ZATCA PHASE II – INTEGRATION PHASE
E-INVOICING (FATOORA)

LAST PRESENTATION SUMMARY
Requirements of e-invoicing (FATOORAH) in KSA

E-Invoicing Solution

It can be **any billing solution** which is capable of generating digital & structured invoices keeping in view the ZATCA requirements.

E-Documents

- B2B Invoices.
- B2C Invoices
- Credit Notes
- Debit Notes

All Types of **taxable** goods and services supplies.

Archiving & Storage

The Billing solution must have a capacity to save the **ZATCA approved invoices** for future archiving.

Approved Documents Retrieval

Billing Solution must provide access to data and archived information on any time.

E-INVOICING PROCESS FLOW

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Billing - Approval

Any ERP/Billing Solution

- B2B Invoices (Tax Invoices)
- B2C Invoices (Simplified Tax Invoice)
- Credit Notes
- Debit Notes

- Response
- QR CODE

EZ CORPORATE ERP

- Validate Invoices/Notes.
- Process as per ZATCA Compliance.
- Save response (Cleared / Not Cleared)
- Reprocess in case of error.

- Save Invoices/Notes for archiving. e.g ZATCA Specified XML format print will be PDF/A3

فاتورة Fatoora

COMMON QUESTIONS

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1. What if any invoice number has been missed due to cancellation.

As per the documentation ZATCA system accepts miss order (3,1,2) of the invoices but the internal ZATCA AI process will highlight the missed invoiced number and it can be raised in audit. *"**Any gaps identified in the sequence** during backend validation will be subject to further investigation by ZATCA and may result in penalties if found to be non-compliant"*.

Action Plan

Deletion and cancelation of invoices should be strictly prohibit in order to avoid any problems.

COMMON QUESTIONS

2. What if any invoice need to change.

As per ZATCA policy no invoice can be edited or deleted after posted to ZATCA.

Action Plan

Use Debit note if you wish to increase the invoice amount or Credit note if you wish to decrease the invoice amount.

3. Haier team close the month a day before and report the last day transactions on the 1st of next month..

3.3. WHEN DOES THE VAT CHARGE ARISE?

Each Tax Invoice for a Taxable Supply must show the **date the supply takes place** (also referred to as the "date of supply" for VAT purposes). This is the date upon which the VAT for that supply "becomes due", determined in accordance with The Unified VAT Agreement:

"Tax becomes due on the date of the supply of Goods or Services, the date of issuance of the tax invoice or upon partial or full receipt of the Consideration, whichever comes first, and to the extent of the received amount."[(48)]

The date the supply takes place determines in which Tax Period the supply is reported. Whilst each supply has a separate date of tax becoming due, the payment of VAT by the Supplier to GAZT is only required when the VAT return is filed (and the corresponding Net Tax for that entire tax period is due for payment).

Action Plan

A. Closing of month a day before : no delivery or bill has to be issued on last day of month
B. Need to change the policy of closing day as VAT will be applied on the date mentioned on invoices and Notes as per ZATCA.

COMMON QUESTIONS

4. Real-Time Posting.

Real-Time posting for can be applied on B2C and B2B invoice, B2C can be posted with 24 hours, mean before end of the day.

5. Invoices and Notes print design.

Any customized invoices and notes can be design as per Haier Requirements.

COMMON QUESTIONS

6. Real-Time Posting medium.

The primary medium for invoices and notes generation can be any medium.

EZCorporate is handling errors and warnings as per ZATCA compliance and it will return on real time to (ERP/Billing System) environment in order to handle it through API.

On Realtime posting from (ERP/Billing System) system, it needs to apply additional data authentication features that cause errors and warnings.

TASK SEGREGATION

CLIENT END

- Managed Dedicated Web Server
- API's for communication with (ERP/Billing System)
- User Management
- ZATCA Registration
- Invoices and Notes
  - Database
  - Validation
  - Processing
  - ZATCA Error handling
  - ZATCA Warning handling
  - QR Code Generation
  - Archiving
- Reporting
- Dashboards

Generation of

- Data Management of B2B Customer
  - Customer Additional Information
    - VAT, Building, Street, State, City, Country Code, Postal Code, Additional Code

- Generation of
  - B2B Invoice
  - B2C Invoice
  - Credit Note
  - Debit Note

IMPORTANT POLICY DECISION

POLICY DECISIONS

1. What will be the mechanism for B2C Invoices.

B2C – Realtime print .
Need barcode after posting to ZATCA. If not approved it can't be verified online.

2. What will be the process if there is any error in the invoice/note.

EZCorporate(Billing Solution) will highlight the if there will be any error in the invoice and it need to be rectified in (ERP/Billing System) as well.

3. B2B invoice printing.

In any case B2B invoices has to be handled and manage in EZCorporate – ZATCA Billing system after generation from (ERP/Billing System) system.

4. Invoices/Notes hold policy in case of error.

As all invoices and notes are generated through (ERP/Billing System) platform so EZCorporate – ZATCA Billing system will verify each document as per ZATCA rules.

THANK YOU

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