

Inventory of Tax Technology Initiatives: Case Study Overview

Title of the project		National E-invoicing FATOORA Program
Jurisdiction		Saudi Arabia
Year when the project went live		Q4 2020
Project development duration (Time between project start and end date, including things like the design and implementation of the project. This can be expressed, for example, in months.)		<p><u>Design</u></p> <ul style="list-style-type: none"> By Dec 4, 2020: Publication of the E-invoicing Regulations By May 28, 2021: Publication of the E-invoicing Implementation Resolution <p><u>Implementation</u></p> <ul style="list-style-type: none"> Dec 4, 2021: Phase 1 (Generation Phase) – <i>Completed</i> Jan 1, 2023: Phase 2 (Integration Phase) – <i>Ongoing</i>
Brief description of the project (max. 100 words)		<p>E-invoicing was introduced as part of the KSA's ongoing economic renaissance and digital transformation efforts. The implementation of this program is divided into two distinct phases:</p> <ul style="list-style-type: none"> Phase 1, which took effect on 4 December 2021, focuses on the generation of e-invoices and e-notes. It also includes provisions regarding the processing of electronic invoices, and the essential task of record-keeping. Phase 2, which took effect on 1 January 2023, involves the integration of taxpayers' e-invoicing systems with ZATCA's e-invoicing portal (FATOORA). It mandates the transmission of e-invoices and e-notes, along with the requirement to share them with ZATCA. This phase is being rolled-out in waves by targeted taxpayer group and taxpayers are being informed of their wave at least six months before their integration date.
Scope (Select those that fit best; more than one box can be checked.)	Tax Administration 3.0 Building Blocks	<input checked="" type="checkbox"/> Digital identity <input checked="" type="checkbox"/> Taxpayer touchpoints <input checked="" type="checkbox"/> Data management <input type="checkbox"/> Tax rule management and application <input type="checkbox"/> Strategy, governance and new skills
	Taxes covered	<input type="checkbox"/> Personal income tax <input type="checkbox"/> Corporate income tax <input checked="" type="checkbox"/> Value added tax / sales tax <input type="checkbox"/> Other taxes
	Taxpayers covered	<input checked="" type="checkbox"/> Individuals <input checked="" type="checkbox"/> Micro-businesses <input checked="" type="checkbox"/> Small and medium-sized business <input checked="" type="checkbox"/> Large business <input checked="" type="checkbox"/> Other taxpayers, e.g. non-profit organisations, charities, trusts
	Tax administration function covered	<input checked="" type="checkbox"/> Registration and identification <input type="checkbox"/> Assessment (processing of tax returns and payments) <input checked="" type="checkbox"/> Taxpayer services <input checked="" type="checkbox"/> Verification and compliance management <input type="checkbox"/> Collection <input type="checkbox"/> Dispute prevention and resolution <input type="checkbox"/> Other tax operational functions <input checked="" type="checkbox"/> Corporate support, e.g. IT, human resources, planning, finance, etc. <input type="checkbox"/> All other functions of the tax administration not included above
Select among the options if the project had an element of co-creation between		<input checked="" type="checkbox"/> Co-creation with other parts of government <input checked="" type="checkbox"/> Co-creation with private section business

your administration and other stakeholders	<input checked="" type="checkbox"/> Co-creation with other jurisdictions <input checked="" type="checkbox"/> Co-creation with other stakeholders				
Targeted benefits from the implementation of the project	<input checked="" type="checkbox"/> Increase of revenue <input checked="" type="checkbox"/> Reduction of tax administration cost <input checked="" type="checkbox"/> Improvement of tax administration efficiency <input checked="" type="checkbox"/> Cost saving or efficiency improvement for other government bodies <input checked="" type="checkbox"/> Reduction of tax compliance burden <input checked="" type="checkbox"/> Improved taxpayer experience <input type="checkbox"/> Improved taxpayer skills and capabilities <input checked="" type="checkbox"/> Improved staff skills and capabilities <input type="checkbox"/> Other				
If available, please provide links to public information about the quantitative benefits of the project	Not available				
<p>Brief listing of the key success factors and the main challenges for the project.</p> <p>(Please provide a list only. A detailed description should be part of the case study itself. Max. 100 words)</p>	<table border="1"> <tr> <td data-bbox="443 622 587 896">Top 3 success factors</td> <td data-bbox="595 622 1476 896"> <ul style="list-style-type: none"> • Defined clear governance and project team structure, supported with close involvement of leadership • Collaborated extensively with final users (taxpayers, solution providers) and ensured alignment with other governmental stakeholders when needed • Ensured appropriate capacity and knowledge of the support teams (Operations and Technology) to handle queries and clarifications </td> </tr> <tr> <td data-bbox="443 896 587 1205">Top 3 challenges</td> <td data-bbox="595 896 1476 1205"> <ul style="list-style-type: none"> • Systems must be tested and monitored to ensure full system availability without compromising user experience • Implementation is a multi-year journey impacting different taxpayer groups (large, medium, small) hence tailored educational materials and simplified communications must be in place • Implementation must be designed in a phased manner to provide taxpayers with sufficient timelines for the adoption of the new e-invoicing requirements </td> </tr> </table>	Top 3 success factors	<ul style="list-style-type: none"> • Defined clear governance and project team structure, supported with close involvement of leadership • Collaborated extensively with final users (taxpayers, solution providers) and ensured alignment with other governmental stakeholders when needed • Ensured appropriate capacity and knowledge of the support teams (Operations and Technology) to handle queries and clarifications 	Top 3 challenges	<ul style="list-style-type: none"> • Systems must be tested and monitored to ensure full system availability without compromising user experience • Implementation is a multi-year journey impacting different taxpayer groups (large, medium, small) hence tailored educational materials and simplified communications must be in place • Implementation must be designed in a phased manner to provide taxpayers with sufficient timelines for the adoption of the new e-invoicing requirements
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<p>Additional information, such as links to further information</p> <p>(max. 100 words)</p>	<p>Link to access further details on the program: https://zatca.gov.sa/en/E-Invoicing/Pages/default.aspx</p> <p>Link to an introductory video on the program: https://www.youtube.com/watch?v=QFrIkQhHIF0</p>				