VAT Modernisation

Implementation of eInvoicing in Ireland
2026 Update

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Revenue
Cáin agus Custaim na hÉireann
Irish Tax and Customs

Introduction

This paper updates Revenue's October 2025 publication, *VAT Modernisation: Implementation of eInvoicing in Ireland*. It follows publication of the Finance Bill (No. 2) 2026, which contains the legislative foundation for the most significant modernisation of Ireland's VAT system since the tax was introduced over 50 years ago. The provisions described in this paper are contained in the Finance Bill (No. 2) 2026 as initiated and remain subject to the legislative process.

This further advances our preparations for the European Union's VAT in the Digital Age (ViDA) initiative. It outlines what businesses, tax practitioners, representative bodies, public bodies, and software and service providers need to know: why the administration of VAT is being modernised, what is changing and when, how electronic invoices (eInvoices) and reporting will work, and what you can do now.

Timelines and Implementation Phases

Key points

- From 1 November 2028, VAT-registered large corporates (approximately 2,400 businesses) will be required to issue eInvoices to other Irish businesses[1] in respect of supplies in Ireland, and to report a subset of this data to Revenue in real time. In addition, all businesses must be able to receive eInvoices from other Irish businesses.
- From 1 November 2029, domestic obligations to issue eInvoices to Irish businesses in respect of supplies in Ireland and report to Revenue extend to VAT-registered businesses engaged in cross-border EU business-to-business (B2B) transactions.
- From 1 July 2030, the EU ViDA requirements become mandatory for cross-border EU B2B transactions.

[1] For the purpose of this paper, the term 'business' incorporates Public Bodies and anything which mentions business should be interpreted accordingly i.e. equally relevant to Public Bodies.

At a glance

Table 1: Summary View

Topic	Position
What is changing	Revenue is introducing a phased rollout of eInvoicing and real time reporting.
Sending eInvoices	Phase One starts on 1 November 2028 for large corporates. Phase Two starts on 1 November 2029 and widens the scope. Phase Three starts on 1 July 2030, when EU-wide ViDA requirements become mandatory. See section 3.
Receiving eInvoices	All businesses need to be enabled to receive eInvoices from Irish suppliers, even if they are not yet required to send them. See section 3.2.
What is staying the same	VAT rates, payment obligations and how VAT liability is calculated. The obligation to submit a periodic VAT return remains.
What is being removed	The obligation to submit VIES (recapitulative) statements will be removed from July 2030.

Where to start: a reading guide by audience

Table 2: A reading guide by audience

If you are…	Find out	Go to
A business	Whether you must issue eInvoices, from when, and what to do to prepare to issue or to receive them.	Section 7.1 Businesses; Section 3 Phased implementation; How eInvoicing will work
A tax practitioner	How to advise clients, and how reporting can be handled on a client's behalf.	Section 7.2 Tax practitioners; How eInvoicing will work
A representative body	How Revenue will engage, and how you can help members prepare.	Section 7.3 Representative bodies; How eInvoicing will work
A public body	What it means to receive eInvoices from suppliers, and how Peppol (the default exchange network) fits.	Section 7.4 Public bodies; Section 5 How eInvoicing will work
A software or service provider	What systems must do, Peppol and certification, specifications and testing.	Section 7.5 Software and service providers; How eInvoicing will work

1. Why is the administration of VAT being modernised

1.1 Modernising Ireland's VAT system

The current VAT reporting system, largely unchanged since 1972, requires businesses to file periodic returns based on aggregate sales and purchases. Over that period, Ireland's business environment has digitalised significantly, creating opportunities to enhance how VAT is administered. Ireland is currently one of the few Member States that have not yet mandated eInvoicing for Business-to-Business (B2B) or Business-to-Government (B2G) transactions, and in line with the EU's ViDA Directive which makes eInvoices the default mechanism for VAT invoicing, there is now a clear case for modernising the VAT reporting framework.

Domestic eInvoicing and real-time digital reporting will embed VAT compliance within existing business processes. Businesses will issue structured eInvoices to other Irish businesses, and key transaction details will be reported to Revenue in real time. The objective is that VAT reporting becomes a natural byproduct of commercial business activity. This programme will align Ireland with international best practice and ensure compliance with mandatory EU ViDA requirements.

1.2 Why periodic returns are no longer enough

VAT rests on a simple idea. Each business in a supply chain charges VAT on its sales and deducts the VAT it has paid on its purchases, and the difference is paid to Revenue. The design has proved durable, but it depends on each business assembling its own figures and reporting totals at the end of a period. Revenue sees the totals rather than the transactions behind them and can usually test them only after the return has been filed, sometimes long after.

For compliant businesses, this model means work at the end of each period to pull together the data, and occasional queries from Revenue months later about issues that could have been dealt with sooner.

For Revenue, it makes it harder to spot problems as they arise. It also leaves the system open to genuine mistakes and to deliberate fraud, including “missing trader” chains where VAT is reclaimed but never paid. These frauds are a particular risk in cross-border trade and tackling them is a key goal of the EU reforms.

