

E-INVOICING

IN LATIN AMERICA



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1 E-INVOICING IN LATIN AMERICA

INTRODUCTION

The global e-invoicing market is forecast to quadruple by 2035. In total, the volume of e-invoices exchanged is calculated to reach 55 billion. In this scenario, Latin America will again play a key role. The 2019 Billentis Report says the region will handle around 21 billion e-invoices, of which 13 billion will be in the B2B2G sphere.

Latin America will handle 21 billion e-invoices by 2035

The electronic invoice is the primary billing model in most Latin American countries. In countries such as Mexico, Brazil, and Chile, the electronic invoice is already used in 100% of commercial transactions. In other countries such as Argentina, Colombia, Peru, or Uruguay, the electronic invoice has been a consolidated model for years. Meanwhile, in countries such as Bolivia, Ecuador, Guatemala, the Dominican Republic, or Paraguay, it is expected that their adoption processes for the electronic invoice will be completed in the coming years.

WHY ARE COUNTRIES ADOPTING IT?

Latin America is the most advanced region in the implementation of electronic invoicing. There, this system has become a tool to improve fiscal control and mitigate high evasion rates.

e-Invoicing has been tapped as an effective tool for fiscal control

Therefore, more and more countries are deciding to implement electronic invoicing in their economies. Some countries in the Americas have been at the forefront of this technology for years, with Mexico and Brazil being the most advanced in legislation on electronic invoicing. Tax authorities in Central and South America are following these more consolidated models and adapting them to their own fiscal models. The success of this in neighboring countries is encouraging and largely justifies its expansion. There are multiple advantages that this new way of operating provides:

1



OPERATIONAL EFFICIENCY

Efficiency is a quality intrinsic to any e-invoicing process. The reach of electronic documents covers all social areas, powering its efficiency. Automated management (issuance, sending, and receiving), integration with accounting systems, and account management reduce wait times, eliminate human error, and boost efficiency.

2



TAX ADVANTAGES

A battery of laws have been implemented around e-invoicing, adapting to the characteristics of each country and addressing aspects such as format, enforceability, archiving standards, authenticity and integrity, etc. The e-invoice undergoes numerous legal and tax checks, since it is used as a tax collection mechanism.

3



TECHNOLOGY USED

E-invoicing cannot be performed without a system to process it digitally, rendering the use of paper unnecessary. EDI (Electronic Data Interchange) technologies have enabled the rollout of the e-invoice. EDI has driven the electronic interchange of data based on common standards able to produce digital documents. The advancement of the Internet and parallel development of security protocols in digital communications, as well the rollout of tools like the electronic signature to guarantee document authenticity, facilitate the preservation and indexing of digital documents.

All of these factors have driven the expansion of the e-invoicing.

4



COST REDUCTIONS

The cost difference between issuing a paper invoice and an electronic one can be as much as 90% since some steps can be eliminated entirely (printing, postage, sending and receipt-generation). Combining the savings with the speed that a fully automated and digital process entails can amount to a significant cost reduction.

5



ENFORCEABILITY OF USE

The electronic invoice in Latin America has been progressively implemented by various tax authorities. E-invoicing has become a determining factor in generating savings and boosting competitiveness and business management and as an effective tool for preventing tax fraud. Authorities can now obtain detailed information on almost 100% of the invoices issued in a country in real time, meaning they can perform real time audits on tax collection.





ORIGINS OF THE E-INVOICE IN LATIN AMERICA

Its origin dates back to 2003 in Chile, where Exempt Resolution No. 45 was approved, giving taxpayers the possibility of using this system voluntarily. This made the Andean country a pioneer in electronic invoicing worldwide. Their steps were followed by Mexico and Brazil, which began their electronic invoicing processes in 2004 and 2005 respectively and were the first to make its use mandatory. Being the first, as well as the success in its implementation, has made Chile, Mexico, and Brazil a reference for the rest of the countries in the region, who have taken their billing models as an example for the development of their own.

In recent years, there has been a significant increase in the adoption of electronic invoicing. Argentina is another country at the forefront, since 2016, all economic sectors are obliged to use e-invoicing in their commercial relations. Its neighbor Uruguay also implemented electronic invoicing in 2016. In Bolivia, Ecuador, Guatemala, the Dominican Republic, and in Paraguay, they are finalizing their progressive adherence projects, while Panama is in the midst of developing the adoption of e-invoicing.

E-INVOICE STATUS IN LATIN AMERICA



COMMON FEATURES OF E-INVOICING IN LATAM

E-invoicing is used to ensure that taxpayers' invoicing and transactions are under constant observation, making it easier to detect tax fraud.

The laws pertaining to e-invoicing across Latin America are designed to increase internal control and efficiency objectives of the tax authorities. E-invoicing allows them to:

-
- 1 Know the cash flows of taxpayers with the greatest possible precision by checking the received and emitted invoices of every company.
 - 2 Conduct real time audits on taxpayer purchases and sales and collect statistics on a sector level..
 - 3 Know the detail of the tax balances any company must settle with the authorities. Since this information is available for every invoice it is the perfect tool to fight tax fraud.
-

Although Latin American countries have many e-invoicing features in common, the complexity of their e-invoicing systems vary. The main characteristics are:



ENFORCEABILITY



Most e-invoicing models make the e-invoice mandatory across the board. Laws are initially drafted to impose its mandatory emission according to companies' revenue, sector, invoice amount etc. As previously mentioned e-invoicing is used as a tax audit mechanism and its widespread adoption increases a tax authority's capacity to detect fraud.

