



International Chamber of Commerce

The world business organization



INTERNATIONAL CHAMBER OF COMMERCE

ICC supports proposed EU changes in electronic VAT invoicing

Paris, 6 August 2009 -- The International Chamber of Commerce (ICC) fully supports proposed changes by the European Commission regarding electronic VAT invoicing, especially the planned abolition of technology-specific requirements for the transmission of electronic invoices.

“The early adoption of electronic invoicing by all countries with VAT or GST systems would simultaneously streamline tax administration, reduce the costs of tax compliance for businesses and have a positive impact on the environment,” said Robert Couzin, Chair of the ICC Taxation Commission.

The world business organization calls on EU Member States to adopt the proposal of the European Commission and invites non-EU countries to consider equal treatment as a core principle in the future.

Particularly helpful in the proposal is the introduction of the so-called equal treatment principle, under which a single set of rules will apply to both electronic and paper invoicing. The proposal is to replace the current limited number of implementation options with technology-neutral requirements, allowing businesses to choose how they prefer to make their electronic invoicing processes robust and trustworthy.

The proposal recognizes that any electronic document can serve as an electronic VAT invoice, provided the mandatory data elements such as name and address are included and that the requirements for authenticity and integrity of archived invoices are maintained.

This technologically-neutral solution implies that a fax, PDF, or EDI message could serve as an electronic invoice and evidence of a sales transaction as long the sending and receiving companies can demonstrate on audit that the invoice is real and unchanged.

The proposal by the EU Commission also reflects the view of the European Commission Expert Group on e-Invoicing, which has been a strong proponent of equal treatment of paper and electronic invoices. The Expert Group supports the view that businesses should be free in their choice of controls regarding VAT compliance of their invoices, whether paper or electronic.

“Throughout its decades of close involvement in the development of international law, ICC’s Commission on E-Business, IT and Telecom has consistently advocated technology neutrality as an important direction for ensuring sustained technology innovation and user choice,” said Christiaan van der Valk, co-chair of the ICC EBITT Commission’s Task Force on Security and Authentication.

Studies have shown that the restrictive and prescriptive nature of current European VAT requirements regarding electronic invoicing, in combination with a non-harmonized interpretation by EU member states, are among the principal causes of slower than expected adoption of e-invoicing by business. These factors cause legal uncertainty in some cases and high cost of implementing unnecessary controls in others.

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About ICC

The International Chamber of Commerce is the largest, most representative business organization in the world. Its hundreds of thousands of member companies in over 130 countries have interests spanning every sector of private enterprise.

A world network of national committees keeps the ICC International Secretariat in Paris informed about national and regional business priorities. More than 2,000 experts drawn from ICC's member companies feed their knowledge and experience into crafting the ICC stance on specific business issues.

The United Nations, the World Trade Organization, and many other intergovernmental bodies, both international and regional, are kept in touch with the views of international business through ICC.

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