The alternative is to move from checking totals after the event to working with transaction data close to the point where it is created. The thinking behind this, set out by the OECD in its Tax Administration 3.0[2] work, is that compliance should be built into the systems businesses already use, so that for most businesses it simply happens as a by-product of normal activity. ViDA will remove the obligation to report a periodic VAT Information Exchange System (VIES) return, businesses will continue to file a VAT3 return.

[2] https://www.oecd.org/en/publications/2020/12/tax-administration-3-0-the-digital-transformation-of-tax-administration_886337a7.html

1.3 Why the European Union is acting, and why Ireland is starting at home

The EU adopted the ViDA package in March 2025 to bring VAT in line with the way businesses now trade, to give tax administrations timely data to counter fraud, and to reduce the burden of cross-border compliance. ViDA also allows Member States to introduce domestic eInvoicing and reporting requirements, and several of them, including Belgium, Poland and France, have already done so.

Revenue has decided to introduce domestic requirements ahead of the EU deadline for three reasons:

- **Learning.** From 1 July 2030, businesses trading across EU borders must use eInvoicing to keep the 0% VAT arrangements that support Single Market trade. Having to meet this requirement for the first time under an EU deadline, with access to the 0% rate at risk, would be challenging. Phasing in domestic obligations lets businesses and Revenue test, learn and adjust beforehand.
- **Simplicity.** Most businesses issue domestic and cross-border invoices from the same systems. Having a single standard and a single network that support both is more cost-effective, being cheaper and simpler to operate than maintaining two separate regimes.
- **Wider benefit.** Errors, fraud and compliance costs arise in domestic trade, and timely transaction data is valuable in that context. Experience elsewhere suggests that administrations that start domestically are better prepared when the EU-wide obligations arrive.

1.4 What stays the same

These changes relate solely to how invoices are issued and reported. VAT rates, payment obligations and how VAT liability is calculated remain unchanged. The focus is on making compliance easier and more efficient, not on altering tax obligations.

1.5 How our guidance has been expanded since October 2025

Table 3: From the October 2025 announcement to the 2026 update

Topic	October 2025 announcement	2026 update
Legal basis	Announced in the context of Budget 2026, with legislation to follow.	Set out in the Finance Bill (No. 2) 2026 as amendments to the Value-Added Tax Consolidation Act 2010, with additional detail published in draft regulations.
Phase One scope	VAT-registered large corporates to issue and report, all businesses to receive.	Identified by reference to Revenue's Large Corporates Division administering the business's tax affairs on 1 January 2027.
Phase Two scope	All VAT-registered businesses engaged in cross-border EU B2B trade to issue and report.	Also includes businesses administered by the Large Corporates Division on 1 January 2028 and covers trade in both goods and services.
Detail of obligations	To be developed in consultation with stakeholders.	Core obligations are now set out in the Bill (see section 4). Invoice particulars, reported data and transmission will be set out in regulations and technical specifications.

2. What is eInvoicing and digital reporting?

2.1 What is an eInvoice?

eInvoicing is the process of issuing and receiving invoices electronically, from start to finish, without manual data entry. An eInvoice is an individual invoice issued, transmitted and received in a structured electronic format that allows it to be processed automatically. Invoices are exchanged directly between accounting systems in a standard format that computers can read.

Within the EU, an eInvoice must be a structured, machine-readable data file that adheres strictly to the European Standard EN 16931-1.

Formats that do not count as eInvoices:

- Scanned images and scanned paper invoices
- Word documents
- PDFs sent by email.

These are not structured for automatic transmission and processing and will not meet Ireland's eInvoicing requirements for in-scope supplies from November 2028.

2.2 What is digital reporting?

In this context, digital reporting – also referred to as real-time reporting – means that a selected set of key data from each eInvoice is automatically transmitted to Revenue the moment the eInvoice is issued. The information includes the line-item value, the total value, the customer's business identifier and other relevant information required by Revenue. Access to this timely transaction data enables Revenue to identify potentially suspicious activity at an early stage, target higher-risk areas more effectively and minimise the compliance burden on taxpayers who are meeting their obligations.

A business must report from the date it becomes obliged to issue eInvoices in Ireland. For example, a large corporate will begin both eInvoicing and digital reporting in November 2028. The European Commission is working with Member States to determine the data fields to be reported for intra-EU transactions under ViDA. The detailed domestic reporting requirements will be advised on Revenue's eInvoicing Hub on www.revenue.ie in due course.

2.3 Everyone needs to be able to receive

eInvoicing is an end-to-end digital process. For it to work, business customers must be able to accept eInvoices from suppliers. From Phase One, all businesses in Ireland must be able to receive eInvoices from any supplier, even if they are not yet required to issue eInvoices themselves. Revenue is engaging with software providers to ensure that meeting this obligation is as straightforward and as light a compliance requirement as possible.

3. Phased implementation

A phased rollout allows businesses and Revenue sufficient time to learn from early adopters and to prepare in advance of 1 July 2030, when the EU ViDA requirements become mandatory. Phase One affects a small number of businesses that are best placed to adapt and that often have experience of similar systems internationally.

