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VAT

Invoicing and Records Guideline

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1. Introduction

1.1. Implementing a Value Added Tax ("VAT") system in the Kingdom of Saudi Arabia ("KSA")

The Unified VAT Agreement for the Cooperation Council for the Unified Arab States of the Gulf (the "VAT Agreement") was approved by KSA by a Royal Decree No. M/51, dated 31438/5/ H. Pursuant to the provisions of the Unified VAT Agreement, the Kingdom of Saudi Arabia issued the VAT Law under Royal Decree No. M/113 dated 21438/11/ H ("the VAT Law") and its corresponding Implementing Regulations were subsequently issued by the Board of Directors of the General Authority of Zakat and Tax ("GAZT") by Resolution No. 3839 dated 141438/12/ H ("the Implementing Regulations").

1.2. General Authority of Zakat & Tax ("GAZT")

GAZT, also referred to as "the Authority" herein, is the authority in charge of the implementation and administration of VAT (which may be referred to hereinafter as «the tax») in KSA, in addition to the registration and deregistration of Taxable Persons for VAT, the administration of VAT return filing and VAT refunds, and undertaking audits and field visits. GAZT also has the power to levy penalties for non-compliance with legal provisions relating to VAT.

1.3. What is Value Added Tax?

Value Added Tax ("VAT") is an indirect tax which is imposed on the importation and supply of goods and services at the production and distribution stages, with certain exceptions. VAT is imposed in more than 160 countries around the world.

VAT is a tax on consumption that is paid and collected at every stage of the supply chain, starting from when a manufacturer purchases raw materials until a retailer sells the end-product to a consumer. Persons registered for VAT will both:

- Collect VAT from their customers equal to a specified percentage of each eligible sale; and
- Pay VAT to their suppliers equal to a specified percentage of each eligible purchase.

When Taxable Persons sell a good or provide a service, a 5% VAT charge – assuming the standard rate applies– is assessed and added to the sales price. The Taxable Persons will account for that 5% that they have collected from all eligible sales separately from its revenue in order to later remit a portion of it to the Authority. The VAT Taxable Persons collect on their sales is called **Output VAT**.

That same will apply to purchase transactions by persons subject to VAT, in that VAT will be added at the rate of 5% to purchases of goods or services from other Taxable Persons (on the assumption that the standard rate applies to those supplies). The VAT a business pays to its suppliers is called **Input VAT**.

Further general information about VAT can be found in the KSA VAT Manual or at vat.gov.sa

1.4. This Guideline

The purpose of this guideline is to provide further clarification to Taxpayers regarding their primary obligations of issuing tax invoices and record keeping for VAT purposes, and the particular requirements arising from specific transactions or situations.

This guideline represents GAZT's views on the application and fair treatment of the Unified VAT Agreement, the VAT Law and the Implementing Regulations to the sector as of the date of this guideline. This guide amounts to a guideline, and does not include, or purport to include, all the relevant provisions invoicing and record keeping from those or other applicable laws. It is

not binding on GAZT or on any Taxpayer in respect of any transaction carried out and it cannot be relied upon in any way.

For further advice on specific transactions you may apply for a ruling, or visit the official VAT website at (vat.gov.sa), which contains a wide range of tools and information that has been established as a reference to support persons subject to VAT, as well as visual guidance materials, all relevant information, and FAQs.

2. Definitions of the main terms used

Tax Invoice is defined as “An invoice issued in respect of Taxable Supplies in accordance with the requirements set out in the Law and the Regulations.⁽¹⁾”

An invoice will therefore only be considered as a tax invoice “Standard Tax Invoice” where:

- It is issued in respect of Taxable Supplies, and
- It meets the relevant requirements detailed in article 53 of the Implementing Regulations, corresponding to the particulars of the supply. Further details on these requirements are described in section 4.2 of this guideline.

When considering the violation for non-registered persons issuing tax invoices, the Authority will consider that any commercial document purporting to show an amount of VAT, or which seeks to collect an amount of VAT, will be considered as a Tax Invoice for the purposes of applying that section⁽²⁾ of the Law.

A **simplified Tax Invoice** is an invoice permitted to be issued for Taxable Supplies in certain situations. It is a form of Tax Invoice, but need only contain a more limited amount of information than a “standard” Tax Invoice (detailed in section 4.3 of this guideline).

A **summary Tax Invoice** is a form of Tax Invoice issued in respect of multiple supplies by a Taxable Supplier to a single Customer during a month (discussed in section 4.4 of this guideline).

A **self-billed Tax Invoice** is a form of Tax Invoice issued by a Taxable Customer in respect of supplies of goods or services made to it by a Taxable Person. A self-billed Tax Invoice has specific requirements and may only be issued in circumstances prescribed in the Implementing Regulations (discussed at section 5.1 of this guideline)

An **electronic invoice (‘e-invoice’)** is not a defined term for VAT purposes, but is considered for this guideline as an invoice that contains the information required in the VAT Law and the Implementing Regulations, and which has been issued in any prescribed electronic format. For the purposes of this guideline, **electronic invoicing (‘e-invoicing’)** is defined as the issuing and receiving of VAT compliant invoices in an electronic format.

Taxable Supplies are defined for VAT purposes as: “Supplies on which Tax is charged in accordance with the provisions of the Agreement, whether at the standard rate or zero-rate, and for which associated Input Tax is deducted in accordance with the provisions of the Agreement”⁽³⁾. These include supplies on which the Customer accounts for the VAT under the Reverse Charge mechanism.

Reverse Charge is defined for VAT purposes as: “A mechanism by which the Taxable Customer is obligated to pay the Tax due on behalf of the Supplier and is liable for all the obligations provided for in this Agreement and the Local Law.”⁽⁴⁾

Internal Supplies are defined for VAT purposes as: “Supplies of Goods or Services by a Supplier who resides in a Member State to a Customer who resides in another Member State”. During the transitional period until the full implementation of VAT across the GCC and until establishment of the Electronic Services System, these supplies are not viewed as Internal Supplies for KSA VAT purposes⁽⁵⁾.

1) Article 1, VAT Law

2) Article 44, VAT Law

3) Article 1, Definitions, Unified VAT Agreement

4) Article 1, Definitions, Unified VAT Agreement

5) Article 1, Definitions, Unified VAT Agreement

A **credit note** and a **debit note** are not defined terms for VAT purposes. These are documents required by law to evidence a subsequent change to consideration of a Taxable Supply, correcting the original Tax Invoice in respect of that supply⁽⁶⁾.

The **date of issue** of an invoice is not a defined term for VAT purposes. The Authority considers this to be the date on which the Tax Invoice is created. In practice, this should be the same date that the Tax Invoice is provided, electronically or physically, to the Customer.

The **date a supply takes place** is the date tax becomes due, determined in accordance with article 23 of the Unified VAT Agreement and the specific provisions in article 20 of the Implementing Regulations.

Records is not a defined term for VAT purposes. It is used in this guideline to signify the electronic and physical documents required to be retained under the Unified VAT Agreement and KSA VAT Law. Further detail is provided in section 8 of this guideline.

1) Article 57, Amendment of Invoices (Credit Notes), Unified VAT Agreement

3. Economic Activity and Registration

3.1. Who carries out an Economic Activity?

An Economic Activity may be carried out by natural persons or legal persons.

It will be presumed that a legal person that has a regular activity making supplies carries on an Economic Activity.

Natural persons may perform certain transactions as part of their Economic Activity, or as part of their private activities. There are therefore specific rules to determine whether or not a natural person falls within the scope of VAT.

Natural persons and legal persons who carry on an Economic Activity must register for the purposes of VAT if so required, and such persons must collect the VAT applicable to their activities, and pay the tax collected to the Authority.

3.2. Mandatory registration

Registration is mandatory for all persons whose annual turnover exceeds a certain threshold. If the total value of a person's Taxable Supplies during any 12 months exceeds SAR 375,000, (the "mandatory VAT registration threshold"), that person must register for VAT⁽⁷⁾ on the supplies made, subject to the transitional provisions provided for in the Implementing Regulations.

Taxable Supplies do not include:

- Exempt supplies— such as exempt financial services or residential rental which qualifies for VAT exemption;
- Supplies taking place outside the scope of VAT in any GCC state; or
- Revenues on sales of capital assets – a capital asset is defined as an asset allocated for long-term business use⁽⁸⁾.

In certain circumstances, other tests will apply for mandatory registration:

- Persons who are not resident in the Kingdom of Saudi Arabia are required to pay the VAT in respect of supplies made or received by them in the Kingdom of Saudi Arabia and to register for VAT irrespective of the value of the supplies for which they are obliged to collect and pay the VAT⁽⁹⁾.
- During a transitional period up to 1 January 2019, businesses will only be required to register where annual turnover exceeds SAR 1,000,000, and an application for registration must be submitted no later than 20 December 2018⁽¹⁰⁾.

More information on mandatory registration for VAT is contained at vat.gov.sa

3.3. Optional VAT registration

Any Resident person in the Kingdom of Saudi Arabia who has Taxable Supplies or taxable expenses exceeding the "Optional VAT registration threshold" of SAR 187,500 in a twelve-month period may register for VAT on a voluntary basis⁽¹¹⁾.

Optional VAT registration may be desirable where a business wishes to claim VAT charged to it on their costs before invoices are raised or the occurrence of an onward supply.

More information on voluntary registration for VAT is contained at vat.gov.sa

7) Article 3, Mandatory registration - Supplies exceed the Mandatory Registration Threshold, Implementing Regulations

8) Article 1, Definitions, Unified VAT Agreement.

9) Article 5(1), Mandatory registration of Non-Residents obligated to pay Tax in the Kingdom, Implementing Regulations.

10) Article 79 (9), Transitional provisions, Implementing Regulations

11) Article 7, Voluntary Registration, Implementing Regulations

4. Tax Invoice

4.1. Issue of Tax Invoice

The concept of a Tax Invoice is introduced to the overall legal framework of the KSA by the VAT Agreement and the VAT Law and its implementing Regulations.

The requirement to issue or retain a Tax Invoice is solely a VAT obligation. The requirements created by VAT legislation exist in addition to any other requirements on persons to issue or retain invoices set out in other laws or by other competent authorities in the KSA.

4.1.1. Requirement to issue Tax Invoice

Each Taxable Person must issue (or arrange for the issuance of) a "standard" Tax Invoice to another Taxable Person or a non-taxable legal Person in respect of any Taxable Supply of Goods or Services, or any payment made in respect of such a Supply before that Supply takes place⁽¹²⁾. The "standard" tax invoice must include all required information described in section 4.2.

Where a Taxable Person makes a supply to a non-taxable individual, or in any other cases where a Taxable Person makes a Taxable Supply, a tax invoice meeting at least the minimum criteria of a "simplified" Tax Invoice must be issued. A "simplified" Tax Invoice may also be issued instead of a "standard" tax invoice for low value supplies. Section 4.3 sets out more details on simplified invoices.

All references in law and guidance to a "Tax Invoice" should be assumed to be a "standard" Tax Invoice unless stated otherwise.

12) Article 53(1), Tax Invoices, Implementing Regulations

4.1.2. Tax invoicing in particular circumstances

The table below categorises when a Tax Invoice is required or not required.

TAX INVOICE REQUIRED		TAX INVOICE NOT REQUIRED
"STANDARD" TAX INVOICE ISSUED	SIMPLIFIED TAX INVOICE ISSUED	
Taxable Supplies subject to the basic rate valued at SAR 1,000 or more, made to a Taxable Person or non-taxable Legal Person	Taxable Supplies of Goods or services (other than exports of goods) made to a Taxable Person or non-taxable Legal Person, valued at less than SAR 1,000	Non-Taxable Person makes Supplies of Goods or Services (penalties will apply in this case as per the Law)
Exports of goods (see note 1)	Taxable Supplies made to a non-taxable natural person (other than exports of goods ¹³)	Supplies which are exempt from VAT in the KSA (see note 4)
Zero-rated supplies valued at SAR 1,000 or more, made to a Taxable Person or non-taxable Legal Person (see note 1)		VAT due under Reverse Charge Mechanism (unless supplier is a Taxable Person) – (see note 5)
Intra-GCC supplies after full introduction of GCC VAT system (see note 2)		Supplies outside the scope of VAT (see note 6)
Supplies of Eligible Used Goods charging VAT under the profit margin – see special requirements detailed in section 7		Imports of Goods (see note 7)
Nominal Supplies (not issued to Customer but retained for audit purposes – see note 3)		

13) Article 53(9), Tax Invoices, Implementing Regulations, Requirement to issue a simplified Tax Invoice

Notes related when a tax invoice is required:

(1)	<p>For all Zero-rated supplies – these are also Taxable Supplies (with a VAT rate of 0%).</p> <p>A “standard” Tax Invoice is required for all Exports of Goods, regardless of the value of the supply or status of the customer.</p> <p>For any other Zero-rated supplies (i.e. domestic supplies of zero-rated goods, or services provided to a non-GCC resident), a simplified tax invoice may be issued if the usual criteria for issuing a simplified invoice are satisfied.</p>
(2)	<p>Upon the full introduction of the GCC VAT system, including an Electronic Services System, supplies to a Customer who is Taxable in another GCC State may be subject to VAT in that other State. Any such “Internal Supplies” will require a standard Tax Invoice in all cases.</p> <p>This will only apply to supplies from the KSA once the Authority formally announced the introduction of the Electronic Services System by way of an Order. Further detail is given in the Import and Export guideline.</p>
(3)	<p>A nominal supply does not result from an actual supply of goods or services to another person, but is instead deemed for VAT purposes to be a taxable supply - as a result of an event where a Taxable Person uses or provides goods or services in a certain way (for example, supplying goods or services for no consideration¹⁴). In principle, this could include the supply of goods with a unit price of zero (however, the VAT implications of free goods offers will depend on the exact facts). More detail will be provided in a separate guideline on business/Taxable Persons promotions.</p> <p>A tax invoice must be issued (created) for Nominal Supplies, and retained with the business records for audit purposes. However, the person receiving goods or services (if any) does not receive a supply of goods or services for consideration and is unable to deduct input tax related to this nominal supply. The Tax Invoice should therefore not be provided to the customer.</p> <p>Example (1) Al Ahmed Co, a facilities company, gives a free water cooler to Al Salam Co with a cost price of SAR 10,000 – as a token of thanks for being a loyal Customer. Al Ahmed Co is required to account for VAT of SAR 500 (5% of the cost price) on the Nominal Supply of goods for no consideration. Al Salam Co has not been charged VAT on a supply of goods or services. Al Salam is not able to deduct VAT in respect of the Nominal Supply accounted for on Al Ahmed Co’s VAT return.</p> <p>Al Ahmed Co should issue a Tax Invoice to document the deemed supply for VAT purposes, and retain this with its business records. It should not provide the Tax Invoice to Al Salam.</p>

14) A full list of nominal supplies is set out in Article 8, Nominal Supply, Unified VAT Agreement. These categories are discussed in a KSA context in the Taxpayer Guideline on Employee Benefits.

