



E-INVOICES IN GERMANY

MANDATORY PHASES | TRANSITIONAL REGULATIONS |

INPUNCTO SOLUTION ADVANTAGES 

WHITE PAPER

Table of Contents

FOREWORD.....	3
E-invoicing obligation in Germany & legal introduction schedule.....	4
Central e-invoice formats, standards (EN 16931) and procedures in Germany.....	5
e-invoice format: ZUGFeRD.....	6
E-invoice format: XRechnung.....	7
EDI procedures & e-invoicing obligation.....	8
Mandatory phases & transitional regulations for e-invoicing in B2B	9
Mandatory e-invoicing – recommended steps for each transition stage.....	11
Significance of the transitional arrangements.....	12
Key areas of action for companies	13
Practical solution approach with inPuncto	14
Cost-effectiveness and efficiency potential	17
Conclusion: From obligation to opportunity.....	18

Foreword

The introduction of e-invoicing in the B2B environment in Germany marks a key milestone in the digital transformation of commercial processes. With the legal requirements for mandatory e-invoicing, including transitional provisions, companies are faced with the task of aligning their invoicing processes in a timely, legally compliant, and efficient manner. This is not only a matter of complying with regulatory requirements, but also of sustainably optimizing existing processes.

This white paper explains:

- What mandatory phases and transitional arrangements apply
- What specific requirements arise for companies as a result
- What challenges need to be considered in practice
- How inPuncto supports companies as a strategic partner in implementation
- How to achieve practical, SAP-integrated implementation – including measurable ROI potential through the automation of invoicing processes.



This white paper is aimed at specialists and managers from finance, IT, and SAP. It serves as a basis for orientation and decision-making for internal implementation. The focus is on legal classification, process implications, and practical relevance.



E-invoicing obligation in Germany & legal introduction schedule

Legal background

With the introduction of e-invoicing in the B2B sector in Germany, legislators are pursuing the goal of standardizing and digitizing invoicing processes and, in the long term, creating the basis for an electronic reporting system for VAT-relevant data.

The transitional regulation for mandatory e-invoicing plays a central role in this, giving companies sufficient time to convert their processes without, however, postponing the mandatory ability to receive electronic invoices.

New definition of terms from January 1, 2025

Since January 1, 2025, a legal distinction has been made between:

E-invoice

An invoice in a structured electronic format that enables automated electronic processing (e.g., XRechnung or ZUGFeRD EN 16931).

Other invoices

All other forms of invoices, e.g.:

- Paper invoice
- PDF via email
- Scanned receipts

➤ From 2025, a PDF will no longer be considered an e-invoice, even if it is sent electronically.



Central e-invoice formats, standards (EN 16931) & procedures in Germany

EN 16931 – Significance and relevance for e-invoicing

The EN 16931 standard is the Europe-wide standard for electronic invoices. It defines a uniform semantic data model and specifies which invoice information must be included in a structured, machine-readable form so that an invoice can be processed automatically.

The aim of EN 16931 is to ensure interoperability between companies, public contractors, and IT systems. Standardization reduces media breaks, increases data quality, and creates the basis for automated checking, approval, and booking processes.

E-invoice formats in Germany

EN 16931 is particularly relevant in the context of the German e-invoicing obligation, as central formats such as XRechnung and the ZUGFeRD "EN 16931" profile are based directly on this standard.

While ZUGFeRD provides a hybrid solution with a visual representation combined with a structured XML file, XRechnung represents a fully structured standard for particularly high levels of automation. EDI processes remain relevant, especially for high invoice volumes, as long as they are implemented in compliance with EN 16931.



e-invoice format: ZUGFeRD

ZUGFeRD invoicing

ZUGFeRD (Central User Guide of the German Electronic Invoice Forum) is a hybrid invoice format that is both human-readable and machine-readable.

Structure & Functionality

- PDF/A-3 document as visible invoice
- Embedded XML file with structured invoice data
- XML based on EU standard EN 16931

Area of application

- Primarily in the B2B environment
- Suitable for companies that:
 - still require a visual PDF invoice
 - want to process structured data automatically at the same time

Advantages

- Combination of readability and automation
- Backward compatible for recipients without an e-invoicing system
- EN 16931 compliant (ZUGFeRD 2.0 profile "EN 16931")

ZUGFeRD invoice profiles Not every company requires the same level of detail in invoice data.

