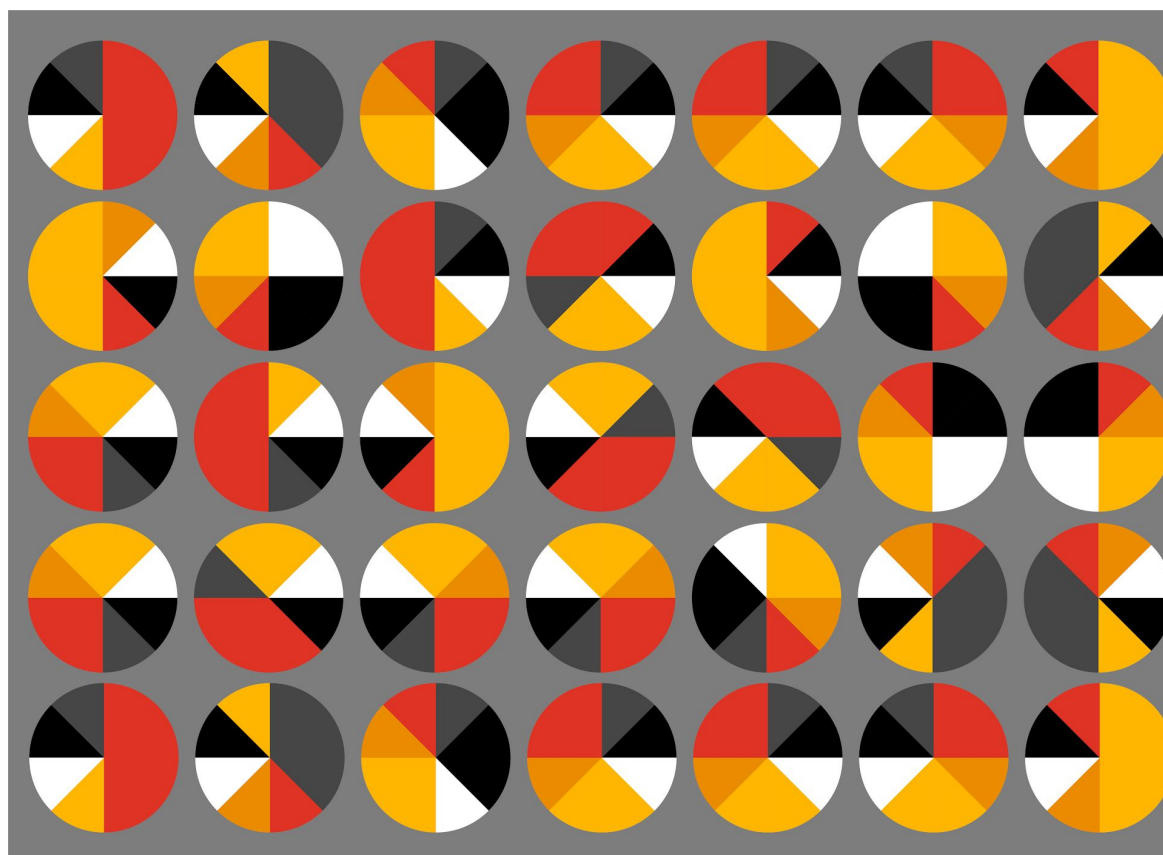


# Saudi Arabia:

## GAZT published final guidelines of the controls, requirements, technical specifications and procedural rules for implementing the provisions of the E-Invoicing Regulation

May 2021



## In brief

On 28 May 2021, the Zakat, Tax and Customs Authority (ZATCA) has published the e-invoicing resolution setting out the controls, requirements, technical specifications and procedural rules covering the generation and integration phases which includes VAT invoices, debit and credit notes. A detailed set of requirements and guidelines were also published.

The generation phase will be mandated from 4th of December 2021 and the integration will be implemented in phases starting from 1st of January 2023.

## In detail

As part of the transitional journey towards e-invoicing, ZATCA has published the [final resolution](#) and simplified guide of the controls, requirements, technical specifications and procedural rules for implementing the provisions of the E-Invoicing Regulations.

The guideline aims to specify the business and technical requirements to be mandated as part of the journey toward e-invoicing.

The guideline is set to identify controls, requirements, technical specifications, or procedural rules required for the implementation of E-Invoicing Regulation provisions which are related to the following:

- *Generation* of Electronic Invoices (e-invoices) and Electronic Notes (e-notes), including provisions related to its processing, and record keeping, effective 4th December 2021.
- *Integration* phase, transmission of Electronic Invoices and Electronic Notes, and sharing them with the Authority, which shall be implemented through phases starting from 1st January 2023.

For phase 1, by 4th of December 2021, taxpayers are required to:

1. Ensure that they are equipped with a system that complies with the requirements of electronic invoicing for the first stage (generation stage). Taxpayers should work internally with their IT technical team or with an electronic billing systems provider to ensure that the technical requirements are met.
2. Generate electronic invoices and store them through electronic invoicing systems and stop issuance of written invoices, handwritten or through text-editing software.
3. Generate electronic invoices in a systematic manner in accordance with the VAT legislations. In addition, make sure that:
  - a. For tax invoices: add the buyer's VAT registration number (if registered for VAT) and the QR code (optional).
  - b. For simplified tax invoices: add the QR code (mandatory) through a technical solution as per the e-invoicing specifications and requirements.

In addition, the resolution had two [annexes](#) attached to it that provide a detailed set of requirements which taxpayers are invited to review in details to assess its impact on their compliance journey:

1. Annexe 1: Technical specification of the e-invoicing solution in respect of generating e-invoices and e-notes which include:
  - a. the type, form and structure of the e-invoice/e-note.
  - b. Data security features (e.g. hash, cryptographic stamp, etc.).
  - c. Connectivity and data requirements of the technical solution.
  - d. Restricted functional specifications.
2. Annexe 2: The mandatory, conditional and optional fields that should be included on e-invoices or e-notes and those fields that are required to be visible on the PDF file related to the e-invoice / e-note.

## Key takeaway

The final rules issued by ZATCA provide guidance on the controls, requirements, technical specifications required for the generation and integration phases.

Businesses are encouraged to start assessing the impact of the e-invoicing regulations on their systems and processes and planning the journey towards a successful implementation by the set date of 4 December 2021, for the generation and storing phase.

## Let's talk

For a deeper discussion of how this issue might affect your business, please contact:

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