

e-Fatura System

Status Quo and potential future plans

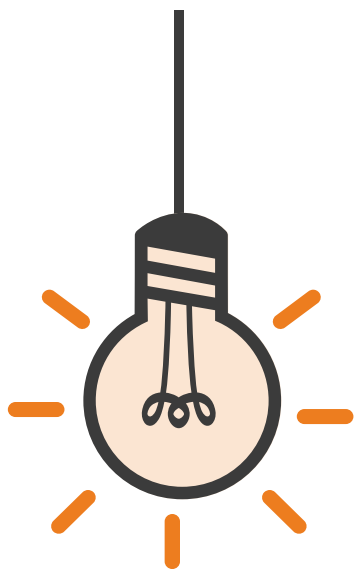
IDSt – Conference – “Digital Transformation in VAT”

Berlin, 16th November 2022





SAF-T implementation in Portugal...



Mandatory

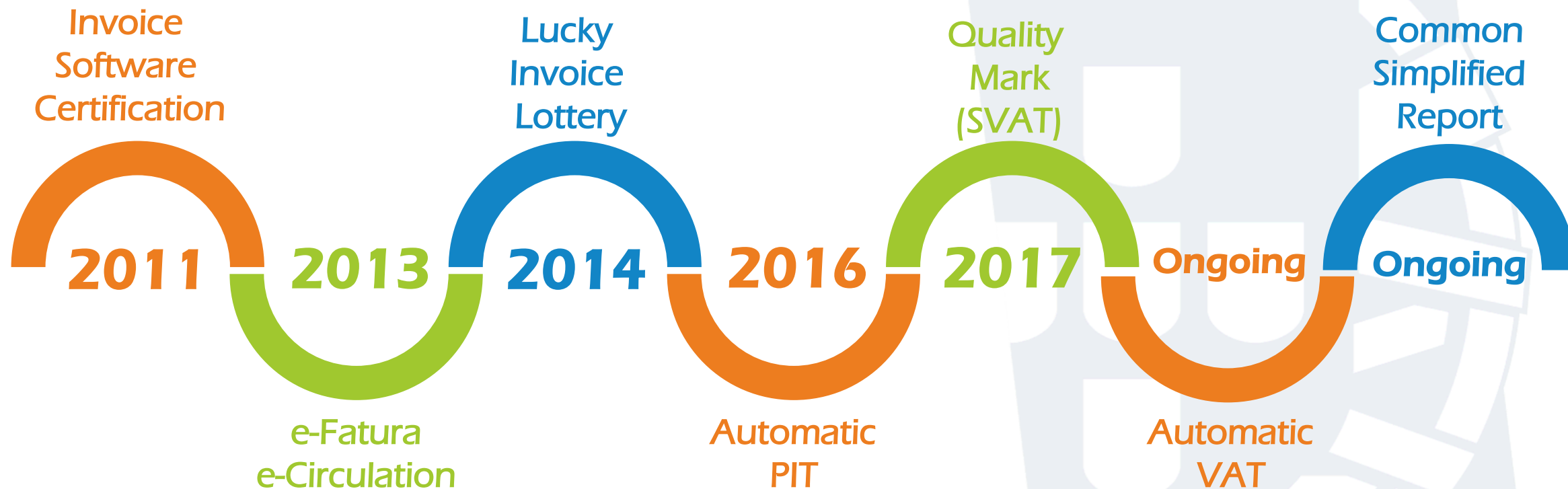


Accounting
and Invoicing
Data



By request for
Tax Audit
purposes

the projects based on SAF-T (2008)



aim of the projects



Prevent

By increasing
Taxpayers Compliance

Detect

By enabling a better and faster risk
analysis

Mitigate

By increasing difficulties on Tax
Fraud and Evasion



There is software able to produce a SAF-T, available in most of the countries



All taxpayers with a turnover over € 50.000 on the previous year are required to use Certified Invoice Software



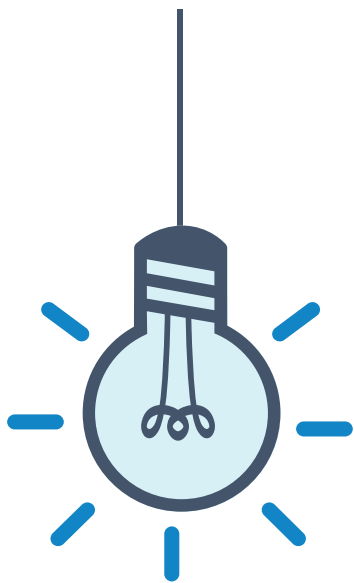
Tax Authority certifies (free of charge) software compliant with a set of rules, namely, to export correctly a SAF-T and to sign/encrypt documents

Extremely Important to ensure SAF-T data quality and accuracy



There are over 2.970 different certified invoice software from all over the world – all are able to produce SAF-T!!!

the context...



