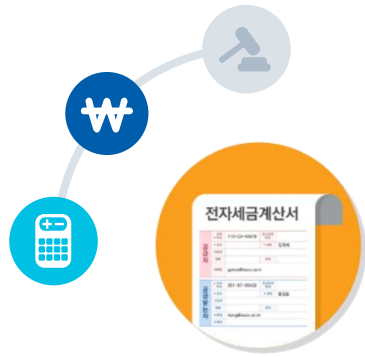


# E-Tax Invoice System Introduction





# Contents

E-Tax Invoice (System Introduction)



Overview



System



Standardization



# I

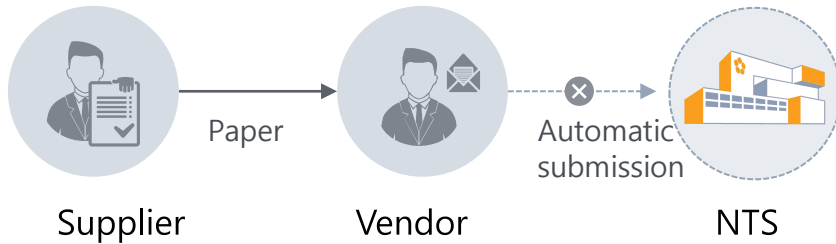
## Introduction

# Overview

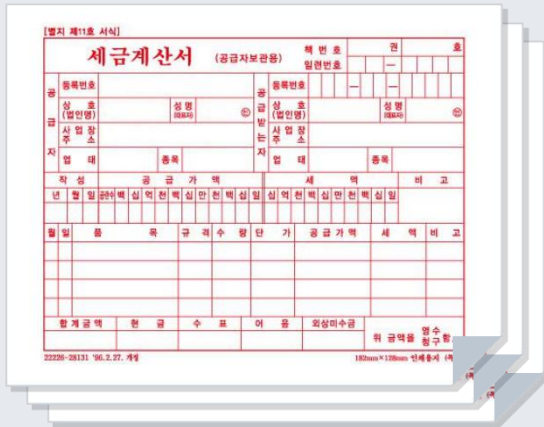
1. Definition
2. Background
3. Footsteps
4. Promotion
5. Results



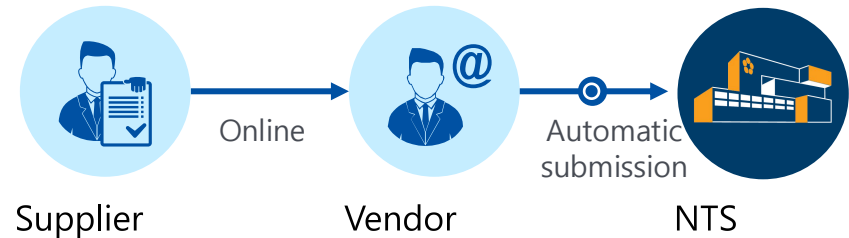
## Paper-based



Supplier collects 10% VAT from purchaser at the time of provision of goods and a paper invoice proves this transaction between two parties



## E-based



Tax invoice is issued electronically and sends data to NTS (Obligation for corporations, individual businesses with prior-yr revenue of more than 300M krw)





