

User Guidelines as per Article 3 (2) (d) of the Small Business Act (Chapter 512 of the laws of Malta)

These User Guidelines are intended specifically for Small and Medium Sized Enterprises (hereinafter referred to as SMEs), to be informed on the consequences of this legal instrument which is intended to transpose Directive 2014/55/EU of the European Parliament and of the Council of 16 April 2014 on electronic invoicing in public procurement as per Article 11 of the said Directive. The Government of Malta has transposed this directive through LN 403 and 404 of 2018 published in the Government Gazette dated 30th November 2018.

These regulations will regulate electronic invoices issued as a result of the performance of contracts to which the public procurement of various authorities and entities applies and which are above the threshold of €144,000. The Directive is mandatory on the Government to have the necessary software in place to be able to receive and process electronic invoices from suppliers (including SMEs) by 18th April 2019. Electronic invoicing should first go live in ten pilot sites.

Moreover in terms of the third subparagraph of Article 11 of the said directive, local councils and government entities, shall adopt, publish and apply the laws, regulations and administrative provisions necessary to comply with this Directive at the latest by 18 April 2020. This means that local councils and government entities would need to have their software or an online platform in place to receive electronic invoices from suppliers (including SMEs) by this date.

The structure of the electronic invoice which will be adopted by the government will be in line with the European Standard on electronic invoicing published by the European Committee on Standardisation (CEN). Such standard is also known as the semantic data model (EN 16931-1:2017). Moreover, the supplier should also follow the syntax included on the list of syntaxes which accompany EN 16931-1:2017. This should be without prejudice to the sender using the services of a third party to translate between its own syntax and one of those on the list of syntaxes which accompany EN 16931-1:2017. The core elements of electronic invoices are, inter alia, the following:-

- (a) process and invoice identifiers;
- (b) the invoice period;
- (c) seller information;
- (d) buyer information;
- (e) payee information;
- (f) seller's tax representative information;
- (g) contract reference;
- (h) delivery details;
- (i) payment instructions;
- (j) allowance or charge information;
- (k) invoice line item information;
- (l) invoice totals;
- (m) VAT breakdown

This legal instrument is without prejudice to the right of the sender of the invoice to choose between submitting the invoice in accordance with the European standard or in paper format. Thus suppliers who wish to continue to send paper invoices can still opt to do so.

In defining the scope of this legal instrument, the instrument applies to invoices emanating from public contracts that are above the €144,000 threshold.

Disclaimer: The above Guidance Notes are solely intended to give general information to SMEs since the government is still in the early process of adopting eInvoicing and the relative provisions of Directive 2014/55/EU. Moreover, the government is limited in what information it can provide as discussions on the implementation of this Directive at EU level are still ongoing. The above mentioned information is correct as at time of publication and would need further updates as the government progresses with the adoption of electronic Invoicing. Additional guidance will include guidance notes to suppliers explaining how to connect with the government in order to be able to transmit electronic invoices, and also describing the structure of the invoice. Until then, and until further notice, all relative procedures will remain as is.

Further updates will be disseminated through the Ministry for Finance's website being www.mfin.gov.mt.