Table 4: The phases in detail

Phase	Date	Who is in scope	What is required
Preparation	From now to October 2028	All businesses	Revenue publishes guidance and technical specifications. Businesses plan and prepare their systems and processes.
Phase One	1 November 2028	VAT-registered large corporates: businesses administered by Revenue's Large Corporates Division on 1 January 2027. All businesses in Ireland to receive.	Mandatory eInvoicing and real-time reporting for domestic B2B transactions. All businesses must be able to receive eInvoices.
Phase Two	1 November 2029	All Irish-established VAT-registered businesses engaged in intra-EU trade; and Phase One businesses; and businesses administered by the Large Corporates Division on 1 January 2028.	Mandatory eInvoicing and real-time reporting for domestic transactions. This gives businesses time to become familiar with the arrangements domestically before the EU-wide system begins.
Phase Three	1 July 2030	All VAT-registered businesses engaged in intra-EU trade.	Mandatory eInvoicing and real-time reporting for all cross-border EU B2B transactions under ViDA. Irish businesses already operating the domestic system transition to meet these EU obligations.

3.1 Who is in scope for Phase One?

For Phase One, a business is a large corporate for eInvoicing purposes if it is:

- a VAT-registered business whose tax affairs are managed by Revenue's Large Corporates Division on 1 January 2027, and
- established, or has a fixed establishment, in Ireland.

From 1 November 2028, these businesses must send eInvoices for taxable supplies to Irish business customers and public bodies and report a subset of the eInvoice data to Revenue. They must also be able to receive eInvoices from that date. Revenue will engage directly with large corporates included in Phase One.

3.2 Who is in scope for 'All businesses' to receive?

From 1 November 2028, all businesses in Ireland must be able to receive eInvoices.

A business is any activity carried out to generate an income. This can include selling goods, providing services, farming, mining, professional services or earning income from a property. This is a broad definition, and Revenue recognises businesses can take many forms.

It can include but is not limited to corporates and individuals trading across a range of sectors: retail, manufacturing, construction, technology, agriculture, accommodation, and pharmaceutical. It can also include charities, landlords, and any other entity or individual whose activities meet the above definition. In addition to the above, public bodies, such as, government departments and local authorities will also be required to be enabled to receive eInvoices from 1 November 2028.

3.3 Businesses that move between Revenue divisions

Revenue recognises that the management of a business's tax affairs can move between Revenue divisions.

Table 5: Which date applies?

Your situation	What applies
In the Large Corporates Division on 1 January 2027, and later moved to another Revenue division	The Phase One date still applies: mandatory eInvoicing and digital reporting from 1 November 2028.
Assigned to the Large Corporates Division after 1 January 2027 and still there on 1 January 2028	A later commencement date applies: mandatory eInvoicing and digital reporting from 1 November 2029.
All businesses, whatever their phase	Must be ready to receive eInvoices from 1 November 2028.

3.4 Starting earlier

Businesses that are not mandated may choose to issue eInvoices and report, subject to Revenue's technical specifications. This can help businesses build experience, and Revenue will work with early volunteer filers to test the system before it becomes mandatory.

3.5 Key dates

Table 6: Key dates for eInvoicing and VAT modernisation

Date	Milestone
11 March 2025	The Council of the EU approves the ViDA package.
8 October 2025	Revenue publishes *VAT Modernisation: Implementation of eInvoicing in Ireland*, confirming a phased approach.
1 January 2027	Revenue becomes Ireland's designated Peppol Authority, further information will be provided by Revenue following role commencement (see section 5.7).
1 January 2027	Finance Bill (No. 2) 2026 amendments due to take effect. This is the first date used to identify large corporates in Phase One. No eInvoicing or reporting obligation starts on this date.
2027	Revenue provides businesses with a business identifier where needed (see section 5.5). The European Commission aims to complete ViDA Explanatory Notes, and digital reporting data requirements in early 2027.
1 January 2028	Second date used to identify businesses in the Large Corporates Division for Phase Two.
1 November 2028	Phase One begins. All businesses must be able to receive eInvoices.
1 November 2029	Phase Two begins.
1 July 2030	Phase Three: EU ViDA requirements become mandatory for cross-border EU B2B transactions.

4. The legislative foundation: Finance Bill (No. 2) 2026

The Finance Bill (No. 2) 2026 proposes to amend the Value-Added Tax Consolidation Act 2010 to provide for structured electronic invoicing and digital reporting. While these amendments take effect from 1 January 2027, no eInvoicing or reporting obligations commence on that date. Instead, the provisions are intended to establish the first reference date for identifying the large corporate businesses in scope for Phase One, whose obligations will begin from 1 November 2028.

Further legislative provision for the cross-border reporting requirements will be made in advance of July 2030. The core provisions of the Bill, as published, are summarised below. They remain subject to the legislative process.

