# ZAMBIA REVENUE AUTHORITY

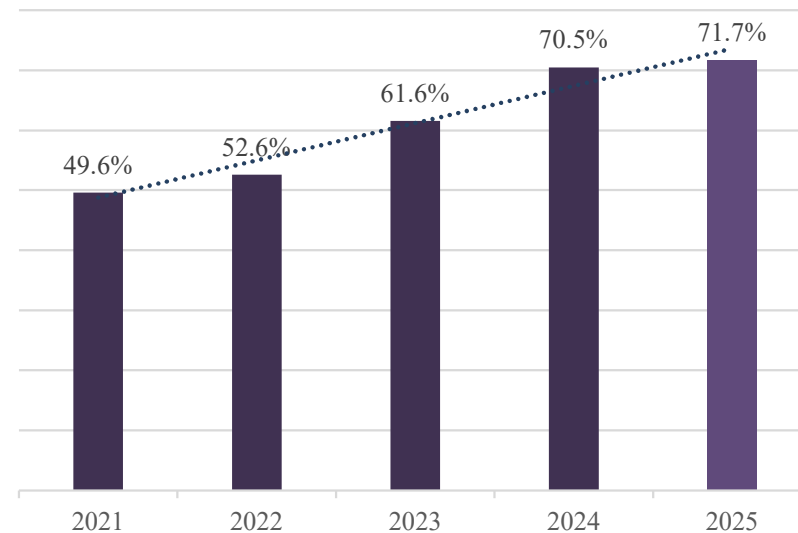## SMART INVOICE

BACKGROUND

ZRA KEY MANDATE

- Revenue mobilisation targets have continued to grow.
- Relative to 2021, the 2025 ZRA target is 162% higher, from K59.4 billion to K155.7 billion, demonstrating increasing dependency on domestic resources to support the Government Budget, from 49.6% in 2021 to 71.7% in 2025.

Parliament Target, 2021 - 2025, ZMW' Billion

+162%

ZMW 155.70
ZMW 125.30
ZMW 103.10
ZMW 91.00
ZMW 59.40

2021 2022 2023 2024 2025
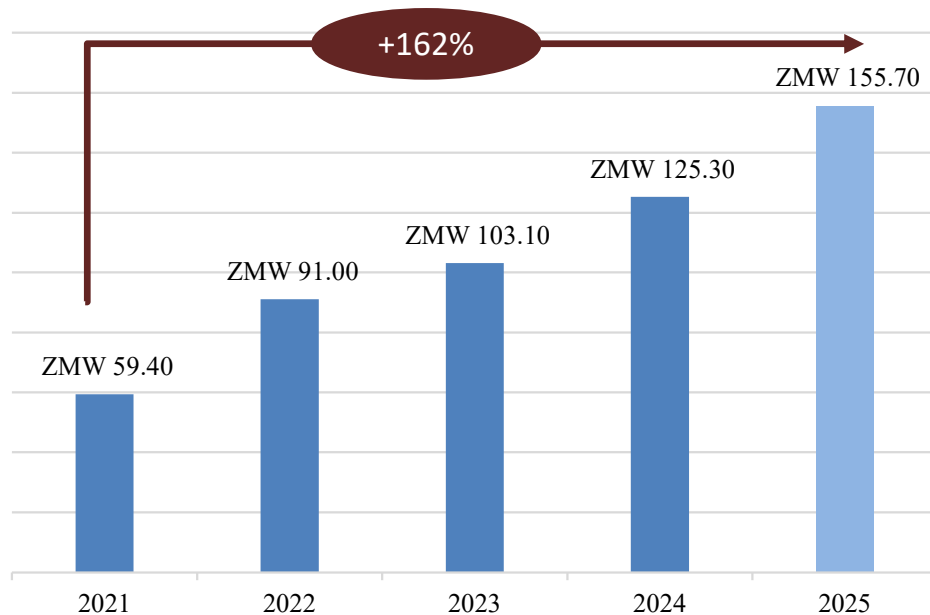
ZRA Target as Share of Government Budget

49.6% 52.6% 61.6% 70.5% 71.7%

2021 2022 2023 2024 2025

DIGITALISATION AS KEY ENABLER

ASYCUDA Automated System for Customs Data

TaxOnline Easing Tax Compliance

MOSES

RTSA Interface

TaxOnPhone Dial *858#

TaxOnApp

PACRA Interface

BIDA
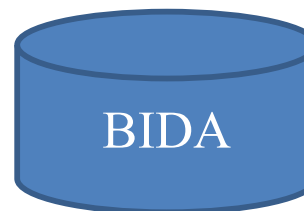
AI

Smart INVOICE Invoice the Smart Way

Smart Invoice is a software-based electronic invoicing solution that taxpayers use to manage their invoices.

