Final Report of the First Virtual Workshop 2026

E-Invoicing : Challenges, Tax Implications and Technical Methodologies for Implementation

Organizer : Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia
in cooperation with : The Association of Tax Authorities of Islamic Countries - ATAIC

2026

Website : http://www.ataictax.org
Date : July 7, 2026
Time : 7:30 – 11:30 GMT
Venue : Via WebEx Platform

✍This report was prepared by: The Permanent Secretariat of the Association of Tax Authorities in Islamic Countries

Workshop Report

1. The first workshop of the Association of Tax Authorities of Islamic Countries (ATAIC) was successfully held in cooperation with the Zakat, Tax and Customs Authority. The workshop focused on the topic of (E-Invoicing) and was held on Tuesday, July 7, 2026 via WebEx.
2. The event brought together senior international experts from organizations and tax officials from member states of the ATAIC to discuss one of the most prominent issues in modern tax administration. The workshop provided a vital platform for knowledge exchange, highlighting global trends, regional challenges, and practical implementation experiences. The discussions also emphasized the urgent need for international cooperation and capacity building to tax the digital economy effectively and fairly.
3. The workshop was organized into two main sessions, including four presentations, followed by fruitful discussion and Q&A sessions.

1. Opening

- Recitation of verses from the Holy Quran

- Opening speech by **Mr. Yazeed Al-Hadlaq - Director General of the Zakat, Tax and Customs Academy in the Kingdom of Saudi Arabia.** He welcomed participants from international and regional organizations and praised the ATAIC's role in addressing challenges facing tax administrations of Islamic countries through the exchange of experiences and best practices among member states.

- Opening speech by **Mr. Badr Al-Tamam Mohamed Saad - Secretary General of the Association of Tax Authorities of Islamic Countries**. He welcomed participants and stressed the importance of the workshop in exchanging expertise on digital transformation in tax systems, and the role of e-invoicing in enhancing compliance and transparency.

2. First Working Paper: Implementation of E-Invoicing
Presenter : Ms. Wafaa Bin Saif
Saudi Arabia Experience

The paper introduced the " Fatoora " E-Invoicing Project and its main objectives:

Basic Definitions :

- **E-Invoicing** : A procedure aimed at converting the issuance of invoices and notifications from paper format to an organized electronic process, enabling their exchange and processing electronically between seller and buyer.

- **E-Invoice** : An invoice issued and stored in a structured electronic format via an electronic system, and includes all requirements of a tax invoice.

- **Electronic Notifications** : Debit or credit notifications resulting from amending e-invoices, which must be issued electronically.

- **E-Invoicing Systems** : Systems, devices, and applications used to issue and store electronic invoices and notifications.

- **Integration** : Connecting the taxpayer's invoicing system with the Zakat, Tax and Customs Authority's "Fatoora" platform to exchange data automatically and securely.

Objectives : Achieve transparency, improve data quality, facilitate tax audit and review processes, and reduce tax evasion.

3. Second Working Paper: Phases of E-Invoicing
Presenter: Mr. Abdulaziz Al-Otaibi
Saudi Arabia Experience

The phases of project implementation in the Kingdom of Saudi Arabia were reviewed :

First: Phase One – Issuance and Storage

Start Date : December 4, 2021

Requirements : Obligate taxpayers to issue and store debit and credit invoices and notifications electronically via a system compliant with the Authority's requirements. No direct connection required.

Second: Phase Two – Connection and Integration

Start Date : January 1, 2023

Mechanism : Implemented in successive waves targeting taxpayers based on total annual VAT-taxable revenues for 2021, 2022, 2023.

Notification : The Authority notifies the taxpayer at least 6 months before the connection date.

Technical Requirements for Phase Two :

1. File Formats : Invoices must be issued in XML format or PDF/A-3 with embedded XML file.
2. Additional Fields : Add required technical fields such as Cryptographic Stamp and other mandatory technical fields.
3. Technical Readiness : Provide permanent internet connection to enable connection with the "Fatoora" platform.

Invoice Types :

1. B2B Tax Invoice : Issued from business to business or government entity. Subject to Clearance Model where the invoice must be sent to the Authority for immediate approval before sending to the buyer.
2. Simplified B2C Tax Invoice : Issued from business to consumer. Subject to Reporting Model where it is issued directly to the consumer including a QR Code, then its data is sent to the Authority later within a specified timeframe.

Supporting Tools and Resources :

- Regulatory Documents : E-Invoicing Regulations, Implementation Controls, XML Standards, Data Dictionary, Information Security Standards.
- Guidelines : Simplified Guide, Detailed Guide, Technical Guide, Fatoora Platform User Guide.
- Developer Tools : SDK Validation Tools, Sandbox Developer Environr
Live Environment Simulation Platform.
- Solution Providers List : Non-binding indicative list of comp
technical solution providers.