Table 7: What the Finance Bill (No. 2) 2026 provides

Topic	Provision
Who must issue	A business in scope must issue an eInvoice for each domestic supply of taxable goods or services to another taxable person established in the State, or to a public body.
Format	The eInvoice must contain the particulars set out in regulations and be in a structured electronic format that complies with the European standard referred to in Directive 2014/55/EU (EN 16931-1).
Summary invoices	Where a business makes multiple supplies to a customer in the same month, it can opt to issue one structured summary invoice covering all supplies that become chargeable to VAT in that calendar month.
Customer agreement	Customers must now be able to receive and accept eInvoices and cannot opt out.
Business identifier	Every eInvoice must show the business identifier, whatever the VAT status of the customer's business. For a VAT-registered customer this is its VAT registration number. For a taxable person who is not VAT registered, Revenue will issue a number to be used as their eInvoice business identifier.
Digital reporting	A supplier in scope must send a subset of the data from each eInvoice to Revenue electronically, at the time the invoice is issued. There is no obligation on the customer to report on domestic transactions in the announced phases as Revenue acknowledges the transition for businesses.
Self-billing	Where the customer issues the invoice on the seller's behalf under a self-billing arrangement, the customer must follow the same rules where the transaction is in scope or may choose to do so where it is not and must report within five days.
Reporting by a third party	A business does not have to make the report itself. A third party, such as a software provider or tax agent, may transmit the data on its behalf.
Customer-accounted VAT (reverse charge)	Where the customer, not the supplier, accounts for the VAT, as with certain construction services, subcontracting, scrap metal, gas and electricity, and greenhouse gas emission allowances, a business in scope must still issue an eInvoice and digitally report.
Corrections	A credit note, debit note or another amending document must be issued in the same structured format as the original. Revenue will issue further guidance on which document types must be transmitted and reported.
Business controls	A business that issues or receives these eInvoices must apply controls to each one. The controls must show that the eInvoice came from the stated source, that its content has not been altered, and that there is a reliable audit trail.

4.1 Regulations with practical details

Much of the practical detail will be set out in regulations, draft regulations are available to view on the eInvoicing Hub under Reference Materials on Revenue's website. The regulations include:

- the use of Peppol as the default for transmission and mandated for digital reporting.
- the invoice particulars to include business identifier
- the data to be included in the digital report to Revenue

5. How eInvoicing will work: Peppol and the five-corner model

The EN 16931-1 standard defines the content and structure of an eInvoice. Independently of this, there is the practical matter of how the eInvoice is routed between the supplier and the customer, and how the relevant data is ultimately provided to Revenue. This section sets out Revenue's proposed approach to that process and highlights the key differences from current business invoicing practices.

5.1 Peppol at the centre

Peppol will serve as the core interoperability network for eInvoicing in Ireland. It is widely used internationally as a secure framework for exchanging structured electronic business documents, including invoices, purchase orders, credit notes and other document types. Peppol is not new in Ireland: some public sector bodies have used it for business-to-government eInvoicing since 2019.

Regulations will specify Peppol as the default transmission method, unless both parties to a transaction have agreed to use a different routing method. In-scope suppliers will be obliged to report digitally to Revenue through the Peppol network, using a Peppol service provider, from 1 November 2028. This applies to suppliers; customers will not have to report to Revenue. Having one network for exchange and reporting gives software developers, service providers and businesses greater certainty about how to send eInvoices and how to report.

Peppol invoice specifications are based on the Universal Business Language (UBL), an open international standard that is one of the syntaxes permitted under EN 16931-1. Using Peppol with the EN 16931-compliant UBL syntax is therefore compatible with the eInvoicing format that Irish law will require.

5.2 A European standard: EN16931-1

eInvoices will be required to adhere to the European Standard EN 16931-1. The standard defines the data model for electronic invoices and ensures standardisation and interoperability across the EU. It was developed by the European Committee for Standardization (CEN) and is available from the National Standards Authority of Ireland (NSAI), www.nsai.ie. It will be incorporated by software providers into their compliant eInvoicing software packages.

Experience in other countries shows that without a shared standard, national variations can vary, which increases costs for businesses trading in more than one country. A standards-based approach allows businesses to choose among software and service providers and allows providers to compete on service and price. Revenue will set out the validation rules and the reporting data in the technical specifications.

5.3 How eInvoicing works

Invoices have traditionally been exchanged either directly between trading partners or via shared intermediaries. These approaches can function adequately in limited settings, but they do not scale well: suppliers may need to establish and maintain separate connections or bespoke formats for each major customer, or trading partners may be constrained to use the same intermediary or platform. This increases complexity, cost and dependency on specific solutions, and makes it harder to achieve broad interoperability and efficient, standardised eInvoicing across the economy.

A networked model such as Peppol removes these constraints. The supplier and the customer each use their own service provider, which act as intermediaries to exchange invoices under common technical and business rules. This means a supplier can reach any customer on the network through a single connection, like how email or telephone users with different providers can still communicate with one another. Businesses can retain their existing systems, and many accounting products will be able to send and receive invoices in the required structured format directly.

5.4 Adding the reporting requirement to Revenue

When an invoice is exchanged, a defined subset of its data is also sent to Revenue through the service providers. Because the data already exists in the invoice, businesses do not prepare a separate report, and a single mechanism serves both trading and tax purposes. Revenue connects to the service providers on the network rather than to each business individually. This is commonly referred to as a 5-corner model and is described in the table below.