Simple profiles

- Suitable for small businesses and standardized invoices
- Low implementation effort
- Quick start, fast ROI

Advanced profiles

- For larger companies or complex business models
- Detailed tax and commercial information
- Higher level of automation

➤ Companies can change their profile as their level of digitization grows without changing the format.



e-invoice format: XRechnung

xRechnung

XRechnung is a purely structured XML invoice format and the binding standard for invoices to public contractors in Germany.

Structure & Functionality

- XML file only
- No visual representation included
- Strictly aligned with EN 16931

Area of application

- B2G (business-to-government) mandatory
- Increasingly also in the B2B environment, because:
 - Clearly standardized
 - It is ideal for automatic processing

Advantages

- Highest level of automation
- Clear mandatory fields & validation rules
- Ideal for:
 - SAP-based invoice processing,
 - workflow and approval processes

➤ XRechnung requires structured IT integration (e.g., SAP, ERP systems) and a viewer.

XML standards behind XRechnung

- **UN/CEFACT Cross Industry Invoice (CII):** Universal format for cross-industry invoice exchange, ideal for automated processing in ERP and accounting systems. Internationally recognized.
- **UBL (Universal Business Language) for invoices and credit notes:** Flexible XML format, adaptable to different business processes and internationally compatible.

EDI procedures & e-invoicing obligation

EDI (Electronic Data Interchange)

EDI refers to the fully automated electronic exchange of structured business documents between companies—not only invoices, but also purchase orders, delivery notes, and credit notes.

Typical EDI formats

- EDIFACT
- ANSI X12
- XML-based proprietary formats

Area of application

- Primarily for:
 - large companies
 - high invoice volumes
 - long-standing business partners
- Frequently used in:
 - industry
 - Retail
 - Logistics

Advantages

- Complete end-to-end automation
- Very little manual intervention
- High process stability

Challenges

- High implementation costs
- Bilateral agreements usually necessary
- Less flexible when changing business partners

EDI solutions as part of modern invoicing processes

EDI invoices can still be used provided that:

- the content complies with the requirements of EN 16931
- structured data is provided in full

➤ EDI is therefore not considered an alternative, but a technically equivalent transmission method to e-invoicing.

Mandatory phases & transitional regulations for e-invoicing in B2B

Obligation to receive:

The first binding milestone

From January 1, 2025, the following applies without

exception:

All domestic companies must be able to receive e-invoices.

Specifically, this means:

- Technical acceptance of structured invoice formats
- Ability to display and process
- Archiving in accordance with GoBD

➤ This obligation applies regardless of company size, industry, or turnover.

Step-by-step model for mandatory e-invoicing

The transitional arrangement for e-invoicing provides for several stages:

- **Transitional phase:** Companies may continue to receive/send invoices in other formats, but must be able to receive e-invoices.
- **Mandatory phase:** Electronic invoices in structured format become mandatory in the B2B sector.

➤ The transitional arrangement should not be seen merely as a postponement, as this would mean that important optimization potential would remain untapped.

Mandatory phases & transitional regulation for e-invoicing in B2B

Issuing & sending - Transitional arrangement

The transitional regulation on mandatory e-invoicing mainly relates to the sending of invoices; the receipt of e-invoices is already mandatory.

Tabular overview of mandatory phases & transitional arrangements

Period	Regulation	Practical significance
From January 1, 2025	Obligation to receive e-invoices	All companies must be able to receive electronic invoices in a structured format.
January 1, 2025 – December 31, 2026	Transition phase – issuance still flexible	Companies may still send invoices in paper or PDF format if the recipient agrees; transitional arrangements apply.
Jan. 1, 2027	Mandatory issuance	Companies with a turnover > €800,000 must issue structured e-invoices; other formats are no longer permitted.
Until	Extended transition period for SMEs	Companies with a turnover ≤ €800,000 may continue to use other formats (e.g., paper/PDF with consent).
From January 1, 2028	Full e-invoicing obligation	All companies must issue and send e-invoices in a structured format (standard EN 16931).

