WHITE PAPER

MANDATORY E-INVOICING PENALTIES AROUND THE WORLD

(And How to Avoid Them)

Introduction:

All around the world, e-invoice mandates are reshaping business practices. Over the last few years, these changes have become increasingly prevalent, spreading from one country to the next at exponential speed. Both organizations and governments reap the benefits of e-invoicing adoption. Today, these benefits are transforming into a legal obligation.

Digitization and modernization of transactions and data interchange have evolved from being primarily focused around sustainability and process improvement to now becoming an effective enforcement tool for tax compliance and fraud prevention – prompting governments all around the globe to deploy mandatory e-invoicing. But how did we get here – and more importantly, what do these changes look like around the world?

The benefits of e-invoicing

Type	Paper invoice	PDF invoice	Electronic invoice (E-invoice)
Definition	Traditionally, paper invoices were designed for an era that possessed the infrastructure and means to manage a paper 'mail-based' system – with mailrooms and clerks for delivery.	The evolution of the paper invoice came in PDF, or digital form, sent through email, or presented through a portal. To put it simply, this is a digitized version of a paper invoice.	An e-invoice has a standardized electronic format and bypasses the "human element, " by focusing on 'straight-through processing' as its primary recipient is not a person but rather a system that's meant to read and analyze its data.
Cost	High cost: Paper, printing, and mailing costs add up – along with potential penalty costs from human error.	Medium cost: PDF invoices rely on scanning, processing, and/or verifying information.	Low cost: No need for human intervention with the added benefit of quicker payment processing for improved business cash flow.
Sustainability	Not environmentally friendly.	Environmentally friendly.	Environmentally friendly.
Labor intensity	Manual handling is incredibly labor intensive.	Manual processing is slightly optimized but still intensive.	Automation is facilitated by electronic channels, such as an email or EDI system.
Archive difficulty	Difficult and costly	Easy and affordable	Easy and affordable

In most cases, e-invoicing can result in cost savings of up to 60-80% compared to paper.[1]

The average cost of a single invoice in the US is $10.18.[2]

ESCAP estimates that digitization in the Pacific alone could save 13 million tons of CO2, equal to 439 million trees.[3]

A global shift

Governments are putting more and more weight on technology to enhance tax collection. Many countries have either implemented or are in the process of instituting requirements to provide electronic files directly from the company's enterprise resource planning (ERP) systems. This allows governments to strengthen audit processes and enforcement. France, for example, scheduled their compliance timeline for July 2024 – but has since postponed these regulations to 2026 for large and medium businesses, and 2027 for small and medium-sized entities (SMEs) and micro-enterprises. This will allow businesses more time to prepare and maximize their chance for a successful transition. Germany, on the other hand, is one of the many countries with varying e-invoicing regulations for each federal state.

The complexities of e-invoicing mandates are nothing short of substantial. Adoption and compliance is certainly going to expand, with the e-invoicing market expected to reach $60.9 billion by 2032.[4] As more and more countries get on board, the landscape for global enterprises will become progressively more intricate.

E-Invoicing Compliance: What's the big deal?

E-invoicing is a method of electronic billing where transactional documents like purchase orders, credit notes, or payment terms are sent electronically among trading partners and organizations. While 2001 marked the first year of voluntary e-invoicing in Chile, much has changed over the past two decades as governments have gradually begun implementing mandatory e-invoicing.

This trend leaves organizations with two choices: adopt e-invoicing or face potential penalties for non-compliance. As new guidelines, combined with emerging technologies, continue to progress – organizations need to consider the future of e-invoicing as an inevitability rather than a business benefit.

The two models of e-invoicing

There are two primary ways in which mandatory e-invoicing is implemented, post-audit and clearance models.

The post-audit model puts the majority of the burden on the business to establish, maintain, and report invoices – ensuring authenticity and legibility throughout. This puts the onus on businesses to keep tax authorities up-to-date through periodic reporting. Here, random audits may be implemented for a certain period after a transaction – meaning organizations must keep a detailed log of invoices for compliance purposes.

The clearance model, on the other hand, involves the seller, the buyer, and the tax administration. The tax administration must validate, or clear transactions before they are sent to legitimize both the buyer and the seller. This model has seen a significant rise in adoption worldwide.

There are three primary drivers for this model, which includes:

1. **Unified communication:** A structured, real-time view of tax to reduce the likelihood of tax fraud.
2. **Access to automation:** Eliminates manual tax reporting, reducing the likelihood of human error.
3. **Increased revenue:** A boost in revenue for governments due to increased business tax compliance.