Table 8: The five corners and their roles

Corner	Who	Role
Corner 1	The supplier	Issues the invoice from its own accounting or ERP system and appoints an access point.
Corner 2	The supplier's access point (Peppol service provider)	Receives the invoice from the supplier, checks that it meets the standard and rules, and sends it across the network to the customer's access point. Reports the specified data to Revenue.
Corner 3	The customer's access point (Peppol service provider)	Receives the invoice from the network and delivers it to the customer in a form its systems can process.
Corner 4	The customer	Receives the invoice into its own systems. Must be able to receive structured eInvoices from its suppliers.
Corner 5	Revenue	Receives the specified data from each in-scope eInvoice. Revenue sets the rules on what is reported.

How an invoice moves through the network

In the usual case an invoice follows the steps below. Where a customer prepares the invoice under a self-billing arrangement, the customer is in the position of the issuer and reports within five days.

Table 9: How an invoice moves through the network

Step	What happens
1	The supplier's system produces a structured eInvoice that includes the customer's business identifier.
2	The supplier's access point checks the invoice and sends it over the network to the customer's access point.
3	The customer's access point delivers the invoice, and the customer's system processes it.
4	At the time the invoice is issued, the specified data from the invoice is reported to Revenue through the network.
5	If the invoice needs correction, a credit note, debit note or other amending document is issued in the same structured format and, where required, reported.

5.5 The business identifier

For a supplier's access point to send an invoice, it must know where the customer can be reached and whether the customer can receive that type of document. A Peppol Directory helps businesses find one another via Peppol service providers. The business identifier is linked to the recipient so that the invoice reaches the right customer. This is why customers will be asked to give their number to suppliers.

In 2027, Revenue will provide businesses with a business identifier to help them send and receive eInvoices. The number a business uses as its business identifier will depend on its tax registration status:

- If your business is registered for VAT, your existing VAT number will be your business identifier.
- If your business is not registered for VAT, Revenue will issue you with a business identifier.

The business identifier will be similar in structure to current tax registration numbers or PPS numbers. Revenue will contact affected businesses in 2027 through the Revenue Online Service (ROS) and MyAccount. In the meantime, suppliers can start collecting the VAT numbers of their VAT-registered customers.

5.6 Security and trust on the Peppol network

Only certified service providers can operate as access points. Messages are exchanged using a secure transport protocol, and providers authenticate one another using digital certificates. Each document is wrapped in a standard envelope so that it can be routed without its content being read. These technical safeguards are underpinned by contractual arrangements and governance rules that define the obligations of every connected provider.

5.7 The Peppol Authority

A Peppol Authority is the national or regional body that oversees and manages the use of the Peppol network within its jurisdiction. It holds the agreement with OpenPeppol, the not-for-profit association that manages Peppol, drives the use of Peppol in its jurisdiction, and agrees the roles and responsibilities of the certified service providers based there.

The Office of Government Procurement (OGP) has acted as Ireland's Peppol Authority since 2018, with a focus on business-to-government eInvoicing. Revenue will become Ireland's designated Peppol Authority at the beginning of 2027. The change reflects the shift in how Peppol will be used in Ireland: it will no longer be primarily a channel for invoices to the public sector, but the network for eInvoicing and reporting.

For service providers, Revenue will be the point of contact for Irish service providers joining the network and for the rules that apply in Ireland. Revenue will publish further information on how providers become certified and what is expected of them. Revenue will continue to work with the OGP to ensure that public bodies and service providers already using the network can continue operating with minimal disruption during the transition to the new authority.

5.8 Why this model

Revenue's decision is based on EU requirements and on best practice, drawing on the experience of other jurisdictions and established models internationally. Mandating the use of Peppol in Ireland for ViDA reporting and as the default transmission method for eInvoicing offers several important benefits:

- **Standardisation and interoperability:** Peppol provides a common, open and interoperable framework that is already widely used across the EU and across the globe, reducing fragmentation and technical complexity for Irish businesses and software providers.
- **Lower integration and compliance costs:** Using a single, recognised transmission method simplifies integration with existing systems, lowers development and maintenance costs, and makes it easier for businesses to comply with EU eInvoicing and ViDA requirements.
- **Support for cross-border trade:** Peppol enables Irish taxpayers to exchange structured invoices with trading partners in other Member States, facilitating smoother cross-border trade and potentially reducing administrative barriers.
- **Improved data quality and timeliness for Revenue:** Peppol supports reliable, secure and timely transmission of high-quality data, enhancing the accuracy of reporting and enabling better risk analysis, compliance management and policy evaluation.
- **Alignment with international best practice:** Adopting Peppol leverages established international governance, security and certification mechanisms, avoiding the need for a bespoke national solution and reducing implementation risk while supporting long-term scalability and resilience.
- **Competition and choice for businesses:** The Peppol ecosystem is open to multiple certified service providers, ensuring competition in the market. Businesses can choose the provider that best meets their needs on price, functionality and support, rather than being locked into a single mandated vendor or proprietary solution.

6. EU compliance: the ViDA Directive

6.1 What ViDA requires

On 11 March 2025, the Council of the EU approved the VAT in the Digital Age (ViDA) package (Council Directive (EU) 2025/516). ViDA modernises the EU VAT system in three areas: eInvoicing and digital reporting, the platform economy, and single VAT registration. This paper focuses on eInvoicing and digital reporting.

