

RETARUS WHITEPAPER

Electronic invoices in ZUGFeRD format— the new standard for digital invoicing processes

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ZUGFeRD combines
human-readable PDF documents
with machine-readable
XML data

Starting in
September 2025
legacy ZUGFeRD versions
will no longer be supported

What is ZUGFeRD?

ZUGFeRD (Central user guide of the forum for electronic invoices in Germany) is a standardized and cross-industry data format for electronic invoices. It is being developed by the Forum for Electronic Invoicing in Germany (FeRD) and combines human-readable PDF documents with machine-readable XML data in a hybrid format. ZUGFeRD is designed to enable companies to process invoices efficiently, in a legally secure and standardized manner.

The format meets the requirements of EU Directive 2014/55/EU and the EN 16931 standard for electronic invoicing. It supports both the public and private sectors and is used in B2B (business-to-business), B2G (business-to-government) and B2C (business-to-consumer) scenarios.

Starting in version 2.0, ZUGFeRD has also met the special requirements of the German public administration ("XRechnung"). This makes the format widely applicable, replacing traditional paper-based invoicing processes and enabling seamless processing.

In September 2024, ZUGFeRD version 2.3 was published, which is a further step towards an improved and standardized electronic invoice. This version is particularly advantageous for German and French companies, as it fulfills the requirements of both the German Federal Ministry of Finance and the French tax authorities. The legacy version 2.2 will only be supported until September 2025.

What changes for my company with ZUGFeRD?

The ZUGFeRD format does not replace existing IT structures but merely supplements them. Consequently, nothing will change for users until their own software is able to recognize a ZUGFeRD invoice and automatically read the attached data from the document. For organizations that use a common accounting or ERP software solution, the IT department can check for available updates as a first step and assess whether the implementation requires reconfigurations or process changes.

Specialized providers

facilitate the introduction of ZUGFeRD

In contrast, solution providers such as Retarus offer companies decisive advantages when it comes to introducing and using the ZUGFeRD format:

- Know-how and efficiency: Specialized providers have extensive experience in implementing ZUGFeRD solutions. This ensures a smooth transition without any significant burden on internal IT resources.
- Customizations: Providers of ZUGFeRD solutions should be able to respond to different needs, including integration into existing processes and systems. This is particularly advantageous for companies whose software does not yet fully support ZUGFeRD.
- Long-term support: After the technical solution has been implemented, ongoing support and regular updates should be provided to keep your system up to date.
- Cost control: By using external services, you can make the introduction of ZUGFeRD cost-efficient and avoid long-term investments in expensive system adaptations.

When will electronic invoices become relevant for me?

Since January 2025,

accepting electronic invoices is mandatory for B2B

The legal requirement to introduce electronic invoices in the B2B area has come into force on January 1, 2025 for Germany. The phased introduction stipulates that companies must first be able to receive and process electronic invoices. The obligation to create and send them will follow in the coming years.

Milestones:

- November 2020: Public clients no longer accept paper invoices.
- January 2025: Electronic invoices in the B2B sector will be mandatory. Companies must be able to provide their invoices in ZUGFeRD, XRechnung or EDI formats.

The introduction of these regulations is further advancing the digitization of accounting. The ZUGFeRD format plays a central role in this.

ZUGFeRD

plays a central role in digitization of accounting

Added value and benefits of ZUGFeRD

The ZUGFeRD format offers several technical and economic advantages.

1. Increased efficiency

- Invoice data is automatically processed directly in the ERP system.
- Manual checking of invoices is no longer necessary.
- The time taken to process an invoice is reduced from an average of 27 minutes using manual processes to around five minutes when electronic invoices are processed automatically. (BMI study, 2012).

2. Reduced cost

- Printing and postage costs are eliminated.
- The accounting workload is minimized.

3. Fewer mistakes

- Input errors from manual processing no longer occur.
- Standardized formats ensure secure and correct data transmission.
- Compliance with data protection and security standards is guaranteed.

4. Legal certainty

- ZUGFeRD meets all requirements of the EU directive 2014/55/EU and the GoBD for audit-proof archiving.
- The requirements of the German VAT Act are met.
- Billing data can be analyzed automatically.

5. Flexibility and scalability

- ZUGFeRD is suitable for companies of all sizes—from small businesses to large corporations.
- The format can be used in different business areas (B2B, B2G, B2C).
- Efficient invoice processing ensures that incoming payments are received faster, improving liquidity. Claims can be realized more quickly.

6. Sustainability

- Avoiding paper saves resources.
- The elimination of transportation routes reduces CO2 emissions.
- Companies that switch to electronic invoicing actively support their environmental goals.

One solution for all communication channel requirements

Ideally, companies looking for an electronic invoice processing solution should choose a provider that covers the topic comprehensively.

Retarus E-Invoicing is a cost-efficient SaaS solution developed using EDI DNA and over 27 years of experience in the EDI sector. It complies with international regulations and fulfills a wide range of technical country-specific requirements. As a certified Peppol Access Point and a member of local electronic invoicing associations, Retarus operates legally compliant e-invoicing for its customers worldwide for B2G, B2B and B2C, always in accordance with the latest standards.

FAQ

1. What is the difference between ZUGFeRD and XRechnung?

ZUGFeRD combines PDF and XML so that invoices can be read both by machines and by humans. XRechnung is based exclusively on XML and is machine-readable only.

2. Can I continue to use my existing accounting software?

Yes, many common systems such as DATEV, SAP or Microsoft Dynamics already support ZUGFeRD. However, we recommend checking this internally.

3. Do electronic invoices also have to be digitally archived?

Yes, electronic invoices must be archived in a machine-readable format. A print-out is not sufficient.

4. Is ZUGFeRD also suitable for small companies?

Yes, the format is scalable and can be used regardless of the size of the company.

5. I do not have an electronic invoicing solution currently implemented.

What will happen?

Companies that failed to meet the new requirements as of January 1st, 2025 risk fines and possible delays in their payment processes.