SAF-T

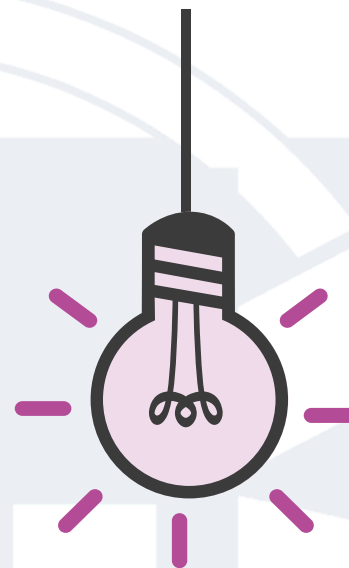
Data Standard

! Mandatory !



Invoice
Software
Certification

Data Quality



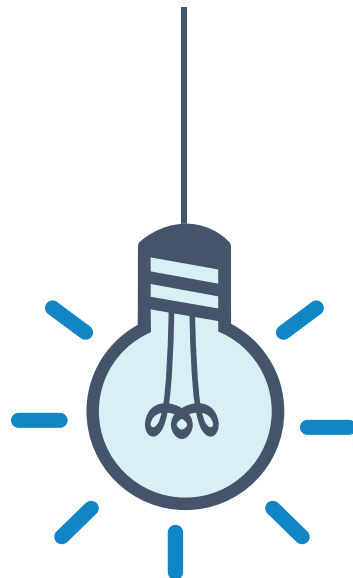
Issue invoice
for any
transaction

Data Completeness

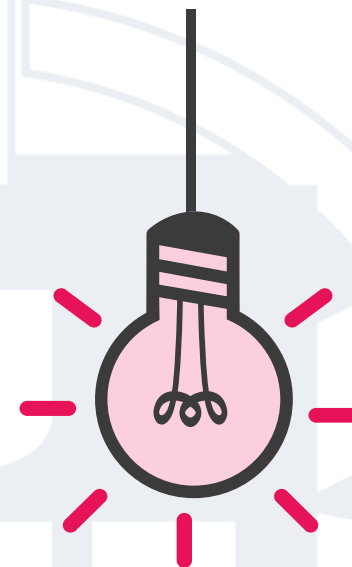
the context...



**Economic
Crisis**



**Invoice Software
Certification
vs
non registering
of transactions**



**Invoices were
“useless” for Final
Consumers**

e-Fatura System (PT)



Regardless the way invoices are issued

It's mandatory to send to the Tax Authority any invoice regardless the way it is issued – electronic, POS, cash register, paper...



B2B and B2C Invoices

It's mandatory to send to the Tax Authority any invoice issued - Business to Business or Business to Consumer



Incentives to Final Consumers

Final consumers are encouraged to ask for invoice – Fiscal Benefits and Automatic PIT



Supports Voluntary Compliance

Supports Business voluntary compliance by helping to identify mismatches and promoting voluntary correction

(*) National Data Protection Body didn't allow to receive invoice details regarding goods or services

It's mandatory to issue single invoice for any transaction



Taxpayers subject to VAT have to submit some (*) information regarding each document issued



Real Time, via web service or Monthly, until the 12 of the month after by:

- Submitting a file based on SAF-T
- Direct insert on the TA Web Portal



Increases the Voluntary Compliance

- incentives for final consumers who provide TIN
- compliance mechanism in place reports mismatches to taxpayers. Assessment with adjustments is issued if there's no reaction