### Enhanced transparency, reduced compliance cost

E-tax invoice



Increase in Fraud

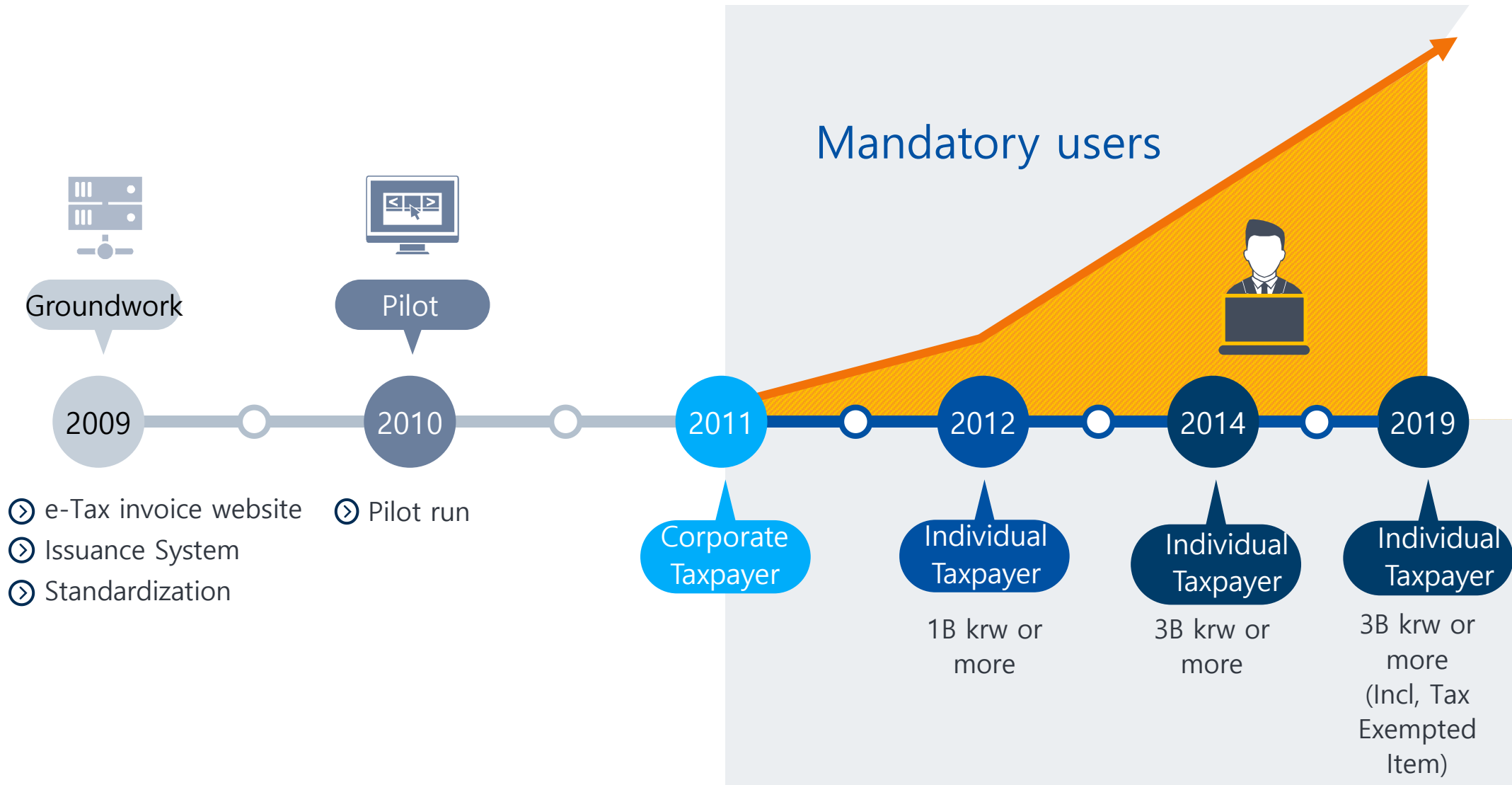
Excessive Compliance cost

Development of IT

- Invoice fraud
- ⌚ (eg. retroactive issuance right before filing)
- ⌚ Takes long to identify fraud

- ⌚ Cost of keeping paper invoices
- ⌚ Increased compliance cost
- ※ Est. 6.7T krw/yr (Korea Inst. Of Public Finance)

