# COUNCIL IMPLEMENTING DECISION (EU) 2018/593

## of 16 April 2018

## authorising the Italian Republic to introduce a special measure derogating from Articles 218 and 232 of Directive 2006/112/EC on the common system of value added tax

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax ([1]), and in particular Article 395(1) thereof,

Having regard to the proposal from the European Commission,

Whereas:

(1) By letter registered with the Commission on 27 September 2017, Italy requested authorisation for a special measure to derogate from Articles 218 and 232 of Directive 2006/112/EC and to introduce mandatory electronic invoicing for all taxable persons established in the territory of Italy, except for taxable persons benefiting from the exemption for small enterprises as referred to in Article 282 of that Directive and to channel the invoices through the system 'Sistema di Interscambio' ('the SdI') managed by the Italian Revenue Agency.

(2) In accordance with Article 395(2) of Directive 2006/112/EC, the Commission informed the other Member States of the request made by Italy by letters dated 3 November 2017 and 6 November 2017. By letter dated 7 November 2017, the Commission notified Italy that it had all the information necessary to consider the request.

(3) Italy submits that the use of mandatory electronic invoicing whereby invoices are submitted by means of the SdI would allow the tax administration in Italy to acquire in real time the information contained in the invoices issued and received by traders. Tax authorities would thus be able to carry out timely and automatic consistency checks between the amounts of VAT declared and paid.

(4) Italy considers that the introduction of a generalised electronic invoicing obligation would help combat fraud and evasion, boost efforts at digitalisation and simplify tax collection.

(5) Italy submits that the groundwork has already been laid for the introduction of mandatory electronic invoicing on the basis of the optional use of the existing SdI system, ensuring a smooth transition to electronic invoicing and at the same time limit the impact of the special measure on taxable persons.

(6) Given the broad scope and the novelty of the special measure, it is important to evaluate the impact of the special measure on combatting VAT fraud and evasion and on taxable persons. Therefore, where Italy considers that the extension of the special measure is necessary, it should submit to the Commission, together with the request for extension, a report including the assessment of the special measure concerning its effectiveness in fighting VAT fraud and evasion and in simplifying tax collection.

(7) This special measure should not affect the right of the customer to receive paper invoices in case of intra-Community transactions.

(8) The special measure requested should be limited in time to allow an assessment of whether the special measure is appropriate and effective in light of its objectives.

(9) The special measure is therefore proportionate to the objectives pursued since it is limited in time and restricted in application as it does not apply to taxable persons who benefit from the exemption for small enterprises referred to in Article 282 of Directive 2006/112/EC. In addition, the special measure does not give rise to the risk that fraud would shift to other sectors or to other Member States.

(10) The special measure will not negatively affect the overall amount of tax revenue collected at the stage of final consumption and will have no adverse impact on the Union's own resources accruing from VAT,

([1]) OJ L 347, 11.12.2006, p. 1.

HAS ADOPTED THIS DECISION:

*Article 1*

By way of derogation from Article 218 of Directive 2006/112/EC, Italy is authorised only to accept invoices in the form of documents or messages in electronic format if they are issued by taxable persons established in the Italian territory other than those taxable persons who benefit from the exemption for small enterprises referred to in Article 282 of Directive 2006/112/EC.

*Article 2*

By way of derogation from Article 232 of Directive 2006/112/EC, Italy is authorised to provide that the use of electronic invoices issued by taxable persons established in the Italian territory shall not be subject to an acceptance by the recipient, except where those invoices are issued by taxable persons who benefit from the exemptions for small enterprises referred to in Article 282 of Directive 2006/112/EC.

*Article 3*

Italy shall notify the national measures implementing the derogations referred to in Articles 1 and 2 to the Commission.

*Article 4*

This Decision shall apply from 1 July 2018 until 31 December 2021.

Where Italy considers that the extension of the derogations referred to in Articles 1 and 2 is necessary, Italy shall submit a request for extension to the Commission, together with a report assessing the extent to which the national measures referred to in Article 3 have been effective in combatting VAT fraud and evasion and in simplifying tax collection. That report shall also evaluate the impact of those measures on taxable persons and in particular whether those measures increase their administrative burdens and costs.

*Article 5*

This Decision is addressed to the Italian Republic.

Done at Luxembourg, 16 April 2018.

*For the Council*

*The President*

R. PORODZANOV