



Simplified Guide
E-invoicing Requirements
Version 1



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Introduction



The Zakat, Tax and Customs Authority is implementing the second phase (Integration Phase) of e-invoicing starting from January 1, 2023, enforced in waves by targeted taxpayer groups. During this phase, taxpayers who are subject to the e-invoicing regulation must comply with all the requirements and integrate with ZATCA's system.

On December 4, 2021, the first phase (Generation phase) was implemented, which required taxpayers subject to the e-invoicing regulation to generate and keep tax invoices or debit and credit notes, using electronic systems compatible with e-invoicing requirements.

This guide aims to provide the taxpayers a non-technical overview of the E-invoicing implementation in the Kingdom of Saudi Arabia and its requirements to facilitate their readiness for first and second phase.



Illustrative example of E-invoicing solution





Key definitions to know



E-invoicing

Electronic procedure that aims to convert the issuing of paper invoices and notes into electronic process that allows the exchange and processing of invoices, credit and debit notes in a structured format between the buyer and seller through an integrated electronic solutions.



E-invoicing solutions

Online cash register, virtual cash register on tablets, e-invoicing software installed on a PC, e-invoicing software installed on phone or tablet and cloud-based solutions are examples of e-invoicing solutions.



E-invoice

An invoice that is generated in a structured electronic format through electronic means. A paper invoice that converted into an electronic format through copying, scanning, or any other method is not considered an electronic invoice.





QR-CODE

A type of matrix barcode, with a pattern of black and white squares that is machine readable by a QR code scanner or the camera of smart devices through the VAT app in order to enable basic validation of electronic invoices and electronic notes.



Tax Invoice

An invoice that is usually issued by a Business to another Business (B2B), containing all tax invoice elements.



Simplified Tax Invoice

An invoice that is usually issued by a Business to Consumer (B2C) containing all simplified tax invoice elements.



Integration

Integrating the taxpayer's e-invoicing solution with ZATCA's system ("Fatoora" portal) aiming to share the invoices.





E-invoicing general overview



December 4, 2020

Publication of the E-Invoicing Regulations



May 28, 2021

Publication of the E-Invoicing Resolution



Phase One (Generation phase) December 4, 2021

Taxpayers are required to generate and keep the compliant tax invoices and notes using compliant e-invoicing solutions



Phase Two (Integration phase) January 1, 2023

Taxpayers are required to integrate their e-invoicing solutions with ZATCA in waves by targeted taxpayer groups, where they will be notified by ZATCA on the date of their integration at least 6 months in advance



To watch the video, [click here](#)





How to comply with e-invoicing requirements?



Generate and store e-invoices



Use compliant e-invoicing solution



Ensure all Phase One required additional fields are fulfilled

Phase one (Generation Phase)



Integrate the e-invoicing solution with
«Fatoora» Portal



Ensure e-invoicing solution has the ability to
connect to the internet



Generate and store e-invoices following
the specified format (XML or PDF/A-3 with
embedded XML)



