



COMARCH

All You Need to Know About E-invoicing and E-Reporting Standards in France

White Paper Summarizing the French Digitization Process

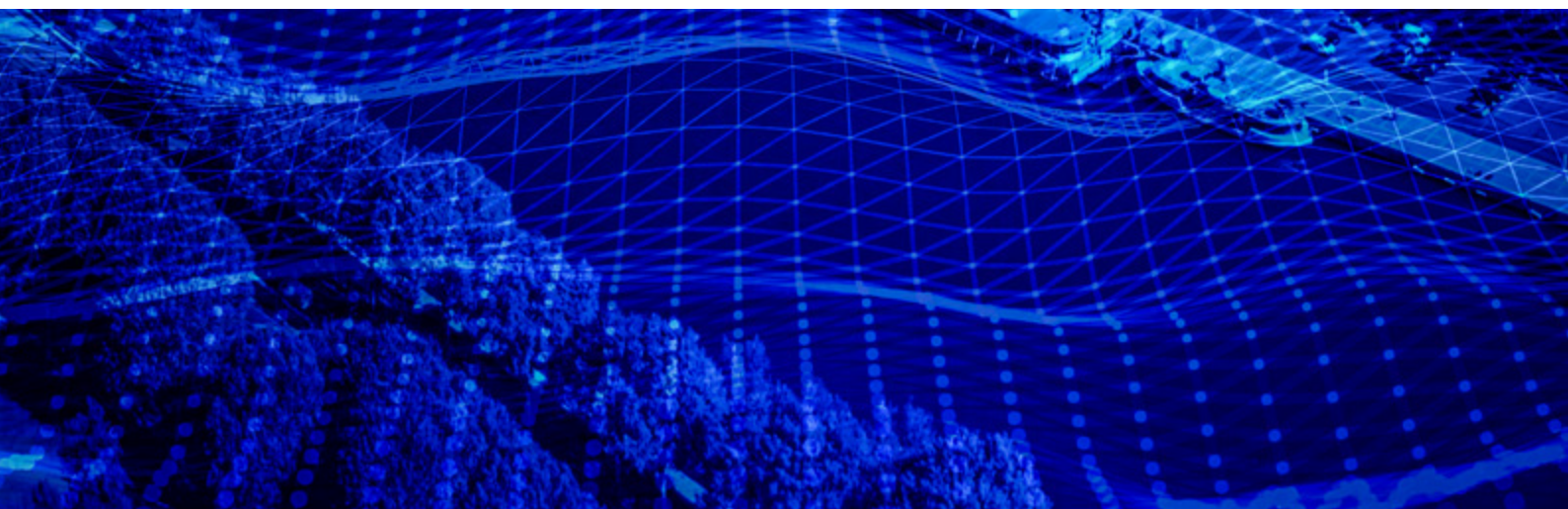


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Introduction:

France Sets Standards in E-invoicing and E-reporting

Since January 1, 2020, French companies have been obliged to submit invoices to public sector clients in electronic form. In addition, the French ordinance of September 15, 2021, aims to make the exchange of electronic invoices obligatory between all companies subject to VAT.

Further specifications in this regard were published on January 18. Since the corresponding presentation is only available in French, we have summarized the most important information in this white paper. The original can be found [on the official website of the French government](#).

Definition of Domains




- Domestic B2B – transactions between companies that are located in France, that are subject to VAT, and to whom the French invoicing regulations apply
- International B2B – transactions between two companies that are subject to VAT, with one of them being located in France and the other in a different country within or outside the EU. It may also refer to transactions subject to VAT in France but made between two taxable parties located outside France
- B2C – transactions between a company subject to VAT (supplier) and a party not liable to tax (buyers)



Schedule for Complying with the Regulations

On July 1, 2024, the obligation to receive invoices in electronic form becomes binding for all companies, irrespective of their size. This obligation is being implemented

step by step – depending on company size. The schedule for e-reporting is the same as for the obligation to issue electronic invoices.

	<p>As of July 1, 2024</p> <p>Large enterprises</p>
	<p>As of January 1, 2025</p> <p>Medium-sized companies</p>
	<p>As of January 1, 2026</p> <p>Small and medium-sized enterprises (SME)</p>

The size of a company is defined by the following criteria:

- A micro-company is a company with fewer than 10 employees and annual sales or a balance sheet total of no more than EUR 2 million.
- An SME is a company with fewer than 250 employees and maximum annual sales of EUR 50 million or a balance sheet total of no more than EUR 43 million.
- A medium-size company is one that does not belong in the SME category, has fewer than 5,000 employees and maximum annual sales of EUR 1,500 million or a balance sheet total of no more than EUR 2,000 million.
- A large enterprise is a company that does not fit into any of these categories.

1. Scope of the E-invoicing Obligation

For transactions between parties that are subject to VAT and located in France, an obligation to use electronic invoicing (e-invoicing) is stipulated. That means invoices are to be issued, transmitted, and received in accordance with standards set by law.

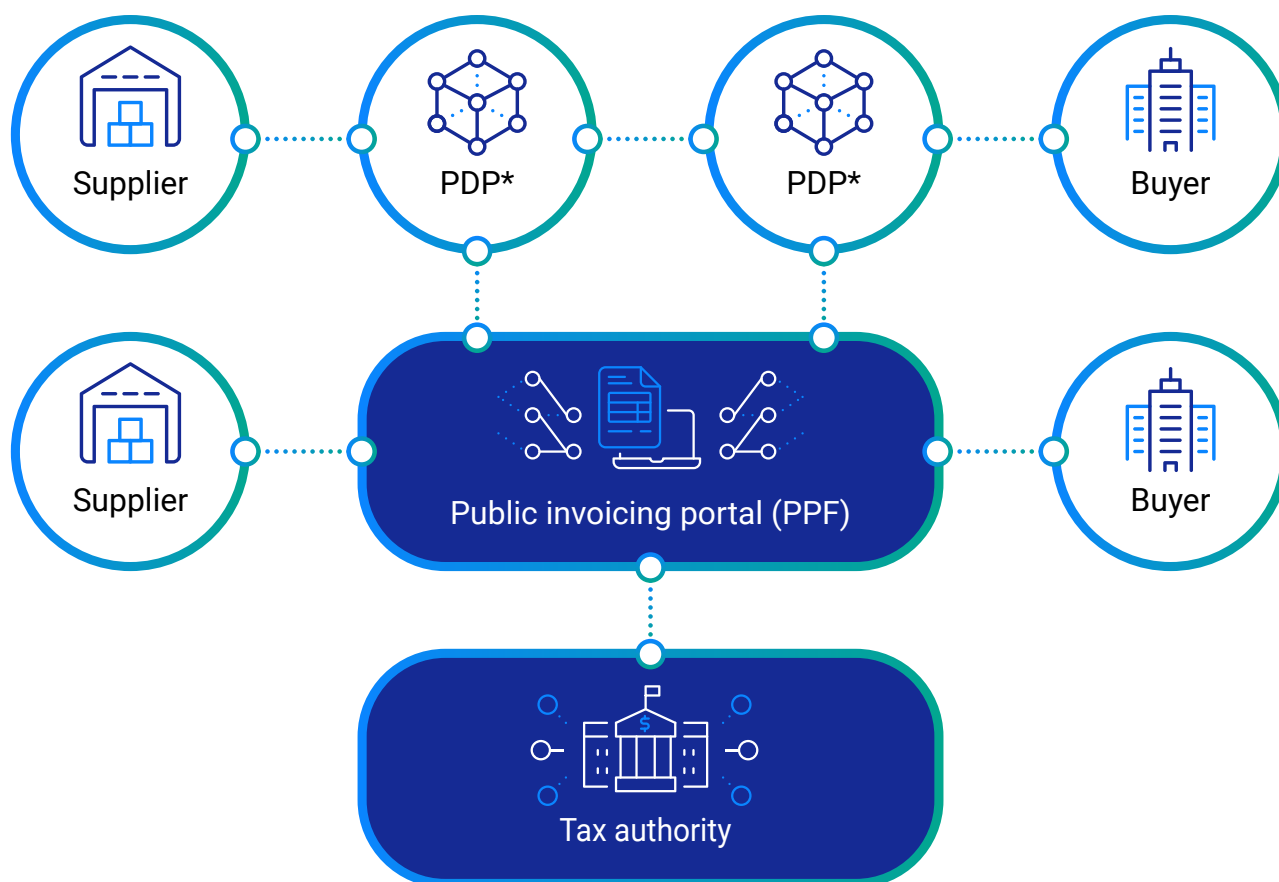
Transactions affected are deliveries of goods and services (with the exception of VAT-exempted sales and sales that are exempt from invoice issuance under Par. 261 to 261 E of the CGI [Code général des Impôts – General Tax Code in France]) as well as down-payments made for them.

In order to exchange and report their invoices, the companies have to choose a platform for electronic invoicing: the **public invoicing portal (PPF)** or a partner

platform for electronic invoicing (PDP). The diagram below represents the relations between the different players in the ecosystem.

In e-invoicing, the supplier has to issue an electronic invoice and transfer it to their buyer via their respective platform (PDP or PPF). The status of that invoice is then updated by the supplier and the buyer in each phase of its lifecycle, up to the status of “paid”, which completes the transaction. The invoice and payment data, as well as obligatory statuses, may be forwarded from the PDPs to the PPF and from the PPF to the tax authority.