- ⌚ World #1 in internet dissemination
- ⌚ More companies using e-invoices





Implementation

Call Center

Incentive/Penalty

Promotions

### System Implementation

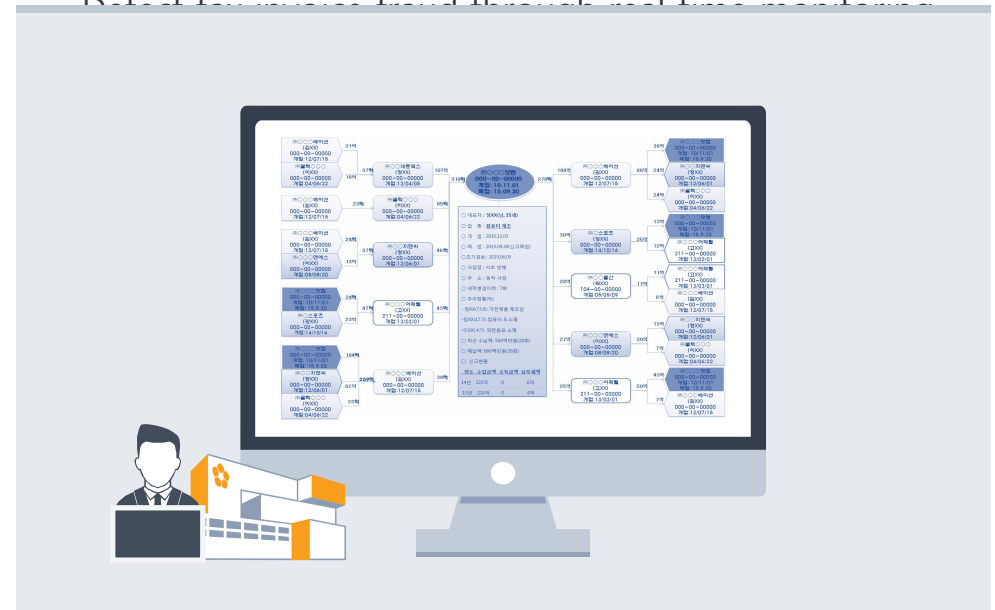
#### Platform

- ⌚ Taxpayer use NTS website for issuance/report/search
- ⌚ E-Tax Invoice Platform(e-Sero) was introduced in 2009
- ⌚ All tax functions are integrated into Hometax in 2015



#### Monitoring and Analysis

- ⌚ Introduce Early Alarm System and Transaction Flowchart
- ⌚ : a monitoring & analysis system





Implementation

**Call center**

Incentive/Penalty

Promotions

### Call center



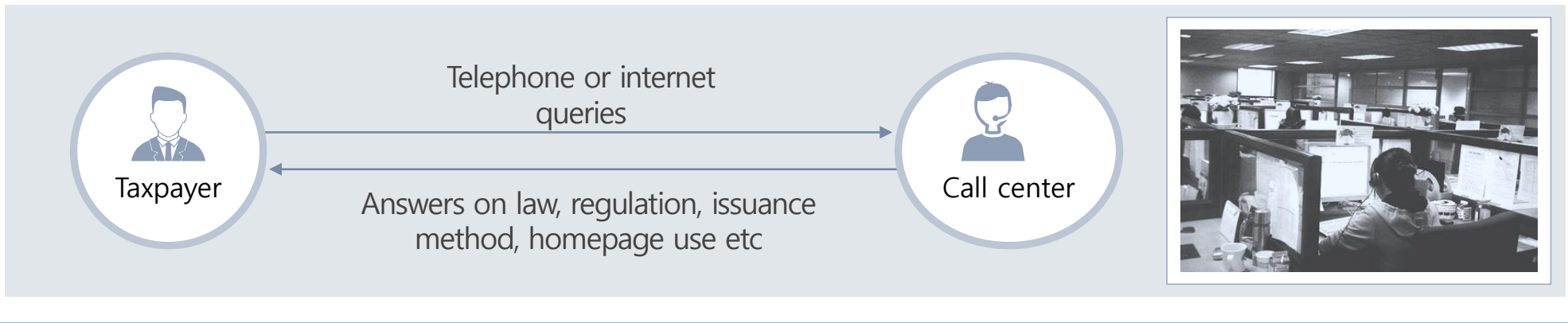
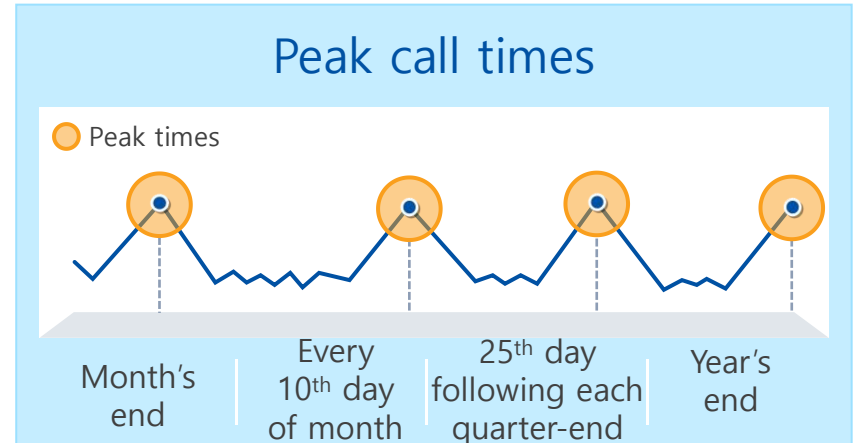
Increased mandatory issuers



