

# Electronic invoicing: Key contributions of the Finance Act for 2026



# Preamble

The reform of electronic invoicing (e-invoicing) and data transmission (e-reporting), applicable from 1 September 2026, aims to modernize VAT in France and strengthen the fight against fraud.

Article 123 of the Finance Act for 2026 introduces only limited changes to the legal framework (mainly adjustments and clarifications) but significantly tightens the applicable penalties.

## I. Strengthened penalties

### 1.1 For taxable persons

- **Failure to comply with the obligation to issue electronic invoices:**  
Fine of **€50** per invoice (previously €15), capped at **€15,000 per year**.
- **Failure to comply with data transmission obligations:**  
Following formal notice, a fine of **€500** is applied, then **€1,000** followed by an additional **€1,000 every 3 months** if the situation is not remedied.
- **Failure to designate a dematerialization platform:**  
If no platform is designated within three months of the first formal notice, a fine of **€500** applies. If the situation remains unresolved three months after a second formal notice, a further fine of **€1,000** is imposed, followed by an additional **€1,000** every three months until compliance.

### 1.2 For dematerialisation platforms

- **Failure to transmit invoicing data:**  
Fine of **€50** per breach, capped at **€45,000** per year.
- **Failure to transmit transaction and payment data:**  
Fine of **€750** per breach, capped at **€100,000** per year.
- **Failure to update the central directory and ensure minimum service continuity when a client changes platform:** An approved platform that fails to meet these obligations may now have its registration withdrawn.

These changes reflect a clear intention by the tax authorities to enforce strict compliance with the reform timeline

## **II. Clarifications on e-invoicing**

E-invoicing applies to transactions carried out between VAT taxable persons established in France, within the scope of domestic B2B transactions.

Article 123 of the Finance Act for 2026 explicitly excludes two categories of transactions:

- Transactions (supplies of goods and services) carried out by a taxable person established in France where the place of taxation is outside the European Union;
- Exempt intra-Community supplies referred to in Article 262 ter of the French General Tax Code.

In practice, these transactions were already outside the scope of the e-invoicing obligation, which is limited to domestic transactions between taxable persons established in France. The legislator's intervention mainly aims to formally secure this interpretation in the French General Tax Code.

However, in the context of the future rollout of e-invoicing at the EU level, the exclusion of intra-Community supplies is temporary, as they are expected to be included in the system from 1 July 2030.

## **III. E-reporting : Key developments**

Unlike the electronic invoicing system, e-reporting is the subject of substantial changes both in scope and practical implementation.

### **3.1 A clearer and more structured framework**

The system is now organized into four categories of transactions:

- Transactions carried out for taxable persons (B2B).
- Transactions carried out for non-taxable persons (B2C).
- Acquisitions of goods or services by taxable persons.
- Other transactions.

The law also explicitly distinguishes between:

- Transaction data.
- Payment data.

While this distinction already existed in practice, it is now formally embedded in the French General Tax Code (Article 290), thereby enhancing legal certainty.

## **3.2 A shift in the VAT analysis criterion**

The analysis criterion is evolving. Previously based primarily on the location of the parties, it is now based on VAT territoriality.

As a result, any transaction whose **place of taxation is in France** may fall within the scope of e-reporting, even if the supplier or customer is established abroad

## **3.3 Extension of the scope**

### **a) B2B transactions with foreign customers**

Services taxable in France (Articles 259 and 259 A of the French Tax Code) supplied to customers not established in France are now explicitly included.

#### **Example:**

*A French company invoices a Spanish company for services relating to real estate located in France.*

→ *VAT is due in France*

→ *The transaction must be reported through e-reporting*

### **b) Expanded B2C operations**

The regime now more comprehensively covers services taxable in France under all territoriality rules (Articles 259, 259 A, 259 C and 259 D of the French Tax Code).

#### **Example:**

*A training course delivered in France and invoiced to a foreign individual.*

→ *French VAT applies*

→ *The transaction must be reported through e-reporting*

### **c) Intra-Community acquisitions not subject to VAT**

Certain intra-community acquisitions located in France, but exempt under Article 258 D of the French Tax Code, now explicitly fall within the scope of e-reporting.

### **Example:**

*A French entity benefiting from a derogatory regime (PBRD) acquires goods from a EU supplier without VAT in France.*

*→ No VAT due.*

*→ E-reporting obligation applies.*

### **d) Payment data**

The law clarifies that the obligation to report payment data applies to all transactions where VAT becomes chargeable upon collection.

In addition to the supply of services, which are already covered, this approach leads to the inclusion of all situations in which VAT is chargeable on collection.

in addition to services already covered, this includes:

- Advance payments on goods;
- Complex or mixed transactions (e.g. including a service component).
- Transactions subject to specific VAT regimes.

### **e) Taxable persons not established in France**

Currently, non-established taxable persons must report transactions carried out in France for which they are liable for VAT (unless they opt for the One-Stop Shop).

From 1 September 2027, they will also be required to report transactions for which they are liable for VAT as customers under the reverse charge mechanism.

### **Example:**

*A German company, not established but VAT-registered in France, carries out an intra-community acquisition of goods delivered in France.*

*→ VAT due in France under reverse charge mechanism.*

*→ The transaction must be reported via e-reporting.*

## **IV. APPENDIX - Transactions within the scope of e-reporting**

The following categories summarize the main transactions falling within the scope of the e-reporting obligation, based on VAT territoriality rules (cf §3.3).

### **1. Transactions carried out for the benefit of a taxable person (B2B)**

- Exempt intra-Community exports and supplies
- Supplies of goods where the place of taxation is in France and the customer is a taxable person not established in France
- Supply of services not located in France where the customer is taxable
- Supply of services located in France when the customer is a taxable person not established in France

### **2. Transactions carried out for the benefit of a non-taxable person (B2C)**

- Distance sales of goods dispatched from France but non-taxable in France
- Supplies of goods where the place of taxation is in France
- Intra-Community distance sales to France
- Supply of services located in France
- Intangible services deemed to be located outside France

### **3. Acquisitions made by a taxable person**

- Intra-Community acquisitions of goods deemed to take place in France
- Supplies of goods located in France where the supplier is not established in France and the purchase is liable for VAT (reverse charge)
- Supply of services located in France acquired from a supplier not established in France (reverse charge)

### **4. Other transactions**

- Supplies of goods dispatched or transported from France to Monaco
- Acquisitions of goods from Monaco
- Supply of services related to Monaco (whether the customer is taxable or not)
- Intra-Community acquisitions carried out under triangular transactions not subject to VAT



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