Ensure all Phase Two required additional fields
are fulfilled



To learn more about the Tax Invoice additional
fields click here

To learn more about the Simplified Tax Invoice
additional fields click here



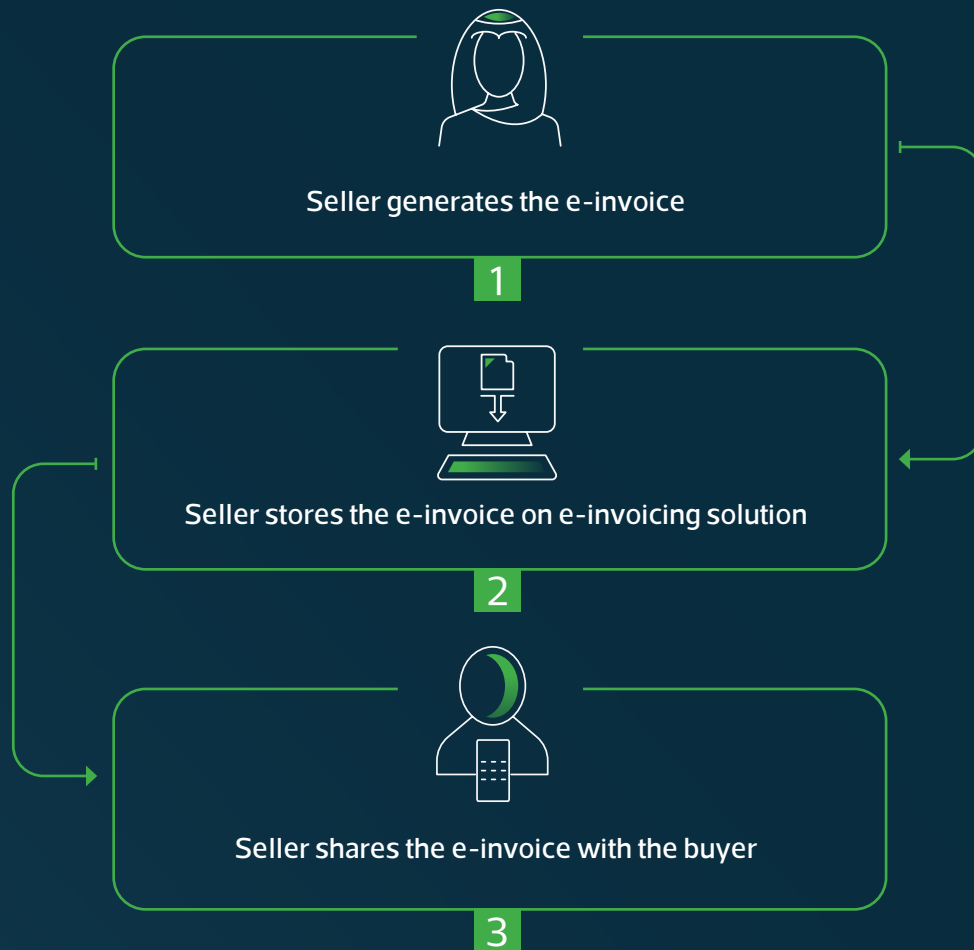


E-invoicing process for Phase One





