.1 Electronic Invoice (E-Invoice)

4. Starting January 1, 2025, the term electronic invoice (E-Invoice) will be redefined by § 14 Paragraph 1 German VAT law. In the future, an electronic invoice exists only if it is issued, transmitted, and received in a structured electronic format and allows for electronic processing (§ 14 Paragraph 1 Sentence 3 German VAT law). The structured electronic format of an electronic invoice must either
 - comply with the European standard for electronic invoicing and the list of corresponding syntaxes according to Directive 2014/55/EU of the European Parliament and Council of April 16, 2014, on electronic invoicing in public procurement (OJ L 133 of May 6, 2014, p. 1) (§ 14 Paragraph 1 Sentence 6 Number 1 German VAT law, see also details under Sn. 28 regarding EN 16931)

or

- can be agreed upon between the invoice issuer and the invoice recipient. A prerequisite for such an agreement is that the format used allows for the correct and complete extraction of the information required by the German VAT law from the E-Invoice into a format that complies with or is interoperable with EN 16931 (see § 14 Paragraph 1 Sentence 6 Number 2 German VAT law; see also Sn. 33 and 34).
5. As before, the authenticity of the origin, the integrity of the content, and the legibility of the invoice must be ensured (§ 14 Paragraph 3 German VAT law). When transmitting an E-Invoice, a qualified electronic signature or an acceptable EDI procedure can be used (see also Sn. 33). In this case, the authenticity of the origin and the integrity of the content are considered guaranteed. Both can also be ensured through an internal control procedure (see Section 14.4 Paragraph 4 Implementing Regulation).
 6. "Legibility" in this context means that the structured dataset – for example, the XML file of an invoice that complies with the EN 16931 standard – must be machine-readable (machine readability). Therefore, the additional creation of a human-readable document is not required. The machine-readable nature of a standardized file also allows it to be displayed in a human-readable format by a visualization application. The additional transmission of a human-readable document (e.g., via a hybrid format, see Sn. 30 to 32, or an additional PDF document) is not required but may be optional.

2.1.2 Other Invoices

7. Starting January 1, 2025, all invoices in paper form or in electronic formats that do not comply with the requirements of § 14 Paragraph 1 Sentence 6 German VAT law (different electronic format) will be considered other invoices. This includes all non-structured electronic files, such as PDF files without integrated datasets, image files, or emails.

2.2. Obligation to Issue Invoices

2.2.1 General

8. An entrepreneur is required to issue an invoice (E-invoice or other invoice) if the transaction is taxable and not exempt from tax under § 4 Numbers 8 to 29 of the Value Added Tax Act (German VAT law):
 - a) for a service provided to another entrepreneur for their business (§ 14 Paragraph 2 Sentence 2 Number 1 German VAT law),
 - b) for a service provided to a legal entity that is not an entrepreneur (§ 14 Paragraph 2 Sentence 2 Number 2 German VAT law),
 - c) for a taxable supply of goods (§ 3 Paragraph 4 Sentence 1 German VAT law) or other services related to a property provided to a recipient other than those mentioned in letters a) or b) (§ 14 Paragraph 2 Sentence 2 Number 3 German VAT law).
9. The obligation to issue an invoice also exists for services provided to a legally active entity for their non-economic activities in the broader sense (see Section 14.5 Paragraph 1 Implementing Regulation).
10. Due to the revision of § 14 Paragraph 2 German VAT law, a distinction must now be made between the obligation to issue an E-invoice (see Sn. 4) and the possibility of issuing another type of invoice (see Sn. 7).
11. Unchanged, invoices, where there is an obligation to issue one, must be issued within six months after the service is performed, regardless of the format to be used (§ 14 Paragraph 2 Sentence 2 German VAT law).