Regardless of which e-invoicing model is used, the primary motivator for government adoption of e-invoicing mandates will always be curbing potential tax evasion. Let's explore the different models of consumption tax.

Consumption Tax: A Quick Breakdown

Value-added tax (VAT): At each stage of the production chain, a consumption tax is charged – with an assumed increase in the value of the good or service. That "increase" is the value added – and is the taxable amount.

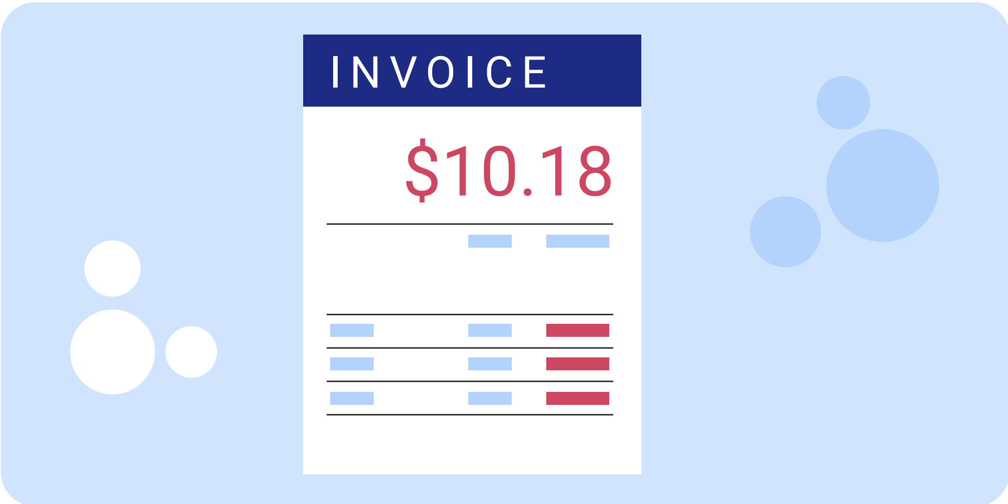
Goods and Services Tax (GST): Some countries charge a GST tax, that's also utilized at every step of the supply chain. However, the primary difference here is that GST is charged regardless of the value added – typically as a flat-rate percentage of the transaction.

The current digitization of tax – and what's to come

Business operations and trade processes have undergone a paradigm shift, growing to meet the demand for innovation. Change comes with complexity, leaving many organizations either unwilling or unable to adapt. Governments are looking for new ways to gather tax data more efficiently and accurately, optimize processes, and maintain economic growth.

The transformation of business operations and trade has compelled tax authorities to modernize in response. This evolution involves the mandatory adoption of e-invoicing and artificial intelligence (AI) deployment by governments to enhance tax data accuracy, optimize collection processes, and stimulate economic growth. European jurisdictions such as the United Kingdom, Spain, Poland, and Hungary have introduced digital regimes impacting VAT reporting, with an emphasis on reducing the VAT gap and standardizing indirect tax reporting.

The paradigm shift in VAT data collection and exchange is marked by the move from periodic submissions to real-time reporting. This transition necessitates immediate reporting of VAT data upon transaction occurrence and tax authorities actively retrieving information from trading parties.



The transformation of VAT data exchange

- The process to align 'invoice issuance' and 'VAT data reporting' typically begins with a 'live reporting obligation. This means businesses have to digitally report VAT information when sending an invoice to a partner, or shortly after, within a specific timeframe. Spain's Immediate Supply of Information (SII) and Hungary's real-time electronic reporting for domestic B2B sales invoices (RTIR) are notable examples.

- Since VAT information is usually in invoices, governments are moving toward mandatory e-invoicing, starting with Business-to-Government (B2G) transactions. This digitizes the billing process, as e-invoicing enables the digital exchange and recording of all invoice data, replacing traditional PDFs or paper invoices. This shift is advantageous for tax authorities and auditors.

- The next step involves integrating the benefits of both live reporting and e-invoicing. Different countries are implementing various e-invoicing mandates, but the basic exchange of structured invoice data is just the initial step. More technically complex clearance models are introduced, where tax authorities directly approve the exchange of e-invoices between two parties. The tax authorities then collect relevant VAT information as invoices pass through government clearance platforms, providing approval evidence through a unique reference number, digital signature, or QR code.

- Some countries go beyond clearance and empower tax authorities to issue invoices on behalf of companies to customers, as seen in Italy's Sistema di Interscambio (SDI). This model allows tax authorities to leverage invoice information at the moment of issuance.