FISCAL CONTROL CODES



Unique Identification codes are defined by tax authorities to be used in invoices guaranteeing the fiscal validity of the document and replacing the use of internal folio numbers.

PRIOR ADMINISTRATIVE PROCEDURES



Some countries require application processes, government registrations and other processes to register as e-invoice issuers or recipients. These steps must be taken before beginning to emit or receive e-invoices as the tax authority must identify every user.

E-SIGNATURE



The e-signature is widely used across all the countries that are working with e-invoices, ensuring invoice authenticity and content integrity.

FORMATS



The government authority in each country defines the e-invoice format. (usually XML). The format defines the information that should be included on the invoice, as well as the field level syntax. A standard format makes it possible for all users to become easily familiarized with it and facilitates the integration of the invoice to any accounting system.

PRINT FORMATS



Sometimes it is necessary to have visual representations of the electronic document for manual processing by recipients without a technological solution capable of integrating the document (XML). Because of this, it is common to find specifications in the e-invoicing regulations of some countries on how to generate these visual formats. These details include: the minimum content that must appear and even the requirement to insert 2D codes on them to capture tax information directly.

ARCHIVING



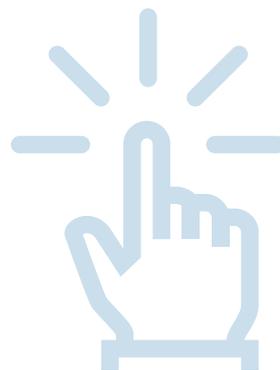
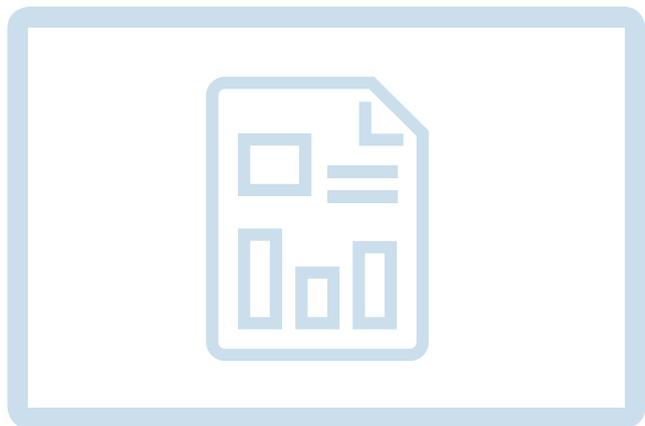
It is usually mandatory for both issuers and recipients to archive electronic documents for a determined period. Revenue authorities may occasionally need to consult archived documents. Some countries have specific regulations on archiving electronic documents like invoices.

Countries such as Mexico have dedicated laws to ensure the authenticity of these documents via authorized trust service providers. These service providers act like electronic notaries, stamping documents and applying electronic time seals in order to guarantee their long term integrity and giving them legal weight in the event of third-party litigation or subpoenas.

2 GUIDE TO E-INVOICING BY COUNTRY



Different Latin American countries adopt individual features in their e-invoicing laws. Let's take a detailed look at e-invoicing properties across the different countries.



ARGENTINA



Not standardized



Not compulsory



10 years

The origins of e-invoicing in Argentina date back to 2009 but the start of the mass rollout of the e-invoice did not take place until July 2015. General Regulation (RG) 3749 establishes that **all taxpayers except those taxed under Simplified Regime categories B to G would have to use electronic receipts in their business relationships.**

Taxpayers must obtain an Electronic Authorization Code (CAE) to sign up to the e-invoicing regime. The authority that manages it is the Administración Federal de Ingresos Públicos, (Federal Administration of Public Income, AFIP). As set out in RG 4290, **e-invoicing is mandatory for all business categories, including those taxed under the simplified regime.**

TAX AUTHORITY

AFIP - Administración Federal de Ingresos Públicos.

ENFORCEABILITY

Since April 2019, electronic invoicing is mandatory for all categories of companies, including sole proprietors, who may choose to issue electronic invoices and not use fiscal controllers.

REQUIRED ADMINISTRATIVE PROCEDURES

It is necessary to request the CAE (Electronic Authorization Code) or for large volumes CAEA (Advanced Electronic Authorization Code).

INVOICE FORMAT

There is no defined format. The issuer generates the document with the format agreed with the customer but must send the issued invoice in XML format through WebServices to AFIP.

E-SIGNATURE

It is not mandatory, although the user must authenticate on WebServices using a digital certificate.

FISCAL CONTROL

An Electronic Authorization Code (CAE or CAEA) must be inserted into the invoice, which is obtained after sending the XML document to AFIP.

PRINT FORMAT

Not standardized, although it requires a minimum of printed fields and a barcode.

ARCHIVING

Mandatory for the issuer and recipient for a period of 10 years.

PURCHASE/SALES SUMMARY

Not applicable.

USEFUL LINKS

<http://www.afip.gob.ar/fe/>

BRAZIL

 XML
NF-e, NFS-e,
CT-e

 Mandatory

 5 years

Brazil, together with Mexico, is the most important e-invoice issuer in LATAM and a major global power in issuing electronic tax documents through its various e-invoicing models. In Brazil there are two separate e-invoicing models, one for service invoices and another for product invoices. In these each of these models report to different tax collection authorities.



