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E-invoicing - Lets Get Ready

ZATCA Deadline

04 December 2021

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E-invoicing

ZATCA Regulations

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E-invoicing

ZATCA Regulations

We understand

all requirements of e-invoicing (FATOORAH)

May 2021
E-invoicing guidelines published

4th Dec, 2021
Phase I
Generation phase

- All VAT registered businesses to generate and store tax invoices and notes through electronic solutions
- No monetary limits on invoices, applicable for all B2B and B2C Invoices
- **Applicable for all VAT registered businesses irrespective of turnover**

1st Jan, 2023
Phase II
Integration Phase

- Integrate e-invoicing solutions with ZATCA's system for real time QR code generation
- Real-time use case with critical dependency on always on and robust connection with ZATCA
- Need for a solution to handle daily invoice volume of businesses

Ongoing phase wise integration with ZATCA's systems

E-invoicing

ZATCA Regulations

Requirements of e-invoicing (FATOORAH in KSA)

An e-invoicing is an invoice generated, stored, and amended in a structured electronic format through an electronic solution, which includes all the requirements of a tax invoice

- ✗ **Handwritten invoices**
- ✗ **Scanned paper invoices**
- ✗ **PDF or word format invoices**
- ✓ **Invoices generated electronically in structured format**

Applicable on WHOM?

Following are subject to the E-invoicing Regulations:

- All taxable persons resident in KSA or
- any third party issuing invoices on behalf of a taxable person.

Exempt:

- Non-residents are not subject to e-invoicing.

Which documents?

- Tax invoices
- Simplified tax invoices (<1,000 SAR)
- Credit and debit notes

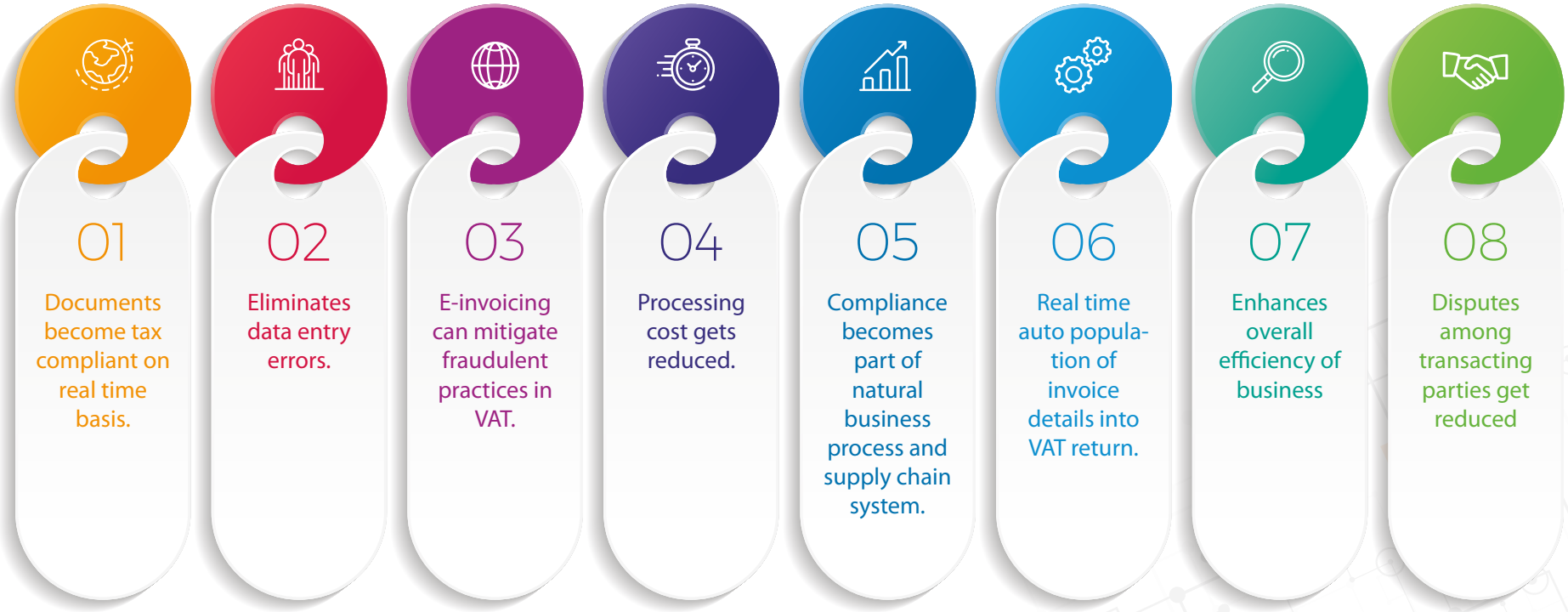
Which transactions are included?

- Supplies of goods and services
- Export of goods and services
- Intra-GCC supplies
- Nominal supplies (without consideration)
- Advances payments

Which transactions are excluded?

