



E-INVOICING

E-INVOICING AND E-REPORTING: THE DROM-COM TAX TRAP

The AFNOR FE committee meeting of February 11, 2026 provided major clarifications regarding non-domestic flows within the e-invoicing reform.

And one key takeaway stands out:

👉 Tax geography prevails over political geography.

1. DROM under VAT ≠ International

Guadeloupe, Martinique, and Réunion are part of the French VAT territory.

As a result:

- ✓ B2B flows with mainland France = mandatory e-invoicing (Article 289 bis)
- ✗ No e-reporting

Even if customs clearance is involved.

The only difference lies in specific VAT rates (8.5%, 2.1%, etc.).

👉 Your tax engine must clearly distinguish between:

- customs territory
- VAT territory
- reform scope

If your ERP classifies these flows as “exports,” you are making an error.

2. French Guiana / Mayotte / COM = Treated as export flows

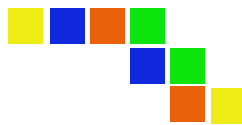
These territories fall outside the French VAT territory (Article 294-1 of the French Tax Code).

As a consequence:

- ✗ No e-invoicing
- ✓ Mandatory e-reporting (Article 290 I 1°)

These are not domestic flows, but they are not outside the reform either.

👉 Many current system architectures still fail to properly distinguish these cases.



3. The Major Pitfall: “No VAT = Outside the Reform”

“No VAT = no e-invoicing”

✘ False

The only cases fully exempt from the reform are those covered by Articles 261 to 261 E of the French Tax Code (healthcare, education, banking & real estate, non-profit organizations).

All other exemptions remain within the scope of the reform.

4. Critical Issue: VAT Category / VATEX Mapping

The VAT categories used in the European model (K, AE, G, etc.) must be correctly mapped to VATEX¹ exemption codes:

- Intra-community supply → K + VATEX-EU-IC
- B2B services within the EU → AE + VATEX-EU-AE
- Export → G + VATEX-EU-G
- Services outside the EU → provisionally G + VATEX-EU-G

⚠ Mixing VAT category codes and VATEX codes results in non-compliance.

For IT teams / CIOs:

- Review VAT category ↔ VATEX mapping tables
- Check automated tax rules
- Test multi-entity scenarios

5. Triangular Transactions: Beware of Reform Impacts

In a structure A → B → C with direct delivery:

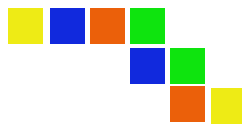
- A → B: K / VATEX-EU-IC
- B → C: AE / VATEX-EU-AE + reference to Article 141

However, if one of the parties is established in France:

- Specific e-reporting obligations may be triggered (Article 290 I 3° or 4°).

👉 These scenarios must be included in your reform test cases.

¹ VATEX codes are European identifiers used to indicate VAT exemptions in electronic invoices.



KEY TAKEAWAY

👉 Have you already tested your DROM and French Guiana flows in a pilot environment?
Errors will not be visible on the invoice.

**They will appear in the data transmitted to the tax authorities.
And at that point, it will be too late to correct them in a timely manner.**

TECHNICAL SIDEBAR

🎯 What IT Departments Must Do Now

1. Map flows based on actual VAT territories
2. Review “customer territory” logic
3. Isolate Articles 261–261E cases
4. Audit VATEX rules
5. Test DROM / French Guiana / COM scenarios.

This reform is not just an invoicing project – it is a tax determination project.
If your ERP does not reason in terms of **VAT territory + customer qualification + nature of the transaction**, you will face production anomalies.