



HOW TO INVOICE IF YOU ARE SELF- EMPLOYED?

**The perfect guide to
understanding how to invoice
in every situation.**



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TYPES OF INVOICES

In Spain there are basically two types of invoices: the **simplified invoice** and the **ordinary invoice**, as stipulated in the invoicing regulation (Royal Decree 1619/2012), which specifies that all entrepreneurs, whether they are self-employed or have a mercantile company, have the obligation to issue invoices to their customers and to keep those invoices delivered by their suppliers.

However, below we detail the types of invoicing that could be used in each situation described.

1. SIMPLIFIED INVOICE

The **simplified invoice** replaces the previous cash receipt which, according to the January 2013 regulation, is no longer valid as proof of payment.

A simplified invoice must include the following billing data:

1. Invoice number. The numbering of the invoices should always be correlative and there can be no jumps in the numbering. If you use several series, the numbering will be correlative within each one of them.
2. Date of issue.
3. The date on which the operations were carried out or payment in advance (in case it is different from the date of issue).
4. Name and surname or company name of the person obliged to issue the invoice.
5. NIF/CIF of the person obliged to issue the invoice. Self-employed persons invoice with their NIF and entrepreneurs with their CIF.
6. Description of the services rendered and their amount.
7. Type of VAT and IRPF that is applied to each operation: These rates will be discussed later.
8. Total to be paid.
9. Method of payment.

This type of invoice may be issued in the following cases:

- When the amount of the invoice is less than 400 euros, including VAT.
- When the amount is less than 3,000 euros, including VAT, and the invoice contains any of the following operations:
 - Retail sales.
 - Sales or services at the consumer's home.
 - Services provided by photographic studios.
 - Hotel and restaurant services.
 - Dry cleaning and laundry services.
 - Ambulance services.
 - Transportation of persons and their luggage.
 - Services that are provided by dance halls and discos.
 - Hairdressing and beauty salon services.
 - Use of sports facilities.
 - Parking and parking of vehicles.
 - Rental of films.
 - Use of travel highways.
- In the case of a rectifying invoice.

2. ORDINARY INVOICE

The simplified invoice can be used for a reduced number of services and always depending on the amount. For the rest of the operations, the ordinary invoice is used, which is why it is the most common form.

The ordinary invoice reproduces all the data of the simplified invoice and, in addition:

1. Name and surname or company name of the recipient.
2. Address of the person obliged to issue the invoice and of the recipient.
3. N.I.F. of the recipient.

3. DUPLICATED INVOICE

Regardless of the medium on which the invoice is issued, only one original can be issued. However, it is possible to make duplicates as long as the term 'Duplicate' is included on the invoice.

This invoice will have the same validity as the original invoice in two cases:

1. When in the same delivery or rendering of services there are several recipients. In this case, you are required to state on the original and on each of the duplicates the portion of the taxable base.
2. In the event of loss of the original for any reason.

3. RECTIFYING INVOICE

The rectifying invoice **modifies one or more previous invoices**. It is used in cases where products are returned, there are discounts or rebates after the purchase or the original invoice does not meet the legal requirements.

Invoices may be rectified as long as no more than four years have passed since the original invoice was issued.

All rectifying invoices must include a description of the reason for the rectification. Likewise, the term '*Rectificativa*' must appear on the invoice, in order to state its condition.

The rectifying invoice must use a different numerical series than the ordinary invoices and, in addition, it must indicate the numbering of the invoices it rectifies.

4. ELECTRONIC INVOICE

The electronic invoice has the same legal validity as a printed invoice. It **must contain the same mandatory fields** and be transmitted from one computer to another with the prior consent of both parties.

TYPES OF VAT AND IRPF -OPERATIONS-

In the following table, we can see the different VAT rates according to the product or service you provide:

TYPE	RATE	PRODUCTS AND SERVICES
GENERAL VAT	21%	Any product or service not excluded from the reduced rate tariffs.
REDUCED VAT	10%	<ol style="list-style-type: none">1. Food products for human or animal consumption with the exception of alcoholic beverages.2. Products or services related to forestry, livestock, or agricultural activities (fertilizers, seeds, herbicides).3. Water (both potable and irrigation)4. Devices designed for physical deficiencies (glasses, contact lenses, prostheses).5. Sanitary products, equipment, instrumentation, and materials intended for the treatment, prevention, or diagnosis of diseases (including medicines for use in animals and pharmaceutical products for direct use without medical prescription).6. Sales and renovations or repairs of real estate (homes, garages, annexes).7. Leases with an option to purchase real estate.8. Transportation of passengers and their luggage (by land, sea, or air).9. Hotel and restaurant activities and all food and beverage services.10. Health and dental care activities.