Notes related when a tax invoice is required:	
(4)	For any domestic supplies of goods or services which are exempt from VAT under the KSA VAT Law and Implementing Regulations (such as qualifying financial services, or residential rental). The KSA excepts Taxable Persons from the requirement to issue Tax Invoices for these supplies ⁽¹⁵⁾ .
(5)	<p>In cases where a Taxable Person receives a supply of Goods or services in the KSA from a non-resident supplier, that person is deemed to make a supply to himself⁽¹⁶⁾, with VAT due under the Reverse Charge Mechanism. In most cases, the non-resident supplier will not issue a Tax Invoice. The Authority does not require the recipient to issue itself a Tax Invoice to record the supply under the Reverse Charge Mechanism, but appropriate records should be retained to evidence the transaction.</p> <p>If however the non-resident supplier is a Taxable Person in the KSA, it will be required to issue a Tax Invoice (but must note that VAT is payable by the recipient). See section 5.3 for further detail.</p>
(6)	<p>Supplies or transactions which are wholly outside the scope of KSA VAT do not require a tax invoice. Examples include:</p> <ul style="list-style-type: none"> • Supplies made between two members of a Tax Group; • Goods and services provided by a legal person to itself (with the exception of nominal supplies); • The supply of goods and services which together constitute a business (an Economic Activity capable of operating in its own right), provided the conditions specified in the Implementing Regulations are met⁽¹⁷⁾; • The issue or supply of a Voucher⁽¹⁸⁾; • Supplies made by a branch of a Taxable Person in a country outside of the GCC; • Payment of compensation which does not relate to any supply of Goods or services.
(7)	<p>Imports of Goods have VAT applied by, and paid to, Saudi Customs as part of customs clearance. As the Goods are transported from a foreign country, there is usually no separate supply of the Goods in the KSA as part of the import. In these cases, the supplier does not issue a Tax Invoice for imported goods.</p> <p>Example (2): Al Saqr LLC is a KSA company engaged in the construction of a reinforcing steel factory in Riyadh. For the purposes of its construction activities it imports construction materials from a supplier established in Egypt. The sales document used by the Egyptian supplier does not qualify as a Tax invoice from a KSA perspective.</p> <p>However, a Tax Invoice is not required as the goods are imported by Al Saqr LLC and the Egyptian supplier does not make a supply of the goods within the KSA. Al Saqr LLC uses the information provided by Saudi Customs to document deduction of the VAT paid on import.</p>

15) In accordance with Article 55(2), Issuance of the Tax Invoice, Unified VAT Agreement

16) Article 9, Receiving Goods and Services, Unified VAT Agreement

17) Article 17, Transactions not falling within the scope of Tax- transfer of an Economic Activity, Implementing Regulations

18) Except in cases where the Consideration exceeds the face value of the voucher. Article 19, Issue or Supply of a Voucher, Implementing Regulations

4.1.3. Persons prohibited from issuing tax invoices

A Tax Invoice must only be issued in cases where VAT is validly charged on a Taxable Supply. Any person who is not registered for VAT in the KSA must not issue a Tax Invoice.

A person who is not registered but issues a document purporting to be a Tax Invoice, or seeking to collect any amount of VAT, commits a violation of the VAT Law and shall be liable to a fine not exceeding SAR 100,000 (without prejudice to any stricter penalty set out by any other law)⁽¹⁹⁾.

4.2. Content of a Tax Invoice

The Tax Invoice is usually issued as the main commercial document to show the Goods and services provided to the Customer, and to request or evidence payment for those Goods and services. The Tax Invoice is not required to follow a particular format for VAT purposes: it must simply include the information required by the Implementing Regulations.

The Tax Invoice may be issued in a physical (printed) or electronic format⁽²⁰⁾. For VAT purposes, there is no requirement that the Tax Invoice be signed, or include an official stamp of the supplier. However, it is recommended and preferable that a printed invoice include a signature or official stamp.

Tax Invoices issued physically can include multiple pages, or appendices. Inclusion of required information in appendices is permitted for VAT purposes, provided that the appendices are issued to the Customer together with the Tax Invoice, maintained in records together with the Tax Invoice, and can be clearly attributed to the relevant Tax Invoice upon request or during an examination.

4.2.1. Language

The Implementing Regulations require that "all Tax Invoices shall be issued in Arabic in addition to any other language also shown on the Tax Invoices as a translation"⁽²¹⁾. Each of the required fields of information must be provided in Arabic. The Arabic language information will be viewed as the definitive information on the invoice, with any other language being a translation only.

Where values are expressed in numbers, either the Arabic numerals '1234567890' or ١٢٣٤٥٦٧٨٩. may be used.

4.2.2. Currency

For VAT purposes, monetary values on the Tax Invoice may be expressed in any currency. However, the amount of VAT charged must be shown in Saudi riyals⁽²²⁾. This should be converted using the daily rate prescribed by the Saudi Arabian Monetary Authority on the date the relevant tax becomes due⁽²³⁾.

19) Article 44, VAT Law

20) Subject to any specific requirements to issue electronic invoices prescribed in any regulations issued by the Minister of Finance or the Board of 21) Directors surrounding the requirements and conditions for issue of electronic Invoices in force at the date of supply – Article 53(6), Tax Invoices, Implementing Regulations.

21) Article 66(2), Records, Implementing Regulations

22) Article 53(5/J), Tax Invoices, Implementing Regulations

23) Article 61, Currency conversion, Implementing Regulations

Example (3): Al Mahdina Chemical Company issued a Tax Invoice for the supply of industrial chemicals to Al Safa Plastic Factory in March 2021, being the month the chemicals were supplied. No payment was received prior to the issuance of the Tax Invoice. Due to the terms and conditions in the contractual arrangements, the price agreed between parties is calculated in US Dollars. To comply with KSA VAT legislation, the VAT amount stated in USD on the Tax Invoice is converted into SAR using the daily exchange rate prescribed by the Saudi Arabian Monetary Authority on the invoice date. The invoice issued in this example is included in the appendix.

4.2.3. Details to be included on the Tax Invoice

A “standard” Tax Invoice should include the following details in the table below⁽²⁴⁾:

Document name	There is no legal requirement for suppliers to include the words “Tax Invoice” on the document. However, we recommend this is done wherever possible to increase certainty for suppliers and customers.
Dates	The Tax Invoice must show the date of issue of the document and the date the supply took place (if this is different from the invoice date). The date of issue is the date on which the Tax Invoice is created. In practice this invoice creation date should also be the date the Tax Invoice is provided, electronically or physically, to the Customer (or to the Supplier in cases of self-billing). The date the supply takes place is determined in accordance with the date of supply rules determined by the Unified VAT Agreement, VAT Law and Implementing Regulations. Refer to the General VAT Guideline for more information.
Sequential number	The Tax Invoice must contain “a sequential number which uniquely identifies the Tax Invoice”. The Implementing Regulations do not prescribe a specific format for such a number. Taxable Persons may have different numbering sequences (for example branches of a Taxable Person may have different numbering sequences), provided that Tax Invoices can be clearly and uniquely identified.
Supplier details	The Tax Invoice must show the official name of the Supplier, as stated on the registration certificate, and the address of the main business premises or other relevant establishment. The Tax Identification Number (TIN) of the Supplier must be correctly stated as per the registration certificate. The correct TIN is particularly important to allow the Customer to verify the VAT registration status of the Supplier (this may be done using the Taxpayer Lookup Tool available on GAZT’s website or using the VAT application).
Customer details	The Tax Invoice must show the name and address of the Customer. If the Customer will self-account for VAT, the Customer’s Tax Identification Number must also be shown – see section 5.3
Description	The Tax Invoice must show “the quantity and nature of the Goods supplied or the scope and nature of the services rendered”.

²⁴ The list of legal requirements is set out in Article 53(5), Tax Invoices, Implementing Regulations

VAT-exclusive Taxable Amount	<p>The tax invoice must show the (VAT-exclusive) taxable amount of Goods and/or services being supplied.</p> <p>Where there are Goods or services with different rates on the same Tax Invoice, the taxable amount must be shown per rate (and denoting the taxable amount of exempt supplies, if any, included on the invoice).</p> <p>For supplies of Goods sold in quantities or units, the Tax Invoice must show the unit price (exclusive of VAT), and any discounts or rebates (if they are not included in the unit prices). Further detail on the VAT implications of discounts, rebates and other promotional offers will be provided in a separate guideline on business/Taxable Person's promotions.</p> <p>Example (4): Shahd Al Sham Electronics offered its customer Sama Saudi Telecom and Information Technology Company a volume discount where a certain quantity of goods was purchased. The volume discount reduced the taxable amount on the invoice (and was not applied to reduce individual unit prices). As all items sold to Sama Saudi Telecom and Information Technology Company are taxable with the standard VAT rate (5%), the volume discount may be applied on the total amounts subject to VAT at the standard VAT rate (5%). There is no need to split the discount between different tax rates in this example. The Tax Invoice issued in this example is included in the appendix.</p>
VAT rate	<p>The Tax Invoice must show the rate of Tax applied. This may be to the entire invoice value – or if different Goods and Services have different rates – should be shown on a line-by-line basis.</p> <p>Where Tax is not charged at the basic (5%) rate, a narration explaining the Tax treatment applied to the supply must be included on the Tax Invoice.</p> <p>Example (5): Hope Makers for Medical Equipment Company supplied medical goods to Al Amal Specialized Hospital. Some items included on the Tax Invoice are subject to the zero-rate of VAT in the KSA. Therefore the reason the items are not subject to the standard VAT rate (5%) is explained on the Tax Invoice. The Tax Invoice issued in this example is included in the appendix.</p>
VAT amount	<p>The Tax Invoice must include the amount of Tax payable, shown in riyals. This may be in addition to a conversion to any other currency (where the invoice is raised in a foreign currency). The SAR amount is the definitive amount for the Supplier and Customer's VAT reporting.</p> <p>See example (3) and the example Foreign Currency invoice in Appendices.</p>

4.2.4. Rounding of values

The amount of VAT charged must be shown in SAR, expressed in whole riyals and halalas. Unit prices may be denoted without rounding, but if the total VAT amount or the total taxable amount equates to a figure that includes a fraction of a halala, the VAT amount should be rounded to the nearest halala for that Supply. These rounded figures should be the figures used for VAT reporting purposes.

Example (6): The Green Garden Markets makes a bulk sale of food products to a taxable business customer. It charges a VAT-inclusive price of SAR 1,255.00 for the items supplied and is required to issue a "standard" Tax Invoice for the supply.

The VAT amount, calculated as the fraction (5 / 105) of the VAT inclusive value, is 59.7619 riyals. The VAT amount must be rounded to SAR 59.76 on the Tax Invoice. The taxable amount is rounded from SAR 1,195.2381 riyals to SAR 1,195.24 on the Tax Invoice.

4.2.5. Other commercial information

The Tax Invoice will usually show other details, in line with the Supplier's usual commercial practices. There is no restriction to including other commercial information on a Tax Invoice.

Common items which are not part of the standard requirements of a Tax Invoice include:

- The total (VAT-inclusive) amount payable for the Supply
- The payment due date for the payment in respect of the Tax Invoice
- Bank transfer and other details for making payment
- Contact details for the Supplier and Customer
- Purchase Order information
- Shipping addresses or other shipping information.

4.2.6. Example Tax Invoice

An example Tax Invoice for a supply of Goods (and associated shipping and handling services) is provided on the next page. As a commercial document, the Tax Invoice can take on different formats – it is not required that Tax Invoices follow this format.

فاتورة ضريبية
TAX INVOICE

AL SALAM SUPPLIES CO. LTD	شركة السلام للتوريدات المحدودة
Invoice #100	رقم الفاتورة: 100
Invoice Date:6/4/2020	تاريخ الفاتورة: 2020/4/6
Date of Supply:6/4/2020	تاريخ التوريد: 2020/4/6
Supplier:	المورد:
Al Salam Supplies Co. LTD	شركة السلام للتوريدات المحدودة
Prince Sultan bin Abdulaziz Road	طريق الأمير سلطان بن عبد العزيز - السليمانية
Phone: 221619200	هاتف: 221619200
Email: info@Al-salam.sa	البريد الإلكتروني: info@Al-salam.sa
Supplier Tax Identification Number:	رقم التسجيل الضريبي للمورد:
310175397400001	310175397400001
CUSTOMER:	العميل:
AL KAWTHAR MARKETS	أسواق الكوثر
SA'AD BIN ABDELRAHMAN FIRST ROAD	طريق سعد بن عبدالرحمن الأول الفرعي
SHIPPING ADDRESS:	عنوان الشحن:
2119 - SA'AD BIN ABDELRAHMAN FIRST ROAD	2119 - طريق سعد بن عبدالرحمن الأول الفرعي
OTHER INFORMATION	معلومات أخرى
Purchase Order Number: 2001341	رقم أمر الشراء: 2001341
Payment Due Date: 6/5/2020	تاريخ الاستحقاق: 2020/5/6

NATURE OF GOODS OR SERVICES تفاصيل السلع أو الخدمات	UNIT PRICE سعر الوحدة	QUANTITY الكمية	TAXABLE AMOUNT المبلغ الخاضع للضريبة	TAX RATE نسبة الضريبة	TAX (SAR) الضريبة (ريال سعودي)	TOTAL المجموع
Item A - البند أ	200.00	1	200.00	5%	10.00	210.00
Item B - البند ب	250.00	1	250.00	5%	12.50	262.50
Item C - البند ج	350.00	1	350.00	5%	17.50	367.50
Item D - البند د	50.00	2	100.00	5%	5.00	105.00
Shipping and - Handling شحن وتفريغ			80.00	5%	4.00	84.00
980.00	الإجمالي (باستثناء ضريبة القيمة المضافة)			TOTAL (EXCLUDING VAT)		980.00
49.00	مجموع ضريبة القيمة المضافة			TOTAL VAT		49.00
1,029.00	إجمالي المبلغ المستحق			TOTAL AMOUNT DUE		1,029.00

Kindly arrange remittance by direct transfer to our Account on the following details:

Account Name: Al Salam Supplies Co. LTD,

Bank Name: Arab National Bank, Al Kharj Road branch, Riyadh.