- Globally, countries are at different stages in adopting e-invoicing and live reporting obligations. While the requirement for e-invoices is generally limited to domestic transactions, tax authorities are also introducing e-reporting obligations for cross-border transactions. As tax collection systems evolve, corporations need solutions to comply with diverse legal obligations, report VAT in real-time, and reduce the risk of unnecessary audits. Adopting the right technology and deploying sustainable e-invoicing and tax-reporting systems will enable businesses to ensure compliance.

The many worlds of non-compliance

The adoption of e-invoicing around the world has not been without its challenges. Due to the complex nature of invoices in general, compounded by a widespread digital influx, non-compliance can look drastically different depending on taxing authority. According to industry research, in the United States alone there are more than 15 formats and 40 subsets of e-invoices.[5]

Below are a handful of prevalent countries and their respective e-invoice format(s).

Country(s)	Format
EU, Australia, New Zelanda, Singapore, Canada, USA	PEPPOL
Italy	FatturaPA
Finland	Finvoice
Czech Republic	ISDOC
Spain	FacturaE
Sweden	Svefaktura
UK	Tradacoms
The Netherlands	UBL-OHNS
Norway	EHF
Denmark	NemHandel/OIOUBL
USA	X12
Germany	CEN Formats
Philippines	JSON
Romania	RO e-Factura
Poland	FA (2) xml

While these frameworks and formats exist in these countries (or are currently being implemented), many are still in the process of building frameworks for rollouts.

Global Landscape of E-Invoicing Mandates

Austria

In 2012, Austria's step toward e-invoicing began with the ICT Consolidation Act. Just two years later, B2G e-invoicing has become obligatory. To ensure interoperability with its fellow European countries, Austria's Federal Ministry of Finance aligned itself with EU Directive 2014/55/EU.

Suppliers can choose between PEPPOL and Austria's ebInterface that's facilitated by the Federal Service Portal, USP (Unternehmensserviceportal).

Exceptions to this ruling included:

- Insurance agreements
- Leasing contracts
- Immediate payments

	Current Stage
Authority	Federal Ministry of Finance (Finanzamt Österreich)
E-Invoicing/CTC Model	Post-audit
Obligation status	Live
Platform/Infrastructure	Unternehmensservice Portal E-Rechnung PEPPOL
Domestic transactions	B2G: Centralized / PEPPOL B2B: post-audit
Archiving period	7 years
Archiving abroad	Allowed

Belgium

Belgian Parliament approved e-invoicing laws for all businesses on January 1, 2026. The law requires structured e-invoices that are established and registered to combat Belgium's substantial losses in VAT. These plans ensure that taxpayers are mandated to send and/or receive structured e-invoices through the PEPPOL network – eliminating paper and unstructured formats (such as PDFs).

The initial plans are to introduce a simpler, four-corner system. In the next phase, in 2026 or even later in 2027/2028 it is envisioned to implement five-corner model.

As of now, B2C sectors do not fall into the scope of this mandate. Exceptions may apply to companies with other means of communication in EDI if both parties can agree upon formats or if the invoices comply with semantics and syntax outlined in European standards EN 16.931-1 and CEN/TS 16.931-2.

	Current Stage	Upcoming Mandate(s)
Authority	Federale Overheidsdienst Financien / Service Publique Federale FINANCES	
E-Invoicing/CTC Model	B2G: CTC B2B: post-audit	B2G: CTC B2B: CTC from January 1, 2026
Obligation status	Phase II of B2G e-invoicing as of May 2023	Enacted and subject to European Commission's approval
Platform/Infrastructure	B2G: Mercurius B2B: Hermes	PEPPOL (five corner model)
Domestic transactions	B2G: Mandatory B2B: Voluntary	B2G: Mandatory B2B: Mandatory
Archiving period	7 years	7 years
Archiving abroad	Allowed w/ conditions	Allowed w/ conditions

Penalties:

Proportional penalties amount to 200% of the VAT. Penalties may be issued for non-issuance of invoices or the issue of incorrect invoices. Non-proportional penalties generally amount to EUR 50 – EUR 5,000 for non-compliance with the invoicing requirements.

Chile

Back in 2001, Chile was a pioneer in voluntary e-invoicing. Over time, its digital infrastructure evolved – and in 2018, Chile's Servicio de Impuestos (SII) placed obligations for mandated B2B e-invoicing for all B2B taxpayers.