E-invoicing process for Phase One



Buyer can scan the QR Code through VAT app*



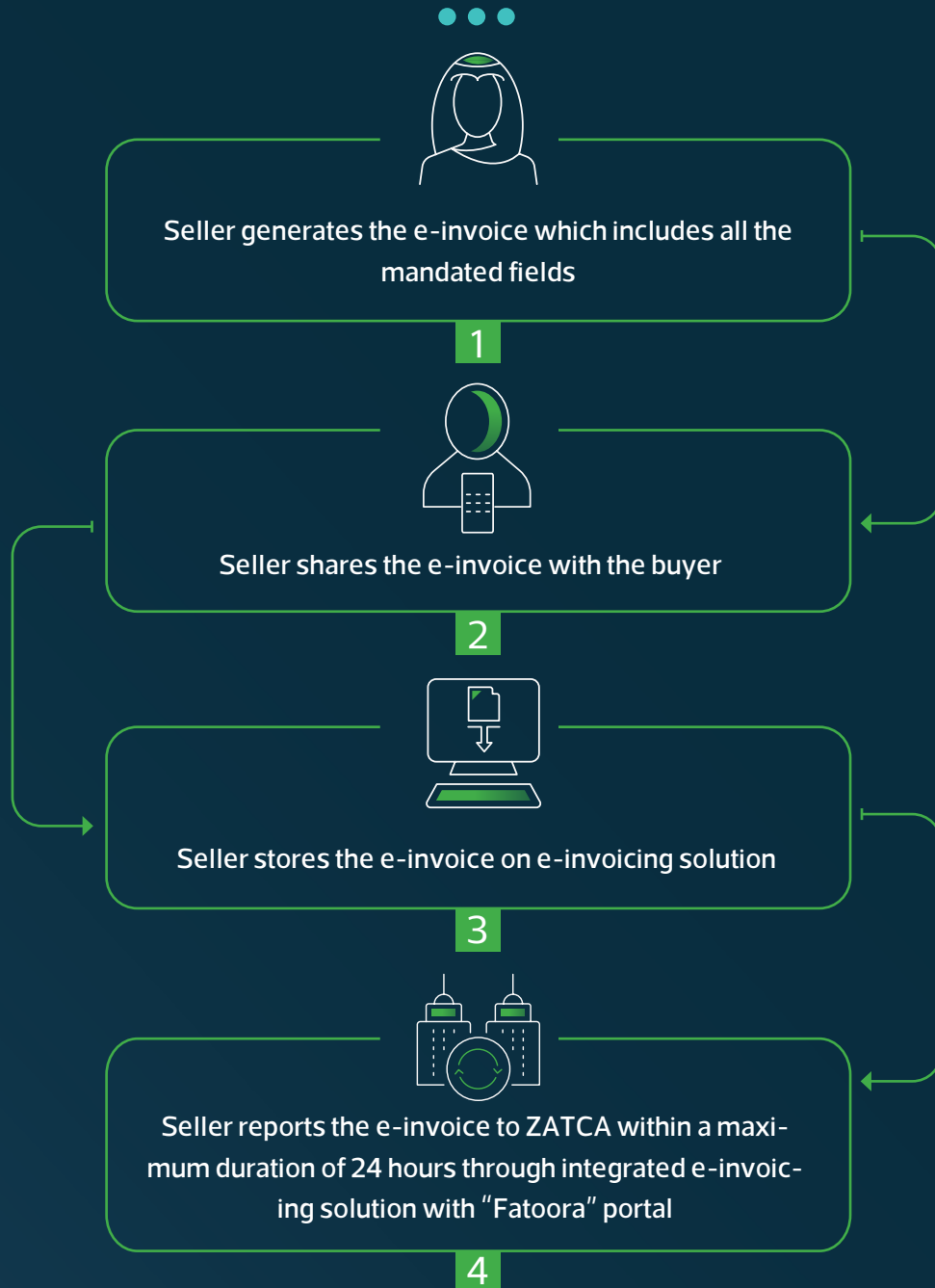


E-invoicing process for Phase Two





E-Invoicing Process for Phase Two Simplified Tax Invoice



Buyer can scan the QR Code through VAT app*

ضريبة