Mandatory e-invoicing – recommended steps for each transition stage

Transition phase 1

January 1, 2025 – December 31, 2026

Goal: Stable parallel operation in invoice receipt

- Process structured and classic invoices in parallel
- Start supplier communication
- Define error and clarification processes
- Establish monitoring and reporting

➤ **Focus: Establishing stable, scalable processes to fulfill the obligation to receive invoices and to securely process all invoice formats.**

Transition phase 2

From January 1, 2027 – Restriction of the transition regulation

(for > €800,000 previous year's turnover)

Goal: Standard-compliant invoice dispatch

- Establish outbound e-invoicing (XRechnung / ZUGFeRD)
- Map customer requirements in the system (formats, channels, mandatory fields)
- Check EDI routes and align them with EN 16931
- Conduct pilot project with selected customers (tests, validation, quality assurance)

➤ **Focus: Secure, standard-compliant invoice dispatch and high data quality in the customer process**

Mandatory phase:

From January 1, 2028 – Full obligation

Goal: Standard operation & automation

- Structured e-invoicing as standard format (XRechnung / ZUGFeRD EN 16931)
- Increase degree of automation (dark processing)
- Consistently reduce exception and clarification processes
- Ensure scalability and audit/compliance security

➤ **Focus: Efficiency, stability, and future-proofing of billing processes.**

Significance of the transitional arrangements

Impact on companies

The transition period serves as a structured framework for action and should be actively used to consistently prepare the necessary adjustments:

- Early automation of invoicing processes
- Avoidance of media breaks along the entire process chain
- Ensuring compliance with standards (EN 16931)
- Exploiting economic potential, e.g., through lower process costs

➤ The transitional arrangement for mandatory e-invoicing allows for a gradual transition. The SAP environment in particular offers the opportunity to process e-invoices **in a consistent, automated, and audit-proof manner**, thereby achieving sustainable efficiency gains.

Why mandatory e-invoicing is more than just a single measure

Mandatory e-invoicing is not a stand-alone regulation, but a concrete measure that is:

- is enshrined in the Growth Opportunities Act
- Changes to the Sales Tax Act (UStG)
- Part of the preparation for a nationwide reporting system (ViDA) is

Goal: Reduce tax fraud, automate processes, increase efficiency.

With regard to future EU-wide reporting requirements, the Growth Opportunities Act gives German companies a strategic advantage. The early introduction of mandatory e-invoicing will enable digital invoicing processes to be consistently established, efficiency potential to be realized, and the conditions for upcoming European regulations to be created.



Key areas of action for companies

Practical challenges in the context of mandatory e-invoicing

- How do we integrate e-invoices into SAP without media discontinuity?
- How do we ensure compliance with standards?
- How do we deal with international formats?
- How does archiving work in the context of mandatory e-invoicing?
- What is the actual economic benefit?



Practical solution approach with inPuncto

E-invoicing in the SAP system – designed for end-to-end processing

inPuncto offers a comprehensive, SAP-integrated solution for incoming and outgoing e-invoices that covers all relevant process steps and integrates seamlessly into existing SAP system landscapes.

- Receipt of XRechnung & ZUGFeRD
- Automatic validation of standard compliance
- Structured data extraction via XML parsing
- SAP workflow for vendor invoices
- Audit-proof archiving

Practical benefits:

No media discontinuity, no isolated applications.

E-invoice receipt

inPuncto incoming invoice processing includes, among other things:

- A central document processor for all incoming invoices
- (OCR/ICR for PDF/paper and XML processing for XRechnung and ZUGFeRD),
- an incoming invoice cockpit with evaluations and complete transparency of all invoices and processing statuses,
- an integrated workflow tool for fast, transparent, and individually configurable approval processes.

Practical benefits:

Invoice receipt is an integral part of the overall solution and ensures consistent, efficient, and future-proof invoice processing.



Practical solution approach with inPuncto

Automatic validation – security right from the start

Automated validation of electronic invoices provides a reliable basis for compliant and efficient e-invoicing processes. It ensures that formal and content requirements are met before further processing.

Practical benefits:

inPuncto automatically validates e-invoices for compliance with standards, detects errors at an early stage, and reduces manual rework in the long term.

