

FOCUS ON...

Tax



January 2024

Are your invoices (still) compliant in 2024 ?

Invoices issued by VAT-registered companies must include a wide range of information, and the penalties can be very severe. The postponement of the implementation of electronic invoicing has had no impact on the list of mandatory information on invoices, which must still be implemented by July 1, 2024.

Reminders

Article 289 of the French General Tax Code specifies the cases in which a taxable person is obliged to issue an invoice.

The required information is listed in article 242 nonies A of appendix II of the CGI.

The following operations are not covered by these indications:

- Deliveries of goods as part of distance selling of movable property to non-taxable European persons (VAD) under article 258 A of the CGI,
- Intra-Community supplies of goods to persons benefiting from a derogation under article 258 B of the CGI,
- Intra-Community deliveries exempted under I of article 262 ter of the CGI,
- Intra-Community supplies by a taxable person of a new means of transport covered by II of article 298 sexies.

Mandatory general tax information

1° The full name, SIREN identification number and address of the taxable supplier and its customer;

2° The individual VAT identification number of the supplier under which the goods or services were supplied (this provision does not apply to transactions of €150 or less excluding VAT);

3° The VAT identification numbers of the seller and the buyer for intra-Community supplies;

4° The supplier's VAT identification number and that provided by the customer for services for which the customer is liable to pay the tax (reverse charge);

5° Where the person liable for the tax is a tax representative, the individual tax identification number of the taxpayer. VAT attributed to this fiscal representative, as well as his full name and address;

5° bis Where the supply of goods or services is made by a member of a VAT group, the words "Member of a single taxable person" and the name, address and individual VAT identification number of that member;

6° Invoice issue date ;

7° A unique invoice number based on a continuous chronological sequence. *Numbering may be established under these conditions by separate series when justified by the conditions under which the taxable person carries out his activity; the taxable person must use the separate series in accordance with their initial justification;*

7° bis The delivery address of the goods, if different from the customer's address;

8° For each of the goods delivered or services rendered, the quantity, precise designation, unit price excluding tax and the rate of value-added tax legally applicable or, where applicable, the benefit of an exemption;

8° bis Information to the effect that the operations giving rise to the invoice consist exclusively of the supply of goods or exclusively of the supply of services, or consist of these two categories of operations;

9° All rebates, discounts, refunds or discounts acquired and quantifiable at the time of the transaction and directly linked to this transaction; (this provision does not concern transactions for which the European taxable customer self-assesses VAT in his country of origin);

10° The date on which the delivery of goods or the provision of services is carried out or completed, or the date on which the deposit on the delivery of movable property is paid, insofar as such a date is determined and is different from the date of issue of the invoice;

11° The amount of tax to be paid and, for each tax rate, the total excluding tax and the corresponding tax mentioned separately;

11° bis Where the service provider has opted for payment of the tax on the basis of debits, the words : « Option pour le paiement de la taxe d'après les débits » ("Option to pay tax on debits") ;

12° In the case of exemption, reference to the relevant provision of the General Tax Code or to the corresponding provision of Council Directive 2006/112/EC of November 28, 2006, or to any other indication that the transaction benefits from an exemption measure (this provision does not apply to transactions with a value less than or equal to €150 excluding VAT);

13° Where the purchaser or lessee is liable for the tax, the words: "Autoliquidation" ("Reverse charge mechanism");

14° When the purchaser or lessee issues the invoice in the name and on behalf of the taxable person, the words: "Autofacturation" ("Self-billing");

15° Where the taxable person applies the special scheme for travel agencies, the words "Régime particulier Agences de voyages" ("Special scheme for travel agencies");

16° In the case of application of the VAT margin scheme, the words « Régime particulier-Biens d'occasion » ("Special scheme - second-hand goods"), « Régime particulier-Objets d'art » ("Special scheme - Piece of art") or « Régime particulier-Objets de collection et d'antiquité » ("Special scheme - collectors' items and antiques") depending on the transaction in question;

17° The characteristics of the new means of transport as defined by its specific regulations;

18° Separately, the hammer price of the item, taxes, duties, levies, and ancillary costs such as commission, packaging, transport and insurance costs charged by the organizer to the buyer of the item, for deliveries at public auction. This invoice does not have to include value added tax. Since 2022: If the supplier (or customer) is a sole trader (including a self-employed entrepreneur), he or she must use his or her own name, preceded or followed by the words "entrepreneur individuel" or the initials "E.I", as for all his or her other professional documents (quotations, correspondence, purchase or delivery orders, bank accounts, etc.).