القيمة
المضافة

VAT

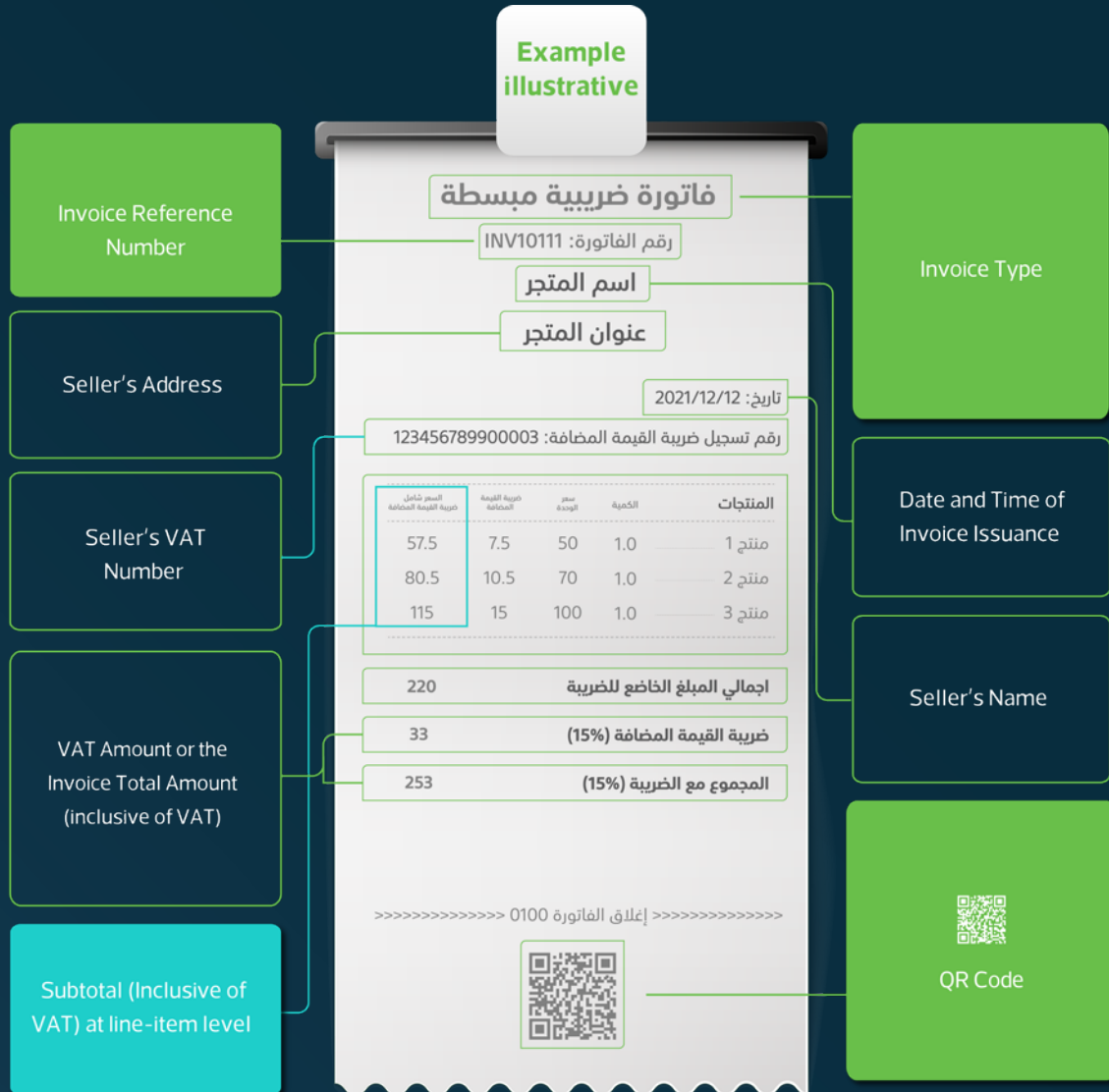




Simplified Tax Invoice Example



Always include all mandatory fields and items for electronic invoice



Additional Phase 2 requirements for Simplified Tax Invoices that are usually issued by a Business to Consumer (B2C)

