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Client Information: Electronic Invoicing - The Next Phase Begins on January 1, 2027

Dear Client,

As of January 1, 2027, issuing e-invoices will become mandatory for additional businesses. We therefore urge you to check now whether your business is affected and which processes you'll need to adjust regarding invoice creation and distribution.

The key factors are whether your invoicing software meets the requirements and whether your employees are prepared for the transition. You must also ensure that you are already capable of receiving, verifying, and storing incoming e-invoices.

We'll explain the most important regulations and show you what to keep in mind during the transition. We're happy to assist you with technical questions and coordination with your IT service provider.

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1 What will change as of January 1, 2027?

E-invoicing is generally required for transactions between domestic businesses. Until December 31, 2026, under the statutory transition period, invoice issuers may continue to use paper invoices or, with the invoice recipient's consent, other types of electronic invoices, such as simple PDF invoices.

As of **January 1, 2027**, this transitional provision will end for some businesses. The key determining factor is the issuer's total revenue in 2026.

If your total annual revenue **exceeds 800,000 EUR,** domestic B2B transactions subject to the e-invoicing requirement must generally be invoiced electronically starting January 1, 2027.

For total revenue of **up to and including 800,000 EUR**, the transitional provision may generally still be used until **December 31, 2027**. As of January 1, 2028, this revenue-based transitional provision will no longer apply.

You can use our **quick checklist on page 2** to determine whether and when your company will be affected.

2 Will I be affected as of January 1, 2027?

Quick check

Check the key requirements

1 Business customers
Do you supply goods or services to other businesses?

↓

2 Based in Germany
Are you and your customer based in Germany for the transaction concerned?

↓

3 E-invoicing requirement
Is the transaction generally subject to the e-invoicing requirement, with no exemption applying?*

Answered "Yes" to all three questions?

No

Answered "No" to at least one of questions 1 to 3?
The transaction is generally not subject to the e-invoicing requirement under the B2B rules outlined here.

Yes

4 Is your relevant total turnover for 2026 expected to exceed EUR 800,000?

Yes

Yes – e-invoicing generally required from 1 January 2027
For the transactions concerned, an e-invoice must generally be issued from 1 January 2027.

No

No – transitional rules until 31 December 2027
The transitional rules can generally still be used until the end of 2027. They cease to apply from 1 January 2028.

* The main exemptions are listed in section 6. If you are unsure, we can clarify together which rule applies to your transaction.

3 What e-invoice formats are available?

Two common e-invoice formats are XRechnung and ZUGFeRD



An **XRechnung** consists of an XML file in a structured format. XML is a machine-readable file format whose invoice data can be automatically read and processed by software applications. A suitable application visualizes this data and makes it human-readable for content verification.



ZUGFeRD combines a human-readable PDF view with XML data in a structured format, which is embedded in the same file. The structured data set (XML) is what matters for electronic processing. A simple PDF without embedded structured invoice data is not an e-invoice, but rather an "other invoice."

4 What should you do now?

Check Total Revenue for 2026

Check early on whether your total revenue for 2026—which is relevant for e-invoicing—is expected to **exceed 800,000 EUR**. This figure may differ from the revenue reported in your annual financial statements. We can help you determine the relevant total revenue.

Analyze outgoing invoices

In particular, distinguish between domestic B2B sales (business customers), B2C sales (individual customers), and cross-border transactions.

Check Your Invoicing Software

Check with your software provider to see if your system can create and transmit e-invoices in a valid, structured format.

Check Invoice Content

Ensure that the required invoice details—in particular, a sufficient description of services—are included in the structured portion of the e-invoice. Supplementary documents can be attached as embedded attachments.

Check archiving

Include the archiving of your outgoing invoices in the transition process. We explain the retention requirements in Section 5.

Test the transition

Ideally, conduct a practical test of creation, transmission, receipt, verification, and archiving before the end of the year. Coordinate the specific technical implementation with your software provider or IT service provider. Determine who will create invoices, handle error messages, and organize the test run.

5 What Should Be Considered When Receiving Invoices?

Companies have been required to be able to receive e-invoices since January 1, 2025. However, receipt alone is not the only critical factor. Incoming e-invoices must also be displayed in a human-readable format for invoice verification, verified, and properly retained.

Receipt and Verification

You'll need a suitable software application for visualizing and technically validating incoming e-invoices. This software should be able to parse the structured invoice data and display it in a human-readable format so you can review the invoice's contents. Technical validation determines whether the e-invoice is technically structured correctly and meets certain formal requirements. However, it does not replace a review of the content, such as the services billed, the invoice amount, or the sales tax.

Archiving

E-invoices must generally be retained in the format in which they were received; the archiving requirements also apply to outgoing invoices. In the case of an e-invoice, the structured data record (XML file) must always be retained in such a way that it remains in its original form and is machine-readable. A simple PDF view or printout does not replace the structured data record.

The retention period for sales tax purposes is generally eight years. Archiving must also be traceable, complete, and protected against subsequent changes.

6 What exceptions and special provisions apply?

In particular, the following exceptions and special provisions must be observed:

Invoices to Private Customers (B2C)

The e-invoicing requirement described here does not apply to invoices issued to private end customers.

Tax-Exempt Transactions

For many tax-exempt services under Section 4, Nos. 8 through 29 of the German Value-Added Tax Act (UStG), there is no obligation to issue an e-invoice.

Small-amount invoices and travel tickets

Invoices with a total gross amount of up to 250 EUR, as well as tickets, may continue to be issued and transmitted as "other invoices."

Small business owners

Small business owners are not required to issue e-invoices, but must be able to receive them.

Special provisions for public contracting authorities

For invoices issued to government agencies and other public contracting authorities, special requirements regarding e-invoicing may apply, such as those concerning invoice format and transmission method. These must be observed in addition to the value-added tax regulations.

7 Your Contact

We'll guide you through the transition to e-invoicing and assist you with any technical questions. Together, we'll determine which obligations apply to your business, what information your invoices must include, and how you can adapt your processes accordingly.

We're also happy to support you in communicating with your software provider or IT service provider. Upon request, we'll discuss the tax requirements directly with them and help clarify technical questions regarding implementation. Your personal contact at ATC is available to answer any questions and provide support. Together, we'll coordinate the next steps for your business.

Best regards

Your ATC Team

Legal Basis / Information Sources – As of October 2026

Sections 14, 14b, 19(2), 27(38) of the German Value-Added Tax Act (UStG); Sections 33, 34, 34a of the German Value-Added Tax Implementation Regulation (UStDV); German Value-Added Tax Application Guidelines (UStAE), in particular Sections 14.1, 14.4, 14.5, 14b.1, and 15.2a; BMF letters regarding e-invoicing dated October 15, 2024, October 15, 2025, and October 15, 2026; BMF FAQs on e-invoicing, as of March 2026; BStBK FAQs on e-invoicing, as of March 3, 2026.

Depending on the business transaction, there may be additional specific considerations and requirements that cannot be fully addressed in this client information.

Note: This information provides a general overview and does not replace an examination of the specific case.