TYPE	RATE	PRODUCTS AND SERVICES
SUPER-REDUCED VAT	4%	<p>The goods considered basic necessities:</p> <ol style="list-style-type: none"> 1. Basic food products: bread, flour, milk, eggs, cheese, fruits, vegetables, cereals, tubers, and legumes. 2. Medicines that are intended for human use, as well as medicinal substances and all intermediate products used to obtain them. 3. Press and books with content that is not exclusively promotional or advertising. 4. Motor vehicles that are intended for the use of persons with reduced mobility. 5. Prostheses and internal implants for persons with some degree of disability. 6. Government-subsidized housing (VPO) delivered by the real estate developer. 7. Rental transactions with a purchase option on VPOs. 8. Home help services, resistance, residential care and day centers.
VAT EXEMPT	0%	<ol style="list-style-type: none"> 1. Operations of insurance, reinsurance, and capitalization. 2. Mediation services to natural persons. 3. Financial products (but not financial advisory services). 4. Postage stamps. 5. Operations of leasing of VPO destined to be a habitual residence (as opposed to the rent on the part of companies). 6. Professional medical and health care. 7. Approved teaching that is given in official centers (public or private), as well as private training on approved subjects.
VAT NOT SUBJECTED	N/A	<p>Transaction between private individuals (sale and purchase of second-hand goods, for example). In these cases, VAT is not applied to the sale because it is not included in the law.</p>

TYPES OF IRPF -SELF-EMPLOYED-

1. You will be obliged to withhold IRPF in your invoices if you are registered in the epigraphs of section 2: **Professional Activities and you invoice other professionals**. This means that if you are registered in this section and your clients are a company or another self-employed person, you will have to make an invoice with a **taxable base + VAT - IRPF of 15% or 7% if you are a new self-employed**.
2. If you are self-employed and you are registered in section 2, but your clients are individuals, for example, doctors or teachers who invoice people, **you will NOT have to withhold IRPF but consequently, you will have to file form 130 and pay the corresponding IRPF**.
3. If you are registered in the other two sections 1 and 3, **you are not required to withhold IRPF on your invoices**.

EXAMPLES

Below are some examples depending on the following scenarios:

1. Your client is a company or a professional self-employed in Spain: If you are a professional self-employed with an economic activity taxed at the VAT rate of 21% you must invoice including the IRPF withholding at 15% (general rate) or 7% (new self-employed) as long as your client is a company or a professional self-employed. For example, you are a web developer and you make a website for a friend of yours who is also self-employed, or for a small company.

(LOGO)		Your name Your address City, Postal Code, Country DNI/NIE Your email Your phone		
INVOICE # Client's Name Client's NIF Client's Address City, Postal Code, Country Client's Email Client's Phone		Date:	01/01/2021	
		Expiration:	31/1/2021	
		Total	95.40 €	
PRODUCT/ SERVICE	PRICE	UNITS	VAT	TOTAL
Product/Service	100 €	1	21%	121.00 €
TAXABLE BASE				100.00 €
Discount 10%				-10.00 €
VAT 21%				18.90 €
IRPF Withhold 15%				-13.50 €
Thank you for your confidence in my service.				
Pay by bank transfer to the following account number				
Bank: IBAN: BIC:				

2. Your client is a private individual in Spain: If you are self-employed with an economic activity taxed at the VAT rate of 21% you should not invoice with the IRPF withholding of 15% (general rate) if your client is a private individual. For example, you are a web developer and you make a blog for a person who simply wants it as a hobby, this person is not a freelancer or a company.

(LOGO)

Your name
Your address
City, Postal Code, Country
DNI/NIE
Your email
Your phone

INVOICE #
Client's Name
Client's NIF
Client's Address
City, Postal Code, Country
Client's Email
Client's Phone

Date: 01/01/2021
Expiration: 31/1/2021

Total 108.90 €

PRODUCT/ SERVICE	PRICE	UNITS	VAT	TOTAL
Product/Service	100 €	1	21%	121.00 €

TAXABLE BASE	100.00 €
Discount 10%	-10.00 €
VAT 21%	18.90 €
IRPF Withhold 0%	0.00 €

Thank you for your confidence in my service.

