

Tax Newsletter

Timely news and information on national tax issues

Electronic Invoicing in El Salvador

The implementation of electronic invoicing is one of the main topics on the agenda that the Treasury Department (*Ministerio de Hacienda*) has been laying out in recent years. Therefore, it is important to know the current status of this project and the relevant aspects of its launching.

Status of the project

Over the past few years, the Treasury Department has been preparing the technology for the implementation of electronic invoicing, and during the month of April 2021, a pilot plan began with the authorization of the first issuer of electronic invoices.

Around 50 taxpayers participated in this pilot plan, and according to comments of those in charge of the program, the result has been successful. Thus, currently, a widespread implementation process is underway, in which adoption is voluntary, but a plan for mandatory staggered implementation is expected to be announced soon. However, as of now no official statement has been made regarding any timetable.

Relevant aspects of electronic invoicing

According to the information shared by officials of the Tax Administration at an event organized by the Oversight Board of the Profession of Public Accounting and Auditing (CVPCPA) this past May, the relevant aspects of electronic invoicing are the following:

1. Electronic Tax Documents (DTE)

In electronic invoicing, DTE are used, which are electronic files generated by the issuer and transmitted to the Treasury Department for their reception and storage.

The DTE implemented to date are the following:

- a. Invoices
- b. Export invoices
- c. Receipt of settlement
- d. Withholding receipt
- e. Tax Credit Receipt

- f. Accounting Document for Settlement
- g. Delivery note
- h. Debit Note
- i. Credit Note

2. Process for issuing electronic invoices

In general, the process carried out by the electronic invoicing system is as follows:

- a. Obtaining of the certificate of simple electronic signature
- b. Implementation of the certificate in the taxpayer's electronic invoicing
- c. Generation and signing of the JSON file
- d. Sending of the signed file to the Tax Administration for its verification of authenticity.

3. Operating systems

To implement electronic invoicing, taxpayers have the following options:

- a. **DTE transmittal system:** This is an option that is available for all of the taxpayer categories, which requires the support of a certified service provider. With this system, the taxpayer makes adjustments to their internal invoicing system, in accordance with the functional and technical requirements for generating the DTE that will be transmitted to the Tax Administration.
- b. **DTE invoicing system:** This is an option provided by the Tax Administration, which will be made available according to the terms set by the Tax Administration.

4. Process for authorization to become a DTE issuer

For purposes of implementing electronic invoicing, currently the process is as follows:

- a. **Taxpayer requests entry into the program:** A written request must be submitted, for which the Tax Administration has provided a format that can be downloaded from its webpage.

- b. **Tax Administration issues approval:** Tax Administration shall provide induction into the program and send the technical and functional information for initiating software development.

- c. **Taxpayer makes adjustments to their invoicing information system, per the technical specifications:** Software that allows for the issuance of DTE can be acquired, adapted or created.

- d. **Taxpayer performs transmittal testing:** With the support of the Tax Administration, tests are performed to verify the proper functioning of the system.

- e. **Taxpayer submits written request for authorization to become a DTE issuer:** The format for the written request has been created by the Tax Administration and is available on its webpage.

- f. **Tax Administration issues resolution authorizing issuance of DTE:** The resolution provides the aspects that the taxpayer must comply with throughout the electronic invoicing process.

- g. **Taxpayer begins to operate as an issuer of DTE:** At this time, the taxpayer can start issuing DTE.

5. Events used in the DTE

Events are data messages that arise due to a situation affecting an electronic document, and are not tax documents.

They are used either due to an error in the tax documents or the inability to transmit them.

The types of events that have been implemented are the following:

- a. **Voiding event:** These are used when there are errors that raise the need to void the transaction and must be performed within the terms established by the Tax Administration for each type of document.

- b. **Contingency event:** A contingency can be defined as an unforeseen situation that impedes the ability of the issuer of electronic documents to immediately transmit the electronic documents to the Tax Administration.

Electronic invoicing is already a reality in El Salvador, and thus it is recommended that all taxpayers inform themselves about the process and assess whether it could be beneficial for their operations to voluntarily implement it or wait until it is mandatory.



Jhonny Flores
Tax Consulting Manager
jflores@deloitte.com



Federico Paz
Tax Partner
fepaz@deloitte.com

Tax Calendar

June 2022

The updated 2022 tax calendar is now available on the Tax Administration's website, which includes public holidays and deadlines for all tax obligations.