2.2.2 Obligation to Issue an E-Invoice

12. For transactions between domestic entrepreneurs, an E-invoice must generally be issued in accordance with § 14 Paragraph 2 Sentence 2 Number 1, 2nd half-sentence German VAT law (see Sn. 24 to 34).
13. Transactions between domestic entrepreneurs occur when both the service provider and the recipient are located in the domestic territory or in one of the areas specified in § 1 Paragraph 3 German VAT law. Residency in the domestic territory or in one of the areas mentioned in § 1 Paragraph 3 German VAT law exists if the entrepreneur has their registered office, management, a business establishment (for tax purposes) involved in the transaction, or, in the absence of a registered office, their residence or habitual abode in one of these areas. An E-invoice must also be issued for transactions that are exempt from tax under § 4 Numbers 1 to 7 German VAT law, provided that the other requirements are met (e.g., intra-community delivery from Germany to the establishment of another domestic entrepreneur within the community area). Reference is also made to Section 13b.11 Paragraph 1 Sentence 7 and Paragraph 2 Sentence 2 Implementing Regulation.
14. In these cases, the issuance of an E-invoice no longer requires the recipient's consent; at the same time, this requires that the recipient establishes the technical requirements for receiving an E-invoice (see Sn. 40 and 62).
15. An invoice issuer can rely on the information provided by the recipient regarding whether they are a domestic entrepreneur, provided there is no contrary information. The use of the VAT identification number or, if assigned, the W identification number can be an indication that the recipient acts as an entrepreneur.
16. If at least one of the involved entrepreneurs is not located in the domestic territory or in one of the areas specified in § 1 Paragraph 3 German VAT law, there is no obligation to issue an E-invoice according to § 14 Paragraph 2 Sentence 2 Number 1, 2nd half-sentence German VAT law. In these cases, the invoice to be issued according to § 14 Paragraph 2 Sentence 2 Number 1, 1st half-sentence German VAT law can be issued
 - on paper, or
 - with the recipient's consent as an E-invoice or as another invoice in a different electronic format.

17. The regulations on the mandatory use of E-invoices also apply to the issuance of invoices in the form of a credit note (§ 14 Paragraph 2 Sentence 5 German VAT law) as well as to invoices for
- transactions for which the recipient is liable for tax (§ 13b German VAT law), when both the service provider and the recipient are located in the domestic territory,
 - issued by small entrepreneurs (§ 19 German VAT law),
 - transactions subject to flat-rate taxation for agricultural and forestry businesses (§ 24 German VAT law),
 - travel services (§ 25 German VAT law), and
 - transactions for which the differential taxation is applied (§ 25a German VAT law).

These also apply if the invoice recipient is an entrepreneur who is a small entrepreneur or agricultural and forestry operator or only conducts tax-exempt transactions (e.g., a landlord of an apartment). The regulations also apply if only parts of the invoiced services are subject to the obligation to use an E-invoice (e.g., in the case of partially taxable, partially tax-exempt transactions under § 4 Numbers 8 to 29 German VAT law).

18. For special features regarding small invoices and tickets, see Sn. 22 and 23. For credit notes during the transitional regulations according to § 27 Paragraph 38 German VAT law, see Sn. 64.

2.2.3 Option to Issue Other Invoices

19. For invoices
- for a transaction to a legal entity that is not an entrepreneur, or
 - for taxable supplies of goods (§ 3 Paragraph 4 Sentence 1 German VAT law) or other services related to a property provided to a recipient other than those mentioned in Sn. 8 letters a) or b) (non-entrepreneur or entrepreneur for their non-entrepreneurial area),

a different invoice (see Sn. 7) can be issued. This also applies to transactions where, despite the absence of an obligation to issue an invoice (e.g., transactions exempt from tax under § 4 Numbers 8 to 29 German VAT law, or to private end consumers), such an invoice is issued.

20. In these cases, the issuance and transmission of a paper invoice is always permissible for VAT purposes. Similarly, in these cases, an E-invoice or another invoice in a different electronic format can be issued and transmitted. However, this requires the recipient's consent (§ 14 Paragraph 1 Sentence 5 German VAT law). This consent does not require a specific form and can also be implied (e.g., through tacit acceptance). The obligation to issue an E-invoice under other regulations (e.g., according to the E-Invoicing Regulation – ERechV of the Federal Government) must be observed independently of the VAT regulations.

21. If a transaction is executed for both entrepreneurial and non-entrepreneurial purposes – e.g., the non-economic area in the broader sense of a legal entity – the obligation to issue an E-invoice according to Sn. 8 letter a) prevails.