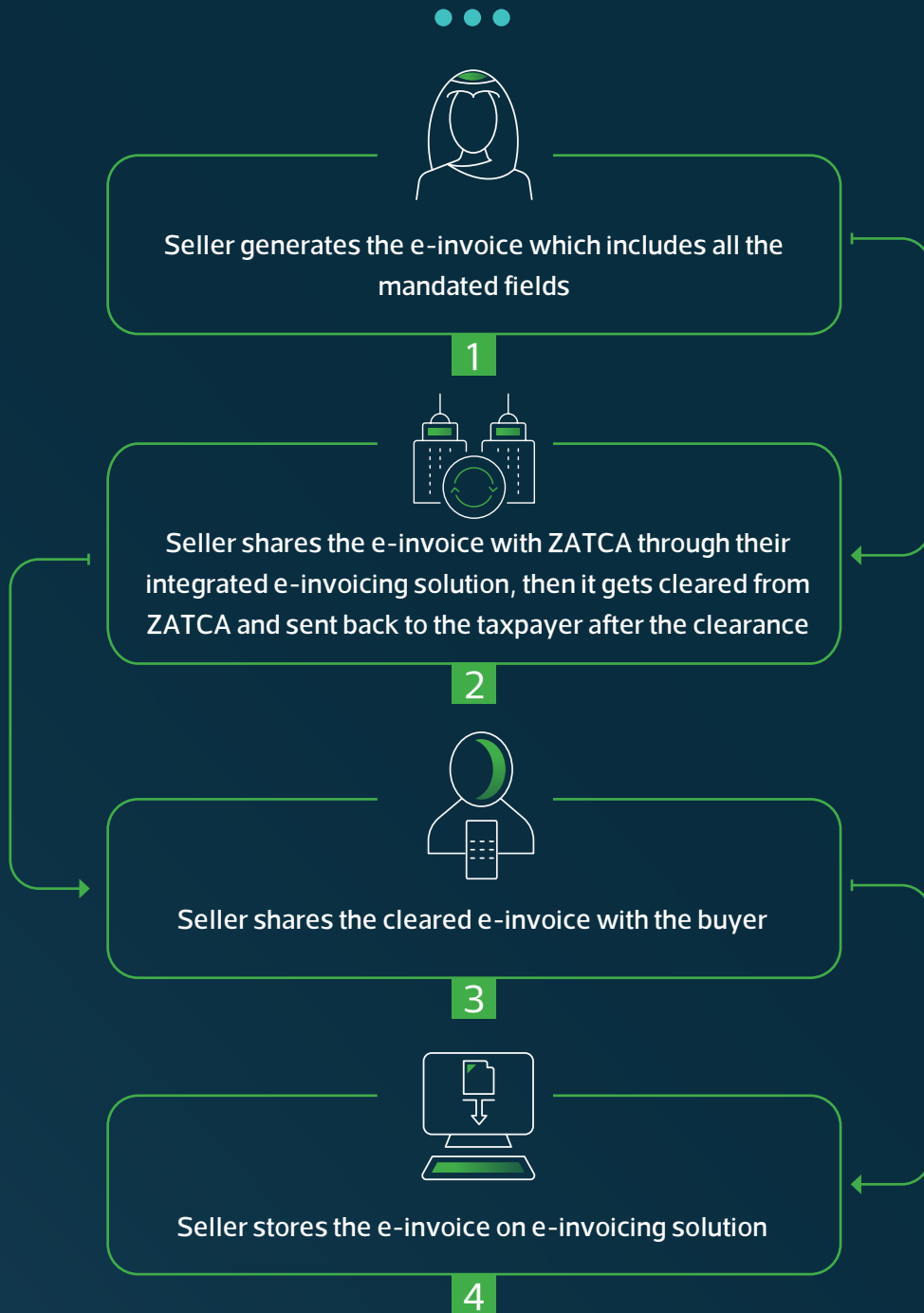
Additional Phase 1 requirements for Simplified Tax Invoices that are usually issued by a Business to Consumer (B2C)