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		



Download the 2022
Obligations Calendar

June 14

VAT

Declaration and payment of the Tax on the Transfer of Movable Goods and the Rendering of Services (F-07).

Financial Income and Transactions

Monthly declaration of Payment on Account, and Tax Withheld on Income, Financial Transactions, and the Special Contribution for Citizen Security and Coexistence (F-14).

Specific and Ad Valorem Taxes

Declaration and payment of Specific Taxes, Ad Valorem Taxes and Special Contribution (F-06).

Other Obligations

- Report on Donations (F-960)
- Report on Specific and Ad Valorem Taxes on Producers and Importers of Alcoholic Beverages, Potable Ethyl Alcohol and Beer, Carbonated Beverages, Isotonic Beverages, Fortified Beverages or Energy Drinks, Juices, Nectars, Soft Drinks and Concentrated or Powder Mixtures for the Preparation of Drinks (F-955).
- Report on Specific and Ad Valorem Taxes on Producers and Importers of Firearms, Ammunition, Explosives and Similar Items, Producers of Tobacco and Producers, Importers and those that clear fuels through customs (F-988)

- Monthly Report of Sales to Producers, Distributors or Retailers of Tobacco and Tobacco Products (F-956).
- Statement of Origin and Application of Funds (F-950).

June 22

VAT

Monthly Report on Withholdings, Collections, or Payments on Account of VAT (F-930).

Printing Presses

Monthly Report on Documents Printed for Taxpayers Registered under the VAT (F-945).

June 17

Father's Day holiday

Contacts

Federico Paz
Tax Partner
fepaz@deloitte.com

Ghendrex García
Tax and BPS Partner
ggarciaq@deloitte.com

Mario Coyoy
Transfer Pricing Partner
mcoyoy@deloitte.com

Henry Aguirre
BPS Senior Manager
haguirre@deloitte.com

Cosette Fuentes
Legal Services Manager
cg.fuentes@deloitte.com

Jhonny Flores
Tax Consulting Manager
jflores@deloitte.com

Alvaro Miranda
Transfer Pricing Manager
ajmiranda@deloitte.com


Wilmer García
Transfer Pricing Manager
wsgarcia@deloitte.com


Bryan Antillón
Transfer Pricing Manager
bantillon@deloitte.com


Cristina Hernández
Tax Manager
roshernandez@deloitte.com

Global news, local views
Deloitte tax@hand newsfeed

Download the mobile app

 GET IT ON
Google Play

 Download on the
App Store



Deloitte refers to Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, its network of member firms, and their related entities, each of which is a legally separate and independent entity. Please see www.deloitte.com to learn more about our global network of member firms.

Deloitte provides audit and assurance, consulting, tax and legal, risk advisory, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte's more than 345,000 professionals are committed to making an impact that matters.

As used in this document, "Deloitte" refers to Deloitte El Salvador S.A. de C.V., which has the exclusive legal right to become involved in, and limit its business to, the provision of audit, consulting, tax and legal, risk advisory, financial advisory and other professional services under the name "Deloitte".

This communication contains general information only, and Deloitte is not, by means of this communication, rendering accounting, business, financial, investment, legal, tax or other professional advice or services.

This communication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and Deloitte shall not be liable or responsible for any loss or damage sustained by any person relying on this communication.

Deloitte El Salvador, S.A. de C.V. and Deloitte Consulting S.A. de C.V., referred to above and hereinafter as Deloitte El Salvador, with registered office address at Edificio Avante, Penthouse Offices 10-01 and 10-03, Urbanización Madre Selva, Antiguo Cuscatlán, La Libertad, San Salvador, El Salvador, will handle your personal data for the following purposes: (i) participating in professional training activities; (ii) participating in social and professional responsibility activities; (iii) participating in events, training, seminars, and courses, among others; (iv) preparing commercial and informational material; (v) evaluating the quality of our services; (vi) sending electronic mails requesting information; (vii) contacting your or organizing events for marketing, advertising or commercial research purposes, in accordance with our Privacy Notice. You can consult such notice on the webpage of Deloitte El Salvador, in case you have a question, wish to raise a complaint, or wish to exercise your rights, or you can contact us by emailing privacidad@deloittemx.com

© 2022 Deloitte El Salvador