August 1, 2022 marked the end of daily sales reporting requirements, as Chile elected to collect Electronic Tax Documents (DTE) data (Chile's local term for e-invoices) for transparent tax information. Documents undergo real-time validation from SII – and companies must secure a Folio Authorization Code (CAF) from SII.

	Current Stage
Authority	Servicio de Impuestos (SII)
E-Invoicing/CTC Model	CTC
Obligation status	Live
Platform/Infrastructure	SII
Domestic transactions	B2G: Centralized B2B: Centralized
Archiving period	6 years
Archiving abroad	Allowed w/ conditions

Penalties:

Chile actually has four different categories for mandated e-invoicing penalties, calculated using its own unit of measurement called: Unidad Tributaria Mensual/Monthly Tax Unit (UTM). This measurement corresponds with a monetary amount determined by law in pesos, updated by the Consumer Price Index (CPI) as a tax metric. Additionally, the Unidad Tributaria Annual or Annual Tax Unit (UTA) corresponds with a monthly tax unit that's in effect during the final month of the respective commercial year, multiplied by the number of months in that year (typically 12).

Extremely Light: Invoices issued with an error in the seller or buyer's data (warning)

Light: Issuing invoices that omit details of the good/service. First-time offense equates to a penalty 50% of the transaction value (minimum of 2 UTM and a maximum of 40 UTA).

Less Severe: Issuing incorrect amounts on the invoice. First-time offense results in a penalty 150% of the transaction value (minimum of 2 UTM and a maximum of 12 UTM).

Severe: Failing to issue invoices or issuing without clearance from SII will result in penalties. The first offense leads to 300% of the transaction value (a minimum of 2 UTM and a maximum of 120 UTM).

Egypt

Back in 2020, Egypt began introducing mandatory e-invoicing guidelines in phases. This phased approach started with larger taxpayers, followed by medium, joint stock and investment organizations, finally concluding with all B2B taxpayers.

As of July 1, 2022 – all B2C invoices fall under Egypt's e-invoicing mandate. Once a company's phase is listed, it is obligated to begin integrating its system with the Egyptian Tax Authority's (ETA) API – reporting all invoices and credit/debit notes.

As of January 1, 2023 – same-day reporting for e-invoicing is mandated.

	Current Stage
Authority	The Egyptian Tax Authority (ETA)
E-Invoicing/CTC Model	CTC
Obligation status	Live
Platform/Infrastructure	ETA Invoicing Portal
Domestic transactions	B2G: CTC B2B: CTC B2C: e-receipt
Archiving period	5 years following the tax period for the submitted return
Archiving abroad	Allowed

Penalties:

Organizations that fail to report e-invoices on time could face fines between EGP 20,000 – EGP 100,000. Additionally, a penalty of up to EGP 50,000 can be imposed on companies that fail to comply with archiving requirements.

France

The French government has pushed for a more holistic e-invoicing system since 2010 to combat VAT evasion and improve transaction processes. Similar to many European countries, France has an established e-invoicing mandate for B2G transactions through the public platform – Chorus Pro.

New e-invoicing mandates were scheduled for 2024, but have since been postponed indefinitely to allow for further preparation and collaboration. This calls for all companies subject to VAT to follow this system, with the issuance of e-invoices subject to company size – with a phasing rollout that begins with larger companies and ends with small-scale and micro ventures. This system calls for mandatory e-reporting even for transactions that aren't associated with e-invoicing.

	Current Stage	Upcoming Mandate(s)
Authority	Direction Générale des Finances Publiques DGFIP)	
E-Invoicing/CTC Model	B2G: Centralized B2B: post-audit	B2G: No change B2B: Clearance model B2C: E-reporting
Obligation status	Live	All taxpayers must be able to receive e-invoices and the obligation for large and medium-sized businesses to send e-invoices goes live Sept. 1, 2026. Obligations for small businesses go live Sept 1, 2027.
Platform/Infrastructure	Chorus Pro, PEPPOL	Chorus Pro/Portail Public de Facturacion (PPF) Partner Dematerialization Platform (PDP)
Domestic transactions	B2G: Centralized/ PEPPOL B2B: post-audit	B2G: no change B2B: Clearance + E-reporting obligation
Archiving period	10 years	10 years
Archiving abroad	Allowed w/ conditions	Allowed w/ conditions

Penalties:

Penalties for e-invoicing infractions are EUR 15 per invoice, with a cap of EUR 15,000. Penalties for e-reporting infractions are EUR 250 per transmission, with a cap of EUR 15,000.