2.2.4 Small Invoices and Tickets

22. Invoices with a total amount not exceeding 250 euros (small invoices) and tickets issued for the transportation of persons can always be issued and transmitted as other invoices, deviating from the obligation in § 14 Paragraph 2 Sentence 2 Number 1, 2nd half-sentence German VAT law (§ 33 Sentence 4, § 34 Paragraph 1 Sentence 2 UStDV). With the recipient's consent (§ 14 Paragraph 1 Sentence 5 German VAT law), which does not require a special form and can also be implied, these can also be issued and transmitted as E-invoices.

23. The simplification according to § 33 Sentence 4 UStDV is determined solely by the total amount of the invoice, even if multiple services are invoiced in one invoice. If the total amount of the invoice exceeds 250 euros, an E-invoice must be issued, even if the gross amount of the portion of the services subject to the obligation to issue an E-invoice is less than 250 euros (e.g., when certain tax-exempt or non-taxable services are also included).

2.3. Permitted Formats for an E-Invoice

24. E-invoices can be created in both a purely structured and a hybrid format. A permissible electronic invoice format must ensure, in particular, that the invoice information according to §§ 14, 14a German VAT law can be electronically transmitted and read. The use of structured invoice formats that comply with the EN 16931 standard (see Sn. 28 to 32) is always permissible. In addition, under certain conditions, structured electronic invoice formats that deviate from the EN 16931 standard can also be used, such as EDI procedures according to Article 2 of the Recommendation 94/820/EC of the Commission dated October 19, 1994, on the legal aspects of electronic data interchange, OJ L 338 of December 28, 1994, p. 98 (see also Sn. 33 and 34).
25. **Examples of permissible national electronic invoice formats**
In particular, invoices according to the XRechnung standard (see Sn. 29) and the ZUGFeRD format (see Sn. 30) from version 2.0.1, excluding the MINIMUM and BASIC-WL profiles, essentially represent an invoice in a structured electronic format that complies with the European standard for electronic invoicing and the list of corresponding syntaxes according to Directive 2014/55/EU. which complies with the European standard for electronic invoicing and the list of corresponding syntaxes according to Directive 2014/55/EU. Invoices in these two formats can meet the new VAT requirements for an E-invoice after December 31, 2024.
26. **Examples of Permissible European Electronic Invoice Formats**
The use of electronic invoice formats is not limited to national formats as long as they comply with the European standard for electronic invoicing and the list of corresponding syntaxes according to Directive 2014/55/EU. For electronic invoicing of domestic B2B transactions, the use of additional European invoice formats following the aforementioned standard may also be considered, such as Factur-X (France) or Peppol-BIS Billing.
27. The choice of which permissible format to use is a civil law question that Must be decided between the contracting parties.



2.3.1 E-Invoice According to the Provisions of Directive 2014/55/EU of April 16, 2014, in a Purely Structured Electronic Format

28. An E-invoice exists under § 14 Paragraph 1 Sentence 6 Number 1 German VAT law particularly if it complies with the provisions of Directive 2014/55/EU of the European Parliament and Council of April 16, 2014, on electronic invoicing in public procurement. The provisions of this directive, originally developed for invoicing to public administration (B2G area), have been technically implemented by CEN (Comité Européen de Normalisation, European Committee for Standardization) with the European standard series EN 16931. This standard series is already suitable for representing most business transactions, including in the B2B area, and is continuously being developed further. Such an E-invoice is designed as a purely structured data format and allows invoice data to be imported directly and without media breaks into the processing systems. It is based on an XML format that primarily serves machine processing and is not suitable for visual inspection by the human eye. However, the XML dataset can be presented in a human-readable format through a visualization application.
29. The EN 16931 standard series specifies the use of the structured data format XML for E-invoices. In Germany, the XRechnung standard has been developed based on the EN 16931 standard as a purely structured format (as opposed to a hybrid format, see Sn. 30) based on the semantic core data model while taking national peculiarities into account. The XRechnung standard thus complies with the EN 16931 standard and the requirements of § 14 Paragraph 1 Sentence 6 Number 1 German VAT law. In addition to the compliant core data model that aligns with the EN 16931 standard, the XRechnung standard also provides a conformant extension (so-called Extension XRechnung). This extension can accommodate industry-specific requirements without needing to expand the core data model for all users. The VAT-required information is included in the core data model.

