

TAX Alert

KR Group | TAX Compliance Services | April 2022

Poland will implement mandatory electronic invoicing in the so-called National System of e-Invoices (KSeF)

On March 30th the consent for obligatory e-invoicing in Poland was issued by the European Commission. After the approval of the EU Council - nothing will hold back the implementation of the system.

Important: This system has been operating on a voluntary basis in Poland since January 1, 2022.

How the KSeF system works?

Structured invoices (so-called e-Invoices) are prepared in accordance with the invoice template published on the website of the Ministry of Finance (MF). They can be issued both in local financial and accounting programs of entrepreneurs and with the use of free tools that will be prepared by the Ministry of Finance. The invoice is sent via the interface (API) to the central MF database (KSeF) and is subsequently available in the system and can be downloaded by the contractor.

To introduce this system, on August 2, 2021, Poland submitted to the European Commission a derogation application under Council Directive 112/2006 of November 28, 2006 on the common system of value added tax (the Directive), in order to authorize the application of a measure derogating from Art. 218, 226 and 232 of the Directive.

The derogation would consist in allowing Poland to apply a derogation from Articles 218 and 232 of the Directive. This means a derogation consisting in recognizing as an invoice only the electronic invoice issued in the KSeF while waiving the necessity to accept such an invoice by the buyer.

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In February 2022 Poland has changed its proposal to derogate from Art. 226 of the Directive, i.e. the mandatory elements that should be included in the invoice, as well as, which is very important, **narrowed the group of entities that would have to use this KSeF.**

According to the new wording, only entities based in Poland would be obliged to apply the KSeF. This means that foreign entities registered in Poland only for VAT purposes or even with a permanent place of business in Poland, **will not be obliged to apply the KSeF** if they do not have their registered office in Poland.

The draft of the EC decision provides for the introduction of derogations in the period from April 1, 2023 to March 31, 2026, with the possibility of extension.

The obligatory KSeF cannot be introduced in Poland until April 1, 2023.

About KR Group

KR Group was established in Poland in 2000. Over the years the company has built a considerable position on the highly competitive market of accounting, tax, audit, payroll and HR services. KR Group applies an excellent understanding of business realities to its core services, thus attracting the most renowned companies in its portfolio of clients.

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- Interfaces and integration developed for most accounting and reporting software
- Knowledge-sharing tools and procedures ensuring time efficiency
- In-house developed accounting data warehouse connected with local accounting software.

For more information visit our website at www.krgroup.eu



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