SAR IBAN Number: SA1002110000001008118034, Swift Code: ARNBSARI.

For any further information, please contact the Finance Department at Al Salam Supplies Co. LTD (finance@Al-salam.sa)

4.3. Simplified Tax Invoice

A “simplified” Tax Invoice may be issued instead of a “standard” Tax Invoice in certain circumstances⁽²⁵⁾. This reflects the common commercial practice that many low value transactions are documented with a more simple receipt or invoice and do not involve the Supplier collecting and recording information such as customer details.

In all cases, however, it is mandatory for a Taxable Person to issue a Tax Invoice for every Taxable Supply, either a Tax Invoice or a simplified Tax Invoice, regardless of commercial practice.

4.3.1. Circumstances of Issuing a Simplified Tax Invoice

In practice a simplified Tax Invoice may be issued for two cases in KSA in reference to the valid laws and regulations:

- A Supply of Goods or services valued at less than one thousand (1,000) Saudi Riyals⁽²⁶⁾.
- All Supplies made to any person who is a non-taxable natural person (individual)⁽²⁷⁾. The Authority accepts that Suppliers of consumer goods and services may presume that transactions with individuals in a retail environment are made to a non-taxable natural person, unless the Supplier has reason to believe its customer is a Taxable Person or a legal person (for example, based on the value or nature of the goods and services supplied).

Suppliers should not issue simplified tax invoices for exports of goods or any “Internal supplies” of Goods or Services made to businesses registered in other GCC States after the full introduction of the GCC VAT system and the implementation of the Electronic Services System.

4.3.2. Content Requirements

A simplified Tax Invoice must include the following minimum details⁽²⁸⁾:

- 1) **The date the invoice is being issued** – this refers to the date on which the Simplified Tax Invoice is created.
- 2) **The name, address and Tax Identification Number of the Supplier** – The Simplified Tax Invoice must show the official name of the Supplier and the address of the main office or other relevant establishment. The Tax Identification Number of the Supplier must be correctly stated.
This is particularly important to allow the Customer to verify the VAT registration status of the Supplier (this may be done using the Taxpayer Lookup Tool available on GAZT’s website or via the VAT application).
- 3) **Description of the Goods or services supplied** – The Simplified Tax Invoice must show the details of the supplied goods or services i.e. the quantity and nature of the Goods supplied or the scope and nature of the services rendered.
- 4) **The Consideration payable for the Goods or services** – this amount represents the amount collected or to be collected by the Taxable Person from the Customer or a third party against the Supply of Goods or services, inclusive of the VAT.

25) Article 56(1), Contents of the Tax Invoice, Unified VAT Agreement and Article 53, Tax Invoices, Implementing Regulations

26) Article 53(7), Tax Invoices, Implementing Regulations

27) Article 53(9), Tax Invoices, Implementing Regulations.

28) Article 53(8), Tax Invoices, Implementing Regulations

5) **The Tax payable or a statement that the Consideration is inclusive of Tax in respect of the Supply of the Goods or services** - The Simplified Tax Invoice may either:

- show the amount of VAT payable in Saudi riyals⁽²⁹⁾ (following the required practice for the standard "Tax Invoice"), or alternatively
- include a clear statement in the Simplified Tax Invoice states that the consideration payable (that consideration being expressed in Saudi riyals) is inclusive of the basic (5%) rate of VAT.

Example (7): The Green Garden Markets makes a retail sale of food items for SAR 90, plus SAR 4.50 of VAT. It may issue a Simplified Tax Invoice showing the VAT amount of SAR 4.50, or issue a Simplified Tax Invoice showing the total consideration (SAR 94.50) and clearly indicating that this consideration is inclusive of the basic rate of VAT. Example invoices are shown in the Appendix." "The invoice issuer may choose to include additional information on the simplified Tax Invoice, or to issue an invoice meeting the full conditions of a "standard" Tax Invoice if preferred.

4.4. Summary Tax Invoices

Summary Tax Invoices are a type of Tax Invoice that includes more than one supply of Goods or services. Suppliers who have periodic (e.g. monthly) invoicing practices may issue one commercial invoice containing all the supplies made in that period.

For VAT purposes, a Taxable Person may issue a summary Tax Invoice, including all the Taxable Supplies of Goods and services made by a single Supplier in favor of a single Customer over a period of one month, provided that this month falls within the same Tax Period⁽³⁰⁾.

The Summary Tax Invoices may be issued in a physical (printed) or electronic format and should follow the requirements and conditions related to the standard Tax Invoices. There is no additional format or content requirements for summary Tax Invoices for VAT purposes.

A Taxable Person who issues a summary Tax Invoice may not issue separate Tax Invoices for the individual supplies of goods and services making up that summary Tax Invoice.

Example (8): Gulf Arabian Equipment Co., a Saudi VAT registered company, has entered into a contract with Al Bait Al Amer Construction Co. (a Saudi resident entity located in Jeddah) to supply equipment and services related to Al Bait Co. construction project in Jeddah. The supply agreement prescribes that Gulf Arabian Co. will issue invoices for goods and services provided at the end of each calendar month.

During September 2022, Gulf Arabian Co. supplied both equipment and services to Al Bait Co. on different dates. While there is more than one separate supply made by Gulf Arabia Co. to Al Bait Co. within the same period of September 2022, Gulf Arabian Co. may issue a summary Tax Invoice showing the date of supply for each distinct supply. An example summary Tax Invoice is included in the appendix.

29) Article 56(2), Contents of the Tax Invoice, Unified VAT Agreement

30) Article 55(3), Issuance of the Tax Invoice, Unified VAT Agreement and Articles 53(1) and (4), Tax Invoices, Implementing Regulations

4.5. Time of Issue for Tax Invoices

A supplier must issue a Tax Invoice by no later than fifteen days following the end of the month in which the supply takes place⁽³¹⁾. The date of “issue” of the Tax Invoice is considered the date on which the Tax Invoice is created (and this date must be marked on the Tax Invoice), but the Tax Invoice must also be provided, electronically or physically, to the Customer within this timeframe. A Tax Invoice is only issued once, and the date of issue will not change. If a supplier is required to provide a copy of a Tax Invoice issued previously, it should be clear in the Tax Invoice that the new document is a copy of the original Tax Invoice. The date of issue – and all other particulars – should remain as the original Tax Invoice.

4.5.1. Date of supply

The date the supply takes place is the date tax becomes due, determined in accordance with VAT Law:

“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.”⁽³²⁾

The actual date of supply of the Goods or services is, in standard cases, the date of delivery of the Goods or performance of the services. However, specific date of supply rules are prescribed in the Unified VAT Agreement and Implementing Regulations⁽³³⁾.

The date the supply takes place may be earlier than the actual date of supply, in cases where a tax invoice is issued or payment is received before the actual date of supply.

If a Tax Invoice is issued before the actual date of supply:	The Supplier must comply with VAT obligations based on the date of issue of the Tax Invoice. VAT must be reported as Output Tax in the Tax Period in which the Tax Invoice is issued (even if payment has not been received or the actual supply has not taken place).
If an advance payment is made before the actual date of supply:	The supply is deemed to take place on the date of payment (in cases of part-payment, the supply takes place for the portion of consideration paid). The Supplier must issue a Tax Invoice within fifteen days from the end of the month in which the advance payment was made for the portion of the consideration received.

4.5.2. Continuous supplies

A continuous supply of goods or services involves the provision of goods or performance of services continuously across a defined period. Examples of continuous supplies include the rental of equipment, the provision of electricity or water by a utilities company, or the ongoing membership of a gym.

Continuous supplies of goods or services take place on the earlier of the date a Tax Invoice is issued or payment is made in respect of those Goods or services, to the extent of the amount invoiced or paid⁽³⁴⁾.

31) Article 53(1), Tax Invoices, Implementing Regulations

32) Article 23, Date of Tax Due on Supplies of Goods and Services, Unified VAT Agreement

33) Article 23, Date of Tax Due on Supplies of Goods and Services, Unified VAT Agreement and Article 20, Date of Supply in specific circumstances, Implementing Regulations.

34) Article 20(2) and 20(3), Date of Supply in specific circumstances, Implementing Regulations; subject to specific rules applying in the event that no payment has been received or invoice issued within twelve months.

Unless an advance payment or part of the consideration is received, the date of issue of the Tax Invoice for continuous supplies will be the date of supply.

Example (9): Al Nakheel Security Services Company provides ongoing remote security services for its customer, Al Saleh Factories. It issues an invoice at the completion of every month to reflect the services received in the previous month.

During the month of October, the total value of services provided was SAR 20,000 (plus SAR 1,000 of VAT). The Tax Invoice is issued by Al Nakheel on 4 November, and requires Customer payment by 10 November. The date of supply for VAT reporting purposes is 4 November. An example invoice is included in the appendix.

Note that different date of supply rules apply for Continuous supplies of goods or services involving the payment of consideration by instalments⁽³⁵⁾. For these supplies, the Tax Invoice does not affect the date of supply – a separate supply in respect of each installment takes place on the earlier of the due date for the payment of that installment or the date of actual payment.

Example (9A): A commercial landlord leases an office space on a two-year lease to a legal firm, commencing on 15 January 2020. The contract specifies that rental of SAR 42,500 is due for payment on the 15th of each month. In such a case, VAT will be accounted in respect of the monthly installment on the 15th of each month, unless the tenant makes early payment.

³⁵⁾ Article 20(1), Date of Supply in specific circumstances, Implementing Regulations

5. Special Circumstances

5.1. Self-billing

In some cases, it is more practical for the Customer to issue a Tax Invoice setting out the details of the supply made to him by the Supplier. The issue of a “self-billed Tax Invoice” by the Customer is permitted for by the Unified VAT Agreement, “with the approval of the competent Tax Authority”⁽³⁶⁾. As per the VAT Law and Implementing Regulations in KSA, the Authority approves the issue of a self-billed invoice in respect of supplies of goods or services made in the KSA provided all of the conditions below are met⁽³⁷⁾.

The self-billed Tax Invoice must only be issued in respect of a Taxable Supply by a Taxable Person. The Customer must validate the Supplier’s Tax Identification Number to ensure it is registered as of the date of supply.
The self-billed Tax Invoice must be issued to the Supplier, in accordance with the standard timing requirements for issue of invoices (outlined in section 4.5).
The self-billed Tax Invoice is the only Tax Invoice issued for the supply. The Supplier must not issue a Tax Invoice in cases where the Customer issues a self-billed Tax Invoice (this must be documented in the self-billing agreement between the customer and the supplier).
The document must show the words “self-billed Tax Invoice”, or must otherwise be marked as a self-issued invoice ⁽³⁸⁾ , and must include the same required content of Tax Invoices (as stated in Section 4.2).
An agreement between the Supplier and the Customer must be in effect before the date of the supply.
Both the Supplier and the Customer must notify the Authority with their agreement of self-billing tax invoices through the procedure as specified by the Authority, and subject to any further conditions as the Authority may determine.

If the Authority rejects a notification from the Supplier and/or Customer of the agreement to issue self-billed tax invoices, the Customer must not issue any tax invoices in respect of supplies made to it by that Supplier.

5.1.1. Self-billing agreement

An agreement between the Supplier and the Customer must be entered into, documented, and maintained with the Taxable Person’s records. This agreement should:

- State the supplies for which the Customer will issue self-billed Tax Invoices (this may be for all supplies provided to the Customer by that Supplier);
- State the time period for which the agreement applies;
- Include an undertaking by the Supplier not to issue Tax Invoices in respect of those supplies;
- Confirm the VAT registration details of the Supplier and Customer, and any particular requirements for the issue or content of Tax Invoices under that agreement; and
- Confirm a clear procedure for the acceptance of each invoice by the Supplier of the goods and services⁽³⁹⁾.

36) Article 58(1), Special Provisions, Unified VAT Agreement

37) Article 53(2), Tax Invoices, Implementing Regulations

38) Article 58, Special Provisions, Unified VAT Agreement

39) Article 53(2), Tax Invoices, Implementing Regulations

The responsibility of validating and providing the supporting documents of Tax Invoices issued by the Customer falls on the Taxable Supplier. Likewise it is the Supplier's responsibility to report the VAT amounts on these invoices in his tax returns.

Example (10): Al Salah Laundries LLC in KSA enters into a three-year contract with Al Jaber Hotel to provide laundry services. The commercial agreement between them is that, for the length of the contract, Al Jaber Hotel will issue the Tax Invoices on a monthly basis for laundry services on behalf of Al Salah Laundries based on an agreed rate per item, after notifying the Authority and its approval. After the Tax Invoice is issued, Al Salah Laundries checks the information to match it with their internal supporting documents and approves it.

Example (11): Al Salam Agency Services provides an intermediary service to Al Faris Marketing Company, introducing it to potential clients. Al Faris agrees to pay a commission of 2% of sales for any introduced clients. As Al Faris has access to its sales figures, it enters into an Agreement with Al Salam to calculate the commission and issue a monthly self-billed Tax Invoice. An example self-billed Tax Invoice is included in the Appendix.

Example (12): Al Rashid Petrochemicals Company is a Saudi resident company registered for VAT in KSA, and has entered into a contract with Al Fajr Company which is also a Saudi resident company specialized in manufacturing supporting tools and minor supplies. The "supporting tools and minor supplies" manufactured by Al Fajr are considered one of the inputs and raw materials of Al Rashid. Al Fajr's main inputs are petrochemical products that are produced by Al Rashid.

The contract between Al Rashid and Al Fajr is based on exchange of the products of the companies (Barter).

Therefore, Al Rashid will issue tax invoices to Al Fajr for the petrochemical products sold (supplies) to Al Fajr. In this case, and based on the agreement between the parties and subject to notifying the Authority and obtaining its approval, Al Rashid may issue self-billing invoices for the tools and supplies purchased from Al Fajr, provided that Al Fajr is a Taxable Person registered with the Authority for VAT purposes.

Both values of the mentioned invoices should be based on the market value of the supplies and such amounts must not be offset and netted in the invoices.

Both companies must declare output VAT for each supply in the periodical VAT returns and may deduct the VAT on purchases from the other Company (provided that all other conditions of tax deduction are met).

NOTE: in case that Al Fajr is not a VAT registered person, it is not allowed for Al Rashid to issue self-billing invoices.

