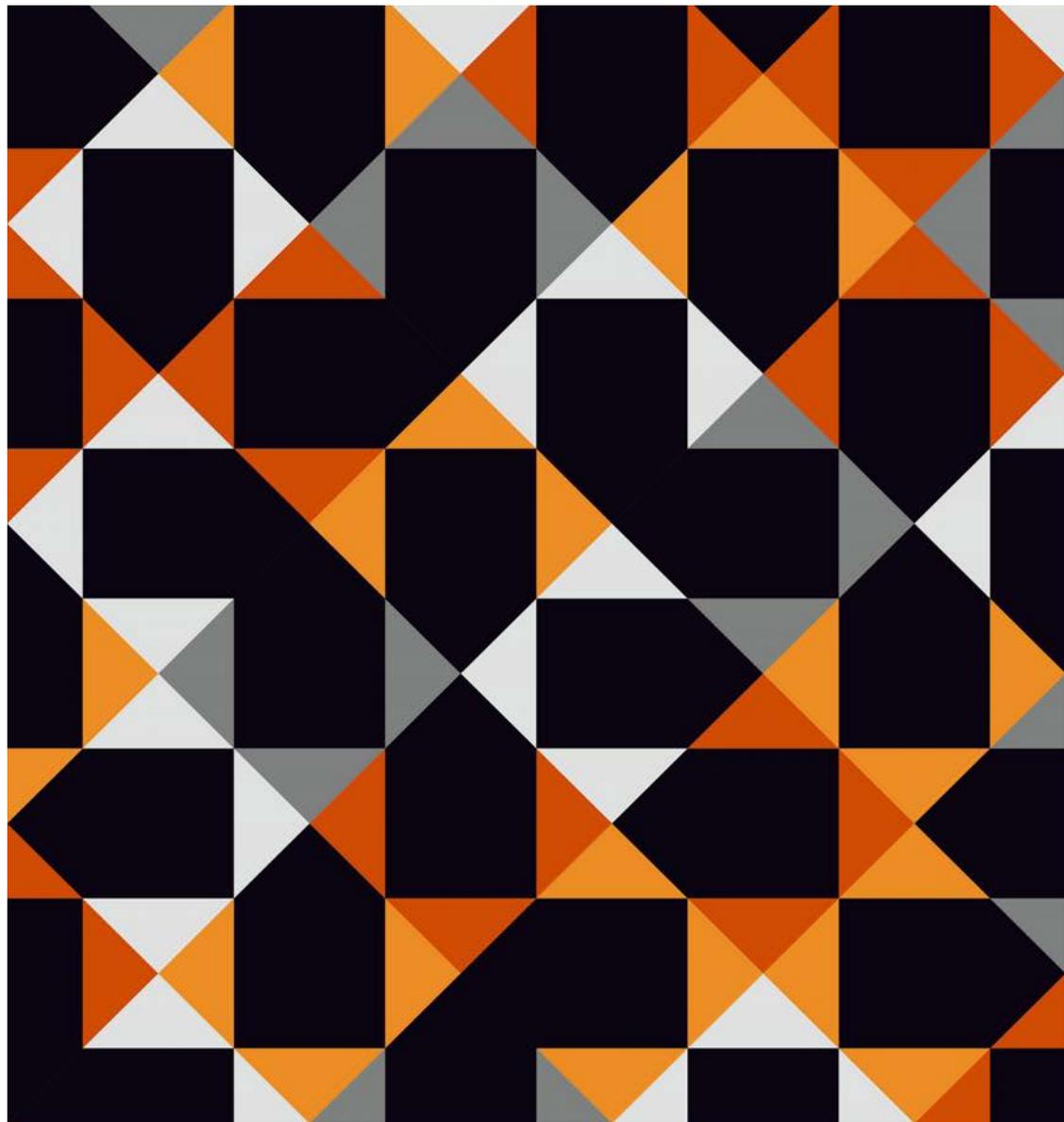


Saudi Arabia: Suggested amendments to the VAT Implementing Regulations

September 2021





In brief

In order to harmonise the provisions and requirements related to the application of the e-invoicing regulation, the Zakat, Tax and Customs Authority (ZATCA) proposed amendments to the VAT Implementing Regulations.