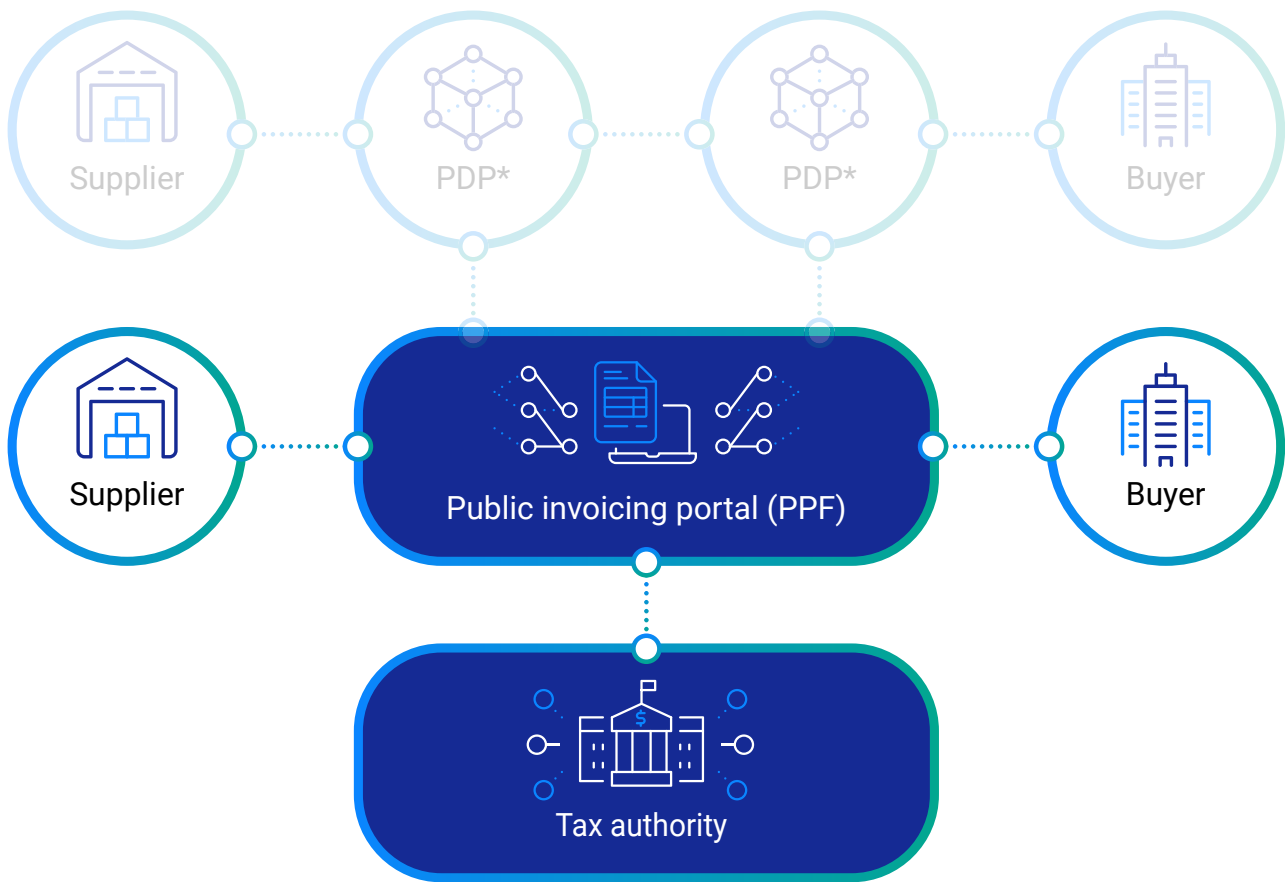
Y Scheme Parties involved



* Certified Private Partner Platform for Electronic Invoicing

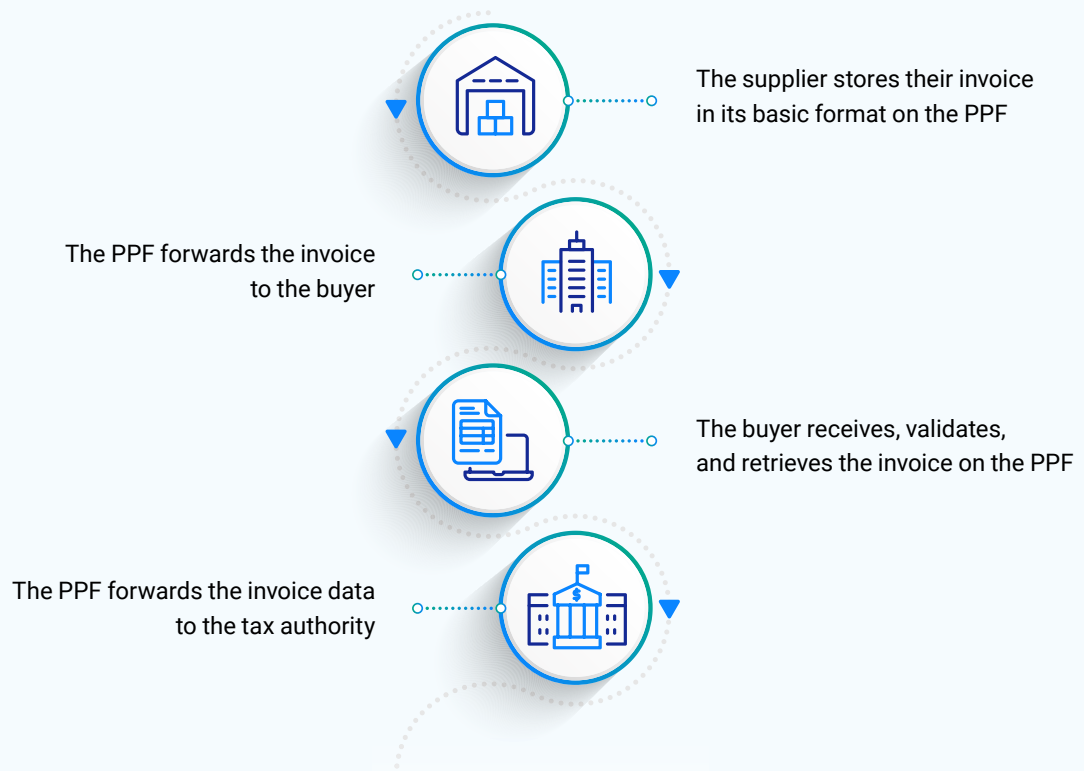
Data Transfer via PPF (A)

Y Scheme Parties involved

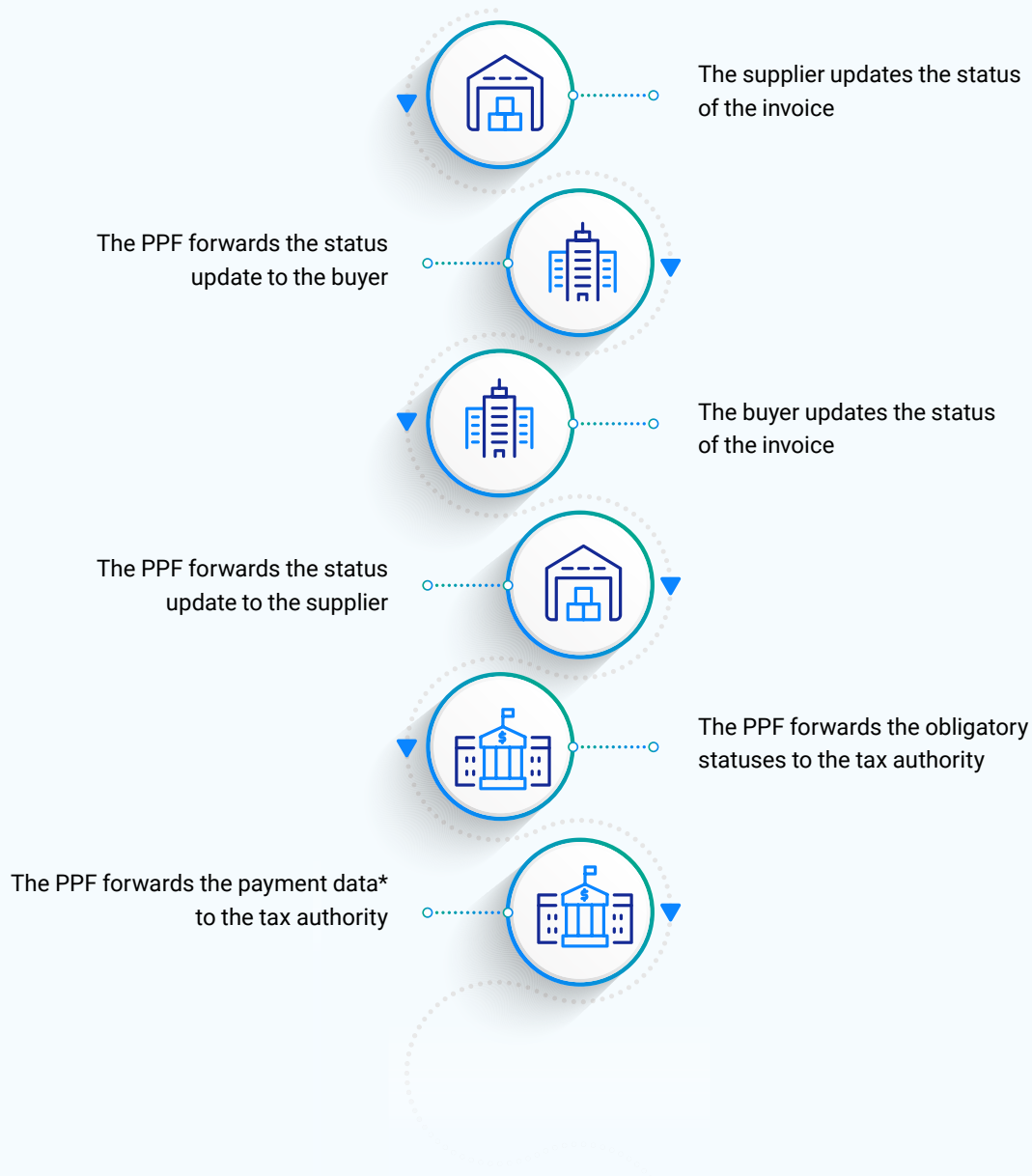


* Certified Private Partner Platform for Electronic Invoicing

TRANSMISSION of the invoice

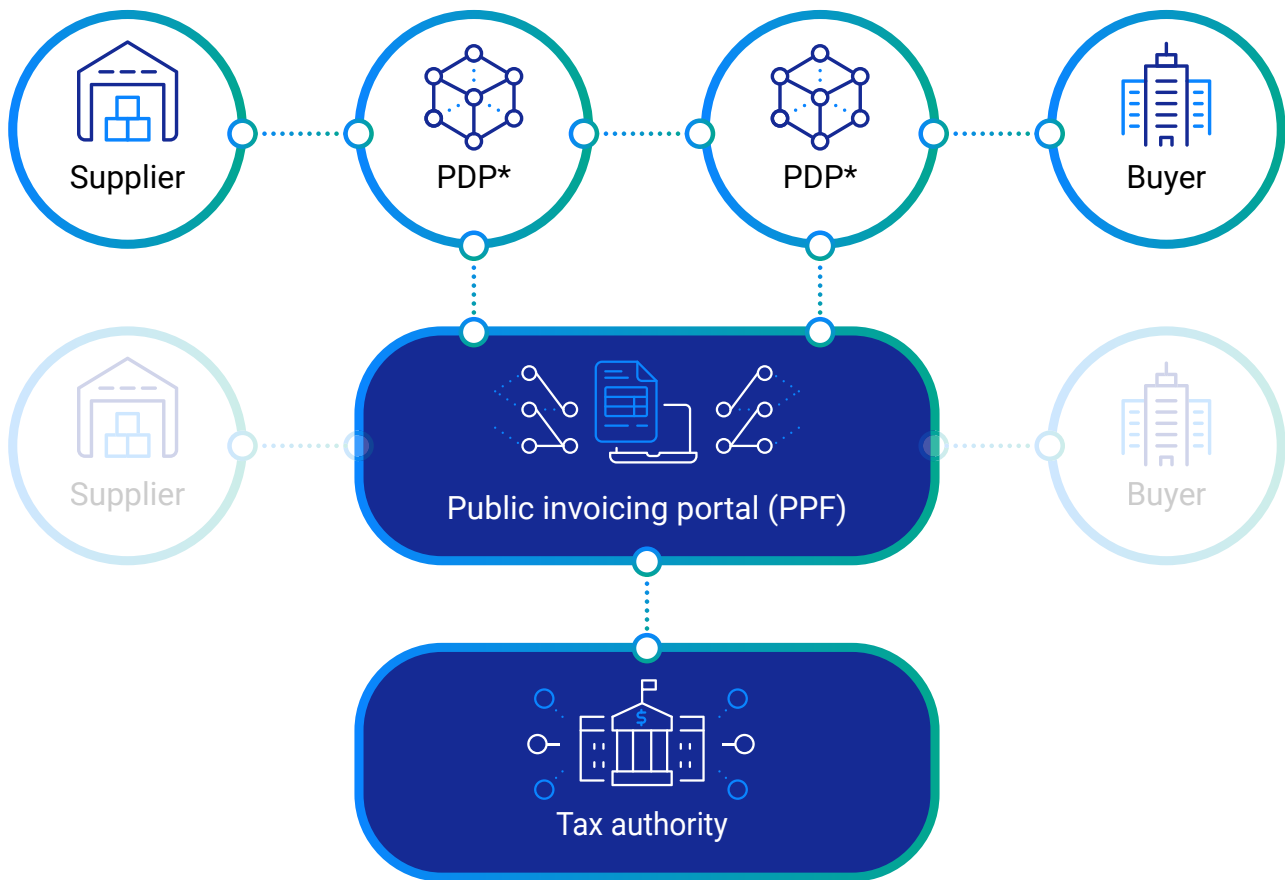


LIFECYCLE of the invoice



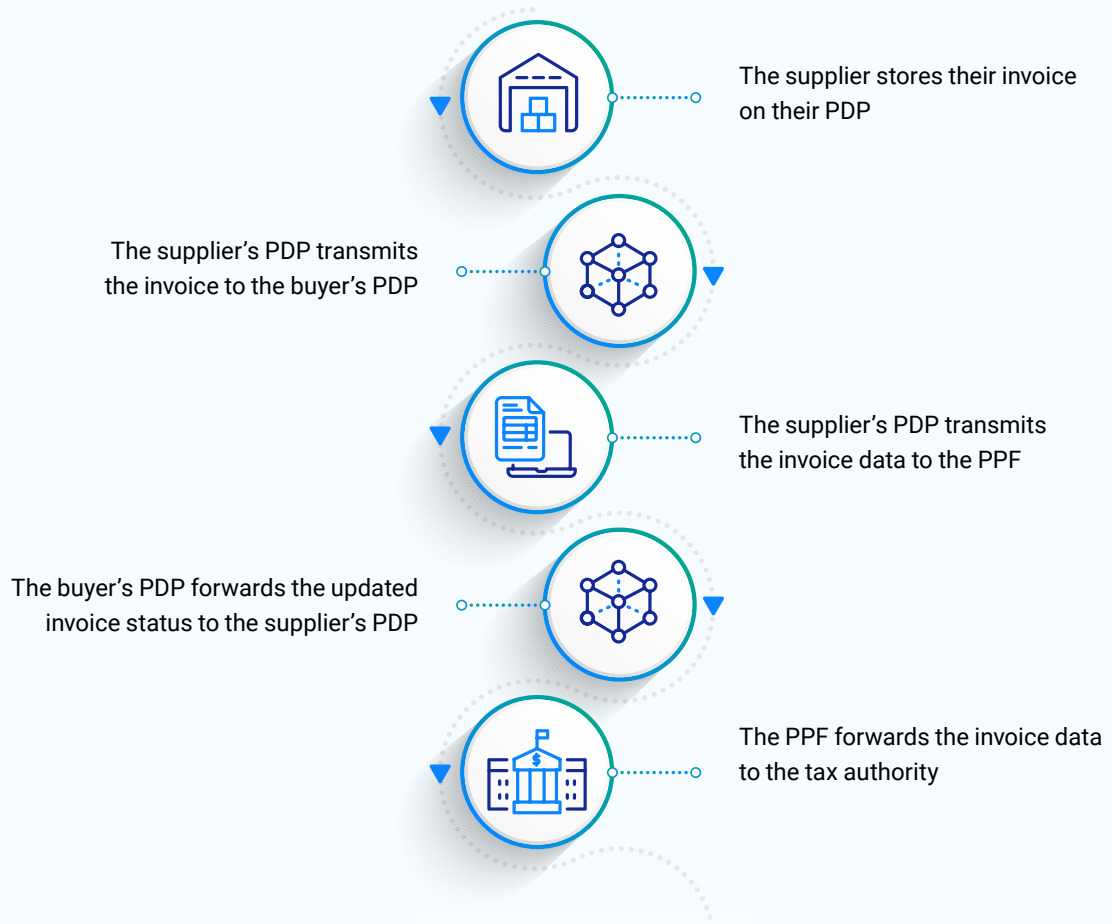
Data Transfer via PDPs (C)

