



Changes invoice requirements and bank payments

14 November 2012

From 1 January 2013 new invoice requirements will apply in all EU countries. The aim of the changes is the simplification, modernization and further harmonization of the current rules. In addition, on 1 February 2014 significant changes will occur for bank payments which will lead to uniform payment methods in Europe. In this newsletter you will read about the most important changes for the Netherlands.

New invoice requirements

The Minister of Finance has given more clarity regarding the new regulations which are going to apply in the Netherlands. Many entrepreneurs need to adjust their invoices and their billing systems for these new invoice requirements.

Applicable invoice requirements

The current legislation often leads to confusion in case of international activities on which invoice requirements have to be applied: those of the country where the supplier is established, those of the country where the customer is established or those of the country where the VAT is due.

Starting from 2013, there will be more clarity on this matter. From that moment in principle the invoice requirements of the country

where the supply of goods or services is deemed to take place are applicable.

Exceptions to the main rule

However, there is an exception to this main rule. This exception applies to activities for which the supply of goods or service is deemed to have been made in an EU country other than where the supplier is established and as a result of which the reverse charge mechanism applies. In those situations, the invoice requirements of the country where the supplier is established, need to be applied.

This exception is also applicable when the activity takes place outside the EU.

Baker Tilly Berk N.V. Lichtenauerlaan 230
PO Box 8545 | 3009 AM Rotterdam
The Netherlands
T: + 31 (0)10 253 59 00 F: +31 (0)10 253 59 99
E: Rotterdam@bakertillyberk.nl KvK: 24425560



Example

Entrepreneur A is established in the Netherlands. Entrepreneur A supplies management services to entrepreneur B. Entrepreneur B is established in Germany. The services from entrepreneur A are taxable in the country where entrepreneur B is established, Germany. Entrepreneur A applies the reverse charge mechanism on his invoice. According to the exception to the main rule the invoice of entrepreneur A to entrepreneur B has to meet the invoice requirements of the Dutch VAT law.

Please note that this exception does not apply for self billing, in case the customer draws up the invoice in name and on behalf of the supplier.

Moment of invoicing extended

From 1 January 2013 entrepreneurs have one extra day to issue their invoices. According to the current rules an invoice has to be issued before the fifteenth day after the month in which the supply of goods or services has taken place. From 2013 the invoice needs to be handed out no later than the fifteenth day after the month in which the supply of goods or services has taken place.

From 1 January 2013 continuous intra-Community supplies are deemed to take place at the end of each calendar month. This means that each month an invoice has to be issued, no later than the fifteenth day of the month following the month on which the deliveries are deemed to be performed.

Changes concerning content

The requirements for the content of the invoice will be changed for a number of items as well. For instance, entrepreneurs who apply for a special scheme on 1 January 2013 need to indicate a mandatory text on the invoice. It concerns the following situations:

- VAT charged from the recipient: "btw verlegd";
- application of the travel agency

scheme: "bijzondere regeling reisbureaus"

- application margin scheme: "bijzondere regeling- kunstvoorwerpen" or "bijzondere regeling- voorwerpen voor verzameling of antiek";
- recipient hands out the invoice (selfbilling): "factuur uitgereikt door afnemer".

These specific items on the invoice are a refinement of the current rules in which only some indication is prescribed.

Regarding intra- Community supplies with the application of the 0% rate or an exemption, no changes are made and thus it is sufficient to mention only some indication on the invoice.

Simplified invoices

From 1 January 2013, the rules for issuing simplified invoices are more flexible. From then on, entrepreneurs are allowed to issue a simplified invoice when the invoice amount (including VAT) does not exceed €100 or if the document is a supplementary document to a previous invoice, such as a credit note.

On a simplified invoice less items are required than on a regular invoice. On a simplified invoice only the invoice date, the identity of the entrepreneur who performs the service, the nature of the activity, the amount of VAT and (if applicable) a reference to the original invoice has to be included.

Issuing simplified invoices is not allowed in case of distance selling, intra-Community supplies and supplies or services for which the reverse charge mechanism applies.

Adjusting invoice systems

Entrepreneurs need to adjust their systems to comply with the new rules. We advise entrepreneurs to start with this timely, to prevent issuing invoices which do not meet the VAT requirements. After all, the tax authorities can charge penalties for this.

Changes in bank payments

In the next years important changes will take place for bank payments in Europe. In the future, anyone can make domestic and foreign payments from one account.

SEPA

Single Euro Payments Area (hereafter: SEPA) is the name of this new European payment market. SEPA shall apply for the whole EU plus Norway, Iceland, Liechtenstein, Switzerland and Monaco. The new rules of SEPA only apply for payments in euro's and not for payments in other currencies.

Money transfer with IBAN

The IBAN (International Bank Account Number) will be used for both domestic and foreign euro payments instead of the current bank account number.

The intention is that ultimately on 1 February 2014 everyone uses IBAN for payments in euro's. After 1 February 2014, the current accounts and payment methods (credit transfers, debt collections) are no longer used.

Customizing systems

It is important for entrepreneurs to timely adjust their systems. For example entrepreneurs need to adjust the following information in their systems: the bank account numbers of employees, customers, suppliers, affiliates, members and/ or sponsors. Furthermore, customers need to be informed about the new payment details, for example by changing this on the company paper.

In addition, most standards of the means of payment are going to be replaced by new SEPA standards, which means that the systems need to be modified.

The changes in the bank payments will have major consequences. We advise entrepreneurs to make a timely inventory of the consequences of these changes and to anticipate on this.

Finally

Should you have any questions, please do not hesitate to contact the VAT advisors of Baker Tilly Berk on phone number +31 (0)30 258 70 00.

The information in this newsletter has been selected very carefully; however we cannot guarantee that it is complete and correct. No rights can be derived in any way from the contents of this newsletter. No actions should be taken based on this newsletter.