

RSM info sheet



Completeness of Invoices

General presence in business transactions

Invoice forms have to comply not only with tax regulations but also with civil law provisions given that, in principle, invoices are also business letters. Therefore, invoices issued by tradesmen and freelancers who are not listed in the commercial register should include, at least, the following information:

- Surname
- At least one first name written out in full
- An address for service

On invoices issued by businesses that are recorded in the commercial register the following information is mandatory:

- Company name
- Legal form (suffix)
- Place of establishment/company's registered office
- Commercial register court and register number

In the case of legal entities, the following information is also mandatory on the invoice:

- Surname and at least one first name written out in full of
 - all Managing Directors
 - all Board Members (in the case of an AG; the Chairman of the Board has to be identified as such)
 - the Supervisory Board Chairman

In the case of companies where only legal entities are general partners (e.g. GmbH & Co. KG) then all the above-mentioned information has to be provided for the unlimited legal entity, too. It is not mandatory to provide bank details, or additional contact data but it is certainly advisable.

Mandatory information relating to VAT

VAT law, in principle, requires the following information to be shown on invoices:

- the complete name and address of the supplying company as well as of the recipient of the goods or services,
- the tax number or the VAT identification number (VATID) of the supplying company,
- date of issue,
- unique sequential invoice number
- the quantity and usual commercial designation of the items supplied, or the extent and nature of other supplies,
- date of the supply (calendar month of the supply) or, in the case of prepayment invoices, the date when payment was received, insofar as this has been determined and it is not the same as the date of issue on the invoice,
- payments broken down by the amount payable per VAT rate or exemption,
- any price reductions agreed in advance, insofar as these have not already been taken into account in the price,
- the tax rate as well as the amount of tax payable or, if applicable, a reference to the reason for the tax exemption (e.g. „intra-Community supply“),
- in the case of the execution of works connected to land and property, or other services that will not be used for business purposes, a note has to be included to the effect that the recipient is obliged to store the invoice for two years,
- if the invoice is issued by the recipient of the supply then the wording „self-billing“ has to be added.

If the overall invoiced amount does not exceed € 250 (invoices for small amounts; (until 31.12.2016: 150 Euro)), then the invoice only has to include the following information:

- the complete name and address of the supplying company,
- date of issue,
- the quantity and usual commercial designation of the items supplied, or the extent and nature of other supplies,
- the price and the respective amount of tax payable as a total amount, as well as the applicable tax rate or, alternatively, a reference to the reason for the tax exemption.

Furthermore, there are other simplifications applicable to travel tickets.

In special cases additional information has to be provided on the invoice:

- Invoices for **intra-Community supplies** also have to include the VATID of the business and of the recipient of the supply.
- In the case of an **intra-Community supply of a new vehicle**, the invoice has to include those features from which it can be inferred that the item is a newly manufactured vehicle within the meaning of German VAT law (Umsatzsteuergesetz, „UStG“) (cf. features according to Section 1b(2) and (3) of the „UStG“).
- Invoices for the **intra-Community triangular transactions** of the first buyer, or the second supplier, have to include a reference to the existence of an intra-Community triangular transaction and to the transfer of the VAT liability to the recipient of the goods. Furthermore, the VATIDs of both the supplying company and the recipient of the goods have to be stated. On these types of invoices VAT may not be shown separately.
- In the case of **transactions in other member states, where the recipient of the goods or services is liable to pay the tax**, the statement „Steuerschuldnerschaft des Leistungsempfängers“ has to be added (or the equivalent wording that is used in one of the other official EU languages, e. g. „Reverse charge“). This does not apply to credit notes. In the case of services as defined in Section 3a(2) of the „UStG“ (base case of intra-

Community supply of services), the VATIDs of both the supplying company and the recipient also have to be shown. Accordingly, the latter applies to such services that are carried out inland and invoiced through self-billing. On these types of invoices VAT may not be shown separately.

- Invoices for **inland transactions, where the recipient is liable to pay the tax** pursuant to Section 13b(2) and (5) of the „UStG“, have to include the statement „Steuerschuldnerschaft des Leistungsempfängers“ (or the equivalent wording that is used in one of the other official EU languages). On these types of invoices VAT may not be shown separately. In the case of inland transactions where the recipient is liable to pay the tax pursuant to Section 13b(1) of the „UStG“ (base case of intra-Community supply of services), please refer to the VAT legislation of each respective member state for the required invoice content (this does not apply to self-billed invoices).
- For the taxation of **travel services** in accordance with Section 25 of the „UStG“, the invoice has to have the additional phrase: „Sonderregelung für Reisebüros“ (in English: „tour operators margin scheme“). The use of the VAT margin scheme in accordance with Section 25a of the „UStG“ – depending on the type of item that has been supplied – requires the addition of the following statements on the invoice: „Gebrauchtgegenstände/Sonderregelung“ (in English: „second-hand goods/special VAT rules“), „Kunstgegenstände/Sonderregelung“ (in English: „works of art/special VAT rules“), or „Sammlungsstücke und Antiquitäten/Sonderregelung“ (in English: „collectibles and antiques/special VAT rules“). On these types of invoices VAT may not be shown separately.

Missing or incorrect mandatory information

Incorrect invoices need to be corrected promptly due to their relevance for input tax relief. A correction can only be effected by the issuer of the invoice (resp. credit note) and only encompasses the incorrect or missing mandatory information. The correction must be contained in a document which relates specifically and explicitly to the invoice. The document needs to meet the same requirements as to form and content like the invoice.

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