

**NOTE AHEAD ON:****1. Digital invoices (eInvoicing) from 2019**

As of January 1, 2019, eInvoicing will be mandatory for B2B and B2C Italian operators, only for internal trades and services, not to/from foreign players. Invoices will have to be in a digital format called “FatturaPA” and they will be transmitted via the SID digital system (Digital exchange system of Governative Tax Authority).

**2. Platform and eInvoicing issuing solutions**

The Italian Government at the moment can freely offer the exchange system (SID) for eInvoicing processing. This official system process eInvoices before they are transmitted to the clients, private or public ones.

This new system involves issued but also received invoices, in different ways.

Most economic operators use the solutions offered by major companies and public companies.

The Italian compulsory model for eInvoicing follows a single official exchange hub with which, senders and receivers of electronic invoices, can be supported by their own service providers. The Italian Tax Agency manages the exchange system (SID) with technology and operational support from a provider owned by the Italian Ministry of Economy and Finance.

SID works as an interface and an eDelivery service, receiving and transmitting each eInvoice to the addressed client based on an addressee identifier (Unique Office Code of seven digits) or, as a secondary system, using the Electronic Certified Email address. At the moment only formal controls are performed by the SID.

**3. Approach for receiving and processing eInvoices**

Each client chooses the to receive invoices from the SID through one of the following ways:

- Certified Electronic Mail (CEM);
- the SDIFTP Service.

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Once received, the processing of eInvoices by contracting authorities is undertaken through an automation and integration process, which is normally proportional and varies according to the dimension of the contracting authority. The invoices are then archived digitally for ten years by the public administrations receiving the eInvoice.

#### **4. Administrative and fiscal issues.**

Official rules from Italian Tax Authority say that eInvoice is the original and only document to account and deduct Italian VAT tax (IVA).

The eInvoice must be issued and sent to the SID in ten days from its day of issue.

Particular and specific tax systems for smallest companies allow them to not apply invoicing and, of course, all trades to and from foreign companies will be kept with the existing (paper) system.

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