Y Scheme Parties involved

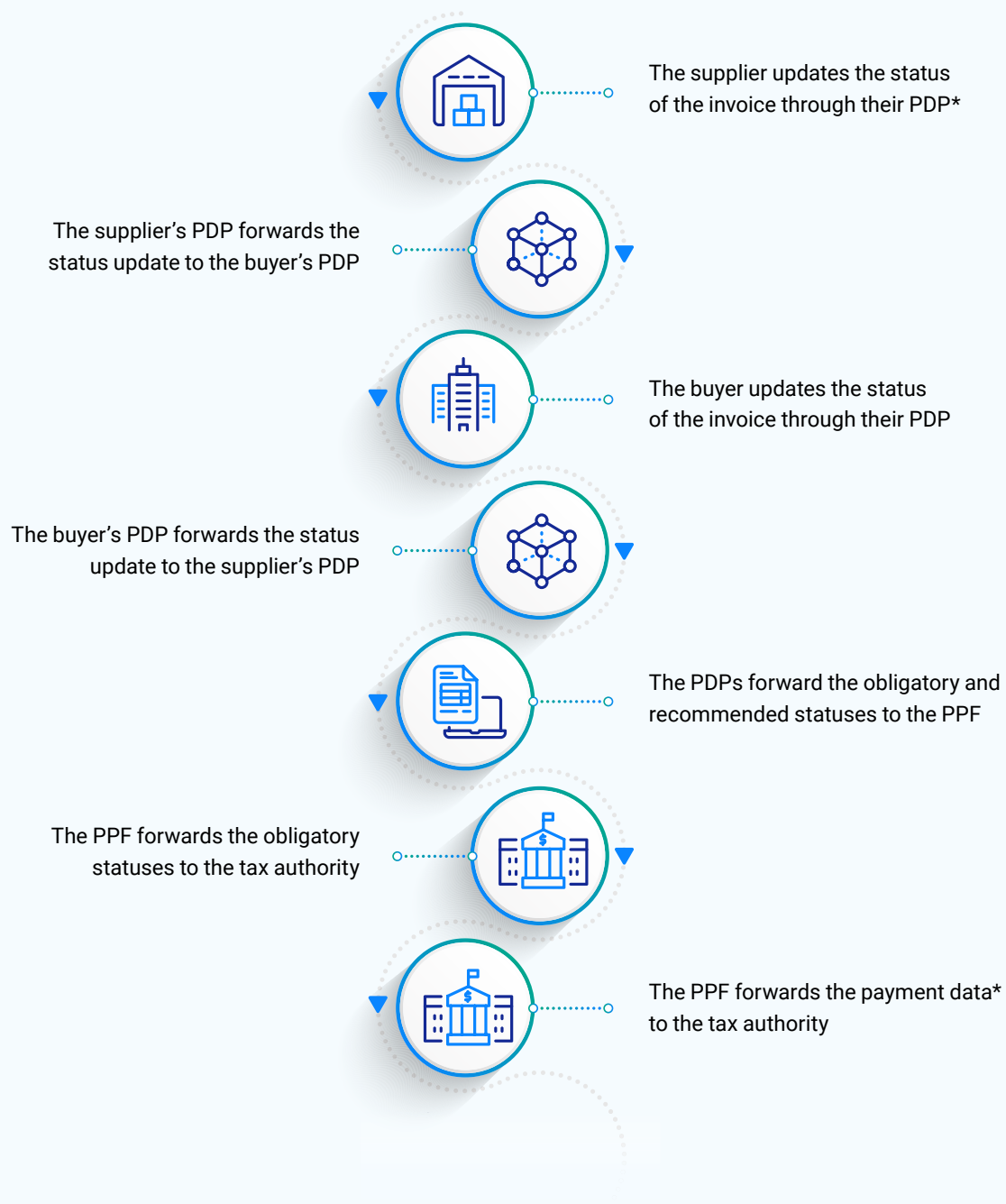


* Certified Private Partner Platform for Electronic Invoicing

TRANSMISSION of the invoice

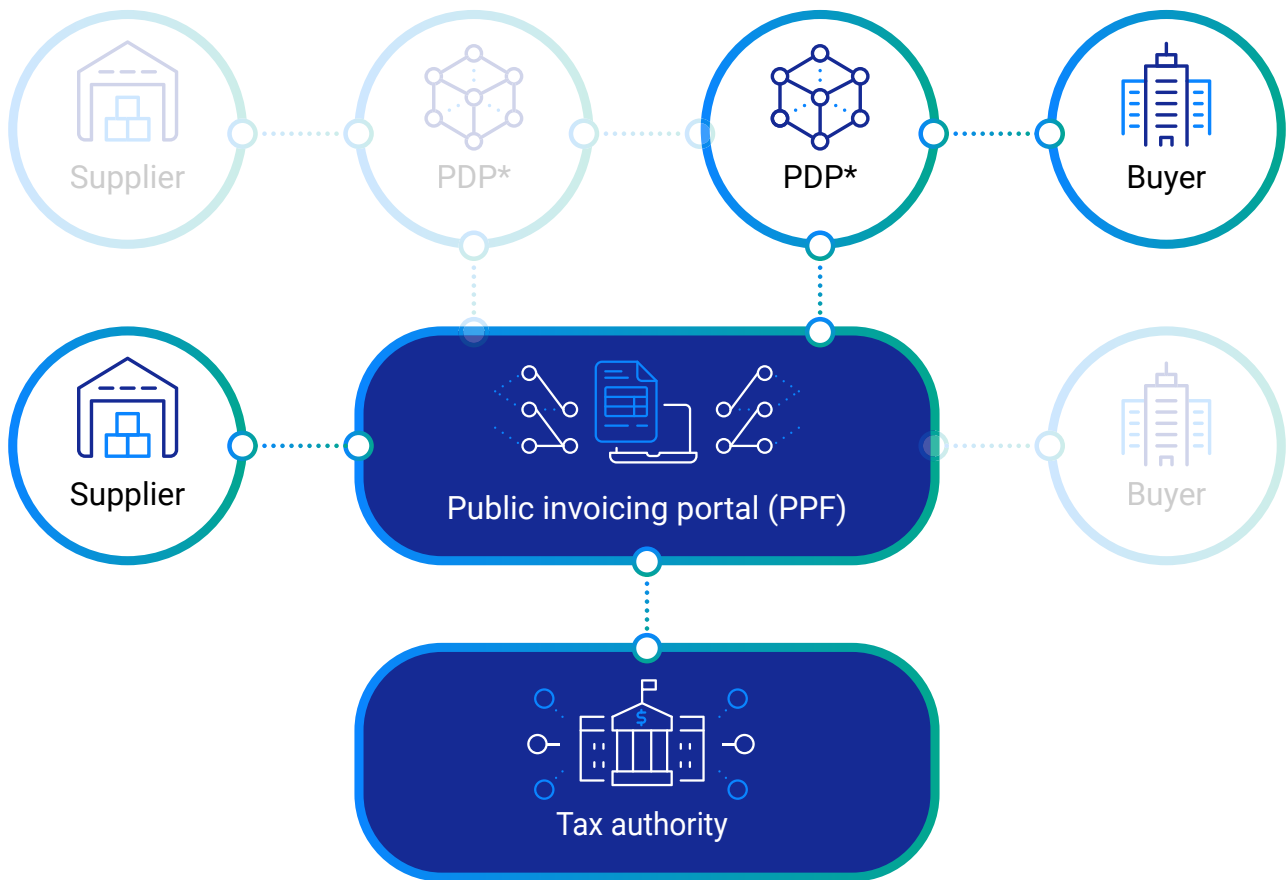


LIFECYCLE of the invoice



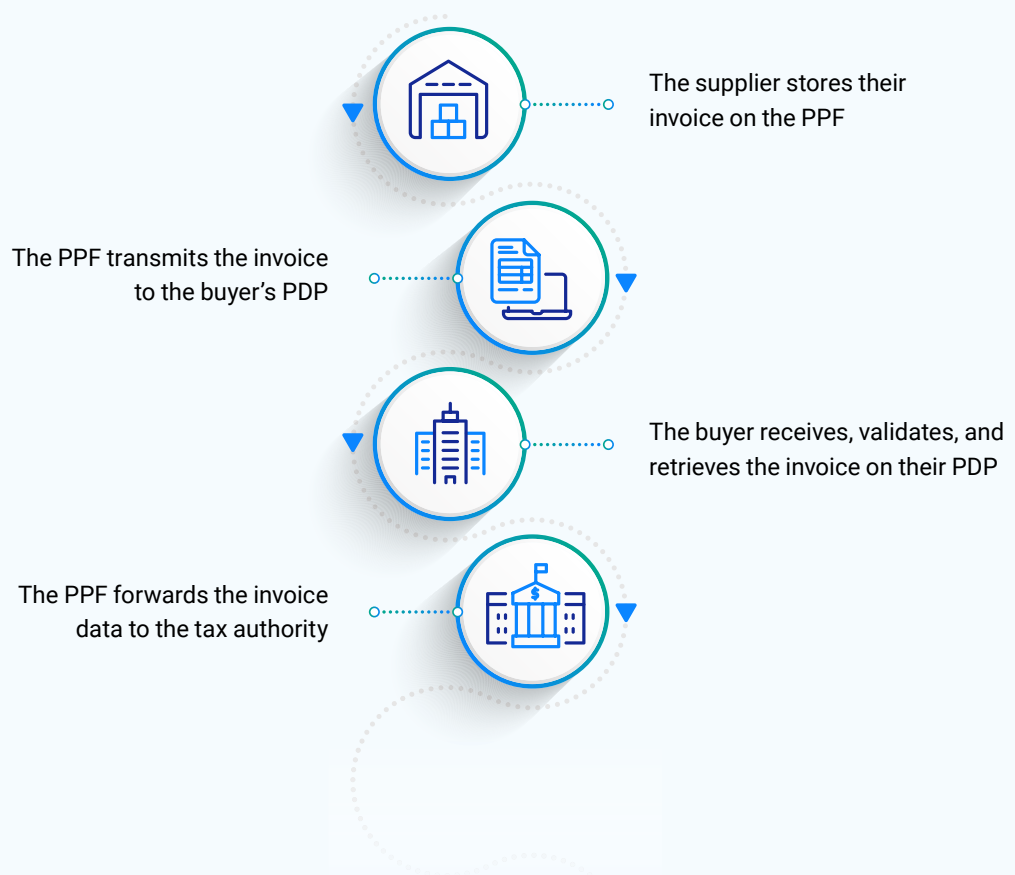
Data Transfer via PDPs (B1)

