



E-invoicing Regulation

December 4th 2020



Article One: Definitions

The following words and phrases - wherever mentioned in the Regulation - shall have the meanings ascribed to each of them unless the context provides otherwise:

- 1. Electronic Invoice:** A tax invoice that is generated in a structured electronic format through electronic means. A paper invoice that is converted into an electronic format through copying, scanning, or any other method is not considered an electronic invoice for the purposes of this Regulation.
- 2. Electronic Notes:** Debit and credit notes that must be issued in accordance with the VAT Law and its Implementing Regulation, and which are issued in a structured electronic format through electronic means. Paper notes that are converted into electronic format through copying, scanning, or any other method, are not considered electronic notes for the purposes of this Regulation.
- 3. Integration of electronic invoicing systems:** Integrating the systems for issuing electronic invoices and electronic notes with the Authority systems with the aim of sharing data and information in accordance with the controls, technical requirements and procedural rules that will be approved and issued by a Governor resolution based on the provisions of this Regulation.
- 4. Persons obligated to issue Electronic Invoices and Electronic Notes:** Persons subject to this Regulation as stated in article (three) of it.
- 5. The Regulation:** The E-invoicing Regulation issued by a decision of the Authority board of directors regarding issuing Electronic Invoices and Electronic Notes.
- 6. The Governor:** The Governor of the General Authority of Zakat and Tax.

Except for what is stated in paragraph (A) of this article, words and phrases contained in this Regulation shall have the meanings ascribed to each of them under the VAT Unified Agreement of the Cooperation Council for the Arab States of the Gulf, the VAT Law and the VAT Implementing Regulation.



Article Two: Purpose and scope

- A.** This Regulation's purpose is to identify the terms, requirements and conditions relating to the Electronic Invoices for VAT purposes in accordance with article (53) of the VAT Implementing Regulation.
- B.** This Regulation shall be an integral part of the VAT Implementing Regulation and is complementary to it.

Article Three: Persons subject to this Regulation

- A.** The following are subject to this Regulation:
 - 1.** Taxable person that is a resident in the Kingdom.
 - 2.** The customer or any third party that issues a tax invoice on behalf of the taxable person that is a resident in the Kingdom according to the VAT Implementing Regulation.
- B.** Persons subject to this Regulation in accordance with paragraph (A) of this article must issue Electronic Invoices in respect of all their transactions which require the issuance of tax invoices, in addition to issuing Electronic Notes in cases that is required by the VAT Law and its Implementing Regulation.
- C.** Persons who are not resident in the Kingdom are not required to issue Electronic Invoices or Electronic Notes for supplies or amounts received which are subject to tax in the Kingdom.



Article Four: Provisions related to Electronic Invoices and Electronic Notes

A. The Electronic Invoices and Electronic Notes issued under this Regulation are considered tax invoices and credit and debit notes according to what is stated in the VAT Law and its Implementing Regulation. All provisions applied to tax invoices and credit and debit notes shall apply to them, including, but not limited to, the following:

1. The provisions related to the fines and penalties stated in chapter (16) of the VAT Law.
2. The provisions related to the required details that must be included in the tax invoices and the simplified tax invoices as stated in article (53) of the VAT Implementing Regulation.
3. The provisions related to issuing credit and debit notes as stated in article
4. (54) of the VAT Implementing Regulation.
5. The provisions related to record keeping and the issuance of invoices as stated in article (66) of the VAT Implementing Regulation.

B. Except as provided for in this Regulation, the provisions related to the proof of electronic transactions and electronic signatures stipulated in the Electronic Transactions Law in force in the Kingdom, shall apply to Electronic Invoices and Electronic Notes issued under this Regulation.

C. The Governor may issue any provisions, controls, or additional details that should be included in the Electronic Invoices and Electronic Notes.



Article Five: Technical specifications and procedural rules

A. Persons subject to the provisions of this Regulation must adhere - as a minimum - to the standards, requirements, technical specifications, and procedural rules stipulated in this Article, in relation to Electronic Invoices and Electronic Notes, as follows:

- 1.** The technical solution used to issue Electronic Invoices and Electronic Notes must be able to connect to the Internet.
- 2.** The technical solution used to issue Electronic Invoices and Electronic Notes shall be able to connect with external systems using the Application Programming Interface (API).
- 3.** The technical solution used to issue Electronic Invoices and Electronic Notes is tamperproof and should include a mechanism that allows to detect any tampering performed by the user or any other party.
- 4.** The technical solution used to issue Electronic Invoices and Electronic Notes shall consider all requirements and controls which relate to data or information security or cybersecurity applied in the Kingdom.

B. The Governor may specify any controls, requirements, technical specifications or additional procedural rules related to the Electronic Invoices and Electronic Notes, including those related to issuance, processing, transmission, record-keeping, integration with electronic invoicing systems, and the exchange or sharing of data or information related to them.

C. For the purpose of this article, the technical solution includes the hardware, software, networks, integration means, maintain and exchange of information associated with the Electronic Invoices and Electronic Notes.



Article Six: General provisions

A. The Governor has the authority to determine the time limits and targeted groups as well as issuing the necessary decisions and instructions to implement the provisions of this Regulation.

B. The Governor may issue decisions related to the requirements, controls, details and procedures for integration of the electronic invoicing systems within a period not exceeding one hundred eighty (180) days from the date of publishing this Regulation in the Official Gazette. The Governor has the authority to determine the time limits that precede the obligation to implement the integration requirements.

Article Seven: Enforcement and obligation

A. This Regulation shall come into force and take effect as of the date of its publication in the Official Gazette.

B. Persons subject to this Regulation are granted a period of twelve (12) calendar months from the date of publication of the Regulation in the Official Gazette to implement the provisions contained in paragraph (B) of article (three) of this Regulation concerning the issuance of Electronic Invoices and Electronic Notes.



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