Greece

Since September 2023 B2G e-invoicing started being obligatory in Greece. The obligation introduction is staged and currently is set out as follows:

- 1st of September 2023 - for contracts with main governmental bodies, like Ministries of Infrastructure and transport, Digital Governance etc.
- 1st of January 2024 - for contracts with all other central administration bodies
- 1st of July 2024 - for contracts with all other governmental bodies
- 1st of January 2025 - for all other general government expenses invoiced after that date.

The obligation will pertain to all businesses dealing with abovementioned bodies with minor exceptions (for ex. Transactions under 2.500 EUR). Greek taxpayers have two options for issuing and exchanging e-invoices with governmental entities. They may use the services of a locally accredited myDATA agent, or of any e-invoicing service provider preferred by the taxpayer. While there is no B2B e-invoicing obligation in Greece, there is an e-accounting obligation called MyData. Taxpayers must submit their accounting data to the MyData platform in real time or periodically, and taxpayers' books of accounts are created on this basis. Within the platform, the Greek authorities can process all data and then create financial statements for each taxpayer in Greece.

	Current Stage	Upcoming Mandate(s)
Authority	Independent Authority for Public Revenue (AADE) + General Secretariat of Information Systems	
E-Invoicing/CTC Model	Real time reporting through myDATA w/ voluntary e-invoicing	
Obligation status	Live	
Platform/ Infrastructure	Reporting: myDATA E-invoicing: GSIS (General Secretariat of Information Systems)	
Domestic transactions	B2G: centralized B2B: e-reporting	B2G: 1st of January 2025 - for all other general government expenses invoiced after that date B2B: no change
Validation required	No	
Archiving period	5 years	
Archiving abroad	Allowed w/ conditions	

Penalties:

Penalties in Greece refer to myDATA requirements. Fines may equal 10% of the net value of each non-transmitted document, up to EUR 250 per day for infractions such as failure to transmit summaries of invoiced revenue, self-invoicing expenses, lacking proof of expenditure records, and other tax documents issued under special tax provisions.

Additional reporting penalties may also be issued for failure to transmit payroll records or adjusting entries that determine an entity's tax and accounting results. These include penalties equal to EUR 250 per tax year for each violation (for taxpayers subject to simple accounting) – along with a penalty equal to EUR 500 per tax year for each violation for taxpayers subject to double-entry accounting. Omissions or deviations by a recipient that lead to a difference in value have a penalty equal to 5% of the net value. Penalties for late transmission are 50% of the penalties for failing to transmit. If the same violation occurs within 5 years, the penalties are subsequently doubled. If that same violation is repeated multiple times within the 5-year period, penalties are quadrupled.

Hungary

Unlike many other European countries on our list, Hungary follows a somewhat unique format. While there is no mandated B2G or B2B invoicing, they do enforce real-time invoice reporting (RTIR). Since 2001, companies have been mandated to disclose invoice data via the Online Invoice System: Számla platform – including B2C transactions and even non-resident transactions. Under the tax authorities Nemzeti Adó és Vámhivital (NAV), the RTIR system requires immediate transformation of invoice details to NAV upon issuance.

	Current Stage
Authority	Nemzeti Adó és Vámhivital (NAV
E-Invoicing/CTC Model	Real-time invoice reporting (RTIR)
Obligation status	Live
Platform/Infrastructure	NAV Online Számla (Online Invoice System)
Domestic transactions	B2G: RTIR and post audit B2B: RTIR and post audit
Archiving period	Eight years from annual financial statement Five years for tax purposes, Eight years for accounting purposes
Archiving abroad	Allowed w/ conditions

Penalties

The Hungarian Tax Authority may penalize taxpayers up to HUF 500,000 (ca. EUR 1300) per unreported or incorrectly reported invoice. Additionally, if the failure to report invoices leads to a reduced VAT payment, the government can impose a penalty of up to 50% of the total tax shortfall, in addition to recouping the lost VAT.

Italy

Back in 2019, Italy began mandating e-invoices for all VAT-registered organizations (B2Bs, B2Gs, and B2Cs). Through its own Sistema di Interscambio (Sdl) platform, Italy was able to massively reduce tax evasion while improving fiscal visibility. In 2022, they even created e-invoice mandates for cross-border transactions. The Italian Revenue Agency endorses the FatturaPA (XML) format to standardize e-invoicing.