5.2. Third party billing

A third party may issue Tax Invoices for Taxable Supplies provided when the following conditions are met:

- The Taxable Supplies should be provided by a Taxable Supplier to their Customer. .
- The details of the supplier, including the Tax Identification Number, must be disclosed on the invoice, and it should be clear that the Tax Invoice is issued on behalf of the supplier in respect of a supply by that supplier. The third party should not include its Tax Identification Number on the invoice (and is not required to disclose any of its details on the invoice).

- The Taxable Supplier must not issue a Tax Invoice for a supply if a third party has issued a Tax Invoice on its behalf for the same supply.
- The Supplier shall be responsible for the accuracy of the information shown on the Tax Invoice and for reporting Output Tax on the supply⁽⁴⁰⁾.
- Both the Supplier and the third party (if registered for VAT purposes) should notify the Authority with their agreement through the procedure as specified by the Authority and subject to any further conditions as the Authority may determine. If the Authority rejects this notification, the third party must not issue tax invoices on behalf of that Supplier.

In all circumstances, the third party will not have any other involvement in the underlying supply of goods or services. In cases where both the Taxable Supplier and the third party provide separate services to the same Customer, then each Tax Invoice should be separate.

Example (13): Al Bahar Real Estate LLC wants to purchase commercial real estate in KSA from a private individual who is registered for VAT in the KSA. The purchase is arranged via Essam Real Estate Broker, but the transfer of ownership and payment is directly happens between the Taxable Supplier and the customer. The agreement between the private owner (Taxable Supplier) and the Broker clearly states that the broker should issue a Tax Invoice on behalf of the private individual. The Broker may issue a Tax Invoice (as a third party) on behalf of the Supplier to the customer.

Any agency or brokerage fees issued by the Broker to Al Bahar Real Estate LLC (Customer) should be issued in a separate Tax Invoice, using the Broker's VAT registration as the Supplier of the service. Noting that it is not allowed for Al Bahar Real Estate to offset the consideration of its supply to the private individual against the amount charged by the brokerage agency, for VAT purposes.

Example (14): Diamond Company has signed a service contract with MOI – Immigration Dept. In accordance with that contract, Diamond Co. will issue Exit/Entry visas to non-Saudi residents on behalf of MOI. Diamond Co. will collect the consideration of the visas from the end-customers (residents) upon receiving the visas issued online.

As a result, Diamond Co. should issue an invoice with the service and value of the exit/entry visas issued. The invoice must have a clear reference that it is issued by Diamond Co. on behalf of MOI (Immigration Dept.)

The fees for the exit/entry visa is SAR 500, and as per the contract, Diamond Co. will be entitled to 10% of the fees (SAR 50) for the issuance service provided. The fees of the visa (SAR500) is considered as a revenue collected by the governmental authority (MOI - Immigration Dept.) being a public authority, and out of scope of VAT.

Diamond Co. must issue a separate taxable invoice to (MOI) for the service performed, which is issuance of visas on their behalf.

The consideration for such service (SAR50) will be subject to VAT at standard rate 5% regardless of how it is calculated, whether as an absolute amount or as a percent of the visa fees.

Accordingly, Diamond Co. must collect VAT on the value of service provided to MOI as per its own tax invoice, and must declare and pay such VAT with the periodic VAT return to be submitted.

40) Article 53(3), Tax Invoices, Implementing Regulations

5.3. Customer self-accounts for VAT

A Taxable Person resident in the KSA must self-account for the VAT through its VAT return (using the Reverse Charge Mechanism) by assessing and accounting for the VAT charged on the Supplies received, if:

- the place of supply for Goods or Services is in the KSA; and
- the Supplier is not a resident person in KSA⁽⁴¹⁾.

A non-resident supplier does not collect the VAT on supplies to Taxable Customers in the KSA, and in most circumstances will therefore not be registered for VAT. Whilst the non-resident Supplier makes the Taxable Supply, it will not be required to issue a Tax Invoice. In these situations, the Authority accepts that that Customer is not required to issue a Tax Invoice to itself for the receipt of goods or services.

However, a non-resident Supplier may be registered for VAT, on the basis of other transactions it carried out. In these cases, it must issue a Tax Invoice. This Tax Invoice must show the Customer's Tax Identification Number and "a statement that the Customer must account for the Tax"⁽⁴²⁾.

Example (15): Overseas Trading Company ("OTC") is established in Jordan and has no establishment (e.g. office or permanent resources) in the KSA; and it is therefore not resident in KSA for VAT purposes. OTC makes a number of supplies to businesses registered for VAT and to individual customers non-registered for VAT, who are resident in the KSA. It is registered for KSA VAT as a non-resident Taxable Person. OTC regularly sells products to Al Sabah Fertilizer Factory in Riyadh. These are normally imported into the KSA and VAT is paid to Saudi Customs by Al Sabah Factory. During an annual visit by an OTC sales representative to the KSA, Al Sabah requires replacement parts for its equipment. The sales representative purchases the replacement parts from a local supplier and delivers them in person to Al Sabah's premises. This is a Taxable Supply made by OTC to Al Sabah, but Al Sabah is required to self-account for the VAT due. As a registered person, OTC issues a Tax Invoice for the supply – this does not charge VAT to Al Sabah, but clearly states that Al Sabah must account for the VAT due. An example is contained in the appendix.

5.4. Profit margin billing

A Taxable Person may apply to account for Tax payable on a Supply of Eligible Used Goods using the profit margin method upon receiving an approval notification from the Authority (subject to the requirements in Article 48 of the Implementing Regulations). In these cases, there are specific rules applying to Tax Invoice for the purchase and sale of eligible used goods.

Only goods which are specified by the Authority as Eligible Used Goods at the time of the supply may have VAT calculated on the profit margin. At the time of issue of this guideline, no goods have yet been specified as Eligible Used Goods. Further information on the calculation by the profit method will be provided at such time as Eligible Goods are specified in future.

In terms of tax invoicing, the following rules should be noted:

41) Article 41, Customer Obligated to Pay Tax According to the Reverse Charge Mechanism, Unified VAT Agreement and Article 47, Persons liable to pay Tax, Implementing Regulations

42) Article 53(5), Tax Invoices, Implementing Regulations

5.4.1. Purchase of Eligible Used Goods from Non-Taxable Person

In cases where a Taxable Person (Customer) purchases the Eligible Used Goods from a Non-Taxable Person, the Taxable Person (Customer) must issue an invoice in respect of the purchase to that Non-Taxable Person.

This invoice relates to a supply by a non-Taxable Person (not a Taxable Supply) so the document is not a Tax Invoice. However, it must meet other specific criteria set out in the Implementing Regulations⁽⁴³⁾.

5.4.2. Sale of Eligible Used Goods by a Taxable Person

If the Taxable Person is eligible and decided to use the profit margin method (subject to the Authority's approval) in the sale of Eligible Used Goods, the Taxable Person makes a taxable supply. However, VAT is included within the sales price and is not deductible by the purchaser. Therefore the VAT must not be shown as a separate amount.

The Tax Invoice issued must instead include "reference to the fact that VAT is charged on the profit on those Eligible Used Goods"⁽⁴⁴⁾.

Example (16): Al Murooj Trading Company, a registered used goods dealer in Riyadh, has purchased a used good and later sells this (with an additional mark-up) to another individual customer for SAR 200 at its Riyadh store. Assuming that the goods are specified as Eligible Used Goods and Al Murooj Trading Company is approved by the Authority to use the profit margin method, VAT will only be charged on the profit (and not at 5% on the sales price). The Tax Invoice includes the VAT-inclusive consideration for the supply SAR 200, and a reference that VAT has been charged on the profit margin. An example Tax Invoice is shown in the appendix.

⁴³⁾ Article 48(5), Supply of used Goods, Implementing Regulations

⁴⁴⁾ Article 53(5), Tax Invoices, Implementing Regulations

6. Electronic Invoicing

For the purposes of this guideline, electronic invoicing ('e-invoicing') is defined as the issuing and receiving of VAT compliant invoices in an electronic format. Electronic invoicing is permitted in accordance with the conditions and procedures applying in the KSA, as outlined below.

6.1. Forms of electronic tax invoice

An electronic invoice ('e-invoice') is an invoice that contains the information required in the Implementing Regulations and which has been issued in any prescribed electronic format. This can be:

- An electronic file containing an electronic copy of a paper invoice, which resembles a physical invoice when printed, such as a .PDF file; or
- Another form of data file containing the relevant data fields required on the Tax Invoice, designed for automatic transfer between systems, such as a .CSV or .XML file.
- An electronic copy of an original physical Tax Invoice (such as a scan of a printed invoice) is not an e-invoice.

6.2. Forms of electronic exchange

In cases where Taxable Persons issue e-invoices, they must take appropriate steps in order to ensure the authenticity of the origin, integrity of content and legibility of the invoices. In this context:

authenticity of the origin	means the assurance of the identity of the supplier or issuer of the invoice
integrity of content	means that the invoice content cannot be altered
legibility of an invoice	means that the invoice can presented in a readable form (and meets language criteria to be issued in Arabic)

Taxable Persons must transmit invoices in a secure environment, using industry-accepted authenticity and security technologies on:

- the messages themselves; and
- the communication links/networks over which the invoices are transferred.

At present, there are no particular electronic exchange methods that have been prescribed as mandatory for VAT purposes in the KSA. To ensure secure transmission, issuers of e-invoices may consider a qualified electronic signature or Electronic Data Interchange ('EDI').

6.2.1. Qualified Electronic Signature

A qualified electronic signature is an advanced electronic signature which is generated in accordance with the Electronic Transactions Law issued under the Council of Ministers Decision No. 80 dated 71428/3/ H, approved by Royal Decree No. M/18 dated of 81428/3/H.

6.2.2. EDI

EDI (electronic data interchange) is a computer-to-computer exchange of structured data which permits automatic processing by the recipient.

When EDI is used, an agreement between the EDI trading partners (and any third party e-invoicing provider) should be in place; incorporating a provision for the use of procedures which guarantees the authenticity of the origin, integrity or legibility of the data.

6.3. Mandatory e-invoicing

The Implementing Regulations⁽⁴⁵⁾ prescribe that tax Invoices shall be issued in an electronic format “in cases where this is prescribed in any regulations issued by the Minister of Finance or the Board of Directors surrounding the requirements and conditions for issue of electronic Invoices, provided these Regulations are in force as at the date of the Supply”.

At the time of issue of this guideline, there are no Regulations prescribing mandatory e-invoicing for any particular supplies or suppliers.

Further information will be issued if such Regulations are issued in future.

45) Article 53 (6), Tax Invoices, Implementing Regulations

7. Credit and debit notes

A credit note is a commercial document issued by a supplier/seller to a buyer. Credit notes act as a document to evidence the reduction of value in sales and is issued in various situations to correct a mistake, such as when an invoice amount is overstated, correct discount rate is not applied, goods are faulty / do not meet the buyer's specifications and are returned to the supplier fully or partially.

For VAT purposes, the credit note reflects a decreasing adjustment to consideration to a previously issued Tax Invoice for a supply of goods or services by the supplier.

Conversely, a debit note reflects an increasing adjustment to consideration to a previously issued Tax Invoice for a supply of goods or services by the supplier.

A Taxable Person who adjusts the supply consideration must include this adjustment in a credit or debit note correcting the original Tax Invoice⁽⁴⁶⁾.

7.1. Circumstances of Issuing a Credit Note or Debit Note

A Taxable Person adjusts the value of a Supply with a credit note or debit note in the following cases where a Tax Invoice has already been issued in relation to a Taxable Supply, and one of the following events occurs:

- "The Supply is cancelled or terminated after the Supply has taken place or been treated as taking place, in whole or in part
- There is a material change or alteration to the nature of the Supply resulting in a change in the Tax charged,
- The previously agreed Consideration for the Supply is altered for any reason, including due to an offer of an additional discount after the sale was made
- The Goods or services or part thereof are returned to the Supplier and the Supplier accepts such return."⁽⁴⁷⁾

Example (17): An industrial manufacturer pays a deposit to a construction company for building a new warehouse. The construction company issues a Tax Invoice for the portion of payment received in advance.

Before the project begins, the construction company advises it cannot proceed with the project. The supply is cancelled and a credit note is issued in respect of the earlier Tax Invoice.

Example (18): The United Arab General Trading Company issued an invoice on 1 November 2021 for a delivery of a number of items to Golden Arrow Food Distribution Company. During a review of pricing in April 2022, it discovers that it used an incorrect price for two items, resulting in charging less than the agreed price. It agrees with the customer to issue a debit note to reflect the additional amount due for these items. The debit note refers to the sequential number of the original Tax Invoice and the date of supply. An example debit note is included in the appendix.

A credit note or debit note should not be issued for a payment or “adjustment” to a customer account which does not relate to a previous supply of goods or services.

Example (19): Aziz Electronics decides to provide a SAR 200 credit to the accounts of all regular customers as a goodwill gesture during the Eid celebrations. The credit does not relate to any earlier supply of goods or services. It should not issue a credit note or make an adjustment to VAT in respect of this credit.

7.1.1. Adjustment to output Tax

In the event a credit note or debit note is issued, this will affect the calculation of the Supplier’s Output Tax and customer’s Deductible Input Tax (where the customer is a Taxable Person).

The Supplier must adjust Output Tax⁽⁴⁸⁾:

If the credit note is issued, or the upwards adjustment to consideration, occurred in the same Tax Period in which the original supply was made, or before the Tax Return for that original supply has been filed:	By adjusting the Output Tax (upwards or downwards) for the Tax Period in which the original supply took place.
If a credit note is issued after the Tax Return for that original supply has been filed:	By adjusting the Output Tax (downwards) for the Tax Period in which the Credit note is issued, or the event giving rise to the adjustment took place, whichever is later.
If an upwards adjustment to consideration (resulting in a debit note) is made after the Tax Return for that original supply has been filed:	By adjusting the Output Tax (upwards) for the Tax Period in which the event giving rise to the adjustment took place.

If the Customer was a Taxable Person on the date of the original supply, and has previously deducted input tax on that supply, it must correct its Input Tax to reflect the Tax amount calculated on the change in Consideration in the Tax Period in which the Credit Note or Debit Note is issued⁽⁴⁹⁾.

7.2. Timing and Format

A Credit Note or Debit Note should be issued upon the adjustment to consideration (a maximum time limit is not provided in law but the Authority considers that, in line with the provisions for issue of Tax Invoices, these documents should be issued by no later than fifteen days following the end of the month in which the adjustment happened). The date of issue must be marked on the Credit Note or Debit Note.

The credit note or debit note issued must contain a reference to the sequential number of the Tax Invoice issued in respect of the original Supply, and the information required by Regulations to be shown on the corresponding Tax Invoice⁽⁵⁰⁾. There are no other specific format requirements for a credit note or debit note, but it should be clear the adjusted value of the supply and original VAT charged related to the adjustment.