Y Scheme Parties involved

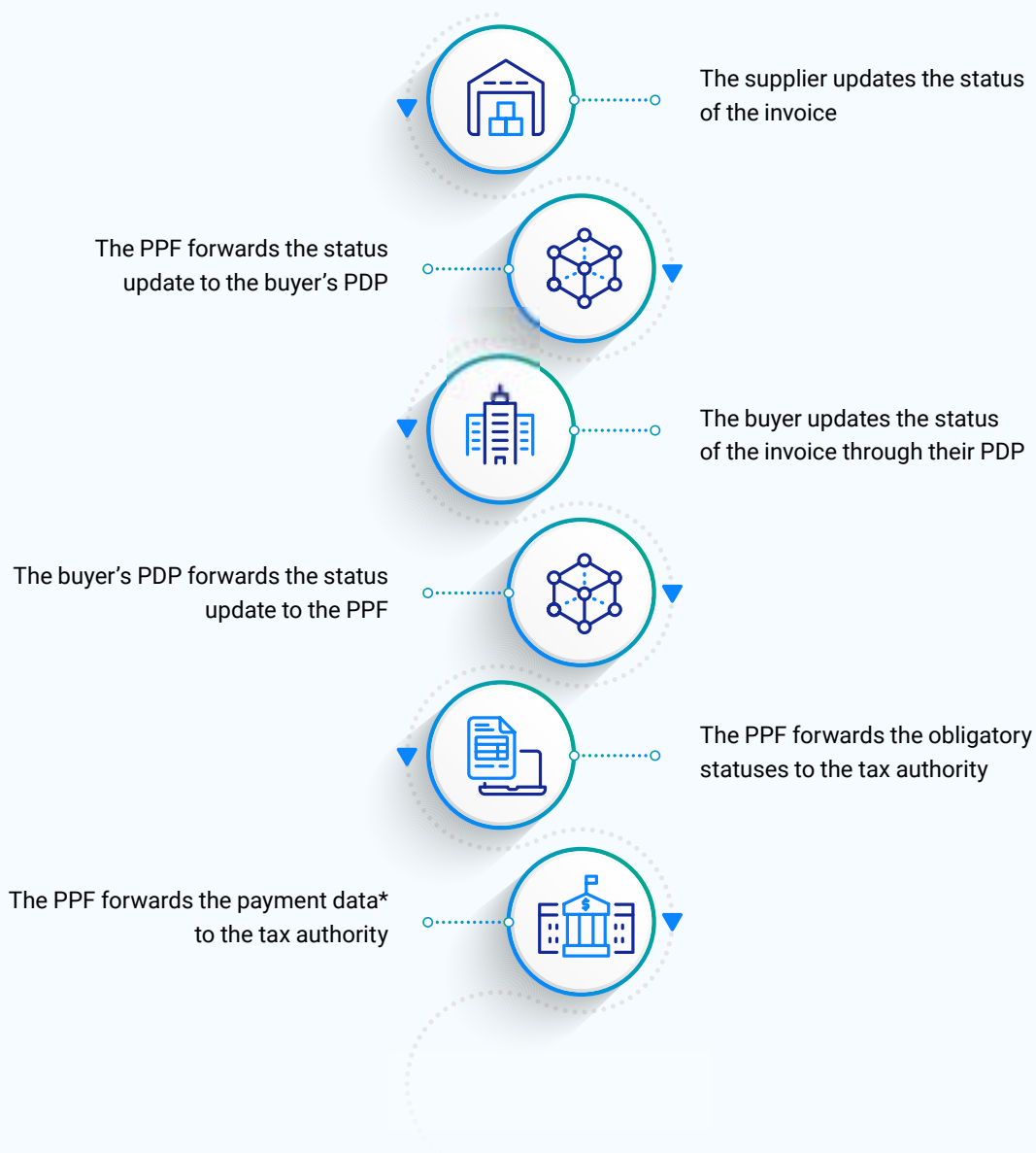


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TRANSMISSION of the invoice

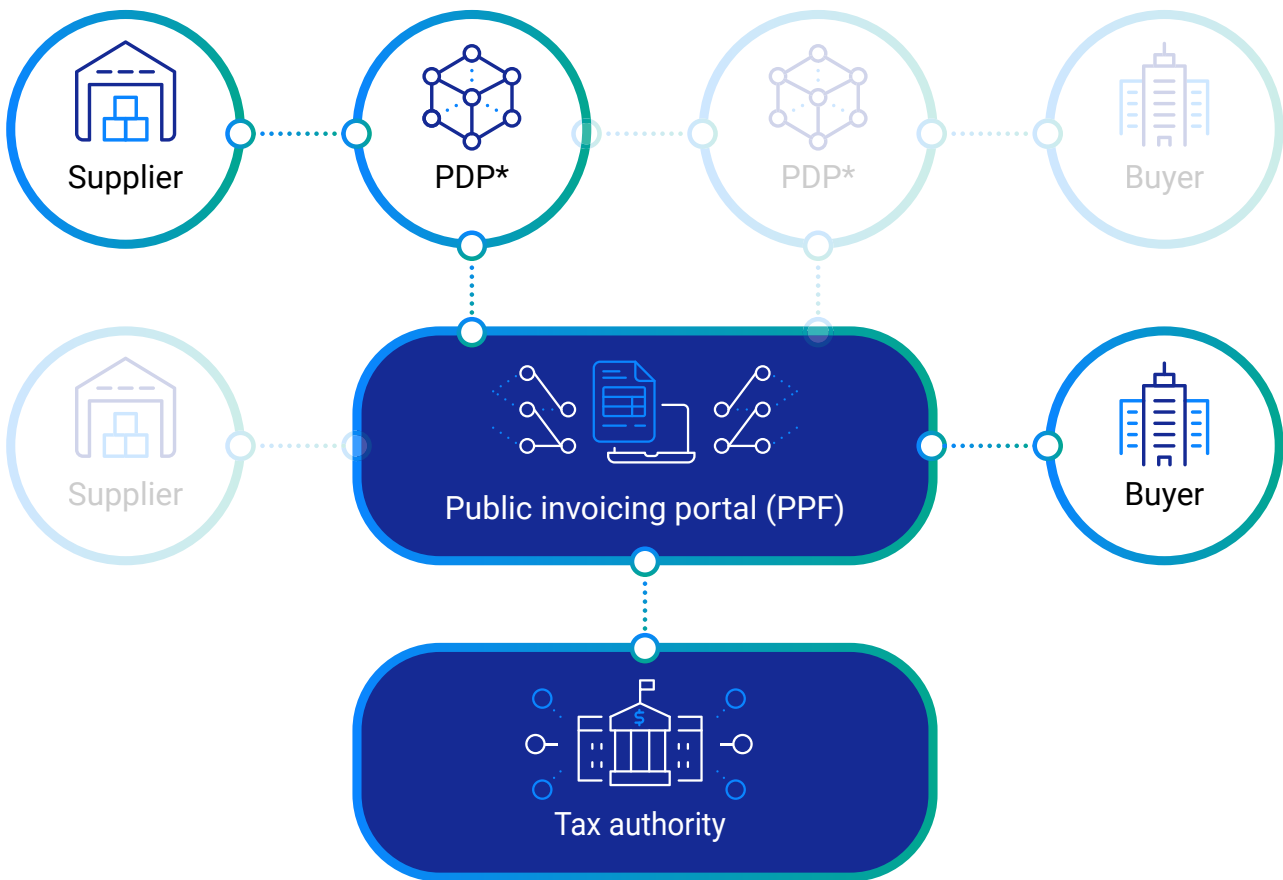


LIFECYCLE of the invoice



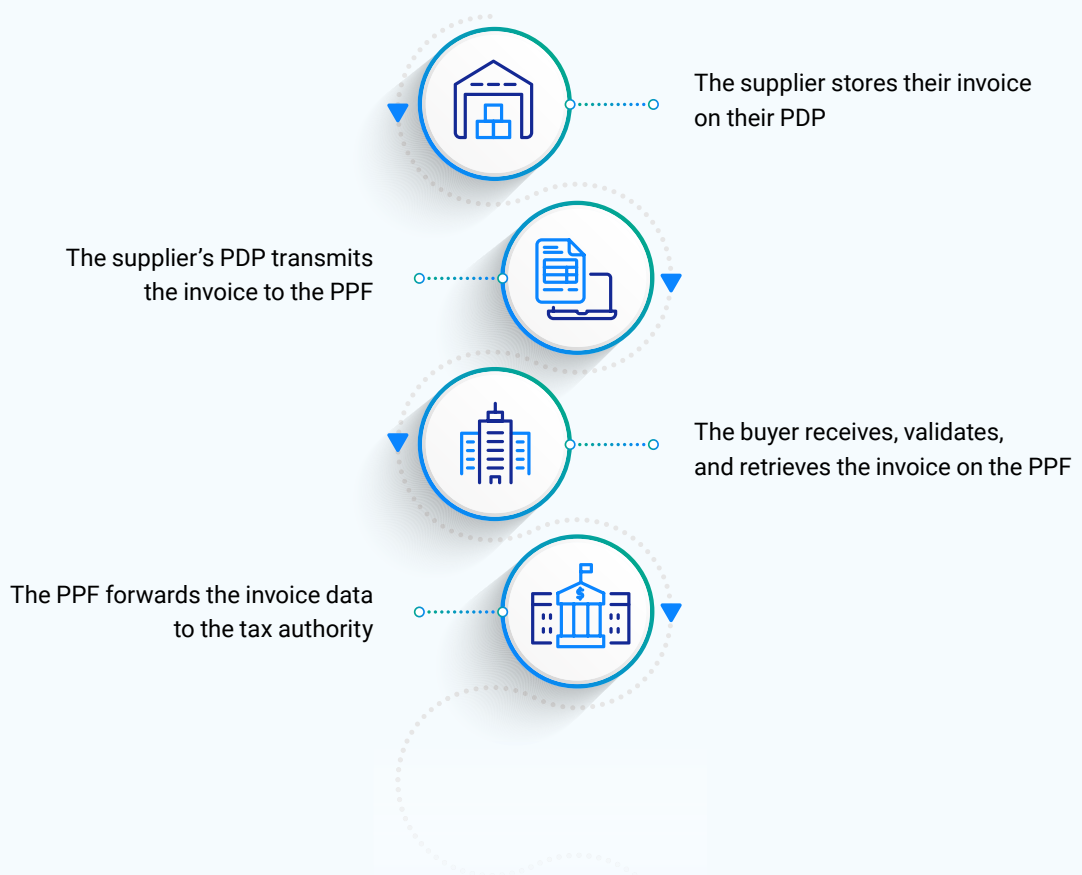
Data Transfer via PDPs (B2)

Y Scheme Parties involved

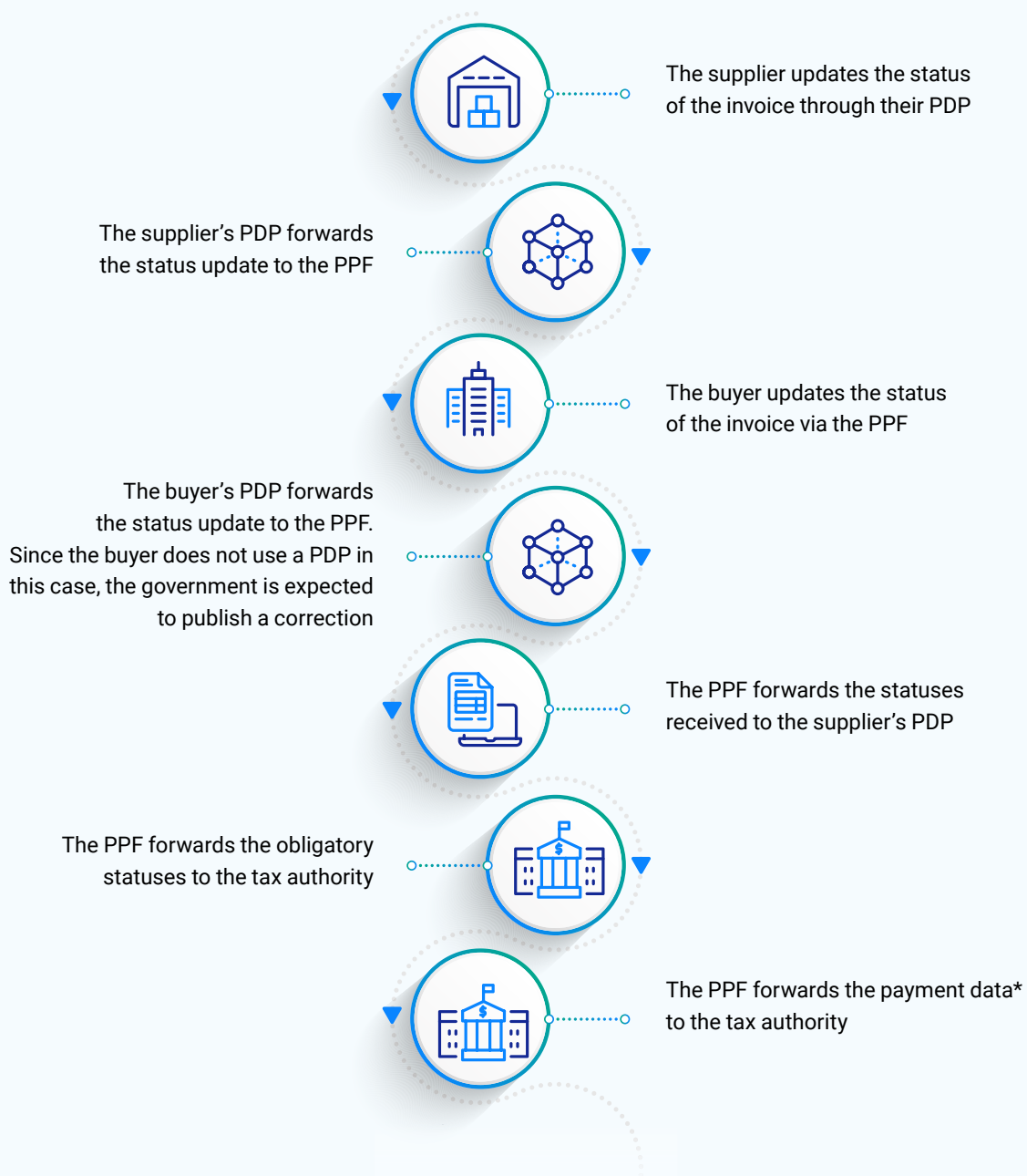


* Certified Private Partner Platform for Electronic Invoicing

TRANSMISSION of the invoice



LIFECYCLE of the invoice



* For services without VAT on debits and without reverse charge mechanism



2. Scope of the E-reporting Obligation

The scope of e-reporting complements that of e-invoicing. It includes the following cases:

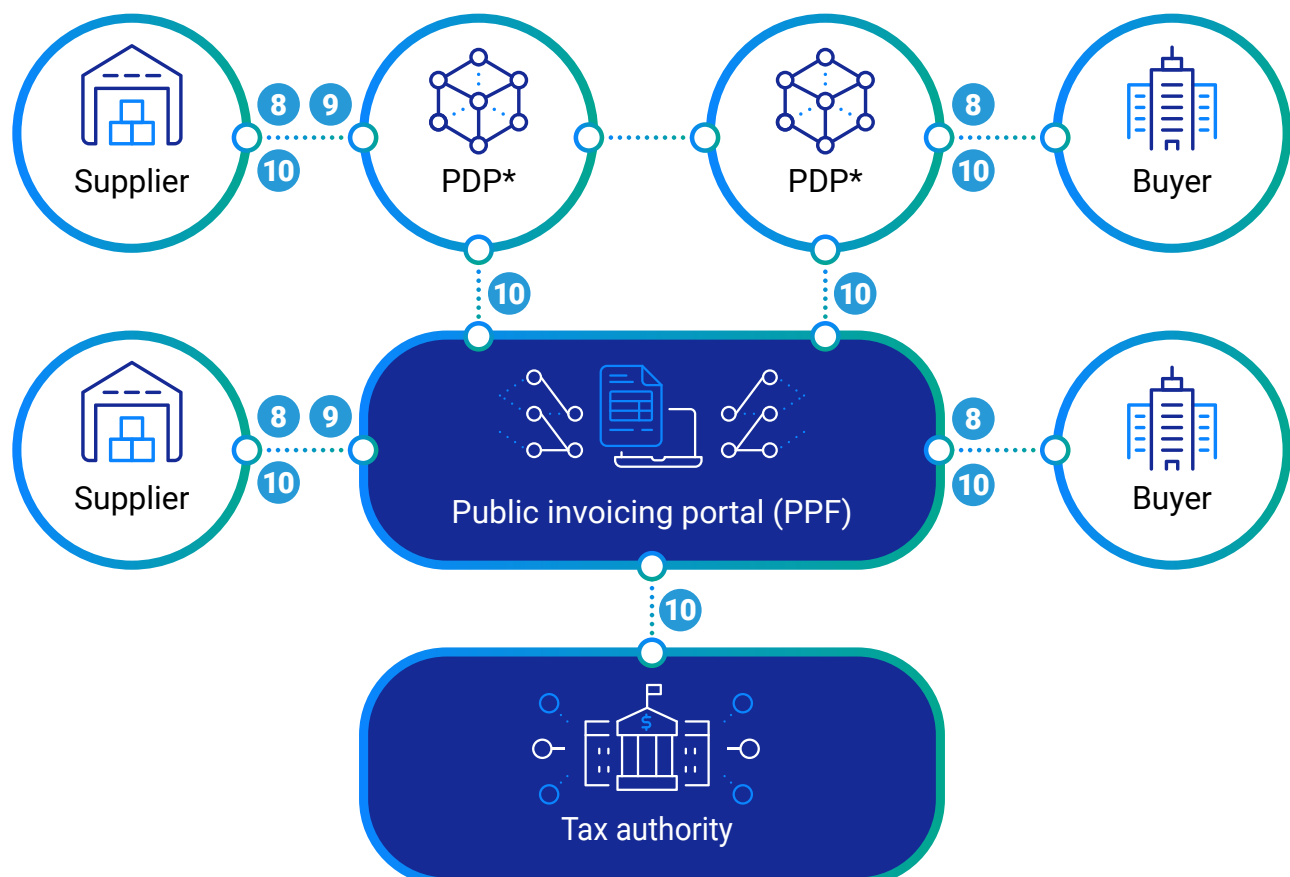
- B2B transactions inside and outside the EU with one of the transaction parties being subject to VAT and located in France (imports excluded)
- B2B transactions that are subject to VAT in France but take place between two taxable parties located outside France (EU/non-EU)
- B2C transactions between a French supplier who is subject to VAT and located in France and a French, European, or non-European buyer who is not liable to tax (mostly private individuals)
- B2C transactions that are subject to VAT in France and that are made by a foreign supplier who is not registered with a European one-stop shop

The functional principle of e-reporting was designed analogous to that of e-invoicing. In order to transmit data, companies will use a platform of their choice: the public invoicing portal (PPF) or a partner platform for electronic invoicing (PDP).

Functioning of E-reporting

Data flows are defined in the [dossier on external specifications for electronic invoicing](#) and further specified in the [presentation of January 18, 2022](#).

Y Scheme - Parties involved



* Certified Private Partner Platform for Electronic Invoicing

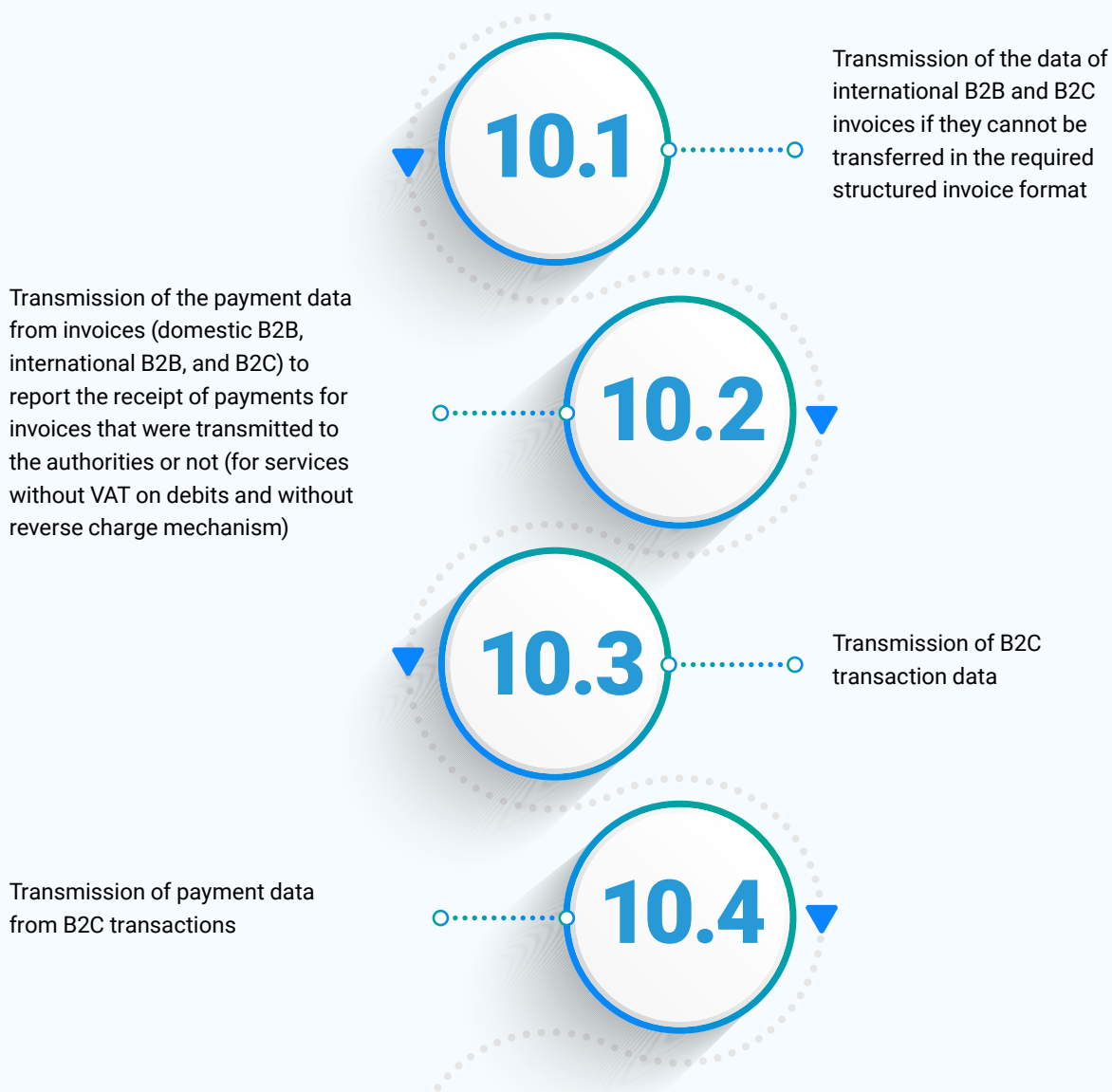
The supplier (and the buyer for purchases made outside France, with the exception of imports) is obligated to transmit the following data:

- Invoice data if they issue (or receive) invoices for their transactions. They may transmit the entire invoice if they are able to issue it in a format complying with the requirements of their chosen platform. Otherwise, they are to transmit the invoice data through a dedicated data flow
- Transaction data not constituting an invoice (such as for B2C transactions) through a dedicated data flow

- Payment data (for services without VAT on debits and without reverse charge mechanism) through a lifecycle flow or a dedicated data flow

The data flows for e-reporting (data flows 8 and 9) and for e-invoicing are syntactically equivalent in order to cover all data required by the standard EN 16931 in the three stipulated formats (CII, UBL, and Factur-X). The specific business rules for each data flow make it possible to define as obligatory only such data required for a business case.