	Current Stage
Authority	Agnezia Delle Entrate
E-Invoicing/CTC Model	Clearance
Obligation status	Live
Platform/Infrastructure	Sistema di Interscambio (SDI) Platform
Domestic transactions	B2G: Clearance B2B: Clearance B2C: Yes
Archiving period	10 years
Archiving abroad	Allowed

Penalties:

Violations of registration or invoicing that did not cause errors to VAT calculation can range from EUR 250 - EUR 2,000. Late, incorrect, or unregistered e-invoices may incur penalties from 90% - 180% of the tax amount, with a minimum amount of EUR 500.

Additionally, invoices not submitted through the Sdl system may attract penalties between 90% - 180% of the VAT due. Penalties for non-declaration of invoices in the 'cross-border communication' may incur penalties of EUR 2 per invoice up to EUR 400 per month.

Malaysia

The Malaysian electronic invoicing system, called MyInvois requires sales invoices (in XML or JSON format) to be submitted to the tax authorities for verification either via the government's API or a free-to-use web platform.

Upon approval, the invoice receives a unique digital Certification Serial Number and can then be sent to the customer in any format. There will be an option to use PEPPOL for this invoice exchange. There must be included a QR code on the invoice sent to the customer.

For B2C transactions where e-invoices are not required by consumers for tax purposes, suppliers may issue standard receipts or invoices as per current practices. After a specified period, suppliers must aggregate these receipts or invoices and issue a combined electronic invoice to document the transactions made with consumers.

Schedule for the Pre-Clearance E-Invoicing System in Malaysia:

- August 1, 2024: Taxpayers with an annual turnover exceeding MYR 100 million (approximately $21 million) – around 4,000 taxpayers
- January 1, 2025: Taxpayers with an annual turnover between MYR 25 million (approximately $5 million) and MYR 100 million
- July 1, 2025: All other taxpayers

	Current Stage	Upcoming Mandate(s)
Authority	LHDNM (Lembaga Hasil Dalam Negri Malaysia) or IRB (Inland Revenue Board)	
E-Invoicing /CTC Model	Post-Audit	Pre-Clearance
Obligation status	Testing phase	Live from August 1, 2024
Platform/Infrastructure	No	MyInvois, API or web portal
Domestic transactions	B2G: Post-audit B2B: Post-audit B2C: no obligation	B2G: Centralized B2B: Centralized B2C: E-reporting
Archiving period	7 years	No change
Archiving abroad	Allowed under conditions	No change

Penalties:

After August 1, 2024, non-compliance may result in penalties ranging from RM200 to RM20,000 or imprisonment for up to 6 months, or both for each instance of non-compliance.

Poland

As recently as 2023, new regulations emerged in Poland on behalf of the Ministry of Finance in regard to the National e-Invoice System (KSeF). The newest timeline of the mandate has two stages - phase one mandate for businesses with a turnover larger than 200 million PLN will go into force on February 1st 2026 with a second phase mandating everyone else just two months later, on April 1st 2026. Poland also launched Platformy Elektronicznego Fakturowania (PEF) to facilitate transactions between public entities and private organizations electronically – with mandated participation for public entities. KSeF, on the other hand, will be mandatory for all as the national e-invoicing system.

	Current Stage	Upcoming Mandate(s)
Authority	The Polish Ministry of Finance (Polskie Ministerstwo Finansów)	
E-Invoicing/CTC Model	Clearance e-invoicing	Clearance e-invoicing
Obligation status	Live (for voluntary phase)	Mandatory upon new timeline
Platform/Infrastructure	B2G: PEF/PEPPOL B2B: KSeF	B2G: PEF/PEPPOL/KSeF B2B: KSeF (obligatory for businesses with annual turnover > 200 M PLN from February 1st, 2026, obligatory for all businesses)
Domestic transactions	B2G: Centralized/Peppol B2B: Post-Audit	B2G: Centralized/Peppol B2B: Clearance
Archiving period	5 years	No change
Archiving abroad	Allowed with conditions	Allowed with conditions

Penalties:

Fines of up to 100% of the VAT amount on the invoice or penalty of up to 18.7% of the total amount due. In cases where there is an invoice without the VAT amount, penalties may be given if:

Taxpayer fails to use KSeF when issuing an invoice despite obligations

Taxpayer does not use an invoice in accordance with the designated template

Taxpayer doesn't send the invoice to KSeF on time

Taxpayer does not send an invoice to KSeF within 7 working days during/after a temporary breakdown

Romania

Both B2B and B2G invoicing for high fiscal risk products became mandatory back in 2022. Romania announced plans to introduce a mandate for issuing B2C invoices via country' s RO e-Factura system. The deadline for the mandate is set for January 1st 2025.