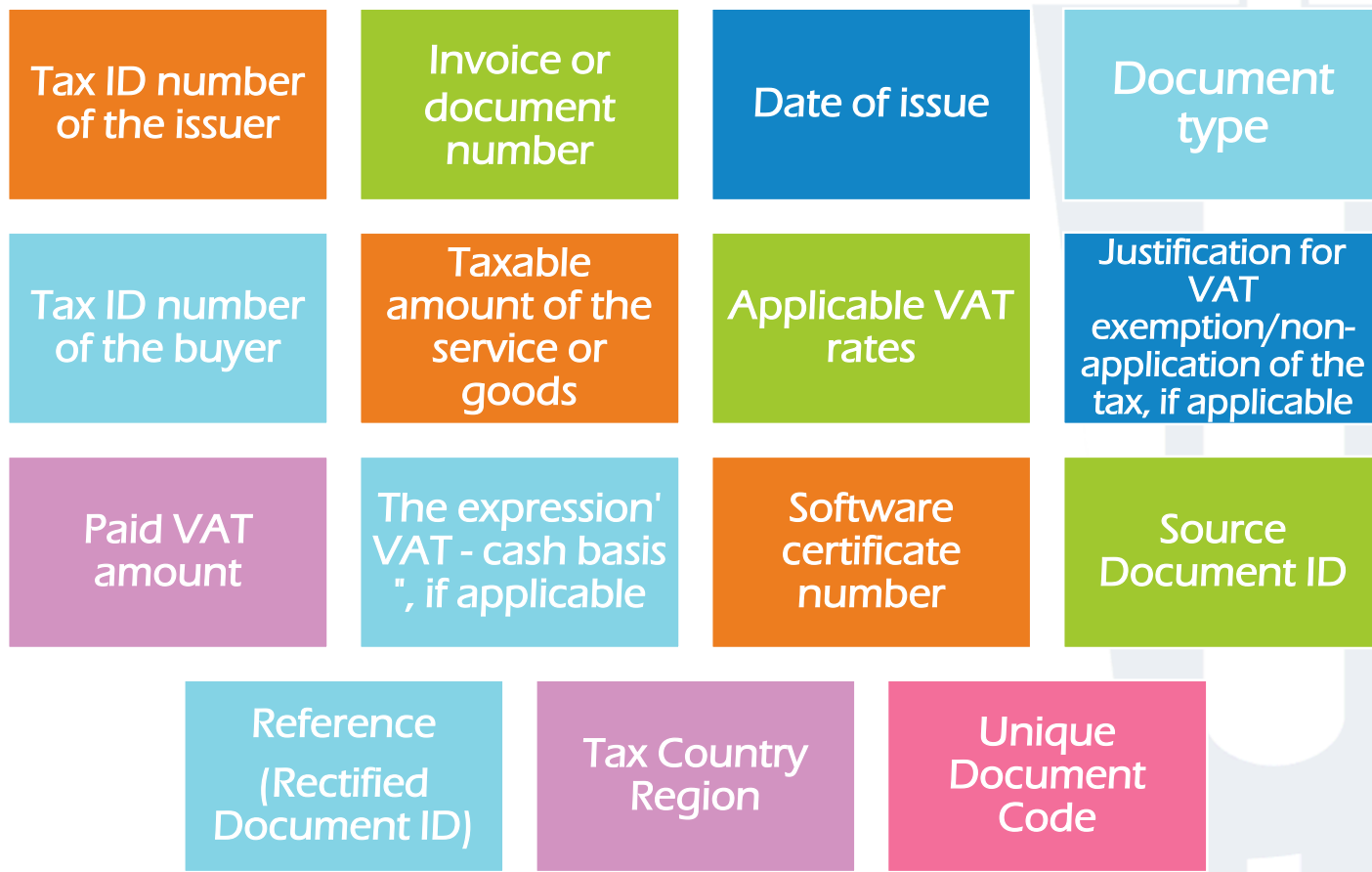


Allows a better and faster risk analysis and fraud detection (Ex: MTIC Fraud)