Increased inquiries on e-tax invoice system



# of calls spikes near due date







Implementation

Call Center

Incentive/Penalty

Promotions

### Incentives and Penalties

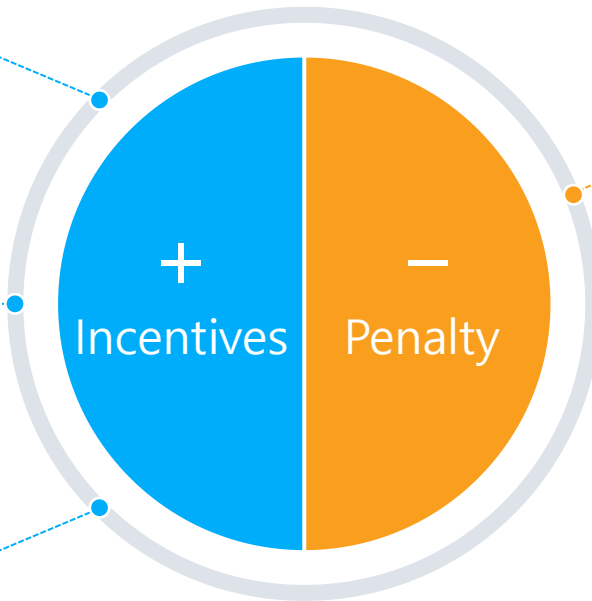
Tax credit for issuance  
200 krw per issuance  
(abolished in 2016)



Documentation waiver  
Waiver from reporting  
statements by every  
trade partners



Cost reduction  
No need to store  
paper invoices



Penalties/fees  
For non/delayed issuance  
For non/delayed  
reporting



Implementation

Call Center

Incentive/Penalty

Promotions

## Promotions

Initial stage  
(2010~2011)

Brand awareness

Settlement stage  
(2012~)

Benefits/convenience

- ① Instructions via homepage
- ① Email/postmail instructions for mandatory issuers
- ① Workshops and seminars
- ① Media promotions
- ① Distribution of various contents (video, booklets, etc.)