- Exempt supplies
- Advanced payments related to exempt supplies
- Reverse charge supplies
- Import of goods

Advantages
of E-Invoicing



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Phase I & II

Readiness

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Phase I & II

Readiness

B2B / Standard Tax Invoices

Requirements in Phase I

How to Comply with Phase One (December 04, 2021)?

Use complaint E-Invoicing system:

- Taxpayers must equip themselves with an E-invoicing system complying with Phase One requirements.

- Arabic language invoices
- Single invoice sequence number for all invoices and their associated notes
- Invoices need to have all mandatory fields as per VAT and ZATCA guidelines
- Store invoices electronically with specified naming convention. No specific format (XML or database etc.) for storing or sharing invoices
- 100% matching of e-invoices and invoices reported in VAT

- Anonymous access without unique login ID / Sharing username passwords
- Ability to operate with Default password
- Absence of user session management
- No log management/ audit trail management
- Log generation in non-sequential way
- Invoice counter reset

- Cancellation of invoice (without issuing Credit or debit note)
- No reference of original invoice(s) in credit/ debit notes
- Modification/deletion of generated e-invoices
- Log modification/deletion
- Inaccurate timestamp in invoice
- Change in invoice timestamp

Applicable in Phase II

Phase I & II

Readiness

Special fields in E-invoicing

Phase I vs Phase II

	Phases	Standard Tax Invoice	Simplified Tax invoice	Present in Printed Invoice?	Present in E-invoice/ XML?
QR code	Phase I	Not mandatory	Mandatory with 5 fields - Generated by e-inv solution	✓	✓
UUID	Phase II	Generated by e-inv solution	Generated by e-inv solution	✗	✓
Cryptographic stamp	Phase II	**Generated by ZATCA integration portal**	Generated by e-inv solution	✗	✓
Previous invoice hash	Phase II	Generated by e-inv solution	Generated by e-inv solution	✗	✓
QR code	Phase II	Generated by e-inv solution *(including fields returned by ZATCA portal)*	Generated by e-inv solution *(using additional fields as compared to Phase I)*	✓	✓