TAX AUTHORITY

SEFAZ - Secretaria da Fazenda.

PREFEITURA - The equivalent in each city council.

ENFORCEABILITY

Issuing e-invoices in Brazil is mandatory for 100% of taxpayers. This obligation includes sellers of physical goods and services.

REQUIRED ADMINISTRATIVE PROCEDURES

It is necessary to obtain a certificate to sign invoices provided by a certification authority certified by Infraestrutura de Chaves Públicas Brasileira (Brazilian Public Key Infrastructure, ICP-Brasil) and to run a preliminary test with the Secretaria de Estado de Fazenda (Treasury Office, SEFAZ).

INVOICE FORMAT

There are different e-invoice formats, all in XML, but with distinct structures according to the nature of the good to be invoiced:

- **NF-e:** Nota Fiscal Eletrônica, for invoicing products.
- **NFS-e:** Nota Fiscal de Serviços Eletrônica, for invoicing services.
- **CT-e:** Conhecimento de Transporte Eletrônico, Waybill for the transportation of goods.

E-SIGNATURE

Mandatory, XMLDsig format.

FISCAL CONTROL

Taxpayers selling goods must submit their NF-e and Ct-e to the SEFAZ before freight is shipped. The SEFAZ issues an authorization code which will be printed on the graphic representation of each e-invoice in PDF. Taxpayers selling services must submit NFS-e to the prefeitura or city council where the company is registered.

PRINT FORMAT

For the NF-e and CT-e, users must generate the DANFE (Documento

Auxiliar da Nota Fiscal Eletrônica) and DACTE (Documento Auxiliar do Conhecimento de Transporte Eletrônico). These ancillary documents must be printed following a standardized format and must accompany goods during transport. The NFS-e print standard is defined by each prefeitura or city council.

ARCHIVING

Mandatory for issuer and recipient for a period of five years.

PURCHASE/SALES SUMMARY

Not applicable.

USEFUL LINKS

<http://www.nfe.fazenda.gov.br>

<http://www.cte.fazenda.gov.br>

The electronic invoice system in Bolivia is called the Virtual Invoicing System and it is composed of three invoicing modalities: **electronic invoice online, computerized invoice online, and the web portal online.**

Bolivia is in the process of implementing e-Invoicing. However, those companies that prefer to do so can get ahead of the massive implementation schedule and start using e-Invoicing voluntarily.



Mandatory
(Online modality)

TAX AUTHORITY

National Tax Service - SIN

ENFORCEABILITY

Currently, the progressive calendar of mandatory adherence for different groups of taxpayers is being met. The government assigns to each taxpayer the billing modality to be used.

REQUIRED ADMINISTRATIVE PROCEDURES

- Electronic signature certificate (Online Electronic Invoicing modality).
- Credentials authorized by the National Tax Service (Online Electronic Invoicing and Online Computerized Invoicing modalities).

INVOICE FORMAT

XML format. The Virtual Electronic Invoicing system allows the exchange of the following types of

electronic invoices (Invoices with the right to fiscal credit, Invoices without the right to fiscal credit or adjustment document).

E-SIGNATURE

Only mandatory in the online electronic invoicing modality.

FISCAL CONTROL

Invoices must include the Daily Unique Invoicing Code - CUFD issued by the SIN.

PRINT FORMAT

The printed format must contain a QR code to facilitate verification by the recipient.

ARCHIVING

Invoicing issuers in the Online Electronic Invoicing and Online Computerized Invoicing modalities must preserve and safeguard electronic documents, ensuring their integrity and unalterability.

PURCHASE/SALES SUMMARY

Not applicable.

USEFUL LINKS

<https://edicom.com.ar/factura-electronica-bolivia>

CHILE

Chile pioneered e-invoicing systems in 2003. Some of its features were adopted by other Latin American countries like Brazil and Mexico. Although it was the first country to implement a system on a voluntary basis, it was not until 2014 that it began a mandatory rollout which was completed in February 2018 with the incorporation of rural microenterprises.



TAX AUTHORITY

Servicio de Impuestos Internos (Internal Revenue Service, SII)

ENFORCEABILITY

100% of companies, both issuers and recipients.

REQUIRED ADMINISTRATIVE PROCEDURES

A prior application process is required to be accredited as an electronic issuer and obtain the digital certificate. After the application, the taxpayer must undergo a certification process, where they will be enabled with a test environment for simulations and information exchanges. SII will verify the correct generation and reception of the documents. Upon fulfilling all requirements, SII will register them as DTE issuers.

INVOICE FORMAT

Electronic Tax Document (DTE), structured XML format. In Chile, the most common mandatory DTEs are: Invoices, Non-Affected or Exempt Invoices, Purchase Invoices, Invoice Settlements, Debit Notes, Credit Notes, Dispatch Advices, Export Invoices, Export Credit Notes, and Export Debit Notes.

E-SIGNATURE

Mandatory, with a proprietary digital certificate, XMLDsig format.

FISCAL CONTROL

The taxpayer manages Authorization Code of Folios (CAF) when issuing electronic invoices.

PRINT FORMAT

Standardized, it must include a PDF417 barcode.

ARCHIVING

Mandatory for issuer and recipient for 6 years.

PURCHASE/SALES SUMMARY

Monthly declaration through document F29 that the SII sends to companies for ratification.

