

# All about VAT invoices in Saudi Arabia



## 2 types of VAT invoices

### Tax invoice

Must be issued by registrants for supplies where value of supply  
**Value of supply > SAR 1,000**

### Simplified tax invoice

Can be issued by registrants for supplies where value of supply  
**Value of supply < SAR 1,000**

- ✗ Cannot be issued for exports
- ✗ Cannot be issued for supplies to other GCC countries

### Language

**Arabic** + another language as a translation

### Time to issue

By **15<sup>th</sup>** of the month following the month in which the supply happened

### Time to retain



**6 years** from the end of the tax period

In case of capital assets-



Movable assets = **11 years** from the purchase date



Immovable assets = **15 years** from the purchase date

## Fines & Penalties

### Violation

### Penalty



A registrant does not retain VAT invoices issued or received

**SAR 50,000** or less per tax period

An unregistered person issues a VAT invoice

**SAR 100,000**

## Mandatory details required in a Tax Invoice

TAX INVOICE						
Date	--/--/----		Invoice Number	_____		
Supplier's TIN	_____		Customer's Name & address	=====		
Supplier's Name & address	=====					
Description of goods/ services	Quantity	Unit	Rate excluding VAT & discounts / rebates	Taxable Amount	Tax Rate	Tax payable (SAR)
Mobile Phones	50	Nos.	100	5000	5%	250
<b>Total</b>	<b>50</b>			<b>5000</b>		<b>250</b>

### Additional case-specific details required in Tax Invoice

- Date of supply, if different from the invoice date
- Where tax is not charged at 5%, a narration explaining the tax applied
- Where the customer has to pay tax on reverse charge, customer's TIN & a statement that customer should account for the tax
- Where supply is of used goods, invoice should not show the tax charged and a statement that VAT is charged on profit margin is required

## Mandatory details required in Simplified Tax Invoice

SIMPLIFIED TAX INVOICE		
Date	--/--/----	
Supplier's TIN	_____	
Supplier's Name & address	=====	
Description of goods/services	Total payable	Tax payable *
Mobile Phones	5000	250
<b>Total</b>	<b>5000</b>	<b>250</b>

\* Tax payable or an indication that the total payable amount includes VAT can be given