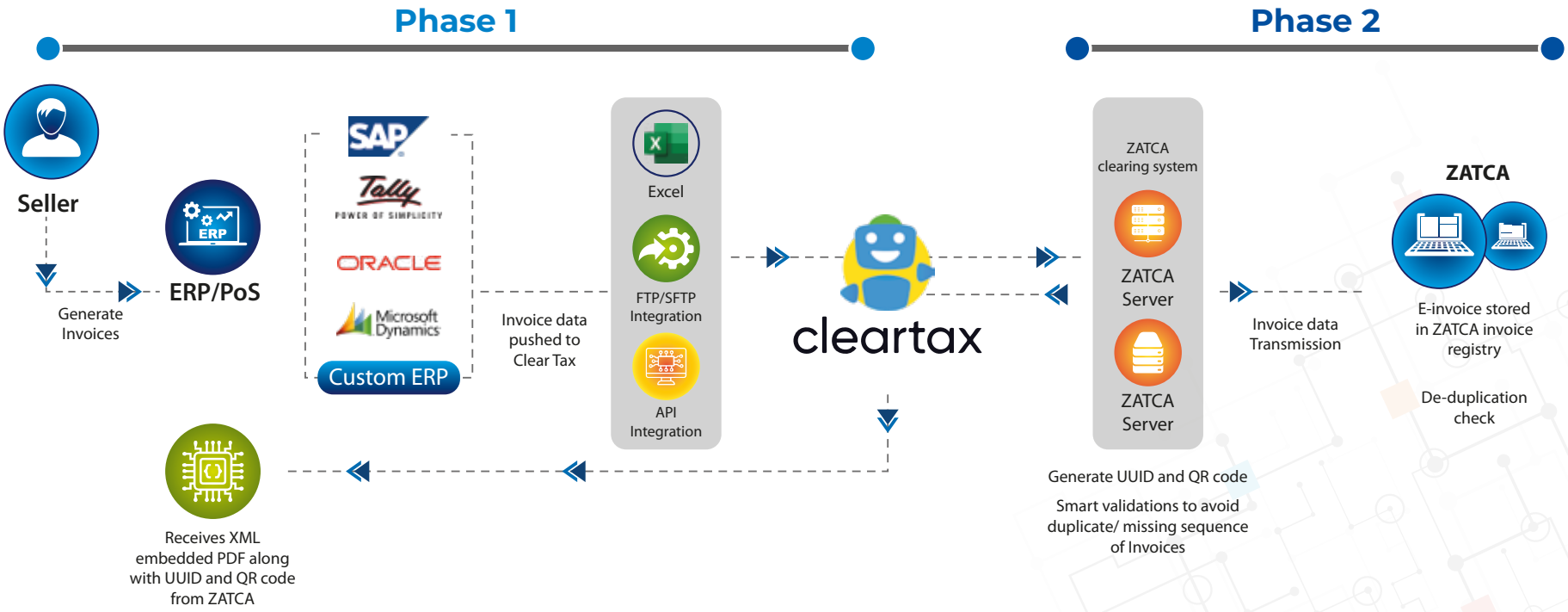
Phase I & II

Readiness

Phase I and II - Easy to integrate

No matter what platform you use, we connect with it

High level system overview



Key Considerations

ERP connectivity
Internal systems readiness

Solution reliability
High frequency business critical use-case

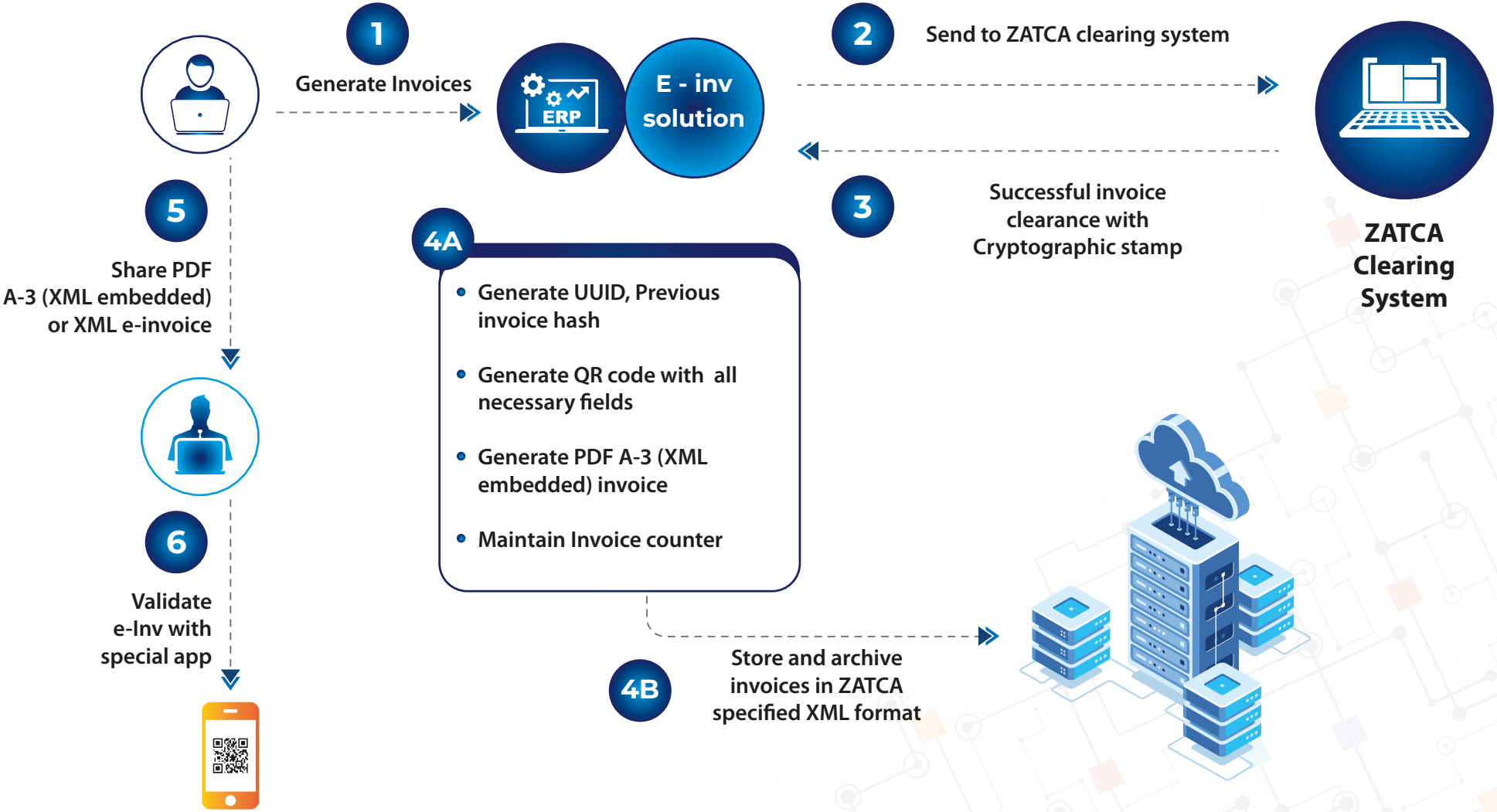
Dependable support
Handholding and support from e-invoice experts

