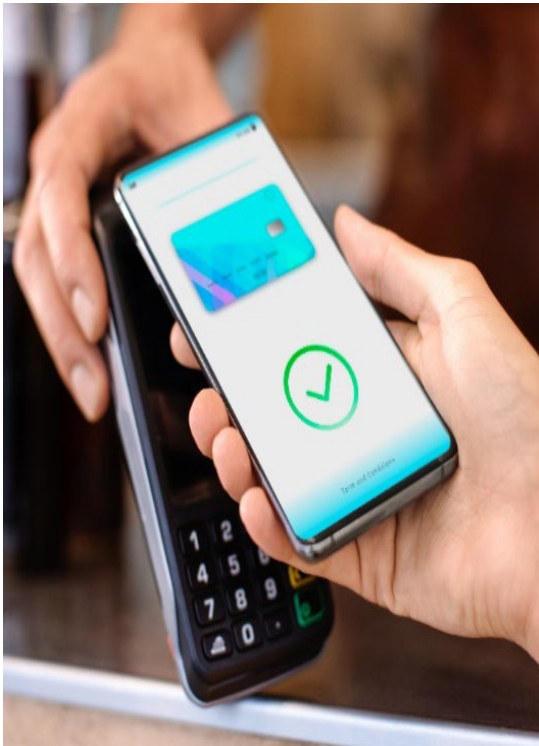


Tax Newsletter

Timely news and information on national tax issues

Main Challenges for the Implementation of Electronic Invoice in El Salvador



In February 2023, the Tax Administration kicked off the Plan for the Implementation of Electronic Tax Documents (DTE per its Spanish acronym). Notwithstanding, as of now, such implementation is not mandatory for all taxpayers, since notifications are gradually being sent to those taxpayers that have been designated by the Tax Administration for the implementation of the Electronic Invoice.

Due to this gradual widespread implementation of the Electronic Invoice in El Salvador, some significant challenges have been observed, which each taxpayer must timely deal with, including the following:

- 1.** Taxpayers must evaluate the special transactions of their business, such as: retail sales, treatment of returns and/or sales discounts, bonuses, promotions, or other similar items in order to appropriately verify the DTE to be used for each type of transaction.
- 2.** Taxpayers must consider the volume of documents issued in each monthly period, to ensure the capacity of the invoicing system in

the transmission of data.

- 3.** Taxpayers must define appropriate internal controls within their various establishments (branches or agencies).
- 4.** Taxpayers need to create and update customer and supplier databases, for purposes of obtaining the minimum information required and complying with the formal requirements for the issuance and receipt of DTE.
- 5.** It is necessary to consider the feasibility of the taxpayer developing, adapting, or acquiring an internal invoicing system that is compatible with the transmission of data to the Tax Administration.
- 6.** Taxpayers must consider the types and methods of payment used in their sales and purchasing transactions.
- 7.** Taxpayers must prepare a budget for the resources and time they will need to invest in the implementation process for the Electronic Invoice.

8. Taxpayers must design a work plan that involves the different areas of the company (operations, business or sales, accounting and finance).

In addition to the above, it has also been observed that the term granted by the Tax Administration for the implementation of the Electronic Invoice is from 4 to 5 months. However, taxpayers may opt to file a request for an extension in the event they identify conditions specific to their business that justify the need for a longer term.

Thus, it is important to invite all taxpayers to perform a diagnosis of their current invoicing process, considering the requirements that must be met for the implementation of the Electronic Invoice, which will allow them to identify areas of opportunity for improvement and define an action plan so they can adequately prepare themselves for the issuance of DTE.

In 2023, El Salvador has started the gradual implementation of the Electronic Invoice. In light of the challenges this brings, it is necessary for taxpayers to timely take the necessary measures for **adapting to this new reality.**

More information:



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Tax Calendar

July 2023

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Tax Obligations before the Tax Office (Ministerio de Hacienda)



Municipal Tax Obligations



Payroll Management Obligations

July 2023

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	14
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

To learn more about **July's** obligations:



Download the 2023 Tax Calendar

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