KPMG

Technical Update

September 2023

Strengthening the Implementation of Procedures for the Use of Commercial Invoices

(Instruction no. 33304 GDT, dated 18 September 2023)

The General Department of Taxation (GDT) has issued this Instruction to provide additional clarification on the issuance of Commercial Invoices by retail businesses and petroleum or gas station businesses which provide supplies to end-consumers (i.e., non-VAT registered customers).

Items	Retail business	Petroleum or gas station business
Issuance of Commercial Invoice for each supply of goods	• Required to issue commercial invoices, either in handwritten format or by payment devices that use point-of-sale (POS) system or any other electronic systems. • The commercial invoice must comply with prescribed invoice format	
Preparation of Receipt Voucher (RV)	• Prepare on a daily basis by totaling up all invoices issued per day (for internal use). • For enterprises that use payment devices with POS system or more than one electronic system, RV shall be prepared separately based on each system. • RV shall include: ✓ the period; ✓ full-year sequential number along with detailed information on the identification number of the payment device; ✓ the number of invoices issued per day (first and last invoice number of the day); and ✓ the total amount.	• Prepare on a daily basis by totaling up all invoices issued per day based on the gasoline pump (i.e., fuel dispenser machine) of each station. • In case the enterprise issues the invoices through a single payment device, only one RV shall be prepared for each day. • RV shall include: ✓ the period; ✓ full-year sequential number along with detailed information on the number of invoices issued per day (first and last invoice number of the day); ✓ the identification number of the gasoline pump; ✓ the number of flow measurement (first and last number of the day); and ✓ the total amount.

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Items	Retail business	Petroleum or gas station business
Monthly Tax Declaration	• Enterprises are allowed to declare their monthly sales income based on the RVs by using the invoice numbers (first and last invoice number of the day) and identification number of the payment device (in case the invoices are issued by such device) as the description. • Enterprises shall have supporting documents related to the sales operation that could be used for tax crosschecking purposes.	• Enterprises are allowed to declare their monthly sales income based on the RVs by using the invoice numbers (first and last invoice number of the day) and identification number of the gasoline pump as the description. • Enterprises shall have supporting documents related to the sales operation that could be used for tax crosschecking purposes.

Our comments

This Instruction stems from the GDT's observation on the misuse of Commercial Invoices by some enterprises that have a large, daily number of transactions involving low-cost goods, especially enterprises operating in the retail and gas station sectors.

It is important to note that enterprises involved in the above-mentioned business activities shall issue Commercial Invoices on all supplies of goods and services regardless of the methods of issuing the invoice. Additionally, enterprises shall maintain proper supporting documents including the issuance of receipt vouchers, which shall be used for monthly tax declaration purposes.

It can be inferred that the abovementioned rules would also apply in cases where the retail and/or the petroleum/gas station business provides supply to VAT-registered customers, except that a proper VAT invoice shall be issued in lieu of a Commercial Invoice.

In light of this new Instruction, taxpayers should revisit the rules on the use of invoices (i.e., both Tax Invoice and Commercial Invoice) to ensure full compliance with the tax laws and regulations in order to mitigate potential risks in the future.

As a committed tax advisor to our clients, we welcome any opportunities to discuss the relevance of the above matters to your business.

Contact us

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