Phase I & II

Readiness

Standard Tax Invoice generation flow in

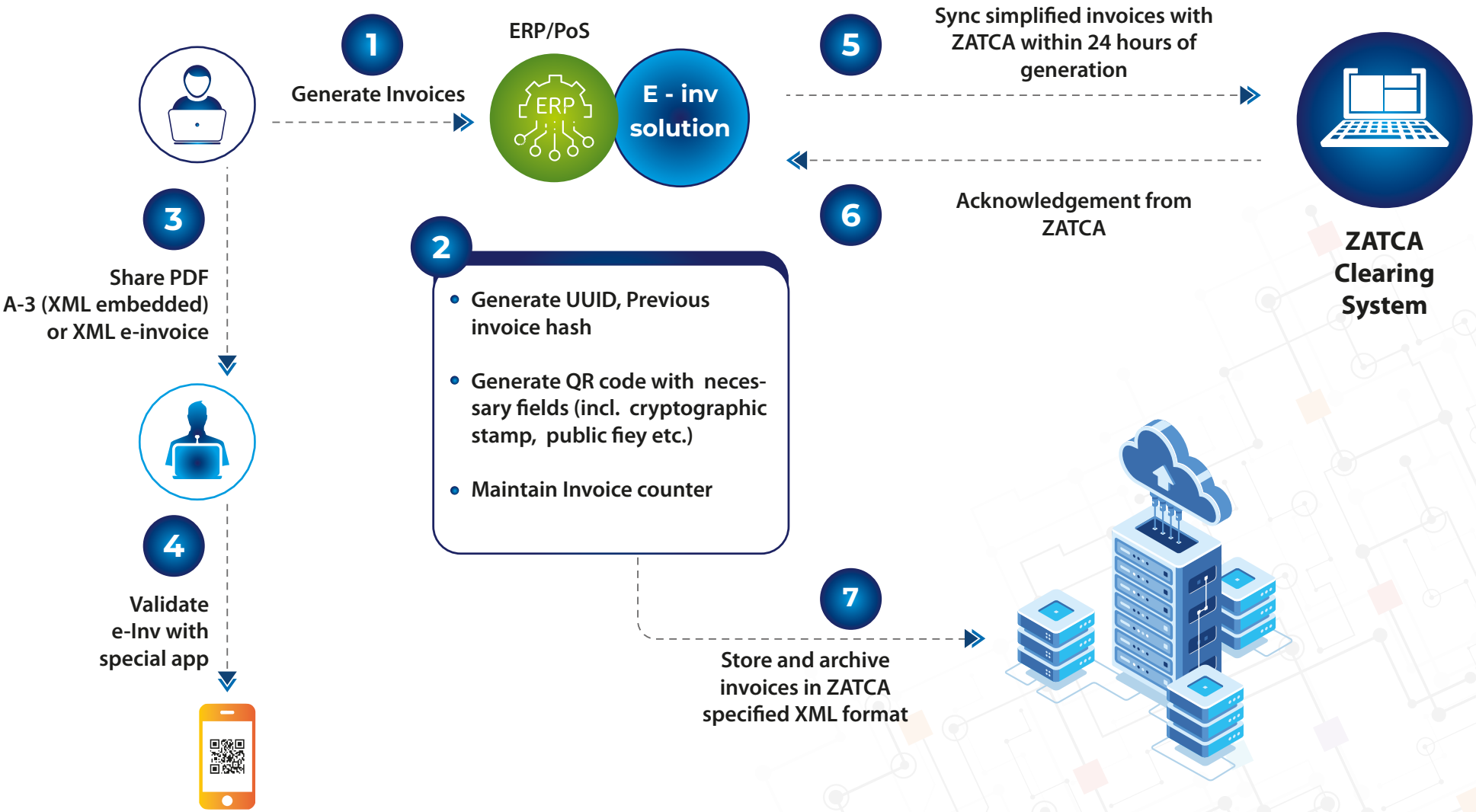
Phase II



Phase I & II

Readiness

Simplified Tax Invoice generation flow in
Phase II



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INSIGHTS -

HAND IN HAND

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Insights and ClearTax

have joined hands to provide e-Invoicing solutions

Insights

At Insights we have multi-disciplinary skills to address a range of services that our clients require in dealing with composite matters in the areas of Tax Advisory.

We employ the most experienced tax consultants bringing, expertise from around the globe. All our team members come with a prior work experience in the big four accountancy and consulting firms.

With our business partner, we brought a solution that in compliance with e-invoicing requirements and regulations been announced by ZATCA in Saudi Arabia. Our solution built on the latest technologies and ready to be implemented within weeks. Also, it has a lot of financial functions and features for advanced accounting to give you full control on your business

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We are Clear Connected finance for tax payers
Our mission is to simplify finances, save money and time for millions of businesses and people. We are a technology company that builds trusted, useful and insightful platforms for our clients to run their finances and improve their relationship with money.

Creating value at scale Products that perform seamlessly during any kind of surge, so you don't have to worry about up-time and reliability. Upload and process any amount of data any time of the month, smoothly.

The Clear difference Our products are built on top of secured, AI powered, cloud-based technology platforms. Our teams use cutting edge technology and data sciences to build products empowering Indians to make better financial choices.