The [draft amendments](#) (available only in Arabic) were published on the Public Consultation Platform of the the National Competitiveness Center on 27 September 2021 - for public consultation.

Interested parties, stakeholders, and taxpayers are highly encouraged to express their opinions - [on this platform](#) - and share feedback on the draft amendments no later than 23 October 2021.

In detail

ZATCA proposed amendments to the VAT Implementing Regulations aimed to harmonize the provisions and requirements related to the application of the e-invoicing Regulation.

The major amendments are summarised as follows:

1. Proposed amendments to Article 53 - Tax Invoices:
 - Further clarification on the self-billing arrangements
 - Content of a summary tax invoice
 - Instances and rules related to the issuance of a simplified tax invoice
 - Granting the power to ZATCA Governor to suspend or cancel the application of e-invoicing regulations to a category of specific taxpayers
2. Proposed amendments to Article 54 - Credit and Debit Notes:
 - Instances of issuance of Debit and Credit Notes (additional to what has been mentioned in Article 40 of the VAT Implementing Regulations)
 - Content and reference to Debit and Credit Notes
3. Proposed amendments to Article 66 - Records:
 - Including a non-obstante clause related to the retention of document requirements in KSA
 - Easing record retention for 'fixed establishments'
 - Further stress on Arabic text to be captured for data retention purposes
 - Mandatory local storage of original documents
 - Further stress on data entry documentation, tamper proofing of systems, etc.
 - Introduction of an automatic tool for ZATCA to review the ERP systems being used by taxpayers
 - Addition of a new clause related to the storing of e-invoices and e-notes as stipulated by e-invoicing regulations



As part of the transitional journey towards e-invoicing implementation in KSA, ZATCA has proposed changes to tax invoices, debit / credit notes and record keeping articles to the VAT Implementing Regulations for public consultation purposes.



The takeaway

Taxable persons are recommended to review the suggested changes and provide their comments/ feedback to ZATCA on the draft amendments no later than 23 October 2021.

In addition, to the extent it has not been done already, businesses should immediately start assessing the impact of the e-invoicing regulations on their systems and processes and plan the journey towards a successful implementation of e-invoicing (phase 1 - generation) by the set date of 4 December 2021.

Let's talk

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



Mohammed Yaghmour

Middle East Tax & Legal Services leader

+966 56 704 9675

mohammed.yaghmour@pwc.com



Mohammed Al-Obaidi

Zakat and Tax Leader, KSA

+966 50 525 6796

mohammed.alobaidi@pwc.com



Dr. Yaseen AbuAlkheer

Partner, Zakat and Tax

+966 54 425 0540

yaseen.abualkheer@pwc.com



Mohammad Amawi

Partner, Zakat and Tax

+966 55 800 9697

mohammad.h.amawi@pwc.com



Chadi Abou Chakra

Partner, Indirect Tax

+966 56 068 0291

Chadi.Abou-Chakra@pwc.com



Maher ElAawar

Partner - Indirect tax and fiscal policy

+966 56 926 6900

maher.elaawar@pwc.com



Fehmi Mounla

Partner, Zakat and Tax

+966 56 271 3073

fehmi.mounla@pwc.com



Mohammad Harby

Partner, Zakat and Tax

+966 56 907 2618

mohamed.harby@pwc.com



Fayez Al Debs

Partner, Zakat and Tax

+966 54 400 1037

fayez.aldebs@pwc.com



Ebrahim Karolia

Partner, Tax

+966 56 890 3663

karolia.ebrahim@pwc.com



Suleman Mulla

Partner, International Tax

+966 54 122 8051

suleman.mulla@pwc.com



Wael Osman

Partner, Zakat and Tax

+966 56 699 4653

wael.osman@pwc.com



Mugahid Hussein

Partner, Zakat and Tax

+966 54 425 6573

email

Thank you

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