E-Invoicing Process for Phase Two

Tax Invoice Process



Buyer can scan the QR Code through VAT app*

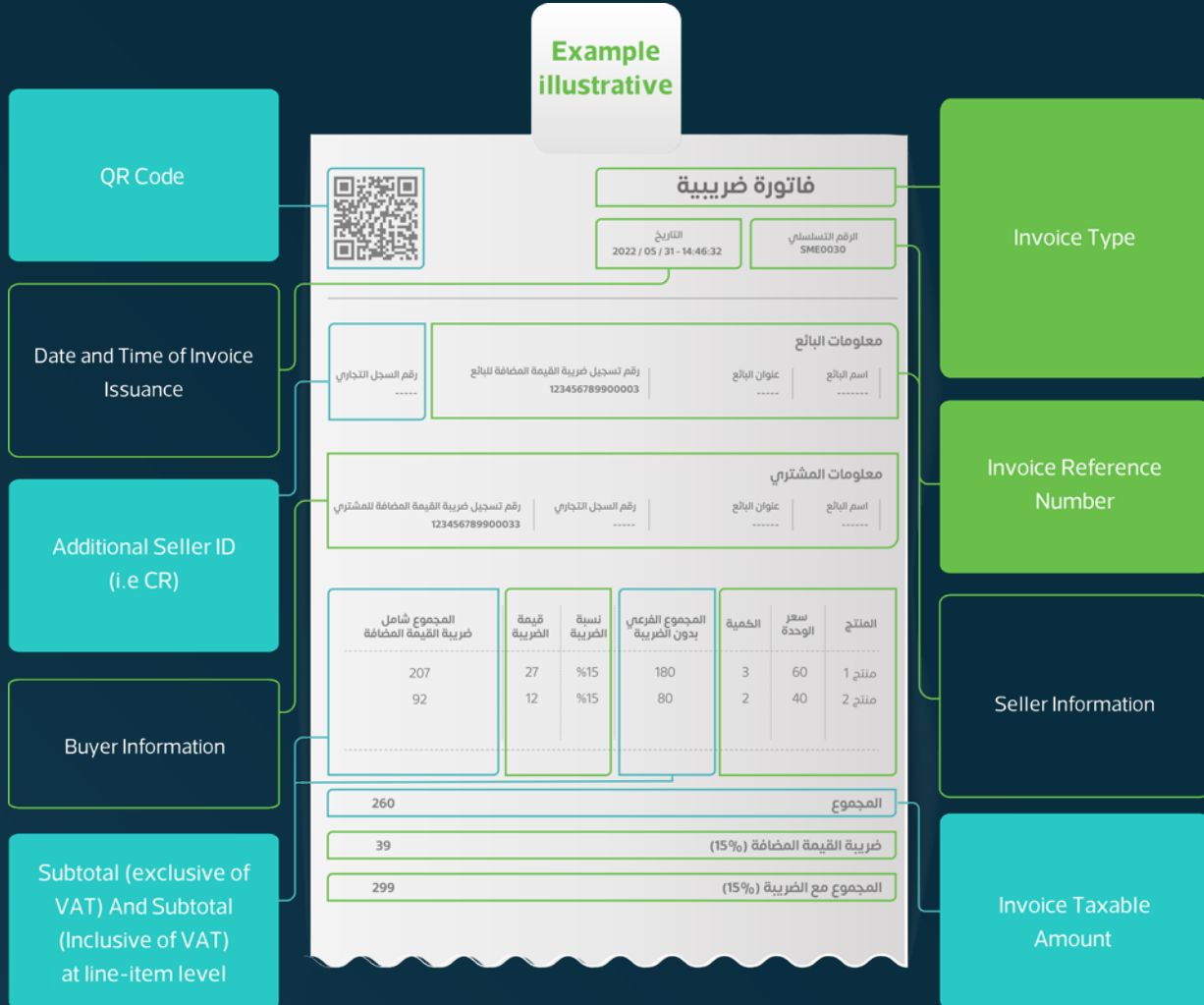




Tax Invoice Example



Always include all mandatory fields and items for electronic invoice



Additional Phase 2 requirements for Tax Invoices that are usually issued by a Business to another Business (B2B)

Additional Phase 1 requirements for Tax Invoices that are usually issued by a Business to another Business (B2B)