More and easier wealth creation for millennials
We are oversimplifying wealth creation and savings for you. We revolutionized the idea of self filing with a click of the button. As taxes, investment and personal finance go hand in hand, we are now powering the financial growth along with saving time and money for you

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Hand in Hand

We are creating value at scale

Our platform can handle huge scale

An e-invoicing is an invoice generated, stored, and amended in a structured electronic format through an electronic solution, which includes all the requirements of a tax invoice

- **1 SaaS company serving within Asia**
- **2nd largest platform after government**

3,000 +
Large enterprise customers

$ 300B +
worth invoices uploaded

$ 20B +
gross Tax value outflow

200M +
invoices processed to compute Tax

60M +
e-invoices generated annually

$ 150M +
taxes saved per year

24,000 +
Individual users for e-invoicing solution

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Hand in Hand

We are only

Phase II ready solution available in market

Deep understanding of building real-time systems

40M e-invoices generated; Learnings of 2+years.

Proven expertise in India with similar regulation as of KSA

Expertise in technology and laws & regulations

Fast turnaround ability for any changes from Govt.

In-house 70 tax experts and 250 engineering team to understand and implement changing regulations

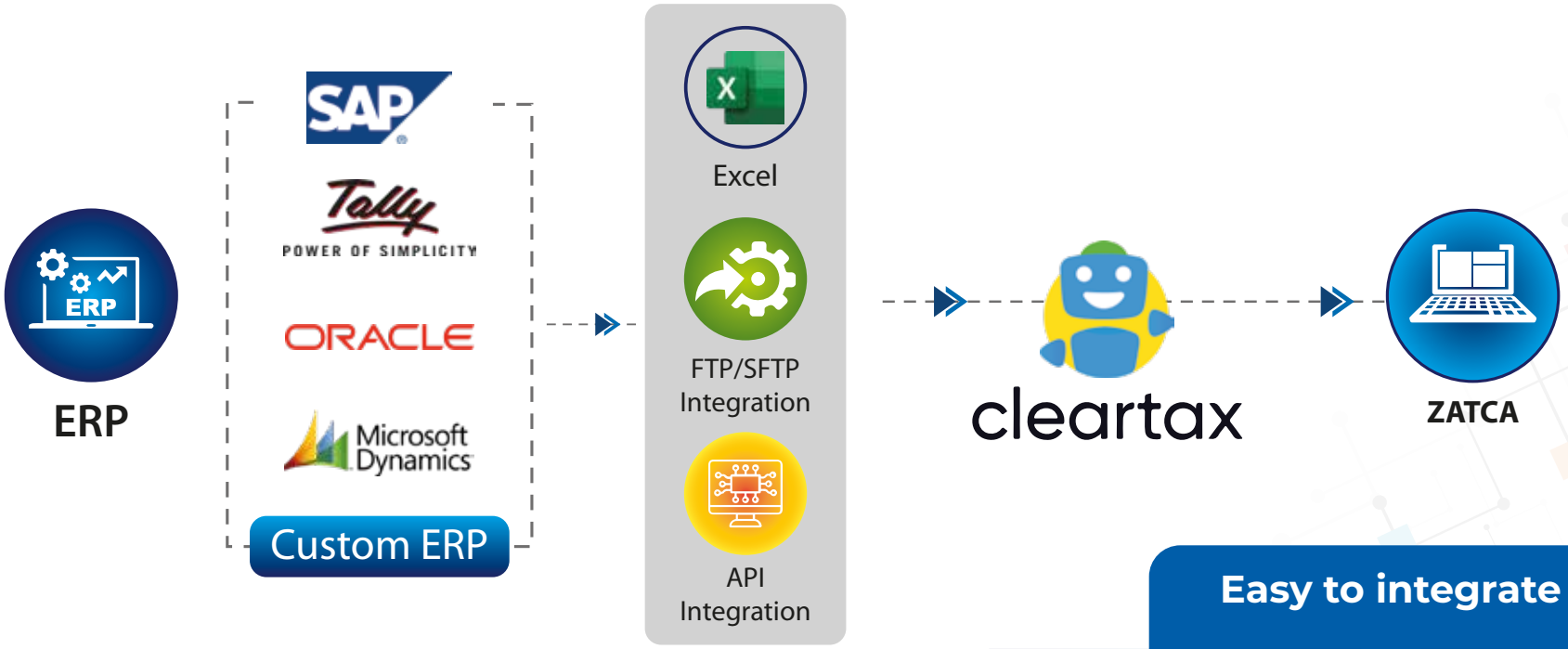