	Current Stage	Upcoming Mandate(s)
Authority	National Agency of Fiscal Administration (Agentia Nationala de Adfmnistrare Fiscala – ANAF)	
E-Invoicing/CTC Model	Clearance e-invoicing	
Obligation status	Live	
Platform/Infrastructure	Spaţiul Privat Virtual - SPV (RO E-Factura System)	
Domestic transactions	B2G: Yes B2B: Clearance (mandatory as of July 2024)	B2C: centralized from January 1st 2025
Archiving period	10 years	
Archiving abroad	Allowed	

Penalties:

E-invoicing will be mandatory for all companies starting from January 1, 2024, although a grace period of three months (from January 1, 2024, to March 31, 2024) has been defined for companies that do not comply with the regulations.

At the end of the grace period (starting from April 1, 2024), fines ranging from 5,000 to 10,000 RON (approximately 1,000 - 2,000 EUR) can be imposed on large taxpayers, and from 500 to 2,500 RON (100 - 500 EUR) for other taxpayers who fail to fulfill their obligation to issue electronic invoices through the RO E-Invoice system. Regarding the reception of invoices, starting from July 2024, the only valid format will be electronic, and sanctions can be applied to both the sender and the receiver.

Saudi Arabia

Saudi Arabia deployed e-invoicing and reporting in two phases. The first phase (Generation Phase) issued mandatory e-invoicing back in December of 2021. This stage instituted guidelines for e-invoicing and e-notes – along with processing and record-keeping stipulations. The second phase (Integration Phase), encouraged taxpayers to integrate their systems into the ZATCA system, with the obligation to transfer e-invoices and notes to ZATCA back in 2023. To allow organizations time to integrate, phase two had nine waves of implementation. These "waves" affect taxpayers whose VATable revenue exceeds a certain amount, with enterprise-level organizations with the highest revenue being subject to e-invoicing mandates first, and smaller organizations given until June 1, 2024. ZATCA notifies taxpayers regarding their integration obligation, with six months to comply.

	Current Stage	Upcoming Mandate(s)
Authority	Zakat, Tax and Customs Authority of Saudi Arabia (ZATCA)	
E-Invoicing/CTC Model	Real time reporting Clearance tax invoicing	No change
Obligation status	Live	Gradual expansion of the current mandate
Platform/Infrastructure	FATOORAH Platform	No change
Domestic transactions	B2G: centralized B2B: centralized B2C: at least must include a QR code	As of January 1, 2025, the obligation starts for taxpayers with VATable income exceeding 7 million Saudi Rials in 2022 or 2023.
Archiving period	– Movable property: 6 years (standard assets) – Immovable property: 11 years (moveable and intangible capital assets) – Retention period for other than regular invoices or invoices related to immovable property: 15 years (real estate)	No change
Archiving abroad	Not allowed	No change

Penalties:

E-invoicing-related violations include failing to issue or save invoices electronically, not including QR code in e-invoice, format noncompliance, failure to inform the Authority of malfunctions that hinder the issuing of e-invoices, violations of e-invoicing Law and related executive decisions, or deleting/adjusting e-invoices after issuance. VAT-related violations include failing to issue tax invoices completely, failing to include all contents of the tax invoice (or credit/debit notes), neglecting to keep invoice records, failing to issue credit/debit notes, preventing Authority teams from performing their duties, incorrect calculations of due tax, or violating any other provision of the VAT Law.

The newest "wave" obligates taxpayers with VATable income exceeding 7 million Saudi Rials in 2022 or 2023 to integrate their e-Invoicing systems with the FATOORAH as of January 1, 2025.

Penalties depend on the number of offenses and are as follows for both e-invoice violations and VAT-related violations.

First time offense: Notice
Second time: SAR 1,000
Third time: SAR 5,000
Fourth time: SAR 10,000
After-fourth: SAR: 40,000

Spain

The Spanish Ministry of Economic Affairs and Digital Transformation introduced regulations that stated all Spanish companies, including SMEs and self-employed taxpayers, are required to route e-invoices and relevant accounting materials through the national FACe platform. This “Crea y Crece” law was introduced back in September 2022 and allows for a three-year “grace period” for organizations that have an annual turnover of less than EUR 8 million. Larger enterprises, on the other hand, only have one year to transition.