USEFUL LINKS

<http://www.sii.cl/>

COLOMBIA



UBL
V2.1



Mandatory



10 years

In Colombia, the origin of the electronic invoice dates back to 1995, when it was equated as a sales document to the paper invoice. In 2013, the National Directorate of Taxes and Customs (DIAN) began working on a project to adopt the electronic invoice, inspired by the model of countries such as Chile, Brazil, and Mexico, with the aim of facilitating interoperability between taxpayers and reducing tax evasion.

Since 2019, the electronic invoice has been mandatory for all companies with a presence in the country. Since then, the DIAN has been making evolutions in the electronic invoicing system with the introduction of new mandatory docu-

ments or the evolution of others. For example, the registration of the electronic invoice as a Value Title with new types of events, or more recently, with an implementation date during 2023, the issuance of the electronic equivalent document to the Sales Electronic Invoice for certain sectors of the Colombian economy.

To be able to offer complete solutions with guarantees of integrity and authenticity of information, **EDICOM is accredited as a Digital Certification Entity in Colombia by ONAC to issue digital certificates.**

TAX AUTHORITY

DIAN - Dirección de Impuestos y Aduanas Nacionales

ENFORCEABILITY

Since 2019, all companies and taxpayers are required to issue electronic sales invoices with prior validation before issuing them.

REQUIRED ADMINISTRATIVE PROCEDURES

All companies must register as electronic invoice issuers through the web portal assigned by DIAN. Suppliers must also be certified as Technology Service Providers (PST). In this certification, a unique software identifier is assigned. From that parameter, the “software security code” must be generated, which must travel obligatorily on the invoice.

INVOICE FORMAT

The standard format used is XML, which uses UBL V2.1 (Universal Business Language) adopted by DIAN.

E-SIGNATURE

The digital signature is mandatory as an element to guarantee the authenticity and integrity of the electronic invoice from its issuance to its preservation. The digital signature is generated from a digital certificate issued by a certification authority accredited by the National Accreditation Body of Colombia ONAC, such as EDICOM.

FISCAL CONTROL

A consecutive numbering system must be used, which must be requested from DIAN after being authorized as an issuer of electronic invoices. DIAN grants the ranges and the technical control key necessary to generate the Unique Electronic Invoice Code (CUFE). This code allows identifying the invoice uniquely and also ensures the integrity of the information. The CUFE is encrypted using an SHA384 algorithm and is formed by concatenated data from the invoice plus the technical key.

PRINT FORMAT

A graphical representation of the invoice in PDF format must be provided, including the QR code.

ARCHIVING

It is mandatory for issuers and receivers during the time established by the tax statute.

USEFUL LINKS

<https://www.dian.gov.co>

COSTA RICA

Costa Rica put an e-invoicing pilot project into operation on 14 February 2017 that included large taxpayers as a previous phase to the staggered mass rollout of e-invoicing in the country which ended in December 2018. **Its use is therefore mandatory for all taxpayers both in issuing and receiving.**

Costa Rica has been using version 4.3 since July 2019, which includes three new mandatory electronic receipts: the general e-invoice, the export e-invoice, and the purchases e-invoice.



TAX AUTHORITY

Dirección General de Tributación (Directorate-General for Taxation, DGT)

ENFORCEABILITY

Mandatory for issuer and recipient since 2018.

REQUIRED ADMINISTRATIVE PROCEDURES

Taxpayers must previously register with the Virtual Tax Administration (ATV) in line with the category they belong to and the use they are going to make of the system (electronic issuer/recipient; electronic recipient not issuer; manual recipient, electronic recipient-end consumer).

INVOICE FORMAT

There are different types of e-documents, all defined in XML format: e-invoice, purchase e-invoice, export e-invoice, e-credit note, e-debit note, e-ticket.

FISCAL CONTROL

The e-invoicing workflow in Costa Rica contains two key messages that must be included with electronic receipts:

Treasury Department message: Message the Treasury Department sends in response to the e-invoice issuer, indicating its approval or rejection.

Recipient message: Message the e-invoice recipient sends to the Treasury Department, partially accepting or rejecting it.

E-SIGNATURE

The invoice must be digitally signed using a certificate issued by an international certification authority.

ARCHIVING

Mandatory for issuer and recipient for a period of five years in accordance with Article 109 of the Tax Standards and Procedures Code.

PRINT FORMAT

Electronic documents do not relieve taxpayers of the obligation to print and send invoices on paper whenever the customer demands it. The invoice corresponding to a sales operation or provision of a service must be provided by the established means, whether printed, sent to an email address, or made available by other means.

PURCHASE/SALES SUMMARY

Not applicable.

USEFUL LINKS

<https://www.hacienda.go.cr/contenido/14350-factura-electronica>

ECUADOR



In 2014, the Internal Revenue Service of Ecuador implemented a progressive schedule for the adoption of electronic invoicing, which required certain companies and public entities to join this system. On November 29th, 2022, in accordance with Resolution No. NAC-DGERCGC22-00000024 of Ecuador, the obligation came into effect for the last two million individuals and companies affected by the electronic invoicing scheme.

Initially, the electronic invoicing system im-

plemented by the SRI followed a model with prior validation of electronic documents by the administration before authorizing their submission. Since 2017, only the offline contingency model, as outlined in Resolution 0079, has been in effect. With this model, contingency keys are eliminated as it allows simultaneous issuance of electronic documents to both the SRI and the recipient. The goal is to achieve immediate authorization.