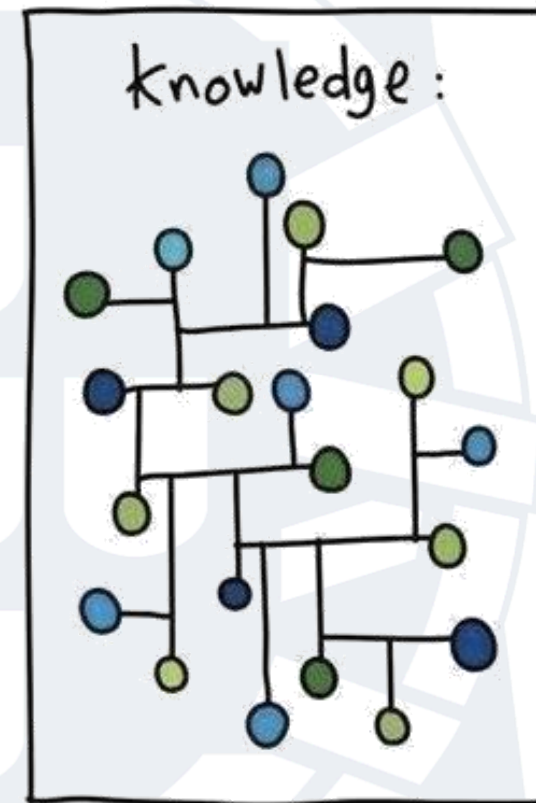
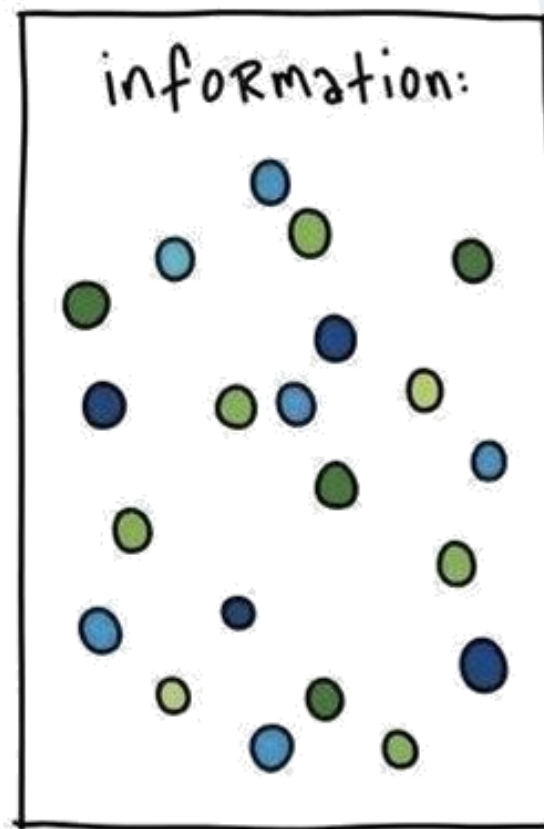
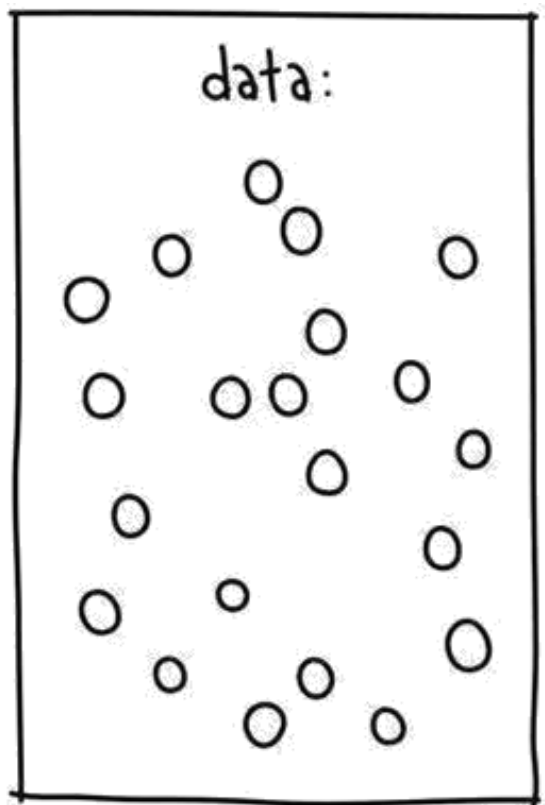
a way to approach...