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Mandatory tax information specific to certain sectors

A statement that the goods sold are covered by a legal warranty of conformity for a minimum of 2 years from the date of purchase.

As of July 1, 2021, it will be mandatory to provide this information to consumers on invoices for the following categories of goods:

- Household appliances,
- Computer equipment,
- Consumer electronics,
- Telephone equipment,
- Cameras,
- Electric or internal combustion engine-powered DIY or gardening equipment,
- Games and toys, including video game consoles,
- Sporting goods,
- Watches and watchmaking products,
- Lighting products and fixtures,
- Sunglasses,
- Furnishings. This obligation does not apply to the purchase of goods under an off-premises or distance contract.

Mandatory tax information specific to certain transactions

Beneficiaries of VAT exemption Intra-Community supplies of goods

Once the conditions for exemption of an intra-Community supply of goods have been met, the invoice must indicate:

- Intra-Community VAT numbers of seller and buyer,
- The words « Exonération de TVA, article 262 ter, I du CGI » ("Exemption from VAT, article 262 ter, I of the CGI"). The invoice must not include any indication of the VAT rate or amount.

Intra-Community deliveries of new means of transport

When the intra-Community supply of a new means of transport is exempt from VAT (article 298 sexies II of the CGI), the invoice must indicate:

The characteristics of this means of transport (Member State of destination of the vehicle, nature of the vehicle, type, make, type and number of the vehicle) in the type series, cubic capacity or fiscal power, if applicable registration number and date of first registration, date of delivery and distance travelled on the day of delivery),

- Sales price excluding taxes,
- The words "Exonération de TVA, article 298 sexies du CGI" (VAT exemption, article 298 sexies of the General Tax Code).

Penalties

The French Finance Act 2022 has rewritten Article 1737 of the General Tax Code. Henceforth, in the event of the absence of an invoice or of an inaccurate or incomplete invoice, the penalties are as follows;

1 - A fine equal to 50% of the amount may be demanded by the administration:

- When the invoice :
 - Attempts to conceal the identity or address of the customer or supplier,
 - Allows you to knowingly accept the use of a false identity or alias.
- When the invoice does not correspond to an actual delivery or service,
- When an invoice has not been issued for a transaction and the transaction has not been accounted for.

The professional customer is jointly and severally liable for payment of this fine, which may not exceed 375,000 per fiscal year.

However, where the transaction has been accounted for, the fine is reduced to 5% and may not exceed €37,500 per financial year.

These provisions do not apply to retail sales or services provided to private individuals (except in the case of services involving real estate work).

2 - Any omission or inaccuracy gives rise to a fine of €15, which may not exceed 1/4 of the total amount which is or should have been mentioned.

3 - Non-compliance with the obligation to issue an invoice in electronic form gives rise to a fine of €15 per invoice, with the total fines applied in any one calendar year not to exceed €15,000.

4 - Any omission or failure by an operator of a dematerialization platform to comply with data transmission obligations will give rise to a fine of €15 per invoice for which the platform is liable, with the total fines applied for a single calendar year not to exceed €45,000.

With a few exceptions, fines are not applicable in the case of a 1st offence committed during the current calendar year and the 3 previous years, when the offence has been remedied spontaneously or within 30 days of a first request from the administration.

As a reminder, in the case of intra-Community VAT fraud, failure to comply with compulsory information may result in joint and several liability for all players in the supplier/customer chain.

Invoice dematerialization timetable

The obligation to dematerialize invoices (and send them to the authorities as part of the e-invoicing) will be effective :

- To all VAT taxable persons in receipt from September 1, 2026,
- To large companies, mid-sized companies, and VAT group members, on issue from September 1, 2026,
- To small, medium-sized and micro-businesses, on issue from September 1, 2027.

Issue dates may be postponed by up to 3 months.

Other transactions subject to VAT but not subject to invoicing (transactions recorded by a cash register) will also have to be sent to the tax authorities via e-reporting, according to the same timetable as for dematerialized invoices.

Timetable for the implementation of mandatory information on invoices

Regardless of the postponement of the invoice dematerialization timetable, the presence of these indications remains mandatory for the issue of new invoices according to the progressive timetable below:

- For large companies, from July 1, 2024,
- For mid-sized companies from January 1, 2025,
- For small, medium-sized and micro businesses from January 1, 2026.



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