KSA compatible product available

Minor tweaks done in existng product to support localization

Hand in Hand

Easy to integrate

No matter what platform you use, we connect with it



Easy to integrate

Fastest Turnaround

2 - 3 weeks of efforts based on API/ SFTP mode and complexity of business

Integrate multiple ERPs

Don't worry if you have multiple systems, we integrate them all

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Hand in Hand

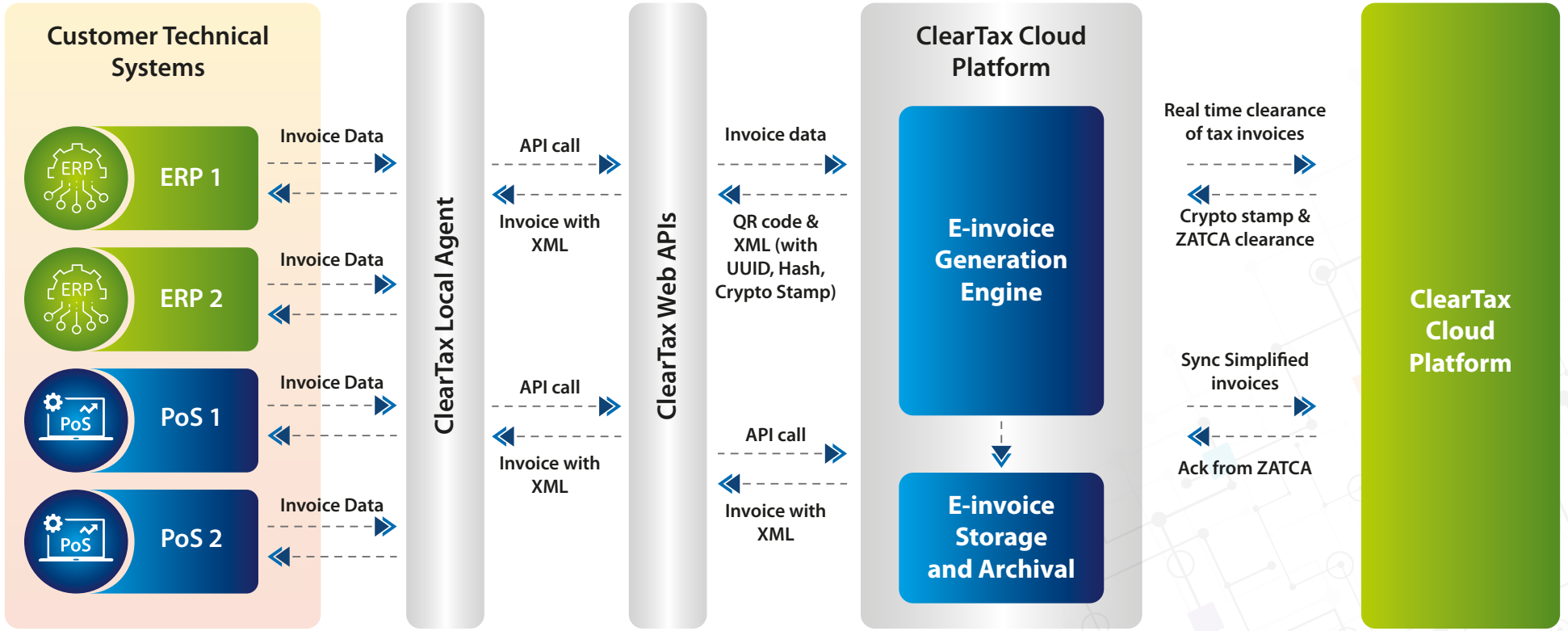
Given our expertise in Indian market

here is what is required to be e-Invoicing ready

Core tech company

- Phase II ready solution
- Easy to connect
- Unparalleled reliability
- High scalability
- Data localization and security
- User friendly platform
- Future ready
- 360⁰ customer support
- Unified full-stack compliance solution

ClearTax E-invoicing solution overview



In case ERP integration is not suitable for you

Start generating e-invoices in just 3 mins with ClearTax cloud solution

ClearTax E-invoicing on Cloud

- Ingest data from your ERP/ accounting system
- Convert invoices in e-invoices
- Store and retrieve invoices electronically
- 150 validations before generating e-invoices to avoid penalties
- Smart MIS reports, easy search
- Mobile companion app for tracking performance at fingertips
- No changes in ERP, Get up and running in 3 minutes

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Hand in Hand

We value your time and are always there for you!