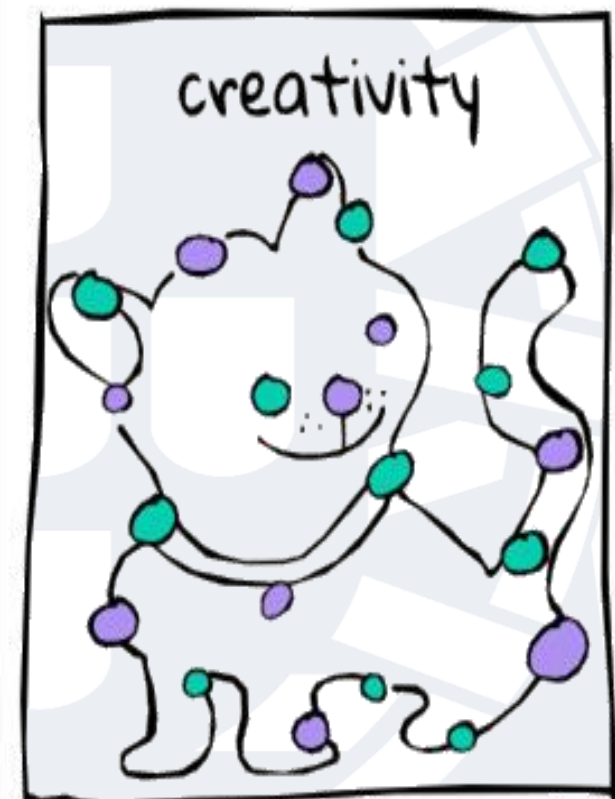
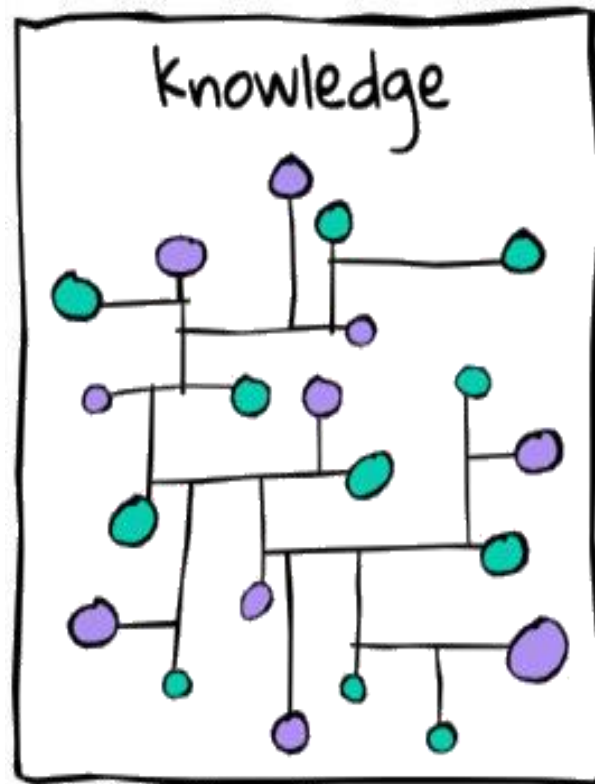
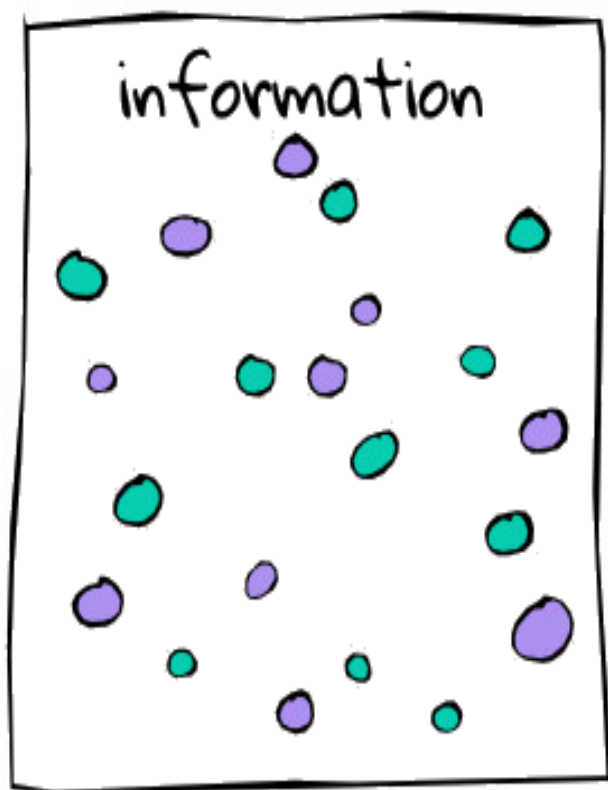
mandatory fields...



a new paradigm...



a new paradigm...



