



The "Immediate Information System" (SII) (Note)

General description

The "Immediate Information System" (SII) involves the obligation for certain taxable persons to inform the tax administration electronically of the detail of the invoices issued and received within 4 working days of dispatch or receipt, enabling the authorities a control of data practically in real time. It will enter into force the 1st of July, 2017.

Taxable persons obliged to apply the SII



The SII will only be mandatory for companies filing monthly VAT returns, namely:

- Those considered as "large entrepreneurs" for VAT purposes (turnover in Spain over EUR 6.000.000).
- Those applying the so called REDEME (special monthly VAT refund scheme).
- Those belonging to VAT Groups.

Those not falling within one of the above three situations may voluntarily use the SII by filing a census communication in the month of November previous to the calendar year in which it shall enter into effect (for 2017 this option shall be carried out in the month of June).

VAT register books included in the SII

The four mandatory VAT register books are affected by the SII, namely:

- VAT register book of issued invoices.
- VAT register book of received invoices.
- VAT register book of investment goods.
- VAT register book of certain intra EU transactions (basically, transfers).

With the SII, these books will be kept directly by the tax administration, since the taxable persons will be providing the required information on a real-time basis.



Information to be provided

The SII will oblige to report the information that is currently included in the register books and certain additional information:

Issued invoices:

Current register book of issued invoices	Additional information
- Invoice number	- Type of invoice issued, indicating if complete or simplified, or amending
- Invoice series, if applicable	- Identification of register errors
- Invoice date	- Description of the transaction
- Date of transaction if different from invoice date	- For amending invoices, reference to the amended invoice or the specifications that are amended
- Full name and tax number of the recipient	- For substitutive invoices of simplified invoices, reference to the simplified invoice or the specifications that are substituted
- Taxable base	- Specific mentions of the investment gold and group of entities special VAT schemes
- VAT rate	- Type of transaction: exempt, invoicing by customer, reverse charge, special schemes
- VAT amount	- Tax period of the transactions that are registered
- Special mentions in case of cash-accounting scheme (date of payment/receipt, bank account details, means of payment/receipt)	- For invoices issued under a special authorization scheme, reference to the said authorization
	- Others set by Ministerial Order



Received invoices:

Current register book of received invoices	Additional information
- Invoice date	- Invoice number and, if applicable, series
- date of transaction if different from invoice date	- Identification of register errors
- Full name and tax number of the supplier	- Description of the transaction
- Taxable amount	- Specific mentions of the group of entities special VAT scheme
- VAT rate, if applicable	- Type of transaction: exempt, invoicing by customer, reverse charge, special schemes
- VAT amount, if applicable	- Specific mention if intracommunity acquisition of goods
- Special mentions in case of cash-accounting scheme (date of payment/receipt, bank account details, means of payment/receipt)	- Deductible VAT amount corresponding to the period in which the registration is carried out
	- Tax period in which the transactions to which the purchase invoices refer to are registered
	- For imports, date of registration and SAD number of the customs document;
	- Others set by Ministerial Order

No additional information is contemplated for the VAT register book of capital investment goods and the VAT register book of certain intra EU transactions, so the information to provide must be the same as that which is currently required, namely:



Investment goods:

Current VAT register book of investment goods
- Identification of the invoices and customs documents of the investment goods that have been purchased
- For each good, date of commencement of use, definitive annual prorata, annual regularization of the deductions, if appropriate

Certain intra EU transactions:

Current VAT register book of certain intra EU transactions
- Type of transaction (transfers or goods subject to expert reports or special works)
- Date of transaction
- Description of the goods with reference to the purchase invoice or title of possession, if applicable.
- Other invoices or documentation relating with the transactions
- Name, VAT number and address of sender or receiver
- Member State of origin or destination of the goods
- Deadline for the carrying out of the operations, if applicable

The amounts included in the register books must be reported in EURO currency.

Time-limit for providing the information

The mentioned information must be provided to the Tax Authority within a maximum period of:

Issued invoices:

- 4 working days from the date of issuance of the invoice, also including simplified invoices (receipts). For the period between the 1st of July 2017 and the 31st of December 2017, the maximum period is extended to 8 working days.
- 8 working days if invoices issued by client or third person.

In any case, the information must be provided before the 16th of the month following the date in which the VAT corresponding to the transaction that must be registered became chargeable.



Received invoices:

- 4 working days from the accounting record of the invoice. For the period between the 1st of July 2017 and the 31st of December 2017, the maximum period is extended to 8 working days.

In any case, the information must be provided before the 16th of the month following the tax period in which the transactions have been registered.

Saturdays, Sundays and bank holidays are not considered working days for the purpose of calculating the mentioned deadlines.

In addition, the taxable persons shall provide the information corresponding to the first half of 2017 from the 1st of July 2017 to the 31st of December 2017.

Register errors must be reported before the 16th of the month following the tax period corresponding to the return in which they must be considered.

Investment goods:

- During the tax filing period corresponding to the last return of the year, i.e. from the 1st of January to the 30th of January.

Certain intra EU transactions:

- 4 working days from the date of beginning of the transport (for expeditions) or the reception of the goods (for arrivals). For the period between the 1st of July 2017 and the 31st of December 2017, the maximum period is extended to 8 working days.

VAT compliance obligations for companies applying IITS

The following reporting obligations are maintained:

- VAT returns (form 303). The dead-line for filing their returns is extended to the 30th of the month following the tax period.
- Recapitulative Statements (form 349).
- Intrastat.

They following reporting obligations are removed:

- VAT registers (form 340).
- Annual summary VAT return (form 390).
- Annual statement of transactions with third parties (form 347).



Procedure to report the information

The information will be provided through the electronic portal of the Tax Agency via a web service or an electronic form according to the specific fields that must be approved by means of a Ministerial Order.

Access to reported information

The taxable person will be able to access the information that has been reported through the electronic website of the tax administration, that will be contrasted with the information provided by other parties that apply the SII.

This tax data will be a useful tool in the preparation of the VAT returns.

Penalties

Specific penalties expected for those companies which are not compliant with the SII, namely:

- 0,5% of the gross amounts involved. Minimum penalty of EUR 300 and maximum penalty of EUR 6.000 on a quarterly basis.

Note **Applicable legislation:**

- Articles 61.ter.3, 62.6, 63.3, 64.4, 71.3.5º, 68 bis, 69 bis, and 71.4 of Royal Decree 1624/1992, of December 29, (“VAT Regulations”) as amended by Royal Decree 596/2016, of 2 December.
- Articles 9.3 q) and r), 10.2.h.p and q), 32.f), 361 and 104.j) of Royal Decree 1065/2007, of 27 July (“General Regulations on the management and inspection procedures”) as amended by Royal Decree 596/2016, of 2 December
- Articles 5.1 and 18 of Royal Decree 1619/2012, of 30 November (“Invoicing Regulations”) as amended by Royal Decree 596/2016, of 2 December
- Additional, transitory and final and provisions of Royal Decree 596/2016, of 2 December.