From 1 July 2030, all cross-border business-to-business supplies of goods and services between EU Member States must use structured eInvoicing for businesses to continue to avail of the 0% VAT arrangements that currently apply to supplies within the Single Market. Under ViDA:

- suppliers must issue structured eInvoices within 10 days of the transaction
- suppliers must report a subset of the eInvoice data to their national tax authority while the eInvoice is sent
- customers must report receipt of an eInvoice within 5 days; and

- the monthly VAT Information Exchange System (VIES) return is replaced.

ViDA does not provide for a centralised pre-clearance model in which an invoice is valid only once approved by a tax authority. It supports a decentralised approach, in which invoices are exchanged between businesses and their service providers using open standards and a subset of data is reported to tax authorities. This matches the broader direction of digital government in Europe. EU estimates indicate that eInvoicing will help reduce VAT fraud by up to €11bn annually and bring down administrative and compliance costs for EU businesses by over €4.1bn annually over ten years.

6.2 Domestic eInvoicing and ViDA compared

Table 10: How the domestic and EU requirements differ

Feature	Domestic eInvoicing (Ireland)	EU ViDA (cross-border B2B)
Starts	Phase One: 1 November 2028 (large corporates). Phase Two: 1 November 2029 (wider scope).	1 July 2030.
Transactions covered	Domestic B2B and B2G supplies.	Intra-EU B2B supplies of goods and services, including intra-EU business-to-government transactions.
Who reports	The supplier only. Under self-billing, the customer reports within five days.	Both the supplier and the customer.
When reporting happens	At the time the invoice is issued.	The supplier reports when the eInvoice is issued. The customer reports receipt within five days.
Data fields	Revenue will announce the exact reporting fields for domestic eInvoices when finalised.	Being determined by the European Commission with Member States.
Standard	EN 16931-1.	EN 16931-1.
Why it matters	Obligation under Irish VAT law, as amended.	Condition for keeping 0% VAT on intra-EU supplies. Replaces VIES returns.

6.3 EU implementation and timelines

The European Commission published its ViDA Implementation Strategy in September 2025, and in May 2026 published the ViDA work programme for digital reporting, setting out activities across legislative, IT, guidance and consultation categories.

The Commission aims to complete Explanatory Notes on how the ViDA provisions should be applied in early 2027, along with the data fields to be reported from the tax administration to the Commission for ViDA. Revenue is engaging with the Commission and other Member States and will publish updates when available.

7. What this means for you

Ireland's implementation of eInvoicing will affect every business in Ireland, in different ways. The effects depend on business size, whether the business trades cross-border with other EU businesses, and whether it makes taxable or exempt supplies. Revenue's interactive guide, *How is my business impacted by VAT modernisation?* on the Revenue eInvoicing Hub can help you identify your position.

Table 11: What the changes mean for each audience

If you are…	What it means
A VAT-registered large corporate administered by the Large Corporates Division	You will be in Phase One from 1 November 2028. See section 3.1 & 3.2 for additional criteria.
A VAT-registered business that trades with other EU Member States	You will be required to issue eInvoices and report in real time from 1 November 2029, and the EU requirements apply from 1 July 2030.
A smaller business that trades only in Ireland	You are not required to issue eInvoices in the first phases, but suppliers in scope will be required to send you eInvoices. Be ready to give your VAT number or business identifier to your suppliers and be enabled to receive eInvoices from 1 November 2028.
A public body	You will need to be able to receive eInvoices from 1 November 2028. Depending on the nature of your activities there may be a requirement to issue eInvoices and digitally report domestic supplies from 1 November 2029.
A tax agent or accountant	Clients may ask you to advise on their obligations.
A representative body	Your members will look to you for guidance. Revenue will continue to engage with you so that information reaches businesses through channels they already use.
A software or service provider	Demand for eInvoicing and reporting capability will grow as dates approach. Engage in dedicated webinars and workshops.

All the businesses, including public bodies, need to be able to receive eInvoices from 1 November 2028

7.1 Businesses

If you are required to issue eInvoices (Phase One or Phase Two): you will need systems that can generate, validate, transmit, receive and store structured eInvoices, report the specified data to Revenue through a Peppol service provider, and apply the business controls described in section 4.

The obligation covers taxable supplies to other taxable persons established in the State and to public bodies. It does not cover consumers or exempt supplies.

All businesses need to be able to receive eInvoices from November 2028. A business is any activity carried out to generate an income. This can include selling goods, providing services, farming, mining, professional services or earning income from a property.

This is a broad definition, and Revenue recognises businesses can take many forms. It can include but is not limited to corporates and individuals trading across a range of sectors: retail, manufacturing, construction, technology, agriculture, accommodation, and pharmaceutical. It can also include government bodies, local authorities, charities, landlords, and any other entity or individual whose activities meet the above definition.

If you only need to receive eInvoices: you do not need to take any action at this time. More guidance will follow on the Revenue eInvoicing Hub.

