

Tax Alert

KPMG in Poland



October 2021

Regulations on structured invoices and the National e-Invoicing System adopted by the Sejm

On 1 October 2021, the Sejm passed the act amending the Value Added Tax Act and certain other acts, introducing regulations on a new type of invoice, the so-called structured invoice (e-Invoice), and the system through which it will be possible to issue and receive it, i.e. the National e-Invoicing System (KSeF).

New regulations will enter into force on 1 January 2022. Initially, issuing invoices through the new system will be voluntary. Starting from 1 January 2023, however, as announced by the Ministry of Finance, the use of e-Invoices, which will replace the current paper and electronic invoices, will be obligatory.

National e-Invoicing System

The key feature of e-Invoices is that they can be issued and sent directly from taxpayers' financial and accounting programs in a structured digital form, using the ICT system operated by the Ministry of Finance, i.e. the National e-Invoicing System. Structured invoices will be issued based on a uniform logical structure provided by the Ministry of Finance.

The taxpayer will be able to issue a structured invoice through an individual account in the KSeF system. E-invoices will be sent to the KSeF, and then to the recipient, via interface enabling connection and exchange of data between IT systems.

Receiving structured invoices using the KSeF system will require the invoice recipient's approval. Should, however, the recipient refuse to accept e-Invoices, this will not mean that the taxpayer will not be able to issue a structured invoice. Nevertheless, in such cases it will be necessary to agree on a different form of exchanging invoices between the parties.

Sending invoices to the KSeF system will be possible upon the authentication of the taxpayer in the system with the use of a qualified electronic signature (or an electronic seal, in the case of legal entities) or a trusted profile. Any taxpayer-authorized entity or individual will be able to issue and access structured invoices in the KSeF system. This means that it will be possible to authorize e.g. an accounting office or specific employees to issue and receive structured invoices on behalf of the taxpayer.

Once the invoice is sent, the KSeF system will verify its compliance with the e-Invoice logical structure and, after positive verification, will assign it an identification number.

The date of issuing a structured invoice, once the invoice is positively verified in the system, will be the date of its sending by the invoice issuer to the KSeF. The date of assigning a KSeF identification number will also be considered as the date of invoice reception by the recipient.

Advantages brought by the use of e-Invoices

Using the KSeF system to issue invoices comes with a raft of advantages in terms of VAT settlements provided by the legislator, which at the same time are to be a factor encouraging to apply this solution during the period of voluntary use.

Users of e-Invoices will enjoy a reduced standard VAT refund period, i.e. 40 (instead of 60) days, provided that the amount of input tax or the amount of the tax difference not settled in previous settlement periods and declared as an amount to be returned will not exceed PLN 3,000.

To take advantage of the shortened period, the taxpayers will have to issue only structured invoices in a given accounting period. They will also have to be registered as active VAT taxpayers for 12 consecutive months directly preceding the period for which the amount to be returned was declared in a relevant tax settlement and keep a settlement account (or a personal account at a cooperative savings and credit union) included in the list of VAT taxpayers (the so-called White List) during this period.

The amenities will also apply to the settlement of credit notes. The taxpayer issuing the e-Invoice will be able to reduce the taxable base and the amount of output VAT at the time of issuing the correcting structured invoice, without the need to obtain documentation concerning the agreement with the buyer of the

goods or the service recipient on the conditions for reducing the taxable base specified in the correcting invoice and meeting these conditions. In turn, the recipient of the correcting structured invoice will be required to reduce the amount of input tax for the period covered by the e-Invoice, without the need to analyse the agreement and to meet the conditions for making the corrections.

Taxpayers issuing structured invoices via the KSeF system will be released from the obligation to archive and store them, as the invoices will be stored directly in the system for a period of ten years from the end of the year of issuing the document.

From a practical point of view, the advantage of e-Invoices will also be their standardized pattern, thanks to which it will be possible, for example, to verify and compare received invoices in an easier and more efficient manner.

What's next?

The bill will now be submitted to the Senate. The new regulations are to enter into force on 1 January 2022.

In the initial period, the use of e-Invoices will be alternative to the currently functioning paper and electronic invoices, but ultimately it is to become obligatory.

Issuing invoices via the National e-Invoicing System will require integration of accounting and invoicing systems used by the taxpayers with the IT tool provided by the Ministry of Finance. In order to enable taxpayers to adapt their IT systems in advance, the Ministry of Finance published a draft version of the e-Invoice logical structure.

If you would like to learn more about the issue discussed, please do not hesitate to contact us.

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