### Enhanced transparency



Before filing

### Early alert

Real time monitoring of each e-invoices issued

Early fraud detection



After filing

### Early verification

Analysis of returns immediately after filing

Detection of false claims

+

### Reduced compliance cost

Fast and easy Accounting Work



Invoice



### Reduce cost

900B kwr/yr

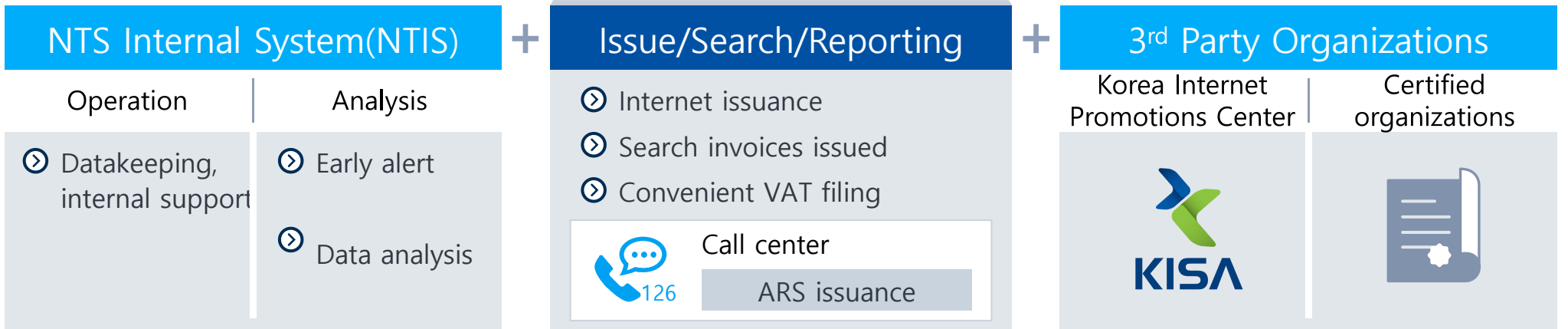


## Introduction

# II

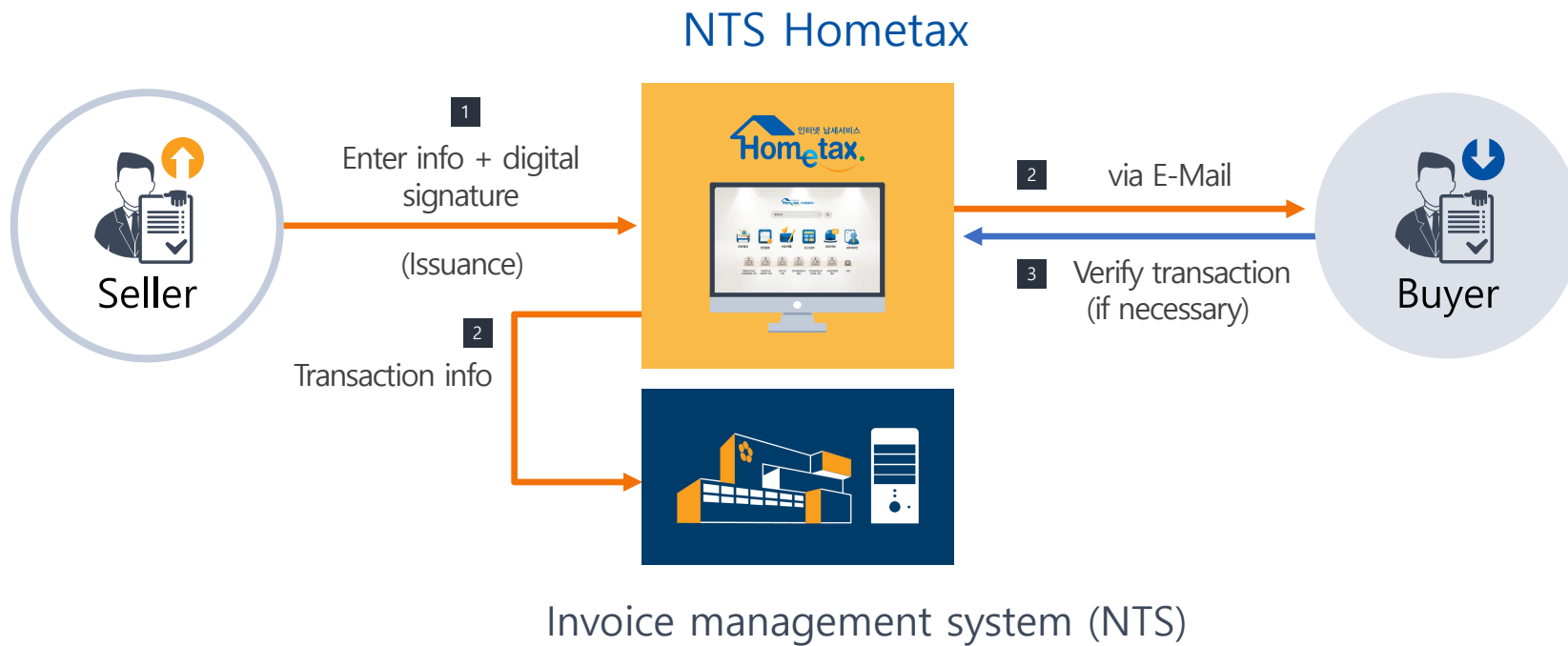
# System

1. Introduction
2. Issuance channel
3. Mobile e-tax invoice

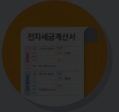




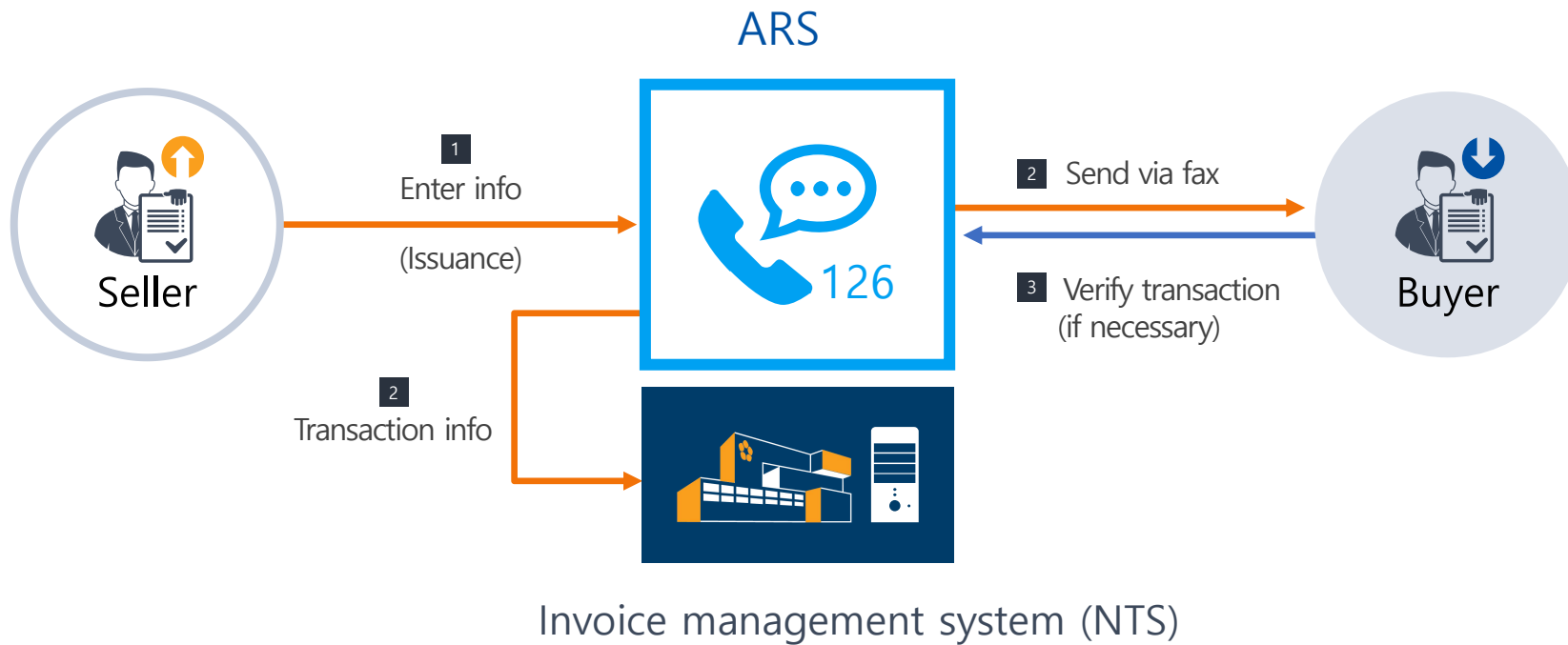
### Issuance via Hometax



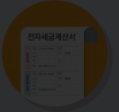
For smaller companies with less issuances