You should be aware that:

- suppliers in scope may send you an eInvoice without asking first, and you can no longer insist on a PDF for in-scope invoices
- a PDF or scanned invoice sent by email is not an eInvoice; and
- you should be ready to give your VAT number or business identifier to suppliers on request.

Revenue recognises that some businesses may find the transition harder. Many will meet the requirement through their existing accounting software or a software provider's portal. Revenue has engaged with software providers on options that are affordable and simple for smaller businesses, and expects the provider market to expand before November 2028, with potential for free or low-cost tools. Businesses can start preparing now but should avoid finalising system builds until the regulations and technical specifications are published.

How to prepare:

- Work out which phase applies to your business.
- Map your invoice flows: domestic B2B, public bodies, reverse-charge supplies, self-billing and EU trade.
- Speak to your accounting or ERP software provider about eInvoicing and real-time reporting plans and timelines, where you have solutions in place.
- Check the quality of your customer and supplier master data, including VAT numbers.
- Review how you store invoices and how you could show authenticity, integrity and an audit trail.
- For medium and large businesses, make sure finance and IT department staff are aware of the changes.
- Follow Revenue's updates through the eInvoicing Hub and mailing list.

7.2 Tax practitioners

Tax agents and accountants will be a first point of contact for many businesses. Clients may ask you to advise on their obligations, and some may ask you to report on their behalf. Revenue has involved practitioners early so that guidance reaches businesses through channels they already use.

How to prepare:

- Help clients identify their phase. Use the phase definitions in section 3, noting the 1 January 2027 and 1 January 2028 scope dates for the Large Corporates Division.
- Map invoice flows with clients, including domestic B2B, public bodies, reverse-charge supplies, self-billing and EU trade.
- Review master data and records. Check customer and supplier VAT numbers, and how invoices are stored and how authenticity, integrity and an audit trail could be shown.
- Prepare your own practice. As a business, your practice must be able to receive eInvoices from November 2028.
- Stay engaged. Revenue will provide updates through the Tax Administration Liaison Committee (TALC) and dedicated stakeholder forums.

7.3 Representative bodies

Representative bodies are often the main point of contact for smaller businesses. Revenue will continue to involve representative bodies and will provide clear, accessible communication, including to sectors with lower digital readiness.

How to prepare:

- Engage with Revenue through dedicated stakeholder forums.
- Share Revenue's updates with your members and point them to the eInvoicing Hub on www.revenue.ie and mailing list.
- Run targeted outreach events and incorporate VAT Modernisation into existing events, which Revenue will attend where appropriate.

7.4 Public bodies

Government departments, public service bodies and local authorities will need to be able to receive domestic eInvoices from 1 November 2028. With the introduction of optional B2G eInvoicing in 2018, some bodies are receiving eInvoices through the Peppol network, although the numbers are low. Depending on the nature of activities the public body is involved in, there may be a requirement to issue eInvoices and digitally report domestic supplies from 1 November 2029.

How to prepare:

- Work out which implementation phase applies to you.
- Where your department/body operates under Financial Shared Services, contact the National Shared Services Office.
- Map your invoice flows: domestic B2B, public bodies, reverse-charge supplies, self-billing and EU trade.
- Speak to your accounting or ERP software provider about eInvoicing and real-time reporting plans and timelines.
- Check the quality of your customer and supplier master data, including VAT numbers.
- Build on existing Peppol experience. Some public bodies have used Peppol for B2G eInvoicing since 2019.
- Note the EU dimension. ViDA also applies to intra-EU B2G transactions from July 2030.

7.5 Software and service providers

For software and service providers, eInvoicing means Irish businesses will need systems that can generate, validate, transmit, receive and store structured eInvoices. Confirmation of Peppol as the default network gives the certainty needed to plan product development. Because the standard is shared across countries, the investment is not limited to the Irish market.

Table 12: What systems and services will need to support

Area	What it means for your product or service
Standard	eInvoices must meet EN 16931-1, with national additions kept to the minimum necessary. Validation rules and reporting data will be set out in Revenue's technical specifications.
Transmission	Transmit securely via Peppol, which will be the default, or an agreed supplier/recipient network where both parties agree.
Reporting	Where applicable, report the specified invoice data to Revenue through the Peppol network via a Peppol service provider, at the time the invoice is issued.
Business Identifier	Support the customer business identifier on every eInvoice, and the Peppol Directory lookup used to route invoices.
Document types	Invoices, summary invoices, credit and debit notes and other amending documents, reverse-charge documents, and self-billing arrangements. Revenue will issue further guidance on which document types must be validated, transmitted and data reported.
Controls and records	Support evidence of authenticity of origin, integrity of content, a reliable audit trail, and issue, receipt and storage in structured electronic format.
Becoming an access point	Only certified service providers can act as access points. Revenue, as Peppol Authority, will publish how Irish providers become certified and what is expected of them.

Specifications, testing and how to prepare

Revenue's technical specifications section on the eInvoicing Hub will host schemas, standards and technical content for domestic eInvoicing, digital reporting and ViDA in Ireland, and will be updated as information becomes available. Test environments will be available in sufficient time before 1 November 2028. Software providers are encouraged to take part in the consultation on technical specifications, and in Revenue webinars and workshops, which will be announced on the eInvoicing Hub.