TAX AUTHORITY

SRI - Internal Revenue Service

ENFORCEABILITY

The Internal Revenue Service (SRI) established a progressive adherence schedule for taxpayers based on their revenue and type through Resolution No. NAC-DGERCGC-18-00000191. The implementation schedule was completed on November 30th, 2022, through the Fourth Transitory Provision of the Law for Organic Development of Economic and Fiscal Sustainability after the COVID-19 Pandemic and Resolution No. NAC-DGERCGC22-00000024. With this resolution, the obligation came into effect for the last taxpayers affected by the electronic invoicing scheme. With these last groups, the schedule for taxpayers obligated to issue electronic documents is completed.

- Taxpayers subject to Income Tax who are obligated to invoice electronically.
- Natural persons and entities not considered taxpayers subject to Income Tax, but who:
 - Are obligated to invoice, and
 - Are not obligated to issue electronic sales receipts, retention receipts, and complementary documents in previous obligatory groups.
- Taxpayers who are classified as new withholding agents, including new special taxpayers, must issue their electronic withholding receipts in the ATS version.

REQUIRED ADMINISTRATIVE PROCEDURES

- Have an electronic signature certificate.
- Have contracted a solution to generate electronic receipts

according to the SRI's technical requirements.

- Be registered with SRI en Línea (Form 361).
- Have a registered debit agreement.

INVOICE FORMAT

Electronic receipts are tax documents in electronic format that comply with the legal and regulatory requirements of the SRI. Electronic receipts must be issued in XML format.

E-SIGNATURE

The digital signature is mandatory as an element to guarantee the authenticity and integrity of the electronic receipt from its issuance to its preservation. XMLDsig format.

ECUADOR

FISCAL CONTROL

The receipt is declared to the Internal Revenue Service (SRI), which returns an authorization number, integrated into the document before being sent to the customer.

The CE's are sent to the SRI who validates and authorizes them. Once validated and authorized, they are sent to the receiver, including the authorization code assigned by the SRI, along with a graphical representation called RIDE. It is important to note that receivers must have given their consent to receive electronic receipts. In the event that the receiver

does not consent or requests the printing of the receipt, the issuers must print and deliver the RIDE.

PRINT FORMAT

Graphical representation of the electronic receipt called RIDE.

ARCHIVING

Mandatory for both issuer and receiver for 7 years.

CONTINGENCY

Since December 31, 2017, only the offline contingency model contemplated in Resolution 0079 is in force. With this model, contingency keys are eliminated since it allows for simultaneous issuance

of electronic documents to the SRI and the receiver. The goal is for authorization to occur immediately.

PURCHASE/SALES SUMMARY

Settlement of goods purchases and service provisions has been mandatory since January 2020.

USEFUL LINKS

<http://www.sri.gob.ec>



GUATEMALA

Guatemala is on the verge of completing the migration to the new electronic invoicing system called Online Electronic Invoice Regime - FEL defined by the Superintendency of Tax Administration - SAT.

The SAT defines the segments of taxpayers and the deadlines by which they must be incorporated into the Online Electronic Invoice Regime (FEL).



TAX AUTHORITY

SAT - Superintendency of Tax Administration

ENFORCEABILITY

With the publication of Resolution No. SAT-DSI-838-2019 in the Diario Oficial de Centro América (Official Journal of Central America) in September 2019, the SAT has established that joining the system is mandatory for all taxpayers providing general individual services:

- To the State.
- To decentralized and independent organizations, including Municipalities.
- To entities and businesses in which the majority of capital is derived from State contributions.
- To any nonprofit that receives, administers, or executes public funds.
- To organizations of any type that have fully- or partially-subsidized resources or State contributions as a reve-

nue stream.

- To trusts established with public or social funds.
- To other public sector institutions established in article 1, Decree No. 57-92 of the Guatemalan Congress (“Article 1. Purpose. The buying, selling, and procurement of goods, supplies, works, and services required by State organizations, their decentralized and independent entities, municipalities, and state or municipal public enterprises are subject to this law and its regulations. Donations from people, entities, associations, or other foreign States or Governments made to the State, its agencies, institutions, or municipalities, are withdrawn by mutual agreement of the parties. If these entities or agencies are to make any contribution, they must, with the exception of municipalities, be previously accorded with the Ministry of Public Fi-

nances. Pursuant to the international conventions and treaties of which the Republic of Guatemala is a part, the provisions contained in this law and pertinent regulations shall be applied in a supplementary fashion so long as they are not contradictory.”)

REQUIRED ADMINISTRATIVE PROCEDURES

The taxpayer applies to become an e-invoice issuer within the FEL e-invoicing regime and contracts the services of a Certifier.

Certifiers must be SAT-authorized to operate as an electronic document certifier. This authorization must be renewed each year.

INVOICE FORMAT

File structured in XML format.

E-SIGNATURE

The electronic signature will be mandatory on electronic invoices to guarantee authenticity and non repudiation.

GUATEMALA



FISCAL CONTROL

The certifier generates an authorization number associated with the document before sending it to the SAT.

PRINT FORMAT

Standardized; requires inclusion of CAE and Certifier identification.

ARCHIVING

The SAT will archive all invoices. This does not exempt issuers or recipients from saving the XML file for the term established under the Tax Code. Certifiers must also keep certified DTEs in XML format, along with acknowledgments sent by the SAT.