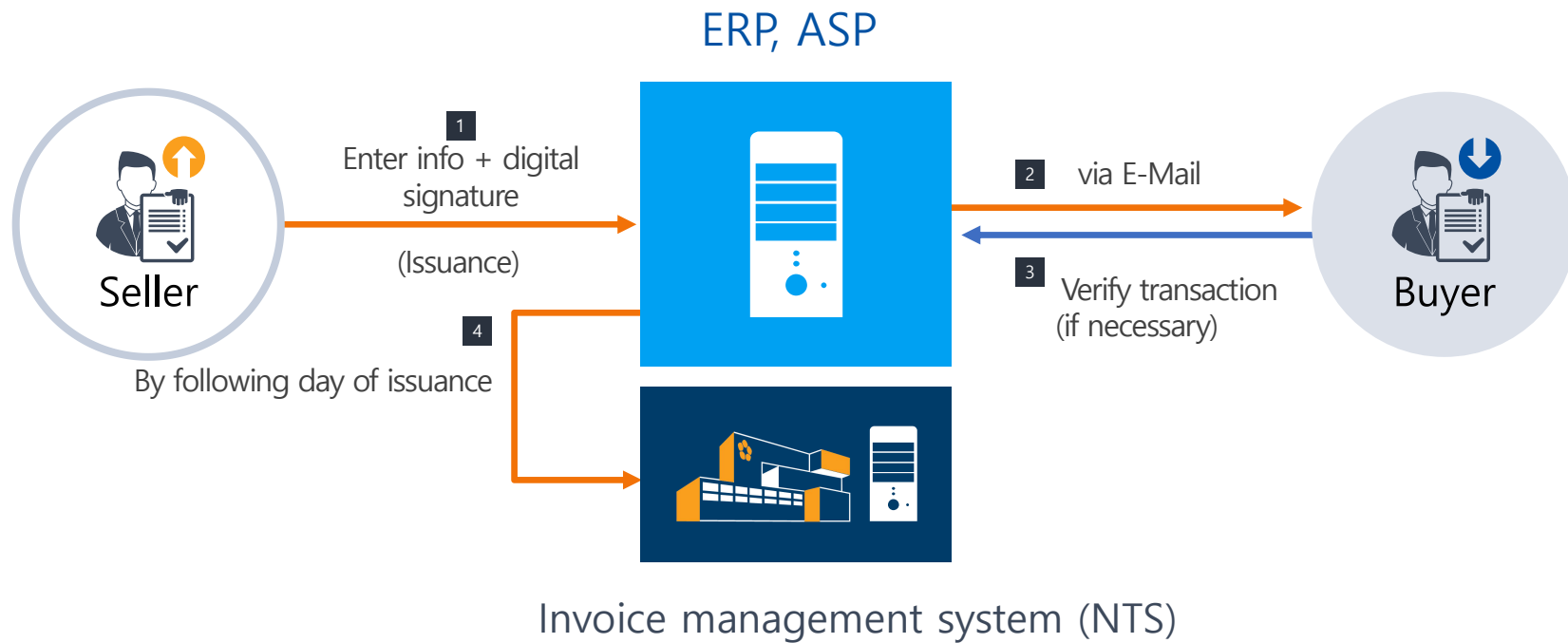
### Telephone ARS



Telephone ARS for non-internet users



### Via ERP, ASP



For companies having own ERP system or outsourcing ASP service





## Introduction

# III

# Standardization

1. Compatibility
2. Flowchart



## Standardization

UN CEFACT-compliant  
(International standardization body)