2.3.2 Hybrid Formats

30. In addition to purely structured E-invoices, hybrid invoice formats can also meet the requirements for an E-invoice. A hybrid format consists of a structured data part (e.g., XML file) along with a human-readable data part (e.g., PDF document). Both data parts are combined in one file. For example, the ZUGFeRD format falls under hybrid invoice formats. While the original ZUGFeRD format did not comply with the EN 16931 standard, this has been the case from version 2.0.1 onwards – excluding the MINIMUM and BASIC-WL profiles – which means a ZUGFeRD invoice from this version meets the requirements for an E-invoice.
31. Invoice data transmitted in a structured electronic format (e.g., XML file) is fundamentally not human-readable in that data format but becomes so only after visualization, for example, using an appropriate application. According to previous administrative views, the characteristic of "readability" required that the invoice be readable by the human eye. Previously, in the case of a hybrid format, if there was a deviation between the electronic information and the human-readable visual part, the latter part took precedence. With the introduction of mandatory E-invoicing, this relationship reverses. "Readable" now refers to the requirement that the file must be machine-readable (see also Sn. 6). In a hybrid format, the invoice data presented in XML format is the leading part. In cases of discrepancies between the structured invoice data and other information, the data from the structured part takes precedence over that from the visual file. This does not change the fundamental permissibility of a hybrid format.
32. If the visual part does not contain any invoice information that deviates from the structured part according to §§ 14, 14a German VAT law, the visual part is considered an identical duplicate (see also Section 14c.1 Paragraph 4 Implementing Regulation). However, if the visual part contains differing invoice information (e.g., due to manipulative interventions, a different description of services or a different VAT amount), it may represent another (additional) invoice for which the requirements of § 14c German VAT law must be examined. Technically justified minor deviations, clarifying, or supplementary information (e.g., a shortened description of services for display purposes or rounding differences) are not objectionable as long as the character of being an identical duplicate is not lost. Input tax deduction is also possible only from the structured invoice part in these cases.



2.3.3 Other E-Invoicing Formats

33. The structured electronic format of an E-invoice can also be agreed upon between the invoice issuer and the invoice recipient (§ 14 Paragraph 1 Sentence 6 Number 2 German VAT law) and can thus deviate from the provisions of the EN 16931 standard series. A prerequisite for this is that the format allows for the correct and complete extraction of the information required under the German VAT law from the E-invoice into a format that complies with or is interoperable with the EN 16931 standard. As long as the above prerequisites are met, this regulation also allows for the continued use of already established electronic invoice formats (e.g., EDI procedures like EDIFACT) even beyond the transitional periods described in Sn. 63 and 65.
34. Interoperability in this context means that the VAT-required information from the originally used E-invoice format can be processed further without loss of information, similar to how an appropriate extraction of information from an E-invoice according to the EN 16931 standard would allow. A loss of information occurs when the content or meaning of information changes or becomes unrecognizable.

3. Special Questions Related to an E-Invoice

3.1. Scope of an E-Invoice

35. A prerequisite for an E-invoice is, among other things, that it allows for electronic processing (§ 14 Paragraph 1 Sentence 3 German VAT law). This means that for a proper invoice, all VAT-required information according to §§ 14, 14a German VAT law must be included in the structured part of the

E-invoice. Nothing else follows from § 31 Paragraph 1 UStDV. Regarding the description of services, the information contained in the structured part of the E-invoice must allow for a clear and easily verifiable determination of the service rendered (see Section 14.5 Paragraph 15 and Section 15.2a Paragraphs 4 and 5 Implementing Regulation). However, supplementary information can be included in an appendix contained within the E-invoice (e.g., a breakdown of hourly records in a PDF file). A contained link does not meet the requirements under § 14 Paragraph 1 Sentence 3 German VAT law.

