

SunTec Helps Saudi Arabia's Top Bank to Complete e-Invoicing ZATCA Integration Ahead of Time



About the Customer

Established in 1957, the bank is ranked amongst the largest financial institutions in the Kingdom of Saudi Arabia (KSA). It is one of the top 10 financial institutions in the country and provides a range of products and services in compliance with Islamic Sharia to both retail and corporate customers. The bank has an extensive network comprising 340 branches, more than 138,511 POS, and 2,542 ATMs. It also has branches in London (UK), Houston (USA), and Singapore to help support international banking needs of its customers.

The Challenge

In December 2021 the Kingdom of Saudi Arabia made e-invoicing mandatory. Under this, taxpayers were required to move away from physical invoices to compliant digital invoices. In the second phase of the e-invoicing regime, taxpayers had to mandatorily integrate their systems with the ZATCA (Zakat, Tax and Customs Authority) systems. The bank had to ensure the integration of their e-invoicing systems with the ZATCA Fatoorah portal before January 2023.

Moving away from the established invoicing processes in the first phase of the new e-invoicing regime posed a challenge for the bank. The source systems had to be modified to aggregate, capture, and distribute the data required for each mandatory field in the e-invoice. In addition, some new technical components such as Universal Unique Identifier (UUID), tamper-proof counter, invoice hash, and QR code were mandated by the e-invoicing specification. This amplified the magnitude of the challenges.

The bank needed a reliable and compliant e-invoicing engine that could accurately and seamlessly consolidate all the data required to generate e-invoices and e-notes.



The Solution

The bank wanted to work with a technology partner that had extensive experience in working in the region. SunTec, with its 35+ clients in the GCC within the financial services space was the right fit for the bank. The bank was confident that SunTec's best practices would help them de-risk the implementation journey.

SunTec partnered with the bank to help them go live with the Phase 1 requirements of the e-invoicing regime by December 2021. They also helped the bank go live with the Phase 2 compliance mandate by 27th December 2022. The implementation was carried out in two stages:

Stage 1

- The bank implemented SunTec e-Invoicing Solution as an independent solution, with VAT determination done outside SunTec Xelerate platform.
- This engine would capture the relevant details, generate e-invoices and / or tax credit notes, and

generate reports for the bank.

- SunTec e-Invoicing Solution was fully compliant with the government's e-invoicing requirements and could generate invoices in the specified PDF/A-3 format with embedded XML.
- It could also generate consolidated or transaction level invoices.
- This went live in December 2021.

Stage 2

- In this SunTec worked with the bank to integrate SunTec e-Invoicing Solution with the Fatoorah portal via the bank's middleware.
- It helped to generate key compliant elements specified by ZATCA to secure the transaction process. These included the Universal Unique Identifier (UUID), previous invoice hash keys, digital signatures and QR codes.
- The second stage went live in December 2022.

Benefits

The KSA's e-invoicing regime is a mandatory legal requirement and failure to comply with timelines would result in significant financial penalties. By meeting all deadlines and ensuring compliance the bank not only avoided any penalties but also protected its reputation as a market leader in the country.

The bank integrated with the Fatoorah portal and was able to meet the deadline specified for the integration - on or before December 2022. While ZATCA has extended the timeline for full compliance till June 30, 2023, the bank was able to go live with the integration ahead of time.

The bank generated over 1.3M simplified invoices and over 150K standard invoices in the first three months.

The SunTec Advantage

- **100% compliance with the e-invoicing mandate**
- **First bank in the country to meet the specified deadline**
- **Generated over 1.3M simplified invoices and over 150K standard invoices in the first three months**