Pay by bank transfer to the following account number

Bank:
IBAN:
BIC:

3. Your client is a company from an EU country: If you are a self-employed person registered in the ROI with a taxable economic activity and you make a sale or provide services to a client from an EU member country registered in the ROI, you invoice without VAT and without IRPF. For example, you are a web developer and you make a website for a company in Germany.

(LOGO)

Your name
Your address
City, Postal Code, Country
DNI/NIE
Your email
Your phone

INVOICE #
Client's Name
Client's NIF
Client's Address
City, Postal Code, Country
Client's Email
Client's Phone

Date: 01/01/2021
Expiration: 31/1/2021

Total 90.00 €

PRODUCT/ SERVICE	PRICE	UNITS	VAT	TOTAL
Product/Service	100 €	1	0%	100.00 €

TAXABLE BASE			100.00 €
Discount	10%		-10.00 €
VAT	0%		0.00 €
IRPF Withhold			

Thank you for your confidence in my service.

Pay by bank transfer to the following account number

Bank:
IBAN:
BIC:

4. When you carry out an activity not subject or exempt from VAT in Spain: If you are self-employed with an activity not subject or exempt from VAT and you make a sale or provide services to a professional client or company you make your invoice without VAT but including the IRPF. For example, you are a doctor and you provide your services to a Health Clinic.

(LOGO)

Your name
Your address
City, Postal Code, Country
DNI/NIE
Your email
Your phone

INVOICE #
Client's Name
Client's NIF
Client's Address
City, Postal Code, Country
Client's Email
Client's Phone

Date: 01/01/2021
Expiration: 31/1/2021

Total 76.50 €

PRODUCT/ SERVICE	PRICE	UNITS	VAT	TOTAL
Product/Service	100 €	1	0%	100.00 €

TAXABLE BASE			100.00 €
Discount	10%		-10.00 €
VAT	0%		0.00 €
IRPF Withhold	15%		-13.50 €

Thank you for your confidence in my service.

Pay by bank transfer to the following account number

Bank:
IBAN:
BIC:

5. Your client is a company outside the EU: If you are self-employed with an activity subject to VAT and you make a sale or provide services to a professional client or company OUTSIDE the EU (for example, USA or Colombia) you make your invoice without VAT and without IRPF. For example, you are a web developer and you make a website for a company in the USA.

(LOGO)

Your name
Your address
City, Postal Code, Country
DNI/NIE
Your email
Your phone

INVOICE #
Client's Name
Client's NIF
Client's Address
City, Postal Code, Country
Client's Email
Client's Phone

Date: 01/01/2021
Expiration: 31/1/2021

Total 90.00 €

PRODUCT/ SERVICE	PRICE	UNITS	VAT	TOTAL
Product/Service	100 €	1	0%	100.00 €

TAXABLE BASE
Discount 10%
VAT 0%
IRPF Withhold

100.00 €
-10.00 €
0.00 €

Thank you for your confidence in my service.

Pay by bank transfer to the following account number

Bank:
IBAN:
BIC:

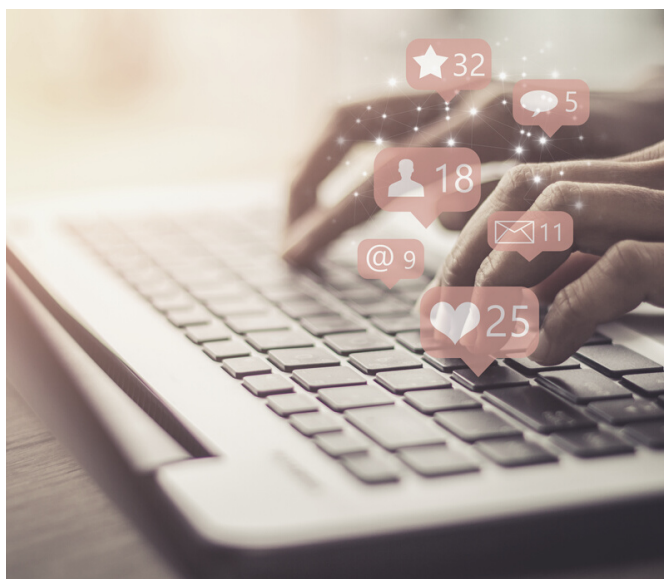
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