	Current Stage	Upcoming Mandate(s)
Authority	Agencia Tributaria (Spanish tax authority)	
E-Invoicing/CTC Model	Post-audit	RTIR + Clearance
Obligation status	Live	To be expanded for B2B
Platform/Infrastructure	B2G: FACe platform when the amount exceeds €5,000 B2B: SII (Suministro Inmediatode Información)	B2B: SII to be extended
Domestic transactions	B2G: Centralized B2B: Post-audit	B2G: No change B2B: Centralized B2C: SII is planned to be extended to B2C transactions
Archiving period	6 years	No change
Archiving abroad	Allowed	No change

Penalties:

For each late invoice, a fine of up to 0.5% of the total transaction value of each invoice may be applied, with a minimum fine of EUR 300 – and a maximum amount of EUR 6,000 per quarter. A fine of EUR 150 – EUR 6,000 may be applied for failure to carry out proper bookkeeping.

Turkey

Mandatory e-invoicing requirements in Turkey, similar to other countries, depend on the company's turnover. July 1, 2023, marked the beginning of mandatory e-invoicing for companies in the B2B sector with a gross annual turnover of TRY 3 million. Taxpayers in real estate, e-commerce, motor vehicles, construction, and professional intermediaries must register for e-fatura (Turkey's e-invoice system) if their previous year's gross sales exceeded TRY 500,000.

	Current Stage
Authority	Directorate of Revenue Administration of the Ministry of Finance - Gelir İdaresi Başkanlığı (GIB)
E-Invoicing/CTC Model	Quasi real time reporting Centralized
Obligation status	Live
Platform/Infrastructure	Turkish Revenue Authority platform (TRA) and e-Arşiv
Domestic transactions	B2G: Centralized B2B: Centralized
Archiving period	10 years
Archiving abroad	Allowed

Penalties:

Both the issuer and receiver are responsible for e-invoice formatting, and penalties may be imposed on either or both parties for non-compliance. Fines of up to 10% of the actual amount or the missing amount of an e-invoice – and a tax penalty of at least TRY 2,200 may be imposed (tax penalties carry a cap of TRY 1,100,000 per calendar year).

How to Avoid E-Invoicing Penalties

Due to the number of different e-invoicing mandates, governmental guidelines, and potential fines – there's unfortunately no "one size fits all" approach to avoiding e-invoicing penalties. There are some tips we can provide to help your organization reduce the likelihood of e-invoicing non-compliance – along with some optimal solutions going forward.

1. Generate your e-invoices on time

One of the more universal penalty instigators is late e-invoice generation. Understand the country or countries in which your invoicing mandates apply – and generate your e-invoices as soon as feasibly possible after producing a taxable supply.

2. Ensure e-invoicing accuracy

Whether it's from negligence or on purpose – governments will treat inaccuracies the same. While many countries may have a "slap on the wrist" policy for first-time offenses, these can still be costly errors. Thoroughly review e-invoices for accuracy, and make sure that the format and information is in accordance with the governing body.

3. Stay ahead of potential changes

E-invoicing mandates are on the rise, and governments around the globe are quickly adapting to digitalization and modernization to reduce their VAT gaps. Be aware of upcoming changes and give your organization time to adapt and adjust systems to remain compliant.

4. Utilize dependable e-invoicing partners

As mandate adoption continues to expand and spread, organizations (especially those with a global footprint) will find e-invoicing to be a massive headache. The growing complexities will only lead to increased penalties.

Stay Legally Compliant with Comarch E-Invoicing

Take a proactive approach to the global shift in e-invoicing requirements by choosing the right platform. Comarch's e-invoicing solution helps automate and streamline AP/AR invoicing processes while ensuring compliance with the latest e-invoicing mandates and integrations with governmental platforms. Our specialized experts and cutting-edge platform ensure that your organization complies with modern standards for data transfers, helping validate and convert every invoice that's sent or received for your business.

70%
per year reduction in processing costs

60%
per year ROI through Comarch's e-invoicing platform

92%
of e-invoices paid on time

Sources:

[The E-Invoicing Journey Report – Billentis]

[Accounts Payable Metrics That Matter in 2023 Report – Ardent Partners]

[A primer on quantifying the environmental benefits of cross-border paperless trade facilitation]

[E-Invoicing Market Report by Channel]

[Business Payments Coalition Study]

Tax Authority Sourcing:

[Austrian Tax Authority]

[Belgian Tax Authority]

[Chilean Tax Authority]

[Egyptian Tax Authority]

[French Tax Authority]

[Greek Tax Authority]

[Hungarian Tax Authority]

[Italian Tax Authority]

[Polish Tax Authority]

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[Saudi Arabian Tax Authority]

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