QR code components



Illustrative example



Seller's name

VAT registration number of the seller

Date and time of invoice/note

VAT amount

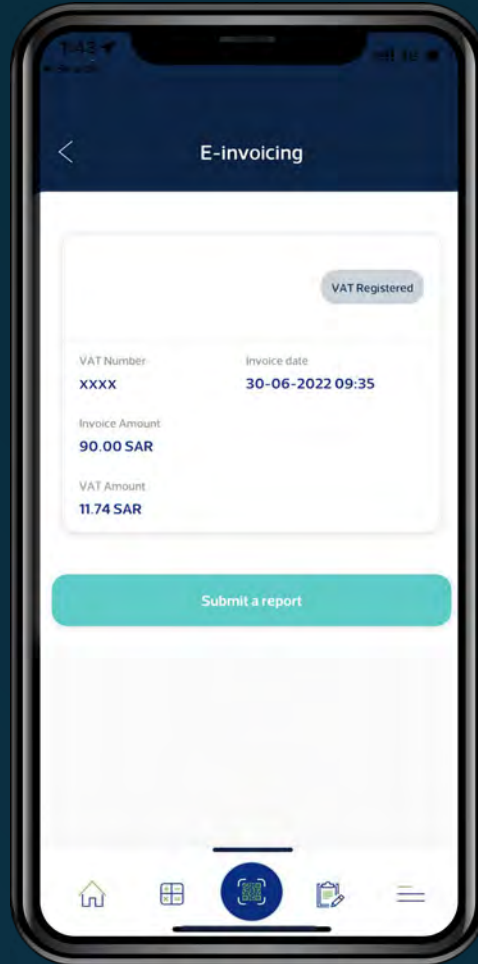
Total amount (with VAT) of invoice/note

The structure for building the QR code should follow the e-invoicing resolution



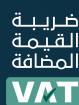


How to scan QR code?



The following information will be shown once the QR code is scanned using **VAT** app

Buyer can scan the QR Code through VAT app*





Most important things to avoid in e-invoicing



Phase one (Generation Phase)

1

Generating manual / handwritten invoices

2

Generating invoices that do not fulfill the e-invoicing requirements

3

Using an e-invoicing solution that is not compliant with the e-invoicing requirements

4

Deleting e-invoices after generating them

Phase Two (Integration Phase)

5

Generating e-invoices using an e-invoicing solution which is not integrated with ZATCA





Check the guide on debit and
credit notes [\(Link\)](#)





How to prepare for e-invoicing?



Visit e-invoicing website through

[ZATCA.GOV.SA](https://zatca.gov.sa)



Understand the e-invoice
fields



Acquire or upgrade to a
compliant e-invoicing
solution



Test the generation of e-invoices
prior to the enforcement date



Ensure the readiness of your employees to use the
e-invoicing solution



[See the list of technology solutions providers*](#)

[Press here](#)





How to onboard an e-invoicing solution through "Fatoora" portal?

•••

1



Taxpayer gets notified

ZATCA notifies the taxpayer on their specific integration wave

2



Login to the "Fatoora"
portal (ERAD)

3



Click on
"Fatoora" portal

4



Click on "onboard a
device"

5



Generate the OTP
(one time password)

6



Enter the OTP within your
e-invoicing solution

7



Start generating e-invoices
After onboarding, the
taxpayer can start generating
e-invoices





Examples of prohibited functionalities for e-invoicing



Phase one (Generation Phase)

Lack of user management feature

Tampering of the e-invoices or notes and records

Ability to create multiple e-invoices sequence

Phase Two (Integration Phase)

Export of cryptographic stamp private key

Date and time change of the e-invoicing solution



*For more information about the prohibited specifications and functional characteristics, please see the controls and requirements for implementing the provisions of the electronic billing regulation.

[Press here](#)





For more support on e-invoicing, contact us through our official channels



Call Center (19993)



Twitter @zatca_sa



Live Chats




zatca.gov.sa



Email (info@zatca.gov.sa)



 **External Document**

This guide has been prepared for educational and awareness purposes only, its content may be modified at any time. It is not considered in any way binding to ZATCA and is not considered in any way a legal consultation. It cannot be relied upon as a legal reference in and of itself, It is always necessary to refer to the applicable regulations in this regard. Every person subject to zakat, tax and customs laws must check his duties and obligations, he is solely responsible for compliance with these regulations. ZATCA shall not be responsible in any way for any damage or loss The taxpayer is exposed to that results from non-compliance with the applicable regulations.