3.2. Transmission and Receipt of E-Invoices

36. The permissible electronic invoice format and the permissible transmission method that the contracting parties agree upon must be clarified from a civil law perspective. For the transmission of E-invoices, options include sending via email, providing the data through an electronic interface, shared access to a central storage location within a corporate group, or the possibility of downloading via an internet portal. If the E-invoice is a public fee notice, the general VAT regulations apply, even if the applicable procedural law may have different provisions. For the retention of an E-invoice, see Sn. 60 and 61.
37. The entrepreneur is free to use external service providers for the creation and/or transmission of E-invoices. In this case, the service provider must ensure compliance with the formal requirements arising from §§ 14, 14a German VAT law.
38. Since the VAT-required information is included in the core data model, the use of an extension (see Sn. 29) is not affected by the VAT regulations for the issuance, transmission, and receipt of an E-invoice. Whether and which extension is used can be agreed upon civilly between the contracting parties.
39. It is permissible for the file of an E-invoice to be transmitted multiple times, as long as it is the same invoice and the transmission is only considered as an identical duplicate (see Section 14c.1 Paragraph 4 Implementing Regulation).
40. From January 1, 2025, there is a need for domestic entrepreneurs to be able to receive an E-invoice. It is sufficient if the invoice recipient provides an email inbox. It is not mandatory for it to be a separate email inbox solely for receiving E-invoices. The parties may agree on other permissible transmission methods.
41. For the exchange of invoice data within the framework of a reporting system to be legally introduced at a later date, E-invoice platforms will be significant. Thus, the technically possible and legally permissible transmission methods will need to be redefined within the framework of the reporting system.
42. If the invoice recipient refuses to accept an E-invoice or is technically unable to do so, they have no right to an alternative issuance of another invoice by the issuer. In this case, the VAT obligations of the issuer are also considered fulfilled if they have issued an E-invoice and have demonstrably made an effort (e.g., based on a transmission protocol) for proper delivery.
43. If a transmitted dataset does not meet the requirements for an E-invoice, the civil law claim for issuing an invoice can be asserted before the ordinary courts (see also Section 14.1 Paragraph 5 Implementing Regulation).

3.3. Contracts as Invoices

44. Contracts can be regarded as invoices if they contain the required information according to §§ 14, 14a German VAT law. In these cases, a distinction must be made between the obligation to issue an E-invoice and the possibility of issuing another type of invoice. If there is an obligation to issue an E-invoice, the underlying contract can be included as supplementary information (see Sn. 35) in an appendix contained in the E-invoice.
45. If there is an obligation to issue an E-invoice in the context of a continuous debt relationship (e.g., a rental agreement), it is sufficient for an E-invoice to be issued once for the first partial performance period in which the underlying contract is included as an appendix, or it is clear from the other content that it is a continuous invoice. For subsequent periods, see Section 14.5 Paragraph 17 Implementing Regulation. Changes to the initial E-invoice only need to occur when the VAT-required invoice information according to §§ 14, 14a German VAT law changes (e.g., in the case of a rent increase).

46. For continuous invoices issued as other invoices before January 1, 2027, there is no obligation to additionally issue an E-invoice as long as the invoice information does not change.

3.4. Final or Residual Invoice Following Previously Issued Advance and Deposit Invoices

47. In a final invoice, with which an entrepreneur settles the total performance rendered, the amounts collected before the performance and the corresponding tax amounts must be deducted if invoices with separate tax identification have been issued for these amounts (see § 14 Paragraph 5 Sentence 2 German VAT law and Section 14.8 Paragraphs 7 to 10 Implementing Regulation). Instead of a final invoice, a residual invoice can also be issued (see Section 14.8 Paragraph 11 Implementing Regulation).
48. Currently, the requirements for a final invoice are not yet representable in the structured part of an E-invoice. Therefore, in such cases, it is advisable to issue a residual invoice instead. However, in light of the still existing technical limitations, it is not objectionable if an appendix in the sense of Section 14.8 Paragraph 8 Number 2 Implementing Regulation is included as an unstructured file in an E-invoice issued until December 31, 2027. A separate sending of a special compilation in the sense of Section 14.8 Paragraph 8 Number 3 Implementing Regulation is not possible with an E-invoice (see also Sn. 35).