Outgoing e-invoices

For invoice dispatch, inPuncto supplements the solution with a streamlined partner solution that is fully integrated into SAP processes. This includes, among other things:

- Direct SAP integration for generating e-invoices from SAP SD and FI documents
- an outgoing invoice cockpit for managing and transmitting various formats (e.g., XRechnung, ZUGFeRD, PDF).

Practical benefits:

The outgoing process is also fully integrated, enabling automated, consistent generation and transmission of e-invoices – in line with legal requirements and transitional regulations.

Practical solution approach with inPuncto

International e-invoicing & platform connections

The e-invoicing requirement is part of a Europe-wide and international development. In addition to uniform standards such as PEPPOL, more and more countries are introducing national e-invoicing platforms through which invoices must be exchanged or reported. Companies with cross-border business relationships are therefore faced with the challenge of meeting different technical and regulatory requirements in parallel.

To connect to various national e-invoicing platforms, inPuncto is working with a new partner company that:
acts as an official PEPPOL access point and
– where required in a country – can also implement direct connections to national e-invoicing platforms.

Practical benefits:

International e-invoicing requirements are covered by a central platform – efficiently, compliantly, and future-proof.

Archiving as an integral part of the e-invoicing process

Thanks to SAP-integrated archiving within the inPuncto solution, companies benefit from, among other things:

- media-break-free storage of structured e-invoices,
- Clear assignment of original invoices and SAP documents
- shorter search and review times during audits, and
- a uniform, consistent database.

Practical benefits:

Archiving is thus not only used to fulfill legal obligations, but also actively supports the efficiency and transparency of invoicing processes.



Cost-effectiveness & efficiency potential

Potential savings through e-invoicing and automated e-invoicing processes

Process costs per invoice: manual vs. automated

€14-20

Costs for the processing of an invoice – including data entry, verification, clarification, approval, and archiving.

€4-6

Costs for automated e-invoice processes, depending on the degree of automation and system integration.

The potential savings result from process-related efficiency gains, which – depending on the country and cost structure – can amount to over €10 per invoice. Especially with higher invoice volumes, this effect acts as a significant lever for a quick return on investment. These figures are based on aggregated data from several practical cases.

Sample calculation (simplified ROI model)

Assumptions:

Annual invoice volume: 10,000 invoices

Manual costs: €15 per invoice

Automated costs: €5 per invoice

Savings per invoice: €10

Calculation:

- Total manual costs:

$10,000 \times €15 = €150,000$ per year

- Total automated costs:

$10,000 \times €5 = €50,000$ per year

- Annual savings:

$€150,000 - €50,000 = €100,000$

Additional economic effects

- Shorter processing times from invoice receipt to payment
- Higher discount utilization through faster approvals
- Reduced error rates & lower post-processing costs
- Scalability without proportionally increasing personnel costs



Conclusion: From obligation to opportunity

The transitional arrangement turns the e-invoicing obligation from an obligation into an opportunity.

Companies that act now will achieve:

- Legal certainty
- More efficient processes
- Sustainable cost reduction
- Future-proof SAP architecture

Practical benefits:

With inPuncto, implementation is practical, integrated, and economical.

Get in touch with us!

Prepare now instead of reacting later!

Learn how to make the most of the e-invoicing transition regulation with a fully integrated SAP solution from inPuncto.



[Reach out today, obligation-free](#)

Disclaimer:

This whitepaper is intended solely for general informational purposes and aims to provide companies with professional guidance on understanding the e-invoicing mandate and its economic implications. It does not constitute legal, tax, or financial advice.

Despite careful research and preparation of the content, the publisher makes no guarantees regarding the accuracy, completeness, or timeliness of the information presented.

The information included in this whitepaper regarding legal regulations, transitional periods, technical standards, and efficiency or cost-saving potentials is based on publicly available sources, market studies, and industry benchmarks. Legal requirements and their interpretation may change and should always be verified in each individual case.

Actual economic effects, particularly cost-saving potentials and processing times, may vary significantly depending on company size, industry, process maturity, and the IT systems in use.

This whitepaper does not replace individualized analysis or advice and does not create any contractual or legal obligations. All statements are made without any claim to completeness or legal bindingness.

inPuncto GmbH

Fabrikstr. 5
73728 Esslingen
contact@inpuncto.com

inPuncto EN/02/2026



www.inpuncto.com | contact@inpuncto.com