No matter what systems you use, we connect with it

1,400 +
integrations completed

75 Member
in-house integration team

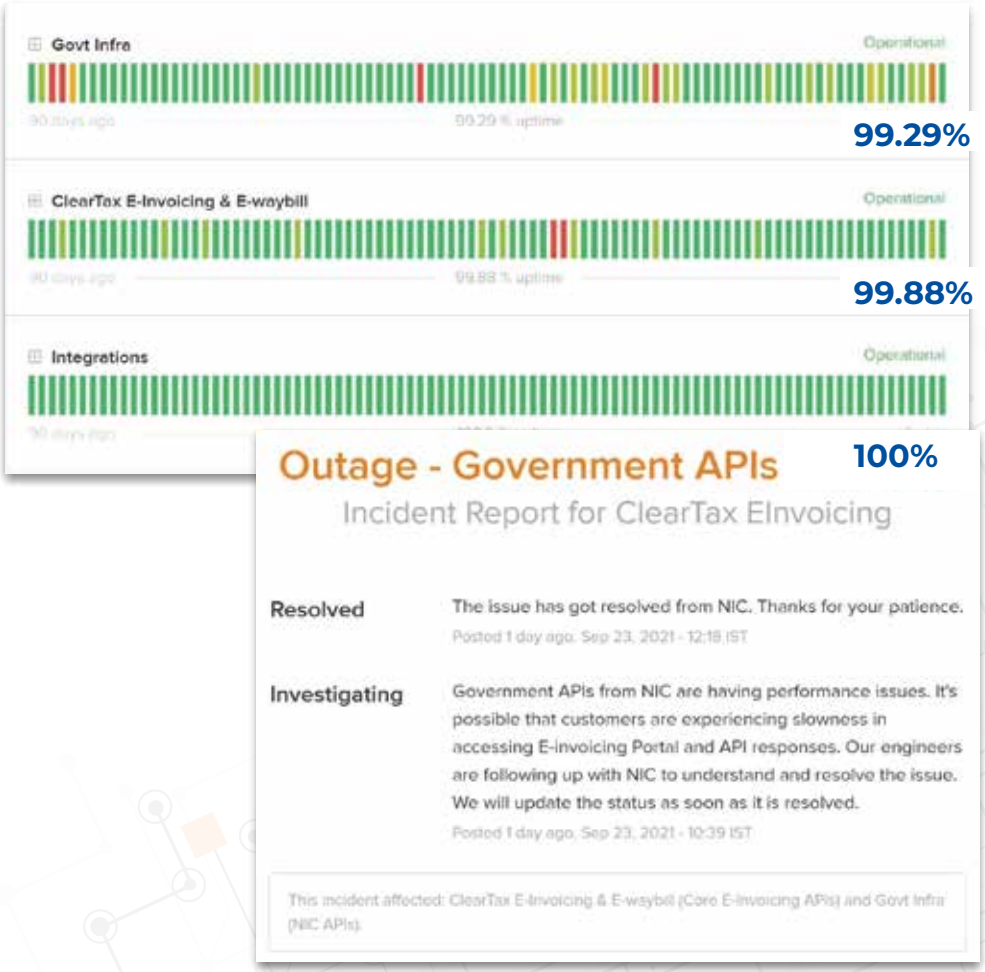
We are experts in Tax and Technology

3,000 +
customers

70 +
in-house tax experts

Robust support system

20 Member
support team and dedicated account manager to support round the clock



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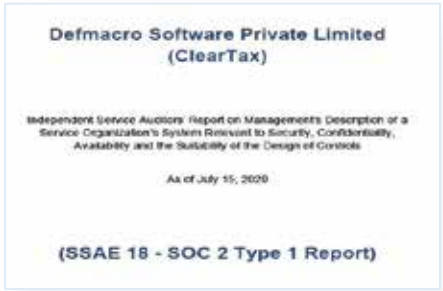
We are sure by design

Data localization and data security is our utmost priority

- **Most secure GSP**
  ISO 27001, SOC 2 compliant / VAPT
- **Data privacy**
  SSL encryption, PCI compliance Oracle data center

ISO/IEC 27001:2013


Defmacro Software Private Limited
(ClearTax)

Independent Service Auditors' Report on Management's Description of a Service Organization's System Relevant to Security, Confidentiality, Availability and the Suitability of the Design of Controls