3.5. Invoice Correction

49. The invoice issuer can correct the issued E-invoice. For an invoice correction, the same requirements for form and content apply as in § 14 German VAT law, according to § 31 Paragraph 5 Sentence 3 UStDV. Therefore, the correction of an E-invoice must also occur in the prescribed form (using the appropriate invoice type). Transmitting the missing or incorrect information in another form is not sufficient. An effective correction takes effect retroactively to the date of issuance of the original E-invoice, provided the other conditions are met (see BMF letter of September 18, 2020, BStBl I p. 976). For input tax deductions from an uncorrected E-invoice, see Sn. 56 to 59.
50. For transactions performed before January 1, 2025, there is no obligation to use an E-invoice. The same applies for the period during which the transitional regulations under § 27 Paragraph 38 Sentence 1 Numbers 1 to 3 German VAT law can be invoked. Therefore, an invoice correction for such transactions can also occur without the use of an E-invoice.



51. In cases of a change in the assessment basis (§ 17 German VAT law), a correction of the tax amount in the original invoice is not required, even with an E-invoice. The E-invoice does not need to be corrected in such cases. This applies, for example, to retroactively billed discount or bonus agreements based on annual purchase volumes. In such cases, according to § 14 Paragraph 4 Sentence 1 Number 7 German VAT law, it is sufficient to note in the invoice that there is a pre-agreed reduction of the fee. A clear reference to the contract is sufficient for this. The obligation to exchange documents in cases of a change in the assessment basis exists only in the cases specified in § 17 Paragraph 4 German VAT law. A document in the sense of § 17 Paragraph 4 German VAT law may, but does not have to, be issued as a VAT invoice (and thus possibly as an E-invoice).

3.6. Legal Entities under Public Law

52. The obligation to issue an E-invoice is irrelevant whether the service is provided on a civil or public law basis, as long as it is invoiced for a taxable supply or other service (for exceptions, see Sn. 16, 22, and 23). Regardless of an obligation, e.g., under the E-Invoicing Regulation of the Federal Government, legal entities under public law (jPöR) are also subject to the VAT obligation to issue and the necessity to receive an E-invoice under the other conditions – particularly when providing a service to another entrepreneur for their business.
53. If a service is partially provided within the business and partially from the non-economic sector in the broader sense of a jPöR, it does not constitute a single service but rather two independently assessable transactions from a VAT perspective (see also Section 15.2c Paragraph 4 Implementing Regulation). If the service provided within the business is subject to the obligation to issue an E-

invoice and these two services are billed in one invoice, the invoice must be issued entirely as an E-invoice.

54. Regardless of the amount of input tax deduction to be claimed, an E-invoice must be issued to a jPöR when the requirements are met. This explicitly applies even if the delivery does not qualify as being for the business according to § 15 Paragraph 1 Sentence 2 German VAT law or if the other service is only used to a very small extent for the entrepreneurial area (e.g., 1.2 percent).

4. E-Invoice and Input Tax Deduction

55. If there is an obligation to issue an E-invoice according to § 14 Paragraph 2 Sentence 2 in conjunction with § 27 Paragraph 38 German VAT law (see also Sn. 12 f.), only such an invoice meets the requirements of §§ 14, 14a German VAT law. In these cases, an alternative invoice does not fulfill the legal requirements for a proper invoice.
56. If there was an obligation to issue an E-invoice and instead another invoice as defined in § 14 Paragraph 1 Sentence 4 German VAT law is issued, it is not considered a proper invoice under §§ 14, 14a German VAT law. Consequently, the issued invoice does not entitle the recipient to an input tax deduction under § 15 Paragraph 1 Sentence 1 Number 1 German VAT law.
57. If the invoice issuer was obliged to issue an E-invoice, an alternative invoice (e.g., an invoice generated by a cash register system) can be corrected by issuing an E-invoice according to Section 15.2a Paragraph 7 Implementing Regulation. The E-invoice must clearly indicate through a specific and unambiguous reference to the original invoice that it is a corrected invoice. Such a correction takes effect retroactively to the date of issuance of the other invoice, even if the input tax deduction was initially not possible according to Sn. 56.
58. If no invoice correction is made by subsequently issuing an E-invoice, the information contained in an alternative invoice regarding the input tax deduction can be considered as possible objective evidence in the sense of Section 15.2a Paragraph 1a Implementing Regulation. When applying this regulation, an input tax deduction may be possible under a strict standard, provided that the tax administration has all the necessary information to verify the material conditions for the input tax deduction (an entrepreneur provides a service to another entrepreneur that serves their transactions subject to VAT and for which the VAT has actually been paid). In the case of a factually correct and complete alternative invoice, the stated requirements will generally be met.
59. Furthermore, the input tax deduction will not be contested solely due to the invoice being issued in the wrong format, as long as the invoice recipient could reasonably assume, based on the information available to them, that the invoice issuer could invoke the transitional regulations under § 27 Paragraph 38 German VAT law. Beyond the due diligence obligations of a diligent businessman, the invoice recipient is not required to conduct further investigations. Facts such as the previous year's revenue with this invoice issuer, the known size of the invoice issuer, or knowledge based on related business structures should be taken into account.