e-Fatura - final consumer – tax id number

Tax Benefit

- 15% of supported VAT in
7 Activity Sectors

2013



Lucky Invoice Lottery

2014



- 1 weekly draw - Treasury Bonds € 35.000
- 2 semi-annual draws - 3 x Treasury Bonds € 50.000



PIT Deductible expenses


















2015



Automatic PIT Declaration

2016

final consumer – check and insert (PT)

Sector	Tax Id Number and Business Name	Invoice Type	Invoice Situation	Invoice Number	Hash	Issue Date	VAT	Total Amount	Registered by Business	Registered by Consumer
	Tax ID Number – Business Name	Fatura	Registada	FCL FCL/1998529	eZeC	2019-10-05	48,32 €	317,50 €		
Outros	Tax ID Number – Business Name	Fatura	Registada	FT 201990/1321276		2019-10-05	7,24 €	38,73 €		
Outros	Tax ID Number – Business Name	Fatura	Registada	FT A/9003	aQ3M	2019-10-01	3,74 €	34,99 €		
	Tax ID Number – Business Name	Fatura	Registada	FQ 2019/463123		2019-10-01	0,00 €	12,00 €		
	Tax ID Number – Business Name	Fatura-recibo	Registada	FR GBI2019/652897	ODuM	2019-09-30	0,00 €	2,58 €		
	Tax ID Number – Business Name	Fatura simplificada	Registada	FS 002/95436	SOOW	2019-09-30	1,47 €	11,20 €		
	Tax ID Number – Business Name	Fatura-recibo	Registada	FR LS2019/003635746	xJMJ	2019-09-30	0,43 €	7,55 €		
	Tax ID Number – Business Name	Fatura-recibo	Registada	FR VG2019/000429868	VE9N	2019-09-30	0,49 €	2,60 €		
	Tax ID Number – Business Name	Fatura	Registada	FT PTCGDFL2019B1/0021229996	Hd/T	2019-09-30	0,00 €	2,91 €		

the compliance strategy...

Attitude

Strategy

Don't want to comply

Use enforcement

Try not to comply

Control

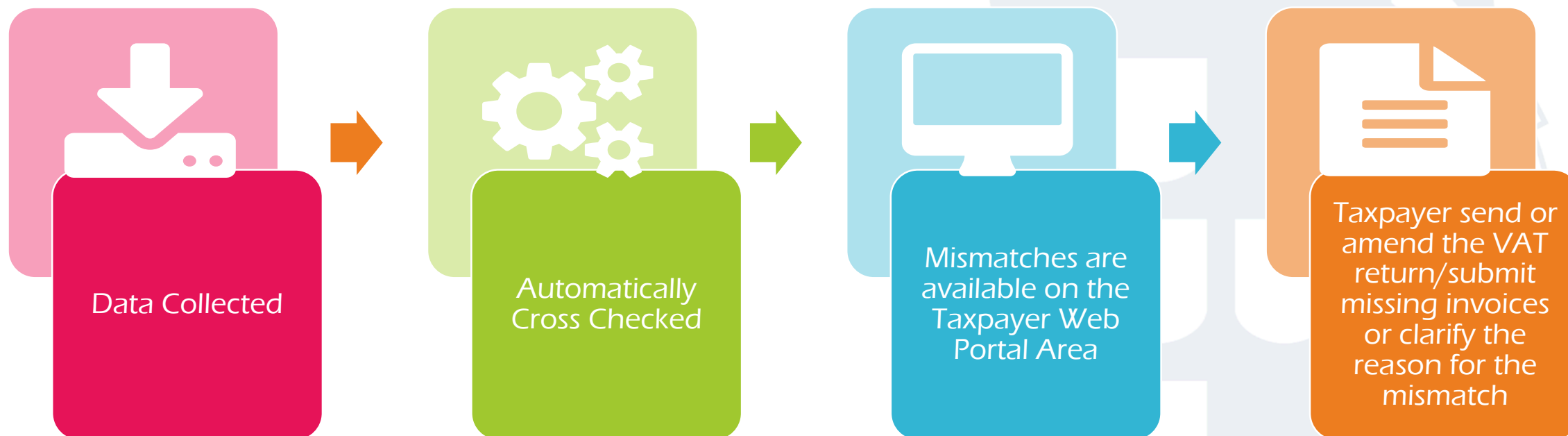
Try to comply but have difficulties

Help to Comply

Willing to comply

Simplify

how is TA using the collected data?



how is TA using the collected data?



