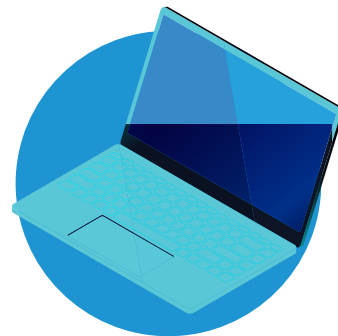


SMART INVOICE

FREQUENTLY ASKED QUESTIONS

Smart INVOICE

Invoice the Smart Way



Following the pronouncement made during the 2024 national budget address by the Minister of Finance and National Planning to implement electronic invoicing, taxpayers will be required to use the **Smart Invoice** to record all transactions. Smart Invoice will commence by way of a pilot before full rollout.

What is Electronic Invoicing?

Electronic invoicing is a type of invoicing that allocates each transaction with a special mark of authenticity called fiscal signature, and transmits invoice data to the tax authority in real-time. This type of invoicing will replace the Electronic Fiscal Devices (EFDs) that are currently in use.

What is Smart Invoice?

Smart Invoice is an electronic invoicing system that will be used by ZRA to manage all invoices and stock data which will be transmitted to ZRA by taxpayers.

What is the difference between the Electronic Fiscal Devices (EFDs) and the Smart Invoice?

The implementation of EFDs was mainly based on physical gadgets (devices) while Smart Invoice will be software based. Additionally, the EFD implementation only covered Value Added Tax (VAT) and Insurance Premium Levy (IPL) while Smart Invoice will cover more types of taxes or levies such as VAT, Turnover Tax, Rental Income, IPL, Tourism Levy and Local Excise Duty on Electric Energy. The Smart Invoice will also have a component that will provide for stock management.

How will taxpayers fulfil the requirement to use Smart Invoice?

To fulfil the requirement to use Smart Invoice, taxpayers will need to use any of the invoicing solutions approved by ZRA.

Does the Smart Invoice cater for the needs of all taxpayers?

The Smart Invoice caters for different categories of taxpayers as follows:

The Mobile App - It is suitable for taxpayers such as those on Turnover Tax and Rental Tax. Taxpayers will install the mobile application on a smartphone or tablet to create and manage transactions. Taxpayers are not restricted to using the mobile application as the only invoicing solution. They can choose to use any of the other available invoicing packages.

Online invoicing - Online invoicing platform is accessed through a web browser or an online portal and suitable for taxpayers in the service industry who do not issue invoices frequently e.g. construction and lawyers.

Desktop Application - This invoicing package is suitable for all taxpayers except those with accounting packages.

It is a software application that is installed on a desktop computer or laptop. It enables users to create, customize, and manage transactions locally on their own devices.

Approved Invoicing Systems – Suitable for taxpayers with Accounting Packages. This refers to systems that are integrated with Smart Invoice after certification.

Will taxpayers be required to pay to install the Smart Invoice?

ZRA will provide Mobile Applications, Desktop Applications and Online Invoicing packages for free to taxpayers. However, taxpayers who may choose to use accounting packages will bear the cost of integrating their systems with the Smart Invoice.

How will taxpayers using EFDs migrate to Smart Invoice?

All taxpayers using EFDs will be trained and registered on Smart Invoice. However, taxpayers will be required to return the Electronic Fiscal Devices to ZRA for deregistration from the Tax Invoice Management System.

Will Accounting packages and Enterprise Resource Planning Systems (ERPs) previously approved for invoicing be allowed for issuing Invoices after the rollout of Smart Invoice?

Taxpayers using Accounting packages and ERPs previously approved for invoicing will be required to integrate their systems with Smart Invoice to meet the legal requirements.

What are the benefits of using Smart Invoice?

Smart Invoice offers several benefits, including reduced tax evasion, improved compliance, cost savings, reduced accounting errors, faster invoice processing, improved accuracy of financial data, reliability of invoice information, ability to pre-fill tax returns, stock management and environmental sustainability.

What are the cost savings associated with Smart Invoice?

Smart Invoice leads to cost savings by reducing the use of paper for environmental sustainability, printing, postage and manual data entry and storage costs. It also minimises the risk of errors, which can significantly result in reduced penalties and interest.

What are the security considerations for Smart Invoice?

Security is crucial in e-invoicing to protect sensitive financial data. Encryption, secure transmission methods, authentication and data access controls will be in place to ensure security.

How can one verify that an invoice is genuine?

Every Invoice generated by the Smart Invoice will have a Quick Response (QR) code and taxpayers can scan the QR code on any mobile application to verify if the invoice is valid or not.

Will there be any exemptions from the use of Smart Invoice?

All taxpayers registered for **eligible** types of taxes will be required to use the Smart Invoice to record transactions. However, the Commissioner General may allow certain categories of taxpayers to use other types of invoicing systems for specific reasons.

Will taxpayers be allowed to issue manual tax invoices to customers after the roll out of Smart Invoice?

All taxpayers required to use Smart Invoice will need to issue electronic invoices from the invoicing solutions after the full roll out.

Will there be penalties for not using Smart Invoice?

It will be a legal requirement to use the Smart Invoice. Failure to issue electronic invoices will attract penalties. The penalties will be specified in the electronic invoicing legislation.

CONTACT US:

For all Smart Invoice relation questions, email SIPROJECT@zra.org.zm or give us a call on 4111