PROJECT MILESTONES

1   **Pilot Rolled Out:** 15th December 2023

2   **Launched**: 19th March 2024

3   **Mandatory** (for VAT registered taxpayers)**:** 1st July 2024

4   **Commencement of Enforcement:** 1st October 2024

5   **VAT Input Restriction:** 1st January 2025

6   **Automation of Smart Invoice Penalties**: 8th February 2025

BENEFITS

EFFICIENCY AND ACCURACY

- Electronic invoicing greatly reduces the likelihood of **errors** in tax calculations and reporting, leading to improved accuracy in tax collection and a significant reduction in the need for tax adjustments.
- Smart Invoice allows for **cost saving** due to the reduction of manual data entry and paperwork associated with manual invoicing.

SIMPLIFIED TAX ADMINISTRATION

- Simplified tax administration with the opportunity to facilitate the implementation of **pre-filling of returns.**
- Provides the foundation for the much-desired **expansion of the tax base**

DATA-DRIVEN DECISION MAKING

- Smart Invoices are a rich source for data analytics, and the data collected will be used to guide national decision-making and resource allocation.
- **Increased visibility of the shadow/grey economy** to allow more taxpayers to contribute to revenue collection for national development.

ENVIRONMENTAL BENEFITS

- **Environmental benefits** due to reduced paper usage.

COMMON CHALLENGES

ZAMBIA REVENUE
AUTHORITY

RETURN FILING

Summary of key issues identified

i)   Purchaser TPIN, and Invoice Number
      Format Errors:
  - Incorrect invoice formats
  - wrong invoice numbers
  - Wrong supplier TPINs.
  - Missing or invalid purchaser TPINs.

ii)   Mismatch in VAT Amounts and Net
Amounts:
  - Discrepancies in recorded amounts.
  - Issues with foreign currency
    transactions due to exchange rate
    variations.

Corrective actions

i.   **Business to Business** (B2B)
      transactions should always have
      a **correct TPIN** and have
      correct customer details.

ii.   Agee on **exchange rate,** ensure
      both the **supplier and
      purchaser** indicate **correct
      exchange rate**.

iii. Foreign currency should be sent
      with correct code and exchange
      rate to API

RETURN FILING ON TAXONLINE USING SMART INVOICE GENERATED INVOICES

1. Format for Invoice Numbers

When filing a return, an *invoice number* must be entered in a manner that combines the letters **INV**, the **Sales Data Controller (SDC) ID** (without the prefix SDC) / and the **invoice number**.

(e.g.: - INV0010015338/34993 where the SDC ID is 0010015338 and Invoice number is 34993).

2. Format for Credit Note Numbers

When filing a return, a *credit note* must be entered in a manner that combines the letters **CRN**, the **SDC ID** (without the prefix SDC) / and the **credit note number**.

(e.g.: - CRN0010015338/35654 where the SDC ID is 0010015338 and the credit note number is 35654).

RETURN FILING ON TAXONLINE USING SMART INVOICE GENERATED INVOICES

3. Format for Debit Notes Numbers

When filing a return, a *Debit note* must be entered in a manner that combines the letters **DBT**, the **SDC ID** (without the prefix SDC) / and the **debit note number**.

(e.g.: - DBT0010015338/35654 where the SDC ID is 0010015338 and the debit note number is 35654).

RETURN FILING

Further guidance on the submission of returns just in-case you are still having challenges:

1. Login
2. Click returns
3. Delete the return in progress
4. Begin resubmission of information (start afresh)
5. Submit once completed
6. Ensure you are using the latest return template by downloading a new one
7. Ask Zax
8. If errors persist please write to advice@zra.org.zm