48) Article 40, Adjustment to value of a Supply, Implementing Regulations

49) Article 40(6), Adjustment to value of a Supply, Implementing Regulations

50) Article 54, Credit and debit notes, Implementing Regulations

7.2.1. Adjustments to multiple supplies

As part of commercial practice, a supplier may make one adjustment to consideration which affects multiple supplies (for example, volume discounts across a period).

A single Credit Note or debit note may be issued to reflect adjustments to multiple Tax Invoices issued for the same customer. In such a case, the credit note or debit note should clearly reference all original Tax Invoices which are being adjusted and the corresponding adjustment amount.

Example (20): The Arabian Group Logistics Company issued a Tax Invoice to Al Majd Transportation Company on 31 October 2021 for a delivery of multiple items. On 6 April, it accepts the return of goods from the customer and issues a credit note. The credit note refers to the number of the original Tax Invoice.

Example (21): Later in the same year, the Arabian Group Logistics Company accepts the return of goods from Al Majd Transportation Company. It sees that these goods were supplied at different times and were the subject of two different Tax Invoices. Instead of issuing multiple credit notes, it issues a single credit note to Al Majd Company on 12 August which refers to the individual sequential Tax Invoice numbers for each of the original supplies.

Example invoices for each case are provided in the appendix.

8. Record keeping

8.1. General

Taxable Persons are required to maintain certain records for VAT purposes – including the relevant books, records and accounting documents – for at least the minimum period set out in law. These obligations are set by the Unified VAT Agreement, VAT Law and Implementing Regulations for VAT purposes⁽⁵¹⁾. They exist in addition to any other requirements on persons in the KSA to maintain records under the Commercial Register Law ⁽⁵²⁾ or other relevant laws.

Records are primarily required to document the calculation and reporting of VAT for audit purposes.

During an examination carried out by the Authority, Taxable Persons shall make available all the relevant invoices, books, records and accounting documents to the officer(s) conducting the examination. Where invoices, books, records and accounting documents of a Taxable Person are kept on a computer system or electronically, the Taxable Person shall during an examination provide upon request by employees of the Authority with physical copies or electronic files containing the required information⁽⁵³⁾.

8.2. Required recording

The Unified VAT Agreement specifies that persons must retain “Tax invoices, books, records and accounting documents” across the minimum period. This is a broad legal requirement. The focus of this requirement for audit purposes are the documents which outline the particulars of the supplies made (including delivery and payment), the calculation of VAT thereon, and the recording of these transactions in the accounting records and business VAT returns.

The following is a non-exhaustive list of the documents the Authority will expect to review upon request:

- all tax invoices issued and received;
- books and accounting documents;
- contracts or agreements for large sales and purchases, or relevant correspondence detailing the particulars of those supplies;
- bank statements and other financial records;
- import, export and shipment documents; and
- other records relating to the calculation of VAT and preparation of VAT returns.

51) Article 59, Retention Period for Tax Invoices, Records and Accounting Documents, Unified VAT Agreement and Article 66, Records, Implementing Regulations

52) Royal Decree No. M/61, 27 June 1989

53) Article 64, Examination and assessment procedures, Implementing Regulations

8.3. Maintaining records

8.3.1. Format and location

Records may be kept in physical format or electronically. In either case, records must be kept in the KSA (either physically, or through an access to the relevant server where these records are stored).

In cases where the Taxable Person is a resident and opts to store the records electronically, the computer system or server must be physically located in the KSA. As stated above, the Taxable Person must provide employees of the Authority with physical copies or electronic files upon request during an examination.

A Taxable Person who has a fixed establishment in the KSA may have its central computer outside the KSA, provided it has a terminal at its establishment in the KSA through which all data and entries regarding the VAT accounting of the fixed establishment in the Kingdom can be accessed.

Other relevant requirements for keeping records electronically for VAT purposes include:

- “original supporting documents for all entries in accounting books shall be kept locally;
- the Taxable Person shall document computer data entry and processing system of accounting entries for reference if necessary;
- the Taxable Person shall have necessary security measures and adequate controls which can be reviewed and examined to prevent tampering; and
- the Authority may review electronically the systems and programs applied by the Taxable Person to prepare its computerized accounts.”⁽⁵⁴⁾

8.3.2. Language

The Implementing Regulations require that records shall be kept in Arabic.

In cases where the Taxable Person opts to store records electronically, to the extent possible data shall be entered into the computer system in the Arabic language and shall be identical to the physical records⁽⁵⁵⁾.

8.3.3. Retention period

Standard cases

All records must be kept for at least the standard minimum retention period of 6 years⁽⁵⁶⁾.

Moveable and intangible Capital Assets

A longer minimum period is prescribed in law for all records relating to moveable and intangible Capital Assets, being 11 years (this is calculated as the prescribed useful life of the asset for VAT purposes of six years, plus an additional five years).

In cases where the life of any Capital Asset determined in accordance with the accounting practice of the Taxable Person is less than six years, the minimum period to retain records in respect of that Capital Asset is this useful life plus a further five years⁽⁵⁷⁾.

54) Article 66(3), Records, Implementing Regulations

55) Article 66(3), Records, Implementing Regulations – without prejudice to any obligation under other regulations,

56) Article 66(1), Records, Implementing Regulations

57) Article 66(1), Records, Implementing Regulations

Real Estate

Tax Invoices, books, records and documents pertaining to real estate must be retained for a minimum period of 15 years in all cases⁽⁵⁸⁾.

8.3.4. Retention of records by third parties

The Taxable Person may appoint a third party to comply with the record storage requirements. The Taxable Person in all cases remains directly responsible for such compliance⁽⁵⁹⁾.

8.4. Special cases

Non-resident Taxable Persons

Where a non-Resident person does not own an establishment within the KSA yet has a Tax Representative, it is the Tax Representative's obligation to maintain the invoices, books, records and accounting documents of the Non-Resident Person⁽⁶⁰⁾.

In case the non-Resident person does not have a tax representative in the Kingdom, he must keep the records in the Kingdom by appointing a third party who complies with record storage requirements⁽⁶¹⁾.

The Tax Representative or appointed third party must provide employees of the Authority with physical copies or electronic files upon request during an examination.

Cash accounting scheme

All Taxable Persons using the cash accounting basis to calculate VAT⁽⁶²⁾ should maintain a record of their annual turnover (being less than SAR 5 million) with their records to evidence their eligibility to use this VAT accounting basis. Further information on cash accounting is provided in the General VAT Guideline.

Suppliers of Eligible Used Goods

Any Taxable Person who elects to use the profit margin method to calculate Tax on any Supply of Eligible Used Goods must retain a record of all Eligible Used Goods purchased and supplied by that Taxable Person. Further details of the required records are set out in the Implementing Regulations⁽⁶³⁾.

Requirements for additional records

The Authority shall at all times reserve the right to require additional records be provided by a Person for the purposes of registration, examination and assessment procedures in cases where the Authority considers it necessary and has a justifiable reason for such requiring such additional records.

Where applicable, the Authority will notify the Taxable Person that it requires such additional records and shall allow the Taxable Person to submit the additional records within (20) days – or an other reasonable period if needed.⁽⁶⁴⁾

58) Article 59, Retention Period for Tax Invoices, Records and Accounting Documents, Unified VAT Agreement

59) Article 66(4), Records, Implementing Regulations

60) Article 66(5), Records, Implementing Regulations

61) Article 66(4), Records, Implementing Regulations

62) Article 46, Cash accounting basis, Implementing Regulations

63) Article 48(10), Supply of used Goods, Implementing Regulations

64) Article 66(6), Records, Implementing Regulations

9. Input VAT Deduction

9.1. General Provisions

A VAT registered person may deduct Input VAT charged on goods and services it purchases or receives in the course of carrying on its Economic Activity. Input VAT may be deducted on:

- VAT charged by a VAT-registered supplier in the KSA;
- VAT self-accounted by the VAT-registered person under the Reverse Charge Mechanism;
or
- Import VAT paid to Saudi Customs on imports of goods into the Kingdom.

As a general rule, input VAT which is related to the Taxpayer's VAT exempted activities is not deductible as input VAT.

In addition, input VAT may not be deducted on any costs incurred that do not relate to the Economic Activity of the Taxable Person (including some blocked expenditure types such as entertainment, sporting or cultural services, catering service, and restricted motor vehicles),⁽⁶⁵⁾ or on any costs which relate to making exempt supplies. This input VAT is a credit entered on the VAT return which is offset against the VAT charged on supplies (output VAT) made during that period.

Input VAT may only be deducted where the Taxable Person holds a tax invoice, or customs documents showing the amount of tax due, or any other document showing the amount of input tax paid or due, subject to the approval of the Authority.⁽⁶⁶⁾

9.2. Proportional deduction relating to input VAT

VAT incurred which relates to a Taxpayer's VAT exempt activities, such as exempt financial services or residential rental, is not deductible as Input VAT. A person making both taxable and exempt supplies, can only deduct the Input VAT related to the Taxable Supplies. If a Taxable Person incurs general costs or expenses (overheads) in the making of Taxable Supplies, and others that are exempt from VAT, he must in that event split the costs and expenses precisely so as to specify those costs that relate to the Taxable Supplies. The input tax will be determined in accordance with the following rules⁽⁶⁷⁾

Input VAT directly attributed to Taxpayer's taxable sales	Deduct in full
Input VAT directly attributed to Taxpayer's exempt sales	No deduction
Overheads and all other input VAT that cannot be directly attributed	Partial deduction based on apportionment

The overhead costs/expenses incurred by the Taxable Person for making both taxable and exempt supplies must be apportioned to most accurately reflect the use of those costs in the **taxable portion** of the Taxpayer's activities.

⁶⁵⁾ A detailed list of the blocked expenditures is listed under Article 50 of the Implementing Regulations.

⁶⁶⁾ Article 49(7), Input Tax Deduction, Implementing Regulations.

⁶⁷⁾ Article 51, Proportional deduction of Input Tax, Implementing Regulations

A prescribed default method of proportional deduction is calculated on the values of supplies made in the year, using of the following fraction:

The value of Taxable Supplies made by the Taxable Person in the last calendar year

The total value of Taxable Supplies and Exempt Supplies made by the Taxable Person during the last calendar year

The fraction for the default method does not include supplies of Capital Assets made by the Taxpayer, as these distort the use of input VAT.

Alternative attribution methods, using other calculation approaches than the value of supplies, may be approved with the Authority in cases where these better reflect the actual use of VAT incurred. Further information about deduction of VAT and proportional VAT recovery is provided in the Input Tax deduction and Partial Exemption guideline.

9.3. Deduction of VAT paid under reverse charge mechanism

VAT deduction is available for the VAT due and reported by a Taxable Person under the reverse charge mechanism, provided that the goods or services received are for the purpose of the Taxable Person's Economic Activities in the course of making Taxable Supplies. The reporting of the reverse charged VAT is a condition for the corresponding deduction⁽⁶⁸⁾. The reporting of output tax and input tax is – under standard cases – reported on the same VAT return in Box 9.

The supplier does not issue an invoice including KSA VAT for the goods or services which are subject to the reverse charge mechanism. Therefore, the recipient of the supply will not hold a valid tax invoice from the supplier in respect of the VAT charged. The Authority accepts that acceptable evidence of the VAT payable in this case will be the non-resident supplier's commercial invoice showing the consideration payable, and the VAT return on which the VAT is reported.

9.4. Timing of VAT deduction

The Unified VAT Agreement prescribes that the right to deduct Input Tax for the Customer of a supply is linked to the obligation of the supplier to pay the tax due on the supply – i.e. the date of supply.

“The right to make a deduction arises when a Deductible Tax is due pursuant to this Agreement.”⁽⁶⁹⁾

This is subject to the general condition that the Taxable Person must hold a Tax Invoice in order to make a deduction, and any other terms specified for deduction in a KSA context.⁽⁷⁰⁾

68) Article 44(3), Tax Deduction Principle, Unified VAT Agreement

69) Article 44, Tax Deduction Principle, Unified VAT Agreement

70) Article 48, Conditions for Exercising the Right of Deduction, Unified VAT Agreement

The standard timing for a Taxable Person (who uses the standard invoice accounting basis to report VAT) to exercise the right to Input Tax deduction is the tax period in which the supply takes place. This is usually the date the goods and services are received and the Tax Invoice or other documentation is issued to the Taxable Person. Deduction cannot be exercised until the Taxable Person who is the Customer in respect of the supply has a Tax Invoice which is issued within that tax period.

If the Tax Invoice is not received until a later tax period, the Implementing Regulations allow a Taxable Person to deduct Input Tax in a tax period subsequent to that tax period including the date of supply (subject to a statutory limitation of five years following the year in which the supply takes place)⁽⁷¹⁾.

9.5. Special circumstances – Alternative evidence

In the KSA, the Implementing Regulations have specified other documents which can be used as evidence if the documents prescribed in the Unified VAT Agreement are not held:

- “A simplified Tax Invoice which is correctly issued in accordance with these Regulations;
- in the case of a supply arising on the transfer of Goods to another Member State, a commercial or other document substantiating the value on which VAT is calculated at the transfer date;
- Other commercial documentation permitted at the discretion of the Authority, evidencing that the Taxable Person has received the supply and correctly incurred the VAT in question.”⁽⁷²⁾

The Authority considers that a Taxable Person receiving a supply of goods or services should seek and retain a valid Tax Invoice in all cases. However, in case a Tax Invoice is not available or not complete, and other documents can be used as evidence to exercise the right of Input Tax deduction, it may at its discretion allow other documents to be used.

Example (22): Tariq is a plumber who is registered for VAT. He purchases goods from a small local supplier for SAR 3,000 when carrying out a job in the outer suburbs of Riyadh. The supplier issues a VAT invoice which clearly shows the TIN and relevant information surrounding the supply, but does not show the Customer (Tariq’s) address or the quantity of parts supplied. Tariq’s accountant has requested an updated invoice without success. Whilst the Tax Invoice is not fully complete, Tariq has a document that clearly evidences the particulars of the supply. The Authority exercises its discretion to accept this invoice as alternative evidence.

Based on this discretionary treatment allowed by the Authority, Tariq may deduct Input Tax on this invoice as the additional document clearly evidences the particulars of the supply.

9.5.1. Non-Arabic invoicing

Tax Invoices must include the relevant details in Arabic, in addition to any other language used. This means that an invoice which is issued without the relevant information in Arabic is not a valid Tax invoice for KSA VAT purposes.

