

Issuance of invoices

A taxable person shall issue an invoice for the transfer of goods or provision of services **within seven calendar days** as of the date on which the goods are dispatched or made available to the purchaser or the services are provided. In case of provision of long-term services and goods sold on a regular basis or services rendered on a regular basis, an invoice must be issued within seven calendar days from the last day of the taxable period specified in § 11 (4) of the Value-Added Tax Act.

A taxable person may authorise to issue an invoice on its behalf by another person or buyer acting in the name and for the account of such taxable person. In such cases the taxable person must also ensure that the invoice is issued within the same term (seven calendar days) (Value-Added Tax Act, § 37 (1)). Taxable persons registered in Estonia are under the obligation to issue an invoice meeting the requirements of the Value-Added Tax Act valid in Estonia in the following cases (Value-Added Tax Act, § 37 (1¹)):

1. If the place of supply of goods is Estonia;
2. If the place of supply is in a third country;
3. Upon the transfer of goods and provision of services which are subject to taxation in the Member State of the acquirer of goods or recipient of the service to a person who is registered as a taxable person or taxable person with limited liability in another Member State and the recipient has not issued an invoice to itself for such transaction.

An invoice must generally be issued by following the rules of the country where the seller of the goods or the provider of services is based. If the recipient of the goods or services is based in another Member State and issues to itself an invoice for the goods or services, the invoice is issued by following the rules of the country where the supply occurs.

If the supply is created upon receipt of full or partial payment for the goods or services, an invoice shall be issued within seven calendar days as of the date of receipt of full or partial payment for the goods or services (Value-Added Tax Act, § 37 (2)).

Whereas the general obligation is to issue an invoice within 7 calendar days from the date of supply, in case of intra-Community supply of goods and upon the provision of services specified in § 10 (4) 9) of the Value-Added Tax Act to a taxable person or taxable person with limited liability in another Member State, an invoice may be issued by the 15th day of the calendar month following the month that goods were dispatched or made available or services were provided (Value-Added Tax Act, § 37 (2¹)).

An invoice meeting the requirements of § 37 of the Value-Added Tax Act need not be issued upon the transfer of goods or provision of services to a natural person for personal use, except in the case of distance selling, the transfer of a new means of transport or treating as exports the goods transferred to a third country natural person (tax-free sales). There is also no obligation to issue an invoice upon the sale of tax-exempt goods or provision of services specified in § 16 (1), (2) or (2¹) of the Value-Added Tax Act if the corresponding supply is not subject to value-added tax (Value-Added Tax Act, § 37 (1) and (3)). Instead of the taxable person or foreign taxable person, the invoice may also be issued by the acquirer of

goods or the recipient of services (self-billing). The seller must accept the purchaser's issuance of the invoice because the seller must always ensure the on-time issuance of the invoice. In order to apply self-billing the purchaser and seller must have entered into a prior written agreement, including a provision in such agreement specifying in what manner the seller of the goods or provider of the services accepts an invoice issued by the purchaser (Value-Added Tax Act, § 37 (5)).

For example, the seller may approve an invoice issued by the purchaser and sent to the seller within an agreed-upon term by signature to denote acceptance, even though a signature is not a mandatory feature of an invoice. Alternatively, there may be an agreed-upon time period during which the seller is able to dispute an issued invoice and after the expiry of which the invoice is deemed accepted. As the seller is under the obligation to account for its supply and also retain the invoices issued on its behalf, another person will obviously not be able to issue an invoice on behalf of the seller without sending it to the seller.

A purchaser issuing the invoice is reasonable in cases where the seller lacks the information required for the issuance of the invoice when entering into the transaction. For example, it is sometimes used when agricultural products are sold to industries where the purchaser of the goods measures the quantity and determines the quality of meat, grains, etc. and accordingly calculates the price.

Documents, including credit invoices that amend the initial invoice and that contain a reference to such invoice are deemed an invoice, therefore such documents are also subject to requirements specified in § 37 of the Value-Added Tax Act on the content of invoices (Value-Added Tax Act, § 37 (4)). An invoice may be issued on paper or, subject to acceptance by the acquirer of goods or the recipient of services, by electronic means (Value-Added Tax Act, § 37 (6)). Electronic invoices are also subject to invoice retention requirements and upon request by the tax authority the tax authority must be permitted access to invoices stored electronically.

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