PURCHASE/SALES SUMMARY

Not applicable.

USEFUL LINKS

<http://portal.sat.gob.gt/sitio/>

MEXICO



CFDI



Mandatory



5 years

The e-invoice in Mexico is called the **Comprobante Fiscal Digital por Internet (Internet-based Digital Tax Invoice - CFDI)**. This e-invoicing system is well established all throughout Mexican society today. The Mexican electronic invoice, created in 2004, has been subject to updates

and changes for years, ensuring a better user experience for taxpayers and to correcting for issues detected over time. Mexico has become a global benchmark in the use of these technologies.

TAX AUTHORITY

SAT - Servicio de Administración Tributaria (Tax Administration Service, SAT).

ENFORCEABILITY

Mandatory for 100% of issuers and recipients.

REQUIRED ADMINISTRATIVE PROCEDURES

Taxpayers are required to obtain a basic electronic certificate called an e.Firma, used to obtain a second electronic certificate called the Digital Stamp Certificate (CSD) which is in turn used to sign CFDIs. Both certificates are issued by the tax authority, the Servicio de Administración Tributaria (SAT).

INVOICE FORMAT

The CFDI is a structured XML file for the online submission to the SAT of various documents including the invoice, payslip receipts and employee salary receipts. The technical description of the XML document structure is found in Annex 20.

E-SIGNATURE

Issuers must digitally sign all invoices. A unique system is used, involving the encryption of the

“original string” data, made up of a series of characters extracted from defined fields.

An additional electronic signature called a “Stamp” must be generated by a SAT-accredited third-party trust service provider after the invoice content and structure has been validated. The third-party trust service provider is known as the Proveedor Autorizado de Certificación (Authorized Certification Provider, PAC).

FISCAL CONTROL

The PAC stamp makes the document valid for tax purposes. All tax receipts must be stamped by a PAC, which then reports the document to the SAT online. The SAT will subsequently make it available to the issuer and recipient in their respective tax mailbox.

PRINT FORMAT

The graphic representation for printing and reading of the CFDI is regulated with respect to the content it must include. One component is a 2D barcode which, when read, directs users to a SAT webpage to check the receipt’s validity.

ARCHIVING

It is mandatory for both the issuer and the recipient to preserve original electronic documents for a minimum of five years. There is a supplementary archiving directive called NOM151 which allows those who comply to attribute greater legal guarantees to the archived e-document and use it as evidence before third parties.

PURCHASE/SALES SUMMARY

Not applicable.

USEFUL LINKS

<http://cfdi.edicomgroup.com/>
<http://www.sat.gob.mx/Paginas/Inicio.aspx>

The Electronic Invoice System of Panama (SFEP) is regulated by Executive Decree No. 367, which establishes the legal requirements for the adoption of electronic invoicing by companies exempted from the use of Fiscal Equipment by the General Directorate of Revenues, the tax authority of Panama.

After the publication of Executive Decree No. 3 published on January 23, 2023, the new obligations for the implementation of the Panama Electronic Invoicing System (SFEP) were established.



TAX AUTHORITY

Ministerio de Economía y Finanzas – Dirección General de Ingresos (DGI)

ENFORCEABILITY

As of January 1, 2023, all RUC (Unique Taxpayer Registry) must use PAC Electronic Invoice as a means of invoicing. Different dates have been established during 2023 for the obligation to issue electronic invoices according to the characteristics of the taxpayer.

REQUIRED ADMINISTRATIVE PROCEDURES

Only the taxpayer ID will be required in order to connect to the e-Tax2 platform. Taxpayers register for the platform on the e-invoicing page of the DGI website.

INVOICE FORMAT

Electronically signed XML, in accordance with Act 51 (22 July 2008), which established the regulatory framework for the creation, use, and archiving of e-documents and digital signatures in Panama.

E-SIGNATURE

In accordance with Articles 2 and 74 of Act 51 (22 July 2008), the issuer's qualified e-signature ensures the legal validity of the electronic invoice. The signature must be generated with a qualified electronic certificate. This certificate is issued by a certifier that is registered with the Dirección Nacional de Firma Electrónica del Registro Público de Panamá (National Electronic Signature Directorate of the Public Register of Panama).

FISCAL CONTROL

Ideally, issuers would use a Unique Electronic Invoice Code (CUFE) to identify the invoice. The use of a CUFE is the responsibility of the taxpayer and does not require the issuance of ranges by the DGI.

PRINT FORMAT

It is called the Electronic Invoice Auxiliary Voucher (CAFE), and there is a format for printing on letter-sized paper or paper tape. The legibility of the printed text on a

CAFE, as well as the paper used, must be guaranteed for a minimum period of 6 months.

ARCHIVING

Issuers enrolled in the SFEP e-invoicing system must save all received and issued invoices in their electronic formats until the related tax requirements have expired (i.e. five years for sales tax, known as ITBMS in Panama).

E-invoice recipients that are not enrolled in SFEP must keep a copy of the CAFE until the related tax requirements have expired.

PURCHASE/SALES SUMMARY

Not applicable.

USEFUL LINKS

www.edicom.com.pa

PARAGUAY



Mandatory



5 years

Paraguay began implementation of its Sistema Integrado de Facturación Electrónica Nacional (Integrated System of National Electronic Invoicing, SIFEN) in 2017. The Subsecretaría de Estado de Tributación (State Undersecretariat of Taxation, SET) is gradually rolling out the system with a pilot plan, including the controlled voluntary and mandatory phases provided for in Decree No. 7795.