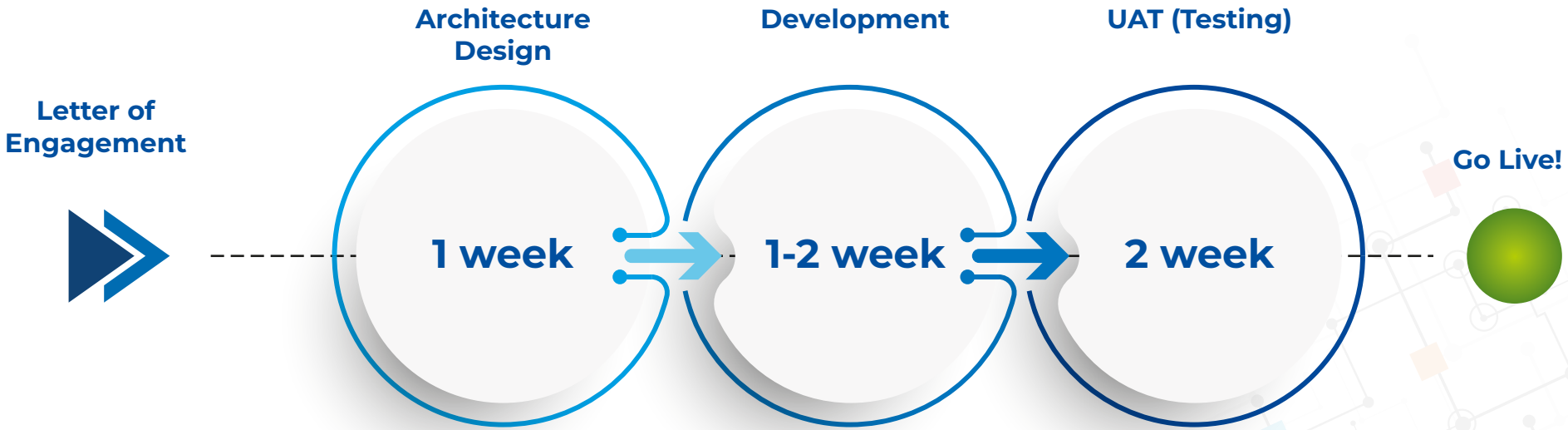
As of July 15, 2020

(SSAE 18 - SOC 2 Type 1 Report)

We take NO CHANCES when it comes to the security of our clients' data, We are at the cutting edge of Enterprise grade CYBER SECURITY

- **Data storage within KSA**
- **Advanced user access management and control**
- **IP Whitelisting**
- **Audit trails**

Why you need to act now?



ERP Integration takes 2 to 4 weeks (on an average)

ACT NOW and GET ZATCA E-invoicing compliant!

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Hand in Hand

We care for you

With 360° customer support

Mandatory e-Invoicing

High frequency business critical use case

- Every time a new system is introduced at this scale by regulators, things do break

Need for strong technical support

- Plain vanilla service providers aren't good enough. High level technical support to resolve sophisticated issues will be the need of the hour

ClearTax Support

- **Dedicated Program manager**
- **In-house technical support and advisory services**
  Round the clock on-call engineers and 100 CA's to resolve any issue
- **In-product ticfieting and EMAIL support**

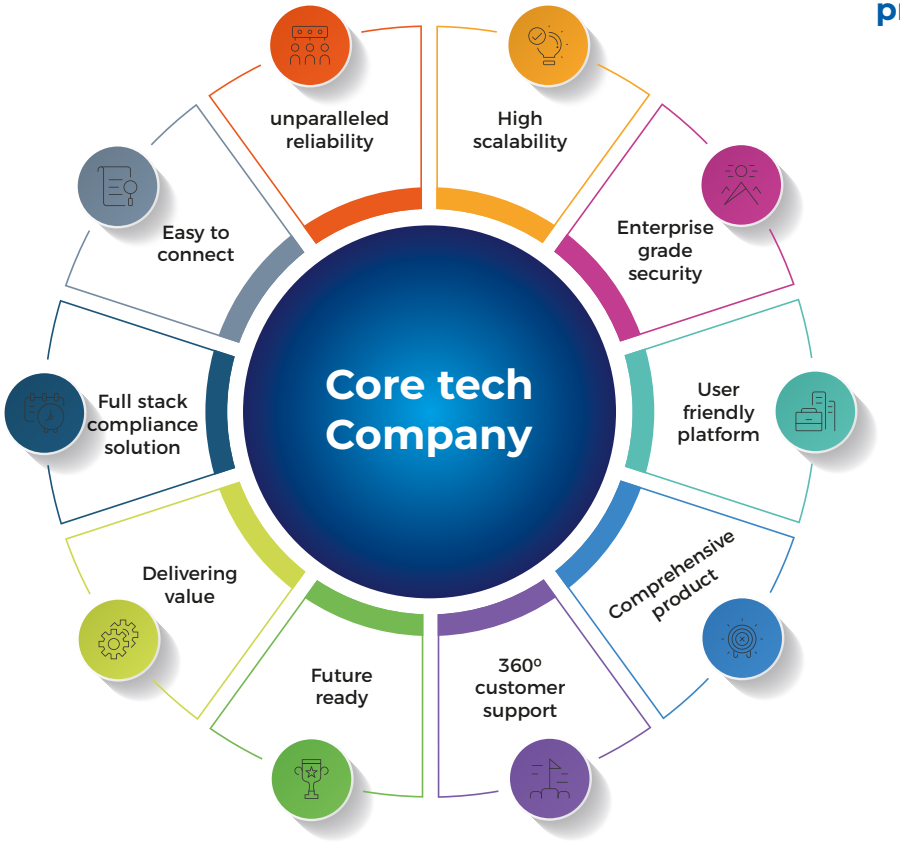
Generate e-Invoices Seamlessly

4 HRS
Resolution SLA

1HR
Response SLA

We value your time and are ALWAYS THERE for you

ClearTax is the obvious choice!



ClearTax

- Superior tech products
- Integrates with all systems
- Deep compliance expertise
- Responsive customer support

We do not

- Make low quality unreliable products
- A system integration shop without a product vision

We are a customer-first, core tech company with rich domain expertise. Our UNIQUE capability set and HUNGER to grow by serving you will ensure your SUCCESS.

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Our E-invoicing

Clientele

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Our E-invoicing

Clientele

We are trusted by

3,000+ large global enterprises across all industries.

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