Data flow 10 in XML format consists of four data blocks:

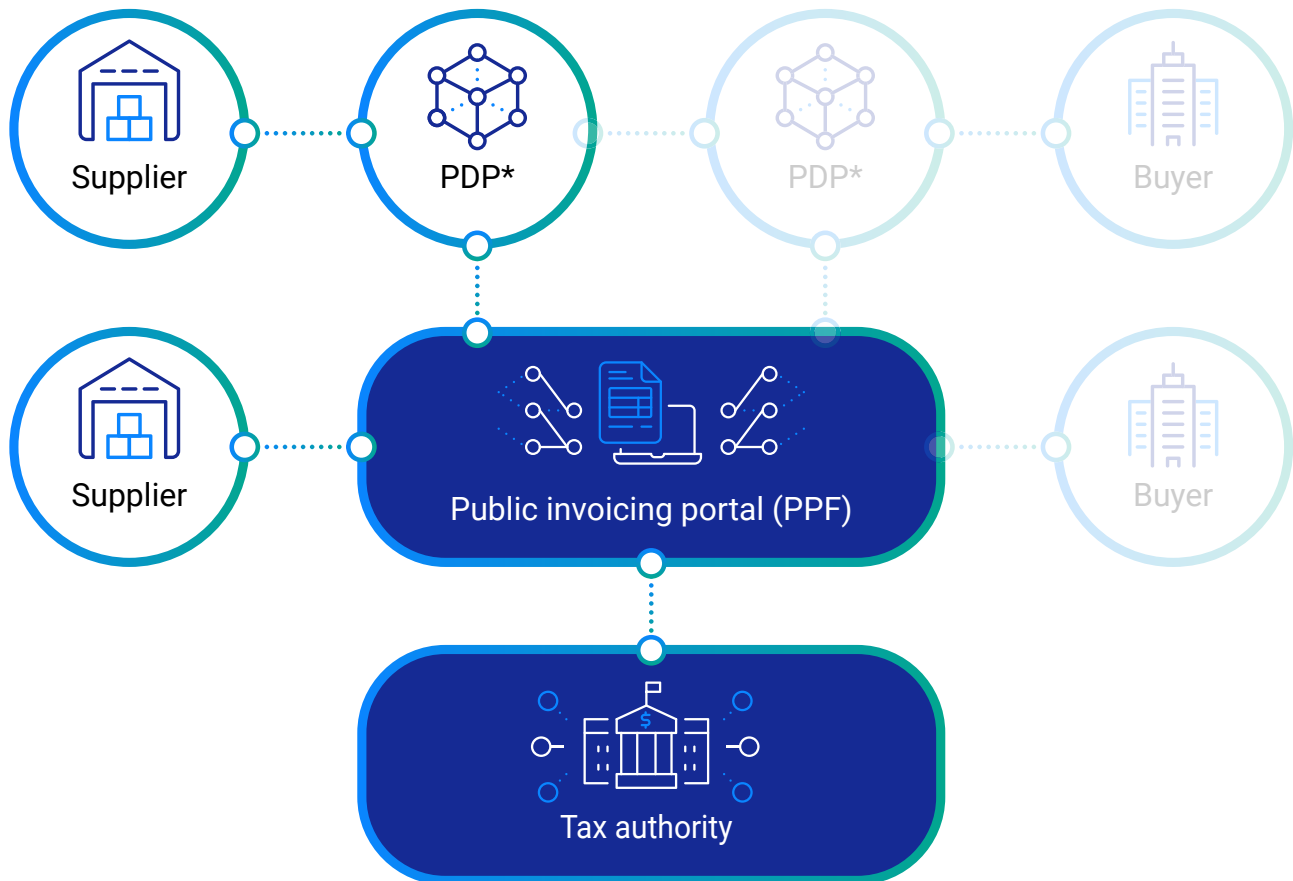


Note: The data blocks may be combined according to the data to be transmitted.

2.1 E-reporting – International B2B

Transactions Involving Foreign Buyers as Area of Application

Y Scheme - Parties involved



* Certified Private Partner Platform for Electronic Invoicing

For B2B transactions where the supplier is subject to VAT and located in France and the buyer is or is not EU-based, the obligation to transmit transaction data is termed e-reporting and lies with the supplier. The same may apply to foreign suppliers carrying out sales operations subject to VAT in France with other foreign taxable parties. The obligation applies to transactions concerning the delivery of goods and the provision of services not

exempt from taxation under Par. 261 to 261 E of the CGI [Code général des Impôts – General Tax Code in France]. For the transmission of invoice data for the purposes of e-reporting, the supplier has to choose a platform for electronic invoicing or use the platform they already selected for this purpose. In this, the supplier can choose the public invoicing portal (PPF) or a partner platform for electronic invoicing (PDP).

Example:

A French dealership performs an intra-community delivery of commercial vehicles to an Italian company specializing in the transport of goods.

- Case 1: The supplier issues an electronic invoice in the stipulated format
- Case 2: The supplier issues an invoice in a different format or is unable to transmit their invoice



Transmission of the invoice (case 1) or of the invoice data (case 2)

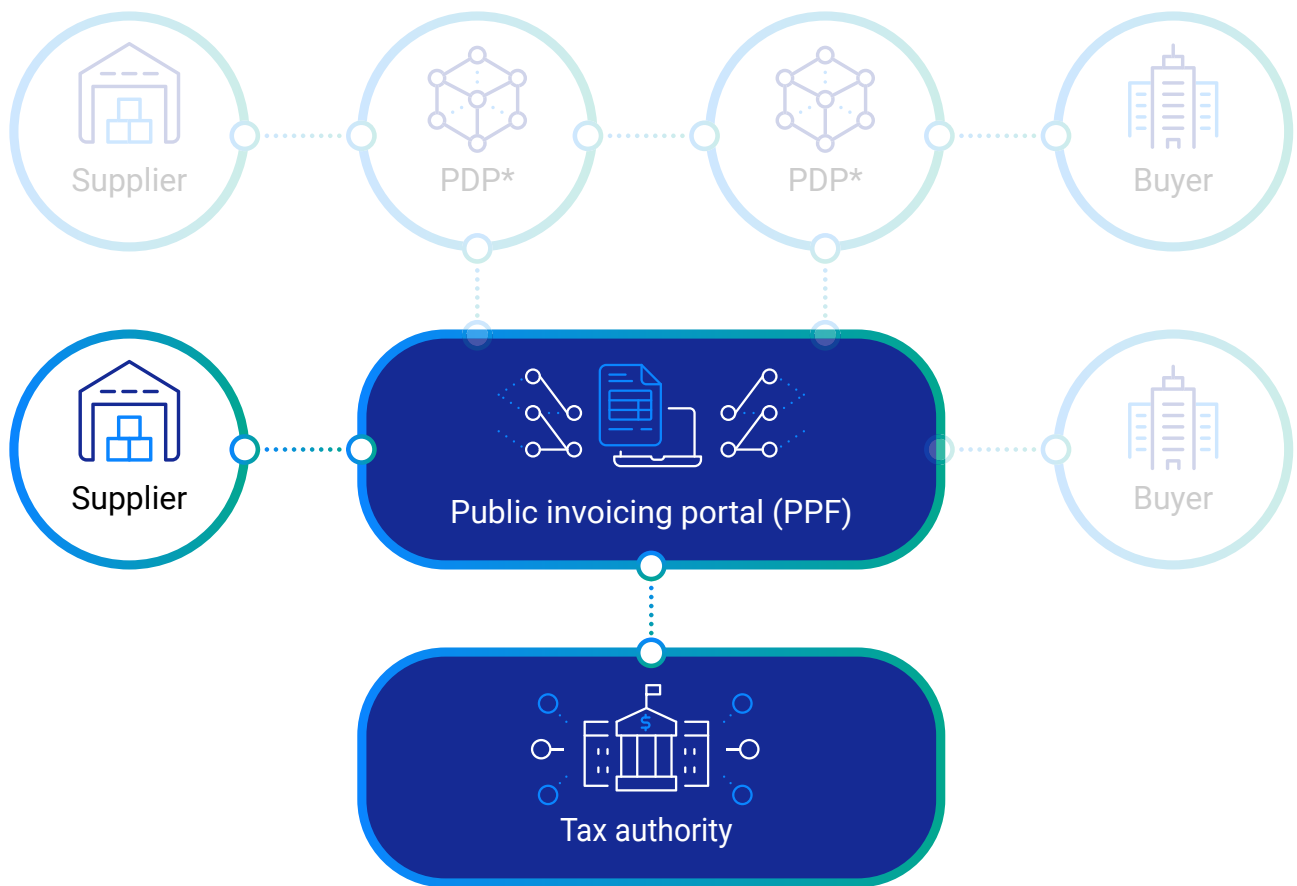
1. The supplier transmits the invoice to the buyer (outside of the cycle)
2. The supplier
 - stores their invoice on the PPF in the stipulated format (case 1)
 - transmits the invoice data to the PPF (case 2)
3. The PPF forwards the invoice data to the tax authority

Lifecycle of the invoice and transmission of the payment data

1. The supplier
 - transmits a status update once the invoice is paid (case 1)
 - reports the payment of the invoice (case 2)
2. The PPF forwards the payment data to the tax authority (for services without VAT on debits and without reverse charge mechanism)

Data Transfer by the Supplier via PDP

Y Scheme - Parties involved



* Certified Private Partner Platform for Electronic Invoicing

Transmission of the invoice or of invoice data

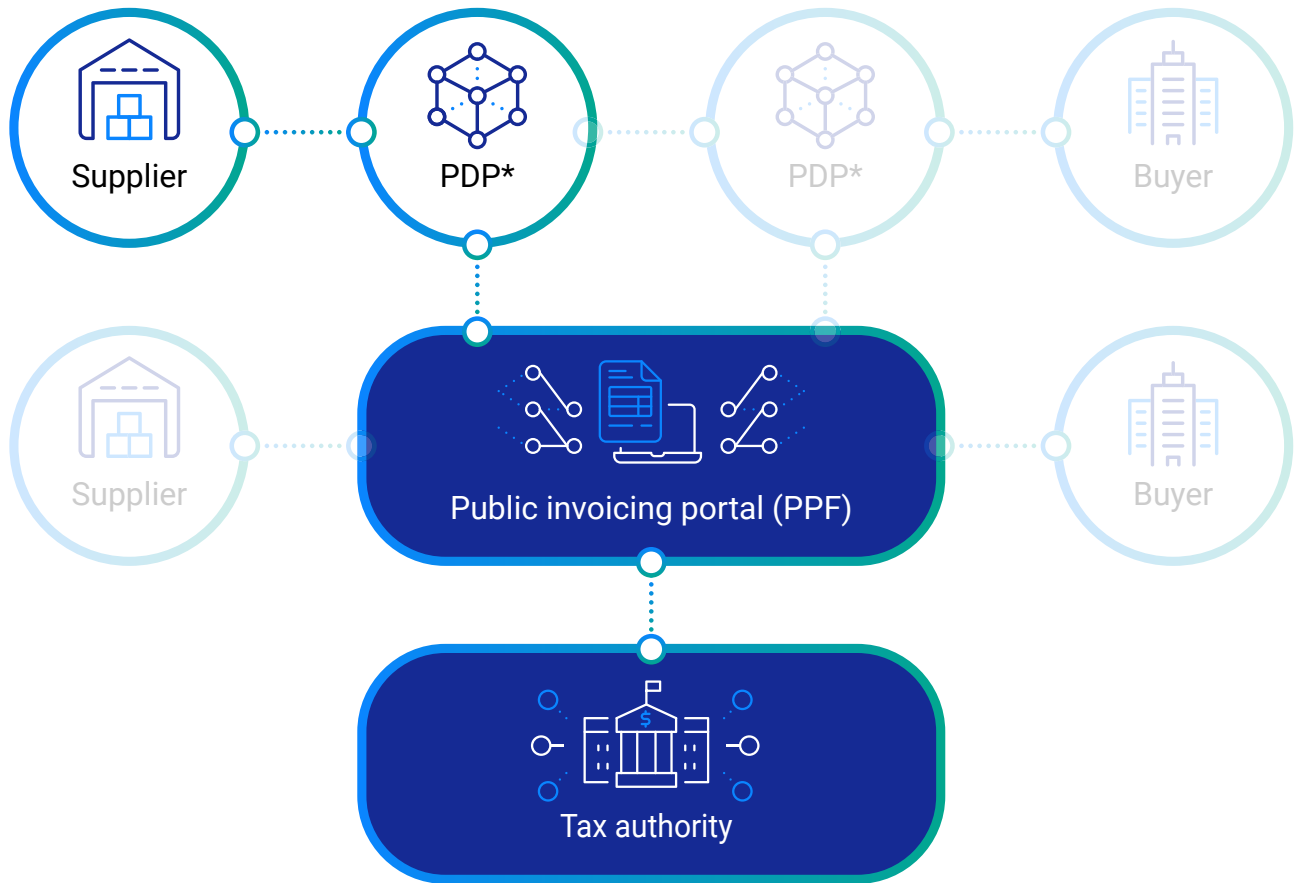
1. The supplier transmits the invoice to the buyer (outside of the cycle)
2. The supplier submits their invoice in the required format (case 1) or transmits the invoice data (case 2) via their PDP
3. The supplier's PDP transmits the invoice data to the PPF
4. The PPF forwards the invoice data to the tax authority

Lifecycle of the invoice and transmission of the payment data

1. The supplier
 - transmits a status update once the invoice is paid (case 1)
 - reports the payment of the invoice (case 2)
2. The PDP transmits the payment data to the PPF.
3. The PPF forwards the payment data to the tax authority (for services without VAT on debits and without reverse charge mechanism)

Purchasing Goods or Services from a Foreign Economic Operator as Area of Application (Imports Excluded)

Y Scheme - Parties involved



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For B2B purchases of goods or services from a foreign economic operator inside or outside the EU (imports excluded) with the buyer being subject to VAT and located in France, the obligation to transmit invoice data is termed e-reporting and lies with the buyer. This obligation solely applies to EU-/non-EU sales that are not exempt from taxation and invoice issuance under Par. 261 to 261 E of the CGI [Code général des Impôts – General Tax Code in France]. For the transmission of invoice data for the purposes of e-reporting, the buyer has to choose a platform for electronic invoicing or use the platform they already selected for e-invoicing. In this, the buyer can choose the public invoicing portal (PPF) or a partner platform for electronic invoicing (PDP).