- Automatic PIT
- Automatic VAT



COMPLIANCE

Mismatches
between VAT
returns and invoices
sent to Tax
Authority



- Documents issued to non filers, defaulters or ceased companies
- Faster ID of MTIC Fraud Players

new developments...

**Mandatory
QR Code
for all documents
issued by Certified
Software
(2022)**

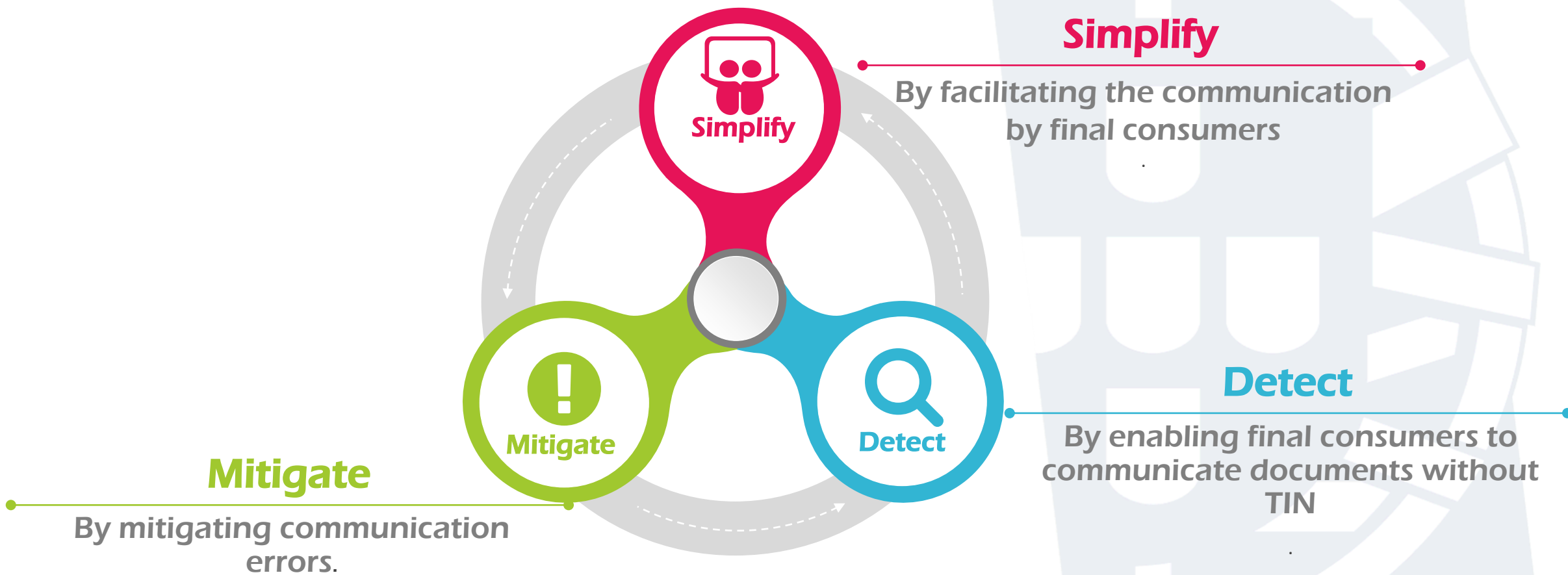
**Mandatory to flag
the e-Fatura System
if invoices were not
issued during the
previous month
(2023)**

**VAT – non Residents
Submission of
issued documents to
the
e-Fatura System
(2023)**

**Previous submission
to TA of the
document series in
order to produce
the ATCUD
(2023)**



QR Code and ATCUD objectives...



QR Code – content...

Issuer TIN	Customer TIN	Customer Country	Document Type	Document Status	Document Date	Unique Identification of the document	ATCUD
!	!	!	!	!	!	!	!
Tax Country Region	Taxable Basis Exempt of VAT	Taxable Basis at the Reduced Rate	Total VAT at the Reduced Rate	Taxable Basis at the Intermediate Rate	Total VAT at the Intermediate Rate	Taxable Basis at the Standard Rate	Total VAT at the Standard Rate
!	?	?	?	?	?	?	?
Non subject/non taxable in VAT / other situations	Stamp Duty	Total Taxes	Total amount of the document with taxes	Withholding Tax	4 characters from Hash	Certificate Number	Other information
?	?	!	!	?	!	!	?

document series and ATCUD...

