



## **THE REGULATIONS THAT REQUIRE MANDATORY ELECTRONIC INVOICING FOR COMPANIES AND PROFESSIONALS ARE INEFFICIENT, COSTLY AND FAR FROM BEING LABELED AS DIGITAL TRANSFORMATION, AND THE ADDITIONAL OBLIGATION OF TAX REPORTING IS MAINTAINED**

**By 2025, Spanish companies and professionals will be obliged to send invoices to their customers in three different ways, and for this they will have to use different digital platforms. These processes will not prevent them from also having to use a fourth platform for tax reporting**

Within the technology sector it is well known that a poorly designed digitalization project not only does not transform, but is an inefficient, expensive instrument and should not be labeled as "Digital Transformation" and even less so if it is not aligned with European guidelines.

With the entry into force of the regulations of the Law on the Prevention and Fight against Tax Fraud, promoted by the Ministry of Finance, and the Law on the Creation and Growth of Companies, promoted by the Ministry of Economy in Spain, two new technological platforms will be deployed to support the digital processes they entail.

The first platform, called Veri\*Factu, is aimed at the voluntary communication of tax information to the AEAT before the invoice is issued and is aimed at companies that do not report to the SII (Immediate Information System).

The second platform will provide technical support to the requirement for mandatory exchange of electronic invoices between companies and professionals (B2B). To this end, the AEAT will deploy this new platform called the Public Platform Solution for Electronic Invoicing (SPFE).

Additionally, since 2014, if the company or professional issues invoices to public bodies above €5,000, they are obliged to use another platform called FACE, which is known as B2G electronic invoicing

However, none of the aforementioned platforms plans to manage the sending of invoices to customers who are natural persons (B2C) or to foreign companies, so pdf files and sending them via email or post must continue to be used for this, without considering that electronic invoicing will be mandatory in the EU area from 2028.

With these requirements, smaller companies and professionals, depending on their end customer, must use different procedures and platforms to comply with Spanish regulations: FACE (B2G), SPFE (B2B), or use email or postal (B2C or foreign customer)

As for the new platform for tax reporting, Veri\*Factu, despite being designed for tax compliance for smaller companies (turnover of less than 6 million euros), has more



demanding communication requirements than the SII (mandatory system for companies with a turnover of more than 6 million euros):

In Veri\*Factu the communication is on-line at the time of issuance of the invoice, while in the SII companies have 4 days to communicate.

In Veri\*Factu, the tax communication must first be made and then the invoice must be issued. In SII, the invoices are issued first and then the tax report is communicated with 4 days to do so.

Tax regulations allow companies not to use the Veri\*Factu system, but in return require that their invoicing software meet requirements that are more difficult to implement technically and more complex in their use and operation than Veri\*Factu or SII.

It is noteworthy that electronic invoicing is a concept that has existed since 2014, promoted by the European Commission through different working groups and aimed at replacing all the processes used by companies and organizations for the management, issuance, communication and monitoring of invoices in all their modalities and on the other hand that knowing that all tax reports related to VAT extract all the information from invoices, the implementation of electronic invoicing should simplify and/or exempt companies from making tax reports and although this is the approach in Europe, it is not assumed in Spain.

For all of the above, the projects that are going to be deployed in Spain go in the opposite direction of the Commission's proposals that use clear criteria: full implementation of electronic invoicing for all types of customers with simplification and/or elimination of tax reports. Standardised format based on the CEN 16931 standard for the semantic and syntactic definition of invoices.

The Spanish model proposed so far, based on different platforms, with different formats in the exchange of information, must be redirected to avoid the impact it will cause on companies by making their processes more inefficient.

In Italy, companies use a single platform to send and receive invoices that are exchanged between public bodies, companies and individuals with a simplification of tax reporting.

At CONETIC we have been defending this approach for more than 18 months without obtaining a satisfactory response from the two Ministries in which this responsibility falls. That is why we are issuing the attached Manifesto, to which different entities representing the main sectors of activity in Spain adhere.

## **CONETIC MANIFESTO ON ELECTRONIC INVOICING AND DIGITAL REPORTING**

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CONETIC calls on the Government of Spain to:

- Develop a **comprehensive project on electronic invoicing and fiscal reporting with a State vision**, avoiding an amalgam of independent subsystems proposed by different Ministries and Agencies to cover their own objectives, which are supported in completely different formats, totally destandardized and through as many public platforms as deployed subsystems.
- That the project must be aligned with the European proposals for electronic invoicing and tax reporting with the target set for 2028, still pending approval.
- That the use of the European and Spanish standard CEN 16931 **for electronic invoices** is complied with, both in its **semantic content** and in the **syntax** with which the electronic file is constructed using only UBL or CII
- That the technological design is based on **a public, single, free platform managed by the Tax Agency**, equivalent to the one deployed in Italy, which allows companies and the self-employed to deliver and receive their invoices on it as a neutral point for the exchange of electronic invoices between suppliers and customers.
- That the platform is used as **a single point of exchange for electronic invoices and for all types of invoicing: B2G, B2B, B2C** without exceptions.
- **That the current tax reports be eliminated or simplified** by extracting the data already deposited by the companies and that are contained in the electronic invoices already delivered.
- **That the reports that are demanded from companies by other Public Agencies (e.g. plastics regulations) be analysed and deleted** in those cases in which the data that is claimed from companies is already available in the electronic invoices delivered to the single platform.
- Plan the **transition of the current systems**, FACE, FACEB2B, SII to be gradually replaced by the single platform for the exchange of electronic invoices.
- **That the deployment of Veri\*Factu be delayed** until the single platform for the exchange of electronic invoices is available.
- **That the B2B invoicing** provided for in the Crea Crece Law is implemented on the single platform, avoiding incurring unnecessary costs.
- That the compliance of companies and freelancers with legal obligations is based on specifications based on international norms (standards), **avoiding intervening in the**



**internal functioning of companies so that they are the ones who decide how to use technology to comply with these obligations.**

- That the project must be technologically neutral in such a way that it allows **all technological actors to compete openly** to provide their solutions, either on EDI messaging platforms, using ERP systems, through Apps on mobile devices or as many solutions as the evolution of technology allows.
- That the tax diversity of Spain **is taken into account** so that the data integration project between the Tax Agency and the Provincial Agencies is established, to implement **the same exchange system** and this approach is extendable to Europe, when the regulations **for the entire European area scheduled for 2028** come into force.