5. Retention

60. The structured part of an E-invoice must be retained in such a way that it is in its original form and meets the requirements for immutability. Machine readability by the tax administration must be ensured. If additional documents (e.g., the visual part of a hybrid invoice) contain records that are relevant for taxation, such as booking notes, these must also be retained in their original form and meet the requirements for immutability. For details on this, see the BMF letter dated November 28, 2019, BStBl I p. 1269, Sn. 131 and 133.
61. Regarding the retention obligation for other invoices (see Sn. 7), reference is made to the BMF letter dated November 28, 2019, BStBl I p. 1269, Sn. 130 ff.

III. Transitional Regulations

62. Various transitional regulations apply to the obligation to issue an E-invoice as stipulated in § 14 Paragraphs 1 and 2 German VAT law, according to § 27 Paragraph 38 German VAT law, under which the invoice issuer can still issue another invoice under certain conditions. There is no transitional regulation regarding the receipt of an E-invoice; thus, it must be ensured by the invoice recipient from January 1, 2025 (see also Sn. 40).

63. Until the end of the calendar year 2026, an invoice for a transaction executed until then can also be issued and transmitted as another invoice (see Sn. 7). The issuance and transmission of a paper invoice remain permissible for VAT purposes until then. The recipient's consent to receive the invoice in another electronic format (see Sn. 20) does not require a special form. There merely needs to be an agreement between the invoice issuer and the invoice recipient about the format to be used. Consent can be given in the form of a framework agreement (e.g., in the general terms and conditions) or implied.
64. If the total revenue of the invoice-issuing entrepreneur in the previous calendar year was not more than 800,000 euros, an invoice for a transaction executed after December 31, 2026, can also be issued and transmitted as another invoice until the end of the calendar year 2027. In cases of VAT-related group taxation, the total revenue of the entire group must be considered. If the invoice is issued as a credit note (§ 14 Paragraph 2 Sentence 5 German VAT law), the total revenue of the credit note issuer applies. If the invoice is issued by a third party not involved in the service exchange, the total revenue of the client is decisive.
65. Until the end of the calendar year 2027, the issuance and transmission of invoices – subject to the recipient's consent – for a transaction executed until then can also occur via electronic data interchange (EDI) according to Article 2 of Recommendation 94/820/EC of the Commission dated October 19, 1994, on the legal aspects of electronic data interchange (OJ L 338 of December 28, 1994, p. 98), if the invoice does not already meet the requirements of § 14 Paragraph 1 Sentence 6 Number 1 or Number 2 German VAT law. Invoice formats that meet the requirements of § 14 Paragraph 1 Sentence 6 Number 1 or Number 2 can also be used after this deadline.

IV. Amendments to the VAT Application Decree

66. The VAT Application Decree (Implementing Regulation) of October 1, 2010, BStBl I p. 846, will be adjusted with a separate BMF letter to the above provisions.

V. Application Regulation

67. The principles of this letter apply to all transactions executed after December 31, 2024. Provisions of the Implementing Regulation that contradict this letter in the version valid on December 31, 2024, will no longer apply from the assessment period of 2025.
68. The BMF letter dated July 2, 2012, BStBl I p. 726, will be repealed at the end of December 31, 2024.

Final Provision

This letter will be published in the Federal Tax Gazette Part I.

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