Communicates the
documentary series via
webservice or Portal



➤ Taxpayer

Identifier of the document series: **A2022**
Document Type: **FT**
Beginning of Sequential Number: **5027**
Expected Start Date: **16-11-2022**
Issued by: **Certified Invoice Software**
Software Certificate Number: **9999**

Returns the series
validation code to be
included in ATCUD



AT
autoridade
tributária e aduaneira

➤ Tax Authority

Series Validation Code: **B2C3DMH9**

Includes the series
validation code in the
ATCUD



➤ Taxpayer

ATCUD: **B2C3DMH9-5028**
B2C3DMH9-5029
B2C3DMH9-5030
B2C3DMH9-(...)

key success factors ...

Increases
Compliance

Ensures data
quality

Interoperability
of data with
other TA and
Government
Bodies

Allows to give
back service to
taxpayers from
the data collected

Pre-file Tax
Declarations

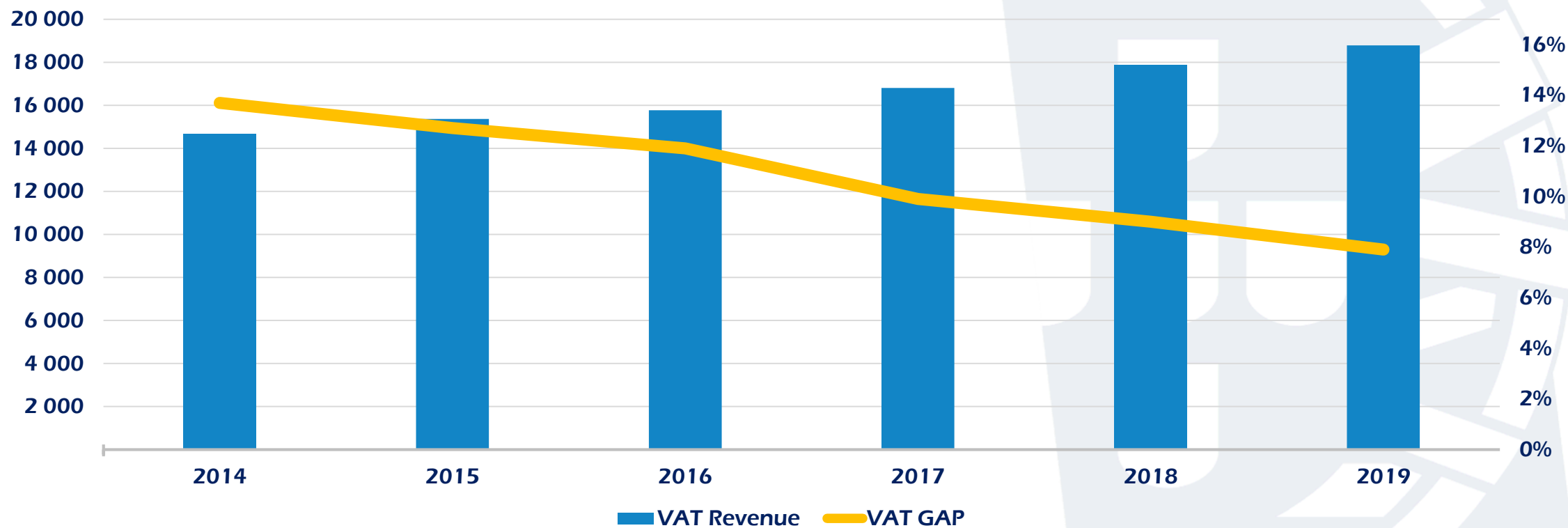
Merge or
simplify Tax
Declarations

Speeds up the
Digital
Transformation
Process of the
eco-system

Several
Government
Financial
Support during
COVID-19
Pandemics
were based on
e-Fatura

some results...

VAT revenue and VAT GAP in Portugal



Source: EU Study and Reports on the VAT Gap in the EU-28 Member States - 2020 Final Report

potential future plans...

Considering the “**VAT on digital age**” proposal, evaluate the potential of:

- **harmonization** with the e-Fatura System
- providing **new services** based on the collected data
- a **simplified data only once** process, ensuring interoperability with other government bodies

*Thank you
for your attention*

Ana Mascarenhas