

## Jordan issues regulations on tax invoicing requirements

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### Executive summary

The Jordanian Council of Ministers issued *Regulations No. 34 of 2019 concerning the organization and control of invoicing matters* (the Regulations) on 3 April 2019, which entered into force on 2 June 2019. The Regulations contain the tax invoicing requirements which must be implemented by a seller when a supply of goods or services is made. Businesses should review their invoicing practices and the effect of the Regulations to ensure they meet the invoicing requirements. Failing to do so may result in penalties.

### Detailed discussion

#### **When the invoice is required to be issued**

Sellers are required to issue an invoice in respect of the sale of goods or services as defined by the Regulations if the value of the sale exceeds one Jordanian dinar. As per the Regulations, at least two copies of the invoice must be issued on the date the sale takes place. Certain exceptions apply for rent contracts and sales made by small grocery stores.

#### **Format and contents of the tax invoice**

Invoices can be issued in paper, computer, or electronic format and must include the following information:

- ▶ Serial number that uniquely identifies the invoice
- ▶ Seller's full name and address
- ▶ Seller's tax identification number (if registered for sales tax purposes) or national number (if not registered for sales tax purposes)
- ▶ Date of the invoice
- ▶ Description of the type of goods or services supplied, its quantity, and value
- ▶ Gross amount of the invoice
- ▶ Purchaser's full name when a deferred or installment sale is made

There are no specifications in the Regulations on the language or currency of the invoices, or on whether the invoices must be signed or stamped. This suggests that invoices issued in foreign languages and currencies and those that do not bear a signature or stamp should be considered valid, unless the Income and Sales Tax Department specifies otherwise.

### Record keeping

Businesses mandated with the requirement of issuing invoices per the Regulations must maintain a paper or computer record of the sales invoices. The record must be printed on letterhead paper that contains the name of the seller and includes:

- ▶ Page number of the record
- ▶ Name of the purchaser
- ▶ Number of the invoice
- ▶ Gross amount of the invoice

Entities may substitute this record with a daily gross invoice that lists all of the sales made within a day in a single invoice. However, this requires the advance approval of the Director General of the Income and Sales Tax Department based on a request made by the entity.

### Retention requirements

The Regulations include a requirement to retain a copy of all invoices issued for a period of four years from any of the following dates:

- ▶ The end of the tax period during which the invoice was issued
- ▶ The date of submission of the tax return
- ▶ The date of being notified of the results of an administrative assessment

Where an invoice is being contested, a copy of said invoice must be maintained until the dispute is resolved or a conclusive decision from the court is issued, provided that the period is not less than the standard record keeping requirement above.

### Exchange of information

The Regulations include a provision which requires sellers to grant the Income and Sales Tax Department electronic access to information related to the invoices. The Regulations do not clarify how this is intended to be implemented in practice, but specify that a department established by the Income and Sales Tax Department for this purpose will be responsible for this process.

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