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4. Third Working Paper: E-Invoicing - Opportunities, Challenges and Future Prospects

Presenter : Mr. Salah Saad Mohamed Abdul Qadir

Republic of Sudan Experience

1. Main Objective

Transition from paper invoices to e-invoices to increase transparency, reduce tax evasion, and accelerate the invoicing cycle between companies and government.

2. Opportunities

Assuming readiness of taxpayers' technical infrastructure, availability of compatible systems, and awareness of compliance importance.

- For Government : Accurate tracking of sales and reducing tax leakage.
- For Companies : Easier archiving, faster tax refunds, and reduced errors.
- For Customers : Higher credibility and ability to verify invoices.

3. Challenges

- Initial cost of updating or purchasing compatible systems.
- Need to train personnel on new systems.
- Ensuring continuity of internet connection.
- Change management for taxpayers and solution providers.

4. Tax Impact

- Increase voluntary compliance rates.
- Reduce cases of evasion and commercial concealment.
- Accelerate VAT refund procedures.
- Provide real-time data to assist in decision-making and policy formulation.

5. Future Prospects

- Expansion to include all taxpayers regardless of revenue size.
- Integration with other government entities such as Customs and Banks.
- Use of Artificial Intelligence and analytics technologies for risk detection.

5. Fourth Working Paper: Technical Methodologies and Approaches Used in Implementing the E-Invoicing System in Sudan

Presenter : Mr. Mohamed Awad Ahmed Aoun

First : Historical Background

Implementation of the e-invoicing system at the Sudanese Taxation Chamber began in late 2016 via the " Fiscal Processor " device. The system stopped with the outbreak of war due to loss of operating environment and devices. Since early 2026, the Chamber has been working to restart the system with new technologies.

Second : VAT Collection Methods in Sudan

1. Immediate Collection - Split VAT : Applied to specific sectors such as Telecommunications and Petroleum.
2. Deferred Collection via Declarations : Applied to most commercial sectors.

Third: Technical Approaches Used

1. Split VAT - B2B Model : Via an electronic portal connected to the government payment gateway through APIs enabling instant invoice issuance and tax payment.
2. Deferred Collection - B2B and B2C Models
   - Online Solutions :
     - Electronic Portal: For taxpayers without a sales system and with few invoices.
     - Desktop Application: For taxpayers without a sales system and with many invoices.
     - API Integration: For taxpayers who have ERP or sales systems.
   - Offline Solutions :
     - Fiscal Processor Devices.
3. C2B Receipts Model - Proposals Under Development
   - Online : Virtual POS applications on mobile and computer.
   - Offline : Physical POS Hardware such as cash registers, mobile devices, and invoice printers.
4. General Structure of the Proposed System

   Consists of two main components linked to the central system:
   - Software Component : Includes portal, desktop application, ERP integration via API, and mobile app.
   - Hardware Component : Includes POS devices and Fiscal Processor.

6. Questions and Discussion Session

The floor was opened for discussion with presenters, and participants' inquiries about technical aspects were answered.

7. Recommendations and Conclusion

Based on the review of the experiences of the Kingdom of Saudi Arabia and the Republic of Sudan, and the contributions of the participants, we recommend the following:

First: Recommendations at Member States Level

1. **Mandatory Gradual Implementation** : Adopt a national plan for transition to e-invoicing in phases, starting with large taxpayers then sectors with high tax risks, with granting a sufficient grace period for awareness and qualification.
2. **Unify Technical Requirements** : Issue unified technical specifications and standards for e-invoices that comply with international best practices and allow future interoperability between tax systems.
3. **Build Digital Infrastructure** : Invest in connecting e-invoicing systems with Tax, Customs, and Banking systems to ensure real-time data exchange and combat the compliance gap.
4. **Address Operational Challenges** : Provide alternative solutions for taxpayers in areas with weak internet or power outages, as reviewed in Sudan's experience, through applications that work offline and synchronize later.

Second: Recommendations at ATAIC Level

5. **Capacity Building Programs** : Organize periodic technical training workshops for IT managers and tax auditors in member states, benefiting from Saudi Arabia's expertise.

Third: Recommendations Related to Awareness and Compliance

6. **Intensive Awareness Campaigns** : Launch joint media campaigns targeting taxpayers and accounting service providers to explain benefits and procedures before the obligation begins.
7. **Incentives for Early Compliance** : Study providing incentives for early-compliant taxpayers, such as priority in tax refunds or reducing the rate of field audits.
8. **Data Protection and Taxpayer Privacy** : Emphasize the need to establish strict legal and technical frameworks to ensure invoice data confidentiality and that it is not used except for tax purposes.

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