



EUROPEAN COMMISSION  
DIRECTORATE-GENERAL  
TAXATION AND CUSTOMS UNION  
Indirect Taxation and Tax administration  
**Value added tax**

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**VALUE ADDED TAX COMMITTEE  
(ARTICLE 398 OF DIRECTIVE 2006/112/EC)  
WORKING PAPER NO 965**

**CONSULTATION  
PROVIDED FOR UNDER DIRECTIVE 2006/112/EC**

**ORIGIN:** Italy  
**REFERENCE:** Article 238  
**SUBJECT:** Simplified invoicing

## **1. INTRODUCTION**

Article 238 of the VAT Directive<sup>1</sup> allows Member States to simplify the content of invoices under certain conditions and when there has been prior consultation with the VAT Committee.

Paragraph 1 of the Article states:

*1. After consulting the VAT Committee, Member States may, in accordance with conditions which they may lay down, provide that in the following cases only the information required pursuant to Article 226b shall be entered on invoices in respect of supplies of goods or services:*

- (a) where the amount of the invoice is higher than EUR 100 but not higher than EUR 400, or the equivalent in national currency;*
- (b) where commercial or administrative practice in the business sector concerned or the technical conditions under which the invoices are issued make it particularly difficult to comply with all the obligations referred to in Article 226 or 230.*

## **2. SUBJECT MATTER**

As a simplification measure and in order to ease the administrative burden for businesses, Italy would like to increase the threshold for simplified invoices from EUR 100 up to EUR 400 by 1 May 2019.

Italy is, therefore, consulting the VAT Committee. The text of the consultation is annexed to this document.

## **3. THE COMMISSION SERVICES' OPINION**

The Commission services take note of the intention of Italy to increase the threshold for the use of simplified invoices from EUR 100 to EUR 400.

The current legislation allows Member States the use of simplified invoices, by which less information than required under Article 226 of the VAT Directive is provided for, when the amount is not higher than EUR 400. A minimum level of information required for simplified invoices is provided for in Article 226b of the VAT Directive. The information required by Italy for simplified invoices includes the minimum mentions as required by the VAT Directive.

The Italian consultation to increase the threshold for the use of simplified invoices seems therefore in line with the VAT Directive.

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<sup>1</sup> Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax (OJ L 347, 11.12.2006, p. 1), as amended.

**4. DELEGATIONS' OPINION**

Italy and other delegations are requested to give their opinion on this matter.

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## Consultation from Italy

### **Consultation of the VAT Committee pursuant to Articles 238 and 398 of Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax**

Italy wishes to consult the VAT Committee pursuant to Art 238 of the Council Directive 2006/112/EC on the common system of value added tax.

According to current national legislation, a simplified invoice can be used when the total amount of the invoice does not exceed EUR 100.

As a simplification measure and in order to ease the administrative burdens for businesses, Italy intends to raise the highest allowed amount of an invoice containing the information of a simplified invoice, to EUR 400.

Simplified invoices will be under mandatory electronic invoicing according to “Council Implementing Decision (EU) 2018/593 of 16 April 2018 authorising the Italian Republic to introduce a special measure derogating from Articles 218 and 232 of Directive 2006/112/EC on the common system of value added tax”.

Italy would like to introduce the measure by May, thus, for the purposes of the necessary prior consultation of the VAT Committee, we kindly request the Commission to carry on the procedure in recognition of the urgency of the matter.

Enclosed an extract of the proposed legislation completed with an explanatory memorandum.

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## **Appendix 1**

### Proposed legislation

Having regard to Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax and, in particular, to Article 220a, which provides that Member States shall allow taxable persons, except for some specific operations, to issue a simplified invoice when it is not higher than EUR 100 or when it amends an initial invoice, and to Article 238, which provides that Member States, after consulting the VAT Committee and under conditions which they shall lay down, may allow the issuing of simplified invoices where the amount of the invoice is higher than EUR 100 but not higher than EUR 400;

Having regard to Decree No 633 of the President of the Republic of 26 October 1972 which establishes and governs the value added tax and, in particular, to Article 21-bis which provides, in paragraph 1, that the invoice may be issued under simplified procedures when it is not higher than EUR 100 or if it is amending previous invoices pursuant to Article 26 of the same Decree and, in paragraph 3, that the Minister of Economy and Finance may raise the limit of the amount of a simplified invoice up to EUR 400 by a decree of a non-regulatory nature;

Considering the need to raise the total amount for which the invoice can be issued under a simplified procedure to EUR 400;

Having regard to the consultation of the VAT Committee carried out by Italy, pursuant to Article 238 of Council Directive 2006/112/EC of 28 November 2006, on ...

#### Decrees

#### Article 1

##### *Limits of the amount for simplified invoices*

1. An invoice for a total amount not higher than EUR 400 may be issued under a simplified procedure pursuant to Article 21-bis of Decree No 633 of the President of the Republic of 26 October 1972.

#### Article 2

##### *Entry into force*

1. This Decree shall enter into force on the day of its publication in the Official Gazette of the Italian Republic.

## **Appendix 2**

### Explanatory memorandum

Article 220a of Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax provides that Member States shall allow taxable persons to issue a simplified invoice when its amount is not higher than EUR 100 or when the document amends an initial invoice, also establishing the cases in which a simplified invoice may not be issued.

Article 238 stipulates that Member States may allow the issuing of simplified invoices where the amount of the invoice is higher than EUR 100 but not higher than EUR 400, under conditions which they shall lay down, after consulting the VAT Committee.

Article 21-bis of Presidential Decree No. 633 of 1972, introduced by Article 1, paragraph 325, letter (e), of Law No. 228 of 2012, stipulates, in accordance with European legislation, that simplified invoices may be issued where the total amount of the invoice is not higher than EUR 100 and where they are amending invoices pursuant to Article 26 of the same Decree and that, by a non-regulatory Decree of the Minister of Economy and Finance, the aforementioned limit of EUR 100 may be raised up to EUR 400.

This decree, adopted pursuant to paragraph 3 of the aforementioned Article 21-bis and after consulting the VAT Committee, therefore provides that invoices may be issued in simplified form if their total amount does not exceed EUR 400.

Consequently, the invoicing process is now simplified, without prejudice, however, to the audit activity, which is actually further enhanced by the introduction of the general obligation of electronic invoicing.

The simplified invoice referred to in the aforementioned Article 21-bis is characterized by the fact that fewer details are requested.

In particular, the VAT identification number or national tax number is sufficient to identify the supplier, if he is established within the Italian territory, or, where he is not established within such territory, the VAT identification number of the country of establishment is enough, in place of the details established for standard invoices by Article 21, second paragraph, letter (c) of Presidential Decree No. 633 of 1972 (company, name or business name, first name, surname, residence or domicile).

Furthermore, in the simplified invoice, the transaction can be summarized briefly and separate detailing of the taxable income and the VAT amount is not required, as it is sufficient to indicate the amount of the total consideration and of the VAT included therein or, alternatively, any data that allow it to be calculated.

This Decree shall apply without prejudice to the application of the remaining provisions of Article 21-bis and, in particular, to the opportunity of issuing in simplified form, without limits to the amount, the invoices amending initial ones referred to in Article 26 of Presidential Decree No. 633 of 1972, as well as to the prohibition on issuing a simplified invoice for intra-Community supplies and for certain types of transactions not subject to VAT due to the lack of territoriality requirement (operations referred to in Article 21, paragraph 6-bis of Presidential Decree No. 633 of 1972).