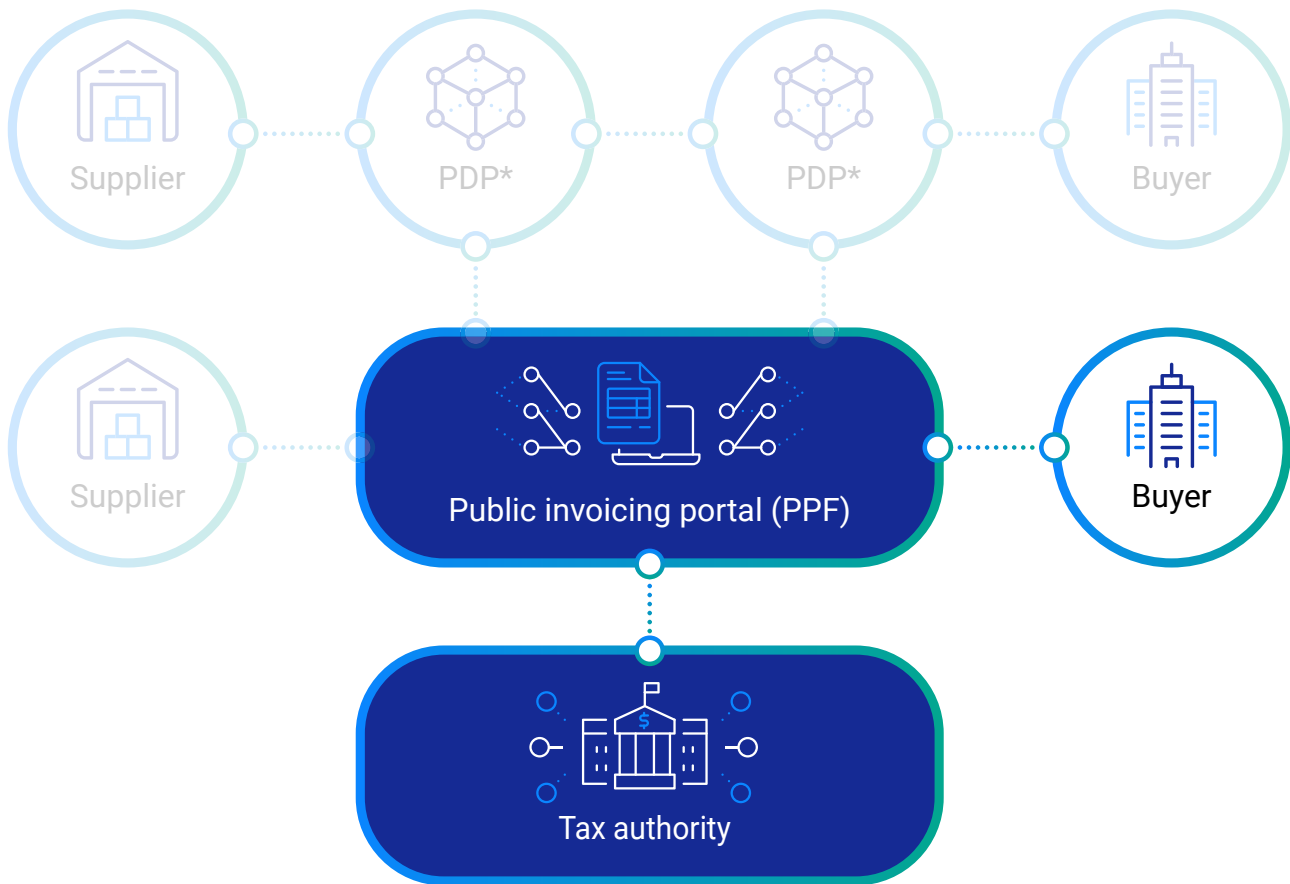
Example:

A French grocer purchases food from a Spanish farmer.

- Case 1: The buyer received an electronic invoice in the stipulated format and can submit it on their platform
- Case 2: The buyer received an invoice in a different format or is unable to submit the invoice on their platform

Data Transfer by the Buyer via PPF

Y Scheme - Parties involved



* Certified Private Partner Platform for Electronic Invoicing

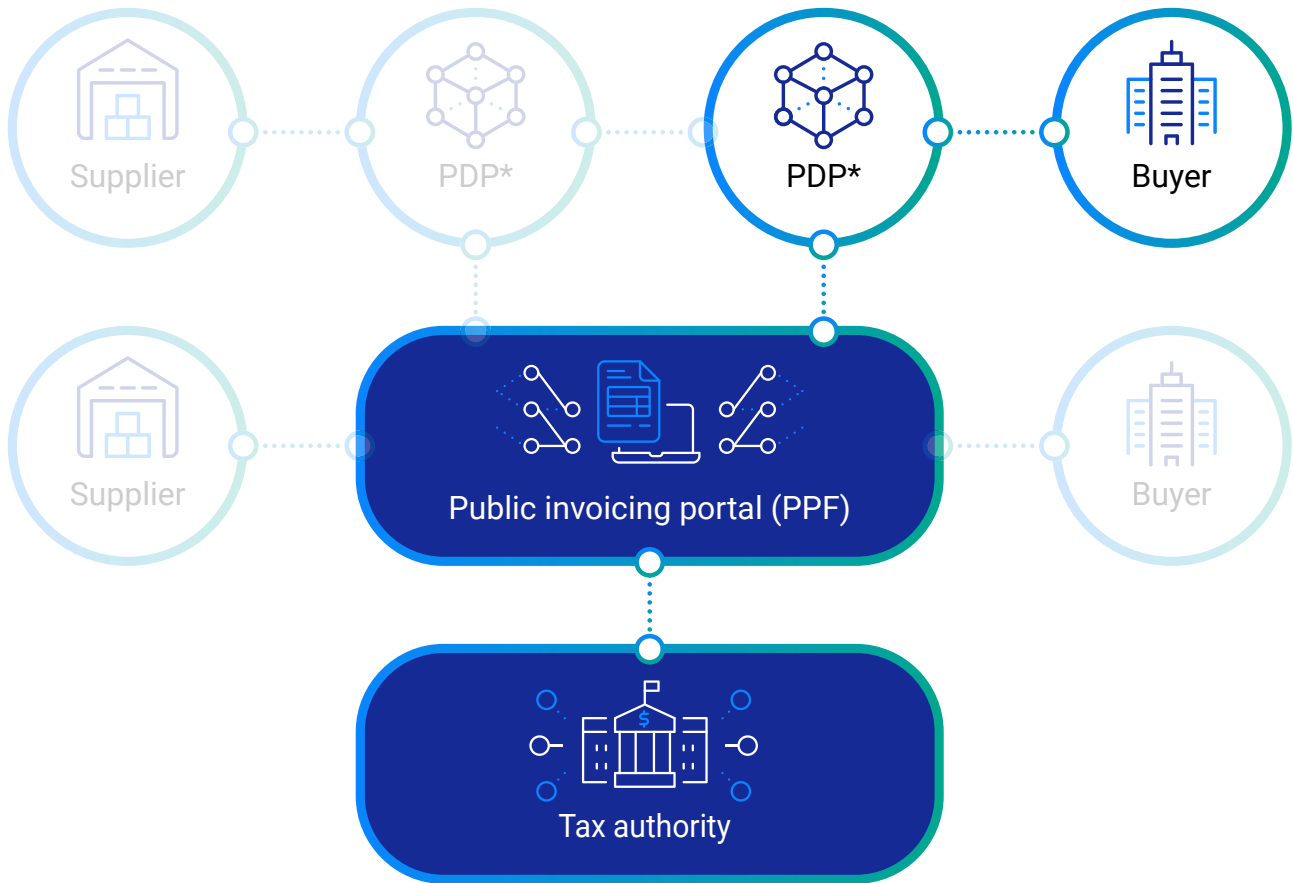
Transmission of the invoice or of invoice data

1. The supplier transmits the invoice to the buyer (outside of the cycle)
2. The buyer
 - stores the received invoice in the required format (case 1)
 - transmits the invoice data to the PPF (case 2)
3. The PPF forwards the invoice data to the tax authority



Data Transfer by the Buyer via PDP

Y Scheme - Parties involved



* Certified Private Partner Platform for Electronic Invoicing

Transmission of the invoice or of invoice data

1. The supplier transmits the invoice to the buyer (outside of the cycle)
2. The buyer stores the received invoice on their PDP
3. The buyer's PDP transmits the invoice data to the PPF
4. The PPF forwards the invoice data to the tax authority

2.2 E-reporting – B2C

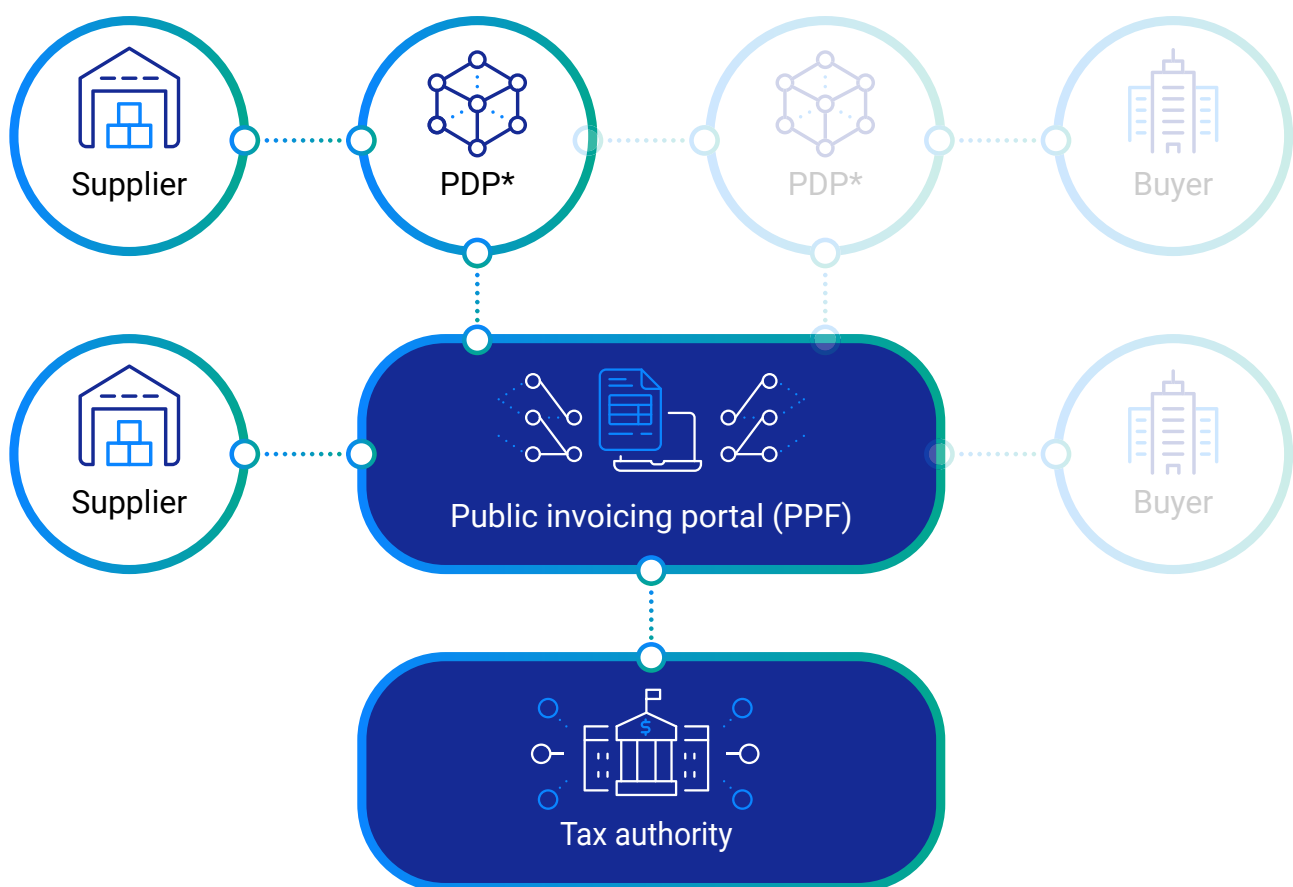
Companies that are subject to VAT and located in France will be obliged to report electronically any transactions carried out in the B2C area, meaning with a person who is not liable to tax (mostly private buyers of French, European, or non-European origin).

