

ELECTRONIC INVOICING IN GUATEMALA

Supporting the Superintendence of Tax Administration of Guatemala in the launch of a new electronic invoicing system

EUROsociAL is supporting Guatemala in the technological modernisation of SAT (Superintendence of Tax Administration) aimed at reducing costs, making procedures easier and increasing fiscal control on business operations in the country.



In recent years, tax administrations have faced major challenges created by the globalisation of trade, technological advances and the consequences in communications and processes, which have created new ways for tax obligations not to be complied with. These challenges mean that the tax administrations have to incorporate innovative responses for issues to control, supervise and audit.

As part of the governmental plan “Change Agenda 2012-2016” and the Fiscal and Competitiveness

Covenant, a series of commitments to seek an increase in tax collection and an increase in the tax base were established, expanding the number of taxpayers. In this regard, Guatemala’s Superintendence of Tax Administration (SAT) in its Institutional Strategic Plan 2013-2015 considered it necessary to facilitate and encourage taxpayers and decision-makers to voluntarily fulfil their tax obligations by simplifying the systems, procedures and tax filing requirements and/or taxpaying and customs administration; improving customer care, information, divulgation, guidance and training

PUBLIC FINANCE

VOLUNTARY COMPLIANCE

GUATEMALA



aimed at the taxpayer and those in charge. One of the lines of action in this regard is to strengthen the invoicing model.

In Guatemala, electronic invoicing began to be implemented in 2007, and through the Agreement of the Directory 2008-2011 its mandatory use was established through a gradual process of incorporation in large companies, initiated from 2012 and completed in March 2013. Thus, Guatemala has become one of the first countries to start up electronic invoicing in the region. After more than seven years, the need to update the current model has been identified, as well as having to review the provisions regarding electronic invoicing, creating a new regime (Second Generation) to respond to the new models for business transactions and international electronic exchanges. The new model will be adapted to the invoicing standards of countries throughout the world. This will allow large companies to operate wherever business relations are established.

EUROSOCIAL'S ASSISTANCE TO GUATEMALA'S SUPERINTENDENCE OF TAX ADMINISTRATION (SAT)

For the last two years, the EUROsociAL Programme has been supporting the Tax Administration of Guatemala in their process to define a new electronic invoicing model in order to adapt it to international trends and best practices.

After it is approved, during 2016 SAT is expected to carry out the development and implementation



FIRST-HAND

► Lic. Mario Rodolfo Figueroa
Ramírez
Inspector for Tax Collection and Management,
Superintendence of the Tax Administration
of Guatemala



“We were visited by professionals, representatives of tax administrations from Brazil and Mexico that should be mentioned for their application of good practices and use of electronic invoicing. This assistance has allowed us to boost the effectiveness of our new model, because in addition to the identifying different areas of opportunity, we have received very valuable advice. This will mean, among other benefits, a reduction in costs for taxpayers, and improvement in the control over their operations”.

of the new electronic invoicing model. EUROsocial has supported the issue of technical documentation including its operating scheme and the structure that the Electronic Tax Documents (DTE) shall have, adapted to the Guatemalan tax system.

In addition to Guatemala, EUROsocial has supported modernisation processes for tax administrations in other countries in the region so as to obtain a better tax inspection system, reduce tax evasion, have more tax compliance and increase tax collection.

EUROSOCIAL'S SUPPORT ITINERARY

2014.

- Specialist advice from Brazil to Guatemala to implement electronic invoicing.
- Appointment of the technical team that worked in the design of the second generation electronic invoicing (FACE 2G) and definition of the regulation proposal.

2015.

- Specialist advice from the Mexican Tax Administration Service to the Guatemalan SAT.
- For the remainder of this year, the new model is expected to be approved by the Directorate, the issue of technical documentation including its operating scheme or the structure that the DTE (Electronic Tax Documents) is going to have, adapted to the Guatemalan tax system.

SOUTH-SOUTH COOPERATION: MEXICO SHOWS GUATEMALA HOW THEIR DIGITAL TAX RECEIPT WORKS (CFDI)

This process has had collaboration from the Inter-American Centre for Tax Administrations (CIAT), which the South-South cooperation has promoted by achieving that both the Brazilian Receita Federal (RFB) and the Mexican Service of Tax Administration (SAT), the most advanced countries in the region for the implementation of electronic invoicing, share their experiences and lessons learnt with Guatemala. To do so, SAT made up a technical team that worked in the design of the new second generation electronic invoicing map (FACE 2G) and carried out the global definition, as well as the general strategy for its implementation, with technical assistance, both face-to-face and distance, from experts of the Brazilian RFB and, particularly, from the Mexican SAT.

The Mexican SAT has shared their experience regarding the implementation of the Internet Digital Tax Receipt (CFDI) with the Guatemalan SAT. Likewise, Mexican experts made specific recommendations regarding the different tax regimes to which this new scheme is going to be applied, on specific areas that shall be affected, on the identification of areas of opportunity detected, and on the key documents that make up this project. With this new step towards technological modernisation, SAT intends to reduce costs, make procedures easier and increase tax control on business transactions in the country.



ADVANTAGES OF THE NEW INVOICING MODEL

This new electronic invoicing model will allow SAT to obtain quality information from its issuers and reduce the issue of false invoices, that is to say, invoices that do not correspond with a real delivery of goods or provision of services. With electronic invoicing, the authenticity of origin, the integrity of the contents and their legibility are ensured, and will also allow SAT to verify, with a high degree of reliability, the relationship between the invoice issued and the goods really delivered or services provided. That will aid an enhanced legal certainty, ensuring the integrity of the information and reducing the likelihood of fraud through false or amended documents.

Furthermore, SAT will have information regarding the financial transactions in real time; this will improve fiscal audit processes, and large scale electronic tax inspections can be carried out.

For taxpayers, the main benefits are focused on: cost and time savings, because they will be able to present their invoices in electronic format without needing to visit SAT's offices; savings on printing costs and storage space for tax documents; and greater security in safeguarding documents, because it removes the risk of loss of physical documents. Furthermore, it contributes to environmental protection, saving in the use of paper and chemical products for ink.

Coordinating Partner



Operating Partners