A Taxable Person receiving a supply of goods or services should seek and retain a valid Tax Invoice (in Arabic) in all cases to evidence VAT deduction. However, in case an invoice is held which

71) Article 49, Input Tax Deduction, Implementing Regulations

72) Article 49(7), Input Tax Deduction, Implementing Regulations

otherwise meets all invoice requirements listed in the Implementing Regulations, but is issued in another language instead of Arabic, the Authority will allow the Customer to use such invoice as eligible other documentation evidencing that the Taxable Person has correctly registered for VAT and paid the related VAT in question.

A Taxable Person can therefore use this invoice to exercise its right to deduct Input Tax. However, this is only possible if the following criteria are met:

- the invoice meets all invoice requirements listed in the Implementing Regulations other than being issued in Arabic,⁽⁷³⁾
- the Taxable Person has other evidence that VAT has been paid to the supplier (bank statement, receipt from the supplier), and
- Upon request by the Authority, the Taxable Person must provide a certified translation of any invoice if required during an examination or for any other reason.

It is not required for a Taxable Person to request for the Authority's approval to use non-Arabic invoices as alternative evidence for Input Tax deduction purposes for each individual invoice in case the abovementioned criteria are met.

This discretion only affects the Customer's right to deduct based on an invoice in another language. In all cases the supplier of the goods or services remains obligated to issue invoices meeting the full requirements of the Implementing Regulations, and will violate the provisions of the Law and Regulations where they do not do so.

73) The list of items required to be shown on a Tax Invoice is at Article 53(5), Tax Invoices, Implementing Regulations, and discussed in section 4 of this guideline.

10. VAT obligations of the Taxable Person

In your capacity as a Taxable Person, you must evaluate your tax obligation and also comply with the conditions and obligations relating to VAT. This includes registering for VAT as necessary, and exactly calculating the net amount of VAT payable, and paying the tax at the time due, as well as keeping all necessary records and cooperating with officials of the Authority on demand.

If you are not sure of your obligations, you must contact the Authority through its website at vat.gov.sa or by other means of communication, and you may also seek external consultation through a qualified consultant. There follows below a review of the most important tax obligations provided for in the Law and the Implementing Regulations.

10.1. Filing VAT Returns

Each VAT Registered Person, or the person authorised to act on his behalf, must file a VAT return with the Authority for each monthly or quarterly tax period. The VAT return is considered the Taxable Person's self-assessment of tax due for that period.

Monthly VAT periods are mandatory for Taxable Persons with annual revenues exceeding SAR 40 million. For all other VAT registered persons, the standard tax period is three months.

The VAT return must be filed, and the corresponding payment of net tax due made, no later than the last day of the month following the end of the tax period to which the VAT return relates.

More information on filing of VAT returns is provided in a separate guideline.

If the VAT return results in VAT due to the Taxpayer, or if the Taxpayer has a credit balance for any reason a request for a refund of this VAT may be made after the filing of the VAT return, or at any later time during the next five years by filing a request for a refund to the Authority. The Authority will review these requests and will pay the amount due on refund requests that have been approved, directly to the Taxpayer⁽⁷⁴⁾.

10.2. Keeping records

All Taxpayers are required by law to keep appropriate VAT records relating to their calculation of VAT for audit purposes. Section 8 of this guideline describes these obligations in more detail.

10.3. Certificate of registration within the VAT system

A resident person who is subject to VAT and registered with the Authority in the VAT system must display a certificate to the effect that he has been registered in the VAT system in a place visible to the public at his main place of business and at all his branches.

In the event of a contravention, the person in breach will be liable to the penalties provided for in the Law.

74) Article 69, Refund of overpaid Tax, Implementing Regulations

10.4. Correcting past errors

If a Taxable Person becomes aware of an error or an incorrect amount in a filed VAT Return, or of any other non-compliance with the VAT obligation, he should notify the Authority and correct the error by amending the tax return. Errors resulting in a net understatement of VAT (exceeding SAR 5,000) must be made known to the Authority within twenty (20) days of detecting the error or incorrect amount, and the previous return must be amended. In connection with minor errors resulting in a difference of less than SAR 5,000, the error may be corrected by amending the net tax in the subsequent tax return⁽⁷⁵⁾.

Further information on correcting errors can be found through vat.gov.sa

⁷⁵⁾ Article 63 [Correction of Returns], Implementing Regulations.

11. Penalties

The Authority may impose penalties or fines on Taxpayers for violations of VAT requirements set out by the Law or Implementing Regulations.⁽⁷⁶⁾

Description of offence	Associated fine
Submitting false documents with the intent of evading the payment of the VAT due or to reducing its value	<ul style="list-style-type: none"> At least the amount of the VAT due Up to three times the value of the goods or services
Moving goods in or out of the Kingdom without paying the VAT due	<ul style="list-style-type: none"> At least the amount of the VAT due Up to three times the value of the goods or service
Failure to register for the VAT in the allotted timeframe	SAR 10,000
Filing incorrect tax return, amend a tax return after submission or filing any VAT document with the Authority resulting in a lower amount due	Equal to 50% of the value of the difference between the calculated Tax and Tax due
Failure to file VAT return in time	525%- of the VAT in respect of which the return should have been filed
Failure to pay the VAT in time	5% of the VAT due for each month or part thereof
Collecting VAT without being registered	Up to SAR 100,000
Failure to maintain books and records as stipulated in the regulations	Up to SAR 50,000
Preventing GAZT employees from performing their duties	Up to SAR 50,000
Violating of any other provision of the VAT regulations or the VAT law	Up to SAR 50,000

In all cases, if a violation is repeated within three years from the date of issuing the final decision of the penalty, the Authority may double the fine for the second offense.

The level of the penalty or fine imposed is set by the Authority with regard to the Taxpayer's behaviour and compliance record (including Taxpayers meeting their requirements to notify the Authority of any errors and provide co-operation to rectify mistakes).

⁷⁶ Chapter Sixteen: Articles (39), (40), (41), (42), (43), (44), (45), and (47), [Tax Evasion and Penalties], VAT Law.

12. Applying for the issue of rulings (interpretative decisions)

In the event that you are not sure about the manner of application of VAT to a particular activity or particular transaction that you are doing or intend to do, after referring to the relevant provisions and the relevant guideline, you may submit an application to the Authority to obtain a ruling. The application should set out the full facts relating to the particular activity or particular transaction on which you are asking the Authority to express its view.

A reply to a request for a ruling may be either:

- Public, in which event the Authority will publish details of the ruling, but without referring to any private particulars relating to the individual Taxpayer, or
- Private, in which case the Authority will not publish the ruling.

The ruling may contain all of the information relating to the activity or the transaction in respect of which the ruling is requested, in addition to an explanation concerning the particular area of doubt or uncertainty in the law or the guide that you have looked at. You may choose to describe the alternatives and what you consider to be the correct treatment.

The Authority is not obliged to respond to all requests for rulings, and it may review all requests and specify priorities on the basis of certain elements, including:

- The level of information submitted by the Taxpayer in the request,
- The potential benefit to Taxpayers as a whole on the issuing of a general ruling concerning some transaction or activity,
- Whether there is an existing law or guide dealing with this request.

Neither a public nor a private ruling issued by the Authority will be treated as binding on it or upon the Taxpayer in connection with any transaction that he performs, and it shall not be possible to rely on it in any manner.

13. Contacting us

For more information about VAT treatment, kindly visit our website: vat.gov.sa; or contact us on the following number: **19993**

14. Questions and Answers

1) What are my obligations under VAT invoicing?

VAT-registered suppliers must issue invoices documenting revenue and tax information on all taxable sales made to other Taxable Persons or to non-registered legal persons.

2) Does the VAT identification number of the supplier/customer need to be displayed on the invoice?

Tax invoices must include the Tax Identification Number of the Supplier. In cases where the Customer is required to self-account for Tax on the Supply, the tax invoice must also include the customer's Tax Identification Number and a statement that the Customer must account for the Tax.

3) Are there differences in how tax invoices should be structured with respect to the counterparty (e.g. different invoices for small, non-registered markets than for large ones)?

A simplified Tax Invoice may be issued for Supplies of Goods or Services valued less than one thousand (1,000) riyals or for supplies made to a non-taxable individual. A simplified Tax Invoice may not be issued in respect of an Internal Supply or an Export of Goods.

In all other cases, a standard tax invoice must be issued.

4) Can 'self-billing' be used?

Yes, provided the criteria are met. Self-billed Tax Invoices may be issued by the Customer to the Supplier (on behalf of that Supplier) in respect of a Taxable Supply made to the Customer, provided that a prior agreement between the Supplier and the Customer has been made to this effect. Such agreement must confirm a procedure for the acceptance of each Invoice by the Supplier of the Goods or Services, and include an undertaking by the Supplier not to issue Tax Invoices in respect of those Supplies.

5) Currently the physical bills are not sent to customer for low value transactions. If customers don't receive the VAT invoice, then how can they claim back VAT?

The Customer should hold a valid Tax Invoice (which may be a simplified Tax Invoice) in order to deduct KSA VAT charged by suppliers as Input Tax. The invoice may be held electronically or in physical copy.

6) What is a "simplified invoice"?

A simplified invoice is a tax invoice that contains basic information about the supplier and transaction. It may be issued only when the amount of the purchase is less than 1,000 Saudi Riyals or for supplies made to a non-taxable individual.

7) Should the invoice be issued stating the value of the tax even if the customer is not taxable?

Yes, the invoice must be issued stating the value of the tax, even if the customer is not taxable.

8) How is VAT calculated on the invoice? Should VAT be calculated after applying discounts or is the VAT calculated before any deductions are included on the invoice?

The VAT shall be calculated based on the actual value in respect of supply of goods or services that is recorded on the invoice after applying any discounts and reductions.

9) Is the tax calculated for the individual contents of the invoice or can the tax be calculated on the total value of the invoice?

If all goods and services on the invoice are subject to VAT at 5%, this can be applied to the total value on the invoice. If there are goods and services supplied at different tax rates, the tax should be calculated individually at each item level, and the value and tax rate shown on the invoice.

10) How are tax invoices submitted to the Authority?

The supplier needs to issue tax invoices to the customer and store them with the business records for review. At the end of the tax period, the total of these invoices is calculated and submitted with the tax declaration; the actual invoices are not submitted to the Authority unless specifically requested.

11) Is the group tax number recorded on the tax invoices or is this number only used to deal with the Authority?

The group tax number should be recorded and added to all invoices issued by members of the tax group.

12) What do I do if the value of a supply, as stated on the invoice that has been already submitted to the Authority, changes?

In the event that the value of a taxable supply is adjusted after the tax invoice is issued, the Taxable Person who has made the supply shall provide the customer with a credit/debit note as prescribed in article 54 of the VAT Implementing Regulations. In this case,

- a) credit note in case the tax charge on the invoice exceeds the actual value; or
- b) debit note in case the tax charge on the invoice is less than the actual value.

13) When should tax invoices be issued?

Tax invoices must be issued at the latest by the 15th day of the month following the month when the transaction occurred.

14) If the original invoices are not available, will the Authority accept copies?

It is a requirement for all records, including all tax invoices issued and received, to be maintained either physically or electronically. These records must be produced upon request by the Authority. In the case of a printed or physical invoice, it is preferable to retain the original documents but copies may also be accepted provided these can be evidenced as true copies of the original.

15) If sales are made to regular customers, is it possible to issue a consolidated cash invoice for these customers at the end of the month as a single cash transaction?

A summary invoice may be issued for all supplies made in a month, provided that all Supplies included on a summary Tax Invoice are made by the same Supplier and within the same Tax Period, and the invoice is in compliance with all other requirements of a tax invoice.

16) Should Tax Invoices issued from a branch show the name of the main company or the branch, given that the name of the main company is listed in the tax certificate?

For VAT purposes, the Tax Invoices should be issued by the name of the main company name listed in the tax certificate (this may be with or without the name of the branch).

17) What is the Authority's policy regarding online document archiving?

All archiving of documents is subject to the standard record keeping requirements. The invoices, books, records and accounting documents required to be maintained by a Person in accordance with the Agreement must be kept for the minimum period (six years in standard cases) from the end of the Tax Period to which they relate, and must be accessible upon request.

Records must be kept in the Kingdom either physically or through an access to the relevant server where these records are stored. This allows for online archiving, provided that the copies can be evidenced as true copies of the original documents. In cases where the Taxable Person opts to store records electronically, it must meet the criteria set out in the Implementing Regulations.