How to prepare:

- As with businesses, avoid finalising builds until the regulations and technical specifications are published.
- Review the phased timelines for domestic eInvoicing.
- Evaluate your current system to ensure eInvoice data can be captured, stored and transmitted electronically in line with EN 16931-1.
- Map data processes from current systems to confirm compatibility with EN16931-1.
- Make any necessary upgrades or integrations to enable eInvoice exchange.
- Engage with your clients to help them plan for their eInvoicing obligations.
- Join the mailing list and attend Revenue webinars and workshops.

8. The benefits for business

A move to eInvoicing supports the Government's National Digital and AI Strategy: *Digital Ireland: Connecting our People, Securing our Future*, to position Ireland as an international economic digital leader, increasing the adoption of digital technologies by all businesses, especially SMEs.

The Strategy commits to a digital public service that is simpler, faster and more intuitive, in which data is captured once and shared appropriately. Structured eInvoicing applies that approach to VAT. By integrating eInvoicing into existing business processes, businesses can achieve time efficiencies and cost reductions while ensuring accurate, timely VAT reporting.

Less manual work.

Today, invoice information is often keyed or exported more than once, then reconciled again when the VAT return is prepared. With a structured invoice, data entered once can flow into the customer's accounts payable system, the business's own accounts and reporting without re-keying. Invoices can be checked against defined rules when created, so mistakes are found when they are easiest to fix. Receiving businesses can process eInvoices automatically, which shortens approval and opportunities for errors.

Certainty.

When Revenue can see transaction detail at the time it is created, it can identify and resolve discrepancies early. For a business meeting its obligations, routine good-faith errors should be caught and corrected quickly instead of in a retrospective audit. It should also mean faster processing of VAT repayment claims and fewer compliance interventions.

A fairer marketplace.

VAT fraud, including missing-trader and carousel schemes, distorts competition because those who do not pay what they owe can undercut those who do. Better visibility of transactions narrows the scope for such schemes, which benefits every business that complies.

A step to build on.

Once invoice data is clean and structured, it becomes easier to connect stock control, payments and other processes, and to use analytics and automation. For businesses trading with other EU countries, the monthly VIES return will no longer be needed under ViDA, and starting domestically gives lead-in time to be ready and keep the 0% VAT arrangements.

9. Challenges for businesses

Revenue is conscious that the benefits will not be experienced evenly or immediately.

Upfront investment.

Businesses will need to invest in software, system changes or new integrations, often before any saving is realised. For smaller businesses this is a real and immediate cost. Revenue is engaging with software providers about their offerings and expects the market to expand and offer cost effective solutions.

Different starting points.

Some taxpayers still rely on paper invoices or spreadsheets. For them, eInvoicing is a fundamental change in how they work, needing new skills as well as new systems.

A change in the nature of the work.

Moving from periodic, aggregate reporting to continuous, transaction-level reporting means rethinking invoicing, reconciliation and record-keeping. Finance and tax teams may spend less time on routine calculation and more on overseeing automated processes and resolving exceptions.

Practical questions.

Businesses do not want two parallel invoicing systems, one for VAT and one for ordinary commercial use. They have asked how self-billing, summary invoices, corrections, rejected invoices and system or network failures will work in practice, and how the rules will fit with arrangements such as VAT cash accounting. Revenue has noted these questions as it prepares regulations, specifications and guidance.

Early friction.

Experience elsewhere shows that early friction is normal, whether from software readiness, unfamiliarity or early process errors. Businesses have asked that this be reflected in how compliance is approached in the first phases.

9.1 How Revenue is responding

Phasing roll-out.

The rollout starts with around 2,400 large corporates, who are generally best placed to adapt and often have eInvoicing experience elsewhere. Revenue and the business community can learn from this group before obligations extend to a broader and more varied population.

Peppol and a European standard.

A widely used, stable network supports a broader and more competitive range of software products than a bespoke Irish-only system. Revenue is engaging with software providers on pricing so that cost is not a barrier for micro and small enterprises.

Testing, specifications and guidance.

Revenue intends to provide test environments, clear technical specifications well in advance of each phase, and plain-language guidance, drawing on the approach taken for PAYE Modernisation.

Extensive stakeholder engagement.

Revenue is engaging with businesses, public bodies, tax practitioners, software providers, Peppol service providers and representative bodies. The aim is to understand the Irish business landscape and the transition needed to be ready for domestic obligations from November 2028. This continued engagement and feedback is vital. It helps ensure that timely, accurate guidance reaches businesses through the channels they already use. Revenue will expand its communication channels as the programme develops.

9.2 A shared undertaking

VAT Modernisation is a significant, multi-year transformation programme. Its success depends on sustained commitment from Revenue, businesses, tax practitioners, representative bodies and software providers. Revenue will continue to engage openly on the practical challenges as they arise, and to adjust its approach in response to what is learned, from businesses' direct experience and from other countries that have made this transition.

Contact Revenue on **vatmodernisation@revenue.ie** for engagement opportunities, further queries and feedback.