As of September 2019, all companies required by the government to comply with the e-invoicing system, as well as those interested in enrolling voluntarily, should be registered with the SIFEN. SET Resolution 23/2019 establishes the process for voluntary enrollment.

TAX AUTHORITY

SET - Subsecretary of State for Taxation

ENFORCEABILITY

Currently in the mandatory adherence phase to adapt to the National Electronic Invoicing System (SIFEN). The adoption of electronic invoicing will be extended until 2024 through the progressive incorporation of all groups of taxpayers required to electronically issue all their tax documents.

REQUIRED ADMINISTRATIVE PROCEDURES

Companies must register and pass a certification stage in the SIFEN system to be enabled as electronic invoice issuers. It is necessary to have the digital certificate and certify all electronic documents, even if they are not issued by the taxpayer. Additionally, the taxpayer's Security Code must be requested for the generation of the QR that will be printed on the KuDe (printed representation).

INVOICE FORMAT

Data transmission to the SET is done through a standardized XML format, called Electronic Document and Electronic Tax Document depending on whether prior or subsequent validation was used.

E-SIGNATURE

It must be digitally signed through a digital certificate granted by an authorized entity.

FISCAL CONTROL

- **Subsequent validation:** The Electronic Document must be sent to the SET within 72 hours from the time of issuance (with some exceptions where the deadline is reduced).
- **Prior validation:** It is delivered to the recipient once the SET has verified the document. For this purpose, the SET grants a unique control code per document (CDC) that validates the veracity of the document and generates the necessary QR code for the printed KUDE format.

PRINT FORMAT

Printed or digital format of the electronic invoice called KUDE.

ARCHIVING

Mandatory for issuer and recipient for 5 years.

PURCHASE/SALES SUMMARY

Not applicable.

USEFUL LINKS

<https://www.set.gov.py/portal/PARAGUAY-SET/>
<https://ekuatia.set.gov.py/portal/ekuatia>

PERU

The electronic invoice in Peru is called CPE (Electronic Payment Vouchers) and is regulated by the Electronic Issuance System (SEE). The use of this system by companies implies the adoption of technical requirements by issuers and receivers and online communication with the National Superintendency of Customs and Tax Administration (SUNAT). A phased implementation began in January 2014. Throughout 2018, companies providing mortgage credit services, companies engaged in manufacturing, construction, hotels and restaurants, and taxpayers with a certain turnover joined the model.

The latest to join the electronic invoicing system are small and medium-sized enterprises, which were granted an extension until early 2022. Currently, 100% of taxpayers are required to issue

invoices in electronic format, affecting the following documents:

- Invoices.
- Sales tickets (individual or daily summaries).
- Credit notes.
- Debit notes.
- Withholding receipts (CRE).
- Income receipts (CPE).
- Shipping documents.
- Public service receipts.
- E-procurement settlements.



TAX AUTHORITY

SUNAT - National Superintendence of Customs and Tax Administration.

ENFORCEABILITY

With the entry of the last group of taxpayers in 2022, all companies and taxpayers are required to issue electronic invoices for both issuance and receipt.

REQUIRED ADMINISTRATIVE PROCEDURES

Process of registration in the SOL system as an electronic issuer of tax documents and selection of both an PSE (Electronic Services Provider) and an OSE (Electronic Services Operator), essential fi-

gures in the process of issuing, validating, and declaring an electronic invoice.

INVOICE FORMAT

The standard format used is XML, which uses UBL V2.1 (Universal Business Language) adopted by SUNAT.

E-SIGNATURE

It is performed through the delegated signature for signing electronic payment receipts, thus guaranteeing the integrity, security, and non-repudiation of electronic transactions.

FISCAL CONTROL

SUNAT has regulated the figure of the OSE (Electronic Services

Operator), who is responsible for registering, validating, and declaring electronic invoices before SUNAT. If the process is correct, the OSE issues a receipt of receipt (CDR).

ARCHIVING

Electronic documents must be stored for 5 years, including rejection receipts issued and received by the taxpayer, as well as daily summaries and cancellation communications.

PURCHASE/SALES SUMMARY

Not applicable.

USEFUL LINKS

www.sunat.gob.pe/

DOMINICAN REPUBLIC



UBL



Mandatory



10 years

The electronic invoice in the Dominican Republic is called Electronic Fiscal Voucher (e-CF) and is regulated by the General Directorate of Internal Taxes (DGII). The digitalization of tax processes is one of the main projects that the DGII is implementing with the aim of reducing the high tax evasion rate suffered by the country.

The electronic invoicing process began in February 2019, and the deadlines for entry into the electronic invoicing tax system have already been established.

TAX AUTHORITY

DGII - Dirección General de Impuestos Internos.

ENFORCEABILITY

Taxpayers obligated to issue Electronic Fiscal Vouchers (e-CF) must comply with this obligation according to the following implementation schedule:

- National Large Taxpayers: January to December 2023
- Local and Medium-Large Taxpayers: January to December 2024
- Small, micro, and unclassified taxpayers: Starting in January 2025

REQUIRED ADMINISTRATIVE PROCEDURES

Issuers must have prior authorization to request and deliver the electronic tax sequence.

INVOICE FORMAT

The format required is XML, specifically the UBL standard.

E-SIGNATURE

The electronic signature verifies the identity of the issuer and ensures the integrity of the data.