Appendix: Example Tax Invoices

Standard Tax Invoice (as seen in section 4.3)

فاتورة ضريبية
TAX INVOICE

AL SALAM SUPPLIES CO. LTD	شركة السلام للتوريدات المحدودة
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Invoice #100	رقم الفاتورة: 100
Invoice Date:6/4/2020	تاريخ الفاتورة: 2020/4/6
Date of Supply:6/4/2020	تاريخ التوريد: 2020/4/6
Supplier:	المورد:
Al Salam Supplies Co. LTD	شركة السلام للتوريدات المحدودة
Prince Sultan bin Abdulaziz Road	طريق الأمير سلطان بن عبد العزيز - السليمانية
Phone: 221619200	هاتف: 221619200
Email: info@Al-salam.sa	البريد الإلكتروني: info@Al-salam.sa
Supplier Tax Identification Number:	رقم التسجيل الضريبي للمورد:
310175397400001	310175397400001
CUSTOMER:	العميل:
AL KAWTHAR MARKETS	أسواق الكوثر
SA'AD BIN ABDELRAHMAN FIRST ROAD	طريق سعد بن عبدالرحمن الأول الفرعي
SHIPPING ADDRESS:	عنوان الشحن:
2119 - SA'AD BIN ABDELRAHMAN FIRST ROAD	2119 - طريق سعد بن عبدالرحمن الأول الفرعي
OTHER INFORMATION	
Purchase Order Number: 2001341	رقم أمر الشراء: 2001341
Payment Due Date: 6/5/2020	تاريخ الاستحقاق: 2020/5/6

NATURE OF GOODS OR SERVICES تفاصيل السلع أو الخدمات	UNIT PRICE سعر الوحدة	QUANTITY الكمية	TAXABLE AMOUNT المبلغ الخاضع للضريبة	TAX RATE نسبة الضريبة	TAX (SAR) الضريبة (ريال سعودي)	TOTAL المجموع
Item A - البند أ	200.00	1	200.00	5%	10.00	210.00
Item B - البند ب	250.00	1	250.00	5%	12.50	262.50
Item C - البند ج	350.00	1	350.00	5%	17.50	367.50
Item D - البند د	50.00	2	100.00	5%	5.00	105.00
Shipping and - Handling شحن وتفريغ			80.00	5%	4.00	84.00
980.00	الإجمالي (باستثناء ضريبة القيمة المضافة)			TOTAL (EXCLUDING VAT)		980.00
49.00	مجموع ضريبة القيمة المضافة			TOTAL VAT		49.00
1,029.00	إجمالي المبلغ المستحق			TOTAL AMOUNT DUE		1,029.00

Foreign Currency Tax Invoice (refer to example 3)

فاتورة ضريبية

TAX INVOICE

Al Madinah Chemical Company	شركة المدينة لتجارة المواد الكيميائية
Invoice #611	رقم الفاتورة: 611

Invoice Date: 18/3/2021	تاريخ الفاتورة: 2021/3/18
Date of Supply: 18/3/2021	تاريخ التوريد: 2021/3/18
Supplier:	المورد:
Al Madinah Chemical Company	شركة المدينة لتجارة المواد الكيميائية
Al Jubail Industrial City	مدينة الجبيل الصناعية
Phone: 033416487	هاتف: 033416487
Email: info@madinah.sa	البريد الإلكتروني: info@madinah.sa
Supplier Tax Identification Number:	رقم التسجيل الضريبي للمورد:
310175398400002	310175398400002
CUSTOMER:	العميل:
Al Safa Plastic Factory	مصنع الصفا للبلاستيك
Al Jubail Industrial City	مدينة الجبيل الصناعية
SHIPPING ADDRESS:	عنوان الشحن:
819 - Al Jubail Industrial City	819 - مدينة الجبيل الصناعية
OTHER INFORMATION	معلومات أخرى
Purchase Order Number: 2778	رقم أمر الشراء: 2778
Payment Due Date: 28/03/2021	تاريخ الاستحقاق: 2021/03/28

NATURE OF GOODS OR SERVICES تفاصيل السلع أو الخدمات	UNIT PRICE (USD) سعر الوحدة (دولار أمريكي)	QUANTITY الكمية	TAXABLE AMOUNT (USD) المبلغ الخاضع للضريبة (دولار أمريكي)	TAX RATE نسبة الضريبة	TAX (USD) الضريبة (دولار أمريكي)	TOTAL (USD) المجموع (دولار أمريكي)
Industrial Chemicals مواد كيميائية صناعية	40.00	1,250	50,000.00	5%	2,500.00	52,500.00
Shipping and Handling شحن وتغليف	-	-	1,260.00	5%	63.00	1,323.00

51,260.00	الإجمالي بالدولار الأمريكي (باستثناء ضريبة القيمة المضافة)	TOTAL USD (EXCLUDING VAT)	51,260.00
2,563.00	مجموع ضريبة القيمة المضافة - بالدولار الأمريكي	TOTAL VAT - USD	2,563.00
9,611.25	مجموع ضريبة القيمة المضافة - بالريال السعودي سعر التحويل كما في 2021/3/18 1 دولار أمريكي = 3.75 ريال سعودي	TOTAL VAT - SAR EXCHANGE RATE at 18/03/2021: TOTAL VAT - SARSAR 1 USD = 3.75	9,611.25
53,823.00	إجمالي المبلغ المستحق - بالدولار الأمريكي	TOTAL AMOUNT DUE - USD	53,823.00

Tax Invoice including volume discount (refer to example 4)

فاتورة ضريبية

TAX INVOICE

Shahd Al Sham Electronics Company	شركة شهد الشام للأجهزة الالكترونية
Invoice #334	رقم الفاتورة: 334
Invoice Date: 12/11/2022	تاريخ الفاتورة: 2022/11/12
Date of Supply: 12/11/2022	تاريخ التوريد: 2022/11/12
Supplier:	المورد:
Shahd Al Sham Electronics Company	شركة شهد الشام للأجهزة الالكترونية
Prince Sultan bin Abdulaziz Road	طريق الأمير سلطان بن عبد العزيز - السليمانية
Phone: 221634100	هاتف: 221634100
Email: info@Alsham.sa	البريد الإلكتروني: info@Alsham.sa
Supplier Tax Identification Number:	رقم التسجيل الضريبي للمورد:
310122347900001	310122347900001
CUSTOMER:	العميل:
Sama Saudi Telecom and Information Technology Company	شركة سما السعودية للاتصالات وتكنولوجيا المعلومات
Riyadh, King Fahad Road	الرياض - طريق الملك فهد
SHIPPING ADDRESS:	عنوان الشحن:
101 - Riyadh, King Fahad Road	101 - الرياض - طريق الملك فهد
OTHER INFORMATION	معلومات أخرى
Purchase Order Number: 112	رقم أمر الشراء: 112
Payment Due Date: 30/11/2022	تاريخ الاستحقاق: 2022/11/30

NATURE OF SUPPLY تفاصيل التوريد	UNIT PRICE سعر الوحدة	QUANTITY الكمية	TAXABLE AMOUNT (EXCLUDING VAT) المبلغ الخاضع للضريبة (باستثناء ضريبة القيمة المضافة)	TAX RATE نسبة الضريبة
Item A البند أ	200.00	1	200.00	5%
Item B البند ب	250.000	1	250.00	5%
Item C البند ج	350.000	1	350.00	5%
Item D البند د	50.00	2	100.00	5%
Volume discount خصم كمية			(100.00)	5%
800.00	المبلغ الخاضع لضريبة القيمة المضافة بنسبة 5%		Amount subject to VAT at 5%	800.00
40.00	ضريبة القيمة المضافة (ريال سعودي)		VAT (SAR)	40.00
840.00	إجمالي المبلغ المستحق		TOTAL AMOUNT DUE	840.00

Tax Invoice including supplies not at 5% rate (refer to example 5)

فاتورة ضريبية TAX INVOICE

Hope Makers for Medical Equipment Company	شركة صنّاع الأمل للمعدات الطبية
Invoice #34	رقم الفاتورة: 34
Invoice Date: 15/10/2020	تاريخ الفاتورة: 2022/10/15
Date of Supply: 12/10/2020	تاريخ التوريد: 2022/10/12
Supplier:	المورد:
Hope makers for Medical Equipment Company	شركة صنّاع الأمل للمعدات الطبية
Prince Turki bin Abdullah Al Saud Road	طريق الأمير تركي بن عبدالله آل سعود - السليمانية
Phone: 0112828401	هاتف: 0112828401
Email: info@hope-makers.sa	البريد الإلكتروني: info@hope-makers.sa
Supplier Tax Identification Number:	رقم التسجيل الضريبي للمورد:
310175332400005	310175332400005
CUSTOMER:	العميل:
AL Amal Specialized Hospital	مستشفى الأمل التخصصي
Sa'ad Bin Abdelrahman First Road	طريق سعد بن عبدالرحمن الأول الفرعي
SHIPPING ADDRESS:	عنوان الشحن:
2119 - Sa'ad Bin Abdelrahman First Road	2119 - طريق سعد بن عبدالرحمن الأول الفرعي
OTHER INFORMATION	معلومات أخرى
Purchase Order Number: 2001341	رقم أمر الشراء: 2001341
Payment Due Date: 31/10/2020	تاريخ الاستحقاق: 2020/10/31

NATURE OF GOODS OR SERVICES تفاصيل السلع أو الخدمات	UNIT PRICE سعر الوحدة	QUANTITY الكمية	TAXABLE AMOUNT المبلغ الخاضع للضريبة	TAX RATE نسبة الضريبة	TAX (SAR) الضريبة (ريال سعودي)	TOTAL المجموع
Item A – Zero rate qualified medical good البند أ: سلع طبية مؤهلة خاضعة لنسبة الصفر بالمائة	10.00	400	4,000.00	0%	0.00	4,000.00
Item B – Zero rate qualified medical good البند ب: سلع طبية مؤهلة خاضعة لنسبة الصفر بالمائة	17.50	50	875.00	0%	0.00	875.00
4,875.00	الإجمالي (باستثناء ضريبة القيمة المضافة)			TOTAL (EXCLUDING VAT)		4,875.00
00.00	مجموع ضريبة القيمة المضافة			TOTAL VAT		00.00
4,875.00	إجمالي المبلغ المستحق			TOTAL AMOUNT DUE		4,875.00

Simplified Tax Invoice (refer to example 7)

فاتورة ضريبية مبسطة
SIMPLIFIED TAX INVOICE
 (الحالة الأولى - متضمنة ضريبة القيمة المضافة)
 (Option 1 - includes VAT amounts)

The Green Garden Markets
 Invoice Date: 12/4/2020

أسواق الحديقة الخضراء
 تاريخ الفاتورة: 2020/4/12

Supplier:

The Green Garden Markets
 Al Muraba' – Al Dabab Street
 Phone: 221634300

Supplier Tax Identification Number:
 310132197400001

المورد:

أسواق الحديقة الخضراء
 حي المربع، شارع الضباب
 هاتف: 221634300

رقم التسجيل الضريبي للمورد:
 310132197400001

NATURE OF GOODS OR SERVICES تفاصيل السلع أو الخدمات		UNIT PRICE (EXCLUDING VAT) سعر الوحدة (باستثناء ضريبة القيمة المضافة)	QUANTITY الكمية
Item A – البند أ		20.00	1
Item B – البند ب		25.00	1
Item C – البند ج		35.00	1
Item D – البند د		5.00	2
90.00	الإجمالي (باستثناء ضريبة القيمة المضافة)	TOTAL (EXCLUDING VAT)	90.00
4.50	مجموع ضريبة القيمة المضافة	TOTAL VAT	4.50
94.50	إجمالي المبلغ المستحق	TOTAL AMOUNT DUE	94.50

فاتورة ضريبية مبسطة

SIMPLIFIED TAX INVOICE

(الحالة الثانية - بيان بأن المقابل يشمل ضريبة القيمة المضافة)

(Option 2 - Statement VAT inclusive)

The Green Garden Markets
Invoice Date: 19/4/2022

أسواق الحديقة الخضراء
تاريخ الفاتورة: 2020/4/19

Supplier:

The Green Garden Markets
Al Muraba' – Al Dabab Street
Phone: 221634300

Supplier Tax Identification Number:
310132197400001

المورد:

أسواق الحديقة الخضراء
حي المربع، شارع الضباب
هاتف: 221634300

رقم التسجيل الضريبي للمورد:
310132197400001

NATURE OF GOODS OR SERVICES تفاصيل السلع أو الخدمات	UNIT PRICE (INCLUDING VAT) سعر الوحدة	QUANTITY الكمية	TOTAL المجموع
Item A – البند أ	21.00	1	21.00
Item B – البند ب	26.25	1	26.25
Item C – البند ج	36.75	1	36.75
Item D – البند د	5.25	2	10.50
94.50	TOTAL AMOUNT DUE إجمالي المبلغ المستحق (متضمن 5% ضريبة القيمة المضافة) (Including 5% VAT)		94.50

Summary Tax Invoice (refer to example 8)

فاتورة ضريبية
TAX INVOICE

Gulf Arabian Equipment Co.	شركة الخليج العربي للمعدات
Invoice #234	رقم الفاتورة: 234
Invoice Date:30/9/2022	تاريخ الفاتورة: 2022/9/30
Invoice Period: 1 September – 30 September 2022	الفترة: 2022/9/30 – 2022/9/1
Supplier:	المورد:
Gulf Arabian Equipment Co.	شركة الخليج العربي للمعدات
Abha – Bani Malek Road	أبها - طريق بني مالك
Phone: 072299998	هاتف: 072299998
Email: info@GAECO.sa	البريد الإلكتروني: info@GAECO.sa
Supplier Tax Identification Number:	رقم التسجيل الضريبي للمورد:
310175397400008	310175397400008
CUSTOMER:	العميل:
Al Bait Al Amer Construction Co.	شركة البيت العامر للإنشاءات
Jeddah, Al Khayal Road	جدة - شارع الخيال
SHIPPING ADDRESS:	عنوان الشحن:
335 - Jeddah	335 - جدة
OTHER INFORMATION	معلومات أخرى
Purchase Order Number: 445581	رقم أمر الشراء: 445581
Payment Due Date: 30/10/2022	تاريخ الاستحقاق: 2022/10/30

NATURE OF GOODS OR SERVICES تفاصيل السلع أو الخدمات	DATE OF SUPPLY تاريخ التوريد	TAXABLE AMOUNT المبلغ الخاضع للضريبة	TAX RATE نسبة الضريبة	TAX (SAR) الضريبة (ريال سعودي)	TOTAL (SAR) المجموع
Equipment Hire (1 Sep. – 30 Sep. 2022) تأجير معدات (1 سبتمبر – 30 سبتمبر 2022)	2022/9/30	4,200.00	5%	210.00	4,410.00
On-site maintenance - 3 hours @ SAR 500/hour صيانة في الموقع - 3 ساعات (500 ريال سعودي لكل ساعة)	2022/9/17	1,500.00	5%	75.00	1,575.00
Spare parts - Catalogue ID: MX 5005 قطع غيار - كتالوج رقم: MX 5005	2022/9/17	880.00	5%	44.00	924.00
Urgent Call-out Fee رسوم استدعاء مستعجل	2022/9/18	600.00	5%	30.00	630.00
7,180.00	الإجمالي (باستثناء ضريبة القيمة المضافة)	TOTAL (EXCLUDING VAT)		7,180.00	
359.00	مجموع ضريبة القيمة المضافة	TOTAL VAT		359.00	
7,539.00	إجمالي المبلغ المستحق	TOTAL AMOUNT DUE		7,539.00	

Tax Invoice for continuous supply (refer to example 9)

فاتورة ضريبية
TAX INVOICE

AL Nakheel Security Services Company	شركة النخيل لخدمات الحماية
Invoice #211	رقم الفاتورة: 211
Invoice Date:4/11/2020	تاريخ الفاتورة: 2020/11/4
Date of Supply:4/11/2020	تاريخ التوريد: 2020/11/4
Supplier:	المورد:
AL Nakheel Security Services Company	شركة النخيل لخدمات الحماية
Prince Sultan bin Abdulaziz Road	طريق الأمير سلطان بن عبد العزيز - السليمانية
Phone: 221634200	هاتف: 221634200
Email: info@Nakheel.sa	البريد الإلكتروني: info@Nakheel.sa
Supplier Tax Identification Number:	رقم التسجيل الضريبي للمورد:
310122397400001	310122397400001
CUSTOMER:	العميل:
Al Saleh Factories for Iron and Steel	مصانع الصالح للحديد والصلب
Jubail Industrial City	مدينة الجبيل الصناعية
Premises ADDRESS:	العنوان:
113 - Jubail Industrial City	113 - مدينة الجبيل الصناعية
OTHER INFORMATION	معلومات أخرى
Purchase Order Number: 6554	رقم أمر الشراء: 6554
Payment Due Date: 10/11/2020	تاريخ الاستحقاق: 2020/11/10