The same may apply to suppliers located outside France that carry out sales operations subject to VAT in France with non-taxable persons (for example, distance selling

of goods in e-commerce), unless such a company is registered with a European one-stop shop.

The obligation lies with the supplier. For the transmission of transaction data for the purposes of e-reporting, the supplier has to choose a platform for electronic invoicing or use the platform they already selected for e-invoicing. In this, the supplier can choose the public invoicing portal (PPF) or a partner platform for electronic invoicing (PDP).

Y Scheme - Parties involved



* Certified Private Partner Platform for Electronic Invoicing

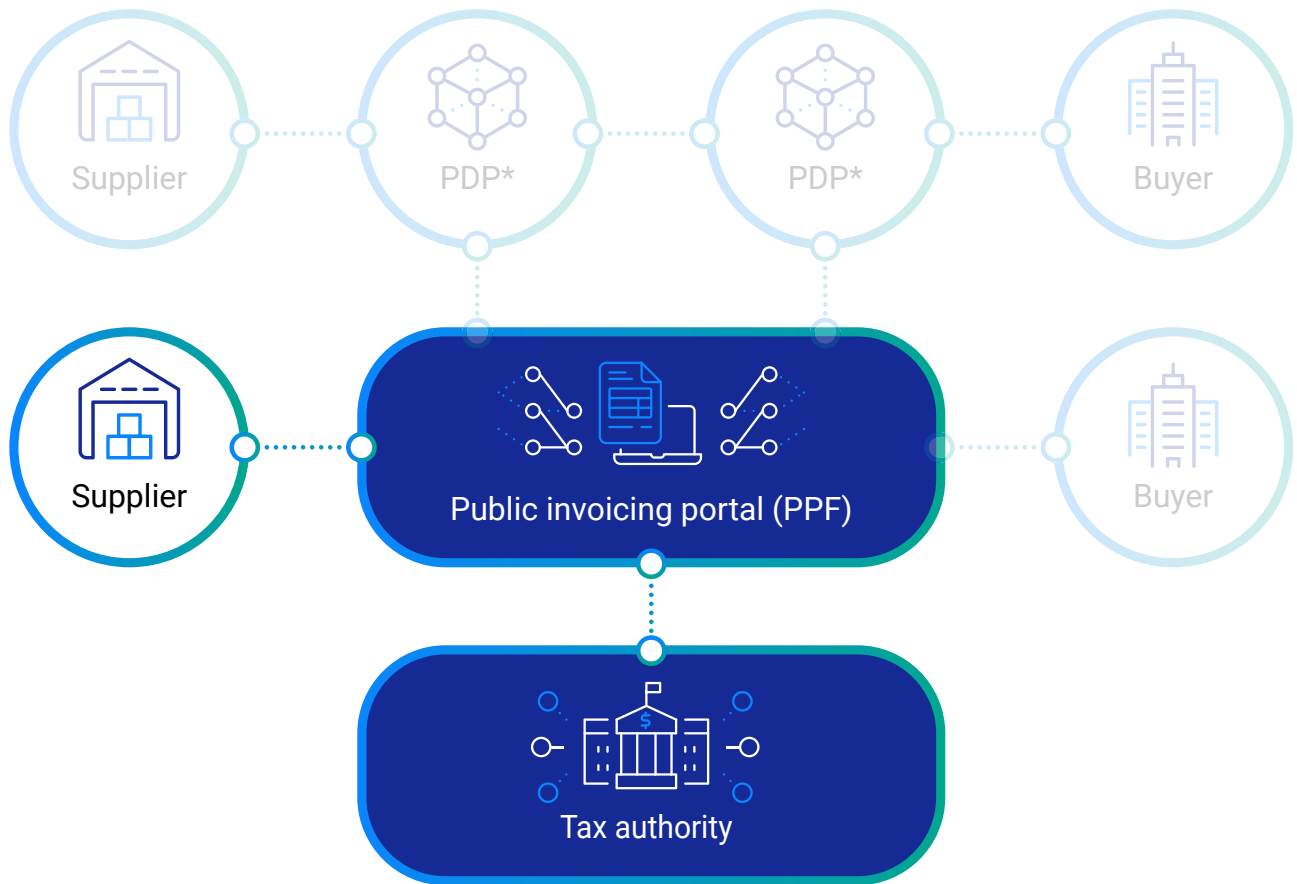
Example:

A French clothing brand sells in physical stores and through its website.

- Case 1: The supplier issues an electronic invoice in the required format
- Case 2: The supplier issues an invoice in a different format
- Case 3: The supplier does not issue any invoice (for example, a sales slip)

Data Transfer by the Supplier via PPF

Y Scheme - Parties involved



* Certified Private Partner Platform for Electronic Invoicing

Transmission of the invoice or of the invoice data

1. The supplier

- stores their invoice on the PPF in the required format (case 1)
- transmits the invoice data to the PPF (case 2)
- transmits a summary of their transactions to the PPF (case 3)

2. The PPF

- forwards the invoice data to the tax authority (cases 1 and 2)
- forwards the transaction data to the tax authority (case 3)

Transmission of the payment data

1. The supplier

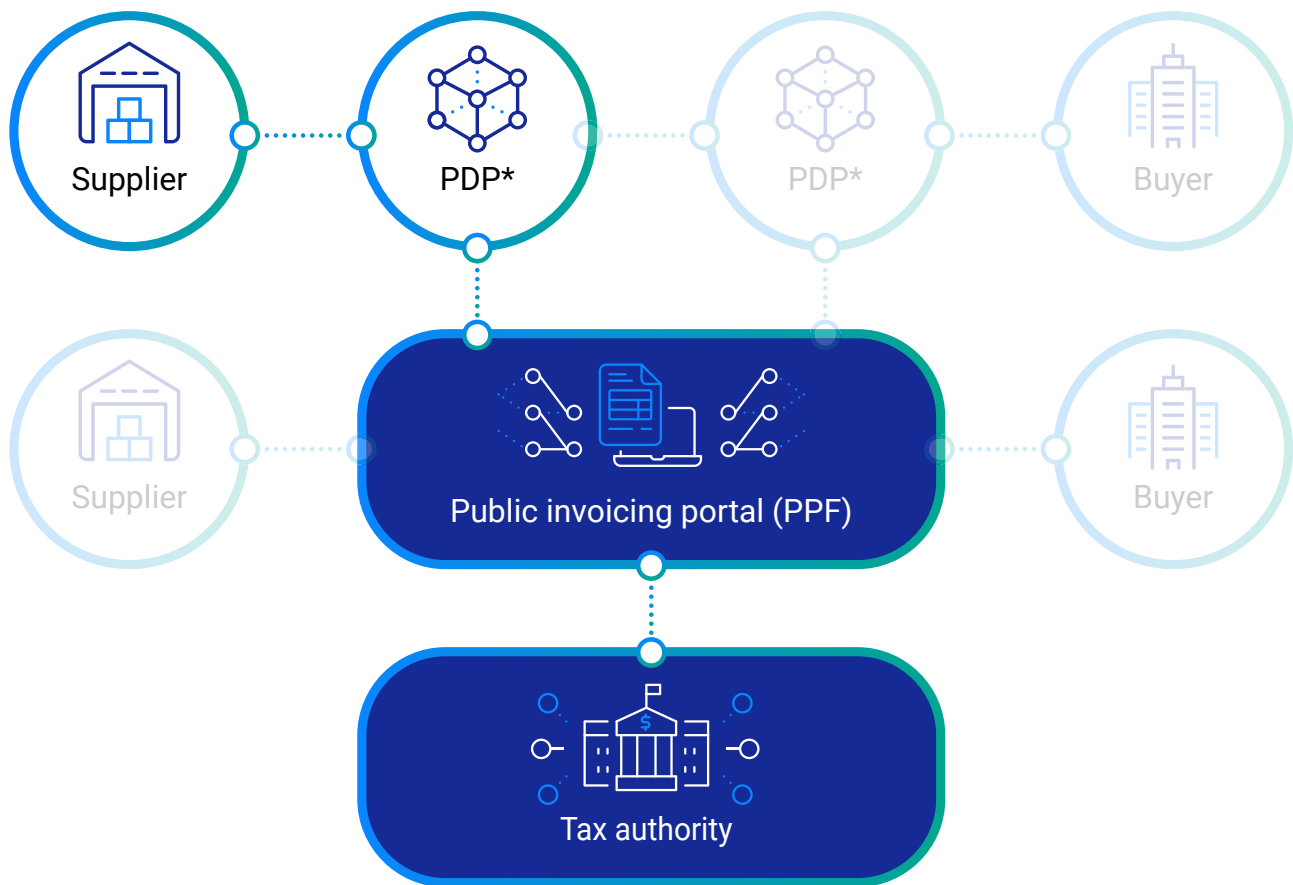
- transmits a status update once the invoice is paid (case 1)
- reports the payment of their invoice to the PPF (case 2)
- reports the payment of their transactions to the PPF (case 3)

2. The PPF forwards the payment data to the tax authority (for services without VAT on debits and without reverse charge mechanism)



Data Transfer by the Supplier via PDP

Y Scheme - Parties involved



Transmission of the invoice or of the invoice data

1. The supplier
 - stores their invoice on their PDP (case 1)
 - transmits the invoice data to their PDP (case 2)
 - transmits the transaction data to their PDP (case 3)
2. The PDP
 - transmits the invoice data to the PPF (cases 1 and 2)
 - transmits the transaction data to the PPF (case 3)
3. The PPF
 - forwards the invoice data to the tax authority (cases 1 and 2)
 - forwards the transaction data to the tax authority (for services without VAT on debits and without reverse charge mechanism) (case 3)

Transmission of the payment data

1. The supplier
 - transmits a status update once the invoice is paid (case 1)
 - reports the payment of their invoice to their PDP (case 2)
 - reports the payment of their transactions to their PDP (case 3)
2. The PDP transmits the payment data to the PPF
3. The PPF forwards the payment data to the tax authority (for services without VAT on debits and without reverse charge mechanism)

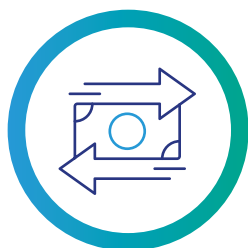
3. How Comarch Supports Compliance with E-invoicing and E-reporting Regulations

When you operate globally, for example doing business on the French market, you need to support and process various e-invoicing and e-reporting standards in order to achieve your business goals and be fully compliant with the latest regulations. If you look closely, electronic invoicing, reporting, and VAT compliance are some of the most challenging processes for companies.

Comarch supports e-invoicing and e-reporting via a partner platform called **Comarch e-Invoicing**.

This solution provides the right support for the new legal regulations. Not only does it ensure the integrity of content, authenticity of origin and legibility assurance but it also guarantees that your sensitive data will be secure and archived for the period of time determined by the regulations (data retention policy). Comarch is cooperating with the Public Finances Directorate General (DGFIP) and plans to apply for the certification process for becoming a Certified Private Partner Platform for Electronic Invoicing.

What are the benefits?



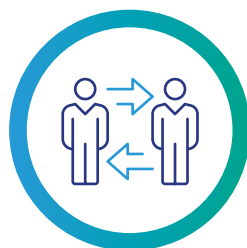
OPTIMIZED PAYMENT PROCESSES

Efficient document exchange with all trading partners, faster time-to-payment, high quality of data, reduced number of document errors



REDUCED OPERATIONAL COSTS

Savings of about 50-60% (compared to paper-based document exchange), 0.5-1.5 year payback period (on average), € 4-12 retained per each invoice (Source: Politecnico di Milano)



STRONGER BUSINESS RELATIONSHIPS

Safe and fully transparent data exchange with all partners, reduced invoice processing time, faster payments for suppliers



FULL COMPLIANCE WITH LEGAL REGULATIONS

Complete compliance with local requirements, and modern data transfer standards

If you are interested in how Comarch e-Invoicing can also help you in other business areas, visit

[OUR WEBSITE](#)
or
[CONTACT US](#)

COMARCH

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Visit www.comarch.com for the contact information of our offices in the following countries:

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Canada	Poland
Chile	Switzerland
China	Thailand
Finland	Turkey
France	UAE
Germany	UK
Italy	Ukraine
Japan	USA

About Comarch

Comarch is a global provider of IT solutions (ERP, CRM & marketing, BI, e-invoicing, EDI, ICT, financials, cloud solutions and many more) for SMEs, larger enterprises, small businesses, banking and insurance, telecommunications, and healthcare. More than 6,500 employees work for Comarch around the globe in numerous countries. Thanks to high investments in research and development, Comarch offers a comprehensive range of innovative IT solutions, which are highly regarded by customers and analysts.