Issuers must contact a certification authority recognized by the Instituto Dominicano de las Telecomunicaciones (Dominican Institute of Telecommunications, INDOTEL), which will issue an electronic certificate. The electronic certificate guarantees the identity of the issuer for the time period in which it remains valid.

FISCAL CONTROL

The sequence request and delivery process will follow the below model:

The electronic issuer submits the e-CF sequence request to the DGII. The DGII performs the same validations for sequence delivery as those currently carried out under the traditional billing system, including verification that:

- The issuer's RNC-Registro Nacional de Contribuyentes (tax ID card) is registered as active.
- The issuer is authorized to issue e-CF tax receipts (positive NCF tax receipt number registration).
- The issuer has none of the following fields blocked in the

register:

- PIR-By RNC deactivation.
- NCFNL-Not found .
- Other blocks, e.g., NCFI-Irregular NCF Block.
- The issuer is compliant with all tax obligations.

The result of the verification will show the range of e-CF documents authorized.

PRINT FORMAT

The print format is the paper version of the XML e-CF document to be sent to non-electronic purchasers.

ARCHIVING

Ten years is the minimum amount of time required to preserve electronic documents for their use in demonstrating tax compliance.

PURCHASE/SALES SUMMARY

Not applicable.

USEFUL LINKS

<https://dgii.gov.do/Paginas/default.aspx>

URUGUAY

In Uruguay, e-invoices are referred to as “Comprobantes Fiscales Electrónicos” or CFE. The General Directorate of Taxation (Dirección General Impositiva, or DGI) is the Uruguayan tax authority responsible for overseeing issuance, receipt and storage processes.

The DGI has drawn up a timetable stipulating when the different types of businesses and private individuals must start issuing e-invoices and how the businesses and taxpayers are classified. The roll-out schedule began in 2016 and concluded in December of 2019.



TAX AUTHORITY

DGI - General Taxation Directorate

ENFORCEABILITY

Mandatory for all taxpayers both in issuance and reception.

REQUIRED ADMINISTRATIVE PROCEDURES

The issuer must pass an administrative registration and certification process with the DGI. Upon fulfilling all the requirements, DGI will send a resolution that will register you in the list of electronic issuers.

INVOICE FORMAT

Electronic Fiscal Receipt (CFE) based on the XML standard with a syntax defined and maintained by the DGI.

E-SIGNATURE

Advanced electronic signature is mandatory.

FISCAL CONTROL

The taxpayer manages different CAE (Authorization Certificate for Issuance) to number their invoices and declare them to the DGI. After confirmation of receipt by the DGI, the invoice can be sent.

PRINT FORMAT

Standardized, it incorporates a digital seal represented in a two-dimensional code with fiscal information that allows the invoice to be verified.

ARCHIVING

Mandatory for issuer and recipient for 5 years.

PURCHASE/SALES SUMMARY

The taxpayer must manage a daily report of their electronic fiscal receipts.

USEFUL LINKS

<https://www.efactura.dgi.gub.uy>

<http://www.dgi.gub.uy>

3 HOW TO IMPLEMENT LATAM E-INVOICING IN MY COMPANY



In the globalized business environment, companies tend to operate in international markets. They often come up against local requirements that impact invoicing and accounting processes. Information systems located in a Latin American country that is not a company's founding nation must be able to issue invoices in line with the parameters laid out by the government. In many cases, invoices are electronic and are subject to tax audits.

There are different procedures to handle this situation. One of them is to have a global service provider that can provide services to international companies with centralized systems, through electronic billing platforms that have integration capability, data validation, legal compliance, and document preservation.

INTEGRATION MODULE

The integration module can be described as the information processing and outreach functions that enable connection to a company's internal management system for integrated invoice issuance and reception. It ensures the smooth functioning of the e-invoicing solution by transforming data into the required format with the correct digital signature, or by managing the tax filing and audit process of each country.

SYNTACTIC AND SEMANTIC VALIDATION MODULE

Syntactic validation will ensure that the electronic documents being issued or received comply with the technical requirements laid out in the relevant invoicing legislation. This validation verifies that the format and its version are correct, that it contains the minimum information required, that the certificates used for signatures are valid, etc. In contrast, semantic validation focuses on document content. It is designed to ensure that invoices comply with the business rules agreed upon by the issuer and recipient. Included in semantic validations are data points such as application of discounts, purchase order numbers, proper item coding, etc.



LEGAL VALIDATION MODULE

This is a key feature that a global e-invoicing solution capable of operating in Latin America must include.

Legal validation requires extensive knowledge of the specifications established in each country for e-invoicing. It is essential to have a service provider that efficiently manages the legal aspects on a country-by-country basis. This includes making changes or updates to the global e-invoicing solution in order to guarantee steadfast compliance with legislation as changes are made to the law. The most important aspect of legal validation is its role in providing a document with legal validity for tax purpose. This entails constant oversight of the control codes that the various tax authorities stipulate in their legal provisions.

COMMUNICATION MODULE

A service provider that incorporates communications methods for issuance and reception of electronic documents offers an added value to clients. The ability to leverage a private “Value Added Network” (VAN), interoperability agreements with other VANs, and proprietary B2B communications protocols (OFTP2, AS2, X400, FTPS, etc.) are key to offering impeccable service. A solution with that capacity automates the e-invoicing process, from issuance through dispatch and on to reception of electronic documents.



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