



Tax Alert: E-invoicing resolution open for consultation

March 2021

In brief

Saudi Arabia will implement e-invoicing on 4 December 2021 and as part of this process, the General Authority of Zakat and Tax (GAZT) has published a draft resolution of the Controls, Requirements, Technical Specifications and Procedural Rules for Implementing the Provisions of the E-Invoicing Regulation. This document will be open for public consultation until 17 April 2021 and GAZT is encouraging interested parties and taxpayers to share their feedback before the deadline.

In detail

The draft resolution confirms that e-invoicing will be implemented in the Kingdom in two phases:

Phase 1: Generation and Storage: Taxpayers must be able to generate and store electronic invoices and notes with effect from 4 December 2021.

Phase 2: Integration: Taxpayers must be able to transmit electronic invoices and notes and share these documents with GAZT with effect from 1 June 2022.

In addition, the draft regulations confirmed that e-invoicing would apply to:

- a. All taxable supplies of goods and services (i.e. both standard and zero-rated supplies);
- b. The export of goods and services from the Kingdom;
- c. Intra-GCC supplies;
- d. Nominal supplies; and
- e. Advance payments/receipts.

Further clarification was also provided for the following:

- i. The scope of application (persons, transactions and documents subject to e-invoicing);
- ii. Requirements and details for generating Electronic Invoices and Electronic Notes;
- iii. Specifications and Requirements of E-invoice Generation Solutions;
- iv. Requirements and mechanisms for verifying the conformity of E-invoice Generation;
- v. Solutions with the specifications set forth under the E-invoicing regulation;
- vi. Keeping of records, Electronic Invoices, Electronic Notes and associated data;
- vii. Integration requirements; and
- viii. Obligations of the Persons Subject to the E-Invoicing Regulation.

Along with the resolution, GAZT provided the following technical specifications documents:

- Electronic Invoice Data Dictionary;
- Electronic Invoice XML Implementation Standard; and
- Electronic Invoice Security Implementation Standards.

These documents, in addition to the platform for interested parties to provide comments, can be found through the following [link](#).

We predict that the adoption of e-invoicing could benefit taxpayers in terms of business operational efficiency, but will also have a significant impact on tax management and governance.

We shall keep you up to date on any further developments. In the meantime, our teams are available to discuss the implementation of e-invoicing in the Kingdom and its impact on your business.

Get in touch

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