NATURE OF SUPPLY تفاصيل التوريد	PRICE السعر	PERIOD الفترة	TAXABLE AMOUNT المبلغ الخاضع للضريبة	TAX RATE نسبة الضريبة	TAX (SAR) الضريبة (ريال سعودي)	TOTAL المجموع
Remote security services خدمات أمن عن بعد	20,000.00	Month October 2020 شهر أكتوبر 2020	20,000.00	5%	1,000.00	21,000.00
20,000.00	الإجمالي (باستثناء ضريبة القيمة المضافة)		TOTAL (EXCLUDING VAT)			20,000.00
1,000.00	مجموع ضريبة القيمة المضافة		TOTAL VAT			1,000.00
21,000.00	إجمالي المبلغ المستحق		TOTAL AMOUNT DUE			21,000.00

Self-billed Tax Invoice (refer to example 11)

فاتورة ضريبية صادرة بالنيابة عن المورد Self-billed Tax Invoice

AL Faris Marketing Company	شركة الفارس للتسويق
Invoice #912	رقم الفاتورة: 912
Invoice Date: 14/5/2020	تاريخ الفاتورة: 2020/5/14
Date of Supply: 14/5/2020	تاريخ التوريد: 2020/5/14
Supplier:	المورد:
AL Salam Agency Services Company	شركة السلام لخدمات الوكلاء
Prince Sultan bin Abdulaziz Road	طريق الأمير سلطان بن عبد العزيز - السليمانية
Phone: 221619200	هاتف: 221619200
Email: info@Al-salam.sa	البريد الإلكتروني: info@Al-salam.sa
Supplier Tax Identification Number:	رقم التسجيل الضريبي للمورد:
310175397400001	310175397400001
CUSTOMER:	العميل:
AL Faris Marketing Company	شركة الفارس للتسويق
SA'AD BIN ABDELRAHMAN FIRST ROAD	طريق سعد بن عبدالرحمن الأول الفرعي
OTHER INFORMATION	معلومات أخرى
Purchase Order Number: 20333	رقم أمر الشراء: 20333

Supplier required to account for Output Tax of SAR 690.00 in respect of this invoice number 912 issued on 18/5/2020

يتوجب على المورد أن يحتسب ضريبة مخرجات بقيمة 690.00 ريال سعودي على هذه الفاتورة رقم 912 الصادرة بتاريخ 2020/5/18

NATURE OF GOODS OR SERVICES تفاصيل السلع أو الخدمات	PRICE UNIT سعر الوحدة	QUANTITY الكمية	TAXABLE AMOUNT المبلغ الخاضع للضريبة	TAX RATE نسبة الضريبة	TAX (SAR) الضريبة (ريال سعودي)	TOTAL المجموع
Sales commission: 2% of referred sales during April 2020 عمولة بيع: 2% من مبيعات شهر أبريل 2020	13,800.00	1	13,800.00	5%	690.00	14,490.00
13,800.00	الإجمالي (باستثناء ضريبة القيمة المضافة)			TOTAL (EXCLUDING VAT)		13,800.00
690.00	مجموع ضريبة القيمة المضافة			TOTAL VAT		690.00
14,490.00	إجمالي المبلغ المستحق			TOTAL AMOUNT DUE		14,490.00

Tax Invoice where Customer is to account for VAT (refer to example 15)

فاتورة ضريبية Tax Invoice

Overseas Trading Company	شركة عبر البحار التجارية
Invoice #209	رقم الفاتورة: 209
Invoice Date:8/06/2021	تاريخ الفاتورة: 2021/6/8
Date of Supply: 8/06/2021	تاريخ التوريد: 2021/6/8
Supplier:	المورد:
Overseas Trading Company	شركة عبر البحار التجارية
Zahran Street, Amman - Jordan	شارع زهران، عمان - الأردن
Phone: 00962 6 5665189	هاتف: 0096265665189
Email: info@overseastrading.jo	البريد الإلكتروني: info@overseastrading.jo
Supplier Tax Identification Number:	رقم التسجيل الضريبي للمورد:
310175398400002	310175398400002
CUSTOMER:	العميل:
Al Sabah Fertilizer Factory	مصنع الصباح للأسمدة
Olaya Road, Riyadh - KSA	العليا - طريق العليا العام - الرياض، المملكة العربية السعودية
OTHER INFORMATION	معلومات أخرى
Delivered in person	تم التسليم من خلال شركة عبر البحار التجارية
Purchase Order Number: 776	رقم أمر الشراء: 776
Payment Due Date: 30/06/2021	تاريخ الاستحقاق: 2021/06/30

NATURE OF GOODS OR SERVICES تفاصيل السلع أو الخدمات	UNIT PRICE سعر الوحدة	QUANTITY الكمية	TAXABLE AMOUNT المبلغ الخاضع للضريبة	TAX RATE نسبة الضريبة
Replacement parts – Ref. 2098 قطع غيار – رقم 2098	200.00	40	8,000.00	5%
8,000.00	إجمالي المبلغ المستحق			8,000.00
يلتزم العميل باحتساب ضريبة القيمة المضافة على التوريد ذاتياً مجموع ضريبة القيمة المضافة 400			CUSTOMER LIABLE TO SELF-ACCOUNT FOR VAT ON SUPPLY TOTAL VAT SAR 400	

Tax Invoice for Supply of Used Goods (refer to example 16)

فاتورة ضريبية Tax Invoice

Al Murooj Trading Company	شركة المروج التجارية
Invoice #1133	رقم الفاتورة: 1133
Invoice Date: 5/7/2022	تاريخ الفاتورة: 2022/7/5
Date of Supply: 5/7/2022	تاريخ التوريد: 2022/7/5
Supplier:	المورد:
Al Murooj Trading Company	شركة المروج التجارية
Prince Sultan bin Abdulaziz Road	طريق الأمير سلطان بن عبد العزيز – السليمانية
Phone: 221635600	هاتف: 221635600
Email: info@Almurooj.sa	البريد الإلكتروني: info@Almurooj.sa
Supplier Tax Identification Number:	رقم التسجيل الضريبي للمورد:
310155347900001	310155347900001
CUSTOMER:	العميل:
Mr. Abdel Rahman Bin Saleh Al Rashdi	السيد عبد الرحمن بن صالح الراشدي
Riyadh, Al Takhasussi Street	الرياض – شارع التخصصي
SHIPPING ADDRESS:	عنوان الشحن:
101 - Riyadh, Al Takhasussi Street	101 – الرياض – شارع التخصصي
Payment Due Date: 30/06/2021	تاريخ الاستحقاق: 2021/06/30
OTHER INFORMATION	معلومات أخرى
Purchase Order Number: 98	رقم أمر الشراء: 98
Payment Due Date: 15/7/2022	تاريخ الاستحقاق: 2022/7/15

NATURE OF SUPPLY تفاصيل التوريد	UNIT PRICE سعر الوحدة	QUANTITY الكمية	TOTAL الاجمالي
Item A (Used good) - serial number 9119 البند أ (سلعة مستعملة) – رقم تسلسلي 9119	200.00	1	200.00
200.00	الإجمالي (متضمن ضريبة القيمة المضافة)		TOTAL (Inclusive VAT) 200.00

Tax due in accordance with the profit margin scheme (Article 48 of the Implementing Regulations Value Added Tax)
تستحق الضريبة وفقاً لطريقة هامش الربح (المادة 48 من اللائحة التنفيذية لضريبة القيمة المضافة)

Appendix: Example Debt and Credit Notes

Example Debit Note (refer to example 18)

إشعار مدين Debit Note

The United Arab General Trading Company	شركة الاتحاد العربي للتجارة العامة
Debit Note #211	رقم الإشعار: 211
Debit Note Date:6/4/2022	تاريخ الإشعار: 2022/4/6
Supplier:	المورد:
The United Arab General Trading Company	شركة الاتحاد العربي للتجارة العامة
Al Washm - Riyadh	الوشم - الرياض
Phone: 221554200	هاتف: 221554200
Email: info@unitedarab.sa	البريد الإلكتروني: info@unitedarab.sa
Supplier Tax Identification Number:	رقم التسجيل الضريبي للمورد:
310199787400001	310199787400001
CUSTOMER:	العميل:
Golden Arrow Food Distribution Company	شركة السهم الذهبي للتوزيعات الغذائية
Olaya - Riyadh	الرياض - العليا
OTHER INFORMATION	معلومات أخرى
Purchase Order Number: 6554	رقم أمر الشراء: 6554
Payment Due Date: 30/11/2021	تاريخ الاستحقاق: 2021/11/30

This debit note relates to invoice number 818, issued on 1/11/2021
هذا الإشعار المدين يتعلق بالفاتورة رقم (818) الصادرة بتاريخ 2021/11/1

NATURE OF GOODS OR SERVICES تفاصيل السلع أو الخدمات	PRICE ADJUSTMENT السعر المعدل	QUANTITY الكمية	TAXABLE AMOUNT المبلغ الخاضع للضريبة	TAX RATE نسبة الضريبة	TAX (SAR) الضريبة (ريال سعودي)	TOTAL المجموع
Price adjustment Item A - سعر معدل - البند أ	200.00	1	200.00	5%	10.00	210.00
Price adjustment Item B - سعر معدل - البند ب	250.00	1	250.00	5%	12.500	262.50
450.00	إجمالي السعر المعدل (باستثناء ضريبة القيمة المضافة)			TOTAL PRICE ADJUSTMENT (excluding VAT)		450.00
22.50	مجموع ضريبة القيمة المضافة			TOTAL VAT		22.50
472.50	إجمالي المبلغ المستحق			TOTAL AMOUNT DUE		472.50

Example Credit Notes (refer to examples 20 and 21)

إشعار دائن Credit Note

(Option 1: Credit note for one invoice)
(الحالة الأولى: إشعار دائن لفاتورة واحدة)

The Arabian Group Logistics Company	شركة المجموعة العربية للخدمات اللوجستية
Credit Note #211	رقم الإشعار: 211
Credit Note Date:6/4/2022	تاريخ الإشعار: 2022/4/6
Original Date of Supply:31/10/2021	تاريخ التوريد الأصلي: 2021/10/31
Supplier:	المورد:
The Arabian Group Logistics Company	شركة المجموعة العربية المتحدة للخدمات اللوجستية
Al Washm - Riyadh	الوشم - الرياض
Phone: 221554200	هاتف: 221554200
Email: info@Arabgroup.sa	البريد الإلكتروني: info@Arabgroup.sa
Supplier Tax Identification Number:	رقم التسجيل الضريبي للمورد:
310155787400001	310155787400001
CUSTOMER:	العميل:
Al Majd Transportation Company	شركة المجد للنقل
Olaya - Riyadh	الرياض - العليا
OTHER INFORMATION	معلومات أخرى
Purchase Order Number: 6554	رقم أمر الشراء: 6554

This credit note relates to invoice number (334), issued on 31/10/2021
هذا الإشعار الدائن يتعلق بالفاتورة رقم (334) الصادرة بتاريخ 31/10/2021

NATURE OF GOODS OR SERVICES تفاصيل السلع أو الخدمات	UNIT PRICE سعر الوحدة	QUANTITY الكمية	TAXABLE AMOUNT المبلغ الخاضع للضريبة	TAX RATE نسبة الضريبة	TAX (SAR) الضريبة (ريال سعودي)	TOTAL المجموع
Returned Item A بضاعة مرتجعة أ -	200.00	1	200.00	5%	(10.00)	(210.00)
Returned Item B بضاعة مرتجعة ب -	250.00	1	250.00	5%	(12.500)	(262.50)
(450.00)	إجمالي المرتجع (باستثناء ضريبة القيمة المضافة)			TOTAL RETURNED (excluding VAT)		(450.00)
(22.50)	مجموع ضريبة القيمة المضافة			TOTAL VAT		(22.50)
(472.50)	إجمالي المبلغ المستلم			TOTAL AMOUNT TO BE RECEIVED		(472.50)

إشعار دائن Credit Note

(Option 2: Credit note for Multiple invoices)
(الحالة الثانية: إشعار دائن لفواتير متعددة)

The Arabian Group Logistics Company	شركة المجموعة العربية للخدمات اللوجستية
Credit Note #615	رقم الإشعار: 615
Credit Note Date: 12/8/2022	تاريخ الإشعار: 2022/8/12
Supplier:	المورد:
The Arabian Group Logistics Company	شركة المجموعة العربية المتحدة للخدمات اللوجستية
Al Washm - Riyadh	الوشم - الرياض
Phone: 221554200	هاتف: 221554200
Email: info@Arabgroup.sa	البريد الإلكتروني: info@Arabgroup.sa
Supplier Tax Identification Number:	رقم التسجيل الضريبي للمورد:
310155787400001	310155787400001
CUSTOMER:	العميل:
Al Majd Transportation Company	شركة المجد للنقلات
Olaya - Riyadh	الرياض - العليا
OTHER INFORMATION	معلومات أخرى
Purchase Order Number: 118	رقم أمر الشراء: 118

NATURE OF GOODS OR SERVICES تفاصيل السلع أو الخدمات	UNIT PRICE سعر الوحدة	QUANTITY الكمية	TAXABLE AMOUNT المبلغ الخاضع للضريبة	TAX RATE نسبة الضريبة	TAX (SAR) الضريبة (ريال سعودي)	TOTAL المجموع
Returned Item A, as included on invoice number 7118, issued on 3/3/2021 بضاعة مرتجعة - أ، المذكورة في الفاتورة رقم (7188) الصادرة بتاريخ 2021/3/3	200.00	1	200.00	5%	(10.00)	(210.00)
Returned Item A, as included on invoice number 9866, issued on 16/2/2021 بضاعة مرتجعة - ب، المذكورة في الفاتورة رقم (9866) الصادرة بتاريخ 2021/2/16	250.00	1	250.00	5%	(12.500)	(262.50)
(450.00)	إجمالي المرتجع (باستثناء ضريبة القيمة المضافة)			TOTAL RETURNED (excluding VAT)		(450.00)
(22.50)	مجموع ضريبة القيمة المضافة			TOTAL VAT		(22.50)
(472.50)	إجمالي المبلغ المستلم			TOTAL AMOUNT TO BE RECEIVED		(472.50)