## Contents

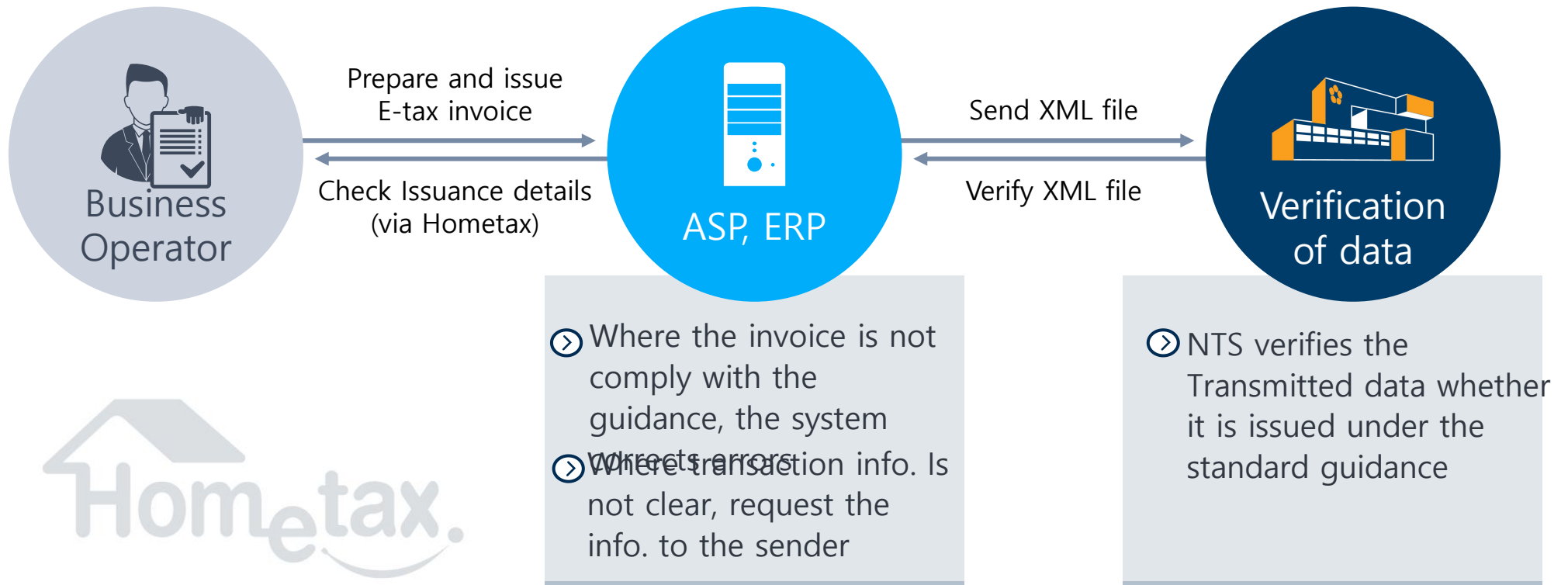
	Invoices	English name, character, size, code #
	E-signature	Adopted XML Digital Signature
	Submission	SOAP(Simple Object Access Protocol) method

## File sample

```
<?xml version="1.0" encoding="UTF-8" ?>
- <TaxInvoice xmlns="urn:kr:or:kec:standard:Tax:ReusableAggregateBusinessInformationEntitySchemaModule:1:0"
  xmlns:xsi="http://www.w3.org/2001/XMLSchema-instance"
  xsi:schemaLocation="urn:kr:or:kec:standard:Tax:ReusableAggregateBusinessInformationEntitySchemaModule:1:0
  http://www.kec.or.kr/standard/Tax/TaxInvoiceSchemaModule_1.0.xsd">
- <ExchangedDocument>
  <ID />
  <IssueDateTime>20120515111543</IssueDateTime>
- <ReferencedDocument>
  <ID />
</ReferencedDocument>
</ExchangedDocument>
- <TaxInvoiceDocument>
  <IssueID>201205151000000000000002</IssueID>
  <TypeCode>0101</TypeCode>
  <IssueDateTime>20120515</IssueDateTime>
  <PurposeCode>02</PurposeCode>
- <ReferencedImportDocument>
  <ItemQuantity>0</ItemQuantity>
</ReferencedImportDocument>
</TaxInvoiceDocument>
- <TaxInvoiceTradeSettlement>
- <InvoicerParty>
  <ID>1208004369</ID>
  <TypeCode>도소매,제조</TypeCode>
  <NameText>(주) 패션</NameText>
  <ClassificationCode>건축,전장품</ClassificationCode>
- <SpecifiedOrganization>
  <TaxRegistrationID>0</TaxRegistrationID>
</SpecifiedOrganization>
- <SpecifiedPerson>
  <NameText>테스트</NameText>
</SpecifiedPerson>
  <DefinedContact />
- <SpecifiedAddress>
  <LineOneText>서울특별시 강남구 삼성동 52-10</LineOneText>
</SpecifiedAddress>
</InvoicerParty>
- <InvoiceeParty>
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- <SpecifiedOrganization>
  <TaxRegistrationID>0</TaxRegistrationID>
  <BusinessTypeCode>01</BusinessTypeCode>
</SpecifiedOrganization>
```



Under the guidance of standardization, system operators issue e-tax invoice and send the data to Hometax



# Thank you

